

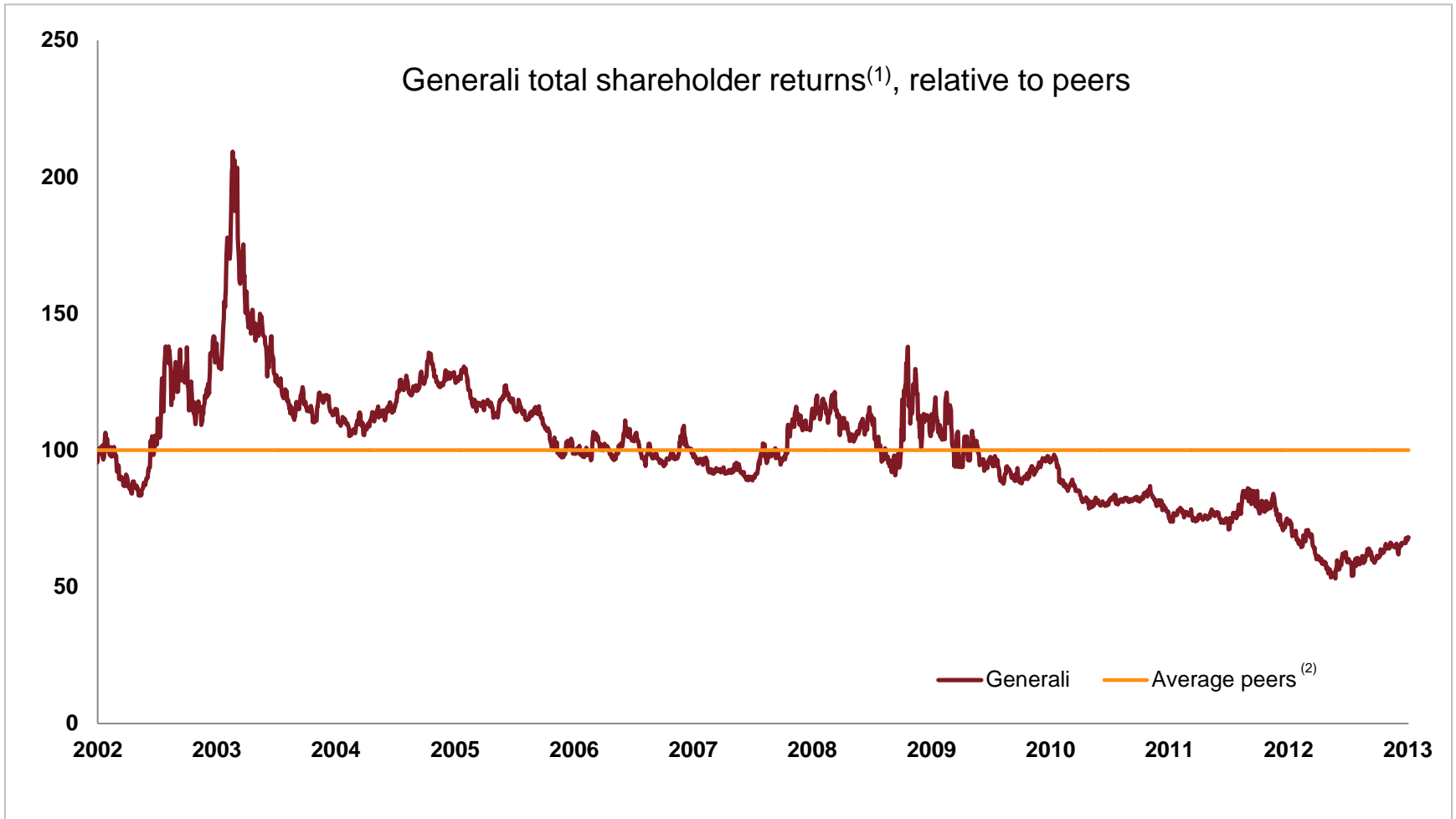
Reshaping Generali: Discipline, simplicity and focus

Mario Greco
Group Chief Executive Officer



LONDON, FOUR SEASONS HOTEL - JANUARY 14th, 2013

One simple mission: to significantly improve shareholder returns



(1) Total return index (data as at 10/01/2013)

