

HALF-YEARLY CONSOLIDATED FINANCIAL REPORT 2023



192nd YEAR
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HALF-YEARLY CONSOLIDATED FINANCIAL REPORT 2023

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

CORPORATE BODIES AT 9 AUGUST 2023

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

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

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

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



Contacts available at the end of this document

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Attestation and Report

ATTESTATION TO THE HALF-YEARLY CONDENSED 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	135
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GROUP'S HIGHLIGHTS¹

GROSS WRITTEN PREMIUMS

€ 42,237 mln

+3.6%

OPERATING RESULT

€ 3,721 mln

+28.0%

ADJUSTED NET RESULT²

€ 2,330 mln

+60.9%

NET RESULT

€ 2,243 mln

n.m.

TOTAL ASSETS UNDER MANAGEMENT (AUM)

€ 631 bln

+2.6%

SOLVENCY RATIO

228%

+7 p.p.

LIFE

LIFE NET INFLOWS

€ -877 mln

n.m.

NEW BUSINESS VALUE (NBV)

€ 1,245 mln

-9.2%

OPERATING RESULT

€ 1,813 mln

-3.5%

DANNI

GROSS WRITTEN PREMIUMS

€ 16,349 mln

+10.6%

COMBINED RATIO (CoR)

91.6%

-5.4 p.p.

OPERATING RESULT

€ 1,853 mln

+85.7%

ASSET & WEALTH MANAGEMENT

OPERATING RESULT

€ 498 mln

+1.3%

HOLDING AND OTHER BUSINESSES

OPERATING RESULT

€ -125 mln

-16.4%

1. Data in the Report were presented under the new IFRS 17 and IFRS 9 accounting standards.

Starting from the first quarter 2023 the bancassurance JVs of Cattolica (Vera and BCC companies) are considered a disposal group held for sale under IFRS 5 and therefore their results are reclassified in the Result of discontinued operations. Consequently, the 2022 half-yearly results of the Group presented last year have been restated. The Result of discontinued operations amounted to € 30 million (€ -98 million at 30 June 2022).

Changes in premiums, Life net inflows and new business were presented on equivalent terms (at constant exchange rates and consolidation scope). Changes in total AUM and Solvency Ratio were calculated considering the previous year-end data.

The amounts were rounded and may not add up to the rounded total in all cases. The percentages presented can be affected by the rounding.

2. Adjusted net result includes adjustments for 1) profit or loss on assets at fair value through profit or loss (FVTPL) on non-participating business and shareholders' funds, 2) hyperinflation effect under IAS 29, 3) amortisation of intangibles related to M&A, 4) impact of gains and losses from acquisitions and disposals.

KEY HALF-YEARLY FACTS, SIGNIFICANT EVENTS AFTER 30 JUNE 2023 AND 2023 CORPORATE EVENT CALENDAR



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

JAN 23

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

FEB 23

Generali is searching for the most innovative insurtech start-ups through an international contest at the upcoming **Insurtech Insights**, the conference that every year brings together industry executives, entrepreneurs, and investors to debate around technology trends impacting the insurance sector, as well as connect industry leaders and decision makers with innovative start-ups to create mutual business opportunities and accelerate growth. Winners of the competition will have the chance to develop a pilot with Generali.

Generali is also among the nominees for the **Ambitious Insurer Awards**, which recognise the most ambitious and innovative projects in the sector, with two projects: *bAlby: The AI-based Baby Cry Translator*, using Artificial Intelligence to translate the cries of infants between 0-6 months in order to provide indications to parents on the five basic needs of their children, and *Innovation Champions*, the programme to build a global network of innovation experts promoting learning opportunities, knowledge sharing, and the scaling-up of ideas, in order to steer and deliver innovation across the Group.

MAR 23

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

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

The **Board of Directors** of Assicurazioni Generali approved the following **Reports**: the Annual Integrated Report and Consolidated Financial Statements, the Parent Company Financial Statements Proposal and the Corporate Governance and Share Ownership Report at 31 December 2022 and the Report on Remuneration Policy and Payments. The Board also established:

- a **capital increase** of € 5,549,136 to implement the Group Long Term Incentive Plan (LTIP) 2020-2022, having ascertained the occurrence of the conditions on which it was based. The execution of the resolution of the Board was subject to the authorisation of the related amendments to the Articles of Association by IVASS, which was received on 5 April;
- to submit to the approval of the Shareholders' Meeting the **proposals related to the Group Long Term Incentive Plan (LTIP) 2023-2025 and the Share Plan for Generali Group employees**, supported by buyback programmes for the purposes of the plans;
- the **cancellation**, without reducing the share capital, of 33,101,371 **own shares**, acquired for that end, implementing the resolutions by the 2022 Shareholders' Meeting. The execution of the resolution of the Board was subject to the authorisation of the related amendments to the Articles of Association by IVASS, which was received on 5 April.

APR 23

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

In line with the approach of proactively managing its debt and with the aim to optimize its regulatory capital structure, Assicurazioni Generali announced a **cash buyback offer** for its € 1,500,000,000 4.596% Fixed-Floating Rate Perpetual Notes (XS1140860534) in a principal amount outstanding of € 1.5 billion, which expired on 19 April. At the expiration of the offer, the aggregate principal amount of the notes validly tendered amounted to € 525,063,000, approximately equal to 35% of the aggregate principal amount of the outstanding notes. Subject to the terms and conditions of the offer, Generali accepted for purchase from holders an aggregate principal amount of € 499,563,000 of notes.

Generali successfully concluded the placement of a new Euro denominated fixed rate Tier 2 **bond**, due 20 April 2033, **in green format** in accordance with its Sustainability Bond Framework, for an amount equal to € 500 million. This transaction is in line with Generali's sustainability commitment. During the book building process, an order book of € 3.9 billion was attracted, more than 7 times the offered amount, from around 300 highly diversified international institutional investor base including a significant representation of funds with Green/SRI mandates.

Assicurazioni Generali **increased the share capital** in connection with the Group Long Term Incentive Plan (LTIP) 2020-2022, resolved by the 2020 Shareholders' General Meeting. It also **cancelled its own shares** (without reducing the share capital) acquired for the purposes of the share buyback scheme approved by the 2022 Shareholders' Meeting; the cancellation resulted in a change in the nominal value of each share.

At 17 April 2023, the share capital amounted to € 1,592,382,832 fully subscribed and paid up, subdivided into 1,559,281,461 ordinary shares with no explicit par value.

The **Shareholders' Meeting** approved: the Parent Company Financial Statements at 31 December 2022, setting forth the distribution of a dividend of € 1.16 per share to shareholders; the Report on the Remuneration Policy; the Group Long Term Incentive Plan (LTIP) 2023-2025, authorising the purchase and disposal of its own shares to service the remuneration and incentive plans for a maximum number of 11 million and 300 thousand treasury shares; and the Share Plan for Generali Group employees, authorising the purchase and disposal of a maximum of 9 million treasury shares.

The Shareholders' Meeting also approved the appointment of Stefano Marsaglia as a member of the Board of Directors to hold office for the financial years ending on 31 December 2023 and 2024, following the resignation of Francesco Gaetano Caltagirone, and the appointment of the Board of Statutory Auditors for the three-year period 2023-2025. It also established the annual remuneration for the Chair of the Board of Statutory Auditors at € 180,000 gross annual and for the permanent Auditors at € 130,000 gross annual, and an attendance fee of € 500 gross, for attending each meeting of the Board of Directors and the Board Committees, in addition to the reimbursement of expenses, as cited within scope of performing their duties, and D&O insurance coverage, in alignment with the Company's policies.

Finally, the Shareholders' Meeting approved the modification of fees for the statutory audit assignment in favour of the auditing firm KPMG S.p.A. specifically for the statutory audit of Generali's accounts for each of the financial years ending on, and between, 31 December 2022 and 31 December 2029.

MAY 23

Generali reached an agreement with Frankfurter Leben for the **disposal of Generali Deutschland Pensionskasse AG (GDPK)**. The transaction, which will increase the Group's Solvency Ratio by 1 p.p., is aligned with the Group's *Lifetime Partner 24: Driving Growth* strategy, which aims to improve the profile and profitability of the Life business. The transaction is expected to be completed by the end of 2023, subject to the approval of the German Federal Financial Supervisory Authority (BaFin) and the responsible local antitrust authorities.

The third edition of **SME EnterPRIZE**, Generali's flagship initiative to boost a culture of sustainability in Europe's SMEs, took place. Generali is searching for the most sustainable SMEs across Europe, looking to find best practices which can inspire other entrepreneurs and help society tackle our environmental and social challenges.

The Board of Directors of Assicurazioni Generali, prior to the unanimous opinion of the Nominations and Corporate Governance Committee, and the Board of Statutory Auditors have assessed, for the members of the corporate bodies elected by the 2023 Shareholders' Meeting, i.e. for the Director Stefano Marsaglia and the permanent and alternate members of the Board of Statutory

Auditors, the **fulfilment of the requirements** and compliance with the criteria set forth in law and regulations in force, by the Articles of Association and by the Corporate Governance Code, as implemented by Generali's internal regulations. In this context, the Board, prior to the unanimous opinion of the Nominations and Corporate Governance Committee, assessed the existence of the independence requirement set by the Corporate Governance Code also for the Chair of the Board of Statutory Auditors.

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

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

JUN 23

Generali reached an agreement with Liberty Mutual for the **purchase of Liberty Seguros**, which operates in Spain, Portugal, Ireland and Northern Ireland. The transaction is fully aligned with the *Lifetime Partner 24: Driving Growth* strategy, allowing the Group to enhance its growth profile, further develop the P&C business, and strengthen its leadership position in Europe, reaching the 4th position in the Spanish P&C market, consolidating its 2nd position in Portugal, and gaining a top ten market share positioning in Ireland. The total price for the transaction is € 2.3 billion, including all excess capital, and is subject to customary closing adjustments. The estimated impact on the Group's Solvency Ratio is approximately -9.7 p.p.. The acquisition is subject to regulatory approvals.

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

JUL 23

Generali announced the **acquisition of Conning Holdings Limited** (CHL³), a leading global asset manager for insurance and institutional clients, from Cathay Life, a subsidiary of Cathay Financial Holdings, one of the largest Asia-based financial institutions. As a result of the contribution of CHL into Generali Investments Holding S.p.A (GIH), Cathay Life will become a minority shareholder of GIH owning 16.75% of its share capital (subject to customary closing adjustments), and will enter into a wider partnership with Generali, supporting the strategic growth ambitions of Generali Asset Management globally. There is no upfront cash consideration payable by Generali or GIH to Cathay Life. The impact on the Group's Solvency Ratio is expected to be negligible. Subject to customary regulatory, anti-trust and other relevant approvals, the transaction is expected to be completed in the first half of 2024.

AUG 23

9 August 2023. Board of Directors: approval of the Consolidated Half-Yearly Financial Report at 30 June 2023

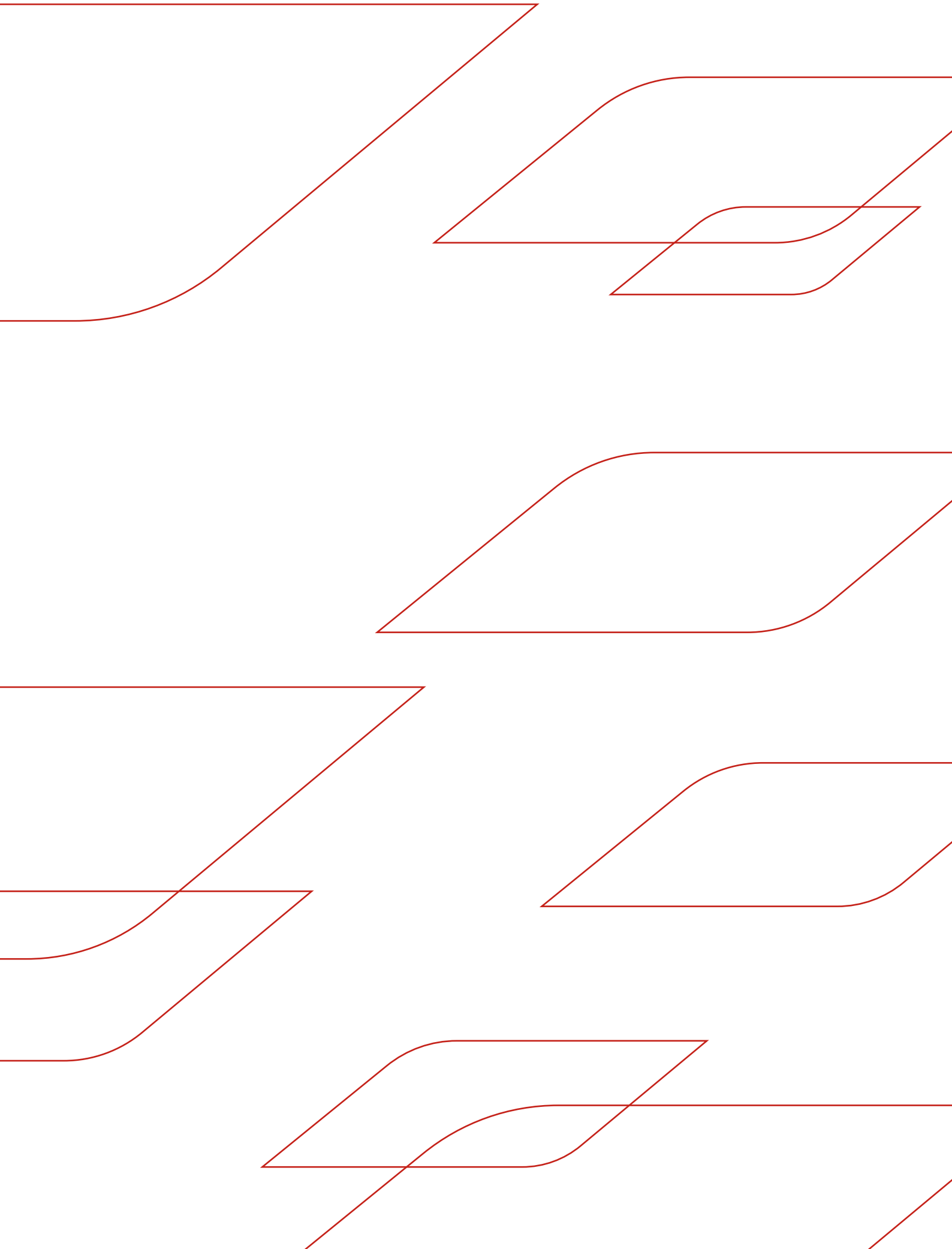
9 August 2023. Release of the results at 30 June 2023

NOV 23

16 November 2023. Board of Directors: approval of the Financial Information at 30 September 2023

17 November 2023. Release of the results at 30 September 2023

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



OUR FINANCIAL PERFORMANCE⁴

Group's performance

Key figures

(€ million)	30/06/2023	30/06/2022	Change
Gross written premiums	42,237	40,458	3.6%
Life segment	25,888	25,971	-0.3%
Property & Casualty segment	16,349	14,487	10.6%
Life net inflows	-877	5,856	n.m.
Consolidated operating result	3,721	2,907	28.0%
Life segment	1,813	1,879	-3.5%
Property & Casualty segment	1,853	998	85.7%
Asset & Wealth Management segment	498	491	1.3%
Holding and other businesses segment	-125	-149	-16.4%
Consolidation adjustments	-318	-311	2.2%
New Business Margin (% PVNBP)	5.81%	5.50%	0.31 p.p.
Combined ratio (%)	91.6%	97.0%	-5.4 p.p.
Adjusted net result (*)	2,330	1,448	60.9%
Net result	2,243	864	n.m.
Adjusted EPS (€) (*)	1.51	0.92	64.6%

(*) Refer to the *Methodological notes on alternative performance measures* for the definition of Adjusted net result also used as numerator of Adjusted EPS calculation.

The Group's gross written premiums amounted to € 42,237 million, up 3.6% on equivalent terms, thanks to the development of the P&C segment.

Premiums in the Life segment⁵ were € 25,888 million (-0.3% on equivalent terms). There was growth in both the protection line (+5.3%), mainly in France, Italy and the International area, and the savings and pension line (+6.3%), mainly in Asia and France. In contrast, the unit-linked line was down (-14.9%), especially in Italy and France.

Life net inflows - defined as premiums collected, net of claims and surrenders - were € -877 million. The positive net inflows of the unit-linked line for €2,786 million (€4,476 million at 30 June 2022) and of the protection line for €2,565 million (€2,508 million at 30 June 2022) partly offset the negative net inflows of the savings and pension line for € -6,228 million (€ -1,128 million at 30 June 2022), were in line with the Group's strategy to reposition its portfolio and reflected the trends observed in the banking channels in Italy and France.

In the Life segment, the New Business Value (NBV) amounted to € 1,245 million: compared to the first half 2022 (€ 1,370 million), the contraction (-9.2%) reflected the impact of lower volumes in terms of present value of new business premiums - PVNBP (-14.0%, mainly driven by the impact of higher interest rates on the discounting of future premiums) only partially offset by an excellent profitability on PVNBP (further improved by 0.31 p.p. to 5.81%).

Premiums in the P&C segment grew to € 16,349 million (+10.6% on equivalent terms) boosted by the performance of both business lines.

Non-motor improved strongly (+10.7%), achieving widespread growth across all the main areas of the Group. Europ Assistance premiums grew by 44.0%, thanks to continued volume expansion in the travel business.

⁴ Starting from the first quarter 2023 the bancassurance JVs of Cattolica (Vera and BCC companies) are considered a disposal group held for sale under IFRS 5 and therefore their results are reclassified in the Result of discontinued operations. Consequently, the 2022 half-yearly results of the Group presented last year have been restated. The Result of discontinued operations amounted to € 30 million at 30 June 2023 (€ -98 million at 30 June 2022).

Changes in premiums, Life net inflows and new business were presented on equivalent terms (at constant exchange rates and consolidation scope).

The amounts were rounded and may not add up to the rounded total in all cases. The percentages presented can be affected by the rounding.

⁵ Including premiums from investment contracts equal to € 776 million (€ 532 million at 30 June 2022).

Motor line rose by 11.0%, thanks to the positive dynamics seen in Italy, France, CEE and Argentina. Excluding the contribution from Argentina, a country impacted by a hyperinflationary scenario, motor line premiums would have increased by 5.1%.

From operating result to result of the period

(€ million)	30/06/2023	30/06/2022	Change
Consolidated operating result	3,721	2,907	28.0%
Consolidated non-operating result	-242	-1,100	-78.0%
Non-operating investment result	272	-578	n.m.
Net other non-operating expenses	-220	-218	0.8%
Non-operating holding expenses	-294	-304	-3.3%
Earnings before taxes	3,479	1,808	92.4%
Income taxes	-1,049	-722	45.3%
Earnings after taxes	2,429	1,085	n.m.
Profit or loss from discontinued operations	30	-98	n.m.
Consolidated result of the period	2,459	987	n.m.
Result of the period attributable to the Group	2,243	864	n.m.
Result of the period attributable to minority interests	216	123	75.5%
Adjusted net result	2,330	1,448	60.9%

The **operating result** rose by 28.0%, and stood at €3,721 million (€2,907 million at 30 June 2022) thanks mainly to the positive performance of the P&C segment.

The Life segment operating result was solid at €1,813 million (-3.5%). The operating result of the P&C segment was strongly positive at €1,853 million (+85.7%). The increase in this segment was mainly driven by the combined ratio which improved to 91.6% (-5.4 p.p.)

The operating result of the Asset & Wealth Management segment was €498 million (+1.3%), with a strong improvement in Banca Generali operating result.

The operating result of the Holding and other businesses segment improved to €-125 million (€-149 million at 30 June 2022).

The change in the consolidation adjustments (+2.2%) was due to higher intra-group dividends.

The **non-operating result** amounted to €-242 million (€-1,100 million at 30 June 2022). The non-operating investment result recovered strongly, from €-578 million to €272 million. This increase was mainly due to improvement of the financial markets, primarily benefiting the investments at fair value through profit or loss, higher realized gains in the first half of 2023, in particular from the disposal of a London real estate development, and to lower impairment in the period compared to 2022 which was strongly affected by higher impairment on investments, in particular on Russian investments.

Non-operating holding expenses amounted to €-294 million (€-304 million at 30 June 2022), mainly reflecting the reduced interest expenses on financial debt.

Net other non-operating expenses remained stable at €-220 million (€-218 million at 30 June 2022). This item included €-63 million relating to restructuring costs (€-35 million at 30 June 2022), €-19 million relating to amortization of intangible assets generated by business combinations and bancassurance agreements (€-13 million at 30 June 2022) and other non-operating net expenses for €-139 million (€-171 million at 30 June 2022). In the first half of 2023, the other non-operating net expenses also included higher non-recurring costs for development projects in certain countries, offset by lower impact from the application of IAS 29 in Argentina, an accounting standard dedicated to economies characterized by hyperinflation.

The **tax rate** decreased from 40.0% to 29.2% due to different effects, among which the absence, in 2023, of some non-deductible impairments and non-deductible costs booked in 2022 and to the non-taxable step up of some participation as of 30 June 2023.

The **result attributable to minority interests**, amounting to €216 million (€123 million at 30 June 2022), which corresponds to a minority rate of 8.8% (12.5% at 30 June 2022), improved mainly due to the results of Banca Generali and the Asian companies, which were penalised in 2022 by financial market performance, especially in investments at fair value through profit or loss.

The **result of discontinued operations** amounted to €30 million (€-98 million at 30 June 2022) and includes the result of the Cattolica bancassurance JVs (Vera and BCC).

The **adjusted net result** substantially increased to €2,330 million (€1,448 million HY 2022). This was due primarily to the improved operating result, non-recurring capital gains related to the disposal of a London real estate development (€193 million net of taxes), and it also reflects the impact from €97 million in impairments on Russian fixed income instruments recorded during the first half of 2022. The **Group's net result** amounted to €2,243 million (€864 million at 30 June 2022).

From operating result to result of the period

(€ million)	30/06/2023	30/06/2022	Change
Consolidated operating result	3,721	2,907	28.0%
Insurance services result	2,978	2,226	33.8%
Operating investment result	1,146	1,005	14.0%
Other operating income and expenses	-402	-324	24.2%
of which operating holding expenses	-278	-259	7.5%
Consolidated non-operating result	-242	-1,100	-78.0%
Non-operating investment result	272	-578	n.m.
Net non-operating gains from investments at FVTPL and gains and losses on foreign currency	-48	-524	-90.8%
Net non-operating realized gains on other investments	371	77	n.m.
Net non-operating ECL and impairment losses on other investments	-51	-130	-60.5%
Net other non-operating expenses	-220	-218	0.8%
Non-operating holding expenses	-294	-304	-3.3%
Interest expenses on financial debt	-216	-236	-8.6%
Other non-operating holding expenses	-78	-68	15.5%
Earnings before taxes	3,479	1,808	92.4%
Income taxes (*)	-1,049	-722	45.3%
Earnings after taxes	2,429	1,085	n.m.
Profit or loss from discontinued operations	30	-98	n.m.
Consolidated result of the period	2,459	987	n.m.
Result of the period attributable to the Group	2,243	864	n.m.
Result of the period attributable to minority interests	216	123	75.5%

(*) At 30 June 2023, the amount is net of non-recurring taxes shared with the policyholders for € -45 million (nil at 30 June 2022).

Group's financial position

Key figures

(€ million)	30/06/2023	31/12/2022	Change
Shareholders' equity attributable to the Group	26,693	26,650	0.2%
Contractual service margin	32,095	31,025	3.4%
Total Assets Under Management (AUM)	631,034	615,185	2.6%
of which third-party Assets Under Management (AUM)	178,381	167,872	6.3%
Solvency Ratio	228%	221%	7 p.p.

The **Group shareholders' equity** stood at €26,693 million (€26,650 million at 31 December 2022), slightly up by 0.2%. The change was mainly attributable to the Group's result of the period, equal to €2,243 million, partly offset by the 2022 dividend distribution for a total of €1,790 million.

The **Contractual Service Margin (CSM)** reflects the estimate of unearned profit in the group of insurance contracts that has not yet been recognized in profit or loss at each reporting date, because it relates to future service to be provided;

the contractual service margin relevant to (re)insurance contracts issued (gross view) amounted to €32,095 million, of which €31,268 million relevant to the Life segment and €826 million relevant to the P&C segment. From year-end 2022 to 30 June 2023 the Life Contractual Service Margin (Life CSM) increased by €1,061 million, moving from €30,207 million to €31,268 million. The positive development was mainly driven by the contribution of the New Business CSM (€1,541 million) which, coupled with the expected return (€852 million), more than offset the CSM release to profit or loss (€1,492 million), leading to a solid 3.0% normalized growth of CSM in the period. The positive economic variance (€1,354 million, linked to the equity performance and the tightening of government spreads) was offset by operating variances (€-725 million, mostly due to trend on lapses observed in Italy and France) and by the impact (€-468 million) of the classification of Generali Deutschland Pensionskasse under IFRS 5, following its announced disposal.

The **Group debt** was as follows:

Group debt		
(€ million)	30/06/2023	31/12/2022
Operating debt	33,862	35,365
Financial debt	10,506	10,289
Subordinated liabilities	8,549	8,358
Senior bonds	1,810	1,765
Other financial debt	146	166
Total	44,367	45,654

The decrease in the Group's operating debt was mainly attributable to the reduction of the payables to bank customers. The increase in the Group's financial debt was mainly driven by the liability management performed in April 2023. The Group issued a new Euro denominated Tier 2 bond, in green format, due on 20 April 2033 with a nominal value of €500 million. In conjunction the Group performed a cash buyback offer on its €1,500,000,000 4.596% Fixed-Floating Rate Perpetual Notes for a total nominal amount of €499,563,000 of which roughly €149 million held by Group companies and roughly €351 million held by external investors.

The weighted average cost of financial debt stood at 4.31%, showing a slight increase compared to year-end 2022, mainly due to the liability management performed in April 2023.

The **Group's total investments** amounted to €452,654 million (+1.2%), following the increase in financial assets where the investment risk is borne by the policyholders and related to pension funds (+7.0%) which offset the slight decrease during the semester of General Account investments (-0.4%).

With regards to this last component, in terms of incidence, fixed income investments and cash and cash equivalents remained essentially stable, at 79.7% and at 3.0% respectively. Equity investments increased, standing at 7.5% (7.4% at 31 December 2022). Investment properties decreased to 7.9% (8.2% at 31 December 2022), following the market decrease and the exiting from consolidation perimeter of Saxon Land, whereas other investments, which mainly includes receivables from banks and customers, investments in subsidiaries, associated companies and joint ventures, and derivatives, increased to 1.9% (1.7% at 31 December 2022).

The **Group's total Assets Under Management** stood at €631,034 million (+2.6% compared to 31 December 2022), of which **Third-party Assets Under Management** amounted to €178,381 million (+6.3% compared to 31 December 2022). The increase was mainly due to the positive performance of financial markets and to the positive net inflows.

Group investments

(€ million)	30/06/2023	Impact (*)	31/12/2022	Impact (*)
Fixed income investments	279,594	79.7%	280,489	79.7%
Equity investments	26,160	7.5%	26,129	7.4%
Land and buildings (investment properties)	27,827	7.9%	28,942	8.2%
Cash and cash equivalents	10,488	3.0%	10,619	3.0%
Other investments	6,646	1.9%	5,878	1.7%
Total General Account investments	350,715	100.0%	352,057	100.0%
Financial assets where the investment risk is borne by the policyholders and related to pension funds	101,939		95,256	
Group's total investments	452,654		447,313	
Third-party Assets Under Management	178,381		167,872	
Group's total Assets Under Management	631,034		615,185	

The Group **Solvency Ratio** stood at 228% (221% at 31 December 2022). The 7 p.p. increase mainly reflected the solid contribution of the normalized capital generation which, coupled with the positive impacts stemming from regulatory changes and market variances (driven by the narrowing of spreads on government bonds and the favorable development of equity market), more than offset the dividend provision for the period and the negative non-economic variances (mainly linked to the surrender trend registered in specific Life portfolios in Italy and France, and to the share buyback supporting the Group's Long-Term Incentive Plan).

Life segment

Gross written premiums in the Life segment⁶ were € 25,888 million (-0.3% on equivalent terms). There was growth in both the protection line (+5.3%), mainly in France (+13.4%), Italy (+11.6%) and the International area (+4.5%), and the savings and pension line (+6.3%), mainly in Asia (+41.2%) and France (+9.3%). In contrast, the unit-linked line was down (-14.9%), especially in Italy (-25.4%) and France (-15.7%).

Life net inflows - defined as premiums collected, net of claims and surrenders - were €-877 million. The positive net inflows of the unit-linked line for €2,786 million (€4,476 million at 30 June 2022), focused primarily in France, Italy and Germany, and of the protection line for €2,565 million (€2,508 million at 30 June 2022), driven by Germany, France and Asia, partly offset the negative net inflows of the savings and pension line for €-6,228 million (€-1,128 million at 30 June 2022), were in line with the Group's strategy to reposition its portfolio and reflected the trends observed in the banking channels in Italy and France.

New business (expressed in terms of the present value of new business premiums - **PVNB**) was €21,424 million (-14.0%). The volume reduction reflected predominantly the higher impact of the discounting of future premiums driven by the increase in interest rates: in terms of Annual Premium Equivalent (APE) the drop in the production was in fact 3.6%. In the different geographical areas, the largest PVNB contraction was recorded in France (-22.5%, further emphasized by the early recognition in the second quarter of 2022 of the onerous part of group protection business effective from 2023, as an effect of IFRS 17 contract recognition requirements), in Italy (-14.9%, further amplified by the challenging environment for insurance products due to competition from government bonds) and in DACH area (-15.1%, also due to the closure to sale of the pension product, so-called Riester, in Germany). International, instead, recorded a positive development (+15.7%, mainly driven by Asia).

New Business Margin on PVNB (NBM) stood at an excellent 5.81%, improving by 0.31 p.p. compared to the first half of 2022, mainly thanks to the increase of interest rates. The combination of higher profitability and lower volumes resulted in a **New Business Value** (NBV) of €1,245 million (-9.2%; €1,370 million in the first half of 2022).

⁶ Including premiums from investment contracts equal to €776 million (€532 million at 30 June 2022).

Life segment operating result

(€ million)	30/06/2023	30/06/2022	Change
Life segment operating result	1,813	1,879	-3.5%
Operating insurance services result	1,391	1,461	-4.9%
Operating investment result	422	418	1.1%

The **operating result** of the Life segment was €1,813 million (€1,879 million at 30 June 2022). It mainly includes release of the contractual service margin (CSM) and the operating result of investment.

The operating insurance services result, amounting to €1,391 million (€1,461 million at 30 June 2022), declined mainly due to a negative one-off experienced by Global Business Activities in the reinsurance result.

The operating investment result remained stable at € 422 million (€418 million at 30 June 2022), in which the higher current income was offset by the increase in the insurance finance expenses.

Other information on the Life segment

Life segment operating result and non-operating result

(€ million)	30/06/2023	30/06/2022	Change
Life segment operating result	1,813	1,879	-3.5%
Operating insurance services result	1,391	1,461	-4.9%
Operating investment result	422	418	1.1%
Life segment non-operating result	198	-336	n.m.
Life segment earnings before taxes	2,011	1,543	30.4%

Life segment operating result

(€ million)	30/06/2023	30/06/2022	Change
Life segment operating insurance services result	1,391	1,461	-4.9%
CSM release	1,492	1,493	-0.1%
Risk adjustment release	75	76	-2.1%
Loss component	-41	-59	-30.1%
Experience variance and other technical result	-138	-16	n.m.
Other operating income and expenses	3	-33	n.m.
Life segment operating investment result	422	418	1.1%
Operating investment income	9,705	-11,847	n.m.
Insurance finance expenses	-9,282	12,264	n.m.
Life segment operating result	1,813	1,879	-3.5%

Life segment indicators by country

(€ million)	Operating result		CSM release	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Italy	782	749	615	658
France	393	382	304	329
DACH	340	366	348	308
Germany	241	285	236	199
Austria	45	26	42	46
Switzerland	54	54	70	63
International	390	359	200	185
CEE	133	86	90	89
Mediterranean & Latin America	119	108	37	39
Asia	137	166	74	57
Group holdings and other companies (*)	-92	24	24	12
Total	1,813	1,879	1,492	1,493

(*) The data relating to Operating result also include country adjustments.

Life segment indicators by country

(€ million)	Gross written premiums		Net inflows	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Italy	8,483	9,160	-2,589	1,121
France	5,964	6,008	-916	1,128
DACH	6,578	6,609	765	1,842
Germany	5,447	5,460	688	1,654
Austria	621	652	-27	85
Switzerland	510	497	105	103
International	4,223	3,574	1,821	1,718
CEE	588	565	125	124
Mediterranean & Latin America	741	663	24	101
Asia	2,894	2,345	1,672	1,494
Group holdings and other companies	639	621	41	46
Total	25,888	25,971	-877	5,856

Life segment direct written premiums by line of business and by country

(€ million)	Savings and Pension		Protection		Unit-linked		Total	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Italy	6,204	6,254	338	303	1,941	2,603	8,483	9,160
France	1,676	1,533	1,323	1,167	2,297	2,724	5,295	5,424
DACH	1,933	1,907	2,606	2,557	2,039	2,115	6,578	6,580
Germany	1,625	1,590	2,293	2,250	1,529	1,592	5,447	5,431
Austria	225	234	247	242	149	176	621	652
Switzerland	83	84	67	66	360	347	510	497
International	2,301	1,754	1,486	1,436	434	381	4,221	3,572
CEE	90	95	313	284	183	185	587	564
Mediterranean & Latin America	130	142	467	435	144	86	741	663
Asia	2,081	1,517	706	717	107	109	2,893	2,344
Group holdings and other companies	0	0	103	97	0	10	103	107
Total	12,114	11,449	5,856	5,560	6,710	7,833	24,680	24,842

Life segment indicators by country

(€ million)	PVNBP		NBV		NBM	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Italy	7,446	8,726	534	592	7.2%	6.8%
France	5,678	7,329	308	296	5.4%	4.0%
DACH	5,224	6,145	233	300	4.5%	4.9%
Germany	4,421	5,220	182	227	4.1%	4.4%
Austria	556	622	31	41	5.6%	6.5%
Switzerland	246	303	20	32	8.0%	10.5%
International	2,960	2,637	170	183	5.8%	6.9%
CEE	486	505	42	57	8.6%	11.3%
Mediterranean & Latin America	653	621	57	70	8.8%	11.3%
Asia	1,821	1,512	71	56	3.9%	3.7%
Group holdings and other companies	116	81	0	-0	0.2%	-0.2%
Total	21,424	24,919	1,245	1,370	5.8%	5.5%

Property & Casualty segment

Gross written premiums in the P&C segment grew to € 16,349 million (+10.6% on equivalent terms) boosted by the performance of both business lines.

Non-motor improved strongly (+10.7%), achieving widespread growth across all the main areas of the Group. Europ Assistance premiums grew by 44.0%, thanks to continued volume expansion in the travel business.

The motor line rose by 11.0%, thanks to the positive dynamics seen in Italy (+5.0%), France (+2.7%), CEE (+10.1%) and Argentina (+119.3%). Excluding the contribution from Argentina, a country impacted by a hyperinflationary scenario, motor line premiums would have increased by 5.1%.

