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Press Release

Testo del comunicato

Vedi allegato



15/11/2024
PRESS RELEASE

FINANCIAL INFORMATION AT 30 SEPTEMBER 2024¹

Generali continues to achieve strong growth in operating result driven by all business segments. Solid capital position confirmed

- Gross written premiums grew significantly to € 70.7 billion (+18.1%), driven by both Life (+23.3%) and P&C (+9.8%)
- Life net inflows rose to € 6.8 billion, coming entirely from protection and unit-linked, in line with Group strategy
- Continued growth in P&C operating result (+2.5%) despite significant natural catastrophe impact
- Combined Ratio (CoR) at 94.0% (-0.3 p.p.). Undiscounted CoR at 96.3% (-1.4 p.p.) thanks to strong performance of Undiscounted Current Year attritional CoR (-2.2 p.p.)
- Strong growth in operating result to € 5.4 billion (+7.9%) primarily driven by Life and Asset & Wealth Management
- Adjusted net result at € 2.9 billion (-3.3%); up 3.4% excluding a positive one-off capital gain recorded in 2023. Net result grew to € 3 billion (+5.0%)
- Solid capital position confirmed, with Solvency Ratio at 209% (220% FY2023)

Generali Group CFO, Cristiano Borean, said: *“In the third quarter of 2024, Generali continued to deliver strong growth in operating result driven by the performance of all business segments. The very positive trend in Life net inflows throughout the year was maintained. We also achieved further growth in P&C profitability despite the high impact of natural catastrophes. Asset & Wealth Management contributed significantly proving the strength of our business model. Thanks to our focus on the diversification of profit sources, we continue to deliver in a complex and evolving global environment. Looking ahead, we are fully on track to successfully complete the ‘Lifetime Partner 24: Driving Growth’ plan and we are working on our new strategy that will be presented on 30 January 2025.”*

¹ Changes in premiums, Life net inflows and new business are presented on equivalent terms (at constant exchange rates and consolidation scope). The amounts are rounded and may not add up to the rounded total in all cases. Also, the percentages presented can be affected by the rounding.



EXECUTIVE SUMMARY²

Key Figures			
	30/09/2024	30/09/2023	Change ⁽¹⁾
Gross Written Premiums (€ mln)	70,721	60,461	+18.1%
Consolidated Operating Result (€ mln)	5,398	5,004	+7.9%
Life Operating Result	3,035	2,786	+8.9%
P&C Operating Result	2,210	2,155	+2.5%
Asset & Wealth Management Operating Result	837	697	+20.1%
Holding and other businesses Operating Result	-357	-281	+27.0%
Consolidation adjustments	-327	-353	-7.5%
New Business Margin (% PVNBP)	4.45%	5.74%	-1.28 p.p.
Combined Ratio (%)	94.0%	94.3%	-0.3 p.p.
Adjusted Net Result (€ mln)	2,880	2,979	-3.3%
Net Result (€ mln)	2,962	2,822	+5.0%
Adjusted EPS ⁽²⁾ (€)	1.87	1.93	-3.4%
	30/09/2024	31/12/2023	Change
Group's shareholders' equity (€ mln)	30,037	28,968	+3.7%
Contractual Service Margin (€ mln)	32,405	31,807	+1.9%
Total Assets under Management (€ mln)	843,316	655,783	+28.6%
Solvency II Ratio (%)⁽³⁾	209%	220%	-11 p.p.

⁽¹⁾ Please refer to note 1 on page 1.

⁽²⁾ The EPS calculation is based on a weighted average number of 1,543,120,007 shares outstanding and is excluding weighted average treasury shares equal to 22,392,870.

⁽³⁾ For quarterly disclosure purposes, the disclosed Solvency Ratio is reported net of accrued pro-rata dividend, and therefore differs from the regulatory view that from 2024 requires the deduction of the full-year dividend also for interim QRT regulatory reporting.

