

2019 General Meeting

Address by the Group CEO

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Good morning,
thank you for being here today and for continuing to place your trust in Generali.
I am delighted to take part in the AGM for the fourth time as Assicurazioni Generali CEO and once again to have the opportunity of bringing you up to date on your company's performance.

2018 results: 4 key messages

I begin with 4 key messages on the 2018 results.

The first is that in 2018 our net profit was up 9.4% on the previous year.

Our technical excellence – the best in the industry – and improved control of financial operations and investments are the basis of this result.

The second message is that we are proposing a per-share dividend of 0.90 Euro, an increase of 5.9% from last year. This has been made possible not only by the continuous improvement in the profitability of our business, but also by a financial situation that has never been so solid.

The third message is that we have beaten our financial objectives for the period 2015-2018.

We have generated 8 billion EUR of operating cash flow with respect to a target of at least 7 billion. Thanks to the dividend we are presenting today for your approval, we shall have distributed cumulative dividends of 5.1 billion EUR – above the target of % billion EUR we set ourselves. Finally, the average return on capital at the level of operating profit is 13.4%, also above our target.

All this is proof once again of our ability to keep our promises and to execute strategy in a successful disciplined manner.

The fourth and final message is that – after completing our industrial transformation – we are now very well positioned to implement Generali 2021, our new strategic plan, which I will talk about shortly.

Generali has made some noteworthy achievements in the last few years.

We have completed an industrial transformation that has enabled Generali to optimise its geographical presence, simplify and improve the efficiency of its operating machine and achieve a better technical performance than its main competitors.

That's not all. We have restructured our portfolio with innovative solutions that offer clients greater added value, absorb less capital and are more resilient to market fluctuations.

We have launched a new strategy for our asset management operations, we have recorded an improvement in preference for our brand and client confidence, and we have reorganised our operations in France and Germany.

In Germany, a few days ago we announced the completion of the sale of the majority of the high-guarantee high-capital absorption portfolio of Generali Leben. The transaction is not only important for Generali, it marks a transformation for the entire sector in Germany. We achieved this without giving up our market share. Indeed, we have strengthened our distribution and brand, and simplified our operating structure.

On this point, once again I want to stress our execution capability and thank all our colleagues in Germany who made this success possible. We are much stronger in Germany today than we were yesterday.

Market performance

The market too recognises the effectiveness of the strategic plan we have just completed, our ability to implement it and the significance of our new strategy, Generali 2021.

Today, the Assicurazioni Generali share price is more than 17 Euro.

Since the announcement of the industrial transformation plan in November 2016, the Generali share price has grown by over 48%, well above the 18.2% average increase of European insurance stocks.

Since the announcement of the Generali 2021 plan on 21 November 2018, the Generali share price has risen by more than 22%, again better than the average 12% increase of European insurance stocks.

This improvement confirms the reversal of the trend recorded in previous years. We believe we can do even better with the implementation of Generali 2021.

Since the initial presentation of our new strategic plan on 21 November 2018 in Milan, I, the General Manager, Frédéric de Courtois, and the Group Chief Financial Officer, Cristiano Borean, have met hundreds of analysts and investors, who have expressed great interest in Generali's new story of profitable growth and digital transformation.

The ambition of Generali 2021

We have already been focusing on the implementation of Generali 2021, since the beginning of 2019.

Our new strategy targets an important ambition: to make Generali the life partner of its clients by offering them innovative personalised solutions through an unrivalled distribution network.

Generali will lead the European insurance market for families, professionals and small-medium enterprises, simultaneously building a specialised international asset management platform and pursuing development opportunities on high-potential markets.

This ambition and the strategy we have drawn up to achieve it have solid bases in Generali's DNA on one hand and in our vision of the future on the other.

Generali's strengths and beliefs

With regard to our DNA, I want to mention some of our key strengths.

First: Generali is the leading European player in terms of insurance premiums, with income of more than 60 billion EUR in 2018.

Second: Generali has an extensive and qualified distribution network without equals in the industry. Generali serves 61 million clients in 50 countries through more than 155,000 agents and distributors, of whom more than 100,000 in Europe alone. Thanks to this unique platform, we really can satisfy our clients' requirements with a personalised service, and consolidate their trust in our brand.

Third: Generali is the best among its direct competitors in terms of technical and operating performance in the P&C and Life segments.

Fourth: Generali's insurance solutions are now flanked by a fully-fledged asset management strategy. This strategy focuses on our competitive advantages and on the

development of a boutique platform consisting of teams of professionals with highly specialised skills in high-potential investments.

Our vision for the future is based on 4 strong beliefs.

First. We believe that Europe – our main market – will continue to be one of the world's largest and most attractive insurance and asset management markets.

Many people think Europe is a saturated market. We don't agree; indeed, we believe it offers significant potential that can be developed by intercepting the needs of a changing, ageing population having to deal with concerns that, increasingly, cannot always be satisfied by our state institutions. Pensions, health, care and non-self-sufficiency, for example.

Second. The growth of the insurance market will increasingly be driven by individual clients, households and small-medium enterprises.

Professionals and SMEs in particular offer great potential in markets like Italy, Germany and France, in other words our 3 core markets.

Third. Increasingly, clients will try to improve the quality of their lives through integrated solutions that, for example, combine Life and asset management products.