(2) Allianz, AXA, Zurich



Strengths

- § **Highly regarded brand**
- § **Strong core franchise**
 - ü leadership in key mature European markets
 - ü distinctive presence in high growth CEE and China
- § **Strong agency network and well positioned direct distribution platform**
- § **Growing P&C business with sound underlying operating profitability**
- § **Robust life operating profitability despite challenging financial environment**

Identified priorities

- 1 Enhance management team and governance structure**
- 2 Remove uncertainty on GPH**
- 3 Refocus on core business**
- 4 Strengthen capital and balance sheet**
- 5 Introduce tighter control of the cost base**

Appointment of a cohesive and effective management team and implementation of a rigorous corporate governance framework

1.a

Creation of international Group Management Committee (GMC)

- § 10 representatives: CEO, CFO, Chief Insurance Officer, CIO, CRO, COO, Head of Global Business Lines and country heads for Italy, France and Germany
- § In charge of sharing and discussing the main topics of the Group

1.b

Management structure review

- § Enhancement of the management structure. Internal talent complemented by external hires (Alberto Minali as new Group CFO, Nikhil Srinivasan as new Group CIO and Carsten Schildknecht as new Group COO)
- § Redefinition of the CFO, CIO and CRO roles
- § Definition of new functions: Chief Insurance Officer, COO, Global Business Lines, Strategy & Business development, integrated Legal / Compliance / Corporate Affairs functions

1.c

Rigorous decision process implemented

- § Introduction of three new management committees: product, capital management / ALM, finance
- § Identification of six key processes: capital management, annual planning, performance management, ALM, product development and M&A
- § Reinforcing these committees and processes with strict documentation procedures (proposer, approval rationale, approver)

Areas for development

Actions already taken

2

Remove uncertainty on GPH

The GPH transaction removes uncertainty

- § Fixed price, with clear timing
- § Significant reduction in contractual complexity
- § Two-tranche payment giving funding flexibility

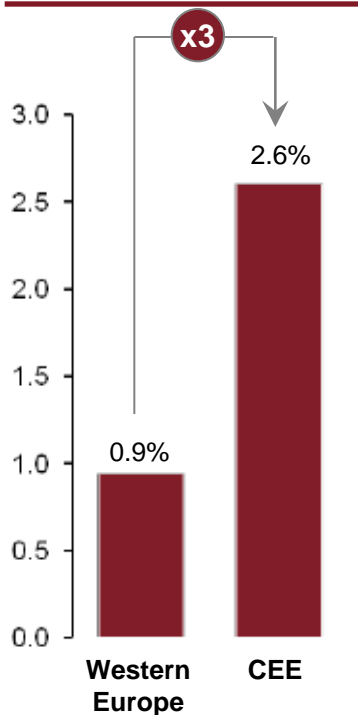
Clear strategic benefits

- § CEE is an area of strategic focus – significantly higher growth expected than in Western Europe
- § GPH well positioned in the market
- § Full management control from first tranche allows us to better integrate into Generali and extract more value

