

Speech by Group CEO

Philippe Donnet

Ladies and Gentlemen,

Thank you for being here today. I am very pleased to attend the General Meeting of Assicurazioni Generali as Managing Director for the third time, and to have the opportunity of bringing you up to date on your company's trend. I will also take this opportunity of thanking all you shareholders, who continue to place your trust in Assicurazioni Generali.

There are good reasons to confirm this trust today.

Firstly, the implementation of the current Strategic Plan will be concluded in 2018. We are on target with the objectives we set at the start of this plan, and in some cases the initial targets have actually been achieved earlier than scheduled.

Secondly, we achieved excellent results in 2017 due to the strategic actions initiated, which means that we are successfully implementing the right strategy for our Company.

Consequently, the dividend we recommend this year is 6% higher than last year's.

Generali on the stock market: Generali's shares outperformed the European insurance industry as a whole

The efficacy of our Strategic Plan and our ability to put it into practice are recognised by the financial market.

This morning, the share price of Assicurazioni Generali was over €16, nearly reaching €16.50.

Since we announced our current strategy, in November 2016, the price of the Generali shares has grown by 40.7%, a much better performance than the European insurance share average (18.4%). This performance represents a reversal of the last ten years' trend; from April 2008 to November 2016, when we announced our Industrial Plan, the share price fell by 59.5%, as against an 8.8% reduction in the European insurance share average.

We are still not wholly satisfied, and are certain that we can do even better.

Over the last 12 months, the Group Chief Financial Officer, Luigi Lubelli, and I have met dozens of analysts and investors, who expressed great interest in Generali's history of radical transformation.

Implementation of strategy in line with the Strategic Plan

I will now illustrate the implementation of the current Strategic Plan in more detail.

Generali is using its industrial levers to maximise its operational performance and create value in the long term.

We have identified 3 levers required to improve our operational performance.

Firstly, we are optimising our international presence. We aim to reallocate our resources to the markets where we believe we can further improve our performance, by exiting from the less promising businesses. I have already announced the sale of our businesses in Colombia, Panama, Guatemala, the Netherlands and Ireland, and last night we also announced the sale of our Belgian business. By means of this lever, even before completing the divestment programme, we have already exceeded the target of €1 bln of sales income, reaching over €1.1 bln.

Secondly, we are rationalising our operational machinery. I am delighted to announce that our target (a €200 mln cost reduction on mature markets) was already reached in 2017, when it was initially forecast for 2019, ie. two years' early. All this further strengthens our credibility on the financial markets and confidence in our implementation capabilities, and finally confirms that Generali today has become more efficient, more flexible, and ready to grow. In the context of this lever I would also remind you of the repositioning of our business in Germany; this is the second reorganisation of one of our most important business units after the one conducted in Italy. In a nutshell, we have simplified processes in Germany, strengthened the Generali brand, consolidated the distribution network and improved our product range. We have also decided to place Generali Lebensversicherung in run-off, with the aim of freeing up resources to enable us to take better opportunities on the German market.

Thirdly, we are further strengthening the technical excellence which is part of our Group's DNA. Generali has always been ahead of the field in this respect, but being good at what we do is not enough for us: we want to be the best, and we want to excel always, wherever we do business. For example, in the Non-life Sector, our Combined Ratio is far better than those of our competitors. In the Life Sector we are continuing to focus on solutions that will enable us to improve the quality and profitability of our business. We are

now ready to tackle a context of low interest rates in the long term or any other adverse condition.

Next, we will consider value generation in the long term. Once again we have identified three levers.

Firstly, we are rebalancing our Life portfolio, for example by reducing average cover in a context of low interest rates. For this reason, we have decided to reinforce our skills in the management of financial assets and savings, and to strengthen our range of unit-linked and protection products. This strategy is working well; in 2017 the average guaranteed rate of our Life portfolio fell by 20 basis points, and reserves with low capital absorption grew by 4.5 percentage points. The asset management business achieved an 81% increase in profits in Europe in 2017.

