189th year

generali.com

GROUP ANNUAL INTEGRATED REPORT 2020

GENERALI

GROUP ANNUAL INTEGRATED REPORT 2020

Across almost two centuries of history, Generali has consolidated its resilience and helped people build a safer future by caring for their lives and their dreams.

It remained this way, even in an unprecedented year, such as 2020, and will also be in the future.

The ability to offer solutions with competence and a human touch was celebrated in the Group's first global advertising campaign, from which the images illustrating this Report are taken and which highlight the distinctive characteristics of Generali Red: empathy, passion, dynamism, proactivity.

For us, these are the qualities that people look for in a brand and that add value to the lives of customers, agents, employees, investors and partners.

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

CORPORATE BODIES AT 10 MARCH 2021

CHAIRMAN	Gabriele Galateri di Genola
VICE-CHAIRMEN	Francesco Gaetano Caltagirone Clemente Rebecchini
MANAGING DIRECTOR AND GROUP CEO	Philippe Donnet
BOARD MEMBERS	Romolo Bardin Paolo Di Benedetto Alberta Figari Ines Mazzilli Antonella Mei-Pochtler Diva Moriani Lorenzo Pellicioli Roberto Perotti Sabrina Pucci
BOARD OF STATUTORY AUDITORS	Carolyn Dittmeier (Chairwoman) Antonia Di Bella Lorenzo Pozza Silvia Olivotto (Alternate Auditor) Tazio Pavanel (Alternate Auditor)
BOARD SECRETARY	Giuseppe Catalano

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

Registered office in Trieste, piazza Duca degli Abruzzi, 2
Share capital € 1,576,052,047 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 opinion on the Report can be sent to integratedreporting@generali.com

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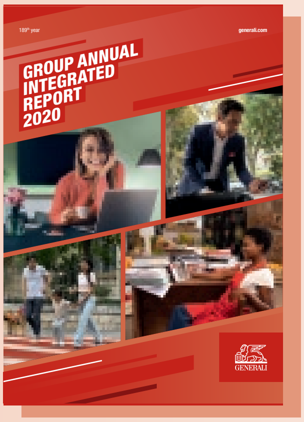
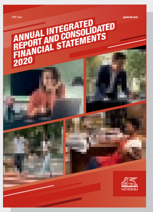
THE INTEGRATED OVERVIEW OF OUR REPORTS

Our sustainable value creation story continues to be based on integrated thinking. In line with the Core&More[1] approach, the Annual Integrated Report is the Core report of the Group, providing material financial and non-financial information. We provide further information, mainly addressed to a specialized audience, through the More reporting, including other Group's reports and channels of communication.



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) 254/2016.



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.

MANAGEMENT REPORT AND PARENT COMPANY FINANCIAL STATEMENTS

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

CORPORATE GOVERNANCE AND SHARE OWNERSHIP REPORT

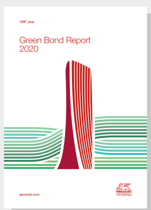
It outlines the corporate governance system of Assicurazioni Generali and its ownership structure.

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.

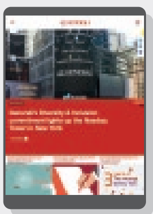
REPORT ON REMUNERATION POLICY AND PAYMENTS

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



GREEN BOND REPORT

It outlines the use of proceeds of the Generali's Green Bond issuance and associated impacts in terms of lower CO_2 emissions.



www.generali.com

for further information on the Group

1 The Core&More approach developed by Accountancy Europe provides for a core report, including a summary of all key information required to evaluate and understand a company, and more reports, presenting more detailed information. www.accountancyeurope.eu/ for further information.

ABOUT THE ANNUAL INTEGRATED REPORT

This Annual Integrated Report carries the Group's financial and non-financial performance and explains, through our value creation process, the connections between the context in which we operate, the Generali 2021 strategy, the corporate governance structure and our remuneration policy.

Information in the Annual Integrated Report refers to the topics classified as significant through a materiality analysis process, engaging both internal and external stakeholders. In 2019, we assessed with them the large social, environmental and governance transformations - also called mega trends - which are expected to be able to significantly change the world of enterprises, society and the natural environment over a ten-year horizon, and this entails risks and opportunities for the Group, its value chain and its stakeholders.
Considered the crisis due to the Covid-19 pandemic, in 2020 the Generali top management reviewed the current relevance of mega trends and their distribution within the following three priority clusters:

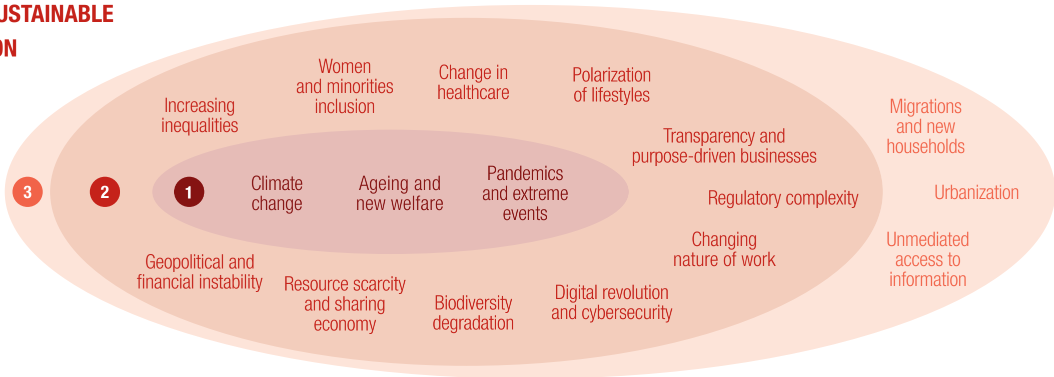
- material mega trends on which the strategic initiatives common to the Group are focused and their disclosure is included in this Report;
- mega trends of considerable relevance, which are addressed by specific business units or functions;
- mega trends to be monitored.

Each mega trend was considered as for both its potential impact on Generali and the possibility that it is influenced by us, also through our value chain, consistent with the perspective of the double materiality. Belonging to one of the three priority clusters determines the Group's approach for its management and reporting.
The review of the Group's materiality analysis was previously discussed by the Governance and Sustainability Committee and the Board of Statutory Auditors, and then approved by the Board of Directors on 11 November 2020.

Consolidated Non-Financial Statement, p. 103 for further information on the materiality analysis process and results

THE PRIORITIES FOR OUR SUSTAINABLE BUSINESS TRANSFORMATION

1 Mega trends to be addressed by the Group through all business units/ functions
2 Mega trends to be addressed by the Group through specific business units/functions
3 Mega trends to be monitored



The Report is drafted in compliance with currently effective regulations, among which the provisions of leg. decree 254/2016 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. The Report is also in line with the 2020 priorities on non-financial information by ESMA[2].
It is in accordance with the criteria of the International <IR> Framework issued by the International Integrated Reporting Council (IIRC)[3]. It adopts for the disclosure of non-financial matters envisaged by leg. decree 254/2016 selected indicators from the Consolidated Set of GRI Sustainability Reporting Standards. The Report also considered the TCFD[4] recommendations and the Guidelines on non-financial reporting of the European Commission[5] as for the the environmental matters.

Notes to the Report, p. 116 for the criteria of the International <IR> Framework and selected indicators

Responsibility for the Annual Integrated Report

The Board of Directors of Assicurazioni Generali is responsible for the Annual Integrated Report, which is presented also in accordance with the Guiding Principles and Content Elements established by the International <IR> Framework. 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 document *European common enforcement priorities for 2020 annual financial reports* is available on www.esma.europa.eu.
3 The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs; <IR> stands for Integrated Reporting.
4 The TCFD (Task force on Climate-related Financial Disclosures) was established in 2015 by the Financial Stability Board (FSB) with the aim to formulate a set of recommendations on reporting climate-change-linked risks in order to guide and encourage companies to align the information disclosed with the expectations and needs of investors.
5 *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 Reader, Dear Generali Shareholder,

Last year was an unprecedented one, characterized by a pandemic that greatly disrupted our daily lives and profoundly changed our world. Covid-19 has had and will continue to have significant and persistent consequences for a long time to come both in the economic and social spheres, on top of the very high cost in terms of human lives.

Faced with this very complex scenario, Generali was able to react quickly and decisively by implementing a series of measures that enabled us to reduce the negative impact of the pandemic on our business and confirm our solidity.
Right from the beginning, the Group gave top priority to the health and well-being of its people by immediately implementing remote working which involved over 90% of our administrative employees worldwide. We were, therefore, able to guarantee full operating continuity and provide maximum support to our customers even in the most critical phases, in line with our ambition to be their Lifetime Partner. All of this was made possible thanks to the commitment of our people and to forward-looking investments made in digitalisation over the past years. Furthermore, important measures to support the communities in which the Group operates were set in place, with the launch of an Extraordinary International Fund of € 100 million and numerous other programs developed locally in different parts of the world. Support measures were also made possible thanks to the generous contribution of our colleagues, management and board members.

We moved forward with the implementation of Generali 2021, a strategic plan that has proven to be fully effective even in the current market context, confirming our full commitment to delivering its financial targets. The focus on technical excellence, the strength of our distribution network, the diversified business model, capital solidity and excellence in innovation have continued to be Generali's core strengths. In addition, we are making a greater commitment to sustainability together with our on-going aim to invest in training our people and in our brand, as demonstrated by the launch of the first global advertising campaign in the Group's history. These factors allowed us to finish 2020 with a record operating result and excellent capital solidity, as evidenced by a Solvency Ratio that remained stable compared to 2019, even in light of the impact of the pandemic.
The P&C segment, which has always been distinguished by technical excellence, with the best and least volatile Combined Ratio among our peers, continued to post profitable growth. The contribution of the Asset Management segment increased further. Adjusted net profit was impacted by some extraordinary expenses and impairments, especially in the first part of the year, due to the performance of the financial markets, also affected by the pandemic. All of these results permit us to distribute a proposed dividend of € 1.47 per share[1].

1 Split into two tranches of € 1.01 and € 0.46, respectively. The first tranche, payable as from 26 May 2021, represents the ordinary pay-out from 2020 earnings: shares will be traded ex-dividend as from 24 May 2021.
The second tranche, instead, related to the second part of the 2019 retained dividend, will be payable as from 20 October 2021 and the shares will be traded ex-dividend as from 18 October 2021: such second tranche will be payable subject to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations in force at that time.

These results demonstrate the Group's ability to remain solid and resilient, even when facing what is considered the most serious economic crisis since the Second World War, with global GDP down by 3.8% in 2020, the Eurozone's down by 6.8% and Italy's lower by 8.9%.
In this scenario, the European Union has made extraordinary efforts to boost economic renewal through a series of intervention measures proposed by the European Commission and approved by the European Council on 21 July 2020.

Any important crisis is followed by the opportunity to plan for recovery with a focus on sustainability. Aware of the important role we play within the socio-economic system as a global insurance group and based on the strength of our experience as a long-term investor, we want to do our part.
Firstly, by contributing to making the economic system more resilient, and with it, society as a whole. Throughout the year, the Group's top management has taken a proactive approach, at national and European level, to forge dialogue with the most important institutional players and with other leading groups in the insurance industry, with a view to implementing solutions that guarantee the ability to tackle future systemic risks, such as pandemics, in the best way possible. Tangible solutions, such as the proposal of an International Pandemic Fund, based on a public-private partnership, to provide support to small- and medium-sized firms if they were obliged to close to secure public health.
Secondly, by responding as insurers to today's modern lifestyles and to the new expectations of customers, who require increasingly personalized and digital products and services.
Lastly, we believe in a green recovery. In the wake of the Green Deal of the European Union, of the United States' re-entry in the Paris Agreement and China's declaration to become carbon-neutral by 2060, we believe that the world is in the presence of an incredible international convergence in which Europe and its citizens can play a central role. This is why in 2020 we joined several international alliances, such as the Net-Zero Asset Owner Alliance and the European Green Recovery Alliance. We have also achieved our target of allocating € 4.5 billion to new green and sustainable investments one year ahead of schedule, and we will continue to work to increase premiums linked to insurance products with socio-environmental impact by 7-9% by year-end 2021.

In 2021, we celebrate the 190th anniversary of the establishment of Generali. In almost two centuries of history, we have successfully overcome numerous other historic crises, without ever wavering from our purpose of enabling people to shape a safer future by caring for their lives and dreams. We will continue to do this even in these times of crisis, with the resilience and the passion that distinguish Generali's people.

Gabriele Galateri di Genola
Chairman

Philippe Donnet
Group CEO

WE, GENERALI

#WEREALLABOUTYOU

GROUP'S HIGHLIGHTS[1]

Glossary available at the end of this document

Since 1831 we are an Italian, independent Group, with a strong international presence. We are one of the largest global players in the insurance industry, a strategic and highly relevant sector for the growth, development and welfare of modern societies. In almost 200 years we have built a Group that operates in 50 countries through more than 400 companies.

www.generali.com/who-we-are/history

Our performance, p. 63

GROSS WRITTEN PREMIUMS +0.5%

€ 70,704 mln

OPERATING RESULT +0.3%

€ 5,208 mln

NET PROFIT -34.7%

€ 1,744 mln

ADJUSTED NET PROFIT[2] excluding expenses from the Extraordinary International Fund Covid-19 and the liability management transaction -12.7%

€ 2,076 mln

Adjusted net profit[2] amounted to € 1,926 mln (-12.1%).

PROPOSED DIVIDEND PER SHARE* +€ 0.97

€ 1.47

PROPOSED TOTAL DIVIDEND +€ 1.530 mln

€ 2,315 mln

* Split into two tranches of € 1.01 and € 0.46, respectively. The first tranche, payable as from 26 May 2021, represents the ordinary pay-out from 2020 earnings: shares will be traded ex-dividend as from 24 May 2021.
The second tranche, instead, related to the second part of the 2019 retained dividend, will be payable as from 20 October 2021 and the shares will be traded ex-dividend as from 18 October 2021: such second tranche will be payable subject to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations in force at that time.

TOTAL ASSETS UNDER MANAGEMENT (AUM) +5.4%

€ 664 bln

SOLVENCY RATIO 0 pps

224%

LIFE

Net inflows confirmed at excellent level. The operating result was impacted by the continued acceleration of provisions for guarantees to policyholders in Switzerland and the negative financial markets performance.

LIFE NET INFLOWS -10.5%

€ 12,144 mln

Gross written premiums € 48,557 mln (+0.8%)

NEW BUSINESS VALUE (NBV) +4.9%

€ 1,856 mln

OPERATING RESULT -16.1%

€ 2,627 mln

PROPERTY & CASUALTY (P&C)

Premiums were stable in a context heavily impacted by the pandemic. The operating result grew thanks to a significant improvement in the CoR.

GROSS WRITTEN PREMIUMS +0.1%

€ 22,147 mln

COMBINED RATIO (COR) -3.5 pps

89.1%

OPERATING RESULT +19.4%

€ 2,456 mln

1 All changes in this Report are calculated on 2019, unless otherwise reported. Changes in premiums, Life net inflows and new business are on equivalent terms, i.e. at constant exchange rates and consolidation scope. Operating result, Assets Under Management and Life technical provisions exclude entities under disposal or disposed of in the period. The scope for non-financial indicators included in the NFS is reported in the chapters dedicated to them, when it differs from the consolidated scope.
2 Adjusted for impact of gains and losses related to disposals.

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

FTSE4Good

www.generali.com/our-responsibilities/performance/sustainability-indices-and-ratings

The Generali 2021 strategy, p. 30

NFS

NEW GREEN AND SUSTAINABLE INVESTMENTS[3]

€ 5,973 mln

DIRECT INVESTMENTS BY THE GROUP'S INSURANCE COMPANIES WHICH ARE SUBJECT TO THE RIG[4] +4.7%

€ 326,425 mln

OUR PEOPLE +1.0%

72,644

DIVERSITY AND INCLUSION INDEX[9] +25 pps

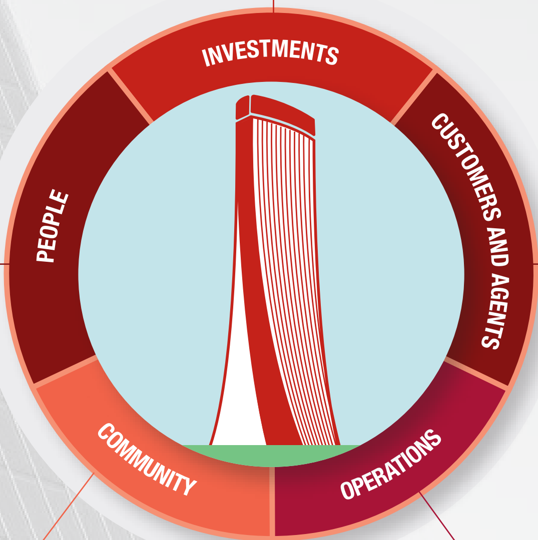
106%

RESKILLED EMPLOYEES[10] +32.3 pps

52%

ORGANIZATIONAL ENTITIES WITH SMART WORKING POLICY[11] +21 pps

83%



OUR CUSTOMERS[5] +7.3%

65.9 mln

PREMIUMS FROM SOCIAL AND ENVIRONMENTAL PRODUCTS[6] +11.2%

€ 16,930 mln

OUR AGENTS[7] +5.5%

165 thousand

CHANGE IN RELATIONSHIP NPS[8] vs 1Q2019

+9

The Human Safety Net

ACTIVE COUNTRIES +4.8%

22

INVESTMENTS IN INTERNAL STRATEGIC INITIATIVES 2019-2020

€ 823 mln

TOTAL GHG EMISSIONS -36.1% vs base year 2013

77,456 tCO_2e

ASSET MANAGEMENT

Significant increase in operating revenues, especially in performance fees. Assets Under Management of the segment rose.

OPERATING RESULT +28.5%

€ 546 mln

NET RESULT +38.0%

€ 386 mln

ASSET UNDER MANAGEMENT +5.7%

€ 561 bln

3 They are investments that support green and/or social projects, with the explicit aim of creating a positive impact and contributing to the United Nations Sustainable Development Goals.
4 The Responsible Investment Group Guideline (RIG) is the document that codifies responsible investment activities at Group level.
5 They are either physical persons or legal entities that hold at least one active insurance policy and pay a premium to Generali accordingly, a banking product or a pension fund product.
6 Social and environmental products are products which, due to the type of customer protected or coverage supplied, have specific social or environmental characteristics.
7 They represent the sales force within traditional distribution networks.
8 The Relationship Net Promoter Score (NPS) is based on customer research data and calculated deducting the percentage of detractors from the percentage of promoters. It is a score expressed as an absolute number and reported using a moving average of the last four quarter. The change in Relationship NPS is calculated compared to 1Q2019, when the measurement started.
9 The index is calculated as an average that differently weighs, according to our priorities, the progress of a series of indicators related to gender, age, culture and inclusion compared to ambitions set in 2021.
10 It represents the percentage of employees who completed the training in accordance with the Group's programme We LEARN.
11 They are the organizational entities where, in accordance with local laws and regulations, it is possible to adopt smart working through the application of a dedicated policy.

2020 KEY FACTS

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

JAN20

Completed the acquisition in Portugal of 100% of the company Seguradoras Unidas and the service company AdvanceCare. The transaction, announced in July 2019, represents an important step in the execution of the Group's three-year strategy, which aims to strengthen Generali's leadership in Europe.

Profitable growth, p. 33

NFS

Generali included in the Corporate Knights' 2020 ranking Global 100 Most Sustainable Corporations, consisting of the world's 100 most sustainable corporations. This recognition highlights the evolution of Generali's sustainability journey, which is an integral part of the Generali 2021 strategy.

The Generali 2021 strategy, p. 30

NFS

Generali joined the United Nations-convened Net-Zero Asset Owner Alliance, a group of 18 pension funds and insurers, committed to decarbonize their portfolios to net-zero emissions to avoid a global temperature increase above the 1.5°C Paris target. The Alliance closely works with companies in portfolios as to change their business models, adopting climate-friendly practices and ideally setting a net-zero target based.

Group's financial position, p. 75

NFS

Energy Hub launched in the Generali Tower in the CityLife district of Milan, an innovative space dedicated to stimulating the physical and mental energy of all employees and promoting a healthy and sustainable lifestyle. Designed in line with the Ministry of Health guidelines as part of a preventive health approach, Energy Hub is the latest stage in a true welfare journey for Group's employees.

FEB20

Bank of Italy authorized ThreeSixty Investments SGR (Società di Gestione del Risparmio) to operate as an asset manager under the Italian law. The first Italian boutique of Generali, announced in April 2019, changed its name in Plenisfer Investments SGR at the end of 2020. It aims to offer highly diversified multi-asset investments and solutions, with an innovative, integrated investment approach across a wide range of asset classes.

NFS

In line with the Group's sustainability and capital management strategy, Generali developed its first Framework for the Green Insurance Linked Securities, alternative mechanisms for the transfer of insurance risk to institutional investors.

Capital management and financial optimization, p. 34

MAR20

The Board of Directors of Assicurazioni Generali approved 2019 Annual Integrated Report and Consolidated Financial Statements and 2019 Parent Company Financial Statements Proposal. It also approved a capital increase of € 6,278,644 to implement the 2017 Long-Term Incentive Plan, having ascertained the occurrence of the conditions on which it was based.

NFS

The Board of Directors of Assicurazioni Generali established an Extraordinary International Fund of € 100 million to assist in the Covid-19 emergency and to support economic recovery efforts in the countries where the Group operates. The Fund also benefited from contributions from the Group's employees. It helped with the health emergency in Italy according to the priorities agreed with the Italian National Health System and the Italian Civil Protection as well as with initiatives for customers, SMEs and their employees across the markets in which the Group operates.

Group's performance, p. 70

Started a share buyback for the share plan for the Generali Group's employees, implementing the resolution of the Shareholders' Meeting held on 7 May 2019 that had authorised the purchase and disposal of a maximum of 6 million of treasury shares until 7 November 2020.

NFS

Our people, p. 41

APR20

The Board of Directors of Assicurazioni Generali decided to confirm the proposal to pay the dividend per share equal to € 0.96 at the next Shareholders' Meeting but to divide it into two tranches. The first tranche amounting to € 0.50 was paid in May and the second equal to € 0.46 to be paid by year-end and subject to the Board's verification, inter alia, of the compliance with the limits set by the Group's Risk Appetite Framework at 30 September 2020, as well as to the positive confirmation of the compliance with the norms and regulatory recommendations concerning dividend payments at that time.

In recognition of the difficult global situation caused by the Covid-19 emergency, the Group CEO, the members of the Group Management Committee and the other managers with strategic responsibilities decided voluntarily to reduce their fixed compensation by 20% starting in April 2020 until year-end, further increasing the Extraordinary International Fund.

NFS

Group's performance, p. 70

Increased the share capital of Assicurazioni Generali to € 1,576,052,047 in execution of the 2017 Long-Term Incentive Plan adopted by the Shareholders' Meeting in 2017.

The Board of Directors of Assicurazioni Generali approved the Group's Tax Strategy, an essential part of the tax risk control system. 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 the Company's reputation.

NFS

Our rules for running business with integrity, p. 51

The Shareholders' Meeting approved the 2019 financial statements, setting forth the distribution of a dividend per share of € 0.96 to shareholders, divided into two tranches[12]; the Report on the remuneration policy while expressing a non-binding positive resolution on the Report on payments; the Group Long Term Incentive Plan (LTIP) 2020-2022, which provides for the assignment of a maximum 9.5 million shares; the stock plan related to the mandate of the Managing Director/Group CEO, providing for the assignment of a maximum 690,000 shares; and a number of amendments to the Articles of Association. In addition, the Board of Statutory Auditors was appointed for the three-year period 2020-2022. Following the entry into force of decree law no. 18/2020, which has introduced special rules related to the Covid-19 emergency applicable to the shareholders' meetings of listed companies, Assicurazioni Generali decided, inter alia, to make use of the right, established by the decree, according to which the participation of those entitled to vote at the Shareholders' Meeting would have taken place exclusively through the designated, without the physical participation of the shareholders.

Our governance and remuneration policy, p. 54

MAY20

Regarding the press release issued by Fitch Ratings, that was a direct result of the downgrading of Italy's sovereign debt, Generali confirmed its solid capital position and emphasised that the Agency - which changed the Generali rating from A, outlook negative, to A-, outlook stable - had implemented a stress test linked to the Covid-19 pandemic, whose results would have led to the confirmation of Generali rating.

The Board of Directors of Assicurazioni Generali approved the Financial Information at 31 March 2020.

Paid the first tranche[13] of dividend per share 2019 of Assicurazioni Generali, equal to € 0.50.

12 The first tranche equal to € 0.50 was paid in May 2020. The second tranche equal to € 0.46 was to be paid by year-end and subject to the Board's verification, inter alia, of the compliance with the limits set by the Group's Risk Appetite Framework at 30 September 2020, as well as to the positive confirmation of the compliance with the norms and the regulatory recommendations concerning dividend payments at that time. Please read updates in the November 2020 event.

13 As approved by the Shareholders' Meeting on 30 April 2020.

JUN20

Reached an agreement with BTG Pactual ending the arbitration for the sale of BSI. The settlement agreement provides for the payment of CHF 245 million to BTG Pactual as indemnity and price adjustment, the termination of the arbitration and a waiver of the mutual claims and indemnification requests, without any admission of liability or wrongdoing. The net impact on the Generali Group's 2020 results amounts to CHF 195 million, equivalent to about € 183 million, after taking into account pre-existing provisions to cover legal costs.

NFS

Generali was honoured at the EFMA Accenture Innovation in Insurance Awards 2020, the competition that showcases the most outstanding technology innovations in the insurance industry. The Group won two out of the total of seven awards given, in the following categories: the Customer Experience award for Digital Hub, an omnichannel experience for customers, agents and prospects across all digital touchpoints, with a common user experience and unique visual identity across countries; and the Workforce Transformation award for We LEARN: A New Way to the Future, a reskilling initiative that helps employees develop new capabilities needed to grow in the digital era and support the Group's strategic priorities.

Innovation and digital transformation, p. 37 Our people, p. 41

Approved the launch of a strategic partnership with Cattolica Assicurazioni, which is based on four business areas: Asset Management, Internet of Things, Health Business and Reinsurance. These areas represent important profitable growth opportunities in services for customers in the P&C segment and in the asset management segment, leveraging Generali's competencies and capabilities in investment management, digital innovation and health services. They will allow Cattolica to expand and improve the offer to its customers with new and innovative ancillary services.

Profitable growth, p. 33

JUL20

NFS

Published the first Activity Report of The Human Safety Net, sharing the growing Generali's social impact in the communities where the Group is present in Europe, Asia and Latin America.

A continuous commitment to sustainability, p. 47

NFS

Generali successfully concluded the buyback of about € 600 million of three series of subordinated notes with first call dates in 2022 and the placement of its second green bond of € 600 million, that attracted an orderbook of € 4.5 billion, more than 7 times the offer, from around 350 highly diversified international institutional investor base including a significant representation of funds with green/SRI mandates. The buyback and the new issue will enable the Group to achieve further savings in interest expenses for its financial debt in line with the similar liability management transaction in September 2019.

Capital management and financial optimization, p. 34

NFS

Launch of the first-ever global advertising campaign of Generali in three phases. The first phase was focused on the agents, whose role is key. The second phase, set in October, was dedicated to the brand while the third phase will project key products and hallmarks in 2021.

A strong brand, p. 46

NFS

Signed a Memorandum of Understanding between Generali and Eurochambres, the European organization of Chambers of Commerce and Industry, to cooperate so as to promote and implement a potential pandemic risk pool.

Challenges and opportunities of the market context, p. 20

The Board of Directors of Assicurazioni Generali approved the Half-Yearly Consolidated Financial Report 2020.

SEP20

Signed a letter of business leaders and investors, drafted by Corporate Leaders Group, asking European Heads of State and Government to reduce domestic greenhouse gas emissions by at least 55% compared with 1990 levels by 2030, raising the previously envisaged target of 40%. Generali reaffirms its commitment to help pace and focus transition efforts from now until 2050, supporting the necessary legal amendments and continuing to invest in the green economy, knowing that an increased global climate ambition is a crucial driver of Europe's competitiveness in the world.

Challenges and opportunities of the market context, p. 20
A continuous commitment to sustainability, p. 47

NFS

OCT20

Concluded the process of the legal merger of all the 100% owned insurance subsidiaries in Portugal, obtaining all the required approvals from the regulatory authority. Seguradoras Unidas S.A. incorporated Generali Companhia de Seguros, S.A and Generali Vida Companhia de Seguros S.A. and changed its name to Generali Seguros, S.A.. The transaction enables Generali to maintain its fast-paced integration project and growth plans in the country.

Profitable growth, p. 33

The Board of Directors of Assicurazioni Generali approved the adoption of the new Corporate Governance Code, that aims to ensure the constant conformity of listed companies with international best practices. Generali will apply the new Code starting from 2021, reporting to the market in its Corporate Governance and Share Ownership Report to be published in 2022.

Our governance and remuneration policy, p. 54

NFS

Fitch confirmed Generali's A- Insurance Financial Strength (IFS) rating and the BBB+ Issuer Default Rating (IDR). The outlook remained stable. The ratings reflected Generali's strong capitalisation and very strong business profile, mainly thanks to its leadership positions in Italy, Germany and France. The Group's financial leverage was seen as moderate for its ratings.

Generali subscribed the reserved share capital increase for Cattolica Assicurazioni for a total of € 300 million, thus holding a stake representing 24.46% of the issuer's share capital.

Profitable growth, p. 33

NOV20

The Board of Directors of Assicurazioni Generali approved the Financial Information at 30 September 2020 and examined the conditions for the payment of the second tranche of the 2019 dividend approved by the Shareholders' Meeting on 30 April 2020, equal to € 0.46 per share, to be paid by year-end and subject to the Board's verification.
In particular, the Board of Directors verified the compliance with the limits set by the Group's Risk Appetite Framework at 30 September 2020.
The Board of Directors took note of the letter received from IVASS on 10 November 2020, in which the Regulator indicated that the application of the European Systemic Risk Board (ESRB) recommendation dated June 2020 - and still in force with regards to dividend distribution - had general application and didn't entail a case by case evaluation, therefore committing the Group not to proceed with the payment of the second tranche. Despite the conditions set out in the Group's Risk Appetite Framework being met, the Board then decided to comply with the current demands of the Regulator and consequently not to proceed with the payment of the second tranche of the 2019 dividend by the end of 2020. In addition, in 2021 the Group, subject to a positive Regulatory position, intends to seek shareholders' approval also for the distribution of the second tranche of the 2019 dividend.

Generali confirmed in the Dow Jones Sustainability World Index and in the Dow Jones Sustainability Europe Index, a recognition of excellence for approach taken by the Group to integrate sustainability into its core business.

The Generali 2021 strategy, p. 30

NFS

Generali met with the financial community for the Investor Day. It confirmed the strategy is still valid and fully committed itself to financial targets, drawing attention to its ability to effectively face the global Covid-19 crisis and to the core convictions at the heart of its strategic plan.

The Generali 2021 strategy, p. 30

NFS

Generali won the 2020 Oscar di Bilancio (the Academy Award for Financial Statements), a prestigious award presented by FERPI (Italian Federation of Public Relations) for its clarity, methodological rigour and transparency, as well as for the innovative and comprehensive approach in "fully integrating non-financial information (Non-Financial Statement) in the annual report [...] with an effective 'Core and More' approach."

Moody's confirmed Generali's IFS rating at Baa1 and all ratings of debt instruments issued or guaranteed by the Group: Baa2 senior unsecured debt; Baa3(hyb) senior subordinated debt; Ba1(hyb) junior subordinated debt, Ba1(hyb) preferred stock. The outlook remained stable.

DEC20

NFS

Generali and Accenture created a joint venture (GOSP - Group Operations Service Platform) that will leverage cloud technologies and shared technology platforms to accelerate the Group's innovation and digital strategy in line with the Generali 2021 strategic plan. The new solutions, including establishing a more centralized governance, will enable the Group to improve operational efficiencies and profitability, achieve cost savings, and enhance service quality to meet the digital expectations of customers, agents and employees.

Innovation and digital transformation, p. 37

AM Best confirmed Generali's Financial Strength Rating (FSR) at A (Excellent), the Long-Term Issuer Credit Rating (Long-Term ICR) at a+ and its long-term credit ratings for debt instruments issued or guaranteed by Generali (Long-Term IRs). The outlook was stable.

Generali signed an agreement for the 100% acquisition of AXA Insurance S.A. in Greece and renegotiated its distribution agreement in place with Alpha Bank expiring in March 2027, by extending it for twenty years from the closing of the acquisition. The acquisition of the company and the extension of the distribution agreement aim to strengthen the Group's leadership position in Europe, offering meaningful synergies. They are consistent with the Group's capital redeployment strategy in disciplined M&A to support profitable growth.

Profitable growth, p. 33

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2020 AND 2021 CORPORATE EVENT CALENDAR

JAN21

NFS

Following an in-depth assessment carried out to verify the full compliance of the Tax Control Framework adopted for the detection, management and control of tax risks, Assicurazioni Generali was admitted to the cooperative compliance regime that enables an innovative way to maintain constant and pre-emptive dialogue with the Italian Revenue Agency (Agenzia delle Entrate). The admission to the regime, which is already valid for the 2020 fiscal period, is in line with international best practices and is in continuity with the Generali's Tax Strategy.

Our rules for running business with integrity, p. 51

The Board of Directors of Assicurazioni Generali approved a proposal from Group CEO for a new Group organizational structure, resulting in the termination of the General Manager function. The new organizational structure is designed to address key strategic priorities for the continued successful execution of the Generali 2021 strategy and prepare the Group for the next strategic cycle: enhance further discipline in asset liability management; accelerate the implementation of the Asset Management multi-boutique platform strategy, also through the development od additional skills; and speed up the pace of digital transformation.

NFS

NFS

FEB21

The Human Safety Net and Fondazione Italiana Accenture joined forces, as part of a broader project shared by other leading Italian foundations, to accelerate the digitalisation process of the non-profit sector in Italy, thus fostering their growth and structural evolution in the emergency period caused by the spread of Covid-19.

At its 190th anniversary, Generali announced Fenice 190, a € 3.5 billion investment plan to support the recovery of the European economies impacted by Covid-19, starting in Italy, France and Germany and to then target all of European countries in which the Group operates throughout the five years of the plan. The extraordinary initiatives launched in 2020 to tackle the effects of the pandemic become permanent; they included investments in support of SMEs and the real economy already surpassing the established objective of € 1 billion. To add to this initial amount, Generali is pledging an annual commitment of € 500 million per year, over the next five years, for sustainable growth through international investment funds focusing on infrastructure, innovation and digitalization, SMEs, green housing, health care facilities and education.

MAR21

10 March 2021. 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 2020 and the Report on Remuneration Policy and Payments
11 March 2021. Release of the results at 31 December 2020

APR21

29 April 2021. Shareholders' Meeting: approval of the Parent Company Financial Statements at 31 December 2020 and the Remuneration Policy as well as the other agenda items

MAY21

17 May 2021. Board of Directors: approval of the Financial Information at 31 March 2021
18 May 2021. Release of the results at 31 March 2021
26 May 2021. 2020 dividend payout on the share of Assicurazioni Generali, equal to € 1.01*

AUG21

2 August 2021. Board of Directors: approval of the Consolidated Half-Yearly Financial Report at 30 June 2021
3 August 2021. Release of the results at 30 June 2021

NOV21

10 November 2021. Board of Directors: approval of the Financial Information at 30 September 2021
11 November 2021. Release of the results at 30 September 2021

* The second tranche of the 2019 dividend, equal to € 0.46, will be payable as from 20 October 2021 and the shares will be traded ex-dividend as from 18 October 2021: such second tranche will be payable subject to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations in force at that time.

NFS

THE VALUE CREATION PROCESS

EXTERNAL CONTEXT

GEOPOLITICAL AND FINANCIAL INSTABILITY

PANDEMICS AND EXTREME EVENTS

FINANCIAL CAPITAL
HUMAN CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL
INTELLECTUAL CAPITAL
MANUFACTURED CAPITAL
NATURAL CAPITAL

OUR PURPOSE

Enable people to shape a safer future by caring for their lives and dreams

VALUES

- Deliver on the promise
- Value our people
- Live the community
- Be open

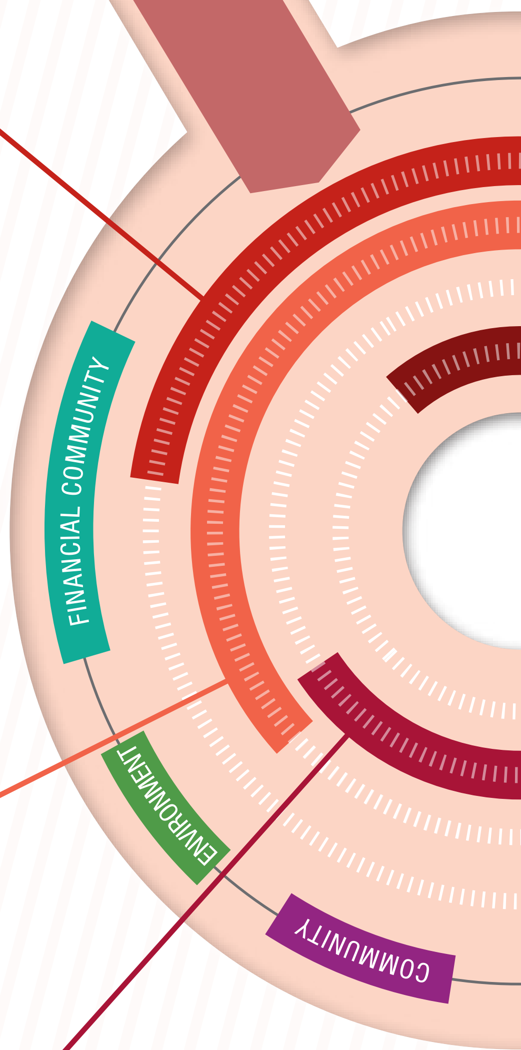
www.generali.com/who-we-are/our-cultue

OUR BEHAVIOURS

- Ownership
- Simplification
- Innovation
- Human touch

BRAND

GENERALI



THE GENERALI 2021 STRATEGY p. 30

Being a Lifetime Partner to customers, offering innovative, personalized solutions thanks to an unmatched distribution network

Leading the European insurance market for individuals, professionals and SMEs, while building a focused, global asset management platform and pursuing opportunities in high potential markets

OUR GOVERNANCE p. 54

Within a challenging economic and financial environment, we are convinced that our governance - which complies with the best international practices - is adequate for effectively pursuing our strategy the **sustainable success** of the Company

Glossary available at the end of this document

DIGITAL REVOLUTIONAND CYBERSECURITY

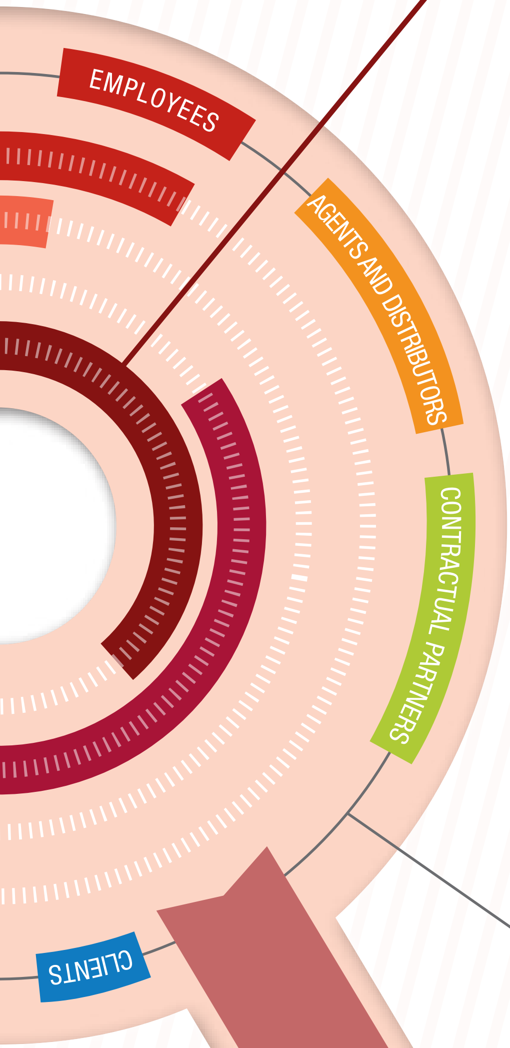
CLIMATE CHANGE

AGING AND NEW WELFARE

Challenges and opportunities of the market context, p. 20

OUR BUSINESS MODEL

We effectively face the challenges of the market context, by leveraging our core strengths: a clear strategy, a focus on technical excellence, a strong distribution network, the Group's solid capital position and a diversified business model, that proved resilient even in a complex context like the pandemic one.



We develop simple, integrated, customized and competitive Life and Property&Casualty **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 are also committed to **high value-added solutions from a social and environmental perspective**. 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. Proprietary networks are a key and valuable asset for our business model. Their role is to 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**.

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.

Information on **STAKEHOLDERS**, other than what reported in the relating chapters, is available in:

Appendices to the Report, p. 116

www.generali.com/our-responsibilities/responsible-business/stakeholder-engagement

FINANCIAL CAPITAL p. 63
HUMAN CAPITAL p. 41
SOCIAL AND RELATIONSHIP CAPITAL p. 37, 46, 51
INTELLECTUAL CAPITAL p. 37, 54
MANUFACTURED CAPITAL p. 34, 75
NATURAL CAPITAL p. 47, 51

CHALLENGES AND OPPORTUNITIES OF THE MARKET CONTEXT

NFS

In an operating context made even more complex by the pandemic, we have continued to monitor the mega trends that pose significant risks and opportunities for the Group and for our stakeholders, with a view to sustaining our ability to create value over time.
The Generali 2021 strategy has proven to be particularly resilient, enabling us to implement the activities envisaged by our plan, also taking these challenges into account and guaranteeing the systematic assessment[14] eand adequate risk monitoring.

