

Annual General Meeting

Group CEO Speech

Philippe Donnet



Trieste – April 29, 2021



Introduction

Good morning.

Thank you for joining us today. I am sorry we are still not able to meet in person, as we usually do, but we must all respect and support the measures in place to slow down and hopefully halt the Covid-19 pandemic.

Covid-19

As Chairman Galateri pointed out earlier, this pandemic has had a dramatic cost in terms of lives lost. It has had a very serious social impact for the majority of people and has led to the worst global economic crisis since World War II.

Everyone – both as individuals and as organizations – has been called upon to do their best to manage and overcome this unprecedented situation.

And since the very outset of the pandemic, Generali has been playing its part thanks to the efforts of everyone – colleagues, agents and business partners.

Since the beginning of the crisis, our absolute priority has been the health and well-being of our people. We extended remote working to nearly 90% of the total workforce to allow them to work safely from home. Our people are what distinguishes us from our peers. They are our true competitive advantage.

In parallel, we have been working with our agents to ensure full business continuity even when the containment measures were at their strictest.

This was key to remain close and provide support to our customers during this difficult time, thus fulfilling our promise to be a true Lifetime Partner.

The exceptional nature of the Covid-19 crisis prompted us to look far beyond our day-to-day business and focus even more on the communities in which we are present.

Just over a year ago, we launched a €100 million Extraordinary International Fund to help combat the effects of the pandemic and soon after, our business units implemented many other initiatives at a local level.

Members of our top management team and many of our colleagues played a key part in this effort.

It is a tangible sign of our commitment to all our stakeholders that, as shareholders of this company, you should be proud of.

We passionately believe in the value that comes from being truly present in the communities in which we operate and from playing a role in society that goes beyond our daily business.

This commitment has always been a distinguishing characteristic of Generali, and it is even stronger this year as we celebrate the 190th anniversary of the Company.

A few weeks ago, we presented Fenice 190, an ambitious program to support the recovery of the European economy with sustainability at its core, with a total investment of 3.5 billion Euro over the next five years.

We began working on this project immediately after the start of the pandemic, and more than 1 billion Euro has been deployed since last year.

Assicurazioni Generali is also playing a leading role in finding structural solutions for the crisis. Over the last few months, we have been promoting a series of innovative proposals to national and European institutions to tackle future pandemic risks and support a truly sustainable economic recovery. This is the Generali spirit. This is our DNA!

I would like to mention briefly two of these proposals.

First, the establishment of a 'Pandemic Risk Pool' against future systemic risks, based on public-private partnerships and leveraging on the involvement of a number of strategic stakeholders such as the insurance and reinsurance sectors, European institutions and EU Member States.

Secondly, we are proposing advantageous conditions for “Green Bonds” within the Solvency II review framework to encourage insurance companies to increase investments in this asset class.

2020 Results

Generali is navigating the current unprecedented environment from a position of strength and solidity. The results we delivered last year, which we presented in mid-March, are a further confirmation of this and demonstrate the pertinence and resilience of our business model and our strategy.

In 2020, we achieved record operating result for the second year running at 5.2 billion Euro, as well as record-breaking capital generation of 4 billion Euro. The Solvency Ratio at 224%, the best among our peers, confirms our strong capital position.

All of this allows us to submit for your approval today a dividend of 1.47 Euro per share, which would be split into two tranches.

The first tranche, to be distributed in May, represents the ordinary payout from the 2020 earnings, 1.01 Euro per share, a Group record and an increase of more than 5% compared to the previous year.

The second tranche of 46 Euro cents is the part of the 2019 dividend we were not allowed to distribute last year. The distribution will take place in October, subject to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations in force at that time.

Focus on Generali 2021 and reorganization

I would now like to update you on the progress of our “Generali 2021” strategic plan.

With just over six months before its conclusion, we are confident that we

will meet the goals we set out. Already last year, we delivered significant results across all three pillars of the strategy.

With regard to profitable growth, we have strengthened our leadership in Europe by acquiring AXA's business operations in Greece and completing the integration of Seguradoras Unidas and AdvanceCare in Portugal in only nine months.

These examples demonstrate our ability to expand our business beyond organic growth in a disciplined manner and in line with our stated M&A strategy.

We also achieved excellent results in terms of financial optimization, already surpassing the targets of debt reduction and debt cost.

The same applies to the third pillar, where we have accelerated in the successful implementation of our digital innovation and transformation plans.

Finally, I would like to highlight the important steps in the area of sustainability. For example, we already significantly exceeded our 2021 4.5 Euro billion target of new green and sustainable investments. At the end of 2020, this figure stood at 6 billion Euro.

Our recently presented new organizational structure will also contribute to the successful completion of the plan. This includes streamlining the decision-making chain and creating two new roles.

The new Group Chief Insurance & Investment Officer structure is in charge of the disciplined execution of asset liability management and of reinforcing our capabilities in the development of insurance products through the integration of the Group's investment and insurance areas.

The Group Chief Transformation Officer structure combines the responsibilities of strategy with those of operations and new digital technologies, ensuring the integrated coordination of all the drivers supporting the Group's digital and technological transformation.

We have also created a new Asset & Wealth Management unit to accelerate the implementation of the Asset Management strategy, a key pillar for profitable growth, improved earnings diversification and lower capital absorption.

Beyond Generali 2021

We are confident that this new organizational structure will also allow us to be ready for the years to come.

With our current plan close to being fully achieved, we are already working on the next strategic roadmap and thanks to the successful execution of “Generali 2021”, we have very solid foundations on which to build.

As a matter of fact, “Generali 2021” has proven to be a forward-looking plan, based on four key convictions that, in light of the pandemic, are and will be even more valid and important looking ahead.

I am referring to the increasing attractiveness of European insurance markets. I am referring to the importance of developing an innovative and tailored offer for retail customers and small- and medium-sized enterprises.

I am referring to the increasingly strong integration between the insurance and asset management sectors. And finally, I am referring to the fundamental value of having an unrivalled physical distribution network and the need to further empower it with digital technologies and tools.

The same applies to the three enablers of the plan: sustainability – which in the next plan will continue to be an overarching theme –, our brand and a skilled workforce, further strengthened over time by diversity and inclusion.

These elements are central to everything we are and do today and will always continue to play a fundamental role at Generali.

Continuity with the current plan will therefore be a key element of the new strategic cycle and will ensure long-term sustainable value for each of you, as always.

Conclusion

In conclusion, 2020 was an unprecedented year for the whole world, which confronted us with a series of challenges that we never could have imagined, but which we at Generali successfully faced and overcame.

Generali is solid and fully aware of its role in society. The Group will continue to grow and add to its long history. A history that spans 190 years, thanks also to the fundamental contributions of our shareholders.

On behalf of all my colleagues, I would like to thank you once again for your trust and continued support, and I now pass the floor to our Chief Financial Officer, Cristiano Borean.