

Investor's Info



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Accelerate to excellence

“*Generali has a new ambition: to be a leader where we operate and deliver excellence in everything we do. We are starting from a strong base: the Group is financially solid and we have a tight control on a lean cost basis. We have established greater coordination and discipline across business units, with local CEOs empowered to monitor the progress of our strategic levers through targeted KPIs. Our goal is leadership in our chosen markets, not measured by size but profitability. We will further improve our operating performance and will create long term value. We will improve our efficiency through significant productivity gains and we will optimize our geographical footprint, while securing investments in key growth markets. We will maintain and further improve our leading edge in technical performance and excellent profitability, both on our P&C and Life business, in order to overcompensate the effects of a prolonged period of adverse market conditions. Finally, we will focus on customers and distributors by leveraging on data analytics and innovative telematics products. The financial targets for the period 2015-2018 are confirmed. None of this would be possible without the unparalleled level of pride and passion of Generali employees and our networks of agents and collaborators around the world.*” Philippe Donnet, Group CEO



Philippe Donnet, Group CEO

Generali **confirms the targets** of the 2018 plan and **accelerates to excellence, with new efficiency and profitability targets:** improving the operating machine, leadership in the technical performance, focus on clients and distributors. By presenting the update of the strategic plan at the Investor Day, held in London on November 23rd, Generali has proven the strength and the resilience of its business model, despite the deterioration of the macroeconomic environment over the last 18 months and a high degree of uncertainty on the financial markets' future perspectives. The solidity of its capital position, technical performances that stand amongst the best in the insurance industry, the quality and extent of its own distribution networks and the presence in the most attractive and promising markets are the foundations on which Generali's strength is based. Generali accelerates the execution of the industrial turnaround to **improve the operating performance and create long-term value**, thus strengthening its own competitive advantage.

2018 FINANCIAL TARGETS

Cash flow generation*	> € 7 mld
Dividends*	> € 5 mld
Average operating RoE**	> 13%

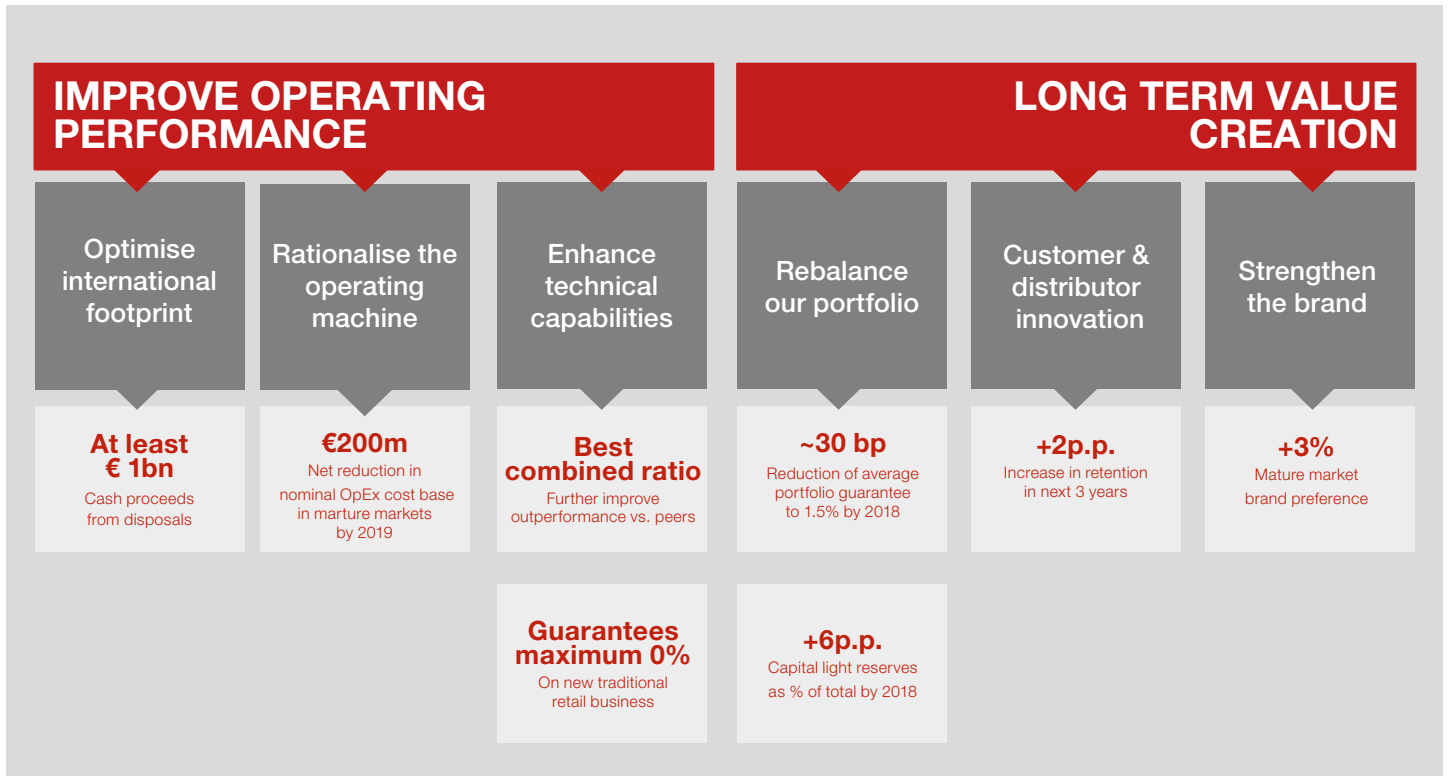
*Cumulative total (2015-2018)