Secondly, we are introducing innovations in favour of our customers and distributors. The aim is to improve our product range and customer service, in order to retain more customers on the mature markets and acquire new customers on markets with high potential for growth and development. In 2017 we reaped the benefits of our Net Promoter Score programme, which reached 90% of our customer base and led to a considerable improvement in our customer satisfaction indicators.

Thirdly, we are reinforcing our brand – the winged lion – to persuade more and more people to choose Generali. As regards the levers I described earlier, the results are in line with our forecasts, or actually ahead of them, as in the case of cost reductions; only in the case of the brand do we need an acceleration to reach our target and achieve the result we are aiming at, namely to increase preferences for the winged lion by 3% on the mature markets.

I will also mention a last component of our strategy, which forms the basis for all the industrial levers: management of human resources, which represent our most strategic asset. We are transforming our working environments and HR management processes to give priority to flexibility and merit, promote Group-wide dialogue, and offer motivating conditions and continuous training to meet the challenges of digitalisation and automation. Last year, the Generali Group invested over €55 mln in running training courses for nearly 90% of our personnel.

We also place a great deal of importance on diversity, including gender policies, because we are convinced it is a factor of enrichment and progress. In this context, we commenced some initiatives forming part of our “Diversity & Inclusion” programme last year, and our

Group Management Committee was strengthened by the entry of two outstanding women, Monica Possa and Isabelle Conner.

Finally, just as we do with customers and distributors, we listen to the opinions of our personnel. We did so in 2017 by means of the second Global Engagement Survey. Some areas of strength emerged from that survey, as did other areas requiring improvement, which we are tackling with professionalism and commitment.

Main results for FY2017

The 2017 financial results demonstrate that we are putting our plan into practice with discipline, determination and success, and that it is the right plan for Generali at this time.

Our Group CFO Luigi Lubelli will give you the details shortly.

However, let me first say a few words about the factors I consider most important in the excellent work done in 2017 by Generali's over 70,000 personnel worldwide.

In the Life Sector, net premium income amounted to almost € 10 bln in 2017, among the highest on the market, consisting entirely of unit-linked and protection policies. In fact, the net premium income from traditional policies with guarantees and high capital absorption was negative in 2017. Due to the use of solutions with a higher added value for customers and lower capital absorption for the Company, the new business value rose by over 50% in 2017.

The higher margins in the Life Sector were accompanied by excellent profitability in the Non-life Sector (the best on the market), despite the greater impact of Acts of God. Excluding those events, the ratio of claims to premiums fell by 60 basis points in 2017. The profitability of the financial segment and asset management also improved considerably, and is in line with the targets of the plan. All this is reflected by an operating profit which has grown by 2.3% to over € 4.9 bln, the highest level ever reached in Generali's history.

The net profit has increased by 1.4%, to over € 2.1 bln.

These are excellent results in a very challenging market context, which confirm the quality and efficacy of our Strategic Plan.

The soundness of our capital, which was already at excellent levels, has further improved, as demonstrated by the Solvency 2 index, which is well above 200%. According to our internal model, that index increased by no less than 36 percentage points in 2017, and we can therefore confidently pay a higher dividend to our shareholders.

The dividend we propose this year is 85 cents per share, a 6% increase on last year's dividend.

On track to reach our 2015-2018 financial targets

I will conclude this part of my speech by emphasising that Generali's performance is fully in line with the financial targets set for the four-year period 2015-2018.

In terms of net operational cash flow, we aim to generate a cumulative total of over €7 bln, and today, at the end of 2017, we have reached 82% of this target.

In terms of cumulative dividends, we wish to distribute over €5 bln, and by the end of 2017 we had already reached 74% of this target.

Finally, our average operating return on equity now stands at 13.7%, well above our target of 13%.