Risk Report, p. 117 in the Annual Integrated Report and Consolidated Financial Statements 2020 for more detailed information on the risk management model and on the capital requirements

GEOPOLITICAL AND FINANCIAL INSTABILITY

2020 was characterised by the rapid spread of the Covid-19 pandemic, the first wave of which started in March, followed by a second wave after the summer. In the spring, the governments of the various countries involved imposed restrictions on mobility to prevent the spread of the virus, and various lockdowns were established, which had negative repercussions on the economy. Even during the second wave, both social distancing and selective lockdown measures were implemented. The economic crisis in the second quarter due to the pandemic proved to be less serious than initially expected; nevertheless, the recovery in the second half of the year, albeit significant, didn't offset the fall in the first half.
Overall, the Covid-19 pandemic is predicted to have caused long-term economic damage. As economic insecurity persists, linked, among others, to unemployment and to low financial returns, the propensity for saving is likely to increase further and the deterioration of company finances are expected to hinder business investment. In a scenario that as a whole is on a downtrend, the GDP of the Eurozone for 2020 is estimated to be -6.8%, and that of the United States -3.5%. The significant boost of monetary and fiscal policies will contribute to mitigating, but not offsetting, these dynamics. After the setback experienced in the first quarter, in the last few months of the year the financial markets showed a recovery following the result of the US elections and news of the development of vaccines against Covid-19.

Our management

The asset allocation strategy is still mostly guided by consistency with liabilities and the Group's return and solvency objectives. The situation of uncertainty due to Covid-19, the constraints of the regulatory system and the continued low interest rates make it essential to manage assets in a rigorous and careful manner that is consistent with liabilities. More specifically, the long-term matching of liabilities is performed above all through government bonds with a high credit rating. Investments in the stock market have become increasingly prudent in this period of market volatility. Geographical diversification and selective focus on alternative investments (private equity and private debt) and on real assets (real estate and/or infrastructure investments, both direct and indirect) continue to be important factors in current investment activities which aim to contain portfolio risks and sustain current return. We have continued to develop the multi-boutique platform for insurance asset managers to enhance investment capacity in these market sectors. We have also further integrated ESG dimensions (Environmental, Social and Governance) in the process of strategic 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.

NFS

Group's financial position, p. 75

We are exposed to the market risks arising from the fluctuations in value investments and to the credit risks linked to the risk of counterparties' non-fulfilment as well as to expansion 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.

14 During 2020, the framework for the assessment and management of operational risks was further improved, allowing the Group to obtain, *inter alia*, approval from the main European regulators for the extension of the use of the Partial Internal Model to calculate capital requirements for Solvency II purposes also for this risk category.

PANDEMICS AND EXTREME EVENTS[15]

The rapid spread of the Coronavirus (Covid-19) has become one of the greatest global challenges in decades. Spreading in China at the end of 2019, the virus quickly transformed into a pandemic in the first few months of 2020, with a global count of almost 84 million infections and over 1.8 million deaths at the end of December.

Italy was the first European country to be significantly impacted by the virus at the beginning of March, where the lockdown measures needed to reduce the curve of infections and avoid the collapse of the healthcare system were adopted. The Italian approach was then replicated, with different measures and timing, in other European countries that were particularly affected, such as Spain, France and the United Kingdom. Germany was hit to a lesser extent in the first wave, therefore the shut-down of business activities was less severe than countries in Southern Europe.

The further spread of the virus in the United States and in numerous emerging economies required severe lockdown and social distancing measures, which blocked a large share of the advanced economies. In the Eurozone, employment started to fall, although the impact appears to still be light due to the economic support measures for workers set in place by governments, but is expected to worsen, with serious repercussions for the labour market.

Around mid-March, as news spread about the increase of infections in Italy and Europe, the financial markets started to feel the effects of the pandemic and, in parallel, credit spreads widened significantly. In the main world economies, governments took prompt measures to handle the crisis and the consequent recession. In Europe, the bold monetary stimulus of the Central Bank was combined with the creation of the Next Generation EU. This is a temporary instrument comprised by loans and grants totalling € 750 billion, designed to boost the recovery, and which, coupled with the EU's long-term budget, will be the largest stimulus package ever financed at European level, allocating a total of € 1,800 billion, with the objective of creating a more sustainable, more digital and more resilient Europe.

Over the autumn, the major European countries gradually experienced a resurgence of the pandemic, with a second wave, initially in Spain, France and the United Kingdom, followed by Italy and Germany: social distancing measures were therefore reintroduced.

At global level, the pandemic has continued to escalate in the rest of the world, starting from Eastern Europe, Russia, Latin America, India and the United States, with the notable exception of China and other countries in South-East Asia, which were able to more effectively control the spread of the pandemic, as did Australia and New Zealand.

The better control of the epidemic enabled China to report a 2.3% increase of GDP in 2020, and the IMF has predicted that it will be the only G20 country to record a growth compared to 2019.

About the financial markets, after the significant fall in the first quarter due to the outbreak of the pandemic, the share indices bounced back considerably due to monetary and fiscal stimulus measures, although volatility continued to be high. Furthermore, the propensity to risk has risen both due to the end of uncertainties provoked by the outcome of the US elections, and to promising news about vaccines.

With regard to the insurance sector, the uncertainty linked to the duration of the pandemic and its economic consequences (especially in terms of labour market prospects) increased the risk aversion of households, making their consumption more cautious and increasing their propensity for precautionary saving.

In the Life segment, the savings and pension business recorded a fall in new business and, in certain countries, a rise in surrenders. With respect to protection policies, a growing interest was shown in insurance solutions for personal and household protection, both at individual level and as regards company welfare.

In the Property & Casualty segment, the decline of premiums continued to be modest. With regard to the motor line, the restrictions on mobility - both public and private resulting from the lockdown measures and the reduced number of new vehicle registrations - as well as increased competitiveness, placed the increase of average premiums under pressure.

In the non-motor line, a substantial fall in the business relating to travel was reported, due to the economic effects of restrictions to movements and of the other measures to contain the spread of the virus. The commercial and SMEs line also reported a downturn, as said restrictions caused a lower propensity to spending of customers and the ability to make purchases.

The high volatility of the financial markets, the continuous pressure on revenues and the higher operating costs incurred to guarantee business continuity during the lockdown period also impacted the global asset management market.

This context further accelerated the pre-existing trend towards sector consolidation; given the increasing low margins, the number of business combinations within the sector intensified, to achieve economies of scale, offer a wider range of products and a greater distribution footprint.

The pandemic changed the forecasts made at the beginning of the year for all asset classes. The substantial intervention of central banks further affected interest rates and the bond markets, also significantly influencing stock market trends.

15 Extreme events are illustrated in the Climate change mega trend.
Said section has been drawn up in accordance with *European common enforcement priorities for 2020 annual financial reports* of ESMA. See also *Disclosure on the quantitative impacts of Covid-19 on the Group in Group's performance*.

NFS

Numerous economic sectors had to face very serious consequences resulting from the interruption of certain economic activities.
In the first quarter of 2020, all asset classes, except for government bonds with better credit ratings, reported extremely negative performances, and the stock markets posted losses of around 20-25% depending on their location. Losses were recovered in the following quarters, where the combined effect of the US elections and the vaccine announcements of several pharmacy companies had positive effects on the highest risk asset classes.

Our management

BUSINESS

About the insurance business, the different markets we operate in were impacted in different ways and with different timing. In all business segments, the organisational response of Generali to boost its digitalisation process was a decisive factor.
Considerable efforts were made to speed up the digitalisation of remote sales and renewal processes, underwriting and claims, digital signatures, as well as self-service functions to benefit both customers and distributors. Generali Italia is a good example of remote sales, as it exploited the cloud to manage all of its contact centers remotely (over 1,000 operators), as well as all sales processes, guaranteeing the possibility of selling Life and motor policies remotely also using innovative and self-service payment methods.
As well as managing sales and renewal processes remotely, we introduced new ways and occasions for interaction with our customers (for example virtual events and loyalty campaigns) and provided support to our agents to be more visible on digital channels.
The omni-channel approach continues and will continue to underlie our future digital development. More specifically, digitalisation should be leveraged to boost and extend the abilities of the sales force of our physical network. In this regard, our objective is to continue to develop the following areas:

- to improve Customer Relationship Management (CRM) tools and promote the remote consulting model to understand the needs of our customers in a more structured manner, and to suggest the best possible solutions;
- to provide support to agents in managing changes in our network, in a gradual process, towards the increasing awareness of the benefits of digital transformation;
- to spread and extend the use of digital tools, which enable any indications of interest by prospects in our products and services to be collected and redirected to the physical network (for example, an agent re-contacts a prospect who has asked for a policy quote on our website);
- to boost the presence and the visibility of our agents on social media and the web, for example by publishing contents that are relevant to their customers.

Although the key markets of the Life business in Europe were significantly affected over the entire year, the Group demonstrated its resilience. New business slowed down, particularly in terms of traditional products, in line with the strategic objective to rebalance the Group's Life portfolio. Unit-linked products, which had initially suffered the impact of stock market tensions, reported a significant increase, driven by results in Italy, France and Germany. The protection policies line showed good performance in terms of new business, driven by the growing need for insurance protection. In this regard, we promptly set several initiatives in motion to support our customers, both financially and by launching new value-added services, ranging from the care of physical and mental well-being to remote medicine through, among others, Europ Assistance.
The pandemic may have direct and indirect effects on the Life and Health risks underwritten by Generali. The direct effects regard the potential increase of claims paid on policies that provide cover in the event of death or health coverage; the indirect effects regard the potential need of customers for liquidity, generated by the economic crisis, which may imply higher surrender payments. In both cases, the impact observed on the Group to date has been fairly insignificant. To continue to effectively manage risks in the event of death or sickness, we adopted adequate underwriting processes that assess the health conditions and the demographics of the policyholder in advance. In addition to underwriting processes, we monitor changes in claims and in this regard, we assess lapse risk and mortality risk, including the catastrophe risk resulting from a pandemic event, using the Group's Partial Internal Model.

In the Property & Casualty segment, we promptly responded to the new circumstances by increasing the range of our products with new covers and services, adapting contractual terms and conditions and improving, with the extensive use of digital tools, the operating processes to take out policies and settle claims to manage the lockdown situation.
We provided financial support in almost all markets, also beyond that required by the authorities and governments, both to our customers and to our networks of agents, through a series of initiatives to defer payments and extend coverage.

About the loss ratio, initially a substantial fall in the number of claims reported was observed, mainly in the motor line, due to the lesser use of vehicles, as well as the slower notification by customers and workshops that were closed. Despite the gradual reduction of the restrictive measures, even the subsequent months were characterised by a fall in the claims frequency of the motor line. Besides, this decrease enabled various measures to be implemented during the year to provide support to our customers, agents and employees and their families.

On the other hand, the non-motor line reported a substantially unchanged loss ratio, in terms of the number of claims, even though for some lines much higher costs were observed, due mainly to refunds for cancelled trips.

The possible impact of the pandemic on Property & Casualty underwriting risks is represented by a potential increase of reserving risk with regard to the business interruption line (interruption of the working activities of worksites, restaurants and other businesses impacted by the lockdown imposed by European governments), and the third-party liability line, which have shown a rise in the loss ratio. We measure changes in claims and we assess reserving risk through the Group's Partial Internal Model.

Investment in the Group's insurance portfolios resulting from the Covid-19 health emergency was guided by the objective to stabilise the Solvency II position, by reducing the exposure of the same to a further cut of long-term interest rates. From a trading perspective, this led to the disposal of short and medium-term bonds, especially in the segment of corporate bonds, equities and Fixed-Income Emerging Market funds, reinvesting the majority of the liquidity in long-term core and semi-core government bonds.

It is important to emphasise that part of the liquidity invested in long-term bonds was generated by the sale of corporate bonds: this enabled the credit portfolio to be more solid, by disposing of securities that we were less confident about.

The reduction in the exposure to equities in the second half of 2020 was key to reduce both impairments and the capital absorbed.

As for real estate, attention was strongly focused on defending real estate values through the careful management of tenants.

The Group also joined the European Green Recovery Alliance, strengthening its position as sustainable investor, after being the first insurance company to issue a Green Bond in 2019, followed by a second issue in July 2020.

At the beginning of the Covid-19 pandemic, the Asset and Wealth Management segment suffered the partial reduction of several commissions linked to the fall in stock prices and in fixed-income instruments (corporate bonds and other peripheral government bonds, including BTPs), followed by a strong recovery as soon as the markets started to rise. During the period of the pandemic, measures were taken to contain the costs of all activities that are not strategic to business development.

The second wave of the pandemic created new obstacles to growth, with tangible consequences also in the financial markets, marked by a return to volatility. In this climate, a greater need for consulting was perceived, to protect household savings and support SMEs.

As regards Wealth Management, numerous initiatives were launched, also through tools such as Digital Collaboration to approve transactions agreed remotely, or simplified trading to send instructions via e-mail and approve purchase and sale orders by phoning customer care, in order to protect the safety of workers and customers.

Lastly, note that the Group signed a Memorandum of Understanding for a common commitment to cooperate so as to promote and implement the pandemic risk pool with Eurochambres, the European organisation of Chambers of Commerce and Industry which represents more than 20 million businesses - of which over 93% are small and medium-sized enterprises (SMEs) - operating in 43 different European countries.

RISKS

The pandemic is an event included in the Group's operational risk management framework, which can seriously compromise the continuity of company business and, as such, is continuously assessed, mitigated and monitored.

The pandemic event in progress has increased exposure to several risks that affect the people, processes and IT systems of the Group and, clearly, the external environment.

To manage the emergency caused by the Covid-19 pandemic, a common approach was adopted Group-wide, based on the measures adopted in Italy as a benchmark, as it was the first area in Europe to be affected.

The combined adoption of all these mitigating measures is the real key to their effectiveness, guaranteed by a task force which, through dedicated committees, monitors developments and guarantees coordinated action. This means that the risk profile related to operational risk is impacted by the pandemic to a limited extent.

NFS

As regards our people, to manage the emergency, at Group and local level, dedicated task forces were set in place to monitor developments in the situation and to guarantee coordinated action on the measures to be implemented:

- remote working was envisaged where possible, depending on the type of work, and was extended to over 90% of administrative employees during the emergency phase;
- a system to categorise the level of risk for all countries was established, on the basis of which international business trips were blocked or limited;
- all Group events were suspended, or, where possible, held virtually using different technological solutions;
- rules of access to company offices were established, as well as measures to limit the risk of the virus spreading;
- in some countries, a toll-free number managed by Europ Assistance - *Help Line Covid-19* - was activated to provide information and, where necessary, medical and psychological assistance to Group employees and their families;
- in several countries, employees were offered the option of receiving a flu vaccination to facilitate diagnosing infections from Covid-19 and to potentially reduce the consequences.

Lastly, both during the pandemic crisis still in progress, and imagining the future of work in Generali, the approach known as New Normal has proved fundamental, and will be increasingly so, in guaranteeing our people an experience with a wealth of interaction between them and the company, providing the support of effective and flexible digital tools for numerous everyday needs.

The management of pandemic risk impacts the normal performance of both internal processes and those managed through external suppliers.

To manage the crisis provoked by Covid-19, ad hoc measures were set in place to guarantee the continuity of operating processes. More specifically, IT infrastructures were adapted to be able to withstand the extensive use of remote working. Therefore, investments were made to:

- provide employees with laptop computers, if not already assigned, to enable them to work remotely;
- increase connection speed;
- strengthen the tools to manage remote connections safely;
- increase processing capacity, to make IT systems more efficient as a whole.

Innovation and digital transformation, p. 37

The extensive use of remote working has also led to a greater threat of cybercrime. For this reason, changes in the types of attack have been constantly monitored, and the tools in place to identify the attacks and to manage the most appropriate and timely responses have been promptly updated. In addition, campaigns to increase the awareness of our employees to potential cyber threats linked to Covid-19 were conducted. Furthermore, the level of security of the new technical solutions used to facilitate remote working was analysed.

Lastly, the financial markets reported an extremely high level of volatility from the end of February, with a fall in the returns of risk-free instruments and equities, and a widening of bond spreads, with a greater risk of impairment of the equity portfolio and credit risk. After the significant fall in the first quarter due to the outbreak of the pandemic, the share indices bounced back considerably due to monetary and fiscal stimulus measures, although volatility continued to be high. In November, the propensity for risk increased, mainly for two reasons: the outcome of the US elections was positive for the market, combined with news on vaccines.

In the event of a further deterioration of the crisis, liquidity could become a topic of concern for the insurance sector.

To date, the impact observed on the Group's liquidity position has been immaterial, also due to the precautionary management measures taken and to the implementation of the financial optimisation strategy announced as part of the Generali 2021 strategic plan. Cash buffers have been increased and operating, investment and financial cash flows are monitored even more closely. This is applicable to the Parent Company and to its main operating entities.

Generali reacted promptly to protect its customers and policyholders, by continuously monitoring the quality of its loans portfolio, significantly reducing the financial risks of the investment portfolio by extending the duration and reducing the weight of the equity component, revaluing the ability to assume risk for the insurance portfolios and building reserves of liquidity to offset any increases in surrenders or a fall in business.

DIGITAL REVOLUTION AND CYBER SECURITY

We are facing a profound change guided by the interaction and the cumulative effects of various developments in technology: Internet of Things, cloud services, cognitive computing, advanced analytics, Robotic Process Automation (RPA), Artificial Intelligence, 5G and the development of mobile networks are elements that contribute to creating a renewed environment in which to operate in order to optimise efficiency, operations and proximity with customers, agents and employees. We are particularly witnessing the spread of public and context data, the progressive digitalisation of interaction with customers and the growing appetite for personalised products, also thanks to computing power and storage spaces available at low prices. These elements allow insurance companies to transform their way of doing business and interacting into the so-called world of digital ecosystems, where the borderlines between businesses at one time different and distinct are becoming fainter and fainter in order to offer customers a 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, General Personal Data Protection Regulation).

Our management

As for the third pillar of the Group strategy, Innovation and digital transformation, our digital ambition is *to grant to our customers, agents and employees a top-level experience, becoming a truly agile, innovation-led, digitally enabled and data driven organisation.*
This digital ambition is addressed to:

- customers/prospects;
- agents - thus the physical distribution network, that is and will remain at the base of our Group's commercial and service strategy;
- employees.

For that purpose, we rely on five Digital Enablers: Innovation; Customer Relationship Management (CRM); Smart Automation; Data, Analytics & AI and Agile Organization[16].

Innovation and digital transformation, p. 37

Our digital path is enriched by a strong attention to convergence, a crucial strategy for a Group with a global presence like Generali. Convergence is towards Group standards, common taxonomy, centers of excellence and selected solutions that we implement in specific areas, identified as priorities in the digital context. Our purpose is to boost the so-called time to value, that is speed and flexibility in implementation, respecting the Group organizational model.
We believe that digital development allow us to accelerate the paradigm shift we are committed to: moving from a traditional world of insurance coverage, policy renewal at maturity and claims settlement, to an innovative context where we offer tailor-made solutions, which integrate the key insurance component with high technological services of prevention and customer support.

To achieve our strategic digital targets, also the analysis, enhancement and governance of data are increasingly rooted in the DNA of the Group's processes. At the end of 2019 we launched a program to accelerate the adoption of Advanced Analysis and Artificial Intelligence (AA&AI) techniques throughout the whole Group. This led to the development of over 170 initiatives in different business units, followed by a growing number of dedicated resources, which affect all the aspects of the insurance value chain: from effective and efficient management of claims to customised solutions, from fraud prevention to processes automation, with a view to enhance the experience of our customers, distributors and employees.
The formulations and analyses necessary to enrich customer relations are carried out - while guaranteeing anonymity - both by the single business units on their own and with the Group's support through specific tools and skill sets. The increasing internal culture has made it possible to consolidate platforms that let us leverage synergies coming from the RPA and the cognitive technologies, thus allowing increasingly complex processes to be automated which improves quality and efficiency.
We are currently committed to extend the successful cases achieved in the analytical and technological area by some of our companies to the entire Group, in this way realizing scale economies: teams of experts and dedicated centres of excellence drive this process and also

16 Agile Organization is intended not only as methodology of project implementation, but in its broadest sense of defining a complete digital path - a 360° experience - for our employees, an aspect increasingly relevant in these days.

NFS

leverage the strength of internal sharing among several Communities of Practice, that catalyse the interests of sector and business experts, making the sharing and orchestration of investments effective.

In the perspective of ongoing improvement and exploring new opportunities, we are continuing to scout innovative technological platforms that allow to enable digital ecosystems, both within the Group and with selected partners. We have implemented and are committed to going even further in distributing parametric products in different business lines, in order to offer easier, faster and more intuitive solutions to our customers, by leveraging modern technologies like the use of drones or the real-time tracking of road traffic.

We are in step with the new technologies and are protecting ourselves from the new threats. We defined a new cyber security strategy, named Cyber Security Transformation Program 2, 2020-2022, with the aim to further increase our security posture through the adoption of innovative and advanced solutions and the progressive standardisation and centralisation of the Group cyber services. We will strengthen the Group resilience thanks to the enhancement of our ability to prevent, identify and respond to potential cyber attacks, and increase assessments to ensure adequate security levels to our business initiatives based on cloud and IoT technologies.
Through the Security Operation Center (SOC), we are able 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, that are not reported due to security reasons.
In accordance with the operational risk management model, we have adopted an intervention assessment and prioritisation framework supported by an IT tool available to our countries. The security organisation has been revised locally in order to adopt an integrated approach, including not only cyber security, but also physical & corporate ones. The Group security is ruled by a structured regulatory framework, recently integrated by a crisis management model of all kinds.
We have developed 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 have also involved the Group and virtual challenges like Capture the Flag and Cyber Quiz designed to increase the engagement of employees and promote best practices in the area of IT security conduct.
Specific measures to ensure the continuity of all our processes have been designed to manage the Covid-19 emergency.
We have also adopted 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.

Pandemics and extreme events, p. 21

We are measuring operational risk following the regulatory standards and with qualitative and quantitative models that allow us to grasp our most important exposures and to define the adequacy of the existing controls.

CLIMATE CHANGE[17]

Climate change is a material risk with potential more limited effects over the short term, however potentially catastrophic over the long term. Associated with this risk is a high degree of uncertainty in accurately determining a time frame and magnitude of the impacts, especially at the local level. Also, reputational risks could arise from financing or insurancing companies that operate in sectors with high greenhouse gas emissions and lack of adequate decarbonisation strategies. The identified impacts can be classified as physical and transition risks and opportunities.

PHYSICAL RISKS

The physical risks are determined by the change or intensification of weather phenomena, including floods, droughts, heat waves, tropical cyclones, storms and long-term trends like rising sea levels.
These phenomena above all affect pricing risk and natural catastrophe risk in the P&C segment, impacting - conditions being equal - on 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 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 overall economy and on the financial system.

17 The Climate change mega trend also includes extreme events.

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TRANSITION RISKS

The transition risks are associated with the decarbonisation of the economy and, in general, with the transition to the so-called climate resilient economy: changes in national or international public policies, in technologies and in consumer preferences might impact several sectors, especially higher energy intensity ones up to the phenomenon called stranded assets. 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.

OPPORTUNITIES

Climate mitigation and adaptation strategies offer investment opportunities as well as opportunities for the development of the insurance market. As weather phenomena and extreme 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 also supporting the market of insurance products tied to the renewable energy sector, and this strengthens the demand for investment products linked to green finance by both institutional investors and the retail segment.
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

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 the stakeholders and development of partnerships in the sector to share knowledge and identify system solutions. Particularly noteworthy is our participation in the Net-Zero Asset Owner Alliance, the UNEP-PSI TCFD[18] work group, the PRI (Principles for Responsible Investments) Climate Action 100+ network, in the PRI and LSE (The London School of Economics and Political Science) Investing in a Just Transition project, and the Investors Leadership Network.

PHYSICAL RISKS

We manage short-term physical risks in the short-term 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 II Re.
In order to reduce exposure to the 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.

TRANSITION RISKS

As for the transition risk management, we are reducing the already limited exposure of the investment portfolio to issuers of the coal and tar sand sectors. We also set the objective of making the general account investment portfolio climate neutral by 2050, in line with the Paris Agreement's goal of limiting global warming to 1.5°C compared to pre-industrial levels.
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 not - and since 2018 we no longer offer insurance coverage for the construction of new coal-fired power plants and new coal mines as well as for existing coal-fired power plants owned or operated by new customers.

18 The TCFD (Task force on Climate-related Financial Disclosures) was established in 2015 by the Financial Stability Board (FSB) aiming at formulating a set of recommendations on reporting climate change-linked risks in order to guide and encourage companies to align the information disclosed with the expectations and needs of investors.

NFS

In those countries where coal accounts for over 45% of the domestic electricity mix[19], to limit the negative social impacts deriving from our decision to quit this sector, we are carrying out engagement activities with the companies with whom we have trade relations to implement the principle of just transition that combines the need to protect the climate with minimisation of consequences for local employment and energy procurement. The engagement activity is focused on monitoring emission reduction, worker protection and retraining, and community support plans by analysing their costs and investments allocated for these purposes.
To demonstrate consistency with the commitments required to our customers, issuers and business partners, we are reducing greenhouse gas emissions from our sites and business trips by purchasing green energy and promoting the use of more sustainable means of transport.

OPPORTUNITIES

In order to seize the 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; coverages for industrial power generation plants from renewables; and insurance solutions to support customers in adopting sustainable lifestyles. We are also expanding the offer of thematic investment products linked to green finance for the retail segment.
We are increasing our green and sustainable direct investments.
We issued a second Green Bond in 2020 to finance or refinance projects related to the acquisition of high-energy performance buildings.

Capital management and financial optimization, p. 34

A continuous commitment to sustainability, p. 47

Group's financial position, p. 75

Management of climate-related risks of negative impact on the Group

Given the importance of risks related to climate change for the finance and insurance sector and the assessments carried out as part of the *Own Risk and Solvency Assessment* (ORSA) process on the main emerging risks, the Climate Change Risk project was launched at the end of 2019 with the aim of defining a reference framework for the management of climate risk for the Group, based on scenario analysis.
The project is part of the European regulatory development which requires the Risk Management function to identify and assess, among the emerging and sustainability risks, those related to climate change, also progressively providing analysis based on specific climate scenarios within the ORSA Report.
The project is developed over an initial 2-year period and it is focused on the risks to which the Group is exposed as a result of the climate change.
Since the project is cross-functional, the Risk Management function coordinated the activities together with Group Sustainability & Social Responsibility function, Group Integrated Reporting function and Group Corporate Affairs function (that are part of the project Committee), interacting with the P&C Claims and Reinsurance functions and several functions in the Group Investment, Asset & Wealth Management business unit.
The activities carried out during the first year of the project included:

- the selection of three climate scenarios based on projections of growth in the emission levels of greenhouses gases as proxy of different levels of temperature rise, in order to catch those with an impact in terms of:
  - transition risk, in a scenario with temperature rise targets consistent with the Paris agreement and the *Net-Zero Asset Owner Alliance* initiative;
  - physical risk, in a scenario with higher levels of temperature rise, reflecting the absence of effective measures to reduce emissions;
  - both physical and transition risk, in an intermediate scenario compared to the previous ones;
- the selection of different frames for the impact assessment of the selected scenarios, including shorter periods for the transition risk and longer ones for the physical risk;
- an initial qualitative and quantitative impact analysis of the scenarios mentioned above relating to:
  - investments in equities and bonds, to identify sectors and the most vulnerable geographic areas;
  - P&C underwriting, to identify business lines and the most vulnerable geographic areas.

19 Data provided by the International Energy Agency.

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 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 the most European countries, 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. The pandemic will lead to some impacts - although still not well defined - on the communities' demographic structure: mostly the elderly were affected by Covid-19, but at the same time increased the weakness of singles and young families, who are part of that unstable labor market most heavily affected. Therefore, it is expected the confirmation of unbalanced communities, where the increase in social security and healthcare needs do 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, and even extreme, needs, as the pandemic has highlighted. At the same time, an enhanced awareness of the bond between health, lifestyles and the environmental context is developing thanks to both public social initiatives and greater proactiveness and promotion from private market.
Erratic local political choices are weighing on the solidity of the welfare systems. A greater perception of uncertainty impacts the coverage of the immediate healthcare and public welfare access requirement, so it is altering system balances that can only take shape over a long-term horizon.
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.
Lastly, the matter of human rights grows in importance, especially in the less mature economies, where labour law is under development.

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 and 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 become 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. The pandemic scenario highlighted even more how the availability of appropriate services and information can be a key element of differentiation. We are increasingly paying attention to the digital transformation, both as a communication channel and as a lever to enhance the efficiency in services to our customers and our distribution network. Through its digital approach, Generali stood close to its customers and its network even in the lockdown phases.

Pandemics and extreme events, p. 21

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. Life and Health products, including pension and welfare products, imply Generali's acceptance of biometric underwriting risks, typically mortality, longevity and health. 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 Group Policy on Life underwriting. Lastly, we measure the mortality, longevity and health risks using the Group's Partial Internal Model.
We also commit ourselves to and monitor the respect of human rights thanks to the Group's guidelines and policies, including the Code of Conduct, the Responsible Investment Group Guideline and the Responsible Underwriting Group Guideline.

Our rules for running business with integrity, p. 51

THE GENERALI 2021 STRATEGY

BEING A LIFE-TIME PARTNER TO CUSTOMERS, OFFERING INNOVATIVE, PERSONALIZED SOLUTIONS THANKS TO AN UNMATCHED DISTRIBUTION NETWORK

PROFITABLE GROWTH

p. 33

STRENGTHEN LEADERSHIP IN EUROPE:
reinforce #1 market position[20]

FOCUS ON HIGH POTENTIAL INSURANCE MARKETS:
15%-25% earnings CAGR 2018-2021 depending on country/segment

DEVELOP GLOBAL ASSET MANAGEMENT PLATFORM:
15%-20% earnings CAGR 2018-2021

CAPITAL MANAGEMENT AND FINANCIAL OPTIMIZATION

p. 34

INCREASE CAPITAL GENERATION:
> € 10.5 billion cumulative capital generation 2019-2021

ENHANCE CASH REMITTANCE:
+35% cumulative cash remitted to holding 2019-2021 compared to period 2016-2018

REDUCE DEBT LEVEL AND COST:
€ 1.5-2.0 billion debt reduction by 2021;
€ 70-140 million reduction in annual gross interest expense by 2021 vs 2017

INNOVATION AND DIGITAL TRANSFORMATION

p. 37

BECOME LIFETIME PARTNER TO CUSTOMERS

ENABLE DIGITAL TRANSFORMATION OF DISTRIBUTION

TRANSFORM AND DIGITALIZE OPERATING MODEL

about **€ 1 billion** total investment in internal strategic initiatives 2019-2021

3 KEY ENABLERS WHICH DRIVE THE EXECUTION OF THE STRATEGY

01 **OUR PEOPLE**

p. 41

20 Based on IAS-IFRS gross written premiums in Europe at year-end 2017.

LEADING THE EUROPEAN INSURANCE MARKET FOR INDIVIDUALS, PROFESSIONALS AND SMES, WHILE BUILDING A FOCUSED, GLOBAL ASSET MANAGEMENT PLATFORM AND PURSUING, OPPORTUNITIES IN HIGH POTENTIAL MARKETS

GENERALI 2021 / FINANCIAL TARGETS

GROWING EARNINGS PER SHARE	GROWING DIVIDEND	HIGHER RETURN FOR SHAREHOLDERS
6%-8% EPS CAGR RANGE[21] 2018-2021 ON TRACK	**55%-65%** DIVIDEND PAYOUT RANGE[22] 2019-2021 **€ 4.5 - € 5 bln** CUMULATIVE DIVIDENDS 2019-2021	**> 11.5%** AVERAGE RETURN ON EQUITY[23] 2019-2021
ON TRACK	**ON TRACK** SUBJECT TO REGULATORY ENVIRONMENT	**2019 and 2021e** ROE >11.5% **2020** impact of Covid-19 and one-offs Average RoE 2019-2021 won't be higher than 11.5% due to 2020 evidence

Our performance, p. 63

02 **A STRONG BRAND**

p. 46

03 **A CONTINUOS COMMITMENT TO SUSTAINABILITY**

p. 47

21 3 year CAGR; adjusted for impact of gains and losses related to disposals.
22 Adjusted for impact of gains and losses related to disposals.
23 Based on IFRS Equity excluding OCI and on total net result.

> “Our Generali 2021 strategy remains effective and even more valid in the current market context. The Group is navigating the most serious post-war global crisis by leveraging its strengths: disciplined strategy execution, focus on technical excellence, strong distribution network and a diversified business model. These strengths, combined with our solid capital position and excellence in innovation, allow us to fully commit to the financial targets of our strategy and to be well-positioned to capitalize on future opportunities. Two years after the launch of the plan, we are maintaining our commitments to all stakeholders, thanks also to the empowerment of our people, an increasingly strong brand and our growing commitment to sustainability.
>
> ***Philippe Donnet,*** *Generali Group Chief Executive Officer*

The Covid-19 pandemic spread around the worl represents not only a serious threat to people’s health: it is also causing a major economic crisis and great uncertainty in financial markets.

Therefore, during 2020 we carried out a detailed analysis of our strategy to verify if it was still valid and consistent in light of the new context. We were able to confirm we are solid and fully committed to reach our financial targets by 2021 thanks to three key factors:
- our resilient financial and operating performance thanks to our core strengths underpinning Generali 2021: a clear strategy, a focus on technical excellence and a high-quality, diversified business model;
- proactive and decisive actions taken since the beginning of the crisis to protect value of shareholders, our customers and our people;
- our core convictions underpinning Generali 2021, which are today more relevant than ever and allow us to capitalize on emerging opportunities.

We also worked on the implementation of our strategic initiatives in line with our ambition to become a Lifetime Partner to our customers. The strategic initiatives are applied to both the corporate functions and the Group’s geographies throughout. They therefore actively involve hundreds of colleagues worldwide, and their goal is to accompany the Group’s business units on their paths to meeting the goals of the strategic plan, by promoting an agile and entrepreneurial work method and by increasing the level of involvement and sharing between all employees.
As to monitor the execution of the strategy and internally share its progress, we continued to use the FastBoard tool, that summarises the performance of the key indicators functional for carrying out the Generali 2021 strategy.

Communities of Practice

Communities of Practice

They represent one of the building blocks of our strategy. The communities promote a collaborative approach among colleagues, by removing any functional and geographical barriers; they share knowledge and work together also for the identification and scale-up of best practices in the Group. Thanks to their new way of working, based on collaboration and co-creation, they accelerate the implementation of innovative ideas in an inclusive environment, in full alignment with strategic initiatives.

Communities of Experts

Communities of Experts

Through the power of collaboration and sharing of innovative ideas and experiences among subject matter experts, the Communities of Experts are transforming our way of working and learning from one another, helping Generali in its ambition to become a Lifetime Partner to our customers all over the world.

PROFITABLE GROWTH

STRENGTHEN LEADERSHIP IN EUROPE

FOCUS ON HIGH POTENTIAL INSURANCE MARKETS

DEVELOP GLOBAL ASSET MANAGEMENT PLATFORM

The core convictions underpinning the three-year plan were also reinforced in light of current trends. They offered us the opportunity to strengthen our leadership position in Europe through the disciplined execution of the strategy, to seize growth opportunities by leveraging protection offering and asset management, and to accelerate digital transformation and omni-channel distribution.
We are well positioned to seize opportunities for profitable growth in Life segment as for capital-light, unit-linked and health products as well as in pension business in a context where the demand for such solutions increases in line with an ageing population, providing a unique opportunity for pension products. We can also leverage the excellence of our distribution network as well as excellent technical margins, especially in the P&C segment showing the lowest and the least volatile combined ratio among peers. They couple with a wide range of products, including asset management solutions, ESG options, biometric products and solutions for seniors.

Challenges and opportunities of the market context, p. 20

We defined rigorous and disciplined criteria for M&A transactions and identified three key strategic areas where acquisitions and partnerships could boost our existing offer. We were consistent with our strategic priorities and we successfully enhanced our leadership position in Europe, effectively integrating acquired companies and creating incremental value through partnerships.

STRATEGIC PRIORITIES	COMPLETED ACQUISITIONS AND PARTENERSHIPS
REINFORCE LEADERSHIP IN EUROPE	ADRIATIC SLOVENICA AND CONCORDIA to reinforce our presence in Central-eastern Europe
	SEGURADORAS UNIDAS to enhance our strategic positioning in Portugal
	CATTOLICA strategic partnership to reinforce our leadership position in the Italian market across 4 strategic business areas: Asset management, Internet of Things, Health Business and Reinsurance, together with the subscription of the reserved share capital increase, that brought our shareholding to 24.46% of the issuer's share capital
	AXA INSURANCE* to strengthen our leadership position in Greece. Renegotiated its distribution agreement in place with ALPHA BANK, a partnership that is in line with the ambition to enhance the bancassurance channel in order to boost P&C sales in Greece
ENHANCE ASSET MANAGEMENT CAPABILITIES	LUMYNA leader company in the development of alternative UCITS (Undertaking for the Collective Investment of Transferable Securities) strategies
	SYCOMORE partnership to enrich the offering with innovative investment solutions, and to strengthen the focus and capabilities on sustainability and responsible investments for customers
	KD SKLADI a Slovenian mutual fund manager
	Union Poland a Polish asset management company
INCREASE SERVICE-BASED REVENUES	ADVANCECARE a Portuguese service platform operating primarily in the healthcare sector, a leader in the management of medical service outsourcing

* Acquisition announced on 31 December 2020, pending completion.

CAPITAL MANAGEMENT AND FINANCIAL OPTIMIZATION

INCREASE CAPITAL GENERATION

ENHANCE CASH REMITTANCE

REDUCE DEBT LEVEL AND COST

The successful implementation of our capital management framework is fundamental to achieve our cash and capital targets. The framework provides risk-adjusted and return on equity metrics used as threshold of capital and M&A strategic choices. Our capital planning and monitoring process allowed us to measure cash remittances from the business units, also through a standardised assessment of the free excess capital that leverages our Internal Model and consider local limits and risk tolerance. Effective actions and governance structure allowed to optimize cash and capital remittances among the holding and business units.

The Group has a solid capital position at both Group and major business units' level, even under stress scenarios. Our solid solvency is supported by capital management actions and a consistent capital generation, driven by a resilient Life new business and an excellent P&C current year best estimate result measured according to Solvency II criteria.

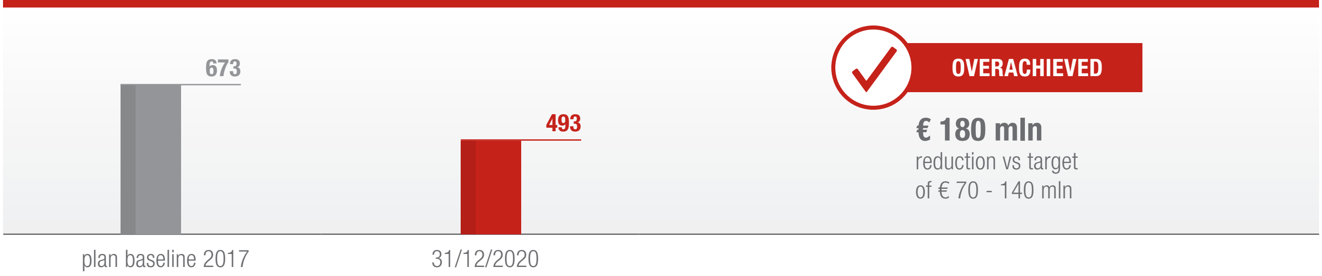
We are consistent and effective in our cash centralization strategy by extending the participation to newly acquired entities and by enabling new levers to complete the centralized treasury model. This has translated into a greater discipline in cash management across the Group, as reflected in a higher and more stable cash position at Parent Company level.

We continue to adopt an active debt management approach, targeting a gross interest expense reduction of between € 70 and € 140 million compared to 2017[24] eand a financial debt reduction of between € 1.5 and 2.0 billion compared to year-end 2018[24]. Thanks to the activities so far carried out from the very beginning of the strategic plan, we already overachieved the gross interest expenses reduction target mentioned above one year in advance. We expect to land with about € 200 million lower interest expense in 2021 compared to 2017. The financial debt reduction amounted to around € 1.9 billion compared to year-end 2018, meeting the higher end of the target range announced in the Generali 2021 strategic plan.

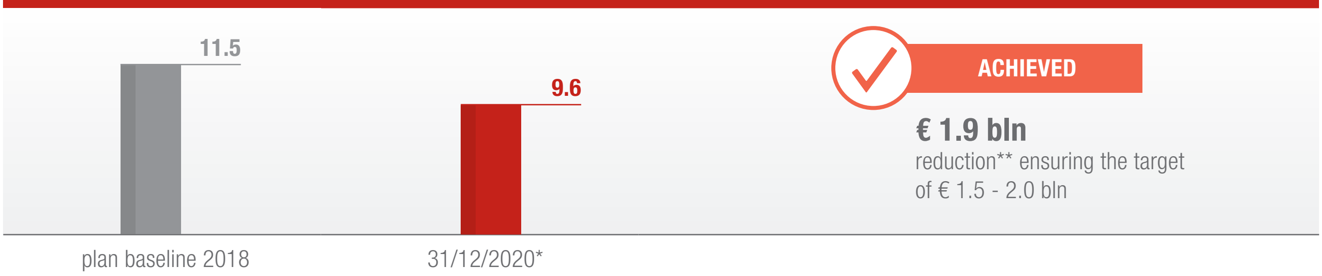
Higher contributions from expense reduction and debt optimization also helped us to confirm our target on earning per share (EPS), even considering the challenging context created by the Covid-19.