The combined ratio stood at 91.6% (97.0% at 30 June 2022), reflecting an improvement in the loss ratio to 62.1% (-6.3 p.p.), only partly offset by an expense ratio slightly higher, at 29.5% (+0.9 p.p.). The positive dynamics in the loss ratio benefited from a higher discounting effect. Natural catastrophe impacted the combined ratio by 1.2% (1.9% at 30 June 2022). The impact from natural catastrophes was benign in the first quarter, while mainly driven by floods in Italy in the second quarter of 2023. The impact from large man-made claims increased to 1.8% (+1.0 p.p.). The contribution from prior year development was -2.8% at 30 June 2023: it stood at +0.5% at 30 June 2022 due to a specific inflation-related reserves strengthening action.

The undiscounted combined ratio - which excludes the discounting effect from claims reserved - improved to 95.2% (98.7% at 30 June 2022).

Property&Casualty segment operating result

(€ million)	30/06/2023	30/06/2022	Change
Property&Casualty segment operating result	1,853	998	85.7%
Operating insurance services result	1,239	393	n.m.
Operating investment result	615	605	1.6%

The operating result stood at € 1,853 million (€ 998 million at 30 June 2022). It benefited from the increase in the operating insurance services result, which rose from € 393 million to € 1,239 million, reflecting the aforementioned combined ratio performance. The operating investment result, amounting to € 615 million (€ 605 million at 30 June 2022), benefited from the higher current income, also thanks to the acquisitions in 2022, offset by the increase in the insurance finance expenses.

Other information on the Property & Casualty segment

Property&Casualty segment operating and non-operating result

(€ million)	30/06/2023	30/06/2022	Change
Property&Casualty segment operating result	1,853	998	85.7%
Operating insurance services result	1,239	393	n.m.
Operating investment result	615	605	1.6%
Property&Casualty segment non-operating result	-104	-427	-75.6%
Property&Casualty segment earnings before taxes	1,749	571	n.m.

Property&Casualty segment operating result

(€ million)	30/06/2023	30/06/2022	Change
Property&Casualty segment operating insurance services result	1,239	393	n.m.
Insurance contract revenues	14,791	13,183	12.2%
Total incurred claims	-8,722	-8,614	1.2%
Insurance expenses	-4,200	-3,630	15.7%
Reinsurance result	-465	-405	14.7%
Other operating income and expenses	-166	-141	17.8%
Property&Casualty segment operating investment result	615	605	1.6%
Operating investment income	788	624	26.2%
Insurance finance expenses	-173	-19	n.m.
Property&Casualty segment operating result	1,853	998	85.7%

Property&Casualty segment indicators by country

(€ million)	Gross written premiums		Operating result	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Italy	4,275	4,061	402	381
France	2,055	1,718	226	-4
DACH	3,951	3,787	456	304
Germany	2,410	2,317	295	194
Austria	1,001	932	141	101
Switzerland	539	538	20	10
International	4,646	3,865	449	287
CEE	1,833	1,664	233	136
Mediterranean & Latin America	2,117	1,987	170	127
Asia	695	215	47	23
Group holdings and other companies	1,423	1,056	320	30
Total	16,349	14,487	1,853	998

(*) The data relating to Operating result also include country adjustments.

Property&Casualty segment direct written premiums by line of business and by country

(€ million)	Motor		Non-motor		Total	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Italy	1,580	1,505	2,596	2,444	4,177	3,950
France	637	603	1,387	1,085	2,024	1,688
DACH	1,564	1,543	2,382	2,241	3,946	3,784
Germany	934	931	1,472	1,385	2,406	2,316
Austria	399	380	601	551	1,000	931
Switzerland	231	232	309	305	539	538
International	1,903	1,575	2,590	2,137	4,493	3,712
CEE	893	798	916	846	1,809	1,644
Mediterranean & Latin America	790	747	1,277	1,197	2,067	1,944
Asia	220	30	397	94	617	124
Group holdings and other companies	21	10	1,086	765	1,107	775
Total	5,706	5,237	10,041	8,672	15,746	13,909

Technical indicators by country

	Combined ratio (*)		Loss ratio		Expense ratio	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Italy	93.6%	96.2%	64.1%	69.3%	29.6%	26.9%
France	90.8%	103.8%	66.5%	77.4%	24.3%	26.4%
DACH	91.3%	97.4%	62.8%	68.4%	28.4%	29.1%
Germany	91.0%	98.0%	62.4%	68.2%	28.5%	29.8%
Austria	89.5%	94.2%	61.2%	66.2%	28.3%	28.1%
Switzerland	97.3%	101.4%	69.1%	74.1%	28.3%	27.3%
International	93.4%	95.5%	61.7%	65.0%	31.7%	30.5%
CEE	88.5%	94.3%	54.8%	61.4%	33.7%	32.9%
Mediterranean & Latin America	95.8%	97.1%	64.9%	66.8%	30.9%	30.3%
Asia	98.5%	88.0%	70.0%	78.7%	28.5%	9.3%
Group holdings and other companies	80.1%	92.4%	46.9%	59.6%	33.2%	32.9%
Total	91.6%	97.0%	62.1%	68.4%	29.5%	28.6%

(*) NAT CAT claims impacted on the Group combined ratio for 1.2 p.p., of which 2.0 p.p. in Italy, 0.7 p.p. in France, 1.0 p.p. in DACH, 0.1 p.p. in International and 4.2 p.p. in Group holdings and other companies (at 30 June 2022 NAT CAT claims impacted on the Group combined ratio for 1.9 p.p., of which 0.3 p.p. in Italy, 5.6 p.p. in France, 3.5 p.p. in DACH, 0.7 p.p. in International and 2.0 p.p. in Group holdings and other companies).

Asset & Wealth Management segment

Asset & Wealth Management segment operating result

(€ million)	30/06/2023	30/06/2022	Change
Asset & Wealth Management segment operating result	498	491	1.3%
Asset Management	265	326	-18.9%
Banca Generali (*)	233	165	41.2%

(*) Operating contribution from Banca Generali group as per Generali's view.

The **operating result** of the Asset & Wealth Management segment stood at €498 million (+1.3%).

In particular, the result of Asset Management amounted to €265 million (-18.9%), due to lower revenues and higher expenses.

The operating result for the Banca Generali group was €233 million (+41.2%). This increase reflects Banca Generali's capacity to benefit from the level of interest rates and, at the same time, pursue sustainable growth. The profit quality is confirmed by the trend for the recurring component which has risen, in fact, to €166 million (+54.0%). Net inflows of the Banca Generali group in the first half of 2023 amounted to €3.3 billion, confirming a trend of strong and constant business growth.

Focus on Asset Management

Key figures

(€ million)	30/06/2023	30/06/2022	Change
Operating revenues	517	545	-5.1%
Operating expenses	-253	-219	15.4%
Net result ⁷	190	225	-15.6%
Cost/Income ratio	48.8%	40.1%	8.7 p.p.

(€ billion)	30/06/2023	31/12/2022	Change
Asset Under Management	502	505	-0.5%
of which third-party Assets Under Management	103	102	1.1%

Operating revenues decrease by 5.1% to €517 million, following the market effect on assets under management over the course of 2022 and for the strong reduction on performance fees to €4 million in the first half of 2023 (€38 million at 30 June 2022). The lower revenues were partly offset by the contribution of non-recurring fees, deriving from the real assets, which rose by 38% compared to the same period of the previous year.

Operating expenses reached approximately €253 million (+15.4%), with the increase mainly driven by higher costs related to IT and operations.

The cost/income ratio - calculated as the ratio of operating expenses to operating revenues - increased to 48.8% (+8.7 p.p.).

The **net result**⁸ of Asset Management stood at €190 million (-15.6%).

The total value of the **Assets Under Management** of the Asset Management companies was €502 billion (-0.5% compared to last year). The decrease mainly reflects the insurance companies' outflows.

Third-party Assets Under Management of the Asset Management companies stood at €103 billion (+1.1%). Net inflows from third-party clients recorded a positive €903 million.

Holding and other businesses segment

Holding and other businesses segment operating result

(€ million)	30/06/2023	30/06/2022	Change
Holding and other businesses segment operating result	-125	-149	-16.4%
Other businesses (*)	154	110	40.2%
Operating holding expenses	-278	-259	7.5%

(*) Including other financial businesses, pure financial holdings, international service activities and any other non-core businesses.

The **operating result** of the Holding and other businesses segment improved to €-125 million (€-149 million at 30 June 2022).

⁷ After minorities

⁸ After minorities.

The contribution from Other businesses was positive, standing at €154 million (€110 million at 30 June 2022), thanks in particular to the results of France, from the higher intra-group dividends, and of Planvital.

Holding operating expenses increased by 7.5% mainly due to the increase in costs related to personnel and projects for the implementation of new strategic initiatives.

OUTLOOK⁹

In the first half of 2023, financial markets were driven by two interlinked factors which are expected to continue to set the tone for the second half of the year: the first factor concerned the future trajectory of inflation, with lower energy prices and improving supply chains pointing to slower inflation while rising wages and full employment in several countries indicating a more persistent inflationary dynamic. The second factor driving financial markets was the anticipation of an economic slowdown resulting from the series of rate hikes implemented by the major central banks since 2022; this expectation was reinforced by the tightening in credit standards in the US and European banking sector, also as an effect of the stress on US regional banks. Nevertheless, the economy and financial markets proved more resilient than expected to higher interest rates.

In the second half of 2023, the global insurance sector may be affected by uncertainty due to the possibility of an economic slowdown, which may be offset by an expected reduction in inflation in the coming months.

In this context and in line with the priorities set out in the Lifetime Partner 24: Driving Growth plan, in the Life segment the Group confirms the rebalancing of its portfolio to further increase its profitability, with more efficient capital allocation. Simplification and innovation will continue to be key, with a range of modular product solutions, designed for the specific requirements and new needs of customers. In the P&C segment, the Group's objective for the mature insurance markets in which it operates is to maximise profitable growth, also benefitting in 2024 from the purchase of Liberty Seguros. The Group confirms its focus on the non-motor line. In high growth potential markets the priority is to gain market share by expanding its presence and offer. The Group also continues to follow an adaptive approach towards pricing adjustments - after those undertaken during 2022 and the beginning of 2023, which have translated into a tangible increase in the annual average premium - and other technical measures aimed at improving profitability. In the Asset & Wealth Management segment, Asset Management continues to implement its strategy, with the aim of extending the product catalogue, in particular for real assets & private assets, enhancing distribution competences, and expanding its presence in new markets to which the recent acquisition of Conning Holdings Limited will contribute starting from the second half of 2024. In Wealth Management, the Banca Generali group will continue to focus on its targets in terms of size, profitability and shareholders' remuneration as defined in its strategic plan.

With reference to the investment policy, the Group confirms its asset allocation strategy/approach aimed at ensuring consistency with liabilities to policyholders and increasing current returns, as well as selective investments aimed at improving the portfolio diversification and inflation protection in the long term.

Thanks to the business actions taken to maintain profitability and to the strategic initiatives launched in line with the plan, the Group confirms its commitment to pursue sustainable growth, enhance its earnings profile and lead innovation in order to achieve a compound annual growth rate in earnings per share¹⁰ between 6% and 8% in the period 2021-2024, to generate net holding cash flow¹¹ exceeding €8.5 billion in the period 2022-2024 and to distribute a cumulative dividend to shareholders for an amount between € 5.2 billion and €5.6 billion in the period 2022-2024, with a ratchet policy on dividend per share.

⁹ 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.

¹⁰ 3 year CAGR based on 2024 adjusted EPS (according to IFRS17/9 accounting standards and adjusted net result definition currently adopted by the Group), versus 2021 adjusted EPS (according to IFRS4 accounting standards and adjusted net result definition adopted by the Group until 2022).

¹¹ Net holding cash flow and dividend expressed in cash view.

NOTES TO THE REPORT

The Half-Yearly Consolidated Financial Report 2022 of the Generali Group is drafted in compliance with currently effective regulations and it applies the IAS/IFRS international accounting standards, namely IAS 34 about interim report. Please refer to the Half-Yearly Condensed Consolidated Financial Statements for further details on the basis of presentation and accounting principles.

The Group uses the option provided for under art. 70, paragraph 8, and art. 71, paragraph 1-bis of the 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 Half-Yearly Consolidated Financial Report. The amounts are shown in million and rounded to the total. Therefore, the sum of each rounded amount may sometimes differ from the rounded total.

Information broken down by geographical area reported in this document reflects the Group's managerial structure that is made up of:

- Italy;
- France;
- DACH: Germany, Austria and Switzerland;
- International: Central Eastern Europe (CEE), Mediterranean & Latin America and Asia;
- Asset & Wealth Management;
- Group holdings and other companies, which consists of the Parent Company's management and coordination activities, including Group reinsurance, as well as Europ Assistance, Global Business Activities and other financial holding companies and suppliers of international services not included in the previous geographical areas.

At 30 June 2023, the consolidation area totaled 543 companies (542 at 31 December 2022), of which 481 subsidiaries consolidated line by line and 62 associated companies valued at equity.

Transactions with related parties

Information on transactions with related parties is available in the chapter *Transactions with related parties* in the *Notes* in the Half-Yearly Consolidated Financial Report.

METHODOLOGICAL NOTES ON ALTERNATIVE PERFORMANCE MEASURES

In order to help the assessment of the quality and sustainability of the net result of the Generali Group in the various business segments and territorial areas, the Management Report includes the following alternative performance measures.

Gross written premiums

Gross written premiums in the Management Report differ from insurance income generated from insurance contracts issued shown in the income statement. To better present the insurance turnover of the Group they include the inflows coming from both insurance contracts and investment contracts.

Operating result

The operating result cannot replace earnings before taxes calculated in accordance with IAS/IFRS. In addition, it should be read with the financial information and related notes on the accounts which are included in the audited financial statements.

The operating result is drawn up by reclassifying items of earnings before taxes for each segment on the basis of the management characteristics of each segment and taking into consideration the recurring holding expenses.

Specifically, the operating result represents earnings before taxes, gross of interest expense on financial debt, non-operating investment result and non-operating income and expenses, including non-operating holding expenses. In the **Life** segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:

- net gains from investments valued at fair value through profit and loss, net gains on currencies, allocation and reversal to expected credit losses and other net impairments only related to investments not backing portfolios with direct profit participation, and the free assets;
- net other non-operating expenses that mainly include company restructuring costs, amortization of intangible assets generated by business combinations and bancassurance agreements and net other non-recurring expenses.

Furthermore, where a new fiscal law or other non-recurring fiscal impacts materially affects the operating result, thanks to the policyholders' profit participation mechanisms, the estimated amount of non-recurring effects mentioned above is accounted for in the operating result.

In the **Property & Casualty** segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:

- net gains from investments valued at fair value through profit and loss, net gains on currencies, net realized gains, allocation and reversal to expected credit losses and other net impairments from the other investments; net other non-operating expenses that mainly include company restructuring costs, amortization of intangible assets generated by business combinations and bancassurance agreements and net other non-recurring expenses.

In the **Asset & Wealth Management** segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:

- net gains from investments valued at fair value through profit and loss, net gains on currencies, net realized gains, allocation and reversal to expected credit losses and other net impairments from the other investments;
- net other non-operating expenses that mainly include company restructuring costs, amortization of intangible assets generated by business combinations and bancassurance agreements and net other non-recurring expenses.

In the **Holding and other businesses** segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:

- net gains from investments valued at fair value through profit and loss, net gains on currencies, net realized gains, allocation and reversal to expected credit losses and other net impairments from the other investments;
- net other non-operating expenses that mainly include company restructuring costs, amortization of intangible assets generated by business combinations and bancassurance agreements and net other non-recurring expenses.

As for holding expenses, general expenses incurred for management and coordination by the Parent Company and territorial sub-holdings are considered as operating items. Non-operating holding expenses include:

- interest expenses on financial debt;
- company restructuring costs and other non-recurring expenses incurred for management and coordination activities;
- costs arising from the assignment of stock options and stock grants by the Group.

The operating result and non-operating result of the Group are equivalent to the sum of the operating result and the non-operating result of the abovementioned segments and related consolidation adjustments.

In accordance with the approach described above, the operating result in the main countries where the Group operates is reported for the Life and Property & Casualty segments and the consolidated figures. In order to provide a management view of the operating result by geographical area, the disclosure by business segment and geographical area allows measurement of the result of each geographical area from a country viewpoint instead of as a contribution to the Group's results.

Within the context of the Life and Property & Casualty operating result of each country, reinsurance operations between Group companies in different countries are considered as transactions concluded with external reinsurers. This representation of the Life and Property & Casualty operating result by geographical area makes this performance indicator more consistent with both the risk management policies implemented by each company and the other indicators measuring the technical profitability of the Group's companies.

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

- income related from the release of the liability for incurred claims acquired in a business combination or in a portfolio transfer are deducted from the insurance expenses;
- financial investments and properties management expenses not linked to contracts with direct profit participation are reclassified from acquisition and administration costs to net operating income from financial instruments, more specifically to other expenses from financial instruments and land and buildings (investment properties);
- net financial expenses related to insurance contracts linked to the change in underlying items different from investments are reclassified in the net insurance service result;
- income and expenses related to real estate development activities are classified under other non-operating income and expenses, in accordance with the management model adopted that provides for sale at completion;
- gains and losses on foreign currencies, in Life segment, if related to portfolios with direct profit participation are reclassified in net operating income from financial instruments at fair value through profit or loss, while, in all the other cases, they are classified as net non-operating income from financial instruments at fair value through profit or loss;
- in case of new fiscal law or other non-recurring fiscal which impacts materially affects the operating result, thanks to the policyholders' profit participation mechanisms, the estimated amount of non-recurring effects mentioned above is accounted for in the operating result and excluded from taxes;

Operating result by margins

The operating result of the Life and Property & Casualty segments are reported also in accordance with a margin-based view which shows the operating trends of the changes occurred in each segment performance more clearly. The **Life** operating result is made up of the operating insurance service result, which includes the release of contractual service margin, risk adjustment release, losses on onerous contracts, experience variances and other operating income and expenses, and of the operating investment result which includes income and expenses from investments and financial income and expenses related to insurance contracts. The **Property & Casualty** operating result is made up of the operating insurance service result which includes income, claims, expenses and other charges from insurance

services, and of the operating investment result which includes income and expenses from investments and financial income and expenses related to insurance contracts.

Adjusted net result

The adjusted net result is obtained deduction from the net result the following items:

- volatility effects deriving from the valuation at fair value through profit and loss of investments not backing portfolios with direct profit participation and the free assets;
- profit and loss impact deriving from the application of *IAS 29 - Financial Reporting in Hyperinflationary Economies*;
- amortization of intangible assets related to *M&A*;
- impact of gains and losses from business acquisitions and disposals, including possible restructuring costs incurred during the first year from the acquisition.

Return on investments

The indicators for the return on investments are:

- **net current return** calculated as the ratio of:
 - interest and other income, including income from financial instruments at fair value through profit and loss (excluding income from financial instruments related to linked contracts) net of depreciation on real estate investments; to
 - average investments (calculated on book value);
- **harvesting rate** calculated as the ratio of:
 - net realized gains, net impairment losses and realized and unrealized gains and losses from financial instruments at fair value through profit and loss (excluding those from financial instruments related to linked contracts); to
 - average investments (calculated on book value).

The **profit and loss return** is the sum of the net current return and the harvesting rate net of investment management expenses as well as gains and losses on foreign currencies.

The average investments (calculated on book value) include: land and buildings (investment properties), investments in subsidiaries, associated companies and joint ventures, loans and receivables, cash and cash equivalents, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss excluding those related to linked contracts. Total investments are adjusted for both derivative instruments classified as financial liabilities at fair value through profit or loss and REPOs classified as other financial liabilities. The average is calculated on the average investment base of each quarter of the reporting period.

Consolidated investments

In order to provide a presentation of investments that is consistent with the calculation of the return on investments, the Group's investments in the Management Report differ from those reported in the balance sheet items since:

- Investment Fund Units (IFU) are split by nature in equity, bond and investment property instruments as well as cash equivalents;
- derivatives are presented on a net basis, thus including derivative liabilities. Moreover, hedging derivatives are classified in the respective asset class hedged;
- reverse REPOs (Repurchase Agreements) are reclassified from other fixed income instruments to cash and cash equivalents in accordance with their nature of short-term liquidity commitments; and
- REPOs classified as liabilities are presented in cash and cash equivalents.
- specific items accounted within receivables are included.

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





HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated financial statements

BALANCE SHEET

BALANCE SHEET - ACTIVITIES

Note	Items of assets	30/06/2023	31/12/2022
4	1. INTANGIBLE ASSETS	10,056	10,031
4	of which: goodwill	7,901	7,895
23	2. TANGIBLE ASSETS	3,783	3,963
17, 18	3. INSURANCE ASSETS	4,053	4,154
	3.1 Insurance contracts that are assets	389	243
	3.2 Reinsurance contracts that are assets	3,663	3,912
	4. INVESTMENTS	453,138	447,728
10	4.1 Land and buildings (investment properties)	24,787	25,627
2	4.2 Investments in subsidiaries, associated companies and joint ventures	2,824	2,492
7	4.3 Financial assets at amortised cost	22,315	23,297
8	4.4 Financial assets at fair value through other comprehensive income	221,300	221,322
9	4.5 Financial assets at fair value through profit or loss	181,912	174,991
9	a) financial assets held for trading	1,076	1,346
9	b) financial assets designated at fair value	595	691
9	c) financial assets mandatorily at fair value through profit or loss	180,241	172,954
24	5. OTHER FINANCIAL ASSETS	6,654	6,484
25	6. OTHER ASSETS	27,168	23,988
3	6.1 Non-current assets or disposal groups classified as held for sale	16,962	14,314
	6.2 Tax receivables	6,162	6,810
	a) current	3,540	3,807
	b) deferred	2,622	3,003
	6.3 Other Assets	4,044	2,864
11	7 CASH AND CASH EQUIVALENTS	6,356	6,900
	TOTAL ASSETS	511,207	503,249

BALANCE SHEET - EQUITY AND LIABILITIES

Note	Items of shareholders' equity and liabilities		30/06/2023	31/12/2022
20	1.	SHAREHOLDERS' EQUITY	28,956	28,973
		of which: attributable to the Group	26,693	26,650
		of which: attributable to minority interests	2,264	2,323
	1.1	Share capital	1,592	1,587
	1.2	Other equity instruments	0	0
	1.3	Capital reserves	6,607	7,107
	1.4	Revenue reserves and other reserves	18,825	18,464
	1.5	(Own shares)	-273	-583
	1.6	Valuation reserves	-2,301	-2,160
	1.7	Shareholders' equity attributable to minority interests	2,047	2,089
	1.8	Result of the period attributable to the Group	2,243	2,235
	1.9	Result of the period attributable to minority interests	216	235
	2.	OTHER PROVISIONS	2,542	2,406
	3.	INSURANCE PROVISIONS	400,951	395,764
17	3.1	Insurance contracts that are liabilities	400,860	395,715
18	3.2	Reinsurance contracts that are liabilities	91	49
	4.	FINANCIAL LIABILITIES	44,367	45,654
12	4.1	Financial liabilities at fair value through profit or loss	9,453	9,417
12		a) financial liabilities held for trading	1,408	1,364
12		b) financial liabilities designated at fair value	8,045	8,054
13	4.2	Financial liabilities at amortized cost	34,914	36,237
27	5.	PAYABLES	7,712	7,774
28	6.	OTHER LIABILITIES	26,678	22,677
	6.1	Liabilities associated with non-current assets and disposal groups classified as held for sale	16,788	13,676
	6.2	Tax payables	4,544	3,963
		a) current	2,023	1,533
		b) deferred	2,520	2,430
	6.3	Other liabilities	5,347	5,038
		TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	511,207	503,249

INCOME STATEMENT

Note	Items	30/06/2023	30/06/2022
19	1. Insurance revenue from insurance contracts issued	24,035	21,418
19	2. Insurance service expenses from insurance contracts issued	-20,193	-18,820
19	3. Insurance revenue from reinsurance contracts held	946	1,175
19	4. Insurance service expenses from reinsurance contracts held	-1,662	-1,588
	5. Insurance service result	3,126	2,185
	6. Income/expenses from financial assets and liabilities at fair value through profit or loss	6,521	-17,024
	7. Income/expenses from investments in subsidiaries, associated companies and joint ventures	39	129
	8. Income/expenses from other financial assets and liabilities and investment properties	4,161	4,574
	8.1 - Interest income calculated using the effective interest rate method	3,744	3,640
	8.2 - Interest expenses	-369	-294
	8.3 - Other income/expenses	853	570
	8.4 - Realised gains/losses	226	225
	8.5 - Unrealised Gains/losses	-293	434
15	of which: linked to credit impaired financial assets	-10	-119
14	9. Result of investments	10,722	-12,321
	10. Net finance income/expenses related to insurance contracts issued	-9,393	12,225
	11. Net finance income/expenses related to reinsurance contracts held	-28	-24
	12. Net finance result	1,301	-119
29	13. Other income/expenses	303	249
29	14. Acquisition and administration costs:	-485	-462
	14.1 - Investment management expenses	-21	-16
	14.2 - Other administrative costs	-464	-446
29	15. Net provisions for risks and charges	-155	-28
29	16. Net impairment on tangible assets	-70	-73
29	17. Net impairment on intangible assets	-93	-55
	of which: impairment on goodwill	-0	-0
29	18. Other income/charges	-494	112
	19. Profit (Loss) before tax	3,433	1,808
31	20. Income tax	-1,004	-722
	21. Profit (Loss) after tax	2,429	1,085
	22. Profit (Loss) from discontinued operations	30	-98
	23. Consolidated result of the period	2,459	987
	of which attributable to the Group	2,243	864
	of which attributable to minority interests	216	123

STATEMENT OF COMPREHENSIVE INCOME

Items	30/06/2023	30/06/2022
1. Profit (Loss) for the period	2,459	987
2. Other items, net of taxes, that may not be reclassified to profit and loss in future periods	-10	299
2.1 Share of valuation reserves of associated companies valued at equity method	1	0
2.2 Reserve for revaluation model of intangible assets	0	0
2.3 Reserve for revaluation model of tangible assets	0	0
2.4 Net finance expenses/income from insurance contracts issued	0	0
2.5 Result of discontinued operations	0	-0
2.6 Actuarial gains or losses arising from defined benefit plans	-42	638
2.7 Net gains and losses on equity instruments designated at fair value through other comprehensive income	32	-339
2.8 Changes in own credit risk on financial liabilities designated at fair value through profit or loss	-1	0
2.9 Other items	0	0
3. Other items, net of taxes, that may be reclassified to profit or loss in future periods	-285	-1,537
3.1 Foreign currency translation differences	-96	316
3.2 Net gains and losses on financial assets (other than equity instruments) at fair value through other comprehensive income	3,417	-33,976
3.3 Net gains and losses on cash flows hedging derivatives	140	-1,059
3.4 Net gains and losses on hedge of a net investment in foreign operations	4	-12
3.5 Share of valuation reserves of associated companies valued at equity method	-1	-6
3.6 Net finance expenses/income from insurance contracts issued	-3,768	33,507
3.7 Net finance expenses/income from reinsurance contracts held	-21	-279
3.8 Result of discontinued operations	41	-28
3.9 Other items	0	0
4. TOTAL OTHER COMPREHENSIVE INCOME (EXPENSES)	-295	-1,238
5. TOTAL COMPREHENSIVE INCOME (EXPENSES)	2,165	-251
5.1 of which: attributable to the Group	2,102	-249
5.2 of which: attributable to minority interests	63	-2

STATEMENT OF CHANGES IN EQUITY

	Share capital	Other equity instruments	Capital reserves	Revenue reserves and other reserves
Amounts at 1.1.2022	1,581	0	7,107	20,106
of which: Change in opening balances	0	0	0	0
Result of the period allocation 2021	0	0	0	0
Reserves	0	0	0	0
Dividends and other destination	0	0	0	-1,691
Changes in amount	0	0	0	0
New issuance shares	6	0	0	0
Purchase own shares	0	0	0	0
Change in ownership interest	0	0	0	60
Other Comprehensive Income	0	0	0	0
Other changes	-0	0	0	-11
Amount at 31.12.2022	1,587	0	7,107	18,464
Change in opening balances	0	0	0	0
Result of the period allocation 2022	0	0	0	0
Reserves	0	0	0	2,235
Dividends and other destination	0	0	0	-1,790
Changes in amount	0	0	0	0
New issuance shares	6	0	0	0
Purchase own shares	0	0	0	0
Change in ownership interest	0	0	0	-1
Other Comprehensive Income	0	0	0	0
Other changes	0	0	-500	-83
Amounts at 30.06.2023	1,592	0	6,607	18,825

Own shares	Valuation reserves	Profit (Loss) for the period	Shareholders' equity attributable to the Group	Shareholders' equity attributable to minority interests	Shareholders' equity
-82	-100	0	28,612	2,480	31,091
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	-1,691	-219	-1,910
0	0	0	0	0	0
0	0	0	6	0	6
-500	0	0	-500	0	-500
0	0	0	60	-215	-155
0	-2,060	0	-2,060	-165	-2,225
-0	0	2,235	2,223	443	2,666
-583	-2,160	2,235	26,650	2,323	28,973
0	0	0	0	0	0
0	0	0	0	0	0
0	0	-2,235	0	0	0
0	0	0	-1,790	-157	-1,946
0	0	0	0	0	0
0	0	0	6	0	6
-191	0	0	-191	0	-191
0	0	0	-1	-63	-64
0	-141	0	-141	-154	-295
500	0	2,243	2,160	314	2,474
-273	-2,301	2,243	26,693	2,264	28,956

STATEMENT OF CASH FLOWS (INDIRECT METHOD)

	Amount	
	30/06/2023	30/06/2022
Net cash flow from (used in):		
- Earnings before taxes	3,433	1,808
- Net revenues and expenses from insurance contracts issued and reinsurance contracts held (+/-)	6,446	-14,386
- Gains/losses on financial assets at fair value through profit and loss (+/-)	-5,188	18,899
- Other non-monetary income and expenses arising from financial instruments, investment property and investments in subsidiaries, associated companies and joint venture (+/-)	451	-447
- Net provisions for risks and charges (+/-)	219	62
- Interest income, dividends, interest expense, taxes (+/-)	-5,510	-4,308
- Other adjustments (+/-)	-63	-601
- Interest income collected (+)	3,975	3,866
- Dividends collected (+)	1,320	442
- Interest paid (-)	-399	-295
- Taxes paid (-)	74	-22
Net cash flow from (used in) other monetary items related to operating activities		
- Insurance contracts issued that are liabilities/assets (+/-)	-2,757	4,818
- Reinsurance contracts held that are assets/liabilities (+/-)	-758	870
- Liabilities from financial contracts issued by insurance companies (+/-)	-39	-166
- Receivables from banks (+/-)	26	21
- Payables to banks (+/-)	-1,460	1,000
- Other financial assets and liabilities measured at fair value through profit or loss (+/-)	0	0
- Other financial assets and liabilities (+/-)	-257	-1,758
Net cash flow from (used in) operating activities	-486	9,801
Net cash flow from (used in):		
- Sales/purchases of investment property (+/-)	156	-49
- Sale/purchases of investments in associated companies and joint ventures (+/-)	0	0
- Dividends collected on investments in subsidiaries, associated companies and joint venture (+)	0	0
- Sales/purchases of financial assets measured at amortised cost (+/-)	1,131	-2,593
- Sales/purchases of financial assets at fair value through other comprehensive income (+/-)	3,369	-3,777
- Sales/purchases of tangible and intangible assets (+/-)	-115	-429
- Sales/purchases of subsidiaries and business branches (+/-)	0	0
- Other net liquidity flows from investing activities (+/-)	-2,062	-1,245
Net cash flow from (used in) investing activities	2,479	-8,093
Net cash flow from (used in):		
- Share capital increases (+/-)	0	0
- Issues/purchases of own shares (+/-)	-191	0
- Dividend distribution and other (-)	-1,941	-1,848
- Disposal/acquisition of minority interests in subsidiaries	357	-354
- Issues/purchases of subordinated liabilities and participating financial instruments (+/-)	166	-65
- Issues/purchases of liabilities measured at amortised cost (+/-)	-903	173
Net cash flow from (used in) financing activities	-2,512	-2,095
NET CASH FLOW FROM/USED IN THE PERIOD	-519	-387

Balance sheet items	Amount	
	30/06/2023	30/06/2022
Cash and cash equivalents opening balance	6,900	7,939
Net cash flows from (used in) for the period	-519	-387
Cash and cash equivalents: foreign exchange effect	-25	52
Cash and cash equivalents closing balance	6,356	7,604

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Notes

BASIS OF PRESENTATION AND ACCOUNTING PRINCIPLES

Basis of presentation

The Half-yearly condensed consolidated financial statements as at 30 June 2023 was prepared in accordance with article 154-ter of Italian Legislative Decree No. 58/1998 and in accordance with IAS 34 applicable to interim reports. The Half-yearly condensed consolidated financial statements as at 30 June 2023 is made up of balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flow and notes. Consolidated financial statements and notes included in the Half-yearly condensed consolidated financial statements were presented considering the requirements of ISVAP Regulation no. 7 of 13 July 2007, as replaced by article 12 of IVASS Order no. 121 of 7 June 2022, and of the CONSOB communication n. 6064293 of 28 July 2006. As allowed by mentioned Regulation, Notes have been integrated with additional details in order to meet IAS/IFRS requirements. The tables, which are mandatory as established by the Regulator, are presented within the notes to this report. In particular, information on discontinued operations and their accounting treatment are included in the chapter *Non-current assets or disposal group classified as held for sale* in the section *Information on consolidation area and related operations*.

The statements, with mandatory minimum content as established by the Regulator, are presented in the Notes. If the regulatory tables envisage invalid combinations in certain cells, note that the Regulator requires the entry of an "x" to indicate that the disclosure requirement does not apply.

The Half-yearly condensed consolidated financial statements are drawn up in euro (the functional currency on which the Group operates) and the amounts are shown in million, unless otherwise stated with the consequence that rounded amounts may not add to the rounded total in all cases.

Note that, as for the previous year, the conditions still apply for the application of IAS 29 - Financial Reporting in Hyperinflationary Economies to the accounting values of Group companies based in Argentina and Turkey. Further details are provided under Basis of presentation and accounting principles in the Consolidated Financial Statements as at 31 December 2022.

The Half-yearly condensed consolidated financial statements as at 30 June 2023 are subject to a limited audit by the firm KPMG S.p.A., which was assigned the statutory audit assignment for the period 2021-29.

In the Condensed Consolidated Half-Yearly Financial Statements, the Group applies the new accounting standards IFRS 17 - Insurance contracts and IFRS 9 - Financial Instruments, and related amendments to other standards, in particular to IAS 40 and to IAS 28 relating the fair value of investments, in force from 1 January 2023. Minor amendments also apply, as illustrated in the following paragraphs.

There were no other changes to the accounting principles adopted by the Group. Further details can be found under Basis of presentation and accounting principles in the Consolidated Financial Statements at 31 December 2022.

New accounting principles

As mentioned above, from 1 January 2023 the Group applies the accounting standards IFRS 17 - Insurance contracts and IFRS 9 - Financial Instruments, and related amendments to other standards.

The first application of both standards introduces significant changes in measurement and accounting of (re)insurance contracts and financial instruments.

On 9 December 2021, the IASB published a limited amendment to the transition requirements of IFRS 17 (Amendment to IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 - Insurance Contracts), as regards the application of the requirements of IFRS 9 to the periods of comparison. The proposed amendment allows for a better alignment of the presentation of comparative information pursuant to IFRS 17 and IFRS 9, by means of a classification overlay, which

effectively applies to all financial instruments, including assets sold in 2022, of the rules envisaged by IFRS 9 for purposes of classification and measurement.