This integration reflects the shift in attention in insurance from “protection and compensation” to “prevention and service”, from “production needs” to “client needs”.

Fourth. Traditional physical distribution will continue to be of fundamental importance, and the agency channel in particular will continue to play a key role. This gives me the opportunity to greet the many Generali Italian agents present here today.

Clients want a qualified personalised service. Human warmth will continue to be of critical importance in the future.

So agents will remain as a core component of the insurance business model and will need to offer ever greater value through an all-round consultancy approach and use of digital tools.

We are working to strengthen and support our physical delivery network through digital innovation.

Generali 2021: a strategy based on 3 pillars and 3 enablers

Now let's look at our new strategic plan in greater detail. Generali 2021 is built around three pillars.

First: Generali will grow profitably by strengthening its leadership in Europe, taking advantage of opportunities in markets with high potential – like Asia and Latin America – and developing a truly international unique asset management platform.

Second: Generali will take a more disciplined approach to capital management and will optimise its financial position. We shall be even more scrupulous in managing our capital and cash in order to generate greater resources to finance our organic and external growth, cut borrowing costs and debt, and also distribute larger dividends to our shareholders.

Third: Generali will invest in innovation and digital transformation with the aim of becoming a life partner for its clients, providing flexible personalised solutions, continuous assistance and – as I said before – all-round consultancy.

Overall, investments totalling 1 billion euro are planned in innovation and digital

transformation initiatives by 2021.

Of course, we have already begun to implement the new strategy. Here are some examples.

We have already integrated – or created – 8 new asset management boutiques. Net profit from the Group asset management business rose 24% in 2018, in line with our targets for the growth of the segment.

Moreover, in Italy, more than 50% of our policies are already fully digital.

Another example is the pan-European digital mobility platform we are creating, which leverages our unique expertise in “connected” insurance. Worldwide, we manage 1 million 600 thousand connected vehicles, and not only are we able to personalise Motor covers on the basis of driving styles, we can also provide clients with advice on how to drive more safely.

The empowerment of human capital, a strong brand and a commitment to social responsibility and sustainability will enable us to execute this strategy.

Looking at our human capital, we want Generali to rank among the insurers with the highest levels of employee engagement.

To achieve this, we are introducing training programs on the new digital skills and applying smart working principles, such as distance working.

Renewal of workplaces: 2 examples

One of the ways all this has been made possible is the renewal of our workplaces.

As you know, in 2018 our Milan personnel completed the move to the new Generali tower in the CityLife district. This is a far-reaching real estate project that is enhancing the Milan community and it represents an evolution in Generali’s way of working.

Another example is the redevelopment of Palazzo Berlam here in Trieste, which we expect to open this year.

Finally, it gives me great pleasure to mention an initiative I am convinced will significantly strengthen the empowerment and sense of belonging of our employees and their participation in creating long-term value.

This is the 2019 employee ownership plan, under which employees will be able to purchase Generali shares at special conditions. It is scheduled to begin in October 2019. The Board of Directors approved the plan in March and it will be presented for your approval today.

Coming to our brand, we aim to strengthen the Winged Lion by becoming the best European operator in terms of client satisfaction.

Finally, on social responsibility and sustainability, as the Chairman said, we want to increase the portion of premiums from “responsible” insurance solutions, such as those relating to preventive medicine and assistance for the disabled.

By 2021, we intend to allocate 4.5 billion EUR to “green” sustainable investments, that is, investments for the specific purpose of making a positive contribution to the United Nations’ sustainable development goals.

Additionally, we have decided to launch an insurance offer for “responsible” clients, meaning clients interesting in adopting a sustainable lifestyle and improving their impact on society and the environment.

Work also continues on The Human Safety Net, the global Generali initiative to support the communities in which it operates. As the Chairman said, The Human Safety Net is already active in 18 countries and aims to help combat extreme inequality and release the potential of troubled individuals, families and communities. It does this through 3 programs set up to support:

- vulnerable families with children under 7;
- start-ups created by refugees, to facilitate their integration;
- newborn babies affected by neonatal asphyxia.

I want to mention that in 2018 the Group was included in the world's most prestigious share index for corporate social responsibility, the Dow Jones World Sustainability Index: this is an important acknowledgement of our commitment to sustainability.

3 ambitious but achievable financial goals

With the implementation of Generali 2021, we want to achieve 3 financial goals over the next 3 years.

First, we want to grow our per-share earnings by an annual average rate between 6 and 8%.

Second, we want to increase our dividends. We'll do this sustainably, maintaining a payout ratio between 65 and 55%.

Third, the average return on capital will be above 11.5%. We expect this to produce benefits for all our stakeholders, including higher returns for you, our shareholders.

Our goal

I'd like to end with one last message.

When we were drawing up Generali 2021, we also wanted to look beyond the strategic plan's three-year horizon and, for the first time, set a long-term goal for Generali.

Our goal is to help people build a more secure future by taking care of their lives and their dreams. This is the goal of Generali over and beyond the strategic plan.

My commitment – and the commitment of the entire management team – is to ensure that, through the joint contribution of all our colleagues, agents and distributors, and thanks to the support of our shareholders, Generali will constantly pursue this long-term goal.

Thank you.