Group's financial position, p. 79

INTEREST EXPENSE REDUCTION - Gross of tax (€ mln)



FINANCIAL DEBT REDUCTION (€ bln)



* The Adriatic Slovenica subordinated debt of € 50 million is not included, consistently with the Investor Day 2018 target definition.

** The € 1.9 billion reduction is made up of € 1.75 billion of nominal amount of bonds reimbursed and additional around € 150 million debt reduction related to FX hedges on GBP debt reimbursed, partly compensated by hedging derivatives MtM movements. The Adriatic Slovenica subordinated debt is not included, consistently with the Investor Day 2018 target definition.

24 The year is considered as the baseline for this indicator.

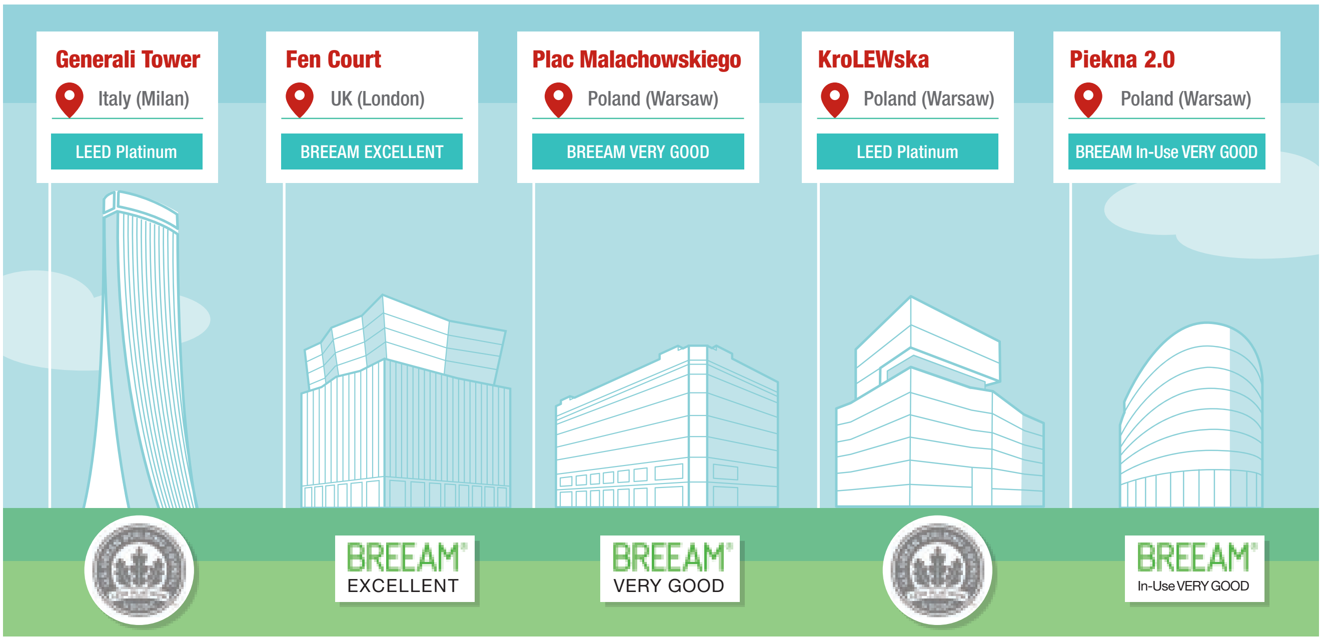
We took a proactive approach aimed at rebalancing the debt maturity profile while optimizing our Solvency II position, in terms of capital quality. Our proactive approach to debt optimization was implemented through three key transactions:

- at the beginning of 2019 we announced the redemption of € 750 million subordinated debt. We replaced it with an issue of only € 500 million subordinated debt, thus reducing our external financial debt by € 250 million;
- in September 2019 we launched the first liability management transaction, followed by a second one in July 2020, in order to smoothen the 2022 maturity peak resulting in a more balanced debt profile. The first transaction led to € 250 million deleveraging while the second one was neutral in terms of outstanding debt, but it contributed to further reduce the refinancing risk;
- in January 2020 there was the redemption of € 1.25 billion senior debt with internal resources.

The maturity profile was significantly reshaped due to these transactions, thus avoiding peaks in specific years and with a longer average duration.

Through the proactive debt management Generali also confirmed its focus and innovation on sustainability, that is part of our business model, as well as its commitment towards the achievement of sustainability targets: two Green Bonds were issued.
The first issuance by the Group also represented the first issuance by a European insurance company. The Tier 2 green bond of € 750 million maturing in 2030 attracted investors with order in excess of 3.6 times the offer. The second issuance, a Tier 2 green bond of € 600 million maturing in 2031, was highly appreciated too: it attracted an orderbook of more than 7 times the offer. Both bonds attracted a significant representation of investors with green mandates or institutional investors willing to implement green investment plans.
We illustrated the allocation of proceeds from the first issuance and presented an overview on the related impacts in the Group's Green Bond Report, published in November 2020. The content of the document is in line with the Green Bond Framework, as confirmed by the Auditors' Report performed by EY S.p.A.. The Green Bond Report related to the second issuance will be published in 2021.

Below are the green buildings owned by the Group refinanced through the net proceeds of the Green Bond.



www.generali.com/investors/debt-ratings/green-bond-framework to discover more on the Green Bond Report and Green Bond Framework

We promoted innovation in our green financial management by developing:

- the Green Bond Framework to finance or refinance, for example, projects to buy or renew buildings of the Group with the aim of improving their energy efficiency;
- the Green Insurance Linked Securities (ILS) Framework, a scheme for structuring alternative financial instruments allowing for the transfer of insurance risk to institutional investors.

Green Bond Framework

Drawn up in the first part of 2019, the Group's Green Bond Framework represents as much an element of continuity with the sustainability-linked credit lines negotiated in 2018 as much as an element of consistency with the Generali 2021 strategy, of which sustainability is a fundamental enabler.

Developed in compliance with the guidelines dictated by the Green Bond Principles, the Framework - subject to a Second Party Opinion issued by Sustainalytics - defines the eligibility criteria for the use of proceeds, the project evaluation and selection, the green bonds' governance, including the creation of a Green Bond Committee and the rules on reporting the green bonds.

The Green Bond Framework was designed following 3 key principles:

- simplicity: written clearly and unambiguously, it aims to be understood by both market professionals and the common reader of financial reports;
- transparency: based as much as possible on independent evaluation criteria, it reduces the margin of subjective judgement of the Group regarding the selection and inclusion of the pool of eligible assets;
- consistency: in line with our investment strategy that contemplates expansion of the real estate and private assets, and with our history as a large investor in the European real estate sector. Aware of the close tie between global CO2 emissions and buildings and transportation, the pool of eligible assets for the Green Bond will be mostly represented by investments in green buildings and transportation.

Green Insurance Linked Securities (ILS) Framework

In February 2020 Generali published its Green ILS Framework, in line with the Group's sustainability strategy and capital management approach.

The initiative, closely related to the Green Bond Framework, aimed at defining a scheme for structuring alternative mechanisms for the transfer of insurance risk to institutional investors. The Green ILS Framework was subject to a Second Party Opinion issued by Sustainalytics, too.

ILS are alternative mechanisms for the transfer of insurance risk to institutional investors. The value of these instruments depends mainly on the probability that the insured events will occur, and the related return is uncorrelated with the financial market. In line with the Framework, Green ILS are characterised by the investment of collateral in assets with a positive environmental impact, and by the allocation of the transferred solvency capital to sustainable initiatives - like investments in green assets and support to the underwriting of green policies - according to predefined selection and exclusion criteria.

The Green ILS Framework also defines the process of evaluation and selection of sustainable initiatives and the governance of Green ILS, including the set up of the Green ILS Committee and its reporting procedures.

GREEN BOND FRAMEWORK GREEN ILS FRAMEWORK

Consistent with our Grouo sustainability strategy / Developed according to four main pillars / Second Party Opinion issued by Sustainalytics

01 USE OF PROCEEDS AND FUNDS

- Green buildings
- Renewable energy
- Recycling, re-use and waste management
- Energy efficiency
- Sustainable water management
- Clean transportation

02 PROJECT EVALUATION AND SELECTION

- Analysis of the green eligibility
- Confirmation of eligibility and allocation decision by a dedicated Committee

03 MANAGING OF PROCEEDS AND FUNDS

- Allocation according to the equivalence principle
- Maximum 2-year look back period
- Full allocation within 1-year on a best effort basis

04 REPORTING

- Allocation report: amounts per category, unallocated amount if any
- Impact report di impatto on a best effort basis subjet todata availability
- Annually until full allocation

NFS

INNOVATION AND DIGITAL TRANSFORMATION

BECOME LIFETIME PARTNER TO CUSTOMERS

ENABLE DIGITAL TRANSFORMATION OF DISTRIBUTION

TRANSFORM AND DIGITALIZE OPERATING MODEL

Our ambition is to become a truly innovation-led, digitally-enabled, data-driven and agile organization to our people, our agents and our clustomers.
The third pillar of the Generali 2021 strategy, based on innovation and digital transformation, aims at:

- making Generali Lifetime Partnerto its customers;
- supporting the digital transformation of its agents;
- transforming the operating model while adopting new technologies and expanding the use of data and information flows from Internet of Things

The Generali Digital Strategy is the engine that powers and accelerates our journey towards becoming a true Lifetime Partner. It relies on five Digital Enablers, we confirmed.

INNOVATION	INSPIRE AND EQUIP TO EXPLOIT NEW BUSINESS OPPORTUNITIES AND TECHNOLOGY
CUSTOMER RELATIONSHIP MANAGEMENT	TRANSFORM CUSTOMER JOURNEYS, EXPAND CUSTOMER KNOWLEDGE, AND IMPROVE TOUCHPOINTS, TRANSPARENCY AND INTERACTIONS
SMART AUTOMATION	ACCELERATE PROCESS AUTOMATION THANKS TO RE-ENGINEERING AND THE ADOPTION OF NEW TECHNOLOGIES
DATA, ANALYTICS & AI	GUIDE BUSINESS DECISION-MAKING AND ENHANCE COMPETITIVE ADVANTAGE THROUGH DATA, ANALYTICS AND ARTIFICIAL INTELLIGENCE
AGILE ORGANIZATION	BECOME A LEAN, FLEXIBLE AND FOCUSED ORGANISATION ON MOVING FASTER

The Digital Enablers trace the route to achieve our ambition and lie at the core of our efforts to transform and digitalise our operating model throughout our digital journey.

We continued in 2020 along the path started in the last two years, developing further projects aimed at increasing the level of innovation and digitalization of the Group. Examples are the creation of *Center of Excellence on Smart Process Automation and the launch of Innovation Fund.*
Center of Excellence on Smart Process Automation is an entity dedicated to the implementation of automation projects at Group level, using advanced solutions that can be replicated in different countries. Thanks to these projects, it is possible to simplify processes and optimize the experience of customers, agents and employees.
Innovation Fund is a fund created to accelerate the Group's digital transformation by providing financial support to the most innovative ideas. The fund was endowed with € 5 million in 2020, which were used to co-finance over 60 new projects.

2019-2020 CUMULATIVE INVESTMENTS IN INTERNAL STRATEGIC INITIATIVES

€ 823 mln

In line with the 2019-2021 strategic plan, in order to accelerate our business transformation, in 2020 we invested € 409 million in strategic initiatives.

As for the European insurance business, we achieved the target of € 200 million in expense reduction ahead of plan, thanks to disciplined execution of savings and transformation initiatives. Throught new ways of working and external services optimization, we will get additional € 100 million savings, thus reaching a € 300 million total expense reduction by 2021.

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Become Lifetime Partner to customers
Enable digital transformation of distribution

> At the heart of everything we do is, and will be, our ambition to be Lifetime Partner. Allowing our customers to achieve their dreams, caring for them, being by their side in every phase of their life. Because, in the end, insurance is a People Business. It's about trust. It's about providing security and protection in a world of growing uncertainty. It's about being a source of hope for the future.
>
> ***Philippe Donnet**, Generali Group Chief Executive Officer*

We continue to work to bring our Group closer to our ambition of becoming a Lifetime Partner to our customers, thus fulfilling our company purpose, to enable people to shape a safer future by caring for their lives and dreams. For Generali, doing business means creating long-term value for all stakeholders by offering innovative and personalized solutions that anticipate their future needs and by caring for them, the people they love and the dreams they pursue.
Our 8 Hallmarks are the tangible proof of this commitment towards our customers and agents and represent our new way of doing business.

OUR CUSTOMERS [25] **+7.3%**

65.9 mln

HUMAN & CARING EXPERIENCE

Our mission is to offer to our customers a *Human and Caring* experience every time they interact with us. We have identified for every channel and point of customer contact a series of caring actions to ensure customers persistency perceive our attention (e.g. welcome call, first contact resolution, etc.). Thanks to our 4 Lifetime Partner Behaviors we treat our customers with empathy. Moreover, we created a holistic strategy leveraging all channels to offer valuable contacts to our customers.

B1 LANGUAGE

We aim to write all documents in a clear, transparent and understandable way (level B1, understood by 95% of the population). The objective is to be crystal clear, by helping the customer to better understand what is included in his policy and to be accessible to everyone. We have trained and certified all functions involved in writing documents across all countries and we have a roadmap to rewrite documents addressed to our customers.

DIFFERENTIATING VALUE PROPOSITIONS

Our aim is to offer personalized solutions that help our customers in their everyday life. The solutions are enriched by a combination of very valuable services such as prevention, protection and assistance. We started a transformation process, to ensure we start from customer needs, involving all the functions in the agile development of customized solutions. The technological and digital infrastructure, besides an innovative approach, are the basis of this transformation. Our new approach enables us to incorporate and develop sustainable products. This make us able to propose to our distribution channel customized, modular solutions to create a long-lasting relation with our customers.

SEAMLESS OMNICHANNEL EXPERIENCE

We aim to provide our customers with the best digital omnichannel experience, enabling them to *do what they want when and where they want it*. Our customers around the world can now manage their policies, buy new ones, renew, open and track claims, request assistance, remotely interact with their agents and more, in full autonomy. We keep on working to make this experience easier and more seamless.

25 The number of customers refers to all insurance entities, banks and pension funds (line-by-line consolidated entities, few insurance entities in Asia measured with the equity method where Generali has relevant shareholdings, and relevant direct B2C - Business to Consumer - business of Europ Assistance in some countries.

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OUR AGENTS[26] +5.5%

165 thousand

Hallmarks to transform our agents in Lifetime Partners

DIGITAL VISIBILITY

87%[27] of our customers start their search online when they seek product or service information. That is why one of the main hallmarks is our 165 thousand agents to be present online, including social media.
Today our markets have access to a content marketing platform, our agents have the facility to share health and lifestyle content with their customers and can continue to converse with our agents using social networks.
A core ingredient to our success is represented by our Digital Sales Champions, who in each market contribute to accelerate the Digital Visibility hallmark by providing tailored training on social networks and enabling our 165 thousand agents to continue to be LifeTime Partners to our customers.

MANAGEMENT OF GENERATED LEADS

We produced a Lead Management Blueprint for global adoption to accelerate the implementation of a data-driven digital experience and convert contacts collected on the web into customers. We increased our commercial focus across all digital channels with always-on and lead nurturing campaigns to prepare the leads for the agent appointment and boost sales, creating a positive impact on our distribution network.

NEEDS'-BASED ADVISORY

Our 165 thousand agents are the human faces of our company, they serve, advise and tailor solutions to our customers with passion and dedication. Customers want their needs to be understood. 69%[28] of them want to consolidate their needs with one agent when advise is in line with their expectations. They also seek human touch: 86%[28] are more satisfied when contacted in the way they prefer.
As to reach the goal of our agents to become Lifetime Partners to our customers, we created a tool that will include a 360° view of customer data to advise customers and find the best solutions in line with their needs and lifestyles. Products will be modular and will allow for a high level of customization. Our agents and sales managers will benefit from training programs to be even more efficient on customer needs' analyses and from a contact strategy to nurture long-term meaningful relationships.

PAPERLESS

We want to be an even more sustainable and efficient Group, providing an increasingly digital experience in order to reduce the use of paper documents as well as eliminate operational complexity and waste (e.g. printing, filing, missing data or travels, etc.).
Most of our agents already have the necessary tools (e.g. e-signature, e-payment, video & co-browsing, etc.) and know-how to sell remote digital policies. Our aspiration is to further increase digital policies and enable remote selling to all our distribution networks across the world.

With Digital Hub, we aim to address the users' expectations, implementing at scale an omnichannel seamless experience for customers, agents and prospects across all digital touchpoints for all the Group markets. To achieve that, we have developed:

- a common user experience for all the users;
- a cross-channel design approach;
- common and flexible IT accelerators.

We started gradually, redesigning in 2016 a distinctive customer experience and extending it to all the markets. As following step, we extended this approach to agent experience in early 2019, defining the new target agent journey. We then activated the re-design of the prospect experience in 2020.

26 The number of agents refers to all insurance entities with relevant traditional distribution networks (line-by-line consolidated entities and few insurance entities in Asia measured with the equity method where Generali has relevant shareholdings).
27 Source: Salesforce and Publicis.Sapient research.
28 Source: Epiphany, RNPS research.

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Transform and digitalize operating model

The digital transformation of the operational model is systemic.

In Generali, it passes through the revision and radical reappraisal of processes, computer systems, procedures and roles of the entire Group structure.
We are redesigning the processes using the design thinking methodology, including both experts of the sector and those directly involved and leveraging the new automation technologies. We are developing Artificial Intelligence technology-based tools; we are introducing new tools to manage customer relations in mobility or, whenever possible, digitally, and we are creating innovative products based on data generated by Internet of Things sensors.
We also believe that it is necessary to adapt and expand knowledge and skills of our people. The GPeople 2021 strategy is planning a specific training programme for reskilling and upskilling involving most of our employees through online learning tools and high-level training courses enabling to acquire and develop unique digital skills in the industrial landscape, so that they can perform activities with more effective tools while relying on information and records generated by advanced analysis and intelligent process automation systems.

Our people, p. 41

Digital transformation also has a significant external impact, first and foremost on the offer to our customers and in the experience of our agents.
We undertake to create and consolidate digital access points able to guarantee the use of information and services coupled with a rich, simple and quick experience using many digital channels.
We are also continuing down our technology observation and testing journey to support the digitalisation of the operating model and ecosystem in which we operate. New platforms, automation tools, automatic image analysis tools and biometric technologies are allowing processes, even those that are highly complex, involving the Group's customers, partners and companies to be transformed.

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03 THREE ENABLERS DRIVING THE GENERALI STRATEGY

01 OUR PEOPLE

"The unprecedented discontinuity brought by 2020 has had a strong impact on the way we live, think and work. It has also demonstrated, however, the importance of being resilient and having a clear strategic vision and shared values."

***Monica Possa**, Group Chief HR & Organization Officer*

OUR PEOPLE	+1.0%
72,644	

WOMEN	0.0 pps	MEN	0.0 pps
51%		49%	

At Generali, people work every day to deliver the ambition to become a Lifetime Partner to our customers. In 2018 we developed the Generali People Strategy, GPeople 2021, that is focused on five priorities:

01 Foster a customer-centric, inclusive and open **culture**

02 Build and evolve key **skills** for the digital age

03 Grow global and diverse **leaders** and talents

04 Reward **excellence** and sustainable value creation

05 Become a simple, agile and efficient **organization**

Each priority is supported by Group and local initiatives, which are monitored based on defined targets.
Such priorities and initiatives have played a key role in preparing Generali to face the Covid-19 outbreak and the following, challenging scenario for our people and communities.
Since February 2020, we have taken people's safety as an imperative. After having cancelled international events and travels, the whole organization has rapidly shifted to remote working. In such scenario, GPeople 2021 initiatives have been reprioritized and adjusted to be effectively delivered in a digital way.

NFS

We developed a framework for the assessment and management of operational risks inspired by international best practices and consistent with the requirements of the Solvency II directive. As part of the assessment conducted by the Group companies every year, the risks that could impact areas concerning our people were identified and precisely analysed, and the initiatives implemented with a view to mitigating such risks were evaluated. The areas of analysis regarded the following specific categories:

- employment relationships, with a particular focus on matters relating to key people and business ethics;
- safety at work;
- discrimination, diversity and inclusion.

In 2019, a new risk was added to the catalogue of operational risks. It is about the possibility to fail in the acquisition of new skills and competences for the execution of the Group strategy.

The assessment is satisfactory, also in light of the initiatives implemented within the GPeople 2021 and the centrality of our people within the Group strategy.

01. Foster a customer-centric, inclusive and open culture

LIFETIME PARTNER – BEHAVIORS

As to promote a culture of innovation and become a Lifetime Partner to our customers, the adoption of our four behaviours is still key: ownership, simplification, innovation and the human touch in everything that we do.

In 2020, the Behaviours in action experience continued, overall training more than 22,000 people worldwide. The initiative was converted in virtual to cope with the restrictions imposed by the global pandemic, allowing our people to still experience the four behaviours. In addition, the e-learning course called Behaviours Digital Experience was launched and made available for all Group employees.

MANAGERIAL ACCELERATION PROGRAM (MAP)

In 2017, we launched the Managerial Acceleration Program (MAP), dedicated to all people managers of the Group. It is based on the eight Generali Empowerment Manifesto (GEM) behaviours and it aims to encourage a people empowerment-based managerial culture. Updated in 2019 to be in line with Generali 2021, it remains the reference point for new hired and new people managers.

In July 2020, we designed the series of webinars Leading Virtual Teams as a Covid-19 mitigation action: it embeds the GEM principles and it aims at supporting people managers in their role, fostering the identification of new effective ways of working.

GENERALI GLOBAL ENGAGEMENT SURVEY

As to measure and promote the engagement of our people, in June 2019 we carried out the third edition of the

Generali Global Engagement Survey, a managerial tool for continuous improvement, reaching 89% response rate (+3 pps vs 2017) and 82% engagement score (+2pps vs 2017).

During 2020 we addressed the improvement opportunities with specific action plans, leveraging our strengths. As a result, the global priorities identified were:

- eliminate bureaucracy to boost efficiency and decision making;
- unlock people potential fostering transparent meritocracy, recognition and growth;
- nurture an inclusive environment to embrace diversity.

Since January 2020, 464 local engagement actions were launched with the ambition of implementing 100% of them by 2021.

LOCAL ENGAGEMENT ACTIONS IMPLEMENTED[29]

75%

DIVERSITY & INCLUSION STRATEGY

The Group has further accelerated the promotion of an inclusive environment and organisation culture, which values all diversities. Inclusion is a key factor to create value for employees and customers, particularly in times of social and economic challenges. Our strategy, based on four priorities - gender, generations, culture and inclusion - can rely on structured plans, orchestrated at global and local level. In 2019, we introduced the Diversity and Inclusion (D&I) Index to measure the Group's progress compared to 2021 ambitions that were internally set on all four priorities.

29 They also include local engagement actions implemented by companies other than consolidated line-by-line.

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D&I INDEX[30] **+25 pps**

106%

The D&I Index rose to 106% thanks to very good results from some key Group projects that are focused on increasing the percentage of female managers and young talents as well as the involvement of employees in upskilling and reskilling programmes. Entities that introduced smart working policies and action plans on disabilities grew in number, too.
On the other hand, hiring, especially of people below 30 years of age, and the number of talents who had the opportunity to live international experiences slowed down as a result of the recent health emergency.

As for our four priorities, our ambition on gender is to accelerate the presence of women in senior leadership positions and in succession plans. Two programs were launched at Group level: Lioness Acceleration Program, an 18-month journey for female senior managers that is supported through mentoring and coaching and by a panel of international experts on leadership topics, and Elevate, a 12-week program for female managers including six webinars and two live sessions. These two programs are complemented by more than 60 actions launched at local level, such as Women Mentoring and STEM Women Recruitment Programs.
As for the second priority, it aims to ensure a better balance among the different generations in our Group and focus on identifying and retaining young talents. Therefore, in 2020, we launched Future Owners, a program aimed at retaining professionals aged less than 30 and accelerating their careers.
With regards to culture, we want to foster and sustain the transformation, by attracting and retaining people with different backgrounds, innovative skills and global mindset. To this end, we launched upskilling and reskilling programs to enable all employees to embrace the transformation.
Our objective on inclusion is to promote mindsets and behaviors to value all our differences. Thus, we launched the Conscious Inclusion rapid learning series to increase awareness on unconscious biases that impact on decision-making processes. Many initiatives were launched to further encourage respect of people with disabilities and different sexual orientation. The Group action plans on Disability and LGBTQI+ were approved by our Group D&I Council, made up of a pool of selected business leaders representing our business units. The DiverseAbility Awareness Journey, a program launched at the end of 2020 and including a community of 60 international Group Champions, aims at defining local action plans to promote inclusion of people with disabilities, while identifying and breaking down current systemic and cultural barriers. Finally, WeProud, the first Group LGBTQI+ employee resource group, was created along with a communication campaign to increase awareness on LGBTQI+ and the value of inclusion.

Moreover, in order to promote a culture based on gender balance and pay equity, during 2020 specific analyses were carried out at local level applying a Group common methodology. The analyses focused on pay equity in terms of gender pay gap for comparable roles (equal pay gap) and on gender balance in terms of gender pay gap across the entire organization, regardless of roles.

EQUAL PAY GAP[31]

-2.8%

GENDER PAY GAP[32]

-13.9%

ACCESSIBILITY GAP TO VARIABLE REMUNERATION BETWEEN FEMALES AND MALES[33]

-5.1%

The results aggregated at Group level showed that females' median base salary for comparable roles was -2.8% than the males' one (equal pay gap), whereas, in terms of gender pay gap, the evidence for the entire organization was set at -13.9%. In terms of total compensation, the accessibility gap to variable remuneration between females and males was -5.1%.
Based on the results of the analyses, all the countries and business units will continue developing specific mitigation actions at local level, with the aim to progressively reduce the observed gaps in the next 4-5 years.
The mitigation actions include initiative aimed to positively impact on gender balance and pay equity, both at local level and linked to the Group's strategy on Diversity and Inclusion. Among the others, the following initiatives can be mentioned: the review of hiring processes; female career's acceleration programs for women's career; mentoring and sponsorship programs; fostering awareness on diversity and unconscious bias.
With the objective to support countries and business units in this journey, a yearly monitoring recurrent process has been introduced in order to evaluate the improvements across the entire organization and the impact of the mitigation actions.

Report on remuneration policy and payments for further details

30 The index refers to companies, that can be also other than consolidated line-by-line ones, where the priorities forming the index itself are measured. Its change was calculated on 2019 data that were restated, thus going from 77% to 81%. That was due to the replacement of one of the eight sub-indicators. In 2020, the sub-indicator *employees on roles needing new critical skills* was replaced by the *Turn to The New Index*, that measures the training effort offered to employees by the Group.
31 It is the percentage difference between females' and males' median base salary for comparable roles (belonging to the same job family and organizational level). The indicator refers to about 80% of the total of our people.
32 It is the percentage difference between females' and males' median base salary across the entire organization, regardless of the roles. The indicator refers to about 80% of the total of our people.
33 It is the difference in percentage between the accessibility rate to variable remuneration of females and males. The indicator refers to about 80% of the total of our people.

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02. Build and evolve key skills for the digital age

The trends of the sector, the ambition to become a Lifetime Partner to our customers and the new technologies require the development of new skills. We are equipping our people with the skills to continue to grow and assert themselves in the digital age as well as to support strategic business priorities. A methodology was defined and spread throughout the Group in order to identify in advance how the roles and skills of the future will evolve. On the one hand, it helps identify the roles and skills most widely exposed to change and, on the other one, it helps establish the initiatives to bridge the personnel training gap, consistently with the strategy.

In November 2019, we launched the Group program called We LEARN with the aim of equipping all employees with the new business, digital and behavioral skills that are needed to keep growing in the digital era, succeed in the future market context and support the Group's strategic priorities. The We LEARN program aims at reskilling the 50% of employees by the end of 2021 and it is made up of the following three training pillars:

- Foundation courses: basic training pills for all employees to create awareness on key strategic topics (e.g. the Digital Acumen course enhances the digital mindset and improves awareness on how digital technologies affects business and ways of working);
- New Skills for evolving roles: digital and classroom courses aimed at spreading new skills relevant to employees in their current role to face the new market challenges;
- New Role Schools: mini masters dedicated to specific Group roles to support strategic objectives with the creation of new professions (e.g. Data Scientists).

These training initiatives are born from a strong collaboration between the Group Academy and the Group countries. They also leverage a network of more than 200 internal experts involved to provide content, develop learning objects (e.g. videos and interviews) and lead classes. 90 We LEARN Champions, ambassadors spread across 50 countries and business units, support participation and engagement in the training through activation initiatives and Group learning sessions.
To ensure a common learning experience throughout the Group, the new We LEARN platform was designed in less than six months adopting an agile approach and successfully realised in more than 40 countries. The platform is based on best of breed cloud technology solutions and aims to deliver Group designed contents to employees enabling full coverage of different training types and emerging technologies (e.g. playlists, communities and external and customized training offers). The platform also offers automatic content assignment features to simplify learning managers' daily activities and advanced reporting tools to easily monitor real time targets achievements. The We LEARN platform is key to meet the Group's reskilling ambition, but it is also a strategic asset opened to address country-specific training needs.

RESKILLED EMPLOYEES[34] **+ 32.3 pps**

52%

OVERACHIEVED

Target of 50% of reskilled employees by 2021

The Covid-19 pandemic has attributed an even stronger relevance to digital and transformation skills. The Group Academy and business units have accelerated the training effort through We LEARN and increased the scope of employees involved in each course.

In 2020, taking into consideration the overall training available to Group's employees, 99,4% of them (+1.8 pps) were involved in at least one training program. 2.4 million training hours (-3.2%) were provided.

AVERAGE TRAINING HOURS PER CAPITA **-6.1%**

34.2

TRAINING INVESTMENT **-2.4%**

€ 58.8 mln

Focus on digital innovation and constraints imposed by the Covid-19 pandemic have led to a deep transformation in the Group's training activities. Training has been focused on digital transformation skills and re-organized, in particular through the virtualization of *in presence* courses, substituted by digital modules, more flexible and leaner due to the characteristics of online communication. These changes have led to an increase in the number of trained employees and in parallel a reduction in training hours and investment.
Even though this evolution has brought great value and positive impact, we have planned to re-activate *in presence* courses when possible, thus pursuing a training mix balanced among different training channels.

03. Grow global and diverse leaders and talents

To execute our strategy, we strongly need effective leaders and promising talents, and this is why we are continuously investing in their development. Being a Lifetime Partner leader requires new skills, a strong global mindset, excellent performance and the possibility to nurture and grow the individual potential.

34 The indicator also refers to employees in some companies other than consolidated line-by-line.

We work with the whole pool of Group talents and senior leaders to support them in driving people and organizations to success with the following initiatives:

- GLG PROGRAM - Leading the Lifetime Partner Transformation, Group Leadership Training about the leadership needed to address the Lifetime Partner ambition to our customers. The program was delivered in webinar edition in partnership with London Business School. 109 senior leaders divided in two cohorts attended the program, composed by three modules of nine hours in total, plus individual and group activities in between;
- STEP UP - Global Leadership Program for Group talent senior managers aimed at supporting them in increasing self-awareness, exploring how to energize, engage and empower, deepening knowledge on what will be needed to lead effectively in the New Normal, driving cultural transformation and successfully executing strategy. Learning journey composed by seven units of 0,5 days each plus intensive prework and coaching follow-up, delivered in an innovative virtual room in partnership with IMD for 68 senior managers of the Group;
- TAKE OFF - Global Leadership Program for Group talent managers aimed at supporting them in leading people through empowerment, engagement and fairness, being a change agent and influencing without full authority, supporting innovation and transformation while successfully executing strategy. Immersive experience of 3 days learning in an innovative virtual room in partnership with INSEAD for 34 managers of the Group;
- FUTURE OWNERS PROGRAM, a global initiative designed for talented employees with the motivation and skills to step up for new opportunities and invest in their professional growth.
  In alignment with our Diversity & Inclusion priorities, we want to leverage on new generations to grow global leaders, giving them the chance to live inspiring experiences and contribute to the Group's success. Almost 1,500 colleagues have applied to the program, showing a strong ownership and willingness to embrace challenges ahead;
- Talent Events, development initiatives aimed at strengthening the relationship between Group talents and senior leaders of the same function, so as to nurture a real talent community where ideas sharing and cross-functional growth paths can be valued. 186 Group talents were involved overall in 2018 and 2019 and further 80 during 2020.

04. Reward excellence and sustainable value creation

Our ambition is to foster a meritocratic environment, where the performance of our people is recognised and rewarded. This is possible through our Group Reward Strategy, which encourages alignment with the strategic objectives and the participation of all our people in the value creation process. Therefore, in 2019 we developed and launched We SHARE, the first share plan of its kind for Group employees, with the goal of involving the highest number of people around the world to become Generali shareholders, achieving the participation of 21,430 colleagues, with a participation rate of 35.3%. Moreover, we launched the We SHARE app, an innovative digital platform dedicated to the colleagues who joined the plan. The app has been designed to keep participants informed throughout the three years of the Plan, to provide a dedicated financial education program, updates about Generali world, Generali 2021 strategic initiatives as well as the outcome of the We SHARE donations to The Human Safety Net Foundation.

05. Become a simple, agile and efficient organization

The Group's organization is a fundamental asset for ensuring the proper execution of the strategy and the achievement of business objectives. We believe in a clear and simple organizational model that also encourages new methods of working that are more streamlined in order to facilitate speed, collaboration, accountability and innovation. Within this context, already in 2019, 62% of the Group's organizational entities strongly supported smart working through dedicated policies. This approach made it possible to test the new way of working, which is increasingly strategic for the future, with broader intensity and yet confirming Generali's ambition to continue investing and committing to smart working.

ORGANIZATIONAL ENTITIES WITH A SMART WORKING POLICY IN PLACE[35] **+21 pps**

83%

We relied on this way of working also to safeguard the health and safety of our people during the emergency context linked to the Covid-19 pandemic by temporarily and extraordinary - even without a dedicated policy - extending remote work to more than 90% of administrative employees.

Confirming the centrality of people in our strategy, we held 11 meetings in virtual mode with the European Works Council, the representative body for Group EU employees, at the permanent forum dedicated to social dialogue. Due to the unprecedented emergency situation which did not allow meetings in presence, during 2020 we experimented alternative ways of interaction with the European workers representatives also thanks to the digital communication channels provided by the company which ensured the continuity of the social dialogue even remotely.

35 They are organizational entities where, in accordance with local laws and regulations, it is possible to adopt smart working through the application of a dedicated policy. The indicator also refers to organizational entities that are not included in the consolidation scope.

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02 STRONG BRAND

Building a strong brand is one of the fundamental pillars in the Generali 2021 strategy.

Our transformation started in 2018, deepening our business relationship with our customers, with the ambition become 1st choice in the Relationship Net Promoter Score (NPS) among our European international peers by 2021.
The key for us was to shift from being just a product seller to an integrated solutions provider, adding genuine value to people's lives, health, home, mobility and business. We wanted to change consumers' perception of insurance, aiming to become a much more compassionate and innovative brand that adds value to people's lives every day.

The health crisis caused by the pandemic, coupled with an economic crisis, added renewed purpose and urgency to our Lifetime Partner transformation. In these difficult times, we know our customers were looking for reassurance, care and support. Our agents were on the front lines of the crisis, addressing their customers' vulnerabilities.
At the same time, during the crisis consumers realised they were not well protected. As many of them lost significant part of their income, they were looking for an insurer that provides the *most value for the premium they pay*.
For us at Generali, delivering value means 3 things:

- emotional connection: establishing an emotional connection with our clients;
- customer experience: delivering seamless and omnichannel experiences;
- proposition: providing solutions and services designed and tailored around our customer needs.

Through our values and Lifetime Partner Behaviours and Hallmarks, we innovate, simplify, tailor, take ownership, and, above all, provide a unique human and caring experience to customers. Such uniqueness is embedded in our attitude and the spirit that defines how we do things: it is about having heart, being passionate, dynamic and empathic, taking the time to know our customers, offering valuable advice, with a long-term perspective and multi-stakeholder approach, instead of focusing just on selling policies. These are the qualities that people are looking for in a brand, qualities that add value to customers' lives.
This is what we call *Reditude* and what makes Generali unique on the market. That's what we brought to life in the first-ever global advertising campaign in our 189-year history. *Reditude* is our dynamic, contemporary approach, the way each of us act as Lifetime Partners.

We are committed to strengthening our brand to become 1st choice in the Relationship Net Promoter Score (NPS) among our European international peers by 2021.
In 2020, we improved our Relationship NPS by further 6 points: the increased satisfaction of our customers was mainly due to structural improvements in propositions customer experience emotional connections to the brand, and ensuring business continuity, also through increasingly digital tools and processes during the Covid crisis.
Our cumulative growth was +9 compared to the baseline.

CHANGE IN RELATIONSHIP NPS[36] vs 1Q2019

+9

In 2020, we focused on taking improvement actions in all 3 drivers of Relationship NPS. As a result of our actions, we are growing our Relationship NPS score faster than our European international peers. We are also determined to accelerate our progress, so that we achieve our goal by the end of 2021: currently, we ranked second, on par with another peer.

36 The target audience span 19 markets where we operate under the Generali brand in Europe and Asia.

NFS

03 A CONTINUOUS COMMITMENT TO SUSTAINABILITY

Our commitment to sustainability is the third fundamental pillar of Generali 2021, and refers to the creation of long-term value for our stakeholders: not only shareholders, investors and customers, but also employees, suppliers, the environment, local communities and society in general.

The identified goals are tied to our core business activities and to our commitment to communities.
By the end of 2021 we undertake to:

- increase premiums from environmental and social products by 7-9%;
- allocate € 4.5 billion to new green and sustainable investments.

We continue to execute our Strategy on climate change and commit ourselves to:

PROMOTE THE DEVELOPMENT OF THE GREEN ECONOMY	DECARBONIZE THE INVESTMENTS' AND CLIENTS' PORTFOLIOS	REDUCE DIRECT IMPACTS

We have defined objectives and metrics to monitor the execution of our strategy to manage climate change impact and to promote a just transition to a low-emission economy.

OBJECTIVES AND METRICS TO MITIGATE RISKS	2020 RESULTS
Decarbonization of the general account investment portfolio as to reach climate neutrality by 2050	Analysis of the carbon footprint of the investment portfolio at December 2020, with a view to establishing long-term decarbonisation strategies. In keeping with these strategies, we joined the Net-Zero Asset Owner Alliance, an initiative that asks members to set periodic targets relating to reducing the carbon footprint of their investment portfolios. We are also constantly divesting residual investments in issuers belonging to the coal and tar sands sectors Group's financial positiion, p. 75
Exclusion of underwriting risks associated with coal, gas and oil exploration and extraction - conventional and not - as well as those associated with the construction of new coal-fired power plants and the coverage of existing ones owned or operated by new customers	**INSURANCE EXPOSURE TO FOSSIL FUEL SECTOR[37]** < 0.1% of P&C premiums In reduction; no new customers and no coverage for the construction of new coal mines and coal-fired power plants
Engagement for a just transition of the six companies of the coal sector operating in heavily coal-dependent countries, where the Generali Group has a primary presence as an investor and/or insurer	Ongoing engagement with four companies and decision in early 2021 to divest and terminate property underwriting for two companies due to no proactive communication of their just transition plan. The engagement activity led one primary power supplier in Eastern Europe to disclose a coal-decommissioning plan that will reduce coal capacity from initial 6.2 GW in 2018 to 0.7 GW by 2040 and net-zero emission by 2050. Another primary power supplier in the region announced a disruptive change in its strategy, enabling the company to finance its transition towards renewable sources. This company has also recognized the input and role of Generali as leader of the Climate Action (CA) 100+ coalition engaging with them on the just transition

37 The indicator refers to direct premiums from property and engineering, including marine, coverage for coal activities related to companies of the caol sector and/or from the underwriting of risks related to oil and gas exploration/extraction.

NFS

OBJECTIVES AND METRICS TO REDUCE OUR DIRECT IMPACT

2020 RESULTS

Objectives and metrics	2020 results
20% reduction in greenhouse gas emission tied to the Group's direct activities (2013-2020)	**TOTAL GHG EMISSIONS[38]** **-36.1%** vs base year 2013 77,456 tCO_2e Sharp reduction as result of limited business trips and few employees in offices due to the Covid-19 pandemic **OVERACHIEVED** Target of -20% total GHG emissions by 2020
Increase in purchases of electricity from renewable sources	**TOTAL PURCHASES OF ENERGY FROM RENEWABLE SOURCES[38]** **+0.5 pps** 99%

OBJECTIVES AND METRICS TO SEIZE OPPORTUNITIES

2020 RESULTS

Objectives and metrics	2020 results
€ 4.5 bln new green and sustainable investments (2018-2021)	**NEW GREEN AND SUSTAINABLE INVESTMENTS[39]** € 5,973 mln **OVERACHIEVED** Target of € 4.5 bln by 2021 Group's financial position, p. 75
Increase in premiums from environmental products	**PREMIUMS FROM ENVIRONMENTAL PRODUCTS** **+14.5%** € 1,557 mln Group's performance, p. 66
Sustainable finance	Issue of a second green bond worth € 600 mln Capital management and financial optimization, p. 34

38 The greenhouse gas emissions and purchases of electricity from renewable sources comprise the impacts generated by the employees working in offices managed by the Group in Austria, France, Germany, Italy, Czech Republic, Spain and Switzerland, equal to 45% of the total of our people.
Total emissions are calculated according to the location-based method; we also report them according to the market-based method on our website.