The Group has restated the period of comparison to the first application of IFRS 9 for all financial instruments, to produce 2022 comparative information consistent with IFRS 17 and IFRS 9 requirements, in line with the financial information provided from 1 January 2023.

The following paragraphs report the main changes introduced by the adoption of the new standards and the accounting policies adopted by the Group. The disclosure required by IFRS 7 in relation to the first application of IFRS 9, i.e. at 1 January 2023, is also provided.

IFRS 17 Insurance contracts

On 18 May 2017, the IASB published Standard IFRS 17 Insurance Contracts subsequently modified by Amendments to IFRS 17 published by the IASB on 25 June 2020.

The standard introduces a new model for measuring insurance contracts, structured on a Building Block Approach based on the Fulfilment Cash Flows (FCF), which comprise the present value of future cash flows, weighted by the probability of occurrence (Present Value of Future Cash Flows – PVFCF), and the adjustment for non-financial risk (Risk Adjustment - RA), and on the expected value of the unearned profit for the services provided (Contractual Service Margin - CSM). The adoption of a simplified approach (Premium Allocation Approach - PAA) is allowed if the contractual coverage period is less than one year or if the model used for the measurement provides a reasonable approximation with respect to the building block approach. The simplification applies to the measurement of the Liability for Remaining Coverage (LRC), which does not have to be broken down into PVFCF, RA and CSM, but is essentially based on the premium received net of acquisition costs. As it pertains to the Liability for Incurred Claims (LIC), the measurement is applied consistently with the General Measurement Model (GMM), for which all the claims occurred are subject to discounting and the calculation of the Risk Adjustment is executed accordingly.

The Variable Fee Approach (VFA) is envisaged for contracts entailing the direct participation of the policyholders in the Company's financial and/or insurance results; this is an alternative model to GMM, which provides for a different treatment of changes in cash flows linked to financial variables whose impact is reported in the CSM rather than directly in the statement of comprehensive income.

The IFRS 17 will also affect the presentation of revenues from insurance contracts, which will no longer include the premiums written and, in particular, the deposit components included in the premiums and claims. In addition, insurance revenues and costs for insurance services gross of reinsurance will be presented with the reinsurance result included in the costs of the insurance service. Pursuant to the IFRS 17, insurance liabilities are subject to discounting; the periodic unwinding of discounting will be a financial charge included in the financial result.

IFRS 17: most relevant accounting requirements and policy choices

Scope and separation of components of an insurance contract

According to the Standard, IFRS 17 is applied to all contracts that meet the definition of an insurance contract, including:

- a) insurance contracts, including reinsurance contracts (i.e., assumed business), issued;
- b) reinsurance contracts held; and
- c) investment contracts with discretionary participation features (DPF) issued if the entity also issues insurance contracts.

A contract is classified as an insurance contract on the basis of previa valutazione della significatività del rischio assicurativo trasferito all'entità che emette la polizza, la quale si impegna ad indennizzare l'assicurato dalle conseguenze avverse di uno specifico evento futuro incerto.

The Group does not highlight significant change on the insurance contracts classification deriving from the application of the IFRS 17 Standard.

In particular, policies of the Life segment are classified as insurance contracts or investments contracts on the basis of the following steps:

- identification of the characteristics of products (guarantees/options, discretionary participation features) and services provided;
- determination of the level of insurance risk in the contract;
- application of the applicable international principle

Insurance contracts create a bundle of rights and obligations that work together to generate a package of cash flows. Indeed, while some types of insurance contracts only provide insurance coverage (e.g., most short-term non-life contracts), other types of insurance contracts could contain one or more components that would be within the scope of another Standard if they were separate contracts. For example, some insurance contracts may contain:

- investment components (e.g., pure deposits, such as financial instruments whereby an entity receives a specified sum and undertakes to repay that sum with interest);
- good and service components (e.g., services other than insurance contract services, such as pension administration, risk management services, asset management or custody services); and
- embedded derivatives (e.g., financial derivatives, such as interest rate options or options linked to an equity index).

In certain cases, specifically defined by IFRS 17, the above-mentioned components must be separately considered and measured under another IFRS standard.

IFRS 17 requires separating from the host contract the distinct investment components only. Indeed, the investment component is distinct if, and only if, both of the following criteria are met:

- the investment component and the insurance component are not highly interrelated. The two components are highly interrelated if the value of one component varies with the value of the other component and hence the entity is unable to measure each component without considering the other one. The components are also highly interrelated if the policyholder is unable to benefit from one component unless the other is also present;
- a contract with terms equivalent to the investment component is sold, or could be sold, separately in the same market or same jurisdiction.

If the investment component does not satisfy the two conditions above, it would be identified as non-distinct and IFRS 17 would apply on the contract as a whole (no separation from host contract).

With reference to service component, the latter is considered as a separate component when cash flows and its associated risks are not closely related with the one arising from the primary insurance contract and therefore there is no evidence of an integration between service and insurance component.

Level of aggregation

IFRS 17 requires that an entity should aggregate contracts at inception in groups for recognition, measurement, presentation and disclosure. An entity shall establish the groups at initial recognition and shall not reassess the composition of the groups subsequently.

The starting point for aggregating contracts is to identify portfolios of insurance contracts. A portfolio comprises contracts that are subject to similar risks and managed together.

The assessment of "similar risks" should take into consideration the prevailing risks of the contracts. In case the prevailing risks are similar, then two contracts can be considered as exposed to similar risks.

The Group apply level of aggregation criteria requested by IFRS17 valuing portfolios of contracts on the basis of a variety of characteristics that consider underlying contracts risk as well as products features that can influence management and profitability of contracts. A non exhaustive list of segmentation drivers can be represented by:

- Line of business;
- Individual policies vs group policies;
- Contract features that imply different measurement models (e.g. multiyear vs annual contracts or participating contract vs non participating contract).

Group also considers currency segmentation as driver for portfolio definition when it has a significant impact on profitability.

In case of mutualised business, the “mutualised portfolio” is generally set in line with the level of granularity where mutualisation applies.

With reference to reinsurance contracts, the Group’s position is that a portfolio of reinsurance contracts could be composed by one or more reinsurance treaties grouped together that are managed together if exposed to similar risks. Type of coverage (proportional or non-proportional, Loss Occurring or Risk Attaching), as well as the nature of reinsurance contracts, can be considered as drivers that may be used to determine whether reinsurance contracts belong to the same portfolio.

IFRS 17 then requires the entity to divide the contracts in each portfolio on initial recognition into the following groups:

- group of contracts that are onerous at initial recognition;
- group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- group of the remaining contracts in the portfolio.

IFRS 17 prescribes that an entity cannot include contracts issued more than one year apart in the same group. Therefore, each portfolio should be disaggregated into annual cohorts, or cohorts consisting of periods of less than one year.

However, as per amendment done in the endorsement phase of IFRS 17, the Art.2 of European Commission Regulation (EU) 2021/2036 grants an entity applying IFRS 17 the option (i.e., Carve-out option) to not to apply the requirement laid down in paragraph 22 of the IFRS 17 (i.e., annual cohort requirement) to:

- groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features as defined in Appendix A to the Annex to the Regulation, and with cash flows that affect or are affected by cash flows to policyholders of other contracts as laid down in paragraphs B67 and B68 of Appendix B of that Annex;
- groups of insurance contracts that are managed across generations of contracts and that meet the conditions laid down in Article 77b of Directive 2009/138/EC and have been approved by supervisory authorities for the application of the matching adjustment.

Measurement Model

Variable Fee Approach (VFA)

The VFA is the mandatory measurement model to be applied for insurance contracts with direct participation features.

The Group classifies as contract with direct participation features (i.e. direct participating contract) a contract for which (i) the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items, (ii) the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and (iii) the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items. In addition to the transfer of significant insurance risk to the issuer, a direct participating contracts includes a significant investment-related service. Underlying items can include different type of items such as a reference portfolio of assets, technical items, the net assets of the entity, or a specified subset of the net assets of the entity. The nature of underlying items mainly depends on local regulation and products' features.

The Group assesses whether the conditions above are met using its expectations at inception of the contract and do not expect the repeat the assessment unless the contract is modified.

The Group applies the VFA predominantly to the insurance portfolio of the Life segment. The VFA measurement model is mainly applied to traditional savings policies underwritten in the EU market and unit-linked policies. For contracts characterised by direct participation features and with cash flows that affects or are affected by cash flows to policyholder of other contracts, the Group make use of the exemption from the application of the requirement of annual cohorts (i.e. carve-out option).

Premium Allocation Approach (PAA)

This is a simplified method for the measurement of insurance contracts. It can be applied for contracts having a coverage period shorter than one year or when the entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would

be produced applying the GMM. Using the Premium Allocation Approach, the Liability for Remaining Coverage is equal premiums received at initial recognition less any insurance acquisition cash flows and any amounts recognized on a pro-rata temporis basis as insurance revenue at the closing date. The GMM remains applicable for the measurement of the Liability for Incurred Claims.

This model is predominantly applied to the insurance portfolio of the P&C segment. With reference to the life segment, the application of this measurement model is limited only to groups of contracts with a duration not exceeding one year.

General Model Measurement (GMM)

The GMM represents the standard measurement model envisaged by the standard for the measurement of insurance assets and liabilities.

Within the Life segment, the GMM measurement model will be mainly applied to pure risk multiyear products and traditional savings policies not eligible for application of the VFA business. Within the P&C segment, the broad eligibility for the simplified PAA model determines a residual application of the standard measurement model.

Initial recognition

A group of insurance contracts issued is recognized from the earliest of the following events:

- the beginning of the coverage period;
- the date when the first payment from a policyholder in the group becomes due;
- for a group of onerous contracts, when the group becomes onerous.

With reference to reinsurance contracts held, the initial recognition is set:

- at the beginning of the coverage period, except reinsurance contracts for which the initial recognition is postponed until the date that the underlying insurance contract is initially recognised;
- at the date the entity recognizes an onerous group of underlying insurance contracts if the entity entered into the related reinsurance contract at or before that date.

Initial recognition of contracts acquired in a transfer of insurance contracts or in a business combination is set at acquisition date.

Contract boundaries valuation on initial recognition

The measurement of a group of insurance contracts includes all the expected cash flows within the boundary of each contract within the group. Generali Group considers the contract boundary requirements as linked to the entity ability to fully reprice a contract. All future premiums and policyholder options should be included in the initial projections if the entity does not have the ability to fully reprice the contract when the premium is paid/the option is exercised.

According to this requirement, the contract boundaries will be set considering the insurance contract as a whole and not considering each single component independently, leading to difference compared to the current approach applied in Solvency 2, with particular reference to multi-risk contracts, where different risk components may have different contracts boundaries.

On initial recognition, groups of insurance contracts are valued as the sum of:

- Fulfilment Cash Flows (FCF), that include the discounted and probability weighted estimate of future cash flows, and the Adjustment for Non-financial Risks; and
- the Contractual Service Margin (CSM).

Expected Future Cash Flows

Expected Future Cash Flows are the first element of Fulfilment Cash Flows (FCF) and represents an estimate of future cash flows within the contract boundary.

The estimate of future cash flows shall: i) incorporate, in an unbiased way, all reasonable and supportable information available; ii) reflect the perspective of the entity, provided that the estimates of any relevant market variables are consistent with observable market prices for those variables, iii) be current and iv) be explicit.

Where not required by specific regulatory requirements, the operating assumptions underlying the projections of Expected Future Cash Flows are generally in line with the ones adopted within the Solvency 2 framework. However, as regard expense perimeter, differences may arise because of the IFRS 17 requirement envisaging that only expenses directly attributable to insurance and reinsurance contracts must be considered for the measurement of Expected Future Cash Flows.

Time value of money

IFRS 17 requires adjusting the estimates of expected cash flows to reflect the time value of money and the financial risks associated with those cash flows to the extent that the financial risks are not already included in the cash flow estimates.

In order to comply with the market consistent approach prescribed by the principle, the Group will apply a bottom-up approach to define the discount rates to apply to insurance and reinsurance contracts, consistently with Solvency 2 framework, where appropriate. In detail, the Group's position is to apply a risk neutral approach for IFRS 17 both for participating and non-participating business for the purpose of fulfilling market consistency requirements. In this context, the IFRS 17 discount curve, for each currency in the portfolio, will be determined as the sum of:

- a risk-free base curve; and
- an adjustment for the illiquidity premium (so-called IFRS 17 adjustment).

As regards the risk-free base curve, the approach is aligned with the parameterization and the current Solvency 2 method. In particular, the same extrapolation algorithm is applied (i.e., the Smith-Wilson method) and the same convergence rate (i.e. ultimate forward rate) is used for all currencies.

To determine the IFRS 17 adjustment, the average spread of a reference asset portfolio is considered, adjusted to exclude credit risk components (i.e., risk corrections) and the effect of potential misalignments of cash flows of underlying assets with respect to the portfolio of liabilities. In particular:

- for the GMM and PAA businesses, the same Solvency 2 adjustment is used (i.e., the volatility adjustment);
- for the VFA business, an adjustment for the specific illiquidity premium is calibrated for each company in order to ensure a better economic representation of the life business and avoid creating artificial volatility in the balance sheet and in the income statement due to the movement of market spreads. The illiquidity premium of the VFA business is based on the following entity specific characteristics:
 1. asset mix (instead of the EIOPA reference portfolio considered by Solvency 2);
 2. a duration ratio aimed to better reflect the assets and liabilities matching (instead of 65% required by Solvency 2).

The below paragraph "discount rates", contains further details regarding zero-coupon rate of the main markets in which the Group operates, divided for VFA e not-VFA portfolios.

Risk Adjustment

The Risk Adjustment (RA) corresponds to the component of the insurance liability that captures the uncertainty the entity bears on the amount and timing of cash flows arising from non-financial risk. In evaluating the Risk Adjustment, the Group considers the following scope of risks:

- Life and Health Underwriting risks (i.e., mortality and mortality catastrophe, longevity, lapse, morbidity);
- P&C Underwriting risks (i.e., Reserving risk and Pricing risk, Lapse and CAT risks);
- Expense risk.

The Group RA reflects the risk diversification at legal entity level only, not benefitting from diversification among different legal entities and between life and property & casualty segments.

Differently from Solvency 2 framework for which the Cost of Capital method is applied to quantify the Risk Margin, IFRS 17 does not prescribe a specific method to calculate the Risk Adjustment. In this context, the Group defines the RA as the value at risk at the 75th percentile of the PVFCF probability distribution, leveraging on methodology and calculation models developed for the Solvency 2 Internal Model, and therefore with the so called "one-year view" for the calibration of the underlying shocks, anyway, applied over the whole cash flows projection.

For the sake of comparison, please note that the 75-th percentile applied by the Group adopting a "one-year" approach is estimated to be equivalent, at Group level, to the following percentiles determined on the basis of an "ultimate" view, i.e., considering a risk distribution that reflects cash-flows volatility on a multi-year horizon, consistent with liability's duration:

- the 60-th percentile for Life segment – assuming a normal distribution of future cash flows;
- the 70-th percentile for P&C segment – deriving from “ultimate” distribution of P&C Underwriting risks.

Contractual Service Margin

The Contractual Service Margin (CSM) reflects the estimate of the unearned profit of a group of insurance contracts that has not yet been recognized in profit or loss at the reporting date, because it relates to future service still to be provided.

The carrying amount of the CSM at the end of the reporting period is equal to the carrying amount at the beginning of the reporting period adjusted by:

- the New Business contribution;
- the impact of changes in non-financial variables on future fulfilment cash flows or experience variances of the reporting period related to future services (i.e., operating variances). Not exhaustive examples of these variances, can be represented by updates of operating assumptions or by differences between expected and observed cash flows relating to non-distinct investment components (e.g., surrenders for savings products);
- the impact of financial variables on current and future fulfilment cash flows (i.e., economic variances), which includes:
 - under GMM measurement model, interest accreted on CSM. Interest accreted is determined on the basis of discount rates identified at the date of initial recognition of the group of contracts (the so called locked-in rate);
 - under VFA measurement model, the unwinding of discount on the carrying amount of the CSM determined at current rates, the systematic economic variance due to the expected realization of the real-world assumptions over risk-free rates in the reporting period and the other non-systematic economic variances;
- the effect of currency exchange differences;
- CSM release in the income statement including both the systematic economic variance due to expected realization of real-world assumptions over risk-free rates and a quota of opening CSM, new business, operating variances, unwinding and non-systematic economic variances based on the pattern of services rendered over time defined by means of appropriate coverage units.

Contractual Service Margin release

IFRS 17 requires to calculate the release of CSM in accordance to the pattern of the coverage units that are determined by considering for each contract the quantity of the benefits provided to the policyholder and its expected coverage duration.

Depending on the type of service provided, the coverage unit and the related quantity of benefit are defined by the Group Legal entities following centrally defined Group rules that varies on the basis of product's features and type of coverage:

- in case of Saving contracts, the coverage units are generally defined as a function of the assets under management;
- in case of contracts providing only insurance services, the coverage units are generally defined as a function of the sum insured;
- in case of contracts that envisages a bundling of services, hybrid approaches are generally adopted (e.g., combination of assets under management and sum insured).

Future coverage units used to determine the CSM release are generally discounted. In details:

- for GMM business, coverage units are discounted using the reference locked-in curve of each group of insurance contracts,
- for VFA business, in order to avoid undue CSM release volatility caused by the fluctuations of interest rates, a 10-year rolling weighted average curve is applied.

The coverage unit mechanics spread over the duration of the insurance contracts the opening and new business CSM as well as the variances, including the systematic economic variance, defined as the impact on the CSM of the excess of real-world returns over risk-free rates over a projection horizon that is consistent with the reporting period (e.g. for half-year reporting the horizon is six months).

According to the Group's position, this “systematic” variance reflects the investment-related services provided to the policyholder and, as such, consistently with IFRS 17 requirements, is considered as an adjustment to the coverage

units of the reporting period. This approach allows to avoid the deferral of the systematic economic variance and its concentration towards the end of the projection horizon (so called “bow-wave” effect).

The systematic economic variance captured via the CSM release is defined by means of long term over-the-cycle risk premia assumptions for the key risky asset classes: for example, for listed equities and real estates in Euro area the Group applies 4% and 3% risk premia over the 10 years German Bund.

No extra-return is considered for corporate and government bonds, as the market risk-corrected spreads are already included in the IFRS 17 illiquidity premium.

Insurance finance income and expenses

IFRS 17 requires an entity to make an accounting policy choice whether to disaggregate insurance finance income or expenses for the period between profit or loss and other comprehensive income. Once chosen, the accounting policy will need to be applied consistently at the level of a portfolio of insurance contracts issued and reinsurance contracts held.

The Group apply the Disaggregation Approach to its existing portfolio of insurance contracts issued and reinsurance contracts held recognizing any change in discount rates into Other Comprehensive Income.

Transition

IFRS 17 is applied starting from the 1 January 2023. However, the Transition date is identified by the beginning of the annual reporting period immediately preceding the date of initial application (i.e., 1 January 2022).

IFRS 17 envisages the following methods to recognize and measure insurance and reinsurance contracts for transition purposes:

- Full Retrospective Approach (FRA): this method requires an entity to identify, recognize and measure each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- Modified Retrospective Approach (MRA): if FRA is impracticable, an entity can choose to apply MRA that introduces a set of simplifications to the general Standard’s requirements having regard to the level of aggregation, discount rate, recognition of CSM and allocation of insurance finance income and expenses. However, the objective of the Modified Retrospective Approach, similarly to the Fully Retrospective, is to determine the CSM at initial recognition (allowing for some simplification) and to carry it forward to the transition date;
- Fair Value Approach (FVA): if FRA is impracticable, an entity can choose to apply the FVA. This transition method relies on the possibility to determine the contractual service margin at the transition date as the difference between the fair value of a group of insurance contracts at that date and the Fulfilment Cash Flows measured at that date.

The Full Retrospective Approach (FRA) is practicable in case full historical data exists and hindsight is not required. The Group has assessed that this approach covers mainly LRC for short-term contracts classified under PAA and LIC for most recent generations.

As for long-term contracts where the FRA is impracticable, the MRA is considered as the preferred transition method.

Within the Life segment, approximately 93% of the Contractual Service Margin at the transition date was therefore valued by applying the Modified Retrospective Approach, or the Full Retrospective Approach to a residual extent. The remaining 7% of the Contractual Service Margin is measured using the Fair Value Approach and concerns specific run-off portfolios. The extensive application of the Modified Retrospective Approach ensures greater alignment with the Present Value of Future Profits (PVFP) of the underlying portfolio and a valuation consistent with that applied to new business after the transition date.

In the P&C segment, the retrospective approach was applied for measurement at the transition date of the Liability for Remaining Coverage (LRC). With regard to the estimate of the Liability for Incurred Claims (LIC), it should be noted that the discount curve at year end 2021 was used to discount the liabilities relating to claims with an accident year prior to 2016, for which it was impracticable to assess the reference curve required by the Full Retrospective Approach. Consequently, there is no impact on the statement of Other Comprehensive Income at the transition date on the Liabilities for Incurred Claims (LIC) relating to claims with a year of occurrence prior to 2016.

With reference to the P&C business measured under the GMM, the related Contractual Service Margin on insurance services has been measured at the transition date mainly with the fair value approach.

IFRS 9 – Financial Instruments

The Group adopted IFRS 9 - Financial Instruments, replacing IAS 39 - Financial Instruments: classification and measurement, from 1 January 2023.

The main new aspects are as follows:

- The **classification and measurement of financial assets** based on the business model and on the characteristics of cash flows generated by the financial instruments (SPPI test - Solely Payments of Principal and Interest).
- The introduction of a **single impairment model**, for application to all financial assets not measured at fair value through profit or loss, based on the Expected Credit Loss (ECL) model. The recognition of expected loss is envisaged over the lifetime of the financial instrument when significant increases in credit risk are detected since the initial recognition. Otherwise, recognition of expected loss is based on a 12-month horizon.
- The introduction of a model substantially reformed for **hedge accounting** that allows better reflection of risk management strategies in the financial statements.

For financial liabilities, the previous classification and measurement rules are reconfirmed, except for the change to the own credit risk recognition method for financial liabilities measured at fair value through profit or loss, which are now recognised in an equity reserve.

Classification and measurement

Financial assets

IFRS 9 envisages a classification approach for financial instruments based on models through which financial instruments are managed (business models) and on their contractual cash flow characteristics (SPPI test - Solely Payments of Principal and Interest).

The standard identifies three possible business models:

- **“Hold to collect”** with the aim of holding financial assets to maturity and collecting the contractual cash flows.
- **“Hold to collect and sell”** with the aim of holding financial assets, both to collect the contractual cash flows and to realise gains from their sale.
- **“Other”** which covers all cases not included in the previous two business models.

The Group conducted a full analysis of the investment portfolio management methods, considering specific features linked to the management of insurance business and ancillary activities, and has concluded that the “Hold to collect and sell” model is the main business model for the Group. A limited number of exceptions were identified, largely referring to the banking business, for which the specific business characteristics were considered in determining the main business model and were consistently reflected in the accounting classification of the related portfolios.

In addition to the analysis related to the business model, the standard requires analysis of the contractual terms of financial assets. To allow their classification at amortised cost or at fair value through other comprehensive income (FVOCI), cash flows generated by the financial asset must be represented by Solely Payments of Principal and Interest (SPPI test). This analysis is conducted, in particular, for debt securities and loans, at individual financial instrument level, and from the moment of initial recognition in the financial statements.

The contractual cash flow analysis for a financial asset must be based on the general concept of “basic lending arrangement”. Where specific contractual clauses introduce exposure to risk or volatility of contractual cash flows that are not consistent with this concept, the contractual flows are not compliance with the SPPI requirements (e.g., cash flows exposed to changes in share, index or commodity prices). If there are contractual conditions that modify the time value of money element, a “benchmark cash flows test” should be performed - considering quantitative and qualitative elements - to confirm whether the contractual cash flows still satisfy the SPPI requirements.

In accordance with the results of the business model and SPPI test, financial assets can be classified in the following accounting categories:

- **Financial assets at amortised cost:** these include debt instruments managed under the “Hold to collect” business model, the contractual terms for which are represented solely by payments of principal and interest (SPPI test passed).
- **Financial assets at fair value through other comprehensive income with recycling in the income statement:** these include debt instruments managed under the “Hold to collect and sell” business model, the contractual terms for which are represented solely by payments of principal and interest (SPPI test passed).
- **Financial assets at fair value through profit or loss:** these include all financial assets managed under the “Other” business model and financial assets compulsorily measured at fair value due to failing the SPPI test.

For equity instruments, the standard requires the measurement at fair value through profit or loss, except for instruments that are not held for trading purposes, for which the option of irrevocable designation at fair value through other comprehensive income is adopted. If this option is adopted, income components other than dividends cannot be recycled in the income statement.

The Group has adopted the option of designation at fair value through other comprehensive income for equity instruments held in portfolios other than those covering contracts underlying insurance contracts with direct participation features (VFA business).

There is also the option, on initial recognition, to designate a financial instrument at fair value through profit or loss if that would eliminate or significantly reduce the accounting mismatch in the measurement of assets or liabilities or recognition of gains and losses related to them.

Financial liabilities

IFRS 9 does not substantially change the previous accounting rules for the classification and measurement of financial liabilities. The difference between standards essentially relates the recognition of a change in the fair value of financial liabilities designated at fair value through profit or loss, which requires that the portion of the change in fair value attributable to a change in credit risk of the issuer is presented under other comprehensive income.

The Group has recorded no significant impact from application of the above requirement. The only financial liabilities designated at fair value through profit or loss are investment contracts, the value change of which is therefore linked to the underlying asset and not to credit risk of the liability.

Impairment

IFRS 9 envisages an impairment approach for debt instruments measured at amortised cost or at fair value through other comprehensive income which is based on expected credit losses (ECL). The standard outlines an approach for impairment in three stages based on the change in credit quality of the instrument since the date of initial recognition.

In particular:

- Stage 1 includes debt instruments that, as at the reporting date, have not reported a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date (investment grade - low credit risk exemption). For these assets, the 12-month expected credit losses are recognised in the income statement. Interest is calculated on the gross carrying amount.
- Stage 2 includes debt instruments that have reported a significant increase in credit risk since initial recognition (unless they are investment grade at the reporting date), but show no evidence of impairment. For these assets, expected credit losses arising from all possible default events over the entire expected lifetime of the financial instrument (lifetime ECL) are recognised in the income statement. Interest is calculated on the gross carrying amount.
- Stage 3 includes debt instruments that show evidence of impairment. For these instruments, expected credit losses arising from all possible default events over the entire expected life of the instrument are recognised, with a balancing entry in the income statement. Interest is calculated on the net carrying amount.

The expected credit loss calculation is based on probability of default (PD), loss given default (LGD) and total exposure at default (EAD) parameters that are influenced by forward-looking information obtained by processing specific scenarios.

With regard to quantification of a significant increase in credit risk, necessary in order to allocate debt instruments to the various stages, the Group has defined a model based on a combination of quantitative elements (e.g. measurement based on a comparison with lifetime probability of default) and qualitative elements (e.g. watchlists). A similar approach is used to identify default events, required for classification of an instrument as Stage 3. In the approaches used by the Group to quantify a significant increase in credit risk, the aforementioned low credit risk exemption is not taken into consideration directly.

The model also envisages the option of a simplified approach for trade receivables and leases, for which it is not necessary to calculate the 12-month expected credit losses but lifetime expected credit losses are always recognised.

The introduction of the Group Expected Credit Losses model has had a limited impact on the Financial Statements, reflecting the strong credit rating of the debt securities portfolio held by the Group. Further details of the allocation of exposures to the three stages as at 31 December 2022 and as at 30 June 2023 can be found in the tables in the Investments section.

Hedge accounting

IFRS 9 introduces a model substantially reformed for hedge accounting that allows better alignment, compared to IAS 39, between the accounting representation of hedging activities and actions taken as part of risk management strategies.

In particular, the IFRS 9 model expands the range of eligible hedging instruments, over and above the related risks hedged. The effectiveness requirements have also been simplified, no longer subject to mathematical rules but requiring the existence of an economic relationship between the hedging instrument and the hedged item and the immateriality of credit risk compared to the risk hedged.

A transitional provision allows the application of IAS 39 rules to all hedging transactions until completion of the project relating to macro-hedging transactions on asset portfolios ("dynamic risk management"). The Group has nevertheless decided to apply the new IFRS 9 hedge accounting rules from 1 January 2023. This decision has had no significant impact on the Group's financial statements.

Reconciliation of IAS 39 and IFRS 9 balances for financial instruments as at the date of first-time application of IFRS 9

As mentioned previously, the Generali Group transitioned to the new accounting standards IFRS 17 and IFRS 9 from 1 January 2022. Details of the estimated impact of the adoption of IFRS 9 were provided in the 2022 Annual Integrated Report and Consolidated Financial Statements.

In accordance with the disclosure requirements at the date of first-time application of IFRS 9 (i.e. 1 January 2023), as referred to in IFRS 7, the following tables show the reconciliation of IAS 39 and IFRS 9 balances of financial assets and liabilities as at the date of first-time application of the new standard, together with the related impact on the balance sheet arising from changes in classification and measurement as at that date. Note that the effects on shareholders' equity of transition to the new accounting standards were recorded at 1 January 2022. The impact on the balance sheet at 1 January 2023 is therefore intended as the impacts at 1 January 2022 and the changes in value associated with the financial instruments during 2022 between the IAS 39 and IFRS 9 classification and measurement rules, and is shown in the tables reconciling IAS 39 and IFRS 9 balances for financial instruments provided below.

In the interpretation of the above table, the following comments are reported.

- The scope of financial instruments illustrated considers the financial assets classified under “investments” in the new balance sheet format envisaged by ISVAP Regulation no. 7 of 13 July 2007, as replaced by article 12, IVASS Measure no. 121 of 7 June 2022 for the introduction of the new accounting standards IFRS 9 and IFRS 17. The IAS 39 like for like perimeter does not consider elements previously included under the IAS 39 scope of application, now absorbed into the scope of IFRS 17 at the date of transition. The main differences refer to policy loans and deposits under reinsurance business accepted (approximately €-5 billion). In addition, the IAS 39 like for like perimeter does not consider financial assets held by the companies classified under IFRS 5 as at 30 June 2023 which were not subject to this treatment at 31 December 2022 (around €9.3 billion). Further details can be found under Non-current assets or disposal groups classified as held for sale in the section Information on the consolidation scope and related transactions.
- The columns relating to changes in classification between accounting categories of financial assets represent reclassifications among asset items resulting from a change in the destination accounting category (at IAS 39 balance sheet values) due to the application of the new standard.
With reference to the composition of the portfolio of financial instruments in the IFRS 9 scope at 1 January 2023, note the preponderance of financial instruments at FVOCI, equal to 53% (66% of available-for-sale financial assets pursuant to IAS 39). This category mainly includes debt instruments classified in line with the Group “Hold to collect and sell” business model and that pass the SPPI test, as well as equity instruments measured at fair value through other comprehensive income without recycling to the income statement, the option adopted by the Group for equity instruments underlying non-VFA business.
Financial instruments measured at fair value through profit or loss are 42% (27% in IAS 39), while those measured at amortised cost are 6% (7% in IAS 39). In particular, 46% of the financial instruments measured at fair value through profit or loss relate to non-unit-linked instruments. Of these, 81% relate to VFA business portfolios and therefore not directly impacting the income statement, as changes in the fair value of the underlying financial assets are offset by symmetrical movement in the reference insurance liabilities.
The reclassification as financial instruments at fair value through profit or loss (around €65 billion) mainly includes investment fund units and debt securities that do not pass the SPPI test, to which there is limited exposure, and equity instruments measured at fair value through profit or loss that are essentially attributable to VFA business.
- In terms of measurement, the total balance sheet impact on financial assets is €-0.5 billion, mainly related to loans and unlisted debt instruments. Note that, at 1 January 2023, the total reserve for valuation gains or losses on debt instruments and loans at FVOCI was €-27,643 million, including minorities, of which €-671 million referring to debt instruments previously recognised at amortised cost.
- The column “Other impacts” mainly includes accrued interest previously classified under “other assets” (outside the investments category) and the effect of the change in presentation of some fully consolidated investment fund units measured at fair value through profit or loss. Consequently, these changes had no impact on shareholders’ equity.

Reconciliation of IAS 39 and IFRS 9 balances for financial liabilities as at the date of first-time application of IFRS 9

(€ million)	IAS 39 like-for-like perimeter	Other impacts	IFRS 9 carrying amount
	31/12/2022		01/01/2023
FINANCIAL LIABILITIES	44,619	493	45,111
Financial liabilities at fair value through profit or loss	9,393	25	9,417
Financial liabilities at amortised cost	35,226	468	35,694

The IAS 39 like for like perimeter does not consider elements previously included under the IAS 39 scope of application, now absorbed into the scope of IFRS 17 at the date of transition, mainly associated with financial liabilities relating to investment contracts and deposits with ceding companies (around €3.3 billion).

There were no changes to the classification and measurement of financial liabilities. Other impacts refer mainly to accrued interest previously classified under “other liabilities”.

Reconciliation between the closing balance of the IAS 39 provision for impairments and the opening balance of the IFRS 9 provision for impairments

(€ million)	Impairment allowance under IAS 39	Reclassification impact	Increase/Decrease due to new ECL calculation	Total ECL reserve/allowance
Financial assets at amortised cost	-55	-	11	-44
Impairment on bonds	-	-	-8	-8
Impairment other financial instruments	-55	-	19	-36
Available for sale investments/Financial assets at fair value	-70	-	-413	-482
Impairment on bonds	-37	-	-428	-465
Impairment other financial instruments	-32	-	15	-17
Expected credit losses on financial guarantees issued and loan commitment issued	-	-	-	-
TOTAL IMPAIRMENT	-125	-	-402	-527

Additional changes to classification and measurement resulting from the new standards

Within the broader scope of Group investments, the Amendments made by IFRS 17 led to some changes to the classification and measurement relating to real estate according to IAS 40 and IAS 16 and, to a lesser extent, other items as investments in associated companies and joint ventures according to IAS 28. Where these items underlying contracts with direct participation features, the Group adopts the fair value measurement.

In particular, the real estate, according to accounting standards, can be valued alternatively according to:

- fair value model; or
- cost model;

this choice must be applied to all properties in the portfolio.

Nevertheless, in line with the provisions of IFRS 17 Amendment to IAS 40 and IAS 16, a company may:

- (a) choose either the fair value model or the cost model for all properties covering liabilities that pay an economic return directly linked to their fair value; and
- (b) choose either the fair value model or the cost model for all properties without taking into account option (a).

Generali Group has selected option (a) by choosing the measurement at fair value for all those properties that are recognised as covering liabilities that pay an economic return directly linked to their fair value.

With reference to investments in associated companies and joint ventures, IFRS 17 Amendment to IAS 28 foresees that when an investment in an associated company or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure that investment at fair value through profit or loss in accordance with IFRS 9. An example of an investment-linked insurance fund is a fund held by an entity as the underlying items for a group of insurance contracts with direct participation features.

In line with these requirements, Generali Group has decided to measure at fair value through profit or loss all investments in associated companies and joint ventures underlying contracts with direct participation features.

The Group has restated the comparative period by applying the above Amendments to IAS 40, IAS 16 and IAS 28 to produce 2022 comparative information consistent with related requirements and in line with the financial information provided from 1 January 2023.

