

Opinion Paul J. Davies, Columnist

Generali Offers a Perfect Venue to Fight for Europe's Financial Future

The insurer's potential deal with Mediobanca offers Italy an escape from the influence of billionaires and an overly national focus.

June 2, 2025 at 5:00 AM GMT+2

By **Paul J. Davies**

Paul J. Davies is a Bloomberg Opinion columnist covering banking and finance. Previously, he was a reporter for the Wall Street Journal and the Financial Times.



The headquarters of Assicurazioni Generali in Trieste, Italy, provide the perfect setting for a decision that has momentous consequences for Europe's financial future. *Photographer: Jozsef Suhdolnik/Bloomberg*

It's no exaggeration to say that what happens at Assicurazioni Generali SpA in the next few months will determine the financial and political map of Italy for years to come - and exert a strong pull on the strategic direction of Europe as a whole. The country's biggest insurer is the key domino in a matrix of banking deals: Which way it falls will affect most of the other proposed alliances.

Generali's hometown of Trieste in the northeast corner of Italy is the perfect setting for a decision around which a constellation of corporate deals will turn. This glorious and strange city's patchwork past echoes the fluid history of European nations - it's been Austrian, Napoleonic and Balkan, as well as Italian. The next step for the insurer could leave it chained to a fractious past, or open up a bigger, more European future.

Bloomberg Opinion

Taylor Swift's Catalog Win Is a Masterclass in Business

The Pro-Doping Enhanced Games Are Partly the Olympics' Fault

No Job Says 'New York' Like Home Health-Care Aide

The GOP's Fiscal Hawk Era Is Officially Over

Up close, Generali's board simply has to vote on an offer to swap its long-held 50.2% stake in separately listed Banca Generali SpA for €3.1 billion (\$3.5 billion) worth of shares in itself. The proposal was made by Mediobanca SpA to buy the wealth business and pay with its 13% stake in Generali. That stake has earned Mediobanca hundreds of millions of euros annually in dividends, but brought increasing interference from 82-year-old billionaire Francesco Gaetano Caltagirone, who owns shares in both and has been trying to gain more influence over the insurer for years.

But take a step back, and the board's choice could foil the wider machinations of Caltagirone and his allies in government. The stars had seemed to be aligned for the octogenarian head of a corporate empire, allowing him to play a powerful national role while pursuing his own investment interests. The Italy-first government wants to keep domestic firms in local hands, and Caltagirone offered himself as a guardian of those aims. "Making sure that Generali doesn't fall into the wrong hands is something that matters," he recently told Bloomberg News. "It also matters to help the financial health of this country."

There's a bigger battle here between shortsighted economic nationalism and the kind of coordinated market liberalism that the European Union needs if

it's to stand up to the mercantilist power politics and security threats of China and Russia to the east and the US to the west. The future of Generali isn't all that's in play – this fight will also set the tone for UniCredit SpA's potential bid for Commerzbank AG of Germany and a wave of consolidation across Italian banking.

One of Caltagirone's wider aims is stopping Generali's asset management merger with France's Natixis SA. The specter that haunts Italian Prime Minister Giorgia Meloni, which the billionaire is happy to encourage, is the prospect that decision makers in a major buyer of Italian government bonds will slip further from government influence. Forget the principle that asset managers should make investment decisions based on what they expect to be best for clients: The government has already shown its disregard for that in conditions imposed on UniCredit's bid for Banco BPM SpA by telling UniCredit that Anima, the fund manager arm of BPM, mustn't sell certain domestic securities.

Meloni's government, Caltagirone and another billionaire family are also pushing Banca Monte dei Paschi di Siena SpA's hostile takeover bid for Mediobanca - their combined 32% stake in Monte Paschi carries serious weight. Again, Generali is meant to be a prize in that deal: Mediobanca's stake in the insurer combined with what Caltagirone and the Delfin family investment firm hold adds up to about 30% of the insurer's shares. That would give the billionaires more chance of finally changing Generali's leadership, which they tried and failed to do three years ago, and ensuring it remains Italian and focused on Italian concerns.

But this falls apart if Generali and Mediobanca consummate their Banca Generali share swap. From the micro-level view of these three institutions, the deal makes a lot of sense. Mediobanca becomes a more focused business and boosts its defenses against Monte Paschi's bid. That should help get Caltagirone and Delfin off Mediobanca's back, too.

For Generali, it would break up Mediobanca's 13% stake with half going to Banca Generali's many public shareholders and the other half turning into €3 billion windfall for the insurer that it could invest in its business or pay out to its shareholders. Ending Mediobanca's involvement would also free

Generali from pressure to pay the steady dividends that the bank relied on for one-quarter of its own profits. This favoring of payouts over investment was ostensibly the strategic sore point that made activists of Caltagirone and Delfin when they last tried to oust Generali's chief executive officer in 2022.

Mediobanca shareholders are due to vote on the deal on June 16, and it's expected the Generali board will decide after that. Agreeing to the transaction would offer the insurer protection from nationalist interference and help it to create with Natixis a bigger European asset manager of the kind the EU needs. European Central Bank President Christine Lagarde and her predecessor, Mario Draghi, have both made clear how critical it is for the bloc to strengthen its economic and military defenses. The EU must unify and deepen its capital markets to mobilize savings and investment capacity – and big money managers pursuing European rather than national interests would help that goal.



Bloomberg may send me offers and promotions.

Sig&Up

By submitting my information, I agree to the [Privacy Policy](#) and [Terms of Service](#).

Monte Paschi would likely be left without a merger partner, while the government would need to find another way to fulfil its goal of building a third big Italian lender while offloading its remaining stake in the bailed-out bank. Meloni's apparent determination to stop UniCredit buying BPM could help on that score, leaving BPM as a potential partner for Monte Paschi, as was previously the plan.

If Meloni and her government can expand their focus from the country in front of them to the union around them, they could work with Germany and others on promoting the single market in finance and lending that the EU sorely needs. That would mean also supporting an eventual UniCredit bid for Commerzbank, should that deal make economic sense for the banks themselves.

Trieste itself was the scene of a flashpoint between Croatia and Italy as recently as 2019, when a statue of the wildly colorful soldier-poet and proto-Fascist Gabriele d'Annunzio ^[1] was placed before the town's former stock exchange. The future of European financial and political power rests on consigning these kinds of national squabbles to the past. If Generali can escape the attentions of Caltagirone and friends, that will be a big step in the right direction.

More from Bloomberg Opinion:

- Why Wall Street Interns Are Safe From AI: Marc Rubinstein
- Crypto Crime, Not Bank Heists, Is the Future: Lionel Laurent
- Italy Plot Twist May Guard Finance From Politics: Paul J. Davies

Want more from Bloomberg Opinion? OPIN <GO> . Web readers, click here . Or subscribe to our daily newsletter .

1. The Pike, a biography of d'Annunzio by the historian Lucy Hughes-Hallett, is a truly incredible story about a deeply unusual character. [View in article](#)

This column reflects the personal views of the author and does not necessarily reflect the opinion of the editorial board or Bloomberg LP and its owners.

How easy or hard was it to use Bloomberg.com today?

[Share feedback](#) 