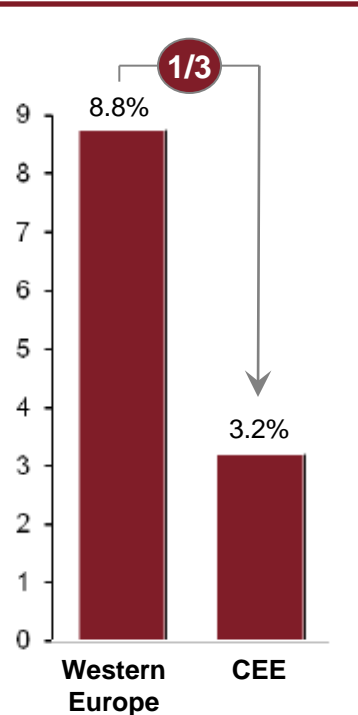


CEE has a robust growth outlook, and historically solid profitability

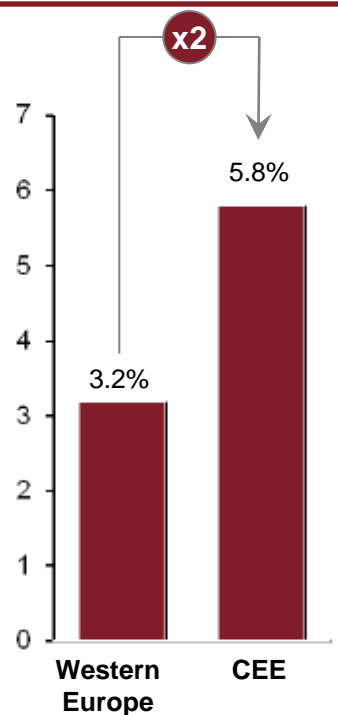
GDP growth
CAGR '11-'17, %, real terms



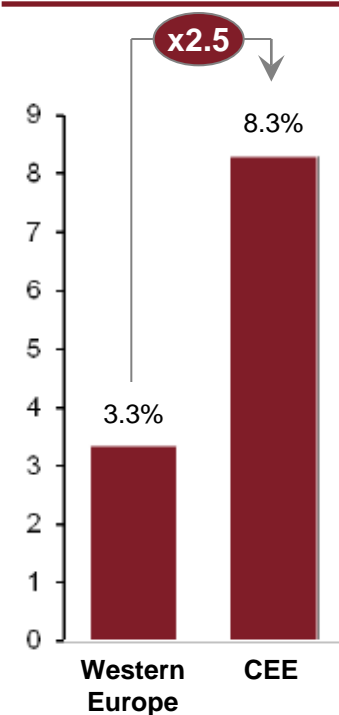
Insurance penetration
GWP/ GDP, 2011, %



GWP growth
CAGR '11-'17, %



Profitability
PAT/GWP, avg '07-'11, %



Note: Western Europe includes Austria, Belgium, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Switzerland, UK

Note: For Croatia and Czech Rep. PAT/GWP relates to 2007-10, Montenegro based on major players' data

Note: CEE includes 10 countries in Central Europe and South-Eastern Europe: Czech Republic, Hungary, Poland, Slovakia, Slovenia, Serbia, Romania, Bulgaria, Croatia and Montenegro

Source: Regulators / Supervisors and Insurance associations of the respective countries, internal analysis, EIU



Poland			
P&C	234	4%	8
Life	216	3%	11
Pensions	2,712	5%	6

Hungary			
P&C	304	22%	2
Life	144	9%	4
Pensions	39	1.5%	17

Slovakia			
P&C	107	11%	3
Life	84	7%	4
Pensions	667	15%	3

Czech Rep.			
P&C	1,076	37%	1
Life	559	30%	1
Pensions	2,432	25%	1

- § GPH⁽¹⁾ covers the whole CEE region, is active in 10 countries with aggregate market share of ~6%⁽²⁾
- § Strong competitive position, with leading market shares in most countries and room for substantial improvement in others
- § Deep product capabilities across both life and P&C businesses
- § Strong growth momentum and operating margins seen across the businesses
- § Well capitalised balance sheet
- § Extensive distribution capabilities and strong brand recognition
- § Best in class combined ratio

Slovenia			
P&C	67	5%	6
Life	20	4%	7
Pensions	21	1%	

Romania			
P&C	99	7%	5
Life	22	6%	4
Pensions	133	10%	3

Croatia			
P&C	27	3%	9
Life	17	5%	9
Pensions	-	-	-

Bulgaria			
P&C	30	4%	10
Life	5	4%	10
Pensions	-	-	-

Serbia			
P&C	82	18%	3
Life	24	25%	1
Pensions	32	27%	2

Montenegro			
P&C	7.3	13%	3
Life	-	-	-
Pensions	-	-	-

Legend

P&C	GWP EURm	Market share	Ranking
Life	GWP EURm		
Pensions	AuM EURm		

(1) Pro-forma for carve-out of CIS business

(2) Based on aggregate GWP in markets where GPH operates

Areas for development Actions already taken

3

Refocus on core business

- § Approved plan to restructure Italian operations
- § Renegotiated and completed sale of Migdal
- § Launched disposal of selected non core businesses

4

Strengthen capital and balance sheet

- § Euro 1.25 bn LT2 issuance successfully completed in December 2012
- § Launched a detailed review of balance sheet items

5

Tighter control of the cost base

- § Simplify group structures and remove duplication
- § Centralised reinsurance policy
- § Group-wide expense program to enhance operational efficiency