Impact deriving from the first-time adoption of IFRS 17 and IFRS 9 at transition date (1 January 2022)

The impact on shareholders' equity from the combined application of IFRS 17 and IFRS 9 is determined on 1 January 2022, identified as the start of the financial year immediately prior to the date of first-time application.

On the basis of realized valuations, the impact of combined application of new standards on the Group shareholders' equity at the transition date is approximately -2%.

The table below summarizes the main impacts by presenting a reconciliation between the Group shareholders' equity as at 31 December 2021, calculated according to IAS 39 and IFRS 4, and the Group shareholders' equity at the transition date (i.e. 1 January 2022) measured with the new IFRS 17 and IFRS 9 accounting standards:

(€ million)	Total
TOTAL SHAREHOLDERS' EQUITY (31 December 2021)	31,875
Shareholders' equity attributable to the Group	29,308
Shareholders' equity attributable to minority interests	2,568
Change in Fair Value of assets	9,753
Voba and Deferred Acquisition Costs derecognition	-2,793
IFRS 4 insurance provisions derecognition and IFRS 17 fulfillment cash flows recognition	28,141
Risk Adjustment recognition	-2,793
Contractual Service Margin recognition	-33,170
Deferred taxes and other changes	78
TOTAL SHAREHOLDERS' EQUITY AT TRANSITION (1 January 2022)	31,091
Shareholders' equity attributable to the Group	28,612
Shareholders' equity attributable to minority interests	2,480
Transition effects on Shareholders' equity (*)	-784

(*) Impacts at transition date include the contribution of Italian bancassurance joint venture (former Cattolica Group) that are classified as disposal group held for sale. This current classification do not have any effect on impacts on shareholders' equity.

The change in the Group shareholders' equity is the result of the combined effect of the introduction of the new standards on the two main segments in which the Group operates:

- in the Life segment, the reduction in equity is equal to around €2.3 billion is mainly associated with recognition of the Contractual Service Margin (CSM) of contracts with direct participation features (VFA) absorbing the unrealised gains and losses, previously accounted for within the equity reserve relating to available for sale assets.
- in the P&C segment, there is a positive effect on shareholders' equity equal to approximately €1.6 billion, which mainly reflects the release of the adequacy reserve previously embedded within the measurements of the outstanding claims provisions compliant with the accounting principles applied locally.

The below table summarizes the amount of contractual service margin, net of reinsurance contract held, broken down by transition method:

(€ million)	Total	Life Segment	P&C segment
Contractual Service Margin	33,170	32,397	773
Modified Retrospective Approach	28,534	28,532	2
Full Retrospective Approach	1,682	1,682	0
Fair Value Approach	2,954	2,182	771

The contractual service margin without considering the contribution of Italian bancassurance joint venture (former Cattolica Group) that are classified as disposal group held for sale is equal to €32,888 million, of which €33,029 million are referred to insurance contract issued.

Impacts of the transition on the Group Balance Sheet

The table below shows the effects from the application of IFRS 17 and IFRS 9 on the Group Balance Sheet as at 31 December 2021, highlighting the main items impacted by the transition.

	Balance Sheet as of YE 2021	Items derecognized	Items reclassified	IFRS 17/9 remeasurement	IFRS 5 reclassification	Pro-forma Balance Sheet at Transition	
(€ million)	31/12/2021					01/01/2022	Change
INTANGIBLES ASSETS	9,970	-595	-37	-	-82	9,257	-713
TANGIBLE ASSETS	3,990	-	-156	-	-3	3,832	-159
INSURANCE ASSETS	6,646	-	-967	55	-115	5,619	-1,027
INVESTMENTS	527,904	-	-2,384	9,753	-14,813	520,460	-7,444
OTHER FINANCIAL ASSETS	13,912	-	-8,522	-	-50	5,340	-8,572
OTHER ASSETS, CASH AND CASH EQUIVALENTS	23,802	-2,198	-4,634	1,580	15,052	33,602	9,801
Non-current assets or disposal groups classified as held for sale	0	-	-	-	15,570	15,570	15,570
Deferred tax assets	3,633	0	-347	1,553	-216	4,623	990
TOTAL ASSETS	586,225	-2,793	-16,701	11,389	-11.1	578,109	-8,116
INSURANCE PROVISIONS	479,449	-	-6,699	7,877	-14,103	466,524	-12,926
FINANCIAL LIABILITIES	47,713	-	-3,134	-	-206	44,373	-3,341
PAYABLES	13,250	-	-6,029	-	-68	7,153	-6,097
OTHER LIABILITIES AND OTHER PROVISIONS	13,937	-	-837	1,502	14,367	28,968	15,032
Liabilities associated with non- current assets and disposal groups classified as held for sale	0	-	-	-	14,752	14,752	14,752
Deferred tax liabilities	3,815	-	-757	1,502	-234	4,326	511
TOTAL LIABILITIES	554,349	-	-16,700	9,379	-11.1	547,018	-7,332
SHAREHOLDERS' EQUITY	31,875	-2,793	-0	2,009	0.0	31,091	-784

The main effects on the Group shareholders' equity are as follows:

- the decrease in intangible assets and other assets, mainly attributable to derecognition of the VOBA and deferred acquisition costs (negative effect);
- the increase in investments mainly determined by the fair value measurement of real estate investments backing VFA business, and of some debt securities measured at cost according to IAS 39 (positive effect);
- the measurement of liabilities for insurance contracts due to the following reasons:
 - recognition of the portion of unrealised gains on investments to cover the liability measured according to the VFA within the CSM (negative effect);
 - application of best estimate assumptions instead of locked-in prudential assumptions for insurance liabilities (positive effect);
 - discounting at market rates of liabilities for claims of the P&C segment previously not discounted (positive effect);
 - recognition of future profits of insurance contracts accounted for according to the GMM and VFA within the CSM under insurance liabilities (negative effect);
 - the tax effect on the changes commented on above.

In addition, the application of IFRS 17 entailed the reclassification of some assets and liabilities previously accounted for in other elements of the balance sheet under assets and liabilities of insurance contracts. These reclassification effects mainly concerned: reinsurance deposits, receivables and payables related to (re)insurance contracts, policyholder loans.

Please note that the Group considers the Italian bancassurance joint ventures (former Gruppo Cattolica) as disposal group held for sale and, in compliance with IFRS 5, they are separately reclassified within the Group Balance Sheet.

Amendment to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules

On 23 May 2023, IASB published the International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12 to clarify the application of IAS 12 Income Taxes to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) according to which large Multinational Entities Groups (more than € 750 million turnover) pay a minimum level of tax (15%) on income arising in each of the jurisdictions where they run their businesses.

The Amendments introduce:

- a mandatory temporary exception to the disclosure of information and the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules,
- a requirement to disclose separately the current taxes arising from the application of the Pillar Two Model Rules,
- disclosure requirements (both qualitative and quantitative) for affected entities to help users of financial statements better understand the entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date,
- possibility to disclose a statement in which the information about the progress in assessing the exposure to the impacts of the Pillar Two Model Rules are described - to the extent that information is not reasonably estimable.

The mandatory temporary exception – the use of which is required to be disclosed – applies retrospectively and immediately upon issuance of the Amendments.

The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim period ending on or before 31 December 2023.

Endorsement is expected during 2023. The Group will apply the mandatory temporary exemption to the accounting for deferred taxes arising from implementation of the Amendment.

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

On 7 May 2021 IASB published Amendments to IAS12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction, which modified paragraphs 15, 22 and 24 and added paragraphs 22A and 98J-98L, in order to clarify cases in which it is necessary to recognize deferred taxation, in particular for transactions such as leases and decommissioning obligations.

In particular, with amendments to paragraphs 15 and 14, it was clarified that the exemption from recognition of a deferred tax liability or deferred tax asset does not apply in case of initial recognition of an asset or liability in a transaction that, even if it is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit, gives rise to equal and offsetting temporary differences.

Moreover, new paragraph 22A added by Amendments, gives as an example for the non-application of exemption foreseen by paragraphs 15 and 24 the case of a lease transaction, which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of the asset and liability in such a transaction. The exemption provided by paragraphs 15 and 24 does not apply to such temporary differences and the lessee recognises any resulting deferred tax liability and asset.

The effective date of Amendments is 1 January 2023. Amendments have been endorsed on 11 August 2022.

There are no material impacts on shareholders' equity from the application of the Amendments as at 1 January 2023.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies; Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

On 12 February 2021, IASB issued following Amendments:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies;
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.

The effective date of Amendments is 1 January 2023. Amendments have been endorsed on 2 March 2022. These Amendments have not significant impacts for the Group.

Discount rates

The table below contains zero-coupon rate of the main markets in which the Group operates, divided for VFA e not-VFA portfolios.

Contract portfolios measured under VFA												
IFRS 17 discounting curve ZC	Italy		France		DACH		DACH		International		International	
Currency	EUR		EUR		EUR		CHF		CZK		CNY	
Maturity (years)	HY23	YE22	HY23	YE22	HY23	YE22	HY23	YE22	HY23	YE22	HY23	YE22
1	4.76%	4.03%	4.47%	3.72%	4.51%	3.71%	1.98%	1.60%	6.68%	6.51%	2.15%	2.44%
2	4.55%	4.14%	4.26%	3.83%	4.30%	3.82%	1.94%	1.69%	5.59%	6.23%	2.26%	2.63%
3	4.28%	4.05%	3.99%	3.74%	4.03%	3.73%	1.89%	1.78%	4.94%	5.78%	2.39%	2.80%
4	4.06%	4.00%	3.77%	3.69%	3.81%	3.68%	1.84%	1.87%	4.55%	5.36%	2.51%	2.93%
5	3.91%	3.98%	3.62%	3.67%	3.66%	3.66%	1.80%	1.95%	4.31%	5.05%	2.60%	3.04%
6	3.82%	3.96%	3.53%	3.65%	3.57%	3.64%	1.78%	2.01%	4.16%	4.87%	2.68%	3.12%
7	3.75%	3.94%	3.46%	3.63%	3.50%	3.62%	1.76%	2.06%	4.07%	4.75%	2.75%	3.19%
8	3.71%	3.94%	3.42%	3.63%	3.46%	3.62%	1.76%	2.11%	4.02%	4.68%	2.81%	3.26%
9	3.68%	3.94%	3.39%	3.63%	3.43%	3.62%	1.75%	2.15%	3.99%	4.64%	2.87%	3.31%
10	3.66%	3.94%	3.37%	3.63%	3.41%	3.62%	1.76%	2.18%	3.97%	4.60%	2.93%	3.37%
15	3.60%	3.87%	3.31%	3.56%	3.35%	3.55%	1.81%	2.27%	3.98%	4.49%	3.19%	3.58%
20	3.44%	3.61%	3.15%	3.30%	3.19%	3.29%	1.89%	2.27%	3.96%	4.38%	3.40%	3.73%
25	3.37%	3.49%	3.10%	3.20%	3.14%	3.19%	1.96%	2.24%	3.92%	4.26%	3.55%	3.84%
30	3.35%	3.44%	3.10%	3.18%	3.14%	3.17%	2.01%	2.20%	3.87%	4.17%	3.68%	3.93%
35	3.34%	3.42%	3.13%	3.19%	3.16%	3.18%	2.06%	2.16%	3.83%	4.08%	3.78%	3.99%
40	3.35%	3.41%	3.15%	3.20%	3.18%	3.20%	2.10%	2.13%	3.79%	4.02%	3.86%	4.05%
45	3.35%	3.41%	3.18%	3.22%	3.20%	3.22%	2.14%	2.09%	3.76%	3.96%	3.92%	4.09%
50	3.36%	3.41%	3.20%	3.24%	3.22%	3.24%	2.16%	2.07%	3.73%	3.91%	3.98%	4.13%

Contract portfolios measured under non-VFA								
IFRS 17 discounting curve ZC	Group		Group		Group		Group	
Currency	EUR		CHF		CZK		CNY	
Maturity (years)	HY23	YE22	HY23	YE22	HY23	YE22	HY23	YE22
1	4.19%	3.37%	1.96%	1.48%	6.81%	6.75%	1.95%	2.16%
2	3.98%	3.48%	1.92%	1.57%	5.73%	6.47%	2.06%	2.35%
3	3.71%	3.39%	1.87%	1.66%	5.08%	6.02%	2.19%	2.52%
4	3.49%	3.34%	1.82%	1.75%	4.69%	5.60%	2.31%	2.65%
5	3.34%	3.32%	1.78%	1.83%	4.45%	5.29%	2.40%	2.76%
6	3.25%	3.30%	1.76%	1.89%	4.30%	5.11%	2.48%	2.84%
7	3.18%	3.28%	1.74%	1.94%	4.21%	4.99%	2.55%	2.91%
8	3.14%	3.28%	1.74%	1.99%	4.16%	4.92%	2.61%	2.98%
9	3.11%	3.28%	1.73%	2.03%	4.13%	4.88%	2.67%	3.03%
10	3.09%	3.28%	1.74%	2.06%	4.11%	4.84%	2.73%	3.09%
15	3.03%	3.21%	1.80%	2.15%	4.12%	4.73%	3.01%	3.32%
20	2.87%	2.95%	1.87%	2.16%	4.09%	4.60%	3.24%	3.51%
25	2.84%	2.87%	1.94%	2.14%	4.03%	4.46%	3.42%	3.65%
30	2.87%	2.89%	2.00%	2.11%	3.97%	4.34%	3.57%	3.76%
35	2.92%	2.93%	2.05%	2.08%	3.92%	4.24%	3.68%	3.85%
40	2.97%	2.98%	2.09%	2.06%	3.87%	4.15%	3.77%	3.92%
45	3.01%	3.02%	2.13%	2.03%	3.83%	4.08%	3.85%	3.98%
50	3.05%	3.06%	2.16%	2.01%	3.80%	4.02%	3.91%	4.03%

Exchange rates

Here follow the exchange rates adopted for the conversion into euro for the currencies with particular relevance for the Group.

Exchange rates of the balance sheet

Currency	Exchange rate at the end of the period (€)	
	30/06/2023	31/12/2022
US dollar	1.091	1.067
Swiss franc	0.976	0.988
British pound	0.858	0.887
Argentine peso	280.088	189.026
Czech Koruna	23.759	24.154
Chinese renmimbi	7.925	7.419

Exchange rates of the income statement

Currency	Average exchange rate (€)	
	30/06/2023	30/06/2022
US dollar	1.080	1.094
Swiss franc	0.986	1.032
British pound	0.876	0.842
Argentine peso*	229.187	122.552
Czech Koruna	23.677	24.640
Chinese renmimbi	7.484	7.080

(*) in accordance with IAS 29, the items of profit or loss has been restated at the exchange rate at the end of the period.

SEGMENT REPORTING

Generali activities could be split in different lines of business according to the products and services offered. In particular, in accordance to IFRS 8, four main sectors of activity have been defined in line with the performance monitoring made by the Chief Operating Decision Maker (CODM):

- Property & Casualty segment, which includes insurance activities performed in the Property & Casualty business;
- Life segment, which includes insurance activities performed in the Life business;
- Asset & Wealth Management;
- Holding and other business segment.

The performances from each single segment are reported in the Management Report, in the section *Our financial performance* at page 12.

Life segment

Activities of Life segment include saving and protection business, both individual and for family, as well as unit linked products with investment purposes and complex plans for multinationals.

Investment vehicles and entities supporting the activities of Life companies are also reported in this segment.

Property & Casualty segment

Activities of Property & Casualty segment include both motor and non-motor businesses, among which motor third party liabilities, casualty, accident and health. It includes also more sophisticated covers for commercial and industrial risks.

Investment vehicles and entities supporting the activities of Property & Casualty companies are also reported in this segment.

Asset & Wealth Management

This segment, in addition to including the activities of the Banca Generali group, operates as a supplier of products and services both for the insurance companies of the Generali Group and for third-party customers identifying investment opportunities and sources of income for all of its customers, simultaneously managing risks. These products include equity and fixed-income funds, as well as alternative products.

The segment includes companies that may specialize in institutional or retail clients, rather than on Group insurance companies or on third-party customers, or on products such as real assets, high conviction strategies or more traditional solutions.

Holding and other businesses

This grouping is a heterogeneous pool of activities different from insurance and asset & wealth management – included in the above-mentioned segments - and in particular it includes financial holding activities, activities for the supply of international services and other activities that the Group considers ancillary to the core insurance business as well as the expenses related to the management and coordination activities and to the Group business financing. The holding expenses mainly include the holding and regional sub-holding expenses regarding coordination activities, the expenses related to parent company stock option and stock grant plans as well interest expenses on the Group financial debt.

Methods of disclosure presentation

According to IFRS 8, the disclosure regarding operating segments of the Group is consistent with the evidence reviewed periodically at the highest managerial level for the purpose of making operational decisions about resources to be allocated to the segments and assessment of the results.

Assets, liabilities, income and expenses of each segment are prepared as defined by the ISVAP Regulation No. 7 of 13 July 2007 as replaced by article 12 of IVASS Order no. 121 of 7 June 2022.

Segment data derives from a separate consolidation of the amounts of subsidiaries and associated companies in each business segment, eliminating the effects of transactions between companies belonging to the same segment and, where applicable, eliminating the carrying amount of the investments in subsidiaries and the related shareholder's equity quota. The reporting and control process implemented by the Group implies that assets, liabilities, income and expenses of the companies operating in different business segments are allocated to each segment directly by the entity through specific segment reporting. Intra-group balances between companies belonging to different business segments are accounted for in the consolidation adjustments column in order to reconcile segment information with consolidated information.

In this context, the Group adopts a business approach on segment reporting, characterized by the fact that some transactions between companies belonging to different segments are eliminated within each segment.

The main impacts are explained below:

- the elimination in the Property & Casualty segment and Holding and other businesses segment of participations and loans to companies of other segments, belonging to the same country, as well as related income (dividends and interests);
- the elimination in the Property & Casualty segment and Holding and other businesses segment of the realized gains and losses arising from intra-segment operations;
- the elimination in the Life segment of the participations and loans to companies of other segments, belonging to the same country, as well the related income (dividends and interests) if not backing technical reserves;
- the elimination in the Life segment of the realized gains and losses arising from intra-segment operations if not backing technical reserves.

Furthermore, loans and related interest expenses on loans between Group companies belonging to different segments are eliminated directly in each segment.

This approach allows to reduce consolidation adjustments, which in this view principally consist of investments in subsidiaries and dividends received by Life and Property & Casualty companies from companies belonging to other segments, intragroup financing and related interest income and fee and commissions income and expenses on financial services rendered or received by Group companies, still allowing for an adequate performance presentation for each segment.

Assets, liabilities, income and expenses of each segment are presented here below.

Statement of financial position by business segment

(€ million)		Property&Casualty		Life	
	Items/Business segments	30/06/2023	31/12/2022	30/06/2023	31/12/2022
1	INTANGIBLE ASSETS	4,857	4,838	4,666	4,674
2	TANGIBLE ASSETS	2,466	2,587	757	821
3	INSURANCE ASSETS	3,534	3,291	519	863
3.1	Insurance contracts that are assets	29	10	361	233
3.2	Reinsurance contracts that are assets	3,505	3,281	158	631
4	INVESTMENTS	43,889	42,863	395,804	394,616
4.1	Land and buildings (investment properties)	2,833	3,022	21,949	22,601
4.2	Investments in subsidiaries, associated companies and joint ventures	3,197	2,577	3,322	5,252
4.3	Financial assets at amortised cost	4,597	5,431	4,158	4,452
4.4	Financial assets at fair value through other comprehensive income	26,973	25,471	193,009	194,968
4.5	Financial assets at fair value through profit or loss	6,288	6,363	173,366	167,343
5	OTHER FINANCIAL ASSETS	2,752	2,497	3,326	3,413
6	OTHER ASSETS	4,173	3,872	22,033	19,287
7	CASH AND CASH EQUIVALENTS	1,861	2,309	3,855	3,391
	TOTAL ASSETS	63,531	62,258	430,960	427,066
1	SHAREHOLDERS' EQUITY				
2	OTHER PROVISIONS	1,239	1,160	702	629
3	INSURANCE PROVISIONS	35,410	33,463	365,541	362,301
3.1	Insurance contracts that are liabilities	35,402	33,453	365,458	362,262
3.2	Reinsurance contracts that are liabilities	8	10	83	39
4	FINANCIAL LIABILITIES	5,463	7,978	20,148	19,869
4.1	Financial liabilities at fair value through profit or loss	214	243	9,127	9,040
4.2	Financial liabilities at amortized cost	5,249	7,734	11,021	10,830
5	PAYABLES	3,735	3,667	2,684	2,676
6	OTHER LIABILITIES	4,759	4,389	20,805	17,444
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				

Income statement by business segment

(€ million)

Items/Business Segments		30/06/2023	30/06/2022	30/06/2023	30/06/2022
1	Insurance revenue from insurance contracts issued	14,857	13,183	9,173	8,234
2	Insurance service expenses from insurance contract issued	-12,985	-12,244	-7,389	-6,773
3	Insurance revenue from reinsurance contracts held	449	508	497	668
4	Insurance service expenses from reinsurance contracts held	-913	-913	-749	-675
5	Insurance service result	1,408	534	1,533	1,454
6	Income/expenses from financial assets and liabilities at fair value through profit or loss	146	-168	6,372	-16,866
7	Income/expenses from investments in subsidiaries, associated companies and joint ventures	128	147	81	159
8	Income/expenses from other financial assets and liabilities and investment properties	688	293	3,504	4,451
9	Result of investments	963	272	9,957	-12,255
10	Net finance income/expenses related to insurance contracts issued	-119	-72	-9,274	12,297
11	Net finance income/expenses related to reinsurance contracts held	10	-11	-38	-13
12	Net finance result	854	189	645	29
13	Other income/expenses	141	126	86	35
14	Acquisition and administration costs	-62	-81	-76	-89
15	Other income/charges	-589	-197	-219	116
Profit (Loss) before tax		1,752	571	1,969	1,545

Asset&Wealth Management		Holding and Other Businesses		Consolidation adjustments		Total	
30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022	30/06/2023	30/06/2022
0	0	0	0	5	1	24,035	21,418
-4	-4	0	0	185	201	-20,193	-18,820
0	0	0	0	0	0	946	1,175
0	0	0	0	0	0	-1,662	-1,588
-4	-4	0	0	190	202	3,126	2,185
4	29	-0	-19	0	0	6,521	-17,024
26	25	83	71	-279	-274	39	129
197	60	-187	-193	-41	-38	4,161	4,574
226	114	-104	-141	-320	-311	10,722	-12,321
0	0	0	0	-0	0	-9,393	12,225
0	0	0	0	0	0	-28	-24
226	114	-104	-141	-320	-311	1,301	-119
64	59	12	28	0	0	303	249
-352	-311	-59	-51	65	71	-485	-462
571	635	-311	-325	-264	-274	-812	-45
505	492	-463	-489	-329	-312	3,433	1,808

INFORMATION ON CONSOLIDATION AREA AND RELATED OPERATIONS

1 Consolidation area

Based on the IFRS 10, the Consolidated financial statements include the figures for both the Parent company and the subsidiaries directly or indirectly controlled.

As at 30 June 2023, the consolidation area totaled 543 companies (542 at 31 December 2022), of which 481 subsidiaries consolidated line by line and 62 associated companies valued at equity.

Changes in the consolidation area compared to the previous year and the table listing companies included in the consolidation area are attached to these Notes, in the Appendix related to the change in the consolidation area, compared to 2022.

2 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint venture

(€ million)	30/06/2023	31/12/2022
Investments in subsidiaries, associated companies and joint ventures at cost or at equity	1,956	1,532
Investments in non-consolidated subsidiaries at cost	286	211
Investments in associated companies at equity	944	969
Investments in joint ventures at equity	726	352
Investments in other associated companies at equity	0	0
Investments in subsidiaries, associated companies and joint ventures at fair value through profit or loss	868	961
Investments in associated companies at fair value through profit or loss	117	102
Investments in joint ventures at fair value through profit or loss	751	859
Total	2,824	2,492

Item Investments in non-consolidated subsidiaries at cost includes interests in entities non-consolidated as not material and that carry which mainly perform ancillary services to the insurance business.

The change in Investments in joint ventures at equity is attributable to the inclusion of Saxon Land B.V. as a result of the change in consolidation method arising from the sale of 50% of the stake formerly fully owned.

Significant investments in subsidiaries, associated companies and joint venture: book value, fair value and dividends received

Entity name	Type (1)	Balance Sheet Value	Fair value	Dividends received
Joint venture				
Saxon Land B.V.	c	373		
Associates				
Deutsche Vermögensberatung Aktiengesellschaft DVAG	b	265		45
Guotai Asset Management Company	b	269		
Alliance Klesia Generali	b	171		
Total		1,079	0	45

(1) a=subsidiaries (only for IAS/IFRS financial statements); b= connected; c= joint venture

Please note that the fair value, by provisions of the Regulator, must be entered only for listed companies.

3 Non-current assets or disposal group classified as held for sale

Generali Deutschland Pensionskasse

On 4 May, the Generali Group reached an agreement with Frankfurter Leben for the sale of Generali Deutschland Pensionskasse AG, a company focused on pension products. The transaction is expected to be completed by the end of 2023, subject to the approval of the German Federal Financial Supervisory Authority and the relevant local antitrust authorities.

The Group therefore considers the company as a non-current asset classified as held for sale and presents it separately from other balance sheet items.

It should be noted that total assets held amount to € 2,301 million, of which approximately € 2,114 million are investments, mainly bonds at fair value with an impact on overall profitability, and liabilities to €2,813 million, consisting almost entirely of technical liabilities.

Lastly, it should be noted that the book value of the investment is lower than its fair value less costs to sell.

Italian bancassurance joint ventures (former Gruppo Cattolica)

On 12 October 2022, the Board of Directors approved the termination of the bancassurance agreement in place between Cattolica Assicurazioni S.p.A. and ICCREA Banca S.p.A., through the exercise of the option to sell the two companies BCC Vita and BCC Assicurazioni, agreed upon the renewal of the bancassurance partnership in July 2019. This transaction is expected to be completed during 2023.

Moreover, on 29 May, Banco BPM exercised the call option provided for in the agreements signed in 2021 with Cattolica Assicurazioni, on 65% of the share capital of Vera Vita S.p.A. and Vera Assicurazioni S.p.A., companies in which Banco BPM already owned a 35% stake. Vera Vita, in turn, holds the entire share capital of Vera Financial DAC, an insurance company incorporated under Irish law, while Vera Assicurazioni holds 100% of the share capital of Vera Protezione S.p.A..

The closing of the transaction is indicatively expected during the last quarter of 2023, subject to the issuance of the legal authorizations by the competent Authorities.

In application of IFRS 5, therefore, the six companies were treated as a disposal group held for sale. Consequently, they were not excluded from consolidation, but the total assets and liabilities, as well as the economic result were recognized separately in the specific items of the financial statements.

Similarly, the comparative data of the comprehensive income statement and the cash flow statement have been restated. In line with this adjustment, also the tables in the Notes related to the statement of comprehensive income and the cash flows statement have been restated.

The following tables show a condensed indication of the balance sheet and income statement of discontinued operations.

Non current assets held for sale: Assets

(€ million)	30/06/2023	31/12/2022
1 INTANGIBLE ASSETS	63	69
2 TANGIBLE ASSETS	0	3
3 INSURANCE ASSETS	113	91
4 INVESTMENTS	13,390	12,984
5 RECEIVABLES	74	60
6 OTHER ASSETS	951	1,062
7 CASH AND CASH EQUIVALENTS	72	50
TOTAL ASSETS	14,663	14,319

Non current assets held for sale: Liabilities

(€ million)	30/06/2023	31/12/2022
2 OTHER PROVISIONS	-21	-33
3 INSURANCE LIABILITIES	-12,885	-11,762
4 FINANCIAL LIABILITIES	-214	-971
5 PAYABLES	-96	-53
6 OTHER LIABILITIES	-761	-861
TOTAL LIABILITIES	-13,977	-13,680

Non current assets held for sale: Revenues and Costs

(€ million)	30/06/2023	31/12/2022
Insurance service result	34	-127
Finance result	5	-5
Other income/expenses	7	-3
Profit before tax of discontinued operations	47	-135
Income taxes	-17	37
Result of the year from discontinued operations	30	-99

Finally, the following table shows the fair value hierarchy of assets and liabilities at fair value held by discontinued operations as at 30 June 2023.

(€ million)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	7,770	19	139	7,928
Equities	0	0	0	0
Bonds	7,770	19	139	7,928
Investment fund units	0	0	0	0
Other assets at fair value through other comprehensive income	0	0	0	0
Financial assets at fair value through profit or loss	1,538	3,490	404	5,431
Equities	0	0	0	0
Bonds	0	12	0	12
Investment fund units	281	112	404	797
Derivatives	0	0	0	0
Hedging derivatives	0	0	0	0
Investments back to policies where the investment risk is borne by the policyholders	1,251	3,366	0	4,617
Other assets at fair value through profit or loss	5	0	0	5
Total assets at fair value	9,308	3,509	543	13,359
Financial liabilities at fair value through profit or loss	-6	-59	0	-65
Financial liabilities related to investment contracts issued by insurance companies	-6	-59	0	-65
Derivatives	0	0	0	0
Hedging derivatives	0	0	0	0
Other financial liabilities	0	-0	0	-0
Total liabilities at fair value	-6	-59	0	-65

4 Goodwill and other intangible assets

Intangible asset: composition

(€ million)	Total 30/06/2023		Total 31/12/2022	
	Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life
A.1 Goodwill	X	7,901	X	7,895
A.1.1 attributable to the Group	X	7,901	X	7,895
A.1.2 attributable to minority interests	X	0	X	0
A.2 Other intangible assets	2,155	0	2,136	0
A.2.1 Assets measured at cost	2,155	0	2,136	0
a) Self developed intangible assets	333	0	311	0
b) Other assets	1,822	0	1,825	0
A.2.2 Assets valued at restated value:	0	0	0	0
a) Self developed intangible assets	0	0	0	0
b) Other assets	0	0	0	0
Total	2,155	7,901	2,136	7,895

Intangible asset: variations

(€ million)	Goodwill	Other intangible assets: self-developed		Other intangible assets: others		Total
		Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life	
A. Opening balances	8,201	1,071	0	4,230	0	13,502
A.1 Accumulated depreciation and impairment	-307	-760	0	-2,405	0	-3,471
A.2 Net opening balance	7,895	311	0	1,825	0	10,031
A.2.a Adjustment opening balances	0	0	0	-0	0	-0
B. Increases	6	120	0	248	0	375
B.1 Acquisitions	0	91	0	192	0	283
B.2 Increases in self-developed intangible assets	x	0	0	56	0	56
B.3 Reversals of impairment losses	x	0	0	0	0	0
B.4 Positive changes in restated value	0	0	0	0	0	0
- through comprehensive income statement	x	0	0	0	0	0
- through profit or loss	x	0	0	0	0	0
B.5 Positive exchange differences	3	1	0	0	0	4
B.6 Other changes	3	28	0	0	0	31
C. Decreases	0	-99	0	-251	0	-350
C.1 Sales	0	-62	0	-34	0	-96
C.2 Changes in value	0	-37	0	-66	0	-102
- Amortisations	x	-37	0	-66	0	-102
- Impairment losses	0	0	0	-0	0	-0
- through comprehensive income statement	x	0	0	0	0	0
- through profit or loss	0	0	0	-0	0	-0
C.3 Negative changes in restated value	0	0	0	0	0	0
- through comprehensive income statement	x	0	0	0	0	0
- through profit or loss	x	0	0	0	0	0
C.4 Transfers to non-current assets held for sale	0	0	0	0	0	0
C.5 Negative exchange differences	0	0	0	-3	0	-3
C.6 Other changes	0	0	0	-148	0	-148
D. Net final carrying amount	7,901	333	0	1,822	0	10,055
D.1 Accumulated depreciation and impairment	-307	-803	0	-2,446	0	-3,556
E. Gross book value	8,208	1,136	0	4,268	0	13,611
F. Measured at cost	8,208	1,136	0	4,267	0	13,610

Deferred tax liabilities were accounted for with reference to the above mentioned intangible assets. Further information on calculation method are detailed in the paragraph *Other intangible assets* of the section *Basis for presentation and accounting principles* in the Annual Consolidated Financial Statements 2022.

As at 30 June 2023 Group's goodwill amounted to €7,901 million. The Other changes are attributable to the conclusion of Purchase Price Allocation (PPA) process of MPI Generali Insurans Berhad, Generali Insurance Malaysia Berhad, and Generali Life Insurance Malaysia Berhad. For further details of the PPA please refer to the chapter *New Entities Acquisition*.

The exchange differences are mainly attributable to the currency translation of goodwill booked on Generali CEE Holding e Generali Schweiz Holding AG.

As stated by paragraph 90 of IAS 36, it has been carried out an evaluation of potential impairment indicators, both internal and external: with reference to paragraph 12 of the mentioned IAS 36 no evidence emerged that would require a formal re-determination of the impairment test.

The table below details the goodwill by relevant companies:

Goodwill by cash generating unit

(€ million)	Life	Property & Casualty	Asset&Wealth Management	Total
Generali Deutschland Holding	562	1,617	0	2,179
Alleanza Assicurazioni	1,461	0	0	1,461
Generali Italia	640	692	0	1,332
Gruppo Generali CEE Holding	437	392	61	890
Gruppo Generali France	319	248	0	567
Generali Seguros - Portugallo	0	372	0	372
Gruppo Europ Assistance	0	269	0	269
Generali Schweiz Holding AG	0	234	0	234
Multiboutique	0	0	227	227
Generali Versicherung AG	76	77	0	153
Generali Malaysia	0	60	0	60
Others				157
Goodwill				7,901

5 New entities acquisition

As reported in the Annual Integrated Report and Consolidated Financial Statement 2022 approved by Board of Director on 13 March 2023, in relation to the acquisition of the AXA Affin Life Insurance (AALI) joint venture renamed Generali Life Insurance Malaysia Berhad, AXA Affin General Insurance (AAGI) joint venture renamed Generali Insurance Malaysia Berhad and MPI Generali Berhad the evaluation period and, consequently, the PPA process, as defined in the IFRS 3 par. 45 is concluded as the allocation of the price paid to the fair value of the technical provision and other intangible assets has been completed. As regards the methodological note on the accounting of the acquisition, please refer to what has been published in the Integrated Annual Report and Consolidated Financial Statements 2022.

The conclusion of the process generated the following result:

MPI Generali Insurans Berhad

In the context of the aggregation by the Generali Group of MPI Generali Insurans Berhad, 30 August 2022 constitutes the date of acquisition of control pursuant to IFRS 10 as it corresponds to the time of the transfer to Assicurazioni Generali of the ownership of the shares.

In view of the short time lapse between the acquisition date (30 August 2022) and the reference date of the last financial statements and in the absence of significant events occurring between the two dates, for the purposes of applying IFRS 3 it was deemed appropriate to refer to the fair values of the assets acquired and liabilities assumed determined with reference to 31 August 2022. The results of operations of MPIG were, therefore, consolidated as of 1 September 2022. The acquisition cost, is equal to the price paid to Multi-Purpose Capital Holdings Berhad (MPHB Capital) for the purchase of 51% of the shares of MPIG, to which was added the value of the previously held 49% stake.

