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PRESS RELEASE

Generali launches strategic repositioning in the German market

- Simpler and closer-to-business governance through the integration of Generali Deutschland Holding, Generali Versicherung and Generali Leben into the new Generali Deutschland AG
- Multi-channel and tailor-made offer – based on sales factories Generali, AachenMünchener and CosmosDirekt – while non customer-facing back office operations to be consolidated
- Life insurance long term sustainability through focus on low capital intensive and high performance new products, transitioning the business into a “New Normal” model
- Building a smarter and simpler operating platform with improved IT architecture
- New country management team completed

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Cologne – Generali announces today a strategic business repositioning in Germany. Its aim is to enhance the competitive position of the Group in the German market by the end of 2018 through a simpler and business-focused governance, a new business model in Life insurance to ensure long-term profitability, a stronger focus on distribution strengths and a modern and leaner operating platform.

The **Generali Group CEO, Mario Greco**, said: *“Over the last two years, we have undertaken a reorganization of the operations in core European markets, such as Italy and France, to simplify our businesses and instill more efficient processes and technical excellence. Now, after the minorities buy-out of Generali Deutschland completed in 2014, we are ready to launch a strategic repositioning to step up our ambitions and equip ourselves for the challenges ahead in Germany, our second largest market. Germany will play a key role in the years ahead in delivering best-in-class insurance services and further improving the attractiveness to our shareholders. I am very confident that the new management team together with the commitment of all our colleagues will successfully reshape and enhance our operations in the country”.*

The **CEO of Generali Deutschland, Giovanni Liverani**, said: *“We are taking the right decisions today to win the race in overcoming the market challenges of low interest rates, strict regulation and fierce competition which are putting the future of life insurers in Germany under strong pressure. Our strategy has been developed by listening carefully to all stakeholders and will follow three basic principles: to better serve our clients leveraging on our distribution strength, to offer smarter products using leaner processes thanks to new technologies and digitalization, and to have a streamlined governance in place that enables us to take faster decisions, achieve higher efficiency and more in depth market insight”.*

LEVERAGING ON DISTRIBUTION STRENGTHS THROUGH CUSTOMER CENTERED OPERATING UNITS AND A LEAN MATRIX GOVERNANCE ACROSS ALL OPERATIONS

Generali will further leverage on its key business strengths customizing the product offer on its three distribution pillars: **Generali**, the multiline Life and P&C insurer with focus on agents and brokers – **AachenMünchener**, leader in Unit linked products, successfully serving DVAG, the strongest financial services network in Germany – **CosmosDirekt**, No.1 insurer in direct and digital insurance and leader in term life products. The Group will further count



on its specialized product providers Central, Advocard, Dialog and Badenia. This effective focus on tailor made solutions for customers and distribution channels will be combined with a streamlined and simplified governance of the business at country level.

Generali Deutschland Holding will be organizationally integrated with Generali Versicherung and Generali Leben into the new Generali Deutschland AG, headquartered in Munich. Generali Deutschland AG will run the operations in all German business operating units through a functional matrix organizational model, thereby reducing duplication of costs, exploiting country synergies and international best practices. This set-up will allow a reduction of overhead functions and executive board members layers and a stronger proximity of country management to customers, distribution and mainstream business processes.

Generali Deutschland wants to achieve more effective customer services and reduce unnecessary costs, closing the gap to best in class peers of the market. Costs will be reduced with a proportionally higher focus on non personnel-related expenses. The company will now enter talks with the employee representatives about the best way to achieve this goal.

A RESHAPED BUSINESS MODEL: A “NEW NORMAL” IN LIFE, FOCUSED ON PRODUCT INNOVATION

The life business model will be reshaped, establishing a “New Normal” for the German life insurance business. The Group will redesign its life retail product portfolio, reducing the sale of pure traditional savings products – where in particular Generali Leben is focused – and further enhancing its offer on unit linked, hybrid savings and term life, in which Generali Deutschland is already market leader thanks to AachenMünchener and CosmosDirekt. The Group will continue to selectively operate in corporate traditional life and wants to increase new business and cross selling in term life and professional disability. Generali will also address with a targeted and disciplined approach the In-force management by streamlining efficiency and managing the asset/liability balance. Customer retention activities and further improvement of cross-selling both in Life, Health and P&C will support this business turnaround.

Generali’s product offer will be re-orientated through a digital transformation to take full advantage of innovations which are currently being developed at Group level. This includes Generali being a frontrunner in connecting people and developing insurance solutions empowered by telematics, domotics and wellness management like the brand new concept of Vitality services.

A SMARTER AND SIMPLER OPERATING PLATFORM, DIGITALIZED AND UNIFIED BACK OFFICE SUPPORT

Generali will streamline and improve its IT architecture with an aim of a complete digitalization of the key processes and to establish multi-access approach and a modern interaction with distributors and customers. The Group will act with dedicated customer services for each business unit and the currently fragmented non-customer-facing back office operations will be consolidated at country level into Generali Deutschland Services, exploiting economies of scale and localization. A more efficient approach will be implemented also in claims management with the introduction of standardized procedures and best practices across the Group.

COUNTRY MANAGEMENT TEAM NOW COMPLETED

In the future, according to general international best practices Generali Deutschland AG will be managed by a Board of Management composed of six members. Today three new members have been appointed by the Supervisory Board of Generali Deutschland Holding (GDH) with effect from June 1, 2015 and will, as a first step, complete the Board of Management at country level. **Claudia Andersch**, currently executive board member of



CosmosDirekt will become Country Chief Life and Health Officer. **Monika Sebold-Bender**, currently executive board member in Generali Versicherungen, will be the new Country Chief P&C Officer, and **Ulrich Caspar Nießen**, after a long experience in the German insurance market with big international entities, will join the Generali Group as Country Head of HR. Together with the Country CFO Torsten Utecht and the Country COO Rainer Sommer as well as CEO Giovanni Liverani, the Board of Management of GDH is now completed. At the level of the business units and after the appointment of Christoph Schmallenbach as the new CEO of AachenMünchener, **Jochen Petin** – until now CEO of Badenia – is planned to become the new CEO of Central Krankenversicherung. This appointment is still subject to the approval of the Supervisory Board.

GENERALI IN GERMANY

In Germany, Generali has a premium income of about € 17.2 bn and over 13.5 million customers and is the second-largest primary insurance group in the German market. The German unit of Generali includes Generali Versicherungen, AachenMünchener, CosmosDirekt, Central Krankenversicherung, Advocard Rechtsschutzversicherung, Deutsche Bausparkasse Badenia and Dialog.

GENERALI GROUP

The Generali Group is one of the largest global insurance providers with 2014 total premium income exceeding €70 billion. With 78,000 employees worldwide serving 72 million insured persons 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.