Annex H

Speech of the Group CEO
Mr Mario GRECO

Shareholders,

2014 was a pivotal year, marking the end of a three-year period devoted to the strengthening of the Group in an effort to keep all the promises we made in January 2013, when the industrial plan was launched.

At the time, we announced our focus on the insurance core business, we said that we would dismiss any non-strategic shareholdings, that we would enhance the capital position of the Company, that we would improve profitability, reducing costs and increasing revenues, that we would closely revise the value and the quality of services to customers with the aim of improving them and finally we said we would improve the profitability and the value for shareholders.

Achieved objectives. Today, we are here in front of you and we are satisfied with the efforts we have been making over the past 3 years. Operating capital profitability has increased, even exceeding the objective of 13%. Cost saving has been achieved, supporting economic results of 2013 and 2014, which will also be pursued in 2015. The equity has been enhanced and, a year in advance, we have exceeded the target ratio of Solvency 1. Now, we are ready to prove that we also have an appropriate Solvency 2 ratio. Non-strategic shareholdings have been dismissed for a total value of 4 billion Euro. Debt has been reduced and the cash flow has been increasing.

Implemented transactions. These targets have been achieved as a result of the long list of transactions that have been implemented. This process has ended this year with the acquisition of the last part of the minority shareholding in Generali PFF Holding B.V. (GPH). Another substantial event was the withdrawal of the Company rating by Standard and Poor's: this has been done upon our request, as a result of the unreasonable and sturdy decision to rate Generali on country-basis. This has not generated any negative impact either on the share or on bonds, confirming our standing in the financial community. It was important to assert the principle that Generali must be rated for what it is, with its strong and weak points, not on the basis of an automatic link to the sovereign rating on Italy.
I wish to point out, with some pride, that we succeeded to achieve objectives, which are not easy, and that we were supposed to achieve at the end of 2015, a year earlier, in spite of difficult market conditions for insurers, the complex economic conditions in Italy and in Europe over the past 3 years. Not many companies have succeeded to do that.

Improved profitability. From 2012 to 2014, the ***Return on Equity*** **(RoE)** has progressively increased. In 2012, it was below 11%, while the financial statements of 2014 disclose a RoE of 13.2%. These results account for standards of excellence, which are not easy to achieve in the current market conditions and with the current investment performance. In 2014, net profits have increased, in spite of a number of negative non-current items, that are expected to end in the financial statements of 2014, considering that restructuring operations have been implemented and no non-current impacts are expected in 2015.

Enhanced equity. In 2012 and 2013, equity was among the priorities of Generali. At the end of 2014, the equity has increased significantly, exceeding the target under Solvency 1, i.e. above 160%, and it is expected to further increase this year. Now, the focus is on Solvency 2, and details will be given at the end of May. We can anticipate that we are ready to manage the internal model, the requests and data under Solvency 2 with the same appropriate and reasoned attitude we had with Solvency 1.

Debt reduction. The debt reduction we achieved is significant both in terms of sound asset structure and because, from this year, we will benefit from a reduction in interests on debt. These results have been achieved in 2014 with re-purchase operations on bonds issued with very high rates. They were replaced, in part, with less expensive bonds, and with an overall debt reduction.

Operating result. The operating result is the most immediate and concise measurement of the corporate profitability. The amount of the operating result of the financial statements of 2014, i.e. 4.5 billion Euro, together with the apparent progressive increase in this outcome over the past 3 years, is very encouraging for 2015 and the years ahead. Two main actions achieved a sound working basis: the cost cuts, with a progressive decrease year after year, and improved technical profitability both in life and non-life business. In this respect, at the end of 2014, the combined ratio in non-life business was among the best ratios in the insurance market, the profitability margins had grown substantially, exceeding 20%, i.e. the excellence international standard. A significant contribution was provided in our four major markets: Italy, Germany, France and EEC.