Acquisition Cost

(€ million)		
Price paid for the acquisition of 51% from Multi-Purpose Capital Holdings Berhad (MPHB Capital)	116	a
Quota Previously Held	112	b
Total Acquisition Cost	228	c = b + a

The following table illustrates the details with reference to the calculation of the goodwill arising from the PPA process:

Purchase Price Allocation

(€ million)

Net Asset Value at 31/08/2022	163	
Intangible Asset Recognition	17	
FV Adjustment on Financial Investment	0	
FV Adjustment on Technical Provision	1	
Other Adjustment	1	
Tax Effect	-4	
Fair Value of Net Asset at 31/08/2022	177	
Non Controlling Interest	0	
Fair Value of Net Assets at 31/08/22 net of Non Controlling Interest	177	a
Acquisition Cost	228	b
Goodwill	51	c = b - a

The main difference from the previously provisional PPA is attributable to the measurement of technical reserve for and the corresponding tax effect.

The following table summarises the balance sheet of the first-time consolidation of MPIG:

First consolidation Balance Sheet

(€ million)

Intangible Asset	28
Insurance Asset	161
Investment	315
Other Financial Asset and Other Asset	45
Cash and Cash Equivalent	1
Total Asset	550
Other Provision, Payables and Other Liabilities	28
Insurance Liabilities	344
Financial Liabilities	1
Total Liabilities	373
Fair Value of Net Asset at 31 August 2022	177

Generali Insurance Malaysia Berhad (ex AXA Affin General Insurance)

In the context of the Generali Group's aggregation of Generali Insurance Malaysia Berhad (formerly AXA Affin General Insurance - AAGI) joint venture, 30 August 2022 constitutes the date of acquisition of control within the meaning of IFRS 10 as it corresponds to the time of the transfer to Assicurazioni Generali of the ownership of the shares.

In consideration of the short time lapse between the acquisition date (30 August 2022) and the reference date of the latest financial statements and in the absence of relevant events occurring between the two dates, for the purposes of applying IFRS 3 it was deemed appropriate to refer to the fair values of the assets acquired and liabilities assumed determined with reference to 31 August 2022. The results of operations of AAGI were, therefore, consolidated as of 1 September 2022. The acquisition cost, determined in accordance with IFRS 3 par. 37, is equal to the price paid to AXA-Affin joint venture for the purchase of 53% of the shares of AAGI.

Acquisition Cost

(€ million)

Price paid for acquisition of 53% from Axa-Affin joint venture	165
Total Acquisition Cost	165

The following table illustrates the details with reference to the calculation of the goodwill arising from the PPA process:

Purchase Price Allocation

(€ million)

Net Asset Value at 31/08/2022	272	
Intangible Asset Recognition	24	
FV Adjustment on Financial Investment	0	
FV Adjustment on Technical Provision	-12	
Other Adjustment	-3	
Tax Effect	-2	
Fair Value of Net Asset at 31/08/2022	279	
Non Controlling Interest	-131	
Fair Value of Net Assets at 31/08/22 net of Non Controlling Interest	148	a
Acquisition Cost	165	b
Goodwill	17	c = b - a

The conclusion of the price allocation process showed no significant differences from the provisional price allocation as at 31 December 2022.

The following table summarises the balance sheet of the first-time consolidation of Generali Insurance Malaysia Berhad:

First consolidation Balance Sheet

(€ million)

Intangible Asset	31
Insurance Asset	106
Investment	684
Other Financial Asset and Other Asset	86
Cash and Cash Equivalent	9
Total Asset	916
Other Provision, Payables and Other Liabilities	107
Insurance Liabilities	520
Financial Liabilities	10
Total Liabilities	637
Fair Value of Net Asset at 31 August 2022	279

Generali Life Insurance Malaysia Berhad (ex AXA Affin Life Insurance)

In the context of the aggregation by the Generali Group of Generali Life Insurance Malaysia Berhad (former AXA Affin Life Insurance - AALI) joint venture, 30 August 2022 constitutes the date of acquisition of control in accordance with IFRS 10 as it corresponds to the moment of the transfer to Assicurazioni Generali of the ownership of the shares. In view of the short time lapse between the acquisition date (30 August 2022) and the reference date of the latest financial statements and in the absence of material events occurring between the two dates, for the purposes of applying IFRS 3 it was deemed appropriate to refer to the fair values of the assets acquired and liabilities assumed determined with reference to 31 August 2022. The results of operations of AALI were, therefore, consolidated as of 1 September 2022.

The acquisition cost is equal to the price paid to AXA-Affin joint venture for the acquisition of 70% of the shares of AALI:

Acquisition cost

(€ million)

Price paid for acquisition of 70% from Axa-Affin joint venture	36
Total Acquisition cost	36

The following table illustrates the details with reference to the calculation of the goodwill arising from the PPA process:

Purchase Price Allocation

(€ million)

Net Asset Value at 31/08/2022	50	
Intangible Asset Recognition	7	
FV Adjustment on Financial Investment	1	
FV Adjustment on Technical Provision	-10	
Other Adjustment	0	
Tax Effect	2	
Fair Value of Net Asset at 31/08/2022	51	
Non Controlling Interest	-15	
Fair Value of Net Assets at 31/08/22 net of Non Controlling Interest	36	a
Acquisition Cost	36	b
Goodwill	0	c = b - a

The conclusion of the price allocation process showed no significant differences from the provisional price allocation as at 31 December 2022

The following table summarises the balance sheet of the first-time consolidation of Generali Life Insurance Malaysia Berhad.

First consolidation Balance Sheet

(€ million)

Intangible Asset	7
Insurance Asset	3
Investment	570
Other Financial Asset and Other Asset	10
Cash and Cash Equivalent	13
Total Asset	603
Other Provision, Payables and Other Liabilities	61
Insurance Liabilities	491
Financial Liabilities	1
Total Liabilities	552
Fair Value of Net Asset at 31 August 2022	51

6 Transactions with related parties

With regards to transactions with related parties, the main activities, set on an arm's length basis, mainly consist in relations of insurance, reinsurance and co-insurance, also including claims settlement, administration and management of securities and real estate assets, leasing, loans and guarantees, financial advice, IT and administrative services. When carried out with companies belonging to the Group, these operations substantially aim at guaranteeing the streamlining of operational functions, an exploitation of synergies, greater economies in overall management and an appropriate level of service.

For further information regarding related parties' transactions - and in particular regarding the procedures adopted by the Group to ensure that these transactions are performed in accordance with the principles of transparency and substantive and procedural correctness - please refer to the paragraph *Related Party Transactions Procedures* included in section *Internal control and risk management system* of the *Corporate governance and Ownership Report*.

Below we highlight the economic and financial transactions relating to loans and interest income and expenses with Group companies not included in the area of full consolidation and with other related parties.

The transactions between Group companies consolidated line-by-line have been eliminated in the consolidation and are not disclosed in the Notes.

As shown in the table below, the impact of such transactions, if compared on a Group basis, is not material.

Related parties

(€ million)	Subsidiaries with significant control not consolidated	Associated companies and joint-ventures	Other related parties	Total	% on balance sheet item
Loans	6	764	0	771	0.17%
Loans issued	-2	-8	-12	-21	0.05%
Interest income	0	7	0	7	-0.18%
Interest expense	-0	-0	0	-0	-0.03%

In particular, the subtotal Associated companies and Joint ventures includes loans to Group companies valued with equity method for €764 million, mostly related to real estate companies.

With reference to the related parties as stated by IAS 24 par 19 letter b, it should be noted that with regard to transactions with Mediobanca Banca di Credito Finanziario S.p.A. – company that exerts significant influence over the Generali Group – and its subsidiaries, the main balances on assets and liabilities at 30 June 2023 are represented by investment funds (approximately € 355 million), debt securities issued by Mediobanca and its subsidiaries (approximately €125 million) and equity investments (approximately €25 million), as well as collateralised hedging derivatives for about €-30 million. The main impacts on the profit and loss account at 30 June 2023 amounted to about € - 15 million, mainly due to costs related to commercial relations, in force in Italy on insurance activity, as well as to the net commissions.

These relationships, regulated at market conditions, have not a significant impact on the size of the Generali Group.

With reference to the paragraph 18 of *Related Party Transactions Procedures* relating to periodic reporting requirements, there were no (i) Related Party Transactions of major importance concluded during the reporting period (ii) Related Party Transactions, concluded during the reference period, which influenced the Group's financial statements or profit to a significant extent (iii) changes or developments of the Transactions described in the previous annual report that have had a significant effect on the Group's financial statements or profit.

INVESTMENTS

In the table below Group investments are split into the three accounting categories, as reported on the Balance Sheet, as well as by nature (equity instruments, fixed income investments, real estate investments, other investments, and cash and cash equivalents).

Given their short-term investments nature, the reverse repurchase agreements are reclassified within cash and cash equivalents category. For the same reason, repurchase agreements are also reclassified under this category. Derivatives instruments are presented net of derivatives held as financial liabilities and hedging derivatives, which are classified under Other investments category, along with specific items classified in balance sheet arrangements among other asset elements. Investments fund units (IFUs) are allocated to respective asset classes, based on the prevailing underlying asset, thus they are allocated to the categories of equity instruments, fixed income investments, real estate investments, and cash and cash equivalents.

Comments on specific balance sheet items are provided in the following paragraphs.

Investments table

(€ million)	30/06/2023		31/12/2022	
	Total Book value	Impact (%)	Total Book value	Impact (%)
Equity investments	26,160	5.8%	26,129	5.8%
Financial assets at fair value through profit or loss	23,637	5.2%	23,665	5.3%
Financial assets at fair value through other comprehensive income	2,523	0.6%	2,464	0.6%
Fixed income investments	279,594	61.8%	280,489	62.7%
Bonds	233,760	51.6%	235,386	52.6%
Other fixed income investments	45,833	10.1%	45,104	10.1%
At amortized cost	19,980	4.4%	20,742	4.6%
At fair value through other comprehensive income	218,704	48.3%	218,623	48.9%
At fair value through profit or loss	40,910	9.0%	41,124	9.2%
Land and buildings (investment properties)	27,827	6.1%	28,942	6.5%
At acquisition cost	3,101	0.7%	3,515	0.8%
At fair value through profit or loss	24,726	5.5%	25,427	5.7%
Other investments	6,646	1.5%	5,878	1.3%
Investments in subsidiaries, associated companies and joint ventures at cost or at equity	1,956	0.4%	1,532	0.3%
Investments in subsidiaries, associated companies and joint ventures at fair value through profit or loss	868	0.2%	961	0.2%
Derivatives	-371	-0.1%	-71	0.0%
Receivables from banks or customers	2,092	0.5%	2,122	0.5%
Other investments	2,102	0.5%	1,335	0.3%
Cash and cash equivalents	10,488	2.3%	10,619	2.4%
Total	350,715	77.5%	352,057	78.7%
Investments backing policies where the investment risk is borne by policyholders and to pension funds	101,939	22.5%	95,256	21.3%
Total investment	452,654	100.0%	447,313	100.0%

Cash and cash equivalents category includes repurchase agreements accounted for as liabilities for €-3,666 million (€-3,644 million as of December 2022), while Derivatives and Other investments categories include derivative instruments accounted for as liabilities for €-4,315 million (€-4,572 million as of December 2022) as well as other assets items for €1,142 million (€900 million as of December 2022).

7 Financial assets at amortized cost

It is noted that the information provided in the tables of this section includes breakdown of items included in the balance sheet categories of financial assets at amortized cost (amounting to €22,315 million) as well as other financial assets (amounting to €6,654 million).

Financial assets at amortized cost: product composition and credit risk stages

(€ million)	Carrying Amounts 30/06/2023			Carrying Amounts 31/12/2022		
	First stage	Second stage	Third stage	First stage	Second stage	Third stage
Government bonds	7,754	0	0	8,085	0	0
Other bonds	2,222	23	0	2,565	29	0
Loans and receivables	18,581	315	74	18,471	548	83
a) to banks	3,976	1	4	3,919	0	26
b) to customers	14,606	314	70	14,552	548	57
- mortgage loans	5,620	58	26	5,556	62	30
- policy loans	0	0	0	0	0	0
- other loans and receivables	8,986	256	44	8,996	486	27
Total 30/06/2023	28,557	338	74	0	0	0
Total 31/12/2022	0	0	0	29,121	577	83

Financial assets at amortized cost: gross carrying amount and ECL allocation

(€ million)	Gross amount				Net expected credit losses allocation				Total 30/06/2023	Total 31/12/2022
	First stage	of which: Assets with low credit risk	Second stage	Third stage	First stage	of which: Assets with low credit risk	Second stage	Third stage		
Government bonds	7,757	0	0	0	-3	0	0	0	7,754	8,085
Other bonds	2,225	0	23	0	-3	0	-0	0	2,245	2,594
Loans and receivables	18,682	0	315	113	-100	0	-0	-39	18,971	19,102
- to banks	3,979	0	1	4	-3	0	-0	0	3,980	3,945
- to customers	14,703	0	314	109	-97	0	-0	-39	14,990	15,157
Total 30/06/2023	28,663	0	338	113	-106	0	-0	-39	28,969	0
Total 31/12/2022	29,229	0	578	120	-108	0	-1	-37	0	29,781

Consistent with the Group's stage allocation methodology, which does not explicitly incorporate the use of the low credit risk exemption, the column pertaining to assets with low credit risk allocated into first stage is left blank.

8 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income: composition and impact

(€ million)	30/06/2023		31/12/2022	
	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %
Equities	2,523	1.1%	2,464	1.1%
a) quoted	1,521	0.7%	1,389	0.6%
b) unquoted	1,002	0.5%	1,075	0.5%
Bonds	214,648	97.0%	215,673	97.4%
Government bonds	127,981	57.8%	130,411	58.9%
a) quoted	121,351	54.8%	124,231	56.1%
b) unquoted	6,629	3.0%	6,181	2.8%
Other bonds	86,667	39.2%	85,262	38.5%
a) quoted	80,677	36.5%	79,228	35.8%
b) unquoted	5,990	2.7%	6,034	2.7%
Other financial assets	4,129	1.9%	3,184	1.4%
Total	221,300	100.0%	221,322	100.0%

Financial assets at fair value through other comprehensive income: gross carrying amount and ECL allocation

(€ million)	Gross amount				Net expected credit losses allocation				Total 30/06/2023	Total 31/12/2022
	First stage	of which: Assets with low credit risk	Second stage	Third stage	First stage	of which: Assets with low credit risk	Second stage	Third stage		
Government bonds	127,941	0	33	7	-126	0	-12	-7	127,836	130,190
Other bonds	86,150	0	513	4	-223	0	-26	-26	86,391	84,849
Other financial assets	4,128	0	1	0	-26	0	0	0	4,104	3,173
Total 30/06/2023	218,213	0	546	11	-375	0	-38	-33	218,324	0
Total 31/12/2022	217,130	0	1,186	548	-559	0	-46	-48	0	218,212

Consistent with the Group's stage allocation methodology, which does not explicitly incorporate the use of the low credit risk exemption, the column pertaining to assets with low credit risk allocated into first stage is left blank.

9 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss: composition and impact

(€ million)	Financial assets held for trading				Financial assets designed at fair value				Financial assets mandatorily measured at fair value			
	30/06/2023		31/12/2022		30/06/2023		31/12/2022		30/06/2023		31/12/2022	
	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %
Equities	1	0.1%	1	0.1%	0	0.0%	0	0.0%	10,894	6.0%	11,273	6.5%
a) quoted	1	0.1%	1	0.1%	0	0.0%	0	0.0%	8,722	4.8%	9,062	5.2%
b) unquoted	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2,172	1.2%	2,210	1.3%
Own shares	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Own financial liabilities	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Bonds	0	0.0%	14	1.1%	0	0.0%	13	1.9%	16,703	9.3%	15,655	9.1%
a) quoted	0	0.0%	14	1.1%	0	0.0%	0	0.0%	15,821	8.8%	15,061	8.7%
b) unquoted	0	0.0%	0	0.0%	0	0.0%	13	1.9%	882	0.5%	595	0.3%
Investment fund units	38	3.5%	38	2.8%	31	5.2%	29	4.3%	138,207	76.7%	130,950	75.7%
Derivatives	1,037	96.4%	1,292	96.0%	0	0.0%	0	0.0%	-246	-0.1%	-251	-0.1%
Hedging derivatives	0	0.0%	0	0.0%	564	94.8%	649	93.9%	0	0.0%	0	0.0%
Other financial assets	0	0.0%	0	0.0%	0	0.0%	0	0.0%	14,683	8.1%	15,326	8.9%
Total	1,076	100%	1,346	100%	595	100%	691	100%	180,241	100%	172,954	100%

10 Land and buildings (investment properties)

Please find below, separated by valuation method, the amount of investment property held to earn rentals or capital appreciation or both:

Investment properties: composition

(€ million)	At cost		At fair value	
	30/06/2023		31/12/2022	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
1. Land and buildings (investment properties)	978	961	9,668	9,739
a) land	88	101	2	2
b) buildings	890	861	9,667	9,738
2. Real rights subject to leasing	2,123	2,554	12,018	12,373
a) land	178	180	365	363
b) buildings	1,945	2,373	11,653	12,009
Total	3,101	3,515	21,686	22,112

The main changes that occurred during the period and fair value details are shown below:

Investment properties: variations

(€ million)	Land	Buildings	Total
A. Opening balances	646	25,884	26,530
A.1 Accumulated depreciation and impairment	0	-903	-903
A.2 Net opening balance	646	24,981	25,627
A.2.a Adjustment opening balances	-0	-0	-0
B. Increases	12	438	450
B.1 Acquisitions	2	212	214
B.2 Capitalized expenses	0	44	44
B.3 Positive changes in fair value	0	44	44
B.4 Reversals of impairment losses	0	0	0
B.5 Positive foreign exchange differences	1	50	51
B.6 Transfers from self used properties	0	52	52
B.7 Other changes	10	35	45
C. Decreases	-26	-1,264	-1,290
C.1 Sales	-13	-654	-667
C.2 Depreciations	0	-27	-27
C.3 Negative changes in fair value	0	-491	-491
C.4 Impairment losses	0	-6	-6
C.5 Negative exchange differences	-0	-17	-17
C.6 Transfer to:	0	-66	-66
a) self used properties for own use	0	-66	-66
b) non-current assets and disposal groups held for sale	0	0	0
C.7 Other changes	-12	-3	-16
D. Net final carrying amount	632	24,154	24,787
D.1 Accumulated depreciation and impairment	-2	-878	-880
D.2 Gross book value	634	25,032	25,667
E. Fair value measurement	644	26,545	27,189

Fair value of land and buildings (investment properties) at the end of the reporting period is mainly based on external appraisals.

11 Cash and cash equivalents

Cash and cash equivalents

(€ million)	30/06/2023	31/12/2022
Cash and cash equivalents	108	332
Cash and balances with central banks	357	706
Cash at bank and credit balances with banks payable on demand	5,891	5,861
Total	6,356	6,900

12 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss: composition and impact

(€ million)	Financial liabilities held for trading				Financial liabilities designated at fair value				Total			
	30/06/2023		31/12/2022		30/06/2023		31/12/2022		30/06/2023		31/12/2022	
	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %	Carrying Amounts	Comp. %
Investment contracts issued IFRS 9	0	0.0%	0	0.0%	4,995	62.1%	4,694	58.3%	4,995	52.8%	4,694	49.8%
Derivatives	1,408	100.0%	1,364	100.0%	0	0.0%	0	0.0%	1,408	14.9%	1,364	14.5%
Hedging derivatives	0	0.0%	0	0.0%	3,023	37.6%	3,332	41.4%	3,023	32.0%	3,332	35.4%
Other financial liabilities	0	0.0%	0	0.0%	28	0.3%	28	0.3%	28	0.3%	28	0.3%
Total	1,408	100.00%	1,364	100.00%	8,045	100.00%	8,054	100.00%	9,453	100.00%	9,417	100.00%

13 Financial liabilities at amortised cost

Financial liabilities at amortised cost: composition, impact and fair value hierarchy

(€ million)	30/06/2023							31/12/2022					
	Carrying Amounts	Comp. %	L1	L2	L3	Total Fair value		Carrying Amounts	Comp. %	L1	L2	L3	Total Fair value
Equity instruments	0	0.0%	0	0	0	0		0	0.0%	0	0	0	0
Subordinated liabilities	8,549	24.5%	7,415	543	25	7,983		8,358	23.1%	7,248	571	24	7,843
Bonds issued	1,810	5.2%	1,771	0	0	1,771		1,765	4.9%	1,791	-	-	1,791
Other loans received	24,554	70.3%	249	16,089	7,848	24,186		26,114	72.1%	940	17,197	8,458	26,595
- from banks	6,243	17.9%	X	X	X	X		5,993	16.5%	X	X	X	X
- from customers	18,312	52.4%	X	X	X	X		20,121	55.5%	X	X	X	X
Total	34,914	100%	9,435	16,632	7,873	33,940		36,237	100%	9,979	17,768	8,482	36,229

14 Income and expenses

Insurance activities - Net financial result of investments by Life and Property & Casualty segment

(€ million)	Life business 30/06/2023	Of which: DPF	Property & Casualty 30/06/2023	Total 30/06/2023	Life business 30/06/2022	Of which: DPF	Property & Casualty 30/06/2022	Total 30/06/2022
Items/Bases of aggregation								
A. NET FINANCIAL RESULT OF INVESTMENTS	13,992	12,715	1,764	15,756	-57,218	-54,491	-3,245	-60,464
A.1 Interest income from financial assets at amortised cost and fair value through other comprehensive income	3,085	2,696	436	3,521	3,304	2,955	267	3,571
A.2 Net gains/losses on assets at fair value through profit or loss	6,531	6,295	146	6,677	-17,342	-16,625	-168	-17,510
A.3 Net expected credit losses allocation	166	151	2	168	14	48	-83	-68
A.4 Other income/expenses	334	73	378	712	1,331	1,119	256	1,586
A.5 Net gains/losses on financial assets at fair value through other comprehensive income	3,876	3,501	801	4,676	-44,525	-41,989	-3,518	-48,043
B. NET CHANGE IN IFRS9 INVESTMENT CONTRACTS	-159	0	0	-159	438	0	0	438
1. TOTAL NET FINANCIAL RESULT OF INVESTMENTS	13,833	12,715	1,764	15,596	-56,780	-54,491	-3,245	-60,026
of which: recorded in profit or loss	9,957	9,214	963	10,920	-12,255	-12,502	272	-11,983
of which: recorded in other comprehensive income	3,876	3,501	801	4,676	-44,525	-41,989	-3,518	-48,043

15 Expected credit losses

Net expected credit losses

(€ million)	ECL allocation				Reversal ECL			
	First stage	of which: Assets with low credit risk	Second stage	Third stage	First stage	of which: Assets with low credit risk	Second stage	Third stage
Government bonds	-21	0	-0	-6	100	0	1	1
Other bonds	-71	0	-1	-0	165	0	5	4
Loans and receivables	-14	0	-1	-15	8	0	0	7
- to banks	-1	0	0	0	2	0	0	0
- to customers	-13	0	-1	-15	6	0	0	7
Total 30/06/2023	-105	0	-2	-22	273	0	6	11
Total 30/06/2022	-78	0	-9	-123	122	0	5	4

16 Details on investments

16.1 Bonds

Group's exposures to bonds - detailed by rating and maturity - are reported at book value in the following tables:

Bonds: details for rating

(€ million)	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
AAA	12,867	244	1,249	14,360
AA	45,536	1,076	738	47,349
A	52,407	2,264	724	55,395
BBB	91,327	3,483	6,941	101,751
Non investment grade	6,838	1,165	171	8,174
Not Rated	5,673	882	176	6,731
Total	214,648	9,114	9,999	233,760

Bonds: details for maturity

(€ million)	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
Up to 1 year	14,316	709	1,701	16,727
Between 1 and 5 years	52,235	1,305	5,308	58,848
Between 5 and 10 years	53,315	1,052	2,338	56,705
Beyond 10 years	93,673	5,558	652	99,883
Perpetual	1,108	490		1,597
Total	214,648	9,114	9,999	233,760

Bonds investments totaled €233,760 million at the end of the period. The portfolio is composed for €138,019 million by government bonds, while corporate bonds amounted to €95,742 million.

INSURANCE AND INVESTMENT CONTRACTS

17 Insurance contracts

The purpose of this section is to provide a reconciliation of amounts recognized in the Balance Sheet and in the Income Statement with reference to insurance contracts issued and investments contracts with direct participation features.

The following tables provide details regarding balances recognized in the consolidated Balance Sheet broken down by segment and measurement model.

	30/06/2023				31/12/2022			
	Total	Contracts with direct participation features	Contracts without direct participation features		Total	Contracts with direct participation features	Contracts without direct participation features	
(€ million)			General Model	PAA			General Model	PAA
Life Segment								
Insurance contracts that are assets	(361)	(105)	(218)	(38)	(233)	(32)	(197)	(3)
Insurance contracts that are liabilities	365,458	349,043	15,335	1,080	362,262	346,469	14,867	926
Net closing balance	365,097	348,938	15,118	1,042	362,029	346,437	14,669	923
Present Value Future Cash Flows		320,666	10,652			319,045	10,226	
Risk Adjustment		954	515			827	802	
Contractual Service Margin	31,268	27,317	3,951		30,207	26,565	3,642	
Property & Casualty segment								
Insurance contracts that are assets	(29)	-	-	(29)	(10)	-	-	(10)
Insurance contracts that are liabilities	35,402	138	285	34,979	33,453	139	285	33,029
Net closing balance	35,374	138	285	34,950	33,443	139	285	33,019
Present Value Future Cash Flows		137	(588)			139	(580)	
Risk Adjustment		1	47			0	47	
Contractual Service Margin	826	-	826		818	0	818	
Total								
Insurance contracts that are assets	(389)	(105)	(218)	(67)	(243)	(32)	(197)	(13)
Insurance contracts that are liabilities	400,860	349,181	15,621	36,059	395,715	346,608	15,152	33,955
Net closing balance	400,471	349,076	15,403	35,992	395,472	346,576	14,955	33,942
Present Value Future Cash Flows		320,803	10,064			319,184	9,646	
Risk Adjustment		955	562			827	848	
Contractual Service Margin	32,095	27,317	4,778		31,025	26,565	4,460	

	30/06/2022				31/12/2021			
	Total	Contracts with direct participation features	Contracts without direct participation features		Total	Contracts with direct participation features	Contracts without direct participation features	
(€ million)			General Model	PAA			General Model	PAA
Life Segment								
Insurance contracts that are assets	(303)	(27)	(274)	(2)	(358)	(20)	(338)	(0)
Insurance contracts that are liabilities	377,934	362,351	14,696	887	432,835	416,557	15,309	969
Net closing balance	377,631	362,324	14,422	885	432,477	416,538	14,971	969
Present Value Future Cash Flows		331,533	10,092			386,803	10,628	
Risk Adjustment		873	858			966	856	
Contractual Service Margin	33,389	29,918	3,471		32,256	28,769	3,487	
Property & Casualty segment								
Insurance contracts that are assets	(2)	-	-	(2)	(78)	-	(75)	(4)
Insurance contracts that are liabilities	32,112	147	117	31,848	33,548	163	6	33,380
Net closing balance	32,111	147	117	31,847	33,470	163	(69)	33,376
Present Value Future Cash Flows		147	(717)			161	(873)	
Risk Adjustment		0	26			0	33	
Contractual Service Margin	808	-	808		773	1	771	
Total								
Insurance contracts that are assets	(305)	(27)	(274)	(4)	(436)	(20)	(413)	(4)
Insurance contracts that are liabilities	410,047	362,499	14,812	32,736	466,383	416,720	15,315	34,349
Net closing balance	409,741	362,471	14,538	32,732	465,947	416,700	14,902	34,345
Present Value Future Cash Flows		331,681	9,375			386,964	9,755	
Risk Adjustment		873	884			966	889	
Contractual Service Margin	34,197	29,918	4,279		33,029	28,770	4,258	

The purpose of the following tables is to provide a reconciliation from the opening balance at 1 January 2023 to the closing balance at 30 June 2023 of the carrying amount of insurance contract issued measured under Variable Fee Approach (VFA) and General Measurement Model (GMM). Equally, the comparative period shows the reconciliation from the opening balance at 1 January 2022 to the closing balance at 30 June 2022.

Reconciliation is showed separately by each measurement component: (i) Estimates of the present value of future cash flows, (ii) Risk adjustment for non-financial risks, and (iii) Contractual Service Margin.

In accordance with ISVAP Regulation No. 7 of 13 July 2007, the tables are presented separately for each of the following aggregation bases:

- Insurance contracts issued with direct participation features – Life segment;
- Insurance contracts issued without direct participation features – Life segment;
- Insurance contracts issued without direct participation features – P&C segment – Non-Motor.

As allowed by ISVAP Regulation No. 7 of 13 July 2007, the aggregation base “Insurance contract issued with direct participation features – Life segment” also includes investment contracts with direct participation features.

Please note that, considering the low materiality of amounts, the following tables do not include the carrying amount of insurance contracts issued with direct participation features related to P&C segment. The total carrying amount of these contracts is equal to € 138 million at 30 June 2023.

Basis of aggregation 1 - Insurance contracts issued with direct participation features – Life segment

Movements in Insurance Contracts Issued balances by measurement components

(€ million)		Measurement components						
Items	Estimates of Present Value of Future Cash flows 30/06/2023	Risk Adjustment for non-financial risks 30/06/2023	Contractual service margin 30/06/2023	Total 30/06/2023	Estimates of Present Value of Future Cash flows 30/06/2022	Risk Adjustment for non-financial risks 30/06/2022	Contractual service margin 30/06/2022	Total 30/06/2022
A. Opening balance								
1. Insurance contracts that are liabilities	319,192	810	26,467	346,469	386,868	958	28,731	416,557
2. Insurance contracts that are assets	(147)	16	98	(32)	(65)	8	38	(20)
3. Net opening balance at 1st January	319,045	827	26,565	346,437	386,803	966	28,769	416,538
B. Changes that relate to current services								
1. Contractual Service Margin recognized in the income statement	0	0	(1,149)	(1,149)	0	0	(1,213)	(1,213)
2. Change in Risk Adjustment for expired non-financial risks	0	(21)	0	(21)	0	(23)	0	(23)
3. Changes related to experience adjustments	163	0	0	163	(92)	0	0	(92)
4. Total	163	(21)	(1,149)	(1,006)	(92)	(23)	(1,213)	(1,328)
C. Changes that relate to future services								
1. Changes in estimates that adjust the Contractual Service Margin	(1,775)	97	1,678	0	(1,434)	(173)	1,607	0
2. Losses and reversal of losses on onerous contracts	5	(0)	0	5	19	0	0	19
3. Effects of contracts initially recognized in the year	(1,149)	44	1,108	3	(1,374)	71	1,318	15
4. Total	(2,920)	141	2,786	7	(2,789)	(101)	2,925	35
D. Changes that relate to past services								
1. Adjustment to Liability for Incurred Claims	(307)	0	0	(307)	44	(0)	0	43
2. Changes related to experience adjustments	0	0	0	0	0	0	0	0
3. Total	(307)	0	0	(307)	44	(0)	0	43
E. Insurance services results (Total B+C+D+E)	(3,064)	120	1,637	(1,306)	(2,837)	(125)	1,712	(1,250)
F. Finance expenses/income								
1. Related to insurance contracts issued	13,491	15	(403)	13,103	(54,935)	(1)	(637)	(55,573)
1.1 Recorded in the income statement	9,486	10	(403)	9,093	(11,755)	(0)	(637)	(12,392)
1.2 Recognized in the other comprehensive income statement	4,006	5	0	4,010	(43,181)	(0)	0	(43,181)
2. Effects of movements in exchange rates	(4)	(0)	(1)	(5)	(9)	(0)	(7)	(15)
3. Total	13,488	15	(405)	13,098	(54,944)	(1)	(644)	(55,588)
G. Total amount of changes recognized in the income statement and in the Other Comprehensive Income statement (E+ F)	10,424	135	1,233	11,792	(57,781)	(125)	1,068	(56,838)
H. Other changes	(2,744)	(7)	(481)	(3,232)	659	32	81	772
I. Cash flows								
1. Premiums received	20,292	0	0	20,292	19,966	0	0	19,966
2. Payments related to insurance acquisition cash flows	(1,064)	0	0	(1,064)	(1,110)	0	0	(1,110)
3. Claims paid and other cash outflows	(25,287)	0	0	(25,287)	(17,003)	0	0	(17,003)
4. Total	(6,058)	0	0	(6,058)	1,853	0	0	1,853
L. Net balance at 30 June (A.3+H+I+L.3)	320,666	954	27,317	348,938	331,533	873	29,918	362,324
M. Closing balance								
1. Insurance contracts that are liabilities	320,910	937	27,196	349,043	331,627	861	29,864	362,351
2. Insurance contracts that are assets	(243)	17	121	(105)	(93)	12	54	(27)
3. Net closing balance at 30 June	320,666	954	27,317	348,938	331,533	873	29,918	362,324

Basis of aggregation 2 - Insurance contracts issued without direct participation features – Life segment

Movements in Insurance Contracts Issued balances by measurement components

Items	Measurement components							
	Estimates of Present Value of Future Cash flows 30/06/2023	Risk Adjustment for non-financial risks 30/06/2023	Contractual service margin 30/06/2023	Total 30/06/2023	Estimates of Present Value of Future Cash flows 30/06/2022	Risk Adjustment for non-financial risks 30/06/2022	Contractual service margin 30/06/2022	Total 30/06/2022
A. Opening balance								
1. Insurance contracts that are liabilities	10,918	760	3,189	14,867	11,499	794	3,016	15,309
2. Insurance contracts that are assets	(692)	42	453	(197)	(871)	62	470	(338)
3. Net opening balance at 1st January	10,226	802	3,642	14,669	10,628	856	3,487	14,971
B. Changes that relate to current services								
1. Contractual Service Margin recognized in the income statement	0	0	(343)	(343)	0	0	(280)	(280)
2. Change in Risk Adjustment for expired non-financial risks	0	(54)	0	(54)	0	(53)	0	(53)
3. Changes related to experience adjustments	251	0	0	251	142	0	0	142
4. Total	251	(54)	(343)	(146)	142	(53)	(280)	(190)
C. Changes that relate to future services								
1. Changes in estimates that adjust the Contractual Service Margin	(54)	(12)	66	0	157	(25)	(132)	0
2. Losses and reversal of losses on onerous contracts	25	(1)	0	23	22	(3)	0	19
3. Effects of contracts initially recognized in the year	(459)	57	432	30	(365)	88	317	40
4. Total	(488)	44	498	54	(186)	60	185	59
D. Changes that relate to past services								
1. Adjustment to Liability for Incurred Claims	(141)	(319)	0	(461)	(209)	16	0	(192)
2. Changes related to experience adjustments	0	0	0	0	0	0	0	0
3. Total	(141)	(319)	0	(461)	(209)	16	0	(192)
E. Insurance services results (Total B+C+D+E)	(379)	(329)	155	(553)	(253)	24	(95)	(324)
F. Finance expenses/income								
1. Related to insurance contracts issued	620	15	51	685	(1,342)	1	41	(1,300)
1.1 Recorded in the income statement	96	15	51	162	53	1	41	94
1.2 Recognized in the other comprehensive income statement	523	0	0	523	(1,395)	0	0	(1,395)
2. Effects of movements in exchange rates	31	(0)	(3)	28	20	(0)	(2)	17
3. Total	650	15	48	713	(1,322)	0	39	(1,283)
G. Total amount of changes recognized in the income statement and in the Other Comprehensive Income statement (E+ F)	271	(314)	203	160	(1,575)	24	(57)	(1,607)
H. Other changes	(756)	27	107	(623)	246	(22)	41	265
I. Cash flows								
1. Premiums received	4,111	0	0	4,111	3,328	0	0	3,328
2. Payments related to insurance acquisition cash flows	(500)	0	0	(500)	(344)	0	0	(344)
3. Claims paid and other cash outflows	(2,700)	0	0	(2,700)	(2,190)	0	0	(2,190)
4. Total	911	0	0	911	793	0	0	793
L. Net balance at 30 June (A.3+H+I+L.3)	10,652	515	3,951	15,118	10,092	858	3,471	14,422
M. Closing balance								
1. Insurance contracts that are liabilities	11,432	461	3,442	15,335	10,829	804	3,063	14,696
2. Insurance contracts that are assets	(780)	54	509	(218)	(736)	54	409	(274)
3. Net closing balance at 30 June	10,652	515	3,951	15,118	10,092	858	3,471	14,422

Basis of aggregation 4 - Insurance contracts issued without direct participation features – P&C segment – Non-Motor

Movements in Insurance Contracts Issued balances by measurement components

Items	Measurement components							
	Estimates of Present Value of Future Cash flows 30/06/2023	Risk Adjustment for non-financial risks 30/06/2023	Contractual service margin 30/06/2023	Total 30/06/2023	Estimates of Present Value of Future Cash flows 30/06/2022	Risk Adjustment for non-financial risks 30/06/2022	Contractual service margin 30/06/2022	Total 30/06/2022
A. Opening balance								
1. Insurance contracts that are liabilities	(580)	47	818	285	(34)	7	33	6
2. Insurance contracts that are assets	0	0	0	0	(839)	26	739	(75)
3. Net opening balance at 1st January	(580)	47	818	285	(873)	33	771	(69)
B. Changes that relate to current services								
1. Contractual Service Margin recognized in the income statement	0	0	(24)	(24)	0	0	(20)	(20)
2. Change in Risk Adjustment for expired non-financial risks	0	(2)	0	(2)	0	(1)	0	(1)
3. Changes related to experience adjustments	(24)	0	0	(24)	(10)	0	0	(10)
4. Total	(24)	(2)	(24)	(51)	(10)	(1)	(20)	(31)
C. Changes that relate to future services								
1. Changes in estimates that adjust the Contractual Service Margin	11	(1)	(9)	0	(5)	(8)	13	(0)
2. Losses and reversal of losses on onerous contracts	7	0	0	8	0	0	0	0
3. Effects of contracts initially recognized in the year	(37)	4	34	0	(38)	1	36	(0)
4. Total	(19)	2	24	8	(42)	(7)	49	(0)
D. Changes that relate to past services								
1. Adjustment to Liability for Incurred Claims	15	2	0	17	(0)	0	0	(0)
2. Changes related to experience adjustments	0	0	0	0	0	0	0	0
3. Total	15	2	0	17	(0)	0	0	(0)
E. Insurance services results (Total B+C+D+E)	(28)	2	(0)	(27)	(53)	(7)	29	(31)
F. Finance expenses/income								
1. Related to insurance contracts issued	(16)	1	9	(7)	174	(0)	7	181
1.1 Recorded in the income statement	(5)	1	9	4	(6)	(0)	7	1
1.2 Recognized in the other comprehensive income statement	(11)	0	0	(11)	180	0	0	180
2. Effects of movements in exchange rates	0	0	0	0	0	0	0	0
3. Total	(16)	1	9	(7)	174	(0)	7	181
G. Total amount of changes recognized in the income statement and in the Other Comprehensive Income statement (E+ F)	(44)	3	8	(33)	121	(7)	36	150
H. Other changes	(2)	(2)	(0)	(4)	(0)	0	0	(0)
I. Cash flows								
1. Premiums received	73	0	0	73	59	0	0	59
2. Payments related to insurance acquisition cash flows	(16)	0	0	(16)	(13)	0	0	(13)
3. Claims paid and other cash outflows	(21)	0	0	(21)	(11)	0	0	(11)
4. Total	37	0	0	37	35	0	0	35
L. Net balance at 30 June (A.3+H+I.L.3)	(588)	47	826	285	(717)	26	808	117
M. Closing balance								
1. Insurance contracts that are liabilities	(588)	47	826	285	(717)	26	808	117
2. Insurance contracts that are assets	0	0	0	0	0	0	0	0
3. Net closing balance at 30 June	(588)	47	826	285	(717)	26	808	117

18 Reinsurance contracts

The purpose of the following table is to provide a reconciliation from the opening balance at 1 January 2023 to the closing balance at 30 June 2023 of the carrying amount of reinsurance contracts held valued under General Measurement Model. Equally, comparative period shows the reconciliation from the opening balance at 1 January 2022 to the closing balance at 30 June 2022.