39 New green and sustainable investments refer to the 2018-2019 cumulative data of Generali Insurance Asset Management and Generali Global Infrastructure. 55.3% of these investements were made in 2020.

In 2020, we carried on the strategic initiatives launched as part of Generali 2021, which fully integrated sustainability into our value creation process.

Responsible consumer

Generali is drawing up a distinctive offer dedicated to responsible consumers who want to have a positive impact on the environment and society. The offer consists of environmental and social products and sustainable investment solutions.
In 2020, we identified the responsible consumer's profile at Group level and integrated sustainability preferences in the approach to our customers, that is even more focused on their needs.
The first sustainable investment solutions launched by Banca Generali and Generali Italia in 2019, that link their offer to the United Nations Sustainable Development Goals, have met with great interest from consumers.

THE RESPONSIBLE CONSUMER ECOSYSTEM

SUSTAINABLE INVESTMENT SOLUTIONS	ENVIRONMENTAL AND SOCIAL PRODUCTS
Group's financial position, p. 75	Group's performance, p. 66

SME EnterPRIZE

Given the importance of Small and Medium-sized Enterprises (SMEs) for the real economy at domestic and European level, the EnterPRIZE project was launched in 2019 with the goal of supporting these enterprises in transitioning towards more sustainable business models, providing them international visibility with the best sustainable practices to tell and stimulating public debate on SMEs and sustainability topics.
In 2020, the project assumed a new relevance in the light of the huge impact caused by Covid-19, and it set among its main goals the establishment of a link between sustainability, resilience and recovery. More specifically, activities defined by the work group started in 2019 were carried out with the 7 European countries involved in the project[40]; a reference framework shared at Group level was defined. SMEs will be assessed and selected at local level on the basis of their approach to sustainability in one of the following areas: the environment, welfare initiatives and positive impact on the community. Local award-winning SMEs will then participate in the international competition in 2021, becoming virtuous examples of inspiration and improving their visibility.
The project will be an opportunity for Generali to concretely support the real economy on the theme of sustainability, increasingly determining for the growth of the entrepreneurial fabric.

The Human Safety Net

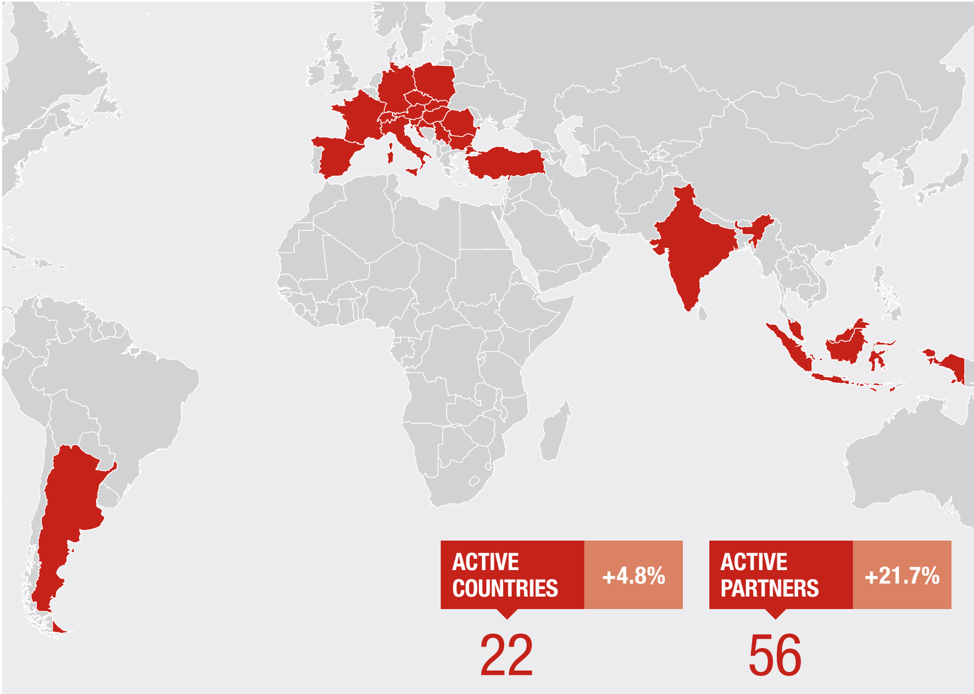
It is Generali's global flagship initiative for the community, catalysing the majority of the Group's activities since 2017. It is deeply connected to our purpose - to enable people to shape a safer future by caring for their lives and dreams - extending it beyond our customers and towards our communities.
As to reach more people and achieve a greater impact, we are mobilizing on employees, agents and resources such as financial support, time, skills, networks, assets and products.

The Human Safety Net programs support families with young children and contribute to the integration of refugees through entrepreneurship or employment. They share the mission of unlocking the human potential of people living in vulnerable circumstances, so that they can transform the lives of their families and communities. The Human Safety Net brings together the strengths of non-profit organizations and the private sector, in Europe, Asia and South America.
In compliance with internal guidelines, every country and legal entity of the Group can activate one or more of these programs by carefully selecting a partner and performing a complete due diligence. All activities and impacts achieved are monitored through a shared measurement framework, that tracks collective results and triggers learnings from one another, based on the Business for Societal Impact (B4SI) international standards.

40 Austria, France, Germany, Italy, Czech Republic, Spain and Hungary.

NFS

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



For Families

We support parents in the first six years of their children's life to lay the strongest possible foundations for their future.

For Refugee Start-Ups

We help refugees flourish as entrepreneurs to integrate them into their host countries.

Newborns

We improve quality of care and support for at-risk newborns and their families.

When the Covid-19 pandemic hit, The Human Safety Net immediately initiated several actions to remain close with the most vulnerable families and refugee entrepreneurs, and to ensure program continuity. The emergency forced our partners to shift their operations online in an unprecedented way, creating both an urgency but also an opportunity to accelerate the digitalisation of the non-profit sector. An assessment among the THSN partners revealed an increasing number of needs. In line with our approach to venture philanthropy, the quick release of financial support was complemented by a comprehensive package of non-financial support, including an ad hoc technical assistance program which activated Generali core business functions and external experts. These additional extraordinary initiatives have been addressed both to immediate necessities (like healthy kits, masks, laptop and tablets) and to the development of digital solutions (e.g. online platforms and apps), to allow NGO partners to support families and refugees during and after the crisis, providing them with learning opportunities, maintaining access to essential services, and limiting the social isolation of the most vulnerable.

In 2020, The Human Safety Net launched Scale Up Impact, strategically supporting leading NGOs and social enterprises in the transition to scale nation-wide, by replicating some of its most successful models and working together with the public, private, and social sector. Thanks to 2020-2022 Scale Up Impact cycle, The Human Safety Net will expand family centres and programs for parents with children aged 0-6 in Argentina and Serbia to 28 cities and will open 5 incubators for refugee entrepreneurs in France and Germany. To make this progress sustainable and in line with the mission of The Human Safety Net to create an open network, the projects will be supported by ten companies, foundations and agencies that decided to join forces with The Human Safety Net for this first year.

Keeping true to its value of being an open network, The Human Safety Net has also been joining forces with partners like Dell, Cisco, Hogan Lovells and Fondazione Italiana Accenture, helping reduce the digital gap in the non-profit sector and supporting NGOs with pro-bono legal advice.

The future home of The Human Safety Net will be in Procuratie Vecchie in St. Mark's Square in Venice. The restoration is progressing to open at the end of 2021, in coincidence with Generali's 190° anniversary celebrations.

Over the next three years, we aim to further extend the impact and the reach of The Human Safety Net in the communities, as well as increasing the alignment to Generali's core business. We will accelerate the engagement of Generali's employees and agents - starting from the 500 THSN Ambassadors globally activated, involve our customers and keep on joining forces with other organisations that share our approach and vision, with Venice's Procuratie Vecchie acting as a global hub.

www.thehumansafetynet.org/newsroom/all to discover more information on the stories

www.thehumansafetynet.org for further information on the initiative

Our main markets: positioning and performance, p. 83

OUR RULES FOR RUNNING BUSINESS WITH INTEGRITY

We run our business in compliance with the law, internal regulations and codes, and 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 risk of non-compliance and to take 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 integration in everyday decisions, in line with the goal of promoting sustainable development of the business and of generating long-lasting value.

Our sustainability model is based on the Charter of Sustainability Commitments, approved by the Board of Directors of Assicurazioni Generali, which is broken down into three pillars:

1. do business in a sustainable manner, focusing on excellence in the corporate processes;
2. experience the community by playing an active role where the Group operates and going beyond everyday activities;
3. adopt governance and rules that are appropriate for running business with integrity.

We have also a collection of Group public policies and guidelines which support our operations in a sustainable and responsible manner, such as:

GROUP SUSTAINABLE POLICY

It outlines the system for identifying, assessing and managing the risks connected with environmental, social and corporate governance (ESG) factors. It particularly defines the rules for:

- identifying, assessing and managing ESG factors that might present risks and opportunities for achieving corporate objectives, including those related to the management of climate and environmental issues;
- identifying, assessing and managing the positive and negative impacts that the decisions and corporate activities might have on the outside environment and on the legitimate interests of the stakeholders.

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 a specific internal regulation that refer, for example, to the promotion of diversity and inclusion as well as the management of conflicts of interest, personal data protection and corruption prevention.

GENERALI GROUP STRATEGY ON CLIMATE CHANGE

It defines the rules by which we intend to foster a just transition towards a low-carbon economy through our investment and underwriting activities.

RESPONSIBLE INVESTMENT GROUP GUIDELINE

It codifies the responsible investment activities at Group level.

RESPONSIBLE UNDERWRITING GROUP GUIDELINE

It outlines principles and rules aimed at assessing environmental, social and governance features of customers and prospects in the P&C underwriting process.

ETHICAL CODE FOR SUPPLIERS

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

POLICY FOR THE MANAGEMENT OF ENGAGEMENT WITH ALL INVESTORS

It regulates engagement other than through the General Meeting between the Board and investor representatives on issues within the Board's purview, and defines the rules for engagement by identifying interlocutors, discussion topics, timing and channels.

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.

www.generali.com/info/download-center/policies

www.generali.com/governance/engagement

Group Tax Strategy

Approved by the Board of Directors of Assicurazioni Generali in April 2020, the Group's Tax Strategy 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 the Company's reputation. In order to promptly fulfil 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.

In line with international best practices, the Tax Strategy follows the Group's sustainability principles given that tax revenues make a significant contribution to the economic and social development of the communities in which we operate. Due to the ethical importance of this topic, we promote the culture and values of the correct application of tax regulations and organise training sessions for all our employees.

www.generali.com/our-responsibilities/responsible-business/tax-payments for further information on taxes

Together, these Group policies and guidelines contribute also to ensuring respect for human rights. For example, the Group Responsible Investment 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.

In order to reinforce, where necessary, the controls already in place on this topic, in-depth analysis was carried out 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 analysis assessed the potential impact on human rights and the tools already implemented to mitigate risks, assessing their level of control, considering it in line with their 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.

Our guidelines for responsible investments and underwriting establish monitoring mechanisms on customer and investment portfolios to avoid also financing and offering P&C insurance coverage to companies involved in severe damages towards natural habitats and biodiversity. The exclusions concern companies obtaining fossil fuels from tar sands, given their high environmental impact; regardless of the sector they belong to, exclusions also apply to all those entities involved in severe damages to ecosystems, for example being involved in illegal deforestation activities or in serious cases of contamination.

We have a structured internal Group regulatory system, regulated by the Generali Internal Regulation System (GIRS) Policy that aims to promote a solid, efficient governance and coherent implementation of the internal Group regulations at local level.

The Group regulations cover the governance system, the internal control system, the risk management system that is particularly linked to monitoring solvency (Solvency II), and the other primary areas of risk.

Group Policies

They introduce principles designed to implement the Group's fundamental objectives and/or provisions linked to the Group governance system. They are issued to comply with specific regulatory requirements or to govern issues under the Board of Directors' competence.

Group Guidelines

They govern issues under the competence of the Group CEO or the heads of Key Functions of the Group.

Group Technical Measure

They set out cross-function operating provisions, including those designed to regulate Group Policies and Group Guidelines in greater detail. They are issued by the managers of the Grouo units in compliance with the reporting lines and system of delegation of powers

Corporate Governance and Share Ownership Report 2020, p. 32

The main non-compliance risks are monitored through specific programmes spread throughout the Group, which entail the adoption of specific policies, the definition of monitoring activities, as well as the identification and implementation of proper risk mitigation measures aimed at minimizing potential economic and reputational damages deriving from the violation of regulatory provisions. We are committed to regulations relating to the transparency and fairness of conduct towards customers, the protection of personal data and the prevention of the use of our products and services for money laundering and financing terrorism purposes. In the pandemic context, we identified and implemented specific measures with the objective to mitigate the most relevant emerging risks, considering in particular customer protection and financial crimes' prevention, also through education and awareness-raising initiatives.
We condemn and combat all forms of corruption. Our employees, suppliers and customers can use, also anonymously, several communication channels, including the Group Compliance Helpline, always reachable with direct access from the Group Portal and the website. These channels, active 24/7, ensure an objective and independent management of reports of behaviour or actions which might violate law, the Code of Conduct, its internal rules or other corporate rules, in accordance with the process on managing reported concerns and the whistleblowing policy which we have been applying for years. We have also adopted a rigorous policy against retaliations.

www.generali.com/our-responsibilities/responsible-business/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=ZeFiFJLmf7E

MANAGED REPORTS **-32.9%**

100

The significant reduction in reports of potential violations of our Code of Conduct is in line with the major financial global players, who have envisaged a massive use of remote working measures in response to the health crisis triggered by the Covid-19 pandemic.

Compliance Week

Given the strategic and regulatory relevance of issues related to Sustainable Finance, we constantly monitor all international and European regulatory acts and discussions. Our Sustainability Regulatory Map is kept up to date to present the regulation in terms of proximity and impact on our Group activities. As part of the compliance functions, a task force was activated to support the management of risks related to these issues and to ensure a shared, common approach to the Group's companies. To provide updates on regulatory developments, we launched various communication and training initiatives, realising a Sustainable Finance Guide and introducing Sustainable Finance topics in our periodic newsletters.
In October we held our Compliance Week: once again we highlighted one of the crucial themes of our Code of Conduct, the commitment towards our sustainable targets. Starting from the international context, passing through Europe and other geographical areas, we focused on the representation of the emerging regulatory framework on sustainable finance and on the impact on insurance business. On this occasion, we held virtual conferences for all our employees: using 3D technology on a multimedia platform we strengthen the sense of belonging to the Group.

We are committing to rendering our HR training system increasingly effective. We continue to work in activities for creating awareness and training on the different themes of the Code. The implementation of specific online training courses combined with a global communication program aims to create full awareness within all employees of the importance of the Code and their responsibility to report each violation that one becomes aware of. Everybody is encouraged to voice their concerns or request clarifications on any topic handled by the Code.

EMPLOYEES WHO COMPLETED THE TRAINING COURSE ON THE CODE OF CONDUCT[41] **+2.5%**

53,511

41 The trained employees represent 73.7% of the total.

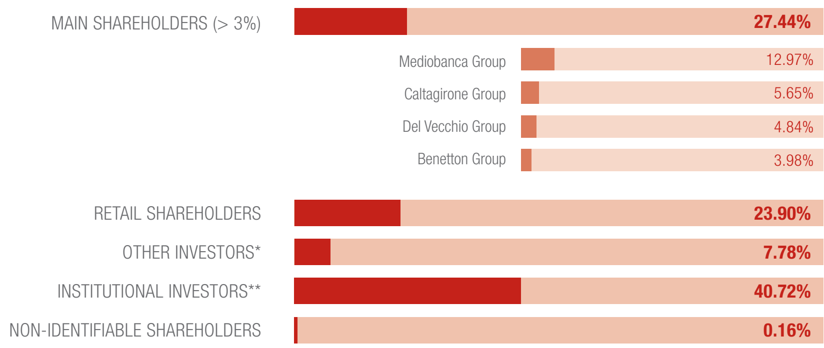
OUR GOVERNANCE AND REMUNERATION POLICY

Our governance

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

About 200 thousand shareholders of the share capital

The data are updated to 2 March 2021.



* The category takes account of legal entities including foundations, trust companies, religious institutions.

** The category includes asset managers, sovereign funds, pension funds, Life insurers.

In the light of the temporary measures issued by Consob effective from 18 March 2020 to 13 April 2021, last updated with resolution no. 21672 of 13 January 2021, we also report information about the holdings between 1% and 3% as communicated by New B&D Holding Group (1.45% of the share capital), Fondazione Cassa di Risparmio di Torino (1.30% of the share capital) and Norges Bank (1.02% of the share capital).

Share performance, p. 96 for further information on the share

NFS

As of today, there is no employee shareholding system according to the provisions of the *Testo Unico delle disposizioni in materia di Intermediazione Finanziaria - TUIF*, though it should be noted that the three-year share plan for Group employees, approved by the Shareholders' Meeting held in May 2019, may have the effect of assigning them a stake of shares in November 2022. Promoted as part of the Generali 2021 strategy, this plan is aimed at achieving the strategic objectives in the perspective of a culture of ownership and empowerment, and the participation of employees in the sustainable value creation in the Group.
We also facilitate participation in shareholders' meetings for beneficiaries of long-term incentive (LTI) plans - which are based on Generali shares - by providing them with a designated representative.

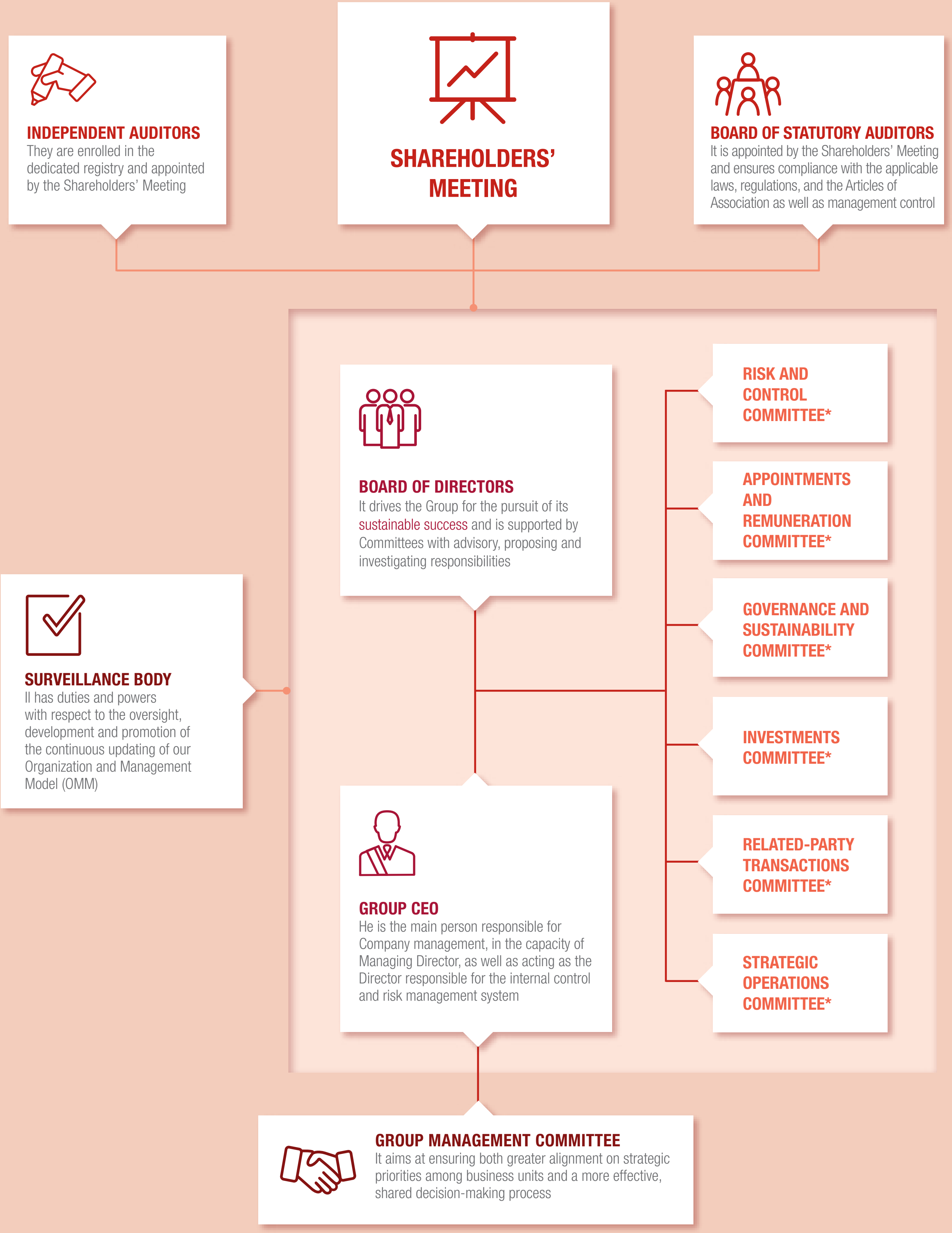
www.generali.com/governance/remuneration/share-plan-for-the-generali-group-employees for further information on the share plan for the Group employees

Our people, p. 41

We maintain ongoing relations with all stakeholders relevant to the Company, including institutional investors, proxy advisors, financial analysts and retail shareholders. Our intense relationship activities consist of various types of interaction 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 annual Shareholders' Meeting, events on the strategic plan (Investor Days) and the main presentation of the financial results.
In 2020, dialogue with relevant stakeholders continued by using virtual platforms due to the Covid-19 pandemic, while maintaining previous high qualitative standards.

Notes to the Report, p. 116 for further information on stakeholder relations

The Board of Directors has structured its own organization - even through the establishment of special Board Committees - in a manner that meets the need to define strategic planning in line with the Group's purpose, values and culture and, at the same time, monitors the pursuit of this strategy with a view to the sustainable value creation over 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.



* Each Committee is linked to different capitals: the Risk and Control Committee to financial and intellectual capitals; the Appointments and Remuneration Committee to human, financial, social and relationship, intellectual and natural capitals; the Governance and Sustainability Committee to natural, human, intellectual, social and relationship, and financial capitals; the Investments Committee to financial and social and relationship capitals; the Related-Party Transactions Committee to financial, social and relationship, and intellectual capitals; the Strategic Operations Committee to the financial capital.

www.generali.com/governance for further information on governance and the Corporate Governance and Share Ownership Report 2020

NFS

Adoption of the 2020 Corporate Governance Code

Given the development at international level in terms of corporate governance, the 2020 Corporate Governance Code, effective from 1 January 2021, introduces substantial innovations following 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, that 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 (e.g. the possibility to qualify the chair 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 the all shareholders, taking into account the engagement policies adopted by institutional investors and asset managers.

The Board of Directors of Assicurazioni Generali approved the adoption of the 2020 Corporate Governance Code in October and the policy mentioned above in November. The latter clearly defines the rules for engagement between the Board and investor representatives by identifying interlocutors, discussion topics, timing and channels, on the basis of the general principles of Assicurazioni Generali's engagement activities, which are based on transparency and correctness of information, on the equality of treatment of all shareholders and on compliance with current laws and regulations, in particular with regards to market abuse.

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

NFS

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, our value chain and 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 adopted the Group Strategy on Climate Change, which was updated in March 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 is then informed through the Governance and Sustainability Committee about the implementation of this strategy and the results achieved. In 2020, these elements were analysed during four 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 Sustainability Committee at top management level, which can rely on adequate powers and a cross-functional vision across multiple Groups' functions and geographies. This Committee, sponsored by the Group CEO, consists of the heads of both the GHO functions and business units. The decisions set forth by the Committee are implemented by the competent management, each for its area of responsibility. A component of the variable remuneration of the Group CEO and top management depends on the results achieved in the implementation of the Strategy on Climate Change.

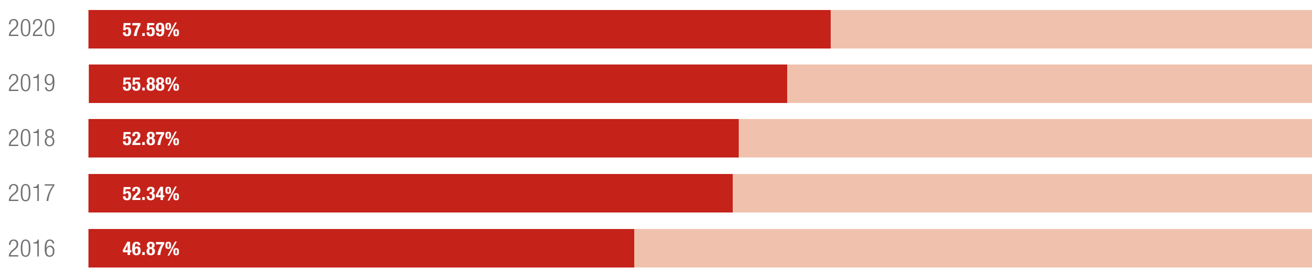
This cross-functional approach is also reflected in the Climate Strategy Task Force, which pools together the functions of Group Investment, Asset & Wealth Management, Group P&C Retail, Group P&C Corporate & Commercial, Group Life & Health, Group Integrated Reporting and Group Risk Management, coordinated by Group Sustainability & Social Responsibility. 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. Within this Task Force is active a coal companies engagement committee, which analyses the just transition plans of the engaged coal companies, monitors their implementation and encourages further progress.

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

Focus on the Shareholders' Meeting

It's the corporate body that expresses - through resolutions - the wishes of 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

On the occasion of the 2020 Shareholders' Meeting, in order to minimize the risks related to the health emergency, we decided to take advantage of the option, established by the law decree of 17 March 2020, to provide in the notice of call that the participation of those entitled to vote in the Shareholders' Meeting took place exclusively through the Designated Representative, without physical participation by the shareholders, and with the right for all members of corporate bodies to participate by means of remote communication.
We provided to all shareholders legitimated to vote the possibility to follow the whole Shareholders' Meeting proceedings through a live audio streaming in Italian with simultaneous translation. In such a complicated environment in which we are still living now, we demonstrated how innovation, one of the three pillars of the Generali 2021 strategic plan, is fundamental to stand at the side of all our stakeholders and become their Lifetime Partner.
All the services planned under the Shareholders Meeting Extended Inclusion (SMEI) program were not provided.

The 2020 Shareholders' Meeting approved a number of amendments to the Articles of Association, like:

- the attribution to the outgoing Board of Directors of the power to present its own list of candidates for the appointment of the incoming Board of Directors, to be filed not later than thirty days before the Shareholders' Meeting (first or single call), as opposed to the minor term of 25 days established for other lists;
- the increase in the minimum number of independent directors to half of the Board members in office;
- the increase to 40% of the level of representation of minorities in the Board of Directors.

ANNUAL SHAREHOLDERS' MEETING

LIVE AUDIO STREAMING

#GeneraliAGM2020

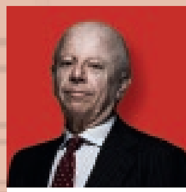
Focus on the Board of Directors

in office until the 2022 annual Shareholders' Meeting

BOARD OF DIRECTORS





	Gabriele Galateri di Genola Chairman	Francesco Gaetano Caltagirone Deputy Vice-Chairman	Clemente Rebecchini Vice-Chairman	Philippe Donnet Group CEO	Romolo Bardin Director	Paolo Di Benedetto Director
AGE	73	77	56	60	42	73
NATIONALITY	Italian	Italian	Italian	francese	Italian	Italian
PROFESSIONAL BACKGROUND	manager	entrepreneur	manager	manager	manager	avvocato
IN OFFICE SINCE	8 April 2011	28 April 2007 Vice-Chairman since 30 April 2010	11 May 2012 Vice-Chairman since 6 November 2013	17 March 2016	28 April 2016	28 April 2016
BOARD COMMITTEE	P			P P		P
INDEPENDENT[42]					✓	✓
EXECUTIVE				✓		

LEGEND

- RISK AND CONTROL COMMITTEE
- APPOINTMENTS AND REMUNERATION COMMITTEE
- GOVERNANCE AND SUSTAINABILITY COMMITTEE
- INVESTMENTS COMMITTEE
- RELATED-PARTY TRANSACTIONS COMMITTEE
- STRATEGIC OPERATIONS COMMITTEE
- DIRECTOR RESPONSIBLEFOR THE INTERNALCONTROL AND RISK MANAGEMENT SYSTEM
- P COMMITTEE CHAIRMAN

NFS

NFS

BOARD OF DIRECTORS	61.5
FEMALE DIRECTORS	38.4%
INDEPENDENCE LEVEL IN LINE WITH THE BEST INTERNATIONAL PRACTICES AND THE INCREASINGLY ESTABLISHED REQUIREMENTS IN THE WORLD OF FINANCE	61.5%
EXECUTIVE DIRECTOR	1
AVERAGE ATTENDANCE AT MEETINGS	98%
MEETINGS	16

In 2020, induction sessions were held - to the advantage of the Board of Directors and the Board of Statutory Auditors - on the impacts of the future application of IFRS 9 and IFRS 17, on IT issues and on the harmonization of back-office procedures.

Directors are chosen based on their professional expertise and competence among people who have at least three years' total experience as qualified professionals in the insurance, credit or financial sector. They must also meet specific integrity requirements, that is reliability, financial strength and good standing, as well as independence qualifications.

As members of such corporate body, in line with the Policy on competences and integrity, they should have adequate experience and knowledge of:

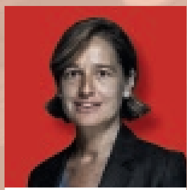
- markets in which the company operates;
- strategy and the business model;
- governance system;
- actuarial and financial analysis in relation to insurance companies;
- legal context and regulatory requirements.

The functioning of the Board, as well as its size and composition are evaluated annually, with the support of a qualified and independent external advisor.

Optimal blend of skills and experience

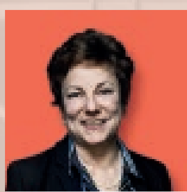
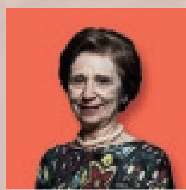
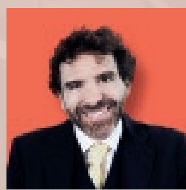
INTERNATIONAL EXPERIENCE	69%
MANAGERIAL EXPERIENCE	77%
ENTREPRENEURIAL SKILLS	15%
ACADEMIC EXPERIENCE	23%
KNOWLEDGE OF LEGAL CONTEXT AND REGULATORY REQUIREMENTS	85%
FINANCIAL AND ACCOUNTING SKILLS	85%
INSURANCE EXPERIENCE	85%
EXPERIENCE IN LARGE CAP COMPANIES	31%

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

						
Alberta Figari Director	**Ines Mazzilli** Director	**Antonella Mei-Pochtler** Director	**Diva Moriani** Director	**Lorenzo Pellicioli** Director	**Roberto Perotti** Director	**Sabrina Pucci** Director
58	58	62	52	69	59	53
Italian	Italian	Italian	Italian	Italian	Italian	Italian
avvocato	manager	manager	manager	manager	professor	professor
30 April 2013	7 May 2019 elected from the minority slate	7 May 2019	28 April 2016	28 April 2007	28 April 2016 elected from the minority slate	30 April 2013
P			P			
✓	✓	✓	✓		✓	✓

Focus on the Board of Statutory Auditors

in office until 2023 annual Shareholders' Meeting

BOARD OF STATUTORY AUDITORS					
	Carolyn Dittmeier Chairwoman	**Antonia Di Bella** Permanent Statutory Auditor	**Lorenzo Pozza** Permanent Statutory Auditor	**Silvia Olivotto** Alternate Auditor	**Tazio Pavanel** Alternate Auditor
AGE	64	55	54	70	50
NATIONALITY	Italian and American	Italian	Italian	Italian	Italian
IN OFFICE SINCE	30 April 2014	30 April 2014	30 April 2014	30 April 2014	30 April 2020

NFS

NFS

AVERAGE AGE	59
FEMALE AUDITORS	60%*
AVERAGE ATTENDANCE AT BOARD OF DIRECTORS MEETINGS	100%
AVERAGE ATTENDANCE AT MEETINGS	100%
MEETINGS	25

*66.67%, considered only permanent statutory auditors.

The Board of Statutory Auditors attendes the same induction sessions held for the Board.

Statutory auditors are requested to have the same independence qualifications set for independent directors and to meet integrity and professional expertise requirements.

Corporate Governance and Share Ownership Report 2020, p. 55 for further information on the diversity of administration, management and control bodies

Our remuneration policy

Our remuneration policy is designed to attract, motivate and retain the people who - due to their technical and managerial skills and their different profiles in terms of origin, gender and experience - are key to the success of the Group, as reflected in our values. Our remuneration policy reflects and supports both our strategy and values: to be a global insurance Group aiming at creating value and sustainable results, while valuing our people and maintaining commitments to all stakeholders.

Our policy is based on the following principles that steer remuneration programmes and related actions:

- **EQUITY AND CONSISTENCY** in terms of the responsibilities assigned and capabilities demonstrated
- **ALIGNMENT WITH CORPORATE STRATEGY** and defined goals
- **COMPETITIVENESS** with respect to market practices and trends
- **MERIT- AND PERFORMANCE-BASED REWARD** in terms of results, behaviours and respect for Group values
- **CLEAR GOVERNANCE AND COMPLIANCE** with the regulatory environment

The remuneration policy for non-executive directors establishes that remuneration consists of an annual fixed component as well as an attendance fee for each Board of Directors' meeting in which they participate, in addition to the reimbursement of expenses incurred for participation in such meetings. Directors who are also members of the Board Committees are paid remuneration in addition to the amounts already received as members of the Board of Directors (except for those who are also executives of the Generali Group), in accordance with the powers conferred to those Committees and the commitment required in terms of number of meetings and preparation activities involved. This remuneration is established by the Board of Directors. In line with the best international market practices, there is no variable remuneration.

The Managing Director/Group CEO, who is the unique executive director, and the relevant personnel not belonging to Key Functions (i.e. the Internal Audit, Compliance, Risk Management and Actuarial functions) receive a remuneration package consisting of a fixed component, a variable component with no-claims bonus and claw back mechanisms, and benefits.

TOTAL TARGET REMUNERATION[43]

FIXED	VARIABLE		BENEFITS
	ANNUAL	DEFERRED	
FIXED REMUNERATION	+ ANNUAL (on an annual basis)	+ DEFERRED (on a multi-year basis)	+ BENEFITS

The fixed remuneration remunerates the role held and responsibilities assigned, also considering the experience and skills required, as well as the quality of the contribution made in terms of achieving business results.

The variable remuneration is composed by annual and deferred incentive plans that are designed to motivate the management to achieve business goals by creating a direct link between incentives and financial and non-financial goals.
The Group Short Term Incentives (STI) plan represents the annual variable remuneration, whereby a cash bonus ranging from 0% to 200% of the individual baseline can be annually achieved in relation to:

- the Group funding connected with results achieved in terms of Group adjusted net profit and operating result as well as the achievement of a minimum threshold of Solvency Ratio;
- the achievement of the goals set out in the individual balanced scorecard. The goals are set up to 8 at Group, BU, region, country, function and individual level; they are based on three perspectives and linked to value creation, risk-adjusted profitability, implementation of new strategic projects, sustainability and people value.

43 It represents the remuneration package for all those described, except for the Key Functions to whom specific remuneration policy and rules are applied.

2020 PERSPECTIVES

ECONOMIC AND FINANCIAL RISK-ADJUSTED PERFORMANCE	**>50%**	**Core business KPI** · Net profit (after minorities) both at Group and country/BU level · Total expenses at country/BU level · Total remittance at country/BU level · RORC at country/BU level (mandatory risk-adjusted KPI)
SPECIFIC COUNTRY/BU GOALS AND GROUP STRATEGIC PROJECTS	**15-35%**	**Focus on specific country/BU KPIs** connected to local business strategies and projects **Group strategic projects KPIs** for all relevant GLG/leaders of strategic projects
GENERALI 2021 ENABLER	**20-30%**	**Managerial assessment based on specific KPIs evidence** · People Value, with main priority on achieving the objectives of the reskilling program and Diversity&Inclusion plan · Brand & Lifetime Partner transformation, with main priority on the objective of the Relationship NPS · Sustainability commitment, with specific objectives on sustainability initiatives that run through all the Group's business activities and operations

Sustainability is key in doing our business and in our remuneration schemes, in line with the Group's strategy and commitment to support the transition to a greener and more sustainable economy. Therefore, we are under countinuous improvement in integrating sustainability in the remuneration of our people.

The deferred variable remuneration is built on a multi-year plan based on Assicurazioni Generali shares (subject to Shareholders' Meeting approval). The maximum potential bonus to be disbursed in shares amounts to 200% of the fixed remuneration for the members of the Group Management Committee (GMC) and to 175% of the fixed remuneration for other relevant personnel. Here the features of the plan are:

- it is based on an overall three-year performance period linked to specific Group performance goals (relative total shareholder return[44] and net holding cash flow[45]) and is subject to the verification of the achievement of a minimum threshold of the Solvency Ratio, in line with the levels and limits defined by the Group Appetite Framework;
- it is based on deferral periods differentiated, according to regulatory provisions, on the basis of the beneficiaries' cluster and additional lock-up periods on granted shares (i.e. minimum holding) of up to two years.

Benefits consist of, for example, a supplementary pension and healthcare assistance for employees and their families, in addition to a company car and further benefits, including some linked to domestic or international travel (e.g. accommodation expenses, travel and education for children), in line with market practices.

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

Additional information in the Notes of the Annual Integrated Report and Consolidated Financial Statements 2020 for further information on pension benefits of the Group employees

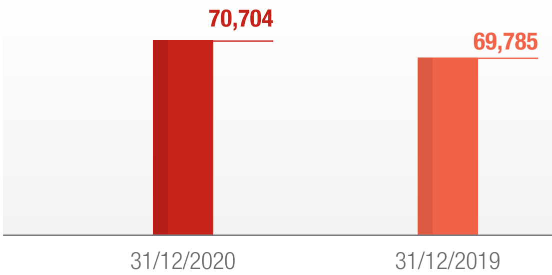
44 It is the total return on the shareholder investment calculated as change in the shares' market price, including distributions or dividends reinvested in the shares, as compared to a selected list of peers.
45 It is the net cash flow available in a period at Parent Company level, after holding expenses and interest expenses. Its main components, considered on a cash basis, are: the remittance from subsidiaries; the centralized reinsurance's result; and interests on financial debt, expenses and paid or reimbursed taxes at Parent Company level.

OUR PERFORMANCE

#WEREALLABOUTYOU

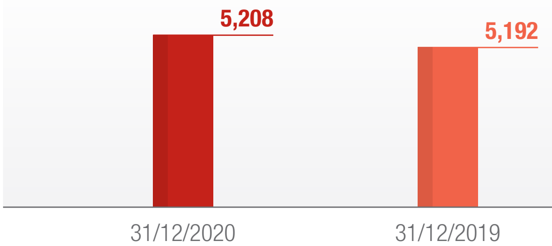
GROUP'S HIGHLIGHTS[1]

GROSS WRITTEN PREMIUMS (€ mln)



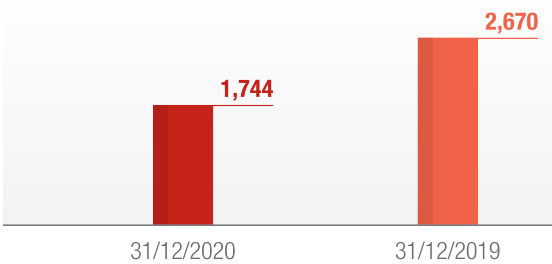
Total gross written premiums rose slightly (+0.5%) due to the positive performance of the Life segment. Life net inflows were confirmed at very good levels, totalling € 12.1 billion (-10.5%).
Life technical provisions increased by 4.2%.

GROUP'S OPERATING RESULT (€ mln)



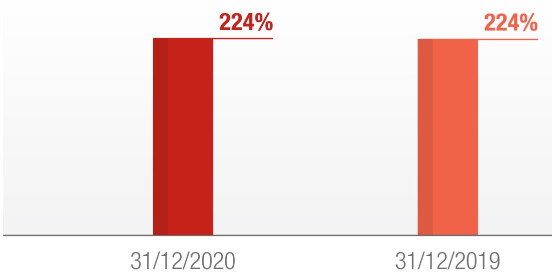
The operating result rose to € 5.2 billion, due to increases in the P&C and Asset Management segments, which also benefited from the contribution of recent acquisitions, as well as that of the Holding and other businesses segment.

GROUP'S RESULT OF THE PERIOD (€ mln)



The result of the period was € 1,744 million. Also excluding the expense of the Extraordinary International Fund for Covid-19 of € 100 million and the expense from the liability management transaction of € 73 million, adjusted net profit reached € 2,076 million.