Reshaped approach to maximise value creation

- 1 Focused on core insurance business, with greater contribution from P&C**
- 2 Stronger capital position and disciplined balance sheet management**
- 3 Superior customer acquisition and retention, with focus on retail and affluent space**
- 4 Consistent technical excellence and tight control of costs**



**The mission is to deliver
top quartile shareholder returns and profitability**

Key actions

Execution plan

1 Focus on core business

- § Insurance focus
- § Optimise geographic reach
- § Run-off / disposal of non core businesses
- § Shift mix in the direction of P&C

2 Restore capital strength

- § Introduce risk adjusted profitability and cash creation targets for each line of business
- § Business/geographical rebalancing to reduce capital absorption
- § Balance sheet optimisation
- § Target >160% Solvency 1 ratio, "AA" philosophy

3 Change approach to clients

- § Better client segmentation and product innovation to drive a more targeted approach to clients and improve retention
- § Achieve a true multi-channel distribution model, with increased contribution from bancassurance and direct channels
- § Tap unexploited demand from affluent clients in life, and corporate clients in P&C

4 Consistent technical excellence and tight control of costs

- § Business restructuring and simplification (incl. Italy)
- § Improvement/centralisation of IT and non IT procurement costs
- § Embed technical best practice, led from centre
- § Euro 0.6 bn cost reduction by 2015



Target > 13% operating return on equity⁽¹⁾

(1) Operating profit after interest expense, tax and minorities / average shareholders equity excl. AFS reserves. Over the cycle target.

We start from a strong franchise...

Leadership in Western Europe

- § Generali's home market; leading and diversified presence
- § Scope to generate higher value creation than in the past by reviewing product design, technical skills, approach to clients, and cost base
- § Strong cash generation to be deployed to expand Generali's presence in countries with strong growth profile

One of the largest players in CEE

- § Strong position in an attractive market: #3 insurance group in the region
- § Highly profitable business, with best-in-class combined ratio

Unique positioning in China

- § Strong presence in the most important Asian markets
- § Consistently #1 player among foreign joint-venture insurers in China; partnership with CNPC
- § Leveraging on multi-channel distribution (agencies, bancassurance, CNPC)

...but there is scope to reshape the geographical presence under value creative conditions

§ Footprint assessed on two key criteria:

- ü Market attractiveness (macro indicators, insurance market size, insurance penetration, country political / regulatory situation)
- ü Generali's position (scale, profitability, return on capital)

§ Based on the market assessment we have identified:

- ü Mature countries where we further focus on maximising return, e.g. Italy, France, Germany, Switzerland, Austria, Spain and Czech Republic
- ü High growth countries where Generali has promising opportunities and where we will invest to enhance competitive position and profitability (CEE and China among others)
- ü Non core markets where we will run-off (or opportunistically sell) non-strategic operations (US reinsurance and BSI, among others)

Rebuilding a solid capital position is a key priority for Generali

Our objectives:

§ Restore capital ratios

- ü Target > 160% Solvency 1
- ü Long term “AA” philosophy to managing our solvency position

§ Manage our debt levels

- ü Leverage and interest coverage ratios consistent with our “AA” philosophy

§ Disciplined investment strategy

§ Greater attention to cash

- ü In excess of Euro 2 bn run-rate cash flow targeted by 2015



Focus on the client to improve retention and acquisition

- § Develop more sophisticated client database and enhance exchange of data across units and channels
- § Build on our expertise in Direct
- § Enhance client segmentation as a key driver to refine our product strategy
 - ü innovative tailored products for each segment of business
 - ü identification of best distribution channel for each client segment
- § Invest in product innovation, especially in Life

Tap unexploited market segments

- § Implement a specific product / distribution strategy to target affluent clients
- § Enhance the penetration of the Corporate and Commercial client segments
- § Expand our Accident & Health business with particular focus on emerging markets