Reconciliation is showed separately by each measurement component: (i) Estimates of the present value of future cash flows, (ii) Risk adjustment for non-financial risks, and (iii) the Contractual Service Margin.

In accordance with ISVAP Regulation No. 7 of 13 July 2007, the tables are presented separately for each of the following aggregation bases:

- Life segment;
- P&C segment.

Please note that, considering the low materiality of amounts, the following tables do not include the carrying amount of reinsurance contracts held valued under General Measurement Model (GMM) related to P&C segment. The total carrying amount of these contracts is equal to € 109 million at 30 June 2023.

Basis of aggregation 1 – Life segment

Movements in Reinsurance Contracts Held balances by measurement components

Items	Measurement components							
	Estimates of Present Value of Future Cash flows 30/06/2023	Risk Adjustment for non-financial risks 30/06/2023	Contractual service margin 30/06/2023	Total 30/06/2023	Estimates of Present Value of Future Cash flows 30/06/2022	Risk Adjustment for non-financial risks 30/06/2022	Contractual service margin 30/06/2022	Total 30/06/2022
A. Opening balance								
1. Reinsurance contracts which are assets	64	162	119	344	586	166	17	769
2. Reinsurance contracts which are liabilities	(126)	6	81	(39)	(221)	11	124	(86)
3. Net opening balance at 1st January	(63)	168	200	305	365	177	141	683
B. Changes that relate to current services								
1. Contractual Service Margin recognized in the income statement	0	0	(15)	(15)	0	0	(10)	(10)
2. Change in Risk Adjustment for expired non-financial risks	0	(11)	0	(11)	0	(10)	0	(10)
3. Changes related to experience adjustments	68	0	0	68	74	0	0	74
4. Total	68	(11)	(15)	41	74	(10)	(10)	54
C. Changes that relate to future services								
1. Changes in estimates that adjust the Contractual Service Margin	(5)	0	5	0	(171)	(4)	175	0
2. Effects of contracts initially recognized in the year	(29)	8	20	0	(16)	14	2	0
3. Changes on Contractual Service Margin related to recovery of losses from initial recognition of underlying onerous contracts	0	0	3	3	0	0	14	14
4. Releases of the loss recovery component other than changes in estimates related to reinsurance contracts held	0	0	(1)	(1)	0	0	(11)	(11)
5. Changes in estimates related to reinsurance contracts held resulting from onerous underlying insurance contracts	0	0	(2)	(2)	0	0	(2)	(2)
6. Total	(34)	9	25	(0)	(187)	10	179	2
D. Changes that relate to past services	(64)	(112)	0	(176)	(107)	4	0	(103)
1. Adjustments to the activity for claims that have occurred	(64)	(112)	0	(176)	(107)	4	0	(103)
E. Changes in the risk of non-performance of the reinsurer	0	0	0	0	(6)	0	0	(6)
F. Insurance services results (Total B+C+D+E)	(31)	(115)	10	(136)	(225)	4	169	(53)
G. Finance income/expenses								
1. Related to reinsurance disposals	(13)	3	3	(7)	(159)	(0)	(1)	(160)
1.1 Recorded in the income statement	(16)	3	3	(10)	(7)	(0)	(1)	(8)
1.2. Recognized in the Other Comprehensive Income statement	2	0	0	2	(151)	0	0	(151)
2. Effects of movements in exchange rates	(29)	0	0	(29)	10	0	(0)	10
3. Total	(42)	3	3	(36)	(149)	(0)	(1)	(150)
H. Total amount recorded in the income statement and in the comprehensive income statement (F+G)	(73)	(112)	13	(172)	(374)	4	168	(203)
I. Other changes	(76)	10	29	(37)	96	3	23	122
L. Cash flows								
1. Premiums paid net of amounts not related to claims recovered from reinsurers	510	0	0	510	161	0	0	161
2. Amounts recovered from reinsurance	(591)	0	0	(591)	(430)	0	0	(430)
3. Total	(81)	0	0	(81)	(268)	0	0	(268)
M. Net balance at 30 June (A.3+H+I+L.3)	(294)	67	242	15	(181)	183	332	334
N. Closing balance								
1. Reinsurance contracts which are assets	(114)	47	164	98	10	174	239	423
2. Reinsurance contracts which are liabilities	(180)	20	78	(83)	(192)	10	93	(89)
3. Net closing balance at 30 June	(294)	67	242	15	(181)	183	332	334

19 Income and expenses

The purpose of the following table is to provide further details on insurance revenue and expenses from insurance contract issued.

In accordance with ISVAP Regulation No. 7 of 13 July 2007, each of the following aggregation bases are separately presented:

- Insurance contracts issued with direct participation features – Life segment (Basis 1);
- Insurance contracts issued without direct participation features – Life segment (Basis 2);
- Insurance contracts issued without direct participation features – P&C segment – Non-Motor (Basis 4).

As allowed by ISVAP Regulation No. 7 of 13 July 2007, the aggregation base “Insurance contract issued with direct participation features – Life segment” also includes investment contracts with direct participation features.

Please note that “Other” column details insurance revenue and expenses arising from insurance contracts issued with direct participation features related to P&C segment.

Insurance revenue and expenses from insurance contract issued

(€ million)	Basis A1 30/06/2023	Basis A2 30/06/2023	Basis A4 30/06/2023	Other 30/06/2023	Total 30/06/2023	Basis A1 30/06/2022	Basis A2 30/06/2022	Basis A3 30/06/2022	Basis A4 30/06/2022	Other 30/06/2022	Total 30/06/2022
Items/Bases of aggregation											
A. Insurance revenue from insurance contracts issued measured under GMM and VFA											
A.1 Changes related to the Liability for Remaining coverage	4,943	2,698	55	0	7,695	4,317	2,512	0	41	0	6,871
1. Claims incurred and other costs for expected insurance services	3,879	2,353	19	1	6,252	3,339	2,248	0	10	0	5,597
2. . Changes in risk adjustment for expired non-financial risks	21	54	2	0	77	23	53	0	1	0	77
3. Contractual Service Margin recognized in the income statement	1,149	343	24	0	1,516	1,213	280	0	20	0	1,513
4. Other amounts	-106	-52	9	-1	-150	-258	-69	0	11	0	-316
A.2 Recovery of Insurance acquisition Cash Flows	385	153	5	0	543	365	106	0	-0	0	471
A.3 Total Insurance revenue from insurance contracts issued measured under GMM and VFA	5,328	2,850	59	0	8,238	4,682	2,618	0	41	1	7,342
A.4 Total Insurance revenues from insurance contracts issued valued under the APP					15,797						14,076
- Life business	X	X	X	X	998	X	X	X	X	X	934
- Property & Casualty - motor	X	X	X	X	5,143	X	X	X	X	X	4,780
- Property & Casualty - non motor	X	X	X	X	9,656	X	X	X	X	X	8,362
A.5 Total Insurance revenues from insurance contracts issued	5,328	2,850	59	0	24,035	4,682	2,618	0	41	1	21,418
B. Insurance service expenses from insurance contracts issued measured under GMM and VFA											
1. Incurred claims and other directly attributable expenses	-4,081	-2,571	-6	-1	-6,659	-3,153	-2,386	0	-10	-0	-5,550
2. Adjustment to Liability for Incurred Claims	307	461	-17	-0	751	-43	192	0	0	0	149
3. Losses and reversal of losses on onerous contracts	-7	-54	-8	1	-68	-35	-59	0	0	-17	-110
4. Amortization of insurance acquisition cash flows	-385	-153	-5	0	-543	-365	-106	0	0	0	-471
5. Other amounts	144	20	2	1	167	164	64	0	0	0	228
B.6 Total Insurance service expenses from insurance contracts issued measured under GMM and VFA	-4,022	-2,297	-33	0	-6,351	-3,432	-2,294	0	-10	-17	-5,753
B.7 Total Insurance service expenses from insurance contracts issued measured under PAA					-13,842						-13,067
- Life business	X	X	X	X	-918	X	X	X	X	X	-881
- Property & Casualty - motor	X	X	X	X	-4,774	X	X	X	X	X	-4,899
- Property & Casualty - non motor	X	X	X	X	-8,149	X	X	X	X	X	-7,287
C. Insurance Service Result from Insurance contracts issued (A.5+B.6+B.7)	1,306	553	27	1	3,842	1,250	324	0	31	-16	2,598

Key:

- Basis 1: Insurance contracts issued with direct participation features – Life segment;
- Basis 2: Insurance contracts issued without direct participation features – Life segment;
- Basis 4: Insurance contracts issued without direct participation features – P&C segment – Non-Motor
- Other: Insurance contracts issued without direct participation features – P&C segment.

The purpose of the following table is to provide further details on insurance expenses and revenue from reinsurance contract held.

In accordance with ISVAP Regulation No. 7 of 13 July 2007, each of the following aggregation bases are separately presented:

- Life Segment (Basis 1);
- P&C Segment (Basis 2).

Insurance expenses and revenue from reinsurance contracts held

(€ million)						
Items/Bases of aggregation	Basis of aggregation 1 30/06/2023	Basis of aggregation 2 30/06/2023	Total 30/06/2023	Basis of aggregation 1 30/06/2022	Basis of aggregation 2 30/06/2022	Total 30/06/2022
A. Insurance service expenses from reinsurance contracts held measured under GMM						
A.1 Changes related to the Asset for Remaining coverage						
1. Expected Claims and other expected expenses to be recovered	-460	-7	-467	-401	0	-401
2. Changes in the risk adjustment for non-financial risks expired	-11	-1	-13	-10	0	-10
3. Contractual service margin recognized in the income statement	-15	-3	-19	-10	0	-10
4. Other amounts	76	-4	72	11	0	11
5. Total	-411	-16	-427	-410	0	-410
A.2 Other directly attributable expenses						
A.3 Insurance service expenses from reinsurance contracts held measured under PAA	-338	-897	-1,234	-266	-912	-1,178
B. Total expenses from reinsurance contracts held (A.1+A.2+A.3)	-749	-913	-1,662	-675	-912	-1,588
C. Changes in the risk of non-performance of the reinsurer	-0	-4	-5	-6	6	0
D. Insurance revenue from reinsurance contracts held	761	1,008	1,769	717	940	1,657
E. Adjustment to Asset for Incurred Claims	-264	-555	-819	-44	-438	-482
F. Other reinsurance recoveries	0	0	0	0	0	0
G. Insurance service result from reinsurance contracts held (B+C+D+E+F)	-252	-464	-716	-7	-405	-412

The following table contains a breakdown of Insurance service expenses related to insurance contracts issued and other services recognized in the income statement.

In accordance with ISVAP Regulation No. 7 of 13 July 2007, in the table each of the following aggregation bases are separately presented:

- Insurance contracts issued with direct participation features – Life segment (Basis A1);
- Insurance contracts issued without direct participation features – Life segment (Basis A2);
- Insurance contracts issued without direct participation features – P&C segment – Motor (Basis A3);
- Insurance contracts issued without direct participation features – P&C segment – Non Motor (Base A4);
- Other.

Breakdown of insurance service expenses and other costs

(€ million)														
Items / Bases of aggregation	Basis A1 – with DPF 30/06/2023	Basis A2 – without DPF 30/06/2023	Basis A1 + Base A2 30/06/2023	Basis A3 30/06/2023	Basis A4 30/06/2023	Basis A3 + Basis A4 30/06/2023	Other 30/06/2023	Basis A1 – with DPF 30/06/2022	Basis A2 – without DPF 30/06/2022	Basis A1 + Base A2 30/06/2022	Basis A3 30/06/2022	Basis A4 30/06/2022	Basis A3 + Basis A4 30/06/2022	Other 30/06/2022
Expenses attributable to the acquisition of insurance contracts	558	271	829	823	2,225	3,047	X	495	203	697	762	1,831	2,593	X
Other directly attributable expenses	1,135	447	1,581	491	632	1,123	X	971	436	1,407	431	579	1,010	X
Investment management expenses	X	X	0	X	X	0	21	X	X	0	X	X	0	16
Other expenses	X	X	0	X	X	0	464	X	X	0	X	X	0	446
Total	X	X	2,410	X	X	4,170	485	X	X	2,104	X	X	3,603	462

SHAREHOLDERS' EQUITY AND SHARE

20 Shareholders' equity

Equity

(€ million)	30/06/2023	31/12/2022
Shareholders' equity attributable to the Group	26,693	26,650
Share capital	1,592	1,587
Capital reserves	6,607	7,107
Revenue reserves and other reserves	18,825	18,464
(Own shares)	-273	-583
Reserve for currency translation differences	-152	-116
Reserve for unrealised gains and losses on equity instruments designated at fair value through other comprehensive income	-68	-96
Reserve for unrealised gains and losses on financial assets (different from equity instruments) designated at fair value through other comprehensive income	-23,425	-26,792
Net financial expenses/revenues related to insurance contracts issued and to reinsurance disposals	22,284	25,914
Reserve for other unrealised gains and losses through equity	-941	-1,069
Result of the period	2,243	2,235
Shareholders' equity attributable to minority interest	2,264	2,323
Total	28,956	28,973

The share capital was made up of 1,592,382,832 ordinary shares without nominal value.

The capital reserve amount to €6,607 million (€7,107 as at 31 December 2022). The change is attributable to the cancellation of €500 million of own shares following their repurchase.

The residual Group's own shares are €-273 million, amounting to 16,936,421 shares (€-583 million amounting to 39,537,792 shares as at 31 December 2022).

During 2023 the Parent company resolved a dividend distribution amounting to €1,790 million. The entire amount of the dividend declared was deducted from Revenue reserves.

The reserve for currency translation differences arising from the translation of subsidiaries' financial statement denominated in foreign currencies amounted to €-152 million (€-119 million as at 31 December 2022) due to the appreciation of the euro against the most major currencies.

The reserve for unrealised gains and losses on equity instruments designated at fair value through other comprehensive income amounted to €-68 million (€-96 million as at 31 December 2022).

The reserve for unrealised gains and losses on financial assets (different from equity instruments) designated at fair value through other comprehensive income amounted to €-23,425 million (€-26,792 million as at 31 December 2022). The change is influenced by the positive trend in the financial markets, mainly in equities and bonds. This effect is offset by Net financial expenses/revenues related to insurance contracts issued and to reinsurance disposals amounting to €22,284 million (€25,914 million as at 31 December 2022).

The reserve for other unrealised gains and losses through equity amounted to €-941 million (€-1,069 as at 31 December 2022) comprised, among other component gains and losses on re-measurement of the net defined benefit liability in accordance with IAS 19, and gains and losses on derivative instruments hedging variation on interest rates and exchange rates accounted for as hedging derivatives (cash flow hedge).

21 Details of the other components of the comprehensive income statement

(€ million)			30/06/2023	30/06/2022
	Items			
1.	Profit (Loss) for the period		2,459	987
2.	Other income components without reclassification to the income statement		-	-
2.1	Share of valuation reserves of associates		1	0
2.2	Reserve for revaluation model of intangible asset		0	0
2.3	Reserve for revaluation model of tangible asset		0	0
2.4	Net financial expenses/revenues related to insurance contracts issued		0	0
2.5	Result of discontinued operations		0	-0
2.6	Actuarial gains or losses arising from defined benefit plans		-65	929
2.7	Net gains and losses on equities designated at fair value through other comprehensive income		48	-379
	a) change in fair value		81	-369
	b) transfers to other equity's components		-32	-9
2.8	Changes in own credit standing on financial liabilities designated at fair value through profit or loss		-1	0
	a) change in fair value		-1	0
	b) transfers to other equity's components		0	0
2.9	Other changes:		0	0
	a) change in fair value (hedged instrument)		0	0
	b) change in fair value (hedging instrument)		0	0
	c) other change in fair value		0	0
2.10	Income taxes related to other changes that may be not reclassified to profit or loss		6	-251
3	Other items (net of tax) that may be reclassified to the income statement		0	0
3.1	Foreign currency translation differences:		-96	316
	a) change in value		-95	316
	b) reclassification to profit or loss		-2	0
	c) other changes		0	0
3.2	Net gains and losses on financial assets (other than equities) at fair value through other comprehensive income		4,515	-47,532
	a) change in fair value		4,605	-47,379
	b) reclassification to profit or loss		-90	-153
	- adjustments for credit risk		-85	56
	- gains / losses from realization		-5	-209
	c) other changes		0	0
3.3	Net gains and losses on cash flows hedging derivatives		191	-1,459
	a) change in fair value		168	-1,618
	b) reclassification to profit or loss		23	159
	c) other changes		0	0
3.4	Net gains and losses on hedge of a net investment in foreign operations		4	-12
	a) change in fair value		-9	13
	b) reclassification to profit or loss		13	-25
	c) other changes		0	0

3.5	Share of valuation reserves of associates:	0	-5
	a) change in fair value	0	50
	b) reclassification to profit or loss	0	-55
	- impairment losses	0	-45
	- gains / losses from realization	0	-10
	c) other changes	0	0
3.6	Net financial expenses/revenues related to insurance contracts issued	-4,906	46,888
	a) change in fair value	-4,916	46,871
	b) reclassification to profit or loss	11	17
	c) other changes	0	0
3.7	Net financial income/expenses related to reinsurance disposals	-12	-400
	a) change in fair value	-8	-400
	b) reclassification to profit or loss	-4	0
	c) other changes	0	0
3.8	Result of discontinued operations:	41	-28
	a) change in fair value	41	-28
	b) reclassification to profit or loss	0	0
	c) other changes	0	0
3.9	Other changes:	0	0
	a) change in value	0	0
	b) reclassification to profit or loss	0	0
	c) other changes	0	0
3.10	Income taxes related to other changes that may be reclassified to profit or loss	-21	695
4	OTHER COMPREHENSIVE INCOME (EXPENSES) (Sum of items 2.1 to 3.10)	-295	-1,238
5.	CONSOLIDATED COMPREHENSIVE INCOME (Items 1+4)	2,165	-251
5.1	of which: attributable to the Group	2,102	-249
5.2	of which: attributable to minority interests	63	-2

Items from 2.1 to 2.9 and from 3.1 to 3.9 above are expressed gross of taxes as the latter are included into items respectively into 2.10 and 3.10.

22 Earning per share

Basic earnings per share are calculated by dividing the result of the period attributable to the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for the Parent Company's average number of shares owned by itself or by other Group companies during the period.

Diluted earnings per share reflect the eventual dilution effect of potential ordinary shares.

Earning per share

	30/06/2023	30/06/2022
Result of the period (€ million)	2,243	864
- from continuing operations	2,213	962
- from discontinued operations	30	-98
Weighted average number of ordinary shares outstanding	1,541,302,942	1,576,859,597
Adjustments for potential dilutive effect	9,162,264	9,162,264
Total weighted average number of ordinary shares outstanding	1,532,140,678	1,567,697,333
Earning per share (in €)	1.46	0.55
- from continuing operations	1.44	0.61
- from discontinued operations	0.02	-0.06
Diluted earnings per share (in €)	1.46	0.55
- from continuing operations	1.44	0.61
- from discontinued operations	0.02	-0.06

OTHER BALANCE SHEET ITEMS

23 Tangible assets

Tangible asset: composition

Activities/Values	Tangible asset self-used					
	At cost		At fair value		Inventories	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022	30/06/2023	31/12/2022
1. Land and buildings (investment properties)	2,557	2,569	256	255	593	620
a) land	350	351	14	14	0	0
b) buildings	1,890	1,889	242	242	0	0
c) furniture	0	0	0	0	0	0
e) facilities	316	328	0	0	0	0
e) Other assets	1	1	0	0	593	620
2. Real rights subject to leasing	377	518	0	0	0	0
a) land	0	52	0	0	0	0
b) buildings	314	393	0	0	0	0
c) furniture	0	0	0	0	0	0
e) facilities	42	45	0	0	0	0
e) Other assets	21	28	0	0	0	0
Total	2,934	3,087	256	255	593	620

Other tangible assets, which amounted to €615 million (€649 million at 31 December 2022), mainly include property inventories allocated to real estate development companies (mainly related to Citylife project).

Tangible asset self-used: variations

(€ million)	Land	Buildings	Furniture	Facilities	Other items of property, plant and equipment	Total
A. Opening balances	486	3,272	0	1,903	680	6,341
A.1 Accumulated depreciation and impairment	-69	-748	0	-1,530	-31	-2,379
A.2 Net opening balance	417	2,524	0	373	649	3,963
A.2.a Adjustment opening balances	0	-0	0	0	-0	0
B. Increases	16	135	0	82	26	259
B.1 Acquisitions	0	21	0	38	5	65
B.2 Capitalized expenses	0	1	0	1	0	2
B.3 Reversals of impairment losses	0	0	0	0	0	0
B.4 Positive changes in the recalculated value recognized a	0	0	0	0	0	0
a) comprehensive income statement	0	0	0	0	0	0
b) income statement	0	0	0	0	0	0
B.5 Positive exchange differences	0	31	0	17	0	49
B.6 Transfers from investment property	0	16	X	X	X	16
B.7 Other changes	16	65	0	26	20	126
C. Decreases	-69	-213	0	-98	-59	-439
C.1 Sales	-0	-29	0	-6	-9	-44
C.2 Depreciations	-0	-53	0	-51	0	-104
C.3 Impairment losses recognised in:	-0	-0	0	0	-7	-7
a) comprehensive income statement	0	0	0	0	0	0
b) income statement	-0	-0	0	0	-7	-7
C.4 Negative changes in the restated value	0	-0	0	0	0	-0
a) comprehensive income statement	0	0	0	0	0	0
b) income statement	0	-0	0	0	0	-0
C.5 Negative exchange differences	-0	-42	0	-20	-0	-62
C.6 Transfer to:	0	-3	0	-0	0	-3
a) investments property	0	-3	X	X	X	-3
b) non-current assets and disposal groups held for sale	0	0	0	-0	0	0
C.7 Other changes	-69	-85	0	-21	-44	-219
D. Net final carrying amount	364	2,446	0	358	615	3,783
D.1 Accumulated depreciation and impairment	-83	-729	0	-1,564	-30	-2,406
D.2 Gross book value	447	3,175	0	1,922	645	6,189
E. Measured at cost	364	2,403	0	358	615	3,739

The fair value of land and buildings (self-used) at the end of the reporting period was mainly based on external appraisals.

24 Other financial assets

Other financial assets

(€ million)	30/06/2023	31/12/2022
Receivables arising out of insurance operations out of IFRS17 scope	1,227	1,323
Receivables arising from operation with collateral	1,750	2,126
Commercial receivables	1,246	1,335
Other receivables	2,431	1,700
Other financial assets	6,654	6,484

25 Other assets

Other assets

(€ million)	30/06/2023	31/12/2022
Non-current asset or disposal groups classified as held for sale	16,962	14,314
Tax receivables	3,540	3,807
Deferred tax assets	2,622	3,003
Other assets	4,044	2,864
Total	27,168	23,988

Item Non-current asset or disposal groups classified as held for sale comprehends assets classified as held for sale of Italian bancassurance joint ventures (former Gruppo Cattolica), as well as the classification of items of Generali Deutschland Pensionskasse AG.

For more details, please refer to paragraph *Non-current asset or disposal groups classified as held for sale*.

26 Other provisions

Other provisions

(€ million)	30/06/2023	31/12/2022
Provision for taxation other than income taxes	33	22
Provisions for corporate restructuring	222	266
Other provision for potential liabilities	2,288	2,119
Total	2,542	2,406

Provisions for commitments and other provisions included provisions for corporate restructuring, litigation or similar events as well as other commitments for which, at balance sheet date, an outflow of resources to settling the related obligation is considered probable and estimated in a reliable way.

The amounts recognized in the financial statements represents the best estimate of their value. In particular, in the assessment all the peculiarities of the specific provisions are taken into account, including the effective period of incurrence of the contingent liabilities and consequently the expected cash flows on the different estimates and assumptions.

The table below summarized the main changes occurred during the period:

Other provisions - main changes occurred during the period

(€ million)	30/06/2023	31/12/2022
Carrying amount as at 31 December previous year	2,406	2,322
Foreign currency translation effects	-0	-0
Changes in consolidation scope	-3	133
Changes	140	-48
Carrying amount as at the end of the period	2,542	2,406

In the normal course of business, the Group may enter into arrangements that do not lead to the recognition of those commitments as assets and liabilities in the consolidated financial statements under IFRS (contingent assets and liabilities). For further information regarding contingent liabilities please refer to Annual Consolidated Financial Statements 2022 at the paragraph *Contingent liabilities, commitments, guarantees, pledged assets and collaterals* in *Additional information*.

27 Payables

Payables

(€ million)	30/06/2023	31/12/2022
Payables arising out of insurance operations out of IFRS17 scope	1,397	1,570
Other payables	6,315	6,204
Payables to employees	1,050	1,156
Provision for defined benefit plans	72	78
Payables to suppliers	1,899	1,899
Social security	315	249
Other payables	2,980	2,821
Total	7,712	7,774

28 Other liabilities

Other liabilities

(€ million)	30/06/2023	31/12/2022
Liabilities directly associated to non-current assets and disposal groups classified as held for sale	16,788	13,676
Deferred tax liabilities	2,520	2,430
Tax payables	2,023	1,533
Other liabilities	5,347	5,038
Total	26,678	22,677

Other liabilities include liabilities related to defined employee benefit plans amounting to €2,870 million (€2,826 million as of 31 December 2022).

Item Liabilities directly associated to non-current assets and disposal groups classified as held for sale comprehends liabilities classified as held for sale of Italian bancassurance joint ventures (former Gruppo Cattolica), as well as the classification of items of Generali Deutschland Pensionskasse AG.

For more details, please refer to paragraph *Non-current asset or disposal groups classified as held for sale*.

OTHER NOTES TO THE INCOME STATEMENT

29 Other income statement items

Other income statement items

(€ million)	30/06/2023	30/06/2022
Other income/expenses	303	249
Net income from tangible assets	56	72
Net income from service and assistance activities and recovery of charges	191	165
Other	56	12
Management expenses	-485	-462
Investment management expenses	-21	-16
Other administrative expenses	-464	-446
Net provisions for risks and charges	-155	-28
Net adjustments to / recoveries on property and equipment	-70	-73
Net adjustments to / recoveries on intangible assets	-93	-55
Other operating expenses/income	-494	112
Net commission	518	533
Net gains on foreign currencies	-38	396
Holding costs	-357	-327
Other	-618	-491
Total	-994	-258

30 Net commissions

Fee and commissions income from financial service activities

(€ million)	30/06/2023	30/06/2022
Fee and commission income from banking activity	173	162
Fee and commission income from asset management activity	624	653
Fee and commission income related to investment contracts	16	12
Fee and commission income related to pension funds management	113	93
Other fees and commission income	2	16
Total	927	936

Fee and commissions expenses from financial service activities

(€ million)	30/06/2023	30/06/2022
Fee and commission expenses from banking activity	280	261
Fee and commission expenses from asset management activity	120	134
Fee and commission expenses related to investment contracts	1	1
Fee and commission expenses related to pension funds management	8	6
Total	409	403

31 Income taxes

This item relates to the income taxes due by the Italian and the foreign consolidated companies by applying the income tax rates and rules in force in each country.

The components of the income tax expense of half-year financial statements as at 30 June 2023 and 30 June 2022 are as follows:

Income taxes		
(€ million)	30/06/2023	30/06/2022
Income taxes	689	-31
Deferred taxes	315	753
Total taxes of period	1,004	722
Income taxes on discontinued operations	17	-37
Total income taxes	1,021	685

The income taxes for the first half 2023 shows an overall cost of € 1,004 million, with an increase of € 282 million compared to the same period of 2022 (€ 722 million).

The increase of overall income tax expense was essentially due to the corresponding growth in earning before taxes (€ 1,626 million). The lower tax rate, 29.2% (40% as at 30 June 2022), is due to different effects, among which the absence, in 2023, of some non deductible impairments and non deductible costs booked in 2022 and to the non taxable step up of some participation as of 30 June 2023.

With specific reference to Italian companies of the Group, income taxes for the year also include the charge related to IRAP, determined – for insurance companies – with a rate generally equal to 6.82%.

FAIR VALUE MEASUREMENT

IFRS 13 - Fair Value Measurement provides guidance on fair value measurement and requires disclosures about fair value measurements, including the classification of financial assets and liabilities in the three levels of fair value hierarchy provided for by the Standard.

With reference to the investments, the Group measures financial assets and liabilities at fair value in the financial statements or discloses it in the notes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). In particular, an orderly transaction takes place in the principal or most advantageous market at the measurement date under current market conditions.

A fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place either:

(a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability.

Fair value equals the market price if this information is available in an active market (e.g., a market with adequate trading levels for identical or similar instruments). An active market is defined as a market, even if not regulated, where the items traded within the market are homogeneous, willing buyers and sellers can normally be found at any time and prices are available to the public.

If there isn't an active market, it should be used a valuation technique which however shall maximize the observable inputs.

As for measurement and disclosure, the fair value depends on its unit of account, depending on whether the asset or liability is a stand-alone asset or liability, a group of assets, a group of liabilities or a group of assets and liabilities, determined in accordance with the related IFRS.

32 Fair value hierarchy

Assets and liabilities measured at fair value in the consolidated financial statements are measured and classified in accordance with the fair value hierarchy in IFRS 13, which consists of three levels based on the observability of the inputs within the corresponding valuation techniques used.

The type of inputs used to determine the classification of financial assets and liabilities among the three levels of fair value are:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; market-corroborated inputs);
- Level 3: inputs that are unobservable for the asset or liability, which reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk (of the model used and of inputs used).

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires taking into account factors specific to the asset or liability.

A fair value measurement developed using a present value technique might be categorized within the second or third level of the fair value hierarchy, depending on the inputs that are significant to the entire measurement and the level of the fair value hierarchy within which these inputs are categorized.

If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within the level attributable to the input with the lowest level utilized.

Adequate controls have been set up to monitor all measurements including those provided by third parties. If these checks show that the measurement is not considered as market corroborated, the instrument must be classified in the third level of the hierarchy.

The table shows the classification of the financial assets and liabilities measured at fair value among the levels of the fair value hierarchy as defined by IFRS 13:

Assets and liabilities measured at fair value on a recurring basis classified in Level 3

(€ million)	Level 1		Level 2		Level 3		Total	
Financial assets/liabilities at fair value	30/06/2023	31/12/2022	30/06/2023	31/12/2022	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Financial assets at fair value through other comprehensive income	188,193	189,596	26,670	25,617	6,468	5,110	221,330	220,322
Financial assets measured at fair value through profit or loss	129,563	123,755	17,128	18,898	35,221	32,338	181,912	174,991
a) financial assets held for trading	41	81	924	1,155	111	110	1,076	1,346
b) financial assets designated at fair value	0	0	564	662	31	29	595	691
c) financial assets mandatorily measured at fair value	129,522	123,674	15,640	17,081	35,079	32,199	180,241	172,954
Investments in subsidiaries, associated companies and joint venture	0	0	0	0	868	961	868	961
Investment property	0	0	0	0	21,686	22,112	21,686	22,112
Property, Plant and Equipment	0	0	0	0	256	255	256	255
Intangible assets	0	0	0	0	0	0	0	0
Total	317,756	313,350	43,798	44,515	64,498	60,776	426,052	418,641
Financial liabilities measured at fair value through profit or loss								
a) Financial liabilities held for trading	2	-	1,406	1,364	-	-	1,408	1,364
b) Financial liabilities designated at fair value	3,323	3,159	4,076	4,375	647	519	8,045	8,054
Total	3,325	3,159	5,482	5,739	647	519	9,453	9,417

33 Transfers of financial instruments at fair value between Level 1 and Level 2

Generally, transfers between levels are attributable to the changes in the market activities and to the observability of the inputs used in the valuation techniques to determine the fair value of certain instruments.