SOLVENCY RATIO



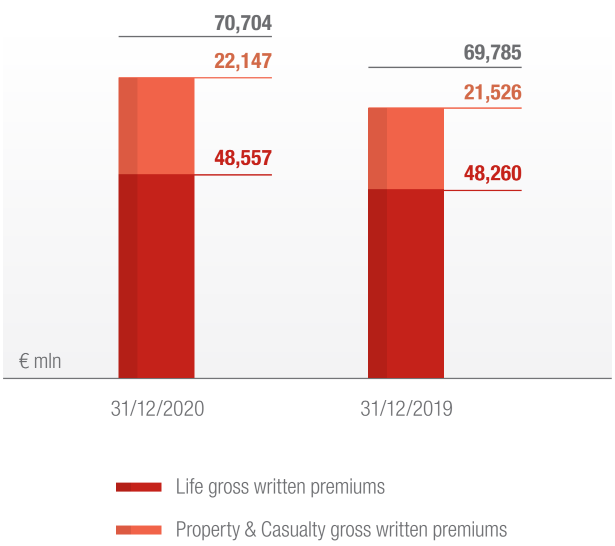
The Group's capital position remained solid, with a Solvency II Ratio stable at 224%.

1 All changes in this Report are calculated on 2019, unless otherwise reported. Changes in premiums, Life net inflows and new business are on equivalent terms, i.e. at constant exchange rates and consolidation scope. The operating result, Assets Under Management and Life technical provisions do not comprise the entities under disposal or disposed of in the period.
2 The adjusted net profit did not include the impact of gains and losses resulting from disposals, amounting to € -183 million in 2020, deriving from the settlement agreement for the disposal of BSI (€ 475 million YE19, relating to the disposal of Generali Leben and of business in Belgium).
3 This amount, after taxes, was € 77 million.

GROUP'S PERFORMANCE

PREMIUMS DEVELOPMENT

The Group's gross written premiums amounted to € 70,704 million, showing a slight increase compared to last year (+0.5%), thanks to the contribution from the Life segment. Property & Casualty premiums, on equivalent terms, were stable.



The Life premiums[4], corresponding to € 48,557 million, reported an increase of 0.8%. With regard to the business lines, the trend observed over the course of the year continued, which showed a boost of the unit-linked line (+21.7%), attributable to the Group's main areas of operation (Italy: +58.0%, France: +9.6%, Germany: +6.4% and ACEER: +4.5%). Accepted business also contributed to the increase in volumes (+59.0%), driven by a partnership in France in the protection and health business. The premiums resulting from protection policies rose by 1.6%: the widespread increase in countries in which the Group operates offsets the fall observed in Germany and the decrease in the Employee Benefits line.

Excluding the written premiums of the collective Life pension fund in Italy[5] amounting to around € 1.5 billion, the Group's gross written premiums would have been down by 2.4%, while the increase of unit-linked policies would have been confirmed (+7.1%), although with a lower change.

Life net inflows, totalling € 12.1 billion (-10.5%), continued to record very good results, with 93% of the Group total represented by the unit-linked and protection lines. The decrease was mainly due to the trend in the savings and pension line in France, which showed a reduction in premiums and higher surrenders, in line with the Group's portfolio repositioning strategy. Excluding the increase in premiums in Italy due to the premium of around € 1.5 billion mentioned above, the decrease would have been 21.5%.

The new business (in terms of the present value of new business premiums - PVNBP) amounted to € 47,091 million, showing an increase of 3.3%. The increase was driven by Germany (+13.4%), which made a good contribution in all lines of business, and by Italy (+6.4%) due to the one-off effect of the Cometa Fund on the unit-linked line, which was able to offset the lower volumes recorded mainly in France (-10.0%) linked to the fall in the traditional savings business. Specifically, protection products performed well (+13.7%) in all the countries where the Group operates. Excluding the premiums of the above-mentioned Italian collective pension fund, new business would have been down by 2.6%.

Despite the current financial scenario, characterized by very low interest rates, lower than those of 2019, the profitability of new business (margin on PVNBP) recorded a slight increase (+0.06 pps) reaching 3.94%, due to the rebalancing of the business mix towards more profitable lines of business, and to the continuous remodulation of financial guarantees on savings and pension products. Excluding the Cometa Fund, profitability would have stood at 4.08% (+0.19 pps).

The total new business value (NBV) increased by 4.9% and stood at € 1,856 million (€ 1,777 million at 31 December 2019). Excluding the Cometa Fund, NBV would have been € 1,811 million.

The P&C premiums, amounting to € 22,147 million, were substantially stable on equivalent terms: overall, the widespread positive trends observed in all countries in which the Group operates offset the significant fall in Europ Assistance's business (-30.2%), the worst hit in terms of premiums by the crisis caused by the pandemic.

The motor line rose by 0.7%, due to a particularly positive fourth quarter. The annual increase was mainly attributable to performance in ACEER (+4.2%), France (+1.8%) and Argentina (+27.6%). Motor premiums in Italy fell by 3.0%, following schemes to improve the profitability of the motor third-party liability portfolio, in a market that continues to be highly competitive.

The non-motor line (+0.2%) reflected the widespread increase in the various areas in which the Group operates, more marked in terms of volumes in Italy (+3.3%), France (+2.3%), ACEER (+1.9%) and Spain (+3.3%). As mentioned, Europ Assistance premiums were down due to the impact of the pandemic, especially in the travel lines (-53.5%).

4 Including premiums from investment contracts of € 3,275 million, of which around € 1.5 billion related to the collective Life pension fund subscribed in Italy.
5 In June 2020, Generali Italia was awarded the management mandate for two investment segments of Cometa, the National Supplementary Pension Fund for employees in the engineering, system installation and similar industries and for employees in the gold and silver industries.

Total gross written premiums by country (*)

(€ million)	31/12/2020	31/12/2019
Italy	25,217	24,166
France	12,659	13,274
Germany	14,418	14,294
Austria, CEE and Russia	6,982	6,973
International	9,081	8,365
Spain	2,294	2,414
Switzerland	1,798	1,747
Americas and Southern Europe	1,909	1,182
Asia	3,081	3,022
Group holdings and other companies	2,346	2,714
of which Europ Assistance	741	1,061
Total	**70,704**	**69,785**

(*) Total gross written premiums for Global Business Lines (GBL), taking into consideration the business underwritten in the various countries, amounted to € 3,812 million, stable compared to last year, and broken down as follows:
- Global Corporate&Commercial € 2,235 million;
- Generali Employee Benefits € 1,578 million.

The details by geographical area highlighted in this document reflected the Group's managerial structure in place since 2019, made up of the three main markets - Italy, France and Germany - and the regional structures (ACEER, International, Investments, Asset & Wealth Management, and Group holdings and other companies)[6].

NFS

Premiums from social and environmental products

Insurance products, by their very nature, have a high social and environmental value given that they constitute a concrete response to pension and protection needs of customers and the growing needs of society. We constantly monitor risks that may have impact on the society and the environment as to identify opportunities and continue to create value.

As part of our offering, we are committed to promote several high value-added solutions from a social and environmental perspective. Developing this type of coverage means providing a service that creates value over time, responding to new requirements related to emerging risks, fostering eco-sustainable conduct, and bridging gaps in the pension and public health services sectors. Embracing technology and innovation, we address habits and behaviour towards healthier and more informed lifestyles, aiming at risk prevention rather than claims settlement. In order to encourage eco-sustainable conduct and support green activities, consistent with our Climate change strategy, we develop and distribute products and services with particular attention to environmental protection.

A continuous commitment to sustainability, p. 47

PREMIUMS FROM SOCIAL AND ENVIRONMENTAL PRODUCTS **+11.2%**

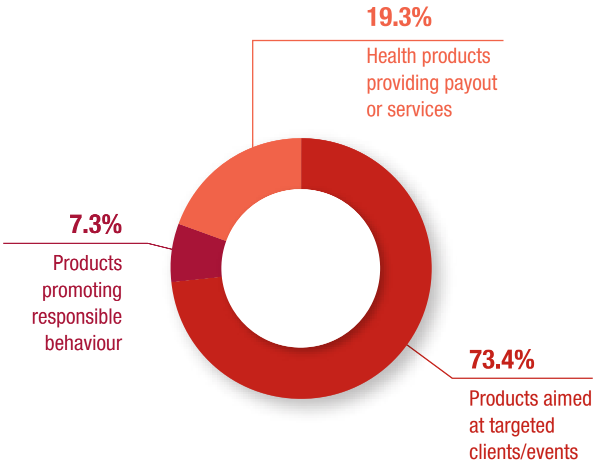
€ 16,930 mln

6 Group holdings and other companies comprises the Parent Company's management and coordination activities, including Group reinsurance, Europ Assistance, Other companies (including Generali Employee Benefits) as well as other financial holding companies and suppliers of international services not included in the other geographical areas. Please refer to the *Notes to the Report* for a detailed description of the geographical areas.

NFS

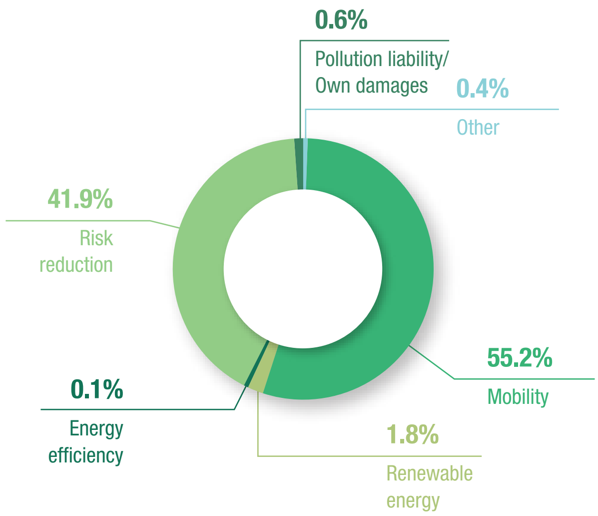
PREMIUMS FROM SOCIAL PRODUCTS[7] +10.9%

€ 15,373 mln



PREMIUMS FROM ENVIRONMENTAL PRODUCTS[7] +14.5%

€ 1,557 mln



OPERATING RESULT

The Group's operating result was € 5,208 million (+0.3% compared to € 5,192 million at 31 December 2019), due to increases in the P&C and Asset Management segments, which also benefited from the contribution of recent acquisitions, as well as that of the Holding and other businesses segment, which more than offset the decrease in the Life segment.

Total operating result by segment

(€ million)	31/12/2020	31/12/2019	Change
Total operating result	**5,208**	**5,192**	**0.3%**
Life	2,627	3,129	-16.1%
Property&Casualty	2,456	2,057	19.4%
Asset Management	546	425	28.5%
Holding and other business	130	8	n.m.
Consolidation adjustments	-551	-427	29.0%

With reference to the different segments, Life observed an operating result of € 2,627 million (-16.1%). The good performance of the technical margin, net of insurance expenses, was more than offset by the decrease in the net investment result, due to the negative impact of the financial markets, particularly in the first half of the year - also from the impact of Covid-19 - and, to a greater extent, to the continued acceleration of provisions for guarantees to policyholders in Switzerland, reflecting more conservative long-term financial assumptions.

The P&C operating result of € 2,456 million increased significantly (+19.4%), benefiting from improved technical profitability, due to the improvement of the combined ratio (89.1%; -3.5 pps) even following the effects of the lockdown of the Group's main countries of operation and to the positive contribution from the recent acquisition of Seguradoras Unidas in Portugal.

The operating result of the Asset Management segment rose from € 425 million to € 546 million: the 28.5% increase reflected the improvement of performance fees and the consolidation of the revenues of the new multi-boutiques.

The operating result of the Holding and other businesses segment also increased, following the positive result of Banca Generali and of the other private equity businesses. Holding operating expenses were stable.

Lastly, the change in the consolidation adjustments was mainly due to higher intragroup transactions, specifically relating to dividends.

7 Premiums from social and environmental products refer to consolidated companies representing 99% of the Group's total gross direct written premiums.
As for premiums from environmental products, 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.

Operating result by country

(€ million)	31/12/2020	31/12/2019 (**)
Italy	1,845	1,757
France	861	799
Germany	905	832
Austria, CEE & Russia	916	875
International	370	667
Spain	264	293
Switzerland	-228	151
Americas & Southern Europe	198	145
Asia	153	85
Investments, Asset & Wealth Management (*)	821	687
Group holdings, other companies and consolidation adjustments	-510	-424
Total	**5,208**	**5,192**

(*) Investments, Asset & Wealth Management area includes the main Group entities operating in investment advisory, asset management and financial planning; it includes, among others, Banca Generali. Adding the operating result of AM of the Central and Eastern European countries to that of Investments, Asset & Wealth Management reported in the table, the total operating amounts to € 853 million (€ 711 million at 31 December 2019).

(**) The amounts posted for several countries in 2019 were restated due to a different classification of certain companies and investment vehicles in 2020 following a change in the shareholding structure.

NON-OPERATING RESULT

The Group's non-operating result was € -1,848 million (€ -1,581 million at 31 December 2019). In particular:

- net impairments were € -530 million (€ -333 million at 31 December 2019) mainly due to higher impairments on equity instruments, driven by the negative performance of the financial markets, especially in the first half of the year, also due to the global spread of the pandemic. More specifically, impairments on investments classified as available for sale amounted to € 300 million[8]. Net impairments also included € 93 million of goodwill impairment relating to the Life business of the company in Switzerland reported in the first half of 2020;
- net realized gains totalled € 32 million (€ 21 million at 31 December 2019), and included expenses of € 94 million[9] resulting from the liability management transaction in July 2020, which involved the buyback of three series of subordinated notes with an aggregate nominal amount of around € 600 million. The previous liability management transaction carried out in September 2019 had entailed expenses of € 245 million[10]. Net of these liability management transactions, net realized gains were down by € 139 million;
- net non-operating income from financial instruments at fair value through profit or loss amounted to € -97 million (€ -42 million at 31 December 2019) due to the performance of the financial markets;
- other net non-operating expenses posted € -674 million (€ -520 million at 31 December 2019). The item comprised € -126 million for the amortization of the value of the acquired portfolios (€ -137 million at 31 December 2019); € -126 million for restructuring costs (€ -137 million at 31 December 2019; the decrease was due to lower costs mainly in Germany), and € -421 million in other net non-operating expenses (€ -246 million at 31 December 2019). The latter included, inter alia: the non-operating expense amounting to € 100 million[11] for the establishment of the Extraordinary International Fund launched by the Group to tackle the Covid-19 emergency, to support national healthcare systems and economic recovery; other local initiatives in the main countries of operation totalling € 68 million, to respond to the Covid-19 emergency; and, in France, a mandatory extraordinary contribution to the national healthcare system requested of the insurance sector of € 64 million;
- holding non-operating expenses amounted to € -579 million (€ -707 million at 31 December 2019). The improvement is mainly attributable to the reduction of interest expense on financial debt, which fell from € -605 million to € -493 million, in line with the strategy to reduce external debt set in place in 2019 and 2020.

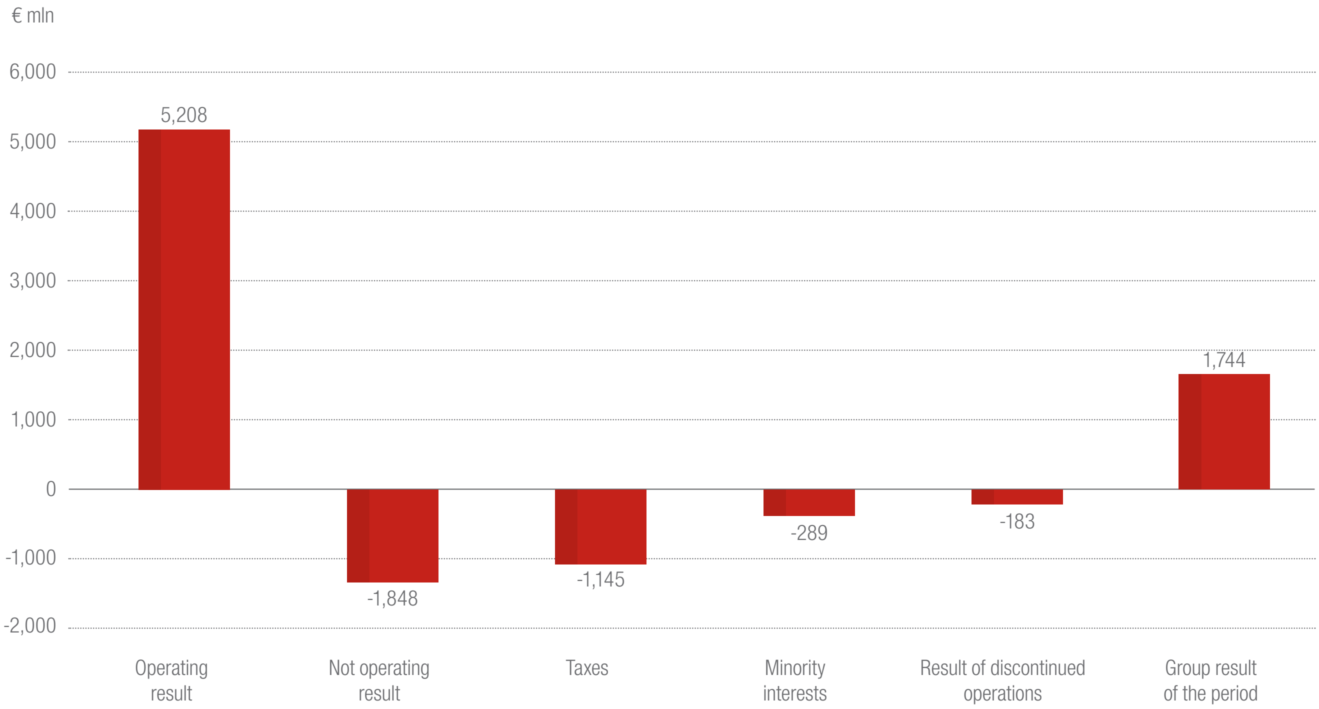
8 The impact on net result of operating and non-operating impairments was € 287 million. As communicated at the time of the Financial Information at 30 September 2020, which does not represent an Interim Financial Report according to the IAS 34 principle, the impairments at said date did not reflect a permanent change in the carrying value of these investments, which, for the purposes of this document, was determined on the basis of market values at 31 December. On said date, operating and non-operating impairments of assets available for sale net of profit sharing and taxes amounted to, as indicated above, € 287 million (€ 310 million 9M20), showing an increase due mainly to the recovery of the financial markets observed towards the end of the year, which made a contribution of € 53 million.

9 This amount, after taxes, was € 73 million.

10 This amount, after taxes, was € 188 million.

11 This amount, after taxes, was € 77 million.

GROUP'S RESULT OF THE PERIOD



The result of the period attributable to the Group was € 1,744 million. The decrease of 34.7% against € 2,670 million posted at 31 December 2019 reflected:

- the performance of the operating result and non-operating result commented above;
- the impact of gains and losses related to disposals of discontinued operations, amounting to € -183 million for the settlement agreement with BTG Pactual to end arbitration for the BSI disposal (€ 475 million at 31 December 2019, relating to the disposal of Generali Leben and business in Belgium);
- the higher tax rate, which rose from 31.3% to 34.7%, mainly due to the higher impact of non-deductible expenses;
- the result attributable to minority interests of € 289 million, which corresponded to a minority rate of 14.2% (9.2% at 31 December 2019) and which increased compared to last year (€ 269 million), mainly reflecting the performance of the multi-boutiques, of Asia and of Banca Generali.

The adjusted net profit, which does not include the impact of gains and losses related to disposals, amounted to € 1,926 million (-12.1%). Excluding the expense of the Extraordinary International Fund for Covid-19 of € 100 million[12] and the expense from the liability management transaction of € 73 million, adjusted net profit was € 2,076 million (-12.7%).

12 This amount, after taxes, was € 77 million.

DISCLOSURE ON THE QUANTITATIVE IMPACTS OF COVID-19 ON THE GROUP[13]

The impact of the Covid-19 pandemic on the Group's results, relating to the segments in which the Group operates as a whole, were calculated taking into consideration both the direct effects resulting from Covid-19 - relating for example to higher claims resulting from the pandemic itself and to the establishment of Funds to support the communities affected by Covid-19 - and the indirect effects, for which an estimate process was required to calculate the share of the same attributable to Covid-19. The latter category included the effects relating to the decrease of assets, the lower loss ratio reported during the year due to the lockdown situation, as well as the lower result of operating financial management, which was influenced by the performance of the financial markets.

The operating result for 2020 was estimated to have been negatively impacted by approximately € -123 million as a result of the Covid-19 pandemic.
In particular, the Life business was estimated to have been impacted for a total of € -307 million, largely due to the lower net investment result, given the situation of the financial markets and, to a lesser extent, by the higher claims for health cover in France resulting from the pandemic.
The P&C business was estimated to have been positively impacted for € 120 million: higher claims directly linked to the pandemic and lower current income were more than offset by a lower loss ratio as a result of the lockdown measures in the main countries in which the Group operates, over the year.
Lastly, the operating result was estimated to have been positively impacted by cost savings resulting from the various initiatives implemented by the Group to respond to the Covid-19 crisis, including the new way of working that extended remote working to over 90% of administrative staff, to ensure the safety of Group employees and led to cost savings (e.g. travel costs, expenses for events, etc.). In addition to the initiatives carried out by the Group, the Group CEO, the members of the Group Management Committee and other managers with strategic responsibilities decided voluntarily to reduce their fixed remuneration by 20% starting in April 2020 and until year end, further increasing the Extraordinary International Fund for Covid-19.

The non-operating result included:
- an expense of € 100 million[14] for the establishment of the Extraordinary International Fund launched by the Group to tackle the Covid-19 emergency, to support national healthcare systems and economic recovery;
- local initiatives amounting to € 68 million in the main countries of operation in response to the Covid-19 emergency;
- the mandatory extraordinary contribution to the national healthcare system in France requested of the insurance sector of € 64 million.

As previously reported, the result of the period included also € 287 million in net impairments on investments due to financial market performance, particularly in the first half of the year.

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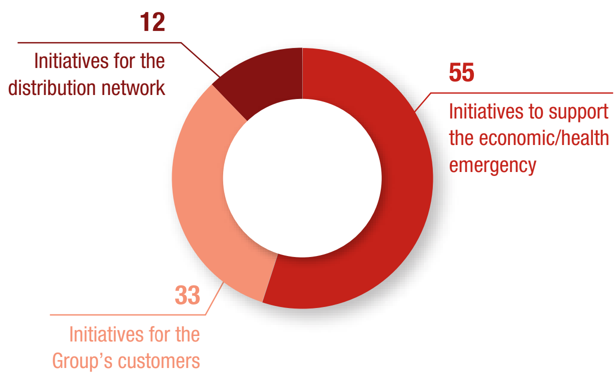
The table below shows the different initiatives to which the resources of the Extraordinary International Fund were directed, as well as the destination countries.

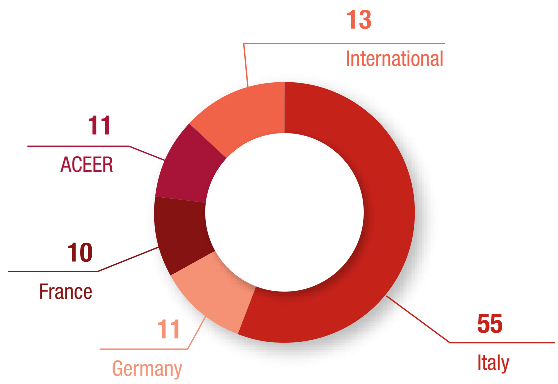
Extraordinary International Fund: breakdown by type of initiative

€ mln



Extraordinary International Fund: breakdown by country of destination

€ mln



Our main markets: positioning and performance, p. 83 for further details on local initiatives relating to Covid-19

13 In the *Challenges and opportunities of the market context* section, information is provided on the situation generated by the Covid-19 pandemic, as well as qualitative information on the impact suffered by the Group's various businesses. The current uncertain environment makes it very difficult to evaluate the overall impact of the pandemic, both in the present and in the future. Please refer to the *Outlook* section for further information.
14 This amount, after taxes, was € 77 million.

From operating result to result of the period

(€ million)	31/12/2020	31/12/2019	Change
Consolidated operating result	**5,208**	**5,192**	**0.3%**
Net earned premiums	64,468	66,239	-2.7%
Net insurance benefits and claims	-60,011	-71,062	-15.6%
Acquisition and administration costs	-11,430	-11,252	1.6%
Net fee and commission income and net income from financial service activities	787	679	16.0%
Operating investment result	12,275	21,326	-42.4%
Net operating income from financial instruments at fair value through profit or loss	1,709	10,279	-83.4%
Net operating income from other financial instruments	10,565	11,047	-4.4%
Interest income and other income	10,283	10,895	-5.6%
Net operating realized gains on other financial instruments and land and buildings (investment properties)	1,921	1,586	21.1%
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-620	-333	86.2%
Interest expense on liabilities linked to operating activities	-307	-401	-23.5%
Other expenses from other financial instruments and land and buildings (investment properties)	-711	-700	1.6%
Operating holding expenses	-528	-529	-0.2%
Net other operating expenses (*)	-353	-207	70.1%
Consolidated non-operating result	**-1,848**	**-1,581**	**16.9%**
Non operating investment result	-595	-354	68.0%
Net non-operating income from financial instruments at fair value through profit or loss	-97	-42	n.m.
Net non-operating income from other financial instruments (**)	-498	-312	59.7%
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	32	21	53.6%
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-530	-333	59.3%
Non-operating holding expenses	-579	-707	-18.1%
Interest expenses on financial debt	-493	-605	-18.5%
Other non-operating holding expenses	-86	-102	-15.7%
Net other non-operating expenses	-674	-520	29.6%
Earning before taxes	**3,360**	**3,611**	**-7.0%**
Income taxes (*)	-1,145	-1,147	-0.2%
Earnings after taxes	**2,215**	**2,465**	**-10.1%**
Profit or loss from discontinued operations	-183	475	n.m.
Consolidated result of the period	2,032	2,939	-30.9%
Result of the period attributable to the Group	**1,744**	**2,670**	**-34.7%**
Result of the period attributable to minority interests	289	269	7.3%

(*) At 31 December 2020 the amount is net of operating taxes for € 15 million and non-recurring taxes shared with the policyholders in Germany for € -46 million (at 31 December 2019 for € 52 million and € -27 million, respectively).

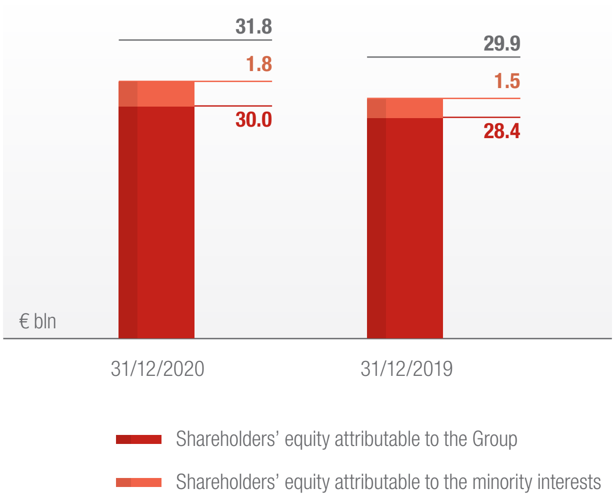
(**) The amount is gross of interest expenses on liabilities linked to financing activities.

GROUP'S FINANCIAL POSITION

GROUP SHAREHOLDERS' EQUITY AND SOLVENCY

The shareholders' equity attributable to the Group amounted to € 30,029 million, an increase of 5.9% compared to € 28,360 million at 31 December 2019. The change was mainly attributable to:

- the result of the period attributable to the Group, which amounted to € 1,744 million at 31 December 2020;
- the distribution of the first tranche of 2019 dividend of € 785 million. Note that in November 2020, the Board of Directors resolved to comply with the requests of the Regulator and therefore, not to proceed with the payment of the second tranche of the 2019 dividend before the end of 2020, although the requirements of the Group Risk Appetite Framework had been met. The second tranche of the 2019 dividend will be payable as from 20 October 2021 and the shares will be traded ex-dividend as from 18 October 2021: such second tranche will be payable subject to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations in force at that time;
- other comprehensive income (€ 646 million) due to the increase in the reserve for unrealized gains or losses on available for sale financial assets of € 1,306 million, mainly arising from the performance of bonds, partially offset by both the reduction in the reserve for exchange rate differences of € 521 million and of the reserve of unrealized gains or losses for defined benefit plans of € 180 million.



Rollforward of Shareholders' equity

(€ million)	31/12/2020	31/12/2019
Shareholders' equity attributable to the Group at the end of the previous period	**28,360**	**23,601**
Result of the period	1,744	2,670
Dividend distributed	-785	-1.413
Other comprehensive income	646	3,598
Reserve for unrealized gains and losses on available for sale financial assets	1,306	4,004
Foreign currency translation differences	-521	119
Net unrealized gains and losses on hedging derivatives	41	95
Net unrealized gains and losses on defined benefit plans	-180	-391
Other net unrealized gains and losses	0	-228
Other items	64	-96
Shareholders' equity attributable to the Group at the end of the period	**30,029**	**28,360**

The Solvency Ratio - which represents the regulatory view of the Group's capital and is based on the use of the Internal Model, solely for companies that have obtained the relevant approval from IVASS, and on the Standard Formula for other companies -stood at the same level of the previous year (224%).
This solvency position was the result of a very positive contribution of normalized capital generation (mainly related to the resilient performance of the Life new business and to the excellent P&C result), that - coupled with positive impacts from regulatory changes (in particular, the extension of the Internal Model for operational risks) and from de-risking and asset-liability management actions undertaken during the year - offset negative impacts from the financial markets performance (defined by a further decrease in risk-free rates), M&A transactions and foreseeable dividend of the period.

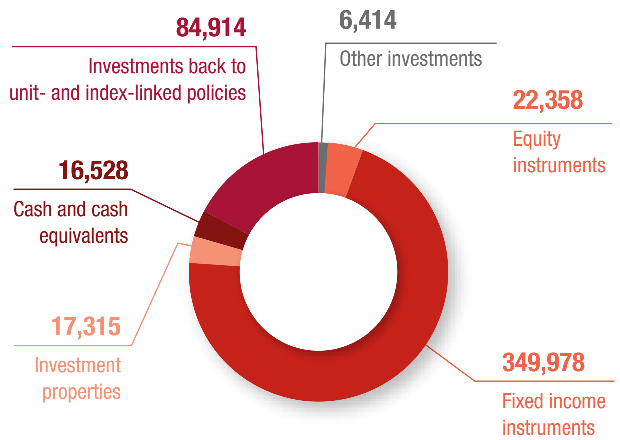
Risk Report, p. 117 of the Annual Integrated Report and Consolidated Financial Statements 2020 for further information on the Group's solvency

INVESTMENTS

Asset allocation

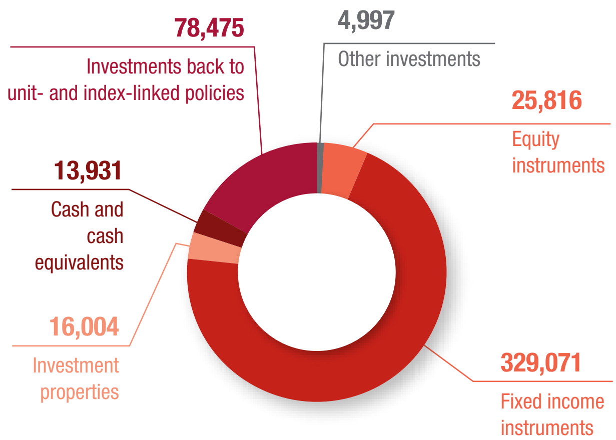
Investments at 31 December 2020

€ mln



Investments at 31 December 2019

€ mln



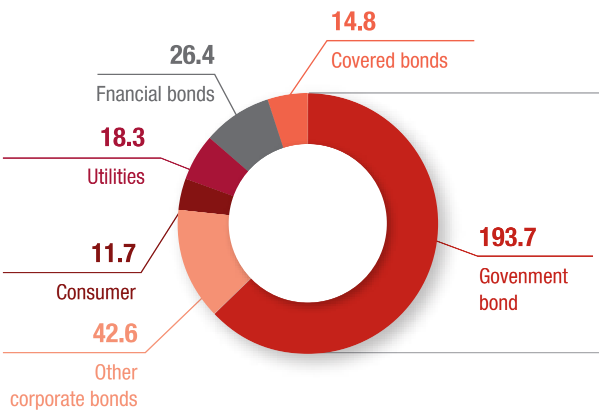
At 31 December 2020, total investments amounted to € 497,506 million, up by 6.2% over the previous year. Both Group investments at € 412,592 million (+5.8%) and unit/index-linked investments at € 84,914 million (+8.2%) increased.
In terms of weight of the main investment categories, the relative exposure of fixed income instruments was substantially stable at 84.8% (84.4% at 31 December 2019), while that of equity instruments decreased, reporting 5.4% (6.6% at 31 December 2019). The weight of investment properties was stable at 4.2% (4.1% at 31 December 2019), while that of other investments was slightly up at 1.5% (1.3% at 31 December 2019). Note that other investments mainly include receivables from banks and customers, investments in subsidiaries, associated companies and joint ventures, and derivatives. Lastly, the weight of liquidity went from 3.6% to 4.0%.

FIXED INCOME INSTRUMENTS

Fixed income instruments increased by 6.4% to € 349,978 million compared to € 329,071 million at 31 December 2019. In particular, the bond portfolio grew to € 307,631 million (+5.6%).
With reference to the composition of the bond portfolio, government bonds, which represented 55.4% (53.6% at 31 December 2019), were up, standing at € 193,735 million (€ 176,355 million at 31 December 2019). The change during the period was due to the increase in value of the securities in the portfolio and the effects of investment allocation strategies.
The exposure to individual government bonds was mainly allocated to the respective countries of operation, in line with the Group's ALM policy.
The corporate component decreased in absolute terms to € 113,895 million (€ 115,033 million at 31 December 2019), due to investment decisions, relating to 32.5% of the bond portfolio (35.0% at 31 December 2019). The exposure due to aiming the reinvestment strategy at the sovereign bond component decreased in nominal terms.
Taking into consideration, on the other hand, the current breakdown of the portfolio, the allocation is basically stable with a slight preference for the utilities sector.

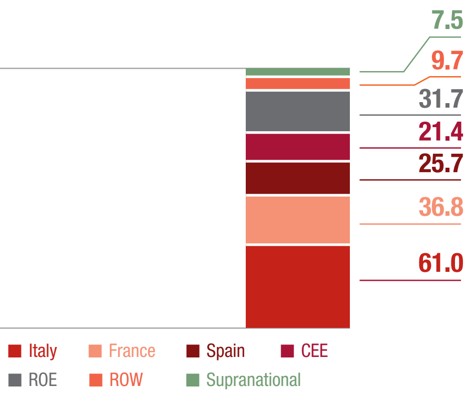
Bond portfolio: detail by sector

€ bln



Government bonds: detail by country of risk

€ bln



The credit rating of the Group's corporate portfolio was down slightly, with 92% of the bonds classified as Investment Grade (94% at the end of the previous year).

Bond portfolio: government bonds by rating

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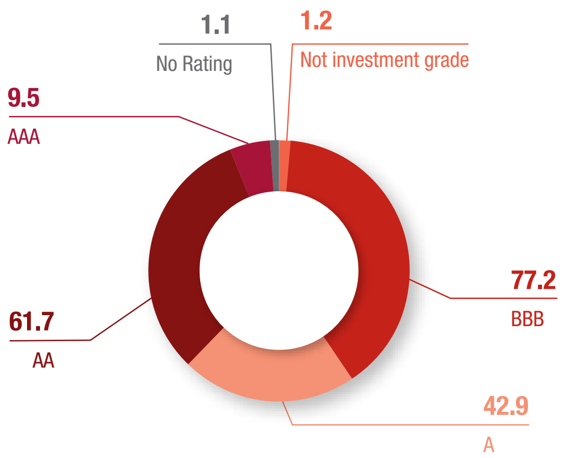
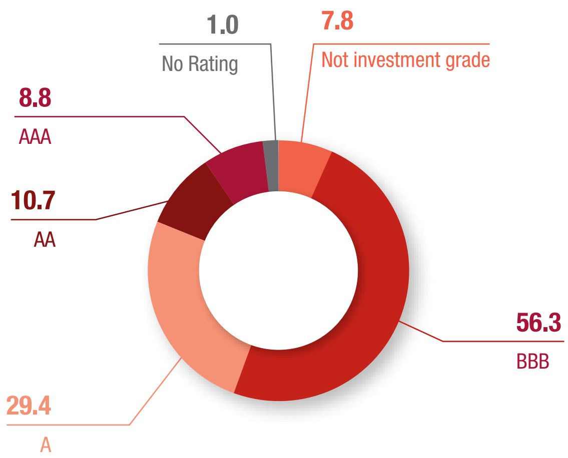


Bond portfolio: corporate bonds by rating

€ bln



EQUITY INSTRUMENTS

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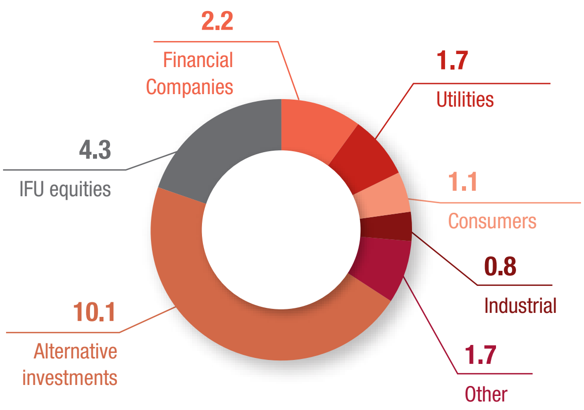


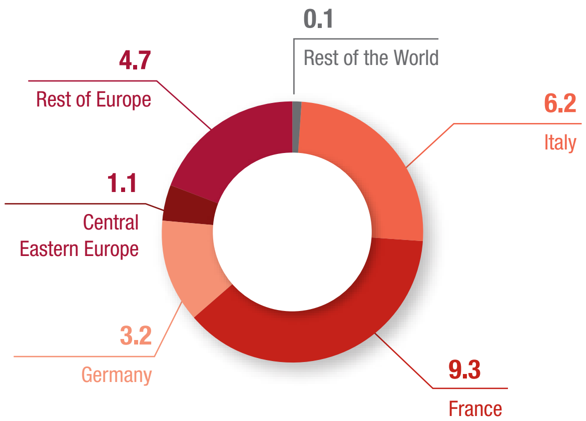
Equity instruments decreased in absolute terms, standing at € 22,358 million (€ 25,816 million at 31 December 2019). The change was attributable to portfolio decisions combined with market impact. In terms of allocation, the investment in alternative instruments component was up against a fall in listed instruments.

LAND AND BUILDINGS (INVESTMENT PROPERTIES)

Investment properties in terms of book value amounted to € 17,315 million (€ 16,004 million at 31 December 2019).

Direct investment properties at fair value

€ bln



Specifically, the direct investment properties of the Group at fair value amounted to € 24,660 million (€ 22,693 million at 31 December 2019), and were almost all in Western Europe, mainly in Italy, France and Germany, and were held in the respective countries in which they operate.

Sustainable and responsible investments

Sustainable and responsible investments are a key tool to integrate social responsibility into the business of an insurance group and to create long-term sustainable value for stakeholders. As an institutional investor with assets of more than € 664 billion, through its investments Generali can contribute to achieving the key sustainable development goals, and at the same time avoid financing sectors and companies that have a negative impact on the world around them.

Responsibility towards the world around us goes hand in hand with responsibility towards our stakeholders. Investing while limiting risk, including those related to environment and sustainability, is a fundamental requirement to respecting our commitment to them.

To confirm this commitment, in 2007, the Group joined the United Nations Global Compact, and in 2011 we integrated the PRI (Principles for Responsible Investment), defined by the international network of the same name sponsored by the United Nations, into our investment strategy. For the fifth consecutive year, in 2020, the PRI gave Generali's *Strategy & Governance* the highest score (A+), to acknowledge our continuous commitment on this front.

STRATEGY ON CLIMATE CHANGE

A net-zero climate strategy

The fight against climate change represents one of the main challenges of this century. The latest report of the International Panel on Climate Change (IPCC) highlighted that we may only have another 10 years left before the increase in temperature generates irreversible effects on our planet. For this reason, in 2018 we announced a Strategy on climate change which states our commitment to avoid investments in the coal sector (around € 2 billion) and to invest € 3.5 billion in green and sustainable sectors. In 2018 and 2019, we strengthened these commitments, by adding the tar sands sector to the list of exclusions and increasing the target for new green and sustainable investments to € 4.5 billion by 2021.

The exclusion of investments in companies involved in the coal supply chain and in the extraction of tar sands is part of this strategy. Investments in coal, the most polluting source of electricity in terms of CO_2 emissions, have to be reduced to a minimum if we want to limit climate change. In the same way, the impact of tar sands on the environment, in terms of CO_2 emissions, alongside deforestation and water consumption, led to the decision to exclude those companies from the Group's investable universe.

Net-Zero Asset Owner Alliance

Adopting a climate change strategy does not just entail excluding sectors but requires a holistic commitment. In 2020, the Group joined the Net-Zero Asset Owner Alliance (NZ AOA), a group of 33 institutional investors representing over $ 5.1 trillion, established on the initiative of the United Nations, which is committed to reducing the net greenhouse gas emissions of its portfolios to zero by 2050 to avoid an increase in the global temperature of 1.5°C. This goal will be pursued by working closely with the companies in the portfolio, regulatory and government bodies with a view to urging the adoption of practices and regulations aligned to the commitments of the Paris Agreement, also by integrating the strategy with targeted investing. In accordance with the principles of the NZ AOA, we will adopt intermediate targets for 2025[15] which reflect our continuous commitment to achieving this long-term goal.

