Annual Integrated Report and Consolidated Financial Statements 2015

generali.com

184th year

Annual Integrated Report and Consolidated Financial Statements 2015

Corporate Bodies as at 17 March 2016

Chairman
Gabriele Galateri di Genola

Deputy Chairman
Francesco Gaetano Caltagirone
Clemente Rebecchini

Group CEO
Managing Director
Philippe Donnet

Members of the Board of Directors
Ornella Barra
Flavio Cattaneo
Alberta Figari
Jean-René Fourtou
Lorenzo Pellicioli
Sabrina Pucci
Paola Sapienza

Board of Statutory Auditors
Carolyn Dittmeier (chairwoman)
Antonia Di Bella
Lorenzo Pozza
Francesco Di Carlo (substitute)
Silvia Olivotto (substitute)

General Manager
Alberto Minali

Secretary of the Board of Directors
Giuseppe Catalano

Company established in Trieste in 1831 - Share Capital € 1,556,873,283.00 fully paid-up. Registered office in Trieste, Piazza Duca degli Abruzzi, 2. Tax code and Company Register no. 00079760328. Company entered on the Register of Italian Insurance and Reinsurance Companies under no. 1.00003 - Parent Company of the Generali Group, entered on the Register of Insurance Groups under no. 026. Certified email (Pec): assicurazionigenerali@pec.generaligroup.com

ISIN: IT0000062072
Reuters: GASI.MI
Bloomberg: G:IM

Please see the section at the end of the report for more contacts

Our idea of insurance

Insurance has been a great invention of modern times. It was more of an intellectual rather than a commercial innovation, which has strongly contributed to the development and wellbeing of the global economy and society. The insurance business is strictly connected to the major issues of the contemporary world, which have an increasingly global and complex dimension.

Telling one year of business of one of the major insurance groups worldwide can provide a useful contribution to understand the status quo, interpret its underlying trends and get into its complexity. Once again this is done through a clear and user-friendly publication, rich in both numbers and images, showing the pictures of our employees and staff members worldwide. You can see them in their daily activities against the background of the macro-trends mostly influencing our business and our clients' needs: climate change, urbanisation, demographic evolution etc..

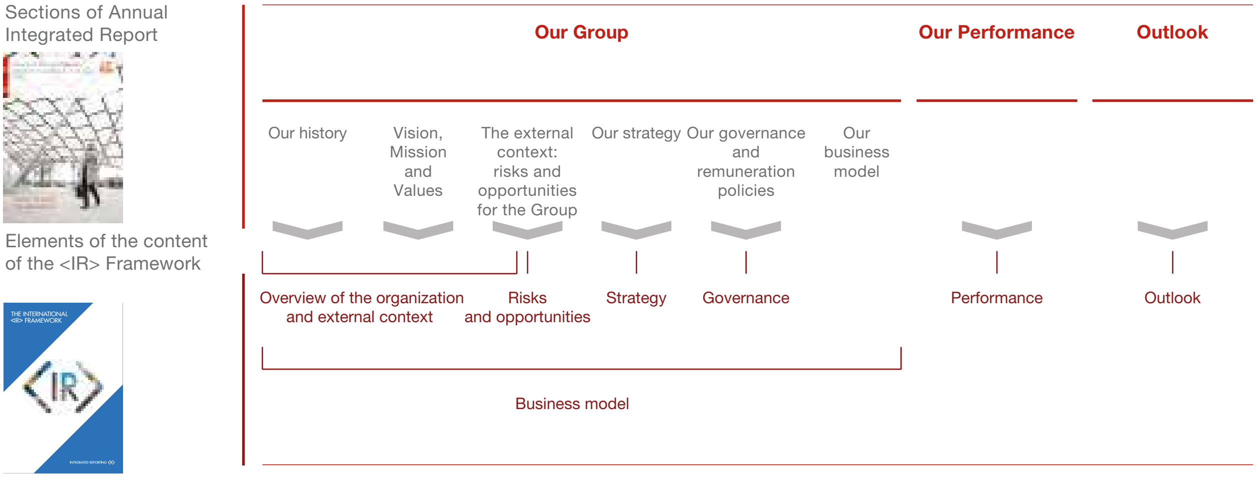
This is the key message: an organization like ours can confidently look at the future only thanks to its people and their ability to innovate.

The rest also counts,
but this is more important.

About the report

In accordance with the approach to corporate reporting started in 2013, this year we are again presenting an Annual Integrated Report to give our stakeholders an overview of how we create value.
This report complies with both prevailing regulations and the principles of the International <IR> Framework issued by the International Integrated Reporting Council (IIRC).
Besides following national and international developments in reporting standards through the <IR> Business Network, we are also continuing our activities as co-chair of the Insurance Network, established in 2014 in order to develop, share and communicate best practices to prepare an integrated report in the insurance sector.

The structure of the Management Report includes also the Content Elements provided for by the Framework as set out in the graph below.



The links among the elements above and among these elements and other Group reports will also be displayed with icons highlighting these links:

Cross-reference to the web	
Cross-reference to a section of the report or to other Group reports	
Focus on a business case	

Please refer to the Appendix to the Management Report for further details on how the abovementioned Framework was applied, especially regarding the Guiding Principles.

Please refer to the Glossary at the end of the report for more information on the acronyms.

Please note that, except where clearly specified, the terms “Generali Group”, “Generali”, “we”, “us” and “our” in this document always refer to the Generali Group and/or its subsidiaries worldwide, while the terms “Assicurazioni Generali”, “Parent Company” and “Company” refer to Assicurazioni Generali S.p.A..

Responsibility for the Annual Integrated Report

The Board of Directors of Assicurazioni Generali S.p.A. is responsible for preparing this report.
The reporting process was conducted under its responsibility applying the Guiding Principles and Content Elements set out under the International <IR> Framework.

Please send any comments or opinion about the report to integratedreporting@generali.com

What's inside

Letter from the Chairman and the Group CEO

2015 has been a rewarding yet also innovative year for Generali and its stakeholders. The year witnessed the beginning of a new cycle which started with the presentation of the strategic plan based on key elements which are simultaneously distinctive, simple and ambitious. We announced our intentions to focus both on cash generation and dividend growth, as well as position ourselves as a European leader in insurance retail, becoming simper and smarter in offering products and services. We furthermore planned significant albeit selective investments in technology and data analytics. These are key elements to gain leverage in the future of our industry which is all the more dependent on long-term and interactive partnerships with clients and the ability to listen to them.

In terms of results, in line with our strategic targets, we closed 2015 with a significantly increased net profit of over 2 billion Euro and an operating profit of over 4.7 billion. The written premiums recorded a total income of over 74 billion Euro.
Thanks to these results we are able to distribute a dividend of 72 Euro cents per share to all our shareholders, increased by 12 cents (+20%) compared to the previous year.

2015 was also an important year considering the business results achieved, representing key turning points for us and for our clients, laying the foundation for further progress of the Group among the world leaders in our sector. In Italy we have now completed the integration process which began in 2013, concluding the most extensive reorganisation ever tackled in Europe in the insurance sector. We simplified the existing brands and unified the business structures across the country, creating a single technological platform for the Life and P&C portfolio, guided by the same simplicity principle which is the guiding force of our global and local initiatives. Likewise in Germany we launched a plan aligned within the Group strategy, based on a leaner organization and governance which presents a new Life business approach and a strong focus on smart insurance related to telematics, domotics and the Vitality project. In France, in 2015 we began to reap the benefits from the significant turnaround process started in 2013, with a positive set of results in the different business sectors, confirming the "Customer Centric" reorganisation originally launched.

We also strengthened our position in Central Eastern Europe, where we are now among the major insurersin the region, acting as leader in most of the countries we operate in.

Technology and the ability to be innovative became key elements in responding to the new trends of the insurance market. In this regard, we are implementing a strategy aimed at exploring new opportunities, identifying particularly dynamic companies, starting long-lasting partnerships and collaboration schemes with centres of excellence. To mention just a few, the acquisition of MyDrive, contractual agreements with Obi Worldphones and Microsoft, but also the three-year partnership with the United Nations' Abdus Salam International Centre for Theoretical Physics.
This is a new approach to the regular modus operandi in our sector which expands business horizons and industrial prospects in an ever distinctive backdrop of macro-economic trends. The demographic, social, environmental and climate changes as well as challenges in terms of welfare, new technology and volatile and uncertain financial conditions, now represent the normal operating field for a global player such as Generali, especially after closing the process of focusing on the insurance core business in 2015.

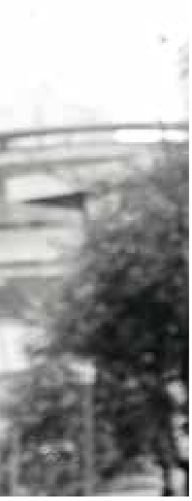
The role of an insurance group is now even more focused on contributing to growth, development and society's welfare, pursuing the goal of sustainability in terms of business and finance from a social responsibility angle and thus looking at things with the long-term perspective, envisioning the future and well-being of the generations to come. We are now even more aware that we achieved these results thanks to the commitment and the engagement of all our employees, distributors and collaborators, our much appreciated partners, to whom we would like to express the most sincere gratitude.

Gabriele Galateri di Genola

Philippe Donnet

“ By 2030, in all developing regions
including Asia and Africa,
the majority of inhabitants
will be living in urban areas

Our Group



Group highlights

Gross written premiums (+4.6%)

€ 74,165 mln

Business mix

P&C segment premiums	28%
Life segment premiums	72%

Operating return on equity

14.0%

ROE (+0.8 pps)

Group operating result amounted to 4,785 mln (+6.1%)

Total Assets Under Management (+4.2%)

€ 500 bln

Net profit

2.0 bln

(+21.6 pps)

Dividend per share

€ 0.72

(+20%)

Our people

over 76 thousands

Men	50.4%
Women	49.6%

Life

Strong growth in premiums, thanks to unit linked policies. New business annual premium equivalent (APE) stable. Operating result remained stable, despite the low interest rate environment.

Property&Casualty

Recovery in gross written premiums, driven by non motor segment. Strong growth in the operating result. Improving Group Net Cor thanks to the loss ratio trend.

Gross written premiums

€ 53,297 mln

(+6.2%)

APE

€ 5,210 mln

(-0.2%)

Operating result

€ 2,965 mln

(-0.4%)

Gross written premiums

€ 20,868 mln

(+0.8%)

COR

93.1%

(-0.6 pps)

Operating result

€ 1,987 mln

(+8.5%)

Our history

We have built a global insurance group in almost 200 years of history that operates in over 60 countries through more than 430 companies and more than 76 thousand employees.

Our greatest strength is our international presence; we are the market leader in Italy, we have a strong presence in Europe and we aim to selectively increase our presence in Asia and South America.

1831

The Group was established as "Assicurazioni Generali Austro - Italiche" in Trieste. Trieste was the ideal choice at the time as a commercial hub located in the main port of the Austro - Hungarian Empire.

1832–1914

The positive economic and social context, the keen business acumen of the "founding fathers" and Trieste's strategic geographical position allowed Generali to grow and thrive: it was listed on the stock exchange in 1857 and became a "Group" in 1881. As a consequence, subsidiaries were founded in Italy and abroad, starting with Erste Allgemeine, established in Vienna in 1882.

1915–1918

The First World War raged across Europe. After the Allied victory over the Central Powers, Trieste became part of Italy and Generali became an Italian company.

1919–1945

Once the war ended, Generali returned to the growth that had been temporarily interrupted. In line with what was going on in Italy in those years when public construction activities and agriculture were strongly boosted through the policies adopted by the government, Generali made significant investments in agriculture and real estate starting from 1933. With the outbreak of World War II, the Group lost contact with its branches located in "enemy" countries and one of the most complex periods of its bicentenary history began.

1946–2010

The Group resumed its expansion during the "Italian economic boom" years. An agreement was signed with the US-based insurance company Aetna in 1966; Genagricola was founded in 1974 (which heads all agricultural activities of the Group) and Genertel, the first insurance company by phone in Italy, was established in 1994. The Group took control of the AMB Group in 1997 to promote growth in the German market. Banca Generali was established in 1998 in order to concentrate all asset management activities and services under one umbrella. There were some acquisitions in the first decade of the new millennium (INA and Toro) and various joint ventures (Central and Eastern Europe and Asia) which mean that Generali now has a presence in over 60 countries worldwide.

2011–2014

There have been great changes in Generali over the past few years. The appointment of Gabriele Galateri di Genola as Chairman (2011) and Mario Greco as Group CEO (2012) have heralded a new phase of development. In addition to the corporate reorganization which led to being established (comprising three brands: General for the retail market and SMEs, Alleanza for the family sector and Genertel sector for alternative channels), the acquisition of the minority interests in Generali Deutschland Holding and Generali PFF Holding have been completed. The Group also disposed of certain non-core activities, as Banca della Svizzera Italiana (BSI). Finally, the Group has initiated the European partnership with Discovery to launch Vitality.

For more information please refer to http://www.generali.com/who-we-are/history.html

2015 key facts

2015

January

Acquisition of Generali PPF Holding completed

February

S&P's rating withdrawn at Generali's request

April

International management team strengthened

May

Revolving credit facilities renewe

Strategic repositioning in the German market launched

Investor Day: presentation of new strategy

June

Telco demerger finalized

Generali among the 50 smartest companies in the world according to MIT Technology Review

July

Acquisition of My Drive Solutions

August

Fitch upgrades rating on bonds

Deal with Obi Worldphones

September

BSI disposal completed

October

Subordinated bond for € 1.25 billion successfully placed

A rating and stable outlook from AM Best confirmed

Three-year partnership signed with United Nations' Abdus Salam International Centre for Theoretical Physics (ICTP)

November

Generali removed from the list Global Systemically Important Insurers (G-SIIs)

Conclusion of the first Generali Innovation Challenge with Microsoft

New Generali strategy launched

Generali presented its new strategic plan at the Investor Day in late May; this plan aims to set out a new business model and achieve new, challenging financial targets focused on generating more cash and increased dividends. The Group plans to become a leader in the European retail insurance sector with smarter & simpler products and services. The whole customer experience will also take on greater importance, from when they start to look for information to when the contracts are up for renewal. The Group intends to achieve a net operating cash of over €7 billion cumulatively in the four years to 2018, while total dividends will amount to over €5 billion in the same period. The current cost reduction plan will continue, with savings of €250 million per annum from 2012 for a total of € 1.5 billion by 2018. A total of €1.25 billion will be invested in technology, data analytics and more flexible operating platforms.

> € 7 billion

Cumulative Net operating cash by 2018

> € 5 billion

total dividends to 2018

€ 1.5 billion

in total savings 2012-2018

Focus on the insurance business

The Generali Group attained 100% ownership of Generali PPF Holding B.V. (GPH) in January by acquiring the remaining 24% of shares held by PPF Group, in accordance with the agreements signed in January 2013. With acquisition of full ownership of GPH, the holding company operating in Central Eastern Europe as one of the largest insurers on that market changed its name to Generali CEE Holding B.V..
The acquisition of the remaining shares of GPH was completed under the terms previously announced to the market, for a final price of € 1,245.5 million.

Acquisition of GPH Holding completed

Generali announced in May a strategic business repositioning in Germany, consistently with Group strategy. The aim is to further enhance the competitive position of the Group in the German market by the end of 2018, through simpler, business-oriented governance, stronger focus on distribution strengths, a new business model in Life insurance to ensure long-term profitability, and a more modern, leaner operating platform.
The repositioning will be based on the following key business strengths:

- simplified governance that is more business-focused by incorporating the most important operating entities into Generali Deutschland AG;
- multi-channel approach and customized services with Generali, AachenMünchener and CosmosDirekt.;

- "New Normal" model in the Life business, with high performance and low capital absorption products;
- building a smarter and simpler operating platform with improved IT architecture;
- consolidation of back office operations.

The Telco demerger was finalized in June, which meant that the Telecom Italia ordinary shares owned by Telco – 22.3% of the shareholders' equity – were distributed to its shareholders (of which 4.31% to the Generali Group). These shares were then sold on the market. When the demerger took effect, the shareholders' agreement among the Telco shareholders was terminated.

Acquisition of MyDrive Solutions

In July, Generali acquired full control of MyDrive Solutions, an English start-up founded in 2010 and leader in the use of data analytics tools to profile driving styles; the aim was to offer innovative and tailor-made products for customers with the most virtuous drivers benefitting from lower rates. In line with the new strategy announced at the most recent Investor Day, the acquisition of MyDrive will foster the introduction of a centre of excellence in data analysis at Group level.
The data analysis activities will be expanded to a vast array of sectors, from fraud prevention to sophisticated customer segmentation, thereby facilitating the creation of intercompany synergies and optimization of the products on offer.

At the end of August, Generali and Obi Worldphones announced a pioneering exclusive deal through which the Group will be able to exploit the mobile channel reaching up to 20 high-growth markets by 2017. Under the terms of the deal, Generali and Obi – a start-up whose co-founder is John Sculley, former CEO of Apple - will jointly develop a mobile insurance platform based on native applications that are included in the standard set-up of mobile devices; the aim is to reach a prospective customer base of more than 10 million people through the offer of highly useful services right from the home screen of Obi Worldphones. The applications will be developed on a country-specific basis and offered to clients in the markets where both Generali and Obi operate, starting with Turkey, India, Indonesia, Vietnam, the Philippines and the United Arab Emirates.

Sale of BSI completed

On 15 September the Generali Group completed the sale of BSI to Banco BTG Pactual. In accordance with the agreement signed on 14 July 2014, the final price for the sale was about CHF 1,248 million, comprising about CHF 1 billion in cash and the remaining amount in BTG shares listed on the BM&FBOVESPA stock exchange of São Paulo.
The sale of BSI completed Generali's strategy to focus on its core insurance business and improved its capital position, concluding the turnaround plan launched in January 2013.
The transaction improved the Group's Solvency I ratio by 8 p.p.. The sale of the bank also significantly reduced Generali's non-insurance activities.

An innovative agreement was signed on 29 October between the Generali Group and the United Nations' Abdus Salam International Centre for Theoretical Physics (ICTP) - the world's leading scientific institution in the research and transfer of knowledge to emerging and developing countries; it is based in Trieste, and operates with the support of the Italian Government, the IAEA and UNESCO. This agreement will support a three-year project for the study, analysis and prevention of seismic episodes.

The Group announced the first Generali Innovation Challenge on November 9 in association with Microsoft;
this international project involved the research and promotion of talent and startups that can respond to new business challenges in the insurance sector through innovative ideas and state-of-the-art technological solutions.

Debt-optimization and strengthening financial solidity

€ 2 billion

in renewed revolving credit lines

Assicurazioni Generali renewed its revolving credit lines in May; the facilities were signed in May 2013 for a total value of € 2 billion, and may be used by the Company within a period of 3 to 5 years depending on the credit line. It will only impact the Group's financial debt if the facility is drawn down, and will allow Generali to improve financial flexibility to manage future liquidity needs in a volatile environment. The new credit facilities replaced the previous ones – both the lines that had a 2-year duration and had expired and those with a 3-year duration that were closed in advance. A group of 21 leading Italian and international lenders made offers to provide credit facilities, with total offers amounting to € 13 billion, more than 6 times the company's request. The competitive bidding process adopted by Generali allowed the Group to select 9 lenders and obtain very favourable conditions, strongly improved with respect to May 2013, both in terms of amount offered and pricing.

On 20 October Generali issued a subordinated bond for a total amount of € 1.25 billion, targeting institutional investors. The issue attracted around 400 investors for almost € 5 billion, 4 times higher than the target. The bond is intended to refinance the 2016 subordinated call dates of the Group , amounting to a total of € 1.25 billion. The issue attracted strong interest from international investors, who accounted for approximately 89% of allocated orders, confirming the credit the Group enjoys on the international markets. 49% of the bond was allocated to investors in the UK and Ireland, 11% to Italian investors, approximately 9% to French investors, 9% to German investors and 4% to Northern European investors. There was also significant interest from Asian investors. On 27 October the rating agency AM Best announced that it assigned a bbb+ rating to the subordinated bond issue.

€ 1.25 billion

Bond issue for institutional investors

Relations with rating agencies

At Generali's request, Standard & Poor's (S&P's) withdrew its rating on the Group on 13 February. Generali will therefore no longer have an S&P rating. The decision is based on a thorough review including consultation with investors and other stakeholders, which highlighted the inflexibility of S&P's criteria and its failure to take account of the significant improvement in the Group's financial solidity achieved in the last two years. Furthermore, the automatic link to the sovereign rating applied by S&P did not recognize the high level of diversification in the Group, nor the benefits of its broad geographical presence. That is why General decided to ask for the S&P rating to be withdrawn. In accordance with industry norms, Generali will keep its rating with three major rating agencies: Moody's, Fitch and AM Best.

Thanks to the improvement in the Group's capital position and operating performance, the rating agency Fitch upgraded the rating on the Generali bonds on 26 August. A key factor leading to the rating upgrade was the strong focus of the management on the capital strengthening and on reducing the financial leverage. The outlook was confirmed as stable.

On 23 October the rating agency AM Best confirmed Generali's FSR (Financial Strength Rating) rating as A (Excellent). For the first time, AM Best assigned the same FSR rating also to the Generali Italia and Ceská Pojištovna. AM Best also confirmed the ratings of the debt instruments issued or guaranteed by Generali. The outlook was confirmed as stable. AM Best said that the rating reflects the Group's very strong business position in continental Europe, solid operating performance and improving capitalization.

A stronger international management team

Other events

Generali strengthened its governance in April with the arrival of two new managers to lead the Asian and Americas areas. Jack Howell is the new Asia Regional Officer responsible for Generali's activities in China, Hong Kong, India, Indonesia, Japan, the Philippines, Thailand, Vietnam, Malaysia and Singapore. Generali is one of the leading foreign Life insurers in China. Antonio Cassio dos Santos joined the Group as Americas Regional Officer. Generali is one of the leading foreign insurers in Latin America, operating in Brazil, Argentina, Colombia, Guatemala, Ecuador and Panama. The Group also operates in North America with the Generali U.S. branch. Jaime Anchustegui has been appointed EMEA Regional Officer, the area covering twelve markets between Europe, North Africa and the Middle East. Moreover, Giovanni Liverani joined the Group Management Committee (GMC), as Country Manager Germany. He also started his new role as CEO of Generali Deutschland Holding.

On 3 November the Financial Stability Board (FSB), together with the International Association of Insurance Supervisors (IAIS) and the national Control Authority, published its updated list of Global Systemically Important Insurers (G-SIIs), removing Generali from the list.

By 2050, 6.3 billion people will be living in cities

Significant events after 31 December 2015

In January 2016 the rating agency Fitch has confirmed Generali's and its subsidiaries IFS (Insurer Financial Strength) rating at A-; the outlook has been confirmed stable. The rating reflects the improvement in Group's capital position, the expectations that operating performance will remain strong and that management's ongoing focus will be to preserve capital and reduce financial leverage. On the basis of Fitch's internal model (FBM), Generali's capital position remained strong at the end of 2014 and it is now very close to the "Very strong" level, thanks to the improvement in the Group's capitalization.

On 26th January 2016 the Group CEO, Mario Greco, has informed the Chairman of the Company, Gabriele Galateri di Genola, that he would be unwilling to serve another term as CEO of the company at the expiry of his current mandate, which is planned to coincide with the Annual General Meeting to approve the financial statements as of 31 December 2015. On 9th February the Assicurazioni Generali Board of Directors has approved the mutually agreed termination of all existing relations between the Company and Mario Greco, with immediate effect and in line with the Group's remuneration policies.

The Board of Directors has resolved to assign temporarily the powers of Group CEO to the Chairman of the Company, formerly attributed to Mario Greco, pursuant to the Group's provisions for succession plan.
The Board of Directors has also resolved to task the Appointments and Corporate Governance Committee to initiate the process for the selection of candidates to the Group's provisions for succession planning.

In March IVASS, the Italian Insurance Supervision Authority, following the submission of Assicurazioni Generali S.p.A., has authorized the use, starting from 1 January 2016, of a partial internal model to calculate the Solvency Capital Requirement at Group level as well as the Solvency Capital Requirements for its main Italian and German insurance companies, for the Non-Life French companies and for Czech company Ceska Pojistovna A.s..

On 17 March 2016 the Board of Directors of Assicurazioni Generali appointed Philippe Donnet as Group CEO, conferring on him all related executive powers.
The Board of Directors also appointed Alberto Minali as General Manager of the Company. Philippe Donnet and Alberto Minali will continue to hold their current positions within the Group.

2016 corporate event calendar

18 March
Annual Results reporting 2015

28 April
Annual General Meeting

12 May
First quarter Results reporting

29 July
Half-year Results reporting

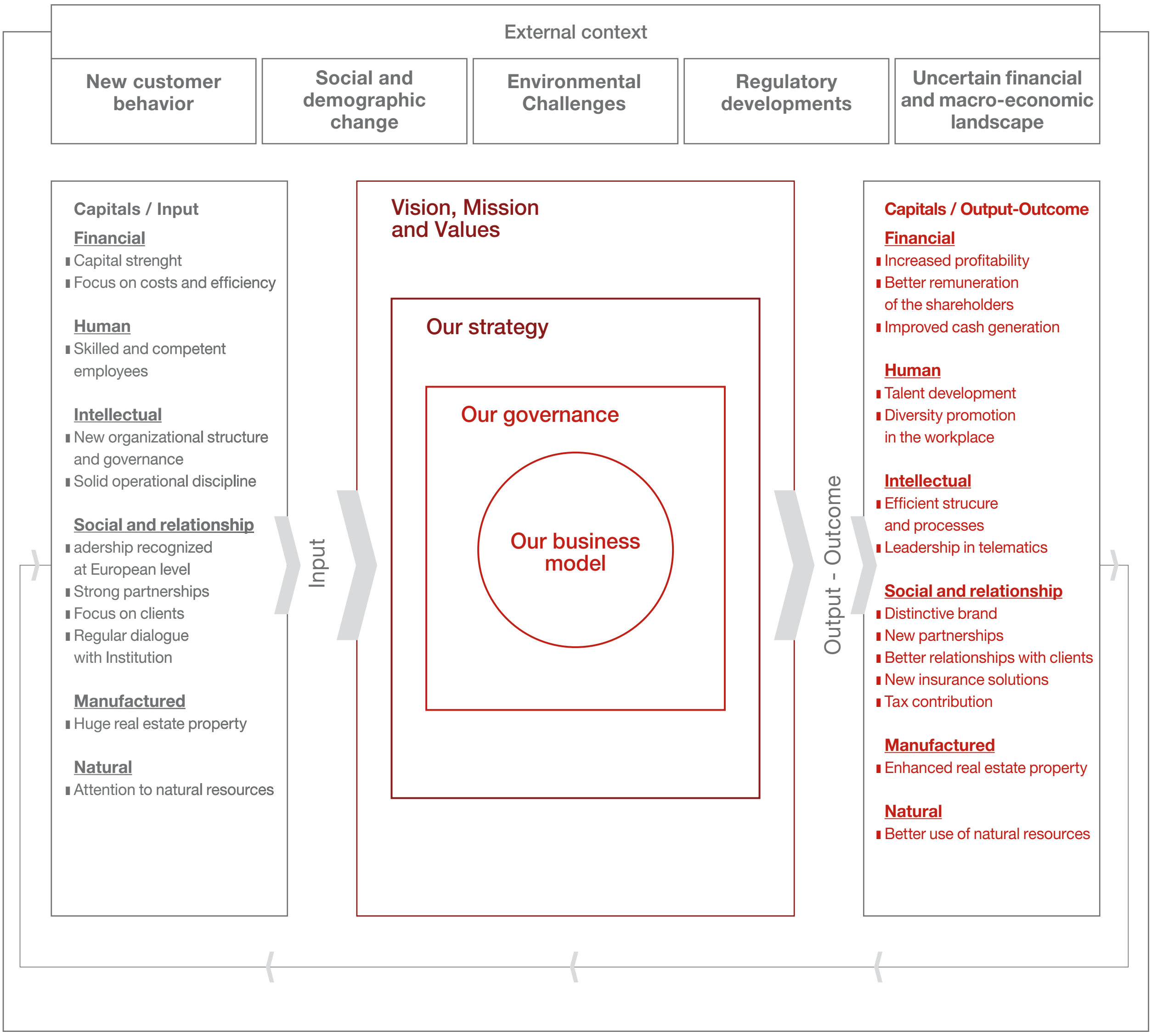
10 November
Nine Month Results reporting

23 November
Investor Day

For more information please refer to www.generali.com/investors/financial-calendar.html

The value creation process

We operate in a complex business that can have a significant impact on our activities and our ability to create value. We are referring, for example, to the consequences of uncertain economic and financial turmoil, technology evolution or the aging global population.
However, we believe that our base is solid enough (capital and input) to become a group that can offer insurance solutions (output) that are easily accessible, and can anticipate and meet customer needs in line with our strategy.
Our activities and output have consequences and internal and external effects (outcome) on the various capital values (financial, human, intellectual, social and relationship, manufactured and natural) used in our daily business.



As for capitals other than the financial one, for more information on other external and internal impacts resulting from our business please refer to the Sustainability Report 2015, Corporate governance and share ownership report 2015 and the 2015 Remuneration Report

External context: risks and opportunities for the Group

Please see the Risk Report in the Notes to the Consolidated Financial Statements for more information on the risk profile and the specific methods used to assess it

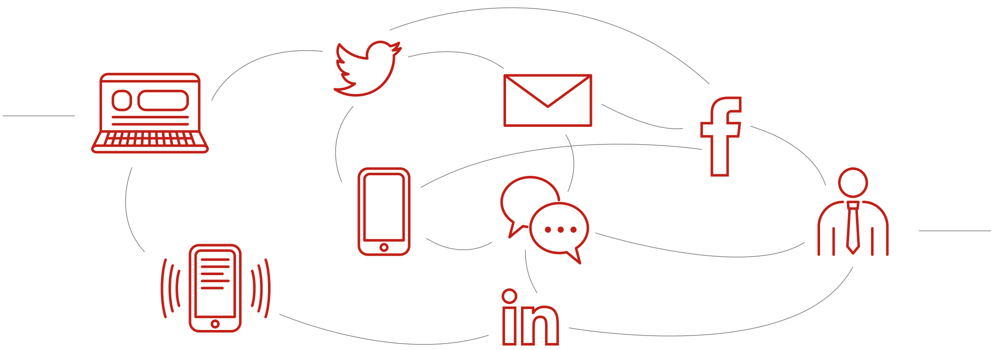
Main long-term factors that could significantly affect the business and capacity of the Group to create value

New customer needs

In an economic environment characterized by uncertainty, consumer attitudes toward insurance products and services are changing. These changes have their roots in two global trends: digitalization, which introduced new options for selling and using insurance solutions, and economic uncertainty, which has impacted spending on certain forms of retirement savings and insurance. Today's clients are increasingly attentive to quality of service and more independent in their decision-making thanks to a multitude of information sources available via the internet. They are no longer satisfied with simply consulting an agent and purchasing insurance products; they expect the same kinds of tailored services they find in other industries, as well as solutions that respond to their real life needs.

Traditionally, the customer journey was a direct path from phonebook to agent

Today the customer journey is nonlinear, characterized by multiple touchpoints



Strategic risk
Insurance risk

We believe that technological development is crucial for providing effective and appealing insurance solutions: we are designing and implementing a digital transformation in our Group entities to provide clients with insurance solutions and assistance whenever and wherever they want, via both traditional channels and mobile channels. Our aim is to become a leading European retail insurer by taking advantage of this digital transformation and by changing the company mind-set to a customer-centric one where insurance solutions and assistance services are provided across web, mobile and traditional channels.

For further information please refer to Our strategy, page 41 of this report and Generali for innovation, Clients at the heart of our Group and Sales network in the Sustainability Report 2015

Demographic and social change

Trends in population aging continue to influence contemporary society, driven by a greater life expectancies and falling fertility rates. These trends are only partially offset by migration, which tends to increase the younger strata of the population even though their average income generating power is much lower. Family structures, previously the main backbone of social and economic support, are also evolving, thus increasing the challenges at social level. The implicit risk in these phenomena is the creation of increasingly unbalanced societies, where the higher post-retirement requirements of the older population are no longer properly covered by the public system, and the economic and financial resources produced by the younger categories of the population, or from private savings, have to be directed and valued more carefully. Life insurance plays a fundamental role in monitoring and managing the consequences of a changing society.

Underwriting risk
Emerging risk

We are aware of the growing need for solutions with a high social security content and the increased need to ensure coverage for the higher health care expenses as people age. We are also aware of the lack of knowledge and the reluctance to look for insurance solutions to adequately meet these needs, due to a lack of comprehensive and easily accessible information on products or insufficient awareness of possible future individual or family needs. We are therefore committed to strengthening dialogue with working age people, helping them to accurately assess their capacity for saving and the financial gap between the pension that has accrued by the age of retirement and the projected income and to therefore ensure that future income will be enough to cover the future requirements. It is also important to focus on covering possible immediate requirements, addressing the main risks that could affect the earning capacity of young families and describing adequate risk products. Improved dialogue allows people to be more aware of their needs and allows us to take appropriate actions.
In addition to the traditional insurance solutions, we have developed innovative solutions such as the "living age solutions", insurance products linked to lifestyle developed by General Vitality, the start-up launched in partnership with Discovery in 2014. Particular focus is placed on the development of long-term care products (LTC).


By 2050, the global percentage
of over-60s will nearly double
from 2015, jumping from 12% to 22%

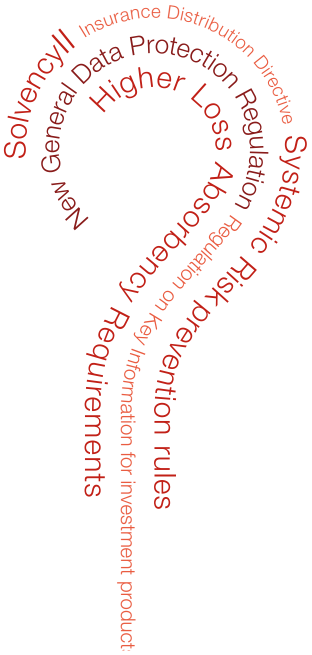
Environmental challenges

The climate is changing, becoming increasingly extreme and unpredictable.
This is clearly reflected in the factors that can be used to estimate risk, especially for insurance protection against events that depend on the weather such as floods, drought and storms. The rise in claims tied to weather-related catastrophic events is characterized by higher expected losses and increased volatility, resulting in greater uncertainty in pricing the policies, also due to the higher capital absorption resulting from the events being underwritten. If these changes are not reduced, the prices required from customers to get insurance may get too high, or the risks may even become uninsurable in extreme cases.
In a scenario in which the community has to face and deal properly with climate change, P&C insurance products can play a primary role in strengthening the financial solidity of the social and economic system as a whole.

Underwriting risk
Emerging risks

For more information on this topic please refer to 2015 key facts, page 19 of this document and The environment, towards a low carbon society in the Sustainability Report 2015

We are actively working towards identifying, following and quantifying environmental risks and are therefore committed to investing in research and studies in this area. We constantly monitor the main dangers and territories where we are exposed, using actuarial models to estimate the damage that could result from natural phenomena. We can therefore optimize our underwriting strategies, and link them to targeted reduction of the related risks in order to optimize price policies and guarantee the long-term sustainability of our products.
One of the key ways we have to achieve the aforementioned targets is reinsurance: we manage our protections on a centralized basis in order to take advantage of economies of scale and pricing due to the size of the Group, therefore taking advantage of the business diversification and making the most of our "purchasing power" on the international reinsurance markets.
Our answer to the challenges arising from catastrophic events, included those related to climate change, is to develop innovative products, along with a high level of services in order to meet the potential demand of more and improved protection against catastrophes.
Finally, we are also committed to promoting an adequate regulatory regime to reinforce the strength of the socio-economic system as a whole.



Increased regulatory constraints

Insurance industry regulation is extremely active at national, European and international level. In particular the sector is influenced by the following initiatives: Solvency II, the European project aimed at reforming and harmonizing the prudential supervision of the insurance and reinsurance business, aiming, inter alia, at defining capital requirements in order to reduce insolvency risk; the new European Insurance Distribution Directive (IDD), which will introduce stricter rules on the distribution of insurance products in order to increase consumer protection, improve information transparency and reduce conflicts of interest.

At the end of the negotiations among the European institutions, a political agreement was reached on 15 December 2015 regarding the European legislation regarding the protection of personal data which will become compulsory for all member states in 2018 and will regard all sectors, including insurance. This regulation was needed because of continuous technological developments, especially with respect to the protection and safeguarding of personal data.

Furthermore, it is worth mentioning the Common Framework (ComFrame) Project launched by the International Association of Insurance Supervisors (IAIS) and designed as a set of international supervisory qualitative and quantitative requirements focusing on the effective group-wide supervision of all Internationally Active Insurance Groups (IAIGs).

Operational risk
Strategic risk

For further information please refer to Clients at the heart of our Group and With institutions: sharing and contributing of the Sustainability Report 2015

As regards the **Solvency II** regime - that has entered into force for all European Insurers since 1st January 2016 - we have implemented the new organizational requirements as well as the formal procedures for the adoption of the Internal Model to measure the capital requirements.

With respect to the **European Insurance Distribution Directive**, our BORA Wind of change in the EU Insurance Distribution Legislation is progressing; this is an important international and cross-functional initiative aimed at sharing knowledge and best practices in the field of product design and distribution strategies.

As regards the new **personal data protection** requirements, we have closely followed the negotiations on this topic over the past year, proactively contributing to the European debate. We will continue to monitor the final phase of the legislative procedure and will engage to fully apply its principles with respect to all our activities.

Data use is also linked to the development of telematics in the insurance area. Together with other stakeholders, we are contributing to the work carried out at EU level which aims to tackle the different aspects related to the use of telematics and intelligent transport systems.

Also Generali will have to comply with the IAIS **ComFrame** requirements and particularly with the International Capital Standard which will be tested during 2016 and effectively applied as from 2019.

Uncertain financial and macro-economic landscape

2015 was characterized by modest global growth, uncertainties regarding the possibility of a Grexit, very easy monetary policies and the economic slowdown of emerging economies. In this context, rates on government bonds in advanced countries stayed low and the stock market performance therefore benefited.
Once the risk of a Greek exit from the euro was averted thanks to a last minute agreement, market attention shifted to the fragility of emerging markets. In China, fears of an economy worse than the GPD data suggested were also fuelled by a decision by the authorities to intensify depreciation of the Yuan against the dollar. However fears of a hard landing fell towards the end of the year. Other emerging countries have shown some problems, particularly Brazil, with the currency falling sharply and very poor tax metrics.
These fears about a global economic slowdown and possible crisis in the international markets prompted the Fed to postpone the first rise in the policy rate. However, the US economy has continued to show signs of recovery: the labour market has confirmed its strength, with unemployment rates down to balanced levels, and the revised GDP in the third quarter led to a 2.1% annualized increase, slightly above the potential. The Fed therefore decided to raise the benchmark rate in December.
In the Euro Area, the third quarter GDP stood at +0.3% (compared to the second quarter) due to weak exports. However, business confidence indices point to a recovery in the last three months of the year, both in manufacturing and in services. The overall inflation rate remained well below the ECB's objective. This was largely due to the effect of the drop in oil prices on the prices of manufactured goods and services and the deflationary pressures from emerging countries.

As for the insurance industry, we expect good trends in premiums for the P&C sector in the main countries of the Euro-zone, in line with the, albeit weak, economic recovery. The Life business will continue to be affected by the current low interest rates, in addition to a minimum recovery in disposable income. The position of banks will be crucial, who may have increasingly less interest in pushing insurance products once landing increases.

Financial risk
Credit risk
Strategic risk

We have placed more emphasis on the integration of the processes as to product development, strategic asset allocation, asset liability management and risk management in order to properly manage the challenging macroeconomic and financial situation, and the entry into force of the new Solvency II rules.
The economic capital requirements, Group income targets and yield expectations of policyholders are the main factors influencing the definition of the asset allocation strategy.
The low interest rates are dealt with by ensuring greater diversification in terms of asset class and geographical exposure, and paying more attention to the coherence between assets and liabilities.

“Globally, 1 in 4 adults should get more exercise to stay healthy

Our Vision

Our purpose is to actively protect and enhance people's lives

Actively
We play a proactive and leading role in improving people's lives through insurance.

Protect
We are dedicated to the true role of insurance - managing and reducing risks for people and entities.

Enhance
Generali is also committed to creating value.

People
We care deeply about the future and the lives of our clients and our people.

Lives
Ultimately, we have an impact on the quality of people's lives: wealth, safety, advice and service help people's quality of life in the long term.

Our Mission

Our mission is to be the first choice by delivering relevant and accessible insurance solutions

First choice
Ultimately, we have an impact on the quality of people's lives: wealth, safety, advice and service help people's quality of life in the long term.

Delivering
We guarantee that the results will be achieved, striving to provide the best performance possible.

Relevant
We know how to foretell and fulfil needs, taking opportunities. We tailor the solutions on the basis of the needs and habits of our customers, so that they will recognize the value.

Accessible
Simple, above all. Easy to find, understand and use. Always available at a competitive price.

Insurance solutions
We want to propose fully comprehensive, personalized insurance solutions in terms of protection, advice and service.

Our Values

Deliver on the promise
We wish to build a trusting, long-term relationship with our employees, clients and stakeholders. Our work is all about improving the lives of our clients. We use discipline and integrity to fulfil this promise and make a positive impact in a long-term relationship.

Value our people
We value our people, encourage diversity and invest in continuous learning and growth by creating a transparent, cohesive and accessible working environment. Developing our people will ensure our company's long term future.

Live the community
We are proud to belong to a global group with strong, sustainable and long lasting relationships in every market in which we operate. We feel at home in every market.

Be open
We are curious, approachable, proactive and dynamic, with open, diverse mindsets and we want to look at things from a different perspective.

Some examples about our Values in action in 2015

Deliver on the promise

The end of 2014 represented a turnaround for Generali that celebrated the achievement - one year ahead of the 2013 – 2015 plan - of ambitious targets in terms of Solvency, operating result, cash flow and cost reduction. This result was achieved through the sale of several non-core assets.
At the same time we acquired minority interests in assets critical to our business, which we now fully control, especially in Central Eastern Europe. We also reorganized the business in Italy. Also 2015 results confirm the target achievement.

		Target 2015
Operating return on equity	ROE 14.0% (+0,8 pps)	Operating result on equity 13%
Solvency I	164%	Solvency I 160%
Proceeds from disposals	~ € 4 bln	Proceeds from disposals 4 bln cash generated from disposals

Value our people

LEAVE YOUR MARK

Our new strategy was 100% developed internally.

Our employees were highly involved in both the development of new strategy (the Leave Your Mark initiative involved more than 300 employees) and the subsequent distribution through the Group business units.

- a team of about 40 talented young colleagues from the Group
- a steering committee of senior colleagues, Global Leadership Group (GLG) members and senior managers
- 5 months of exciting work

Live the community

As insurers, considering our high social impact, we cannot ignore the context that we operate in. We have always been committed to improving and protecting the local communities in which we operate. We continued to take a strong level of interest in the community in 2015.

Management of serious injury
We changed our approach to serious injury cases, introducing greater focus on the customer compared to the more traditional compensation-based approach.
This new approach already operates in Germany, France and Austria, with already more than 250 new cases managed, and a strong focus on training and development of new professionals. It is currently being introduced to the Italian market.

Injured-centric “human touch” approach

Active Bodily Injury Management

Event

- Visit and contact with the injured person and his/her family
- Evaluation of the person’s needs

Social reintegration through an individual tailor-made program

- **Physical recovery** – access to nursing homes or rehabilitation centres
- **Rehabilitation in the working environment** – access to specific rehabilitation and training centres
- **Social rehabilitation** – psychological assistance, home-adaptation

This approach is currently being introduced to the Italian market and all the main markets where Generali operates; particular attention is paid to the training and development of new professionals (specialized settlement agents and internal case management).

Extreme events

We are aware that a timely, effective intervention can help to lift entire communities hit by extreme events.

Tornado in Dolo, Venezia (Italy)

- Task force with in-house experts for rapid assessment of damage
- Activation of the assistance structures to quickly gather the claim notifications
- Rapid intervention to repair the damage
- Preferential channel to settle claims
- Advances on claim settlement amounts
- Single victim and more than 700 claims paid within the first 2 weeks

> 700

claims paid within the first 2 weeks

Floods in South East France

- Joint crisis committee with Generali France/Europ Assistance France to manage the emergency
- Immediate activation of a hotline for customers operating 24/7
- Notices on Nice Matin for the victims to improve organization of the emergency activities
- Assignment of a special expert to the partners to assist in logistical help, regulate the flow of requests, identify the damaged goods or vehicles etc.


“
Connectivity is king: by 2019, smartphones will produce three-quarters of mobile data traffic

Be open

Our dynamic and proactive approach allows us to offer innovative solutions also in the field of new technologies.

Innovation is crucial to influence changes in our industry. We are implementing innovation initiatives in the following three directions:

- crowd sourcing innovation
- incubation and co-operation with start-ups
- innovation through new partnerships

As proof that we pay particular attention to technology, we are the first and only Italian company on the list of the so-called smart companies compiled by the MIT Technology Review. The Group came before companies like IBM, Microsoft and Uber, thanks to an innovative range of insurance solutions based on data analytics

For further information please refer to Our strategy, page 41 and Generali for innovation in the Sustainability Report 2015

“The insurance market is in the middle of an intense period of change. Generali decided to approach innovation on different levels, looking at global partnerships with international players like Microsoft that have complementary skills, and seeking to leverage the community of innovators, start-ups, and businesspeople outside of the Group to generate ideas, business models and technical solutions that can help respond to the new challenges.

Gian Paolo Meloncelli,
Group Strategy and Business Development Director

Our strategy

Within the scope of the Group strategy, we aim to achieve our financial and commercial goals in accordance with our vision, mission and values by pursuing the following guidelines:

Retail leader in Europe

This ambition fits our footprint and our DNA; it is based on our core strengths (for example, broad private client base, strong market position in key markets and well-organized, extensive distribution). By pursuing this goal we will also improve our ability to generate and manage cash to finance the investments needed for our transformation.

Simpler and smarter

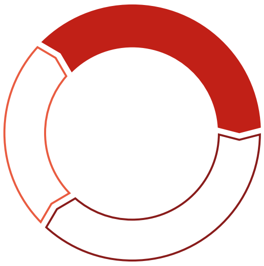
We aim at being simpler and smarter with new products for consumers that are easy to understand and use, connected, personalized and modular. We will also pursue this objective through business innovation (for example, collaborating with external suppliers) and investing in the acquisition of new capabilities such as advanced data analytics.

Fast, lean and agile

We will be more efficient in order to maintain a competitive cost position and help fund our transformation.

A high level of engagement and empowerment to spark success for the company

We are committed to engaging our people and empowering them by fostering a new mind-set and cultural shift, ensuring good leadership and talent management and encouraging the culture of simplicity. A high level of engagement and empowerment of our people will help us to accomplish our strategy.



Retail leader in Europe

Our strategy of becoming a Retail Leader requires that we:

- successfully distinguish ourselves from competitors by providing a superior customer experience to increase customers' loyalty, for example, providing the right products and services at the right time and through the most appropriate channels;
- expand the skills of our distributors moving from the traditional model of distributors as customer "gate keepers" towards a model where distributors are actively involved;
- enhance our ability to generate cash to fund the investments needed to become retail leaders.

Our geographic focus is still Europe, a region where we generate significant value; however, we are committed to increasing our footprint in other geographical areas and in the Corporate and Commercial business lines.

Two core Group wide initiatives are:

Development of the Transactional Net Promoter Score (T-NPS)

The Transactional Net Promoter Score system is a focused, systematic method to listen to and act on customer and distributor feedback. It allows us to improve customer satisfaction, customer value and our profits (by improving customer loyalty and cross-purchasing and up-purchasing). It also drives cultural change by creating a customer-focused mind-set throughout the organization.

T-NPS deployment is accelerating: 14 business units are currently live at year end 2015. We aim to cover the whole Group by 2017. We have already sent over 817 thousands questionnaires to customers, and got a consistently high response rate (19,4%), showing that our customers wanted to be heard. Two key benefits are emerging in business units where NPS is live:

- customer feedback plays a more prominent role in all key decisions, and
- we are learning more about what customers appreciate and what creates problems.

We are working on a number of these areas. We consequently improved communications with customers to update them on the extra services available at Generali partner garages for claims repairs (e.g., in France, agents are now trained specifically on the advantages of going to Generali partner garages so they can better advise their customers).

More than
817 thousand
surveys sent

More than
158 thousand
responses

More than
119 thousand
comments

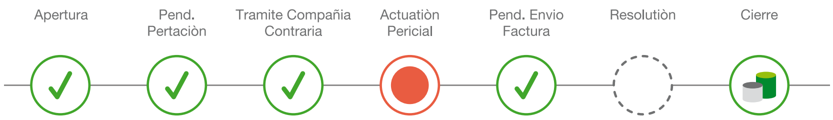
More than
31 thousand
detractors called back

Another initiative involves the business units starting specialized training courses to enable frontline employees to further improve their relationship with the customers and therefore to improve our customer experience as a whole (for example, empathy training courses have been given in Poland for its claims handlers, with the staff being evaluated on their empathy skills during the promotional stage of the process, with cash bonuses being given for "most empathetic conversations").

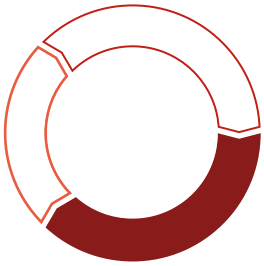
Enhance online visibility

An effective online presence is a critical component of our new strategy. Research conducted in 21 countries showed that there are opportunities to enhance our online presence to improve customer service. We recently launched a new corporate website (Generali.com) and we are also extending the new set of Group standards to all our digital platforms (website, social media, etc).

Thanks to the feedback from using the T-NPS, we detected a certain level of dissatisfaction of our customers in Spain regarding claims management and the related documentation. We therefore created a user-friendly website where customers can follow the process in real time, using a checkmark-based tool which shows the status of their claims. There is also a mobile app available to use this service.



Other clients were not happy with the level of communication regarding the services provided by third parties, and since they had been organized through Generali, it was difficult to maintain direct contact with the repair staff, even for simple problems such as missed meetings or rescheduling. So, a SMS message can now be sent automatically to the customers' mobile phone after a claim is opened, so that the technician can be contacted directly, but Generali will still be able to reorganize a meeting.



> “Technical Excellence constitutes a flawless execution as the “Generali way” of delivering on the promise.
>
> **Valter Trevisani,**
> Head of Group Insurance and Reinsurance

Simpler and smarter

An excellent customer experience can only be obtained by being simpler and smarter. It means offering new proposals that meet customer needs, reflect their habits and go beyond providing a simple guarantee.
We identified four components over the past few months to deliver simpler and smarter solutions for Products and Services:

- Connectivity: delivering a high level of service to clients taking advantage of the huge amount of information available.
  The Generali Group is one of the leading operators in the use of telematics and profiling of driving styles, with the aim of providing innovative and tailor-made products for customers and profitable rates for the more virtuous policyholders. The Group telematics portfolio continued to increase in 2015, and reached the milestone of approximately 920,000 policies mainly thanks to the contribution of Generali Italia and Genertel for Italy, Generali España for Spain and Generali Poistovna a.s. for Slovakia.

  In this context, the acquisition and integration of MyDrive solutions has played a crucial role in enhancing our skills. MyDrive Solutions is an excellent data analysis company, based in London, and uses its skills in data science and software engineering in addition to algorithms to analyze behaviour for pricing purposes and to provide solutions that currently include:
  - usage based insurance (risk profiling, pricing, analysis of claims and fraud).
  - analysis of driver behaviour for: customer loyalty proposals, ad-hoc car insurance offers, knowledge of wear and tear of the car and of its use, predictive maintenance.

- Simplicity: making our customers’ life easier, offering clear, simple solutions.

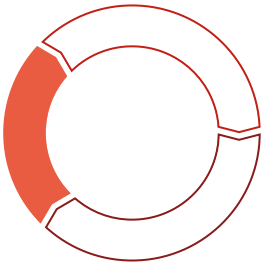
  A concrete example of this growth process was the launch in Slovakia of the innovative product called SOS Partner, the first product of this type in Central Eastern Europe. The product - which uses telematics with a panic button installed professionally onto the windshield of the client’s car - allows advanced assistance to be provided to the driver and his/her entire family in case of need. This example of connected insurance allows the more serious road accidents to be detected automatically: a service request is automatically sent to the operations centre of Europ Assistance and the customer can speak directly to an operator to check the type of assistance required or get immediate access to the emergency services. At the same time the product is used to determine the driving style of the customer and uses a "Pay How You Drive" algorithm to reward virtuous drivers through discounts when purchasing and renewing the policies.

- Flexibility: solutions tailored to customer needs, that are built around the client, allowing a tailored approach to shaping the offer, modifying it as time passes, and choosing the type of channel and payment.

- Proactive protection: rewards for healthy lifestyles and integration of preventive elements in the insurance solutions, creating real value for customers and providing peace of mind.

These 4 components clearly set Generali solutions apart in the insurance market, and this should help it develop its cross selling activities and the acquisition of new customers.

For further information please refer to Generali for innovation in the Sustainability Report 2015



Fast, lean and agile

Becoming fast, lean and agile is an essential requirement in delivering a competitive and sustainable Group expense ratio and providing the investment resources to become leader in the retail market.
With an initial focus on cost efficiency (our Opex Program) we have kept the Group cost base at the same level as 2012, for equivalent savings over € 800 million in 2015.

Key achievements so far include:

- Within the scope of the IT systems, we have established the Generali Software Factory through an agreement with 2 major IT providers. This helps all major business units through the application selection, rationalization and sharing and the management of needs and licenses, helping to develop IT applications faster and at lower cost. It also enhances performance and provides the basis to support our digital transformation. In 2015 all major business units joined this project.

- IT Infrastructure: Generali Infrastructure Solutions, Generali's first shared service company went live in July 2014. We are now midway through the data centre consolidation process.
In addition to reducing costs, the program delivers improved services such as disaster recovery capabilities and state-of-the-art data security. Major milestones have already been reached with regard to data centre consolidation and the main major migrations have been completed (e.g. migration of the French and Czech Republic mainframe to Aachen); the migration plans for the other countries have already been planned and are currently being implemented. With regard to workplace harmonization, we have also selected a new single provider of help desk services for users and a global basket of standard hardware models.

- In the Premises & Facility Management changes are tangible. The Paris Campus was completed in 2015 with the consolidation of 26 sites and significant, consolidations involved buildings in Prague and Milan. Common space planning standards were also defined, in order to improve the workplace quality and control costs.

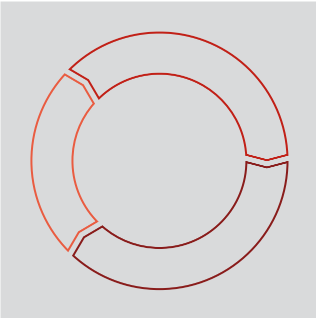
- Procurement is a major contributor to cost savings and helping to harmonize/improve service levels and the quality of purchased goods across the Group. We have worked to full capacity and developed more than 525 projects involving all operating units.

- With reference to operations, there were 2 cross-discipline initiatives launched in 2015 involving unit-linked and payments where we aim to provide cross-business unit services to develop and share capabilities within the Group companies. 2015 was also an intense year with respect to improving the lean processes, with more than 200 projects planned at national level, and approximately180 internal experts trained to various levels.

These initiatives form an integral part of the transformation plans of our operating units, with specific programs delivering large benefits for each unit. Notable achievements in 2015 include the Generali Italia Integration Program, where the major steps in terms of roll-out systems and portfolio migration are completed, the operational transformation initiatives in the Central Eastern European countries, with major programs running in the Czech Republic, Hungary and Poland, and the branch network reorganization in Spain.

We intend to invest and prioritize the resources generated by these programs to become a leader in the retail market, simpler and smarter. We will support the digital transformation process (e.g., through IT support for data analytics, mobile strategy implementation, and ensuring renewal of technological support for our distributors with, inter alia, presence on social media, new CRMs and sales enablers), and new initiatives aimed at increasing both cost efficiency and access for all business units to the best skills, always with a customer driven philosophy.

Going forward we will expand the scope of these Group programs to all areas of the operating platform. This will allow us to reach total savings of € 1.5 billion for the 2012-2018 period, and to finance investments of € 1.25 billion over the next three years.



A high level of engagement and empowerment as the key enabler of business success

76,191

Our people across the world

People are our most valuable resource, our most strategic asset. We believe that a modern and competitive multinational must first and foremost value and motivate the first ambassadors of our brand with regards to our clients and stakeholders.
Our People Strategy is founded on four priorities:

- promote engagement and empowerment
- strengthen our leadership and talents
- build an agile organisation and new capabilities
- shift mindset toward customer centricity

Promote engagement and empowerment

At Generali it is fundamental to promote the engagement and empowerment of people so they can make informed decisions, demonstrate their leadership and better fulfil the needs of our clients.

Generali Global Engagement Survey: Have Your Say

In 2015 we launched the first Global Engagement Survey, in collaboration with an independent external consultant, involving leaders and managers with the aim of assessing internal levels of engagement and awareness with regard to the Group's goals and people's roles in contributing to their achievement.
The results enabled us to identify a series of global and local priorities to implement through concrete and simple initiatives, managed by each country and integrated in a structured action plan. At global level the following priorities emerged:

- develop a performance culture that is focused on the client and meritocratic
- be simpler and smarter: promote the empowerment and independence of our people through various levers (e.g. training, communication, systems of acknowledgment etc.)
- promote diversity & inclusion to facilitate innovation.

The Global Engagement Survey therefore defines the foundations for the changes that will be important for us and for the Group's future. It will take place every two years and will allow us to measure the level of engagement and empowerment with the aim of promoting a process of ongoing improvement.

> 1,000

Workshop arranged by the countries to support local plans

> 300

Local initiatives presented and launched from January 2016

>70,000
employees invited
in 42 countries

59,108
employees
took part

85%
overall level of response
+5% vs. global benchmark*

53% men
47% women

80
questions

in 29
languages

> 34,000
open comments received

engagement rate
82%
+1% vs. sector benchmark**
+6% vs. benchmark for companies involved in major changes
calculated on the average percentage of the positive answers based on the following questions

85%
are proud to work for Generali

86%
believe in the company's goals and objectives

85%
wholly support the Group values

82%
would recommend the Group as a good place to work

69%
believe to be inspired by the Company to make their best in the job activities

88%
are willing to do more than requested to contribute to the company success

* Global benchmark: average based on the response rates obtained in all surveys carried out in the last two years at global level by the independent external consultant with whom we collaborated

** Sector benchmark: standard for the independent external consultant with whom we collaborated for finance companies headquartered in Europe

> "Empowerment is a system of actions that creates a new everyday working style discipline, based on trust and autonomy, strong ownership, personal accountability and the willingness to go the extra mile. It is the greatest strategy enabler.
>
> **Monica Possa,**
> Group HR & Organization Director

50.4%
Men

49.6%
Women

Our journey towards diversity & inclusion

Constructing and supporting a diversified and inclusive organisation is becoming increasingly important for developing innovative products and services, interpreting and understanding the decisions and behaviour of clients. Taking our inspiration from international best practices, our ambition is to develop a culture that celebrates different ways of thinking, particularly as a result of generational, gender and geographical differences. Our diversity & inclusion programmes seek to raise awareness and sensitivity around issues that will increasingly become the subject of debate and new expertise, in a context aided by digitalisation. For this reason we are reviewing our internal personnel management processes and launching systems and pilot projects that can make our working environment flexible in the face of different needs, for example with the introduction of smartworking.

Performance management

Feedback is crucial for the development process and a useful tool for improving people's understanding of their abilities and strengths, and their interaction with their group. We are working to create a 'culture of feedback' through a performance management system that promotes constructive dialogue between managers and their people with the goal of having a regular performance feedback system for 100% of employees by 2018.

Strengthen our leadership and talents

Training has always been a priority and involved all of the Group's employees. We are particularly keen on developing our leaders and allowing our most talented employees to emerge in a meritocratic environment in which enterprise and growth are encouraged. More specifically, the Group Academy, responsible for designing career paths and training programmes at Group level, is focused on the growth of our leaders and investing in improving their skills and expertise through a training package based on international programmes at corporate level. In order to develop our talents we have established succession plans for key roles in the Group, guaranteeing that future leaders take all of the necessary steps to reach a senior position. We believe it is possible to identify and develop talent at every level of the company, to guarantee a sustainable line of succession, through correct development and career progression. To

36.2 (+5.1%)
Average hours of training per capita

€ 61.5 mln
Training costs

this end we offer various programmes:

- Global Leadership Programs, global training programmes aimed at promoting strategic thought and leadership skills, providing participants with different managerial tools and accelerating the transition from manager to leader;
- Global Graduate Program, a Group initiative to promote cultural change, to develop Generali's international reputation as a top employer, and to guarantee the leadership continuity line with 20 young international talents, who take part in an 18-month development path composed of 3 international/departmental job rotations and a master's in Insurance Management;
- Technical and Managerial Education, which includes programmes designed to support managers, middle-managers and professionals, providing short practical training programmes aimed at developing and practicing managerial and across-the-board skills. We strive to promote a common culture with regard to the insurance business, facilitating the alignment of approaches, metrics and languages, providing the necessary fundamental technical skills to make a difference in the global market.

To further support the development of our people, we have provided more opportunities for international mobility: employees can transfer their skills to the other Group companies and enjoy new experiences. Asia, Brazil, the countries of Central and Eastern Europe, Germany, France and the Global Business Lines are particularly active in encouraging mobility

~ 300

people involved so far in international mobility programmes in 35 different countries

Build an agile organisation and new capabilities

We believe that to face up to modern-day challenges we must be agile and develop new skills and expertise. For this reason we have invested in departments and projects like Customer Relationship Management (CRM), data analytics and digital.
In the area of human resources we are already innovating, reviewing and simplifying our processes to promote a true performance management culture, attract and retain talent, and encourage mobility at international level. We have developed a global IT platform that makes it possible to simplify processes. Currently 1,500 people are online and the platform will later be extended to the entire company population in line with international best practices.

Shift mindset toward customer centricity

Meeting the needs of our clients means listening to their feedback and using it to create an organisation that works in the most simple and smart way possible to maintain its promises. This means building a team that is ready, willing and able to work in this way.
In 2015 we introduced this client-centric focus to our main human resources processes, beginning with global initiatives ranging from the definition of management goals to onboarding for new hires, the strengthening of the customer focus among leaders, and the development of talent. The projects aimed at redefining expertise, increasing awareness of the customer and aligning the recognition of performance will continue in 2016.
In 2015 we began telling the stories of the Client Heroes on the Group portal to give perfect visibility to those that have done something special for clients, going beyond their regular role to really make a difference.

Our governance and remuneration policy

At 31 December 2015

Around 231,000 shareholders

General Meeting

Corporate body which expresses the will of all the shareholders by issuing resolutions.

20.85%
Main shareholders*

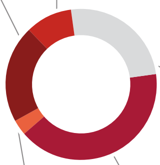
13.284% Mediobanca S.p.A. (206,810,114 shares)

3.176% Delfin S.AR.L (Gruppo Leonardo Del Vecchio) (49,452,000 shares)

2.232% Gruppo Caltagirone (34,750,000 shares)

2.157% People's Bank of China (33,581,081 shares)

* Subjects held - either directly or indirectly through third parties, trustees and subsidiaries - more than 2% of the share capital



10.23%
Other non retail investors

24.92%
Retail shareholders

40.77%
Institutional shareholders

3.23%
Non identifiable shareholders

Board of Directors

Corporate body appointed by the General Meeting through a slate voting mechanism and responsible for approving the strategy proposed by management and for supervising management activities in pursuit of the corporate objective.

Chairman

He has the power of legal representation of the Company and does not hold an operational role, as he is not assigned further powers in addition to those set forth in the Articles of Association.

Group CEO

He has the power of steering and operational management of the Company and the Group, in Italy and abroad, with the powers of ordinary administration, in line with the general planning and strategies determined by the Board of Directors, within the amount limits resolved, without prejudice to the powers assigned by law or the Articles of Association exclusively to other Company bodies or otherwise delegated by the Board of Directors.

Group Management Committee

Established with the goal of ensuring greater alignement on Group strategic priorities and a more effective, shared decision-making process on relevant topics to the Group, by means of a team approach fostering shared information and strenthening international perspectives, it represents the main support mechanism for the Group CEO's strategic decisions, such as those concerning risks and investments, the assessment of Group financial and industrial results and the steering of the main strategic programs of the Group and/or impacting on more countries.

Balance Sheet Committee

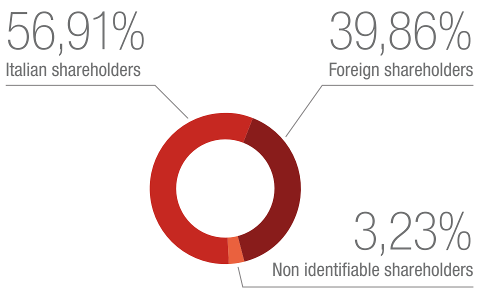
Cross-functional Committee that examines and identifies topics with material impact on the financial statements both at Group and Assicurazioni Generali S.p.A. level.

Finance Committee

Cross-functional Committee that examines and evaluate extraordinary investments and transactions.

Product & Underwriting Committee

Cross-functional Committee that supervises the profitability and risk level of new insurance business by means of a centralized process of prior approval of new products.



- 1,556,873,283 registered shares, all of which are ordinary shares, each with a nominal value of € 1.00
- € 16.92 closing price of Generali shares at 31 December 2015 (€ 15.26 lowest price at 7 July and € 19.07 maximum price at 11 March)
- € 26,342,295,948 market capitalization

Board of Statutory Auditors

Corporate body that is appointed by the General Meeting through a slate voting mechanism and has supervisory functions on the compliance with the law and the Articles of Association and on management control.

Indipendent Auditor

External supervisory body responsible for the regulatory audit of the Company's financial statements.

Surveillance Body

Collective body that reports to the Board of Directors and to which tasks and powers relating to the drafting, development and promotion of costant updates to the Organisation and Management Model are attributed.

Remuneration Committee

It has the task of expressing its opinion and make non-binding proposals to the Board on (inter alia) remuneration policies and the determination of the remuneration payable to the Chairman of the Board, Managing Directors, General Manager and the members of the Group Management Committee.

Risk and Control Committee

It has the task of assisting the Board in performing the obligations assigned by the Code and the regulations of the Italian Insurance Supervision Body and, therefore, in determining the guidelines of the internal control and risk management system, assessing its adequacy and actual functioning on a regular basis, identifying and managing the main corporate risks. It has also consulting, recommendation and preparatory functions on environmental and social matters involving the Company and the Group.

Sub Committee for Related Party Transactions

It has the task of expressing its opinion of related party transactions submitted for its attention by the Board or bodies holding delegated powers, in accordance with the related party transaction procedures approved by the Board.

Appointments and Corporate Governance Committee

It performs a consultative, recommendatory and preparatory role in favour of the Board when taking decisions falling within its responsibility relating to its size and composition and the maximum number of directorships or appointments as statutory auditor which can be held by Directors in other companies listed on Italian or foreign regulated markets, or in finance, banking or insurance companies or other large companies. It performs preparatory activities relating to the drafting of the succession plan for Executive Directors, members of the GMC and the GLG, and assists the BoD with decisions relating to the structure of the corporate governance rules of the Company and the Group. It also expresses an opinion on the institution of the GMC and on development and management policies relating to the GLG's resources. Finally, it expresses an opinion on the appointment of the Chairmen, executive Directors, General Managers (or top management executives who hold equivalent positions) and statutory auditors of the subsidiaries with strategic importance, and non-executive directors, if recruited from outside the Company and the Group

Investment Committee

It conducts a periodic analysis of the Group investment policies, the main operational guidelines and the corresponding results, and a prior analysis of major investment and divestment operations.

> “Corporate governance lies at the heart of a company and must be considered as a way of running a company's daily activities in the interests of all stakeholders in order to achieve sustainable results over time.

Gabriele Galateri di Genola,
Chairman

Focus on the Board of Directors at 16 March 2016

Gabriele Galateri di Genola*
Chairman
Executive
Director responsible for the internal control and risk management

Nationality
Italian
Professional background
Manager
In office since 8 April 2011
Board committees
Chairman of the Appointments and Corporate Governance Committee
Chairman of the Investment Committee

* Interim holder of the executive powers of the Group CEO, on an urgent basis, since 9 February 2016

Francesco Gaetano Caltagirone
Vice-Chairman and Deputy Chairman
Non executive
Independent*

Nationality
Italian
Professional background
Businessman
In office since 28 April 2007, Vice-Chairman since 30 April 2010
Board committees
Investment Committee
Appointments and Corporate Governance Committee

Clemente Rebecchini
Vice-Chairman
Non executive

Nationality
Italian
Professional background
Manager
In office since 11 May 2012, Vice-Chairman since 6 November 2013
Board committees
Risk and Control Committee
Investment Committee

Alberta Figari
Director
Non executive
Independent*

Nationality
Italian
Professional background
Lawyer
In office since 30 April 2013
Board committees
Chairwoman of the Risk and Control Committee
Chairwoman of the Sub Committee for related party transactions

Jean-René Fourtou
Director
Non executive
Independent*

Nationality
French
Professional background
Manager
In office since 6 December 2013
Board committees
Remuneration Committee

Lorenzo Pellicioli
Director
Non executive
Independent*

Nationality
Italian
Professional background
Manager
In office since 28 April 2007
Board committees
Appointments and Corporate Governance Committee
Remuneration Committee

* As defined in the Self-Regulatory Code

Ornella Barra
Director
Non executive
Independent*

Nationality
Monegasque
Professional background
Enterpreneur
In office since 30 April 2013
Board committees
Chairwoman of the Remuneration Committee

Flavio Cattaneo
Director
Non executive

Nationality
Italian
Professional background
Manager
In office since 5 December 2014

Sabrina Pucci
Director
Non executive
Independent*

Nationality
Italian
Professional background
Professor
In office since 30 April 2013
Board committees
Risk and Control Committee
Sub Committee for related party transactions

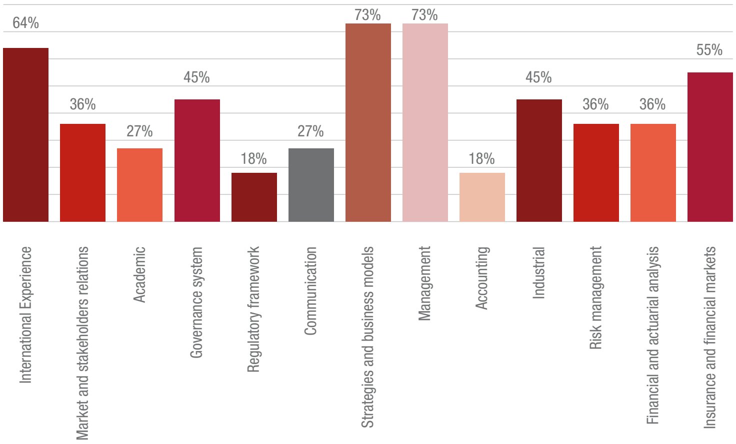
Paola Sapienza
Director
Non executive
Independent*

Nationality
Italian
Professional background
Professor
In office since 30 April 2010 - elected from the minority slate
Board committees
Risk and Control Committee
Sub Committee for related party transactions
Investment Committee

The remuneration policy for non-executive directors provides for payment of a fixed amount and additional compensation for those who are also members of board committees in accordance with the powers conferred to those committees and the commitment required in terms of number of meetings and preparation activities involved.
Incentive plans based on financial instruments are not involved and a variable component amounting to a total of 0.01% of the Group net result is granted, subject to a maximum total limit of € 300,000 to be equally divided among the directors.
The remuneration policy for the Group CEO, the only executive director, comprises a fixed amount, a variable amount (short and medium / long-term) and benefits in line with the remuneration package of the other executives with key responsibilities as described below.

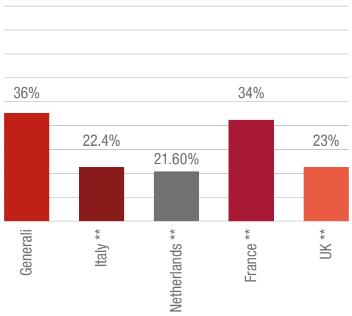
* As defined in the Self-Regulatory Code

Skills



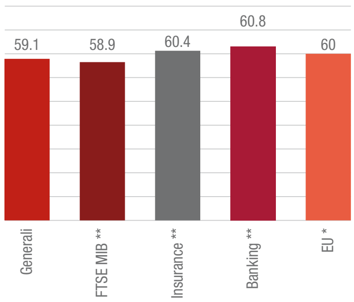
The Board is regularly informed of the main legislative and regulatory developments affecting the Company and its governing bodies, and of the events characterizing the international economic scenario, which may produce any significant impact on the Group's business.
Five days to inform of the strategy and Solvency II were organized during 2015.