Italy. In Italy, the year was extremely positive for the Group. In spite of the difficult conditions of the Italian economy and the complex conditions of the Group - in the midst of a integration and transformation process with daunting challenges for the agency network and the staff - Generali Group has increased the operating exceeding 30% in life business and 20% in non-life business. A process aimed at recovering market shares has been launched with a common platform for all Group agencies in Italy in motor and life business. This is expected to extend to non-motor non-life products by the end of the year. This integration, at a record speed and with an increase in the customer base, has been implemented thanks to the efforts of Philippe Donnet and his team in Italy.

Germany. On the 1 April, a new CEO, Giovanni Liverani, was appointed in Generali Deutschland Holding AG. He's a young executive with new ideas on change and business transformation that will result into major benefits in the next few years. Germany is a primary market for Generali, which ranks second in terms of market shares. The size of the impact is comparable to the impact of Italy on financial statements. However, it must be noted that currently life business market in Germany is very competitive, also as a result of low interest rates, affecting profitability. At any rate, in 2014, profits have increased by 11% in life business and by 25% in non-life business.

France. In 2014, a significant restructuring process has been launched in France too. Eric Lombard has started a transformation of the company with a significant involvement of employees. A new business model has also been introduced, with a focus on customers and a better customer segmentation. Non-life portfolio has been restructured, and priority has been given to the property component over the casualty component. France too is a major market. Over the years, a significant increase in profitability is expected as a result of our new offers of products and services.

EEC. Finally, a word on Central and Eastern Europe and the business of the Prague-based sub-holding company. As you will remember, the joint-venture, Generali PPF Holding (GPH) was founded in 2008 and for a number of years Generali held a relative majority shareholding. After the decision to terminate the partnership, announced in January 2013, a purchase transaction was launched in two instalments: the first instalment (25%) in March and the second instalment (24%) in January of this year. Today, Generali holds the whole shareholding. Our business in Central and Eastern Europe is extremely relevant: we are market leader in the Czech Republic, in Hungary, in Croatia and in Serbia. In all the remaining countries, we intend to grow, leveraging on fact that Generali brand has been very popular for many years, Generali has an excellent reputation, we work proficiently and we are familiar with these markets. In non-life business, profitability has remained very high, while in life business Poland was affected by a major legislative change. The Polish government amended some regulations on guaranteed performance products, resulting into a devaluation of part of the life portfolio. In any case, it's an extraordinary legislative measure and it does not affect profitability of the underlying business, also in a future perspective. The current management, that has been in charge of this area for two years now, is achieving excellent results. Therefore, we are confident and optimistic about the future.

Dividend. Today, we are offering an increased dividend, i.e. 60 cents per share. The sound operating performance has been reflected in an improved share profitability in line with the insurance sector. We are aware of the progress that we must make in the coming years to increase the dividend. But I believe that the journey to growth has already become apparent since the increase of 2012 and today it is a good starting point for the future.

Looking at the future. As the Chairman has already mentioned, we are in a transition. The adoption of the financial statements of 2014 marks the end of a number of years devoted to the strengthening of the equity and the operating structures. On 27 May, a new phase will be launched with the presentation of the new targets and the new strategy to the financial community in London. We can anticipate that we will continue along the same lines under the principles we have applied in recent years, i.e. discipline, simplicity and focus. Our attention will shift to finance and other business components. Generali has many opportunities to reap, also in its traditional markets, and we have many insights on how to grow profitability. The plan we will present in May is crucial. We will implement it, preserving efficiency and focussing on cost reduction and enhanced productivity of the Company. We want to remain a Company with profitability and capacity above the market, as we have done so far, and we will work to increase profitability for shareholders in the coming years, in line with the process we launched two years ago. At the end of 2014, we achieved a sound starting point, but much remains to be done. Our team, including executives from all over the world, not only in the Group Management Committee, firmly believe that it will obtain much more in the coming years from the Company and our customer base.

Now, I give the floor to Mr Minali who will explain in detail the financial statements of 2014. We will certainly have further opportunities to discuss our future plans again after the presentation in London. Thank you.