Climate-related financial disclosure for further information

Carbon footprint of the Group's equities and corporate bonds portfolios

ABSOLUTE EMISSIONS[16]

14.65 mln tCO_2

CARBON FOOTPRINT[16]

176 tCO_2 per € mln invested

WEIGHTED AVERAGE CARBON INTENSITY[16]

230 tCO_2 per € mln revenues

Our commitments for greener real estate assets

Through the NZ AOA initiative, we have committed to the decarbonisation of our assets by 2050, including our real estate assets. This commitment is a natural consequence of the efforts already made by the Group for several years to manage its real estate assets more sustainably.

The Group's responsibility results into the daily commitment of our dedicated management company, Generali Real Estate (GRE). More specifically, GRE has adopted a Responsible Property Guideline, which establishes the core principles for the responsible management of our real estate investments. We have also adopted measures to reduce the environmental impact of the real estate we invest in, prioritising in particular the purchase, development and retrofitting of real estate with green certifications (for example, BREEAM and LEED).

15 In line with the NZ AOA Target Setting Protocol, the intermediate targets to decarbonizing the portfolio by 2025 will be undertaken using carbon footprint at the end of 2019 as baseline.

16 The absolute emissions, carbon footprint and weighted average carbon intensity (WACI) indicators represent the metrics recommended by the TCFD (Task force on Climate-related Financial Disclosure) and indicated in the *Guidelines on non-financial reporting: supplement on reporting climate-related information*. The indicators published cover Scope 1 and Scope 2 emissions of the companies in the portfolio and represent 73% of the assets under management of the portfolio of reference (general account investments in equities and corporate bonds).

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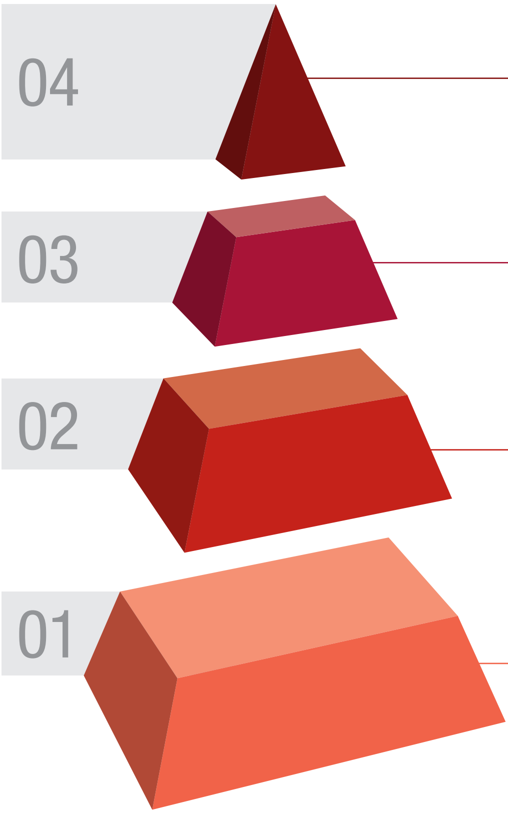
INTEGRATING RESPONSIBILITY PRINCIPLES INTO OUR INVESTMENTS

Integrating responsibility principles into our investments breaks down into four levels:



STEWARDSHIP

- Promotion of sustainable practices in investee companies
- Voting activities (1,487 shareholders' meetings attended and 19,731 resolutions voted in 2020)
- Dialogue with invested companies on ESG topics

THEMATIC INVESTMENTS

- € 4.5 bln in new green and sustainable investments by 2021: target achieved in advance (€ 5,973 mln at December 2020)
- € 1 bln in sustainable investments - Covid-19 EU Recovery Plan

ESG & SRI INVESTMENTS

- As asset owner: € 33,837 mln[17] SRI investment mandates managed according to the ESG approach of Generali Insurance Asset Management
- As asset manager: € 7,671 mln ESG and SRI funds managed by Sycomore, the Group boutique specialised in ESG funds

EXCLUSION POLICIES

- Violations of the UN Global Compact principles
- Unethical sectors (non-conventional weapons)
- Activities incompatible with environmental objectives (coal, tar sands)

01. EXCLUSION OF COMPANIES BELONGING TO CONTROVERSIAL SECTORS/BUSINESSES AND INVOLVED IN VIOLATIONS OF THE UN GLOBAL COMPACT PRINCIPLES

Generali exclude from the investable universe companies those responsible for serious and systematic violations of the principles of the Global Compact (corruption, environmental damage, including damage to biodiversity, and human rights violations) or significantly involved in the thermal coal, tar sands or controversial weapons sectors. These exclusions are illustrated in the Responsible Investment Group Guideline (RIG), which regulates responsible investment activities at Group level, and are applied to a perimeter of € 326,425 million direct investments of the Group's insurance companies.
A dedicated cross-functional committee, the Responsible Investment Committee, supports the decisions on potential exclusions from investments and draws up new strategies in this regard.
The Group also requires its asset managers to act in compliance with the principles of the RIG and assesses alignment with ESG criteria also when selecting funds managed by external asset managers.

DIRECT INVESTMENTS BY THE GROUP'S INSURANCE COMPANIES WHICH ARE SUBJECT TO THE RIG **+4.7%**

€ 326,425 mln

17 Of these, 81.2% was subject to SRI analysis and reported a compliance rate of more than 95.2% with the SRI principles of Generali Insurance Asset Management. The remaining 18.8% was not covered by the SRI analysis (mutual funds, issuers located in non-European regions and unlisted issuers).

NFS

02. ESG & SRI INVESTMENTS

SUSTAINABLE AND RESPONSIBLE INVESTMENT (SRI) +16.9%

€ 41,508 mln

As asset owner: € 33,837 mln

Thanks to an ESG methodology, which integrates non-financial and traditional financial aspects, developed internally by dedicated teams from Generali Insurance Asset Management, we select the best companies in terms of their corporate social responsibility and sustainable development policies, to establish dedicated SRI management mandates.

As asset manager: € 7,671 mln

We are boosting ESG integration not only in terms of our investments, but also in the range of ESG products offered to the market. In 2019, we acquired Sycomore, an asset manager specialised in ESG funds, strengthening our commitment to include ESG criteria in portfolio management. Sycomore offers a wide range of funds, including SRI certified funds, funds that integrate ESG factors and funds relating to sustainable investment.

www.sycomore-am.com for further information on Sycomore

03. THEMATIC INVESTMENTS

Green and sustainable investments

NEW GREEN AND SUSTAINABLE INVESTMENTS[18]

€ 5,973 mln

OVERACHIEVED

Target of € 4.5 billion by 2021

When selecting green and sustainable investments, we focused on bond and infrastructure investments.

Investments in green and sustainable bonds were identified on the basis of internationally recognised principles, issued by the International Capital Market Association (ICMA), including Green Bonds Principles, Social Bonds Principles and Sustainable Bonds Guidelines. Investments in this asset class encompassed both corporate and government bonds, and contributed mainly to funding renewable energies and energy efficiency, as well as low-impact transport solutions, adaptation to the impacts of climate change and efforts to preserve biodiversity.

Investments in green and sustainable infrastructure were identified on the basis of the proprietary methodology of Generali Global Infrastructure, which uses a model to assess ESG aspects, including the contribution of infrastructure projects to the Sustainable Development Goals of the United Nations (SDGs). Investments in this asset class funded a wide range of projects, including renewable energies, energy efficiency, low-impact transport solutions and communications.

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 Europe. 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 the 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. To this end, we have committed to investing around € 1 billion in sustainable activities that can make a real contribution to sustainable European recovery. By taking this twofold approach to these investments, aimed towards recovery, but only if sustainable, we will be supporting a greener and more digital recovery.

18 New green and sustainable investments refer to the 2018-2020 cumulative data of Generali Insurance Asset Management and Generali Global Infrastructure. 55.3% of these investments were made in 2020.

NFS

04. STEWARDSHIP

SHAREHOLDERS' MEETINGS WE ATTENDED	RESOLUTIONS VOTED	AGAINST VOTES
+5.2%	+6.8%	-1.0 pps
1,487[19]	19,731	12%

As a responsible investor, we undertake to promote sustainability in our investees through proxy voting and engagement activities. To this end, we have an Active Ownership Guideline which defines the fundamental values of the Group, including with respect to sustainability.

Engagement activities are used as effective leverage to influence corporate practices on ESG aspects, to encourage greater transparency on these topics or to gain a greater understanding of investees' ESG risk management.

In 2020, engagement activities were performed on the basis of the Engagement Priority List, approved by the Group Engagement Committee at the end of 2019. Further engagement opportunities were also identified and validated in 2020.

With regard to proxy voting, the voting principles established in the Active Ownership Guideline include topics such as: rights of shareholders, corporate bodies, remuneration policies, financial statements, disclosure of information and transparency, share transactions, environmental and social aspects, special provisions for listed companies with reduced market capitalisation and unlisted companies, related party transactions.

When the Active Ownership Guideline was revised in 2020, we introduced voting principles that refer to systemic and market risks relating to pandemic situations. The updates will be applicable from 2021.

In general, our approach to voting envisages exercising our voting rights whenever reasonably possible, without making discriminations based on the subject of the vote or the size of the shareholding in the issuers. Voting decisions are taken following an internal analysis based on documents made public by the issuers and on research provided by the proxy advisors.

www.generali.com/our-responsibilities/responsible-investments for further information on the Active Ownership Guideline

Investment result

Return on investments

	31/12/2020	31/12/2019
Economic components		
Current income from fixed income instruments	8,505	8,832
Current income from equity instruments	850	1,045
Current income from real estate investments (*)	768	838
Net realized gains	1,975	1,771
Net impairment losses	-1,067	-612
Net unrealized gains	17	260
Average stock	**394,761**	**376,308**
Ratio		
Current return (*)	2.6%	2.9%
Harvesting rate	0.2%	0.4%
P&L return	2.7%	3.2%

(*) Net of depreciation of the period.

The current return on investments fell slightly to 2.6% (2.9% at 31 December 2019). The performance of this indicator is attributable both to a lower current income from fixed income instruments in relation to the context of low interest rates, and to the decrease in the current income from equity instruments impacted also by the effects of the Covid-19 pandemic.

The contribution to the result of the period deriving from net realized gains, net impairments, and net unrealized gains (harvesting rate)[20] showed a decrease to 0.2% (0.4% at 31 December 2019), impacted by the effect of higher impairments in 2020.

19 The shareholders' meetings relating to the direct investment of insurance companies are 1,052.
20 The contribution to investments backing unit-linked policies was excluded. Please refer to the chapter *Methodological notes on alternative performance measures* for details on the calculation of the return on investments.

DEBT AND LIQUIDITY

Debt

In accordance with the IAS/IFRS managerial model used by the Generali Group, consolidated liabilities were split into two categories:

- liabilities linked to operating activities, defined as all the consolidated financial liabilities related to specific balance sheet items from the consolidate 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;
- liabilities linked to financing activities, including the other consolidated financial liabilities, among which subordinated liabilities, bond issues, and other loans obtained. This category includes, for example, liabilities incurred in connection with a purchase of controlling interests.

Total liabilities were as follows:

Group debt

(€ million)	31/12/2020	31/12/2019
Liabilities linked to operating activities	**34,376**	**29,891**
Liabilities linked to financing activities	**9,692**	**11,013**
Subordinated liabilities	7,681	7,717
Senior bonds	1,738	2,988
Other non-subordinated liabilities linked to financing activities	273	308
Total	**44,068**	**40,904**

The liabilities linked to operating activities posted an increase due mainly to the increase in the deposits of the Group banks.
The decrease in the Group's liabilities linked to financing activities was mainly due to the redemption of the senior bond in January 2020. During the year, a liability management transaction was completed, which involved the buyback at a nominal value of € 600 million of subordinated liabilities with call date of 2022, and the issue of new green bonds for the same amount.

The weighted average cost of liabilities linked to financing activities stood at 4.94%, substantially unchanged against 2019, as the senior bond redeemed had a coupon of 2.62%, which was lower than 5.66% at 31 December 2018. The weighted average cost reflects the annualized cost of the liabilities, considering the nominal amounts at the reporting date and the related transactions of currency and interest rate hedging.

Interest expenses on total liabilities were detailed below:

Interest expenses

(€ million)	31/12/2020	31/12/2019	Change
Interest expense on liabilities linked to operating activities	307	401	-23.5%
Interest expense on liabilities linked to financing activities	493	605	-18.5%
Total (*)	**800**	**1,006**	**-20.5%**

(*) Without taking into account the interest expenses on liabilities linked to operating activities of the real estate development companies, classified among the other expenses, as well as the interest on deposit under reinsurance business accepted, deducted from the related interest income.

DETAILS ON THE LIABILITIES LINKED TO FINANCING ACTIVITIES

Details on subordinated liabilities and senior bonds

(€ million)	31/12/2020				31/12/2019			
	Nominal value	Book value	Accrued interest expenses	Average weighted cost % (*)	Nominal value	Book value	Accrued interest expenses	Average weighted cost % (*)
Subordinated liabilities	7,717	7,681	402	4.90%	7,746	7,717	479	5.23%
Senior bonds	1,750	1,738	91	5.13%	3,000	2,988	125	4.19%
Total	**9,467**	**9,419**	**493**		**10,746**	**10,705**	**605**	

(*) The weighted average cost reflects annualized cost of financial debt, considering the outstanding debt at the reporting date and the related activities of currency and interest rate hedging.

Details of issues and redemptions of subordinated liabilities and senior bonds

(€ million)	31/12/2020			31/12/2019		
	Issuances	Redemptions	Issuances net of redemptions	Issuances	Redemptions	Issuances net of redemptions
Subordinated liabilities	600	600	0	1,250	1,750	-500
Senior bonds	0	1,250	-1,250	0	0	0
Total	**600**	**1,850**	**-1,250**	**1,250**	**1,750**	**-500**

DETAILS ON MAIN ISSUES

Subordinated liabilities

Main subordinated issues

	Coupon	Outstanding (*)	Currency	Amortised cost (**)	Issue date	Call date	Maturity
Assicurazioni Generali	6.27%	350	GBP	389	16/06/2006	16.02.2026	Perp
Assicurazioni Generali	6.42%	167	GBP	186	08/02/2007	08/02/2022	Perp
Assicurazioni Generali	10.13%	302	EUR	301	10/07/2012	10/07/2022	10/07/2042
Assicurazioni Generali	7.75%	467	EUR	467	12/12/2012	12/12/2022	12/12/2042
Assicurazioni Generali	4.13%	1,000	EUR	993	02/04/2014	n.a.	04/05/2026
Assicurazioni Generali	4.60%	1,500	EUR	1,341	21/11/2014	21/11/2025	Perp
Assicurazioni Generali	5.50%	1,250	EUR	1,244	27/10/2015	27/10/2027	27/10/2047
Assicurazioni Generali	5.00%	850	EUR	843	08/06/2016	08/06/2028	08/06/2048
Assicurazioni Generali	3.88%	500	EUR	498	29/01/2019	n.a.	29/01/2029
Assicurazioni Generali	2.12%	750	EUR	747	01/10/2019	n.a.	01/10/2030
Assicurazioni Generali	2.43%	600	EUR	596	14/07/2020	14/01/2031	14/07/2031
Generali zavarovalnica d.d. (***)	EUR3M+7,8%	50	EUR	50	24/05/2016	24/05/2021	24/05/2026

(*) In currency million.

(**) In currency million.

(***) This liability was issued by Adriatic Slovenica, merged in Generali zavarovalnica d.d. in 2020.

This category includes all subordinated liabilities issued by Assicurazioni Generali and other subsidiaries. The remaining subordinated liabilities are mainly issued by Austrian subsidiaries for approximately € 25 million at amortized cost.

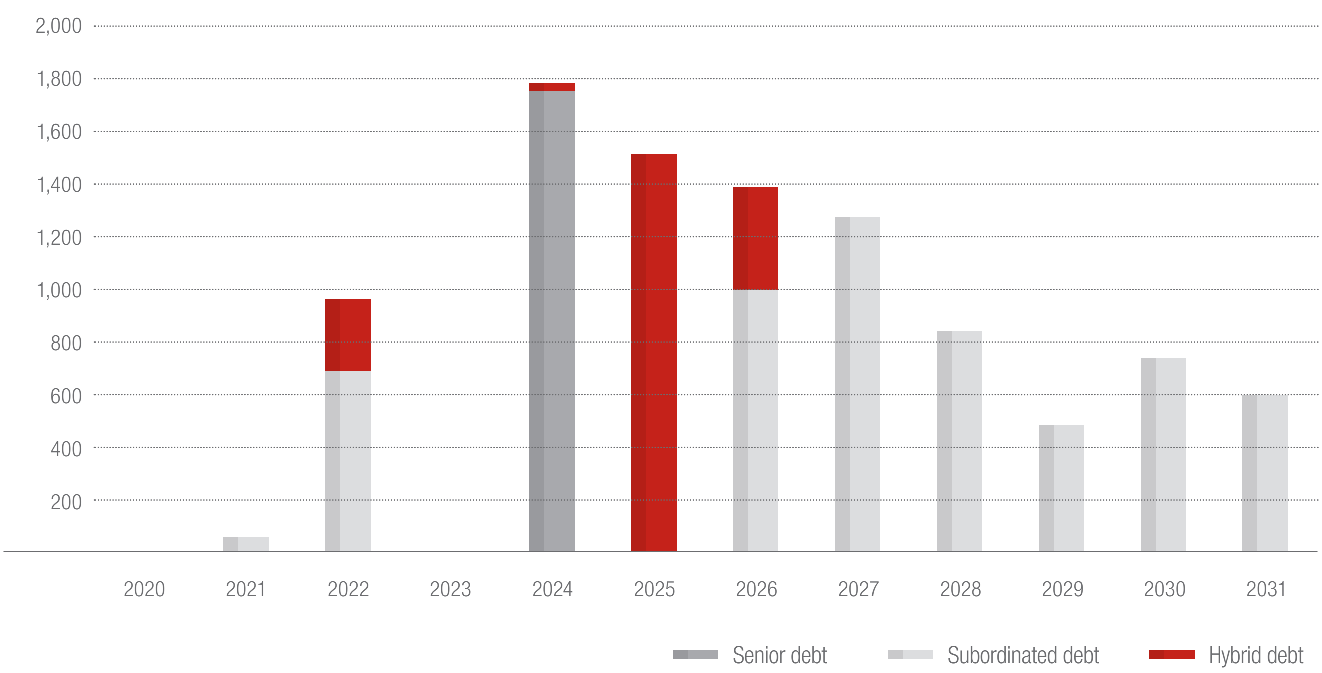
Senior bonds

Main senior bonds issues

Issuer	Coupon	Outstanding (*)	Currency	Amortised cost (**)	Issue date	Maturity
Assicurazioni Generali	5.13%	1,750	EUR	1,738	16/09/2009	16/09/2024

(*) In currency million.
(**) In € million.

DETAIL ON DEBT MATURITY (€ MLN)



The average duration stood at 5.76 years at 31 December 2020 compared to 5.52 years at 31 December 2019.

REVOLVING CREDIT FACILITIES

Assicurazioni Generali has revolving credit facilities for a total amount of € 4 billion. They represent, in line with best market practice, an efficient tool to protect the Group's financial flexibility in case of adverse scenarios.
The two facilities, syndicated with a value of € 2 billion each, have a duration until 2021 and 2023.
The revolving credit facilities also present innovative features in terms of sustainability: their cost is linked to both the targets on green investments and the progress made in sustainability. This transaction further strengthens Generali's commitment to sustainability and environment, as set out in the Charter of Sustainability Commitments and in the climate change strategy.
This will only impact the Group's liabilities linked to financing activities if the facilities are drawn down.

Liquidity

Cash and cash equivalent

(€ million)	31/12/2020	31/12/2019
Cash at bank and short-term securities	6,935	6,165
Cash and cash equivalents	311	172
Cash and balances with central banks	654	537
Money market investment funds unit	9,326	6,863
Other	-698	194
Cash and cash equivalents	**16,528**	**13,931**

Liquidity rose from € 13,931 million to € 16,528 million at 31 December 2020; the increase in Group's cash and cash equivalents reflected the fact that the second tranche of 2019 dividends was not paid in 2020, as well as the centralized excess capital strategy carried out in 2020 along with the establishment of precautionary cash buffers to better respond to the uncertainties caused by the Covid-19.

OUR MAIN MARKETS: POSITIONING[15] AND PERFORMANCE

ITALY

GROSS WRITTEN PREMIUMS +4.3%

€ 25,217 mln

TOTAL OPERATING RESULT +5.0%

€ 1,845 mln

LIFE MARKET SHARE

16.9%

P&C MARKET SHARE

13.9%

RANKING

1st (1st LIFE AND 2nd P&C)

OUR PEOPLE +2.3%

13,446

In a global scenario reeling from the effects of the pandemic, Generali confirms its leadership position in the Italian insurance market with an overall share of 16.1%, up against last year. The company was distinguished by its resilience and solidity in an extremely challenging context, as it was able to count on an entirely renewed range of products, including innovative insurance solutions for its customers in both the Life and Property & Casualty segments. In terms of distribution, the multichannel strategy, which has been the prime focus in recent years, guaranteed excellent levels of inflows and premiums even during the lockdown periods, thanks to the use of remote sales tools made available to the sales force.

Business continues to be highly centred on agents, with a strong position in the direct Life and P&C channels, through Genertel and Genertellife, the first online insurance launched in Italy. Thanks to its partnership with Banca Generali, the Group is able to offer its customers a broad and complete variety of insurance, pension and savings products. Generali presents itself to the Italian market with three distinct brands marked by a clear strategic positioning - Generali (retail market and SME), Alleanza (households) and Genertel and Genertellife (alternative channels).

In 2020, Generali Italia forged ahead with the implementation of its Lifetime Partner programme, the objective of which is to become the company with the best customer experience through valuable consultancy, using all relationship channels, offering an increasingly extensive range of prevention and protection services and investing in new technologies and related ecosystems. Jeniot, a company launched by Generali Italia at the end of 2018 that develops innovative services in the Internet of Things and connected insurance area tied to mobility, home, health and work, also continued to grow.

In Italy, the important fiscal measures set in place by the Government to respond to the pandemic and support household income regarded in particular the less-protected workers, such as retailers, artisans and workers in small businesses. These measures curbed the growth of unemployment and poverty, limiting the number of company bankruptcies. Nevertheless, households increased their propensity for precautionary saving and the accumulation of liquidity reached peak levels in July.

The Italian insurance market, down by 4.7%, reflected the performance of Life inflows (-5.4%) conditioned by the fall in demand for traditional products, while the demand for unit-linked products was stable at 2019 levels, sustained by the recovery of the financial markets. New Life business continued to be mostly oriented towards traditional products: even as regards multi-business products, the traditional component, corresponding to 66.5%, prevailed over the unit-linked one (34.5%). The Property & Casualty market is expected to report a fall of 2.5%, reflecting the decrease of premiums in the motor line (-4.3%), exacerbated by suspensions of policies and renewal discounts guaranteed by many insurers to their customers during the lockdown period due to the lack of vehicle use. The net fall in frequency and the consequent improvement of technical results fuelled the competition on tariffs between operators. The non-motor line also felt the repercussions of the crisis, closing 2020 with a slight fall (-1.2%).

With reference to the financial markets, the ten-year BTP yield fell from 1.43% at year-end 2019 to 0.52%. The BTP-Bund spread went down from 161 bps at year-end 2019 to 110 bps. The total return of the FTSE MIB posted a negative performance (-3.3%).

With regard to the pandemic, starting with its own organisation, Generali took all possible measures to safeguard the health of its people and to continue to serve its customers. Smart working was immediately extended to all employees (currently it exceeds 95%) and constant contact was maintained with its people, also through live streaming sessions that involved 16 thousand employees and agents. In addition, the first Genertel remote insurance contact center was created to serve customers.

Through its agents, the company tackled the issue of working remotely, to be always connected and able, even in this emergency, to meet the needs of customers by exploiting new technologies and platforms. In just a few weeks, for example, it became the first remote network, manned by 12 thousand agents, to serve Italian households remotely.

The company has been by the side of its customers, households and businesses. It has provided support to SMEs in the retail sector, which has suffered significantly from the pandemic: its priority is to give immediate tangible help to business operators, guaranteeing a daily allowance for each day of

NFS

15 The indicated market shares and ranking, based on written premiums, refer to the most recent official data.

NFS

closure to over 6 thousand companies throughout Italy. It also provided assistance to over 1 million workers through newly formulated health insurance policies which cover Covid-19.
The company launched a partnership with doctors, providing remote medical consultations, to provide its customers with the health information they need.

Furthermore, to immediately meet the new requirements of schools, teachers and households, Generali extended the Ora di Futuro - The Human Safety Net project, which entails digital training and content to guarantee remote lessons in primary schools and in Ora di Futuro centres, providing real help to households in difficulty throughout Italy.
The above-cited initiatives amounted to around € 99 million[16].

LIFE PREMIUMS +5.4%	PVNBP +6.4%	NBV +0.7%	LIFE OR +2.7%
€ 19,636 mln	€ 20,754 mln	€ 926 mln	€ 1,371 mln

In a difficult international scenario characterised by the pandemic, by increasingly low interest rates and high volatility, Generali Italia has concentrated on a full-scale offer that envisages the development of pension, savings, investment and protection products according to the pre-set goals of improving advice given to the client and strengthening of premium with low capital absorption. Thanks to a multi-channel approach and to the integration of traditional sales systems with new remote sales tools, introduced with the simplification programme, Generali Italia managed to guarantee a valuable consultancy service to its retail customers, even in this complex context. The results relating to collective policies were particularly encouraging due, inter alia, to the agreement for the management of the Cometa Fund's assets.
The trend of Life premiums therefore showed good performance, supported by the protection line (+16.4%) and the strong growth of linked products (+58.0%) due to the acquisition of the Cometa Fund.
New business in terms of present value of new business premiums (PVNBP) stood at € 20,754 million, up 6.4% due to the one-off effect of the Cometa Pension Fund (without the latter the PVNBP would have fallen by 7.2%). Both the present value of future annual premiums (+3.3%) and the single premiums (+8.5%) were up.
With reference to the business lines, both the unit-linked products business (+55.9%, -5.3% without the contribution of the Cometa Fund) and that of protection products (+17.3%) reported significant growth, which offset the fall in savings and pension products caused by the unfavourable financial situation (-8.9%).
The new business margin (expressed as a percentage of PVNBP) decreased by 0.25 pps, falling from 4.71% in 2019 to 4.46% in 2020. This decrease was mainly driven by the lower profitability of the Cometa Pension Fund (without which, the profit margin would have been 4.87%, up 0.15 pps). The increase in sales of capital-light products is worth noting, the weight of which rose from 21.6% to 49.7%.
New business value amounted to € 926 million (+0.7%).

P&C PREMIUMS +0.9%	P&C OR +12.4%	CoR -3.6 pps
€ 5,581 mln	€ 531 mln	88.3%

Property & Casualty premiums remained stable (+0.9%) resulting from different trends. In 2020, net of the effects related to the pandemic, Generali concentrated on improving profitability and on defending the motor portfolio with interventions on the flexibility and development of smart-pricing models thanks to advanced analytics activities. The total decrease in the motor line (-3.0%) was therefore offset by a significant improvement in profitability, the majority of which due to the fall in frequency by virtue of the various lockdown phases, in a market that was still highly competitive.
In the non-motor lines (+3.3%), the renewal of the product range through the development of new associated services and products, combined with the ever-increasing attention paid to improving industrial processes and the relative levels of service, enabled the production levels of the previous year to be surpassed, in a difficult context, benefiting in particular from the performance of retail and Employee Benefit lines.
The combined ratio fell substantially, sustained by the significant improvement of the current year loss ratio linked above all to the motor line following the national lockdown measures adopted. The weight of natural catastrophe claims increased slightly (+0.3 pps).

16 € 26 million of which was financed by the Generali Group's International Fund.

GERMANY

GROSS WRITTEN PREMIUMS +0.9%	TOTAL OPERATING RESULT +8.7%	LIFE MARKET SHARE
€ 14,418 mln	€ 905 mln	6.9%
P&C MARKET SHARE	**RANKING**	**OUR PEOPLE -1.3%**
5.1%	2nd (LIFE AND P&C)	9,486

Generali has been active in Germany since 1837. The Group ranks second in terms of total premium income due to a 6.9% market share in the Life business (also including the health business), in which it plays a leadership role in the unit-linked and protection lines, and to a 5.1% P&C share, distinguished by a sharply higher premium profitability than the market average.

In 2020, Generali Deutschland reported solid performance thanks to a constant focus on profitability and on low capital absorption solutions, which, together with careful cost control, enabled the business unit to offset the negative impact of the pandemic. The Deutsche Vermögensberatung (DVAG) distribution network provided fundamental support, in terms of both premium income and profit margins. This network, comprised by around 17,000 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, understanding the needs of customers at 360° and digital tools to enable interaction and remote policy subscription. In addition to DVAG, Generali Deutschland also enjoys leadership in the digital channel, where it operates with the CosmosDirekt brand.

Generali Deutschland therefore confirms its objective to become the leading insurance company in Germany in terms of profitable growth, return on capital and innovation, fully in-keeping with the 2021 pillars of Generali to consolidate the company's position as a Lifetime partner to its customers.

Also due to the boost to digitalisation, which was further accelerated by the need to respond to the consequences of the pandemic, innovation to enhance the quality of its customers' lives was central to Generali Deutschland's strategy in 2020. For example, the company announced VitalSigns&Care, an innovative app that enables users to independently monitor their vital parameters, including blood oxygenation, simply by using their smartphone camera, and to obtain personalised assistance services. With VitalSigns&Care, Generali Deutschland is placing attention on health prevention, the importance of which has been made even more evident by the pandemic.

Like the majority of advanced economies, in the second quarter, the German economy contracted due to the measures implemented to curb the pandemic. Even though the recovery enjoyed in the summer season exceeded expectations, the second wave that started in the autumn could result in another slowdown in the latter part of the year.

The various segments of the insurance sector reacted to the economic crisis in different ways. The Life segment reported a slowdown after the growth enjoyed in 2019: premium income in 2020, slightly down (-0.4%), was sustained by an increase in the savings rate, while the portfolio continues to see a shift from traditional products with guarantees to products linked to financial market trends, with positive effects on the solvency rate.

Property & Casualty insurance reported growth, with the exception of the motor third-party liability line, which was practically unchanged, but whose profit margins were sustained by the substantial restrictions on circulation, which led to a lower loss ratio. In the other lines, the impact of Covid-19 was less homogeneous, with an improvement of the loss ratio in those most linked to the economic cycle, and a worsening in others (due not only to Covid-19 but also to several exceptional weather events). Health insurance, in particular, showed a worsening of the loss ratio and of income prospects, while premium income is expected to grow at the satisfactory rates of previous years.

As regards the financial markets, the yield of the ten-year German Bund closed the year at -0.58% (-0.19% in 2019). In 2020, the DAX stock market earned 3.5%.

NFS

Generali Deutschland was able to take important proactive decisions to manage the effects of the pandemic. Right from when the virus started to spread, the company made significant efforts to guarantee business continuity, the safety of its personnel and support to the community. An example of this was Covid Nothilfefond, a special fund to provide economic support to Generali Deutschland's customers that suffered the consequences of the restrictions and the lockdown. During the first peak of the pandemic, Generali Deutschland established this emergency fund to help the worst hit customers, and at the same time it took action to support its customers through, for example, special terms in the event of temporary payment difficulties, remote medical assistance, special legal consultancy and an extended customer service. Regarding special initiatives to face Covid-19 in the country, €16 million[17] were overall allocated.

The fund helped distributing surgical masks and medical equipment throughout Germany, in collaboration with Caritas Deutschland, and creating digital tools to provide support to small and medium enterprises, as well as disadvantage people that needed assistance or company.

17 € 11 million of which was financed by the Generali Group's International Fund.

NFS

Generali Deutschland's personnel also made an important contribution, by collecting € 750,000 to donate to those in difficulty through The Human Safety Net, Generali Group's programme to support local communities.
To alleviate the negative consequences of the pandemic, Generali Deutschland also set the following concrete actions in motion:

- assistance to healthcare institutions in Lombardy, which received 1,500 medical overalls and ventilators from Germany;
- the digitalisation of numerous projects to support communities by The Human Safety Net;
- inclusion of The Human Safety Net in wirhelfen.eu, an online platform that puts healthcare operators in contact with those in need;
- support of the online Heroes Against Loneliness platform to facilitate opportunities for neighbours to socialise;
- the online activation of the *Generali bewegt Deutschland* (Generali moves Germany) initiative, a fitness programme that encourages people to keep physically and mentally healthy, also when in quarantine.

LIFE PREMIUMS **+1.1%**
€ 10,638 mln

PVNBP **+13.4%**
€ 10,867 mln

NBV **+14.8%**
€ 298 mln

LIFE OR **-8.4%**
€ 372 mln

Life premiums were up 1.1%, despite the slowdown caused by the pandemic. The growth was above all due to the unit-linked line (+6.4%) in keeping with the Group's strategic initiatives. Note in particular the contribution of the recurring premium component, sustained by our exclusive network.
New business in terms of PVNBP showed good growth of 13.4%, affecting both the Life business (+13.6%) and the healthcare business (+11.8%). Both the present value of future annual premiums (+14.7%) and single premiums (+7.5%) were up. The business of all lines is increasing; in particular, protection products grew by 18.5%, savings and pension products by 16.9% and unit-linked products by 3.4%.
New business profitability (expressed as a percentage of the PVNBP) was 2.75%, slightly up compared to 2.73% in 2019, due to the improvement of the business mix, which favoured protection products.
New business value grew by 14.8% and amounted to € 298 million.

P&C PREMIUMS **+0.2%**
€ 3,780 mln

P&C OR **+28.0%**
€ 592 mln

CoR **-3.6 pps**
86,0%

The P&C segment volumes went up slightly (+0.2%), entirely driven by the non-motor business (+0.8%), which benefited from the positive trend mainly in the Global Corporate & Commercial lines. The motor business was slightly down (-0.3%), reflecting the effects of the pandemic, above all in the direct channel.
The combined ratio showed a considerable improvement (-3.6 pps), entirely attributable to the reduction in loss ratio, particularly that relating to the current year, which benefited both from the fall in frequency in the motor business following the lockdown and to the lower natural catastrophe claims (-0.9 pps). The contribution from prior years was down. The expense ratio was stable, with a greater weight of acquisition costs against a reduction of administrative costs.

FRANCE

GROSS WRITTEN PREMIUMS -4.6%

€ 12,659 mln

TOTAL OPERATING RESULT +7.8%

€ 861 mln

LIFE MARKET SHARE

5.1%

P&C MARKET SHARE

4.7%

A&H MARKET SHARE

7.5%

RANKING

8th (LIFE, 8th P&C, 5th A&H)

OUR PEOPLE -2.3%

6,659

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 through 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.

Like in the main geographical areas where the Group operates, in France as well initiatives aimed for the most part at consolidating the bond of trust in customer relations through their lifetimes were taken in the perspective of strengthening the brand and the image throughout the country.
Furthermore, in 2019 the Group initiated a number of strategic initiatives in France as part of a project called Excellence2022 that envisages different streamlining and corporate business transformation actions over a three-year span.
The Covid-19 pandemic marked the course of 2020 and in France the level of exposure of insurance companies to the health crisis depended on the segment of operation. P&C companies benefited from the fall in the frequency of motor claims during the lockdown period, funding commercial initiatives and providing support to their customers. In the commercial lines, insurers had to confront issues such as business interruption, with possible effects on legal risks and potential repercussions in terms of return of image and customer relations.
In the Life segment, insurance companies were hard hit by the collapse of the financial markets due to the pandemic, which had negative repercussions on the investment result.

The Life insurance market felt the impact of the pandemic. According to the French trade association (FFA), Life net inflows at the end of 2020 were negative, standing at € -6.5 billion, against positive inflows of € 21.9 billion in 2019. While the traditional segment was particularly hard hit (-32.4% yoy), the unit-linked business has shown resilience so far (+2.4% yoy), reaching 34% of total contributions, up against 2019 (+28%).
With regard to the P&C segment, in 2020 the premiums of the motor line were stable, where an average increase of 0.4% was reported against 2019, while repair costs increased substantially (+6%), driven by the increase in spare parts and labour, which rose also due to the measures to respond to the pandemic. In this context, the restrictive measures led to a fall in motor claims and consequently, in the number of road accident victims. The renewal of vehicles in circulation, promoted by the increase in the demand for private transport due to public transport restrictions and to stricter anti-pollution standards, should drive the trend of premium income, together with an increase in repair costs in future years.
With regard to the financial markets, in 2020, the spread between OAT and Bund fell from 31 bps at year-end 2019 to 23 bps. The total return of the CAC 40 was -5%.

The strong pressure of public opinion on the French insurance sector to contribute to easing the effects of the crisis generated by the pandemic on the healthcare system and on the economy in general took the form of numerous actions, including in particular the FFA contribution to the French Solidarity Fund and donations to hospitals totalling € 26 million[18]. In addition, the insurance sector was asked to contribute to the national healthcare system with an extraordinary tax linked to Covid-19.

As part of The Human Safety Net France, numerous initiatives were implemented such as remote medical advice for families sustained by *The Human Safety Net For Families*, in collaboration with Europ Assistance, which became a sponsor of the foundation, and a new incubator for Sant-Denis as part of *The Human Safety Net For Refugees*.

NFS

18 € 10 million of which was financed by the Generali Group's International Fund.

NFS

Specific funds were distributed to several associations and organisations, including the United Nations High Commissioner for Refugees (UNHCR) to help the forcibly displaced persons in France and Mali, the Apprentis d'Auteuil network of associations, partner of The Human Safety Net, to provide face masks to their group homes throughout France and to the Intermèdes Robinson association, partner of The Human Safety Net, to purchase essential goods and IT equipment.
Donations were also collected through a new digital platform, and a scheme called a Supportive Christmas was launched, donating face masks and computers to partner associations of The Human Safety Net, by raising further funds through sponsors (associations and sales networks).

LIFE PREMIUMS -6.3%
€ 9,800 mln

PVNBP -10.0%
€ 9,472 mln

NBV +4.2%
€ 196 mln

LIFE OR -6.4%
€ 565 mln

Generali Vie continues with the transformation of its business model towards a well-balanced portfolio between savings and pension lines, unit-linked lines and protection lines, also thanks to regulated profit-sharing, linked to an incentive mechanism, if the unit-linked business should increase.
Life premiums[19] (-6.3% against 2019) reflected the decrease of traditional savings and pension policies (-36.5%), in accordance with the Group's strategic decision to reposition the portfolio, with the growth of both unit-linked insurance cover (+9.6%, thanks to the performance of new products), and the protection line (+32.9%, through the partnership with Klesia, one of the most important mutual insurance companies in France). In addition, the business mix continues to be optimised, thanks to the excellent sales performance of unit-linked products, that have reached a weight of 34% (29% in 2019).
With reference to new business, a fall in PVNBP (-10.0%) was reported, due to the reduction of single premiums (-11.6%, which represent that largest share of the business), while the present value of future annual premiums rose slightly (+1.6%).
The savings and pension products business fell substantially (-44.5%), while both protection products (+18.1%) and unit-linked products (+10.0%) enjoyed good growth.
The new business margin (expressed as a percentage of PVNBP) rose by 0.28 pps, increasing from 1.78% in 2019 to 2.06% in 2020, due to the positive effects of the improved business mix.
New business value amounted to € 196 million (+4.2%).

P&C PREMIUMS +1.7%
€ 2,860 mln

P&C OR +44.8%
€ 297 mln

CoR -4.1 pps
92.7%

Property & Casualty premiums rose by 1.7%, mainly driven by the non-motor line (+2.3%), thanks to the increase in multi-risk products and continuous boost from the accident & health sector (+7.1%), which benefited from the growth of commercial partnerships in the individual policies business. The motor line withstood the health crisis, reporting premiums up by 1.8% against the previous year.
The significant improvement of the combined ratio, which fell from 96.8% to 92.7%, is mainly due to the lower non-catastrophe current year loss ratio due to the fall in claims frequency in the motor line due to the periods of lockdown, and a lesser impact of natural catastrophe claims.

AUSTRIA, CEE & RUSSIA

GROSS WRITTEN PREMIUMS +1.9%
€ 6,982 mln

TOTAL OPERATING RESULT +4.7%
€ 916 mln

LIFE MARKET SHARE
AT: 14.9% HU: 9.9% PL: 4.2%
CZ: 22.6% SK: 9.5%

P&C MARKET SHARE
AT: 15.3% HU: 18.4% PL: 4.8%
CZ: 29.9% SK: 11.4%

RANKING
AT: 3rd HU: 2nd PL: 6th
CZ: 2nd SK: 3rd

OUR PEOPLE 0.0%
17,477

The ACEER regional structure is the fourth most important market for the Generali Group. The scope comprises 12 countries: Austria (At), Czech Republic (Cz), Poland (Pl), Hungary (Hu), Slovakia (Sk), Serbia, Montenegro, Romania, Slovenia, Bulgaria, Croatia and lastly Russia.

19 Gross written premiums.

The Group boasts its presence in the Eastern Europe territories since 1989 and over the years it has strengthened its position, 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 Eastern Europe 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: acquisition of SK Versicherung AG (founded in 1982 as a joint venture between a number of Austrian insurance companies) by Austria, signing an exclusive 5-year sales agreement with ÖAMTC (Austrian automobile, motorcycle and touring club). Furthermore, the Group completed the acquisition of the Izvor osiguranje portfolio in Croatia.