Gender diversity



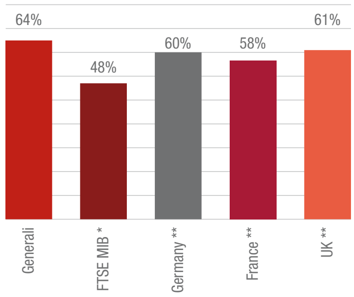
** Spencer Stuart "Italia Board Index 2015"

Average age



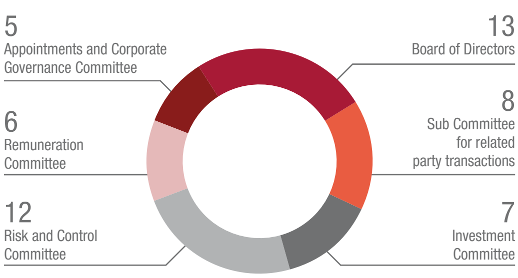
* Hay Group "Non Executive Directors in Europe 2014"
** Assonime "La Corporate Governance in Italia: Autodisciplina e remunerazioni"

Independent



* Assonime "La Corporate Governance in Italia: Autodisciplina e remunerazioni"
** Spencer Stuart "Italia Board Index 2015"

Meetings held in 2015



Percentage of the Directors' attendance at the meetings held in 2015

Board of Directors	96.45%
Remuneration Committee	94.44%
Risk and Control Committee	95.83%
Sub Committee for related party transactions	100%
Appointments and Corporate Governance Committee	93.33%
Investment Committee	92.86%

Updated and detailed information is available on
www.generali.com/Governance/Board-of-Directors
www.generali.com/Governance/Remuneration

"By 2030, the new global middle class is expected to grow by 172% compared to 2010 levels, especially in emerging economies

Focus on the Group Management Committee (GMC) at 16 March 2016

Gabriele Galateri di Genola*
Chairman
GMC Chairman

He has the power of steering and operational management of the Company and the Group, in Italy and abroad, with the powers of ordinary administration, in line with the general planning and strategies determined by the Board of Directors, within the amount limits resolved, without prejudice to the powers assigned by law or the Articles of Association exclusively to other Company bodies or otherwise delegated by the Board of Directors.

* in office since 9 February 2016, when he has been temporarily assigned the powers of Mario Greco pursuant to the Group's provisions for succession planning of the Group CEO

Alberto Minali
Group Chief
Financial Officer

His mission is to monitor the financial performance of the Group, supervising activities related to capital management, tax, planning and control, debt management, treasury, M&A, investor relations and shareholdings supervision, also managing and presenting the Group financial reports.
He is also accountable as Manager in charge of the preparation of the Group's financial reports, in regards both statutory and consolidated financial statements.

Sandro Panizza
Group Chief
Risk Office

His mission is to guarantee a world class integrated risk management system through the definition of the risk strategy including risk appetite, limits and risk mitigation, and through the identification, monitoring and reporting of risks and the management of the risk capital model.

Eric Lombard
Country Manager
France

His mission is to transform Generali France into a client-obsessed organization serving the four client clusters chosen (individuals, affluent, professional & small enterprises, commercial). The way forward is to engage the teams, to free the initiatives and to give confidence to all employees.

Giovanni Liverani
Country Manager
Germany

His mission is to ensure business results while leading a wide strategic repositioning plan of the Group on the German market, which is currently under strong pressure in terms of competition, macroeconomic environment and regulations. The new strategy of Generali in Germany (Simpler, Smarter, For You) is based on a simpler organization, efficiency increase and significant cost reduction, competitive differentiation through product innovation and stronger focus on clients and on distribution channels. The aim is strengthening the profitability of this market and making Generali the retail market leader.

Paolo Vagnone
Group Head
of Global Business Lines

His mission is to combine the strength of four leading strategic units – Generali Employee Benefits, Global Corporate & Commercial, Europ Assistance and Generali Global Health – to offer corporate clients a full range of global insurance solutions fostering cross-selling initiatives and operational synergies and maximizing the value of the relationship with Top Tier Brokers.

Carsten Schildknecht
Group Chief
Operating Officer

His mission is to transform and run the Generali Operating Platform to deliver operational excellence, enable client and distribution excellence; to build the needed capabilities to drive the transformation and secure the executition of all programs and initiatives.

Nikhil Srinivasan
Group Chief
Investment Officer

His mission is to maximize the financial return from investments, given the constraint represented by the insurance liabilities profile and the Group risk appetite, also by establishing the Group investment strategies for all asset classes, supervising the implementation and correct execution and coordinating the Group Investment Management activities directly and indirectly through the Asset Management Companies.

Philippe Donnet
Country Manager
Italy

His mission is to strengthen our leadership on the Italian market, building more efficient operative platforms, though integration programs, business development actions and innovation initiatives.

With respect to remuneration, our governance is mainly focused on Group executives:

- Group CEO;
- members of the Group Management Committee (GMC);
- managers and executives directly reporting to the control functions, for whom specific and/or further provisions apply, in line with the regulatory requirements relating to those parties;
- other positions directly reporting to the CEO, with significant impact on the risk and strategic profile of the Group;

In line with the strategy, which aims to increase the international integration of the Group and strengthen its role internationally, our remuneration policy principles, consistent at a global level, are stated within the organization and are in accordance with the laws and local specificities. In particular, the Group pays special attention to the governance issues concerning the members of the Global Leadership Group (GLG), representing about 200 roles who have significant organizational weight within the Group and effective impact on the results and on the process aimed at fostering the strategy.

Our Principles

Fairness and Consistency:	**Alignment with corporate strategy**	**Competitiveness**	**Evaluation of merit and performance**	**Governance and Compliance**
Criteria				
Balanced remuneration packages based on role, responsibilities, skills and abilities demonstrated **Same approach** across countries/regions/business and functions	**Structured incentive systems** linked to the achievement of sustainable Group results Targets setting on an annual and long-term basis to maintain a **sustainable level of performance in terms of results and risks taken**	Constant monitoring of **peer practice and general remuneration trends of the market** **Competitive remuneration package** in terms of levels and structure Alignment with **company strategy and direction**	Variable remuneration based on **performance, differentiation and selectivity** Strong connection between **remuneration and Group results** Performance-based remuneration as a **key driver of motivation, retention and alignment with organizational goals**	Clear and transparent **governance** **Remuneration guidelines compliant** with international and national regulatory requirements and in line with Group values Dialogue with **institutional investors and proxy advisors**

Fairness and Consistency

The principles of our remuneration policy are consistent throughout the organization, in accordance with the type of business and local specificities and regulations in the various Group markets.

Alignment with corporate strategy

Remuneration systems are a fundamental way of aligning managers with corporate strategy. In this sense, our incentive systems are structured so that roles are paid in accordance with the achievement of sustainable results for the Group and the targets are set - both on an annual basis and long-term – to ensure that future goals will take account of the actual results obtained over time, also with respect to the behaviour adopted to reach these targets and their compliance with Group values so that the performance level can be sustainable and is in line with shareholder requests and regulatory requirements.

Total target remuneration

Fixed		Variable		
Fixed Remuneration	+	Annual **Short Term Incentives** (on an annual basis)	+	Deferred **Long Term Incentives** (on a long-term basis)

Competitiveness

The Group's intention is to give competitive total target executive remuneration packages with respect to our peers on the European financial market, with individual positioning based on the assessment of performance, potential and strategic nature of the role.

Evaluation of merit and performance

Merit is a key element of our remuneration policy. The variable remuneration of Group executives comprises short and long-term components:

- the Group Short-Term Incentive (STI) is the annual cash bonus system for the Group CEO and the members of GMC and GLG and provides for individual bonuses from 0% to 200% of the individual baseline target in accordance with:
  - Group funding, linked to the Group operating result and net profit;
  - individual balanced scorecards, based on 5 to 7 goals linked to value creation, risk adjusted profitability, process effectiveness and customer and human resources management. A qualitative “Effective leadership as role model in driving Generali as first choice for customers and employees around the globe” goal was introduced in 2014, obligatory and equal for everybody, to reinforce the leadership model and in compliance with regulatory requirements. The minimum weight ranges between 10% and 20% and is based on objective results related to human resources management, the behaviour shown and the impact on the organization itself.
- the Group Long-Term Incentive (LTI) is the long-term program for Group executives and certain selected key resources, paid in Generali shares with approval by the Shareholders’s Meeting:
  - in line with market practice and shareholder expectation, the shares are provided over a period of 6 years, subject to meeting performance conditions that are in line with the strategic targets of the Group;
  - in line with regulatory requirements, the LTI plan has no-claims bonus and claw back clauses within our risk management policies and a no-sell period of 2 years on the shares.

For internal control functions (Internal Audit, Risk Management, Compliance and Actuarial Function), specific guidelines are applied in line with regulatory requirements.

Governance and Compliance

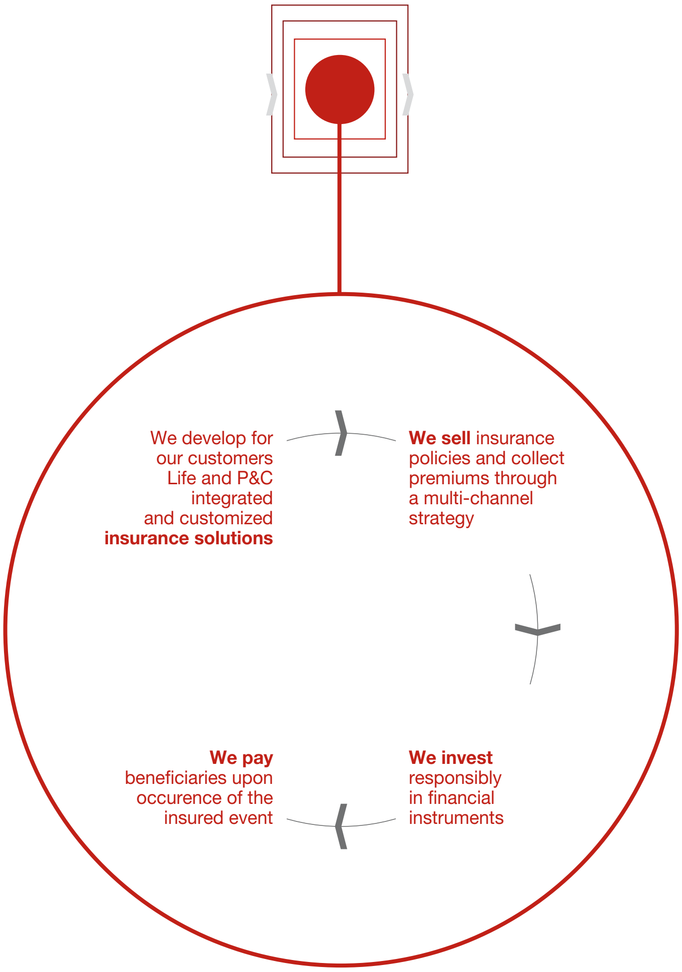
The remuneration policy is approved by the Shareholders’ Meeting, upon proposal of the Board of Directors in association with the Remuneration Committee, and taking account of the applicable regulatory and governance requirements.

In line with our compliance culture, assessments are made at individual level to ensure the compliance of conduct with respect to the compliance, audit, code of conduct and governance processes; these assessments can trigger no-claims bonus and claw back clauses on all the incentives.

Particular attention is paid to developing a proactive and constructive dialogue on remuneration with our main investors and proxy advisors. The feedback we receive on these key topics is analysed in the Remuneration Report, that gathers all compensation-related information in a single document to increase stakeholder awareness on our remuneration policies, their implementation and disclosure.

For further information please refer to Remuneration in Governance on www.generali.com/Governance/Remuneration

Our business model



We develop simple, integrated, customized and competitive Life and P&C insurance solutions for our clients to meet their needs: our solutions include savings policies, individual and family protection policies, unit-linked policies, mass-market insurance products as MTPL insurance, household, accident and health policies as well as sophisticated products covering commercial and industrial risks and structured solutions for multinational companies.

For further information please refer to Clients at the heart of our Group and Sales network in the Sustainability Report 2015

We distribute our products and offer our services through a multi-channel strategy: we have therefore responded to the request of our customers to enable them to contact us in various ways. We aim to become an excellent provider of insurance solutions, available through a variety of channels and accessible in different ways thanks to new technologies: both through our global agents and financial advisors, and through brokers, bancassurance and direct channels. These channels allow clients to be more independent, since they can easily obtain information on alternative products, compare alternative options, purchase the preferred product and get a good post-sales service, thereby creating a positive customer experience.

Premiums collected from the insurance contracts are managed through specific asset – management policies in order to ensure the payment of claims and consideration to our policyholders or their beneficiaries in the event of death, accidents or upon occurrence of the insured event. The amounts received are invested in financial instruments.

To understand the different and complex needs of the corporate segment within a connected and global world, Generali offers customers and brokers a unique approach for clients and brokers and provide them with specific insurance solutions for employees, P&C products and corporate risk solutions with Europ Assistance, Generali Employee Benefits, Generali Global Corporate & Commercial, Generali Global Health. Flexibility and know-how enable Generali to shape solutions on the needs of international customers. Within a highly industrialized segment, where these customers wouldn't otherwise be properly positioned as to the retails solutions in the different countries, they are indeed offered simplified procedures in a multilingual system encompassing different juridical and fiscal system.

With regards to investments, for several years we have paid great attention to the issues of sustainable development: we base our investment strategies also on environmental, social and corporate governance criteria (ESG), without compromising profitability and in accordance with the principles of protection of our most important asset, our reputation.

For further information please refer to Ethic in our investments in Our responsibility on www.generali.com

Generali Investments Europe (GIE), our asset management company, has further focused attention on sustainable investments by creating a special team of ESG analysts and its own innovative, transparent selection process, applicable to different asset classes, which is based on:

- In-depth ESG analysis by the team
- Own database allowing the adjustment of the screening criteria to the clients' needs
- Financial analysis of the range of ESG-compliant companies to identify the best investment opportunities.

www.generali-invest.com

over € 28.6 bln

managed in socially responsible portfolios

The exclusive ESG method includes 4 stages (positive screening) and is applied to corporate shares and bonds:

1. Identification of 34 ESG criteria

Corporate Governance (Board structure and functioning)
Environment (use of natural resources, emissions)
Internal social responsibility (employees, providers)
External social responsibility (safety on the market, product quality,ethical issues)

2. Mapping ESG risks

Carbon footprint
Class action
Brand image / Reputation
Legislative pressure
Competitive advantage
Intangible capital

3. ESG analysis and rating

Selection of companies in different industries according to 7-10 criteria identified as the most relevant in terms of risk

4. Selection of SRI investments

Application of ESG and financial filters (benchmark)

For further information please refer to Fostering change through responsible and social impact investing in the Sustainability Report 2015

GIS (SICAV di GIE) Ageing Population was launched on 12 October. It was planned and developed as an answer to the trend of ageing population and greater longevity, combining financial return and ability to create value for the community.
The fund can also include issuers in the pharmaceutical and healthcare industry, in real estate (nursing homes), in Life and savings insurance and/or in the field of products for the elderly.

Reference markets and Group's competitive position*

ITALY

Gross written premiums	Total operating result	Our people
€ 25,346 mln	€ 2,102 mln	17,074
Life market share	P&C market share	Ranking
15.3%	16.1%	1st

Generali is a leader on the Italian insurance market with an overall share of 15.5%. The Group offers its clients – retail, SME and corporate – a complete range of insurance solutions, in both the Life and P&C segments. At distribution level, Generali operates through a multi-channel strategy, mainly concentrated on agents. It also has a strong position in the direct channel, through Genertel – Genertellife, the first online insurance launched in Italy. The Group also offers a complete variety of insurance, pension and savings products to its customers through Banca Generali.

The integration process, launched in 2013, aiming at the unification of all the existing brands into three main strategic brands - Generali (retail market and SME), Alleanza (households) and Genertel (alternative channels) - is substantially over with succes. The completion of the project has allowed the Group to face more effectively the challenges of the new strategic plan in Italy.

With reference to the macroeconomic scenario, the Italian economy has emerged from a long recession; GDP is expected to grow by 0.8% in 2015 supported by domestic demand, particularly thanks to household consumption, rebuilding of inventories and investments in machinery, equipment and intangible assets. Financial markets had positive performances despite the increased volatility observed in recent months, due to turmoil on the financial markets and the Volkswagen scandal. Sovereign debt was not affected, with a decline in the yield spread between Italian and German ten-year bonds. The sovereign debt securities has not been affected from that; in particular the spread BTP-BUND, that at the end of 2014 was 135 pps, declined to 97 pps.

The equity market recorded an excellent trend (Ftse Mib +12%; +0.23% at 13.12.2014).

Despite the excellent performance recorded in 2014, the Italian Life insurance market maintained positive growth rates during 2015 thanks to traditional products, though with a business mix that continues to shift toward hybrid and unit-linked due to the still low interest rates.

Conversely, the P&C market has been declining in the last three years, due to the decrease in average premiums within a still very competitive motor segment. The non-motor segment continued to witness limited growth rates due to the still weak macroeconomic recovery.

The performance of the financial segment was positive thanks to the growing demand for financial advice by customers in a context of declining returns on investments and increasing market volatility.

*The indicated market shares and positions, based on written premiums, refer to the most recent official data.

GERMANY

Gross written premiums	Total operating result	Our people
€ 17,755 mln	€ 792 mln	12,998
Life market share	P&C market share	Ranking
10.4%	5.7%	2nd

Generali in Germany is the second-largest insurance group in the German market in Life & P&C, with a market share of 5.7% in P&C and of 10.4% in Life (including the health business). It is the second insurer in the country and market leader in Life, strongly positioned in the unit linked and protection business lines, in hybrid products, corporate pension plans and in the direct channel.

In 2015 Generali in Germany continued the strategic repositioning aimed at implementing different initiatives to strengthen its competitive position and become the leader retail insurer. This aim will be achieved leveraging on the strong multi-channel position, the simplified and market focused approach, a new business model in the Life segment, as well as through the launch of innovative and smart products and of services and processes focusing on the specific customer needs. To become fast, lean and agile, the structure governance and organisation were simplified, resulting in a significant cost reduction. From an organisational perspective, three companies will be merged into one, i.e. Generali Deutschland Holding, Generali Versicherung (P&C segment) and Generali Leben (Life segment) into Generali Deutschland AG. The headquarter was moved from Cologne to Munich, where the main business units are also based. With the realignment of the different Group companies' board of directors and the implementation of a management matrix structure, Generali in Germany is consistently oriented towards a lean governance.

The product portfolio of Generali in Germany will be based on three pillars:

- Generali as a multi-channel Life and P&C insurer, mainly relying on agents and brokers as to the distribution;
- AachenMünchener, leader in unit-linked products with a successful partnership with DVAG, representing the strongest financial consultant network in Germany;
- CosmosDirekt as first direct insurer and leader in term-life products.

Moreover, thanks to Central, Advocard, Dialog and Badenia tailored insurance solutions for customers and more agile sales channels at country level will be ensured.

As to the whole insurance market, the Life segment is under strong pressure as regards margins, due to the extremely low interest rates and the competition with banks and investment institutions. Conversely, in the P&C market Generali in Germany is expecting a market share growth, a significant improvement in the motor line profitability - despite having already achieved a softening phase - and an excellent performance in terms of combined ratio.

Finally, in the German economic environment the GDP is growing, though within a still particularly low interest rate scenario.
The German 10-year bund is broadly stable at 0.63% (0.54% as of 31 December 2014).
The share market significantly increased (DAX +10%, compared to + 2.35% at year-end in 2014).

FRANCE

Gross written premiums	Market share	Ranking	Our people
€ 11,325 mln	Life 4.9%	5th A&H	7.619
Total operating result € 651 mln	P&C 4.9%	7th P&C	
	A&H 6.2%	7th Life	

After Italy and Germany, France is the third most important market in the Generali Group, contributing with 25% to the Group total premiums.

Generali France is a major player on the French market, with a strong position and a multi-channel distribution network. Its sales force includes agents, employed sales persons, brokers, financial advisors, banks, direct channels and affinity groups. The variety of the distribution channels reflects the features of the market and of the products distributed. This approach gained momentum after the "Customer centric" reorganization in 2014, based on the creation of 4 separate client areas (Individual, Affluent, Professional&SME and Commercial). Generali is also renowned for its leadership in the Internet savings segment thanks to the excellence of the services provided and its important partnerships.

The French economy showed signs of recovery in 2015 compared to the previous year, although GDP growth has remained at low levels of approximately 1% yearly in real terms. Within a weak growth and low inflation scenario, interest rates remained at historically low levels, as in the rest of Europe. Moreover, the yield of the French ten-year government bond OAT increased from 0.83% at the end of 2014 to 0.99%. Livret A yields, a traditional benchmark for savings investments in France, grew to 0.75% in August. As for the equity markets, CAC, the French reference index recorded an excellent performance reaching +10% (-0.54% at 31 December 2014).

The low interest rates environment and especially its short term nature favoured the reallocation of financial assets into Life products, i.e. the savers' favourite insurance form in France. Net written premiums in the French Life insurance sector were broadly positive and higher than the previous year. Investors particularly valued unit-linked products (approximately 20% of total premiums compared to 16% in 2014), representing an increasing share of the products placed by insurers. Conversely, the P&C market reported a modest increase of approximately 1% compared to the previous year, reflecting the mentioned weak economic environment, ongoing competition and a soft phase within the corporate business line.

CEE

CEE includes the Czech Republic, Poland, Hungary, Slovakia, Serbia/Montenegro, Romania, Slovenia, Bulgaria and Croatia.

Gross written premiums	Total operating result	Our people
€ 3,578 mln	€ 441 mln	12,625
Life Market Share	**P&C Market Share**	**Ranking**
Cz: 27.6%	Cz: 33.9%	Cz: 1st
Hu: 9.2%	Hu: 20.1%	Hu: 2nd
Sk: 6.4%	Sk: 9.9%	Sk: 3rd
Pl: 3.3%	Pl: 3.3%	Pl: 9th

Generali CEE Holding* is one of the biggest insurers in the Central Eastern European market with an excellent track record of profitability and leading positions in most of the countries where it operates. It ranks first in the Czech Republic and Hungary, second in Serbia, third in Slovakia and among the top ten in the other countries. Five markets are contributing with more than 90% of the Group's business in Central Eastern Europe - Czech Republic, Poland, Hungary, Slovakia and Serbia/Montenegro - whereas Romania, Slovenia, Bulgaria and Croatia account for about 10% of premiums.

In 2105 the CEE insurance markets benefited from momentum in economic recovery. However, the region is far from returning to the high growth rates of the pre-crisis period, especially in its most relevant markets. Overall, 2015 ended with stagnating volumes, but the differences between the markets of the region are substantial in terms of dynamics; regional Life insurance premiums decreased, driven by the negative trend recorded in Poland and the Czech Republic, while on the Non-Life side, the change in premium production was positive.

With reference to the financial markets, the equity sector of Czech Republic, the most relevant market in the area, remained substantially stable (+1%), while the Czech Republic ten-year government bond declined to 0.54% from 0.74% at the end of 2014.

* As from January 2015 Generali obtained 100% ownership of Generali PPF Holding, having acquired the remaining 24% minority shareholding held by the PPF Group, in line with the agreements signed by the shareholders. Following this, the Company's name was changed to Generali CEE Holding.

EMEA

EMEA includes Austria, Belgium, Greece, Guernsey, Ireland, the Netherlands, Portugal, Spain, Switzerland, Tunisia, Turkey and Dubai.

Gross written premiums	Total operating result	Our people
€ 10,922 mln	€ 776 mln	10,558
Life Market share	**P&C Market share**	**Ranking**
Es: 4.0%	Es: 4.2%	Es: 7th
Ch: 3.8%	Ch: 5.0%	Ch: 8th
At: 14.8%	At: 16.5%	At: 3rd

With reference to the EMEA countries, the main areas where Generali operates are the following.

Spain

Generali España is one of the main insurance groups in Spain, with a total market share of 4.0% in the Life segment and 4.2% in the P&C segment. It provides a wide range of Life and P&C policies for both private individuals and companies. The Group operates through a multi-channel distribution strategy including bank branches and a network of agents and brokers which is among the most extensive in Spain. Overall, the Group ranks 7th in the Spanish insurance market in terms of total premiums. The bancassurance agreement with Cajamar was expanded and reinforced in 2015, thereby giving Generali España exposure to the main life distribution channel, which is growing also in the P&C segment.

With reference to the insurance market, the P&C segment grew in 2015 for the first time since 2008, supported also by the first signs of recovery in the motor sector. Also the Life market recorded a slight increase, partially led by a real estate recovery.

Switzerland

Generali has been operating in Switzerland since 1987 and over the following decade its presence was consolidated by the acquisition and merger of many insurance companies. In accordance with the strategy recently presented and shared throughout the Group, Generali Switzerland focuses on the retail business and provides high quality and innovative services, through various distribution channels: agents, brokers, financial advisors and direct channels.

Generali Switzerland is the 8th largest insurance group in terms of Life and P&C premium income, with a Life market share of 3.7%, and a P&C share of 5.7%. Overall, the Swiss economy has shown flexibility even after the decision of the central bank to abandon the floor on the exchange rate, which proves again to be stable. However, the inflation rate remains negative, the rate of unemployment, especially for young people, is growing and consumption levels are less dynamic.

The Life segment grew moderately despite the low interest rates. The P&C market experienced a weak growth.

Austria

Generali has been operating in Austria since 1832, the year after the Company was established in Trieste. Generali operates in the country through the insurance companies Generali Versicherung, BAWAG P.S.K. Versicherung and Europäische Reiseversicherung. The multi-channel distribution strategy involves agents, brokers, financial advisors and banks (BAWAG P.S.K. and 3Banken). The Group strategy recently presented at the last Investor Day is reflected in the confirmation of Austria as market leader in the retail sector thanks to the focus on customers and on their needs and to the quality of services, offering simple and innovative solutions.

Generali was the third largest insurance operator in terms of written premiums, with a market share of 14.8% in Life insurance and of 16.5% in P&C.

As for the market trend, the economic context remains overall quite complex, due to low interest rates, low inflation and a slightly increasing unemployment rate. As for the insurance market, price competition is very high, especially for the broker market, where the broker number is growing significantly; hiring financial advisors is presenting some difficulties and comparative web portals are increasing.

ASIA

ASIA includes China, Indonesia, India, Honk Kong, Vietnam, Thailand, the Philippines and Japan.

Gross written premiums	Total operating result	Our people
€ 2,024 mln	€ 141 mln	4,913
Life market share (China)	P&C market share (China)	Ranking (China)
6.9%	1.5%	4th Life 13th P&C

The Generali Group has been operating in the Far East since 1980 and is now covering China, Indonesia, the Philippines, Thailand, India and Vietnam. Two branches are located in Japan and Hong Kong, where the Asia Regional Office is also based. Generali entered the Malaysian market in December 2014 through an agreement with Multi-Purpose Capital Holdings Berhad (a wholly owned subsidiary of the Malaysian group headed by MPHB Capital) to acquire 49% of the P&C insurance firm MPIB "Multi-Purpose Insurance Berhad", with the right to exercise a call option after two years on further 21% of MPIB, enabling the Group to obtain a 70% stake in the company, the maximum allowed for foreign companies in Malaysia.

The main contributor to the Group in terms of sales is China, where a joint venture with the local partner CNPC (China National Petroleum Corporation) has become one of the top foreign insurance groups on the market.

While in China, Indonesia, the Philippines and Vietnam the Group operates exclusively in the Life business (mainly savings & pensions, but also protection and unit-linked), Hong Kong, Thailand, Japan, India and Malaysia are also covering the P&C business, which overall accounts for about 8% of the total income in the Far East. The main distribution channels are banks and agencies, and the direct–channel is being developed in China and Thailand.

The Group's strategy in the region has been set out in line with its goal to substantially increase its presence in emerging markets, through the "organic" development and the growth of the existing business units, as well as through the identification of specific M&A opportunities and distribution agreements. In this regard, clear examples are the entrance into the Malaysian market and the signing of exclusive distribution agreements with Kiatnakin Bank in Thailand.

AMERICAS

Americas includes Argentina, Brazil, Colombia, Ecuador, Guatemala and Panama.

Gross written premiums

€ 1,467 mln

Total operating result

€ 63 mln

Market shares (Argentina)

Life	6,2%
P&C	6,0%

Our poeple

3,498

Ranking (Argentina)

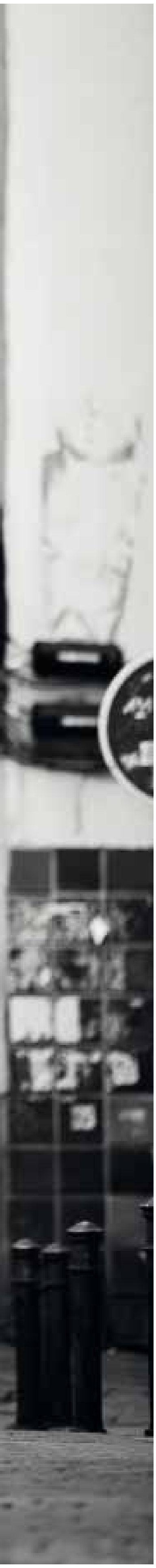
4th

The Group is a long-established player in Latin America, with Argentina as main market where Generali is ranked as the fourth operator. In 2015, the disposal of a number of companies was finalized (La Estrella and Caia ART in particular) to increase efficiency and focus on the core business. The Argentinian market is characterized by an historically high inflation rate, and a volatile financial environment. Despite the though scenario for the insurance business, the Group has implemented best practices in its Argentinian subsidiaries, placing them at the top in terms of service quality and innovation.

The second most important country is Brazil, currently experiencing a difficult period due to the political instability and an economic slowdown. Despite that, the insurance market still holds potential for development in the coming years thanks to the Brazilian middle class.

The Group also operates in Panama, Colombia, Guatemala and Ecuador. The main distribution channel in these countries is the broker channel.

“ By 2023, there will be over 40 million of electric bicycles sold each year compared to 32 million in 2014.



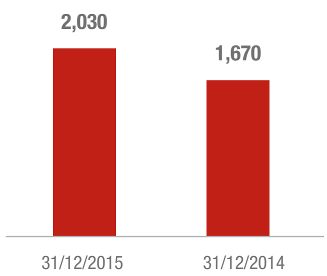
Our performance

Group performance and financial position

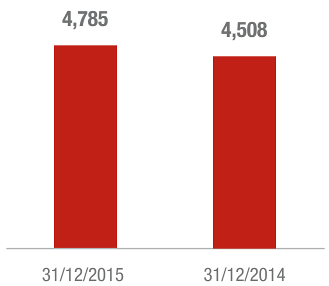
Group highlights

Gross written premiums

Net Result



Group Operating Result

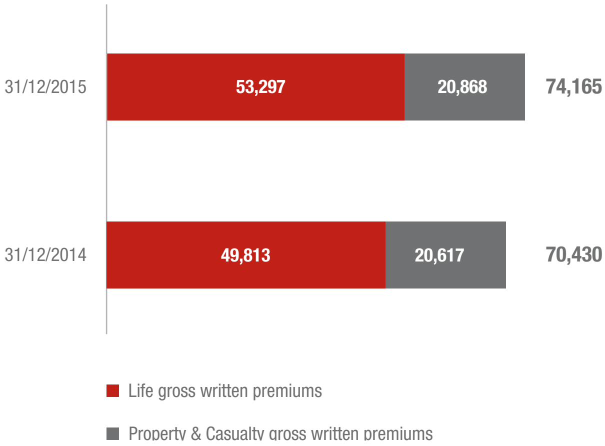


Solvency I ratio

- Gross written premiums over € 74 billion mainly thanks to developments in the life segment
- Enhanced growth in the operating result (+6.1%) mainly due to the performance of the P&C segment
- Group result significantly increasing to € 2,030 million (+21.6%)
- Group Solvency I at 164% (156% at 31 December 2014; considering the disposal of BSI, the 2014 ratio on a pro-forma basis was 164%).

Group performance

Gross written premiums development



Following on the trend of the first nine months of the year, **total written premium** amounted to € 74,165 million (+4.6%). This growth was led by the life segment where income increased by 6.2 %; the P&C segment also showed recovery (+0.8%) despite the ongoing challenges in the macro-environment in many markets where the Group operates. Premiums written performance for the fourth quarter was positive in both segments.

Life segment written premiums stood at € 53,297 million, recording a 6.2% increase, thanks to improvements across all lines of business. In accordance with the strategy to optimize performance of the life insurance business, favouring products with low capital absorption, the unit/index linked contracts are up by 8.6% and the protection contracts are up 11.8%. The savings policies were also up by 3.7%.
The main countries where the Group operates showed growth: Italy expanded (+11.5%), in addition to France (+3,8%), Germany (+3.4%) and the Central and Eastern European countries (+7.4%).
This performance led to **life net inflows** of almost € 15 billion, an increase of 15.5%.
New business in terms of Annual Premium Equivalents (APE) was substantially stable, amounting to € 5,210 million (-0.2% constant exchange rates and shares attributable to the Group); the development in the unit/index linked business (+14.6%) and risk business (+22.4%) were actually offset by the drop in the savings policies (9.8%).
The profitability of new business (margin on APE) held up well, standing at 21.0% (24.0% as at 31 December 2014) due to the adverse economic climate where interest rates fell and the strong increase in volatility recorded in the second quarter of 2015. New business value (NBV) amounted to € 1,097 million (-13%).

As noted above, **gross written premiums in the P&C segment** continued the recovery in place for the first 9 months of the year, increasing to € 20.868 million. The slight increase (+0.8%) was due to the non-motor segment which was up in most of the main territories of the Group. The motor lines were stable despite the strong competitive pressure in some of the main markets the Group operates in; growth in Germany and Eastern European countries was actually offset by the falls in the markets hardest hit by the current macro-economic climate like Italy and France.

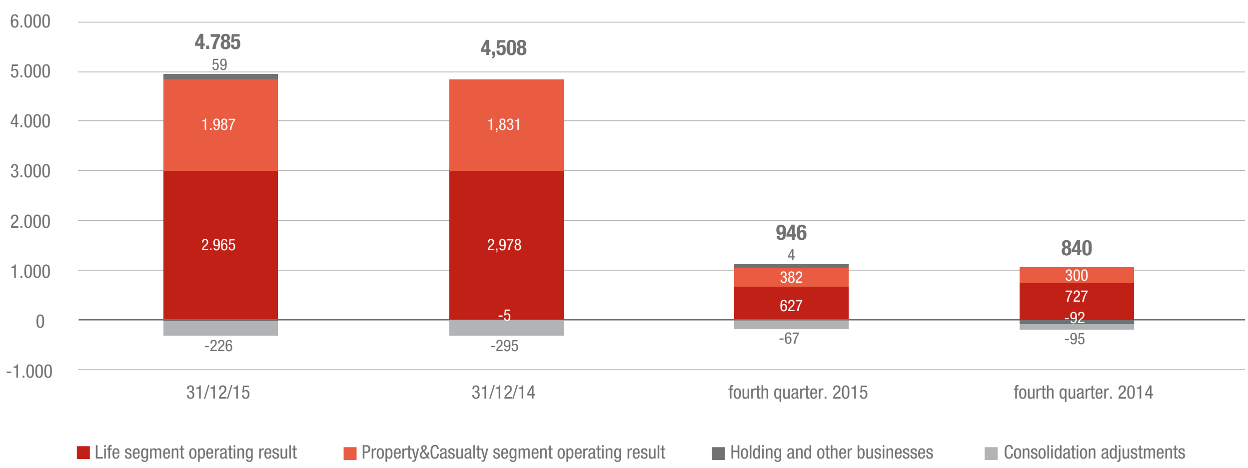
Operating result

In line with the strategic targets, the **operating result for the Group** shows an increase (+6.1%), standing at € 4,785 million (€ 4,508 million at 31 December 2014).

In particular, P&C segment increasing by 8.5% in the operating result which benefitted from the improvement in the Group combined ratio thanks to the reduction in claims. The operating result from the life segment stayed solid, at € 2,965 million, despite the current difficult market conditions.

Finally, the operating result in the holding and other businesses segment improved; this segment refers to the activities of the Group companies in the banking and asset management sectors, the costs incurred for the direction, coordination and financing activities, as well as all the other operations that the Group considers to be ancillary to the core insurance business. The positive development of the financial segment was driven by the growth of the results in Banca Generali and China. The increase in the holding expenses was due to the higher costs incurred for both the projects to reinforce the Head Office structures - with reference in particular to the new Solvency II regime transaction and the activities related to implementation of the new Group strategy - in addition to development of the Regional Offices in charge of managing, coordinating and controlling the business in key areas in terms of growth opportunities. These costs were partially offset by revenues for brand royalties recorded starting from the last quarter of this year.

The **operating return on equity** amounted to 14%, up from 13.2% at 31 December 2014, and exceeding the strategic profitability target of 13%.



Non-operating result

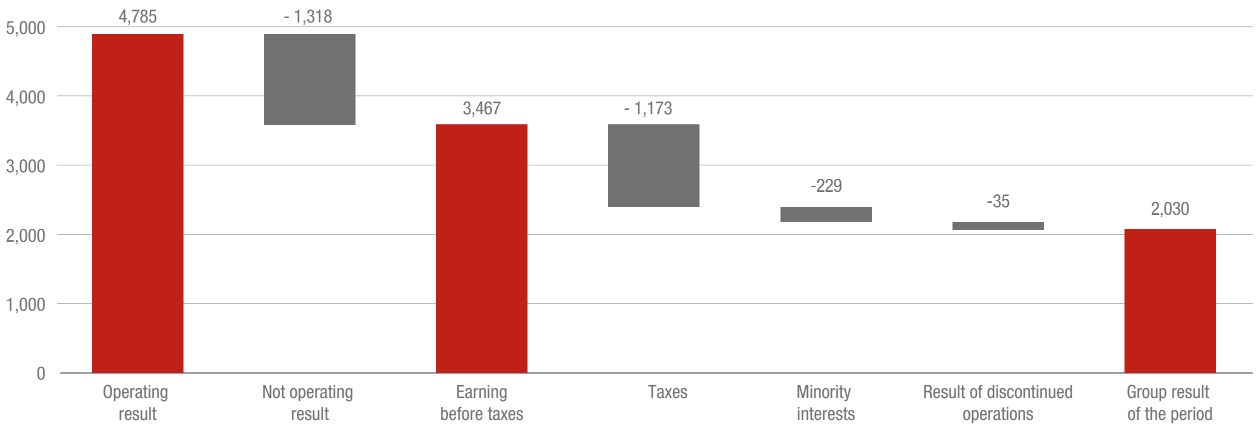
The non-operating result of the Group improved to € -1,318 million (€ -1.464 million at 31 December 2014). More specifically:

- the **net impairment losses** amounted to € -503 million, sharply down from the € -813 million at 31 December 2014. This trend reflected lower impairments on equities and real estate investments; during the fourth quarter of 2015, the Btg Pactual shares, received from the agreements related to the sale of BSI, were impaired for about € 110 million, due to performance of the reference market;
- **net realized gains** decreased, standing at € 758 million (€ 874 at 31 December 2014) due to the lower realized gains from government bond portfolios. In 2015, especially in the fourth quarter, there were higher net realized gains in the real estate sector;
- **net non-operating income** from financial instruments at fair value through profit or loss amounted to € -96 million (€ -263 million at 31 December 2014), due to the improved performance of certain financial markets compared to the same period of the previous year;
- **other non-operating income and expenses** amounted to € -712 million (€ -441 million at 31 December 2014). This item comprised € -142 million for the amortization of the value of acquired portfolios (€ -139 at 31 December 2014), € -269 million for restructuring costs (€ -182 at 31 December 2014), in-

cluding charges of about € 100 million linked to the strategic repositioning in the German market, recorded in the first six months of 2015, and € -302 million in other non-recurring provisions (€ -120 million at 31 December 2014), that mainly includes the increased in the risk provisions for the first half of 2015;

- **non-operating holding expenses** composed of interest expenses on financial liabilities and holding expenses that are considered as non-operating, decreased at € -764 million (€ -819 at 31 December 2014), following the reduction of interest expenses on financial debt due to the debt optimisation measures performed by the Group during 2014.

Group result



Thanks to improvements in the operating and non-operating results noted above, **the result for the period attributable to the Group** amounted to € 2,030 million, showing a considerable increase (+21.6%) over the € 1,670 million recorded at 31 December 2014.

The tax rate was 32.6% (35% at 31 December 2014). Compared to the previous year, this rate was mainly due to the reduction in IRAP (Italian regional tax on production) and removal of the extraordinary charge for the substitute tax on the revaluation of Banca d'Italia paid in 2014.

The **result attributable to minority interests,** amounted to € 229 million, which corresponds to a minority rate of 10.1% (9.8% at 31 December 2014) was improved from € 182 million of the previous year due to the increase in results of Banca Generali and in China.

The **result from discontinued operations,** amounted to € -35 million (€ -69 million at 31/12/2014) and includes the overall effects of the disposal of BSI, completed in the third quarter of the year.

From operating result to net result

(€ million)	31/12/2015	31/12/2014	FOURTH QUARTER 2015	FOURTH QUARTER 2014
Consolidated operating result	**4,785**	**4,508**	**946**	**840**
Net earned premiums	68,507	64,322	18,789	18,029
Net insurance benefits and claims	-69,091	-67,003	-20,000	-18,224
Acquisition and administration costs	-10,724	-10,346	-2,836	-2,807
Net fee and commission income and net income from financial service activities	494	490	121	150
Operating investment result	16,615	17,837	5,167	4,010
Net operating income from financial instruments at fair value through profit or loss	3,207	4,755	2,044	1,056
Net operating income from other financial instruments	13,408	13,082	3,123	2,954
Interest income and other income	12,263	12,097	3,076	3,005
Net operating realized gains on other financial instruments and land and buildings (investment properties)	2,434	2,504	283	460
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-341	-320	4	-129
Interest expense on liabilities linked to operating activities	-411	-518	-103	-162
Other expenses from other financial instruments and land and buildings (investment properties)	-538	-681	-137	-221
Operating holding expenses	-429	-418	-71	-128
Net other operating expenses(*)	-586	-373	-224	-190
Consolidated non-operating result	**-1,318**	**-1,464**	**-452**	**-540**
Non operating investment result	159	-203	-88	-184
Net non-operating income from financial instruments at fair value through profit or loss	-96	-263	-35	-159
Net non-operating income from other financial instruments(**)	255	60	-53	-25
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	758	874	185	284
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-503	-813	-239	-310
Non-operating holding expenses	-764	-819	-211	-213
Interest expenses on financial debt	-684	-741	-171	-177
Other non-operating holding expenses	-81	-78	-40	-36
Net other non-operating expenses(***)	-712	-441	-154	-142
Earning before taxes	**3,467**	**3,045**	**493**	**301**
Income taxes(*)	-1,173	-1,124	-131	-137
Earnings after taxes	**2,295**	**1,921**	**362**	**163**
Profit or loss from discontinued operations	-35	-69	0	-61
Consolidated result of the period	2,259	1,852	362	102
Result of the period attributable to the Group	**2,030**	**1,670**	**304**	**81**
Result of the period attributable to minority interests	229	182	58	21

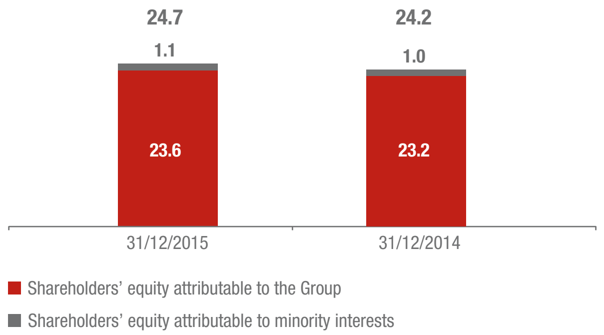
(*) At 31 December 2015 the amount is net of operating taxes for € 64 million and of non-recurring taxes shared with the policyholders in Germany for € -3 million (at 31 December 2014 respectively for € 64 million and € 27 million).

(**) The amount is gross of interest expense on liabilities linked to financing activities.

(***) The amount is net of the share attributable to the policyholders in Germany and Austria.

Group financial position

Shareholders' equity and Group solvency



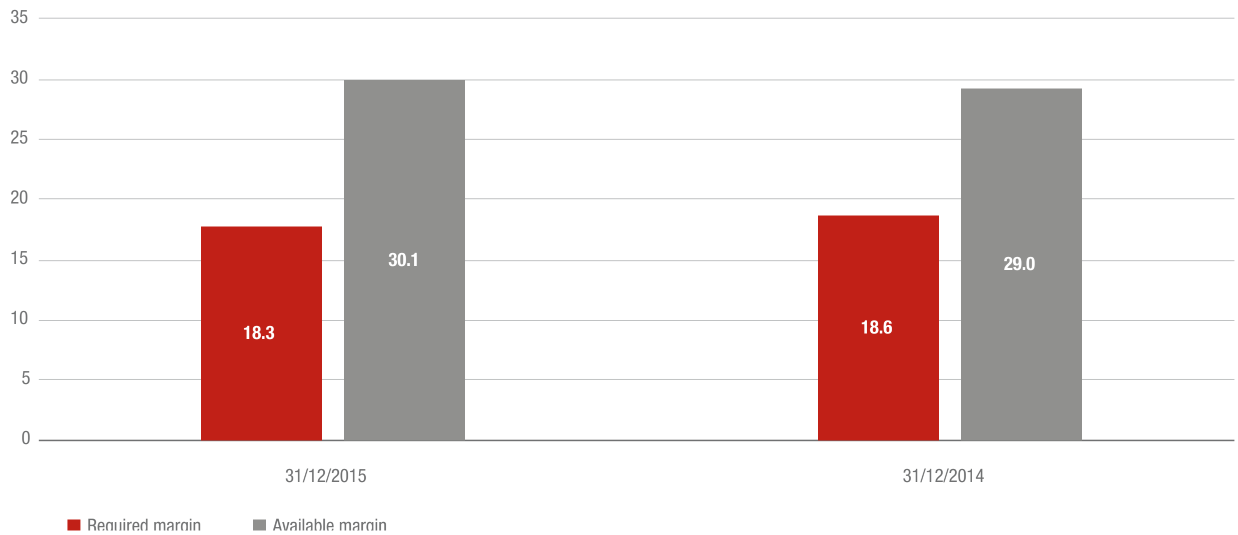
The shareholders' equity attributable to the Group amounted to € 23,565 million, +1.5% compared to € 23,204 million at 31 December 2014. The change was mainly due to:

- the result of the period attributable to the Group, which amounted to € 2,030 million at 31 December 2015;
- the dividend distribution of € -934 million, carried out in 2015;
- other unrealized gains or losses recognized through shareholders' equity in the current year amounted to € -118 million. More specifically, € -431 million of this was due to deterioration of the item unrealised gains or losses attributable to available for sale and only partially offset by the improvement in the foreign currency translation reserve of 313 million following depreciation of the Euro compared to the main currencies. Finally, the profits resulting from re-measurement of the liabilities for defined benefit plans recorded an improvement of € 162 million, due to the increase in the applicable rates used to discount those liabilities substantially offset by the reduction in the reserve for disposals groups classified as held for sale with respect to the aforementioned exit of the BSI group (equal to € 157 million at 31 December 2014).

Rollforward of Shareholders' equity

(€ million)	31/12/2015	31/12/2014
Shareholders' equity attributable to the Group at the end of the previous period	**23,204**	**19,778**
Result of the period	2,030	1,670
Dividend distributed	-934	-701
Other comprehensive income	-118	3,372
Reserve for unrealized gains and losses on available for sale financial assets	-431	3,997
Foreign currency translation differences	313	12
Net unrealized gains and losses on hedging derivatives	-14	14
Net unrealized gains and losses on defined benefit plans	162	-537
Other net unrealized gains and losses	-149	-114
Other items	-617	-915
Shareholders' equity attributable to the Group at the end of the period	**23,565**	**23,204**

Group solvency



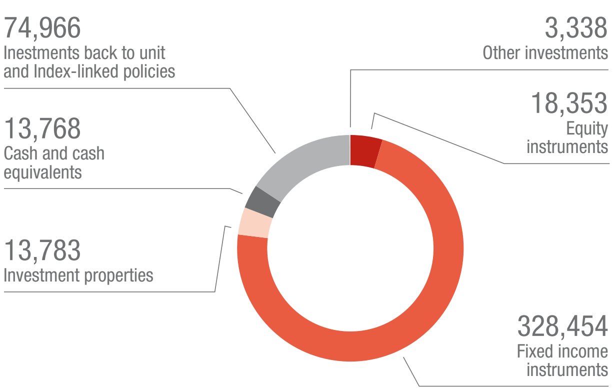
The Group solvency I ratio was 164%, up by 8 pps compared to 31 December 2014[1]. This increase was mainly due to the positive economic performance and the positive impact of the sale of the BSI banking group.

In 2015, the available margin to the Group stood at € 30.1 billion (29.0 billion at 31 December 2014) while the required margin amounted to € 18.3 billion (18.6 billion at 31 December 2014).

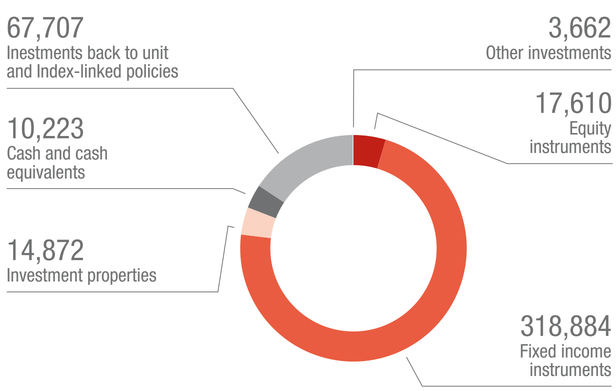
Investments

Asset allocation

Investments at 31/12/2015



Investments at 31/12/2014



1
The ratio on a pro forma basis including the BSI sale amounted to 164 at the end of 2014.

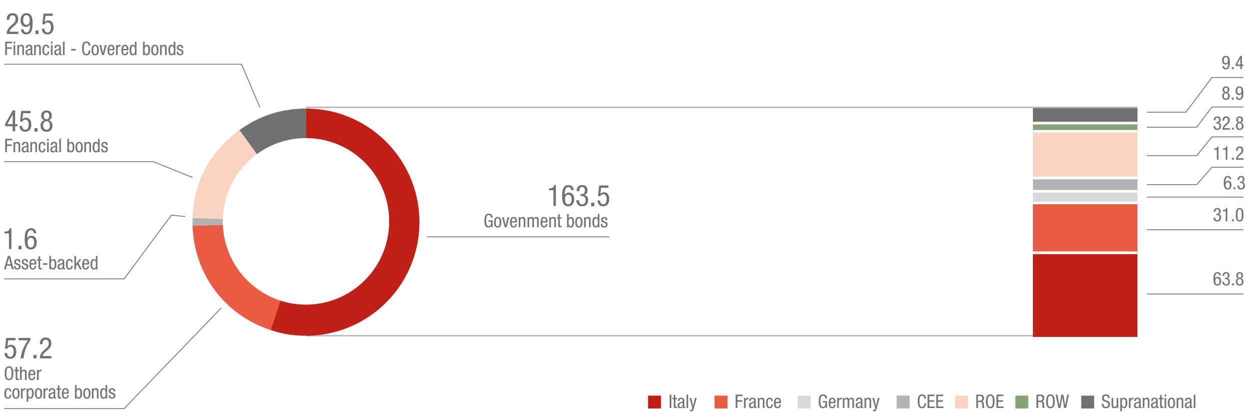
At 31 December 2015, total investments amounted to € 452,662 million, up by 4.5 % over the previous year. Group investments amounted to € 377,697 million (+3.4%) and unit/index linked investments amounted to € 74,966 million (+10.7%).

With respect to the ratio of the main investment categories, the respective exposure of the fixed income instruments was slightly down at 87.0% (87.3% at 31 December 2014). The ratio of investment properties declined, amounting to 3.6% (4.1% at 31 December 2014), while the incidence of the equity instruments and other investments was substantially stable, at 4.9% (4.8% at 31 December 2014) and 0.9% (1.0% at 31 December 2014) respectively. Other investments mainly include receivables from banks or banking customers, investments in subsidiaries, associated companies and joint ventures and derivatives. Finally, the liquidity ratio increased mainly due to the new cash flows generated by the new insurance business – which prudently have not been immediately reinvested since the market was very volatile, especially at the end of 2015 – as well as due to the cash generated by the new bond issue aimed at re-financing the subordinated bond callable in June 2016.

Fixed income securities: bond portfolio

Bond portfolio: details by sector

Government bonds: details by country of risk

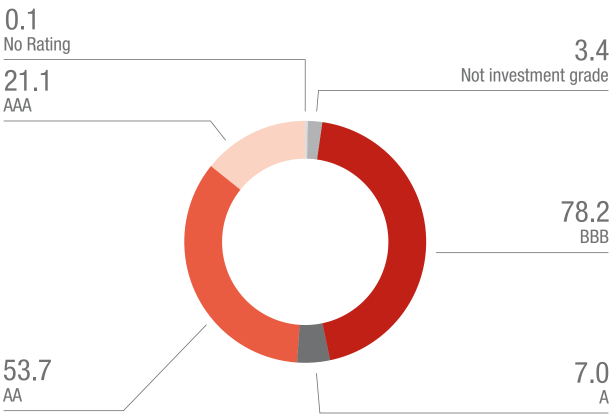


With reference to the bond portfolio, government bonds which represent 54.9% (56.8% % at 31 December 2014) were down, standing at € 163,474 million (€ 165,014 millon at 31 December 2014). The change during the period was due to the sales made in 2015. The exposure to each government bonds is mainly allocated to the respective countries of operation.

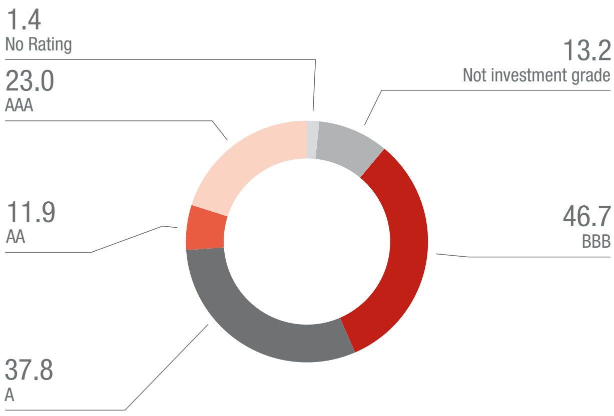
The corporate component increased in absolute terms to € 134,077 million (€ 125,544 million at 31 December 2014), equal to 45.1% of the bond portfolio (43.2% at 31 December 2014). The change was due to the net purchases made during the year, only partially offset by the value deterioration resulting from the increase in the credit spread. The corporate component includes covered bonds, financial sector bonds and bonds issued by industrial companies. With reference to the new investments, those in the non-financial sector were preferred in order to increase diversification.

A breakdown by credit rating of the bond portfolio at 31 December 2015 split between corporate and government bonds follows.

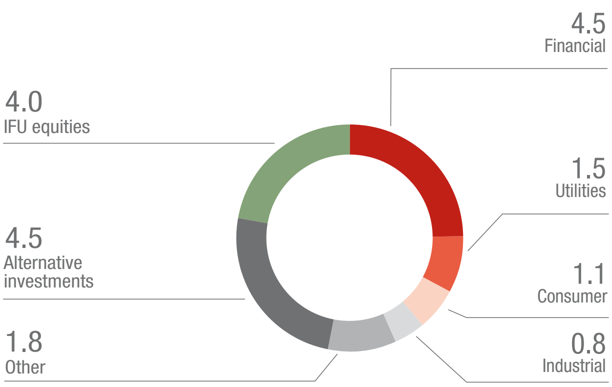
Government bonds



Corporate bonds



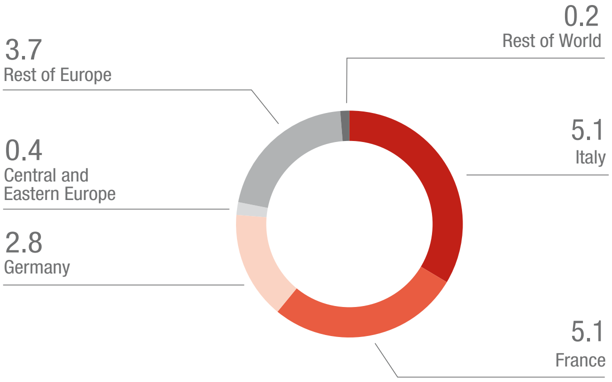
Equity securities: share portfolio



Equity securities increased in absolute terms, standing at € 18,353 million (€ 17,610 million at 31 December 2014).

The increase in the period was mainly attributable to the increase in value of investments, that benefitted from the positive trend in share prices.

Investment properties



Investment properties fell in terms of book value, amounting to € 13,783 (€ 14,872 million at 31 December 2014).

In particular, the direct investment properties of the Group, at market value, amounted to € 17,385 million (€ 17,650 million at 31 December 2014), and are almost all in Western Europe, mainly in Italy, France and Germany. The properties are mainly located in their respective countries of operation.

Investiments result[2]

Return on investment

	31/12/2015	31/12/2014
Economic components		
Current income from fixed income instruments	10,880	10,651
Current income from equity instruements	583	639
Current income from real estate investments(*)	826	862
Net realized gains	3,212	3,106
Net impairment losses	-737	-991
Net unrealized gains	-784	228
Average stock	**373,097**	**346,437**
Ratio		
Current return(*)	3.4%	3.6%
Harvesing rate	0.5%	0.7%
P&L return	4.0%	4.4%

(*) Net of depreciation of the period

Due to the market conditions in 2015, the current return recorded a modest decline, standing at 3.4% (3.6% at 31 December 2014), while in absolute terms the current income increased, amounting to € 12,552 million (€ 12,385 million at 31 December 2014). The reduction in the ratio was partly due to the significant increase in average investments, and also to the low interest rates that can be obtained when reinvesting.

The contribution to the result of the period from realized gains and losses, impairment and unrealized gains and losses recognized through profit or loss (harvesting rate) remained substantially stable at 0.5% (0.7% at 31 December 2014).

2
Please refer to the methodological notes attached to this report for details on the calculation of this indicator.

Debt and liquidity

Debt

In accordance with the IAS/IFRS managerial model used by the Generali Group, consolidated liabilities were split into two categories:

- **liabilities linked to operating activities**, defined as all the consolidated financial liabilities related to specific balance sheet items from the consolidated financial statements. This category also includes liabilities stated by the insurance companies against investment contracts and liabilities to banks and customers of banks belonging to the Group;
- **liabilities linked to financing activities**, including the other consolidated financial liabilities, including subordinated liabilities, bonds issued and other loans obtained. This category includes liabilities incurred in connection with a purchase of controlling interests.

Total liabilities were as follows:

Group debt

(€ million)	31/12/2015	31/12/2014
Liabilities linked to operating activites	**36,787**	**36,541**
Liabilities linked to financing activities	**13,117**	**12,253**
Subordinated liabilities	9,643	8,315
Senior bonds	2,992	3,477
Other non subordinated liabilities linked to financing activities	482	460
Total	**49,904**	**48,794**

In accordance with Group strategy which requires the senior debt and subordinate debt to be rebalanced in favour of subordinate debt, and prudent advance refinancing policies, the net increase in liabilities linked to financing activities compared to 31 December 2014 is mainly due to the following transactions:

- repayment of € 500 million on a senior bond in May 2015;
- new issue of a subordinated debt for € 1,250 million in October 2015 by Assicurazioni Generali, in order to refinance the Group bonds with early repayment options for June 2016.

The weighted average cost of liabilities linked to financing activities at 31 December 2015 amounted to 5.65%, substantially unchanged to the 5.62% at 31 December 2014 and the 5.67% at 30 September 2015. The weighted average cost reflects the annualized average cost of the debt considering the outstanding liabilities at the reporting date and the related currency and interest rate hedging.

Interest expenses on total liabilities are detailed below:

Interest expenses

(€ million)	31/12/2015	31/12/2014
Interest expense on liabilities linked to operating activities	411	518
Interest expense on liabilities linked to financing activities	684	741
Total	**1,094**	**1,260**

Details on the liabilities linked to financing activities

Details of subordinated liabilities and senior bonds

(€ million)	31/12/2015				31/12/2014			
	Nominal value	Book value	Accrued interest expenses	Average weighted cost %(*)	Nominal value	Book value	Accrued interest expenses	Average weighted cost %(*)
Subordinated liabilities	9,681	9,643	551	6.13%	8,356	8,315	541	6.21%
Senior bonds	3,009	2,992	132	4.17%	3,508	3,477	200	4.13%
Total	**12,690**	**12,635**	**n.a.**	**n.a.**	**11,864**	**11,792**	**n.a.**	**n.a.**

* The weighted average cost reflects annualized cost of financial debt considering the outstanding debt at the reporting date and the related activities of currency and interest rate hedging.

Details of issues and redemptions of subordinated liabilities and senior bonds

(€ million)	31/12/2015			31/12/2014		
	Issuances	Redemptions	Issuances net of redemptions	Issuances	Redemptions	Issuances net of redemptions
Subordinated liabilities	1,250		1,250	2,500	1,858	642
Senior bonds	0	500	-500	1,250	2,250	-1,000
Total	**1,250**	**500**	**750**	**3,750**	**4,108**	**-358**

Details on principal issuances

Subordinated liabilities

Main subordinated issuances

	Coupon	Outstanding (*)	Currency	Amortised cost(**)	Issue date	Call date	Maturity
Generali Finance B.V.	5.32%	752	EUR	740	16/06/2006	16/06/2016	Perp
Generali Finance B.V.	6.21%	345	GBP	467	16/06/2006	16/06/2016	Perp
Assicurazioni Generali	6.27%	350	GBP	472	16/06/2006	16/06/2026	Perp
Generali Finance B.V.	5.48%	869	EUR	710	08/02/2007	08/02/2017	Perp
Assicurazioni Generali	6.42%	495	GBP	667	08/02/2007	08/02/2022	Perp
Assicurazioni Generali	10.13%	750	EUR	747	10/07/2012	10/07/2022	10/07/2042
Assicurazioni Generali	7.75%	1,250	EUR	1,246	12/12/2012	12/12/2022	12/12/2042
Assicurazioni Generali	4.13%	1,000	EUR	988	02/04/2014	n.a.	04/05/2026
Generali Finance B.V.	4.60%	1,500	EUR	1,340	21/11/2014	21/11/2025	Perp
Assicurazioni Generali	5.50%	1,250	EUR	1,241	27/10/2015	27/10/2027	20/10/2047

(*) in currency million.

(**) in € million.

This category also includes unlisted subordinated liabilities issued by Assicurazioni Generali S.p.A. and other subsidiaries. Liabilities issued by Assicurazioni Generali S.p.A. in the form of private placements amounted to a nominal amount of € 1,000 million corresponding to an amortized cost of € 997 million. The remaining subordinated liabilities relate to shares issued by subsidiaries in Austria with an amortized cost of about € 28 million.

A subordinated bond was issued in October 2015 for a total amount of € 1,250 million in order to refinance the 2016 call dates on a number of subordinated bonds issued by the Group.

Senior bonds

Main senior bonds issuances

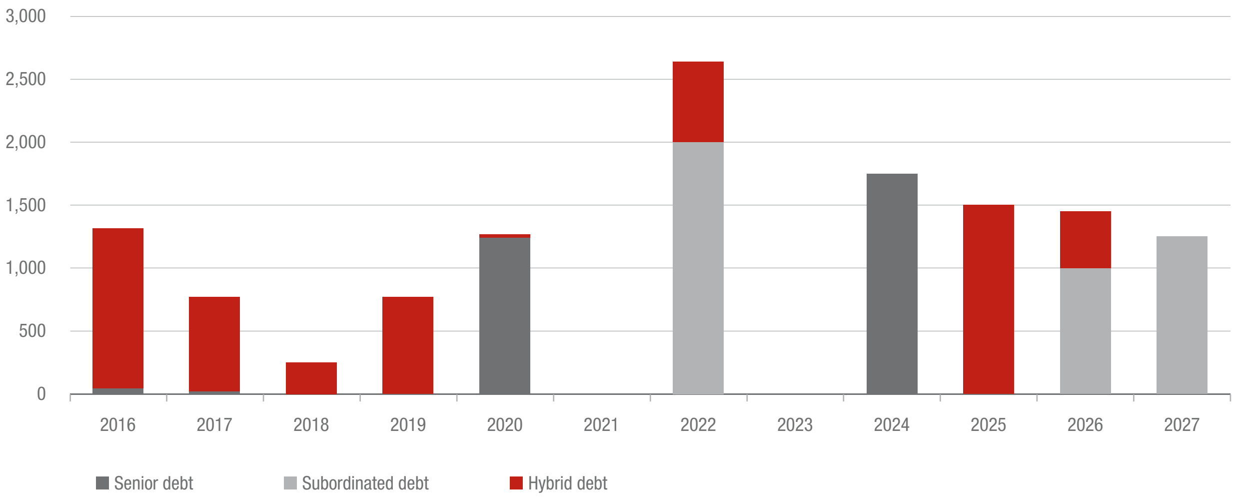
Issuer	Coupon	Outstanding (*)	Currency	Amortised cost(**)	Issue date	Maturity
Assicurazioni Generali	5.13%	1,750	EUR	1,724	06/05/2009	16/09/2024
Assicurazioni Generali	2.88%	1,250	EUR	1,244	14/01/2014	14/01/2020

(*) in currency million.

(**) in € million.

This category also includes the other bonds, and mainly including those issued by the subsidiary Ceska Pojistovna for a nominal amount of CZK 500 million. The corresponding amortized cost amounts to about € 24.6 million. The Group repaid € 500 million on a senior bond in May 2015.

Maturity of the financial debt



The average duration at 31 December 2015 was 6.68 years compared to 6.87 years at 31 December 2014. The change in the average duration is a direct result of the re-financing operations and the capital optimization operation described above.

Lines of credit

As in established market practice for the sector, Assicurazioni Generali has a number of bilateral revolving credit lines, renewed in May 2015. The new lines with a total maximum amount of € 2 billion were renegotiated, with expiries being extended from 3 to 5 years. The counterparties are major financial institutions of high international standing. This will only impact the Group's financial liabilities if the facility is drawn down, and will allow Generali to improve financial flexibility to manage future cash requirements in a volatile environment.

Liquidity

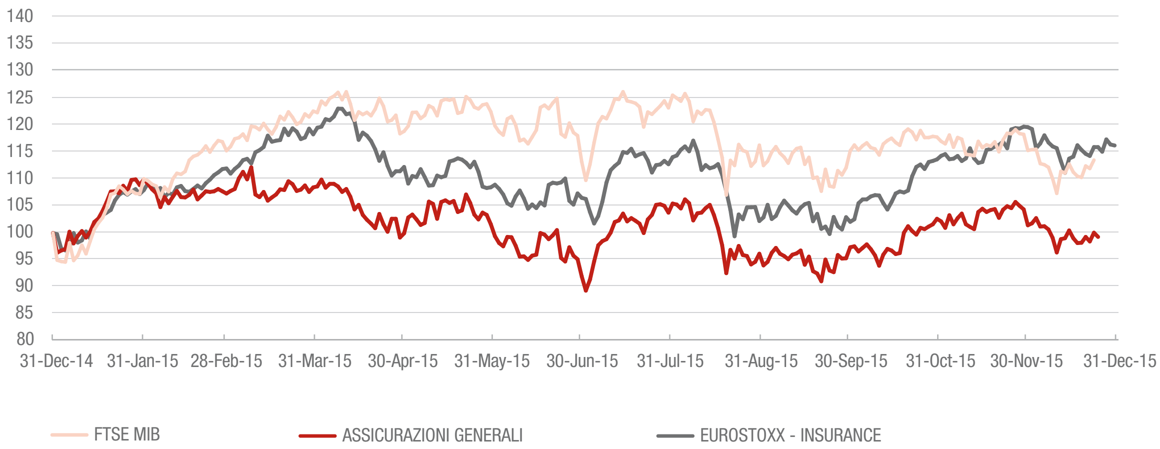
Cash and cash equivalent

(€ million)	31/12/2015	31/12/2014
Cash at bank and short-term securities	8,792	8,340
Cash and cash equivalents	211	154
Cash and balances with central banks	41	14
Money market investment funds unit	5,527	2,158
Other	-803	-443
Cash and cash equivalents	**13,768**	**10,223**

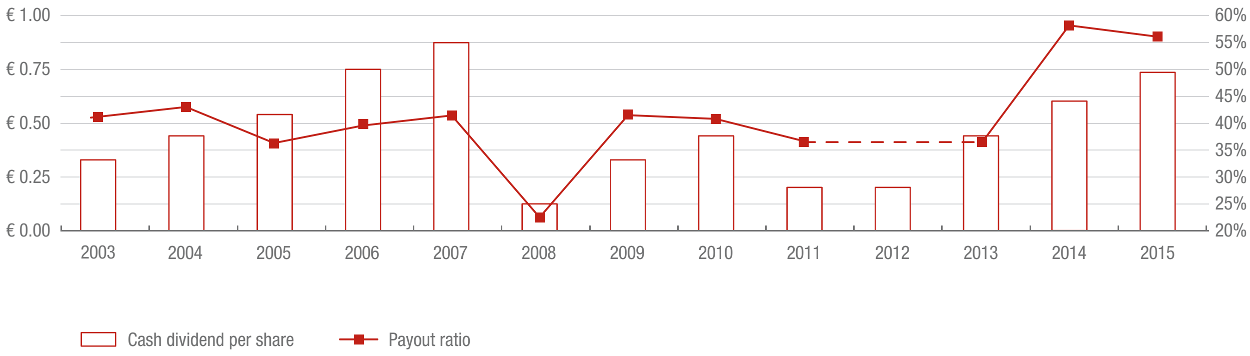
The cash and cash equivalents increased, standing at €13,768 million mainly due to the new cash flows generated by the new insurance business – which prudently have not been immediately reinvested since the market was very volatile, especially at the end of 2015 – as well as due to the cash generated by the new bond issue aimed at re-financing the subordinated bond callable in June 2016.

Share performance

Information on share trend



Dividend per share and payout ratio[3]



3
The payout ratio for 2012 is not shown in the graph as it is not meaningful and not in proportion to the Group's result for the period and it is impacted by the specific dividend payment policy applied by the Group.

Main indicators per share

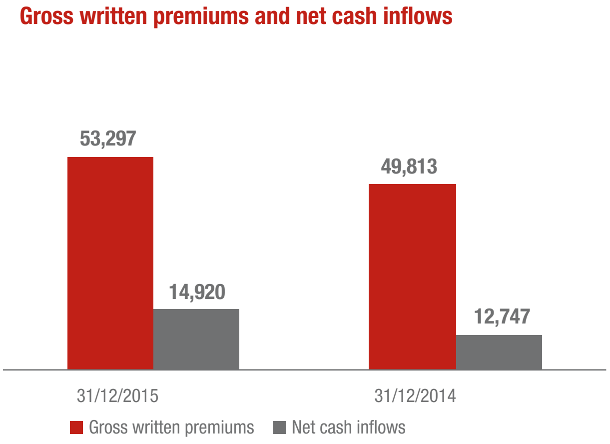
KPIs per share

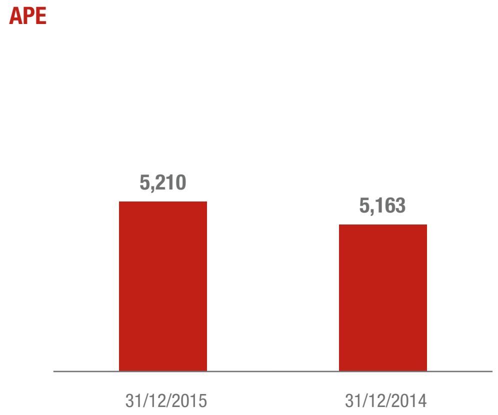
	31/12/2015	31/12/2014
Per share information		
EPS	1.30	1.07
Operating earning per share	1.64	1.52
DPS	0.72	0.60
Payout ratio	55.3%	55.9%
Total Dividend (in € million)	1,123	934
Share price information (in Euro)		
Share price	16.92	17.00
Minimum share price	15.26	14.79
Maximum share price	19.07	17.43
Average share price	17.35	16.26
Share volume information		
Weighted average number of ordinary shares outstanding	1,556,428,701	1,555,999,441
Market capitalization (in € million)	26,342	26,467
Average daily number of traded shares	7,603,419	6,204,520
Total shareholders' return (%)*	2.95	2.24

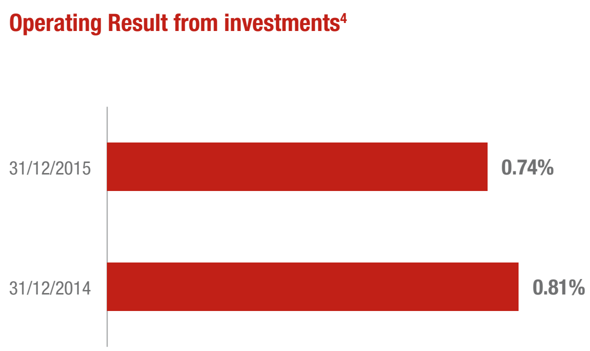
* (total dividend + var. share price during the reference period) / share price at the beginning of the year.

