

GIOVANNI PERISSINOTTO INTERVIEW WITH RADIO 1

Radio Rai – L'Economia in Tasca

(Reporter): Let's go back to a traditional subject in our economic coverage, especially in the last few months, the yields on our government securities, which are still too high but now clearly falling. The financial markets seem to have eased their grip on sovereign debt in the Eurozone countries. We talked about this with Giovanni Perissinotto, CEO of Generali Group. Good morning.

(Perissinotto): Good morning.

(Reporter): Mr Perissinotto, the now famous and widely feared spread, the difference between Italian ten-year treasury bonds and the German Bund, has finally come down to a more reasonable level. We're now well below the 400-point mark, in November it was more than 550 points, which meant paying 5.50% more than the Germans. The same thing is true for the yield on 10-year bonds, two months ago it was around the 7.5% mark, now it's just a little over 5.5%. A real saving for the country.

(Perissinotto): Things are certainly getting better. The market is realising that, with this government, the country has successfully introduced effective measures which, in my view, will bring a further reduction and improvement. We still have progress to make.

(Reporter): If Italy becomes more reliable, and the fall in the spread would prove it, many of our companies would benefit, especially banks and insurance companies.

(Perissinotto): Yes, but they wouldn't be the only ones. Banks and insurers would benefit but so too would industrial companies, because manufacturers who raise finance by issuing bonds were suffering from this spread, so a reduction in the spread also benefits corporate finance.

(Reporter): As we know, Italian companies have experienced huge drops on the stock exchange.

(Perissinotto): We're a stable player on the stock market. Relatively stable, we've had problems but fewer problems than other insurers. We've been downgraded but it was a downgrading related to the country. In this case we're about 2 points higher than the sovereign state.

(Reporter): You're also working on many projects abroad, especially in India.

(Perissinotto): Yes, we have a microinsurance project flanking microcredit in India. The project isn't a charitable donation, it's based on a different concept: to provide microenterprises with insurance products at an affordable price for their operations, and cover them against risks that might otherwise prove fatal, like accidents, illness. And with really very little money we can give these enterprises coverage, a security they would otherwise not have, knowing that many of these businesses will then move on to the next phase in growth and so become all-round clients of insurance products.

(Reporter): Thank you Mr Perissinotto.

(Perissinotto): Thank you, have a nice day.