Turin - At a meeting chaired by Andrea Sironi, the Generali Board of Directors approved the Financial Information of the Generali Group as at 30 September 2024³.

The Group's **gross written premiums** increased by 18.1% to € 70.7 billion, thanks to the strong performance of both Life and P&C segments. **Life net inflows** continued the positive trend seen throughout the year reaching € 6.8 billion, coming entirely from protection and unit-linked, in line with Group strategy.

² 9M2023 figures have been restated considering: (1) LTIP and other share-based payments (including WeShare plan) have been moved from non-operating results to operating results (€ 96 million 9M2023; € 117 million 9M2024); (2) A&WM segment now includes all the operating and non-operating costs that were previously considered as holding expenses, including the aforementioned LTIP and other share-based payments (respectively € 30 million in the operating result and € 8 million in the non-operating result).

³ The Financial Information as at September 30th 2024 is not an interim Financial Report according to the IAS 34 principle.



The **operating result** rose to € 5,398 million (+7.9%), with a positive contribution from Life, P&C and Asset & Wealth Management segments.

The Life operating result grew strongly to € 3,035 million (+8.9%) and the new Business Value (NBV) improved to € 1,755 million (+1.8%).

The operating result of the P&C segment grew to € 2,210 million (+2.5%) with the Combined Ratio at 94.0% (-0.3 p.p.) and the undiscounted Combined Ratio at 96.3% (-1.4 p.p.).

The operating result of the Asset & Wealth Management segment grew significantly to € 837 million (+20.1%) thanks to the continued strong performance of Banca Generali and the positive result of Asset Management, benefitting from the consolidation of Conning Holdings Limited (CHL).

The operating result of the Holding and Other Businesses segment was at € -357 million (€ -281 million 9M2023).

The **adjusted net result** was € 2,880 million (€ 2,979 million 9M2023), with the comparison basis affected by a € 193 million net capital gain on a London real estate disposal recorded in 1Q2023. Excluding this effect, the adjusted net result would have grown by 3.4%.

The net result grew to € 2,962 million (€ 2,822 million 9M2023) including a € 58 million net capital gain from the disposal of TUA Assicurazioni recorded in 1Q24.

The **Group's shareholders' equity** increased to € 30.0 billion (€ 29.0 billion FY2023).

The **Contractual Service Margin** (CSM) grew to € 32.4 billion (€ 31.8 billion FY2023).

The Group's **Total Assets Under Management** increased to € 843.3 billion (€ 655.8 billion FY2023).

The Group confirmed its solid capital position, with a **Solvency Ratio** at 209% (220% FY2023). The robust contribution of the capital generation in the period was more than offset by the impact stemming from the acquisition of Liberty Seguros, regulatory changes, market and non-economic variances. Capital movements included accrued dividends and the € 0.5 billion strategic share buy-back programme.



LIFE SEGMENT

- New Business Value (NBV) increased to € 1,755 million (+1.8%) thanks to very strong Present Value of New Business Premiums (PVNBP) growth (+31.0%)
- Life CSM grew to € 31.5 billion (+1.8%)
- Operating result increased to € 3,035 million (+8.9%) also thanks to an increasing investment result

Life Key Figures

euro mln	30/09/2024	30/09/2023	Change ⁽¹⁾
VOLUMES			
Gross Written Premiums ⁽²⁾	45,669	37,018	+23.3%
Net inflows	6,822	-1,194	n.m.
PVNBP	39,409	30,138	+31.0%
PROFITABILITY			
New Business Value	1,755	1,729	+1.8%
New Business Margin (% PVNBP)	4.45%	5.74%	-1.28 p.p.
Life Contractual Service Margin ⁽³⁾	31,494	30,911	+1.8%
Life Operating Result	3,035	2,786	+8.9%

⁽¹⁾ Please refer to note 1 on page 1.

⁽²⁾ Including premiums from investment contracts equal to € 1,145 million (€ 1,052 million 9M2023).