Performance and financial position by segment

Life segment





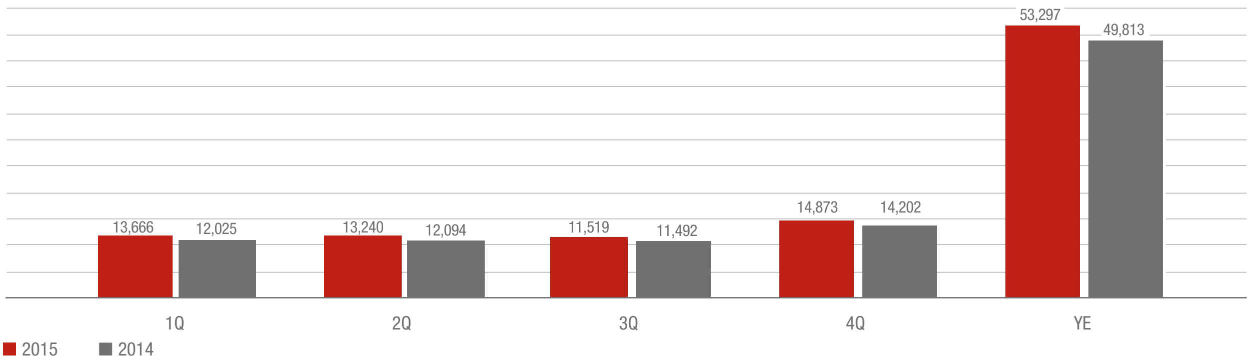


- Written premiums up (+6.2%) due to developing all lines of business; net inflows also showed strong growth (+ 15.5%).
- New business in terms of APE was stable at € 5,210 million; the new business value (NBV) stood at € 1,097 million (-13.0%).
- Operating income stable at € 2,965 million (-0.4%), despite interest rates remaining low.

4
Please refer to the methodological note on alternative performance measures in the Appendix to Management Report section for more details on the way the indicator was calculated.

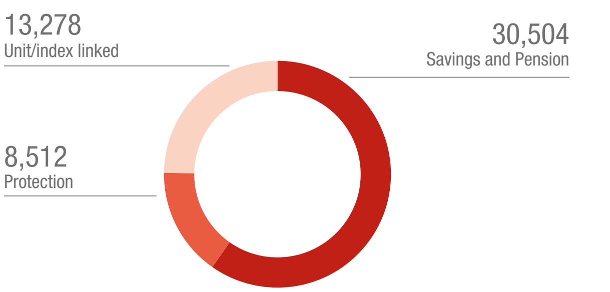
Premiums development and new business

Gross written premiums

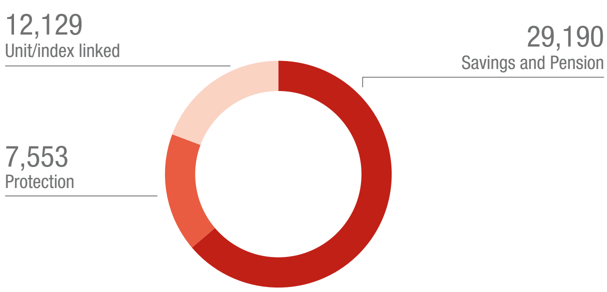


Written premiums in the life segment, including premiums related to investment contracts, amounted to € 53.297 million, a 6.2% increase over the previous year. In accordance with the strategy to optimize performance of the life insurance business, favouring products with low capital absorption, the unit/index linked contracts are up by 8.6% and the protection contracts are up 11.8%. The savings policies also contributed to that performance (+3.7%).

Group written premiums by line of business at 31/12/2015



Group written premiums by line of business at 31/12/2014



Net inflows were also positive, and amounted to € 14,920 million. The significant increase over the previous year (+15.5%) reflects improvements in the premium income, especially in Italy, France and the Eastern European countries, in addition to the excellent results in Asia where net inflows more than quadrupled.

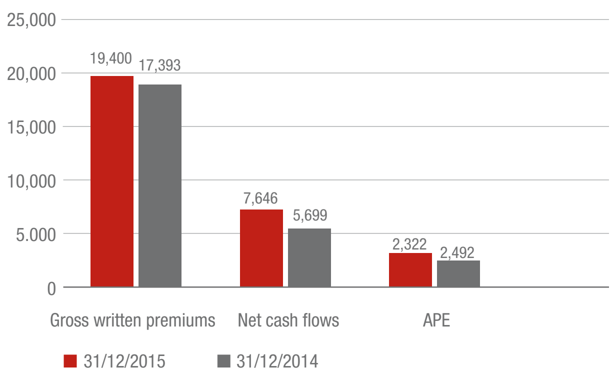
These trends were only partly offset by the drop observed in EMEA as a result of the planned reduction of single premiums in Ireland and the slight increase in total capital outflow.

New business stood at € 5,210 million (-0.2% on equivalent exchange rates and portion attributable to the Group) **in terms of annual premium equivalents (APE).** Trends in single premiums were positive (+8.3%), especially in Italy, France and Asia, while the annual premiums fell (-6.8%) mainly following the drop in Italy which was only partially offset by the growth in France and Asia.

With reference to the lines of business, there was a significant increase in unit/index linked business (+14.6%) which was concentrated in the main areas (+45.7% in

Italy, due to the strong growth in the “multi-line” products, and in France and Germany) and in business risk (+22.4%). Savings policies were down (-9.8%).
Despite the strong recovery in the second half of the year thanks to the improvement in the financial situation, **the adverse economic environment weighed on the profitability levels of new business (margins on the APEs)** due to the reduction in interest rates and the strong increase in volatility during the year. This is why profitability amounted to 21.0% (24.0% as at 31 December 2015), which was stable in any case, due in part to the planned recalibration of the level of guarantees and their weight on the APEs (from 72.5% to 66.5%). **New business value (NBV)** stood at € 1,097 million (-13.0% on a like for like basis).

Italy



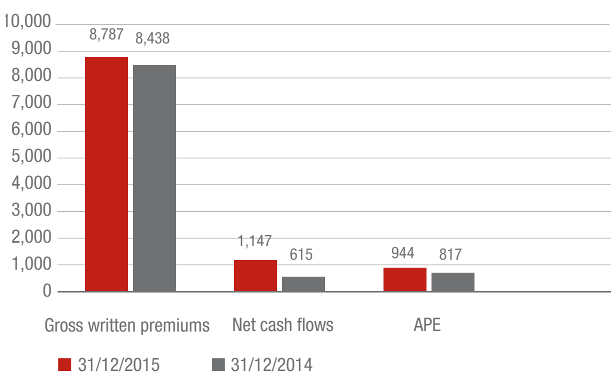
There was a significant increase in **gross written premiums** in Italy (+11.5%), growing from € 17,393 million at 31 December 2014 to € 19,400 . This was due to the 12.5% increase in individual inflows, especially the individual single premiums (+19.1%). Income performance in the individual single retail premiums was helped by the competitive returns compared to alternative products and was driven by the success of the hybrid products.

The growth in premiums was shared across all the companies, with good performance from all the distribution channels. More specifically, the hybrid products business was shared across Genertel Life (+35%), Generali Italia (+93.8%) and Alleanza (+218%).

The new business in terms of APEs was down (-6.8%) following the fall in the annual premiums (25.2%) despite the progress in the single premiums (+17.7%) which represent the majority of the APEs (54.1%).

Profitability (margins on the APEs) fell slightly to 25.4% (25.7% at 31 December 2014) mainly following the adverse economic situation for the year, despite the increase in the weight of the more profitable unit/index linked products. Following the reduction in volumes and profitability, **new business value fell** by 8.0% and stood at € 589 million.
The improvement in the **net inflows** was decisive, and benefitted from the good performance of the premiums, while capital outflow stayed substantially stable; the slight increase in the surrender component was offset by the drop in those at maturity.

France



The gross written premiums in France increased from € 8,438 million as at 31 December 2014 to € 8,787 million, benefitting from low interest rates in France which drove many savers to alternative forms of savings investment, including those offered by the insurance sector, especially in the form of unit-linked products. The unit-linked products increased by 34.2%, and the pure risk policies also increased (+4%), mainly from the Small and Medium companies segment which benefitted from the new regulatory environment and the fact that the Group is a leader in this area. On the other hand, savings policies fell by 5% in line with the more restrictive subscription policies introduced by the Group.

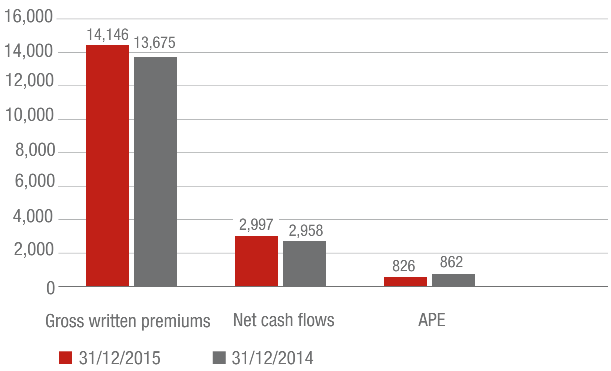
The **APE**s w also up (+16%) thanks to the excellent progress in both annual premiums (+35.8%) and single pre-

miums (+4.6%). With reference to the lines of business, there was a significant increase in unit/index linked business (+41.7%), and in business risk (+46.1%).
The **profitability (margins on the APEs)** decreased from 10.9% in 2014 to 6.5% in 2015, mainly due to the adverse economic climate strongly reducing the profitability of the savings business, which represented 48.3% of the business.

New business value amounted to € 62 million (-30.1%).

Net inflows, which had turned back to being positive the previous year thanks to the selective subscription policy and the proactive management of the existing portfolio, was up further, benefitting from the increase in premiums and reduction in capital outflows.

Germany

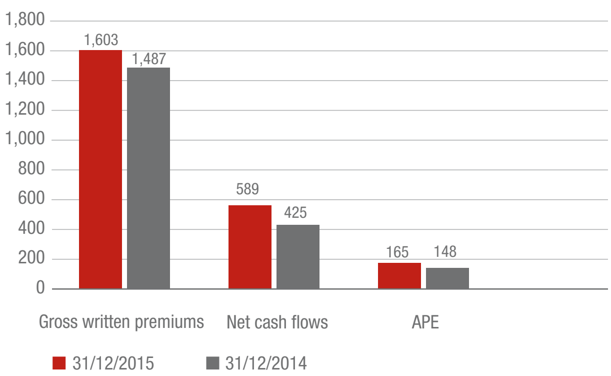


The **gross written premiums in Germany** increased from € 13,675 million as at 31 December 2014 to € 14,146 million (+3.4%). This trend reflects the increase in the protection line (+14.0%) and the unit linked policies line (+9.2%).

New business in terms of APEs were down (-5.0%) due to the drop in both the life segment (5.0%) and the health line (-6.0%). In terms of business lines, there was an increase in the unit-linked policies (+18.5%) to the detriment of the savings business (-20.9%).
Profitability (**margins on the APE**s) decreased from 30.7% in 2014 to 23.1% in 2015, mainly due to the adverse economic climate which strongly reduced profitability, especially in the savings business where there is a high level of guarantee. **New business value** amounted to € 191 million (-28.7%).

Net inflows in Germany began to increase again after the drop the previous year which reflected the measures adopted to restructure the portfolio.

Central and Eastern Europe



The **gross written premiums in Central and Eastern European countries** increased from € 1,487 million as at 31 December 2014 to € 1.603 million (+7.4%). This trend reflects the significant developments in the single premium business, which has almost doubled, especially in Poland due to sales in the bank insurance channel. On the other hand, business from annual premiums has fallen by 2.1% reflecting the trends in the Czech Republic.
With reference to the business lines, the protection lines are growing (+25.9%), as are the unit-linked policies (+15.0%); the savings line has decreased (-3.3%).

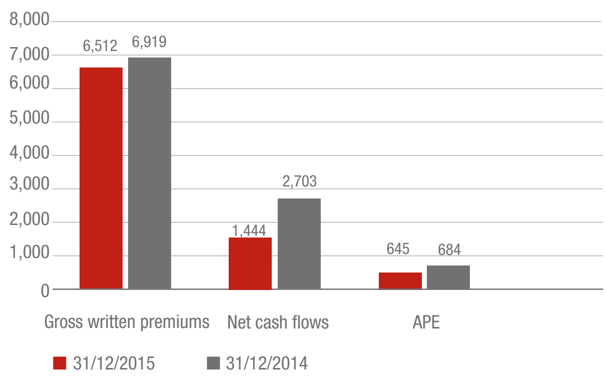
The drop in **new business in terms of APE**s (-3.2% on a like-for-like basis) is mainly due to the drop in the unit-linked business (-35.9% on a like-for-like basis).
The decline in profitability (margins on APEs) from 32.8% in 2014 to 23.7% in 2015 is explained both by the strong

drop in the profitability of the risk business risk which represents 49.2% of the business.

The combined effect of lower sales volumes and declining profitability caused the new business value to fall by 30.2% on a like-for-like basis, standing at € 39 million.

Net inflows are strongly up **(+38.4%)**; the previous year they had been strongly penalised by the higher outflows of pension funds and the increase in capital outflows.

EMEA



The gross written premiums by the EMEA regional structure fell from € 6,919 million at 31 December 2014 to € 6.512

This trend was determined by the performance of the unit/index linked and savings business lines, only partially offset by the increase in the protection policies.

In particular, there was a reduction in gross written premiums in **Spain**, which amounted to € 958 million (€ 984 million at 31 December 2014). The increase in the protection policies (+7.4%) resulting from the numerous Techex initiatives and contribution by Cajamar was more than offset by the drop in the other business lines. More specifically, the savings policies (-5%) were affected by the lower transfers from pension plans and the fall in interest rates.

Gross written premiums in **Austria** stood at € 1,224 million, down by 5.4%. This performance reflects the effects of the planned strategic reduction of the single premiums (-23.5%), especially in the savings policies, which fell by 13.7% as a whole. On the other hand, the protection lines are growing (+14.6%), as are the unit-linked policies (+1.6%).

The gross written premiums for **Switzerland** were also down, standing at 1,236 million (-3.6% on a like-for-like basis) due to the reduction in both recurring premiums (-1.9%) and single premiums (-21.7%). With respect to the business lines, only the savings products showed growth (+4.7%), while the protection lines and the unit-linked lines fell by 1.3% and 6.8% respectively.

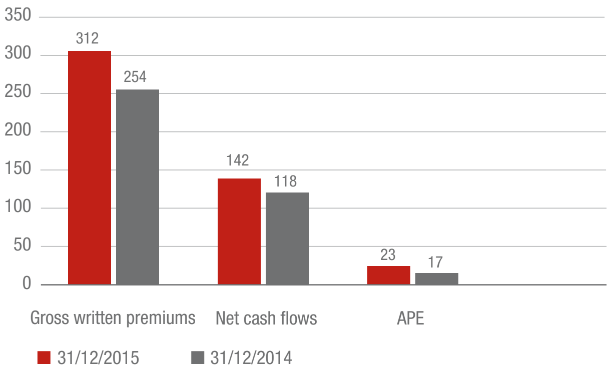
As noted above, income in Ireland fell from € 2,085 million to € 1,598 million due to the significant drop off in single premiums.

New business in terms of APEs was down (-7.2%), following the reductions in **Ireland** (-21.5%) and Guernsey (-22.0%), with direct effects on the unit-linked sector (-13.3%). On the other hand, there was good progress in Switzerland (+2.6%) and Belgium (+35.9%).

Overall, profitability rose from 25.9% in 2014 to 27.0% in 2015, mainly due to the strong increase in the risk business in Spain, despite the reduction in profitability in Switzerland following the adverse economic climate and the high level of guarantee offered. **New business value** amounted to € 174 million (-6.4%).

Net inflows for the EMEA regional structure fell to € 1,444 million (€ 2,703 million at 31/12/2014) due to the above-mentioned reduction in premiums in Ireland and the performance in Austria, where the net inflows affected the strong increase in payments and the drop in premium income. The negative amount of net inflows in Spain is due to the type of life portfolio, mainly focused on annuity products and short-term investments. In any case, thanks to the actions taken, net inflows improved in 2015 compared to the previous year (+34.5%).

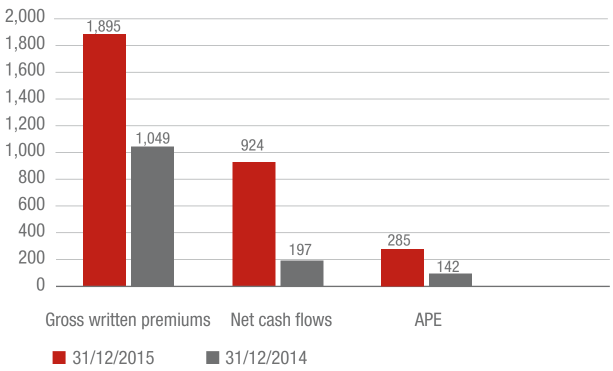
AMERICAS



Gross written premiums in Latin America increased (22.2%) amounting to € 312 million(€ 254 million at 31 December 2014).
This development is the result of the growth in the two main countries in the Region; Argentina increased by 31%, driven also by ongoing high inflation levels, and Brazil grew by 23%, mainly thanks to the Generali Employee Benefit sector.

Finally, net inflows in Latin America are increasing.

ASIA



The gross written premiums in Asia showed excellent performances, increasing from € 1,049 million at 31 December 2014 to € 1.895 million (+56.2%), thanks to the gains made in all countries in the area. Growth was positive in all countries in the region, but driven in particular by China (+61% on a like-for-like basis), thanks to the especially positive performance of the single premium products of the savings products, distributed through the bancassurance channel. These channels definitely benefitted from the uncertainties that characterised the Asian financial markets in recent months.

The net inflows also showed particularly positive trends, standing at € 924 million compared to € 197 million at the end of 2014. Even in this case, there was growth in all countries in the Region, but it was especially driven by China, which benefitted from the above-mentioned-higher volumes of premiums.

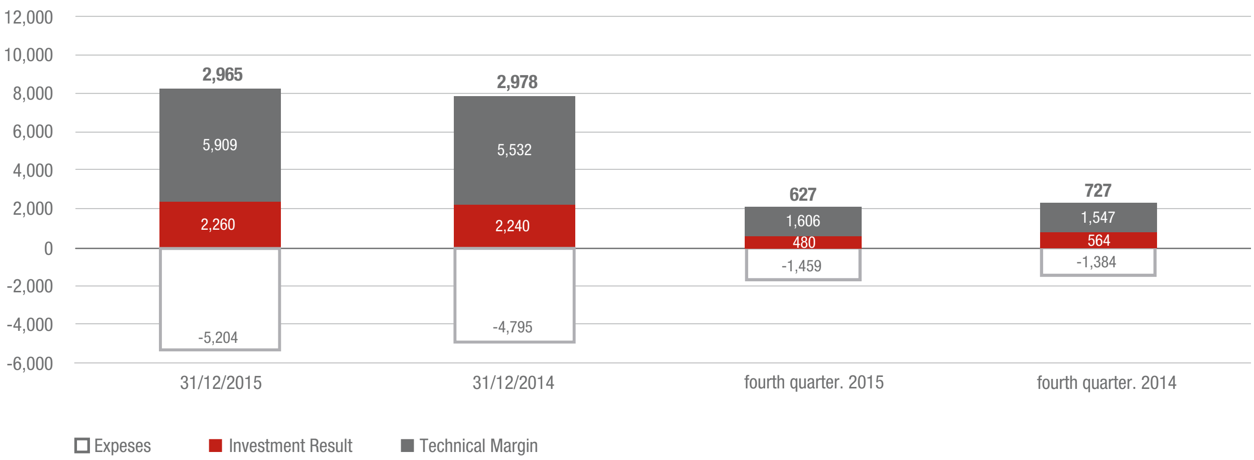
With reference to **Asia and Latin America**, the new business in terms of APEs is strongly up (+71.2%) with good increases in both Asia (+74.5%) and Latin America (+36.9%). Overall, thanks to the higher profitability (from 11.8% in 2014 to 13.5% in 2015) and the increase in volumes, the value of new business stood at € 42 million, up (+88.6%).

International Operations

The gross written premiums in the International Operations grouping were up, increasing from € 598 million at 31 December 2014 to € 642 million (+7.4%). This development is attributable to the favourable business of Generali Employee Benefits and the Assicurazioni Generali S.p.A. activities.

Finally, net inflows are slightly down (-3%) due to the increase in the capital outflows observed mainly in the foreign branches.

Operating Result



The operating result in the life segment amounted to € 2,965 million, down by 0.4% compared to the € 2,978 million at the end of 2014. In particular, the growth in the technical margin net of insurance operating expenses was more than offset by the worsening trends in the net other operating expenses, including the brand royalties paid to the Head Office for marketing and branding activities. On the other hand, the investment result were slightly increased.

Finally, the operating profitability on investments[5] of the life segment amounted to 0.74% (0.81% at 31 December 2014).

Operating result: Technical margin

Life segment operating result: technical margin

(€ million)	31/12/2015	31/12/2014	FOURTH QUARTER2015	FOURTH QUARTER2014
Technical margin	**5,909**	**5,532**	**1,606**	**1,547**
Net earned premiums	48,689	44,699	13,792	13,102
Fee and commission from financial service activities	236	224	53	61
Net insurance claims adjusted for financial interests and bonuses credited to policyholders	-43,205	-39,547	-12,311	-11,686
Other insurance items	189	156	72	71

The technical margin[6], equal to € 5,909 million, is strongly improved; there is a strong increase in premium loadings, in line with premium income trends, the positive developments in the profitability of protection lines and the growth in fees related to the sale of unit/index linked products.

This margin does not include the insurance operating expenses, which are reported in Total operating expenses.

5
Please refer to the Glossary in the Appendix to Management Report section for more details on the way the indicator was calculated.

6
Please refer to the methodological note on alternative performance measures in the Appendix to Management Report section for more details on the way the indicator was calculated.

Operating result: Net Investment result

Life segment operating result: investment result

(€ million)	31/12/2015	31/12/2014	FOURTH QUARTER2015	FOURTH QUARTER2014
Net investment result	**2,260**	**2,240**	**480**	**564**
Operating income from investments	15,141	16,594	4,832	3,821
Net income from investments	12,416	12,305	2,971	2,908
Current income from investments	11,248	11,024	2,924	2,841
Net operating realized gains on investments	2,365	2,443	283	460
Net operating impairment losses on investments	-334	-310	5	-126
Other operating net financial expenses	-863	-852	-241	-267
Net income from financial instruments at fair value through profit or loss	2,725	4,289	1,861	913
Net income from financial instruments related to unit and index-linked policies	2,276	3,300	1,681	724
Net other income from financial instruments at fair value through profit or loss	448	989	180	189
Policyholders' interests on operating income from own investments	-12,880	-14,354	-4,352	-3,257

The net investment result, amounted to € 2,260 million was slightly increased (+0,9%) on the € 2,240 million recorded at 31 December 2014.
This trend was mainly attributable to the increase in current income, in absolute terms, from equities and bonds investments, despite the low interest rates environment; this was partially offset by lower the net realized gains, mainly in the equity sector.

In particular:

- **current income from investments** – which also include the current income from investments at fair value through profit or loss – stood at € 11,248 million (€ 11,024 million at 31 December 2014), while the related current return, calculated based on the book value of the investments, decreased to 3.4%. In more detail, the current income from fixed income instruments rose from € 9,588 million at 31 December 2014 to € 9,877 million thanks to the actions undertaken by the Group to support current returns. The current income in the equity segment was reduced, falling from € 449 million at 31 December 2014 to € 416 million. Finally, current income from investment properties was also slightly decreased, at € 652 million;
- **net operating realized gains** on investments amounted to € 2,365 million (€ 2,443 million at 31 December 2014) due to lower realized gains especially on the equity portfolios of the Group compared to the corresponding period of the previous year;
- **net operating impairment losses** on investments increased from € -310 million at 31 December 2014 to € -334 million; this reflects the lower impairments on equities, more than offset by the higher impairments on the debt securities recorded in the first half of 2015;
- **other operating net financial expenses**, which includes interest expense related to operating debt and investment management expenses amounted to € -863 million (€ -852 million at 31 December 2014);
- **net income from financial instruments related to unit- and index-linked contracts** fell from € 3,300 million as at 31 December 2014 to € 2,276 million. This trend was affected by the change in value of the investments related to the performance of certain financial markets with respect to the corresponding period of the previous year;
- **net income from financial instruments at fair value through profit or loss** amounted to € 448 million (€ 989 million at 31 December 2014). The significant change was due to the performance of certain financial markets during the year.

The policyholders' interests on operating income from own investments moving from € -14,354 million at 31 December 2014 to € -12,880 million, decreasing from the corresponding period of the previous year, due to the volatility of the income from financial instruments at fair value through profit or loss..

Operating result: Total operating expenses

Life segment operating result: total operating expenses

(€ million)	31/12/2015	31/12/2014	FOURTH QUARTER2015	FOURTH QUARTER2014
Total operating expenses	**-5,204**	**-4,795**	**-1,459**	**-1,384**
Acquisition and administration costs related to insurance business	-5,047	-4,759	-1,363	-1,365
Net other operating expenses	-157	-35	-96	-20

The acquisition and administration costs related to insurance business and the other operating expenses have increased from € -4,795 million at 31 December 2014 to € -5,204 million.

In particular, acquisition and administration costs related to insurance business amounted to € -5,047 million, increase of 6.0% compared to 31 December 2014. The costs of acquisition contributed to this trend, which amounted to € -4,044 million, up by +5.9%, driven especially by France and Asia, due to improvement in the net inflows.
Administration costs, amounting to € -1,003 million, increasing by 6.7% due to trend observed in France and Asia, in contrast with other areas in which the Group operates.

The acquisition and administration costs ratio amounted to 9.6%, stable compared to 31 December 2014 (9.7%).

Finally, the percentage of the total administration costs related to insurance business to the average insurance provisions stayed substantially stable at 0.27%.

The increase in the other operating components is due to the higher provisions to risk funds during 2015, and the brand royalties fees recorded in the 4th trimester of 2015 the Head Office for marketing and branding activities.

Non-operating result

The non-operating result of the life segment improved, from € -381 million at 31 December 2014 to € -312 million thanks to the increase in the non-operating result of investments, following the lower net impairment losses, which amounted to € -132 million (€ -359 million at 31 December 2014 mainly due to impairment of the equity investment in Ingosstrakh). This was partially offset by the lower realized gains on the equities that decrease from € 121 million to € 24 million.

The other non-operating expenses increased, amounting to € -204 million (€ -143 million at 31 December 2014), of which € -86 million related to the amortization of the value of acquired portfolios (€ -76 million at 31 December 2014). This trend is mainly due to certain non-recurring costs that were registered in 2015.

Life segment operating result

(€ million)	31/12/2015	31/12/2014	FOURTH QUARTER2015	FOURTH QUARTER2014
Life segment operating result	**2,965**	**2,978**	**627**	**727**
Net premiums	48,689	44,699	13,792	13,102
Net insurance benefits and claims	-56,010	-53,893	-16,666	-14,924
of which change in the provisions for unit and index-linked policies	-5,564	-5,965	-2,239	-1,594
Acquisition and administration costs	-4,953	-4,668	-1,341	-1,339
Acquisition and administration costs related to insurance business(*)	-4,953	-4,668	-1,341	-1,339
Other acquisition and administration costs	-1	-1	0	0
Net fee and commission income and net income from financial service activities	142	132	31	35
Net operating income from financial instruments at fair value through profit or loss	3,117	4,682	2,024	1,032
of which net income from financial assets and liabilities related to unit and index-linked policies	2,276	3,300	1,681	724
Net operating income from other financial instruments	12,024	11,912	2,808	2,789
Interest income and other income	10,855	10,631	2,761	2,722
Net operating realized gains on other financial instruments and land and buildings (investment properties)	2,365	2,443	283	460
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-334	-310	5	-126
Interest expense on liabilities linked to operating activities	-214	-278	-51	-84
Other expenses from other financial instruments and land and buildings (investment properties)	-649	-574	-191	-182
Net other operating expenses(**)	-43	114	-20	32
Life segment non-operating result	**-312**	**-381**	**-121**	**-73**
Net non-operating income from other financial instruments	-108	-238	-43	-34
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)(***)	24	121	1	91
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)(***)	-132	-359	-44	-125
Net other non-operating expenses(****)	-204	-143	-78	-39
Life segment earnings before taxes	**2,653**	**2,597**	**506**	**653**

(*) Commissions related to investments contracts, which amounted to € -94 million (€ -92 million at 31 December 2014), are included in net fee and commission income and net income from financial service activities.

(**) At 31 December 2015 the amount is net of operating taxes for € 64 million and of non-recurring taxes shared with the policyholders in Germany for € -3 million (at 31 December 2014 respectively for € 64 million and € 27 million).

(***) The amount is net of the share attributable to the policyholders.

(****) The amount is net of the share attributable to the policyholders in Germany and Austria.

Life segment indicators by country

Life segment indicators by country

(€ million)	Gross written premiums		Net cash flows		APE	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Italy	19,400	17,393	7,646	5,699	2,322	2,492
France	8,787	8,438	1,147	615	944	817
Germany	14,146	13,675	2,997	2,958	826	862
Central and Eastern Europe	1,603	1,487	589	425	165	148
EMEA	6,512	6,919	1,444	2,703	645	684
Spain	958	984	-114	-174	121	119
Austria	1,224	1,294	-106	289	102	102
Switzerland	1,236	1,127	553	595	68	58
Other EMEA	3,094	3,513	1,111	1,993	354	405
Americas	312	254	142	118	23	17
Asia	1,895	1,049	926	197	285	142
International Operations	642	598	31	32	0	0
Total	**53,297**	**49,813**	**14,920**	**12,747**	**5,210**	**5,163**

Life segment premiums by line of business by country

(€ million)	Savings and Pension		Protection		Unit/index linked		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Italy	15,895	14,467	230	224	3,274	2,703	19,400	17,393
France	4,769	5,021	1,629	1,566	1,928	1,437	8,326	8,024
Germany	5,407	5,858	4,782	4,195	3,957	3,623	14,146	13,675
Central and Eastern Europe	746	767	312	247	545	473	1,603	1,487
EMEA	2,168	2,267	908	848	3,424	3,780	6,500	6,894
Spain	741	780	200	186	17	17	958	984
Austria	646	749	326	284	245	242	1,218	1,275
Switzerland	301	253	150	134	784	740	1,236	1,127
Other EMEA	479	484	231	243	2,378	2,781	3,089	3,508
Americas	31	30	279	222	0	0	310	252
Asia	1,407	708	339	227	150	114	1,895	1,049
International Operations	82	73	32	24	0	0	114	97
Total direct written premiums	**30,504**	**29,190**	**8,512**	**7,553**	**13,278**	**12,128**	**52,294**	**48,871**

Life segment NBV and operating result by country

(€ million)	NBV		Operating Result	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Italy	589	641	1,207	1,346
France	62	89	567	560
Germany	191	265	439	376
Central and Eastern Europe	39	49	228	144
EMEA	174	177	379	470
Spain	79	66	123	121
Austria	10	17	66	68
Switzerland	16	29	164	135
Other EMEA	69	65	26	145
Americas	0	0	50	4
Asia	42	19	95	49
International Operations	0	0	1	30
Total	**1,097**	**1,239**	**2,965**	**2,978**

Financial position of Life segment

Investments

Life segment: investments

(€ million)	31/12/2015	Impact (%)	31/12/2014	Impact (%)
Equity instruments	14,066	4.2%	12,983	4.0%
Fixed income instruments	296,433	89.3%	286,056	89.2%
Bonds	269,381	81.1%	261,255	81.5%
Other fixed income instruments	27,052	8.1%	24,801	7.7%
Land and buildings (investment properties)	8,912	2.7%	9,881	3.1%
Other investments	4,100	1.2%	5,039	1.6%
Investments in subsidiaries, associated companies and joint ventures	3,874	1.2%	4,282	1.3%
Derivatives	-859	-0.3%	-71	0.0%
Other investments	1,084	0.3%	829	0.3%
Cash and cash equivalents	8,605	2.6%	6,624	2.1%
General accounts investments	**332,117**	**100.0%**	**320,583**	**100.0%**
Investment back to unit and index-linked policies	74,966		67,707	
Total investments	**407,082**		**388,290**	

At 31 December 2015, total investments in the life segment showed a 4.8% increase over 31 December 2014, amounting to € 407,082 million. Group investments amounted to € 332,117 million (+3.6%), while the investments related to the unit/index linked investments amounted to € 74,966 million (+10.7%).

Even though the percentage was substantially stable, the exposure in absolute terms towards the fixed income instruments and the equity instruments were up, standing at € 296,433 million (€ 286,056 million at 31 December 2014) and € 14,066 million (€ 12,983 million at 31 December 2014) respectively. On the other hand, there was a drop in Group investment properties to 2.7% (3.1% at 31 December 2014). Finally there was an increase in cash and cash equivalents, standing at 2.6% (2.1% at 31 December 2014).

With reference to the breakdown of the bond investment portfolio, exposure to government bonds was slightly down, standing at € 149,400 million (€ 150,538 million at 31 December 2014), amounting to 55.5% of the portfolio (57.6% at 31 December 2014). The change during the period was due to the sales made in the period.

On the other hand, corporate bonds increased to € 119,981 million (€ 110,717 million at 31 December 2014), equal to 44.5% (42.4% at 31 December 2014). This trend is due to the net purchases made during the year, only partially offset by the impairment of their value.

Lastly, the average duration of the bond portfolio was 8.0 years (8.2 years at 31 December 2014), in line with ALM Group strategy.

Life segment: return on investments

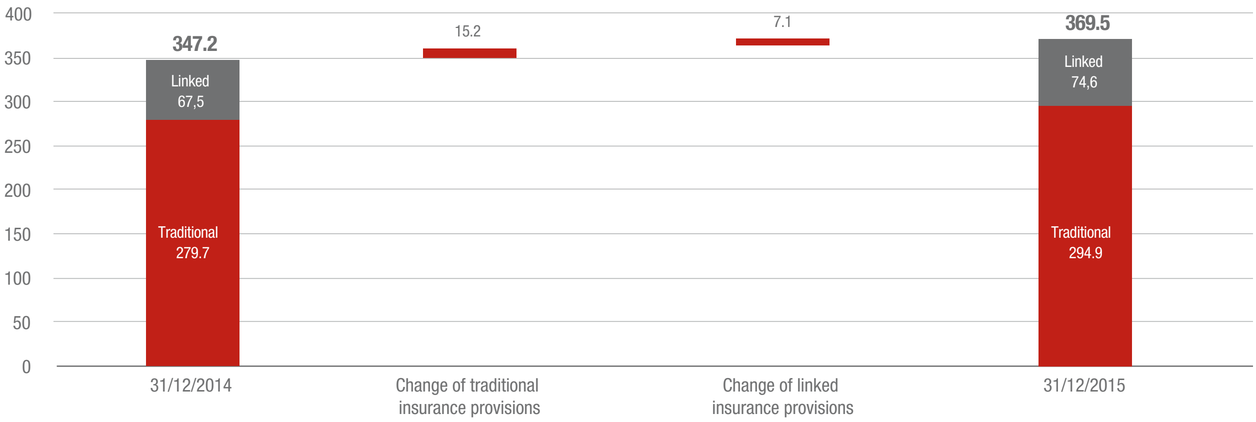
	31/12/2015	31/12/2014
Current return (*)	3.4%	3.6%
Harvesting rate	0.4%	0.6%
P&L return	4.0%	4.5%

(*) Net of depreciations

The net current return from investments in the life segment recorded a modest decline, falling from 3.6% at 31 December 2014 to 3.4% even though the relative income increased to € 11,112 million (€ 10,914 million at 31 December 2014).

The contribution to the result for the period from the harvesting transactions stood at 0.4% (0.6% at 31 December 2014) against the value deterioration of the instruments at fair value through profit or loss.

Life segment insurance provisions



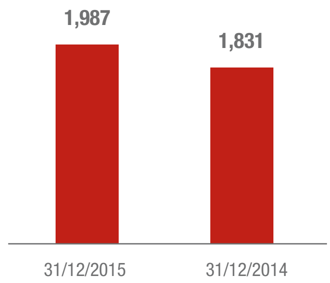
The technical reserves and financial liabilities of the life segment - not including deferred liabilities towards policyholders - amounted to € 369,460 million; the increase of 6.4% reflects both the increase in reserves for the traditional portfolio (+5.4%), and the linked portfolio (+10.5%), which reflects the developments in the inflows and financial market trends, even though to a lesser extent compared to the corresponding period of the previous year due to the performance of certain financial areas reflected in the trend of the unit-linked reserves.

Finally, deferred policyholders' liabilities stood at € 22,642 million (€ 25,300 million at 31 December 2014), reflecting the decrease in the value of the investments, particularly in bonds.

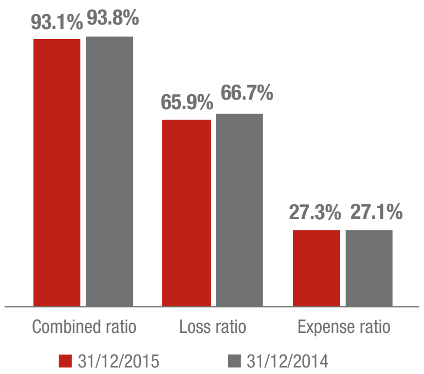
Property&Casualty Segment

Gross written premiums

Operating result



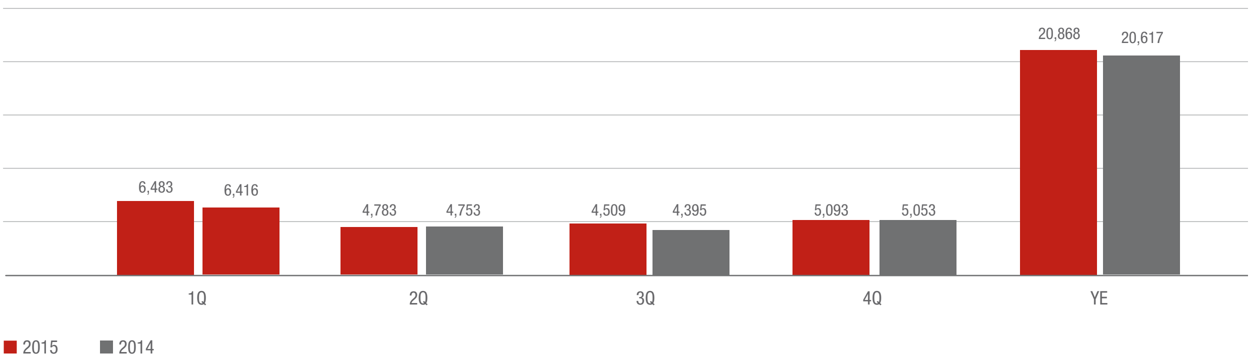
Combined ratio



Operating return on investments

- Income is back up (+0.8%) due to the performance of the non-motor lines.
- Strong growth in the operating result (+8.5%).
- Improving Group Net COR (-0.6 pps), thanks to the loss ratio performance despite the higher impact of catastrophic claims.
- Positive operating return on investment which amounts to 5.09%.

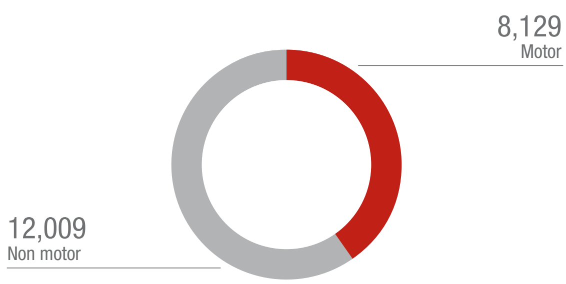
Premiums development



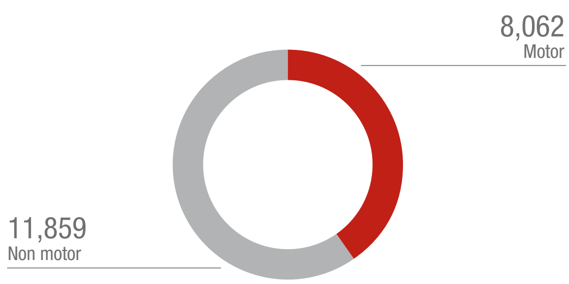
The **P&C segment premiums** amounted to € 20,868 million, up compared to 31 December 2014 (+0.8%).This was due to the 1.1% increase in the non-motor sector which was generally positive in the main Group countries apart from Italy where there was a slight drop.

On the other hand, premiums in the motor sector were stable compared to the previous year; the growth in the main areas of operation was offset by the drop in markets most affected by the current macro-economic situation, and in Italy and France in particular.

Group written premiums at 31 December 2015

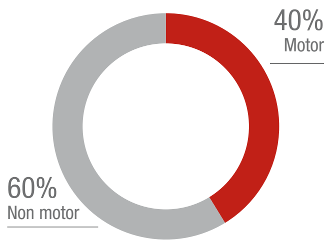


Group written premiums at 31 December 2014



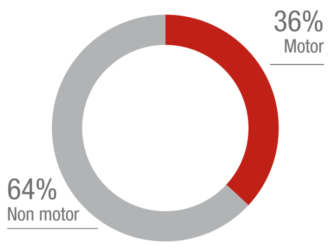
A geographical focus follows regarding the main indicators mentioned above:

Italy



Gross written premiums in Italy amounted to € 5,947 million, down by 3% with respect to 31 December 2014. This was mainly a result of the motor lines (-7.3%), which was affected by the competitive pressures on the premiums market, reflected in the significant reductions in average premiums, both in traditional channels and direct channels.
The non-motor line is also slightly down (-0.7%), while the accident and health line is substantially in line with the previous year (-0.5%), with a positive contribution from the retail area (+1.7%); the SME sector is stable (+0.2%), while the corporate business has dropped by -4.2%. The integration of the networks will allow improved growth rates to be achieved in this sector..

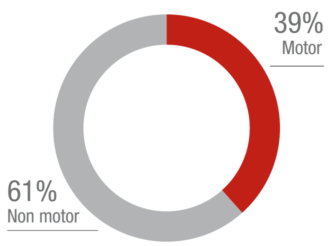
France



Gross written premiums in France are substantially stable, at € 2,538 million (-0.3 %). The non-motor lines are going well (+1.4%), thanks especially to the protection & health and commercial sectors.

On the other hand, the motor lines are down (-3.8%), affected by the falls in average premiums and the remaining restructuring to be done in the fleet and garage sector. However, there has been significant progress in the retail sector in terms of number of contracts.

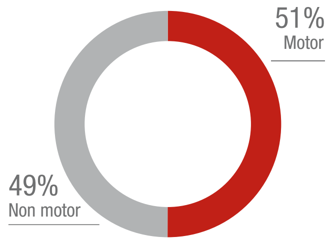
Germany



The German gross written premiums performed well, amounting to 3,608 million (€ 3,547 million at 31 December 2014), which increased by 1.7% thanks to both the motor (+2.7%) and non-motor (+1.1%) lines.

More specifically, the market dynamics for the motor line led to further strengthening of the existing portfolio, thanks also to the solid performance of the DVAG distribution network.

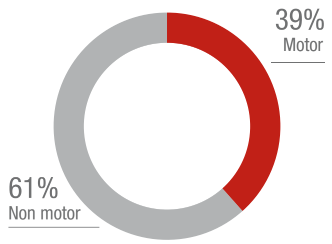
Central Eastern Europe



Gross written premiums in the Central and Eastern European countries were also up, amounting to € 1,976 million, up by 4.6% with respect to 31 December 2014. This trend is due mostly to the motor line (+6.6%) and, to a more limited extent, the non-motor lines (+2.5%).

All countries showed growth in the premiums apart from Slovenia where the premiums were stable. There was significant growth in Poland (Proama), Slovakia, Romania and Serbia.

EMEA



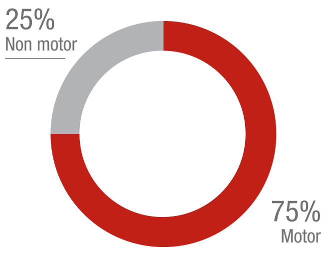
The gross written premiums in the EMEA regional structure, amounting to € 4,410 million, increased by 1.8% compared to 31 December 2014.

The gross written premiums in Spain were significantly up, amounting to € 1,358 million, thanks to the positive performance in both segments. More specifically, the motor line grew by 14.2% due to the measures introduced in the second half of 2014, as credit scoring instruments and customer segmentation instruments.

Austria was slightly up in terms of income, where the gross written premiums increased from € 1,426 million at 31 December 2014 to € 1,431 million (+0.4%). The non-motor line (+0.9%) increased thanks to the growth of all business lines which benefited from tariff adjustments, as did the motor line (+0.9%).

Gross written premiums in Switzerland fell (-1.1% on a like-for-like basis), amounting to € 759 million (€ 675 million at 31 December 2014). The negative performance was due to the motor lines (-5.5%), affected by a reduction in the portfolio retention rates. On the other hand, non-motor lines increased (+2.6%), mainly due to progress in the accident and health line (+5.6%) thanks to the income protection products and the agreement of certain significant contracts.

AMERICAS

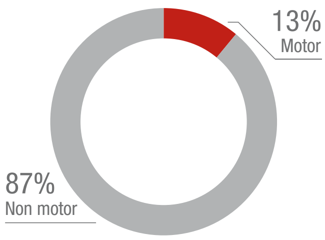


The gross written premiums from Latin America increased from € 1,057 million at 31 December 2014 to € 1,155 million (+7.3 % on a like-for-like basis).

This performance reflected the differing trends in Argentina and Brazil; premiums grew by 36% in Argentina, reflecting the performance recorded in the motor line. As described above in the life section, the growth in income should be viewed in the context of the inflationary situation in the country.

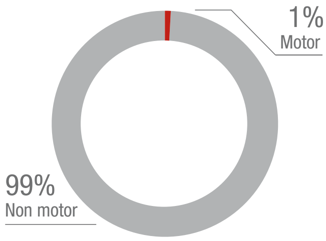
The drop in Brazil (-44.7%) is due to the restructuring actions taken after the results of the previous year. This drop involved both the motor and non-motor lines, where most of the business is represented by the corporate business.

Asia



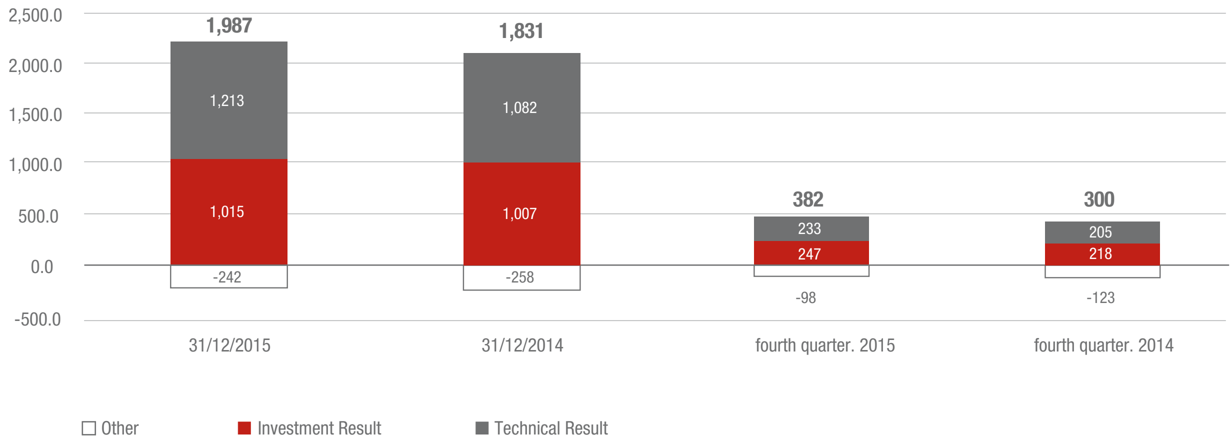
Gross written premiums in Asia amounted to € 128 million, increasing from the previous year (+22.5 % on a like-for-like basis), thanks in particular to the business accepted by the Hong Kong branch in the Accident and Health area

International operations



The gross written premiums of International Operations amounted to € 1,106 million, down from the figure at 31 December 2014 (3,9 % on a like-for-like basis). Specifically, the trend is attributable to the foreign activity of the parent company, partially offset by the drop in income related to the care services.

Operating result



The operating result for the property&casualty segment increased to € 1,987 million (€ 1,831 million at 31 December 2014). This significant increase (+8.5%) is mainly attributable to the technical result, with a Group Net COR of 93.1%, improving by 0.6 pps compared to the previous year.

With reference to the fourth quarter of the current year, compared to the same period of the previous year, the operating result increased by +27.3%, due to the positive technical result in the fourth quarter.

The operating return on investments of the property&casualty segment increased to 5.09% (4.69% at 31 December 2014).

Technical result

Property&Casualty operating result: technical result

(€ million)	31/12/2015	31/12/2014	FOURTH QUARTER2015	FOURTH QUARTER2014
Technical result	**1,213**	**1,082**	**233**	**205**
Net earned premiums	19,818	19,622	4,997	4,927
Net insurance benefits and claims	-13,053	-13,084	-3,327	-3,294
Net acquistion and administration costs	-5,404	-5,312	-1,399	-1,375
Other net technical income	-148	-144	-39	-53

The **technical result** amounted to € 1,213 million, showing strong growth with respect to 31 December 2014 (+12.2%); this result includes the impact of catastrophic claims of approximately € 313 million, mainly resulting from the storms that hit Italy in March and April, and Central Europe at the beginning of July, in addition to flooding in the South of France in October. Similar events had an impact of approximately € 238 million at 31 December 2014.

Technical indicators

	31/12/2015	31/12/2014	Change
Combined ratio	**93.1%**	**93.8%**	**-0.6**
Loss ratio	65.9%	66.7%	-0.8
current year loss ratio excluding natural catastrophes	68.9%	69.3%	-0.4
natural catastrophes impact	1.6%	1.2%	0.4
prior year loss ratio	-4.6%	-3.8%	-0.8
Expense ratio	27.3%	27.1%	0.2
Acquisition cost ratio	21.3%	21.2%	0.2
Administration cost ratio	5.9%	5.9%	0.0

The Group ***combined ratio*** improved to 93.1% (-0.6 pps compared to 31 December 2014), due entirely to the drop in the loss ratio (-0.8 pps); the expense ratio is slightly up at 27.3% (27.1% at 31/12/2014).

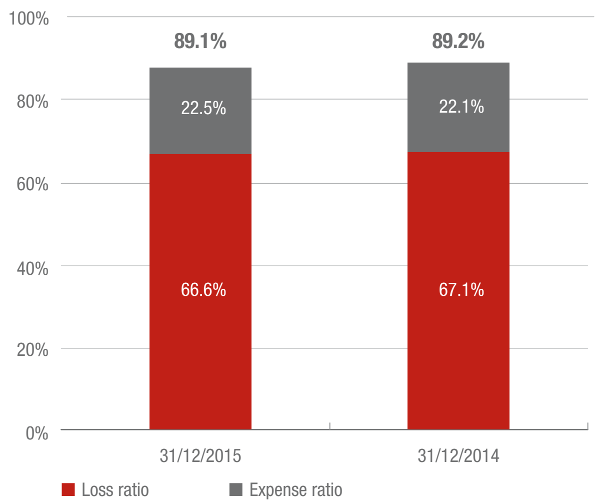
With respect the loss ratio, the improvement is due to both the current year loss ratio excluding natural catastrophes, down by 0.4 pps, and the result of previous generations which stood at -4.6 pps for previous years, taking the standard prudent approach of the Group. The percentage catastrophic claims at the end of 2015 were 1.6 pps, up by 0.4 pps compared to the previous year. The reserving ratio was stable at 154%.
Acquisition and administration costs related to the insurance business stood at € 5,404 million, up compared to 31 December 2014 (€ 5,312 million). More specifically, the acquisition costs were up to € 4,229 million (+1.7%) due to the trends observed in the Central and Eastern European countries, Italy and Switzerland. The ratio of acquisition costs to net earned premiums therefore increased to 21.3% (21.2% at 31/12/2014).

Administration costs are also slightly up, amounting to € 1,175 million (€ 1,155 million at 31/12/2014); the ratio of costs to net earned premiums was however stable at 5.9%.

Therefore, the expense ratio stood at 27.3% (27.1% at 31/12/2014).

A review of the combined ratio for the business areas of the Group will follow.

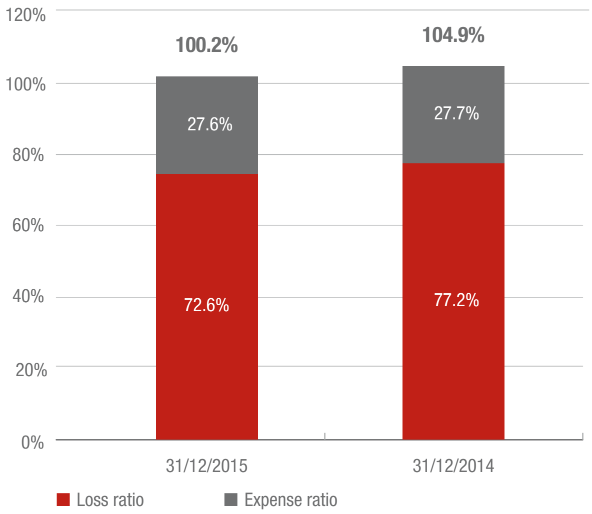
Italy



Italy confirmed its excellent technical performance with a COR of 89.1% (-0.2 pps). This trend mainly reflected the decrease in the loss ratio (–0.5% pps) which benefited from the positive trend of non-catastrophic events. There was an increase in the percentage of catastrophic claims, amounting to € 120 million (corresponding to 2.1 pps on the net COR, up by 0.5 pps from the end of 2014) due to the storms at the beginning of March and September and the floods in Northern Italy in September.

The expense ratio increased with respect to the previous year, amounting to 22.5%, following the increase in the acquisition costs.

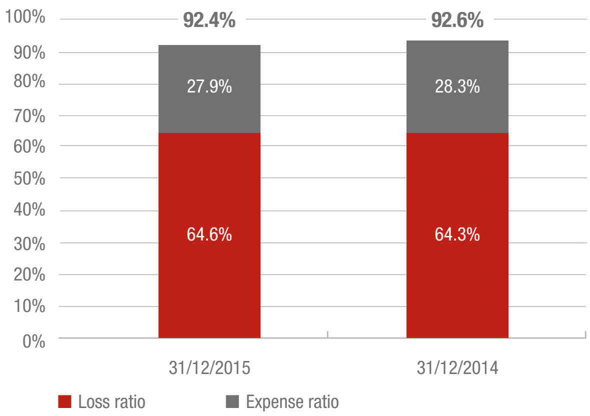
France



The *combined ratio* for France showed a significant improvement, going from 104.9% the previous year to 100.2%. This is entirely due to the reduction in the loss ratio standing at 72.6% (-4.6 pps), benefitting from the lower percentage of catastrophic claims, amounting to € 46 million (1.9 pps in 2015 compared to 2.4 pps at the end of 2014), but especially to improvement in the rate of non-catastrophic claims. In the previous year, this was affected by the strengthening of the reserves related to the Buildings and General lines in accordance with market trends. With reference to the business lines, the COR in the motor line was reduced in a significantly worse market, and in a situation where the Group managed to progressively recover its client base. The performance of the household multi-risk area was very positive in the retail sector.

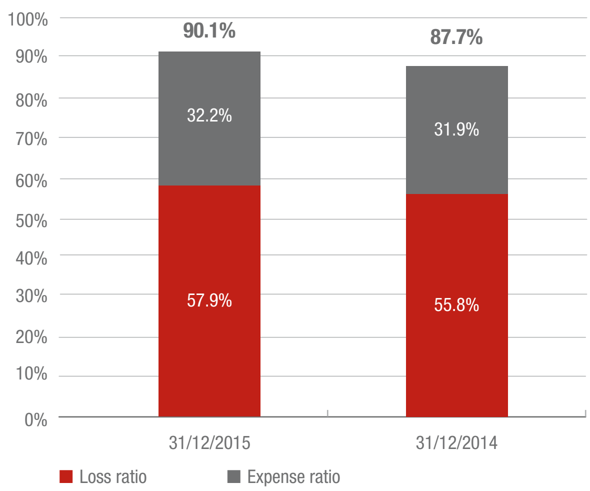
The *expense ratio* was substantially stable at 27.6% (-0.1%).

Germany



The German *combined ratio* also improved to 92.4%, which includes a 2.3 pps of catastrophic claims, mainly related to the June storms. Similar events had a 1.1 pps effect the previous year. On the other hand, non-catastrophic claims were down, as was the expense ratio, which stood at 27.9% (-0.4 pps).

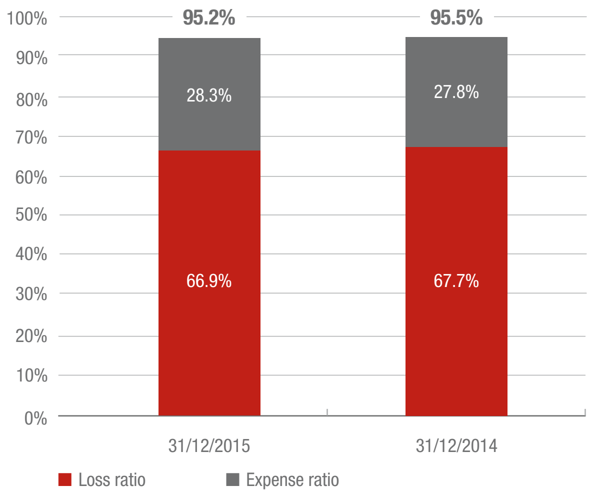
Central and Eastern Europe



The *combined ratio* for the Central and Eastern European countries stood at 90.1% (87.7% at 31/12/2014). This was mainly due to the increase in claims for both catastrophic claims, which had a 1 pps weight compared to the 0.4 pps weight of 2014, and for non-catastrophic claims. The improvement in the loss ratio in the non-motor line was offset by trends in the motor line, especially in Bulgaria and Poland which were affected by regulatory changes on reservations.

The *expense ratio* was slightly up, standing at 32.2%.

EMEA



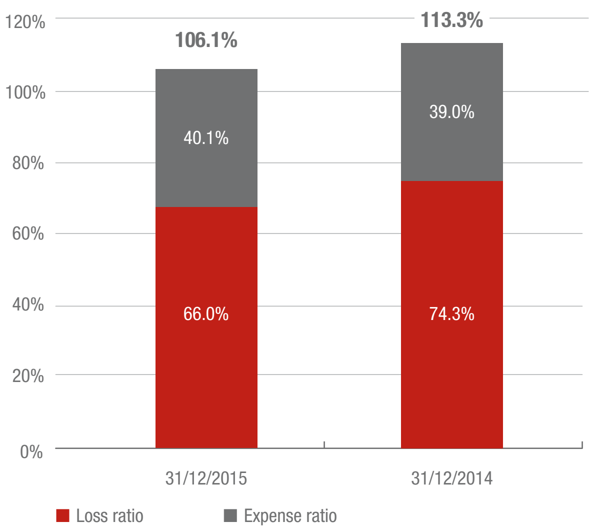
The *combined ratio* of the EMEA regional structure improved compared to 31 December 2014, standing at 95.2% (95.5% at the end of 2014), thanks also to trends in the main markets in the area.

The *combined ratio* for Austria was much improved (-0.8 pps), standing at 93.4% due to the fall to 66.1% in the loss ratio as a result of fewer big claims despite the higher percentage of catastrophic claims which amounted to 2.6 pps. (0.8 pps at year end 2014). The *expense ratio* was stable at 27.3%.

The Swiss *combined ratio* also improved to 0.6 pps, standing at 92.2%, reflecting the combined effect of the fall in claims and simultaneous increase in the expense ratio.

Finally, the *combined ratio* in Spain was substantially stable at 93.2% (-0.1pps).

AMERICAS



While still at a high level, the Latin American *combined ratio*, of 106.1%, was down by 7.2 pps compared to the end of 2014. There was a positive performance in Argentina, while Brazil was partly affected by the negative performance of 2014 carried forward into the next year, along with a drop in income.

Investment result

Property&Casualty operating result: investment result

(€ million)	31/12/2015	31/12/2014	FOURTH QUARTER2015	FOURTH QUARTER2014
Investment result	**1,015**	**1,007**	**247**	**218**
Current income from investments	1,314	1,358	318	300
Other operating net financial expenses	-298	-352	-71	-83

The investment result in the P&C segment amounted to € 1,015 million, increased compared to 31 December 2014 (+0.8%). In particular the current income from investments amounted to € 1,314 million (€ 1,358 million at 31 December 2014); this decrease is mainly attributable to the difficult context of low reinvestment rates. However, the actions by the Group aiming at sustaining the result have allowed the achievement of a current return of 3.2% (3.5% at 31/12/2014).

In detail, the change in current income is primarily attributable to the decline in income from equity instruments that fell from € 121 million at 31 December 2014 to € 96 million.

Current income from real estate investments - net of depreciation - was also decreased, amounting to € 256 million (€ 268 million at 31 December 2014).

Despite the low reinvestment rates, income from investments in fixed income securities was stable, in line with the previous year, decreasing from € 861 million at 31 December 2014 to € 856 million.

Other operating net financial expenses, which includes interest expense related to operating debt and investment management expenses amounted to € -298 million (€ -352 million at 31 December 2014) due to lower investment property management costs.

Operating result: Other operating items

Other operating items of the property&casualty segment, which primarily include non-insurance operating expenses, depreciation and amortization of tangible assets and multi-annual costs, provisions for recurring risks and other taxes, decreased to € -242 million (€ -258 million at 31 December 2014) mainly due to lower provisions for risks.

Non-operating result

The non-operating result of the property&casualty segment improved to € -67 million (€ -184 million at 31 December 2014).

The non-operating investment result was increased due to the reduction in impairment which improved from € -417 million at 31 December 2014 to € 194 million. This reflects lower impairment losses on equity investments compared to the corresponding period of the previous year. This trend was partially offset by the decrease in net realized gains which amounted to € 662 million (€ 769 million at 31 December 2014).

Moreover, the net income from financial instruments at fair value through profit or loss increased, amounting to € -100 million (€ -263 million at 31 December 2014) thanks to the performance in certain financial markets during the year.

The net other non-operating expenses increased, amounting to € -435 million (€ -273 million at 31 December 2014), of which € -55 million related to the amortization of the value of acquired portfolios (€ -63 million at 31 December 2014). This was mainly due to the higher restructuring costs incurred during 2015 and more allocations to the risk provisions in the first half of 2015.

Property&Casualty operating result

(€ million)	31/12/2015	31/12/2014	FOURTH QUARTER2015	FOURTH QUARTER2014
Property&Casualty operating result	**1,987**	**1,831**	**382**	**300**
Net earned premiums	19,818	19,622	4,997	4,927
Net insurance benefits and claims	-13,081	-13,110	-3,334	-3,300
Acquisition and administration costs	-5,410	-5,315	-1,400	-1,376
Acquisition and administration costs related to insurance business	-5,404	-5,312	-1,399	-1,375
Other acquisition and administration costs	-6	-3	-1	-1
Fee and commission income and income from financial service activities	0	0	0	0
Net operating income from financial instruments at fair value through profit or loss	83	68	27	19
Net operating income from other financial instruments	960	965	228	205
Interest income and other income	1,231	1,290	291	282
Interest expense on liabilities linked to operating activities	-85	-102	-22	-24
Other expenses from other financial instruments and land and buildings (investment properties)	-185	-224	-41	-53
Net other operating expenses	-383	-399	-137	-175
Property&Casualty non-operating result	**-67**	**-184**	**35**	**-240**
Net non-operating income from financial instruments at fair value through profit or loss	-100	-263	-43	-142
Net non-operating income from other financial instruments	468	352	153	21
Net realized gains on other financial instruments and land and buildings (investment properties)	662	769	174	223
Net impairment losses on other financial instruments and land and buildings (investment properties)	-194	-417	-21	-202
Net other operating expenses	-435	-273	-75	-119
Property&Casualty earnings before taxes	**1,920**	**1,646**	**417**	**60**

Property&Casualty segment indicators by country

Property&Casualty segment indicators by country

(€ million)	Gross written premiums		Operating result	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Italy	5,947	6,132	704	720
France	2,538	2,545	128	32
Germany	3,608	3,547	389	366
Central and Eastern Europe	1,976	1,884	204	239
EMEA	4,410	4,246	377	402
Spain	1,358	1,281	151	167
Austria	1,432	1,426	166	172
Switzerland	759	675	74	74
Other EMEA	860	864	-13	-12
Americas	1,156	1,057	11	-65
Asia	128	103	6	3
International Operations	1,106	1,102	167	133
Total	**20,868**	**20,617**	**1,987**	**1,831**

Direct written premiums by line of business

Property&Casualty direct written premiums by line of business by country

(€ million)	Motor		Non motor		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Italy	2,303	2,485	3,515	3,539	5,818	6,023
France	884	919	1,593	1,571	2,477	2,490
Germany	1,397	1,360	2,206	2,182	3,603	3,542
Central and Eastern Europe	989	926	950	925	1,939	1,851
EMEA	1,675	1,592	2,652	2,554	4,327	4,146
Spain	380	333	936	913	1,317	1,246
Austria	557	552	863	856	1,420	1,408
Switzerland	330	307	427	366	757	673
Other EMEA	406	399	426	419	833	819
Americas	865	769	283	283	1,148	1,051
Asia	12	9	79	73	91	82
International Operations	4	3	731	732	735	735
Total direct written premiums	**8,129**	**8,062**	**12,009**	**11,859**	**20,138**	**19,921**

Technical indicators by country

(€ million)	Combined ratio*		Loss ratio		Expense ratio	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Italy	89.1%	89.2%	66.6%	67.1%	22.5%	22.1%
France	100.2%	104.9%	72.6%	77.2%	27.6%	27.7%
Germany	92.4%	92.6%	64.6%	64.3%	27.9%	28.3%
Central and Eastern Europe	90.1%	87.7%	57.9%	55.8%	32.2%	31.9%
EMEA	95.2%	95.5%	66.9%	67.7%	28.3%	27.8%
Spain	93.2%	93.3%	65.1%	65.0%	28.1%	28.3%
Austria	93.4%	94.2%	66.1%	66.9%	27.3%	27.3%
Switzerland	92.2%	92.7%	68.3%	70.2%	23.8%	22.6%
Other EMEA	107.0%	105.1%	71.0%	71.7%	36.1%	33.4%
Americas	106.1%	113.3%	66.0%	74.3%	40.1%	39.0%
Asia	94.4%	97.6%	49.7%	56.3%	44.7%	41.2%
International Operations	85.9%	83.7%	63.6%	60.6%	22.3%	23.1%
Total	**93.1%**	**93.8%**	**65.9%**	**66.7%**	**27.3%**	**27.1%**

(*) CAT claims impacted on the Group combined ratio for 1.6 pps of which 2.1 pps in Italy, 1.9 pps in France, 2.3 in Germany, 1 pp in European Eastern Countries, 1 pp in EMEA and 4.1 pps in Asia (At 31 december 2014 CAT claims impacted on the Group combined ratio for 1.2 pps, of which 1.7 pps in Italy, 2.4 pps in France and 1.1 pps in Germany).

Group financial position in the Property&Casualty segment

Investments

Property and casualty segment: investments

(€ million)	31/12/2015	Composizione (%)	31/12/2014	Composizione (%)
Equity instruments	2,489	6.3%	3,346	8.7%
Fixed income instruments	26,680	67.3%	25,948	67.3%
Bonds	23,793	60.0%	23,654	61.3%
Other fixed income instruments	2,887	7.3%	2,294	5.9%
Land and buildings (investment properties)	4,338	10.9%	4,290	11.1%
Other investments	1,524	3.8%	1,203	3.1%
Investments in subsidiaries, associated companies and joint ventures	1,541	3.9%	1,267	3.3%
Derivatives	-72	-0.2%	-77	-0.2%
Other investments	55	0.1%	14	0.0%
Cash and cash equivalents	4,593	11.6%	3,772	9.8%
Total investments	**39,624**	**100.0%**	**38,559**	**100.0%**

Total investments in the property&casualty segment rose from€ 38,559 million at 31 December 2014 to € 39,624 million (+ 2.8%).

With reference to the exposure to the various asset classes, against an increase in the absolute values, the percentage of the portfolio to fixed income remained stable at 67.3%. There was a fall in the exposure to equity instruments, which fell from 8.7% at 31 December 2014 to 6.3%, while the exposure to real estate investments was substantially stable at 10.9%. Finally, the percentage of cash and cash equivalents increased from 9.8% at 31 December 2014 to 11.6%.

With reference to the breakdown of the bond investment portfolio, exposure to government bonds increased, standing at € 10,317 million (€ 10,021 million at 31 December 2014), amounting to 43.4% of the portfolio (42.4% at 31 December 2014), against a reduction in the corporate component, of € 13,476 million (€ 13,633 million at 31 December 2014) with a ratio of 56.6% (57.6% at 31 December 2014).

Finally, the average duration of the bond portfolio was 5.0 years (4.6 years at 31 December 2014), in line with the ALM Group strategy.

Property&Casualty segment: return on investments

	31/12/2015	31/12/2014
Current return (*)	3.2%	3.5%
Harvesting rate	1.4%	1.0%
P&L return	4.1%	3.9%

(*) Net of depreciations.

The net current return of total investments in the property&casualty segment fell slightly to 3.2% (3.5% at 31 December 2014), with related incomes amounting at € 1,267 million (€ 1,307 million at 31 December 2014).

The harvesting rate increased to 1.4% (1.0% at 31 December 2014) due to a decrease in the impairment losses.

Property and Casualty insurance provisions

Propery&Casualty: technical reserves

(€ million)	31/12/2015	31/12/2014
Net provisions for unearned premiums	4,972	5,006
Net provisions for outstanding claims	25,036	24,651
Other net provisions	475	459
Property&Casualty insurance provisions	30,482	30,117
of which Motor	13,487	13,254
of which Non Motor	16,996	16,863

Holding and other businesses segment

The holding and other businesses segment includes the activities of the Group companies in the banking and asset management sectors, the costs incurred for the direction, coordination and financing activities, as well as all the other operations that the Group considers to be ancillary to the core insurance business..

The operating result of the aforementioned business sectors are summarised in the table below:

Operating result of Holding and other business segment by driver

(€ million)	31/12/2015	31/12/2014	FOURTH QUARTER 2015	FOURTH QUARTER 2014
Holding and other business Operating result	**59**	**-5**	**4**	**-92**
Financial	434	374	115	82
Operating holding expenses	-429	-418	-71	-128
Other businesses	55	40	-40	-47

The operating result of the **holding and other businesses segment** amounted to € 59 million, increased compared to the € -5 million at 31 December 2014. This trend was determined by the increase in the performance of the financial segment, especially thanks to the result of Banca Generali, and the improvement in the results of the other businesses, only partially offset by the increase in the holding operating expenses.

The operating result of the **financial segment** registered an increase, and amounted to € 434 million (€ 374 million at 31 December 2014), up by 16.0%. The result includes the operating result of Banca Generali which amounted to € 252 million, up by 14% (€ 221 million at 31 December 2014).
The improvement in the performance of the financial segment, to which the Asset Management in China also contributed, is mainly due to the net result of financial activities, which benefitted from higher net fees, only partially absorbed by the increase in the acquisition and administration costs.