Generali strengthens its impact on society

After all those excellent figures, I will now move on to a topic I consider crucial to Generali's future: social responsibility and sustainability.

The insurance business is by nature a supportive business, at the service of the community. This nature refers both to Generali's aim of actively protecting and improving people's lives, and to the Group's values that make our brand meaningful and motivate our staff.

In 2017, the Group signed the "Sustainability Commitment Charter", which established 12 priorities on the basis of which our concrete commitments are defined.

As stated by the Chairman, they include the Human Safety Net, which we launched last October. The Human Safety Net is the Generali Group's first global programme designed to contribute to the communities in which we work. It is a movement of people aiming to help other people make the most of their potential. The programme is already operating, or about to be launched, in Italy, Germany, France, Spain, Romania, Slovenia, Argentina, Indonesia, Malaysia and Thailand.

The global headquarters chosen for this programme is the Procuratie Vecchie in St Mark's Square, Venice, which is obviously a symbolic location for Generali, but also a destination that attracts nearly 30 million visitors a year from all over the world.

As a result of our redevelopment project, we are promoting not only the Generali building, which will be open to the public for the first time in 500 years, but also the entire St Mark's area.

I would take this opportunity to remind you that Generali is also engaged in other major real estate projects, such as the Generali Tower in Milan, to which all our employees in

Milan will be moving in a few months. The Tower is part of Citylife, a district of over 360,000 square metres that Generali has completely redeveloped with the aid of world-famous architects. Another important example is the project for the redevelopment of the “red skyscraper” here in Trieste, the new headquarters of our Group Academy, scheduled for inauguration next year. We are convinced that Trieste is the perfect location for our global training centre, due to the advanced international research and education system offered by the city.

On the subject of corporate social responsibility, I must emphasise our commitment to the environment.

Generali’s environmental impact mainly derives from investments. Generali has decided to divest €2 bln currently invested in the coal industry, and to invest €3.5 bln by 2020 in industries with a high level of environmental sustainability.

A crucial component of a company’s social responsibility is obviously its governance model. The present-day Group is a meritocratic organisation, with streamlined, decentralised decision-making processes, able to make the most of the entrepreneurial skills of its personnel. A significant contribution to all this was made by the Head Office reorganisation concluded last autumn; the size and composition of Head Office were redefined, consistently with its role of control and strategic management, and some operational activities which are no longer compatible with the remit of Head Office were transferred to the business units.

Finally, I am pleased to confirm that, as already stated by our Chairman, the Group Management Committee has been enhanced by the entry of four executives with great experience and competence: Monica Possa, Group Chief Human Resources and Organisation Officer, Isabelle Conner, Group Chief Marketing, Customer and Distribution Officer, Jean-Laurent Granier, Country Manager for France, and Jaime Anchustegui, Group Chief Operations and Insurance Officer.

Moving towards the completion of the industrial turnaround

Finally, it is time to think about the future.

2018 is a crucial year for the Generali Group, because it is the last year of the current Strategic Plan, and we need to work on preparing our next plan.

All my colleagues and I are focusing on the implementation of the current plan, to confirm our credibility and guarantee the achievement of all our targets. However, we also wish to pave the way for the next stage in our Group’s development.

Our new strategy for the three-year period 2019-2021 will be announced at Citylife, Milan, on 21 November next.

I can tell you that it will be a very different strategy from today's, and that it will be based on further financial optimisation, profitable expansion of our Group, and a radical transformation of the Group.

On the basis of the 2017 results and the prospects for 2018, as announced, there is no doubt that Generali is about to write a new success story in the insurance industry.

All this has only been possible due to the talent, commitment and enthusiasm of our 70,000 employees and our 150,000 agents and distributors, and I take the opportunity today, together with my team on the Group Management Committee and the Board of Directors, of thanking them all for their support.

Thank you, Ladies and Gentleman. I will now hand over to CFO Luigi Lubelli.