⁽³⁾ The figure refers to the comparison with Life CSM data as at FY2023.

Gross written premiums in the Life segment grew significantly to € 45,669 million (+23.3%) driven by the strong performance of all business lines. The protection line confirmed its healthy growth trajectory (+10.6%) in all main countries. The savings line improved substantially (+34.5%), mainly thanks to France, Italy and Asia. The unit-linked line was also up materially (+19.0%), led by Italy and France.

Life net inflows were € 6.8 billion. Net outflows from savings and pension (€ -1,149 million) improved significantly compared to the same period last year (€ -8,709 million 9M2023), also benefitting from the commercial actions implemented since 2023. Protection and unit-linked lines recorded positive net inflows, with protection reaching € 4,119 million and unit-linked net inflows at € 3,852 million, both driven by Germany, France and Italy.

New business volumes (expressed in terms of Present Value of New Business Premiums - PVNBP) increased significantly to € 39.4 billion (+31.0%), thanks to:

- strong savings production in Italy reflecting the positive results of the commercial initiatives implemented since 2023;
- the market momentum in hybrid products in France, mostly in the first half of the year;
- China, which recorded exceptional volumes in the first quarter;
- growth of the protection business, amplified by the IFRS 17 accounting treatment of collective protection business in France⁴. After neutralising for this accounting effect, Group PVNBP would have risen by 23.5%.

⁴ French collective protection business underwritten in 4Q2023 with coverage starting in 2024 was deemed to be profitable and hence recognised entirely in 1Q2024, in line with IFRS 17 requirements.



New Business Value (NBV) rose to € 1,755 million (+1.8%) supported by strong volumes. The New Business Margin (NBM) on PVNBP stood at 4.45% (-1.28 p.p.) also reflecting the accounting effect of French protection business (-0.4 p.p.), commercial initiatives to support net inflows in Italy (-0.6 p.p.) and the effect of lower interest rates (-0.2 p.p.). Neutralising the accounting effect of the French protection business, the decline in NBM would have been around 0.9 p.p..

The **Life Contractual Service Margin** (Life CSM) increased to € 31.5 billion (€ 30.9 billion FY2023). The positive development was mainly driven by the contribution of the Life New Business CSM of € 2,069 million, which, coupled with the expected return of € 1,284 million, more than offset the Life CSM release of € 2,288 million. The latter represented the main driver (approximately 75%) of the **operating result**, which rose to € 3,035 million (€ 2,786 million 9M2023) also supported by a € 159 million improvement in the operating investment result which rose to € 789 million at 9M2024.

P&C SEGMENT

- Premiums increased to € 25.1 billion (+9.8%)
- Combined Ratio at 94.0% (-0.3 p.p.). Undiscounted Combined Ratio improved to 96.3% (-1.4 p.p.)
- Operating result grew to € 2,210 million (+2.5%)

P&C Key Figures

euro mln	30/09/2024	30/09/2023	Change ⁽¹⁾
VOLUMES			
Gross Written Premiums	25,052	23,444	+9.8%
PROFITABILITY⁽²⁾			
Combined Ratio (%)	94.0%	94.3%	-0.3 p.p.
Loss Ratio	65.5%	64.9%	+0.6 p.p.
Current Year loss ratio undiscounted excluding Nat Cat (%)	65.9%	67.2%	-1.3 p.p.
Natural catastrophe losses undiscounted (%)	3.8%	3.8%	+0.0 p.p.
Current year discounting (%)	-2.2%	-3.3%	+1.1 p.p.
Prior year loss ratio (%)	-2.0%	-2.8%	+0.8 p.p.
Expense Ratio (%)	28.5%	29.4%	-0.9 p.p.
Undiscounted Combined Ratio (%)	96.3%	97.6%	-1.4p.p.
P&C Operating Result	2,210	2,155	+2.5%

⁽¹⁾ Please refer to note 1 on page 1.