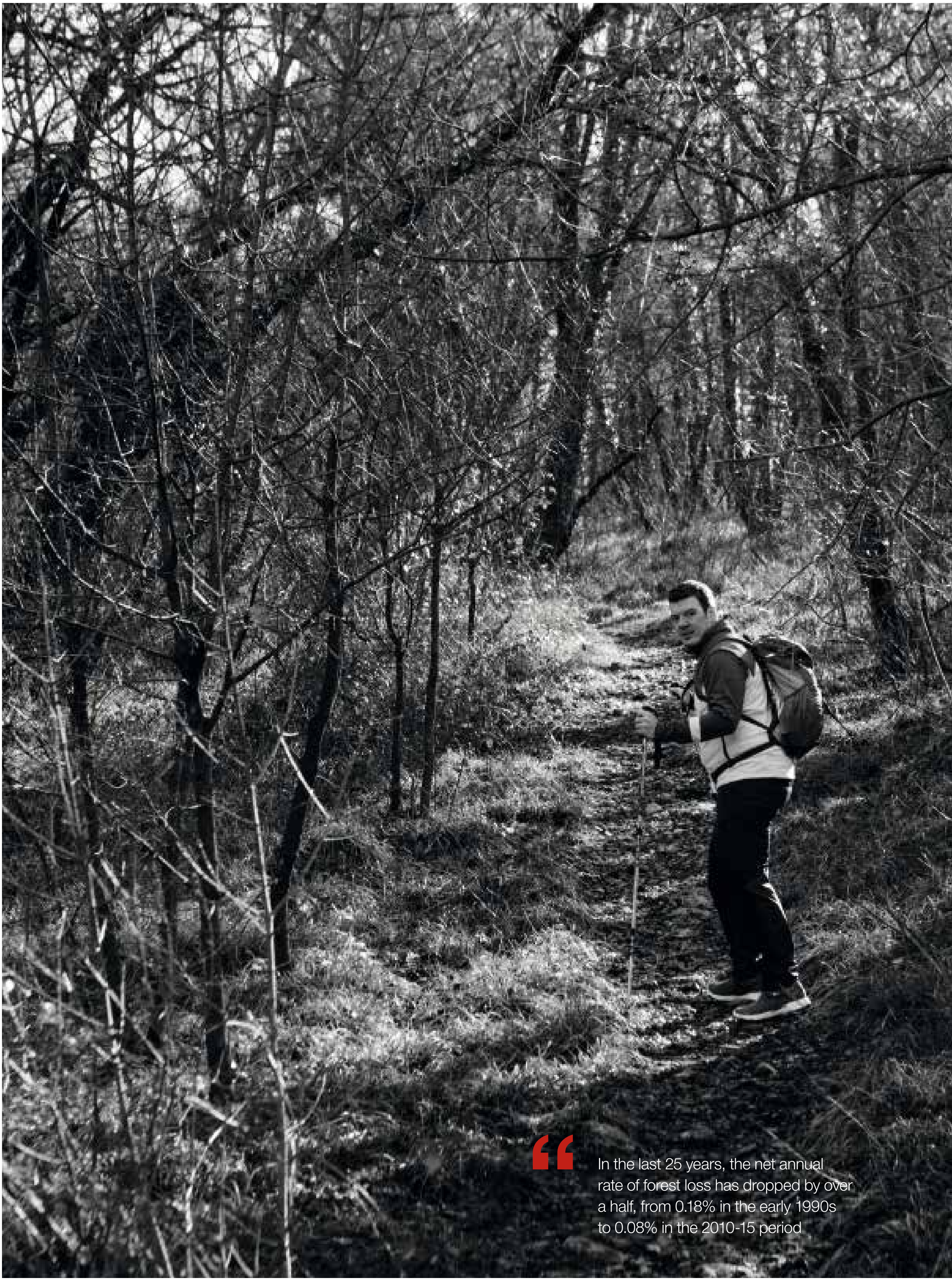
As at 31 December 2015, the third party assets managed by the banks and the asset management Group companies amounted to € 44,323 million (€ 43,795 million at 31 December 2014), increasing by 1.2%.

Operating holding expenses amounted to € -429 million (€ -418 million at 31 December 2014). The increase in holding expenses was due to the strengthening of the Head Office structures, which began in 2013 and continued through 2014 - also with reference to the new Solvency II regime transaction - and development of the Regional Offices in charge of managing, coordinating and controlling the business in key areas in terms of growth opportunities, such as Asia. As noted above, in the fourth quarter, this result included the revenues for brand royalties paid to the Head Office for marketing and branding activities.

The operating result of **other businesses** amounted to € 55 million, up compared to the € 40 million recorded in the corresponding period of the previous year.

Operating result of the holding and other businesses segment

(€ million)	31/12/2015	31/12/2014	FOURTH QUARTER 2015	FOURTH QUARTER 2014
Holding and other businesses operating result	**59**	**-5**	**4**	**-92**
Net earned premiums	0	1	0	0
Net insurance benefits and claims	0	0	0	0
Acquisition and administration costs	-360	-363	-95	-92
Fee and commission income and income from financial service activities	697	534	200	158
Net operating income from financial instruments at fair value through profit or loss	8	6	-7	5
Net operating income from other financial instruments	255	295	22	-13
Interests and other income	397	472	94	96
Net operating realized gains on other financial instruments and land and buildings (investment properties)	70	60	1	0
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-7	-10	-1	-3
Interest expenses on liabilities linked to to operating activities	-123	-145	-41	-54
Other expenses from other financial instruments and land and buildings (investment properties)	-81	-82	-31	-52
Net other operating expenses	-111	-59	-45	-22
Operating holding expenses	-429	-418	-71	-128
Holding and other businesses non-operating result	**-941**	**-917**	**-366**	**-245**
Net non-operating income from financial instruments at fair value through profit or loss	3	0	8	-17
Holding and other businesses non-operating result	-944	-917	-375	-228
Net non-opeating income from other financial instruments	-106	-72	-164	-31
Net non-operating realized gains on ither financial instruments and land and buildings (investment properties)	70	-34	11	-49
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-176	-38	-174	18
Net other non-operating expenses	-73	-26	0	16
Non operating holding expenses	-764	-819	-211	-213
Interest expenses on financial debt	-684	-741	-171	-177
Holding non recurring expenses	-81	-78	-40	-36
Holding and other businesses result before taxes	**-881**	**-922**	**-363**	**-337**



> In the last 25 years, the net annual rate of forest loss has dropped by over a half, from 0.18% in the early 1990s to 0.08% in the 2010-15 period

Outlook

The International Monetary Fund forecasts that GDP growth in the eurozone will be 1.6% in 2016, in line with 2015 (+1.5%). Improvements in particular are expected in the economies of Germany, France and Italy (from 0.8% to 1.3%) thanks to a solid contribution from exports, and a slowdown in the Spanish economy (from 3.1% to 2.5%). Inflation in the eurozone is rising, but will stay well below the 2% threshold. In view of this situation, the European Central Bank will maintain the accommodative monetary policy.
The US economy is also growing, emerging economies are expecting a recovery, which however will not be homogeneous throughout the countries; certain economies that slowed down in 2015, especially Brazil and Russia, should recover, even though GDP growth should stay negative. However, negative trends in China are expected to continue through 2016.
The recovery of the financial markets in the eurozone should continue through 2016, even though to a lesser extent than 2015, while financial markets in emerging countries are expected to slow down. Global growth prospects and the global economy will depend on how current geopolitical tensions play out.

With respect to the **insurance industry**, we expect premiums to perform well in the P&C sector in the main eurozone countries (Italy, Germany, France and Spain), in line with the - albeit weak - economic recovery. The life business will continue to feel the effects of the current low interest rates, along with minimum recovery in disposable income. Therefore, in terms of insurance products, policies that are less sensitive to low interest rates will be favoured. Finally, with respect to distribution, the rebalancing in the market towards unit-linked products may meet with resistance from the agency channel, while the banking channel may be less inclined to push insurance products due to the expected recovery in loans.

With reference to the reinsurance area, the catastrophic events which occurred in the world did not have a significant impact on the reinsurance industry. The continuing absence of economically relevant catastrophic events generated a continuing reduction in reinsurance costs, with a consequent reduction in profits for reinsurers. The reinsurance market therefore broadened its product range to deal with this situation. In a similar context, the Generali Group benefitted from favourable market trends, obtaining further reductions in the coverage renewal costs for 2016.

In the **life segment**, the Group will have to deal with a market scenario characterised by various external constraints, including the Solvency 2 directive, stricter IMD2 rules in terms of governance and transparency in the distribution of insurance products, and in general, financial markets characterized by continuing low interest rates. It will therefore further strengthen its focus on the Techex program initiatives, both at Group level and at the level of the single business units, aiming to strengthen the combined portfolio value by taking a simplification and innovation approach for the range of products. The Group's commitment towards technical excellence needs to be increasingly driven by developing skills and managing performance: **income trends will continue to reflect careful underwriting policies,** in line with the common Group goals, driven by the risk appetite framework and the focus on the value of the products. Initiatives aiming at enhancing the value of the in-force portfolio through specific action and the selective development of certain business lines such as Protection and Unit-Linked products as an alternative to investments traditional funds. The development of these business lines will aim at offering a wide range of products suitable to risk and investment profiles for the benefit of both the policyholders and the Group.

Considering the pressure caused by the ongoing context of low returns, the **P&C segment** will continue to be highly important for the implementation of the Group strategy to become leader in the retail segment in Europe, thanks to the capital absorption level of the retail products allowing an efficient capital allocation.
There has been a further reduction in average premiums as a result of intense market competition, starting with the motor lines, but also expanding to the non-motor lines, individual products relating to household coverage and SMEs, along with a change in the expected development of claim frequency levels (which has tended to fall since 2011) in some countries (such as the motor lines in Italy and Spain). This competitive pressure has been accelerated by the distribution, which - spurred on by the digital transformation - will leave more space to non-traditional distribution networks or non-exclusive networks (for example aggregators), increasing portfolio volatility.
Therefore, from an industrial standpoint, volumes and profits should decrease. In order to deal with this competitive pressure, the Group has launched a series of initiatives aimed at offsetting the negative effects on profitability with counter-cyclical measures, a disciplined approach to risk-selection, enhancing the creation of value by improved customer profiling, concentrating on the most profitable areas and on longer-term relationships, or developing unique products with a modular system or a connectivity-based approach that could also imply cross-selling on the non-motor products.

Group investment policies aim towards allocating assets in such a way as to consolidate current profitability and guarantee that it is consistent with liabilities towards the policyholders.
With regard to fixed-income investments, the investment strategy is aimed at diversifying the portfolio, both in government bonds, where European core rates are at minimum levels, and in corporate bonds, including private placements and secured loans. This is in order to ensure adequate profitability for the policyholders and a satisfactory return on capital, while keeping risk under control.
Equity exposure will be kept substantially stable, with a geographical and industrial rotation towards geographical and sectorial areas that have higher growth rates than Europe.
New investments in the real estate sector will be selectively made in new geographical areas such as Asia, the UK and Eastern Europe in order to improve the overall diversification of the portfolio. The portfolio will also be managed more proactively to improve overall profitability.

Despite the difficult macroeconomic environment and highly volatile financial markets, the Group will continue to pursue all the strategic actions noted above through 2016, confirming its goal of obtaining an operating ROE of over 13%, and improving shareholder remuneration in accordance with the strategic plan introduced to the market.

Milan, 17 March 2016

The Board of Directors

Appendix to the Management Report

Note to the Management Report

The consolidated financial statements of the Generali Group as at 31 December 2015 were drawn up in accordance with the IAS/IFRS international accounting standards issued by the IASB and The Generali Group's consolidated financial statements at 31 December 2015 were prepared taking into account the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606/2002, Legislative Decree No. 58/1998 as amended, and Legislative Decree No. 209/2005, as amended by Legislative Decree No. 32/2007.

The Generali Group presented its consolidated financial statements and notes in this report, in accordance with ISVAP Regulation No. 7 of 13 July 2007 as amended, and the information required under CONSOB Communication No. 6064293 of 28 July 2006. As allowed by the aforementioned Regulations, the Generali Group believed it appropriate to supplement its consolidated financial statements with detailed items and provide further details in the notes, also to meet the international accounting standards (IAS/IFRS) requirements.

The Group used the option provided for under art. 70, paragraph 8, and art. 71, paragraph 1-bis of the Issuers' Regulations to waive the obligation to publish the information documents provided for in relation to significant mergers, de-mergers or capital increases by contribution of assets, acquisitions and disposals.

At 31 December 2015, the consolidated scope of the Group fell from 473 to 435 companies, of which 394 were consolidated on a line by line basis, and 41 measured with the equity method.

This report was drawn up in euros (the functional currency used by the entity that prepared the consolidated financial statements) and the amounts are shown in millions, rounded to the first decimal unless otherwise stated, and therefore the rounded amounts may not always coincide with the rounded total.

A description of the alternative performance measures presented in this report can be found in the Methodological note.

As noted above, the Management Report is prepared not only in accordance with the applicable law, but also according to the Content elements (already described at the beginning under Information on the report) as well as to the Guiding Principles envisaged by the International <IR> Framework issued by the International Integrated Reporting Council (IIRC) in December 2013.

The Annual Integrated Report adds to the Management Report to provide more information and clarify matters, expanding on it while maintaining a more rigorous and logical order.

As regards the Guiding Principles, the Strategic focus and future orientation principle is applied in the whole document.

In accordance with the Connectivity of information principle, the report should represent the combination and interrelatedness of the factors that influence the ability to create value over time. The key forms of connectivity used by Generali include the connectivity between qualitative and quantitative information, financial and pre-financial information[1], in accordance with the information included in other communication tools. Other elements that improve the connectivity of information and the overall usefulness of the report are the cross-referencing (also thanks to the graphic component) and a clear language. The glossary can be used where the language is excessively technical. Generali also publishes an interactive version of the integrated financial statements on its website. This is another tool to further highlight the connectivity of information.

1 The term "pre-financial" is used on purpose and replaces the classic term "non-financial". The term pre-financial was used for the first time by the Danish pharmaceutical company Novo Nordisk to indicate the range of information (usually referred to as non-financial) that could influence the earning capacity of the company in the future despite being not strictly monetary at that stage.

Generali maintains Stakeholder relationships to understand and satisfy their needs, especially in terms of information and dialogue. The stakeholder engagement process promoted by the Group involves the following stakeholder categories, both internal and external:

- financial community: we regularly engage with investors, analysts and rating agencies to fulfil their information needs. The interaction takes place during quarterly results presentation, as well as during the Annual Shareholders' Meeting and Investor Days. We also organise roadshows and attend sector conferences, providing them with the appropriate information. In 2015, discussions took place in the key financial centres.

- community (academia, experts and main business partners): some years ago we started interacting with students from the main Italian universities, providing specific sessions on our new reporting approach and on the implications at a national and international level. With a survey we are also taking their feedback and suggestions on the Integrated Report implementation. We are also interested in the experts' view and started relevant meetings in 2015. In addition, we began to interact with some business partners: induction sessions also including hints and feedback to improve services and products that they are offering us. Overall we met more than 350 people in 2015.

- legislators and Institutions: we regularly interact with regulators and the European Institutions to maintain good relationships and share authoritative and updated information in order to properly interpret and apply new regulations. We also offer our skills and contribute to public consultations for the definition of new laws and regulations in the sector, by providing, in view of our direct experience, concrete indications in order to safeguard the specificities of the Group and the insurance industry. To this purpose, we collaborate with several trade organizations such as The Geneva Association and the European Financial Services Round Table (EFR). Our active presence in these organizations allows us also to expand our knowledge of the different regulations and potential impacts.

- clients: customer satisfaction is key in running of our business. Consequently, we have developed a specific and tailored methodology to understand and identify actions to take based on customers and distributors' feedback.

For further information, please refer to Annual Integrated Report 2015, page 39

- employees: our people are our most valuable resource and we fully prioritize their engagement and empowerment. We therefore launched our first Global Engagement Survey.

For further information, please refer to Annual Integrated Report 2015, page 44

Our report has been improved in many aspects also considering our stakeholders' feedback, i.e. as to the connectivity among the different parts, becoming easier to read and with a more logical structure. *Conciseness* was also improved. The diagram below shows the way from the Annual Integrated Report, drawn up in accordance with the *Materiality* principle, to the Consolidated Financial Statements, drawn up in accordance with the law.

As for *Reliability and completeness*, the Annual Integrated Report is supported by a structured information system, processing financial and pre-financial information, for Generali to increase homogeneity and reliability of both types of information. As for the scope of the reporting, the performance indicators refer to the entire Group unless otherwise indicated.

In accordance with the *Consistency and Comparability* principle, the report includes information that is consistent with the previous year (any changes in the criteria applied are noted in the Appendix to the Management Report) and the stated strategic objectives.

Annual Integrated Report

Additional management information

Financial statement and notes

Management Report

Annual Integrated Report and Consolidated Financial Statements


“ In 2020, over 20 billion devices will be connected to the Internet, compared to 4.9 billion in 2015

Methodological note on alternative performance measures

In order to help the assessment of the quality and sustainability of the net result of the Generali Group in the various business segments and territorial areas, the Management report includes the following alternative performance measures.

Operating result

Under CESR Recommendations on alternative performance measures (CESR/05 – 178b), the operating result cannot replace earnings before taxes calculated in accordance with IAS/IFRS. In addition, they should be read with the financial information and related notes on the accounts which are included in the audited financial statements.
The operating result was drawn up by reclassifying items of earnings before taxes for each segment on the basis of the management characteristics of each segment and taking into consideration the recurring holding expenses.

Specifically, the operating result represents earnings before taxes, gross of interest expense on liabilities linked to financing activities, specific net income from investments and non-recurring income and expenses. Starting from this report, the Group has reviewed the portrayal of its operating segments in order to provide disclosures which are more closely aligned with the new organizational structure of the Group and to ensure an improved economic representation of the performance of the individual business and geographical segments.

In the life segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:

- net realized gains and net impairment losses on investments that do not affect the formation of the local technical reserves, but only the calculation of the deferred liabilities towards policyholders for the amount not attributable to the policyholders, and on those of the free assets;
- net other non-operating expenses that mainly include the results of the run-off activities, company restructuring charges, depreciation of the value of the portfolios acquired directly or through acquisition of control of insurance companies (value of business acquired or VOBA) and other net non-recurring expenses.

In particular, with respect to the calculation method of the policyholders' profit sharing based on the net result of the period, the life non-operating result in Germany and Austria was entirely calculated net of the estimated amount attributable to the policyholders. Furthermore, where a new fiscal law materially affects the operating result of the countries where the policyholders' profit sharing is based on the net result of the period, the estimated non-recurring effect on the income taxes attributable to the policyholders has been accounted for in the operating result.

In the property&casualty segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:

- realized gains and losses, unrealized gains and losses, net impairment losses on investments, including gains and losses on foreign currencies,
- net other non-operating expenses, principally including the results of real estate development activities, run-off activities, the impairment losses on property held for own use, company restructuring charges and amortization of the value of the portfolios acquired directly or through the acquisition of control of insurance companies (value of business acquired or VOBA) and other net non-recurring expenses.

The holding segment and other businesses include the activities in the banking and asset management sectors, the costs incurred for management and coordination and business financing, and all the other operations that the Group considers to be ancillary to the core insurance business.
All profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:

- non-recurring realized gains and losses and net impairment losses;
- net other non-operating expenses that mainly include the results of the run-off activities, company restructuring charges, depreciation of the value of the portfolios acquired directly or through acquisition of control of companies operating in the banking and asset management sectors (value of business acquired or VOBA) and other net non-recurring expenses.

With reference to holding costs, the general expenses incurred for management and coordination are considered as operating, by the Parent Company and territorial sub-holdings. In addition, non-operating holding expenses include:
- interest expenses on financial debt;
- restructuring charges and other non-recurring expenses incurred in the management and coordination activities;
- costs arising from the assignment of stock options and stock grants by the Group.

The operating result and non-operating result of the Group are equivalent to the sum of the operating result and the non-operating result of the above mentioned segments and related consolidation adjustments.
In accordance with the approach described above, the Generali Group also provided the operating result in the main countries where it operates for the life and property&casualty segments and the consolidated figures. In order to provide a management view of the operating result by geographical area, the review of the key performance indicators by business segment and geographical area allows measurement of the result of each geographical area from a country viewpoint instead of as a contribution to the Group's results.

Within the context of the life and property&casualty operating result of each country, reinsurance operations between Group companies in different countries were considered by the same standards as transactions concluded with external reinsurers. This representation of the life and property&casualty operating result by territory makes this performance indicator more consistent with both the risk management policies implemented by each company and the other indicators measuring the technical profitability of the Group's companies.

The following table reconciles the operating and non-operating result with the corresponding income statement items:

Operating and non-operating result	Profit and loss account
Net earned premiums	1.1
Net insurance benefits and claims	2.1
Acquisition and administration costs	2.5.1 - 2.5.3
Net fee and commission income and net income from financial service activities	1.2 - 2.2
Net operating income from financial instruments at fair value through profit or loss	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net operating income from other financial instruments	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net non-operating income from financial instruments at fair value through profit or loss	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net non-operating income from investments	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net other and holding operating expenses	1.6 - 2.6
Net other and holding non-operating expenses	1.6 - 2.6

The following reclassifications were made in the calculation of the operating result with respect to the corresponding items of the income statement:

- the investment management and investment property management expenses in the operating result were reclassified from acquisition and administration costs to net operating income from other financial instruments, more specifically into other expenses from financial instruments and land and buildings (investment properties);

- income and expenses related to real estate development activities in the operating result were classified as other non-operating income and expenses, in accordance with the management model adopted that provides for sale at completion;

- gains and losses on foreign currencies in the operating result were reclassified in the life and financial segment from net operating income to net operating income from financial instruments at fair value through profit or loss. In the property&casualty segment, gains and losses on foreign currencies in the operating result were reclassified from net operating income to net non-operating income from financial instruments at fair value through profit or loss. The classification for each segment is consistent with the related classification of the derivative transaction drawn up in order to hedge the Group's equity exposure to the changes in the main currencies of operations. The net operating and non-operating income from other financial instruments are therefore not subject to financial market volatility;

- in net operating income from financial instruments, interest expenses on deposits and current accounts under reinsurance business are not included among interest expenses related to liabilities linked to operating activities but are deducted from the related interest income. Moreover, the interest expenses related to the abovementioned real estate development activities are not included in interest expenses related to liabilities linked to operating activities, but are classified under other non-operating income and expenses in accordance with the management model adopted that provides for sale at completion

- the net other operating expenses in the operating result were adjusted for operating taxes and for non-recurring taxes that significantly affect the operating income of the countries where policyholders' stakes are determined by taking the taxes for the period into account. These adjustments were included in the calculation of operating income and are excluded from the income taxes item.

Operating result by margins

The operating result of the various segments was also shown in accordance with a margin-based layout which shows the operating trends of the changes that occurred in each segment performance more clearly. The operating result of the life segment comprises a technical margin including insurance costs, a net investment result and a component that includes acquisition and administration costs related to the insurance business and other net operating expenses. The technical margin includes the loadings and the risk and profit from the surrender results for the period. The net investment result comprises operating income from investments, net of the portion attributable to the policyholders. Finally, the insurance management and other operating components are indicated separately. The operating result for the property&casualty segment comprises the technical result, the financial result and other operating items. The technical result is equivalent to the insurance activity result, i.e. the difference between premiums and claims, acquisition and administration costs and other net technical income. The investment result comprises current income from investments and other operating net financial expenses, like expenses on investment management and interest expenses on operating debt. Finally, other operating items mainly include acquisition and administration costs related to the insurance business, depreciation of tangible assets and amortization of long-term costs, provisions for recurring risks and other taxes.

Operating return on equity

The operating return on equity indicates the return on capital in terms of the Group operating result. It is calculated through the relationship between:

- consolidated operating result as described above adjusted to include:
  - interest on financial debt;
  - income taxes based on a mid-term expected tax rate as assumed in the 2015 Target (please refer to the chapter "The Generali Group's strategy");
  - minority interests;
- average Group shareholders' equity at the beginning and end of each period of valuation, adjusted to exclude other gains and losses booked directly to equity included in Other Comprehensive Income OCI (such as gains and losses on AFS investments, foreign currency translation differences, net unrealized gains and losses on hedging derivatives).

Return on Investments

The indicators for the return on investments are presented, obtained as the relationship:

- for the net current return between interest and other income, including income from financial instruments at fair value through profit and loss (excluding income from financial instruments related to linked contracts) net of depreciation on real estate investments and the average investments (calculated on book value);
- for the harvesting rate between net realized gains, net impairment losses and realized and unrealized gains and losses from financial instruments at fair value through profit and loss (excluding those from financial instruments related to linked contracts) and the average investments (calculated on book value);

The profit and loss return is equal to the current return plus the harvesting rate net of investment management expenses.

The average investments (calculated on book value) included land and buildings (investment properties), investments in subsidiaries, associated companies and joint ventures, loans and receivables, available for sale financial assets, financial assets at fair value through profit or loss less financial assets and liabilities related to linked contracts, derivatives classified in financial liabilities at fair value through profit or loss and cash and cash equivalents. Total investments are adjusted for derivative instruments classified as financial liabilities at fair value through profit of loss and REPOs classified as other financial liabilities. The average is calculated on the average asset base of each quarter of the reporting period.

These profitability indicators were presented for the life and property&casualty segments for the consolidated figures.

Consolidated investments

With regard to the presentation of consolidated investments, the following variations, with respect to the corresponding balance sheet items have been implemented, in order to provide present the figures consistently with those used to calculate the relative profitability:

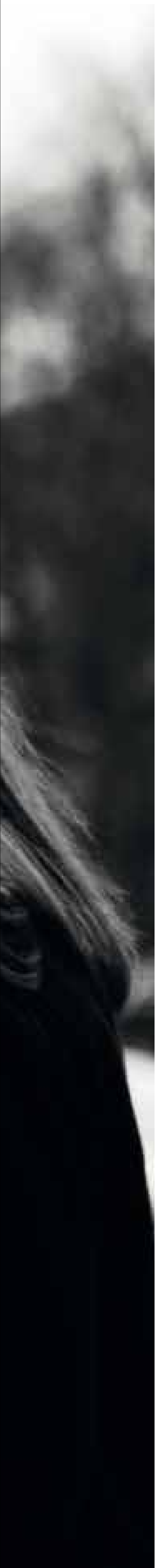
- Investment Fund Units were split by nature between equity, bond and investment property portfolios;
- derivatives are presented on a net basis, and therefore also including derivative liabilities. Moreover, hedging derivatives are classified in the respective asset class hedged;
- reverse REPOs were reclassified, in accordance with their nature of short-term liquidity commitments, from 'Other fixed income instruments' to 'Cash and cash equivalents';
- REPOs classified as liabilities are presented in "Cash and cash equivalents'

The segment investments were presented in accordance with the methods described in the Chapter General drafting and measurement criteria of the Notes, paragraph 6 in the section Other Information.

Net operating cash

Net Operating Cash is a view of cash generation at the Group's parent company level. The figure is the sum of: The dividends paid by Group subsidiaries, earnings from parent company reinsurance activities, expenses and interest paid, and the net balance of tax payments and recoveries.

“By 2035, global energy demand will grow up to 33% from 2010: the scarcity of resources may be partially addressed by recycling more



Consolidated Financial Statements

Introduction

Coherently with the concept of Integrated Reporting, as of 31 December 2015, the Group presents its Notes in a new guise. The Group objectives to be achieved with the review of the document are:

- make the Notes easier to understand and more user-friendly;
- present information on the same subject in a more integrated way;
- reorganize the information highlighting the main thematic areas of the Group's financial statements;
- streamline a particularly complex document coherently with the Integrated Management Report and the Integrated Reporting Framework.

In particular, the Notes are based on the so called thematic areas which has led to a deep review of the balance sheet chapters' structure. Consequently it has also been achieved a greater integration of information related to the same topic.
With the aim of increasing the usability of the document to the reader, some stylistic improvements have been implemented, such as, for example, the titles above the tables and reference notes between schemes and individual parts of the Notes.

Consolidated Financial Statements

Company **ASSICURAZIONI GENERALI S.p.A.**

CONSOLIDATED STATEMENTS

Consolidated financial statements

at **31 December 2015**

(Amount in € million)

BALANCE SHEET

Assets

References:	(€ million)	31/12/2015	31/12/2014
	1 INTANGIBLE ASSETS	**8,645**	**8,601**
4	1.1 Goodwill	6,661	6,617
19	1.2 Other intangible assets	1,985	1,983
	2 TANGIBLE ASSETS	**4,469**	**4,610**
20	2.1 Land and buildings (self used)	2,844	2,797
20	2.2 Other tangible assets	1,625	1,814
14	**3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS**	**4,094**	**4,378**
40, 41, 42, 43	**4 INVESTMENTS**	**447,448**	**427,191**
11	4.1 Land and buildings (investment properties)	12,112	12,628
3	4.2 Investments in subsidiaries, associated companies and joint ventures	1,369	1,284
7	4.3 Held to maturity investments	1,984	2,940
8	4.4 Loans and receivables	48,198	50,780
9	4.5 Available for sale financial assets	289,399	276,498
10	4.6 Financial assets at fair value through profit or loss	94,385	83,061
	of which financial assets where the investment risk is borne by the policyholders and related to pension funds	74,966	67,707
21	**5 RECEIVABLES**	**11,706**	**12,057**
	5.1 Receivables arising out of direct insurance operations	6,497	7,462
	5.2 Receivables arising out of reinsurance operations	1,060	1,143
	5.3 Other receivables	4,149	3,452
22	**6 OTHER ASSETS**	**15,142**	**35,973**
	6.1 Non-current assets or disposal groups classified as held for sale	0	21,304
15	6.2 Deferred acquisition costs	2,000	1,958
	6.3 Deferred tax assets	2,652	2,715
	6.4 Tax receivables	3,115	2,825
	6.5 Other assets	7,375	7,172
12	**7 CASH AND CASH EQUIVALENTS**	**9,044**	**8,508**
	TOTAL ASSETS	**500,549**	**501,318**

Equity and liabilities

References:	(€ million)	31/12/2015	31/12/2014
16	**1 SHAREHOLDERS' EQUITY**	**24,708**	**24,185**
	1.1 Shareholders' equity attributable to the Group	**23,565**	**23,204**
	1.1.1 Share capital	1,557	1,557
	1.1.2 Other equity instruments	0	0
	1.1.3 Capital reserves	7,098	7,098
	1.1.4 Revenue reserves and other reserves	7,688	7,571
	1.1.5 (Own shares)	-6	-8
	1.1.6 Reserve for currency translation differences	74	-239
	1.1.7 Reserve for unrealized gains and losses on available for sale financial assets	6,067	6,498
	1.1.8 Reserve for other unrealized gains and losses through equity	-944	-943
	1.1.9 Result of the period	2,030	1,670
	1.2 Shareholders' equity attributable to minority interests	**1,143**	**981**
	1.2.1 Share capital and reserves	748	706
	1.2.2 Reserve for unrealized gains and losses through equity	166	93
	1.2.3 Result of the period	229	182
23	**2 OTHER PROVISIONS**	**1,807**	**1,751**
13	**3 INSURANCE PROVISIONS**	**404,687**	**386,202**
	of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	57,793	51,674
	4 FINANCIAL LIABILITIES	**49,904**	**48,794**
17	4.1 Financial liabilities at fair value through profit or loss	20,082	18,374
	of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	16,793	15,886
18	4.2 Other financial liabilities	29,821	30,420
	of which subordinated liabilities	9,643	8,315
24	**5 PAYABLES**	**8,828**	**9,379**
	5.1 Payables arising out of direct insurance operations	3,464	3,553
	5.2 Payables arising out of reinsurance operations	511	557
	5.3 Other payables	4,853	5,270
25	**6 OTHER LIABILITIES**	**10,614**	**31,007**
	6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale	0	19,700
	6.2 Deferred tax liabilities	3,034	3,706
	6.3 Tax payables	1,320	1,420
	6.4 Other liabilities	6,259	6,181
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**500,549**	**501,318**

INCOME STATEMENT

Income statement

References:	(€ million)	31/12/2015	31/12/2014
26	1.1 Net earned premiums	68,507	64,322
	1.1.1 Gross earned premiums	70,400	66,324
	1.1.2 Earned premiums ceded	-1,894	-2,003
27	1.2 Fee and commission income and income from financial service activities	1,094	967
28	1.3 Net income from financial instruments at fair value through profit or loss	1,941	3,510
	of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	2,275	3,293
29	1.4 Income from subsidiaries, associated companies and joint ventures	130	191
30	1.5 Income from other financial instruments and land and buildings (investment properties)	16,219	15,991
	1.5.1 Interest income	10,075	9,919
	1.5.2 Other income	2,065	2,117
	1.5.3 Realized gains	3,873	3,761
	1.5.4 Unrealized gains and reversal of impairment losses	206	194
31	1.6 Other income	4,070	3,301
	1 TOTAL INCOME	**91,961**	**88,282**
32	2.1 Net insurance benefits and claims	-69,091	-67,003
	2.1.1 Claims paid and change in insurance provisions	-70,204	-68,280
	2.1.2 Reinsurers' share	1,113	1,276
33	2.2 Fee and commission expenses and expenses from financial service activities	-586	-470
34	2.3 Expenses from subsidiaries, associated companies and joint ventures	-16	-68
35	2.4 Expenses from other financial instruments and land and buildings (investment properties)	-3,215	-3,461
	2.4.1 Interest expense	-1,103	-1,298
	2.4.2 Other expenses	-390	-421
	2.4.3 Realized losses	-686	-435
	2.4.4 Unrealized losses and impairment losses	-1,035	-1,307
36	2.5 Acquisition and administration costs	-10,856	-10,489
	2.5.1 Commissions and other acquisition costs	-8,179	-7,884
	2.5.2 Investment management expenses	-96	-103
	2.5.3 Other administration costs	-2,581	-2,502
37	2.6 Other expenses	-4,792	-3,838
	2 TOTAL EXPENSES	**-88,555**	**-85,329**
	EARNINGS BEFORE TAXES	**3,407**	**2,953**
38	**3 Income taxes**	**-1,112**	**-1,033**
	EARNINGS AFTER TAXES	**2,295**	**1,921**
	4 RESULT OF DISCONTINUED OPERATIONS	**-35**	**-69**
	CONSOLIDATED RESULT OF THE PERIOD	**2,259**	**1,852**
	Result of the period attributable to the Group	2,030	1,670
	Result of the period attributable to minority interests	229	182
16	EARNINGS PER SHARE		
	Basic earnings per share (€)	1.30	1.07
	From continuing operations	1.33	1.13
	Diluted earnings per share (€)	1.29	1.06
	From continuing operations	1.31	1.11

STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income

(€ million)	31/12/2015	31/12/2014
1 CONSOLIDATED RESULT OF THE PERIOD	2,259	1,852
Items that may be reclassified to profit and loss in future periods		
2.1 Foreign currency translation differences	328	110
2.2 Net unrealized gains and losses on investments available for sale	-398	4,017
2.3 Net unrealized gains and losses on cash flows hedging derivatives	41	21
2.4 Net unrealized gains and losses on hedge of a net investment in foreign operations	-49	-1
2.5 Share of other comprehensive income of associates	9	49
2.8 Result of discontinued operations	-576	29
2.10 Other		0
Subtotal	-645	4,225
Items that may not be reclassified to profit and loss in future periods		
2.5 Share of other comprehensive income of associates	0	0
2.8 Result of discontinued operations	437	-196
2.6 Reserve for revaluation model on intangible assets		
2.7 Reserve for revaluation model on tangible assets		
2.9 Actuarial gains or losses arising from defined benefit plans	162	-529
Subtotal	600	-725
2 OTHER COMPREHENSIVE INCOME	-46	3,499
3 TOTAL COMPREHENSIVE INCOME	2,214	5,351
attributable to the Group	1,912	5,042
attributable to minority interests	302	309
Earnings per share (in €)	1.23	3.24
Diluted earnings per share (in €)	1.22	3.21

STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity

		Amounts at 31/12/2013	Changes in amounts at	Allocation	Transfer to profit and loss account	Other transfer	Change in owhership interest	Amounts at 31/12/2014
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	Share Capital	1,557	0	0	0	0	0	1,557
	Other equity instruments	0	0	0	0	0	0	0
	Capital reserves	7,098	0	0	0	0	0	7,098
	Revenue reserves and other reserves	7,276	0	1,697	0	-701	-700	7,571
	(Own shares)	-11	0	3	0	0	0	-8
	Result of the period	1,915	0	-245	0	0	0	1,670
	Other comprehensive income	1,944	0	5,042	-1,687	0	17	5,316
	Total shareholders' equity attributable to the group	**19,778**	**0**	**6,497**	**-1,687**	**-701**	**-683**	**23,204**
SHAREHOLDERS' EQUITY TO MINORITY INTERESTS	Share capital and reserves	1,434	0	366	0	-83	-1,011	706
	Result of the period	227	0	-45	0	0	0	182
	Other comprehensive income	-34	0	186	-41	0	-17	93
	Total shareholders' equity attributable to minority interests	**1,627**	**0**	**507**	**-41**	**-83**	**-1,028**	**981**
TOTAL		**21,404**	**0**	**7,004**	**-1,728**	**-784**	**-1,711**	**24,185**

Amounts at 31/12/2014	Changes in amounts at	Allocation	Transfer to profit and loss account	Other transfer	Change in owhership interest	Amounts at 31/12/2015
1,557	0	0	0	0	0	1,557
0	0	0	0	0	0	0
7,098	0	0	0	0	0	7,098
7,571	0	1,055	0	-934	-4	7,688
-8	0	2	0	0	0	-6
1,670	0	361	0	0	0	2,030
5,316	0	1,354	-1,473	0	1	5,197
23,204	**0**	**2,772**	**-1,473**	**-934**	**-3**	**23,565**
706	0	156	0	-108	-6	748
182	0	47	0	0	0	229
93	0	147	-74	0	-1	166
981	**0**	**350**	**-74**	**-108**	**-7**	**1,143**
24,185	**0**	**3,122**	**-1,547**	**-1,042**	**-10**	**24,708**

STATEMENT OF CASH FLOW (INDIRECT METHOD)

Cash flow statement

(€ million)	31/12/2015	31/12/2014
Earnings before taxes	3,407	2,953
Changes in non-cash items	16,549	15,035
Change in the provisions for unearned premiums and for unexpired risks for non-life segment	-56	-26
Change in the provisions for outstanding claims and other insurance provisions for non-life segment	404	450
Change in the mathematical provisions and other insurance provisions for life segment	20,475	19,935
Change in deferred acquisition costs	-76	-3
Change in other provisions	156	121
Other non-cash expenses and revenues arising out of financial instruments, investment properties and investments in subsidiaries, associated companies and joint ventures	-103	-1,697
Other changes	-4,252	-3,745
Change in receivables and payables from operating activities	-203	395
Change in receivables and payables arising out of direct insurance and reinsurance operations	774	541
Change in other receivables and payables	-977	-146
Income taxes paid	-1,674	-1,214
Net cash flows from cash items related to investing or financing activities	38	2,581
Financial liabilities related to investment contracts	1,042	2,380
Payables to banks and customers	-867	332
Loans and receivables from banks and customers	-137	-131
Other financial instruments at fair value through profit or loss	0	0
NET CASH FLOWS FROM OPERATING ACTIVITIES	**18,116**	**19,750**
Net cash flows from investment properties	1,019	336
Net cash flows from investments in subsidiaries, associated companies and joint ventures(***)	929	-39
Net cash flows from loans and receivables	2,778	2,931
Net cash flows from held to maturity investments	1,059	1,304
Net cash flows from available for sale financial assets	-13,961	-18,983
Net cash flows from tangible and intangible assets	-151	116
Net cash flows from other investing activities	-8,609	-6,851
CASH FLOW FROM INVESTING ACTIVITIES	**-16,936**	**-21,187**
Net cash flows from shareholders' equity attributable to the Group	0	0
Net cash flows from own shares	0	4
Dividends payment	-934	-702
Net cash flows from shareholders' equity attributable to minority interests(****)	-121	-119
Net cash flows from subordinated liabilities and other similar liabilities	1,298	487
Net cash flows from other financial liabilities	-1,016	-2,098
CASH FLOW FROM FINANCING ACTIVITIES	**-774**	**-2,427**
Effect of exchange rate changes on cash and cash equivalents	134	86
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD(*)	8,484	12.262
CHANGES IN CASH AND CASH EQUIVALENTS	542	-3.779
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(**)	9,025	8,484

(*) Cash and cash equivalents at the beginning of the period include cash and cash equivalents (€ 8,508 million), liabilities to banks payables on demand (€ -7 million) and bank overdrafts (€ -17 million) without cash and cash equivalents of non current assets or disposal groups classified as held for sale.

(**) Cash and cash equivalents at the beginning of the period include cash and cash equivalents (€ 9,044 million), liabilities to banks payables on demand (€ -7 million) and bank overdrafts (€ -13 million) without cash and cash equivalents of non current assets or disposal groups classified as held for sale.

(***) Includes mainly proceeds arising from the disposal of banking group BSI (€ 910 million), companies in Argentina (€ 29 million) and the acquisition of residual stake of Europassistance Italy (€ -10 million).

(****) It refers entirely to dividends attributable to minority interests.

Notes to the Consolidated Financial Statement

Notes to the Consolidated Financial Statement

Basis of presentation and accounting principles

Basis of presentation

The Generali Group's consolidated financial statements at 31 December 2015 were drawn up in accordance with the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606 of 19 July 2002 and the Legislative Decree No. 58/1998, as subsequently amended.

The Legislative Decree No. 209/2005 empowered ISVAP to give further instructions for financial statements in compliance with the international accounting standards.

In this yearly report the Generali Group prepared its consolidated financial statements and Notes in conformity with the ISVAP (now IVASS) Regulation No. 7 of 13 July 2007, as subsequently amended, and information of the Consob Communication No. 6064293 of 28 July 2006.

As allowed by the aforementioned Regulation, the Generali Group believed it appropriate to supplement its consolidated financial statements with detailed items and to provide further details in the Notes in order to also meet the IAS/IFRS requirements.

The consolidated financial statements at 31 December 2015 were approved by the Board of Directors on 17 March 2016.

The consolidated financial statements at 31 December 2015 were audited by Reconta Ernst&Young S.p.A., the appointed audit firm from 2012 to 2020.

Consolidated financial statements

The set of the consolidated financial statements is made up of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow, as required by the ISVAP Regulation No. 7 of 13 July 2007, as subsequently amended. The financial statements also include special items that are considered significant for the Group.

The Notes, which are mandatory as minimum content established by ISVAP (now IVASS), are presented in the appendices to the notes to this report.

This yearly report is drawn up in Euro (the functional currency used by the entity that prepared the financial statements) and the amounts are shown in millions, unless otherwise stated, the rounded amounts may not add to the rounded total in all cases.

Consolidation methods

Investments in subsidiaries are consolidated line by line, whereas investments in associated companies and interests in joint ventures are accounted for using the equity method.

The balance sheet items of the financial statements denominated in foreign currencies are translated into Euro based on the exchange rates at the end of the year.

The profit and loss account items are translated based on the average exchange rates of the year. They reasonably approximate the exchange rates at the dates of the transactions.

The exchange rate differences arising from the translation of the statements expressed in foreign currencies are accounted for in equity in an appropriate reserve and recognized in the profit and loss account only at the time of the disposal of the investments.

Exchange rates of the balance sheet

Currency	Exchange rate at the end of the period (€)	
	31/12/2015	31/12/2014
US dollar	1.086	1.210
Swiss franc	1.087	1.202
British pound	0.738	0.776
Argentine peso	14.062	10.242
Czech Koruna	27.022	27.715

Exchange rates of the income statement

Currency	Average exchange rate (€)	
	31/12/2015	31/12/2014
US dollar	1.111	1.329
Swiss franc	1.068	1.215
British pound	0.726	0.806
Argentine peso	10.267	10.773
Czech Koruna	27.287	27.537

Basis of consolidation

The consolidated financial statements of the Group include the financial statements of Assicurazioni Generali SpA and its subsidiaries.

Subsidiaries are all entities (including structured entities) over which the Group has control. Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:
- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group reviews periodically and systematically if there was a variation of one or more elements of control, based on the analysis of the facts and the essential circumstances.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

In preparing the consolidated financial statements:
- the financial statements of the Parent Company and its subsidiaries are consolidated line by line through specific "reporting package", which contribute to the consistent application of the Group's accounting policies. For consolidation purposes, if the financial year-end date of a company differs from that of the Parent Company, the former prepares interim financial statements at December 31st of each financial year;

- All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation (intra-group losses are eliminated, except to the extent that the underlying asset is impaired);
- the carrying amount of the Parent Company's investment in each subsidiary and the Parent Company's portion of equity of each subsidiary are eliminated at the date of acquisition;
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The non-controlling interests, together with their share of profit are shown as separate items.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. Consequently, no additional goodwill or badwill is recognized.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Investment funds managed by the Group in which the Group holds an interest and that are not managed in the primary interest of the policyholders are consolidated based on the substance of the economic relationship and if whether the conditions of control stated by IFRS 10 are satisfied. On consolidation of an investment fund, a liability is recognized to the extent that the Group is legally obliged to buy back participations held by third parties. Where this is not the case, other participations held by third parties are presented as non-controlling interests in equity.

Business combination and goodwill

Business combinations are acquisitions of assets and liabilities that constitutes a business and are accounted for applying t he so- called acquisition method The acquisition cost is measured as the sum of the consideration transferred measured at its acquisition date fair value, including contingent consideration, liabilities assumed towards the previous owners, and the amount of any non- controlling interests. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

If in a business combination achieved in stages, the acquirer's previously held equity interests in the acquire is re-measured at its acquisition date fair value and any resulting gain or loss recognized in profit or loss.

Any contingent consideration to be transferred or received by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

The assets acquired and liabilities assumed in a business combination are initially recognized at fair value at the acquisition date. Goodwill is initially measured at cost being the excess of the aggregate acquisition cost over the net value of the identifiable assets acquired and liabilities assumed is accounted for as goodwill. In the case of the acquisition cost is less than the fair value of the assets acquired and liabilities assumed, the difference is recognised in the profit and loss account.

Investments in associates and joint ventures

The investments in associates and joint ventures are consolidated trough the equity method.

An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. If an investor holds, directly or indirectly through subsidiaries, 20% or more of the voting power of the investee, it is presumed that the investor has significant influence.

In general, joint arrangements are contractual agreements whereby the Group undertakes with other parties an economic activity that is subject to joint control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control exists when it is contractually agreed to share control of an economic activity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Generali Group has assessed the nature of its current joint arrangements and determined them to be joint ventures and none are joint operations.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. Investments in associates and joint ventures are accounted for using the equity method and they are initially recognized at cost, which includes goodwill arising on acquisition. Goodwill is not separately tested for impairment. Negative goodwill is recognized in the income statement on the acquisition date. The carrying amount of the investment is subsequently adjusted to recognize changes in the Group's share of the net assets of the associate or joint venture since the acquisition date. The income statements reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. Dividends receivable from associates are recognized as a reduction in the carrying amount of the investment.

At each reporting date, after application of the equity method the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognizes the loss as 'Share of losses of an associate' in the income statement. Where the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture the Group measures and recognizes and retained investment at its fair value. Any difference between the net proceeds and the fair value of the retained interest and the carrying amount is recognized in the income statement and gains and losses previously recorded directly through OCI are reversed and recorded through the income statement.

Significant judgements in determining control, joint control and significant influence over an entity

Following the guidelines set out in the strategic plan, the Group has recently concluded some transactions that have led to fully control the most part of its subsidiaries. The control is normally ensured by the full ownership of the voting rights, having thus the ability to direct the relevant activities and consequently being exposed to the variability of results arising from those activities.

The Group controls all the companies for which holds more than half of the voting rights. The Group does not control any subsidiary having less than the majority of voting rights and does not control any entity even though it holds more than half of the voting rights, except in two cases in which the Group controls the company owning half of the voting rights, being exposed to the variability of returns that depend on the operating policies that the Group, in substance, has the power to direct .

To a minor extent, the Group holds interests in associates and joint ventures. The agreements under which the Group has joint control of a separate vehicle are qualified as joint ventures where they give rights to the net assets.

In one case, the Group has no significant influence on a subject for which it holds more than 20% of the voting rights as the government structure is such that the Group, in substance, does not have the power to participate in financial and operating policies of the investee.

Regardless of the legal form of the investment, the evaluation of the control is made considering the real power on the investee and the practical ability to influence relevant activities, regardless of the voting rights held by the parent company or its subsidiaries.

In the Annexes the complete list of subsidiaries, associates and joint ventures included in the consolidated financial statements at 31 December 2015 is presented . Unless otherwise stated, the annex shows the share capital of each consolidated entity and the proportion of ownership interest held by the Group equals the voting rights of the Group.

The qualitative and quantitative disclosures required by IFRS 12 are provided in the paragraph “Information on consolidation perimeter and Group companies” in the Notes.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group’s entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group’s net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Accounting principles

The accounting standards adopted in preparing the consolidated financial statements, and the contents of the items in the financial statements are presented in this section.

New accounting principles, changes in the accounting rules and in the financial statements

Following the endorsement of the European Union, as from the 1st January 2015 new principles and amendments shall be applied. The most relevant changes for the Group with respect to the consolidated financial statements at 31 December 2014 are described below. In addition, the main documents issued by the International Accounting Standard Board, that could be relevant for the Group, but not yet effective, are described

New accounting principles, changes in the accounting rules that shall be applied from 1 January 2015

Following the endorsement in the European Union by Regulation (UE) 634/2014, for the annual period began at 1st January 2015 the interpretation IFRIC 21 has been applied. In particular, the interpretation clarify when an entity shall recognize a liability for a levy, that consists in a tax linked to a particular activity: for example, in some countries there is a tax for entities acting in a specific market or which belong to a particular industry. For example, the activity that originates the tax payment may be the generation of income in the current year and the calculation of this tax is based of income generated in the previous year; in this case the obligating event is the generation of income in the current year. The liability is accounted as follows:

- recognized in balance sheet progressively if the obligating event occurs over a period of time;
- if the obligation to the tax payment is triggered when a minimum threshold is reached (for example a minimum of revenues, or sales or expenses), the corresponding liability is recognised one-off when the minimum threshold is reached.

This interpretation has not material impacts for Generali Group.

New accounting principles and amendments not applicable

IFRS 9 – *Financial Instruments*

IFRS 9 replaces IAS 39 “Financial Instruments: Classification and Measurement” and includes a principle-based model for the classification and measurement of financial instruments, an impairment model based on expected losses and an hedge accounting approach more in line with risk management strategies.

Classification and measurement

IFRS 9 introduces an approach to the classification of financial instruments that is based on contractual cash flows characteristics and models through which financial instruments are managed (business model).

The standard provides for special treatment when it relates to debt instruments. In particular, the classification of financial instruments is driven by the business model through which the company manages its investments and the contractual terms of their cash flows.

A financial asset is measured at amortized cost if both of the following conditions are met:

- the asset is held to collect cash flows(business model assessment)
- the contractual cash flows represent only payments of principal and interest (solely payments of principal and interest – SPPI)

Considering to the contractual characteristics, a financial instrument is eligible for measurement at amortized cost if it consist in a basic lending agreement. The entity shall make its own assessment on the single financial instrument to assess if the nature of the contractual cash flows characteristics exclusively consists in payments of principal and interest (SPPI,). If a modification of the time value of the interest results in cash flows that are significantly different than those of a basic lending agreement then the instrument must be classified and measured at fair value through profit or loss.

If the business model (assessed on portfolio basis) has the objective to collect the cash flows from the investments and to sell financial assets and the contractual cash flows characteristics represent only payments of principal and interest, the financial instrument under assessment shall be measured at fair value through other comprehensive income with recycling to profit or loss when the instrument is realized.

As in the current IAS 39 Financial Instruments: classification and measurement the entity has the ability at initial recognition, to designate a financial instrument at fair value through profit or loss if that would eliminate or significantly reduce the accounting mismatch in the measurement of assets or liabilities or recognition of gains and losses related to them.

The equity instruments shall be classified and measured at fair value through profit or loss. The entity has the irrevocable option at initial recognition to present changes in the fair value of the equity instruments that are not held for the purpose of trading at fair value recorded in other comprehensive income, with no recycling in the income statement except dividends .

In other cases, the financial instruments are classified and measured at fair value through profit or loss, which is the residual model.

Impairment

IFRS 9 introduced a new impairment approach for debt instruments measured at amortized cost or fair value recorded in other comprehensive income, which is based on expected losses. In particular, the new standard outlines an approach for the impairment in three stages based on the assessment of credit quality from the date of initial recognition at each balance sheet date:

- Stage 1 includes the financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date (investment grade). For these assets are recognized for expected losses over the next 12 months (12-month expected credit losses - losses expected in view of the possible occurrence of events of default in the next 12 months) in a capital reserve (loss allowance), and in the profit or loss account. Interest is calculated on the carrying amount (ie without deduction of the loss allowance);
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised in a capital reserve (loss allowance), and in the profit or loss account , but interest revenue is still calculated on the gross carrying amount of the asset. (ie without deduction of the loss allowance);
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised in a capital reserve (loss allowance), and in the profit or loss account. Interest revenue is calculated on the net carrying amount (that is, net of credit allowance)

The model also introduces a simplified approach to trade receivables and leases for which it is not necessary to calculate the 12- month expected credit losses but are always recognized the lifetime expected credit losses.

The Group is assessing the impact of the new impairment model introduced by the standard and expects significant operational impacts related to the implementation of the calculation process of the abovementioned expected credit losses. In light of the high creditworthiness of the debt securities, the new model Expected Credit Losses should not result in significant impacts on the overall financial and economic situation of the Group.

Hedge accounting

IFRS 9 introduces a model substantially reformed for hedge accounting that allows better than in IAS 39 to reflect in financial statements the hedging activities undertaken by risk management.

In particular there is a significant simplification of the effectiveness test. There are no more predetermined thresholds of coverage to achieve effective hedge (ie 80-125% in the current IAS 39),but it is sufficient that:

- there is an economic relationship between the hedging instrument and the hedged item; and
- credit risk should not be the key component of the hedged risk (ie the change in fair value of the hedging relationship must not be dominated by the component of credit risk).

The standard will be effective, in the case of endorsement, from annual periods beginning on or after 1 January 2018. A transitional provision allows to continue to apply IAS 39 for all hedging transactions until completion of the macrohedging project. The principle has not been endorsed by the European Union.

During 2015, the Group has undertaken a preliminary assessment of the implementation impacts relating to the forthcoming application of IFRS 9. On the basis of these pre-assessment activities, the key areas for intervention have been identified and which will be addressed in the subsequent implementation phase for the purpose of ensuring the correct and homogeneous application of the new accounting standard. Following this assessment the Group expects impacts that could be material regarding classification and measurement of financial instruments and consists in a larger part of financial investments measured at fair value through profit or loss. Concerning impairment the Group assessed that the new Expected Credit Losses model should lead to less significant impacts in the Group financial statements.

IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Exposure Draft)

On 15 December 2015 the IASB published the exposure draft "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts. Both the standards, IFRS 9 (with effective date 1 January 2018) and the new IFRS 4 (with subsequent effective date) are relevant for insurance entities.

The E.D. aims to address the concerns of some interested parties, in particular insurers, about the different effective dates of IFRS 9 Financial Instruments and the forthcoming new insurance contracts Standard.

The application of IFRS 9 beginning from 1 January 2018 would have the following critical issues:

- additional volatility to profit or loss arising from the application of SPPI test;
- higher costs caused by a first implementation of IFRS 9 without appropriate international accounting standard fort insurance liabilities and a following revision of the implementation of the standard when IFRS 4 phase 2 will be applied;
- two significant amendments for the user of financial statements in a short period. The E.D. proposed the introduction of options within the new IFRS 4:

1. the Overlay approach, that allows the companies that issue insurance contracts to remove from profit or loss the incremental volatility caused by changes in the measurement of financial assets upon application of IFRS 9. An entity that applies this approach shall reclassify in the other comprehensive income the difference between:
   a) the amount reported in profit or loss of the financial assets linked to insurance liabilities in the scope of IFRS 4; and
   b) the amount that it would be reported in profit or loss, in application of IAS 39 "Financial Instruments: Recognition and Measurement";
2. the Deferral approach, an optional temporary exemption from applying IFRS 9 that would be available to companies whose predominant activities is to issue insurance contracts. Such a deferral would be available until the new Insurance Contracts Standard comes into effect (but after 1 January 2021).

The Group considers the Deferral approach as most appropriate to solve the problems resulting from the application of IFRS 9 before the new accounting standard on insurance liabilities. The overlay approach implementation would create incremental costs compared to those of the first implementation of IFRS 9. In particular, the Group has identified critical points related to the alignment and reconciliation of data arising from the simultaneous application of IAS 39 and IFRS 9.

IFRS 4 – Insurance Contracts (Exposure draft)

On 20 June 2013, the IASB published the exposure draft "Insurance Contracts" . The E.D. proposes a new model for the measurement of insurance contracts that will replace the current IFRS 4 - Insurance Contracts. The valuation method is structured on a Building Block Approach based on the expected value of future cash flows, weighted by the probability of occurrence, on a risk adjustment and on a margin for the services provided within the contract ("contractual service margin"). The contractual service margin is a component of the compensation that the insurer requires for its activity, that is characterized by uncertainty and various types of risk. A simplified approach ("Premium Allocation Approach") is permitted if the coverage period of the contract is less than one year, or if the model used for the assessment provides a reasonable approximation compared to the building block approach. The effective date is three years after the publication of the final standard. Early application is permitted.

The IFRS 4 provides a completely new valuation model for insurance contracts. The Group is evaluating the impacts of proposed amendments which, at an early stage, could be material but not assessable at the moment.

IFRS 15 – Revenue from contracts with customers

On 28 May 2014, the IASB published the IFRS15 "Revenue from contracts with customers", whose objective is revenue recognition. Insurance contracts are out of the scope of this principle, and for this reason the Group is not expecting any significant impacts. The standard is effective from annual periods beginning on 1 January 2018, following the deferral of effective date by the IASB, previously established at 1 January 2017.

Other changes not significant for the Group

Amendment	Effective date	Date of publication
Amendments to IAS 19: Defined Benefit Plans: Employee Contributions	1 July 2014[1]	November 2013
Amendments resulting from Annual Improvements 2010-2012 Cycle	1 July 2014[2]	December 2013
IFRS 14 Regulatory Deferral Account	1 January 2016	January 2014
IFRS 11 Amendments regarding the accounting for acquisition of an interest in a joint operation	1 January 2016	May 2014
IAS 16 and IAS 38 Amendments regarding the clarification of acceptable methods of depreciation and amortization	1 January 2016	May 2014
IFRS 10 Amendments regarding the sale and the contribution of assets between an investor and its associate or joint venture	1 January 2016	September 2014
IAS 28 Amendments regarding the sale and the contribution of assets between an investor and its associate or joint venture	1 January 2016	September 2014
Amendments resulting from 2014 Annual Improvements 2012-2014 Cycle	1 January 2016	September 2014
IAS 1 Amendments resulting from the disclosure initiative	1 January 2016	December 2014

1 The Regulation (EU) 2015/29 postponed the effective date for the EU countries to annual periods beginning on or after 1 February 2015.

2 The Regulation (EU) 2015/28 postponed the effective date for the EU countries to annual period beginning on or after 1 February 2015.

Balance Sheet - Assets

Intangible assets

In accordance with IAS 38, an intangible asset is recognised if, and only if, it is identifiable and controllable and it is probable that the expected future economic benefits attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

This category includes goodwill and other intangible assets, such as goodwill recognised in the separate financial statements of the consolidated companies, software and purchased insurance portfolio.

Goodwill

Goodwill is the sum of future benefits not separately identifiable in a business combination. At the date of acquisition, the goodwill is equal to the excess between the sum of the consideration transferred, including contingent consideration, liabilities assumed towards the previous owners the fair value of non-controlling interests as well as, in a business combination achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree and the fair value (present value) of net amount of the separately identifiable assets and liabilities acquired.

After initial recognition, goodwill is measured at cost less any impairment losses and it is no longer amortised. According to IAS 36, goodwill is not subject to amortization. Realized gains and losses on investments in subsidiaries include the related goodwill. Goodwill is tested at least annually in order to identify any impairment losses.

The purpose of the impairment test on goodwill is to identify the existence of any impairment losses on the carrying amount recognised as intangible asset. In this context, cash-generating units to which the goodwill is allocated are identified and tested for impairment. Cash-generating units (CGU) units usually represent the consolidated units within the same primary segment in each country. Any impairment is equal to the difference, if negative, between the carrying amount and the recoverable amount, which is the higher between the fair value of the cash-generating unit and its value in use, i.e. the present value of the future cash flows expected to be derived from the cash-generating units. The fair value of the CGU is determined on the basis of current market quotation or usually adopted valuation techniques (mainly DDM or alternatively embedded value or appraisal value). The Dividend Discount Model is a variant of the Cash flow method. In particular the Dividend Discount Model, in the excess capital methodology, states that the economic value of an entity is equal to the discounted dividends flow calculated considering the minimum capital requirements. Such models are based on projections on budgets/forecasts approved by management or conservative or prudential assumptions covering a maximum period of five years. Cash flow projections for a period longer than five years are extrapolated using estimated among others growth rates. The discount rates reflect the free risk rate, adjusted to take into account specific risks.

Should any previous impairment losses no longer exist, they cannot be reversed.

For further details see paragraph "Information on consolidation perimeter and Group companies" in the Notes.

Other intangible assets

Intangible assets with finite useful life are measured at acquisition or production cost less any accumulated amortisation and impairment losses. The amortisation is based on the useful life and begins when the asset is available for use. Specifically, the purchased software expenses are capitalised on the basis of the cost for purchase and usage. The costs related to their development and maintenance are charged to the profit and loss account of the period in which they are incurred.

Other intangible assets with indefinite useful life are not subject to amortization. They are periodically tested for impairment.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is de-recognised.

Contractual relations with customers - insurance contracts acquired in a business combination or portfolio transfer

In case of acquisition of life and non-life insurance contract portfolios in a business combination or portfolio transfer, the Group recognises an intangible asset, i.e. the value of the acquired contractual relationships (Value Of Business Acquired).

The VOBA is the present value of the pre-tax future profit arising from the contracts in force at the purchase date, taking into account the probability of renewals of the one year contracts in the non-life segment. The related deferred taxes are accounted for as liabilities in the consolidated balance sheet.

The VOBA is amortised over the effective life of the contracts acquired, by using an amortization pattern reflecting the expected future profit recognition. Assumptions used in the development of the VOBA amortization pattern are consistent with the ones applied in its initial measurement. The amortization pattern is reviewed on a yearly basis to assess its reliability and, if applicable, to verify the consistency with the assumptions used in the valuation of the corresponding insurance provisions.

The difference between the fair value of the insurance contracts acquired in a business combination or a portfolio transfer, and the insurance liabilities measured in accordance with the acquirer's accounting policies for the insurance contracts that it issues, is recognised as intangible asset and amortised over the period in which the acquirer recognises the corresponding profits.

The Generali Group applies this accounting treatment to the insurance liabilities assumed in the acquisition of life and non-life insurance portfolios.

The future VOBA recoverable amount is nonetheless tested on yearly basis.

As for as the life and non-life portfolios, the recoverable amount of the value of the in force business acquired is carried out through the liability adequacy test (LAT) of the insurance provisions — mentioned in the paragraph related to life and non-life insurance provisions— taking into account, if any, the deferred acquisition costs recognised in the balance sheet. If any, the impairment losses are recognised in the profit or loss account and cannot be reversed in a subsequent period.

Similar criteria are applied for the initial recognition, the amortization and the impairment test of other contractual relationships arising from customer lists of asset management sector, acquired in a business combination where the acquiree belongs to the financial segment.

Tangible assets

This item comprises land and buildings used for own activities and other tangible assets.

Land and buildings (self-used)

In accordance with IAS 16, this item includes land and buildings used for own activities. Land and buildings (self-used) are measured applying the cost model set out by IAS 16.

The cost of the self-used property comprises purchase price and any directly attributable expenditure. The depreciation is systematically calculated applying specific economic/technical rates which are determined locally in accordance with the residual value over the useful economic life of each individual component of the property.

Land and buildings (self-used) are measured at cost less any accumulated depreciation and impairment losses. Land and agricultural properties are not depreciated but periodically tested for impairment losses. Costs, which determine an increase in value, in the functionality or in the expected useful life of the asset, are directly charged to the assets to which they refer and depreciated in accordance with the residual value over the assets' useful economic life. Cost of the day-to-day servicing are charged to the profit and loss account.

Finance leases of land and buildings are accounted for in conformity with IAS 17 and require that the overall cost of the leasehold property is recognised as a tangible asset and, as a counter-entry, the present value of the minimum lease payments and the redemption cost of the asset are recognised as a financial liability.

Other tangible assets

Property, plant, equipment, furniture and property inventories are classified in this item as property inventory. They are initially measured at cost and subsequently recognised net of any accumulated depreciation and impairment losses. They are systematically depreciated on the basis of economic/technical rates determined in accordance with their residual value over their useful economic life.

In particular the inventories are measured at the lower of cost (including cost of purchase, cost of conversion and cost incurred the inventories to their present location and condition) and net realizable value, i.e. the estimated selling price in the ordinary course of business less the estimated cost of completion and costs to sell.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Reinsurance provisions

The item comprises amounts ceded to reinsurers from insurance provisions that fall under IFRS 4 scope. They are accounted for in accordance with the accounting principles applied to direct insurance contracts.

Investments

Land and buildings (investment properties)

In accordance with IAS 40, this item includes land and buildings held to earn rentals or for capital appreciation or both. Land and buildings for own activities and property inventories are instead classified as tangible assets. Furthermore, assets for which the sale is expected to be completed within one year are classified as non-current assets or disposal groups classified as held for sale.

To measure the value of land and buildings (investment properties), the Generali Group applies the cost model set out by IAS 40, and adopts the depreciation criteria defined by IAS 16. Please refer to the paragraph on land and buildings (self-used) for information about criteria used by the Group and finance leases of land and buildings.

Investments in subsidiaries, associated companies and joint ventures

This item includes investments in subsidiaries and associated companies valued at equity or at cost. Immaterial investments in subsidiaries and associated companies, as well as investments in associated companies and interests in joint ventures valued using the equity method belong to this category.

A list of such investments is shown in attachment to this Consolidated financial statement.

Financial investments – classification and measurement

Financial Instruments included in scope of IAS 39 are classified as follows:
- Held to maturity
- Loans and receivables
- Available for sale financial assets
- Financial assets at fair value through profit or loss

The classification depends on the nature and purpose of holding financial instruments and is determined at initial recognition except for allowed reclassifications in rare circumstances and when the purpose of holding the financial assets changes.

The financial investments are initially recognized at fair value plus, in the case of instruments not measured at fair value through profit or loss, the directly attributable transactions costs.

Non-derivative financial assets with fixed and determinable payments, those that the entity has the intention and the ability to hold to maturity, unquoted and not available for sale are subsequently measured at amortised cost.

Held to maturity investments

The category comprises the non-derivative financial assets with fixed or determinable payments and fixed maturity that a company has the positive intention and ability to hold to maturity, other than loans and receivables and those initially designated as at fair value through profit or loss or as available for sale. The intent and ability to hold investments to maturity must be demonstrated when initially acquired and at each reporting date.
In the case of an early disposal (significant and not due to particular events) of said investments, any remaining investments must be reclassified as available for sale.

Held to maturity investments are accounted for at settlement date and measured initially at fair value and subsequently at amortised cost using the effective interest rate method and considering any discounts or premiums obtained at the time of the acquisition which are accounted for over the remaining term to maturity.

Loans and receivables

This category comprises non-derivative financial assets with fixed or determinable payments, not quoted in an active market. It does not include financial assets held for trading and those designated as at fair value through profit or loss or as available for sale upon initial recognition.

In detail, the Generali Group includes in this category some unquoted bonds, mortgage loans, policy loans, term deposits with credit institutions, deposits under reinsurance business accepted, repurchase agreements, receivables from banks or customers accounted for by companies of the financial segment, and the mandatory deposit reserve with the central bank. The Group's trade receivables are instead classified as other receivables in the balance sheet.

Loans and receivables are accounted for at settlement date and measured initially at fair value and subsequently at amortised cost using the effective interest rate method and considering any discounts or premiums obtained at the time of the acquisition which are accounted for over the remaining term to maturity. Short-term receivables are not discounted because the effect of discounting cash flows is immaterial. Gains or losses are recognised in the profit and loss account when the financial assets are de-recognised or impaired as well as through the normal amortization process envisaged by the amortised cost principle.

Available for sale financial assets

Available for sale financial assets are accounted for at the settlement date at the fair value at the related transaction dates, plus the transaction costs directly attributable to the acquisition.

The unrealized gains and losses on available for sale financial assets arising out of subsequent changes in value are recognised in other comprehensive income in a specific reserve until they are sold or impaired. At this time the cumulative gains or losses previously recognised in other comprehensive income are accounted for in the profit and loss account.

This category includes quoted and unquoted equities, investment fund units (IFU) not held for trading, nor designated as financial assets at fair value through profit or loss, and bonds, mainly quoted, designated as available for sale.

Interests on debt financial instruments classified as available for sale are measured using the effective interest rate with impact on profit or loss. Dividends related to equities classified in this category are reported in profit or loss when the shareholder's right to receive payment is established, which usually coincides with the shareholders' resolution.

The Group evaluates whether the ability and intention to sell its Available for sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held to maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

For a financial asset reclassified from the available-for sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

Financial assets at fair value through profit or loss

This category comprises financial assets held for trading, i.e. acquired mainly to be sold in a short term, and financial assets that upon initial recognition are designated as at fair value through profit or loss.

In particular both bonds and equities, mainly quoted, and all derivative assets, held for both trading and hedging purposes, are included in this category.

Financial assets at fair value through profit or loss also take into account investments back to policies where the investment risk is borne by the policyholders and back to pension funds in order to significantly reduce the valuation mismatch between assets and related liabilities.

Structured instruments, whose embedded derivatives cannot be separated from the host contracts, are classified as financial assets at fair value through profit or loss.

The financial assets at fair value through profit or loss are accounted for at settlement date and are measured at fair value. Their unrealized and realized gains and losses at the end of the period are immediately accounted for in the profit and loss account.

The Group evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify them. The reclassification to loans and receivables, Available for sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, as these instruments cannot be reclassified after initial recognition.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Receivables

This item includes receivables arising out of direct insurance and reinsurance operations, and other receivables

Receivables arising out of direct insurance and reinsurance operations

Receivables on premiums written in course of collection and receivables from intermediates and brokers, co-insurers and reinsurers are included in this item. They are accounted for at their fair value at acquisition date and subsequently at their presumed recoverable amounts.

Other receivables

This item includes all other receivables, which do not have an insurance or tax nature. They are accounted for at fair value at recognition and subsequently at their presumed recoverable amounts

Other assets

Non-current assets or disposal groups classified as held for sale, deferred acquisition costs, tax receivables, deferred tax assets, and other assets are classified in this item.

Non-current assets or disposal groups classified as held for sale

This item comprises non-current assets or disposal groups classified as held for sale under IFRS 5.

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification

They are measured at the lower of their carrying amount and fair value less costs to sell.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount in profit or loss after tax from discontinued operations in the income statement.

Deferred acquisition costs

Concerning deferred acquisition costs, according to requirements of IFRS 4, the Group continued to apply accounting policies prior to the transition to international accounting principles. In this item acquisition costs paid before the subscription of multi-year contracts to amortize within the duration of the contracts are included.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences between the carrying amounts of assets and liabilities and the corresponding amounts recognized for tax purposes.

In the presence of tax losses carried forward or unused tax credits, deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the aforementioned tax losses or unused tax credits.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets are measured at the tax rates that are expected to be applied in the year when the asset is realized, based on information available at the reporting date

Deferred tax assets are not recognized in the following cases provided in paragraph 24 of IAS 12:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- x\in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.
- for all deductible temporary differences between the carrying amount of assets or liabilities and their tax base to the extent that it is probable that taxable income will be available, against which the deductible temporary differences can be utilised

Tax receivables

Receivables related to current income taxes as defined and regulated by IAS 12 are classified in this item. They are accounted for based on the tax laws in force in the countries where the consolidated subsidiaries have their offices.

Current income tax relating to items recognised directly in equity are recognised in equity and not in the income statement.

Other assets

The item mainly includes accrued income and prepayments, specifically accrued interest from bonds. It also comprises deferred commissions for investment management services related to investment contracts.

Deferred fee and commission expenses include acquisition commissions related to investment contracts without DPF fair valued as provided for by IAS 39 as financial liabilities at fair value through profit or loss. Acquisition commissions related to these products are accounted for in accordance with the IAS 18 treatment of the investment management service component. They are recognised along the product life by reference to the stage of completion of the service rendered. Therefore, acquisition commissions are incremental costs recognised as assets, which are amortised throughout the whole policy term on a straight line approach, reasonably assuming that the management service is constantly rendered.

Deferred commissions for investment management services are amortised, after assessing their recoverability in accordance with IAS 36.

Cash and cash equivalents

Cash in hand and equivalent assets, cash and balances with banks payable on demand and with central banks are accounted for in this item at their carrying amounts.

Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value are included in this item. Investments are qualified as cash equivalents only when they have a short maturity of 3 months or less from the date of the acquisition.

Balance sheet – Liabilities and equity

Shareholder's equity

Shareholder's equity attributable to the Group

Share capital

Ordinary shares are recognized as share capital and their value equals the nominal value.
La voce è destinata ad accogliere categorie speciali di azioni ed eventuali componenti rappresentative di capitale comprese in strumenti finanziari composti.

Other equity instruments

The item includes preference shares and equity components of compound financial instruments.

Capital reserve

The item includes the share premium account of the Parent Company.

