

Speech of the Chairman

Gabriele Galateri di Genola

Shareholders,

Welcome to the Shareholders' Meeting and thank you for being here today. I welcome you also on behalf of the Mayor and other representatives of this wonderful city. As you know, Generali is a worldwide group, but there's a very special place in the history of this great company: Trieste.

We all have reasons to be satisfied with the substantial results the Group has achieved in 2013. Overall, both the global and Italian economic outlook has slightly improved, and there are signs of recovery. My remarks will focus on three issues: economic recovery, including risks and opportunities; major trends in the business; and some immediate priorities: innovation, governance and corporate social responsibility, as the Group CEO will explain in more detail.

Economic outlook As I said, the recession seems to be over. Recovery in the US has been significant, driven by a favourable energy sector and an aggressive monetary and fiscal policy. In Europe, recovery has been uneven. Prospects have slightly improved after the recent ECB indications on future monetary policies. In "peripheral" countries and in Italy, GDP growth rate is no longer negative. On the other hand, the expected increase is very limited and there are opposing views on the time required to reach pre-crisis levels. Unemployment rates are very high, especially among young people. Industrial capacity remains unused and credit is still constrained. However, for the first time indexes on industrial and consumer confidence have been positive. Additionally, the risk premium that international investors require on the Italian economy, i.e. the so called "spread", has been going down, almost to a balance point, as pointed out by analysts, well below 200 points between Italy and Germany. Therefore, now the challenge lies in taking the chance to implement major structural reforms to boost productivity and competitiveness. Political stability is needed and the new government is on a fast track with the draft proposal on a new election system, a major action on public spending and the restructuring of the labour market.

Industry. What is the impact on the insurance industry and the Group? In life business, there are a number of positive developments. First of all, the household pro capita income is expected to grow, driving savings. In Italy, this will push insurance policies for investment purposes. More stable financial markets and a renewed confidence in investment opportunities will promote the development of instruments such as pension funds and unit linked policies. (As for distribution channels, banks, as major providers of asset management products, are expected to promote these products in the market). In non-life business, claims were positively affected as a collateral effect of recession. Limited business means less damages in the industry and in the motor sector, simply because production is low and people drive less. In the mid term, excellence in technical management and risk underwriting will be the main competitive engine. The Group management is investing substantially on this, as major results are expected both in Italy and abroad.

Innovation. In this context, innovation is fundamental. Innovation involves products, processes, corporate organisation, distribution channels and systems. Customers and their needs are the main focus. Therefore, we need to better identify customers and their needs and reach out to them more effectively. A comprehensive overview of preferences, behaviours and habits of customers may be achieved on the basis of Big Data, collected through the Internet and new technologies. A massive investment on an approach based on sharing and the efficient use of data in the Company is required to master Big Data. In this respect, I'm very happy to note that the management is very proactive in this respect under the leadership of Mr Mario Greco.

Governance. After the overview on the general situation, now I wish to focus on the Generali Group. The Group has been consistently acting as "one company" with one brand, shared rules, principles and values, a common infrastructure and a common strategy: a roadmap for business and country executives based on flexibility and consent. Strategic objectives that the Group identified at the beginning of 2013 have almost been achieved. Results, which are consistently improving, show that actions have been effective.

For this ambitious Group turnaround project, a proper and modern governance is required. In this framework, with the support of Mediobanca and other major shareholders, i.e. Caltagirone, DeAgostini and Del Vecchio, a major innovation has been implemented in the Group in recent years. Its management is aligned, well organised, international and skilled, facing challenges and major decisions on the Group consistently and with competence. The Board has been restructured and the number of its members has been reduced. Now it includes 11 members with 7 independent directors and a high representation of women. Its members are experienced and skilled, and they offer diverse contributions to the Group management. Board meetings are based on consent, also when opinions diverge. Consistent support is provided to the management on the decisions that are instrumental to achieving shared strategic objectives. Transparency is the dominant value together with a series of common values and principles. This was fundamental to overcome difficult situations, such as the need to clarify past controversial actions. I'm referring to the legal action that the Board has brought against the former Managing Director and the former General Manager. In this context, the procedure that has been implemented by internal bodies has been very accurate and in line with the best international practices. As a result of this procedure, the Board of Directors, upon the opinion of the Control and Risk Committee, has appointed the Group CEO, Mr Mario Greco, to start any appropriate legal action. I wish to point out that such action has been brought in the exclusive interest of the Company, its insureds and its shareholders.

This is a further evidence of the effectiveness of the internal governance system. Today, Generali is considered as a benchmark at international level. As a result of this transparency and authority, the Group, which is increasingly in the spotlight of media and a variety of stakeholders, can be managed with success in the current global and volatile framework.

Corporate social responsibility. Finally, the Group has taken major steps forward on sustainability and corporate social responsibility. A proactive approach based on respect for the local community and the impact on stakeholders are fundamental assumptions for success. Many studies – and this is also my personal opinion - show that corporate social responsibility is now a fundamental metric for customers and investors. Socially responsible companies gain substantial advantages, also in terms of overall rating and investment attractiveness. A number of actions have been implemented recently, including

the new Code of Conduct, promoting principles on professional conduct. The Code is not a catalogue of top-down rules, rather it aims at creating cooperative and creative work conditions to support and reward all those who contribute to the Group success. A special focus has been assigned to inclusion and diversity as positive contributions. On this topics, working groups have been launched in the organisation.

Finally, I wish to focus on the integrated report that was presented to you. For the first time in its history, the Group has a report with an overview on the value-creation process, beyond financial performance. The integrated report includes an insight on the value creation of Generali for a number of stakeholders in view of a corporate approach increasingly based on the role this Company has at social level.

Finally, I wish to thank the staff for their work and you for your trust in this great Group as shareholders and investors.