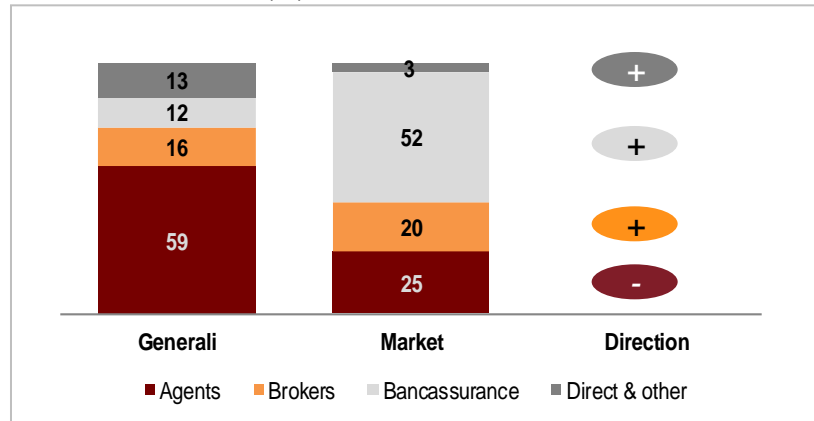


Enhance the multi-channel profile of our distribution

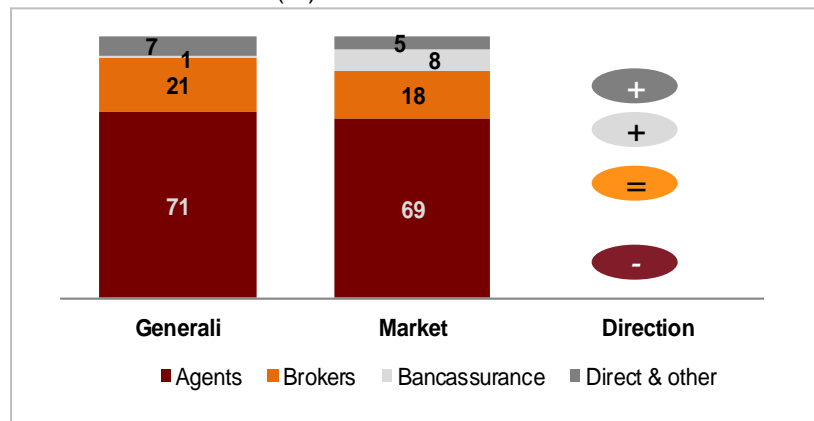
- § Multi-channel approach to reflect changing client needs and expectations
- § Continue to build on our direct expertise
- § Leverage on bancassurance to:
 - ü increase share of life capital-light products in Western Europe, Asia and LatAm
 - ü further boost P&C
- § Enhance the use of broker channel to enhance penetration of Corporate and Commercial clients segment

Source: internal analysis

Life distribution (%)



P&C distribution (%)



Italian restructuring

Industrial case

- § Creation of a strong new player in the Italian market
 - ü Full consolidation of businesses / brands with similar characteristics in terms of target customers, products and distribution models (Generali, Ina-Assitalia, Toro, Fata Assicurazioni)
 - ü Three insurance brands with a distinctive market positioning and proposition
 1. Generali: focus on retail and middle market business, Life and P&C; dedicated Commercial & Corporate business unit
 2. Alleanza: Italian families strongly loyal to Alleanza brand; Life and P&C; distinctive distribution network
 3. Genertel: Life and P&C through alternative channels (phone, web, bancassurance)
- § Enhanced efficiency
 - ü Full integration of the operating models and streamlining of overlapping services

	Pre restructuring	Post restructuring
Brand	10 brands	3 brands
Distribution	6 distinct independent distribution networks	Sole integrated distribution network with shared mandate and brand
Products	Overlapping of product offer within the Group	Simplification and rationalisation of the product portfolio
Operations	IT and operations only partially centralised	Integrated platform

Indicative timetable

- § 2013 Legal entity reorganisation (split between holding and operating company, creation of Assicurazioni Generali Italia)
- § 2014 Integration of operational structures, product ranges and information systems
- § 2015 Commercial integration



We will implement Euro 600 m of cost saving initiatives by FY2015

A

Simplify structure

§ Synergies to be extracted from the rationalisation of the Italian and other operations

B

IT efficiency

§ Centralisation of data centre, IT procurement and telecommunication costs

C

Other procurement savings

§ Enhanced negotiation power via centralised procurement



1 Be disciplined, focused and more simple in executing our strategy

2 Improve client experience across our business

3 Introduce consistent technical excellence

**4 Strengthen our balance sheet and capital position
and enhance cash flow and value generation**