Revenue reserve and other reserves

The item comprises retained earnings or losses adjusted for the effect of changes arising from the first-time application of IAS/IFRS, reserves for share-based payments, equalisation and catastrophe provisions not recognised as insurance provisions according to IFRS 4, legal reserves envisaged by the Italian Civil Code and special laws before the adoption of IAS, as well as reserves from the consolidation process.

Own shares

As provided for by IAS 32, the item includes equity instruments of the Parent company held by the same company or by its consolidated subsidiaries

Reserve for currency translation differences

The item comprises the exchange differences to be recognised in equity in accordance with IAS 21, which derive from accounting for transactions in foreign currencies and from the translation of subsidiaries' financial statements denominated in foreign currencies.

Reserve for unrealised gains and losses on available for sale financial assets

The item includes gains or losses arising from changes in the fair value of available for sale financial assets, as previously described in the corresponding item of financial investments.

The amounts are accounted for net of the related deferred taxes and deferred policyholder liabilities.

Reserve for other unrealised gains and losses through equity

The item includes the cash flow hedging derivatives reserve, the reserve for hedges of net investments in foreign operations. This item includes gains or losses on cash flow hedging instruments and gains or losses on hedging instruments of a net investment in a foreign operation. In addition, this item also includes the profits and losses relating to defined benefit plans and the part of the balance sheet reserves whose the variation is part of the comprehensive income of participations and those relating to non-current assets or disposal groups classified as held for sale.

Result of the period

The item refers to the Group consolidated result of the period. Dividend payments are accounted for after the approval of the shareholders' general meeting.

Shareholder's equity attributable to minority interests

The item comprises equity instruments attributable to minority interests.

It also includes the reserve for unrealized gains and losses on available for sale investments and any other gains or losses recognized directly in equity attributable to minority interests.

Provisions

Provisions for risks and charges are provided only when it is deemed necessary to respond to an obligation (legal or implicit) arising from a past event and it is probable that an outflow of resources whose amount can be reliably estimated, as required by IAS 37.

Insurance provisions

This item comprises amounts, gross of ceded reinsurance, of liabilities related to insurance contracts and investment contracts with discretionary participation features..

Life insurance policies

In accordance with IFRS 4, policies of the life segment are classified as insurance contracts or investment contracts based on the significance of the underlying insurance risk.

Classification requires the following steps:
- identification of the characteristics of products (option, discretionary participation feature, etc.) and services rendered;
- determination of the level of insurance risk in the contract; and
- application of the international principle.

Insurance contracts and investment contracts with DPF

Premiums, payments and change in the insurance provision related to products whose insurance risk is considered significant (e.g. term insurance, whole life and endowment with annual premiums, life contingent annuities and contracts containing an option to elect at maturity a life contingent annuity at rates granted at inception, long-term health insurance and unit-linked with sum assured in case of death significantly higher than the value of the fund) or investment contracts with discretionary participation feature –DPF – (e.g. policies linked to segregated funds, contracts with additional benefits that are contractually based on the economic result of the company) are accounted for in accordance with previous local GAAP. Gross premiums are recognised as a revenue, net of cancellations of the period, and ceded premiums are recognised as expenses of the period.

Shadow accounting

In order to mitigate the valuation mismatch between financial investments carried at fair value according to IAS 39 and insurance provisions which are accounted for in accordance with previous local GAAP, shadow accounting is applied to insurance contracts and investments contracts with DPF. This accounting practice attributes to the policyholders part of the difference between IAS/IFRS valuation of the basis on which the profit sharing is determined and valuation which is used to determine the profit sharing actually paid.

The policyholders' share is calculated on the average contractual percentage for the policyholder participation, as the local regulation already foresees the protection of guaranteed obligations through the recognition of additional provisions for interest rate risk if future financial returns based on a proper time horizon are not sufficient to cover the financial guaranties included in the contract.

The accounting item arising from the shadow accounting application is included in the carrying amount of insurance liabilities whose adequacy is tested by the liability adequacy test (LAT) according to IFRS 4 (refer to paragraph Details on insurance and investment contracts), to rectify the IAS/IFRS carrying amount of insurance provisions.

The main accounting effect of the shadow accounting is double fold: on the one hand, the recognition of the policyholders' share of unrealized gains and losses on available for sale financial assets in the deferred policyholders' liabilities; on the other, the insurer's share is recognised in equity. If financial instruments are fair valued through profit or loss or financial investments are impaired, the policyholders' share on the difference between the market value and valuation used to determine the return which the profit sharing is based on (e.g. the carrying amount in segregated fund) is recognised in the profit and loss account.

Investment contracts

Investment contracts without DPF and that do not have a significant investment risk, mainly include unit/index-linked policies and pure capitalization contracts. These products are accounted for in accordance with IAS 39 as follows:

- the products are recognised as financial liabilities at fair value or at amortised cost. In detail, linked products classified as investment contracts are fair valued through profit or loss, while pure capitalization policies are generally valued at amortised cost;
- fee and commission income and expenses are recognised in the profit and loss account. Specifically, IAS 39 and IAS 18 require that they are separately identified and classified in the different components of: (i) origination, to be charged in the profit and loss account at the date of the issue of the product; and (ii) investment management service, to be recognised throughout the whole policy term by reference to the stage of completion of the service rendered;
- fee and commission income and incremental costs of pure capitalization contracts without DPF (other than administration costs and other non-incremental costs) are included in the amortised cost measurement;
- the risk component of linked products is unbundled, if possible, and accounted for as insurance contracts.

Life insurance provisions

Life insurance provisions are related to insurance contracts and investment contracts with discretionary participation features. These provisions are accounted for based on local GAAP, in compliance with IFRS 4.

Liabilities related to insurance contracts and investment contracts with discretionary participation features are determined analytically for each kind of contract on the basis of appropriate actuarial assumptions. They meet all the existing commitments based on best estimates.

These actuarial assumptions take into consideration the most recent demographic tables of each country where the risk is underwritten, aspects of mortality, morbidity, determination of risk-free rates, expenses and inflation. The tax charge is based on laws in force.

Among life insurance provisions, provisions in addition to mathematical provisions, already envisaged by the local regulations in case of adverse changes in the interest rates or mortality, are classified as provisions for the liability adequacy test.

As previously mentioned, insurance provisions include deferred policyholder liabilities related to contracts with DPF. The recognition of the deferred policyholder liabilities is made in accordance to shadow accounting, as already mentioned in paragraph “Shadow accounting” of section Insurance Provision.

Liability adequacy test (LAT)

In accordance with IFRS 4, in order to verify the adequacy of the reserves a Liability Adequacy Test (LAT) is performed. The aim of the test is to verify if the technical provisions - inclusive of deferred policyholders liabilities - are adequate to cover the current value of future cash flows related to insurance contracts.

The liability adequacy test is performed through the comparison of the IFRS reserves (which include the impact of “shadow accounting”), net of any deferred acquisition costs or intangible assets related to these contracts, with the current value of future cash flows related to insurance contracts. A risk margin, estimated according to the cost of capital approach, is added.

The abovementioned amount also includes the costs of embedded financial options and guarantees, which are measured with a market-consistent methodology. Technical reserves which are subject to the Liability Adequacy Test also include the interest rate risk provisions as required by local regulations.

The insurance contracts modelling and best estimates assumptions used are consistent with the already established Group Embedded Value methodology carried out by the Group for several years and are reviewed by an independent third subject.

Each inadequacy is charged to the profit and loss account, initially reducing deferred acquisition costs and value of business acquired, and subsequently accounting for a provision.

Non-life insurance provisions

The local GAAP for each country is applied to non-life insurance provisions, since all the existing policies fall under IFRS 4 scope. In conformity with the international standard, no provisions for future claims are recognised, in line with the derecognition of the equalisation and catastrophe provisions and some additional components of the unearned premiums provisions, carried out on the date of the first-time application.

The provisions for unearned premiums includes the pro-rata temporis provision, which is the amount of gross premiums written allocated to the following financial periods, and the provision for unexpired risks, which provides for claims and expenses in excess of the related unearned premiums.

The provisions for outstanding claims are determined by a prudent assessment of damages, based on objective and prospective considerations of all predictable charges. Provisions are deemed adequate to cover payments of damages and the cost of settlement of claims related to accident occurred during the year but not yet reported.

The non-life insurance provisions meets the requirements of the liability adequacy test according to IFRS 4.

Amounts ceded to reinsurers from insurance provisions are determined in accordance with the criteria applied for the direct insurance and accepted reinsurance.

Financial liabilities

Financial liabilities at fair value through profit or loss and financial liabilities at amortised cost are included in this item.

Financial liabilities at fair value through profit or loss

The item refers to financial liabilities at fair value through profit or loss, as defined and regulated by IAS 39. In detail, it includes the financial liabilities related to investment contracts where the investment risk is borne by the policyholders as well as derivative liabilities.

Other financial liabilities

The item includes financial liabilities within the scope of IAS 39 that are not classified as at fair value through profit or loss and are instead measured at amortised cost.

This item comprises both subordinated liabilities, which, in the case of bankruptcy, are to be repaid only after the claims of all other creditors have been met, and hybrid instruments.

Bond instruments issued are measured at issue price, net of costs directly attributed to the transaction. The difference between the aforesaid price and the reimbursement price is recognised along the duration of the issuance in the profit and loss account using the effective interest rate method.

Furthermore, it includes liabilities to banks or customers, deposits received from reinsurers, bonds issued, other loans and financial liabilities at amortised cost related to investment contracts that do not fall under IFRS 4 scope.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Payables

Payables arising out insurance operations

The item includes payables arising out of insurance and reinsurance operations.

Other payables

This item mainly includes provisions for the Italian ”trattamento di fine rapporto” (employee severance pay). These provisions are accounted for in accordance with IAS 19 (see paragraph 25 Other liabilities).

Other liabilities

The item comprises liabilities not elsewhere accounted for. In detail, it includes liabilities directly associated with non-current assets and disposal groups classified as held for sale, tax payables and deferred tax liabilities and deferred fee and commission income.

Liabilities directly associated with non-current assets and disposal groups classified as held for sale

The item includes liabilities directly associated with non-current assets and disposal groups classified as held for sale, as defined by IFRS 5.

Deferred tax liabilities

Deferred tax liabilities are recognised for all taxable temporary differences between the carrying amount of assets and liabilities and their tax base, Deferred tax liabilities are measured at the tax rates that are expected to be applied in the year when temporary differences will be taxable, are based on the tax rates and tax laws enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax liabilities are not recognized in the following cases provided for in paragraph 15 of IAS 12:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Tax payables

The item includes payables due to tax authorities for current taxes. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Other liabilities

This item includes provisions for defined benefit plans, such as termination benefit liabilities and other long-term employee benefits (the Italian provision for “trattamento di fine rapporto” is excluded and classified as other payables). In compliance with IAS 19, these provisions are measured according to the project unit credit method. This method implies that the defined benefit liability is influenced by many variables, such as mortality, employee turnover, salary trends, expected inflation, expected rate of return on investments, etc. The liability recognised in the balance sheet represents the net present value of the defined benefit obligation less the fair value of plan assets (if any), adjusted for any actuarial gains and losses and any past service costs not amortised. The rate used to discount future cash flows is determined by reference to market yields on high-quality corporate bonds. The actuarial assumptions are periodically tested to confirm their consistency. The actuarial gains and losses arising from subsequent changes in variables used to make estimates are recognised shall be accounted for in other comprehensive income without any possibility of recycling to profit and loss.

Deferred fee and commission income includes acquisition loadings related to investment contracts without DPF, which are classified as financial liabilities at fair value through profit or loss, according to IAS 39.

Acquisition loadings related to these products are accounted for in accordance with IAS 18 treatment of the investment management service component during the product life. They are recognised by reference to the stage of completion of the service rendered.

Therefore, the acquisition commissions have been reclassified in the balance sheet, as liabilities to be released to the profit and loss account during the life of the product.

Profit and loss account

Income

Earned premiums

The item includes gross earned premiums on insurance contracts and investment contracts with discretionary participation features, net of earned premiums ceded.

Fee and commission income

The item includes fee and commission income for financial services rendered by companies belonging to the financial segment and fee and commission income related to investment contracts.

Net income from financial instruments at fair value through profit or loss

The item comprises realized gains and losses, interests, dividends and unrealized gains and losses on financial assets and liabilities at fair value through profit or loss.

Income from subsidiaries, associated companies and joint ventures

The item comprises income from investments in subsidiaries, associated companies and joint ventures, which are accounted for in the corresponding asset items of the balance sheet.

Income from financial instruments and other investments

The item includes income from financial instruments not at fair value through profit or loss and from land and buildings (investment properties). In detail, it includes mainly interests from financial instruments measured using the effective interest method, other income from investments, including dividends recognised when the right arises, income from properties used by third parties, realized gains from financial assets, financial liabilities and investment properties and reversals of impairment.

Other income

The item includes: revenue arising from sale of goods and rendering of services other than financial services; other insurance income; gains on foreign currency accounted for under IAS 21; realized gains and reversals of impairment on tangible assets and other assets; and any gains recognised on the re-measurement of non-current assets or disposal groups classified as held for sale.

Expenses

Net insurance benefit and claims

The item includes the amounts paid in respect of claims occurring during the period, maturities and surrenders, as well as the amounts of changes in insurance provisions that fall under IFRS 4 scope, net of recoveries and reinsurance. It also comprises changes in the provision for deferred policyholders liabilities with impact on the profit and loss account.

Fee and commission expenses and expenses from financial service activities

The item includes fee and commission expenses for financial services received by companies belonging to the financial segment and fee and commission expenses related to investment contracts.

Expenses from subsidiaries, associated companies and joint ventures

The item includes expenses from investments in subsidiaries, associated companies and joint ventures, which are accounted for in the corresponding asset items of the balance sheet.

Expenses from financial instruments and other instruments

The item comprises expenses from land and buildings (investment properties) and from financial instruments not at fair value through profit or loss. It includes: interest expense; expenses on land and buildings (investment properties), such as general property expenses and maintenance and repair expenses not recognised in the carrying amount of investment properties; realized losses from financial assets, financial liabilities and land and buildings (investment properties); depreciations and impairment of such investments.

Acquisition and administration costs

The item comprises acquisition commissions, other acquisition costs and administration costs related to contracts that fall under IFRS 4 scope. Other acquisition costs and administration costs related to investment contracts without discretionary participation features are also included, as well as overheads and personnel expenses for investment management, and administration expenses of non-insurance companies.

Other expenses

The item includes: other insurance expenses; allocation to provisions; losses on foreign currency accounted for under IAS 21; realized losses, impairment and depreciation of tangible assets not elsewhere allocated; and amortization of intangible assets. It also comprises any loss on the re-measurement of non-current assets or disposal groups classified as held for sale, other than discontinued operations

Capitalization of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds

Income taxes

The item includes income taxes for the period and for previous years, deferred taxes and tax losses carried back.

Comprehensive income

The statement of comprehensive income was introduced by the revised IAS 1 issued in September 2007 by the IASB, approved by the EC Regulation No 1274/2008.

The statement comprises items of income and expenses different from those included in profit or loss, recognised directly in equity other than those changes resulting from transactions with shareholders. In accordance with the ISVAP (now IVASS) Regulation n.7/2007 as subsequently amended, items of income and expenses are net of taxes as well as net of gains and losses on available for sale assets attributable to the policyholders according to the deferred policyholders liabilities calculation.

The transactions with owners and the result of comprehensive income are presented in the statement of changes in equity

Statement of changes in equity

The statement was prepared in accordance with the requirements of the ISVAP (now IVASS). 7 of 13 July 2007 as subsequently amended, and explains all the variations of equity.

Change of the closing balance

This section comprises changes of the closing balance of the previous financial year determined by the correction of errors or changes in accounting policies (IAS 8) and the recognition of gains or losses arising from the first time application of accounting standards (IFRS 1).

Allocation

This section comprises the allocation of the profit or loss of the year, the allocation of the previous year profit or loss into the capital reserves, increases in capital and other reserves (for the issuance of new shares, equity instruments, stock options or derivatives on own shares, for the sale of shares pursuant to IAS 32.33, for the reclassification to equity instruments previously recognized in liabilities and, in the consolidated financial statements, for changes in scope of consolidation), changes within equity reserves (es. allocation of surplus capital, stock option exercise, transfer of revaluation reserves related to tangible and intangible assets to retained earnings in accordance with IAS 38.87 and IAS 16.41 etc.), the changes in gains and losses recognized directly in equity.

Reclassification adjustments to profit or loss

This section comprises gains or losses previously recognized in equity, that are reclassified to the profit or loss according to IFRSs

(a) g. following the transfer of a financial asset available for sale).

Transfer

This section comprises the distribution of ordinary or extraordinary dividends, decreases in capital and other reserves (for redemption of shares, equity instruments and distributable reserves, the purchase of own shares, for the reclassification of liabilities previously recognized in equity instruments and, in the consolidated financial statements, for changes in scope of consolidation) and the attribution of profit or loss recognized directly in equity and in other balance sheet items (i.e. gains or losses on cash flow hedging instruments allocated to the carrying amount of hedged instruments).

Changes in ownership interests

This section comprises the effects capita transaction of the subsidiaries, that do not result in the loss of control

Existence

This section comprises the equity components and gains or losses directly recognized in equity at the end of the reporting period. The statement illustrates all changes net of taxes and gains and losses arising from the valuation of financial assets available for
sale, attributable to policyholders and accounted for in the insurance liabilities.

Cash Flows statement

The report, prepared using the indirect method, is drawn up in accordance with the ISVAP (now IVASS) requirements n. 7 of 13 July 2007, as amended by Measure ISVAP (now IVASS) No. 2784 of 8 March 2010, and distinguishing its component items among operating, investing and financing activities.

Other information

Fair value

With effect from 1st January 2013, the Generali Group has implemented IFRS 13 - Fair Value Measurement. This standard provides guidance on fair value measurement and requires disclosures about fair value measurements, including the classification of financial assets and liabilities in fair value hierarchy levels.

With reference to the investments, Generali Group measures financial assets and liabilities at fair value in the financial statements, or discloses the contrary in the notes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). In particular, an orderly transaction takes place in the principal or most advantageous market at the measurement date under current market conditions.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:
(b) in the principal market for the asset or liability; or
(c) in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value is equal to market price if market information are available (i.e. relative trading levels of identical or similar instruments) into an active market, which is defined as a market where the items traded within the market are homogeneous, willing buyers and sellers can normally be found at any time and prices are available to the public.

If there isn't an active market, a valuation technique should be used which shall maximise the observable inputs. If the fair value cannot be measured reliably, amortised cost is used as the best estimate in determining the fair value.

As for measurement and disclosure, the fair value depends on the unit of account, depending on whether the asset or liability is a stand-alone asset or liability, a group of assets, a group of liabilities or a group of assets and liabilities in accordance with the related IFRS.

However when determining fair value, the valuation should reflect its use if in combination with other assets.

With reference to non-financial assets, fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible. However, an entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

For the liabilities, the fair value is represented by the price that would be paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (ie an exit price).

When a quoted price for the transfer of an identical or a similar liability or entity's own equity instrument is not available and the identical item is held by another party as an asset, an entity shall measure the fair value of the liability or equity instrument from the perspective of a market participant that holds the identical item as an asset at the measurement date.

Fair value hierarchy

Assets and liabilities measured at fair value in the consolidated financial statements are measured and classified in accordance with the fair value hierarchy in

IFRS13, which consists of three levels based on the observability of inputs within the corresponding valuation techniques used.

The fair value hierarchy levels are based on the type of inputs used to determine the fair value with the use of adequate valuation techniques, which shall maximize the market observable inputs and limit the use of unobservable inputs:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; market-corroborated inputs).
- Level 3: inputs are unobservable inputs for the asset or liability, which reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk (of the model used and of inputs used).

The fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgement, taking into account factors specific to the asset or liability.

A fair value measurement developed using a present value technique might be categorised within Level 2 or Level 3, depending on the inputs that are significant to the entire measurement and the level of the fair value hierarchy within which those inputs are categorised.

If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorised within the level attributable to the input with the lowest level utilized.

Adequate controls have been set up to monitor all measurements including those provided by third parties. If these checks show that the measurement is not considered as market corroborated the instrument must be classified in level 3. In this case, generally the main inputs used in the valuation techniques are volatility, interest rate, yield curves, credit spreads, dividend estimates and foreign exchange rates.

Valuation techniques

Valuation techniques are used when a quoted price is not available or shall be appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Single or multiple valuation techniques valuation technique will be appropriate. If multiple valuation techniques are used to measure fair value, the results shall be evaluated considering the reasonableness of the range of values indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.

Three widely used valuation techniques are:

- market approach: uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities;
- cost approach: reflects the amount that would be required currently to replace the service capacity of an asset; and
- income approach: converts future amounts to a single current (i.e. discounted) amount.

Application to assets and liabilities

- Debt securities

Generally, if available and if the market is defined as active, fair value is equal to the market price.

In the opposite case, the fair value is determined using the market and income approach. Primary inputs to the market approach are quoted prices for identical or comparable assets in active markets where the comparability between security and benchmark defines the fair value level. The income approach in most cases means a discounted cash flow method where either the cash flow or the discount curve is adjusted to reflect credit risk and liquidity risk, using interest rates and yield curves commonly observable at frequent intervals. Depending on the observability of these parameters, the security is classified in level 2 or level 3.

- Equity securities

Generally, if available and if the market is defined as active, fair value is equal to the market price.

In the opposite case, the fair value is determined using the market and income approach. Primary inputs to the market approach are quoted prices for identical or comparable assets in active markets where the comparability between security and benchmark defines the fair value level. The income approach in most cases means a discounted cash flow method estimating the present value of future dividends. Depending on the observability of these parameters, the security is classified in level 2 or level 3.

- Investment fund units

Generally, if available and if the market is defined as active, fair value is equal to the market price.

In the opposite case, the fair value of IFU is mainly determined using net asset values (NAV) provided by the fund's managers provided by the subjects responsible for the NAV calculation. This value is based on the valuation of the underlying assets carried out through the use of the most appropriate approach and inputs, eventually adjusted for illiquidity. Moreover, depending on how the share value is collected, directly from public providers or through counterparts, the appropriate hierarchy level is assigned. If this NAV equals the price at which the quote can be effectively traded on the market in any moment, the Group considers this value equiparable to the market price.

- Private equity funds and Hedge funds

Generally, if available and if the market is defined as active, fair value is equal to the market price.

In the opposite case, the fair value of private equity funds and hedge funds is generally expressed as the net asset value at the balance sheet date, determined using periodical net asset value and audited financial statements provided by fund administrators. If at the balance sheet date, such information is not available, the latest official net asset value is used. The fair value of these investments is also closely monitored by a team of professionals within the Group.

- Derivatives

Generally, if available and if the market is defined as active, fair value is equal to the market price.

In the opposite case, the fair value of derivatives is determined using internal valuation models or provided by third parties. In particular, the fair value is determined primarily on the basis of income approach using deterministic or stochastic models of discounted cash flows commonly shared and used by the market.

The main input used in the valuation include volatility, interest rates, yield curves, credit spreads, dividend estimates and exchange rates observed at frequent intervals.

With reference to the fair value adjustment for credit and debt risk of derivatives (credit and debt valuation adjustment CVA / DVA), the Group considered this adjustment as not material for the valuation of its positive and negative derivatives, as almost entirely of them is collateralized. Their evaluation does not take into account for these adjustments.

- Financial assets where the investment risk is borne by the policyholders and related to pension funds

Generally, if available and if the market is defined as active, fair value is equal to the market price. On the contrary, valuation methodologies listed above for the different asset classes shall be used.

- Financial liabilities

Generally, if available and if the market is defined as active, fair value is equal to the market price.

The fair value is determined primarily on the basis of the income approach using discounting techniques.

In particular, the fair value of debt instruments issued by the Group are valued using discounted cash flow models based on the current marginal rates of funding of the Group for similar types of loans, with maturities consistent with the maturity of the debt instruments subject to valuation.

The fair value of other liabilities relating to investment contracts is determined using discounted cash flow models that incorporate several factors, including the credit risk embedded derivatives, volatility, servicing costs and redemptions. In general, however, are subject to the same valuation techniques used for financial assets linked policies.

Accounting for derivatives

Derivatives are financial instruments or other contracts with the following characteristics:

- their value changes in response to the change in interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or other pre-defined underlying variables;
- they require no initial net investment or, if necessary, an initial net investment that is smaller than one which would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- they are settled at a future date.

Derivatives are classified as at fair value through profit or loss.

In relation to the issue of some subordinated liabilities, the Group hedged the interest expense rates and GBP/EUR exchange rate, recognised as cash flow hedges and accounted for as hedging instruments.

According to this accounting model the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in an appropriate item of comprehensive income while the ineffective portion of the gains or loss on the hedging instrument is recognized in profit or loss. The amount accumulated in the other components of comprehensive income is reversed to profit and loss account in line with the economic changes of the hedged item.

When the hedging instrument expires or is sold, or the hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instruments, that remains recognized directly in the other components of other comprehensive income from the period when the hedge was effective, remains separately recognized in comprehensive income until the forecast transaction occurs. However, if the forecasted transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognized directly in the other components of comprehensive income from the period when the hedge was effective is immediately recognized in profit or loss.

Further the Group set cash flow hedges on forecast refinancing operations of subordinated liabilities that are accounted for as hedge of a forecast operations, that are highly probable and could affect profit or loss. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in an appropriate item of comprehensive income. The ineffective portion of the gains or loss on the hedging instrument is recognized in profit or loss. If a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

Hedges of a net investment in a foreign operation are accounted for similarly to cash flow hedges: the effective portion of gain or loss on the hedging instrument is recognized among the components of profit or loss, while the part is not effective be recognized in the separate income statement.

Impairment losses on financial assets

As for financial assets, except investments at fair value through profit or loss, IAS 39 is applied whether there is any objective evidence that they are impaired.

Evidence of impairment includes, for example, significant financial difficulties of the issuer, its default or delinquency in interest or principal payments, the probability that the borrower will enter bankruptcy or other financial reorganisation and the disappearance of an active market for that financial asset.

The recognition of impairment follows a complex analysis in order to conclude whether there are conditions to effectively recognize the loss. The level of detail and the detail with which testing is being undertaken varies depending on the relevance of the latent losses of each investment.

A significant or prolonged decline in the fair value of an investment in an equity instrument below its average cost is considered as an objective evidence of impairment.

The threshold of significance is defined at 30%, while the prolonged decline in fair value is defined as a continuous decline in market value below average cost for 12 months.

If an investment has been impaired in previous periods, further fair value declines are automatically considered prolonged. If there is objective evidence of impairment the loss is measured as follows:

- on financial assets at amortised cost, as the difference between the asset’s carrying amount and the present

value of estimated future cash flows discounted at the financial asset's original effective interest rate;
- on available for sale financial assets, as the difference between the cost and the fair value at the measurement date.

Reversals of impairment are recognized respectively: in the profit or loss in the case of debt instruments, in the equity reserve in the case of equity securities including shares of mutual funds (IFU).

Use of estimates

The preparation of financial statements compliant to IFRS requires the Group to make estimates and assumptions that affect items reported in the consolidations financial balance sheet and income statement and the disclosure of contingent assets and liabilities. The use of estimates mainly refers to as follows:
- insurance provisions for the life and non-life segment;
- financial instruments measured at fair value classified in level 3 of the fair value hierarchy;
- the analysis in order to identify durable impairments on intangible assets (e.g. goodwill) booked in in the balance sheet (impairment test);
- deferred acquisition costs and value of business acquired;
- other provisions
- deferred and anticipated taxes;
- defined benefit plan obligation;
- share-base payments.

Estimates are periodically reviewed and are based on key management's best knowledge of current facts and circumstances. However, due to the complexity and uncertainty affecting the above mentioned items, future events and actions, actual results ultimately may differ from those estimates, possibly significantly.

Further information on the process used to determine assumptions affecting the above mentioned items and the main risk factors are included in the paragraphs on accounting principles and in the risk report.

Share based payments

The stock option plans granted by the Board in past periods configure as share based payments to compensate officers and employees. The fair value of the share options granted is estimated at the grant date and is based on the option pricing model that takes into account, at the grant date, factors such as the exercise price and the life of the options, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares and the risk-free interest rate as well as the specific characteristics of the plan itself. The pricing model is based on a binomial simulation that takes into account the possibility of early exercise of the options. If present, the pricing model estimates separately the option value and the probability that the market conditions are satisfied. Therefore, the above-mentioned values determine the fair value of equity instruments granted.

Long term incentive plans, aimed at strengthening the bond between the remuneration of management and expected performance in accordance with the Group strategic plan, as well as the link between remuneration and generation of value in comparison with peers, are also treated as an equity-settled share-based payment.

The fair value of the right to obtain free shares in relation to market condition is assessed at grant date and is based on a model that takes into account factors such as historical volatility of the Generali share price and of the peer group, the correlation between these shares, the dividends expected on the shares, the risk-free interest rate as well as the specific characteristics of the plan itself. The pricing model is based on simulation models generally used for this type of estimation. Other conditions different than market condition are considered external to this valuation. The probability that these conditions are satisfied, combined with the estimated fair value of the right to obtain free shares, defines the overall plan cost.

The cost is charged to the profit and loss account and, as a double-entry, to equity during the vesting period, taking into account, where possible, the probability of satisfaction of the vesting condition related to the rights granted.

The charge or credit to the profit or loss for a period represents the change in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or a non-vesting condition. These are treated as vested irrespective of whether or not the market or non- vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense to be recognised is the expense had the terms had not been modified, only if the original terms of the award are met.

An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Information of financial and insurance risk

In accordance with IFRS 7 and IFRS 4, the information which enables the users to evaluate the significance of financial instruments on the Group's financial position and performance and the nature and extent of risks arising from financial instruments and insurance contracts to which the entity is exposed and how the entity manages those risks are disclosed in the Risk Report.

In this section the Group provides qualitative and quantitative information about exposure to credit, liquidity and market risks, arising from financial instruments and insurance contracts, and sensitivity analysis to assess the impact of the variation of principal financial and insurance variables on equity, profit and loss or other relevant key indicators.

Segment reporting

Generali activities could be split in different lines of business according to the products and services offered. In particular, subject to IFRS 8, tree main sectors of activity have been defined:

- Non life segment, which includes insurance activities performed in the Non life business;
- Life segment, which includes insurance activities performed in the Life business;
- Holding and other business segment.

Life segment

Activities of Life segment include saving and protection business, both individual and for family, as well as unit linked products with investment purposes.

Investment vehicles and entities supporting the activities of life companies are also reported in this segment.

Non life segment

Activities of Non life segment include both motor and non-motor businesses, among which motor third party liabilities, casualty, accident and health. It includes also more sophisticated covers for commercial and industrial risks and complex plans for multinationals.

Investment vehicles and entities supporting the activities of life companies are also reported in this segment.

Holding and other business segment

This grouping is an heterogeneous pool of non insurance assets and in particular it includes banking and asset management activities, expenses regarding coordination activities and interest expenses on the Group financial debt, as well as other activities that the Group considers ancillary to the core insurance business. The holding expenses mainly include the holding and territorial sub-holding direction expenses regarding coordination activities, the expenses relating to the parent company of stock option and stock grant plans as well interest expenses on the Group financial debt.

Methods of disclosure presentation

According to IFRS 8, the disclosure regarding operating segments of the Group is consistent with the evidence reviewed periodically at the highest managerial level for the purpose of making operational decisions about resources to be allocated to the sector and assessment of results.

Assets, liabilities, income and expenses of each segment are presented in the appendix to the notes, prepared under the ISVAP Regulation No. 7 of 13 July 2007 as subsequently amended.

Segment data derives from a separate consolidation of the amounts of subsidiaries and associated companies in each business segment, eliminating of the effects of the transactions between companies belonging to the same segment and, the carrying amount of the investments in subsidiaries and the related portion of equity. The reporting and control process implemented by Generali Group implies that assets, liabilities, income and expenses of companies operating in different business segments are allocated to each segment through specific segment reporting. Intra-group balances between companies belonging to different business segments are accounted for in the consolidation adjustments column in order to reconcile segment information with consolidated information.

In this context, Generali Group adopts a business approach on segment reporting, characterized by the fact that some transactions between companies belonging to different segments are eliminated within each segment.

The main impacts are explained below:

- the elimination in the non-life segment and holding and other businesses segment of participations and loans to companies of other segments, belonging to the same country, as well as related income (dividends and interests)
- the elimination in the non-life segment and holding and other businesses segment of realized gains and losses arising from intra-segment operations
- the elimination in the life segment of participations and loans to companies of other segments, belonging

to the same country, as well the related income (dividends and interests) if not backing technical reserves
- the elimination in the life segment of realized gains and losses arising from intra-segment operations if not backing technical reserves

Furthermore, loans and interest income and expenses on loans between Group companies belonging to different segments are eliminated directly in each segment.

In detail, this approach presents the following main changes: both investments and dividends received by non-life and holding and other businesses companies and paid by companies of other segments, and realized gains and losses on intra-segment transactions are eliminated within the non-life and holding and other businesses segments; both investments and dividends received by life holding and paid by companies of other segments, and realized gains and losses on intra-segment transactions are eliminated within the life segment.

The abovementioned approach reduces consolidation adjustments, that currently include dividends received by life companies and paid by Group companies belonging to other segments, and net commissions for financial services rendered and received by Group companies.

Generali Group is divided into seven markets, in line with the strategy to simplify the Group and its governance. The new setup aims to optimise the Group's international operations and will enable greater coordination between local businesses and the Head office. The new structure is composed of the business units o the three core markets – Italy, France and Germany – and four regional units: CEE (Central and Eastern European countries members of the EU), EMEA (Austria, Belgium, Greece, Guernsey, Ireland, Netherlands, Portugal, Spain, Switzerland, Tunisia, Turkey and Dubai), Asia, and Americas (Argentina, Brazil, Colombia, Ecuador, Guatemala and Panama). The reporting by geographical area presented in this report has been adapted to the new territorial structure of the Group.

In order to provide a management view of the key performance indicators, the geographical reporting is now disclosed as country's consolidated view, instead of contribution to the Group's results. The elimination of transactions between Generali Group companies in different geographic regions is included within the cluster International Operations.

Balance sheet and Income statement by segment are reported in the following tables.

Appendix 1

Segment reporting - Balance sheet

(€ million)	NON-LIFE SEGMENT		LIFE SEGMENT	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
1 INTANGIBLE ASSETS	3,514	3,520	4,752	4,725
2 TANGIBLE ASSETS	2,124	2,075	1,074	984
3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	2,895	3,033	1,199	1,344
4 INVESTMENTS	36,853	35,601	404,617	385,124
4.1 Land and buildings (investment properties)	4,261	4,191	7,340	7,737
4.2 Investments in subsidiaries, associated companies and joint ventures	1,541	1,267	3,874	4,282
4.3 Held to maturity investments	81	70	1,479	1,467
4.4 Loans and receivables	2,952	3,112	43,118	44,854
4.5 Available for sale financial assets	25,839	25,915	257,193	245,042
4.6 Financial assets at fair value through profit or loss	2,179	1,046	91,611	81,743
5 RECEIVABLES	4,751	5,982	6,637	5,605
6 OTHER ASSETS	4,471	3,514	9,823	11,087
6.1 Deferred acquisition costs	278	283	1,722	1,674
6.2 Other assets	4,193	3,231	8,101	9,412
7 CASH AND CASH EQUIVALENTS	2,929	3,077	5,827	5,575
TOTAL ASSETS	57,537	56,802	433,928	414,445
1 SHAREHOLDERS' EQUITY				
2 OTHER PROVISIONS	791	615	770	750
3 INSURANCE PROVISIONS	33,377	33,150	371,310	353,052
4 FINANCIAL LIABILITIES	9,463	8,215	29,776	27,464
4.1 Financial liabilities at fair value through profit or loss	356	364	19,728	18,004
4.2 Other financial liabilities	9,107	7,851	10,048	9,460
5 PAYABLES	3,371	3,482	4,853	4,953
6 OTHER LIABILITIES	3,774	4,077	6,076	7,357
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				

HOLDING AND OTHER BUSINESSES		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
379	355	0	0	8,645	8,601
1,271	1,551	0	0	4,469	4,610
0	0	0	0	4,094	4,378
16,632	15,234	-10,654	-8,767	447,448	427,191
511	700	0	0	12,112	12,628
429	178	-4,476	-4,443	1,369	1,284
424	1,403	0	0	1,984	2,940
8,306	7,139	-6,178	-4,324	48,198	50,780
6,367	5,541	0	0	289,399	276,498
596	272	0	0	94,385	83,061
318	469	0	0	11,706	12,057
928	21,411	-80	-39	15,142	35,973
0	0	0	0	2,000	1,958
928	21,411	-80	-39	13,142	34,016
1,135	1,187	-846	-1,331	9,044	8,508
20,664	40,207	-11,581	-10,137	500,549	501,318
				24,708	24,185
427	385	-181	0	1,807	1,751
0	0	0	0	404,687	386,202
14,544	15,430	-3,879	-2,315	49,904	48,794
6	14	-8	-8	20,082	18,374
14,538	15,416	-3,872	-2,307	29,821	30,420
604	944	0	0	8,828	9,379
744	19,573	19	0	10,614	31,007
				500,549	**501,318**

Appendix 2

Segment reporting - Income statement

(€ million)	NON-LIFE SEGMENT		LIFE SEGMENT	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
1.1 Net earned premiums	19,818	19,622	48,689	44,699
1.1.1 Gross earned premiums	20,975	20,906	49,425	45,418
1.1.2 Earned premiums ceded	-1,157	-1,284	-737	-719
1.2 Fee and commission income and income from financial service activities	0	0	263	251
1.3 Net income from financial instruments at fair value through profit or loss	40	-162	1,903	3,698
1.4 Income from subsidiaries, associated companies and joint ventures	47	103	180	249
1.5 Income from other financial instruments and land and buildings (investment properties)	2,063	2,162	13,720	13,351
1.6 Other income	1,147	1,591	2,745	2,097
1 TOTAL INCOME	**23,115**	**23,315**	**67,499**	**64,346**
2.1 Net insurance benefits and claims	-13,081	-13,110	-56,010	-53,893
2.1.1 Claims paid and change in insurance provisions	-13,604	-13,696	-56,600	-54,583
2.1.2 Reinsurers' share	524	586	590	690
2.2 Fee and commission expenses and expenses from financial service activities	0	0	-105	-112
2.3 Expenses from subsidiaries, associated companies and joint ventures	-12	-50	-3	-18
2.4 Expenses from other financial instruments and land and buildings (investment properties)	-620	-833	-1,577	-1,578
2.5Acquisition and administration costs	-5,457	-5,364	-5,220	-4,876
2.6Other expenses	-2,023	-2,296	-1,984	-1,351
2 TOTAL EXPENSES	**-21,192**	**-21,653**	**-64,900**	**-61,827**
EARNINGS BEFORE TAXES	**1,923**	**1,662**	**2,599**	**2,519**

HOLDING AND OTHER SEGMENTS		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
0	1	0	0	68,507	64,322
0	0	0	0	70,400	66,324
0	1	0	0	-1,894	-2,003
1,200	931	-369	-216	1,094	967
-3	-25	0	0	1,941	3,510
15	2	-113	-163	130	191
543	591	-106	-113	16,219	15,991
417	456	-239	-843	4,070	3,301
2,173	**1,955**	**-826**	**-1,334**	**91,961**	**88,282**
0	0	0	0	-69,091	-67,003
0	0	0	0	-70,204	-68,280
0	0	0	0	1,113	1,276
-503	-396	23	39	-586	-470
-1	0	0	0	-16	-68
-1,040	-1,083	22	32	-3,215	-3,461
-422	-422	243	173	-10,856	-10,489
-1,100	-1,005	315	815	-4,792	-3,838
-3,065	**-2,907**	**603**	**1,058**	**-88,555**	**-85,329**
-892	**-952**	**-224**	**-276**	**3,407**	**2,953**

Information on consolidation perimeter and group companies

1 Consolidation area

Based on the IFRS 10, the Consolidated financial statements include the figures for both the Parent company and the subsidiaries directly or indirectly controlled.

At 31 December 2015, the consolidation area decreased from 473 to 435 companies, of which 394 are subsidiaries consolidated line by line and 41 associated companies valued at equity. The decrease is mainly due to the completion of the BSI disposal as well as to mergers in some Group countries as a result of restructuring policies put in place.

Changes in the consolidation area compared to the previous year and the table listing companies included in the consolidation area are attached to these Notes, in the Appendix related to the change in the consolidation area, compared to 2014.

2 Disclosures on interests in other entities

2.1 Interests in Subsidiaries

Significant restrictions

In relation to the Group's interests in subsidiaries, no significant restrictions exist on the Group's ability to access or use its assets and settle its liabilities. For further details regarding restrictions on Group assets, please refer to paragraph 47 Contingent liabilities, commitments, guarantees, pledged assets and collaterals in Additional information section.

Non-controlling interests

A summary of the financial information relating to each subsidiary that have non-controlling interests material for the Group is provided here below. The amounts disclosed are before inter-company eliminations (except for the item "Cumulated non controlling interests of the subsidiary" and "profit or loss attributable to non-controlling interests" that are disclosed from a consolidated perspective).

Non-controlling interests

Principal place of business	Gruppo Banca Generali Italia		Generali China Life Insurance Co. Ltd Cina	
(€ million)	31/12/2015	31/12/2014	31/12/2015	31/12/2014
BALANCE SHEET				
Investments	5,430	5,622	7,370	5,906
Other assets	570	470	287	233
Cash and cash equivalents	228	176	187	114
TOTAL ASSETS	6,229	6,268	7,844	6,252
Technical provisions	-	-	5,477	4,382
Financial liabilities	5,135	5,314	1,142	1,033
Other liabilities	448	407	390	233
Net Assets	646	547	835	604
TOTAL NET ASSETS AND LIABILITIES	6,229	6,268	7,844	6,252
NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**306**	**254**	**419**	**303**
INCOME STATEMENT				
Net earned premiums	-	-	1,229	617
Fee and commission income	767	583	4	4
NET RESULT	381	284	121	40
OTHER COMPREHENSIVE INCOME	4	13	125	155
TOTAL COMPREHENSIVE INCOME	385	297	247	194
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**101**	**79**	**59**	**20**
DIVIDENDS PAID TO NON-CONTROLLING INTERESTS	**56**	**54**	**8**	**3**
CASH FLOW				
cash flow from operating activities	-915	-997	736	173
cash flow from investing activities	960	1,170	-726	-384
cash flow from financing activities	-112	-102	63	221

Transactions with non-controlling interests

No Relevant transactions with minority shareholders occurred during 2015. As reported in the paragraph “main events of 2015”, in January the Generali Group completed the takeover of Generali PPF Holding B.V. (GPH), acquiring the remaining 24% of shares held by the PPF Group, in line with the agreements signed in January 2013. For accounting purposes the effects of the operation had been already reflected in the financial statements closed at 31 December 2014.

2.2 Interests in Associates

In relation to the Group’s interests in associates, no significant contractual, legal or regulatory restrictions exist on the Group’s ability to access or use its assets and settle its liabilities. With respect to contingent liabilities, please refer to paragraph 47 Contingent liabilities, commitments, guarantees, pledged assets and collaterals in Additional information section.

The Group has material interests into two associates that are accounted for according to the equity method.

Material Group associates

Company	Deutsche Vermogensberatung Aktiengesellshaft DVAG	Guotai Asset Manegement Company
Nature of the relationship with the Group	DVAG is the leading sales network for financial services in Germany and has an exclusive distribution partnership with a company held by Generali Deutschland Group	Guotai is one of the first professional fund management companies in China. The company manages mutual funds and several Social Security Fund (SSF) portfolios adding up to approximately 60 billion of renmimbi (approximately € 8 billion) value of assets under management
Principal Place of business	Germany	China
Profit rights/voting rights held (if different)	30% / 40%	30%

The summarised financial information relating to the most significant associates in which the Group has an interest including the reconciliation with the related carrying amounts (including goodwill, where present) are provided here below.

Summarised financial information - material associates

(€ million)	Deutsche Vermogensberatung Aktiengesellshaft DVAG		Guotai Asset Manegement Company	
	31/12/2014(*)	31/12/2013(*)	31/12/2015	31/12/2014
INCOME STATEMENT				
Revenues	1,235	1,191	212	85
Profit from continuing operations	154	176	81	20
Profit from discontinued operations after taxes	-	-	-	-
OTHER COMPREHENSIVE INCOME	-	-	9	19
TOTAL COMPREHENSIVE INCOME	154	176	90	39
BALANCE SHEET				
Current assets	1,019	990	258	155
Non-current assets	178	166	2	5
Current liabilities	387	350	36	33
Non-current liabilities	150	140	42	16
NET ASSETS	660	665	182	110

(*) The financial information are referred to the last approved financial statements by the Shareholders meeting of the associated company Deutchsche Vermogensberatung Aktiengesellshaft DVAG

(€ million)	Deutsche Vermogensberatung Aktiengesellshaft DVAG		Guotai Asset Manegement Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Carrying amount of interest in immaterial associates	257	240	130	125
Total comprehensive income attributable to the Group	52	64	27	12
Dividends received during the year	-45	.-47	-6	-6
Carrying amount in investee at the end of the year	**264**	**257**	**151**	**130**

As part of the commercial relationships in the German area with the distribution partner DVAG, we inform that the controlling shareholder holds an option to sell its majority block of shares to an entity held by Generali Group.

At the reporting date no liability has been accounted for because the put option refers to an associate and therefore it does not fall into the category of the options on non-controlling interests referred to in par. 23 of IAS 32. The potential outflow of resources will be defined by the parties when and if the option is exercised on the basis of the fair value measurement criteria of the option itself.

Furthermore, the Group holds interests in associates which are not individually material that, as mentioned above, are accounted for according to the equity method. The associates in which the Group has interest mainly operate in the insurance and financial services industries.

For these associates aggregated summarised financial information are provided here below:

Summarized financial information - immaterial associates

(€ million)	31/12/2015	31/12/2014
Carrying amount of interests in immaterial associates	**365**	**350**
Aggregated Group's share of:		
Profit from continuing operations	12	26
Profit from discontinued operations after taxes	-	-
Other comprehensive income	-7	8
Total comprehensive income	**5**	**34**

2.3 Joint ventures

Significant restrictions

In relation to the Group's interests in joint ventures, no significant contractual, legal or regulatory restrictions exist on the Group's ability to access or use its assets and settle its liabilities, nor significant commitments exist. For further details regarding restrictions on Group assets, please refer to paragraph *47 Contingent liabilities, commitments, guarantees, pledged assets and collaterals in Additional information section*.

Aggregated information on immaterial joint ventures

(€ million)	31/12/2015	31/12/2014
Carrying amount of interests in immaterial joint ventures	**233**	**228**
Aggregated Group's share of:		
Aggregated Group's share of:	17	5
Profit from continuing operations	-	-
Profit from discontinued operations after taxes	6	14
Total comprehensive income	**23**	**18**

2.4 Unconsolidated Structured Entities

As of 31 December 2015, Generali Group holds no interests in unconsolidated structured entities that expose the Group to the variability of returns arising from their performance.

However, Assicurazioni Generali is part of a reinsurance contract with a vehicle which provides coverage with respect to the potential losses affecting Generali Group from catastrophes arising from Europe windstorms over a three year period. Generali Group is deemed to be sponsor since is has originated the insurance risk of the structured entity. Generali pays a premium of 2.25% per annum on the €190 million of cover under the reinsurance agreement. The related cost is presented within the "Earned premiums ceded" line in the statement of Profit or Loss.

3 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures

(€ million)	31/12/2015	31/12/2014
Investments in non-consolidated subsidiaries	293	147
Investments in associated companies valued at equity	780	737
Investments in joint ventures	233	228
Investments in other associated companies	63	172
Total	**1,369**	**1,284**

Following the conclusion of Telco dissolution in June, Telecom Italia ordinary shares owned by Telco – 22.3% of the shareholders' equity – were distributed to its shareholders (of which 4.31% to the Generali Group). With the dissolution becoming effective, the shareholders' agreement among Telco's shareholders has terminated. This operation has not had any impact on the economic or financial position of the Group. In July the Group completed the sale of its stake in Telecom Italia.

4 Goodwill

Goodwill

(€ million)	31/12/2015	31/12/2014
Carrying amount as at 31 December previous year	**6,617**	**7,163**
Changes in consolidation scope	0	0
Other variations	43	-545
Carrying amount as at the end of the period	**6,661**	**6,617**

At 31 December 2015 goodwill booked by Group in relation to different companies acquisitions amounted to € 6,661 million (+0.7% compared to 31 December 2014).

The table below details the goodwill by relevant companies:

Goodwill: details

(€ million)	31/12/2015	31/12/2014
Generali Deutschland Holding	2,179	2,179
Alleanza Assicurazioni	1,461	1,461
Generali Italia	1,332	1,332
Generali CEE Holding Group	594	563
Generali France Group	415	416
Generali Schweiz Holding AG	322	292
Generali Holding Vienna AG	153	153
Other	204	222
Total goodwill	**6,661**	**6,617**

The increase of the period was substantially attributable to the positive trend in the exchange rates which characterised 2015. The goodwill booked was subject to impairment tests as stated by IAS 36.

Cash generating units were established in accordance with the Group's participation structure and considering the IFRS 8 requirements relating to operating segments, which Assicurazioni Generali identified as Life and Non-Life. Starting from 2015, the recoverability test for the goodwill of Generali CEE Holding has been performed taking into consideration the entire perimeter of Central Eastern Europe. Previously, the test was limited to the companies acquired by the PPF Group. This change has been made in order to better align the perimeter of analysis to the one that is currently used by management to steer business and for monitoring the performance.

The table below shows the details of the Group's goodwill by cash generating unit:

Goodwill by cash generating unit

(€ million)	Life	Non Life	Total
Generali Deutschland Holding	562	1,617	2,179
Alleanza Assicurazioni	1,461	0	1,461
Generali Italia	640	692	1,332
Generali CEE Holding Group	380	214	594
Generali France Group	319	97	415
Generali Schweiz Holding AG	91	231	322
Generali Holding Vienna AG	76	77	153
Europ Assistance Group	0	82	82
Other			122
Goodwill	**3,529**	**3,010**	**6,661**

The cash generating units have been defined consistently with IAS 36; with regard to the measurement of the recovery value, as described in the basis of presentation and accounting principles, the Dividend Discount Model (DDM) has been used.

The Dividend Discount Model (DDM) was used for the determination of the recovery value for the following cash generating unit (CGU): Generali Italia, Alleanza Assicurazioni, Generali Deutschland Holding, Generali CEE Holding Group, Generali Schweiz Holding AG, Europ Assistance, Generali Holding Vienna and Generali France.

This method represents a variant of the method of cash flows. In particular, the Excess Capital variant, defines the entity's economic value as the discounted dividend maintaining an appropriate capital structure taking into consideration the capital constraints imposed by the Supervisor as the solvency margin. This method results in the sum of discounted value of future dividends and the cash generating unit terminal value.

The application of this criterion entailed in general the following phases:

- explicit forecast of the future cash flows to be distributed to the shareholders in the planned time frame, taking into account the limit due to the necessity of maintaining an adequate capital level;
- calculation of the cash generating unit's terminal value, that was the foreseen value of the cash generating unit at the end of the latest year planned.

The expected cash flows used in the analysis for each CGU, were those detailed in the Strategic Plan 2016-2018, presented to the Board of Directors in December 2015. In order to extend the analysis horizon to a 5 years period, the main economic and financial data were estimated, separately and independently for each CGU, for a further two years (2019 and 2020). In particular, the net result (2019 and 2020) was calculated using a sustainable growth rate for each CGU.

The table below shows the evaluation parameters used for the main CGU:

A) Nominal growth rate (g)

Goodwill: Nominal growth rate (g)

	g
Generali Deutschland Holding	2.00%
Alleanza Assicurazioni	2.00%
Generali Italia	2.00%
Generali CEE Holding Group	2.50%
Generali France Group	2.00%
Generali Schweiz Holding AG	1.00%
Generali Holding Vienna AG	2.00%
Europ Assistance Group	**2.00%**

B) Cost of equity (Ke) of the company net of taxes:

Goodwill: cost of equity (Ke) net of taxes

	ke
Generali Deutschland Holding	
Life Companies	6.90%
Non Life Companies	5.90%
Alleanza Assicurazioni	
Life Companies	7.80%
Generali Italia	
Life Companies	7.80%
Non Life Companies	6.90%
Generali CEE Holding Group	
Life Companies	8.00%
Non Life Companies	8.00%
Generali France Group	
Life Companies	7.20%
Non Life Companies	6.20%
Generali Schweiz Holding AG	
Life Companies	6.30%
Non Life Companies	5.30%
Generali Holding Vienna AG	
Life Companies	7.10%
Non Life Companies	6.10%
Europ Assistance Group AG	
Non Life Companies	8.53%

The cost of equity (Ke) for each entity is extrapolated based on the Capital Asset Pricing Model (CAPM) formula. In detail:

- the risk free rate was defined as the average value - observed during the last three months of 2015 - of the 10-years government bond of the reference area of operation of the CGU, on which the goodwill has been allocated;
- the Beta coefficient was determined based on a homogeneous basket of securities of the non-life and life insurance sectors, which was compared to market indexes. The observation period was 5 years with weekly frequency;
- the market risk premium amounts to 5.5% for all Group's CGUs.

All CGUs passed the impairment test, being their recoverable amounts higher than their carrying amounts. Furthermore a sensitivity analysis was performed on the results changing the cost of own capital of the company (Ke) (+/-1%) and the perpetual growth rate of distributable future cash flows (g) (+/-1%) and for Non-life segment also for the main non-financial assumptions. This sensitivity, for Life segment, highlighted that, because of the increase of the Ke of 1%, Generali France and Generali Holding Vienna CGUs showed a recoverable amount substantially equal to the corresponding carrying amount. For Alleanza CGU the matching between the two values was observed with an increase of Ke of 0.8%. In Non-life segment the sensitivities of both financial and non-financial assumptions did not highlight any negative difference between the carrying amount and the recoverable amount.

5 Non-current assets or disposal group classified as held for sale

With reference to policy of divestment of non-core and not strategic assets, as abovementioned, in September 2015, Generali Group concluded the sale of 100% of BSI Group.

Moreover, during the first months of 2015 Generali has also completed the sale of the Argentinean entities La Estrella, Caja ART and Caja de Retiro. This operation did not lead to additional economic compared to what accounted for in the financial statem ents as at 31 December 2014.

The following table shows a condensedincome statement of the BSI Group.

Condensed profit or loss for discontinued operations

(€ million)	31/12/2015	31/12/2014
Revenues	502	1,010
Expenses	-426	-868
Profit before tax of discontinued operations	76	142
Income taxes	-25	-46
Profit of the year from discontinued operations	**51**	**96**

The comprehensive impact on Group net income of the IFRS5 evaluation of the interest in BSI Group, allocated in the item 'result from discontinued operations', amounted to € - 35 million (€ -112 million as at 31 December 2014).

6 Related parties disclosure

With regard to transactions with related parties, the main intra-group activities, conducted at market prices or at cost, were undertaken through relations of insurance, reinsurance and co-insurance, administration and management of securities and real estate assets, leasing, loans and guarantees, IT and administrative services, personnel secondment and claims settlement.

These services substantially aim to guarantee the streamlining of operational functions, greater economies in overall management, appropriate levels of service and an exploitation of Group-wide synergies.

For further information regarding related parties transactions - and in particular regarding the procedures adopted by the Group to ensure that these transactions are performed in accordance with the principles of transparency and substantive and procedural correctness - please refer to the paragraph 'Related Party Transaction Procedures' included in section IVI 'Internal control and risk management system' of the 'Corporate governance and share ownership report'.

The most significant economic and financial transactions with Group companies that are not included in the consolidation area and other related parties are listed below.

As shown in the table below, the impact of such transactions, if compared on a Group basis, is not material.

Related parties

(€ million)	Subsidiaries with significant control not consolidated	Associated companies	Other related parties	Total	% on balance - sheet item
Loans	9	458	624	1,091	0.2%
Loans issued	-6	-2	-113	-122	0.2%
Interest income	2	7	22	32	0.3%
Interest expense	0	0	-8	-8	0.7%

The decrease in the loans towards associated companies relates to the repayment of the bonds issued by Telco S.p.a. for an amount equal to € 298 million. This repayment was occurred in the context of the spin-off transaction of Telco S.p.A. during the first half of 2015.

As far as other related parties are concerned, the most significant transactions are with Mediobanca Group regarding investment bonds for € 624 million, and financial liabilities amounting to € 113 million.

With reference to the paragraph 18 of Related Party Transactions Procedures adopted by the Board of Directors in November 2010, excluding the aforementioned operation with PPF Group, there were no (i) Operations of major importance concluded during the reporting period (ii) Related Party Transactions, concluded during the reference period, which influenced the Group's financial statements or profit to a significant extent.

Investments

In the table below Group investments are split into the four IAS categories, as reported on balance sheet, as well as by nature into the equity instruments, fixed income instruments, real estate instruments, other investments and cash and similar instruments.

Given their short term investments nature, the reverse repurchase agreements are reclassified within 'cash and similar instruments'. For the same reason repurchase agreements are reclassified in the same item, as well. Derivatives instruments are presented net of derivatives held as financial liabilities, Hedging derivatives are excluded, as they are presented within hedged item asset classes.

Investments fund units (IFU) are allocated to respective asset classes based on prevailing underling assets. IFU are therefore allocated within the items equity instruments, fixed income instruments, real estate instruments, other investments and cash and similar instruments.

Comments on specific balance sheet items are presented in the following paragraphs.

Investments

(€ million)	31/12/2015		31/12/2014	
	Total Book value	Impact (%)	Total Book value	Impact (%)
Equity instruments	**18,353**	**4.9%**	**17,610**	**4,8%**
Available for sale financial assets	15,469	4.1%	15,170	4,2%
Financial assets at fair value through profit or loss	2,884	0.8%	2,440	0,7%
Fixed income instruments	**328,454**	**87.0%**	**318,884**	**87,3%**
Bonds	297,552	78.8%	290,558	79,6%
Other fixed income instruments	30,903	8.2%	28,325	7,8%
Held to maturity investments	1,984	0.5%	2,940	0,8%
Loans	46,175	12.2%	48,674	13,3%
Available for sale financial assets	271,326	71.8%	258,602	70,8%
Financial assets at fair value through profit or loss	8,970	2.4%	8,667	2,4%
Real estate investments	**13,783**	**3.6%**	**14,872**	**4,1%**
Other investments	**3,338**	**0.9%**	**3,662**	**1,0%**
Investments in subsidiaries, associated companies and joint ventures	1,369	0.4%	1,284	0,4%
Derivatives	-935	-0.2%	-150	0,0%
Receivables from banks or customers	1,764	0.5%	1,694	0,5%
Other investments	1,140	0.3%	834	0,2%
Cash and similar instruments	**13,768**	**3.6%**	**10,223**	**2,8%**
Total	**377,697**	**100.0%**	**365,250**	**100,0%**
Investments back to unit and index-linked policies	74,966		67,707	
Total investments	**452,662**		**432,957**	

7 Held to maturity investments

Held to maturity investments

(€ million)	31/12/2015	31/12/2014
Quoted bonds	1,949	2,910
Other held to maturity investments	35	31
Total	**1,984**	**2,940**

The Group limits the use of this category only to high quality quoted bonds that Group companies are able to hold till maturity. The decrease compared to 31 December 2014 was mainly attributable to maturity and subsequent repayment of certain bonds held.

Debt securities in this category are almost entirely investment grade.

The fair value of the held to maturity investments amounted to € 2,140 million, of which € 2,105 million represented by bonds.

8 Loans and receivables

Loans and receivables

(€ million)	31/12/2015	31/12/2014
Loans	**46,434**	**49,086**
Unquoted bonds	32,365	35,338
Deposits under reinsurance business accepted	755	754
Other loans and receivables	13,314	12,994
Mortgage loans	6,290	6,082
Policy loans	2,715	2,852
Term deposits with credit institutions	1,899	2,198
Other loans	2,411	1,862
Receivables from banks or customers	**1,764**	**1,694**
Receivables from banks	202	136
Receivables from customers	1,562	1,558
Total	**48,198**	**50,780**

This category accounts for 10.3% of total investments. It mainly consisted of unquoted bonds and mortgage loans, which represent 69.7% and 13.5% of total loans, respectively. More than 90% of the bonds category is represented by fixed income medium-to-long term bond instruments.

The decrease was mainly due to net sales carried out during the year.

The debt securities of this category are almost entirely investment grade and more than 70% of the class boasts a rating greater or equal to A.

Receivables from banks or customers are mainly short-term.

The fair value of total loans amounted to € 53,496 million, of which € 36,892 million related to bonds.

9 Available for sale financial assets

Available for sale financial assets

(€ million)	31/12/2015	31/12/2014
Unquoted equities at cost	43	48
Equities at fair value	9,540	9,734
quoted	7,009	8,133
unquoted	2,531	1,600
Bonds	258,039	247,076
quoted	254,400	242,282
unquoted	3,639	4,794
Investment fund units	18,563	17,139
Other available for sale financial assets	3,214	2,502
Total	**289,399**	**276,498**

This category accounted for 63.9% of the total investments. The increase compared 31 December 2014 was attributable to net acquisition in the period, particularly of debt securities, only partially matched by decrease in value of bonds due both to higher market rates and widening of spreads.

Available for sale bonds represented 89.2% of total bonds with a rating higher or equal to BBB, class assigned to the Italian government bonds.

As already mentioned, available for sale financial assets are measured at fair value and unrealized gains and losses on these assets are accounted for in shareholders' equity in an appropriate reserve. The amortized cost of the available for sale financial assets amounted to € 258,722 million.

The table below shows unrealized gains and losses and gains and losses recognized in profit or loss in the reporting period of available for sale financial assets:

Available for sale financial assets - unrealised gains and losses 31/12/2015

(€ million)	Fair value	Unrealized gains / losses	Amortized cost
Unquoted equities at cost	43	0	43
Equities at fair value	9,540	1,230	8,310
Bonds	258,039	27,675	230,364
Investment fund units	18,563	992	17,571
Other available for sale financial assets	3,214	780	2,434
Total	**289,399**	**30,677**	**258,722**

Available for sale financial assets - unrealised gains and losses 31/12/2014

(€ million)	Fair value	Unrealized gains / losses	Amortized cost
Unquoted equities at cost	48	0	48
Equities at fair value	9,734	994	8,739
Bonds	247,076	33,307	213,770
Investment fund units	17,139	1,041	16,098
Other available for sale financial assets	2,502	548	1,953
Total	**276,498**	**35,890**	**240,608**

Available for sale financial assets: gains and losses at profit or loss 31/12/2015

(€ million)	Realized gains	Realized losses	Net impairment losses
Equities	1,241	-372	-331
Bonds	1,598	-139	-26
Investment fund units	476	-110	-219
Other available for sale financial assets	4	-16	-39
Total	**3,319**	**-637**	**-614**

Available for sale financial assets: gains and losses at profit or loss 31/12/2014

(€ million)	Realized gains	Realized losses	Net impairment losses
Equities	1,438	-189	-580
Bonds	1,488	-49	0
Investment fund units	398	-64	-229
Other available for sale financial assets	59	-3	-39
Total	**3,383**	**-304**	**-848**

10 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

(€ million)	Financial assets held for trading		Financial assets designated as at fair value through profit or loss		Total financial assets at fair value through profit or loss	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Equities	5	4	180	54	185	58
Quoted	5	4	18	21	23	25
Unquoted	0	0	162	33	162	33
Bonds	23	22	5,175	5,213	5,199	5,235
Quoted	23	22	4,171	4,221	4,194	4,242
Unquoted	0	0	1,004	992	1,004	992
Investment fund units	3	667	11,339	6,298	11,342	6,965
Derivatives	1,630	1,560	0	0	1,630	1,560
Hedging derivatives	0	0	338	373	338	373
Investments back to policies where the investment risk is borne by the policyholders and back to pension funds	0	0	74,966	67,707	74,966	67,707
Other financial investments	0	0	726	1,163	726	1,163
Total	**1,661**	**2,253**	**92,724**	**80,808**	**94,385**	**83,061**

This category accounted for 20.9% of total investments. In detail, these investments were mainly allocated in the life segment (€ 91,611 million, which accounted for 97.1% of this category) whereas the residual part referred to the non-life segment (€ 2,179 million which accounted for 2.3% of this category) and in the financial segment (€ 596 million, which accounted for 0.6% of this category).

Bond securities in this category belong to classes of rating greater than or equal to BBB.

The increase compared to 31 December 2014 was due to the increase both in financial assets where the risk is borne by policyholders and in other items of the category, due both to net acquisition in the period and to the revaluation of investments, mainly of Investment Fund Units.

Assets covering contracts where the financial risk is borne by the policyholders

(€ million)	Policies where the investment risk is borne by the policyholders		Pension funds		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Assets	73,245	65,522	1,721	2,185	74,966	67,707
Total assets	73,245	65,522	1,721	2,185	74,966	67,707
Financial liabilities	15,673	14,361	1,121	1,526	16,793	15,886
Insurance provisions (*)	57,612	51,428	26	90	57,637	51,519
Total liabilities	**73,284**	**65,789**	**1,147**	**1,616**	**74,431**	**67,405**

11 Land and buildings (investment properties)

The table below shows the main changes in land and buildings (investment properties) in the reporting period, i.e. those held to earn rentals or capital appreciation or both, and their fair value::

Investment properties

(in milioni euro)	31/12/2015	31/12/2014
Gross book value as at 31 December previous year	**14,875**	**14,873**
Accumulated depreciation and impairment as at 31 December previous year	**-2,247**	**-2,046**
Carrying amount as at 31 December previous year	**12,628**	**12,828**
Foreign currency translation effects	112	39
Acquisition of the period	257	305
Capitalized expenses	112	90
Changes in consolidation scope	-3	167
Reclassifications	-28	-241
Sales of the period	-788	-260
Depreciation of the period	-171	-177
Net impairment loss of the period	-8	-123
Carrying amount as at the end of the period	**12,112**	**12,628**
Accumulated depreciation and impairment as at the end of the period	**2,254**	**2,247**
Gross book value as at the end of the period	**14,366**	**14,875**
Fair value	**17,385**	**17,650**

Sales of the period refer to disposal of some investment properties, located mainly in Italy and France.

The fair value of land and buildings (investment properties) at the end of the reporting period is mainly based on external appraisals.

12 Cash and cash equivalents

Cash and cash equivalents

(€ million)	31/12/2015	31/12/2014
Cash and cash equivalents	211	154
Cash and balances with central banks	41	14
Cash at bank and short-term securities	8,792	8,340
Total	**9,044**	**8,508**

Due to high volatility of the markets that occurred in particular at the end of 2015 it had been decided to maintain higher levels of cash and cash equivalents until investment opportunities improved.

Details on investments

Bonds

Group's exposures to bonds - detailed by rating and maturity - are reported at book value in the following tables:

Bonds: breakdown by rating

(€ million)	Avalaible for sale fin. assets	Financial assets at fair value through profit	Held to maturity investments	Loans	Total
AAA	30,201	399	1,309	12,202	44,111
AA	61,172	591	93	3,723	65,578
A	39,236	854	8	4,716	44,814
BBB	112,439	2,799	380	9,267	124,885
Non investment grade	14,198	297	120	2,048	16,664
Not Rated	793	258	39	408	1,499
Total	**258,039**	**5,199**	**1,949**	**32,365**	**297,552**

Bonds: breakdown by maturity

(€ million)	Available for sale financial assets	Financial assets at fair value through profit or loss	Held to maturity investments	Loans	Total
Up to 1 year	7,301	481	191	657	8,630
Between 1 and 5 years	46,582	1,507	695	10,831	59,616
Between 5 and 10 years	89,886	773	844	6,383	97,886
More than 10 years	112,657	2,423	219	14,309	129,608
Perpetual	1,613	15		184	1,812
Total	**258,039**	**5,199**	**1,949**	**32,365**	**297,552**

Bond investments totalled € 297,552 million at the end of the period. The portfolio was composed for € 163,474 million by government bonds, while corporate bonds amounted to € 134,077 million.

Group's exposures to government bonds, detailed by country of risk and rating, are reported at book value in the following tables:

Government bonds: breakdown by country

(€ million)	31/12/2015			
	Total book value	Impact (%)	of which home-country	Impact (%)
Government bonds	**163,474**		**106,866**	
Italy	63,787	39.0%	59,251	92.9%
France	31,028	19.0%	23,308	75.1%
Germany	6,296	3.9%	5,171	82.1%
Central and Eastern Europe	11,228	6.9%	6,744	60.1%
Rest of Europe	32,838	20.1%	11,247	34.3%
Spain	12,046	7.4%	5,228	43.4%
Austria	5,230	3.2%	2,126	40.7%
Belgium	8,887	5.4%	2,119	23.8%
Others	6,675	4.1%	1,774	26.6%
Rest of world	8,931	5.5%	1,146	12.8%
Supranational	9,367	5.7%		0.00%

The government bonds portfolio amounted to € 163,474 million at the end of the period, with the 61.9% of the portfolio represented by Italian, French and German debt instruments. The exposure to individual sovereign bonds is mainly allocated to their respective countries of operation.

Government bonds: breakdown by rating

(€ million)	31/12/2015		31/12/2014	
	Total book value	Impact (%)	Total book value	Impact (%)
Government bonds	**163,474**		**165,014**	
AAA	21,112	12.9%	23,495	14.2%
AA	53,655	32.8%	57,238	34.7%
A	6,964	4.3%	7,222	4.4%
BBB	78,186	47.8%	73,325	44.4%
Non investment grade	3,420	2.1%	3,172	1.9%
Not Rated	137	0.1%	563	0.3%

In terms of exposure to different rating classes, the Class AAA credit rating includes German and US titles, class AA includes French government bonds while the class BBB mainly includes Italian and Spanish bonds.

Group's exposures to investments in corporate bonds, detailed by sector and rating, are reported at book value in the following tables:

Corporate bonds: breakdown by sector

(€ million)	31/12/2015	
	Total book value	Impact (%)
Corporate bonds	**134,077**	
Financial	45,783	34.1%
Covered Bonds	29,466	22.0%
Asset-backed	1,626	1.2%
Utilities	18,957	14.1%
Industrial	10,676	8.0%
Consumer	9,571	7.1%
Telecommunication services	6,391	4.8%
Energy	5,501	4.1%
Other	6,106	4.6%

Corporate bonds: breakdown by rating

(€ million)	31/12/2015		31/12/2014	
	Total book value	Impact (%)	Total book value	Impact (%)
Corporate bonds	**134,077**		**125,544**	
AAA	23,000	17.2%	25,238	20.1%
AA	11,923	8.9%	7,563	6.0%
A	37,850	28.2%	38,145	30.4%
BBB	46,699	34.8%	40,722	32.4%
Non investment grade	13,244	9.9%	11,804	9.4%
Not Rated	1,362	1.0%	2,072	1.7%

The investments in corporate bonds totalled € 134,077 million at the end of the period. The portfolio was composed for 38.1% by non-financial corporate bonds, for 35.4% by financial corporate bonds and for 22.0% by covered bonds.

Equities

Group's exposures to investments in equities, detailed by sector and country of risk, are reported at fair value in the following tables:

Equity investments: breakdown by sector

(€ million)	31/12/2015	
	Total fair value	Impact (%)
Equity instruments	**18,352**	
Financial	4,529	24.7%
Consumer	1,083	5.9%
Utilities	1,517	8.3%
Industrial	811	4.4%
Other	1,827	10.0%
Alternative investments	4,549	24.8%
Asset allocation funds	4,037	22.0%

Direct equity investments: breakdown by country of risk

(€ million)	31/12/2015	
	Total fair value	Impact (%)
Direct equity investments	**9,767**	
Italy	1,944	19.9%
France	2,775	28.4%
Germany	1,018	10.4%
Central and Eastern Europe	110	1.1%
Rest of Europe	2,376	24.3%
Spain	192	2.0%
Austria	134	1.4%
Switzerland	249	2.6%
The Netherlands	445	4.6%
United Kingdom	464	4.7%
Others	892	9.1%
Rest of world	1,544	15.8%

Real estate investments

Group's exposures to direct real estate investments, detailed by country of location, is reported at fair values in the following table:

Direct real estate investments: breakdown by country of location

(€ million)	31/12/2015		31/12/2015	
	Investment properties		Self-used real estates	
	Total fair value	Impact (%)	Total fair value	Impact (%)
Direct Real-estate investments	**17,385**		**3,286**	
Italy	5,131	29.5%	1,644	50.0%
France	5,109	29.4%	309	9.4%
Germany	2,769	15.9%	677	20.6%
Central and Eastern Europe	417	2.4%	68	2.1%
Rest of Europe	3,690	21.2%	452	13.8%
Spain	724	4.2%	98	3.0%
Austria	1,437	8.3%	126	3.8%
Switzerland	1,062	6.1%	213	6.5%
Others	467	2.7%	15	0.5%
Rest of world	269	1.5%	136	4.1%

Further information on reclassified financial instruments

As of 1st January 2009 the Group transferred to the loans and receivables category € 14,658 million of corporate bonds, according to the IAS 39 reclassification option. At 31 December 2015, after sales and pay backs during the years, the stock of these reclassified financial instruments amounted to € 3,738 million.