In 2020, the Austrian economy posted a contraction of around 7.8%: the income and employment support measures sustained households' buying power during the economic slowdown caused by the lockdown, at the same time worsening the public debt situation.
In line with the trend shown in previous years, the Austrian insurance market reported another fall in the Life segment, exacerbated by the economic scenario, but mitigated by the resilience of the savings rate. The P&C segment reported growth, even though there was a clear slowdown in the motor line, offset by the fall in the loss ratio due to restrictions on circulation, as well as in some industrial lines, where, in turn, claims were mitigated by the recession. Health insurance premiums rose to rates close to 4%. Covid-19 led to a fall in the amounts paid to policyholders due to a reduction in claims: this effect should in any event disappear in the short term.
The Czech Republic, one of Eastern Europe's most important markets, was most hit by the second wave of the pandemic. At the beginning of October, the Government declared a state of emergency and the rigid restrictive measures were resumed. The deterioration of the health situation undermined the recovery of the third quarter. In 2021, a net economy recovery is expected, thanks to both domestic and foreign demand, and to the support provided by fiscal and monetary measures. The Life insurance segment closed 2020 down by 1.4%, despite the sharp decrease in single premium policies (-19.7%). The P&C segment rose by 3.9%, due to the significant contribution of motor insurance, both MTPL and CASCO.

Czech GDP reported a fall of 5% in 2020, and the ten-year bond rate fell from 1.64% at year-end 2019 to 1.51%.
The ten-year bond rate in Austria showed a variation from -0.04% to -0.43%.

In the ACEER Region, the Generali Group showed strong business resilience in the face of the pandemic in both Life and P&C segments, confirming its ambition to become a Lifetime Partner to its customers and distributors through a series of initiatives launched in the Region to respond to the emergency. More specifically, it sought to meet customers' needs by guaranteeing the utmost flexibility in premium terms and payment methods, and in claims notification and management procedures (for example by implementing remote channels).
The Group also guaranteed a prompt response to the pandemic by successfully launching a health product to cover the consequences of Covid-19 in seven countries of the Region (the first operator to offer this cover in the Polish market).
With regard to its agents and distributors in the Region, the Group demonstrated its solidarity with the network:

- by setting up schemes to provide financial support through advance commissions and premium deposits in the Czech Republic and Austria;
- by renegotiating sales targets, for example in the Czech Republic, Hungary, Slovakia, Slovenia and Austria, to simplify reaching financial objectives and the associated bonuses;
- by guaranteeing greater flexibility in contractual terms, such as in Serbia.

As for the Extraordinary Fund for Covid-19 initiative set up by the Group, € 11 million were addressed across the various countries in the Region.
The emergency related to the pandemic was also the reason why the digital transformation of its existing processes in the Region was accelerated, which is enabling the foundations to be laid for further and solid future growth.

In 2020, The Human Safety Net helped the more disadvantaged brackets of society in 10 countries: Austria, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia and Slovenia.
8,500 vulnerable people have already been helped by The Human Safety Net programmes throughout the Region, working together with 11 non-governmental organisations. Two programmes were launched by companies in the area and were addressed to key social issues of interest to the community, including the creation of equal life opportunities for children that come from disadvantaged environments and saving newborns from the debilitating and potentially fatal consequences of asphyxiation.

NFS

LIFE PREMIUMS +0.5%
€ 2,626 mln

PVNBP -1.7%
€ 2,073 mln

NBV -2.7%
€ 142 mln

LIFE OR -8.3%
€ 289 mln

The growth of Life premiums was due to the contribution of the unit-linked lines (+4.5%) and of protection products (+4.6%) in keeping with the Group's strategic initiatives. The fall in savings and pension premiums (-5.1%) was due both to the recurring premium component and to the single premium one. This trend is explained by the increase of premium income in Hungary (+7.1%, driven by unit-linked products), Poland (+5.6% related to the protection line) and Austria (+2% due to higher unit-linked and health insurance cover), partly counter-balanced by the contraction of volumes in Romania (fall of -20% in bancassurance), Croatia (-16.6% due to the continuous fall reported in the savings and pension line) and the Czech Republic (-2.4% due to the fall in new business relating to savings and pension products, in line with the market).
New business in terms of present value of new business premiums (PVNBP) fell by 1.7%, relating to both future annual premiums (-2.3%) and single premiums (-0.1%).
Business was practically stable in Austria (+0.7%), while in the CEE area, the increases posted in Poland (+9.9%) and Slovakia (+2.2%) did not offset the contraction observed in the other countries.
New business profitability (expressed as a percentage of PVNBP) fell slightly (-0.07 pps) to 6.86%, mainly because of the increased weight of the highly profitable protection products, which rose from 51% to 53% (specifically in Austria and Poland).
New business value amounted to € 142 million (-2.7%).

P&C PREMIUMS +2.8%
€ 4,356 mln

P&C OR +10.7%
€ 624 mln

CoR -3.3 pps
83.9%

P&C segment premiums grew by 2.8%, driven by the overall good performance of the main lines of business. The motor line, up by 4.2%, was sustained by the contributions of Slovakia (+14.1% due mainly to tariff adjustments in various lines), Hungary (+11.9%, by virtue of higher volumes reported mostly during the second half of the year), Poland (+8.0% thanks to the contribution of the casco lines), Austria (+3.5% thanks to the motor third-party liability lines) and the Czech Republic (+3.0% attributable to the retail, fleets and leasing lines). Non-motor lines rose by 1.9%, following higher volumes reported in Poland (+11.9% driven by the home, corporate business and assistance lines), Slovenia (+6.6%, thanks to the Health line) and Austria (+2.1% partly supported by the SME lines).
The combined ratio improved by -3.3 pps, thanks to the reduction in loss ratio due to a positive current year loss ratio (-2.8 pps, entirely attributable to the motor lines, sustained by the lower frequency due to the pandemic) and to lower natural catastrophe claims (-0.6 pps). The expense ratio improved (-0.4 pps).

INTERNATIONAL

Spain, Switzerland, Americas and Southern Europe, Asia

GROSS WRITTEN PREMIUMS +0.6%
€ 9,081 mln

TOTAL OPERATING RESULT -44.6%
€ 370 mln

OUR PEOPLE +2.6%
13,475

Spain

Generali, in Spain since 1834, operates in the country through Generali España, a wholly-owned subsidiary, and two bancassurance agreements with Cajamar (Life and P&C), which guarantee the Group exposure to the major Life distribution channel and continuous expansion in P&C.
Generali is one of the main insurance groups in Spain, with a market share reported in the third quarter of 2020 of 3.1% 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. All in all, the Group ranks ninth in the Spanish insurance market in terms of total premiums (sixth place in the P&C market).

The Spanish economy was hard hit by the pandemic, reporting a decrease in GDP of 9.1% in 2020, caused mainly by the fall in domestic demand.
With regard to the insurance market, the Life segment suffered the most, reporting a fall of 21%, driven by the savings/pension lines (-25%), while

traditional policies were able to limit the downturn, reporting a fall of less than 1%. Property & Casualty segments reported a slowdown, although a 1.1% increase was observed, sustained by the contribution of the property (+3%) and health (+5%) lines; the motor line was down (-2%), reflecting the collapse of vehicle registrations caused by the pandemic crisis, despite the incentive plans launched by the Government.
With regard to the financial markets, the IBEX 35 posted a total return of -12.7% in 2020. Spain's ten-year bond rate fell by 41 bps from 0.47% at year-end 2019 to 0.06%.

During 2020, numerous initiatives were launched with a view to mitigating the impact of Covid-19 on the community:

- social initiatives: creation of a € 10 million fund to provide support to SMEs in claims management and of a € 2 million fund to sustain the self-employed, guaranteeing them 3-months coverage of insurance policy costs. Furthermore, to support the families that participated in The Human Safety Net programme, the provision of essential food products was guaranteed through donations made directly by Generali Spain's employees;
- initiatives for customers: measures to extend the payment terms of insurance premiums, application of discounts and the launch of the new product called Generali Hospitalizacion Emergency, to cover the risk of infection from Covid-19 for SMEs and corporate customers with collective policies already in effect;
- initiatives for employees: free psychological assistance for employees and their families, reorganisation of working space to guarantee social distancing and allocation of laptops to all employees.

Life premiums fell by 21.0% against 2019, reflecting the decline in both savings and pension products (-32.3%), in line with the Group's strategy of redirecting the business mix towards products with lower capital absorption, and in unit-linked products (-35.5%), negatively affected by the Covid-19 crisis. Instead, premiums relating to protection policies rose, reporting an increase (+6.6%) that was far higher than the market average (-0.7%).
New business in terms of PVNBP was down by 23.7%, both in single premium products (-26.4%) and in annual premium products (-18.4%).
The decrease was reported in all lines of business, but was mainly driven by the sharp decline in savings and pension products (-45.0%, due to the closure of unprofitable products) and in unit-linked business (-37.0%). The protection business, although slightly down (-1.9%), increased its weight from 47% to 60%.
Thanks to the excellent profitability of the protection business (28.26%), the new business margin (expressed as a percentage of PVNBP) rose by 4.38 pps to 17.34%.
New business value amounted to € 118 million, up (+2.1%).
In the Property & Casualty segment, premiums rose by 3.7%, even though the Spain market was hard hit by the Covid-19 crisis (+1%). The contraction of the motor line (-2.1%) was more than offset by the increase in the non-motor line (+3.3%) mainly due to the increase of the portfolio in the multi-risk, health and funeral costs line.
The combined ratio stood at 93.4%: the slight increase (+0.2 pps) reflects the rise of the expense ratio and the greater impact of large man-made claims.

Switzerland

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 individual unit-linked Life segment with a 30% market share, and was eighth in the P&C segment with a 4.4% market share. Generali does not operate in the Collective Life policies segment.
In 2020, Generali started a process of acceleration with a view to building reserves linked to guaranteed products in the Life segment, reflecting more conservative long-term financial assumptions. The above process will continue on into 2021, albeit to a lesser extent. In the last quarter of the year, a share capital increase of CHF 400 million was performed.

The Swiss economy suffered the consequences of the preventive measures relating to Covid-19 and, despite a growth of 7.2% in the third quarter, GDP was down by around 2% against the levels at the beginning of the year. As regards the insurance market, despite the complex economic scenario, P&C premiums reported a slight increase (+1.4%), while the profit margins of several lines (motor third-party liability, other third-party liability, industrial lines) showed the positive effects of a reduction of economic activity and of mobility. Accident & health insurance, in particular, which had recently increased due to the high and constant demand for supplementary insurance and to the increase in tariffs due to the continual increase of costs in the healthcare sector, reported an increase in both demand and in services. Due to the renewed vigour of precautionary saving, despite the fall in income, the decrease of premiums in the individual life segment was only 0.4%, where insurance products proved to be more attractive with respect to other fixed-income products.
With regard to the financial markets, the SMI closed the year up, with a total return of 4.4%. The return on the ten-year Swiss bond was practically unchanged, falling from -0.47% to -0.49%.

NFS

In 2020, Generali implemented numerous measures in Switzerland to support customers, employees and distributors with regard to the Covid-19 emergency. A number of important local schemes were set in motion to support the sales network by increasing their commission, and tenants, by reducing rental payments, for a total of around CHF 3 million.

Life premiums were down 2.1% following the slowdown in premium income from savings and pension products.
New business in terms of PVNBP stood at € 639 million, up 14.1% driven by both the increase in the present value of future annual premiums (+12.9%) and by single premiums (+33.1%).
Growth was observed in all lines of business, particularly in unit-linked products (+16.0%).
Overall, the new business margin (expressed as a percentage of the PVNBP) showed a good increase from 5.47% in 2019 to 6.75% in 2020, mainly due to the increase in the profitability of the unit-linked business.
New business value was up € 43 million (+40.9%).
P&C premiums rose 0.4% thanks to the positive trend of the motor business following the new tariffs implemented starting from the second half of 2018. Non-motor business was substantially stable.
The combined ratio stood at 91.5% (+1.0 pps), mainly due to the building of reserves in anticipation of regulatory requirements in the accident insurance business, only partly offset by the positive technical trend of the motor and health lines.

Americas and Southern Europe

Argentina, where Generali is ranked as the fifth largest operator in terms of premiums, is the main South American market for the Group and is characterised by a historically high rate of inflation and high volatility. Even though in 2020 the government reached an agreement with foreign creditors for bonds denominated in US dollars, the country's macroeconomic situation was hard hit by the Covd-19 emergency.
In this context, the Group implemented best practices, which enabled the Argentinian company to stand out in terms of service quality and innovation. The company Caja is the third largest player in the market in terms of premiums, excluding the business lines in which it does not operate (Workers Compensation and Annuities). During the pandemic, the company implemented numerous measures to support its main stakeholders: these ranged from motor insurance discounts for customers to donations to the Argentinian red cross and other entities operating in the medical sector.

Generali also operates in Brazil where, following an extended period of economic crisis and political instability, continues to show signs of improvement, bolstered by infrastructure investments and optimistic forecasts of the macroeconomic indicators: the insurance sector is characterised by significant potential for expansion and a higher level of penetration.
Nevertheless, Brazil was the worst hit country in South America by the pandemic, therefore a fund addressed to sustaining the income of employees was created. In this context, the Group is pursuing a strategy to reposition its Brazilian subsidiary in order to seize important B2B2C business opportunities, by divesting the motor line.
The Generali Group also operates in Chile, particularly in the pension funds system, and in Ecuador.

In Southern Europe, the Group has operations in Greece, where it ranks sixth with a market share in the third quarter of 2020 of 6.1%, and in Turkey, with a market share in the third quarter of 0.4%.
It is also present in Portugal since 1942, where it operates through two companies: Generali Vida Companhia de Seguros, which operates in the Life segment, and Generali Companhia de Seguros, active in the P&C segment.
On 8 January 2020, the Generali Group finalised the acquisition in Portugal of 100% of Seguradoras Unidas and of AdvanceCare, from entities whose majority shareholdings were held by investment funds belonging to Apollo Global Management.
The merger process of the insurance subsidiaries in Portugal was completed in October 2020, when the approvals required by the regulator were obtained. Seguradoras Unidas S.A. incorporated Generali Companhia de Seguros S.A. and Generali Vida Companhia de Seguros S.A. was renamed Generali Seguros, S.A.. This transaction enabled Generali to proceed quickly with the integration and the development of growth plans for the country.
Generali Seguros is currently the second largest player in the P&C market in Portugal, with a market share of around 18.5% in the P&C segment and 2.5% in the Life segment, offering a wide range of policies addressed to individuals and businesses, sold mainly under the brand name Tranquilidade, and adopting a multi-channel distribution strategy, which can count on a solid network of agents (around 70% of total GWP), brokers and a direct channel (through the Logo brand).
In the context of the Covid-19 pandemic, Portugal used € 2 million of the Generali Group's International Fund both to make donations of medical supplies to support the healthcare system and the more disadvantaged brackets of the population, and to create ad hoc policies for healthcare workers with specific covers linked to the pandemic.

Life volumes showed a growth of 9.3% compared to 2019, thanks to the positive performance of Argentina, Brazil and Greece, which offset the fall reported by the former Generali Portugal. Seguradorsa Unidas contributed € 50 million in premiums to Portugal's overall volumes.
New business in terms of PVNBP was down (-3.3%) with a profitability of new business (expressed as a percentage of PVNBP) that came to 3.05%.

New business value amounted to € 10 million.

Property & Casualty premiums were up by 5.5%, mostly thanks to Argentina (+27%), mainly due to the introduction of more competitive tariffs, which enabled it to increase its premium volume, despite the crisis generated by Covid-19, this growth more than offset the fall of volumes in Brazil linked to the run-off of the motor business. Lastly, Seguradoras Unidas contributed € 860 million to Portugal's P&C premiums.

The Region's combined ratio improved (96.8%; -10.6 pps) against the previous year, mainly due to the favourable trend of the CoR in Argentina and Portugal, which benefited from the fall in claims frequency following the lockdown. This increase partly offset the decline reported by Brazil due to the deterioration of the motor business, now in run-off.

Asia

Generali is one of the key European insurers in the Asian market, and currently operates in eight territories. The predominant segment is Life, with premium income mostly concentrated in the savings, pension and protection lines and, to a lesser extent, in the unit-linked lines. 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. Generali has a joint venture agreement with CNPC for the P&C products offer as well. 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 operates as Life insurer also in India, the Philippines, Indonesia, Thailand and Vietnam, and as P&C insurer in Thailand, Hong Kong, India and Malaysia. In India and Malaysia, Generali operates through joint venture agreements with Future Group and MPHB Capital Berhad respectively. The companies China P&C, India Life, India P&C and in Malaysia are not fully consolidated since a non-controlling interest is held. Generali has been operating in the Hong Kong market since 1980, offering both Life and P&C products. Hong Kong is also the location of the regional office (Generali Asia Regional Office), which coordinates all activities in the Region.

During 2020, the Asian nations launched numerous initiatives with a view to mitigating the impact of Covid-19. As regards customers, particularly in Indonesia, the Philippines and Thailand, additional benefits were guaranteed and medical services were improved. As regards distributors, income incentives were given, and further investments were made to speed up the digitalisation processes relating to the recruitment and training of the sales force.

NFS

Life premiums rose by 3.9%, particularly thanks to the growth posted in China and Vietnam.

New business in terms of PVNBP was up (+9.1%). The increase in the present value of future annual premiums (+27.3%) offset the fall in single premiums (-19.8%).

Significant increases were reported in both China (+15.0%, driven by savings and pension products), Vietnam (35.3%) and Thailand (+13.9%), thanks to unit-linked products, which more than offset the fall observed in the other Asian countries the Group operates in. The protection products business was stable (+0.2%).

The profitability of the new business (expressed as a percentage of the PVNBP) observed a slight increase from 5.19% in 2019 to 5.77% in 2020, driven by the good performance of China (+0.6 pps, thanks to savings and pension products which reported an increase of 1.2 pps) and by the considerable rise in profitability in Vietnam (+5.9 pps, thanks the excellent business of Universal Life sold to replace the low-profitability savings and pension products).

In the P&C segment, premiums showed an increase of 2.3%, despite the negative effects of the Covid-19 crisis.

The combined ratio improved in Thailand and Hong Kong, which resulted in a positive result for the combined ratio of the entire Region, falling from 108.4% in 2019 to 100.0% in 2020.

INVESTMENTS, ASSET & WEALTH MANAGEMENT

TOTAL OPERATING RESULT +19.6%	COST/INCOME RATIO	OUR PEOPLE +0.7%
€ 821 mln	48%	2,203

In continuity with the Group strategy announced in 2017, the Investments, Asset & Wealth Management business unit is the Group's main managerial entity operating in the area of investments, asset management and financial planning consultancy. 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 third-party customers.

Efforts to achieve this target will continue for the entire duration of the three-year plan in order to:
- exploit cross-selling opportunities, by promoting the growth of a capital-light business, such as the services of LDI (Liability Driven Investments) Solutions, which seek to offer institutional customers the expertise developed in investment management;
- expand the multi-boutique platform in order to increase the range of products and services for 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 asset and alternative asset management.

The boutiques operating in the Investments, Asset & Wealth Management business unit are:
- Generali Global Infrastructure (GGI), a platform that employs internal know-how and also creates partnerships to invest in infrastructure debt across a wide geographical and sectorial investment scope;
- Aperture Investors, an innovative asset management company based on a revenue model that is radically different from that present on the market;
- Lumyhna, 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 increasing Generali's offer and distribution capacities to clients and distribution partners;
- Sycomore Factory SAS, a benchmark in ESG/SRI investment solutions in France;
- KD Skladi in Slovenia, acquired through Adriatic Slovenica and Union Investments TFI S.A. in Poland (later renamed Union Generali TFI), the sixth largest asset management operator in Poland;
- Axis Retail Partners, which is an advisory boutique active in real estate, focusing on shopping centre investments;
- Plenisfer Investments SGR, previously called ThreeSixty Investments SGR, Generali's first Italian boutique announced in April 2019, which offers an innovative and integrated approach for a wide range of asset classes.

The business unit operates in the three areas indicated by their names:
- Investment Management: implementation of the Asset Liability Management (ALM) and Strategic Asset Allocation (SAA) models on behalf of the Group Insurance Companies;
- Asset Management: asset management for the most part addressed to insurance customers, with its customer base expanded to comprise external customers, both institutional (such as pension funds and foundations) and retail;
- Wealth Management: financial planning and asset protection for customers through a network of consultants at the top of the sector in terms of skills and professionalism, mainly through Banca Generali, a leading private bank in Italy.

www.generali.com/who-we-are/global-positioning/investments-asset-and-wealth-management for more information on the breakdown of the segment

The operating result of the Investments, Asset & Wealth Management business unit, including also the AM result of CEE countries, grew by 20.1%, rising from € 711 million in 2019 to € 853 million in 2020.
This increase was mainly driven by Asset Management, which increased its operating result by 28.5%, rising from € 425 million in 2019 to € 546 million in 2020.
In this context, the contribution in terms of operating result provided by Wealth Management was € 353 million, up by about 7.9% compared to the operating result for 2019 of € 327 million.

GROUP HOLDINGS AND OTHER COMPANIES

This node includes the Parent Company's management and coordination activities, including Group reinsurance, Other companies as well as other financial holding companies and suppliers of international services not included in the previous geographical areas.
The main entities of Other companies in this area are:
- Europ Assistance, falling within the scope of responsibility of the Country Manager France & Europ Assistance;
- Generali Global Business Lines (GBL) which, falling within the scope of responsibility of the Country Manager & CEO of Generali Country Italia and Global Business Lines, support companies of global reach with a complete insurance offer. The GBLs include two units: Generali Global Corporate & Commercial and Generali Employees Benefits, which offer medium to large companies flexible and smart insurance services and solution in the Life and P&C segments, health protection and pension plans for local and global employees of multinational.

Europ Assistance (EA)

Established in 1963, EA, 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. Today it is present in over 200 countries and territories, supported by its 41 assistance centres and its network of 750 partner suppliers. EA offers insurance coverage and assistance in the travel sector, the automotive area with road-side assistance, and personalised coverage for assisting the elderly, cyber-security, and medical and concierge services.
In 2020, the EA Group's total turnover came to € 1.6 billion, down by around 16% compared to the previous year due to the pandemic. The travel insurance line, one of EA's main growth drivers in recent years, was particularly hard hit by Covid-19. In fact, an initial cancellation of trips was observed, which impacted claims, followed by an increase in premium surrenders (and the issue of vouchers) for trips that were not taken during the lockdown periods, in a scenario of a sharp downturn for the industry with lower sales for the year. Despite the fall in volumes, EA was able to manage the fall in profits, above all thanks to its business and geographic diversification, to the reduction in claims frequency in the motor line, to cost cutting, and to the activation of reinsurance cover for claims linked to Covid-19 succeeding in handing the crisis more effectively than its competitors.
Loyal to its mission of helping people in difficulty and its spirit as a caring company, EA actively contributed with numerous initiatives to address the Covid-19 emergency in 2020, allocating € 2 million of the Generali Group's International Fund.

EA continues to pursue a growth strategy focused on strengthening its leadership position in the travel sector, at the same time expanding and diversifying its range of motor and personal assistance products: the goal is to reach € 2.4 billion in revenues by 2023. To this end, in addition to organic growth, the Europ Assistance Group has also made a series of acquisitions in various business sectors. Following the acquisition of TripMate in 2019, a US company that operates in the travel insurance sector, in 2020, EA further extended its scope to include ERV Austria (also in the travel sector), and Advance Care, a Portuguese services company that operates in the healthcare sector. Furthermore, an important joint venture agreement was signed in France with the Crédit Agricole Group, which will guarantee a substantial increase in volumes and a strong position in the French assistance market.

GROSS WRITTEN PREMIUMS GBL **+0.0%**

€ 3,812 mln

Global Corporate and Commercial (GC&C)

GC&C provides insurance solutions and P&C services to medium-large companies and intermediaries in over 160 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 properties, casualty, engineering, marine, aviation, cyber and speciality risks are provided. Furthermore, GC&C guarantees companies the same level of assistance and protection all over the world through its experts in Multinational Programs, Claims and Loss Prevention. GC&C's total premium volumes were € 2.2 billion in 2020.
The year's performance was positive, although it was influenced by several large claims in the property. From a technical perspective, in 2020 GC&C continued to pursue a policy to develop Multinational Programs, Parametric Products, Cyber risk and Financial Lines, focusing on and balancing the portfolio globally in the medium-large companies segment, in a market characterized by strong competition especially in the property, casualty and engineering businesses.

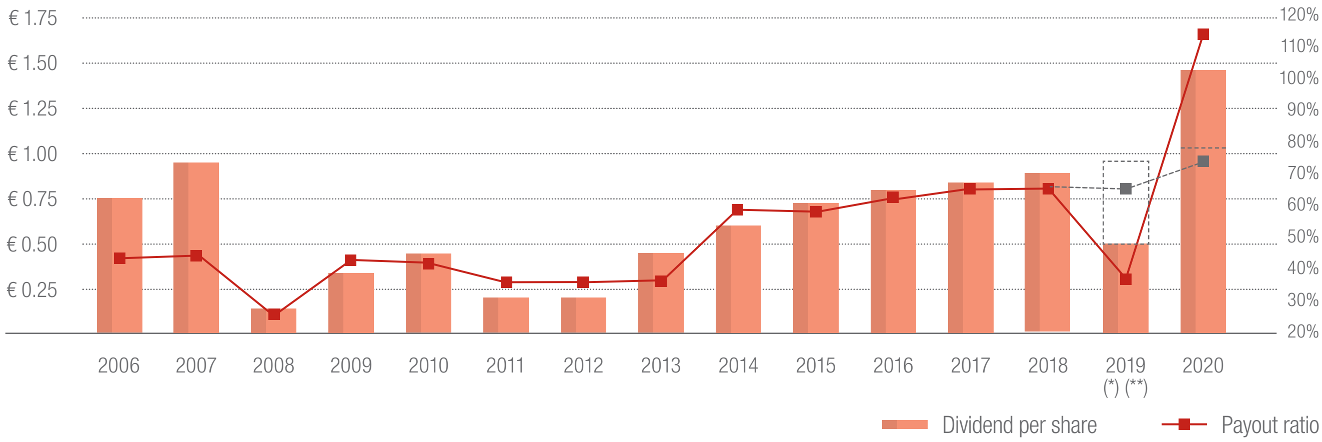
Generali Employee Benefits (GEB)

GEB is an integrated network, which operates through the Luxembourg branch of Assicurazioni Generali, and provides services to employees of multinational companies consisting of protection, Life and health coverage, and pension plans for both local and expat employees. Located in over 100 countries and with more than 400 coordinated multinational programmes (around 40 of which are captive), GEB is the current market leader for multinational companies with premium volumes of € 1.5 billion.

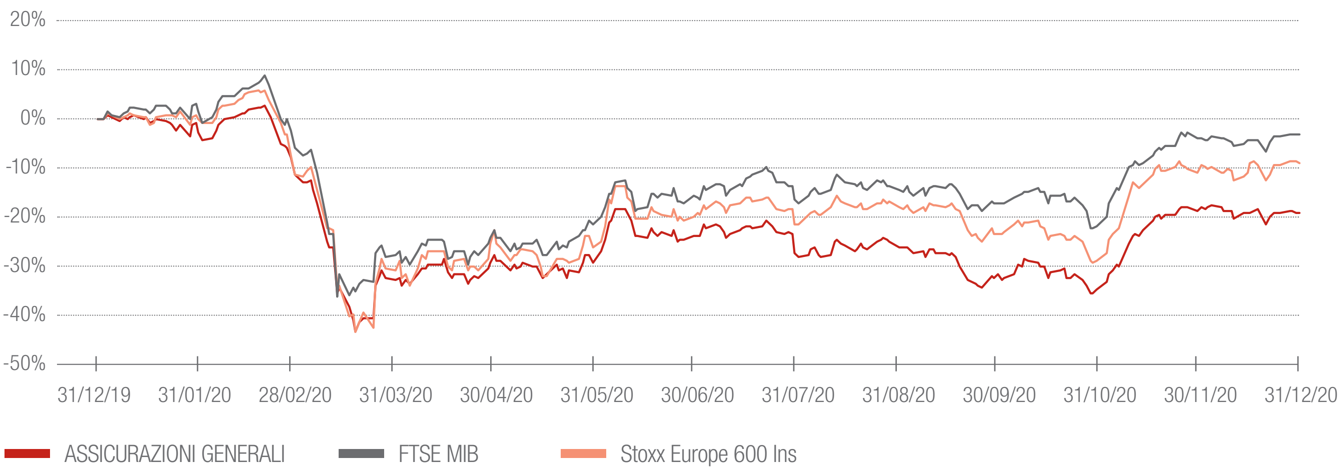
SHARE PERFORMANCE

KPIs per share

	31/12/2020	31/12/2019
Earnings per share (EPS)	1.11	1.70
Adjusted net EPS	1.23	1.40
Adjusted net EPS excluding expenses from the Extraordinary International Fund Covid-19 and the liability management transaction	1.32	1.52
Dividend per share (DPS) (*)	1.47	0.50
Adjusted payout ratio excluding expenses from the Extraordinary International Fund Covid-19 and the liability management transaction (**)	111.5%	33.0%
Total dividend (in € million) (*)	2,315	785
Share price	14.26	18.40
Minimum share price	10.39	14.51
Maximum share price	18.88	19.50
Average share price	13.91	16.85
Weighted average number of ordinary shares outstanding	1,569,448,327	1,567,927,100
Market capitalization (in € million)	22,475	28,884
Average daily number of traded shares	5,544,326	4,863,683
Total shareholders' return (TSR) (***)	-19.36%	32.95%



2020 total shareholders' return performance (***)



(*) The 2020 proposed dividend per share of € 1.47 will be split into two tranches of € 1.01 and € 0.46, respectively. The first tranche, payable as from 26 May 2021, represents the ordinary pay-out from 2020 earnings: shares will be traded ex-dividend as from 24 May 2021. The second tranche, instead, related to the second part of the 2019 retained dividend, will be payable as from 20 October 2021 and the shares will be traded ex-dividend as from 18 October 2021: such second tranche will be payable subject to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations in force at that time.
As for 2019, dividend per share paid and total dividend paid as the first tranche in May 2020 were reported.

(**) The payout ratio at 31 December 2020, equal to 120.2%, was calculated on the adjusted net profit, which amounted to € 1,926 million. The payout ratio at 31 December 2019 was restated taking into account the total dividend paid.

(***) 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.

OUTLOOK

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Despite a scenario that continues to be highly uncertain, the more optimistic forecasts relating to the dissemination and the effectiveness of the vaccines contributed to further strengthening the prospects of investors in the global economy in 2021. In the short term, with world GDP expected to fall by 3.8% in 2020, the objective of monetary and fiscal policy in both Europe and the US will be to sustain a cyclical recovery, by bringing production to pre-crisis levels. In Europe, the funds of the Next Generation EU will start to flow in 2021, guaranteeing continuous support; in the US, a new fiscal stimulus package in excess of $ 1,000 billion could be approved in the first quarter of 2021, in addition to the $ 900 billion passed in December 2020. The true key factor for 2021-2022 growth expectations will be the effectiveness of the vaccines. A GDP rebound of 4% is forecast in 2021 for the Eurozone and 6.8% for the US. Inflation will not be a problem in either of the two macro-areas, although an increase compared to the minimum level in 2020, considered the huge economic stimulus.
The FED's change of strategy has exceeded expectations, particularly for having focused on an employment objective that is more inclusive of the needier brackets of the population.
With regard to the financial markets, after the significant fall in the first quarter due to the outbreak of the pandemic, the stock market bounced back considerably in the remainder of the year, although volatility continued to be high. Furthermore, in November, the propensity to risk rose both due to the end of uncertainties provoked by the outcome of the US elections, and due to promising news about vaccines, which has led us to hope in a more substantial recovery in 2021. The central banks will continue to provide significant support, which could benefit higher risk assets. Expectations at one year for core government interest rates are a modest rise, while the BTP-Bund spread should remain substantially stable. European investment grade spreads are also expected to moderately tighten. On a one-year horizon, the stock market should report positive returns, both in Europe and in the US, with total returns expected to be between 5% and 10%.

With regard to the insurance sector as a whole, in 2021, it should benefit from the above-cited economic recovery: the demand for Life insurance products, although in recovery, will remain weak as households will continue to be prudent in terms of both investment and consumption. Property & Casualty premiums are expected to resume growth, at a faster pace than that before the pandemic.

In this context, the Group confirms and continues with its strategy to rebalance the Life portfolio in order to further increase its profitability and with a more efficient capital allocation, also backed by an in-depth analysis of existing portfolios. Simplification and innovation will continue to be key, with the introduction of a range of modular product solutions, designed for the specific requirements and new needs of customers, and marketed through the most suitable, efficient and modern distribution channels. The Generali's objective to be a Lifetime Partner to its customers will be the priority underpinning all Life and Health business development processes. This strategic direction is a perfect fit with the approach adopted for new business growth through the selective development of business lines such as protection and health, as well as of capital-light savings and investment insurance solutions. The development of these lines aims to offer a wide range of insurance solutions adapted to risk and investment profiles for the benefit of both the policyholders and the Group. In particular, for products in the protection line, we aim to offer modular solutions in which traditional risk coverage is combined with substantial service packages to provide even better prevention, information, management and resolution of the critical areas subject to coverage. Amongst the capital-light products, unit-linked products are increasingly characterized by financial mechanisms that are able to handle potential market contractions (e.g. protected funds). Greater attention will be paid to the development of insurance solutions that include ESG sustainable features, which play an increasingly greater role in the choices of customers who are particularly interested in socio-environmental issues, but also wish to obtain a good return on their investment.
With regard to in-force business, efforts will continue to strengthen relations with existing customers on the basis of an updated analysis of current insurance needs.
Premium trends will continue to reflect the Group's common goals, driven by a focus on the central importance of the customer's interests and by a prudent underwriting policy consistent with the Risk Appetite Framework, which is focused on continuous value creation through its products.

With regard to the Property & Casualty insurance segment, which was also affected at global level by the Covid-19 pandemic, the Generali Group managed to maintain premiums stable, at the same time improving on the already excellent technical profitability. The objective for the mature insurance markets in which the Group operates is to maximise growth in each of the respective economic contexts and, in parallel, gain ground in high growth potential markets by expanding our presence and offer in the territory.
In the motor line, the restrictions on private and public mobility resulting from the lockdown measures led, on one hand, to better profitability due to the fall in claim frequency and, on the other hand, significant pressure on premiums due to increased competitiveness and the decrease in new registrations. The Generali's aim is to continue to develop innovative insurance solutions that guarantee a competitive edge and the business line's profitability.
In line with the strategic priorities for profitable growth and, above all, to become a Lifetime Partner to our customers, the development of the non-motor line will focus on modular insurance solutions designed to meet the specific requirements and the new needs of customers, providing innovative services, prevention and assistance with the support of digital tools and platforms (such as the coverage of cyber risks, which became extremely important in the lockdown period due to the extensive adoption of smart working). Growth in this segment will also be supported by taking advantage of the opportunities offered by demographic and social changes, new markets and moving forward with distribution channel and partnership initiatives. To handle these changes, the Group has rolled out a number of initiatives to exploit the opportunities offered by new technologies, both to speed up claims settlements and to increase market penetration. These initiatives will continue to be accompanied by a disciplined approach to risk underwriting, the optimisation of portfolio management - pricing, selection and profitability of risks - and careful assessments of the customer's new requirements, which are placed at the heart of product development.
The P&C segment's management - also considering the low level of capital absorption of these products - will therefore continue to be a cornerstone for the implementation of the Group's strategy, whose objective is to maintain its leadership role in the European insurance market for private individuals, professionals and SMEs.

The spread of the pandemic also impacted the reinsurance market, from both a technical and financial perspective. Although there is still great

uncertainty as to the actual entity of Covid-19 claims for the reinsurance sector, with estimates by analysts ranging from $ 30 to $ 140 billion, an impact on a par with the worst natural disasters that have ever occurred in the history of (re)insurance is forecasted. This is taking place after years of increasingly narrow margins for reinsurers who, in recent years, have found it extremely difficult, and have not always succeeded in obtaining adequate returns on capital.
Even though there is sufficient capacity in the market to cover the requirements of ceding insurance companies, the need to improve technical results paired with poor profits resulting from financial investments has caused a turnaround in the reinsurance cost trend, with significantly higher costs, particularly in sectors that have experienced the most claims (for example that of aeronautical risks). Stricter regulations that have led to the introduction of exclusions in contracts, such as that of pandemic or cyber risk, have made negotiations to renew reinsurance contracts even more difficult.
The technical quality of the Group's portfolio, as well as its presence in less sensitive areas for reinsurers, have enabled the negative impact of contract renewals to be limited, thus placing the Group in the lower end of the average cost increases range in the market. Industry analysts predict that this inversion of the cycle is going to last for several years.

As regards prospects for 2021, following efforts made in 2020, for all asset classes in general we will continue to pursue a policy to diversify and to improve the risk/return profile of the investment portfolio.
With regard to the Asset Management segment, work will continue in 2021 to identify investment opportunities and sources of income by expanding the multi-boutique platform to extend the product catalogue in terms of real assets, high conviction and multi-asset strategies for customers and partners.
This platform, which is at present mainly based in Europe, aims to become global with the increase in revenues and assets under management (AUM) that will result from external customers that do not fall within the scope of the Group's insurance policies.

With reference to the investment policy, the Group will continue to pursue an asset allocation strategy aimed at consolidating current returns and ensuring consistency with liabilities to policyholders.
As regards the strategy for fixed-income investments, in order to efficiently manage the matching between assets and liabilities, the Group will continue to mainly use long-term government bonds with high credit ratings.
Alternative investments and investments in real assets continue to be an important part of the strategy due to their contribution to portfolio diversification and return, particularly in the persistent context of low interest rates. The Group continues to develop a multi-boutique insurance asset manager platform to enhance the investment ability in these market sectors and better monitor their management in terms of complexity and liquidity.
The strategic direction of investments in the stock market, given current market volatility, continues to be prudent, but ready to seize any opportunities, particularly those that guarantee a high level of diversification.
New direct investments in the real estate sector will be primarily oriented towards the European market, while investments in the United States and Asia will be made selectively through funds.
In all asset classes, the Group's policy is focused on ESG and sustainability aspects, prioritising investments that are consistent with green energy policies to reduce climate change risk.

During 2020, implementation of the strategic initiatives linked to the Generali 2021 plan continued, with a view to consolidating its leadership in Europe and strengthening its position in high-potential markets, financial optimisation, and the innovation and digital transformation of the operating model.
The context characterised by the Covid-19 crisis and by the high volatility of the financial markets represented yet another challenge for the insurance sector. In addition, the scenario continues to be marked by low interest rates in Europe and not only, which poses new challenges above all in the traditional Life segment and, as a result, making the need to redesign the offer of these products even more pressing.
As regards financial optimisation, note that the reduction of annual gross interest expense has accelerated, which has enabled the maximum objectives announced to the market to be surpassed, envisaging a reduction against 2017 of € 200 million at the end of 2021, compared to the target of € 70-140 million, as well as positioning itself above the minimum threshold in terms of reduction of debt by € 1.9 billion.
Further cost savings in European insurance markets of another € 100 million are envisaged with respect to the target announced to the market in 2018, bringing the overall target to € 300 million by 2021.
The Group is continuing to follow its strategy of growth driven by the technical components and by the solidity of the Group's distribution network. Recent expansion operations both in eastern Europe, in asset management and in Portugal made a positive contribution. Furthermore, the recent strategic partnership with Cattolica Assicurazioni in Italy is of note.
The Group's priority is to combine better performance with a strong commitment to sustainability, for which we have stated clear and precise objectives to the market. We will continue on our path of full integration of sustainability into our key activities, with a focus on climate change, both as regards direct impacts and in relation to the insurance solutions offered and investment decisions. Our materiality analysis identifies the most material mega trends on which the Group's common strategic initiatives will focus in the coming years.

By leveraging all of these initiatives and in light of the results achieved at the end of 2020, the Group confirms its target of annual compound growth in 2018-2021 of earnings per share of between 6% and 8%. In addition, the 2021 RoE is expected to be higher than 11.5%, with a cumulative dividend target for 2019-2021 of between € 4.5 and € 5 billion, subject to the regulatory context.

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.

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 254/2016), 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 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 254/2016;

Corporate Governance and Share Ownership Report 2020, p. 110 for the organization and management model of the Parent Company

- policies applied (p. 20-29; 51-53);
- non-financial key performance indicators (p. 11, 32-53 and in *Our performance*, where indicated through the infographic);
- principal risks related to the matters mentioned above, as reported in the table below, and their management.

The Report complies with currently effective regulations and applies the International <IR> Framework issued by the International Integrated Reporting Council (IIRC)[1]. It adopts for the disclosure of non-financial matters envisaged by leg. decree 254/2016 the Consolidated Set of GRI Sustainability Reporting Standards, issued in 2016 by the GRI-Global Reporting Initiative (GRI-Referenced claims), with reference to selected GRI Standards and indicators of the GRI G4 Financial Services Sector Disclosures.
The Report is also in line with the 2020 priorities on non-financial information by ESMA[2].

Notes to the Report, p. 116 for the criteria of the International <IR> Framework and selected indicators

In 2019, we developed the materiality analysis process methodology by concentrating our efforts on the identification of the mega trends, i.e. the large social, environmental and governance transformations, which is expected to be able to change the world of enterprises, society and the natural environment significantly over a ten-year horizon, and this entails risks and opportunities for Generali, its value chain and its stakeholders. We intend to focus strategies, actions and reporting on these priorities to support the Group's ability to create lasting value over time.
The Statement reflects this analysis: it focuses on the most material mega trends identified 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 aspects:

- 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 and associations, think tanks, trade associations and forums in the industry;
- assessment of the mega trends, aggregating the viewpoint of the internal and external stakeholders, with which it was asked to order by priority the identified mega trends, considering both their potential impact on Generali and the possibility that they are influenced by us, also through our value chain, consistent with the perspective of the double materiality. This perspective, that considers both the financial materiality and the social and environmental materiality for each mega trend, was introduced by the non-binding Guidelines on reporting non-financial information adopted by the European Commission and afterwards picked up by ESMA. Over 120 top managers at the Group Head Office and business unit levels were involved internally through interviews and focus groups. To guarantee adequate consideration of the risk component of the identified mega trends, the internal assessment considered the results of the Group *Own Risk and Solvency Assessment* process.