⁽²⁾ Insurance contract revenues: € 24,354 million at 9M2024; € 22,800 million at 9M2023.

P&C gross written premiums grew to € 25.1 billion (+9.8%) driven by the positive performance of both business lines.

Non-motor increased by 6.2%, achieving widespread growth across all main areas.

The motor line rose by 16.9% across all main areas, with particularly positive business dynamics in CEE, Germany, Italy, Austria and Spain. Excluding the contribution from Argentina, a country impacted by hyperinflation, motor line premiums increased by 6.3%.



The **Combined Ratio** improved to 94.0% (94.3% 9M2023) despite a lower benefit from current year discounting and prior year development, underscoring the strong quality of the underlying business performance. The impact from natural catastrophes was significant at 3.8% (€ 930 million 9M2024), reflecting in particular, adverse weather events in CEE, Germany, Austria and Italy. The undiscounted current year loss ratio excluding nat cat improved by 1.3 p.p. to 65.9% and it improved even more strongly, by 1.9 p.p., using the same consolidation perimeter of 9M2023. The expense ratio decreased to 28.5% (29.4% 9M2023). The undiscounted combined ratio improved to 96.3% (97.6% 9M2023).

The **operating result** grew to € 2,210 million (+2.5%) also reflecting the positive contribution from the consolidation of Liberty Seguros. The **operating insurance service result** was € 1,454 million (€ 1,299 million 9M2023) notwithstanding a lower discounting benefit of € 544 million compared to € 762 million at 9M2023. The undiscounted operating insurance service result grew by 69.5% to € 910 million (€ 537 million 9M2023) despite a € 55 million increase in nat cat losses and lower prior year development for € 155 million. The improvement in the undiscounted operating insurance service result was broad-based across all the main areas in which the Group operates, reflecting the positive effect of the technical measures implemented since 2022, a benign frequency and moderation in claims inflation. The **operating investment result** was € 755 million (€ 855 million 9M2023), with the € 164 million increase in the operating investment income to € 1,265 million more than compensated by a € 264 million increase in the insurance finance expenses to € 510 million.

ASSET & WEALTH MANAGEMENT SEGMENT

- Asset & Wealth Management operating result grew to € 837 million (+20.1%)
- Banca Generali group operating result increased strongly to € 447 million (+31.7%)

Asset & Wealth Management Key Figures

euro mln	30/09/2024	30/09/2023	Change ⁽¹⁾
OPERATING RESULT	837	697	+20.1%
Asset Management ⁽²⁾	390	358	+9.1%
Banca Generali group ⁽³⁾	447	339	+31.7%

⁽¹⁾ Please refer to note 1 on page 1.

⁽²⁾ Please refer to note 2 on page 2.

⁽³⁾ Operating contribution from Banca Generali group as per Generali's view.

The operating result of the **Asset & Wealth Management segment** grew significantly to € 837 million (+20.1%). The **operating result of the Asset Management segment** increased to € 390 million (+9.1%), reflecting a € 31 million contribution from Conning Holding Limited (CHL) for six months; without CHL, the operating result would have grown by 0.4%. Operating revenues recorded a positive development (+25.5%, or +3.6% excluding CHL), with the contribution of CHL for six months at € 166 million. Excluding CHL, recurring fees increased by +1.9% thanks to higher average AUM, non-recurring fees increased by +8.5% and performance fees were € 6 million (€ 1 million higher compared to 9M2023).

Operating expenses rose to € 563 million (+40.1%, or +6.6% excluding CHL), reflecting the addition of six months of CHL operating expenses for € 135 million. The increase excluding CHL was driven by higher compensation costs.



The operating result of the **Banca Generali group** rose to € 447 million (+31.7%), thanks to the improvement in the net interest margin, the diversification of the business and the positive development of financial markets, which favoured the contribution of performance fees for € 122 million (€ 10 million in 9M23).