Details on reclassified financial instruments

(€ million)	Book Value reclassified as at 1 January 2009	Book Value reclassified as at 1 January 2015	Change of the period	Book Value at the end of the period	Fair Value as at the end of the period
Available for sale financial assets	14,028	4,202	531	3,671	4,152
Financial assets at fair value through profit or loss	630	127	60	67	72
Total reclassified investments	**14,658**	**4,329**	**591**	**3,738**	**4,224**

As a consequence of the recovery in the value of corporate bonds, the reclassification in loans category of investments previously classified as available for sale financial assets, implied a missing recognition of the revaluation of the related equity reserve of € 481 million (considering both the group share and minorities), € 81 million net of policyholders share and deferred taxes for the 2015 year.

Furthermore, the reclassification into loans category of investments previously classified as financial assets at fair value through profit or loss implied a missing recognition of an unrealized gain in the profit or loss for € 5 million, € 0.4 million net of policyholders share and deferred taxes for the 2015 year.

Assets transferred that do not qualify for derecognition

Generali Group in the context of its business activities enters into securities lending transactions (REPO e Reverse REPO). In general, if the Group retains substantially all risks and rewards of the financial assets underlying these transactions, the Group continues to recognise the underlying assets.

For REPO contracts, the Group continues to recognise in its financial statements the underlying financial asset as the risks and benefits are retained by the Group. The consideration received upon ale is recognised as a liability.

As far as Reverse REPO transactions are concerned, if all the underlying risks ad rewards are retained by the counterparty for the entire life of the transaction, the related financial asset is not recognised as an asset in the Group's financial statements. The consideration paid is accounted for within the loans and receivable category.

Finally, the Group is committed in a variety of transactions in which some financial assets are pledged as collateral but they are still recognised in the financial statements because all risks and rewards are retained by the Group.

At 31 December 2015, the Group has retained substantially all risks and rewards arising from the ownership of the transferred assets and there are no transfers of financial assets which have been completely or partially derecognised on which the Group continues to control. In particular, the Group continues to recognise approximately € 9,028 million of financial assets linked to various contracts and which are still recognised. In particular, approximately € 3,819 are subject to securities lending transactions mainly in France, approximately € 1,121 million are subject to contracts to REPO while approximately € 4,088 million are assets pledged as collateral (please refer to the paragraph Contingent liabilities, commitments, guarantees, pledged assets and collaterals in section Additional Information).

Derivative financial instruments

The Group's exposure in derivatives is mainly associated with hedging operations on financial assets and liabilities and it is in line with strategies aiming at mitigating financial and credit risks. The total exposure amounts to € -1,165 million for a corresponding notional amount of € 40,511 million. The notional exposure is presented in absolute amounts, including the positions with both positive and negative balances, and it arises for an amount of € 7.729 million from instruments for which a hedge accounting relationship has been formally designated, in accordance with the international accounting standard IAS 39. The remaining notional amount is attributable to derivative instruments for which, notwithstanding their purpose as hedging instruments, a formal hedge accounting relationship has not been activated.

Derivative instruments designated for hedge accounting

The exposure in terms of amounts recognised in the financial statements amounts to € -229 million.

- *Fair value hedge*

Fair value hedging relationships mainly relate to macro-hedging strategies implemented in Life portfolios of subsidiaries operating in Central-Eastern Europe, with particular reference to risks arising from fluctuations in interest rates and foreign exchange rates.

- *Cash flow hedge*

The cash flow hedging relationships mainly relate to cross currency swaps hedging subordinated liabilities issued by the Group in pounds and to micro-hedging operations in the Life portfolios.

- *Hedge of net investment in foreign operations*

During the financial year, the Group has activated a hedging strategy to neutralise the risk of fluctuations in the foreign exchange rates of its subsidiaries whose functional currency is the Swiss franc.

Other derivative instruments

The recognised amounts in the financial statements for these exposures at 31.12.2015 amounted to € -935 million for a corresponding notional amount of € 32,783 million, which mainly relates to over-the-counter positions. The exposure is mainly associated with operations relating to interest rates hedges and foreign exchange rates hedges, with particular reference to the US dollar. It should also be noted that during the year the Group has implemented a macro hedge strategy in order to protect capital from the risk of a significant reduction in share prices.

In general, in order to mitigate the credit risk relating to over-the-counter transactions, the Group collateralises most of them. Furthermore, a list of selected authorised counterparties is identified for the opening of new derivative transactions.

Details on exposure in derivatives instruments designated as hedge accounting and other derivative instruments.

Details on exposure in derivative instruments

(€ million)	Maturity distribution by nominal amount			Total notional	Positive fair value	Negative fair value	Net fair value
	Within 1 year	Between 1 and 5 years	More than 5 years				
Total equity/index contracts	990	704	149	1,843	120	-7	113
Total interest rate contracts	3,017	4,673	6,851	14,541	1,666	-835	831
Total foreign exchange contracts	22,025	202	1,650	23,877	183	-2,256	-2,073
Total credit derivatives	0	0	250	250	0	-35	-35
Total	**26,032**	**5,579**	**8,900**	**40,511**	**1,969**	**-3,133**	**-1,165**

Insurance and investment contracts

13 Insurance provisions

Insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Non-life insurance provisions	**31,687**	**31,594**	**1,691**	**1,556**	**33,377**	**33,150**
Provisions for unearned premiums	5,147	5,241	216	197	5,363	5,438
Provisions for outstanding claims	26,068	25,891	1,469	1,352	27,537	27,243
Other insurance provisions	471	462	7	7	478	469
of which provisions for liability adequacy test	12	20	0	0	12	20
Life insurance provisions	**369,457**	**351,312**	**1,853**	**1,739**	**371,310**	**353,052**
Provisions for outstanding claims	5,364	5,225	1,046	1,074	6,410	6,299
Mathematical provisions	263,099	249,760	663	530	263,762	250,290
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	57,783	51,663	11	11	57,793	51,674
Other insurance provisions	43,211	44,664	133	124	43,344	44,788
of which provisions for liability adequacy test	1,036	1,053	0	0	1,036	1,053
of which deferred policyholder liabilities	22,642	25,300	0	0	22,642	25,300
Total	**401,143**	**382,906**	**3,544**	**3,296**	**404,687**	**386,202**

In the Non-life segment insurance provisions remain substantially stable (+0.7% compared to 31 December 2014).

In the Life segment insurance provisions increase by 5.2%, mainly attributable to the development of net inflow and the financial revaluation of technical reserves.

The overall total of the other life insurance provisions included both the provision for profit sharing and premium refunds, which amounts to € 6,725 million (€ 6,895 million in 2014) and the ageing provisions for life segment, which amount to € 12,242 million (€ 10,965 million in 2014).

14 Amounts ceded to reinsurers from insurance provisions

Insurance provisions ceded to reinsurers

(€ million)	Direct insurance		Accepted reinsurance		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Non-life amounts ceded to reinsurers from insurance provisions	**2,086**	**2,175**	**809**	**858**	**2,895**	**3,033**
Life amounts ceded to reinsurers from insurance provisions	**635**	**810**	**563**	**534**	**1,199**	**1,344**
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	156	155	0	0	156	155
Mathematical provisions and other insurance provisions	480	655	563	534	1,043	1,189
Total	**2,722**	**2,985**	**1,372**	**1,392**	**4,094**	**4,378**

15 Deferred acquisition costs

Deferred acquisition costs

(€ million)	Segment Life		Segment Non Life		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Carrying amount as at 31 December previous year	**1,674**	**1,650**	**283**	**307**	**1,958**	**1,957**
Acquisition costs deferred	366	458	69	203	435	662
Changes in consolidation scope	0	0	0	0	0	0
Amortization of the period	-318	-432	-75	-219	-393	-652
Other movements	0	-1	1	-8	1	-9
Carrying amount as at 31 December current year	**1,722**	**1,674**	**278**	**283**	**2,000**	**1,958**

The deferred acquisition costs amounted to € 2,000 million, stable compared to the previous year.

Details on insurance and investment contracts

Insurance provisions and financial liabilities related to policies of the life segment

Insurance provisions and financial liabilities related to the life segment

(€ million)	Net amount	
	31/12/2015	31/12/2014
Insurance contracts	218,295	212,940
Investment contracts with discretionary participation feature	114,980	99,289
Total insurance provisions	**333,275**	**312,228**
Investments contracts fair valued	16,921	15,964
Investments contracts at amortised cost	5,070	4,811
Total financial liabilities	**21,991**	**20,776**
Total	**355,266**	**333,004**

Total insurance provisions include the mathematical provisions and provisions for policies where the investment risk is borne by policyholders and for pension funds net of reinsurance (which amounted to € 263,411 million and € 57,637 million respectively), and net ageing provisions for life segment, which amounted to € 12,227 million (accounted for in other insurance provisions of the life segment). In the Life portfolio the policies with significant insurance risk amounted to 61.4% (63.9% at 31 December 2014), whereas investment contracts with discretionary participation feature amounted to 32.4% (29.8% at 31 December 2014).

The investment contracts within the scope of IAS 39 remained stable at 6.2% of Life portfolio. They are mainly unit/index linked policies without significant insurance risk.
Among life segment technical reserves, subject to the Liability Adequacy Test, also interest rate risk provisions as required by local regulations are included.

Mathematical provisions and ageing for life segment

(€ million)	Gross direct insurancet	
	31/12/2015	31/12/2014
Carrying amount as at 31 December previous year	**260,722**	**248,878**
Foreign curreny translation effects	755	665
Premiums and payments	4,132	2,257
Interests and bonuses credited to policyholders	9,912	9,612
Transfer to Non-current assets or disposal group classified as held for sale	0	-504
Acquisitions, disinvestments and other movements	-183	-186
Carrying amount as at the ed of the period	**275,338**	**260,722**

The increase in mathematical provisions and ageing for life segment shows both the development of net inflow and the financial revaluation of the period.

Provisions for policies where the investment risk is borne by policyholders and for pension funds

(€ million)	Gross direct amount	
	31/12/2015	31/12/2014
Carrying amount as at 31 December previous year	**51,663**	**45,795**
Foreign curreny translation effects	684	89
Premiums and claims	3,270	2,670
Interests and bonuses credited to policyholders	2,301	3,298
Acquisitions, disinvestments and other	-135	-190
Transfer to Non-current assets or disposal group classified as held for sale	0	0
Carrying amount as at the ed of the period	**57,783**	**51,663**

The development of provisions for policies where the investment risk is borne by policyholders and for pension funds highlights the positive trend of net inflow, and the development in the value of assets backing unit/index linked policies, due to financial market movements.

Group's financial guarantee of life insurance provisions and financial liabilities of gross direct insurance is reported in the following table:

Life insurance provisions and financial liabilities: financial gurantees

(€ million)	Gross direct insurance	
	31/12/2015	31/12/2014 (**)
Liabilities with guaranteed interest (*)	**269,838**	**255,787**
between 0% and 1%	73,958	69,516
between 1% and 3%	118,416	107,323
between 3% and 4%	46,654	47,979
between 4% and 5%	29,725	29,750
more than 5 %	1,084	1,219
Provisions without guaranteed interest	**78,213**	**70,480**
Provisions matched by specific assets	**7,061**	**6,894**
Total	**355,112**	**333,160**

(*) The upper bound of each range is excluded

(**) The 2014 comparative figures have been restated in order to adopt a better exposures allocation, especially for the classes with the higher interest guarantee.

The total insurance provisions include the gross direct amount of mathematical provisions, which amount to € 263,099 million (€249,760 million at 31 December 2014), the provisions for policies where the investment risk is borne by the policyholders and for pension fund, which amount to € 57,783 million (€ 51,663 million at 31 December 2014), the ageing provision for life segment, which amount to € 12,240 million (€ 10,962 million at 31 December 2014), and financial liabilities related to investment contacts, which amount to € 21,991 million (€ 20,776 million at 31 December 2014).

The table above shows a progressive shift of the exposures towards 'less than 3%' guarantee classes, also due to the new business. Lastly, the amount of provisions without guaranteed interest showed an increase amounting to € 78,213 million (€70,480 million as at 31 December 2014).

The table below shows the amount of the life gross direct insurance provisions broken down by expected contractual residual duration. For contracts without maturity (annuity or whole life contracts) the expected residual duration is calculated considering an expected date of conclusion of the contract, according to the embedded value valuation.

Life insurance provisions and financial liabilities related to investment contracts: contractual term to maturity

(€ million)	Gross direct insurance	
	31/12/2015	31/12/2014
Up to 1 year	34,491	34,464
Between 1 and 5 years	73,650	77,040
Between 5 and 10 years	67,255	68,975
Between 11 and 20 years	86,442	84,079
More than 20 years	93,273	68,602
Total	**355,112**	**333,160**

Deferred policyholders liabilities

(€ million)	31/12/2015	31/12/2014
Carry amount as at the beginning of the period	**25,300**	**3,999**
Foreign currency translation effects	59	3
Change of the period	-2,717	21,300
Acquisitions and disinvestments	0	-2
Carry amount as at the end of the period	**22,642**	**25,300**

Deferred policyholders liabilities recorded a decrease as a consequence of the decrease of the policyholders' share recognized on the fair value of the investment available for sale, with particular reference to the bonds component.

Provisions for outstanding claims

Provisions for outstanding claims

(€ million)	Gross direct insurance	
	31/12/2015	31/12/2014
Motor	11,821	11,604
Non motor	14,247	14,287
Personal and commercial lines	11,573	11,794
Accident/Health (*)	2,674	2,493
Total	**26,068**	**25,891**

(*) Life segment includes health insurance with life features

With reference to the gross direct claims provisions 45.3% was referred to the motor business in line with the prior year (44.8%). In the non-motor business, the personal and commercial lines weighted 81.2%.

With reference to non-life segment, the table below shows the amount of gross direct claims and unearned premiums reserves split by remaining maturity. The total liability is broken down by remaining duration in proportion to the cash flows expected to arise during each duration band.

It should be noted that the extension of terms to the classes with the highest duration was mainly due to regulatory changes, as well as to a better and more prudent approach in the estimates of long-tail claims.

Non-life insurance provisions: maturity

(€ million)	Gross direct insurance	
	31/12/2015	31/12/2014
Up to 1 year	10,733	11,837
Between 1 and 5 years	11,888	11,753
Between 5 and 10 years	4,317	4,494
Between 11 and 20 years	2,928	3,048
More than 20 years	1,349	0
Total	**31,215**	**31,132**

The following table shows the cumulative claim payments and the ultimate cost of claims by accident year and their development from 2006 to 2015. The ultimate cost includes paid losses, outstanding reserves on reported losses, estimated reserves for IBNR claims and ULAE.

The amounts refer to direct business gross of reinsurance and recoveries (the latter amounting to € 477 million in 2015).

The difference between the ultimate cost of claims and the cumulative paid losses for calendar year 2015 constitutes the claim reserve for accident years 2006 to 2015. The reserve reported in the balance sheet also includes a residual claim reserve that is composed almost exclusively by the accident years not reported in the development triangle.

The observed trend in the ultimate cost for generations 2006-2015 indicates the adequate level of prudence adopted by the Generali Group in its reserving policy.

Claims development

(€ million)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Totale
Cumulative claim payments											
at the end of accident year	5,146	5,724	6,069	6,289	6,218	5,633	5,692	5,678	5,322	5,424	
one year later	8,735	9,531	10,002	10,158	10,054	9,244	9,232	9,095	8,536		
two years later	9,776	10,597	11,103	11,315	11,145	10,302	10,334	10,047			
threes years later	10,245	11,143	11,628	11,898	11,641	10,746	10,820				
four years later	10,554	11,472	11,950	12,236	11,931	11,035					
five years later	10,772	11,667	12,176	12,482	12,176						
six years later	10,941	11,817	12,359	12,668							
seven years later	11,025	11,954	12,494								
eight years later	11,125	12,068									
nine years later	11,200										
Estimate of ultimate cumulative claims costs:											
at the end of accident year	12,481	13,145	13,689	14,033	13,896	13,089	13,325	13,027	12,522	12,501	131,708
one year later	12,435	13,040	13,534	13,851	13,718	12,804	12,912	12,775	12,265		
two years later	12,238	12,796	13,313	13,732	13,509	12,620	12,725	12,529			
threes years later	12,092	12,668	13,351	13,657	13,478	12,534	12,552				
four years later	12,028	12,783	13,282	13,642	13,399	12,483					
five years later	11,921	12,759	13,288	13,626	13,377						
six years later	11,918	12,770	13,261	13,584							
seven years later	11,857	12,756	13,231								
eight years later	11,824	12,728									
nine years later	11,788										
Estimate of ultimate cumulative claims costs at reporting date	**11,788**	**12,728**	**13,231**	**13,584**	**13,377**	**12,483**	**12,552**	**12,529**	**12,265**	**12,501**	**127,036**
Cumulative payments to date	**-11,200**	**-12,068**	**-12,494**	**-12,668**	**-12,176**	**-11,035**	**-10,820**	**-10,047**	**-8,536**	**-5,424**	**-106,468**
Provision recognised in the balance sheet	**588**	**660**	**737**	**916**	**1,201**	**1,448**	**1,732**	**2,482**	**3,729**	**7,076**	**20,569**
Provision not included in the claims development table											5,977
Total provision included in the balance sheet											**26,545**

Reinsurance policy of the Group

With reference to the reinsurance policy, the table proves that the careful criteria for the selection of reinsurers adopted by the Group over the past allowed Generali to have a significant presence of counterparties in rating classes of high quality. The small percentage of AAA counterparties reflects the almost total lack of market players that have maintained these characteristics.

Reinsurance policy of the Group

(€ million)	31/12/2015	31/12/2014
AAA	3	3
AA	1,984	1,972
A	1,049	1,219
BBB	73	142
Non investment grade	1	0
No Rating	984	1,042
Total	**4,094**	**4,378**

Within the overall context of the technical reserves, the Group continued to experience the effects of an increasingly centralized management of reinsurance with a constant reduction in total reserves ceded to counterparties outside the Group, as well as a more efficient management of facultative reinsurance.

“Not rated” counterparties remain; as in the past, they also include a considerable amount of captive insurance companies of large industrial Groups that do not qualify for any rating while showing a good financial strength, companies that are no longer active in the reinsurance market and not valued by the rating agencies, but not necessarily less financially sound , companies that are part of major insurance groups which benefit from high rating but who have abandoned their reinsurance activities, or, finally, of mutual and reinsurance pools.

In some circumstances, local regulations, market practice or specific types of business allow the Group to benefit from mitigation of the related reinsurance credit risk through deposits from reinsurers and/or letters of credit as a guarantee on ceded reserves.

Shareholders' equity and Share

16 Shareholders' equity

Shareholders' equity

(€ million)	31/12/2015	31/12/2014
Shareholders' equity attributable to the Group	**23,565**	**23,204**
Share capital	1,557	1,557
Capital reserves	7,098	7,098
Revenue reserves and other reserves	7,688	7,571
(Own shares)	-6	-8
Reserve for currency translation differences	74	-239
Reserve for unrealized gains and losses on available for sale financial assets	6,067	6,498
Reserve for other unrealized gains and losses through equity	-944	-943
Result of the period	2,030	1,670
Shareholders' equity attributable to minority interests	1,143	981
Total	**24,708**	**24,185**

The share capital is made up of 1,556,873,283 ordinary shares with a par value of € 1 each.

The Group's own shares decreased to € –6 million, amounting to 310,273 shares (€ –8 million, 309,133 shares as at 31 December 2014).

During the year the Parent company distributed dividends amounting to € 934 million.

The reserve for currency translation differences arising from the translation of the subsidiaries' financial statements denom inated in foreign currencies amounted to € 74 million (–239 million as at 31 December 2014). The positive variation was attributable to the depreciation of the euro against most major currencies.

The reserve for unrealized gains and losses on available for sale financial assets, i.e. the balance between unrealized gains and losses on financial assets, net of life deferred policyholder liabilities and deferred taxes, amounted to € 6,067 million (€ 6,498 million at 31 December 2014). The variation is essentially attributable to the decrease in unrealized gains and losses attributable to the available for sale financial assets.

The reserve for other unrealised gains and losses though equity comprised, among other component, gains or losses on re- measurement of the net defined benefit liability in accordance with IAS 19 revised, and gains or losses on hedging instruments accounted for as hedging derivatives (cash flow hedge), put in place in order to hedge interest rate change and British pound/Euro rate change on various subordinated bonds issued and the reserves belonging to disposal groups held for sale reclassified also for the comparative period. The item remained substantially stable against the increase in gains arising from the re-measurement of the liability for defined benefit plans for € 162 million, as a result of an increase of the reference interest rates used to discount these liabilities, substantially offset by the decrease in the reserve for disposal groups due to the mentioned BSI disposal (€ 157 million as at 31 December 2014).

Other Comprehensive Income

(€ million)	31/12/2014	31/12/2013
Consolidated result of the period	**2,259**	**1,852**
Items that may be reclassified to profit and loss in future periods		
Foreign currency translation differences	328	110
Allocation	366	105
Transfer to profit and loss account	-38	5
Net unrealized gains and losses on investments available for sale	-398	4,017
Allocation	486	5,694
Transfer to profit and loss account	-884	-1,678
Net unrealized gains and losses on cash flows hedging derivatives	41	21
Allocation	87	71
Transfer to profit and loss account	-45	-50
Net unrealized gains and losses on hedge of a net investment in foreign operations	-49	-1
Allocation	-52	-1
Transfer to profit and loss account	2	0
Share of other comprehensive income of associates	9	49
Allocation	18	48
Transfer to profit and loss account	-9	1
Result of discontinued operations	-576	29
Allocation	-4	36
Transfer to profit and loss account	-572	-6
Others		
Allocation		
Transfer to profit and loss account		
Subtotal	-645	4,225
Allocation	900	5,953
Transfer to profit and loss account	-1,546	-1,728
Items that may not be reclassified to profit and loss in future periods		
Share of other comprehensive income of associates	0	0
Allocation	0	0
Result of discontinued operations	437	-196
Allocation	437	-196
Reserve for revaluation model on intangible assets		
Allocation		
Reserve for revaluation model on tangible assets		
Allocation		
Actuarial gains or losses arising from defined benefit plans	162	-529
Allocation	162	-529
Subtotal	600	-725
Allocation	600	-725
Total other comprehensive income	**-46**	**3,499**
Total comprehensive income	**2,214**	**5,351**
attributable to the Group	1,912	5,042
attributable to minority interests	302	309

The following table shows the change of deferred tax assets and liabilities related to gains or losses recognized in shareholders' equity or transferred from shareholders' equity.

Income taxes related to other comprehensive income

(€ million)	31/12/2015	31/12/2014
Income taxes related to other comprehensive income	**271**	**-1,544**
Foreign currency translation differences	5	-8
Unrealized gains and losses on available for sale financial assets	353	-1,766
Net unrealized gains and losses on cash flows hedging derivatives	-21	-11
Net unrealized gains and losses on hedge of a net investment in foreign operations	0	0
Reserve on associates	0	0
Reserve for revaluation model on intangible assets	0	0
Reserve for revaluation model on tangible assets	0	0
Result of discontinued operations	0	0
Actuarial gains or losses arising from defined benefit plans	-67	240

Earnings per share

Basic earnings per share are calculated by dividing the result of the period attributable to the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for the Parent Company's average number of shares owned by itself or by other Group companies during the period.

Diluted earnings per share reflect the eventual dilution effect of potential ordinary shares.

Earning per share

	31/12/2015	31/12/2014
Result of the period (€ million)	2,030	1,670
- from continuing operations	2,066	1,751
- from discontinued operations	-35	-81
Weighted average number of ordinary shares outstanding	1,556,428,701	1,555,999,441
Adjustments for potential diluitive effect	16,168,060	16,168,060
Weighted average number of ordinary shares outstanding	1,572,596,761	1,572,167,501
Earnings per share (in €)	1,30	1.07
- from continuing operation	1.33	1.13
- from discontinued operations	-0.02	-0.05
Diluted earnings per share (in €)	1.29	1.06
- from continuing operation	1.31	1.11
- from discontinued operations	-0.02	-0.05

Reconciliation statement of the result of the period and shareholders' equity of the Group and the Parent Company

In accordance with the CONSOB Communication No. 6064293 of 28 July 2006, the table below summarizes the reconciliation of the result of the period and shareholders' equity of the Group and the Parent Company.

Reconciliation report

(€ million)	31/12/2015		31/12/2014	
	Shareholders' equity before the result of the period	Result of the period	Shareholders' equity before the result of the period	Result of the period
Parent Company amounts in conformity with the Italian accounting principles	**13.768**	**932**	**13,964**	**738**
Adjustments to Parent Company for IAS/IFRS application	1.230	-241	1,156	118
Parent Company amounts in conformity with IAS/IFRS principles	**14.997**	**691**	**15,120**	**856**
Result of the period of entities included in the consolidation area		5.855		6,865
Dividends	5.294	-5.294	4,946	-4,946
Elimination of participations, equity valuation impacts and other consolidation adjustments	-4.080	779	-3,894	-1,076
Reserve for currency translation differences	74		-239	
Reserve for unrealized gains and losses on available for sale financial assets	5.982		6,334	
Reserve for other unrealized gains and losses through equity	-731		-763	
Shareholders equity attributable to the group	**21,535**	**2,030**	**21.534**	**1,670**

Financial Liabilities

17 Liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss

(€ million)	Financial liabilities held for trading		Financial liabilities designated as at fair value through profit or loss		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Financial liabilities related to investment contracts issued by insurance companies	0	0	16,921	15,964	16,921	15,964
where the investment risk is borne by the policyholders	0	0	15,673	14,361	15,673	14,361
pension funds	0	0	1,121	1,526	1,121	1,526
other financial liabilities related to investment contracts	0	0	127	78	127	78
Derivaties	2,566	1,709	0	0	2,566	1,709
Hedging derivatives	0	0	568	675	568	675
Other financial liabilities at FV	0	0	28	25	28	25
Total	**2,566**	**1,709**	**17,517**	**16,665**	**20,082**	**18,374**

18 Other financial liabilities

Other financial liabilities

(€ million)	31/12/2015	31/12/2014
Subordinated liabilities	**9,643**	**8,315**
Loans and bonds	**11,228**	**13,155**
Deposits received from reinsurers	558	805
Bonds	3,312	3,860
Other loans	2,288	3,679
Financial liabilities related to investment contracts issued by insurance companies	5,070	4,811
Liabilities to banks or customers	**8,951**	**8,950**
Liabilities to banks	142	946
Liabilities to customers	8,809	8,003
Total	**29,821**	**30,420**

The decrease of total of 'Other financial liabilities' was mainly attributable to the item 'other loans'. The decrease was the result of the put option on Generali PPF Holding, outstanding at 31 December 2014. This liability had been recognized in relation to the obligation to purchase the residual share held by PPF and had been closed at the acquisition of the remaining shares of Generali PPF holding from Generali Group in January 2015.

The main Group's financial liabilities at amortized cost are represented by senior bonds and subordinated liabilities. The following tables sort Senior and Subordinated liabilities into categories based on maturity, or first call date, when applicable. For each category of maturity, the undiscounted cash flows (including the related hedging derivatives), the book value and the fair value of financial liabilities are reported.

Subordinated liabilities - undiscounted cash flows

(€ million)	31/12/2015			31/12/2014		
	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	1,864	1,208	1,221	552	0	0
between 1 and 5 years	3,881	1,735	1,890	5,026	2,915	3,136
between 5 and 10 years	5,726	4,000	4,499	4,102	2,625	3,274
more than 10 years	2,968	2,701	2,855	3,222	2,775	2,903
Total subordinated liabilities	**14,439**	**9,643**	**10,465**	**12,902**	**8,315**	**9,313**

The following main subordinated issuances are included as part of the subordinated liabilities category:

Main subordinated issuances

	Coupon	Outstanding (*)	Currency	Amortised cost(**)	Issue date	Call date	Maturity
Generali Finance B.V.	5.32%	752	EUR	740	16/06/2006	16/06/2016	Perp
Generali Finance B.V.	6.21%	345	GBP	467	16/06/2006	16/06/2016	Perp
Assicurazioni Generali	6.27%	350	GBP	472	16/06/2006	16/06/2026	Perp
Generali Finance B.V.	5.48%	869	EUR	710	08/02/2007	08/02/2017	Perp
Assicurazioni Generali	6.42%	495	GBP	667	08/02/2007	08/02/2022	Perp
Assicurazioni Generali	10.13%	750	EUR	747	10/07/2012	10/07/2022	10/07/2042
Assicurazioni Generali	7.75%	1,250	EUR	1,246	12/12/2012	12/12/2022	12/12/2042
Assicurazioni Generali	4.13%	1,000	EUR	988	02/04/2014	na	04/05/2026
Generali Finance B.V.	4.60%	1,500	EUR	1,340	21/11/2014	21/11/2025	Perp
Assicurazioni Generali	5.50%	1,250	EUR	1,241	27/10/2015	27/10/2027	27/10/2047

(*) in currency million.

(**) in € million.

Unquoted subordinated liabilities issued by Assicurazioni Generali S.p.A. and other subsidiaries are also classified in this category. The unquoted private placements issued by Assicurazioni Generali S.p.A. increase up to a nominal amount of € 1,000 million are accounted for at a corresponding amortized cost of € 997 million. The remaining subordinated liabilities are mainly issued by Austrian subsidiaries for approximately € 28 million.

In October 2015 a subordinated liability was issued, which amounted to € 1,250 million with the aim of refinancing some subordinated liabilities issued by the Group with the first callable option fixed in June 2016.

The fair value of subordinated liabilities amounts to € 10,465 million.

Senior bonds - undiscounted cash flows

(€ million)	31/12/2015			31/12/2014		
	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	209	0	0	728	500	506
between 1 and 5 years	2,065	1,587	1,704	817	11	13
between 5 and 10 years	2,109	1,724	2,212	3,552	3,347	4,039
more than 10 years	0	0	0	0	0	0
Total bond issued	**4,382**	**3,312**	**3,916**	**5,097**	**3,859**	**4,558**

The category of bonds includes several senior issues shown below:

Main senior bonds issuances

Issuer	Coupon	Outstanding (*)	Currency	Amortised cost(**)	Issue date	Maturity
Assicurazioni Generali	5.13%	1,750	EUR	1,722	16/09/2009	16/09/2024
Assicurazioni Generali	2.88%	1,250	EUR	1,242	14/01/2014	14/01/2020

(*) in currency million.

(**) in € million.

The category of 'bonds issued' includes both the issues described in the table 'Main senior bonds issues' and the following bonds:

- Other senior bonds, of which mainly those issued by Ceska Pojistovna for a nominal amount of CZK 500 million corresponding to an amortized cost of approximately € 24.6 million;
- A senior bond issued in May 2010, for a nominal amount of € 560 million (at 31 December 2015 the remaining amount was about € 319 million), to fund the tax recognition of goodwill related to the unusual transaction Alleanza Toro. This issue was classified as operating debt because the debt structure provides a perfect correlation between cash flows arising from their recognition of taxes and loan repayments both in terms of interest and of capital.

In May 2015 the Group repayed a senior bond for an amount of € 500 million. The fair value of bonds issued amounted to € 3,916 million.

Other balance sheet items

19 Intangible assets

Intangible assets

(€ million)	31/12/2015	31/12/2014
Goodwill	**6,661**	**6,617**
Other intangible assets	**1,985**	**1,983**
Software	317	317
Value of in-force business arising from insurance business combination	968	1,088
Other intangible assets	699	579
Total	**8,645**	**8,601**

Other intangible assets

(€ million)	31/12/2015	31/12/2014
Carrying amount as at 31st December previous year	**1,983**	**2,189**
Foreign currency translation effects	20	-9
Acquisitions of the period	354	324
Changes in consolidation scope	1	-181
Sales of the period	-25	-65
Amortization of the period	-283	-295
Impairment losses of the period	0	-1
Other variations	-66	21
Carrying amount as at the end of the period	**1,985**	**1,983**

Other intangible assets, which According to the IFRS 3 included the value of the insurance portfolio (or “The value in force”) acquired in business combinations, amounted to € 968 million. This amount was attributable to:

- The acquisitions which took place in 2006 of portfolios of Toro Group (€ 138 million net of accumulated amortisation) and in Central-Eastern Europe (€ 17 million net of accumulated amortization);
- the acquisition of BAWAG PSK Versicherung in 2007, which brought a further activation of € 19 million, net of accumulated amortisation;
- the acquisition of the Ceška group, which brought a further activation of € 794 million, net of accumulated amortisation.

Deferred tax liabilities were accounted for with reference to the above mentioned intangible assets. Further information on calculation method are detailed in the paragraph ‘Other intangible assets’ of the section Basis for presentation and accounting principles.

20 Tangible assets

The main changes that occurred in the period and the fair value of the properties used for own activity by the Parent Company and its subsidiaries to run the activity are shown in the table below:

Land and buildings (Self used)

(€ million)	31/12/2015	31/12/2014
Gross book value as at 31 December previous year	**3,785**	**3,865**
Accumulated depreciation and impairment as at 31 December previous year	**-988**	**-986**
Carrying amount as at 31 December previous year	**2,797**	**2,879**
Foreign currency translation effects	21	5
Acquisition of the period	42	14
Capitalized expenses	32	20
Changes in consolidation scope	6	0
Reclassifications	38	-63
Sales of the period	-29	-5
Depreciation of the period	-49	-48
Net impairment loss of the period	-14	-6
Carrying amount as at the end of the period	**2,844**	**2,797**
Accumulated depreciation and impairment as at the end of the period	**1,020**	**988**
Gross book value as at the end of the period	**3,864**	**3,785**
Fair value	**3,286**	**3,181**

The fair value of land and buildings (self-used) at the end of the reporting period was mainly based on external appraisals.

Other tangible assets

(€ million)	31/12/2015	31/12/2014
Carrying amount as at 31 December previous year	**1,814**	**1,907**
Foreign currency translation effects	-1	0
Acquisition of the period	235	296
Changes in consolidation scope	0	-62
Sales of the period	-335	-219
Amortization of the period	-76	-103
Impairment losses of the period	-24	-2
Other variations	12	-4
Carrying amount as at the end of the period	**1,625**	**1,814**

Other tangible assets, which amounted to € 1,625 million (€ 1,814 million at 31 December 2014), mainly includes property inventories for a amount of € 1,296 million (mainly related to Citylife) and furniture, fittings and office equipment, net of accumulated amortisation and impairment losses (€ 294 million).

21 Receivables

Receivables

(€ million)	31/12/2015	31/12/2014
Recivables arising out of direct insurance operations	6,497	7,462
Recivables arising out of reinsurance operations	1,060	1,143
Other receivables	4,149	3,452
Receivables	**11,706**	**12,057**

The category included receivables arising out of the different activities of the Group, such as direct insurance and reinsurance operations.

The slight decrease of 2.9% was attributable to the reduction in receivables arising out of direct insurance and reinsurance operations, only partially offset by the change in other receivables, mainly due to the increase in receivables related to collateral pledged for transactions in derivatives put in place to hedge the currency risk on the US dollar.

22 Other assets

Other assets

(€ million)	31/12/2015	31/12/2014
Non-current assets or disposal groups classified as held for sale	0	21,304
Deferred acquisition costs	2,000	1,958
Tax receivables	3,115	2,825
Deferred tax assets	2,652	2,715
Other assets	7,375	7,172
Total	**15,142**	**35,973**

The decrease is attributable to the item 'non-current assets held for sale and discontinued operations' due to the disposal of BSI Group and of Argentine companies.

For details on deferred taxes please refer to reference 38 of the section 'Notes to the income statement'.

23 Other provisions

Other provisions

(€ million)	31/12/2015	31/12/2014
Provisions for taxation	182	137
Provisions for commitments	599	643
Other provisions	1,026	970
Total	**1,807**	**1,751**

Provisions for commitments and other provisions include provisions for corporate restructuring, litigation or similar events as well as other commitments for which, at balance sheet date, an outflow of resources to settling the related obligation is considered probable. In particular, the variation in 'Other provisions' is mainly due restructuring provisions in particular in Germany.

The amounts recognized in the financial statements are based on valuation models for determining the best estimate of their value. In particular, in the assessment all the peculiarities of the specific provisions are taken into account, including the effective period of incurrence of the contingent liabilities and consequently the expected cash flows on the different estimates and assumptions.

The table below summarized the main changes occurred during the period

Other provisions - main changes occurred during the period

(€ million)	31/12/2015	31/12/2014
Carrying amount as at 31 December previous year	**1,751**	**1,768**
Foreign currency translation effects	0	0
Changes in consolidation scope	2	-4
Changes	55	-14
Carrying amount as at the end of the period	**1,807**	**1,751**

n the normal course of business, the Group may enter into arrangements that do not lead to the recognition of those commitments as assets and liabilities in the consolidated financial statements under IFRS (contingent assets and liabilities). For further information regarding contingent liabilities please refer to the paragraph *Contingent liabilities, commitments, guarantees, pledged assets and collaterals in Additional information*.

24 Payables

Payables

(€ million)	31/12/2015	31/12/2014
Payables arising out of direct insurance operations	**3,464**	**3,553**
Payables arising out of reinsurance operations	**511**	**557**
Other payables	**4,853**	**5,270**
Payables to employees	1,082	1,002
Provision for defined benefit plans	104	109
Payables to suppliers	1,134	1,527
Social security	225	198
Other payables	2,308	2,434
Total	**8,828**	**9,379**

The category mainly included payables related to collateral as guarantee of derivative operations.

25 Other liabilities

Other liabilities

(€ million)	31/12/2015	31/12/2014
Liabilities directly associated to non-current assets and disposal groups classified as held for sale	0	19,700
Deferred tax liabilities	3,034	3,706
Tax payables	1,320	1,420
Other liabilities	6,259	6,181
Total	**10,614**	**31,007**

The decrease was attributable to the line item relating to non-current liabilities or belonging to a disposal group held for sale, due to the disposals of the banking group BSI and the Argentinian entities.

Other liabilities also include liabilities related to defined employee benefit plans amounting to € 3,828 million (4,077 million as of 31 December 2014).

For details on deferred taxes please refer to paragraph *38 Income taxes of the section 'Notes to the income statement'.*

Notes to the income statement

Income

26 Net earned premiums

Net earned premiums

(€ million)	Gross amount		Reinsurers' share		Net amount	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Non-life earned premiums	**20,975**	**20,906**	**-1,157**	**-1,284**	**19,818**	**19,622**
Premiums written	20,898	20,818	-1,136	-1,223	19,762	19,596
Change in the provision for unearned premiums	77	88	-21	-62	56	26
Life premiums	**49,425**	**45,418**	**-737**	**-719**	**48,689**	**44,699**
Other premiums written	0	0	0	1	0	1
Total	**70,400**	**66,324**	**-1,894**	**-2,003**	**68,507**	**64,322**

27 Fee and commissions income and income from financial service activities

Fee and commissions income from financial services activites

(€ million)	31/12/2015	31/12/2014
Fee and commission income from banking activity	155	151
Fee and commission income from asset management activity	676	564
Fee and commission income related to investment contracts	230	227
Fee and commission income related to pension funds management	18	17
Other fees and commission income	15	7
Total	**1,094**	**967**

28 Net income from financial asset at fair value through profit and loss

Net income from financial asset at fair value through profit or loss

(€ million)	Financial investments held for trading		Financial investments back to policies where the investment risk is borne by the policyholders and related to pension funds		Financial investments designated at fair value through profit or loss		Total financial investments at fair value through profit or loss	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Interest income	47	0	297	327	428	462	772	788
Realized gains	216	14	663	374	178	223	1,057	611
Realized losses	-220	-248	-518	-224	-173	-333	-911	-806
Unrealized gains	1,741	6	6,840	4,940	1,063	2,031	9,644	6,978
Unrealized losses	-2,723	-609	-5,007	-2,124	-891	-1,329	-8,621	-4,061
Total	**-939**	**-837**	**2,275**	**3,293**	**605**	**1,054**	**1,941**	**3,510**

The net income from financial assets at fair value through profit or loss mainly referred to the life segment (€ 1,903 million). This item is not material for non-life segment (€ 40 million) as well as for the holding and other businesses segment (€ -3 million).

29 Income and expenses from subsidiaries, associated companies and joint venture

Income and expenses from subsidiaries, associated companies and joint ventures

(€ million)	31/12/2015	31/12/2014
Dividends and other income	118	92
Realized gains	12	81
Reversal of impairment	0	19
Total	**130**	**191**

30 Income from other financial instruments and land and buildings (investment properties)

Income from other financial instruments and land and buildings (investment properties)

(€ million)	31/12/2015	31/12/2014
Interest income	**10,075**	**9,919**
Interest income from held to maturity investments	105	129
Interest income from loans and receivables	1,926	2,095
Interest income from available for sale financial assets	8,007	7,638
Interest income from other receivables	8	8
Interest income from cash and cash equivalents	30	49
Other income	**2,065**	**2,117**
Income from land and buildings (investment properties)	909	934
Other income from available for sale financial assets	1,156	1,183
Realized gains	**3,873**	**3,761**
Realized gains on land and buildings (investment properties)	364	113
Realized gains on held to maturity investments	6	0
Realized gains on loans and receivables	184	231
Realized gains on available for sale financial assets	3,319	3,383
Realized gains on other receivable	0	0
Realized gains on financial liabilities at amortised cost	0	35
Reversal of impairment	**206**	**194**
Reversal of impairment of land and buildings (investment properties)	73	42
Reversal of impairment of held to maturity investments	0	0
Reversal of impairment of loans and receivables	30	16
Reversal of impairment of available for sale financial assets	8	50
Reversal of impairment of other receivables	94	86
Total	**16,219**	**15,991**

31 Other income

Other income

(€ million)	31/12/2015	31/12/2014
Gains on foreign currencies	2,297	1,535
Income from tangible assets	197	220
Reversal of other provisions	200	266
Leasing fees	0	0
Income from service and assistance activities and recovery of charges	604	461
Income from non-current assets or disposal group classified as held for sale	1	0
Other technical income	575	520
Other income	196	299
Total	**4,070**	**3,301**

Expenses

32 Net insurance benefits and claims

Net insurance benefits and claims

(€ million)	Gross amount		Reinsurers' share		Net amount	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Non-life net insurance benefits and claims	**13,604**	**13,696**	**-524**	**-586**	**13,081**	**13,110**
Claims paid	13,316	13,579	-639	-919	12,677	12,661
Change in the provisions for outstanding claims	240	50	112	337	352	387
Change in claims paid to be recovered	6	50	-3	-1	3	49
Change in other insurance provisions	42	16	7	-3	48	13
Life net insurance benefits and claims	**56,600**	**54,583**	**-590**	**-690**	**56,010**	**53,893**
Claims payments	36,082	34,596	-554	-641	35,528	33,954
Change in the provisions for outstanding claims	184	803	-45	24	139	827
Change in the mathematical provisions	12,552	10,851	29	-75	12,581	10,777
Change in the provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	5,564	5,965	4	1	5,568	5,966
Change in other insurance provisions	2,218	2,367	-25	1	2,193	2,368
Total	**70,204**	**68,280**	**-1,113**	**-1,276**	**69,091**	**67,003**

33 Fee and commissions expenses and expenses from financial service activities

Fee and commissions expenses and expenses from financial service activites

(€ million)	31/12/2015	31/12/2014
Fee and commission expenses from banking activity	323	270
Fee and commission expenses from asset management activity	157	97
Fee and commission expenses related to investment contracts	94	92
Fee and commission expenses related to pension funds management	12	11
Total	**586**	**470**

34 Expenses from subsidiaries, associated companies and joint ventures

Expenses from subsidiaries, associated companies and joint ventures

(€ million)	31/12/2015	31/12/2014
Realized losses	2	29
Impairment losses	14	39
Total	**16**	**68**

35 Expenses from other financial instruments and land and buildings (investment properties)

Expenses from other financial instruments and land and buildings (investment properties)

(€ million)	31/12/2015	31/12/2014
Interest expense	**1,103**	**1,298**
Interest expense on subordinated liabilities	563	550
Interest expense on loans, bonds and other payables	397	514
Interest expense on deposits received from reinsurers	9	33
Other interest expense	135	201
Other expenses	**390**	**421**
Depreciation of land and buildings (investment properties)	171	177
Expenses from land and buildings (investment properties)	219	245
Realized losses	**686**	**435**
Realized losses on land and buildings (investment properties)	11	10
Realized losses on held to maturity investments	0	0
Realized losses on loans and receivables	35	37
Realized losses on available for sale financial assets	637	304
Realized losses on other receivables	3	5
Realized losses on financial liabilities at amortized cost	0	79
Impairment losses	**1,035**	**1,307**
Impairment of land and buildings (investment properties)	62	165
Impairment on held to maturity investments	3	0
Impairment of loans and receivables	308	191
Impairment of available for sale financial assets	622	898
Impairment of other receivables	41	52
Total	**3,215**	**3,461**

36 Acquisition and administration costs

Acquisition and administration costs

(€ million)	Segmento danni		Segmento vita		Segmento di holding e altre attività	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Provvigioni e altre spese di acquisizione nette	4.229	4.157	3.950	3.727	0	0
Spese di gestione degli investimenti(*)	44	38	265	197	30	40
Altre spese di amministrazione	1.184	1.169	1.005	951	392	382
Totale	**5.457**	**5.364**	**5.220**	**4.876**	**422**	**422**

(*) Before the elimination of intra-group transactions between segments.

The item "other administration costs" include expenses related to real estate activity which, overall, are reduced amounting to € 37 million (€ 40 million at 31 December 2014), focusing mainly in the holding and other businesses segment for an amount of € 32 million .

In the Non-life segment, non-insurance administration expenses, equal to € 9 million, decline in respect to the previous year (€ 14 million at 31 December 2014); a portion of € 3 million of these expenses are related to real estate activities.

Within "other administrative costs" of the Life segment, the investment management expenses grew at € 76 million (€ 56 million at 31 December 2014), the non-insurance management expenses amounted to € 2 million and are mainly refer to real estate activities.

37 Other expenses

Other expenses

(€ million)	31/12/2015	31/12/2014
Amortization and impairment of intangible assets	329	323
Amortization of tangible assets	83	94
Expenses from tangible assets	193	214
Losses on foreign currencies	1,133	553
Restructuring charges, termination employee benefit expenses and allocation to other provisions	648	491
Other taxes	200	158
Expenses from service and assistance activities and charges incurred on behalf of third parties	440	323
Expenses from non-current assets or disposal group classified as held for sale	0	0
Other technical expenses	619	661
Holding costs	510	496
Other expenses	636	525
Total	**4,792**	**3,838**

38 Income taxes

This item shows the income taxes due by the Italian and the foreign consolidated companies by applying the income tax rates and rules in force in each country.

The components of the income tax expense for 2015 and 2014 are as follow:

Income taxes

(€ million)	31/12/2015	31/12/2014
Income taxes	1,183	1,111
Deferred taxes	-71	-79
Total taxes of period	**1,112**	**1,033**
Income taxes on discontinued operations	5	1
Total income taxes	**1,117**	**1,033**

In Italy, with respect to the 2015 fiscal year, income taxes are calculated by using the ordinary corporate income tax rate of 27.5%. Furthermore, income taxes of Italian companies include the regional tax on productive activities (IRAP), which was computed – in respect of insurance companies – at the ordinary tax rate generally equal to 6.82%.

Income realised in Germany is subject to the corporate income tax - which is calculated on a rate of 15% plus a solidarity surcharge of 5.50% - and the trade tax (Gewerbesteuer). The trade tax rate varies depending on the municipality in which the company is situated. In 2015 the weighted average tax rate remained substantially unchanged at approximately 16.2%.

In France, income taxes are calculated by using an overall corporate income tax rate of 38%. In particular, this overall rate includes the basic rate expected in the tax on corporate income, equal to 33.33%, increased by an additional (contribuzione sociae) of 3.30% and a further additional temporary always calculated with reference the standard rate.

All other foreign subsidiaries apply their national tax rates, including: Austria (25%), Belgium (34%), Bulgaria (10%), China (25%), Czech Republic (19%), Netherlands (25%), Romania (16%), Spain (28%), Switzerland (22%) and United States (35%).

The following table shows a reconciliation from the theoretical income tax expense, by using the Italian corporate income tax rate of 27.5%, to the effective tax rate.

Reconciliation from theoretical income tax expenses to the effective tax rate

(€ million)	31/12/2015	31/12/2014
Expected income tax rate	**27.5%**	**27.5%**
Earning before taxes	**3,407**	**2,953**
Expected income tax expense	**937**	**812**
Effect of permanent differencies and foreign tax rate differential	-142	-253
Effect of fiscal losses	0	48
IRAP, trade tax and other local income taxes	154	140
Substitute taxes	180	159
Foreign withholding taxes not recoverable	26	18
Income taxes for prior years	-38	-15
Other	-5	-4
Tax expenses	**1,112**	**1,033**
Effective tax rata	**32.6%**	**35.0%**

With respect to the 2015 fiscal year, the effective tax rate is equal to 32.6% with a decrease of 2.9% in comparison to the previous fiscal year. In particular, such a decrease is mainly related to the decrease of the regional tax on productive activities (IRAP), the absence of the extraordinary expense related to the substitute tax on the revaluation of the participation in the Bank of Italy.

Fiscal losses carried forward are recognised to the extent that future taxable income will be sufficient to offset the amount of the losses before their expiration.

Fiscal losses carried forward as of 31 December 2015 and 2014 are scheduled according to their expiry periods as follows.

Fiscal losses

(€ million)	31/12/2015	31/12/2014
2015	0	2
2016	0	10
2017	0	19
2018	2	6
2019	0	25
2020	25	0
2021	0	7
2022	0	0
2023 and over	0	0
Unlimited	864	1,081
Fiscal losses carried forward	**891**	**1,150**

With regards to fiscal losses, it is worth noting that Italian Law by Decree 98/2011 introduced that fiscal losses can be carried forward with no time limits (as opposed to the previous five year limitation). Losses from a given year may, however, only be used to offset up to 80% of the taxable income of any following fiscal year.

Deferred income taxes are calculated on the temporary differences between the carrying amounts of assets and liabilities reported in the financial statements and their tax base, by using the tax rates applicable at the expected time of realisation according to each country's current legislation. In particular, with regard to Italian companies, in 2015 fiscal year, the deferred taxes have been determined taking into account the reduction in the corporate income tax rate (IRES) at 24% from 2017, as provided by Law no. 208/2015. As a result, the balance of deferred taxes which is expected to be reversed from 2017 was adjusted accordingly. This regulatory change resulted in an overall gain of € 4.7 million.

The ultimate realisation of deferred tax assets is dependent on the generation of future taxable income during the periods in which those temporary differences become deductible.

Furthermore, in making this assessment, management considers the scheduled reversal of deferred tax liabilities and tax planning strategies.

Assessments show that deferred tax assets will be recovered in the future through either (i) expected taxable income of each consolidated company or (ii) expected taxable income of other companies included in the same tax group (e.g. "Consolidato fiscale" in Italy, "Steuerliche Organschaft" in Germany and "Régime d'intégration fiscale" in France).

Deferred taxes as of 31 December 2015 and 2014 are related to the following assets and liabilities.

Net deferred tax assets

(€ million)	31/12/2015	31/12/2014
Intangible assets	128	157
Tangible assets	77	59
Land and buildings (investment properties)	648	715
Available for sale financial assets	6,020	6,723
Other investments	222	297
Deferred acquisition costs	17	21
Other assets	336	358
Fiscal losses carried forward	73	89
Allocation to other provisions and payables	593	675
Insurance provisions	533	465
Financial liabilities and other liabilities	1,380	985
Other	317	69
Total deferred tax assets	**10,344**	**10,613**
Netting	-7,692	-7,899
Total net deferred tax assets	**2,652**	**2,715**

Net deferred tax liabilities

(€ million)	31/12/2015	31/12/2014
Intangible assets	241	281
Tangible assets	111	113
Land and buildings (investment properties)	380	339
Available for sale financial assets	7,782	8,947
Other investments	417	402
Deferred acquisition costs	388	415
Other assets	48	52
Other provisions and payables	122	150
Insurance provisions	987	652
Financial liabilities and other liabilities	108	151
Other	141	104
Total deferred tax liabilities	**10,726**	**11,605**
Netting	-7,692	-7,899
Total net deferred tax liabilities	**3,034**	**3,706**

Fair Value Measurement

IFRS 13 - Fair Value Measurement provides guidance on fair value measurement and requires disclosures about fair value measurements, including the classification of financial assets and liabilities in the levels of fair value hierarchy.

With reference to the investment, Generali Group measures financial assets and liability at fair value of in the financial statements, or discloses it in the notes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). In particular, an orderly transaction takes place in the principal or most advantageous market at the measurement date under current market conditions.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:
(a) n the principal market for the asset or liability; or
(b) n the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value is equal to market price if market information are available (i.e. relative trading levels of identical or similar instruments) into an active market, which is defined as a market where the items traded within the market are homogeneous, willing buyers and sellers can normally be found at any time and prices are available to the public.

If there isn't an active market, it should be used a valuation technique which however shall maximise the observable inputs. If the fair value cannot be measured reliably, amortized cost is used as the best estimate in determining the fair value.
As for measurement and disclosure, the fair value depends on its unit of account, depending on whether the asset or liability is a stand-alone asset or liability, a group of assets, a group of liabilities or a group of assets and liabilities in accordance with the related IFRS.

The table below illustrates both the carrying amount and the fair value of financial assets and liabilities recognised in the balance sheet at 31 December 2015[3].

Carrying amount and Fair value

(€ million)	31/12/2015	
	Total carrying amount	Total fair value
Available for sale financial assets	289,399	289,399
Financial assets at fair value through profit or loss	19,420	19,420
Held to maturity investments	1,984	2,140
Loans	45,544	50,834
Land and buildings (investment properties)	12,112	17,385
Own used land and buildings	2,844	3,286
Investments in subsidiaries, associated companies and joint ventures	1,369	1,369
Cash and cash equivalents	9,044	9,044
Investments back to unit and index-linked policies	74,966	74,966
Total investments	**456,682**	**467,843**
Financial liabilities at fair value through profit or loss	20,082	20,082
Other liabilities	15,243	16,689
Liabilities to banks or customers	8,951	9,206
Total financial liabilities	**44,276**	**45,977**

3
With reference to investments in subsidiaries, associates and joint ventures, the book value, based on the fraction of equity for associates and interests in joint ventures or on cost adjusted for any impairment losses for non-consolidated subsidiaries, was used as a reasonable proxy of their fair value.

40 Fair value hierarchy

Assets and liabilities measured at fair value in the consolidated financial statements are measured and classified in accordance with the fair value hierarchy in IFRS13, which consists of three levels based on the observability of inputs within the corresponding valuation techniques used.

The fair value hierarchy levels are based on the type of inputs used to determine the fair value:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; m arket-corroborated inputs).
- Level 3 inputs are unobservable inputs for the asset or liability, which reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk (of the model used and of inputs used).

The fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Assessing the significance of a particular input to the entire measurement requires judgement, taking into account factors specific to the asset or liability.

A fair value measurement developed using a present value technique might be categorised within Level 2 or Level 3, depending on the inputs that are significant to the entire measurement and the level of the fair value hierarchy within which those inputs are categorised.

If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorised within the level attributable to the input with the lowest level utilized.

Adequate controls have been set up to monitor all measurements including those provided by third parties. If these checks show that the measurement is not considered as market corroborated the instrument must be classified in level 3.

The table shows the classification of financial assets and liabilities measured at fair value among the levels of fair value hierarchy as defined by IFRS13.

The increase in level 3 of other financial instruments available for sale is attributable to an allocation via look-through of the investments in private equity funds, consolidated in accordance with IFRS10.

Fair Value Hierarchy

31/12/2015	Level 1	Level 2	Level 3	Total
Available for sale financial assets	252,186	31,067	6,146	289,399
Equities	7,108	749	1,726	9,583
Bonds	228,303	28,108	1,628	258,039
Investment funds units	16,147	1,967	449	18,563
Other assets available for sale financial	629	242	2,343	3,214
Financial assets at fair value through profit or loss	77,559	14,759	2,067	94,385
Equities	182	1	1	185
Bonds	3,592	1,442	164	5,199
Investment fund units	10,630	299	413	11,342
Derivatives	6	1,625	0	1,630
Hedging derivatives	0	338	0	338
Investments back to policies where the risk is borne by the policyholders	63,149	10,370	1,447	74,966
Other assets at fair value through profit or loss	0	684	42	726
Total assets at fair value	**329,745**	**45,826**	**8,213**	**383,785**
Financial liabilities at fair value through profit or loss	15,687	4,222	173	20,082
Financial liabilities related to investments contracts issued by insurance companies	15,684	1,090	147	16,921
Derivatives	2	2,564	0	2,566
Hedging derivatives	0	543	25	568
Other financial liabilities	1	26	2	28
Total liabilities at fair value	**15,687**	**4,222**	**173**	**20,082**

Fair Value Hierarchy: comparative period

31/12/2014	Level 1	Level 2	Level 3	Total
Available for sale financial assets	242,348	28,257	5,893	276,498
Equities	8,347	204	1,230	9,782
Bonds	219,388	25,784	1,904	247,076
Investment funds units	14,024	1,813	1,302	17,139
Other assets available for sale financial	589	455	1,457	2,501
Financial assets at fair value through profit or loss	56,585	24,720	1,756	83,061
Equities	25	0	33	58
Bonds	3,552	1,537	147	5,235
Investment fund units	6,747	35	183	6,965
Derivatives	30	1,529	0	1,560
Hedging derivatives	0	373	0	373
Investments back to policies where the risk is borne by the policyholders	46,204	20,495	1,008	67,707
Other assets at fair value through profit or loss	26	752	386	1,164
Total assets at fair value	**298,933**	**52,977**	**7,650**	**359,559**
Financial liabilities at fair value through profit or loss	14,829	3,499	45	18,373
Financial liabilities related to investments contracts issued by insurance companies	14,817	1,148	0	15,964
Derivatives	1	1,711	0	1,712
Hedging derivatives	9	621	45	675
Other financial liabilities	2	20	0	22
Total liabilities at fair value	**14,829**	**3,499**	**45**	**18,373**

41 Transfers of financial instruments measured at fair value between Level 1 and Level 2

Generally transfers between levels are attributable to changes in market activities and observability of the inputs used in valuation techniques to determine the fair value of certain instruments.

Financial assets and financial liabilities are mainly transferred from level 1 to level 2 when the liquidity and the frequency of transactions are no longer indicative of an active market. Conversely, for transfers from level 2 to level 1.

The transfers were as follows:

- from level 2 to level 1 € 1,145 million of corporate bonds and € 182 million of Investment Fund Units;
- from level 1 to level 2 € 417 million of government securities and € 1,287 million of corporate bonds;
- from level 2 to level 1 € 11,361 million of financial assets where the risk is borne by the policyholders and related to pension funds in particular following the completion of the harmonization of the levelling policy.

42 Additional information on level 3

The amount of financial instruments classified in Level 3 represents 2.1% of total financial assets and liabilities at fair value, stable compared to 31 December 2014.

Generally, the main inputs used in valuation techniques are volatility, interest rates, yield curves, credit spreads, dividend estimates and exchange rates.

The more significant assets classified within Level 3 are the following:

- Unquoted equities

It includes unquoted equity securities, mainly classified into available for sale. Their fair value is determined using the valuation methods described above or based on the net asset value of the company. These contracts are valued individually using appropriate input depending on the security and therefore neither a sensitivity analysis nor an aggregate of unobservable inputs used would be indicative of the valuation.

In addition, for certain securities the amortized cost is considered to be a reasonable proxy for fair value, and does not therefore apply a sensitivity analysis.

- IFU funds, private equity and hedge funds

It includes unquoted IFU funds, private equity and hedge funds, which are classified into available for sale and fair value through profit or loss. Their fair value is substantially provided by the fund administrators on the basis of the net asset value of the company. With reference to the inputs on which the assessment is based, Generali Group might have, in some circumstances, limited details and therefore it is not possible to provide a sensitivity analysis.

Also, for some IFU funds the amortized cost is considered to be a reasonable proxy of fair value, and is therefore not applicable, a sensitivity analysis.

- Bonds

Are corporate bonds, classified into available for sale and fair value through profit or loss. Their fair value is mainly determined based on the market or income approach. In terms of sensitivity analysis any changes in the inputs used in the valuation do not cause a significant impact on the fair value at the Group level considering the lack of materiality of these securities classified in level 3.

- Financial assets where the investment risk is borne by the policyholders and related to pension funds Their fair value is determined using the valuation methods used for the above explained asset classes.

In addition to the analyses described above, the Group has decided to classify all asset-backed securities in Level 3 since their evaluation is not generally supported by market inputs. Regarding prices from providers or counterparties have been classified in Level 3 all those titles for which you cannot replicate the price through market inputs.

The following table shows a reconciliation of financial instruments measured at fair value and classified as level 3. In particular, as mentioned above, the transfers highlighted with reference to Level 3 are attributable to a more precise allocation among levels due to a better analysis of the inputs used in the valuation primarily of unquoted equities.

Rollforward of financial instruments classified as level 3

(€ million)	Carrying amount at the beginning of the period	Purchases and issues	Net transfers in (out of) Level 3	Disposals through sales and settlements
Available for sale assets	**5,893**	**994**	**-260**	**-997**
- Equities	1,230	34	-153	-50
- Bonds	1,904	383	-56	-698
- Investment fund units	1,302	81	-115	-185
- Other available for sale financial assets	1,457	497	64	-64
Financial assets at fair value through profit or loss	**1,756**	**61**	**296**	**-130**
- Equities	33	0	0	0
- Bonds	147	26	10	-66
- Investment fund units	183	15	-20	-32
- Derivatives	0	0	0	0
- Hedging derivatives	0	0	0	0
Investments back to policies where the investment risk is borne by the policyholders	1,008	20	305	-31
Other assets at fair value through profit or loss	386	0	0	0
Total assets at fair value	**7,650**	**1,055**	**36**	**-1,127**
Financial liabilities at fair value through profit or loss	**45**	**106**	**0**	**0**
- Financial liabilities related to investment contracts issued by insurance companies	0	106	0	0
- Derivatives	0	0	0	0
- Hedging derivatives	45	0	0	0
Other financial liabilities	0	0	0	0
Total liabilities at fair value	**45**	**106**	**0**	**0**

Net unrealised gains and losses recognized in P&L	Net unrealised gains and losses recognized in OCI	Other changes	Carrying amount at the end of the period	Net impairment loss of the period recognised in P&L	Net realised gains of the period recognised in P&L
0	**403**	**113**	**6,146**	**181**	**163**
0	58	606	1,726	69	20
0	59	36	1,628	4	-26
0	35	-667	449	89	-1
0	251	138	2,343	18	170
37	**0**	**46**	**2,066**	**-5**	**16**
0	0	-32	1	0	0
0	0	47	164	0	3
41	0	227	413	0	14
0	0	0	0	0	-5
0	0	0	0	0	0
-4	0	148	1,447	-5	-6
0	0	-344	42	0	9
37	**403**	**159**	**8,213**	**176**	**178**
-19	**0**	**41**	**173**	**0**	**0**
0	0	41	147	0	0
0	0	0	0	0	0
-21	0	0	25	0	0
2	0	0	2	0	0
-19	**0**	**41**	**173**	**0**	**0**

43 Information on fair value hierarchy of assets and liabilities not measured at fair value

The table here below provides information on the fair value hierarchy for the main investment classes and financial liabilities:

Fair Value Hierarchy of assets and liabilities not measured at fair value

31/12/2015	Level 1	Level 2	Level 3	Total
Held to maturity investments	949	1,151	40	2,140
Loans	5,425	36,777	6,850	49,052
Debt securities	5,392	31,384	116	36,892
Other loans	32	5,393	6,734	12,160
Receivables from banks and customers	1	1,057	724	1,783
Investments in subsidiaries, associated companies and joint ventures	0	0	1,369	1,369
Land and buildings (investment properties)	0	0	17,385	17,385
Own used land and buildings	0	0	3,286	3,286
Total assets	**6,375**	**38,985**	**29,654**	**75,015**
Other liabilities	13,626	548	2,516	16,690
Subordinated liabilities	9,307	23	1,136	10,465
Senior debt	3,558	13	345	3,916
Other debt	762	512	1,035	2,309
Liabilities to banks and customers	0	3,880	5,327	9,206
Total liabilities	**13,626**	**4,427**	**7,842**	**25,896**

Fair Value Hierarchy of assets and liabilities not measured at fair value

31/12/2014	Level 1	Level 2	Level 3	Total
Held to maturity investments	1,889	1,098	31	3,018
Loans	6,708	39,026	7,107	52,841
Debt securities	6,488	34,099	675	41,262
Other loans	220	4,927	6,432	11,579
Receivables from banks and customers	1	1,048	685	1,734
Investments in subsidiaries, associated companies and joint ventures	0	0	1,287	1,287
Land and buildings (investment properties)	0	0	17,650	17,650
Own used land and buildings	0	0	3,181	3,181
Total assets	**8,598**	**41,172**	**29,941**	**79,711**
Other liabilities	12,938	1,836	2,917	17,691
Subordinated liabilities	8,088	0	1,182	9,270
Senior debt	4,140	0	401	4,541
Other debt	710	1,836	1,334	3,880
Liabilities to banks and customers	0	3,476	5,468	8,944
Total liabilities	**12,938**	**5,312**	**8,385**	**26,636**

- Held to maturity investments

The category includes primarily bonds, which valuation is above described. If the fair value cannot be reliably determined, the amortized cost is used as the best estimate for the determination of fair value..

- Loans

The category includes bonds, which valuation is described above, mortgages and other loans .

In particular, mortgages and other loans are valued on the basis of future payments of principal and interest discounted at the interest rates for similar investments by incorporating the expected future losses or alternatively discounting (with risk-free rate) to the probable future cash flows considering market or entity- specific data (ie probability of default). These assets are classified as level 2 or 3 depending on whether or not the inputs are corroborated by market data.

If the fair value cannot be reliably determined, the amortized cost is used as the best estimate for the determination of fair value.

- Receivables from banks or customers

Considering their nature, the amortized cost is generally considered a good approximation of fair value and therefore classified within level 3. If appropriate, they are valued at market value, considering observable inputs, and therefore classified within level 2.

- Land and buildings (investment and self-used properties)

These assets are mainly valuated on the basis of inputs of similar assets in active markets or of discounted cash flows of future income and expenses of the rental considered as part of the higher and best use by a market participant. Based on the analysis of inputs used for valuation, considering the limited cases where the inputs would be observable in active markets, the Group proceeded to classify the whole category at level 3.

In particular, the valuation takes into consideration not only the discounted net future income but also the peculiarities of the properties such as intended use and location as well as the entity of the vacancy rate.

- Investments in subsidiaries, associated companies and joint ventures

The carrying amount, based on the share of equity for associates and interests in joint ventures or on cost adjusted for eventual impairment losses for non-consolidated subsidiaries, is used as a reasonable estimate of the related fair value and, therefore, these investments are classified in level 3.

- Subordinated debts, loans and bonds and liabilities to banks and customers

Generally, if available and if the market is defined as active, fair value is equal to the market price.

The fair value is determined primarily on the basis of the income approach using discounting techniques. In particular, the fair value of debt instruments issued by the Group are valued using discounted cash flow models based on the current marginal rates of the Group financing for similar types of instruments, with maturities consistent with the residual maturity of the debt instruments subject to valuation.

If measured at amortized cost as an approximation of fair value, they are classified in Level 3.

Additional information

44 Information on employees

Employees

	31/12/2015	31/12/2014
Managers	1,831	2,165
Employees	55,369	56,690
Sales attendant	18,827	19,271
Others	164	207
Total	**76,191**	**78,333**

The number of employees decreased due to before mentioned disposal of the BSI Group and some argentine companies.

45 Provisions for defined benefit plans

The pension benefits of Generali Group's employees are mainly in the form of defined benefit plans and defined contribution plans. As for defined benefit plans, participants are granted a defined pension benefits either by the employers or via external entities.
The main defined benefits plans are concentrated in Germany, Austria and Switzerland, while in Italy the provision for Trattamento di fine rapporto (employee severance pay) matured until 1st January 2007 is included in the provisions for defined benefit plan for € 104 million.

The table below shows the movements in the defined benefit plans liability which occurred during the financial year, net of assets legally separate and held solely to pay or fund employee benefits:

Passività nette per piani a benefici definiti: movimentazioni

(€ million)	31/12/2015	31/12/2014
Net liability as at 31 December previous year	**4,185**	**3,518**
Foreign currency translation effects	14	3
Net expense recognised in the income statement	164	212
Re-measurements recognised in Other Comprehensive Income	-248	867
Contributions and benefits paid	-175	-183
Changes in consolidation scope and other changes	-10	-231
Net liability as at 31 December current year	**3,932**	**4,185**

The item "Changes in consolidation scope and others" referred to comparative period is mainly attributable to the classification of BSI as disposal group held for sale consistently with the requirements of IFRS 5.

Part of the Group's defined benefit plans have assets that are designated, but not legally segregated, to meet the pension defined benefit obligations. These are investments backing insurance provisions or policies issued by Generali Group companies, or other investments owned by the Group entities. Consequently, in accordance with IAS 19, these investments are not recognised as plan assets and so cannot be deducted from the defined benefit obligations. However, to assess the net liability for defined benefit plans, these assets should have been netted against the present value of the related pension obligations.

In Germany and Austria, where is allocated approximately 82% of the present value of defined benefit obligations, the pension guarantee associations, for yearly contributions to be paid by the companies, are liable for the fulfilment of the pension commitments granted in case of company insolvency.

The net defined benefit plans expense of the year recognised in the profit or loss account is represented as follows:

Net defined benefit plans liabilities: movements

(€ million)	31/12/2015	31/12/2014
Current service cost	110	94
Net interest	79	114
Past service cost	-24	3
Losses (gains) on settlements	0	0
Net expense recognised in the income statement	**164**	**212**

Le rimisurazioni delle obbligazioni connesse a piani a benefici definiti e delle attività a servizio di tali piani, rilevate nelle Altre Componenti del Conto Economico Complessivo, sono di seguito dettagliate:

Net defined benefit plans expenses recognised in profit or loss

(€ million)	31/12/2015	31/12/2014
Actuarial gains (losses) from change in financial assumptions	214	-906
Actuarial gains (losses) from change in demographical assumptions	3	0
Actuarial gains (losses) from experience	26	7
Return on plan assets (other than interest)	5	33
Re-measurements recognised in Other Comprehensive Income	**248**	**-867**

The actuarial losses recognised during the period are mainly linked to the movements of the reference interest rates, consistently with the requirements of IAS 19, used for the determination of the discount rate for the measurement of the liability related to defined benefit plans. The amounts reported are gross of deferred taxes and deferred policyholders liabilities, where applicable.

The table below shows the movements in the defined benefit obligation during the financial year and the current value of the plan assets:

Present value of defined benefit obligation: movements

(€ million)	31/12/2015	31/12/2014
Defined benefit obligation as at 31 December previous year	**5,119**	**5,273**
Foreign currency translation effects	66	13
Current Service cost	110	94
Past service cost	-24	4
Interest expense	93	137
Actuarial losses (gains)	-243	899
Losses (gains) on settlements	0	0
Contribution by plan participants	10	9
Benefits paid	-193	-206
Changes in consolidation scope and other variation	-8	-1,104
Defined benefit obligation as at 31 December current year	**4,928**	**5,119**

Current value of plan assets: movements

(€ million)	31/12/2015	31/12/2014
Defined benefit obligation as at 31 December previous year	**934**	**1,755**
Foreign currency translation effects	52	10
Interest income	14	23
Return on plan assets (other than interest)	5	33
Gains (losses) on settlements	0	0
Employer contribution	21	21
Contribution by plan participants	10	9
Benefits paid	-40	-44
Changes in consolidation scope and other changes	1	-873
Fair value of plan assets as at 31 December	**997**	**934**

The defined benefit plans' weighted-average asset allocation by asset category is as follows:

Defined benefit plans: asset allocation

(%)	31/12/2015	31/12/2014
Bonds	52.1	55.3
Equities	12.5	13.8
Real estate	13.0	12.2
Investment fund units	10.5	9.8
Insurance policies issued by non Group insurers	1.7	1.9
Other investments	10.2	7.0
Total	**100.0**	**100.0**

The assumptions used in the actuarial calculation of the defined benefit obligations and the related periodic pension cost are based on the best estimates of each companies granting defined benefit plans. The main weighted-average hypotheses considered for the value definition of defined benefits plans obligations are summarized in the following table, for the main operating areas:

Ipotesi relative al calcolo attuariale dei piani a benefici definiti

(%)	Eurozone		Switzerland	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Discount rate for evaluation at reporting date	2.4	2.0	0.7	1.0
Rate of salary increase	2.8	2.8	1.3	1.3
Rate of pension increase	1.9	1.9	0.0	0.0

The average duration of the obligation for defined benefit plans is 14 years at 31 December 2015 (14 years at 31 December 2014).

