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PRESS RELEASE

## 2014 Investor Day: Update on the delivery of our promise

# Generali to achieve 2015 turnaround ahead of schedule

Financial targets in the 2013-2015 completed or nearing completion

Key financial targets for 2015	Achievement
<b>Profitability</b>	
Increase Operating RoE to 13%	Ahead of schedule
Achieve €750 mln cost saves (€1 bln by 2016)	On track
<b>Capital and leverage</b>	
Increase Solvency I to above 160%	✓ Achieved
Generate app. 20 p.p. of Solvency / disposals of app. €4 bln of non-core assets	✓ Achieved
Reduce leverage, interest cover to app. 7x	On track
<b>Cash generation</b>	
Generate Free surplus above €2 bln	✓ Achieved
Reach remittance ratio above 75%	On track

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Generali preparing for what comes next: The next stage of our strategic vision to be presented in May 2015

Investor Day presentations to provide details of strategic positioning in the four key markets: Italy, France, Germany and CEE

**The Generali Group CEO, Mario Greco,** stated: *“Over the past two years Generali has relentlessly pursued a strategy to fundamentally transform its business without calling upon the help of shareholders. We have delivered on our promise and through discipline, simplicity and focus we have achieved a goal which many thought would not be possible, especially given the challenging macro-economic environment we operate in. We commend all of our people for having exceeded expectations to substantially complete our turnaround one year ahead of plan making this group a leading example in the sector. Today we present to investors on our four key markets so they can see in detail the fruits of the tireless work of the past two years and the strong foundations we have. Upon them we will build the next chapter of Generali. We turn to planning for our future with the confidence that comes from a job well done”.*

London – The Generali Group will hold today its 2014 Investor Day to update the market on developments against the 2013-2015 turnaround plan and provide a detailed overview of operations in its four key markets of Italy, France, Germany and Central and Eastern Europe.

The Generali Group has successfully achieved most of the targets set for 2015 with outstanding goals within reach or nearing completion. Due to the actions implemented by the Group over the last two years, the balance sheet has been strengthened and further dividend capacity has been created with the aim of increasing shareholders' return, with a dividend payout expected to rise above 40% starting from 2015. Now the Group is fit to tackle global competition and remains committed to ensuring rewarding, sustainable and progressive shareholder remuneration on a consistent basis in the future. The next stage of the Group's strategic vision will be presented in May 2015.

Today's presentations will give an insight into some of the initiatives to develop relevant and accessible insurance solutions to help Generali become the first choice for its customers and maintain its leadership position in the direct channels (with more than €5 billion of



premiums in 2013) and in Telematics (with more than 600,000 policies in its portfolio). Finally, there will be an update on how the Group's focus on value creation in a low yield environment and instilling operational and technical excellence is driving increasing returns for shareholders.

The presentations will include the following from each of the four key markets:

### **ITALY: INTEGRATION AHEAD OF INITIAL PLAN**

Generali Italia is successfully implementing one of the world's largest insurance integration programs. With the aim of achieving higher simplification, the 10 brands operating in 2013 under the umbrella of Generali have been merged into 3 brands, the redundant and fragmented product range (270 products overall) has been optimized and transformed into an offering consisting of 80 products.

Despite the very intensive integration activities, Generali Italia has been able to improve its performance over the past nine months in terms of growth, profitability and value. In the life segment, Generali companies in Italy have launched highly successful hybrid products significantly geared towards a unit-linked asset allocation, such as Valore Futuro and Stile libero. In the Motor segment it has increased the penetration of telematics products such as Motor black box policies with behavioural pricing.

### **FRANCE: A NEW MODEL FOR PROFITABLE GROWTH**

In France, following a broad restructuring of its portfolio with the aim of focusing on products with higher value and lower capital absorption, Generali has conceived a completely new business model centred on clients, called "We, demain". In particular, offering is now tailored to each customer cluster:

- To better serve *individuals*, a new "Assurance Generali" modular package is being defined in cooperation with Europ Assistance;
- For *affluent* clients, all-inclusive packages and a dedicated app are being designed and partnerships with private banks and Independent Financial Advisors are being strengthened;
- For *professionals and small businesses*, products and services have been re-created around 4 areas (professional activity, health&protection, savings and family);
- For the *commercial* segment, a special focus has been put on advisory, prevention and risk management scoring.

### **GERMANY: DELIVERING GOOD RESULTS IN CHALLENGING TIMES**

In order to defend and improve profitability, the Generali German operations are implementing digitalization initiatives across the whole value chain and offering digital services for customers at all process steps. Furthermore, an online underwriting process has been established for term-life and P&C products, electronic signature is being adopted across an increasing number of policies and CosmosDirekt – the German leading direct insurer – has developed *meinCosmosDirekt*, a unique and innovative customer portal which can boast 350,000 accounts already. In addition to the fast growing direct channel, the success of Generali Deutschland is based on the strong partnership with DVAG, Europe's number 1 financial advisor network as well as on the Generali & Volksfürsorge tied agent organization, which will be consolidated under one brand in January 2015.

### **CENTRAL-EASTERN EUROPE: SUSTAINABLE NUMBER 1 IN PROFITABILITY**

The Generali Group operates in 10 markets in Central-Eastern Europe with leading positions in each of those countries – for instance, it ranks first in Czech Republic and Hungary, second in Serbia and third in Slovakia. In addition, Generali outperforms its regional



competitors in terms of P&C profitability with a 2013 Combined Ratio at 88.8%. Generali's business in Central and Eastern Europe will continue to lead the way in terms of P&C profitability for the group and remains a region with steady growth potential, with its major economies to post an annual GDP growth of around 3% on average in the next 5 years.

#### **NOTE TO EDITORS**

The Generali Investor Day starts today at 10:00 am GMT until 04:00 pm GMT. The presentation will be available on [generali.com](http://generali.com) at 9.30 am GMT.

Members of the media are invited to follow the event via webcast on [www.generali.com](http://www.generali.com) or by dialing:

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#### **THE GENERALI GROUP**

The Generali Group is one of the largest global insurance providers with 2013 total premium income of €6 billion. With 77 thousand employees worldwide serving 65 million clients in more than 60 countries, the Group occupies a leadership position on West European markets and an increasingly important place on markets in Central Eastern Europe and Asia.