Focus on Asset Management

euro mln	30/09/2024	30/09/2023	Change ⁽¹⁾
Operating revenues	953	759	+25.5%
Operating expenses	-563	-402	+40.1%
Adjusted Net result ⁽²⁾	236	246	-4.1%

euro bln	30/09/2024	31/12/2023	Change
Assets Under Management (AUM)	681	516	+32.0%
of which third-party Assets Under Management (AUM)	258	105	n.m.

⁽¹⁾ Please refer to note 1 on page 1.

⁽²⁾ Adjusted net result after minorities.

The **adjusted net result** of the Asset Management segment was € 236 million (-4.1%). The net result was affected by one-off transaction and integration costs related to the acquisition of CHL.

AUM of Asset Management companies were € 681 billion, +32.0% compared to FY2023, mainly thanks to the CHL acquisition.

Third-party AUM managed by the Asset Management companies stood at € 258 billion, including € 152 billion for CHL.

Third-party net flows were € -2.0 billion at 9M2024, concentrated in a small number of low-margin mandates. The 3Q2024 recorded positive net flows of € +1.9 billion.

HOLDING AND OTHER BUSINESSES SEGMENT

- Operating result stood at € -357 million

Holding and Other Businesses Key Figures⁽¹⁾

euro mln	30/09/2024	30/09/2023	Change ⁽²⁾
OPERATING RESULT	-357	-281	+27.0%
Other businesses	139	199	-30.1%
Holding operating expenses	-496	-480	+3.4%

⁽¹⁾ Please refer to note 2 on page 2.

⁽²⁾ Please refer to note 1 on page 1.

The **operating result** of the Holding and other businesses segment was at € -357 million (€-281 million 9M2023).



The operating result of Other businesses reached € 139 million (€ 199 million 9M2023). The change compared to 2023 is mostly attributable to lower intragroup dividends, especially from France. Operating expenses grew by 3.4% mainly reflecting higher cost of share-based payments and IT projects.



OUTLOOK

For the remainder of the year, the easing policies of central banks and the outcome of elections in key economies are expected to dominate global financial markets. Looking ahead, central banks in the US and the Euro area will proceed with rate cuts, as inflation normalises within a stabilising global growth environment, despite ongoing tensions in the Middle East. A resilient US economy, a more forceful and coordinated monetary and fiscal stimulus in China, and the ECB rate cuts may benefit asset prices.

In this context and in line with the priorities set out in the “Lifetime Partner 24: Driving Growth” plan, the Group continues to execute its strategy to rebalance the **Life** portfolio to further increase profitability and allocate capital more efficiently. It will also maintain its focus on product simplification and innovation, with the introduction of a range of modular product solutions that are designed to meet customer needs and are marketed through the most suitable and efficient distribution channels. Primary focus areas include protection and health, as well as capital-light savings.

In the **Property & Casualty** segment, the Group's objective is to maximise profitable growth - with a focus on the non-motor line - across its insurance markets, particularly strengthening its position and offering in countries with high growth potential. The Group will strengthen its adaptive approach towards tariff adjustments in both motor and non-motor, taking into account the increase in reinsurance coverage costs due to the increased natural catastrophe claims, which have exceeded at 9M2024 the budget for the year. The growth of the P&C segment will continue with the aim of enhancing its leadership in the European insurance market for private individuals, professionals and small and medium-sized enterprises (SMEs) and also benefitting from the recent acquisition of Liberty Seguros operations in Spain, Portugal and Ireland.

In the Asset & Wealth Management segment, following the important milestone of the acquisition of Conning Holdings Limited completed on 3 April 2024, **Asset Management** will continue to implement its strategy with the objectives of expanding the product offering, particularly in real and private assets, enhancing third party distribution capabilities, and extending its presence in new markets. In **Wealth Management**, the Banca Generali group will continue to focus on its targets of growth, profitability and shareholders' remuneration as outlined in its strategic plan.

With reference to the Group's **investment policy**, it will continue to pursue an asset allocation strategy aimed at ensuring consistency with liabilities to policyholders and, where possible, at increasing current returns.