A sensitivity analysis was carried out showing how the defined benefit obligation would have been affected by changes in the discount rate and the most relevant actuarial assumptions on these liabilities:

Defined benefit plans: sensitivity

(€ million) Ipotesi	Discount rate for evaluation at reporting date		Rate of salary increase		Rate of pension increase
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase
Impact on defined benefit obligation	-296	330	46	-45	255

To provide an indication of the effect of the defined benefit plans on the future cash flows of the Group, the future expected payments divided by bands of maturity are presented below:

Piani a benefici definiti: pagamenti attesi

(€ million)	31/12/2015	31/12/2014
Entro i prossimi 12 mesi	207	185
Tra 2 e 5 anni	835	763
Tra 5 e 10 anni	1.043	957
Oltre i 10 anni	5.321	4.846
Totale	**7.406**	**6.751**

46 Share-based compensation plans

At 31 December 2015 different incentive plans based on equity instruments granted by the Parent Company and other Group companies are outstanding.

46.1 Share-based compensation plans granted by the Parent Company

Long-Term Incentives (LTI) represent the long-term variable remuneration of Generali which takes the form of multi-year plans, approved from time to time by the competent bodies and may be addressed to directors, managers with strategic responsibilities and other Generali employees; they may be based on cash disbursements or financial instruments.

From 2010 to 2012, the Company adopted multi-year plans, currently still in place, based on two cycles of three years. Once the first cycle reaches its conclusion, if the relevant targets have been achieved, a monetary bonus is disbursed of which a part shall be re-invested in Generali shares. This is then followed by a second cycle, after which, again assuming certain targets have been achieved, participants may be granted a certain number of free shares for each share purchased (further details are given in the information reports approved at the time by the Shareholders' Meeting and published on the Generali Group website).

From 2013, Generali adopted new plans based on a single three-year cycle, after which, assuming certain targets have been achieved, free shares, subject to specific lock-up periods, may be granted to the participants.

The LTI plans 2013 and 2014, currently in progress, may result in shares' granting respectively in 2016 and 2017, subject to the Group performance level (determined by the cross-comparison of ranges of ROE and relative TSR) and the overcoming of the minimum level, where requested in terms of Solvency I ratio and Return on Risk Capital. As far as the lock-up constraint, 50% of the shares are immediately available, 25% is subject to a one-year lock-up period and the remaining 25% to a two year lock-up period.

In line with the last year, a new long-term incentive plan based on Assicurazioni Generali shares – Group Long Term Incentive (LTI) 2015 - has been submitted for the approval of the Shareholders' Meeting.

In line with market practices and investor expectations, shares are assigned and made available to the participants over a total time frame of 6 years, subject to the achievement of the Group's performance conditions, ie. return on equity (RoE) and relative total shareholders' return (rTSR) and the achievement of a minimum return on risk capital (RORC) at a Group level, as detailed below.

The Plan is based on the following essential aspects:
- the incentive connected with the achievement of the targets is paid through the grant of Assicurazioni Generali S.p.A. ordinary shares;
- the right to receive the shares is subject to an entry threshold, defined annually by the Board of Directors and which represents a condition precedent;
- the targets to which payment of the incentive is subject are Group financial ones and are defined at the beginning of the three-year performance period.

The maximum number of shares that can be assigned is determined at the start of the plan. The maximum potential bonus to be disbursed in shares equals to 175% of the gross fixed remuneration of the plan participants (or a different percentage considered the role of the related beneficiaries); therefore, the maximum number of shares that can be assigned is the result of the ratio of the maximum bonus and the share value, with the latter calculated as the average price of the share in the three months prior to the meeting of the Board of Directors called to resolve on the draft statutory financial statements of the Holding Company and the consolidated financial statements for the previous year.

The maximum number of shares that can potentially be assigned to participants at the end of the three years is divided up into three tranches; the first tranche is for 30% of the maximum number of shares to be possibly assigned, the second is for a further 30% and the remaining 40% represents the third tranche, each tranche being subject to certain specific targets as described below.

Once the level of the return on risk capital (RORC) has been reached, the achievement of the Group's financial targets, represented by the ROE and the relative TSR, compared with the peers part of the STOXX Euro Insurance index, is verified on a yearly and overall three-year cycle basis.

The performance level, expressed as a percentage, is determined by a new calculation methodology, based on two independent baskets respectively for the achievement of the ROE and the relative TSR. The final results in each basket, with a 50% weight on the bonus assignable, shall be calculated using a linear interpolation approach. The maximum performance level is 175% (or a different percentage considered the role of the related beneficiaries).

During each year of the plan and at the end of the three years, the Board of Directors evaluates the degree to which the Group's return on risk capital (RORC) has been achieved as compared with the limit set as 9.5% (or alternative percentage as may be chosen from time to time by the Board of Directors). On the basis of this evaluation, the number of shares to be accrued annually or definitively granted may be reduced or even zeroed by the Board of Directors if the RORC should fall below the threshold established.

In any case, no incentive will be paid in the event of a significant worsening of the capital and financial situation of the Company. Any amount disbursed will be subject to claw-back if the performance considered should later be found to be non-lasting or ineffective as a result of wilful misconduct or gross negligence.

Individual tranches of shares are only granted at the end of the performance period and, therefore, at the end of the three years, after verifying the degree to which the targets have been achieved in the third year (i.e. assessment by the Board of Directors on the actual achievement of the targets set, considered both on an annual and overall 3-year basis) and as long as there continues to be an employment/ director relationship in place with the Company or with other companies of the Group as at the grant date. Consequently, save for extraordinary situations as specifically envisaged by the plan rules, and unless otherwise decided by the delegated bodies, any case of termination of the employment/director relationship automatically entails forfeiture of the right to be granted shares.

As regards the holding period, in line with investors requests. at the grant date, 50% of the shares are immediately available (to allow the participants to pay the tax charges connected with the grant), the remaining 50% is subject to a two year lock-up period; subject to the requirement for the directors that participate the plan to maintain a suitable number of shares assigned until term of the office in course at the expiry of the lock-up.

In respect of the previous plans, a dividend equivalent mechanism has been introduced on the basis of the dividends distributed during the three-year performance period. In particular, should the shareholders' meeting resolve upon the distribution of dividends in favour of the shareholders during the three-year reference period, at the expiry of such three-year reference period, an additional number of shares determined in relation to the overall dividends distributed during the three-year reference period will be assigned in favour of the beneficiaries. The additional number of shares thus determined shall be assigned simultaneously and in relation with the other shares assigned in favour of each beneficiary, subject to the same restrictions (holding period) mentioned above and determined considering the shares' value at the assignment of the plan, to be calculated as the average price of the share in the three months prior to the meeting of the Board of Directors called to resolve on the draft statutory financial statements of the Parent Company and the consolidated financial statements for the previous year.

The maximum number of shares that can be granted is 8,000,000, accounting for 0.51% of the current share capital. For additional information related to incentive plans refer to the 2015 Remuneration Report.
In line with the previous plans, the 2015 LTI plan can be treated as an equity-settled share-based payment falling under IFRS 2 scope.

The condition related to rTSR configures as a market condition, other conditions mentioned above are considered whether as performance or as service condition.

The fair value of the right to receive free shares related to the market condition is estimated at grant date using statistic model which estimates the statistically probable positioning of Group TSR respect to peer group identified in the STOXX Euro Insurance Index.

As regards plans 2013 and 2014, for each tranche was calculated a fair value for each of the possible RoE intervals according to the reference matrix for the cross-comparison of ranges of ROE and relative TSR.

In order to assess the cumulative cost of the individual plans, for each tranche, the fair value related to the most probable RoE outcome was multiplied by the number of shares that can be assigned based on satisfaction of the vesting conditions. This cost has been allocated over a period of maturity of 3 years (vesting period), with a corresponding increase in equity.

Given the new calculation method described above and based on an independent assessment of the levels of achievement on the Group's financial indicators, the cost of the 2015 plan was determined by separating the component connected to the relative TSR to the one linked to the ROE.

The evaluation of the bonus right linked to market condition is made by multiplying the fair value of assignable shares (equal to the market price at grant date) with the determined pay-out by applying the linear interpolation of the probable position of rTSR estimated using a statistical model. The linear interpolation method is applied to a range between the maximum pay-out, recognized in the case of the TSR positioning at the first place, and a pay-out zero in the case where the TSR is in the last position with respect to selected peer or has a negative value.

The table below shows fair values for each RoE interval and for each tranche:

(%)	Tranche 2015	Tranche 2016	Tranche 2017
Fair value of bonus related to market condition	**8.87**	**8.82**	**8.85**

The related cost on overall plan is resulted from the multiplication, weighted for each tranche, of the above mentioned fair value with the number of rights related to the market condition, to be assigned based on the satisfaction of the vesting condition.

A similar calculation was applied to the bonus portion linked to the ROE, identifying the pay-out through the linear interpolation applied to the level of RoE considered most probable. The range applied to the linear interpolation is included between the maximum pay-out, granted in case of a level of RoE equal to or greater than 13%, and a pay-out equal to 0 in case of a level of RoE equal to or lower than 11%.

Finally, the cost related to the recognition of dividends paid during the three-year period (so called dividend equivalent) was estimated by applying an estimated dividend to the expected number of shares to be assigned under the plan, based on the degree of achievement assessed as above described.

The overall cost of the plan, sum of the three components above mentioned, is allocated over a period of maturity of 3 years (vesting period) starting from the first financial year on which the performance levels are assessed, with a corresponding increase in equity.

The cost associated with all above mentioned outstanding plans recognised during the period amounted to € 43.9 million. The maximum number of shares that can be granted in relation to mentioned plans is approximately 16.2 million.

The following table shows the development of the options given by the Parent company to personnel, chairman, managing directors and general managers and their weighted average exercise price.

Options given by the Parent company to personnel

	Personnel		Chairman, Managing Directors and General Managers	
	Number of options	Average price of the year	Number of options	Average price of the year
Options outstanding as at 31/12/2014	**430,383**	**28.8**	**0**	**0.0**
Granted	0	0.0	0	0.0
Forfeited	0	0.0	0	0.0
Exercised	0	0.0	0	0.0
Expired	215,192	28.8	0	0.0
Options outstanding as at 31/12/2015	**215,192**	**28.8**	**0**	**0.0**
Of which exercisable	215,192	28.8	0	0.0

The weighted average expiry date of the stock options granted to managers and employees and outstanding at the balance sheet date is on 25 April 2016. The stock options granted to the Parent Company Chairman and Managing Directors have expired.

46.2 Share-based compensation plans granted by the other Group companies

The main share-based payments granted by the other Group companies are detailed here below.

Share-based compensation plans granted by Banca Generali

At 31 December 2015, the share-based compensation plans granted by Banca Generali are composed of two stock option plans reserved respectively to financial promoters and network managers and Relationship Managers (employees) of Banca Generali, approved by Shareholder's meeting on 21 April 2010.

As for the stock option plans approved in 2006, linked to the quotation of Banca Generali on the Mercato Telematico Azionario managed by Borsa Italiana S.p.A., both the vesting period and the maximum term of options' exercisability ended. The options granted to employees of the banking group could have been exercised by 15 December 2015.

Since 2015, remuneration and incentive policy of Banca Generali Group, approved the shareholders' meeting of 23 April 2015, also states that a portion of the most relevant employees variable remuneration will be assigned through payments based on own financial instruments.

With reference with the plans approved in 2010, at the end of 2015 the granted options amounted to 780 thousands, of which 59 thousands reserved to the relationship managers (employees), whereas the options effectively exercisable amounted to 392 thousands, of which 27 thousands reserved to relationship managers. The decline in the number of granted options in respect of the previous year is mainly attributable to the exercise of options by the relationship manager and, to a lesser extent, to the end of the relationships with some financial promoters.

As for the remuneration and incentive Policy of Banca Generali group for 2015, approved by the shareholders' meeting on 23 April 2015, it has been provided, in compliance with Diposizione di vigilanza (Circolare Banca d'Italia No. 285 / 2013), 25 percent of the variable remuneration of the most relevant employees and network managers, both short term remuneration as well as long, , takes place through the allocation of Banca Generali financial instruments. The overall number of shares to be assigned has been determined dividing the proportion of the remuneration payable in shares with the average of the prices of the Banca Generali share registered on Borsa Italiana in the 90 days before the approval of the financial statements 2014 by the Board of Directors of the Bank (10 March 2015), equal to € 23.9.

The fair value of the share of Banca Generali at grant date equals to € 29.4, which is the market price recorded at 24 April 2015, the date of the Shareholder's meeting that approved the new Remuneration Policy.

At 31 December 2015 the grant of 73,495 shares is expected in relation to above mentioned remuneration, slightly below the maximum number of 88,318 authorized by the Shareholder's meeting of 23 April 2015.

The effective number of shares assigned to the beneficiaries will be in any case determined following the assessment of the overcoming of the access gate and of the expected targets at individual level for the financial year 2015.

Share based payments granted by Banca Generali

	Number of options	Average price of the year
Options outstanding as at 31/12/2014	**1,206,187**	**10.7**
Granted (*)	73,495	0.0
Forfeited	11,328	10.7
Exercised	414,348	10.6
Expired	0	0.0
Options outstanding as at 31/12/2015	**853,006**	**9.8**
Of which exercisable	392,816	10.6

(*) Estimated shares to be allocated on the basis of the new remuneration policy of the banking group.

As for the stock option plans approved during the 2010, reserved respectively to financial promoters, network managers and relationship managers (employees) of Banca Generali, it was determined a fair value between € 1.01 and € 0.65, depending to the expected grant date.

The costs recognized in the profit or loss of the financial year 2015 linked with the stock option plans deliberated during the 2010, reserved respectively to financial promoters, network managers and relationship managers (employees) of Banca Generali amounted totally to € 0.1 million whereas the estimated cost linked to the new stock grant plans is € 1.9 million.

Share-based compensation plans granted by Generali France

At the balance sheet date there were the following share-based compensation plans granted by Generali France to the employees of Generali France group: nine stock grant plans, as approved by the board on 21st December 2006, 20th December 2007, 4th December 2008, 10th December 2009, 9th December 2010, 14th March 2012, 25th June 2013, 7th March 2014 and 6th March 2015, and a stock granting plan, reserved to the employees of the Generali France group.

At 31 December 2015, the number of shares granted amounted to 5,263,243 preferred shares, of which 354,729 related to the plan granted for 175th anniversary of foundation of Parent Company.

With reference to the stock granting plans assigned by Generali France within the scope of IFRS 2, the charge recognised in the profit or loss amounted to € 33.9 million. The plans are considered as cash-settled and therefore a € 103 million liability was accounted for.

47 Contingent liabilities, commitments, guarantees, pledged assets and collaterals

47.1 Contingent liabilities

In the course of the ordinary business, the Group may encounter agreements or transactions which do not lead to the recognition of these commitments as assets and liabilities in the consolidated financial statements according to the IFRSs (contingent assets and liabilities). At 31 December 2015 the estimate of the contingent liabilities amounts to € 7 million attributable mainly to some litigations pending in Brazil.

A contingent liability is:

- a possible obligation that arise from past events and whose existence will be confirmed only by occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognized because:
  - (i) it is not probable than an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation can not be measured with sufficient reliability.

47.2 Commitments

Generali Group at 31 December 2015 has commitments for a total amount of approximately € 4,864 million, related to potential commitments on investments, loans and other commitments.

Because part of these commitments may expire without being called back, the amounts disclosed are not indicative of the actual liquidity needs arising from these commitments.

In particular, approximately € 1,862 million represent commitments associated with alternative investments (private equity), mainly in private equity funds which are consolidated line-by-line by the Group. Approximately € 1,676 million refer to several investment opportunities and, in particular, to real estate investment funds. The potential commitments to grant loans amount to approximately € 322 million, mainly associated to liquidity or funding needs of the customers of the Group's banking operations.

As far as other commitments are concerned, approximately € 1,003 million refer to potential commitments of the German life companies towards a German entity in order to protect the policyholders in the local market if the funds already available within the policyholders protection scheme are not sufficient to face the insolvency of one or more insurers.

47.3 Guarantees

The Group's nominal exposure towards third parties amounts to € 768 million, of which € 647 million refer to guarantees given in the context of the Group's real estate development and € 118 million to sureties normally given by Banca Generali as part of it ordinary business.

Furthermore, we indicate that the Group in the context of its business in some Countries receives guarantees given by third parties, mainly in the form of letters of credit.

47.4 Pledged assets and collaterals

At 31 December 2015, as already mentioned in the paragraph *Assets transferred that do not qualify for derecognition* of the section *Investments*, the Group has pledged approximately € 4,088 million of its assets. In particular, approximately € 1,688 million have been pledged to cover bonds and loans issued, mainly related to the Group's banking and real estate activities, and approximately € 1.673 million for transactions in derivatives. Residual part is related to collateral pledged in relation to reinsurance business accepted by the Group.

Furthermore, the Group has received financial assets as collateral for approximately € 6,937, in particular for transactions in bonds and loans for approximately € 5,181 and for the transactions in derivatives for approximately € 810 million. Finally, with respect to reinsurance operations of the Group, collaterals of approximately € 858 million have been received.

48 Significant non-recurring events and transaction

Below a description of non-recurring transactions carried out by the Group during the 2015

- Telco

In June Generali approved the demerger from Telco S.p.A., completed in July. The demerger had no impact on the economic and financial position of the Group.

- BSI Group

In September Generali concluded the disposal of BSI Group to Banco BTG Pactual. In accordance with the terms of the agreement subscribed on 14 July 2014, the final pricing for the disposal is about CHF 1,248, composed of about CHF 1 billion in cash and the residual part in shares. At 31 December 2015, following the events that affected the Brazilian credit institution, the share price significantly declined, leading to an adjustment to the carrying amount of the asset of about € 110 million.

Please refer to the paragraph Non-current assets or disposal group classified as held for sale for further quantitative details on the disposal of BSI Group.

- La Estrella Seguros de Retiro S.A., La Caja Aseguradora de Riesgos del Trabajo ART S.A. and La Caja de Seguros de Retiro S.A.

During the first months of the current year Generali concluded the disposal of the Argentinian companies La Estrella de Retiro S.A., La Caja Aseguradora de Riesgos del Trabajo ART S.A. and La Caja de Seguros de Retiro S.A. The operation did not result in additional effects compared to those recognized in the financial statements at 31 December 2014.

49 Audit and other service fees for the fiscal year

In the table below, filled under the article 149-duodecies of Consob Regulation, are reported the 2015 fees for auditing and other services to Parent company's audit and companies within audit company's network.

Audit and other service fees

(in migliaia di euro)	E&Y Italy	E&Y Network
	31/12/2015	31/12/2015
Parent Company	**14,819**	**464**
Audit fee	2,456	464
Attestation service fees	5,847	0
Other services	6,516	0
Subsidiaries	**4,719**	**16,963**
Audit fee	2,703	16,218
Attestation service fees	1,589	299
Other service fees	427	446
of which Tax service fees	55	263
of which Other services	373	183
Total	**19,538**	**17,427**

50 Other information

In 2015 the Company appealed the decision of the Labour Court of Trieste that had dismissed Generali's claim to make null and void the settlement agreement signed upon termination of the work relationship and to obtain the restitution of the amount already paid to Mr. Perissinotto. The proceeding is currently pending before the Labour Division of the Court of Appeal of Trieste. Furthermore, Generali appealed before the Supreme Court against the first instance decision that had declined its jurisdiction in favor of the "Tribunale delle Imprese" (court specialized in corporate matters) with reference to the claims for damages. The Supreme Court upheld the appeal and the proceeding has been re-filed and is currently pending before the Labour Court of Trieste.

In March 2015, the Labour Court of Trieste dismissed, on the basis of a non-definitive decision, both Generali's claim to make null and void the settlement agreement signed upon termination of the employment with Mr. Agrusti and Generali's claim for damages. At the same time the Court dismissed Mr. Agrusti's counterclaim for the damages. The first instance proceeding is still pending for the quantification of the STI (Short Term Incentive) bonus amount due to Mr. Agrusti for the financial year 2013.

Risk report

Risk Report

In compliance with the IFRS 7 requirements, introduced by the Regulation (EC) no. 108 of 11 January 2006 and following amendments, this section describes the nature and extent of risks arising from financial instruments and insurance contracts, which the Group had been exposed to during the accounting period, along with a description of the related risk management processes at the reporting date.

The period of validity of the Solvency I regulatory regime was concluded at the end of 2015 financial year and the new Solvency II regulatory regime came into force as from 1 January 2016. In line with the approach developed by Ania[4] (Communication Prot. no. 0067), this Risk Report therefore provides qualitative disclosure regarding the objectives, policies and processes for capital management with reference to the Solvency II framework, giving evidence of the evolutions towards the new supervisory regime. Conversely, quantitative information, in continuity with the previous year, is still based on official data related to the Solvency I regulatory regime. This approach, consistent with the applicable accounting principles, is motivated, on the one hand, by the need to provide the stakeholders up-to-date information useful to evaluate the objectives, policies and processes for the capital management, and on the other hand, by the need to report quantitative data related to regulatory capital in line with the regulations in force at the reporting date.

I. Internal Control and Risk Management System

Generali Group has developed an Internal Control and Risk Management System, defined by the Board of Directors of the Parent Company, whose principles apply to all Group Companies. It defines the purpose, principles, structure, roles, responsibilities and key provisions of the system, in compliance with the laws and regulations applicable to Group internal control and risk management.

By means of the Internal Control and Risk Management System, Generali Group aims at maintaining the identified risks within an acceptable range in order to optimise the available financial resources required to manage the identified risks and thereby improve the profitability of the business exposed to these risks (risk-adjusted performance). The activities of Generali Integrated Risk Management System at Group level are carried out under the coordination and steering of the Head Office, and rely on a set of Group Policies and Guidelines, monitoring tools as well as common methodological frameworks. The coordination and steering of these activities is ensured through the reporting of the local Risk Management, Compliance and Internal Audit functions to the related function at Head Office level. Such coordination is fundamental to ensure a consistent and efficient implementation of the Risk Management System and to allocate capital to the Group Companies taking into consideration their specific risk profile.

A project of particular importance to ensure full adherence with the Solvency II prudential regime, is the application process for the approval, by the Supervisory Authority, of the Internal Risk Model used for the calculation of the Solvency Capital Requirement. In developing the Internal Risk Model, Generali ensured compliance with all Solvency II requirements, including tests and standards envisaged by regulations, including Validation. The Internal Model approval process has been defined on the basis of a multi-year working plan, coordinated with the College of Supervisors (coordinated by the Group Supervisor and composed by the National Supervisors of the Countries included in the scope of application of the Internal Model). Within the pre-application process several meetings with the College were held, and subsequently the so-called “Application package” was submitted with the objective of receiving the approval for the use of the Internal Model for the calculation of the Solvency Capital Requirement.

In March, following the Application submitted by Assicurazioni Generali S.p.A., IVASS (Istituto per la vigilanza sulle assicurazioni), approved the use, starting from 1 January 2016, of a Partial Internal Model to calculate the consolidated Solvency Capital Requirement at Group level, as well as the Solvency Capital Requirement for the main insurance undertakings in Italy and Germany, for the French non-life Companies and for the Czech Company Ceska Pojistovna A.s..

The process of defining and updating the written policies based on Solvency II Framework has been com-

4
Ania stands for Associazione Nazionale fra le Imprese Assicuratrici, being the Association of the Insurance companies at Italian level.

pleted. The policies rule the system of internal controls by defining roles and responsibilities of the control functions, and define the processes related to the management of individual risks (investment, underwriting and operational risk) and the main business processes (including capital management, asset-liability management process and product approval process).The completion of the written policies required by Solvency II is part of a broader commitment of spreading the internal control culture and awareness on the Internal Control and Risk Management System adopted both at Company and at Group level. To this end, the Generali Internal Regulations System (GIRS), which is the Group internal regulatory system, approved by the Board of Directors of Assicurazioni Generali, defines the hierarchy of the Group internal regulations and identifies their main characteristics. It also introduces the process that governs the life cycle of the Internal Regulations in terms of preparation, validation, approval, dissemination and adoption at Group level.

As part of the implementation of the Solvency II Pillar II requirements in terms of governance, the Group ORSA Report (Own Risk and Solvency Assessment) has been prepared, in accordance with the principles and with the content requirements provided by IVASS within Letters to the Market issued according to the EIOPA Guidelines.

Finally, given the prior designation of the Group as a Global Systemically Important Insurer (GSIIs), the Parent Company conducted an assessment of its systemic risk importance by updating its Systemic Risk Management Plan. In parallel the Group also updated the Liquidity Risk Management Plan and the Recovery Plan based on the guidelines and standards issued by the Financial Stability Board (FSB) and by the International Association of Insurance Supervisors (IAIS). In November 2015, the Group was removed from the list of GSIIs published by FSB.

The following paragraphs detail general aspects related to the implementation of the Risk Management Policy at Group level, with reference to governance and risk management processes. In particular a definition is provided of the main risks to which the Group is exposed, according to the Group Risk Map, which has been approved within the Risk Management Policy. For each risk category a brief description of the main methodologies applied for the risk assessment is given.

II. Risk Management System

In order to ensure an effective management of risks arising from the business with focus on the most significant ones, which could undermine the solvency position of the Group and of the Business Units or constitute a serious obstacle to the achievement of the Group's objectives, the Board of Directors adopted the "Internal Control and Risk Management System" and the "Risk Management Policy". In order to guarantee a consistent approach and to monitor the management of the risks throughout the Group, the adoption of these policies is required to all Group subsidiaries.

Roles and responsibilities

The risk management is implemented through a specific ongoing process, which involves, with different roles and responsibilities, the Board of Directors, the Top Management and the operating and control structures both at Group and Company level. This is defined within the "Internal Control and Risk Management System", annually approved by the Board of Directors of the Parent Company and, subsequently, by the Local Entities' Boards[5], taking into consideration local specificities and regulations.

The Board of Directors approves the risk management policies and strategies, as well as the risk tolerance levels. The risk adjusted performance targets are defined in line with the capital adequacy level.

The Board of Directors is regularly informed by the Top Management of the Parent Company and by the Group Risk Management function on the Group risk exposures, through regular reporting or, in exceptional circumstances, in case of material changes in the risk profile, or when prompt intervention through corrective measures is required. The Board of Directors is also periodically informed by the '*Dirigente Preposto*', Manager in charge of preparing the Company's financial reports, also through the Risk and Control Committee, on the risk management and internal control related to the process of financial reporting. The Risk and Control Committee,

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Board is to be considered as the administrative, supervisory or management body according to the local governance.

holder of inquiry, consultative and advisory functions, assists the Board of Directors in carrying out the tasks related to the Internal Control and Risk Management System. The committee is composed of non-executive directors, the majority of whom being independent.

At Group level, the Board of each Group Company maintains the ultimate responsibility to approve the risk management policy, strategy and risk tolerance levels as well as to periodically define its risk adjusted targets, in alignment with the Parent Company's directives and its own required capital adequacy level.

The Parent Company Top Management is in charge, at different levels, of implementing, maintaining and monitoring the risk management policies in accordance with the Board of Directors' directives. It also steers the definition of operative limits and their timely review through guidelines that each single Group Company is required to implement. Moreover, the Top Management monitors the risk exposures, and the compliance with the assigned tolerance level on an ongoing basis.

The Group CEO is also the member of the Board in charge of the Internal Control and Risk Management System who, among other tasks, implements the risk management Policies and proposes initiatives to the Board of Directors aiming at adjusting and reinforcing the Internal Control and Risk Management System.

The Top Management shares its main strategic decisions with the Group Management Committee (GMC), which plays a coordination role. The purpose of the GMC is to ensure better alignment of the strategic priorities within the Group and to improve the effectiveness of the decision-making process, through a team approach promoting the sharing of opinions and the adoption of an international perspective.

The GMC supports the Group CEO for the strategic decisions, such as the endorsement of recommendations submitted to the Board of Directors, the main decisions in terms of risk and investment, the assessment of the Group financial and operating results, as well as the definition of the strategic projects having an impact at Group and main Business Units' level.

The Committee, chaired by the Group CEO, comprises, to date, the heads of the four Group Head Office Functions (Group CFO, Group CRO, Group COO, Group CIO), the three Country managers of the main Countries (Italy, Germany and France) and the Head of the Global Business Lines Division.

The Parent Company Top Management is supported also by the cross functional Balance Sheet Committee, Finance Committee and Product & Underwriting Committee. The Balance Sheet Committee identifies and investigates the issues, which may have a material impact on the balance sheet, both at a Group and Head Office level. The Finance Committee investigates and assesses extraordinary investments and transactions, while the Product & Underwriting Committee oversees the profitability and the riskiness of new insurance products through a centralized process calling for prior approval of new products.

The functions involved in the risk management process operate according to the Three Line of Defence approach, as outlined in the Internal Control and Risk Management System:

- the operational department heads (Risk Owners), as primary risk takers through their activities, have the direct responsibility to manage risks and implement appropriate control measures. To this end, they provide Top Management with the information needed to define the policies, methodologies and tools for the management and controls of the risks for which they are responsible, both at Group and Company level. To this extent, they oversee their implementation and ensure their adequacy over time. They also ensure that the operational departments that are under their responsibility comply with their objectives and policies, they implement corrective actions within their delegated authorities, and submit specific recommendations or proposals of improvements to the Top Management;
- the Group Risk Management, the Group Compliance and the Group Actuarial Function are the second Line of Defence. The Group Risk Management, whose responsible is the Group Chief Risk Officer, guarantees the accurate implementation and the overall adequacy of the Risk Management System, as prescribed by the regulation and as defined by the Board of Directors. The Group Risk Management Function supports the Board of Directors and the Top Management in the definition of the risk strategy and in the development of the methodologies to identify, evaluate, control and report risks. Through an adequate reporting system, the Group Risk Management Function defines the framework for assessing the strength of the overall Risk management system. With the purpose of fully complying with independence requirements from the business functions, the Group CRO also reports functionally to the Board of Directors. Further, the Chief Risk Officers of the local Companies report also to the Group CRO. The Group Compliance Function, whose

responsible is the Group Compliance Officer, has the responsibility to evaluate whether the organization and the internal procedures are adequate to prevent the risk of incurring legal or administrative sanctions, financial losses and damage to reputation as a result of infringements of laws, regulations or measures of Supervisory Authorities or self-regulatory standards. Also the Group Compliance Officer reports functionally to the Board of Directors. The Group Actuarial Function, of which the responsible is the Group Head of Actuarial Function, has to coordinate the computation and the validation of the Technical Reserves of the Group and to develop a common frame of reference rules for the Local Actuarial Functions. Moreover, it sets a common structure for providing opinions on reinsurance and underwriting activities to be adopted by Local Actuarial Functions. Its main task is to provide the Group Board of Directors with an independent opinion regarding the Group Technical Provisions within Solvency II requirements and about the Group underwriting and reinsurance policy. Also the Head of the Actuarial Function reports functionally to the Board of Directors;

- the Internal Audit Function, named Group Audit, is the Third Line of Defence and is an objective function carrying out assurance activities for the benefit of the Board of Directors, the Top Management and other departments, with the aim of improving the effectiveness and efficiency of the System of Internal Controls, the organization and the governance processes. The Head of Group Audit Function reports directly to the Board of Directors, by means of the Chairman.

Within the first organizational level of the Internal Control and Risk Management System, the Dirigente Preposto in charge of the preparation of the Company's financial reports, in accordance with the provisions of Art. 154 bis of the Consolidated Law on Finance Intermediation (T.U.F. – *Testo Unico della Finanza*), is responsible for providing adequate administrative and accounting procedures to prepare the Parent Company financial statements, and the consolidated financial statements as well as any other financial communication.

Companies belonging to the Insurance Group are required to comply with the directives for the Internal Control and Risk Management System described above. Local amendments are allowed only in case of conflict with local laws.

III. Risk Management Policy

The "Risk Management Policy" is the cornerstone of all risk-related policies and guidelines. The Policy is approved by the Board of Directors, assisted by the Risk and Control Committee, upon proposal of the Group Chief Risk Officer.

The Policy establishes the driving principles and minimum process requirements to identify, evaluate, manage and monitor current and forward looking risks that could arise from the activities performed by Generali Group.

The Policy ensures a sound and effective management of risks throughout Generali Group consistently with the stated risk appetite defined by the Board of Directors of Assicurazioni Generali.

The main processes and procedures prescribed in this Policy are aimed at establishing a sound management of risks to preserve the stability and solvency of Generali Group, and at leveraging synergies, best practices, and specialized competences developed within the Group.

Group Companies are requested to adopt this Policy, according to the local specificities and the regulatory requirements.

IV. Risk Management process

The Risk Management process, regulated by the Policy includes the following main phases:

- Risk identification;
- Risk measurement;
- Risk management and control;
- Risk reporting (for the Board of Directors, the Supervisory Authority and external stakeholders). The Policy includes also the principles aimed at drawing up ORSA Reports, at Group and local level.

Risk identification and measurement

Given the categories provided for in Reg. 20/2008 IVASS, Art. 19 and the Solvency II framework, the main risks to which the Group is exposed to, on a current and forward looking basis, are explained below.

The Group Risk Map, approved by the Assicurazioni Generali Board of Directors, identifies the main risk categories listed hereafter. For each category, a specific measurement methodology is defined:

Risks covered by Partial Internal Model				
Internal Model				Standard Formula
Financial risks	Credit risks	Insurance risks	Insurance risks Life & Health	Operational risks
Interest rate yields	Spread widening	Pricing	Mortality CAT	
Interest rate volatility	Credit Default	Reserving	Mortality no CAT	
Equity Price	Counterparty Default	CAT	Longevity	
Equity volatility		Non-Life Lapse	Morbidity/ Disability	
Property			Life Lapse	
Currency			Expense	
Concentration			Health CAT	
			Health Claim	

Risk measurement methodologies (both for qualitative and quantitative risks) are applied in order to provide an integrated measurement of risks at Group level.

The risks identified in the Group Risk Map, within the financial, insurance and credit risks categories, are measured through a quantitative model aimed at determining the Solvency Capital Requirement, based on the Partial Internal Model (also called Economic Balance Sheet). The Solvency II Directive provides for specific tests and standards, aimed at ensuring the reliability of the results obtained and their actual use in business decision-making processes.

The capital requirement for operational risks is defined on the basis of the EIOPA Standard Formula[6].

Management and monitoring of risks

Hereafter the main principles for the management and monitoring of the above risk categories are described.

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The determination of capital requirements does not provide further sub-categories.

V. Financial Risks

Financial risks include risks deriving from unexpected movements in interest rates and exchange rates and the values of equities and properties, as well as increases in the volatility of interest rates and equity values that may have an adverse impact on the economic or financial results.

Also concentration risk is considered, consisting in the possibility that a single exposure or group of exposures to a single final issuer results in a loss of such magnitude so as to endanger the financial and solvency position of the Group.

Assets subject to market movements are invested both to profitably employ the capital subscribed by shareholders and to meet contractual obligations to policyholders. Unexpected movements in interest rates, in values of equities and properties, as well as exchange rates could have a negative impact on the shareholders' equity and on Group solvency position. Therefore, a proper analysis of the impact of adverse market movements implies the consideration of volatility and correlations among these risks as well as the effects of these risks on the economic value of the related insurance liabilities.

For more details on exposures to investments subject to market risk, please refer to section "Investment" of the Notes.

As mentioned above, the economic impact of market changes for the shareholders does not only depend on the sensitivity of the assets with regards to these movements, but also on the effect of these movements on the present value of insurance liabilities, which can absorb part of the risk.

In life business, this absorption is generally based on the level and structure of minimum return guarantees and profit sharing arrangements. The sustainability of minimum guaranteed rates of return is assessed through deterministic and stochastic analysis, on the medium or long terms, performed at Company and, if necessary, at single portfolio level. These analyses take into account the dynamic interaction between assets and liabilities in order to support the product definition and asset allocation strategies aiming at optimising the risk/return profile.

In managing the investments, the Companies follow the Group guidelines relating to assumption of risks and the defined operating limits.

In order to manage the Group exposure towards financial markets, while maintaining a perspective of risk/return, the management adopts procedures and actions at portfolio level including:
- strategic and tactical asset allocation guidelines updated to changing market conditions and to the ability of the Group to assume financial risks;
- matching strategies related to net cash flows and the duration of assets and liabilities, in order to manage interest rate risk;
- dynamic hedging strategies through the use of derivatives instruments such as options, swaps, forwards and futures;
- policies for managing policy portfolio and pricing consistent with sustainable guarantee levels.

The currency risk arising from borrowings in currencies other than the euro is neutralized using derivative hedging instruments.

For the purpose of concentration risk mitigation, the Group pursues the effective diversification of both investment and counterparties. Such diversification objectives are achieved mainly through the diffusion and application of the Group guidelines.

The Group has a data warehouse for the collection and aggregation of data related to financial investments, which ensures homogeneity, time effectiveness and high quality analysis of financial risks.

Life segment

Taking into consideration the specific characteristics of the life business, the impact of negative changes in the financial market conditions has to be assessed both on assets and liabilities. As envisaged by IFRS 4, this impact is represented herein as percentage change of Group's Embedded Value[7].

Embedded Value (EV) is an actuarially determined estimate of the Group value, net of any value attributable to future new business. With reference to the covered business at the date of valuation, and to the relevant consolidation perimeter (i.e. the operating life and health

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The Group publishes annually an Embedded Value Report on the activities of the Life segment.

Companies of the Group), the EV is equal to the sum of the Adjusted Net Asset Value (ANAV), and the Value In-Force (VIF). Namely:
- the Adjusted Net Asset Value corresponds to the market value of the consolidated shareholders' funds, net of goodwill and DAC (Deferred Acquisition Costs), and before the payment of dividends from profits in the year;
- the Value In-Force corresponds to the present value of the projected stream of after-tax industrial profits generated by the business in force at the valuation date. This value takes into account the cost of financial guarantees related to the options, embedded in insurance contracts, and less the frictional costs of holding the capital and the cost of non-financial risks.

Regarding the market risk the Group performs the following sensitivities on its Embedded Value:
- Yield curve +0.5%: sensitivity to an upward parallel shift of 50 basis points in the underlying market risk free rates, accompanied by an upward shift in all economic assumptions;
- Yield curve -0.5%: sensitivity to a downward parallel shift of 50 basis points in the underlying market risk free rates, (-100 basis points analysis has not been performed at 31/12/2015 because of a lack of significance in a scenario with very low interest rates), accompanied by a downward shift in all economic assumptions;
- Equity value -20%: sensitivity to a 20% market value reduction of all equity investments in the portfolio at valuation date;
- Property value -10%: sensitivity to a 10% market value reduction of all property investments in the portfolio at valuation date.

Life Embedded Value sensitivities: Market Risks

(%)	31/12/2015
Interest rate +0.5%	1.8
Interest rate -0.5%	-4.4
Equity price -20%	-5.5
Property price -10%	-1.8

When analyzing the data from a general point of view, if it is evident that the decrease in equity and real estate prices has a negative impact on the shareholders' value, it must be also noted that a shift in risk free rates might have both positive and negative effects, driven by the insurance portfolio structure and by the assets and liabilities mismatch in terms of cash flow.

As it can be seen, at 31 December 2015, the Company is subject to the effects of the decreasing interest rates. The reduction in embedded value is greater than the variation observed in the opposite case, that is in case of a rise in interest rates. The asymmetry above, albeit reduced from the previous year thanks to an increase in interest rates and a reduction in the volatility of the reference curve (the implied volatility of equity instruments remains about the same levels), recorded at the end of 2015, is mainly due to the presence of specific financial guarantees implied in contracts, in particular minimum return guarantees, the cost of which increases considerably because of the decrease, in the current level of rates.

Non-life segment, Holding and other businesses segment

According to the requirements of IFRS 7, the impact of possible changes in interest rates and values of the equity instruments on the non-life and financial segments is represented by the impact on the result for the period and on the shareholder's equity of the Group, net of the corresponding tax effects.

Market risk evaluation has been performed, for non-life, Holding and other businesses segments, following a bottom up approach and using a full evaluation model, which calculates the change in value of each financial instrument caused by applied stress tests (+/- 50bp yield curve change, +/- 20% change for equity).

The market risk evaluation was made on all the financial instruments in the portfolios at the end of the year, both from direct and indirect investments held by funds, and derivatives instruments.

Valuation of impact on Group's financial statements deriving from possible changes in interest rate was assessed both considering instrument with fixed interest rate (exposing Group to "fair value" risk with impact on equity or result depending on their accounting classification) and with floating interest rate (exposing Group to "cash flow" risk with impact on profit or loss). This impact was assessed considering the 12-month period ending at the reporting date.

The stress test of +/- 50bp on the yield curve and of +/- 20% of equity value changes shows:

- a potential impact on the Group shareholders' equity attributable to the consequent change in the fair value of bonds and equities classified as available for sale[8];
- a potential impact on the Group's result of the period attributable to the consequent change in the fair value of debt securities and equities classified as financial assets at fair value through profit or loss;
- a potential impact on the Group's result for the period related to the re-computation on coupons and accrued interest of floating rate securities.

Changes in interest rates and equity prices, net of the related deferred taxes, may have a potential impact on shareholders' equity. The impact is detailed in the table here below. With regard to the sensitivity on the result for the period, it is not material and therefore considered within the impact on shareholders' equity:

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Sensitivity on non-life and Holding and other businesses segments' Shareholders' equity

(%)	31/12/2015
Interest rate +0,5%	-461
Interest rate -0,5%	461
Equity price +20%	617
Equity price -20%	-617

VI.Credit Risk

Credit risk from financial investments

Credit risk refers to possible losses arising from the default or failure of counterparties to meet their financial obligations (default risk) or from changes in value of debt instruments resulting from the widening of their credit spreads (spread widening risk). Spread fluctuations can be caused by changes in the creditworthiness of debt instruments issuers or by widespread events of credit crunches or liquidity crisis.

As envisaged in the Group Risk Guidelines, investments in securities with a high credit rating (investment grade) are preferred, and the diversification of risk is encouraged. The Group has a data warehouse for the collection and aggregation of data related to financial investments, which ensures homogeneity, time effectiveness and high quality analysis of financial and credit risks.

Ratings provided by the main rating agencies are used for the assessment of the creditworthiness of the individual issues and issuers. In cases where there are multiple and divergent agencies' ratings, the second best rating among those available is chosen. An internal rating based on a detailed economic and financial analysis is assigned to certain investments for which no rating is available. An internal rating can also be attributed to externally rated securities, in order to limit automatic reliance only to external ratings assigned by agencies. Investment activities in instruments subject to credit risk are conducted following prudent criteria. This is evidenced by the fact that the distribution by rating class shows that the absolute majority of the investments is of a high rating standing.

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Sensitivity analysis does not assume the achievement of defined triggers for impairment.

In order to mitigate the counterparty risk, related to market risk hedging strategies, the following risk mitigation measures are pursued. These include the selection of counterparties, the use of listed instruments and the integration of ISDA Master Agreements with the Credit Support Annex (CSA). CSA provides for the delivery of a collateral when the value of the contract exceeds a certain threshold.

It should also be noted that, for financial assets, which hedge liabilities related to life insurance policies, the same considerations made for market risk are applicable. As a result, in some cases, defaults, downgrades or spread fluctuations also have an impact on the value of insurance liabilities, which consequently mitigate risk.

Reinsurance credit risk

In addition to debt and derivative financial instruments, the Group is exposed to credit risk through the exposure to reinsurance counterparties to which part of the business is ceded. In particular, the ability by reinsurers to fulfil contractual obligations towards the Group is monitored.

The Group centrally sets the main reliability and solvency criteria, which take into account the risk exposure and the probability of default of each reinsurance counterparty.

The main criterion consists in the definition of a maximum exposure transferable to each reinsurer. In principle, the maximum risk transferable to an individual reinsurer for each reinsurance program should not exceed a given percentage of its net equity. Generally, such exposure is further reduced according to the rating provided by the rating agencies and to the line of business being considered. Based on the features of risk being transferred, a maximum amount threshold is established. For long-tail business more restrictive criteria are adopted.

In some circumstances, local regulations, market practice or specific types of business allow the Group to benefit from mitigation of the related reinsurance credit risk through deposits from reinsurers and/or letters of credit as a guarantee on ceded reserves.

For details on the rating of the technical provisions attributable to reinsurers please refer to section “Insurance and investment contracts” in the Notes.

VII. Insurance risk

Insurance risk is analysed separately for life and non-life businesses. It should be noted that health risks are classified as life or non- life depending on their technical features.

Life insurance risk

Insurance Risk Life & Health includes biometric risks embedded in life and health policies deriving from the uncertainty in the expected future claims pay-out related to assumptions regarding mortality, longevity, morbidity and disability rates. It includes also risks coming from uncertainty on expenses and those arising from the possible exercise of contract options mainly related to the expected value of lapses and future premiums.

The Group Companies’ life portfolios have a prevailing component of saving contracts, but there are also pure risk covers (death plus riders, such as accident, disability, dread disease, etc.) and some annuity portfolios, with the presence of the longevity risk.

The risks related to policies with a prevailing saving component and with minimum interest rate guarantee are adequately measured in a prudent way in the pricing process in accordance with the particular situation of the local financial markets, and taking also into account any relevant regulatory constraint. In order to better manage risks and costs associated with embedded options included in the above products, the Group is continuing to pursue the policy, already undertaken in previous years, of reducing and redefining the structure of related financial guarantees. In this perspective, the design of the products has been redefined, by better linking the level of the guarantees to the persistency of the policies.

The insurance provisions above are grouped in three macro classes:
- contracts with a minimum guarantee level: this group considers both yearly cliquet or at event (death and maturity) guarantees;
- contracts without interest guarantee: in this category, together with standard unit linked policies, there are also contracts whose benefits and premiums can be adjusted by Companies in order to mitigate interest rate risk;

- contracts matched by specific assets: this category includes contracts where the liabilities are totally matched by specific assets.

From a quantitative point of view regarding the life underwriting risk and according to the parameters indicated by the CFO Forum, the Group performs the following Embedded Value sensitivities:

- maintenance expenses -10%: sensitivity to a 10% decrease of maintenance expenses;
- lapse rate -10%: sensitivity to a 10% decrease of lapse rates;
- mortality/morbidity for risk business -5%: sensitivity to a 5% decrease of mortality/morbidity for all product lines except annuities (e.g. term assurance, whole life, annuity during the accumulation period);
- mortality for annuity business -5%: sensitivity to a 5% decrease of mortality for annuity business only (e.g. annuities in payment).

Life Embedded Value Analysis: Underwriting Risks

(%)	31/12/2015
Expenses -10%	2.3
Lapse rate -10%	1.5
Mortality / Morbidity (excl. Annuities) -5%	2.0
Annuity Mortality -5%	-0.8

The table above shows that the reduction of expenses and mortality rates (except for annuities) has a positive effect in the value; on the contrary, as expected, for the annuities, a reduction in mortality rates leads to a corresponding decrease in value.

Regarding lapse, a decrease in surrender assumptions could produce both positive and negative effect in the Embedded Value, depending on the portfolio structure and on the economic contingencies. In particular, the magnitude of variances depends on the alignment of some variables such as return of the fund, level of guarantee and structure of surrender penalties. The offsetting effects of these factors result, at Group level, in an increase in the Embedded Value when the lapse rates decrease.

In addition to the quantitative analyses above presented, the qualitative aspects relating to underwriting, monitoring and risk management process are carefully assessed.

As far as the demographic risk related to pure risk portfolios is concerned, the mortality tables used in the pricing include prudential margins. The standard approach is to use population or experience tables with adequate safety loadings. For the most important risk portfolios ad hoc reviews of mortality experience are performed by the Parent Company, based on information provided by each Company, at centralized level, every year in comparison with the expected mortality of the portfolio, determined according to the most up-to-date mortality tables available in each market. This analysis takes into consideration the mortality by sex, age, policy year, sum assured and other underwriting criteria.

There is a particular emphasis, both at local and central level, on the underwriting of new contracts, that considers both the medical and financial and moral aspects. A standard, defined at Group level, in manuals, forms and medical and financial underwriting requirements has been established, both for death covers and for riders. Underwriting autonomy levels for Companies are determined depending on their structure and their portfolio. Above the autonomy granted to Companies, risks are also examined by either the Underwriting Department and Insurance Department of Parent Company (which is the main reinsurer for many Group Companies) or by local reinsurers.

As far as riders are concerned, which are most exposed to moral risks, maximum insurability levels by Country and Company are set, lower than those applied for death covers; at the same time, in order to mitigate these risks, consistent policy conditions are established, especially for what refers to policy exclusions.

The Parent Company issues underwriting guidelines, determines with the Group Companies operating limits to be followed and defines the standard process to request exemptions in order to maintain the risk exposure between the preset limits and ensure a coherent use of the capital.

Reinsurance is also used to mitigate mortality and morbidity risk. As far as the surplus (proportional) reinsurance is concerned, the Parent Company acts very often as the main reinsurer for its subsidiaries, then ceding to the reinsurance market the portions of individual risks exceeding its own retention. Sometimes reinsurance is made directly by the Company to the local reinsurance market, with the Parent Company's support and agreement. As far as the catastrophe risk is concerned, it is related to geographical concentrations, which are typical of Group insurance, and it is covered by acquiring ad hoc, non-proportional covers, and by adopting adequate underwriting policies, diversifying the risk at geographical level..

The longevity risk, in the Group Life business portfolio, remains not very significant. For the most important portfolios of annuities under payment, there is an annual evaluation for the adequacy of the technical basis, that considers the demographic component but also the financial component related to the minimum interest rate guarantee and any mismatch between the liabilities and the corresponding assets.

Especially when a guarantee is provided, the most appropriate demographic assumptions are defined to reflect the trend of future mortality. For policies which foresee an accumulation phase and, at maturity, an annuity conversion option for the lump sum, no guarantee is normally granted on the technical basis for the determination of the annuity to be paid in the future; if, however, this is guaranteed, particularly in cases of collective agreements, contractual mechanisms for adjusting the basis of mortality compared with some variations in mortality effective population are often introduced.

Risks related to voluntary withdrawal from the contract or changes in flows from expected premiums (lapse risk) and risks related to inadequacy of charges and loadings in the premiums in order to cover future expenses (expense risk), are evaluated in a prudential manner in the pricing of new products, while considering, in the construction and the profit testing of a new tariff, assumptions derived from the experience of the Company. Should this not be sufficiently reliable or suitable, the experience of the other Group entities of the same Country or the general experiences of the local market are applied. In order to mitigate lapse risk, surrender penalties are generally considered in the tariff and are determined in such a way to compensate, at least partially, the loss of future profits.

For all risk categories, in the annual Embedded Value analysis, there are two levels of local and central control, both ex-ante in underwriting and pricing phases and ex-post.

Within this framework, aggregate analysis has been made on the best estimate of the risk factors in order to assess the consistency of the assumptions and update them. At the same time, the consistency of assumptions made with the actual experience of the year was assessed, by valuating, risk by risk, the changes in the portfolio values.

For additional information on direct written premiums of life segment please refer to the paragraph "Life segment" of the Management Report.

Non-life insurance risk

Non-Life Insurance Risk refers to uncertainty as to the occurrence, amount and timing of insurance liabilities. This includes the following sub-risk:

- the pricing (or underwriting) risk and the catastrophe risk cover the risk that the premium earned in the following year is insufficient to cover actual future claims, expense and extreme events;
- the reserving risk relates to the uncertainty of the claims reserves run-off around its expected value, in a one-year time horizon.

In other words, this covers the risk that actuarial reserves are not sufficient to cover all the liabilities related to the incurred claims.

Pricing risk

The pricing risk derives from the possibility that premiums are not sufficient to cover future claims, contracts expenses and extremely volatile events.

In order to quantify this risk, the Group assesses its exposure to attritional claims, large claims and catastrophes, gross and net of reinsurance, for the most relevant part of its portfolio.

Regarding this risk, the Group:
- has developed stochastic or deterministic bottom-up simulation models, which are validated by sensitivity analyses and stress tests;
- for frequency risks, determines large risks and catastrophe risks (such as earthquake, flood, windstorm, etc.) possible loss scenarios and risk capital requirements, also in consideration of reinsurance structures (proportional, excess of loss, etc.), net retention and cover;
- adopts, also for evaluating reinsurance cessions, models that are consistent with Value Based Management principles, which consider that value creation estimated from risk capital is the metric to be used to evaluate the efficiency and adequacy of the solutions to be chosen.

Reinsurance structures are based on a detailed risk analysis that allows identifying, for each class of business, the structure type, the retention level and the total amount of cover needed to mitigate exposures from single risks and, for some classes, events that derive from the accumulation of risks existing within a portfolio.

Treaty reinsurance provides a risk transfer mechanism for the greatest portion of each portfolio, while facultative reinsurance is used to cover individual additional exposure peaks.

Regarding treaty reinsurance, the most important lines of business are best covered by excess of loss contracts, which allow setting precise retentions for each class. This makes it possible to retain those risks that are marked by a lower volatility and higher expected returns.

In this respect, the Group has progressively changed its strategy and its business model for the purchase of the contractual reinsurance: coordination and governance of the Parent Company has been further strengthened, entrusting to it the role of the single reinsurer of other Italian and foreign Companies.

As a result, the model provides for the Parent Company to subscribe – at market conditions – all the major treaties of the subsidiaries with few minor exceptions justified by regulatory reasons or market conditions. This approach allows to manage the reinsurance cycle more efficiently than in the past because it gives the chance to adjust easily the level of risk retention through the retrocession treaties, retaining more risk in the hard market phases and less risk in the soft market phases.

The placement of facultative reinsurance is instead managed by the individual Companies, as it is a type of protection strongly related to individual risk assessment carried out by the underwriting unit complying with the principle defined in the Group Reinsurance Guidelines.

Reinsurance counterparties are chosen in accordance to the criteria defined by the Group Head Office (as described in paragraph “Reinsurance credit risk”).

With specific reference to the Parent Company, these principles have been confirmed by the Board of Directors on 17 February 2016 and the structures in place during the current year reflect the new business model for the purchase of the contractual reinsurance described above both in the structures and levels of retention.

Reserving risk

The assessment is closely related to the valuation of technical provisions, in particular to the uncertainty of the claims provisions in respect to their expected value. Consequently, the risk assessment properly considers the reserving processes, by using claim triangles and all other relevant information collected and analysed according to specific guidelines.

For quantitative information on cumulative claim payments and the ultimate cost of claims by accident year and their development please refer to section “Insurance and investment contracts” in the Notes.

The underwriting policy

In the non-life branches, the Group underwriting embraces all lines of business. The Group is active in Retail, Small-Medium Enterprises and Corporate & Commercial lines.

The focus is mainly on products with a low or medium volatility, with a minor and selective presence in market segments such as, for example, energy.

The underwriting guidelines are particularly prudent with reference to emerging risks (electromagnetic fields, genetically modified organisms, nanotechnologies, etc.), while asbestos-related covers are generally excluded.

The underwriting activity is geographically diversified, although mainly concentrated in continental Europe, which accounts for around 93% of direct gross written premiums.

For additional information on direct written premiums of property&casualty segment please refer to the paragraph “Poperty&Casualty segment” of the Management Report.

VIII. Operational risk

Operational risk refers to risks of losses arising from inadequate or failed internal processes, personnel and systems or from external events.

The management of operational risks is essentially responsibility of each Business Unit. These units are asked to draw up operational plans aligned with the targets set by the Parent Company and to identify and implement all actions to mitigate any risk which could potentially jeopardize it. The overall assessment of these risks and the consistency of the various mitigating actions are guaranteed by the Group Risk Management department.

The Parent Company has defined some common principles for this kind of risks:

- policies and basic requirements to handle specific risk-sources;
- a detailed operational risk classification and standard criteria to be applied to the whole Group in order to identify and evaluate operational risks within business processes;
- criteria to evaluate operational risks and to collect major loss events;
- common methodologies and principles guiding the internal audit activities, set by the Group Internal Audit department, in order to identify the most relevant processes to audit.

Operational risk also includes:

- Financial reporting risk is the risk of a transaction error, which could entail an untrue and incorrect representation of the situation of the assets, liabilities, profit and loss in the Company’s financial statements, in the yearly and half-yearly consolidated financial statements and in any other financial release. The definition of a specific framework, based on internationally recognized standards (Coso, Cobit) provides assurance that the financial reporting risks, to which the Company may be exposed, are identified and addressed according to an approach of analysis that investigates the Company processes and focuses on the relevant transactions that contribute to the generation of the Company’s financial statements and any disclosure of financial nature. The definition of the methodology and organization of the financial reporting risk framework at Head Office and Group level, and the monitoring of its effective implementation are delegated to Dirigente Preposto in charge of preparing the financial reports of Assicurazioni Generali S.p.A. in accordance with the provisions of Law no. 262 of 28 December 2005 , as amended;
- Compliance risk, defined as the risk of legal and regulatory sanctions, material financial loss or reputational damage the Company may suffer as a result of not complying with laws, regulations and administrative provisions applicable to the Company’s business. The Group has introduced a “Group Compliance Policy”, which sets out principles and guidelines to carry out the compliance activities and, as part of the management and coordination activities of the Parent Company, envisages that the compliance functions of the Group Companies establish an information flow between them and the Parent Company.

For further information please see the Corporate Governance Report.

IX. Other risks

This risk category encompasses risks that are not included in the previous categories and for which a specific capital requirement under Solvency II is not required.

Liquidity Risk

The Group manages the liquidity risk with the aim of efficiently dealing with expected and unexpected cash outflows, taking as well into account potential difficulties arising from the illiquidity of assets upon their sale.

Through a constant cash flow monitoring activity the Group aims at maintaining a sound financial structure.

Liquidity Risk is defined as the uncertainty, arising from business operations, investment or financing activities, over whether the insurer will have the ability to meet payment obligations in a full and timely manner, in a current or stressed environment, for example being able to meet commitments only through a credit market access at unfavourable conditions or through the sale of financial assets incurring in additional costs due to illiquidity of (or difficulties in liquidating) the assets.

The liquidity risk is monitored and managed at local level by the single Business Units, within a common Group framework defined by the Head Office.

Such framework has the aim of providing a common approach to managing liquidity risks in order to ensure the Group Companies' financial sustainability in terms of expected and unexpected cash outflows over a short/medium time frame.

The Liquidity Risk framework includes an ad hoc liquidity risk policy that outlines the strategies, principles and processes to identify, assess and manage present and forward-looking liquidity risks to which Assicurazioni Generali S.p.A. is exposed to as a consolidated entity, both at Company level and at Group level. Generali has defined a specific Contingency Funding Plan with the aim of: identifying the key risk factors and scenarios which can lead to a situation of tension or crisis in the Group liquidity position; defining roles, responsibilities, and processes to be activated in such situations; and identifying the management actions to be undertaken in case of increasingly critical crisis situation. In addition, within the Recovery Plan Generali formalised the actions to be undertaken in order to restore a sound liquidity and solvency position should extreme external events hit the Group.

The Liquidity Risk Management Policy has been formally approved by the Boards of the Group Business Units involved in the scope.

In addition, with regard to entities operating in the P&C segment, reinsurance treaties with the Group Parent Company help each Business Unit to reduce the exposure to the main risks assumed at local level, thus mitigating the possible negative consequences of catastrophes events or large claims, which could impact the individual Companies' financial stability.

Liquidity Risk Model

With the aim of implementing a consistent liquidity risk monitoring approach at Group level, the main Business Units provide periodically the HO with a specific tool, the Liquidity Risk Model, which has the ability to highlight possible future liquidity issues both in a business-as-usual scenario and in stressed scenarios.

The model focuses on the Company's cash flows projections over multiple time horizons and on the portfolio investments liquidity, with a particular focus on the eligible assets covering technical reserves. The model final output is summarized through three main ratios indicating possible liquidity stress situations in each scenario. The key ratios are:
- Technical Reserves Coverage;
- Investments' Liquidability Ratio;
- Liquidity Gap Ratio.

Starting from the Business Units' individual ratios, two additional Group metrics are calculated with the aim of measuring the amount of available liquid resources at Group level: the Group Liquidity Risk Coverage Ratio and the Group Excess Liquidity. The calculation methodology takes into consideration the need to preserve a sound financial stability in each Business Unit of the Group. The two indicators also take the available credit lines into consideration.

Parent Company

The liquidity level of the Parent Company, Assicurazioni Generali S.p.A., is periodically monitored in order to satisfy all the commitments that could arise in the short and medium term. The monitoring activities include: a strict control over the ongoing operating business, detailed forecasts on dividends that will be paid by Group companies or to be paid to Shareholders, evaluations on possible capital needs for Subsidiaries, monitoring of holding expenses, management of coupons to be paid over the financial debt and a regular analysis of the Group refinancing strategy.

These evaluations are supported by the outcomes of the Liquidity Risk Model previously described, including under unfavourable scenarios, in order to be able to assess every possible liquidity need that might arise in the various market contexts.

The main funding sources at Group Parent Company level comprise cash flows arising from insurance and reinsurance activities, dividends from subsidiaries, intragroup loans, available credit lines with banking institutions, an integrated cash pooling system, a portfolio of liquid assets, and a quick and efficient access to the debt capital markets, continuously monitored by dedicated structures.

Thanks to the regular cash flow monitoring, the Group has the aim of maintaining a sound financial structure over a short and medium term time horizon.

Financial Liabilities

In order to achieve such results the Group set up a careful analysis of its cash flows. Financial liabilities are mainly fixed rate exposures denominated in Euro. With reference to the exposure denominated in currencies other than Euro, hedging transactions have been put in place with the task of ensuring cash flows predictability and stability, as well as mitigation of currency risks.

The Group target of debt reduction for the 2012-2015 period was achieved in advance during 2014-2015, with an overall decrease of the financial debt of 1 billion euro. For the next years we do not foresee any material change in current stock of debt.

Liquidity risk is also managed through the placement on the market of financial instruments of different maturity, currency and seniority. This strategy allows the Group to diversify its sources of funds, drawing from different classes of investors.

For quantitative information related to financial liabilities please refer to the section “Financial Liabilities” of the Notes.

Insuranceliabilities

The Group’s Companies take into account the impact on their expected profits of all the exit and entry sources and in particular those related to any rational/irrational surrenders, as reported also in the previous paragraph “Life underwriting risk”. In addition, in all the valuations, including sensitivities reported in the paragraph related to the market risk, a dynamic surrender approach is implemented, taking into account the interaction between the return of policyholder funds and the financial market developments.

The liquidity risk arises from a mismatch between liabilities and assets cash flows. The Group manages this risk by means of various mitigation strategies, either embedded in the products or in the funds structure.

In particular, in the phase of product design, penalties for surrenders are allowed, calculated in order to partially compensate the eventual decrease of expected future profits. At the same time, for a relevant part of the portfolio, financial guarantees are not provided in case of surrender; this has a disincentive effect for policyholders and reduces the cost of this embedded option for the Company. The surrender assumptions used both for pricing and valuation, in terms of value and risk, are periodically reviewed and updated.

Strategic, reputational, contagion and emerging risk

Strategic risk refers to the risk arising from external changes and/or internal decisions that may impact on the future risk profile of the Company and the Group.

Reputational risk refers to the risk of potential losses due to a reputational deterioration or to a negative perception of Company's or Group's image among its customers, counterparties, shareholders and Supervisory Authority.

Contagion risk refers to the risk coming from Group's belonging, i.e. the risk that problems arising from one of the Group's Local Entities could negatively affect the solvency, economic or financial situation of other Group Companies or the Group as a whole.

Finally, emerging risks refer to the new risks due to internal or external environment changes, that may bring to an increase in the exposure to risks already included in the Risk Map or that may require to define a new risk category.

X. Risk monitoring by third parties

The Generali Group risk profile, considered as a set of assessments regarding the level of overall exposure to various risks, is monitored by the Supervisory Authorities of the Countries where the Group operates.

The main rating agencies perform periodic assessments of the Group's financial stability by expressing their opinion on its ability to fulfil its obligations towards policyholders and bondholders.

The evaluation is performed on the basis of several factors including financial and economic data, the Group's competitive position in markets where it operates and the strategies developed and implemented by the management.

At Generali's request, Standard & Poor's (S&P's) withdrew its rating on the Group on 13 February 2015. Generali will therefore no longer have a S&P's rating. The decision is based on a thorough review including consultation with investors and other stakeholders, which highlighted the inflexibility of S&P's criteria and its failure to take account of the significant improvement in the Group's financial solidity achieved in the last two years. Furthermore, the automatic link to the sovereign rating applied by S&P's did not recognize the high level of diversification in the Group, nor the benefits of its broad geographical presence. That is why General decided to ask for the S&P's rating to be withdrawn. In accordance with industry norms, Generali will keep its rating with three major rating agencies: Moody's, Fitch and AM Best.

The current rating and outlook assigned to Assicurazioni Generali S.p.A. by the major agencies are the following:

	Rating	Outlook
A.M.Best	Baa1	stable
Fitch	A-	stable
Moody's	A	stable

Thanks to the improvement in the Group's capital position and operating performance, the rating agency Fitch upgraded the rating on the Generali bonds on 26 August 2015. A key factor leading to the rating upgrade was the strong focus of the management on the capital strengthening and on reducing the financial leverage. The outlook was confirmed as stable.

On 23 October 2015, the rating agency AM Best confirmed Generali's FSR (Financial Strength Rating) rating as A (Excellent). For the first time, AM Best assigned the same FSR rating also to the Generali Italia and Česká Pojišt'ovna. AM Best also confirmed the ratings of the debt instruments issued or guaranteed by Generali. The outlook was confirmed as stable.

AM Best stated that the rating reflects the Group's very strong business position in continental Europe, solid operating performance and improving capitalization.

On 26 January 2016 the rating agency Fitch confirmed Generali's and its subsidiaries IFS (Insurer Financial

Strength) rating at A-; the outlook was confirmed as stable. The rating reflects the improvement in Group's capital position, the expectations that operating performance will remain strong and that management's ongoing focus will be to preserve capital and reduce financial leverage. On the basis of Fitch's internal model (FBM), Generali's capital position remained strong at the end of 2014 and it is now very close to the "Very strong" level, thanks to the improvement in the Group's capitalization.

XI Capital management

Generali Group aims at maintaining an adequate level of capital according to the current regulatory requirements and to the Solvency II framework.

The Solvency II directive, entered into force at European level on 1/1/2016, implies a market consistent valuation of all balance sheet items and by the consideration of all risks the Group is exposed to. Risk calibration is performed according to the Value at Risk approach with a confidence level of 99.5% over a one-year period. The risk appetite defined at Group level gives due consideration to that calibration level, even increasing it for internal purposes.

The use of the Group Internal Model supports the capital management processes, within the strategic planning activities, and other business decision making processes.

The main Group's objectives in capital management are, in summary:

- ensure compliance with the solvency regulatory requirements of each operating segment where the Parent Company and other Group Companies operate (non-life segment, life segment and financial segment);
- safeguard business continuity and the ability to develop its own business;
- continue guaranteeing an adequate return on capital to shareholders;
- achieve the best balance between equity and debt, ensuring adequate remuneration to all sources of capital and debt;
- determine adequate pricing policies which are consistent with the level of risk arising from the activities within the various segments.

In this context, the main evidences related to current capital requirements are described hereafter.

In each Country where the Group operates, local laws and/or local Supervisor Authorities require a minimum capital. This minimum capital should be maintained by each subsidiary to face its own insurance obligations and/or operational risks.

The Group is a financial conglomerate and it is subject to supplementary supervision regarding capital adequacy requirements, risk concentration, intra-group transactions and internal control. In particular, in 2015 the Group available margin amounted to € 30.1 billion (€ 29.0 billion at 31 December 2014) and the Groups required margin amounted to €18.3 billion (€18.6 billion at 31 December 2014). Therefore, the Group's Solvency I cover ratio (i.e. the ratio of available margin to required margin) was 164% (156% at 31 December 2014).

As described above, Annual Report 2015 is the last reporting that contains information about Solvency I as, from 2016, it will be replaced by the Solvency II regime.

Appendices to the notes

Tangible and intangible assets

Appendix 3

	At cost	At revalued amount or at fair value	Total
Land and buildings (investment properties)	12,112		12,112
Land and buildings (self used)	2,844		2,844
Other tangible assets	1,625		1,625
Other intangible assets	1,985		1,985

Amounts ceded o reinsurers from insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total book value	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Non-life amounts ceded to reinsurers from insurance provisions(*)	2,086	2,175	809	858	2,895	3,033
Provisions for unearned premiums	321	365	70	67	391	432
Provisions for outstanding claims	1,762	1,807	739	784	2,501	2,592
Other insurance provisions	3	3	0	7	3	10
Life amounts ceded to reinsurers from insurance provisions(*)	635	810	563	534	1,199	1,344
Provisions for outstanding claims	309	310	336	298	645	607
Mathematical provisions	145	313	207	230	351	543
"Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds"	156	155	0	0	156	155
Other insurance provisions	26	32	21	7	47	39
Total	2,722	2,985	1,372	1,392	**4,094**	**4,378**

(*) After the elimination of intra-group transactions between segments.

Financial assets

	Held to maturity investments		Loans and receivables		Available for sale financial assets		Financial assets at fair value through profit or loss				Total book value	
							Financial assets held for trading		Financial assets designated as at fair value through profit or loss			
(€ million)	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Equities at cost					43	48					43	48
Equities at fair value					9,540	9,734	5	4	2,833	2,460	12,378	12,198
- of which quoted equities					7,009	8,133	5	4	2,617	2,428	9,630	10,565
Bonds	1,949	2,910	32,365	35,338	258,039	247,076	23	22	13,445	14,929	305,821	300,274
- of which quoted bonds	1,949	2,910			254,400	242,282	23	22	12,061	13,864	268,433	259,077
Investment fund units					18,563	17,139	3	667	72,714	59,905	91,280	77,711
Loans and receivables from customers			1,562	1,558							1,562	1,558
Loans and receivables from banks			202	136							202	136
Deposits under reinsurance business accepted			755	754							755	754
Deposit components of reinsurance contracts											0	0
Other loans and receivables			13,314	12,994							13,314	12,994
Derivatives							1,630	1,560	50	0	1,680	1,560
Hedging derivatives(*)									338	373	338	373
Other financial investments	35	31			3,214	2,502	0	0	3,343	3,141	6,592	5,673
Total	1,984	2,940	48,198	50,780	289,399	276,498	1,661	2,253	92,724	80,808	433,967	413,279

(*) In accordance with Regolamento n° 7 of 13 July 2007 hedging derivatives are only derivatives for which hedge accounting is applied.

Assets and liabilities related to policies where the investment risk is borne by policyholders and to pension funds

	Policies where the investment risk is borne by the policyholders		Pension funds		Total	
(€ million)	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Assets	73,245	65,522	1,721	2,185	74,966	67,707
Intra-group assets(*)						
Total	**73,245**	**65,522**	**1,721**	**2,185**	**74,966**	**67,707**
Financial liabilities	15,673	14,361	1,121	1,526	16,793	15,886
Insurance provisions(**)	57,612	51,428	26	90	57,637	51,519
Intra-group liabilities(*)						
Total	**73,284**	**65,789**	**1,147**	**1,616**	**74,431**	**67,405**

(*) Intra-group assets and liabilities refer to assets and liabilities which are eliminated in the consolidation process.

(**) Insurance provisions are net of amounts ceded to reinsurers from insurance provisions.

Insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total book value	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Non-life insurance provisions(*)	**31,687**	**31,594**	**1,691**	**1,556**	**33,377**	**33,150**
Provisions for unearned premiums	5,147	5,241	216	197	5,363	5,438
Provisions for outstanding claims	26,068	25,891	1,469	1,352	27,537	27,243
Other insurance provisions	471	462	7	7	478	469
of which provisions for liability adequacy test	12	20	0	0	12	20
Life insurance provisions(*)	**369,457**	**351,312**	**1,853**	**1,739**	**371,310**	**353,052**
Provisions for outstanding claims	5,364	5,225	1,046	1,074	6,410	6,299
Mathematical provisions	263,099	249,760	663	530	263,762	250,290
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	57,783	51,663	11	11	57,793	51,674
Other insurance provisions	43,211	44,664	133	124	43,344	44,788
of which provisions for liability adequacy test	1,036	1,053	0	0	1,036	1,053
of which deferred policyholder liabilities	22,642	25,300			22,642	25,300
Total provisions	**401,143**	**382,906**	**3,544**	**3,296**	**404,687**	**386,202**

(*) After the elimination of intra-group transactions between segments.