Financial assets and financial liabilities are mainly transferred from Level 1 to Level 2 when the liquidity and the frequency of the transactions are no longer indicative of an active market. Conversely, for transfers from Level 2 to Level 1.

The main transfers from Level 1 to Level 2 relate to bonds, mostly classified as financial assets at fair value through other comprehensive income, which are subject to transfers from Level 1 to Level 2 for € 8,281 million and from Level 2 to Level 1 for € 2,604 million.

34 Additional information on Level 3

The amount of financial instruments classified in Level 3 represents 15% of total financial assets at fair value, a slight increase compared to 31 December 2022.

Generally, the main inputs used in valuation techniques are volatility, interest rates, yield curves, credit spreads, dividend estimates and exchange rates. The evaluation methods used haven't significantly changed compared to 31 December 2022.

The more significant assets classified within Level 3 are the following:

- Unquoted equities

It includes unquoted equity securities, mainly classified among financial assets at fair value to profit or loss. Their fair value is determined using the valuation methods described above or based on the net asset value of the company. These contracts are valued individually using appropriate input depending on the security and therefore neither a sensitivity analysis nor an aggregate of unobservable inputs used would be indicative of the valuation.

- Unquoted IFU funds

Are quotas in unquoted IFU funds (mainly in private debt and real estate funds) classified among financial assets at fair value through profit or loss. Their fair value is determined using the net asset value data provided

For more details on the nature of Group funds please refer to the section Investments in the Notes.

Being the unquoted IFU funds linearly affected by the variation of the underlying assets, the Group assumes that a variation in the value of the underlying assets causes the same variation in the fair value of these unquoted IFU bonds as well.

- Private equity funds

Are quotas in private equity funds classified among financial assets at fair value through profit or loss. Their fair value is generally defined considering the net asset value at the reporting date, which is determined by using the periodical net asset value and the certified financial statements provided by the manager of the funds, possibly adjusted considering the liquidity of the funds. Furthermore, the fair value of these investments is closely monitored by a professional team within the Group.

Being the private equity funds linearly affected by the variation of the underlying assets, the Group assumes that a variation in the value of the underlying assets causes the same variation in the fair value of these funds as well.

- Bonds

Are corporate bonds, mainly classified among financial assets at fair value through other comprehensive income and, to a less extent, among financial assets at fair value through profit or loss. Their fair value is mainly determined based on the market or income approach. In terms of sensitivity analysis any changes in the inputs used in the valuation do not cause a significant impact on the fair value at the Group level considering the lack of materiality of these securities classified in Level 3.

Moreover, given the analyses described above, the Group has decided to classify all the asset-backed securities items in Level 3 considering that their evaluation is generally not corroborated by market inputs. For what regards prices provided by providers or counterparties, bonds for which it is not possible to replicate the price using market inputs have been classified in Level 3. Therefore, given the lack of information concerning the inputs used for the determination of the price, the Group is not able to perform a sensitivity analysis on these bonds.

- Investment properties

Are land and buildings held for investment purposes measured at fair value on a recurring basis. The Group has adopted a standardized property valuation process based on appraisals mainly commissioned from third parties. Their fair value is mainly determined based on the income approach. The Group considers these assets to be linearly sensitive to changes in the inputs used in their valuation.

The following table shows a reconciliation between the opening balance and the final value of financial instruments measured at fair value and classified as Level 3.

Details of the variations of assets and liabilities measured at fair value on a recurring basis classified in Level 3

(€ million)	Financial assets at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss		
		Financial assets held for trading	Financial assets designed at fair value	Financial assets mandatorily measured at fair value
1. Opening balances	5,110	110	29	32,199
2. Increases	1,763	9	21	4,272
2.1. Acquisitions	224	0	2	1,987
2.2 Gains recognised in:	393	9	0	290
2.2.1 Profit or loss	0	9	0	290
of which gains	0	9	0	290
of which losses	X	X	X	X
2.2.2 Other comprehensive income	393	X	X	X
2.3. Transfer from/to other levels	205	0	0	0
2.4 Other variations (+)	941	0	19	1,995
3. Decreases	-405	-8	-19	-1,392
3.1 Sales	-36	0	0	-455
3.2 Paybacks	-271	0	0	-7
3.3 Losses recognized in:	-12	-2	0	-90
3.3.1 Profit or loss	0	-2	0	-90
of which losses	0	-2	0	-90
of which gains	X	X	X	X
3.3.2 Other comprehensive income	-12	X	X	X
3.4 Transfer to other levels	-86	0	0	-3
3.5 Other variations (-)	0	-6	-19	-836
4. Final amount	6,468	111	31	35,079

Investment property	Property, Plant and Equipment	Equity investments	Intangible Assets	Financial liabilities measured at fair value through profit or loss	
				Financial liabilities held for trading	Financial liabilities designated at fair value
22,112	255	961	0	0	519
94	0	100	0	0	128
94	0	30	0	0	32
0	0	70	0	0	0
0	0	70	0	0	0
0	0	70	0	X	X
X	X	X	X	0	0
0	0	0	0	X	X
0	0	0	0	0	0
0	0	0	0	0	95
-520	0	-193	0	0	0
-66	0	-3	0	0	0
0	0	0	0	0	0
-446	0	-89	0	0	0
-446	0	-89	0	0	0
-446	0	-89	0	X	X
X	X	X	X	0	0
0	0	0	0	X	X
0	0	0	0	0	0
-9	0	-101	0	0	0
21,686	256	868	0	0	647

ADDITIONAL INFORMATION

35 Information about employees

Information about employees

	30/06/2023	31/12/2022
Managers	2,288	2,292
Middle managers	12,081	12,179
Employees	51,251	50,297
Sales attendant	16,638	17,006
Others	341	287
Total	82,599	82,061

36 Significant non-recurring events and transactions

There are no significant non-recurring events and transactions to be reported in the first semester of 2023.

37 Other information

With reference to the transparency of public funds legislation introduced by art. 1 of Law 124/2017, paragraphs 125, 125-bis and following, as modified by art. 35 of Legislative Decree 34/2019, converted into Law 58/2019 (so-called Decreto Crescita), during the 2023 financial year, Generali Group received public funds mainly related to training activities which are reported in the Registro Nazionale degli Aiuti di Stato pursuant to art. 52 of Law 234/2012 and subsequent amendments and additions, to which reference is made in the specific Transparency section, pursuant to art. 1, paragraph 125-quinquies of the aforementioned Law 124/2017.

The background features several abstract red geometric shapes. In the top right, there is a solid red parallelogram. Below it, a larger, outlined parallelogram is visible. In the bottom left, there is a solid red trapezoidal shape. Other outlined parallelograms are scattered across the middle and bottom right sections of the page.

Appendices to the Notes

Change in the consolidation area*

Newly consolidated:

1.	Fondo Canaletto II, Trieste
2.	Sosteneo SGR S.p.A., Milan
3.	Generali Malaysia Holding Berhad, Kuala Lumpur
4.	Gulf Assist Co WLL, Manama
5.	VIVRE & DOMICILE, Lyon
6.	EA1, Paris
7.	SCI Issy Les Moulineaux, Paris
8.	Residentiel Living Fund OPPCI, Paris
9.	Arab Assist for Logistic Services Company, Amman

Company disposed of/wound up/merged in:

1.	Cattolica Services S.c.p.a., Verona - Merged in Generali Business Solutions S.c.p.A.
2.	CMN Global Inc., Thornhill - Ontario
3.	Europ Assistance Yardım ve Destek Hizmetleri Ticaret Anonim Şirketi, Istanbul
4.	Frescobaldi S.à.r.l., Luxembourg - Merged in Generali European Real Estate Investments S.A.
5.	PCS Praha Center Spol.s.r.o., Prague
6.	Saxon Land B.V., Amsterdam
7.	SCI Commerces Regions, Paris
8.	SCI Parcolog Combs La Ville 1, Paris - Merged in SC Generali Logistique
9.	Solitaire Real Estate, a.s., Prague

* Consolidation area consists of companies consolidated "line by line".

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country ⁽¹⁾	Method ⁽²⁾	Activity ⁽³⁾	Relationship type ⁽⁴⁾	% Direct and indirect shareholding	Group ratio ⁽⁵⁾	% Voting rights at the shareholders' meeting ⁽⁶⁾	% of consolidation
3 Banken Generali GLBond Spezialfonds	008		G	11	1	100.00	99.95		100.00
3 Banken-Generali - GEN4A Spezialfonds	008		G	11	1	100.00	99.95		100.00
3 Banken-Generali - GNLStock	008		G	11	1	100.00	99.95		100.00
3 Banken-Generali-GHStock	008		G	11	1	100.00	99.95		100.00
3 Banken-Generali-GLStock	008		G	11	1	100.00	99.95		100.00
3 Banken-Generali-GSBond	008		G	11	1	100.00	99.95		100.00
Acreditê s.r.o.	275		G	11	1	100.00	100.00		100.00
Advance Mediação de Seguros, Unipessoal Lda	055		G	11	1	100.00	99.99		100.00
Advancecare – Gestão de Serviços de Saúde, S.A.	055		G	11	1	100.00	99.99		100.00
ADVOCARD Rechtsschutzversicherung AG	094		G	2	1	100.00	100.00		100.00
AFP Planvital S.A.	015		G	11	1	86.11	40.95		100.00
Agricola San Giorgio S.p.A.	086		G	11	1	100.00	100.00		100.00
Akcionarsko društvo za osiguranje Generali Osiguranje Montenegro	290		G	3	1	100.00	100.00		100.00
Akcionarsko društvo za osiguranje Generali Osiguranje Srbija, Beograd	289		G	3	1	100.00	100.00		100.00
Akcionarsko društvo za reosiguranje Generali Reosiguranje Srbija, Beograd	289		G	6	1	100.00	100.00		100.00
Alfuturo Servizi Assicurativi s.r.l.	086		G	11	1	100.00	100.00		100.00
Alleanza Assicurazioni S.p.A.	086		G	1	1	100.00	100.00		100.00
Allgemeine Immobilien-Verwaltungs GmbH & Co. KG	008		G	10	1	100.00	99.95		100.00
Alto 1 S.à r.l.	092		G	11	1	100.00	95.84		100.00
AM Erste Immobilien AG & Co. KG	094		G	10	1	100.00	100.00		100.00
AM Sechste Immobilien AG & Co. KG	094		G	10	1	100.00	100.00		100.00
AM Vers Erste Immobilien AG & Co. KG	094		G	10	1	100.00	100.00		100.00
Andron RE	086		G	11	1	100.00	100.00		100.00
Aperture Investors France SAS	029		G	8	1	100.00	69.67		100.00
Aperture Investors UK, Ltd	031		G	8	1	100.00	69.67		100.00
Aperture Investors, LLC	069		G	8	1	70.00	69.67		100.00
Arab Assist for Logistic Services Company	122		G	11	1	100.00	99.99		100.00
Asesoria e Inversiones Los Olmos SA	015		G	11	1	47.62	47.55		100.00
Assicurazioni Generali S.p.A.	086		G	1	1	1.09	100.00		100.00
ATLAS Dienstleistungen für Vermögensberatung GmbH	094		G	11	1	74.00	74.00		100.00
Axis Retail Partners S.p.A.	086		G	10	1	59.50	59.22		100.00
Banca Generali S.p.A.	086		G	7	1	51.29	51.16		100.00
BAWAG P.S.K. Versicherung AG	008		G	2	1	75.00	74.96		100.00
BAWAG PSK Spezial 6	008		G	11	1	100.00	74.96		100.00
BCC Assicurazioni S.p.A.	086		G	1	1	70.00	70.00		100.00
BCC Vita S.p.A Compagnia di Assicurazioni Vita	086		G	1	1	70.00	70.00		100.00
Berlin Französische 53-55 S.à r.l.	092		G	10	1	100.00	98.60		100.00
BG (Suisse) SA	071		G	9	1	100.00	51.16		100.00
BG Fund Management Luxembourg S.A.	092		G	11	1	100.00	51.16		100.00
BG Valeur S.A.	071		G	11	1	90.10	46.09		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country ⁽¹⁾	Method ⁽²⁾	Activity ⁽³⁾	Relationship type ⁽⁴⁾	% Direct and indirect shareholding	Group ratio ⁽⁵⁾	% Voting rights at the shareholders' meeting ⁽⁶⁾	% of consolidation
Caja de Ahorro y Seguro S.A.	006		G	4	1	90.00	89.96		100.00
Caja de Seguros S.A.	006		G	3	1	100.00	90.05		100.00
Cajamar Seguros Generales, S.A. de Seguros y Reaseguros	067		G	2	1	50.00	50.00		100.00
Cajamar Vida S.A. de Seguros y Reaseguros	067		G	2	1	50.00	50.00		100.00
Car Care Consult Versicherungsvermittlung GmbH	008		G	11	1	100.00	99.95		100.00
Cattolica Agricola Società Agricola a Responsabilità Limitata	086		G	11	1	100.00	100.00		100.00
Cattolica Assicurazioni S.p.A.	086		G	1	1	100.00	100.00		100.00
Cattolica Beni Immobili S.r.l.	086		G	11	1	100.00	100.00		100.00
CattRe S.A.	092		G	5	1	100.00	100.00		100.00
CENTRAL Zweite Immobilien AG & Co. KG	094		G	10	1	100.00	100.00		100.00
CityLife S.p.A.	086		G	10	1	100.00	100.00		100.00
CityLife Sviluppo 2 S.r.l.	086		G	10	1	100.00	99.59		100.00
Cleha Invest Sp. z o.o.	054		G	10	1	100.00	100.00		100.00
Cofifo S.A.S.	029		G	9	1	100.00	98.60		100.00
Cofilserv'	029		G	11	1	100.00	80.03		100.00
Cologne 1 S.à.r.l.	092		G	11	1	100.00	96.24		100.00
Cologne Zeppelinhaus S.à.r.l.	092		G	11	1	100.00	98.60		100.00
Corbas SCI	029		G	11	1	100.00	95.96		100.00
Core+ Fund GP	092		G	11	1	100.00	100.00		100.00
Corelli S.à.r.l.	092		G	9	1	100.00	99.40		100.00
Cosmos Finanzservice GmbH	094		G	11	1	100.00	100.00		100.00
Cosmos Lebensversicherungs Aktiengesellschaft	094		G	2	1	100.00	100.00		100.00
Cosmos Versicherung Aktiengesellschaft	094		G	2	1	100.00	100.00		100.00
Customized Services Administrators Inc.	069		G	11	1	100.00	99.99		100.00
D.A.S. Difesa Automobilistica Sinistri - S.p.A. di Assicurazione	086		G	1	1	50.01	50.01		100.00
D.A.S. Legal Services S.r.l.	086		G	11	1	100.00	50.01		100.00
DBB Vermögensverwaltung GmbH & Co. KG	094		G	10	1	100.00	100.00		100.00
Dc De Burght B.V.	050		G	11	1	100.00	95.96		100.00
Deutsche Bausparkasse Badenia Aktiengesellschaft	094		G	7	1	100.00	100.00		100.00
Dialog Lebensversicherungs-Aktiengesellschaft	094		G	2	1	100.00	100.00		100.00
Dialog Versicherung Aktiengesellschaft	094		G	2	1	100.00	100.00		100.00
DWP Partnership	072		G	4	1	100.00	90.43		100.00
EA1 S.A.S.	029		G	11	1	100.00	99.99		100.00
EASA Training Academy (Pty) Ltd	078		G	11	1	87.50	100.00		100.00
Elis Services 06700 Sarl	029		G	11	1	100.00	80.03		100.00
Elis Services 13100 Sarl	029		G	11	1	100.00	80.03		100.00
Elis Services 33170 Sarl	029		G	11	1	100.00	80.03		100.00
Elis Services 44100 Sarl	029		G	11	1	100.00	80.03		100.00
Elis Services 69000 S.a.r.l.	029		G	11	1	100.00	80.03		100.00
Elis Services 74600 Sarl	029		G	11	1	100.00	80.03		100.00
Elis Services 75015 Sarl	029		G	11	1	100.00	80.03		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country ⁽¹⁾	Method ⁽²⁾	Activity ⁽³⁾	Relationship type ⁽⁴⁾	% Direct and indirect shareholding	Group ratio ⁽⁵⁾	% Voting rights at the shareholders' meeting ⁽⁶⁾	% of consolidation
Elis Services 78600 Sarl	029		G	11	1	100.00	80.03		100.00
Elis Services 83000 S.a.r.l.	029		G	11	1	100.00	80.03		100.00
Elis Services 92330 Sarl	029		G	11	1	100.00	80.03		100.00
Elis Services Holding SAS	029		G	11	1	80.04	80.03		100.00
ENVIVAS Krankenversicherung Aktiengesellschaft	094		G	2	1	100.00	100.00		100.00
Esumédica - Prestação de Cuidados Médicos, S.A.	055		G	11	1	100.00	99.99		100.00
Europ Assistance - Serviços de Assistência Personalizados S.A.	055		G	11	1	99.96	99.95		100.00
Europ Assistance (Suisse) Assurances S.A.	071		G	3	1	100.00	70.00		100.00
Europ Assistance (Suisse) Holding S.A.	071		G	4	1	70.00	70.00		100.00
Europ Assistance (Suisse) S.A.	071		G	11	1	100.00	70.00		100.00
Europ Assistance (Thailand) Company Limited	072		G	11	1	100.00	99.99		100.00
Europ Assistance Argentina S.A.	006		G	11	1	100.00	95.63		100.00
Europ Assistance Australia Pty Ltd	007		G	11	1	100.00	99.99		100.00
Europ Assistance Austria Holding GmbH	008		G	4	1	100.00	99.97		100.00
Europ Assistance Brokerage Solutions S.a.r.l.	029		G	11	1	100.00	99.99		100.00
Europ Assistance Clearing Center GIE	029		G	11	1	100.00	99.99		100.00
Europ Assistance Gesellschaft mbH	008		G	11	1	100.00	99.97		100.00
Europ Assistance Holding S.A.S.	029		G	4	1	100.00	99.99		100.00
Europ Assistance India Private Ltd	114		G	11	1	100.00	99.99		100.00
Europ Assistance Italia S.p.A.	086		G	1	1	100.00	100.00		100.00
Europ Assistance Magyarország Kft	077		G	11	1	100.00	100.00		100.00
Europ Assistance Malaysia SDN. BHD.	106		G	11	1	100.00	99.99		100.00
Europ Assistance North America, Inc.	069		G	4	1	100.00	99.99		100.00
Europ Assistance Océanie S.A.S.	029		G	11	1	100.00	99.99		100.00
Europ Assistance Pacifique	253		G	11	1	100.00	99.99		100.00
Europ Assistance Polska Sp. z o.o.	054		G	11	1	100.00	99.99		100.00
Europ Assistance S.A.	029		G	2	1	100.00	99.99		100.00
Europ Assistance s.r.o.	275		G	11	1	100.00	100.00		100.00
Europ Assistance SA	015		G	11	1	50.96	50.96		100.00
Europ Assistance Service Greece Single Member Private Company	032		G	11	1	100.00	99.99		100.00
Europ Assistance Services GmbH	094		G	11	1	100.00	99.99		100.00
Europ Assistance Services S.A.	009		G	11	1	100.00	99.99		100.00
Europ Assistance Servicios Integrales de Gestión, S.A.	067		G	11	1	100.00	99.99		100.00
Europ Assistance Servisno Podjetje d.o.o.	260		G	11	1	100.00	99.99		100.00
Europ Assistance Singapore Pte. Ltd	147		G	11	1	100.00	99.99		100.00
Europ Assistance Trade S.p.A.	086		G	11	1	100.00	100.00		100.00
Europ Assistance Travel Assistance Services (Beijing) Co Ltd	016		G	11	1	100.00	99.99		100.00
Europ Assistance VAI S.p.A.	086		G	11	1	100.00	100.00		100.00
Europ Assistance Worldwide Services (South Africa) (Pty) Ltd	078		G	11	1	87.50	87.50		100.00
Europ Servicios S.p.A.	015		G	11	1	100.00	50.96	66.66	100.00
Európai Utazási Biztosító Zrt.	077		G	2	1	74.00	70.75		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country ⁽¹⁾	Method ⁽²⁾	Activity ⁽³⁾	Relationship type ⁽⁴⁾	% Direct and indirect shareholding	Group ratio ⁽⁵⁾	% Voting rights at the shareholders' meeting ⁽⁶⁾	% of consolidation
Europäische Reiseversicherung Aktiengesellschaft	008		G	2	1	74.99	74.97		100.00
Fondo Andromaca	086		G	10	1	100.00	100.00		100.00
Fondo Canaletto	086		G	10	1	100.00	95.84		100.00
Fondo Canaletto II	086		G	10	1	100.00	99.98		100.00
Fondo Donizetti	086		G	10	1	100.00	100.00		100.00
Fondo Euripide	086		G	10	1	84.39	82.62		100.00
Fondo Girolamo	086		G	10	1	100.00	95.09		100.00
Fondo Immobiliare Mantegna	086		G	10	1	100.00	99.59		100.00
Fondo Immobiliare Mascagni	086		G	10	1	100.00	99.99		100.00
Fondo Immobiliare Schubert - comparto 1	086		G	10	1	100.00	96.45		100.00
Fondo Immobiliare Tiepolo	086		G	10	1	100.00	99.45		100.00
Fondo Immobiliare Toscanini	086		G	10	1	100.00	99.98		100.00
Fondo Innovazione Salute	086		G	10	1	82.14	81.94		100.00
Fondo Living Fund Italia	086		G	11	1	100.00	99.97		100.00
Fondo Perseide	086		G	10	1	89.14	87.75		100.00
Fondo San Zeno	086		G	10	1	87.50	81.62		100.00
Fondo Scarlatti - Fondo Immobiliare chiuso	086		G	10	1	87.83	87.79		100.00
Fortuna Lebens-Versicherungs AG	090		G	3	1	100.00	99.97		100.00
Fortuna Rechtsschutz-Versicherung-Gesellschaft AG	071		G	3	1	100.00	99.97		100.00
FTW Company Limited	072		G	4	1	90.57	90.43		100.00
Future Generali India Insurance Company Ltd	114		G	3	1	99.49	73.88		100.00
Future Generali India Life Insurance Company Ltd	114		G	3	1	74.00	73.88		100.00
Gconcierges S.A.S.	029		G	11	1	100.00	99.99		100.00
Gdansk Logistics 1	054		G	11	1	100.00	95.96		100.00
GDE Construcciones, S.L	067		G	11	1	100.00	99.99		100.00
GDPK-FI1 GmbH & Co. offene Investment KG	094		G	9	1	100.00	100.00		100.00
GEDL-FI1 GmbH & Co. offene Investment KG	094		G	11	1	100.00	100.00		100.00
GEIH France OPCl	029		G	11	1	100.00	95.84		100.00
GEIH Rivoli Holding SAS	029		G	10	1	100.00	95.84		100.00
Genagricola 1851 S.p.A.	086		G	11	1	100.00	100.00		100.00
General Securities Corporation of North America	069		G	9	1	100.00	99.47		100.00
Generali (Schweiz) Holding AG	071		G	4	1	100.00	99.97		100.00
Generali Alapkezelő Zártkörűen Működő Részvénytársaság	077		G	8	1	100.00	100.00		100.00
Generali Alpha Corp.	069		G	9	1	100.00	99.52		100.00
Generali Asia N.V.	050		G	4	1	100.00	99.84		100.00
Generali Assurances Générales SA	071		G	3	1	99.98	99.95		100.00
Generali Bank AG	008		G	7	1	100.00	99.95		100.00
Generali Beteiligungs- und Vermögensverwaltung GmbH	008		G	4	1	100.00	99.95		100.00
Generali Beteiligungs-GmbH	094		G	4	1	100.00	100.00		100.00
Generali Beteiligungsverwaltung GmbH	008		G	4	1	100.00	99.95		100.00
Generali Biztosító Zrt.	077		G	2	1	100.00	100.00		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country ⁽¹⁾	Method ⁽²⁾	Activity ⁽³⁾	Relationship type ⁽⁴⁾	% Direct and indirect shareholding	Group ratio ⁽⁵⁾	% Voting rights at the shareholders' meeting ⁽⁶⁾	% of consolidation
Generali Brasil Seguros S.A.	011		G	3	1	100.00	100.00		100.00
Generali Business Solutions S.c.p.A.	086		G	11	1	100.00	100.00		100.00
Generali CEE Fund	040		G	11	1	100.00	99.83		100.00
Generali CEE Holding B.V.	050	275	G	4	1	100.00	100.00		100.00
Generali Česká distribuce, a.s.	275		G	11	1	100.00	100.00		100.00
Generali Česká Pojišťovna a.s.	275		G	2	1	100.00	100.00		100.00
Generali China Assets Management Company Co. Ltd	016		G	8	1	80.00	40.00		100.00
Generali China Life Insurance Co. Ltd	016		G	3	1	50.00	50.00		100.00
Generali Core High Street Retail Fund	092		G	10	1	100.00	99.59		100.00
Generali Core+ Fund GP	092		G	11	1	96.87	96.45		100.00
Generali Core+ Soparfi S.à r.l.	092		G	11	1	100.00	96.45		100.00
Generali Deutschland AG	094		G	5	1	100.00	100.00		100.00
Generali Deutschland Finanzierungs-GmbH	094		G	10	1	100.00	100.00		100.00
Generali Deutschland Gesellschaft für bAV mbH	094		G	11	1	100.00	100.00		100.00
Generali Deutschland Krankenversicherung AG	094		G	2	1	100.00	100.00		100.00
Generali Deutschland Lebensversicherung AG	094		G	2	1	100.00	100.00		100.00
Generali Deutschland Pensionskasse AG	094		G	2	1	100.00	100.00		100.00
Generali Deutschland Services GmbH	094		G	11	1	100.00	100.00		100.00
Generali Deutschland Versicherung AG	094		G	2	1	100.00	100.00		100.00
Generali Ecuador Compañía de Seguros S.A.	024		G	3	1	52.82	52.82		100.00
Generali EM Fund	040		G	11	1	100.00	99.85		100.00
Generali Engagement Solutions GmbH	094		G	11	1	100.00	100.00		100.00
Generali España Holding de Entidades de Seguros S.A.	067		G	4	1	100.00	100.00		100.00
Generali España, S.A. de Seguros y Reaseguros	067		G	2	1	99.91	99.90		100.00
Generali Europe Income Holding S.A.	092		G	8	1	96.69	95.84		100.00
Generali European Real Estate Income Investments GmbH & Co. KG	094		G	10	1	100.00	100.00		100.00
Generali European Real Estate Investments S.A.	092		G	8	1	100.00	99.40		100.00
Generali European Retail Investments Holdings S.A.	092		G	8	1	100.00	99.40		100.00
Generali Finance spółka z ograniczoną odpowiedzialnością	054		G	11	1	100.00	100.00		100.00
Generali Financial Asia Limited	103		G	9	1	96.35	96.35		100.00
Generali Financial Holding FCP-FIS - Sub-Fund 2	092		G	11	1	100.00	99.81		100.00
Generali Finanz Service GmbH	094		G	11	1	100.00	100.00		100.00
Generali France S.A.	029		G	4	1	98.65	98.60		100.00
Generali Global Assistance Inc.	069		G	11	1	100.00	99.99		100.00
Generali Health Solutions GmbH	094		G	11	1	100.00	100.00		100.00
Generali Hellas Insurance Company S.A.	032		G	2	1	99.99	99.99		100.00
Generali High Street Retail Sàrl	092		G	11	1	100.00	99.59		100.00
Generali Horizon B.V.	050		G	9	1	100.00	99.84		100.00
Generali IARD S.A.	029		G	2	1	100.00	98.60		100.00
Generali Immobilien GmbH	008		G	10	1	100.00	99.95		100.00
Generali Insurance (Thailand) Public Co. Ltd	072		G	3	1	90.86	88.77		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country ⁽¹⁾	Method ⁽²⁾	Activity ⁽³⁾	Relationship type ⁽⁴⁾	% Direct and indirect shareholding	Group ratio ⁽⁵⁾	% Voting rights at the shareholders' meeting ⁽⁶⁾	% of consolidation
Generali Insurance AD	012		G	2	1	99.96	99.96		100.00
Generali Insurance Agency Company Limited	016		G	11	1	100.00	96.35		100.00
Generali Insurance Asset Management S.p.A. Società di Gestione del Risparmio	086		G	8	1	100.00	99.52		100.00
Generali Insurance Malaysia Berhad	106		G	3	1	100.00	69.89		100.00
Generali Investments CEE, Investiční Společnost, a.s.	275		G	8	1	100.00	100.00		100.00
Generali Investments Holding S.p.A.	086		G	9	1	100.00	99.52		100.00
Generali Investments Luxembourg S.A.	092		G	8	1	100.00	99.52		100.00
Generali Investments Partners S.p.A. Società di Gestione Risparmio	086		G	8	1	100.00	99.85		100.00
Generali Investments Schweiz AG	071		G	8	1	100.00	99.97		100.00
Generali Investments Towarzystwo Funduszy Inwestycyjnych S.A.	054		G	8	1	100.00	100.00		100.00
Generali Investments, družba za upravljanje, d.o.o.	260		G	8	1	100.00	100.00		100.00
Generali Italia S.p.A.	086		G	1	1	100.00	100.00		100.00
Generali Jeniot S.p.A.	086		G	11	1	100.00	100.00		100.00
Generali Life (Hong Kong) Limited	103		G	3	1	100.00	99.84		100.00
Generali Life Assurance (Thailand) Public Co. Ltd	072		G	3	1	93.96	91.71		100.00
Generali Life Assurance Philippines, Inc.	027		G	3	1	100.00	99.84		100.00
Generali Life Insurance Malaysia Berhad	106		G	3	1	100.00	69.89		100.00
Generali Luxembourg S.A.	092		G	2	1	100.00	98.60		100.00
Generali Malaysia Holding Berhad	106		G	9	1	70.00	69.89		100.00
Generali North American Holding 1 S.A.	092		G	11	1	100.00	98.60		100.00
Generali North American Holding 2 S.A.	092		G	11	1	100.00	99.89		100.00
Generali North American Holding S.A.	092		G	8	1	100.00	100.00		100.00
Generali Northern America Real Estate Investments GmbH & Co. KG	094		G	10	1	99.89	99.89		100.00
Generali Operations Service Platform S.r.l.	086		G	11	1	95.00	95.00		100.00
Generali Osiguranje d.d.	261		G	3	1	100.00	100.00		100.00
Generali Participations Netherlands N.V.	050		G	4	1	100.00	99.84		100.00
Generali Pensions- und SicherungsManagement GmbH	094		G	11	1	100.00	100.00		100.00
Generali Pensionsfonds AG	094		G	2	1	100.00	100.00		100.00
Generali penzijní společnost, a.s.	275		G	11	1	100.00	100.00		100.00
Generali Personenversicherungen AG	071		G	3	1	100.00	99.97		100.00
Generali Powszechne Towarzystwo Emerytalne S.A.	054		G	11	1	100.00	100.00		100.00
Generali Real Asset Multi-Manager	092		G	10	1	100.00	100.00		100.00
Generali Real Estate Asset Repositioning S.A.	092		G	11	1	100.00	99.45		100.00
Generali Real Estate Debt Investment Fund II Scsp Raif	092		G	11	1	100.00	99.83		100.00
Generali Real Estate Debt Investment Fund Italy (GREDIF ITA)	086		G	10	1	99.98	87.15		100.00
Generali Real Estate Debt Investment Fund S.C.Sp RAIF	092		G	11	1	87.52	87.17		100.00
Generali Real Estate Fund CEE a.s., investiční fond	275		G	9	1	100.00	100.00		100.00
Generali Real Estate Living Investment Fund	092		G	11	1	100.00	100.00		100.00
Generali Real Estate Logistics Fund S.C.S. SICAV-RAIF	092		G	10	1	96.61	95.96		100.00
Generali Real Estate S.p.A.	086		G	10	1	100.00	100.00		100.00
Generali Real Estate S.p.A. SGR	086		G	8	1	100.00	100.00		100.00

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Generali Reaumur S.C.	029		G	10	1	100.00	98.60		100.00
Generali Retraite S.A.	029		G	2	1	100.00	98.60		100.00
Generali Romania Asigurare Reasigurare S.A.	061		G	2	1	99.97	99.97		100.00
Generali Saxon Land Development Company Ltd	031		G	11	1	100.00	99.58		100.00
Generali SCF Sàrl	092		G	11	1	100.00	99.60		100.00
Generali Seguros, S.A.	055		G	2	1	100.00	100.00		100.00
Generali Services Pte. Ltd.	147		G	11	1	100.00	99.84		100.00
Generali Shopping Centre Fund GP S.à r.l.	092		G	11	1	100.00	100.00		100.00
Generali Shopping Centre Fund S.C.S. SICAV-SIF	092		G	11	1	100.00	99.60		100.00
Generali Sigorta A.S.	076		G	3	1	100.00	99.84		100.00
Generali Slovenská distribúcia, a.s.	276		G	11	1	100.00	100.00		100.00
Generali Societate de Administrare a Fondurilor de Pensii Private S.A.	061		G	11	1	100.00	100.00		100.00
Generali Towarzystwo Ubezpieczeń Spółka Akcyjna	054		G	2	1	100.00	100.00		100.00
Generali Türkiye Holding B.V.	050		G	4	1	100.00	99.84		100.00
Generali US Fund	040		G	11	1	100.00	99.91		100.00
Generali Versicherung AG	008		G	2	1	100.00	99.95		100.00
Generali Vie S.A.	029		G	2	1	100.00	98.60		100.00
Generali Vietnam Life Insurance Limited Liability Company	062		G	3	1	100.00	100.00		100.00
Generali WE Fund	040		G	11	1	100.00	99.91		100.00
Generali Welion S.c.a.r.l.	086		G	11	1	100.00	100.00		100.00
Generali Zakrila Medical and Dental Centre EOOD	012		G	11	1	100.00	99.96		100.00
Generali zavarovalnica d.d. Ljubljana	260		G	2	1	100.00	100.00		100.00
Generali Życie Towarzystwo Ubezpieczeń Spółka Akcyjna	054		G	2	1	100.00	100.00		100.00
Generali-Ingatlan Vagyonkezelő és Szolgáltató Kft.	077		G	10	1	100.00	100.00		100.00
GenerFid S.p.A.	086		G	11	1	100.00	51.16		100.00
Genertel Biztosító Zrt.	077		G	2	1	100.00	100.00		100.00
Genertel S.p.A.	086		G	1	1	100.00	100.00		100.00
Genertellife S.p.A.	086		G	1	1	100.00	100.00		100.00
Genirland Limited	040		G	4	1	100.00	99.84		100.00
Gentum Nr. 1	094		G	11	1	100.00	100.00		100.00
GFA Caraïbes	029		G	2	1	100.00	98.60		100.00
GID Fonds AAREC	094		G	11	1	100.00	100.00		100.00
GID Fonds ALAOT	094		G	11	1	100.00	100.00		100.00
GID Fonds ALRET	094		G	11	1	100.00	100.00		100.00
GID Fonds AMLRET	094		G	11	1	100.00	100.00		100.00
GID Fonds AVAOT	094		G	11	1	100.00	100.00		100.00
GID Fonds AVAOT II	094		G	11	1	100.00	100.00		100.00
GID Fonds AVRET	094		G	11	1	100.00	100.00		100.00
GID Fonds CEAOT	094		G	11	1	100.00	100.00		100.00
GID Fonds CERET	094		G	11	1	100.00	100.00		100.00
GID Fonds CLAOT	094		G	11	1	100.00	100.00		100.00