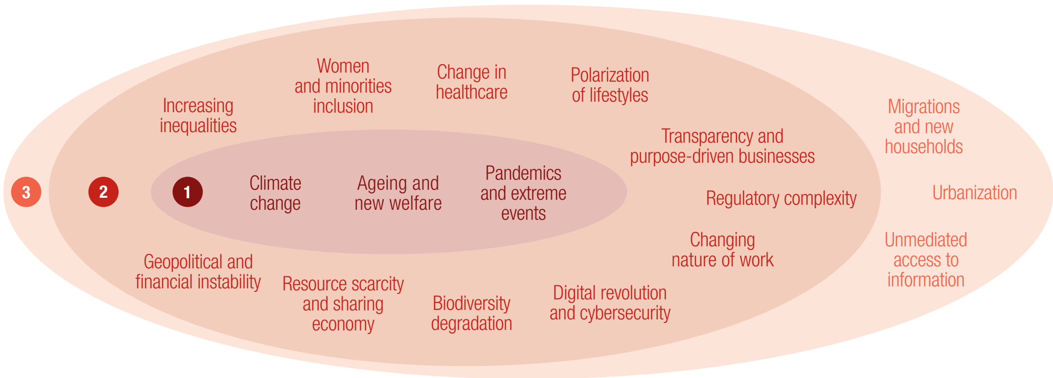
Risk Report, p. 117 of the Annual Integrated Report and Consolidated Financial Statements 2020

The assessment of the external stakeholders[4] was supplemented by the analysis of the investment policies of 20 large SRI and traditional investors, the results of opinion polls conducted by Eurobarometer involving a sample of over 114,000 people in Europe, and 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,

1 The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs; <IR> stands for Integrated Reporting.
2 The document *European common enforcement priorities for 2020 annual financial reports* was taken up in the Attention Call no. 1/21 of Consob.
3 The assessment was made using an approach based on the consolidation of the results of multiple repetitive analysis cycles conducted with groups of experts (so-called Delphi method).
4 The opinions of the external stakeholders - 50 opinion leaders representing the major stakeholder categories, such as customers, investors, employees, representatives of the Group's workers (European Works Council), regulatory institutions and authorities, enterprises and trade associations in the industry, universities and research centres, NGOs and future generations - were collected both through direct engagement activities and indirectly with the use of Artificial Intelligence technology and computational linguistics for the quantitative analysis of a large number of document sources.

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 matrix, previously discussed by the Governance and Sustainability Committee and the Board of Statutory Auditors, and then approved by the Board of Directors.

Considered the context changed following the crisis triggered by the Covid-19 pandemic, in 2020 the Generali top management reviewed the current relevance of mega trends that were resulted from the materiality analysis carried out the year before. It confirmed that materiality analysis, 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 mega trend *Pandemics and extreme events* was moved to cluster 1, that currently includes two other priorities for the benefit of a greater focus: *Climate change* and *Ageing and new welfare*. The mega trends *Digital revolution and cybersecurity* and *Geopolitical and financial instability* were moved to cluster 2, as well as the mega trend *Biodiversity degradation* due to its increasing relevance.
In November 2020, the Board of Directors approved these updates together with a more immediate representation of the materiality analysis, that gives better evidence to the distribution of the mega trends within the three priority clusters, that determine the Group's approach for their management:
- central cluster 1: it identifies the material mega trends on which the strategic initiatives common to the Group and their disclosure in this Report are focused;
- intermediate cluster 2: it groups the mega trends of considerable relevance, which are addressed by specific business units or functions;
- external cluster 3: it groups the mega trends to be monitored that are of minor relevance compared to the other factors analysed.



Glossary available at the end of this document

The material information pursuant to the decree[5] was identified taking the mega trends belonging to the first 2 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 Generali 2021 strategic plan and monitored in the planning and control processes. The scope of reporting for these indicators is the consolidated one, unless otherwise specified. A comparison is offered with the previous period, where feasible.

In order to monitor processes for the non-financial information collection and data quality, we have implemented an integrated internal control system. This model, that is modular and constantly evolving, leverages and is consistent with both the control approach adopted for the financial reporting to the market, and with the broader Data Quality framework, which promotes the dissemination of ethical behavior for the data quality management[6] at Group Head Office and local level. A non-financial information reporting manual has been drawn up for some years. It includes indicators, calculation methods and reporting flows, as well as a standard catalogue of control objectives applicable to the processes at both the Group Head Office and each contributing company level. The integrated internal control model currently used is therefore based on a streamlined approach that allows the control activities implemented to be identified and assessed compared to expected control objectives and applicable risks.

5 The following matters envisaged by leg. decree 254/2016, art. 3, paragraph 2 are not material: water use, air pollutant emissions and impact on health and safety.
6 The system is based on the principles of accuracy, completeness, appropriateness, integrity and audit trail.

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The following table connects the material mega trends and those of considerable relevance as mentioned above to the five matters envisaged by leg. decree 254/2016, including the related main risk categories 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. 254/2016	**MATERIAL MEGA TRENDS AND THOSE OF CONSIDERABLE RELEVANCE** ex 2020 materiality matrix	**MAIN RISK CATEGORIES[7]**
1) Environmental matters	Climate change[8]	Emerging risks with foreseeable developments on underwriting, financial and operational risks (Clients and products: *Product flaws*; Damage to physical assets: *Accidents and natural disasters, Human caused events*)
	Resource scarcity and sharing economy	
	Biodiversity degradation	
	Transparency and purpose-driven businesses	Operational risks[9] (Clients and products: *Suitability, disclosure and fiduciary duties, Improper business or market practices, Selection, sponsorship and exposure*)
2) Social matters	Pandemics and extreme events[10]	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
	Digital revolution and cybersecurity	Operational risks (External fraud: *System security (from external attack)*; Employment practices: *Employee relations, Workplace safety, Workplace discrimination*)
	Transparency and purpose-driven businesses	
	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*)
	Change in healthcare	
	Polarization of lifestyles	
	Increasing inequalities	
3) Employee-related matters	Transparency and purpose-driven businesses	Operational risks (Employment practices: *Employee relations, Workplace safety, Workplace discrimination*)
	Changing nature of work	
	Women and minorities inclusion	
4) Respect for human rights matters	Transparency and purpose-driven businesses	Operational risks[9] (Employment practices: *Employee relations, Workplace safety, Workplace discrimination*; Clients and products: *Product flaws, Selection, sponsorship and exposure, Advisory Activities*)
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*)
	Regulatory complexity	

7 Categories are defined in accordance with the provisions of the European directive 2009/138 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II). See the *Risk Report* chapter in the Annual Integrated Report and Consolidated Financial Statements 2020 for their specific management. As for operational risks, the taxonomy is in line with the provisions of Solvency II Directive/Basel III.
8 The mega trend *Climate change* also includes extreme events.
9 Limited to possible risks of non-compliance with laws.
10 Extreme events are illustrated in the mega trend *Climate change*.

	KEY PERFORMANCE INDICATORS	PAGES OF THE REPORT	SUSTAINABLE DEVELOPMENT GOALS
	Total GHG emissions Purchased renewable energy Premiums from environmental products Insurance exposure to clients of the fossil fuel sector Engagement activities with companies of the coal sector Carbon footprint of the Group's equities and corporate bonds portfolios New green and sustainable investments Direct investments by the Group's insurance companies which are subject to the Responsible Investment Group Guideline Sustainable and Responsible Investments Engagement activities	p. 11, 26-28, 47-48, 51, 66-67, 75-78 p. 26-28, 48 p. 51-52, 76 p. 11, 75-78	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	Extraordinary International Fund for Covid-19 and other local initiatives Investments in internal strategic initiatives Our customers Our agents Relationship Net Promoter Score Direct investments by the Group's insurance companies which are subject to the Responsible Investment Group Guideline Sustainable and Responsible Investments Engagement activities Premiums from social products Active countries and partners of The Human Safety Net	p. 21-24, 70, 83-95 p. 25-26, 37-40 p. 11, 38-39, 46, 75-78 p. 11, 29, 66-67 p. 11, 29, 66-67 p. 11, 29, 66-67 p. 11, 49-50, 83-95	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Local engagement actions implemented Reskilled employees Trained employees Per capita training Training investment Employees Organizational entities with smart working policy Female employees Diversity and Inclusion Index Equal pay gap Gender pay gap Accessibility gap to variable remuneration between females and males	p. 11, 42-44 p. 11, 41, 45 p. 11, 41-43	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Direct investments by the Group's insurance companies which are subject to the Responsible Investment Group Guideline Sustainable and Responsible Investments Engagement activities	p. 11, 51-52, 75-78	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Direct investments by the Group's insurance companies which are subject to the Responsible Investment Group Guideline Sustainable and Responsible Investments Engagement activities Employees trained in the Code of Conduct Managed reports related to the Code of Conduct	p. 11, 51-53, 75-78 p. 51-53	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Pursuant to art. 5 of the Consob Regulation of 18 January 2018, no. 20267, the Generali Group assigned the auditing firm EY S.p.A. - the current external auditor for the financial statements - with the task of performing the limited assurance activity on this Statement. The Report drafted by EY S.p.A. is attached to this document.

Milan, 10 March 2021
The Board of Directors

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

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Building a better working world

Independent auditors' report on the consolidated disclosure of non-financial information in accordance with Article 3, par. 10, of Legislative Decree 254/2016 and with Article 5 of CONSOB Regulation adopted with Resolution n. 20267 of January 2018 (Translation from the original Italian text)

To the Board of Directors of
Assicurazioni Generali S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to Article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of CONSOB Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of Assicurazioni Generali S.p.A. and its subsidiaries (hereinafter the "Group") for the year ended 31 December 2020 in accordance with article 4 of the Decree presented in the specific section of the Annual Integrated Report and Consolidated Financial Statements 2020 approved by the Board of Directors on 4 March 2021 (hereinafter "DNF").

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 by GRI – Global Reporting Initiative ("GRI Standards"), identified by them as a reporting standard, with reference to selected GRI Standards, as illustrated in the Annual Integrated Report and Consolidated Financial Statements 2020 section "Notes to the Management Report".

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.
The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the International Standard on Quality

EY S.p.A.
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Capitale Sociale Euro 2.525.000,00 i.v.
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Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the selected GRI Standards illustrated in the Annual Integrated Report and Consolidated Financial Statements 2020 section "Notes to the Management Report". Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant topics in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;

2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;

3. understanding of the following aspects:

    - Group's management and organization business model, with reference to the management of the topics indicated in article 3 of the Decree;
    - policies adopted by the Group related to the matters indicated in art. 3 Decree, results achieved and related key performance indicators;
    - main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

    With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 4. a) below;

4. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.

    In particular, we have conducted interviews and discussions with the management of Assicurazioni Generali S.p.A. and with the personnel of Generali Italia S.p.A., Generali

Versicherung AG, Generali Česká pojišťovna a.s., Generali France S.A., Generali Deutschland AG, Generali Personenversicherungen AG, Generali España S.A. de Seguros y Reaseguros and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF.

Furthermore, at group level, for significant information, considering the Group activities and characteristics:

- at Group level:
  a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
  b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- We have selected the following companies, Generali Italia S.p.A., Generali Versicherung AG, Generali Česká pojišťovna a.s., Generali France S.A., Generali Deutschland AG, Generali Personenversicherungen AG, Generali España S.A. de Seguros y Reaseguros, based on their activity, relevance to the consolidated performance indicators and location; we have performed verification activities during which we interviewed the management and obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that DNF of the Generali Group for the year ended 31 December 2020 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the selected GRI Standards illustrated in the Annual Integrated Report and Consolidated Financial Statements 2020 section "Notes to the Management Report".

Trieste, 31st March 2021

EY S.p.A.
Signed by: Mauro Agnolon, auditor

This report has been translated into the English language solely for the convenience of international readers.

APPENDICES TO THE REPORT

#WEREALLABOUTYOU

NOTES TO THE REPORT

The Annual Integrated Report and Consolidated Financial Statements 2020 is drafted in compliance with currently effective regulations and it applies the IAS/IFRS international accounting standards as well as the International <IR> Framework.

Annual Integrated Report and Consolidated Financial Statements, p. 176 for further details on the basis of presentation and accounting principles

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.

The details by geographical area highlighted in this document reflect the Group's managerial structure in place since 2019, made up of:

- Italy;
- France;
- Germany;
- ACEER: Austria, Central Eastern Europe (CEE) countries - Czech Republic, Poland, Hungary, Slovakia, Serbia/Montenegro, Romania, Slovenia, Bulgaria and Croatia - and Russia;
- International, consisting of Spain, Switzerland, Americas and Southern Europe, and Asia;
- Investments, Asset & Wealth Management, which includes the main Group entities operating in investment advisory, asset management and financial planning;
- Group holdings and other companies, which consists of the Parent Company's management and coordination activities, including Group reinsurance, as well as Europ Assistance, Other companies (among which, Generali Employee Benefits) and other financial holding companies and suppliers of international services not included in the previous geographical areas.

Our main markets: positioning and performance, p. 83

At 31 December 2020, the consolidation area increased from 463 to 484 companies, of which 439 were consolidated line-by-line and 45 measured with the equity method.

REPORT AND INTERNATIONAL <IR> FRAMEWORK

The Report is drafted in line with the International <IR> Framework issued by the International Integrated Reporting Council (IIRC): each chapter of the Report meets one or more Content Elements envisaged by the Framework.

Group Annual aIntegrated Report

Content Elements of the International <IR> Framework

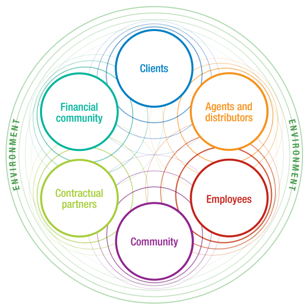
WE, GENERALI	
GROUP'S HIGHLIGHTS	Performance
2020 AND 2021 KEY FACTS	Organisational overview and external environment
THE VALUE CREATION PROCESS	Organisational overview and external environment
CHALLENGES AND OPPORTUNITIES OF THE MARKET CONTEXT	Risks and opportunities
THE GENERALI 2021 STRATEGY	Strategy 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 PERFORMANCE	Performance
OUTLOOK	Outlook

The Report is drafted also applying the Guiding Principles of the Framework.

The strategy together with our vaue 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. We meet them every quarter following our results' presentation and in specific occasions, thus sharing the reporting required. We organise roadshows and we 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 annual Shareholders' Meeting, events on the strategic plan (Investor Day) and the main presentation of the financial results. We provided an update on the progress of the 2021 strategic plan at a virtual Investor Day in November. During 2020 we came into contact with more than 400 people based in the main financial centres of Europe and North America, with virtual individual

1 The Report includes links to web pages that might not exist in the future.

and small group meetings. In 2020, dialogue with relevant stakeholders was held virtually due to the Covid-19 pandemic, while maintaining previous qualitative standards.
We regularly interact with regulators and the 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 about how Generali represents its interests. We also offer our skills and contribute to public consultations for the definition of 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 potential impacts.
We engage customers, agents and Group employees with a view to continuous improvement.

The Generali 2021 strategy, p. 30

www.generali.com/our-responsibilities/responsible-business/stakeholder-engagement for different methods of dialogue with stakeholders

The materiality approach is presented in the Consolidated Non-Financial Statement.

Consolidated Non-Financial Statement, p. 103

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 internal control system, which monitors information generation and collection processes as well as data quality. The performance indicators are those used in the business management in line with the strategic plan. They refer to the whole Group, unless otherwise indicated.

The integrated internal control system covers the consistency and comparability principle, too. The Report includes information that is consistent with the previous year, unless otherwise indicated.

NFS

REPORT AND CONSOLIDATED NON-FINANCIAL STATEMENT

The Report adopts for the disclosure of non-financial matters envisaged by leg. decree 254/2016 the Consolidated Set of GRI Sustainability Reporting Standards, issued in 2016 by the GRI-Global Reporting Initiative (GRI-Referenced claims), with reference to selected GRI Standards - in accordance with the provision of GRI 101: Foundation, paragraph 3, in addition to GRI 103: Management Approach - and indicators of the GRI G4 Financial Services Sector Disclosures.

GRI STANDARDS AND G4 FINANCIAL SERVICES SECTOR DISCLOSURES	MATERIAL MEGA TRENDS AND THOSE OF CONSIDERABLE RELEVANCE ex 2020 materiality matrix
GRI 102: General Disclosures 102-9 Supply chain (a)	Transparency and purpose-driven businesses
GRI 102: General Disclosures 102-43 Approach to stakeholder engagement (a)	Transparency and purpose-driven businesses
GRI 205: Anti-corruption 205-2 Communication and training about anti-corruption policies and procedures (e, aggregated data)	Regulatory complexity Transparency and purpose-driven businesses
GRI 302: Energy 302-1 Energy consumption within the organization (b)	Resource scarcity and sharing economy
GRI 305: Emissions 305-1 Direct (Scope 1) GHG emissions (b,d,g) 305-2 Energy indirect (Scope 2) GHG emissions (c,d,g) 305-3 Other indirect (Scope 3) GHG emissions[2] (a,b,d,e,g) 305-4 GHG emissions intensity 305-5 Reduction of GHG emissions	Climate change
GRI 404: Training and Education 404-1 Average hours of training per year per employees (a, aggregated data) 404-2 Programs for upgrading employee skills and transition assistance programs (a)	Transparency and purpose-driven businesses
GRI 405: Diversity and equal opportunity 405-02 Ratio of the basic salary and remuneration of women to men for each employee category	Women and minorities inclusion
GRI 413: Local communities Management approach disclosures	Increasing inequalities
Product portfolio G4 FS7: Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Ageing and new welfare Change in healthcare Polarization of lifestyles
Product portfolio G4 FS8: Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Climate change
Active ownership G4 FS10: percentage and number of companies held in the insitution's portfolio with which the reporting organization has interacted on environmental or social issues	Climate change Transparency and purpose-driven businesses
Active ownership G4 FS11: Percentage of assets subject to positive and negative environmental or social screening	Climate change Biodiversity degradation Transparency and purpose-driven businesses

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. These indicators are: insurance exposure to fossil fuel sector, investments in internal strategic initiatives, our customers, employees, female employees, trained employees, training investment, organizational entities with smart working policy, Diversity and Inclusion Index, gender pay gap, accessibility gap to variable remuneration between females and males, and managed reports related to the Code of Conduct.

Glossary available at the end of this document

The reporting process and methodologies to calculate all indicators are included in a specific manual, shared at both the Group Head Office and each contributing company level.

Consolidated Non-Financial Statement, p. 103

2 The annual reduction of total emissions from operating activities amounted to 43,705 tCO2e compared to base year 2013. The latter was chosen since it is the baseline for the goal to reduce total emissions by 20% by 2020. The reduction was attributable to indirect emissions (Scope 2 and Scope 3). The gases included were: CO2, CH4 e N2O. The methodology adopted is the WRI GHG Corporate Standard Protocol, location-based method.

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 gross earned premiums in the Income Statement, since they include premiums related to investment contracts as to better present the insurance turnover of the Group and they exclude changes in the provisions for unearned premiums.

Operating result

Under CESR Recommendations on alternative performance measures (CESR/05 - 178b), 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, specific net income from investments and non-recurring income and 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 realized gains and net impairment losses that do not affect both the local technical reserves, but only the deferred liabilities towards policyholders for the amount not attributable to the policyholders, and the free assets;
- net other non-operating expenses that mainly include results of the run-off activities, company restructuring costs, amortization of the value of the portfolios acquired directly or through acquisition of control of insurance companies (Value Of Business Acquired, VOBA) and net other non-recurring expenses.

In particular, the Life non-operating result in Germany and Austria is net of the entire estimated amount attributable to the policyholders in order to consider the specific calculation method of the policyholders' profit sharing based on the net result of the period in these countries.
Furthermore, where a new fiscal law or other non-recurring fiscal impacts materially affects the operating result of the countries where the policyholders' profit sharing is based on the net result of the period, 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:

- realized gains and losses, unrealized gains and losses, net impairment losses on investments, including gains and losses on foreign currencies;
- net other non-operating expenses that mainly include results of both real estate development activities and run-off activities, impairment losses on self-used properties, company restructuring costs and amortization of the value of the portfolios acquired directly or through the acquisition of control of insurance companies (Value Of Business Acquired, VOBA) and net other non-recurring expenses.

In the Asset 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 other non-operating expenses that mainly include project costs, including consulting, and severances.

The Holding and other businesses segment includes activities in the banking and asset management sectors, expenses for management, coordination and financing activities, as well as all the other operations that the Group considers to be ancillary to the core insurance business. All profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:

- non-recurring realized gains and losses and net impairment losses;
- net other non-operating expenses that mainly include results of the run-off activities, company restructuring costs, amortization of the value of the portfolios acquired directly or through acquisition of control of companies operating in the banking and asset management sectors (Value Of Business Acquired, VOBA) 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[3];
- 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 following table reconciles the operating and non-operating result with the corresponding items in the income statement:

Operating and non-operating result	Profit and loss account
Net earned premiums	1.1
Net insurance benefits and claims	2.1
Acquisition and administration costs	2.5.1 - 2.5.3
Net fee and commission income and net income from financial service activities	1.2 - 2.2
Net operating income from financial instruments at fair value through profit or loss	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net operating income from other financial instruments	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net non-operating income from financial instruments at fair value through profit or loss	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net non-operating income from investments	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net other and holding operating expenses	1.6 - 2.6
Net other and holding non-operating expenses	1.6 - 2.6

The following reclassifications are made in the calculation of the operating result with respect to the corresponding items in the income statement:

- investment management expenses and investment property management expenses are reclassified from acquisition and administration costs to net operating income from other financial instruments, more specifically to other expenses from financial instruments and land and buildings (investment properties);
- 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;
- in the Life and Holding and other businesses segments, gains and losses on foreign currencies are reclassified from net operating income to net operating income from financial instruments at fair value through profit or loss. In the Property & Casualty segment, they are reclassified from net operating income to net non-operating income from financial instruments at fair value through profit or loss. The classification for each segment is consistent with the related classification of the derivative transaction drawn up in order to hedge the Group's equity exposure to the changes in the main currencies of operations. Net operating and non-operating income from other financial instruments are therefore not subject to financial market volatility;
- net other operating expenses are adjusted for operating taxes and for non-recurring taxes that significantly affect the operating result of the countries where the policyholders' profit sharing is determined by taking the taxes for the period into account. These adjustments are included in the calculation of the operating result and are excluded from the income taxes item;
- in net operating income from other financial instruments, interest expenses on deposits and current accounts under reinsurance business are not included among interest expenses related to liabilities linked to operating activities but are deducted from the related interest income. Moreover, the interest expenses related to the abovementioned real estate development activities are not included in interest expenses related to liabilities linked to operating activities but are classified under other non-operating income and expenses in accordance with the management model adopted that provides for sale at completion.

3 Please refer to the paragraph Debt in the chapter *Group's financial position* for further details on the definition of financial debt.

Operating result by margins

The operating result of the various 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 technical margin excluding insurance expenses, the net investment result and the component that includes acquisition and administration costs related to the insurance business and other net operating expenses. Specifically, the technical margin includes loadings, technical result and other components, and unit- and index-linked fees. The net investment result comprises operating income from investments, net of the portion attributable to the policyholders. Finally, the insurance management and other net operating components are indicated separately.
The Property & Casualty operating result is made up of the technical result, the financial result and other operating items. Specifically, the technical result represents the insurance activity result, i.e. the difference between premiums and claims, acquisition and administration costs and other net technical income. The investment result comprises current income from investments and other operating net financial expenses, like expenses on investment management and interest expenses on operating debt. Finally, other operating items mainly include acquisition and administration costs related to the insurance business, depreciation of tangible assets and amortization of long-term costs, provisions for recurring risks and other taxes.

Adjusted net profit

The adjusted net profit is the profit adjusted for impact of gains and losses related to disposals.

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, available for sale financial assets, 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.

Investments by segment are presented in accordance with the methods described in the chapter *Segment reporting* in the *Notes*.

BALANCE SHEET

Assets

References:	(€ million)	31/12/2020	31/12/2019
	1 INTANGIBLE ASSETS	**9,612**	**9,401**
4	1.1 Goodwill	7,537	7,180
18	1.2 Other intangible assets	2,075	2,221
	2 TANGIBLE ASSETS	**3,804**	**4,183**
19	2.1 Land and buildings (self used)	2,764	2,888
19	2.2 Other tangible assets	1,040	1,295
13	**3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS**	**5,107**	**4,382**
38, 39, 40, 41	**4 INVESTMENTS**	**492,522**	**463,929**
10	4.1 Land and buildings (investment properties)	15,124	14,168
3	4.2 Investments in subsidiaries, associated companies and joint ventures	2,107	1,365
6	4.3 Held to maturity investments	1,983	2,243
7	4.4 Loans and receivables	30,856	32,285
8	4.5 Available for sale financial assets	337,005	318,195
9	4.6 Financial assets at fair value through profit or loss	105,447	95,672
	of which financial assets where the investment risk is borne by the policyholders and related to pension funds	84,914	78,475
20	**5 RECEIVABLES**	**12,101**	**11,954**
	5.1 Receivables arising out of direct insurance operations	7,524	7,377
	5.2 Receivables arising out of reinsurance operations	1,905	1,653
	5.3 Other receivables	2,672	2,924
21	**6 OTHER ASSETS**	**13,664**	**13,852**
	6.1 Non-current assets or disposal groups classified as held for sale	0	0
14	6.2 Deferred acquisition costs	2,117	2,121
	6.3 Deferred tax assets	2,785	2,478
	6.4 Tax receivables	3,291	3,146
	6.5 Other assets	5,471	6,108
11	**7 CASH AND CASH EQUIVALENTS**	**7,900**	**6,874**
	TOTAL ASSETS	**544,710**	**514,574**

Equity and liabilities

References:	(€ million)	31/12/2020	31/12/2019
15	**1 SHAREHOLDERS' EQUITY**	**31,794**	**29,851**
	1.1 Shareholders' equity attributable to the Group	**30,029**	**28,360**
	1.1.1 Share capital	1,576	1,570
	1.1.2 Other equity instruments	0	0
	1.1.3 Capital reserves	7,107	7,107
	1.1.4 Revenue reserves and other reserves	12,848	10,831
	1.1.5 (Own shares)	-80	-7
	1.1.6 Reserve for currency translation differences	-549	-28
	1.1.7 Reserve for unrealized gains and losses on available for sale financial assets	8,764	7,458
	1.1.8 Reserve for other unrealized gains and losses through equity	-1,379	-1,240
	1.1.9 Result of the period attributable to the Group	1,744	2,670
	1.2 Shareholders' equity attributable to minority interests	**1,765**	**1,491**
	1.2.1 Share capital and reserves	1,295	1,114
	1.2.2 Reserve for unrealized gains and losses through equity	181	108
	1.2.3 Result of the period attributable to minority interests	289	269
22	**2 OTHER PROVISIONS**	**1,772**	**1,736**
12	**3 INSURANCE PROVISIONS**	**442,330**	**419,213**
	of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	80,370	75,407
	4 FINANCIAL LIABILITIES	**44,068**	**40,904**
16	4.1 Financial liabilities at fair value through profit or loss	7,198	4,983
	of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	5,281	3,532
17	4.2 Other financial liabilities	36,871	35,921
	of which subordinated liabilities	7,681	7,717
23	**5 PAYABLES**	**13,184**	**11,178**
	5.1 Payables arising out of direct insurance operations	5,080	4,240
	5.2 Payables arising out of reinsurance operations	1,254	697
	5.3 Other payables	6,851	6,241
24	**6 OTHER LIABILITIES**	**11,561**	**11,693**
	6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale	0	0
	6.2 Deferred tax liabilities	3,871	3,174
	6.3 Tax payables	1,768	2,012
	6.4 Other liabilities	5,921	6,508
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**544,710**	**514,574**

INCOME STATEMENT

References:	(€ million)	31/12/2020	31/12/2019
25	1.1 Net earned premiums	64,468	66,239
	1.1.1 Gross earned premiums	67,393	68,137
	1.1.2 Earned premiums ceded	-2,926	-1,898
26	1.2 Fee and commission income and income from financial service activities	1,504	1,354
27	1.3 Net income from financial instruments at fair value through profit or loss	1,778	10,177
	of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	1,614	9,748
28	1.4 Income from subsidiaries, associated companies and joint ventures	143	148
29	1.5 Income from other financial instruments and land and buildings (investment properties)	13,679	13,566
	1.5.1 Interest income	7,713	8,149
	1.5.2 Other income	2,458	2,624
	1.5.3 Realized gains	3,378	2,672
	1.5.4 Unrealized gains and reversal of impairment losses	129	121
30	1.6 Other income	3,670	3,151
	1 TOTAL INCOME	**85,242**	**94,635**
31	2.1 Net insurance benefits and claims	-60,011	-71,062
	2.1.1 Claims paid and change in insurance provisions	-62,056	-72,321
	2.1.2 Reinsurers' share	2,045	1,259
32	2.2 Fee and commission expenses and expenses from financial service activities	-677	-650
33	2.3 Expenses from subsidiaries, associated companies and joint ventures	-102	-60
34	2.4 Expenses from other financial instruments and land and buildings (investment properties)	-3,887	-3,265
	2.4.1 Interest expense	-837	-1,024
	2.4.2 Other expenses	-411	-416
	2.4.3 Realized losses	-1,458	-1,083
	2.4.4 Unrealized losses and impairment losses	-1,181	-742
35	2.5 Acquisition and administration costs	-11,643	-11,551
	2.5.1 Commissions and other acquisition costs	-8,734	-8,587
	2.5.2 Investment management expenses	-167	-230
	2.5.3 Other administration costs	-2,742	-2,735
36	2.6 Other expenses	-5,534	-4,459
	2 TOTAL EXPENSES	**-81,852**	**-91,048**
	EARNINGS BEFORE TAXES	**3,390**	**3,587**
37	**3 Income taxes**	**-1,175**	**-1,122**
	EARNINGS AFTER TAXES	**2,215**	**2,465**
	4 RESULT OF DISCONTINUED OPERATIONS	**-183**	**475**
	CONSOLIDATED RESULT OF THE PERIOD	**2,032**	**2,939**
	Result of the period attributable to the Group	1,744	2,670
	Result of the period attributable to minority interests	289	269
15	EARNINGS PER SHARE:		
	Earnings per share (in €)	1.11	1.70
	From continuing operation	1.23	1.40
	Diluted earnings per share (in €)	1.09	1.68
	From continuing operation	1.21	1.38

ATTESTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 2020.

2. The adequacy of the administrative and accounting procedures in place for preparing the consolidated financial statements as at 31 December 2020 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 2020:

      a) are prepared in compliance with 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, with the provisions of Legislative Decree No. 38 of 28 February 2005, of the Italian Civil Code, of Legislative Decree No. 209 of 7 September 2005 and with applicable provisions, regulations and circular letters issued by ISVAP (now IVASS);

      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, 10 March 2021

Dott. Philippe Donnet
Managing Director and Group CEO

ASSICURAZIONI GENERALI S.p.A.

Dott. Cristiano Borean
Manager in charge of preparing the Company's financial reports and Group CFO

ASSICURAZIONI GENERALI S.p.A.

GLOSSARY

Absolute emissions: absolute green house gas emissions associated with a portfolio, expressed in tons CO_2e.

Accessibility gap to variable remuneration between females and males: difference in percentage between females' and males' accessibility rate to variable remuneration across the entire organization.

Adjusted net profit: it is the result of the period adjusted for the impact of gains and losses from disposals.

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: sales 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).

Asset owner: who owns investments and bears the related risks.

Average duration: it is defined as the average residual economic maturity (considering the first call option date) of the financial debt outstanding as at the reporting date, weighted for the nominal amount.

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 a 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. It 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 footprint: carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tons CO2e/€ million invested.

Cash and cash equivalents: it includes 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.

Cash remittance: dividends and dividend-equivalent permanent or long-term transactions from subsidiaries towards the Parent Company (e.g. capital reduction or permanent debt reimbursement) measured on a cash basis.

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.

Companies of the coal sector (also identified as customers of the coal sector or issuers of the coal sector): category that includes companies for which over 30% of revenue or over 30% of energy produced derive from coal, mining companies that produce over 20 million tons a year of coal or companies actively involved in building new coal capacity (coal plants) as identified by Urgewald in its Top 120 Coal Plant Developers' list.

Companies of the tar sand sector: companies whose revenues are at least 5% derived from tar sands' extraction or operators of controversial pipelines dedicated to tar sands' transportation.

CoR, combined ratio: it is a technical performance indicator of Property & Casualty segment, calculated as the ratio of net insurance benefits and claims as well as administration and acquisition costs to net earned premiums. In other words, it is the sum of loss ratio and expense ratio.

Cost/Income ratio: it is a performance indicator of the Asset Management segment calculated as the ratio of operating expenses to operating revenues.

Current year loss ratio: it is a further detail of combined ratio calculated as the ratio of:

- current year incurred claims + related claims management costs net of recoveries and reinsurance; to
- net earned premiums.

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.

Diversity and Inclusion Index, D&I Index: it measures the progress of the Group compared to Diversity & Inclusion 2021 ambitions, i.e. objectives set internally on gender, generations, cultures and inclusion through eight indicators: female managers, female talent, talent under the age of 35, new hired employees with average age less than 30 years, *Turn to The New Index*[1], talents with international experience, organizational entities with smart working policy and organizational entities with local action plans on disability.

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 attendant on payroll and auxiliary staff.

Environmental products:

- products designed to promote sustainable transport with reduced environmental impact, including policies that reward responsible driving;
- products that support the energy efficiency of buildings;
- products for covering the risks connected with the production of renewable energies;
- products specifically designed to cover catastrophe risks or specific environmental damage;
- products to companies with environmental certifications (e.g. ISO 14001, EMAS, LEED) or adopting safety measures to prevent environmental damages;
- anti-pollution products.

Equal pay gap: difference between females' and males' median base salary for comparable roles, comparing females and males belonging to the same job function and organizational level. It is calculated applying a Group common methodology as a percentage of the difference between females' salary minus males' salary for comparable roles, divided by the males' salary. If the result is positive, the gap shows that the gender female is the most compensated; vice-versa, if the result is negative, the gap shows that the gender male is the most compensated.

Equity investments: 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.

Equivalent consolidation area: constant consolidation scope.

Equivalent terms: constant exchange rates and consolidation scope.

1 The training effort offered to employees by the Group is measured through the *Turn to The New Index*.

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 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: 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 investments funds that are mainly exposed to investments or risks similar to direct investments presented within this asset class.

Gender pay gap: difference between females' and males' median base salary across the entire organization regardless of the roles. It is calculated applying a Group common methodology as a percentage of the difference between females' salary minus males' salary, divided by the males' salary. If the result is positive, the gap shows that the gender female is the most compensated; vice-versa, if the result is negative, the gap shows that the gender male is the most compensated.

General account: investments reported in the financial statements (excluding financial assets categorized as unit- and index-linked or deriving from pension funds management) and cash and cash equivalents. They also include some liabilities, with features similar to investments, among which derivative liabilities referred to investment portfolio and REPOs.

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 and a scenario of a continuing lowering of interest rates. 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.

Green and sustainable investments: investments that support green and/or social projects, with the explicit aim of creating a positive impact and contributing to the United Nations Sustainable Development Goals.

Gross direct written premiums: gross written premiums of direct business.

Gross written premiums (GWP): gross written premiums of direct business and accepted by third parties.

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 the underwriting of P&C risks related to companies of the coal sector and/or related to oil and gas exploration/extraction.

Integrated report: concise communication that illustrates how the strategy, governance 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: contracts that have the legal form of insurance contracts but, as they do not substantially expose the insurer to significant insurance risk (e.g. the mortality risk or similar insurance risks), cannot be classified as insurance contracts. In accordance with the definitions of IFRS 4 and IAS 39 these contracts are recognized as financial liabilities.

Investments back to unit- and index-linked policies: various types of investments backing insurance liabilities related to unit and index-linked policies.

Investments in internal strategic initiatives: total investments (included in the general expenses, in cash view - capex) included within the expenses baseline as the sum of all strategic initiatives considered in the Generali 2021 strategy.

Investments properties: direct investments in properties held in order to receive rent or to achieve targets for capital appreciation, or for both reasons. This asset class also includes investments funds that are mainly exposed to real-estate investments.

Lockup clause: it imposes the unavailability of the shares assigned with respect to some incentive plans (or a specific share) for a specific time horizon as defined by any individual plan. The clause provides for the commitment of the issuing Company and potentially of some shareholders not to pursue selected actions on the equity of the company itself in the period subsequent to a public offering.

Managed reports related to the Code of Conduct: they are the 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.

Mathematical provisions: it is the amount that shall be set aside by the insurance company to meet its future obligations to policyholders.

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.

NBM, new business margin: 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.

NBV, new business value: it is an indicator of value created by the new business of the Life segment. It is obtained by discounting at the date of new contracts the corresponding expected profits net of the cost of capital (net of the portion attributable to minority interests).

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 result: it is the result of the period before taxes, before interest expense on liabilities linked to financing activities, certain net financial income as well as non-recurring income and expenses. Please refer to the chapter Methodological notes on alternative performance measures for further information.

Operating return on investments: it is an alternative performance measure of both the Life and Property & Casualty segments, calculated as the ratio of the operating result to the average investments at IAS/IFRS book value, as described in the chapter Methodological notes on alternative performance measures.

Organizational entities with smart working policy: organizational entities where, in accordance with local laws and regulations, it is possible to adopt smart working through the application of a dedicated policy.

Other investments: it includes participations in non-consolidated companies, associated companies and joint ventures, 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.

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.

P&L return on investments: it is the sum of the current return on investments and the harvesting rate net of investment management expenses. Please refer to the chapter Methodological notes on alternative performance measures for further information.

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.

Prior year loss ratio: it is a further detail of combined ratio calculated as the ratio of:

- previous year incurred claims + related claims management costs net of recoveries and reinsurance; to
- net earned premiums.

Provision for outstanding claims: it comprises the estimated overall amounts which, from a prudent valuation based on objective elements, are required to meet the payment of the claims incurred during the current year or the previous ones, and not yet settled, as well as the related settlement expenses. The outstanding claims provisions shall be estimated as the total ultimate cost taking into account all future foreseeable charges, based on reliable historical and forecast data, as well as the specific features of the company.

Provision for unearned premiums: it comprises the unearned premium component, defined as the part of gross premiums written which is to be allocated to the following financial periods, and the provisions for unexpired risk on insurance contracts in force in excess of the related unearned premiums.

Provisions arising from policies where the investment risk is borne by the policyholders and from pension funds: they comprise the amounts to be allocated to the policyholders or to the beneficiaries relating to Life segment products where the risk arising from the underlying financial investments backing the technical liabilities is borne by the policyholders.

Provisions for sums to be paid: they are technical reserves constituted at the end of each financial year by companies operating in the Life segment in order to cover the overall amounts required to meet the payment of the capitals and annuities accrued, surrenders and claims outstanding.

PVNBP, present value of new business premiums: 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.

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.

Responsible Investment Group Guideline, RIG: document that codifies responsible investment activities at Group level.

RoE, Return on Equity: it is an indicator of return on capital in terms of the Group net result. It is calculated as the ratio of:

- Group net result; to
- average Group shareholders' equity at the beginning and end of the period, adjusted to exclude other gains and losses directly booked to equity, included in Other Comprehensive Income, such as gains and losses on available for sale financial assets, gains and losses on foreign currency translation differences, unrealized gains and losses on hedging derivatives and unrealized gains and losses on defined benefit plans.

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.

Social products:

- products that respond to the needs of specific categories of customers or particularly unfortunate events in life, including products dedicated to the young, to the elderly, to the disabled, to immigrants, to the unemployed and to coverage for professional disabilities, or which in some way support and foster social inclusion;
- products that promote a more prosperous and stable society, with particular attention on small and medium-sized enterprises and people involved in voluntary work;
- products with high pension or microinsurance content;
- products that promote responsible and healthy lifestyles, leveraging on the opportunities provided by new technologies, on the importance of preventive healthcare or other virtuous behaviours of policyholders;
- products that 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.

Stock granting: free shares assignment.

Stock option: it represents the right of the holder to buy shares of the Company at a predefined price (so called strike). These options are assigned free of charge.

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 and Responsible Investments, SRI: assets managed by the Group according to SRI methodologies both on behalf of Group insurance companies and third-party clients.

Sustainable Development Goal (SDG): 17 objectives contained in the 2030 Agenda for sustainable development, launched by the United Nations.

Trained employees: employees who attended stand-alone training activities designed for one target group, dealing with one topic and not embedded in daily work. They include those employees trained during the period who left the Group before the end of the period.

Training investment: they include all direct costs for formal learning, except for those for on-the-job training.

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 Millennial - 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.

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.

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.

Weighted average carbon intensity (WACI): portfolio's exposure to carbon-intensive companies, expressed in tons CO2e/€ million revenue.

Weighted average cost of debt: it is the annualized cost of financial debt considering the nominal amounts 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 LGBTI+ people and those with mental-physical disabilities, especially in the lower income and lower education social brackets.

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