**on average during the plan period (2015-2018)

NOTEWORTHY ATTENTION BY INVESTORS AND INTERNATIONAL MEDIA

More than 1000 people attended the Investor Day: more than 140 were investors, analysts and bankers, more than 50 were domestic and international journalists, while around 900 people were connected on broadcast or conference call; 1,500 accessed through the link from the website www.generali.com. The event has been followed by a roadshow in the main international venues of London, Paris, New York, Frankfurt and Milan where the top management could present the plan.

6 actions to improve operating performance and to create long term value



Optimizing the geographical presence: to maintain a global and diversified geographical presence by focusing where it is technically strong, efficient and profitable or where it can create those conditions in the medium-to- long-term period (**€ 1 billion** of cash by 2018).

Improving the operating machine: a restructuring, integration and simplification process will start in the mature markets to generate a net **reduction in cost of € 200 million**, while investment will be made to grow the business in a disciplined manner in growth market. The operating machine will improve by eliminating overlaps, in terms of products, structures, systems and process.

Strengthening of insurance expertise: in the P&C segment the Group aims at a profitable growth that will enable a **further improvement** of CoR outperformance by **2018**, further strengthening the excellent level of technical profitability, already one of the best on the market today. In Life segment, Generali aims to increase the new production value through more capital-light product.

Rebalancing the portfolio: in the Life segment the Group aims to change the business mix by shifting to more capital-light products. It will optimize its active liability management and will increase the new production of Unit Linked and Protection, in order to **reduce the average guarantee by 30 bps**, to offer an average guarantee value of 1.5% by 2018 and create a 6% increase in capital-light reserves.

Innovation with focus on customers and distribution network: the actions undertaken by the Group to increase customer retention and profits - as the Net Promoter Score project - will continue. At the same time, two other high-impact initiatives were identified: the **Mobile Hub**, based on smartphone technology, provides a direct communication between the insured, the agent and the insurance company; using the **digital technology** to allow 70,000 agents of the Group to be present on web, mobile and social media, thereby responding to the new needs of the customers. (in three years an **increase in retention by 2 p.p.**)



first row, from left: F. de Courtois; A. Minali; P. Donnet; I. Conner.
second row, from left: G. P. Meloncelli; G. Liverani; V. Trevisani; B. Hodges; M. Sesana.

Strengthening of the brand: the Group aims at increasing the visibility of the brand and the level of preference in order to become the first choice by 2022. The brand will be repositioned to provide content related to Prevention, closer to the most valuable asset of the customers as life, health, house, family and work (**increasing by 3% the level of preference in developed markets and by 10% the level of awareness in promising markets**)