The Group confirms its commitment to pursue sustainable growth, enhance its earnings profile and lead innovation. This is in order to achieve a compound annual growth rate in earnings per share⁵ between 6% and 8% in the period 2021-2024, generate Net Holding Cash Flow⁶ exceeding € 8.5 billion in the period 2022-2024 and distribute cumulative dividends to shareholders for an amount between € 5.2 billion and € 5.6 billion in the period 2022-2024, with a ratchet policy on the dividend per share. With the payment of the 2023 dividend on 22 May, the Group achieved the latter target reaching cumulative dividends in the period 2022-2024 of € 5.5 billion.

The Group will announce its new strategic plan, including new financial targets, at a dedicated Investor Day on 30 January 2025.

⁵ 3 year CAGR based on 2024 Adjusted, versus 2021 Adjusted EPS. Adjusted net result includes adjustments for 1) volatility effects deriving from the valuation at fair value through profit or loss (FVTPL) of investments not backing portfolios with direct profit participation and the free assets; 2) hyperinflation effect under IAS 29; 3) amortisation of intangibles from M&A transactions (business combinations under IFRS 3) excluding those connected to brands, technology and bancassurance or equivalent distribution agreement, if material; 4) impact of gains and losses from acquisitions and disposals, including possible restructuring costs incurred during the first year from the acquisition, if material.

⁶ Net Holding Cash Flow and dividend expressed on cash basis (i.e. cash flows are reported under the year of payment).



SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2024

On 17 October Moody's Ratings has confirmed Generali Group's Insurance Financial Strength (IFS) rating at A3 with a stable outlook.

On 29 October Fitch Ratings has upgraded Generali's Outlook to Positive from Stable and affirmed the Insurer Financial Strength (IFS) rating at 'A+' and the Long-Term Issuer Default Rating (IDR) at 'A'.

Other significant events that occurred after the end of the period are available on the [website](#).

The **glossary** and the description of **alternative performance indicators** are available in the [Group Annual Integrated report 2023](#).

Q&A CONFERENCE CALL

The **Group CFO, Cristiano Borean**, the **Group General Manager, Marco Sesana** and the **CEO Insurance, Giulio Terzariol**, will host the Q&A session conference call for the results of the Generali Group as at 30 September 2024, which will be held on 15 November 2024, at 12.00 pm CET.

To follow the conference call, in a listen only mode, please dial **+39 02 8020927**.

The Manager in charge of preparing the company's financial reports, Cristiano Borean, declares, pursuant to paragraph 2, article 154 bis of the Consolidated Law on Finance, that the accounting information in this press release corresponds to the document results, books and accounting entries.

THE GENERALI GROUP

Generali is one of the largest global insurance and asset management providers. Established in 1831, it is present in over 50 countries in the world, with a total premium income of € 82.5 billion in 2023. With around 82,000 employees serving 70 million customers, the Group has a leading position in Europe and a growing presence in Asia and Latin America. At the heart of Generali's strategy is its Lifetime Partner commitment to customers, achieved through innovative and personalised solutions, best-in-class customer experience and its digitalised global distribution capabilities. The Group has fully embedded sustainability into all strategic choices, with the aim to create value for all stakeholders while building a fairer and more resilient society.



GENERALI 3Q 2024 RESULTS

Key Figures

euro mln	3Q 2024	3Q 2023	Change
Consolidated operating result	1,674	1,339	+25.0%
Life operating result	1,080	974	+10.9%
P&C operating result	481	301	+59.6%
Asset & Wealth Management operating result	271	223	+21.6%
Holding and other businesses operating result	-129	-123	+5.1%
Consolidation adjustments	-29	-35	-18.7%
Adjusted net result	855	649	+31.7%
Net result (€ mln)	909	579	+57.1%

Fine Comunicato n.0018-130-2024

Numero di Pagine: 13