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GID Fonds DLAET	094		G	11	1	100.00	100.00		100.00
GID Fonds DLRET	094		G	11	1	100.00	100.00		100.00
GID Fonds GDRET	094		G	11	1	100.00	100.00		100.00
GID Fonds GVMET	094		G	11	1	100.00	100.00		100.00
GID Fonds GVRET	094		G	11	1	100.00	100.00		100.00
GID-Fonds AAINF	094		G	11	1	100.00	100.00		100.00
GID-Fonds ALAET	094		G	11	1	100.00	100.00		100.00
GID-Fonds ALAET II	094		G	11	1	100.00	100.00		100.00
GID-Fonds CLRET	094		G	11	1	100.00	100.00		100.00
GID-Fonds CLRET 2	094		G	11	1	100.00	100.00		100.00
GID-Fonds GPRET	094		G	11	1	94.32	94.32		100.00
GIE-Fonds AADMSE	094		G	11	1	100.00	100.00		100.00
GIE-Fonds AASBWA	094		G	11	1	100.00	100.00		100.00
GLL AMB Generali Bankcenter S.à.r.l.	092		G	11	1	100.00	100.00		100.00
GLL AMB Generali Cross-Border Property Fund FCP	092		G	9	1	100.00	100.00		100.00
GMMI, Inc.	069		G	11	1	100.00	99.99		100.00
GNAREH 1 Farragut LLC	069		G	10	1	100.00	99.47		100.00
GNAREI 1 Farragut LLC	069		G	10	1	100.00	99.47		100.00
GP Reinsurance EAD	012		G	5	1	100.00	100.00		100.00
GRE Barcelona Retail 1 SL	067		G	10	1	100.00	99.59		100.00
GRE PAN EU London 1 S.à r.l.	092		G	10	1	100.00	97.22		100.00
GRE PAN-EU Barcelona, S.L.	067		G	11	1	100.00	95.84		100.00
GRE PAN-EU Berlin 2 S.à r.l.	092		G	10	1	100.00	95.84		100.00
GRE PAN-EU Brussels 1 s.p.r.l.	009		G	11	1	100.00	95.84		100.00
GRE PANEU Cœur Marais SCI	029		G	10	1	100.00	95.84		100.00
GRE PANEU Fhive SCI	029		G	10	1	100.00	95.84		100.00
GRE PAN-EU Frankfurt 1 S.à r.l.	092		G	10	1	100.00	95.84		100.00
GRE PAN-EU FRANKFURT 3 Sarl	092		G	10	1	100.00	95.84		100.00
GRE PAN-EU Hamburg 1 S.à r.l.	092		G	9	1	100.00	95.84		100.00
GRE PAN-EU Hamburg 2 S.à r.l.	092		G	9	1	100.00	95.84		100.00
GRE PAN-EU Jeruzalemská s.r.o.	275		G	11	1	100.00	99.45		100.00
GRE PAN-EU Lisbon 1, S.A.	055		G	11	1	100.00	95.84		100.00
GRE PAN-EU Lisbon Office Oriente, S.A.	055		G	11	1	100.00	95.84		100.00
GRE PAN-EU LUXEMBOURG 1 Sarl	092		G	10	1	100.00	99.59		100.00
GRE PAN-EU Madrid 2 SL	067		G	11	1	100.00	95.84		100.00
GRE PAN-EU Munich 1 S.à r.l.	092		G	9	1	100.00	95.84		100.00
GRE PAN-EU Prague 1 s.r.o.	275		G	11	1	100.00	95.84		100.00
GRE SICAF Comparto 1	086		G	10	1	100.00	95.96		100.00
GREDEF Finance Sarl	092		G	10	1	100.00	87.17		100.00
Green Point Offices s.r.o.	276		G	10	1	100.00	100.00		100.00
GRELIF DUTCH S.à r.l.	092		G	11	1	100.00	95.96		100.00

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GRELIF SPV1 S.à r.l.	092		G	11	1	100.00	95.96		100.00
Grundstücksgesellschaft Einkaufszentrum Louisen-Center Bad Homburg mbH & Co. KG	094		G	10	1	100.00	100.00		100.00
Grupo Generali España, A.I.E.	067		G	11	1	100.00	99.91		100.00
Gulf Assist W.L.L.	169		G	11	1	100.00	99.99		100.00
GW Beta B.V.	050		G	4	1	100.00	99.90		100.00
Hermes Sociedad Limitada de Servicios Inmobiliarios y Generales	067		G	10	1	100.00	99.90		100.00
HSR Verpachtung GmbH	008		G	10	1	100.00	84.96		100.00
Humadom S.a.r.l.	029		G	11	1	100.00	80.03		100.00
IDEE s.r.o.	275		G	10	1	100.00	100.00		100.00
Immobieliere Commerciale des Indes Orientales IMMOCIO	029		G	10	1	100.00	98.60		100.00
Infranity S.A.S.	029		G	8	1	51.00	50.76		100.00
IRC Investments LLC	262		G	4	1	100.00	99.90		100.00
IWF Holding Company Ltd	072		G	4	1	100.00	94.52		100.00
Jeam S.A.S.	029		G	11	1	100.00	80.03		100.00
KAG Holding Company Ltd	072		G	4	1	100.00	95.18		100.00
Købmagergade 39 ApS	021		G	11	1	100.00	95.84		100.00
Krakow Logistics 2	054		G	11	1	100.00	95.96		100.00
La Médicale S.A.	029		G	2	1	99.99	98.59		100.00
Le Tenute del Leone Alato S.p.A.	086		G	11	1	100.00	100.00		100.00
Leone Alato S.p.A.	086		G	11	1	100.00	100.00		100.00
L'Equité S.A. Cie d'Assurances et Réass.contre les risques de toute nature	029		G	2	1	99.99	98.60		100.00
Lion River I N.V.	050		G	9	1	100.00	99.57		100.00
Lion River II N.V.	050		G	9	1	100.00	99.82		100.00
Living Fund Master HoldCo S.à r.l.	092		G	11	1	100.00	100.00		100.00
Loranzé sp. z o.o.	054		G	11	1	100.00	95.84		100.00
Lumyna Investments Limited	031		G	8	1	100.00	99.52		100.00
Main Square S.a.r.l.	092		G	11	1	100.00	99.34		100.00
MGD Company Limited	072		G	4	1	90.57	90.43		100.00
MPI Generali Berhad	106		G	3	1	100.00	99.84		100.00
Mustek Properties, s.r.o.	275		G	10	1	100.00	100.00		100.00
Náměstí Republiky 3a, s.r.o.	275		G	10	1	100.00	100.00		100.00
NEC Initiative SAS	029		G	11	1	100.00	73.80		100.00
NKFE Insurance Agency Company Limited	103		G	11	1	100.00	96.35		100.00
Office Center Purkyňova, a.s.	275		G	10	1	100.00	100.00		100.00
OFI GB1	029		G	10	1	100.00	98.60		100.00
OFI GR1	029		G	10	1	100.00	98.60		100.00
OPCI Generali Bureaux	029		G	10	1	100.00	98.60		100.00
OPCI Generali Residentiel	029		G	10	1	100.00	98.60		100.00
OPCI Parcolog Invest	029		G	10	1	100.00	98.38		100.00
OPPCI K Archives	029		G	10	1	100.00	95.84		100.00

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OPPCI K Charlot	029		G	10	1	100.00	95.84		100.00
OPPCI Residential Living Fund	029		G	11	1	100.00	100.00		100.00
Palac Krizik a.s.	275		G	10	1	100.00	100.00		100.00
Palác Špork, a.s.	275		G	10	1	100.00	100.00		100.00
PAN EU IBC Prague s.r.o.	275		G	11	1	100.00	96.45		100.00
PAN EU K26 S.à r.l.	092		G	11	1	100.00	95.84		100.00
PAN EU Kotva Prague a.s.	275		G	11	1	100.00	99.45		100.00
Pankrác East a.s.	275		G	10	1	100.00	100.00		100.00
Pankrác West a.s.	275		G	10	1	100.00	100.00		100.00
PARCOLOG France	029		G	10	1	100.00	95.96		100.00
Pařížská 26, s.r.o.	275		G	10	1	100.00	100.00		100.00
Pflegix GmbH	094		G	11	1	83.28	83.28		100.00
PL Investment Jerozolimskie I Spółka Ograniczona Odpowiedzialnością	054		G	11	1	100.00	100.00		100.00
Plac M LP Spółka Z Ograniczoną Odpowiedzialnością	054		G	11	1	100.00	95.84		100.00
Plenisfer Investments S.p.A. SGR	086		G	8	1	70.00	69.67		100.00
Ponte Alta, SGPS, Unipessoal, Lda.	055		G	11	1	100.00	99.99		100.00
Preciados 9 Desarrollos Urbanos SL	067		G	10	1	100.00	95.84		100.00
Project Montoyer S.A.	009		G	11	1	100.00	95.84		100.00
Prudence Creole	029		G	2	1	95.96	94.62		100.00
PT Asuransi Jiwa Generali Indonesia	129		G	3	1	98.00	97.84		100.00
PT Generali Services Indonesia	129		G	10	1	100.00	98.60		100.00
Redoze Holding N.V.	050		G	9	1	100.00	99.92		100.00
Residenze CYL S.p.A.	086		G	10	1	66.67	66.67		100.00
Retail One Fund OPPCI	029		G	11	1	100.00	97.25		100.00
Retail One Fund SCSp RAIF	092		G	11	1	100.00	95.84		100.00
Ritenere S.A.	006		G	11	1	100.00	89.96		100.00
S.C. Genagricola Romania S.r.l.	061		G	11	1	100.00	100.00		100.00
Salobrena	054		G	11	1	100.00	95.96		100.00
Sarl Breton	029		G	10	1	100.00	98.60		100.00
Sarl Parcolog Lyon Isle d'Abeau Gestion	029		G	10	1	100.00	95.96		100.00
SAS IMMOCCIO CBI	029		G	10	1	100.00	98.60		100.00
SAS Lonthènes	029		G	10	1	100.00	98.60		100.00
SAS Parcolog Lille Henin Beaumont 1	029		G	10	1	100.00	98.38		100.00
SAS Retail One	029		G	11	1	100.00	95.84		100.00
Savatiano s.p. z o.o.	054		G	10	1	100.00	95.96		100.00
SC Commerce Paris	029		G	10	1	100.00	98.60		100.00
SC Generali Logistique	029		G	10	1	100.00	95.96		100.00
SC GF Pierre	029		G	10	1	100.00	98.60		100.00
SC Novatis	029		G	10	1	100.00	98.60		100.00
SCI 18-20 Paix	029		G	10	1	100.00	98.60		100.00
SCI 204 Pereire	029		G	10	1	100.00	98.60		100.00

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SCI 28 Cours Albert 1er	029		G	10	1	100.00	98.60		100.00
SCI 40 Notre Dame Des Victoires	029		G	10	1	100.00	98.60		100.00
SCI 42 Notre Dame Des Victoires	029		G	10	1	100.00	98.60		100.00
SCI 5/7 Moncey	029		G	10	1	100.00	98.60		100.00
SCI 6 Messine	029		G	10	1	100.00	98.60		100.00
SCI Berges de Seine	029		G	10	1	100.00	98.60		100.00
SCI Cogipar	029		G	10	1	100.00	98.60		100.00
SCI du 33 avenue Montaigne	029		G	10	1	100.00	98.60		100.00
SCI du 54 Avenue Hoche	029		G	10	1	100.00	98.60		100.00
SCI du 68 rue Pierre Charron	029		G	10	1	100.00	95.84		100.00
SCI du Coq	029		G	10	1	100.00	98.60		100.00
SCI Espace Seine-Generali	029		G	10	1	100.00	98.60		100.00
SCI Galilée	029		G	10	1	100.00	97.63		100.00
SCI Generali Carnot	029		G	10	1	100.00	98.60		100.00
SCI Generali Commerce 1	029		G	10	1	100.00	98.60		100.00
SCI Generali Commerce 2	029		G	10	1	100.00	98.60		100.00
SCI Generali le Moncey	029		G	10	1	100.00	98.60		100.00
SCI Generali Wagram	029		G	10	1	100.00	98.60		100.00
SCI GRE PAN-EU 146 Haussmann	029		G	10	1	100.00	95.84		100.00
SCI GRE PAN-EU 74 Rivoli	029		G	10	1	100.00	95.84		100.00
SCI Issy Bords de Seine 2	029		G	10	1	100.00	97.22		100.00
SCI Issy Les Moulineaux	029		G	11	1	100.00	100.00		100.00
SCI Landy-Novatis	029		G	10	1	100.00	98.60		100.00
SCI Landy-Wilo	029		G	10	1	100.00	98.60		100.00
SCI Living Clichy	029		G	10	1	100.00	100.00		100.00
SCI Luxury Real Estate	029		G	10	1	100.00	98.60		100.00
SCI Parc Logistique Maisonneuve 1	029		G	10	1	100.00	95.96		100.00
SCI Parc Logistique Maisonneuve 2	029		G	10	1	100.00	95.96		100.00
SCI Parc Logistique Maisonneuve 3	029		G	10	1	100.00	95.96		100.00
SCI Parc Logistique Maisonneuve 4	029		G	10	1	100.00	95.96		100.00
SCI Parcolog Bordeaux Cestas	029		G	10	1	100.00	95.96		100.00
SCI Parcolog Isle D'Abeau 1	029		G	10	1	100.00	95.96		100.00
SCI Parcolog Isle D'Abeau 2	029		G	10	1	100.00	95.96		100.00
SCI Parcolog Isle D'Abeau 3	029		G	10	1	100.00	95.96		100.00
SCI PARCOLOG ISLE D'ABEAU 4	029		G	10	1	100.00	95.96		100.00
SCI Parcolog Lille Hénin Beaumont 2	029		G	10	1	100.00	95.96		100.00
SCI Parcolog Marly	029		G	10	1	100.00	95.96		100.00
SCI Parcolog Messageries	029		G	10	1	100.00	95.96		100.00
SCI Retail One	029		G	10	1	100.00	97.25		100.00
SCI Saint Germain	029		G	10	1	100.00	100.00		100.00
SCI Saint Michel	029		G	10	1	100.00	98.60		100.00

Participations in controlled entities

Company	Registered office Country	Operational headquarter Country ⁽¹⁾	Method ⁽²⁾	Activity ⁽³⁾	Relationship type ⁽⁴⁾	% Direct and indirect shareholding	Group ratio ⁽⁵⁾	% Voting rights at the shareholders' meeting ⁽⁶⁾	% of consolidation
SCI SDM	029		G	11	1	100.00	80.03		100.00
SCI Taitbout	029		G	10	1	100.00	98.60		100.00
SCI Thiers Lyon	029		G	10	1	100.00	98.60		100.00
SCIC Aide@Venir	029		G	11	1	94.43	75.57		100.00
SEGMAN Servicios y Gestión del Mantenimiento, S.L.	067		G	11	1	100.00	99.99		100.00
SIBSEN Invest sp. z o.o.	054		G	11	1	100.00	100.00		100.00
SISAL SR0	275		G	11	1	100.00	100.00		100.00
Small GREF a.s.	275		G	10	1	100.00	100.00		100.00
S0 SPV 57 Sp. Z o.o.	054		G	11	1	100.00	95.84		100.00
Sosteneo Società di Gestione del Risparmio S.p.A.	086		G	8	1	70.32	69.99		100.00
Suresnes Immobilier S.A.S.	029		G	10	1	100.00	98.60		100.00
Sycomore Asset Management S.A.	029		G	8	1	100.00	73.80		100.00
Sycomore Factory SAS	029		G	9	1	74.16	73.80		100.00
Sycomore Market Solutions SA	029		G	8	1	100.00	73.80		100.00
Synergies @Venir S.A.S.	029		G	11	1	100.00	80.03		100.00
Torelli S.à.r.l.	092		G	9	1	100.00	99.40		100.00
Trip Mate, Inc.	069		G	11	1	100.00	99.99		100.00
TS PropCo Ltd	202		G	10	1	100.00	97.22		100.00
TTC - Training Center Unternehmensberatung GmbH	008		G	11	1	100.00	74.97		100.00
Tua Assicurazioni S.p.A.	086		G	1	1	100.00	100.00		100.00
UMS - Immobiliare Genova S.p.A.	086		G	10	1	99.90	99.90		100.00
UrbeRetail	086		G	10	1	55.87	55.86		100.00
Váci utca Center Üzletközpont Kft	077		G	10	1	100.00	99.95		100.00
Vera Assicurazioni S.p.A.	086		G	1	1	65.00	65.00		100.00
Vera Financial Designated Activity Company	040		G	2	1	100.00	65.00		100.00
Vera Protezione S.p.A.	086		G	1	1	100.00	65.00		100.00
Vera Vita S.p.A.	086		G	1	1	65.00	65.00		100.00
Vitadom S.r.l.	029		G	11	1	100.00	80.03		100.00
Vitalicio Torre Cerdà S.L.	067		G	10	1	100.00	99.91		100.00
Vivre & Domicile	029		G	11	1	100.00	80.03		100.00
VVS Vertriebsservice für Vermögensberatung GmbH	094		G	11	1	100.00	74.00		100.00
Akcionarsko društvo za upravljanje dobrovoljnim penzijskim fondom Generali	289		G	11	1	100.00	100.00		100.00

(1) Such information is required only if the operational headquarter Country differs from the registered office Country.

(2) Consolidation method: Line-by-line consolidation method =G; Line-by-line consolidation method arising from joint management = U.

(3) 1=Italian Insurance companies; 2=EU Insurance companies; 3=Non EU Insurance companies; 4=Insurance holding companies; 4.1 - Mixed financial holding companies; 5=EU Reinsurance companies; 6=non EU Reinsurance companies; 7=Banks; 8=Asset Management companies; 9=other Holding companies; 10=Real Estate companies; 11=Other.

(4) Type of relationship: 1=Majority of voting rights at the shareholders' meeting; 2=Significant influence at the shareholders' meeting; 3=Arrangements with other shareholders; 4=Other types of control; 5=Joint management as per Legislative Decree 209/2005, art. 96, paragraph 1; 5=Joint management as per Legislative Decree 209/2005, art. 96, paragraph 2.

(5) Net Group participation percentage.

(6) Voting rights at the shareholders' meeting, if different from direct shareholding, split by effective and potential voting rights.

Participations in joint-ventures and associated entities

Company	Operational headquarter Country ⁽¹⁾	Registered office Country	Activity ⁽²⁾	Relationship type ⁽³⁾	% Direct and indirect shareholding	Group ratio ⁽⁴⁾	% Voting rights at the shareholders' meeting ⁽⁵⁾
Joint-ventures:							
BG Saxo SIM S.p.A.		086	8	c	19.90	10.18	
Bois Colombes Europe Avenue SCI		029	10	c	50.00	49.30	
Bonus Pensionskassen AG		008	11	c	50.00	49.97	
BONUS Vorsorgekasse AG		008	11	c	50.00	49.97	
Core+ France OPPCI		029	10	c	50.00	48.22	
EABS Serviços de Assistencia e Participações S.A.		011	9	c	50.00	50.00	
Europ Assistance Brasil Serviços de Assistência S.A.		011	11	c	100.00	50.00	
Europ Assistance France S.A.S.		029	11	c	50.00	50.00	
Europ Téléassistance S.A.S.		029	11	c	100.00	50.00	
FG&G Distribution Private Limited		114	11	c	48.83	48.75	
Fondo Mercury Adriatico		086	10	c	51.05	45.93	
Fondo Mercury Centro-Nord		086	10	c	52.55	52.55	
Fondo Mercury Nuovo Tirreno		086	10	c	90.04	85.88	
Fondo Mercury Tirreno		086	10	c	51.01	51.01	
Fondo Rubens		086	11	c	50.00	47.92	
Fondo Sericon		086	10	c	50.00	47.92	
GRE PAN-EU Berlin 1 S.à r.l.		092	10	c	50.00	47.92	
GRE PAN-EU Frankfurt 2 S.à r.l.		092	10	c	50.00	47.92	
Holding Klege S.à r.l.		092	9	c	50.00	49.70	
N2G Worldwide Insurance Services, LLC		069	11	c	50.00	50.00	
Ocealis S.A.S.		029	11	c	100.00	50.00	
ONB Technologies India Pvt Ltd		114	11	c	100.00	47.28	
ONB Technologies Pte. Ltd.		147	11	c	47.29	47.28	
ONB Technologies Singapore Pte Ltd		147	11	c	100.00	47.28	
OPG Avenue De France		029	10	c	50.00	47.92	
PT ONB Technologies Indo		129	11	c	100.00	47.28	
Puerto Venecia Investments, S.A.U.		067	10	c	100.00	49.80	
SAS 100 CE		029	10	c	50.00	47.92	
Saxon Land B.V.		050	10	c	50.00	49.79	
SCI 11/15 Pasquier		029	10	c	50.00	49.30	
SCI 15 Scribe		029	10	c	50.00	49.30	
SCI 9 Messine		029	10	c	50.00	49.30	
SCI Daumesnil		029	10	c	50.00	49.30	
SCI Iris La Défense		029	10	c	50.00	49.30	
SCI Malesherbes		029	10	c	50.00	49.30	
SCI New Station		029	10	c	100.00	96.45	
Shendra Advisory Services Private Limited		114	11	c	47.96	47.88	
Sigma Real Estate B.V.		050	9	c	22.34	22.21	
Sprint Advisory Services Private Limited		114	11	c	47.96	47.88	
T-C PEP Property S.à r.l.		092	11	c	50.00	49.80	

Participations in joint-ventures and associated entities

Company	Operational headquarter Country ⁽¹⁾	Registered office Country	Activity ⁽²⁾	Relationship type ⁽³⁾	% Direct and indirect shareholding	Group ratio ⁽⁴⁾	% Voting rights at the shareholders' meeting ⁽⁵⁾
Top Torony Zrt.		077	11	c	50.00	50.00	
Viavita		029	11	c	100.00	50.00	
VUB Generali dôchodková správcovská spoločnosť, a.s.		276	11	c	44.74	44.74	
Zaragoza Properties, S.A.U.		067	10	c	50.00	49.80	
Associated entities:							
3 Banken-Generali Investment-Gesellschaft m.b.H.		008	8	b	48.57	48.55	
Aliance Klesia Generali		029	4	b	44.00	43.39	
BMG Seguros S.A.		011	3	b	30.00	30.00	
Deutsche Vermögensberatung Aktiengesellschaft DVAG		094	11	b	40.00	40.00	
Fondo Ca' Tron Hcampus		086	10	b	59.76	59.76	
Fondo Fleurs RE		086	10	b	35.90	35.89	
Fondo Yielding		086	10	b	45.00	43.13	
Generali 3 Banken Holding AG		008	9	b	49.90	49.87	
Generali China Insurance Co. Ltd		016	3	b	49.00	49.00	
Guotai Asset Management Company		016	8	b	30.00	30.00	
Initium S.r.l. in liquidazione		086	10	b	49.00	49.00	
Klesia SA		029	2	b	100.00	43.38	
Nama Trgovsko Podjetje d.d. Ljubljana		260	11	b	48.51	48.51	
Nextam Partners SIM S.p.A.		086	8	b	19.90	10.18	
ONB Technologies Malaysia SDN. BHD.		106	11	b	100.00	47.28	
Point Partners GP Holdco S.à r.l.		092	11	b	25.00	24.85	
Point Partners Special Limited Partnership		092	11	b	25.00	24.85	
Saneo Spółka Akcyjna		054	11	b	25.00	25.00	

(1) Such information is required only if the operational headquarter Country differs from the registered office Country.

(2) 1=Italian Insurance companies; 2=EU Insurance companies; 3=Non EU Insurance companies; 4=Insurance holding companies; 4.1 - Mixed financial holding companies; 5=EU Reinsurance companies; 6=non EU Reinsurance companies; 7=Banks; 8=Asset Management companies; 9=other Holding companies; 10=Real Estate companies; 11=Other.

(3) a=controlled entities (to be reported only in the Parent Company financial statements); b=associated entities; c=joint-ventures; entities under IFRS 5 to be marked with (*).

(4) Net Group participation percentage.

(5) Voting rights at the shareholders' meeting, if different from direct shareholding, split by effective and potential voting rights.

List of Countries

Country	Country code
ARGENTINA	006
AUSTRALIA	007
AUSTRIA	008
BAHRAIN	169
BELGIUM	009
BRAZIL	011
BULGARIA	012
CHILE	015
CHINA	016
CROATIA	261
CZECH REPUBLIC	275
DENMARK	021
ECUADOR	024
FRANCE	029
GERMANY	094
GREECE	032
HONG KONG	103
HUNGARY	077
INDIA	114
INDONESIA	129
IRELAND	040
ITALY	086
JERSEY (ISLE)	202
JORDAN	122
LIECHTENSTEIN	090
LUXEMBOURG	092
MALAYSIA	106

Country	Country code
MONTENEGRO, REPUBLIC	290
NETHERLANDS	050
NEW CALEDONIA	253
PHILIPPINES	027
POLAND	054
PORTUGAL	055
ROMANIA	061
RUSSIAN FEDERATION	262
SERBIA	289
SINGAPORE	147
SLOVAKIA	276
SLOVENIA	260
SOUTH AFRICA, REPUBLIC	078
SPAIN	067
SWITZERLAND	071
THAILAND	072
TURKEY	076
UNITED KINGDOM	031
UNITED STATES	069
VIETNAM	062
STATI UNITI D'AMERICA	069
SVIZZERA	071
TAILANDIA	072
TURCHIA	076
UNGHERIA	077
VIETNAM	062

Interests in controlled entities with significant minority interests

Entity name	% Minority interests	% Availability to minority interests of voting rights in the general shareholders' meeting	Dividends distributed to minority interests	Consolidated profit (loss) attributable to minority interests	Shareholders' equity attributable to minority interests
Banca Generali Group	48.84%	48.84%	102	85	425
Generali China Life Insurance Co. Ltd	50.00%	50.00%	13	59	568



ATTESTATION AND REPORT

Attestation to the Half-Yearly Condensed 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 amended135

Independent Auditor's Report139



Attestation to the Half-Yearly Condensed Consolidated Financial Statements

pursuant to art. 154-bis, paragraph 5, of legislative decree of 24 February 1998,
no. 58 and art. 81-ter of Consob regulation of 14 May 1999, no. 11971 as amended



Attestation to the Half-Yearly Condensed 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 of 24 February 1998, hereby certify:
 - the adequacy in relation to the characteristics of the Company and
 - the effective implementationof the administrative and accounting procedures for the preparation of the half-yearly condensed consolidated financial statements over the course of the period from 1 January to 30 June 2023.
2. The adequacy of the administrative and accounting procedures in place for preparing the half-yearly condensed consolidated financial statements as at 30 June 2023 has been assessed through a process established by Assicurazioni Generali S.p.A. on the basis of the guidelines set out in the *Internal Control – Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.
3. It is also certified that:
 - 3.1 the half-yearly condensed consolidated financial statements as at 30 June 2023:
 - a) are prepared in accordance with the applicable international accounting standards recognized in the European Union under the EC regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002, and with the applicable provisions and regulations;
 - b) are consistent with the entries in the accounting books and records;
 - c) are capable of providing a true and fair representation of the assets and liabilities, profit and losses and financial position of the issuer and the group of companies included in the consolidation;the interim management report includes a reliable analysis of the significant events that took place in the first six months of the financial year and their impact on the half-yearly condensed consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The interim management report also includes a reliable analysis of the disclosure on significant related party transactions.

Milan, 9 August 2023

Philippe Donnet
Managing Director and Group CEO

ASSICURAZIONI GENERALI S.p.A.



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

ASSICURAZIONI GENERALI S.p.A.





Independent Auditor's Report





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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

*To the Shareholders of
Assicurazioni Generali S.p.A.*

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Assicurazioni Generali Group comprising the balance sheet, the income statement and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and notes thereto, as at and for the six months ended 30 June 2023. The company's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

**Assicurazioni Generali Group**

*Report on review of condensed interim consolidated financial statements
30 June 2023*

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Assicurazioni Generali Group as at and for the six months ended 30 June 2023 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Trieste, 10 August 2023

KPMG S.p.A.

(signed on the original)

Andrea Rosignoli
Director of Audit

GLOSSARY

Adjusted net result: please refer to the chapter *Methodological notes on alternative performance measures* for details.

Combined ratio (CoR): it represents a profitability indicator of the P&C segment. The numerator includes:

- the insurance service expenses (total incurred claims and insurance expenses);
- the other operating income and expenses and;
- the result of reinsurance held.

The denominator consists of the insurance contract revenues (gross of reinsurance held).

Contractual Service Margin (CSM): reflects the estimate of the unearned profit in the group of insurance contracts that has not yet been recognized in profit or loss at each reporting date, because it relates to future service to be provided.

CSM release: it refers to the amount of CSM liabilities recognised to profit or loss in line with the service provided during the reporting period.

CSM expected return: it is defined as the sum of the unwinding of the CSM at the beginning of the period and the additional return related to the expected realization of real-world assumptions in excess of the risk-free returns.

Current Year Best Estimate Loss Ratio: it is a further detail of the combined ratio calculated as the ratio of:

- gross current year incurred claims (including related claims management costs) + discounting effect + onerous contract effects + risk adjustment on current year claims + current year costs of reinsurance held; and
- gross insurance contract revenue.

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 debt: it includes consolidated financial liabilities other than those under operating debt, i.e. subordinated liabilities, bond issues, and other loans obtained such as liabilities incurred in connection with a purchase of controlling interests.

Financial liability: any liability that is:

- a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- 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 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.

Fulfillment Cash Flows (FCF): they are the sum of the Present Value of Future Cash Flows (PVFCF) and the Risk Adjustment (RA).

General Measurement Model (GMM): it is the default measurement model for all contracts without direct participation features.

Gross direct written premiums: they are the gross written premiums of direct business.

Gross written premiums (GWP): please refer to the chapter *Methodological notes on alternative performance measures* for details.

Liability for Incurred Claims (LIC): it is the insurance liability representing the fulfilment cash flows related to incurred claims (past service).

Liability for Remaining Coverage (LRC): it is the insurance liability representing the sum of fulfilment cash flows related to future services and of CSM. In case of PAA application, the LRC is valued as the difference between premium received and insurance acquisition cash flows.

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.

New Business Margin (NBM): it is a performance indicator of the new business of the Life segment, equal to the ratio of NBV to PVNBP. The margin on PVNBP is intended as a prospective ratio between profits and premiums.

New Business Value (NBV): it represents the expected value created within the Group by the new insurance and investment contracts issued over the reporting period. It is the sum of the following items (net of taxes, minority interests and cost of external reinsurance):

- New Business CSM, including potential loss component, according to the definition of IFRS 17;
- the value of short-term business not included in CSM and the value of investment contracts falling under IFRS 9;
- look-through profits emerging outside the Life segment (mostly related to fees paid to internal asset managers).

Operating debt: it includes all the consolidated financial liabilities related to specific balance sheet items from the consolidated financial statements. This category also includes liabilities stated by the insurance companies against investment contracts and liabilities to banks and customers of banks belonging to the Group.

Operating result: please refer to the chapter *Methodological notes on alternative performance measures* for details.

Premium Allocation Approach (PAA): it is the simplified method for the measurement of insurance contracts. It can be applied for contracts having a coverage period shorter than one year or when the entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the GMM.

Present Value of Future Cash Flows (PVFCF): it is the discounted and probability weighted estimate of future cash flows.

Present Value of New Business Premiums (PVNBP): it is the present value of the expected future new business premiums, allowing for lapses and other exits, discounted to point of sale using reference rates.

Prior Year Loss Ratio: it is a further detail of the combined ratio calculated as the ratio of:

- gross previous year incurred claims (including related claims management costs) + experience variance and change in assumptions on LIC + changes in previous year risk adjustment + previous year costs of reinsurance held; and
- gross insurance contract revenue.

Return on investments: please refer to the chapter *Methodological notes on alternative performance measures* for details.

Risk Adjustment (RA): corresponds to the component of the insurance liability that captures the uncertainty the entity bears on the amount and timing of cash flows arising from non-financial risk.

Solvency Ratio: it is the ratio of the Eligible Own Funds to the Group Solvency Capital requirement, both calculated according to the definitions of the SII regime. Own funds are determined net of proposed dividend. The ratio has to be

intended as preliminary since the definitive Regulatory Solvency Ratio will be submitted to the supervisory authority in accordance with the timing provided by the Solvency II regulations for the official reporting.

Undiscounted Combined ratio (CoR): it excludes the discounting effect on LIC.

Variable Fee Approach (VFA): it is the measurement model for insurance and investment contracts with direct participation features.

Weighted average cost of debt: it is the annualized cost of financial debt considering the nominal amount of the liabilities at the reporting date and the related transactions of currency and interest rate hedging.

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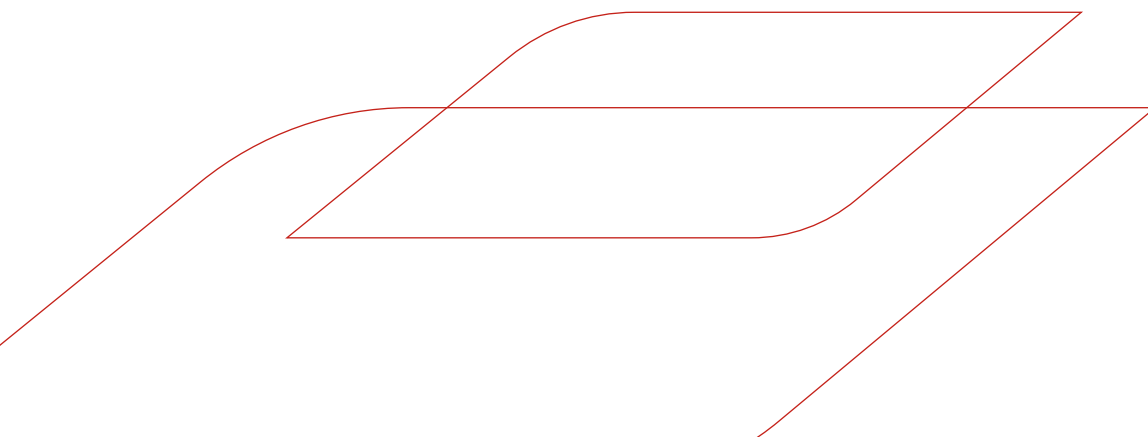
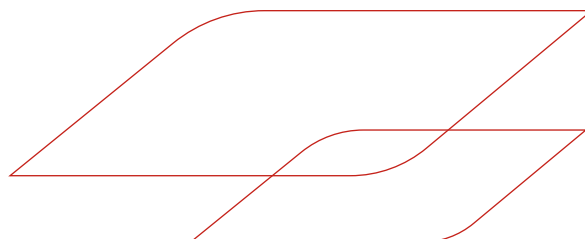
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Consolidated Half-Yearly
Financial Report 2023
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This document is available on
www.generali.com

Concept and design
Loud Adv