Financial liabilities

	Financial liabilities at fair value through profit or loss				Other financial liabilities		Total book value	
	Financial liabilities held for trading		Financial liabilities designated as at fair value through profit or loss					
(€ million)	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Preference shares							0	0
Subordinated liabilities					9,643	8,315	9,643	8,315
Financial liabilities related to investment contracts issued by insurance companies			16,921	15,964	5,070	4,811	21,991	20,776
where the investment risk is borne by the policyholders			15,673	14,361			15,673	14,361
pension funds			1,121	1,526			1,121	1,526
other liabilities related to investment contracts			127	78	5,070	4,811	5,197	4,889
Deposits received from reinsurers					558	805	558	805
Deposit components of insurance contract							0	0
Bonds					3,312	3,860	3,312	3,860
Liabilities to customers					8,809	8,003	8,809	8,003
Liabilities to banks					142	946	142	946
Other loans					2,288	3,679	2,288	3,679
Derivatives	2,566	1,709					2,566	1,709
Hedging derivatives			568	675			568	675
Other financial liabilities			28	25			28	25
Total	**2,566**	**1,709**	**17,517**	**16,665**	**29,821**	**30,420**	**49,904**	**48,794**

(*) In accordance with Regolamento n° 7 of 13 July 2007 hedging derivatives are only derivatives for which hedge accounting is applied.

	31/12/2015			31/12/2014		
(€ million)	Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
NON-LIFE SEGMENT						
NET EARNED PREMIUMS	20,975	1,157	19,818	20,906	1,284	19,622
a Premiums written	20,898	1,136	19,762	20,818	1,223	19,596
b Change in the provisions for unearned premiums	77	21	56	88	62	26
NET INSURANCE BENEFITS AND CLAIMS	13,604	524	13,081	13,696	586	13,110
a Claims paid	13,316	639	12,677	13,579	919	12,661
b Change in the provisions for outstanding claims	240	-112	352	50	-337	387
c Change in claims to be recovered	6	3	3	50	1	49
d Change in other insurance provisions	42	-7	48	16	3	13
LIFE SEGMENT						
NET PREMIUMS	49,425	737	48,689	45,418	719	44,699
NET INSURANCE BENEFITS AND CLAIMS	56,600	590	56,010	54,583	690	53,893
a Claims paid	36,082	554	35,528	34,596	641	33,954
b Change in the provisions for outstanding claims	184	45	139	803	-24	827
c Change in the mathematical provisions	12,552	-29	12,581	10,851	75	10,777
d Change in the provisions for policies where the investment risk is borne by the policyholders and the provisions for pension funds	5,564	-4	5,568	5,965	-1	5,966
e Change in other insurance provisions	2,218	25	2,193	2,367	-1	2,368

(€ million)	Interests	Other income	Other expenses	Realized gains	Realized losses	Total realized gains and losses	Unrealized gains and reversal of impairment losses		Unrealized losses and impairment losses		Total unrealized gains and losses	Total income and expenses 31/12/2015	Total income and expenses 31/12/2014
							Unrealized gains	Reversal of impairment losses	Unrealized losses	Impairment losses			
Income and expenses from investments	**10,645**	**2,518**	**-171**	**4,904**	**-1,476**	**16,421**	**8,903**	**112**	**-6,749**	**-1,009**	**1,257**	**17,677**	**18,909**
a from land and builidings (investment properties)	0	909	-171	364	-11	1,092	0	73	0	-62	11	1,103	493
b from investments in subsidiaries, associated companies and joint ventures	0	118	0	12	-2	128	0	0	0	-14	-14	114	124
c from held to maturity investments	105	0	0	6	-0	110	0	0	0	-3	-3	108	129
d from loans and receivables	1,926	0	0	184	-35	2,075	0	30	0	-308	-278	1,797	2,114
e from available for sale financial assets	8,007	1,156	0	3,319	-637	11,846	0	8	0	-622	-614	11,231	11,051
f from financial assets held for trading	187	0	0	183	-100	271	1,000	0	-856	0	144	415	-6
g from financial assets designated as at fair value through profit or loss	420	335	0	835	-691	900	7,903	0	-5,893	0	2,010	2,910	5,004
Income and expenses from receivables	**8**	**0**	**0**	**0**	**-3**	**5**	**0**	**94**	**0**	**-41**	**54**	**58**	**-135**
Income and expensed from cash and cash equivalents	**30**	**0**	**0**	**0**	**0**	**30**	**0**	**0**	**0**	**0**	**0**	**30**	**49**
Income and expenses from financial liabilities	**-1,274**	**0**	**0**	**32**	**-120**	**-1,362**	**741**	**0**	**-1,872**	**0**	**-1,131**	**-2,493**	**-2,764**
a from financial liabilities held for trading	-140	0	0	32	-120	-228	741	0	-1,867	0	-1,126	-1,354	-832
b from financial liabilities designated as at fair value through profit or loss	-31	0	0	0	0	-31	0	0	-5	0	-5	-35	-590
c from other financial liabilities	-1,103	0	0	0	0	-1,103	0	0	0	0	0	-1,103	-1,342
Income and expenses from payables	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**9,408**	**2,518**	**-171**	**4,936**	**-1,598**	**15,093**	**9,644**	**206**	**-8,621**	**-1,049**	**179**	**15,273**	**16,059**

(€ million)	Non-life segment		Life segment	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Commissions and other acquisition costs	4,385	4,328	4,081	3,878
a Acquisition and administration commissions	3,317	3,191	3,026	2,746
b Other acquisition costs	952	935	1,081	1,089
c Change in deferred acquisition costs	7	16	-83	-18
d Collecting commissions	109	186	57	61
Commissions and profit commissions from reinsurers	-156	-171	-131	-150
Commissions and other acquisition costs net of commissions and profit commissions from reinsurers(*)	44	38	265	197
Other administration costs	1,184	1,169	1,005	951
Total	5,457	5,364	5,220	4,876

(*) Before the elimination of intra-group transactions between segments.

Details on other comprehensive income

	Allocation		Transfer to profit and loss account		Other transfer		Total variation		Taxes		Amounts	
(€ million)	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Items that may be reclassified to profit and loss in future periods												
Reserve for currency translation differences	366	105	-38	5			328	110	5	-8	137	-191
Net unrealized gains and losses on investments available for sale	486	5,694	-884	-1,678			-398	4,017	353	-1,766	6,175	6,573
Net unrealized gains and losses on cash flows hedging derivatives	87	71	-45	-50			41	21	-21	-11	-133	-175
Net unrealized gains and losses on hedge of a net investment in foreign operations	-52	-1	2	0			-49	-1	0	-0	-97	-47
Share of other comprehensive income of associates	18	48	-9	1			9	49	-0	0	81	72
Result of discontinued operations	-4	36	-572	-6			-576	29	0	0	0	576
Others												
Items that may not be reclassified to profit and loss in future periods												
Revenue reserve from valuation of equity	-0	0					-0	0	-0	0	-0	0
Result of discontinued operations	437	-196					437	-196	0	0	0	-437
Reserve for revaluation model on intangible assets												
Reserve for revaluation model on tangible assets												
Actuarial gains or losses arising from defined benefit plans	162	-529					162	-529	-67	240	-800	-962
TOTAL OTHER COMPREHENSIVE INCOME	1,500	5,227	-1,546	-1,728	0	0	-46	3,499	271	-1,544	5,363	5,409

Details on financial assets reclassified and its effects in profit and loss account and comprehensive income (€ million)

Appendix 13

Financial asset categories affected by the reclassification		Financial assets	Amount of the financial assets reclassified in the year at the reclassification date	Book value reclassified at 31/12/2015		Fair value as at 31/12/2015		Financial assets reclassified in 2015		Financial assets reclassified until 2015		Financial assets reclassified in 2015		Financial assets reclassified until 2015	
from	to			Financial assets reclassified in 2015	Financial assets reclassified until 2015	Financial assets reclassified in 2015	Financial assets reclassified until 2015	Fair value gains or losses through profit or loss	Fair value gains or losses through equity	Fair value gains or losses through profit or loss	Fair value gains or losses through equity	Fair value gains or losses that would be recognised through profit or loss without reclassification	Fair value gains or losses that would be recognised through equity without reclassification	Fair value gains or losses that would be recognised through profit or loss without reclassification	Fair value gains or losses that would be recognised through equity without reclassification
Available for sale financial assets	Loans and receivables	Corporate bonds	14,028		3,671		4,152								-481
Financial asset at fair value through profit or loss	Loans and receivables	Corporate bonds	630		67		72							-5	
Total			14,658		3,738		4,224							-5	-481

Appendix 14

Assets and liabilities measured at fair value on recurring and non-recurring basis: fair value hierarchy

	Level 1		Level 2		Level 3		Total	
(€ million)	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Financial assets and liabilities at fair value through profit or loss on recurring basis								
Available for sale financial assets	252,186	242,348	31,067	28,257	6,146	5,893	289,399	276,498
Financial assets at fair value through profit or loss	77,559	56,585	14,759	24,720	2,067	1,756	94,385	83,061
Financial assets held for trading	11	696	1,637	1,543	13	14	1,661	2,253
Financial assets designated at fair value through profit or loss	77,548	55,889	13,123	23,177	2,054	1,742	92,724	80,809
Investment properties								
Tangible assets								
Intangible assets								
Total financial assets at fair value	329,745	298,933	45,826	52,977	8,213	7,650	383,785	359,559
Financial liabilities at fair value through profit or loss	15,687	14,827	4,222	3,498	173	45	20,082	18,370
Financial liabilities held for trading	2	1	2,564	1,711	0	0	2,566	1,712
Financial liabilities designated at fair value through profit or loss	15,685	14,826	1,658	1,788	173	45	17,517	16,658
Total financial liabilities on recurring basis	15,687	14,827	4,222	3,498	173	45	20,082	18,370
Total financial assets and liabilities at fair value on non recurring basis								
Non-current assets or of discontinued operations	0	2,899	0	565	0	28	0	3,492
Non-current liabilities or of discontinued operations	0	572	0	604	0	0	0	1,176

Detail of the variations of assets and liabilities measured at fair value on a recurring basis classified in Level 3

(€ million)		Financial assets at fair value through profit or loss					Financial liabilities at fair value through profit or loss	
	Available for sale financial assets	Financial assets held for trading	Financial assets designated as at fair value through profit or loss	Investment properties	Tangible assets	Intangible assets	Financial liabilities held for trading	Financial liabilities designated as at fair value through profit or loss
Opening balance	**5,893**	**14**	**1,742**	**0**	**0**	**0**	**2**	**43**
Purchases and issues	994	0	61	0	0	0	0	106
Disposals through sales and settlements	-804	0	-74	0	0	0	0	0
Pay-backs	-194	-1	-55	0	0	0	0	0
Net gains and losses recognized in P&L	0	0	37	0	0	0	0	-19
of which net unrealised gains and losses	0	0	37	0	0	0	0	-19
Net unrealised gains and losses recognized in OCI	403	0	0	0	0	0	0	0
Net transfers in Level 3	421	0	486	0	0	0	0	0
Net transfers out of Level 3	-681	0	-190	0	0	0	0	0
Other changes	113	-0	46	0	0	0	-2	43
Closing balance	**6,146**	**13**	**2,053**	**0**	**0**	**0**	**0**	**173**

Assets and liabilities not measured at fair value: fair value hierarchy

(€ million)	Book value		Fair Value							
			Level 1		Level 2		Level 3		Total	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Assets										
Held to maturity investments	1,984	2,940	949	1,889	1,151	1,098	40	31	2,140	3,018
Loans and receivables	45,544	47,827	5,426	6,709	37,834	40,074	7,574	7,792	50,834	54,575
Investments in subsidiaries, associated companies and joint ventures	1,369	1,284	0	0	0	0	1,369	1,284	1,369	1,284
Land and buildings (investment properties)	12,112	12,628	0	0	0	0	17,385	17,650	17,385	17,650
Other assets	2,844	2,797	0	0	0	0	3,286	3,181	3,286	3,181
Totale assets	**63,854**	**67,476**	**6,375**	**8,598**	**38,985**	**41,172**	**29,654**	**29,941**	**75,015**	**79,711**
Liabilities										
Other liabilities	24,193	24,804	13,626	12,900	4,427	5,312	7,842	8,385	25,896	26,597

Consolidation area: interests in entities with significant minority interests

					Summarised financial information							
Entity Name	% Minority interests	% Availability to Minority Interests of voting rights in the General Shareholeders' meeting	Consolidated Profit (loss) attributable to minority interests	Total liabilities and shareholders' equity attributable to minority interests	Total Assets	Investments	Technical provisions	Financial Liabilities	Total liabilities and shareholders' equity	Net profit (loss) of the period	Dividends distributed to minority interests	Gross Premiums
Banca Generali Group	49.56%	49.56%	101	306	6,229	5,430	0	5,135	646	381	56	0
Generali China Life Insurance Co. Ltd	50.00%	50.00%	59	419	7,844	7,370	5,477	1,142	835	121	8	1,316

Change in the consolidation area(*)

Newly consolidated:	
1.	Direct Care s.r.o., Prague
2.	Generali Beteiligungsverwaltung GmbH, Vienna
3.	Generali Companhia de Seguros S.A., Lisbon
4.	Generali Latam Prestação de Serviços e Partecipações Ltda., San Paolo
5.	GID-Fonds AACAGS, Cologne
6.	GID-Fonds AACBGS, Cologne
7.	GID-Fonds AAINF, Cologne
8.	GID-Fonds ALAET, Cologne
9.	GID-Fonds CLRET 2, Cologne
10.	IDEE s.r.o., Prague
11.	Keviana – Empreendimentos Imobiliários, S.A., Lisbon
12.	NKFE Insurance Agency Company Limited, Hong Kong
13.	PL Investment Jerozolimskie I SP. Z o.o., Warsaw
14.	PL Investment Jerozolimskie II SP. Z o.o., Warsaw
15.	PT Generali Services Indonesia, Giakarta
16.	REFICOR s.r.o., Prague
17.	Telco AG S.r.l., Trieste

Company disposed of/wound up/merged in:	
1.	BSI Asset Managers SAM, Monte Carlo
2.	BSI Bank (Panama) S.A., Panama
3.	BSI Bank Limited, Singapore
4.	BSI Europe S.A., Luxembourg
5.	BSI Fund Management S.A., Luxembourg
6.	BSI Investment Advisors (Panama) Inc, Panama City
7.	BSI Monaco SAM, Monte Carlo
8.	BSI Overseas (Bahamas) Ltd, Nassau
9.	BSI S.A., Lugano
10.	BSI Trust Corporation (Malta) Ltd, Valletta
11.	Casa-Bouw Sprl, Bruxelles
12.	CP Direct, a.s. (fusa in Direct Care s.r.o.), Prague
13.	Delta Generali Holding d.o.o. Podgorica, Podgorica
14.	E-Cie Vie S.A. (fusa in Generali Vie S.A.), Paris

*
Consolidation area consists of companies consolidated “line by line”.

Company disposed of/wound up/merged in:	
15.	EOS Servizi Fiduciari S.p.A., Milan
16.	Fond kvalifikovaných investoru GPH, Prague
17.	Generali 7 S.A., Paris
18.	Generali Belgium Real Estate FCP FIS, Luxembourg
19.	Generali Corporate Services S.c.a.r.l., Trieste
20.	Generali Habitat SCpl, Paris
21.	Generali Innovation Center for Automobile Repairs S.c.a.r.l., Pero
22.	Generali International Ltd (fusa in Generali Worldwide Insurance), St. Peter Port
23.	Generali Pensionskasse AG (fusa in Bonus Pensionskasse AG), Vienna
24.	Generali Realties Ltd, Tel Aviv
25.	Generali Rückversicherung AG (fusa in Generali Versicherung AG), Vienna
26.	Genertel Servizi Assicurativi S.r.l., Mogliano Veneto
27.	Gensegur Agencia de Seguros S.A., Madrid
28.	Iberian Structured Investments I B.V., Amsterdam
29.	Ifa S.A., Paris
30.	Kudough Credit Solutions (Pty) Ltd, Randburg
31.	La Caja de Seguros de Retiro S.A., Buenos Aires
32.	La Estrella Seguros de Retiro S.A., Buenos Aires
33.	Labour Assist (Pty) Ltd, Constantia Kloof
34.	MRS Bioul S.A., Bruxelles
35.	NV Schadeverzekering Maatschappij De Nederlanden van Nu (fusa in Generali Schadeverzekering Maatschappij N.V.), Amsterdam
36.	Oudart Gestion S.A., Paris
37.	Oudart Patrimoine Sarl, Paris
38.	Oudart S.A., Paris
39.	Pankrac Services, s.r.o. (fusa in REFICOR s.r.o.), Prague
40.	Participatie Maatschappij Transhol B.V., Amsterdam
41.	Patrimony 1873 SA, Lugano
42.	RVT Kortenaken SA, Bruxelles
43.	RVT Oordegem SA, Bruxelles
44.	RVT Zottegem SA, Bruxelles
45.	Schloss Bensberg Management GmbH, Bensberg
46.	SCI Eureka Nanterre, Paris
47.	SIMGENIA S.p.A. SIM (fusa in Alleanza Assicurazioni S.p.A.), Trieste
48.	Univerzální správa majetku a.s. (fusa in Direct Care s.r.o.), Prague
49.	Victoria Insurance Company A.D. (fusa in Generali Insurance AD), Sofia

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method(1)	Activity(2)	Shareholding %				Group Equity Ratio(3)
						Direct	Indirect	Through	Total	
Assicurazioni Generali S.p.A.	086	EUR	1,556,873,283	G	1	0.01			0.03	100.00
							0.01	Banca Generali S.p.A.		
							0.01	Generali Italia S.p.A.		
Genertel S.p.A.	086	EUR	23,000,000	G	1		100.00	Genertellife S.p.A.	100.00	100.00
UMS Immobiliare Genova S.p.A.	086	EUR	15,993,180	G	10		99.90	Generali Italia S.p.A.	99.90	99.90
Europ Assistance Italia S.p.A.	086	EUR	12,000,000	G	1		73.95	Europ Assistance Holding S.A.	100.00	99.99
							26.05	Generali Italia S.p.A.		
Europ Assistance Service S.p.A.	086	EUR	4,325,000	G	11		100.00	Europ Assistance Italia S.p.A.	100.00	99.99
Europ Assistance Trade S.p.A.	086	EUR	540,000	G	11		91.50	Europ Assistance Italia S.p.A.	100.00	99.99
							8.50	Europ Assistance Service S.p.A.		
Europ Assistance Vai S.p.A.	086	EUR	468,000	G	11		100.00	Europ Assistance Service S.p.A.	100.00	99.99
Generali Properties S.p.A.	086	EUR	268,265,145	G	10		100.00	Generali Italia S.p.A.	100.00	100.00
Assitimm S.r.l.	086	EUR	100,000	G	10	1.00			100.00	100.00
							99.00	Generali Italia S.p.A.		
Alleanza Assicurazioni S.p.A.	086	EUR	210,000,000	G	1		100.00	Generali Italia S.p.A.	100.00	100.00
Genagricola - Generali Agricoltura S.p.A.	086	EUR	187,850,000	G	11		100.00	Generali Italia S.p.A.	100.00	100.00
Agricola San Giorgio S.p.A.	086	EUR	22,160,000	G	11		100.00	Genagricola - Generali Agricoltura S.p.A.	100.00	100.00
GenerFid S.p.A.	086	EUR	240,000	G	11		100.00	Banca Generali S.p.A.	100.00	50.44
Banca Generali S.p.A.	086	EUR	116,092,599	G	7		9.67	Generali Vie S.A.	50.55	50.44
							0.44	Genertel S.p.A.		
							2.44	Alleanza Assicurazioni S.p.A.		
							0.01	Banca Generali S.p.A.		
							4.90	Genertellife S.p.A.		
							33.08	Generali Italia S.p.A.		
Fondo Scarlatti - Fondo Immobiliare chiuso	086	EUR	540,756,624	G	10		2.89	Generali Vie S.A.	67.31	67.28
							1.94	Genertel S.p.A.		
							3.35	Alleanza Assicurazioni S.p.A.		
							5.87	Genertellife S.p.A.		
							53.26	Generali Italia S.p.A.		
Generali Real Estate S.p.A.	086	EUR	780,000	G	11	100.00			100.00	100.00
Fondo Cimarosa - Fondo Immobiliare chiuso	086	EUR	508,445,239	G	10		3.51	Generali Vie S.A.	100.00	99.96
							0.67	Genertel S.p.A.		
							42.31	Alleanza Assicurazioni S.p.A.		
							3.19	Genertellife S.p.A.		
							50.33	Generali Italia S.p.A.		
Fondo Immobiliare Mascagni	086	EUR	2,129,409,756	G	10		1.46	Genertel S.p.A.	99.99	99.99
							29.10	Alleanza Assicurazioni S.p.A.		
							10.97	Genertellife S.p.A.		

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method(1)	Activity(2)	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio(3)
							58.46	Generali Italia S.p.A.		
Fondo Immobiliare Toscanini	086	EUR	395,022,734	G	10		11.07	Generali Properties S.p.A.	100.00	100.00
							0.41	Assitimm S.r.l.		
							21.74	Alleanza Assicurazioni S.p.A.		
							1.56	Genertellife S.p.A.		
							65.22	Generali Italia S.p.A.		
Generali Infrastructure Services s.c.a.r.l.	086	EUR	1,002,000	G	11	48.00			100.00	99.08
							0.10	Generali Belgium S.A.		
							0.10	Generali Vida Companhia de Seguros S.A.		
							0.10	Generali Pojistovna a.s.		
							0.10	Ceská Pojištovna a.s.		
							0.50	Generali Vie S.A.		
							50.90	Generali Business Solutions S.c.p.A.		
							0.20	Generali Companhia de Seguros, S.A.		
Generali Business Solutions S.c.p.A.	086	EUR	7,853,626	G	11	1.00			98.75	98.20
							0.01	Europ Assistance Italia S.p.A.		
							0.01	Generali Properties S.p.A.		
							0.01	Genertel Servizi Assicurativi S.r.l.		
							0.01	Alfuturo Servizi Assicurativi s.r.l.		
							0.01	BG Fiduciaria - Società di Intermediazione Mobiliare S.p.A.		
							0.01	Generali Real Estate S.p.A. SGR		
							0.01	Generali Innovation Center for Automobile Repairs S.c.a.r.l.		
							0.25	Genertel S.p.A.		
							0.25	SIMGENIA S.p.A. Società di Intermediazione Mobiliare		
							0.55	Banca Generali S.p.A.		
							0.05	Generali Infrastructure Services s.c.a.r.l.		
							0.26	Genertellife S.p.A.		
							96.05	Generali Italia S.p.A.		
							0.27	Generali Investments Europe S.p.A. Società di Gestione Risparmio		
Telco AG S.r.l.	086	EUR	10,000	G	9	46.95			100.00	99.92
							1.45	AachenMünchener Lebensversicherung AG		
							0.24	AachenMünchener Versicherung AG		
							4.68	Generali Lebensversicherung Aktiengesellschaft		
							0.37	Generali Versicherung Aktiengesellschaft		
							0.59	Central Krankenversicherung Aktiengesellschaft		

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method(1)	Activity(2)	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio(3)
							0.39	Cosmos Lebensversicherungs Aktiengesellschaft		
							7.42	Generali Vie S.A.		
							18.46	Alleanza Assicurazioni S.p.A.		
							19.45	Generali Italia S.p.A.		
CityLife S.p.A.	086	EUR	351,941	G	10		100.00	Generali Properties S.p.A.	100.00	100.00
Residenze CYL S.p.A.	086	EUR	39,921,667	G	10		0.30	CityLife S.p.A.	66.67	66.67
							66.37	Generali Italia S.p.A.		
DAS - Difesa Automobilistica Sinistri S.p.A.	086	EUR	2,750,000	G	1		50.01	Generali Italia S.p.A.	50.01	50.01
D.A.S. Legal Services S.r.l.	086	EUR	100,000	G	11		100.00	DAS - Difesa Automobilistica Sinistri S.p.A.	100.00	50.01
Alfuturo Servizi Assicurativi s.r.l.	086	EUR	70,000	G	11		100.00	Alleanza Assicurazioni S.p.A.	100.00	100.00
BG Fiduciaria - Società di Intermediazione Mobiliare S.p.A.	086	EUR	5,200,000	G	8		100.00	Banca Generali S.p.A.	100.00	50.44
Generali Real Estate S.p.A. SGR	086	EUR	6,732,889	G	8		100.00	Generali Real Estate S.p.A.	100.00	100.00
Generali Investments Holding S.p.A.	086	EUR	41,360,000	G	9	37.72			100.00	99.63
							28.29	Generali Deutschland AG		
							28.29	Generali France S.A.		
							5.71	Generali France Assurances S.A.		
Genertellife S.p.A.	086	EUR	168,200,000	G	1		100.00	Generali Italia S.p.A.	100.00	100.00
Generali Italia S.p.A.	086	EUR	1,618,628,450	G	1	100.00			100.00	100.00
Generali Investments Europe S.p.A. Società di Gestione Risparmio	086	EUR	39,500,000	G	8		17.13	Alleanza Assicurazioni S.p.A.	100.00	99.70
							82.87	Generali Investments Holding S.p.A.		
Dialog Lebensversicherungs-Aktiengesellschaft	094	EUR	2,045,200	G	2		100.00	Generali Beteiligungs- und Verwaltungs-AG	100.00	100.00
Generali Deutschland AG	094	EUR	137,560,202	G	5	4.04			100.00	100.00
							94.10	Generali Beteiligungs-GmbH		
							1.86	Alleanza Assicurazioni S.p.A.		
AachenMünchener Lebensversicherung AG	094	EUR	71,269,998	G	2		100.00	Generali Deutschland AG	100.00	100.00
AachenMünchener Versicherung AG	094	EUR	136,463,896	G	2		100.00	Generali Deutschland AG	100.00	100.00
Generali Lebensversicherung Aktiengesellschaft	094	EUR	124,053,300	G	2		100.00	Generali Beteiligungs- und Verwaltungs-AG	100.00	100.00
Generali Versicherung Aktiengesellschaft	094	EUR	27,358,000	G	2		100.00	Generali Beteiligungs- und Verwaltungs-AG	100.00	100.00
Central Krankenversicherung Aktiengesellschaft	094	EUR	34,017,984	G	2		100.00	Generali Deutschland AG	100.00	100.00
Europ Assistance Versicherungs-Aktiengesellschaft	094	EUR	2,800,000	G	2		100.00	Europ Assistance S.A.	100.00	99.99
Europ Assistance Services GmbH	094	EUR	250,000	G	11		100.00	Europ Assistance Versicherungs-Aktiengesellschaft	100.00	99.99
Cosmos Lebensversicherungs Aktiengesellschaft	094	EUR	11,762,200	G	2		100.00	Generali Deutschland AG	100.00	100.00
Cosmos Versicherung Aktiengesellschaft	094	EUR	9,205,200	G	2		100.00	Generali Deutschland AG	100.00	100.00

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding %				Group Equity Ratio[3]
						Direct	Indirect	Through	Total	
ENVIVAS Krankenversicherung AG	094	EUR	1,022,800	G	2		100.00	Generali Deutschland AG	100.00	100.00
ADVOCARD Rechtsschutzversicherung AG	094	EUR	12,920,265	G	2		100.00	Generali Deutschland AG	100.00	100.00
Generali Deutschland Pensionskasse AG	094	EUR	7,500,000	G	2		100.00	Generali Deutschland AG	100.00	100.00
Generali Beteiligungs-GmbH	094	EUR	1,005,000	G	4	100.00			100.00	100.00
ALLWO GmbH	094	EUR	17,895,500	G	10		46.86	AachenMünchener Versicherung AG	100.00	100.00
							53.14	Generali Versicherung Aktiengesellschaft		
Generali 3. Immobilien AG & Co. KG	094	EUR	62,667,551	G	10		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
Generali Private Equity Investments GmbH	094	EUR	500,000	G	9		100.00	Generali Investments Holding S.p.A.	100.00	99.63
VVS Vertriebsservice für Vermögensberatung GmbH	094	EUR	250,000	G	11		100.00	ATLAS Dienstleistungen für Vermögensberatung GmbH	100.00	74.00
Generali Investments Deutschland Kapitalanlagegesellschaft mbH	094	EUR	9,050,000	G	8		100.00	Generali Investments Holding S.p.A.	100.00	99.63
Generali Pensionsfonds AG	094	EUR	5,100,000	G	2		100.00	Generali Beteiligungs- und Verwaltungs-AG	100.00	100.00
Generali European Real Estate Income Investments GmbH & Co. KG	094	EUR	20,203,178	G	10		5.55	Dialog Lebensversicherungs-Aktiengesellschaft	99.99	99.99
							5.55	ADVOCARD Rechtsschutzversicherung AG		
							22.20	AachenMünchener Lebensversicherung AG		
							22.20	Central Krankenversicherung Aktiengesellschaft		
							27.75	Generali Lebensversicherung Aktiengesellschaft		
							16.65	Cosmos Lebensversicherungs Aktiengesellschaft		
							0.05	Generali Deutschland Immobilien Verwaltungs GmbH		
							0.04	Generali Real Estate S.p.A.		
Generali Northern America Real Estate Investments GmbH & Co. KG	094	EUR	17,560,021	G	10		27.77	AachenMünchener Lebensversicherung AG	99.95	99.95
							38.83	Generali Lebensversicherung Aktiengesellschaft		
							16.65	Central Krankenversicherung Aktiengesellschaft		
							16.65	Cosmos Lebensversicherungs Aktiengesellschaft		
							0.01	Generali Deutschland Immobilien Verwaltungs GmbH		
							0.05	Generali Real Estate S.p.A.		
Generali Beteiligungs- und Verwaltungs-AG	094	EUR	66,963,298	G	4		100.00	Generali Deutschland AG	100.00	100.00
AM Erste Immobilien AG & Co. KG	094	EUR	53,875,499	G	10		100.00	AachenMünchener Lebensversicherung AG	100.00	100.00
CENTRAL Erste Immobilien AG & Co. KG	094	EUR	4,823,507	G	10		100.00	Central Krankenversicherung Aktiengesellschaft	100.00	100.00
CENTRAL Zweite Immobilien AG & Co. KG	094	EUR	12,371,997	G	10		100.00	Central Krankenversicherung Aktiengesellschaft	100.00	100.00
Deutsche Bausparkasse Badenia Aktiengesellschaft	094	EUR	40,560,000	G	7		100.00	Generali Deutschland AG	100.00	100.00

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[3]
Volksfürsorge 1.Immobilien AG & Co. KG	094	EUR	3,583	G	10		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
Thuringia Generali 1.Immobilien AG & Co. KG	094	EUR	21,388,630	G	10		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
Thuringia Generali 2.Immoblien AG & Co. KG	094	EUR	84,343,265	G	10		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
AM Vers Erste Immobilien AG & Co. KG	094	EUR	16,775,749	G	10		100.00	AachenMünchener Versicherung AG	100.00	100.00
AM Sechste Immobilien AG & Co. KG	094	EUR	85,025,000	G	10		100.00	AachenMünchener Lebensversicherung AG	100.00	100.00
DBB Vermögensverwaltung GmbH & Co. KG	094	EUR	21,214,579	G	10		100.00	Deutsche Bausparkasse Badenia Aktiengesellschaft	100.00	100.00
Generali Deutschland Services GmbH	094	EUR	100,000	G	11		100.00	Generali Deutschland AG	100.00	100.00
Generali Deutschland Schadenmanagement GmbH	094	EUR	100,000	G	11		100.00	Generali Deutschland AG	100.00	100.00
Generali Deutschland Finanzdienstleistung GmbH	094	EUR	52,000	G	11		100.00	Generali Deutschland AG	100.00	100.00
Generali Deutschland Informatik Services GmbH	094	EUR	15,000,000	G	11		100.00	Generali Deutschland AG	100.00	100.00
ATLAS Dienstleistungen für Vermögensberatung GmbH	094	EUR	4,100,000	G	11		74.00	AachenMünchener Lebensversicherung AG	74.00	74.00
AM Gesellschaft für betriebliche Altersversorgung mbH	094	EUR	60,000	G	11		100.00	AachenMünchener Lebensversicherung AG	100.00	100.00
Cosmos Finanzservice GmbH	094	EUR	25,565	G	11		100.00	Cosmos Versicherung Aktiengesellschaft	100.00	100.00
Generali Pensions- und SicherungsManagement GmbH	094	EUR	25,000	G	11		100.00	Generali Beteiligungs- und Verwaltungs-AG	100.00	100.00
Volksfürsorge 5.Immobilien AG & Co. KG	094	EUR	637,238,457	G	10		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
Grundstücksgesellschaft Einkaufszentrum Marienplatz-Galerie Schwerin mbH & Co. KG	094	EUR	14,805,190	G	10		100.00	AachenMünchener Versicherung AG	100.00	100.00
Grundstücksgesellschaft Einkaufszentrum Louisen-Center Bad Homburg mbH & Co. KG	094	EUR	77,675,829	G	10		100.00	Generali Deutschland AG	100.00	100.00
GID Fonds AAREC	094	EUR	3,538,647,418	G	11		0.85	Dialog Lebensversicherungs-Aktiengesellschaft	100.00	100.00
							22.74	AachenMünchener Lebensversicherung AG		
							21.05	Central Krankenversicherung Aktiengesellschaft		
							10.92	Cosmos Lebensversicherungs Aktiengesellschaft		
							0.46	ADVOCARD Rechtsschutzversicherung AG		
							0.67	Generali Deutschland Pensionskasse AG		
							43.30	GID Fonds GLRET		
GID Fonds ALAOT	094	EUR	803,034,597	G	11		100.00	AachenMünchener Lebensversicherung AG	100.00	100.00
GID Fonds CLAOT	094	EUR	330,312,556	G	11		100.00	Cosmos Lebensversicherungs Aktiengesellschaft	100.00	100.00
GID Fonds AVAOT	094	EUR	89,462,713	G	11		100.00	Generali Versicherung Aktiengesellschaft	100.00	100.00
GID Fonds CEAOT	094	EUR	478,042,318	G	11		100.00	Central Krankenversicherung Aktiengesellschaft	100.00	100.00
GID Fonds VLAOT	094	EUR	1,629,328,619	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[3]
GID Fonds GLLAE	094	EUR	651,433,814	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
GID Fonds GDRET	094	EUR	192,349,528	G	11		8.79	Generali Deutschland AG	100.00	100.00
							43.10	Generali Versicherung Aktiengesellschaft		
							13.45	Cosmos Versicherung Aktiengesellschaft		
							34.66	ADVOCARD Rechtsschutzversicherung AG		
GID Fonds AMLRET	094	EUR	574,466,602	G	11		100.00	AachenMünchener Lebensversicherung AG	100.00	100.00
GID Fonds GVMET	094	EUR	329,182,874	G	11		100.00	Generali Versicherung Aktiengesellschaft	100.00	100.00
GID Fonds GLMET	094	EUR	801,922,792	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
GID Fonds GLRET 3	094	EUR	847,684,513	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
GID Fonds GLRET 2	094	EUR	781,522,027	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
GID Fonds GLRET 4	094	EUR	473,253,221	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
Vofü Fonds I Hamburgische Grundbesitz und Anlage GmbH & Co.KG	094	EUR	14,800,000	G	10		54.19	Generali Beteiligungs- und Verwaltungs-AG	54.19	54.19
GID-Fonds GPRET	094	EUR	99,461,953	G	11		96.79	Generali Pensionsfonds AG	96.79	96.79
GLL AMB Generali Properties Fund I GmbH & Co. KG	094	EUR	33,140,467	G	11		100.00	GLL AMB Generali Cross-Border Property Fund FCP	100.00	100.00
GLL AMB Generali Properties Fund II GmbH & Co. KG	094	EUR	64,304,996	G	11		100.00	GLL AMB Generali Cross-Border Property Fund FCP	100.00	100.00
GLL Properties Fund I LP	069	USD	33,010,030	G	10		100.00	GLL AMB Generali Properties Fund I GmbH & Co. KG	100.00	100.00
GLL Properties Fund II LP	069	USD	82,366,056	G	11		100.00	GLL AMB Generali Properties Fund II GmbH & Co. KG	100.00	100.00
GLL Properties 444 Noth Michig. LP	069	USD	82,366,056	G	10		100.00	GLL Properties Fund II LP	100.00	100.00
GLL AMB Generali 200 State Street	094	EUR	36,756,490	G	11		100.00	GLL AMB Generali Cross-Border Property Fund FCP	100.00	100.00
GID Fonds AVAOT II	094	EUR	40,670,985	G	11		100.00	AachenMünchener Versicherung AG	100.00	100.00
GID Fonds AVAOT III	094	EUR	32,343,178	G	11		100.00	ADVOCARD Rechtsschutzversicherung AG	100.00	100.00
GID Fonds ALRET	094	EUR	1,546,241,459	G	11		100.00	AachenMünchener Lebensversicherung AG	100.00	100.00
GID Fonds CERET	094	EUR	1,996,846,378	G	11		100.00	Central Krankenversicherung Aktiengesellschaft	100.00	100.00
GID-Fonds CLRET	094	EUR	807,733,855	G	11		100.00	GID-Fonds CLRET 2	100.00	100.00
GID Fonds GLRET	094	EUR	4,298,842,987	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
GID Fonds DLRET	094	EUR	58,377,878	G	11		100.00	Dialog Lebensversicherungs-Aktiengesellschaft	100.00	100.00
GID Fonds GDPRET	094	EUR	259,753,829	G	11		100.00	Generali Deutschland Pensionskasse AG	100.00	100.00
GID Fonds GVRET	094	EUR	431,054,657	G	11		100.00	Generali Versicherung Aktiengesellschaft	100.00	100.00
Gentum Nr. 1	094	EUR	165,791,132	G	11		2.00	Dialog Lebensversicherungs-Aktiengesellschaft	100.00	100.00
							23.00	AachenMünchener Lebensversicherung AG		

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding %				Group Equity Ratio[3]
						Direct	Indirect	Through	Total	
							27.00	Generali Lebensversicherung Aktiengesellschaft		
							25.00	Central Krankenversicherung Aktiengesellschaft		
							20.00	Cosmos Lebensversicherungs Aktiengesellschaft		
							3.00	ADVOCARD Rechtsschutzversicherung AG		
GID Fonds AVRET	094	EUR	174,640,692	G	11		100.00	AachenMünchener Versicherung AG	100.00	100.00
GID Fonds GLAKOR	094	EUR	153,482,488	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
GID Fonds AARGT	094	EUR	229,675,128	G	11		100.00	Cosmos Lebensversicherungs Aktiengesellschaft	100.00	100.00
Gentum Nr. 2	094	EUR	241,723,995	G	11		39.99	AachenMünchener Lebensversicherung AG	100.00	100.00
							39.99	Generali Lebensversicherung Aktiengesellschaft		
							20.02	Central Krankenversicherung Aktiengesellschaft		
GID-Fonds GLRET 5	094	EUR	6,478,471,303	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
GID Fonds DLAET	094	EUR	36,799,732	G	11		100.00	Dialog Lebensversicherungs-Aktiengesellschaft	100.00	100.00
GID-Fonds AAINF	094	EUR	59,729,958	G	11		40.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
							27.50	AachenMünchener Lebensversicherung AG		
							17.50	Central Krankenversicherung Aktiengesellschaft		
							15.00	Cosmos Lebensversicherungs Aktiengesellschaft		
GID-Fonds AAHYSL	094	EUR	262,979,492	G	11		32.10	AachenMünchener Lebensversicherung AG	97.94	97.94
							30.52	Generali Lebensversicherung Aktiengesellschaft		
							20.38	Central Krankenversicherung Aktiengesellschaft		
							14.94	Generali Deutschland Pensionskasse AG		
GID-Fonds CLRET 2	094	EUR	788,547,750	G	11		100.00	Cosmos Lebensversicherungs Aktiengesellschaft	100.00	100.00
GID-Fonds AACAGS	094	EUR	276,426,351	G	11		27.48	AachenMünchener Versicherung AG	100.00	100.00
							53.90	Generali Versicherung Aktiengesellschaft		
							11.18	Cosmos Versicherung Aktiengesellschaft		
							7.43	ADVOCARD Rechtsschutzversicherung AG		
GID-Fonds AACBGS	094	EUR	256,580,952	G	11		38.73	AachenMünchener Lebensversicherung AG	95.88	95.88
							17.90	Generali Lebensversicherung Aktiengesellschaft		
							9.72	Central Krankenversicherung Aktiengesellschaft		
							29.12	Cosmos Lebensversicherungs Aktiengesellschaft		

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[3]
							0.41	ENVIVAS Krankenversicherung AG		
GID-Fonds ALAET	094	EUR	299,999,520	G	11		100.00	AachenMünchener Lebensversicherung AG	100.00	100.00
Generali IARD S.A.	029	EUR	94,630,300	G	2		100.00	Generali France Assurances S.A.	100.00	98.93
Generali Vie S.A.	029	EUR	332,321,184	G	2		100.00	Generali France Assurances S.A.	100.00	98.93
L'Equité S.A. Cie d'Assurances et Réass. contre les risques de toute nature	029	EUR	22,469,320	G	2		99.99	Generali IARD S.A.	99.99	98.92
GFA Caraïbes	213	EUR	6,839,360	G	2		100.00	Generali IARD S.A.	100.00	98.93
Prudence Creole	247	EUR	7,026,960	G	2		95.17	Generali IARD S.A.	95.18	94.16
							0.01	Generali France S.A.		
SAS Lonthènes	029	EUR	529,070	G	10		100.00	Generali Vie S.A.	100.00	98.93
Europ Assistance France S.A.	029	EUR	2,464,320	G	11		100.00	Europ Assistance Holding S.A.	100.00	99.99
Ocealis S.A.S.	029	EUR	300,000	G	11		75.00	Europ Assistance Holding S.A.	75.00	74.99
Generali France S.A.	029	EUR	114,336,053	G	4	67.09			98.93	98.93
							31.84	Participatie Maatschappij Graafschap Holland N.V.		
Europ Assistance Holding S.A.	029	EUR	17,316,016	G	2	95.67			99.99	99.99
							4.31	Participatie Maatschappij Graafschap Holland N.V.		
Cofifo S.A.S.	029	EUR	3,900,000	G	9		100.00	Generali France S.A.	100.00	98.93
Suresnes Immobilier S.A.S.	029	EUR	43,040,000	G	10		100.00	Generali Vie S.A.	100.00	98.93
Generali France Assurances S.A.	029	EUR	1,038,510,560	G	5		100.00	Generali France S.A.	100.00	98.93
Haussmann Investissement SAS	029	EUR	2,501,000	G	9		10.00	Generali IARD S.A.	100.00	98.93
							90.00	Generali Vie S.A.		
Expert & Finance S.A.	029	EUR	3,258,310	G	11		96.79	Generali Vie S.A.	96.79	95.75
SCI Terra Nova V Montreuil	029	EUR	19,800,000	G	10		30.00	Generali Vie S.A.	100.00	98.93
							70.00	Generali IARD S.A.		
Courtage Inter Caraibes	213	EUR	50,000	G	11		99.76	GFA Caraïbes	99.76	98.69
GEII Rivoli Holding SAS	029	EUR	12,000,000	G	10		100.00	Generali Europe Income Holding S.A.	100.00	99.64
Immobiliere Commerciale des Indes Orientales IMMOCIO	029	EUR	134,543,500	G	10		100.00	Generali Vie S.A.	100.00	98.93
SAS IMMOCIO CBI	029	EUR	61,058,016	G	10		100.00	Immobiliere Commerciale des Indes Orientales IMMOCIO	100.00	98.93
Europ Assistance S.A.	029	EUR	35,402,786	G	2		100.00	Europ Assistance Holding S.A.	100.00	99.99
Europ Téléassistance S.A.S.	029	EUR	100,000	G	11		100.00	Europ Assistance France S.A.	100.00	99.99
SCI Generali Reaumur	029	EUR	10,643,469	G	10		100.00	Generali Vie S.A.	100.00	98.93
SCI du 54 Avenue Hoche	029	EUR	152,400	G	10		100.00	Generali Vie S.A.	100.00	98.93
SCI 42 Notre Dame Des Victoires	029	EUR	13,869,690	G	10		100.00	Generali Vie S.A.	100.00	98.93
SCI Generali Pyramides	029	EUR	603,600	G	10		67.88	Generali IARD S.A.	100.00	98.93
							32.12	SCI Generali Wagram		
SCI Generali Wagram	029	EUR	284,147	G	10		100.00	Generali IARD S.A.	100.00	98.93

Subsidiaries Consolidated line by line

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SCI du Coq	029	EUR	12,877,678	G	10		0.81	Generali IARD S.A.	100.00	98.93
							99.19	Generali Vie S.A.		
SCI Espace Seine-Generali	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	98.93
SCI GF Pierre	029	EUR	47,394,248	G	10		1.18	Generali IARD S.A.	100.00	98.93
							90.96	Generali Vie S.A.		
							7.86	SCI Generali Wagram		
SCI Landy-Novatis	029	EUR	1,000	G	10		0.10	Generali Vie S.A.	100.00	98.93
							99.90	SC Novatis		
SCI Cogipar	029	EUR	10,000	G	10		100.00	Generali Vie S.A.	100.00	98.93
SCI Font Romeu Neige et Soleil	029	EUR	15,200	G	10		100.00	Generali IARD S.A.	100.00	98.93
SC Commerce Paris	029	EUR	1,746,570	G	10		100.00	Generali Vie S.A.	100.00	98.93
SCI Landy-Wilo	029	EUR	1,000	G	10		0.10	Generali IARD S.A.	100.00	98.93
							99.90	Generali Vie S.A.		
SCI Generali Carnot	029	EUR	10,525,000	G	10		100.00	Generali Vie S.A.	100.00	98.93
SCI Generali Commerce 1	029	EUR	100,000	G	10		100.00	Generali IARD S.A.	100.00	98.93
SCI Generali Commerce 2	029	EUR	100,000	G	10		100.00	Generali IARD S.A.	100.00	98.93
SCI Generali le Moncey	029	EUR	919,020	G	10		100.00	Generali Vie S.A.	100.00	98.93
SC Generali Logistique	029	EUR	122,720,767	G	10		100.00	Generali Vie S.A.	100.00	98.93
SCI Beaune Logistique 1	029	EUR	8,001,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Parcolog Lille Hénin Beaumont 2	029	EUR	1,130,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Iris La Défense	029	EUR	1,350	G	10		44.44	Generali IARD S.A.	100.00	98.93
							55.56	Generali Vie S.A.		
OPCI Parcolog Invest	029	EUR	225,848,750	G	10		100.00	Generali Vie S.A.	100.00	98.93
SCI Parc Logistique Maisonneuve 1	029	EUR	7,051,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Parc Logistique Maisonneuve 2	029	EUR	5,104,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Parc Logistique Maisonneuve 3	029	EUR	8,004,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Parc Logistique Maisonneuve 4	029	EUR	8,004,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Parcolog Isle D'Abeau 1	029	EUR	11,472,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Parcolog Isle D'Abeau 2	029	EUR	12,476,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Parcolog Isle D'Abeau 3	029	EUR	12,476,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Parcolog Gondreville Fontenoy 2	029	EUR	3,838,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Parcolog Combs La Ville 1	029	EUR	7,001,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Parcolog Mitry Mory	029	EUR	11,320,950	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Parcolog Bordeaux Cestas	029	EUR	9,508,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Parcolog Marly	029	EUR	7,001,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SC Parcolog Messageries	029	EUR	1,000	G	10		100.00	SC Generali Logistique	100.00	98.93
SCI Commerces Regions	029	EUR	1,000	G	10		99.00	Generali Vie S.A.	100.00	98.93

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[3]
							1.00	Generali IARD S.A.		
SCI Thiers Lyon	029	EUR	1,000	G	10		99.00	Generali Vie S.A.	100.00	98.93
							1.00	Generali IARD S.A.		
SCI Iliade Massy	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	98.93
SAS Parcolog Lille Henin Beaumont 1	029	EUR	302,845	G	10		100.00	OPCI Parcolog Invest	100.00	98.93
OPCI Generali Bureaux	029	EUR	103,996,539	G	10		100.00	Generali Vie S.A.	100.00	98.93
OPCI Generali Residentiel	029	EUR	149,607,800	G	10		100.00	Generali Vie S.A.	100.00	98.93
OPCI GB1	029	EUR	153,698,740	G	10		100.00	Generali Vie S.A.	100.00	98.93
OPCI GR1	029	EUR	200,481,793	G	10		19.13	Generali IARD S.A.	100.00	98.92
							73.69	Generali Vie S.A.		
							7.18	L'Equité S.A. Cie d'Assurances et Réass. contre les risques de toute nature		
SCI 18-20 Paix	029	EUR	20,207,750	G	10		100.00	Generali Vie S.A.	100.00	98.93
SCI Berges de Seine	029	EUR	7,500,250	G	10		100.00	Generali Vie S.A.	100.00	98.93
SCI 6 MESSINE	029	EUR	9,631,000	G	10		100.00	OPCI GR1	100.00	98.93
SCI 204 PEREIRE	029	EUR	4,480,800	G	10		100.00	OPCI GR1	100.00	98.93
SCI 33 Avenue Montaigne	029	EUR	174,496	G	10		100.00	OPCI GR1	100.00	98.93
SCI 5/7 MONCEY	029	EUR	13,263,396	G	10		100.00	OPCI GR1	100.00	98.93
SCI 28 Cours Albert 1er	029	EUR	14,629,770	G	10		100.00	OPCI GR1	100.00	98.93
SC Novatis	029	EUR	17,081,141	G	10		100.00	Generali Vie S.A.	100.00	98.93
SCI Bureaux Paris	029	EUR	250	G	10		100.00	Generali Vie S.A.	100.00	98.93
Generali Holding Vienna AG	008	EUR	63,732,464	G	5		29.67	Generali Beteiligungsverwaltung GmbH	100.00	100.00
							0.08	Generali Worldwide Insurance Company Limited		
							32.39	Participatie Maatschappij Graafschap Holland N.V.		
							0.05	Generali Finance B.V.		
							37.81	Transocean Holding Corporation		
Europäische Reiseversicherungs AG	008	EUR	730,000	G	2		74.99	Generali Holding Vienna AG	74.99	74.99
HSR Verpachtung GmbH	008	EUR	35,000	G	10		40.00	Generali Versicherung AG	100.00	85.00
							60.00	BAWAG PSK Versicherung AG		
MKE Kaufhausvermietungs GmbH	008	EUR	72,673	G	10		100.00	HSR Verpachtung GmbH	100.00	85.00
Generali Versicherung AG	008	EUR	27,338,520	G	2		100.00	Generali Holding Vienna AG	100.00	100.00
BAWAG PSK Versicherung AG	008	EUR	12,000,000	G	2		75.00	Generali Holding Vienna AG	75.00	75.00
Europ Assistance Gesellschaft mbH	008	EUR	70,000	G	11		75.00	Europ Assistance Holding S.A.	100.00	99.99
							25.00	Generali Holding Vienna AG		
Generali Sales Promotion GmbH	008	EUR	50,000	G	11		100.00	Generali Versicherung AG	100.00	100.00
Allgemeine Immobilien-Verwaltungs GmbH & Co. KG	008	EUR	17,441,553	G	10		100.00	Generali Versicherung AG	100.00	100.00

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[(1)]	Activity[(2)]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[(3)]
Generali Capital Management GmbH	008	EUR	150,000	G	8		100.00	Generali Holding Vienna AG	100.00	100.00
Generali IT-Solutions GmbH	008	EUR	35,000	G	11		100.00	Generali Holding Vienna AG	100.00	100.00
Generali Immobilien GmbH	008	EUR	4,900,000	G	10		100.00	Generali Versicherung AG	100.00	100.00
CA Global Property Internationale Immobilien AG	008	EUR	11,264,315	G	10		100.00	Generali Versicherung AG	100.00	100.00
Generali Beteiligungsverwaltung GmbH	008	EUR	1,000,000	G	4	100.00			100.00	100.00
Generali VIS Informatik GmbH	008	EUR	35,000	G	11		100.00	Generali Holding Vienna AG	100.00	100.00
Generali Bank AG	008	EUR	26,000,000	G	7		78.57	Generali Holding Vienna AG	100.00	100.00
							21.43	Generali Versicherung AG		
Generali Leasing GmbH	008	EUR	730,000	G	11		100.00	Generali Versicherung AG	100.00	100.00
Care Consult Versicherungsmakler GmbH	008	EUR	138,078	G	11		100.00	Europäische Reiseversicherungs AG	100.00	74.99
3 Banken-Generali-GLStock	008	EUR	382,732,802	G	11		100.00	Generali Versicherung AG	100.00	100.00
3 Banken Generali GLBond Spezialfonds	008	EUR	605,639,003	G	11		100.00	Generali Versicherung AG	100.00	100.00
3 Banken-Generali-GSBond	008	EUR	313,002,141	G	11		100.00	Generali Versicherung AG	100.00	100.00
3 Banken-Generali - GEN4A Spezialfonds	008	EUR	30,758,850	G	11		100.00	Generali Versicherung AG	100.00	100.00
BAWAG Spezialfonds 6	008	EUR	117,014,976	G	11		100.00	BAWAG PSK Versicherung AG	100.00	75.00
3 Banken-Generali - GEN4Dividend Spezialfonds	008	EUR	86,095,954	G	11		100.00	Generali Versicherung AG	100.00	100.00
Generali European Retail Investments Holdings S.A.	092	EUR	256,050	G	9		100.00	Generali European Real Estate Investments S.A.	100.00	99.50
Generali Luxembourg S.A.	092	EUR	75,000,000	G	2		100.00	Generali France S.A.	100.00	98.93
Generali Investments Luxembourg S.A.	092	EUR	1,921,900	G	11		100.00	Generali Investments Holding S.p.A.	100.00	99.63
Generali Real Estate Luxembourg S.à r.l.	092	EUR	250,000	G	8		100.00	Generali Real Estate S.p.A.	100.00	100.00
Generali North American Holding 1 S.A.	092	USD	13,246,799	G	11		91.80	Generali Vie S.A.	100.00	98.96
							8.20	Generali Real Estate Investments B.V.		
Generali North American Holding 2 S.A.	092	USD	7,312,384	G	11		100.00	Generali Northern America Real Estate Investments GmbH & Co. KG	100.00	99.95
Generali North American Holding S.A.	092	USD	15,600,800	G	8		22.22	Alleanza Assicurazioni S.p.A.	100.00	100.00
							10.56	Genertellife S.p.A.		
							67.22	Generali Italia S.p.A.		
Generali Europe Income Holding S.A.	092	EUR	39,235,001	G	8		4.52	Generali Immobilien GmbH	100.00	99.64
							20.34	Generali European Real Estate Income Investments GmbH & Co. KG		
							20.76	Generali Vie S.A.		
							9.04	Alleanza Assicurazioni S.p.A.		
							4.29	Genertellife S.p.A.		
							27.35	Generali Italia S.p.A.		
							10.88	Generali Luxembourg S.A.		
							2.82	Generali Real Estate Investments B.V.		

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[3]
Generali European Real Estate Investments S.A.	092	EUR	205,685,116	G	8		7.45	Generali Versicherung AG	100.00	99.50
							5.96	AachenMünchener Lebensversicherung AG		
							12.67	Generali Lebensversicherung Aktiengesellschaft		
							3.73	Generali España, S.A. de Seguros y Reaseguros		
							42.31	Generali Vie S.A.		
							18.64	Generali Italia S.p.A.		
							7.45	Generali Real Estate Investments B.V.		
							0.89	Generali Vida Companhia de Seguros S.A.		
							0.89	Generali Companhia de Seguros, S.A.		
Frescobaldi S.à.r.l.	092	EUR	1,000,000	G	9		100.00	Generali European Real Estate Investments S.A.	100.00	99.50
GLL AMB Generali Cross-Border Property Fund FCP	092	EUR	225,000,000	G	9		33.33	AachenMünchener Lebensversicherung AG	100.00	100.00
							38.10	Generali Lebensversicherung Aktiengesellschaft		
							19.05	Central Krankenversicherung Aktiengesellschaft		
							9.52	Cosmos Lebensversicherungs Aktiengesellschaft		
BG Fund Management Luxembourg S.A.	092	EUR	2,000,000	G	11		100.00	Banca Generali S.p.A.	100.00	50.44
GLL AMB Generali City22 S.à.r.l.	092	EUR	200,000	G	11		100.00	GLL AMB Generali Cross-Border Property Fund FCP	100.00	100.00
Corelli S.à.r.l.	092	EUR	1,000,000	G	9		100.00	Generali European Real Estate Investments S.A.	100.00	99.50
Torelli S.à.r.l.	092	EUR	12,500	G	9		100.00	Generali European Real Estate Investments S.A.	100.00	99.50
Sammartini S.à.r.l.	092	EUR	12,500	G	9		100.00	Generali European Real Estate Investments S.A.	100.00	99.50
GLL AMB Generali Bankcenter S.à.r.l.	092	EUR	175,000	G	11		100.00	GLL AMB Generali Cross-Border Property Fund FCP	100.00	100.00
Generali Diversification USD Investment Grade Corporate Bond Fund	092	EUR	1,037,304,600	G	11		0.65	Dialog Lebensversicherungs-Aktiengesellschaft	98.51	98.51
							65.68	AachenMünchener Lebensversicherung AG		
							21.26	Central Krankenversicherung Aktiengesellschaft		
							2.77	Cosmos Lebensversicherungs Aktiengesellschaft		
							0.47	ENVIVAS Krankenversicherung AG		
							7.57	Generali Deutschland Pensionskasse AG		
							0.10	Generali Pensionsfonds AG		
Generali Diversification USD Corporate Bond Fund AAA - A-	092	EUR	2,375,975,204	G	11		0.61	Generali Belgium S.A.	100.00	100.00
							0.49	Dialog Lebensversicherungs-Aktiengesellschaft		

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[3]
							16.17	AachenMünchener Lebensversicherung AG		
							55.61	Generali Lebensversicherung Aktiengesellschaft		
							7.82	Central Krankenversicherung Aktiengesellschaft		
							16.35	Cosmos Lebensversicherungs Aktiengesellschaft		
							0.22	ENVIVAS Krankenversicherung AG		
							2.61	Generali Deutschland Pensionskasse AG		
							0.12	Generali Pensionsfonds AG		
Sellin Bond Sub-Fund II	092	EUR	421,420,630	G	11		100.00	Generali Deutschland AG	100.00	100.00
Generali Financial Hold SF2	092	EUR	714,259,968	G	11		4.72	Alleanza Assicurazioni S.p.A.	100.00	99.89
							15.84	Flandria Participations Financières S.A.		
							4.69	Generali Deutschland Holding AG		
							9.99	Generali Vie S.A.		
							10.66	Generali Worldwide Insurance Company Limited		
							2.39	Participatie Maatschappij Graafschap Holland N.V.		
							44.52	Generali Italia S.p.A.		
							7.19	Genertellife S.p.A.		
Generali España, S.A. de Seguros y Reaseguros	067	EUR	60,925,401	G	2		95.24	Generali España Holding de Entidades de Seguros S.A.	99.91	99.90
							4.67	Hermes Sociedad Limitada de Servicios Inmobiliarios y Generales		
Cajamar Vida S.A. de Seguros y Reaseguros	067	EUR	9,015,200	G	2		50.00	Generali España Holding de Entidades de Seguros S.A.	50.00	50.00
Cajamar Seguros Generales, S.A. de Seguros y Reaseguros	067	EUR	9,015,200	G	2		50.00	Generali España Holding de Entidades de Seguros S.A.	50.00	50.00
Europ Assistance España S.A. de Seguros y Reaseguros	067	EUR	3,612,000	G	2		5.00	Generali España, S.A. de Seguros y Reaseguros	100.00	99.98
							95.00	Europ Assistance Holding S.A.		
Europ Assistance Servicios Integrales de Gestion, S.A.	067	EUR	400,000	G	11		100.00	Europ Assistance España S.A. de Seguros y Reaseguros	100.00	99.98
Coris Gestión de Riesgos, S.L.	067	EUR	3,008	G	11		100.00	Europ Assistance Servicios Integrales de Gestion, S.A.	100.00	99.98
Generali España Holding de Entidades de Seguros S.A.	067	EUR	563,490,658	G	4	100.00			100.00	100.00
Hermes Sociedad Limitada de Servicios Inmobiliarios y Generales	067	EUR	24,933,093	G	10		100.00	Generali España, S.A. de Seguros y Reaseguros	100.00	99.90
Vitalicio Torre Cerdà S.l.	067	EUR	1,112,880	G	10		90.66	Generali España, S.A. de Seguros y Reaseguros	100.00	99.90
							9.34	Grupo Generali España Agrupación de Interés Económico		
Grupo Generali España Agrupación de Interés Económico	067	EUR	35,597,000	G	11		99.98	Generali España, S.A. de Seguros y Reaseguros	100.00	99.90

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method(1)	Activity(2)	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio(3)
							0.02	Generali España Holding de Entidades de Seguros S.A.		
GLL City22 S.L.	067	EUR	20,003,006	G	11		100.00	GLL AMB Generali City22 S.à.r.l.	100.00	100.00
Cafel Inversiones 2008, S.L.	067	EUR	3,006	G	10		100.00	Frescobaldi S.à.r.l.	100.00	99.50
Generali Vida Companhia de Seguros S.A.	055	EUR	9,000,000	G	2	79.16			99.99	99.99
							20.83	Generali Companhia de Seguros, S.A.		
Generali Companhia de Seguros, S.A.	055	EUR	41,000,000	G	2	100.00			100.00	100.00
Keviana – Empreendimentos Imobiliários, S.A.	055	EUR	50,000	G	10		100.00	Generali Vie S.A.	100.00	98.93
Europ Assistance - Companhia Portuguesa de Seguros de Assistencia, S.A.	055	EUR	7,500,000	G	2		53.00	Europ Assistance Holding S.A.	53.00	52.99
Europ Assistance - Serviços de Assistencia Personalizados S.A.	055	EUR	250,000	G	11		99.90	Europ Assistance - Companhia Portuguesa de Seguros de Assistencia, S.A.	99.90	52.94
Generali Belgium S.A.	009	EUR	40,000,000	G	2		22.52	Flandria Participations Financières S.A.	99.99	99.99
							32.29	Generali Italia S.p.A.		
							44.90	Participatie Maatschappij Graafschap Holland N.V.		
							0.28	Generali Finance B.V.		
Europ Assistance Belgium S.A.	009	EUR	6,012,000	G	2		100.00	Europ Assistance S.A.	100.00	99.99
Europ Assistance Services S.A.	009	EUR	186,000	G	11		20.00	Generali Belgium S.A.	100.00	99.99
							80.00	Europ Assistance Belgium S.A.		
Flandria Participations Financières S.A.	009	EUR	40,072,900	G	9	26.00			100.00	100.00
							74.00	Generali Italia S.p.A.		
Generali Levensverzekering Maatschappij N.V.	050	EUR	11,344,505	G	2		100.00	Generali Nederland N.V.	100.00	98.56
Generali Schadeverzekering Maatschappij N.V.	050	EUR	1,361,341	G	2		100.00	Generali Nederland N.V.	100.00	98.56
Participatie Maatschappij Graafschap Holland N.V.	050	EUR	3,000,000,000	G	4	55.79			100.00	100.00
							3.79	Alleanza Assicurazioni S.p.A.		
							6.32	Genertellife S.p.A.		
							34.11	Generali Italia S.p.A.		
Generali Nederland N.V.	050	EUR	5,545,103	G	4		12.77	Flandria Participations Financières S.A.	98.56	98.56
							36.46	Participatie Maatschappij Graafschap Holland N.V.		
							18.17	B.V. Algemene Holding en Financierings Maatschappij		
							31.17	Transocean Holding Corporation		
B.V. Algemene Holding en Financierings Maatschappij	050	EUR	4,696,625	G	9		100.00	Generali Holding Vienna AG	100.00	100.00
Generali Finance B.V.	050	EUR	500,000,000	G	4	26.00			100.00	100.00
							74.00	Generali Italia S.p.A.		
Redoze Holding N.V.	050	EUR	22,689,011	G	9	6.02			100.00	100.00

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[3]
							50.01	Generali Worldwide Insurance Company Limited		
							43.97	Transocean Holding Corporation		
Generali Asia N.V.	050	EUR	250,000	G	4		100.00	Participatie Maatschappij Graafschap Holland N.V.	100.00	100.00
Generali Turkey Holding B.V.	050	EUR	100,000	G	4		100.00	Participatie Maatschappij Graafschap Holland N.V.	100.00	100.00
Generali Real Estate Investments B.V.	050	EUR	250,000,000	G	10		59.66	Generali Belgium S.A.	100.00	99.42
							40.34	Generali Levensverzekering Maatschappij N.V.		
Saxon Land B.V.	050	EUR	15,576	G	10		20.00	Generali Italia S.p.A.	100.00	99.68
							10.00	Alleanza Assicurazioni S.p.A.		
							10.00	Genertellife S.p.A.		
							30.00	Generali Deutschland AG		
							30.00	Generali Vie S.A.		
Lion River I N.V.	050	EUR	576,496	G	9	30.02			100.00	99.67
							0.08	Generali Versicherung AG		
							0.35	Generali Assurances Générales SA		
							30.44	Generali Deutschland AG		
							0.17	Generali España, S.A. de Seguros y Reaseguros		
							30.44	Generali Vie S.A.		
							0.15	Alleanza Assicurazioni S.p.A.		
							0.07	Genertellife S.p.A.		
							0.36	Generali Italia S.p.A.		
							7.81	Lion River II N.V.		
							0.10	Generali CEE Holding B.V.		
Generali Horizon B.V.	050	EUR	90,760	G	9		100.00	Generali Worldwide Insurance Company Limited	100.00	100.00
Lion River II N.V.	050	EUR	48,500	G	9		2.06	Generali Beteiligungs-GmbH	100.00	99.98
							2.06	Generali Vie S.A.		
							2.06	Generali Italia S.p.A.		
							93.81	Participatie Maatschappij Graafschap Holland N.V.		
Generali CEE Holding B.V.	275	EUR	2,621,820	G	4	100.00			100.00	100.00
CZI Holdings N.V.	050	EUR	2,662,000,000	G	4		100.00	Generali CEE Holding B.V.	100.00	100.00
CP Strategic Investments N.V.	050	EUR	225,000	G	9		100.00	Ceská Pojištovna a.s.	100.00	100.00
Generali Saxon Land Development Company Ltd	031	GBP	250,000	G	8		20.00	Generali Italia S.p.A.	100.00	99.68
							10.00	Alleanza Assicurazioni S.p.A.		
							10.00	Genertellife S.p.A.		
							30.00	Generali Deutschland AG		

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[3]
							30.00	Generali Vie S.A.		
Generali PanEurope Limited	040	EUR	61,134,869	G	2	69.67			100.00	100.00
							4.92	Generali Deutschland AG		
							24.99	Generali Worldwide Insurance Company Limited		
							0.42	Generali Finance B.V.		
Genirland Limited	040	EUR	113,660,000	G	9		100.00	Participatie Maatschappij Graafschap Holland N.V.	100.00	100.00
Generali Hellas Insurance Company S.A.	032	EUR	22,776,198	G	2	100.00			100.00	100.00
Generali Biztosító Zrt.	077	HUF	4,500,000,000	G	2		100.00	Generali CEE Holding B.V.	100.00	100.00
Europai Utazasi Biztosito Rt.	077	HUF	400,000,000	G	2		13.00	Europäische Reiseversicherungs AG	74.00	70.75
							61.00	Generali Biztosító Zrt.		
Vàci utca Center Uzletközpont Kft	077	HUF	4,497,120	G	10		100.00	Generali Immobilien GmbH	100.00	100.00
Generali-Ingatlan Vagyonkezelo és Szolgáltató Kft.	077	HUF	5,296,788,000	G	10		100.00	Generali Biztosító Zrt.	100.00	100.00
Generali Alapkezelo Zártköruen Muködo Részvénytársaság	077	HUF	500,000,000	G	8		74.00	Generali Biztosító Zrt.	100.00	100.00
							26.00	Generali CEE Holding B.V.		
Genertel Biztosító Zrt.	077	HUF	1,180,000,000	G	2		100.00	Generali Biztosító Zrt.	100.00	100.00
Generali Pojistovna a.s.	275	CZK	500,000,000	G	2		100.00	Generali CEE Holding B.V.	100.00	100.00
Generali Velky Spalicek S.r.o.	275	CZK	1,800,000	G	10		100.00	Generali Immobilien GmbH	100.00	100.00
Generali Development spol. s.r.o.	275	CZK	200,000	G	10		100.00	Generali Pojistovna a.s.	100.00	100.00
PCS Praha Center Spol.s.r.o.	275	CZK	396,206,000	G	10		100.00	CA Global Property Internationale Immobilien AG	100.00	100.00
Direct Care s.r.o.	275	CZK	1,000,000	G	11		72.00	Generali Pojistovna a.s.	100.00	100.00
							28.00	Ceská Pojištovna a.s.		
Parížská 26, s.r.o.	275	CZK	200,000	G	10		100.00	Ceská Pojištovna a.s.	100.00	100.00
Palac Krizik a.s.	275	CZK	2,020,000	G	10		50.00	Ceská Pojištovna a.s.	100.00	100.00
							50.00	Generali Real Estate Fund CEE a.s.		
IDEE s.r.o.	275	CZK	200,000	G	10		100.00	Generali Real Estate Fund CEE a.s.	100.00	100.00
Ceská Pojištovna a.s.	275	CZK	4,000,000,000	G	2		100.00	CZI Holdings N.V.	100.00	100.00
Penzijní spolecnost Ceské Pojištovny, a.s.	275	CZK	300,000,000	G	11		100.00	CP Strategic Investments N.V.	100.00	100.00
Ceská pojištovna ZDRAVI a.s.	275	CZK	100,000,000	G	2		100.00	Ceská Pojištovna a.s.	100.00	100.00
Generali Investments CEE a.s.	275	CZK	52,000,000	G	8		100.00	CZI Holdings N.V.	100.00	100.00
CP INVEST investicní spolecnost, a.s.	275	CZK	91,000,000	G	8		100.00	CZI Holdings N.V.	100.00	100.00
Generali Services CEE a.s.	275	CZK	3,000,000	G	11		20.00	Generali Pojistovna a.s.	100.00	100.00
							80.00	Ceská Pojištovna a.s.		
REFICOR s.r.o.	275	CZK	100,000	G	11		19.60	Generali Pojistovna a.s.	100.00	100.00
							80.40	Ceská Pojištovna a.s.		
Generali Real Estate Fund CEE a.s.	275	CZK	264,000,000	G	9		19.70	GP Reinsurance EAD	100.00	100.00

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method(1)	Activity(2)	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio(3)
							10.23	Generali Pojistovna a.s.		
							70.08	Ceská Pojištovna a.s.		
City Empiria a.s.	275	CZK	2,004,000	G	10		100.00	Generali Real Estate Fund CEE a.s.	100.00	100.00
Solitaire Real Estate, a.s.	275	CZK	128,296,000	G	10		100.00	Generali Real Estate Fund CEE a.s.	100.00	100.00
Transformovaný fond Penzijní spolecnosti Ceské Pojištovny, a.s.	275	CZK	300,000,000	G	11		100.00	Penzijní spolecnost Ceské Pojištovny, a.s.	100.00	100.00
Generali Poistovna a.s.	276	EUR	25,000,264	G	2		100.00	Generali CEE Holding B.V.	100.00	100.00
Apollo Business Center IV, spol. s r.o.	276	EUR	25,000	G	10		100.00	Ceská Pojištovna a.s.	100.00	100.00
Generali Towarzystwo Ubezpieczen S.A.	054	PLN	191,000,000	G	2		100.00	Generali CEE Holding B.V.	100.00	100.00
Generali Zycie Towarzystwo Ubezpieczen S.A.	054	PLN	63,500,000	G	2		100.00	Generali CEE Holding B.V.	100.00	100.00
Generali Finance spólka z ograniczona odpowiedzialnoscia	054	PLN	15,230,000	G	8		100.00	Generali Towarzystwo Ubezpieczen S.A.	100.00	100.00
Generali Powszechne Towarzystwo Emerytalne S.A.	054	PLN	78,000,000	G	11		100.00	Generali Towarzystwo Ubezpieczen S.A.	100.00	100.00
PL Investment Jerozolimskie I SP. Z o.o.	054	PLN	10,000	G	11		100.00	Generali Real Estate Fund CEE a.s.	100.00	100.00
PL Investment Jerozolimskie II SP. Z o.o.	054	PLN	5,000	G	11		100.00	Generali Real Estate Fund CEE a.s.	100.00	100.00
Generali Zavarovalnica d.d.	260	EUR	39,520,356	G	2		100.00	Generali CEE Holding B.V.	100.00	100.00
FATA Asigurari S.A.	061	RON	37,520,480	G	2	100.00			100.00	100.00
Generali Societate de Administrare a Fondurilor de Pensii Private S.A.	061	RON	52,000,000	G	11		100.00	Ceská Pojištovna a.s.	100.00	100.00
S.C. Generali Romania Asigurare Reasigurare S.A.	061	RON	179,100,909	G	2		99.91	Generali CEE Holding B.V.	99.91	99.91
Generali Bulgaria Holding EAD	012	BGN	20,520,000	G	4		100.00	Generali CEE Holding B.V.	100.00	100.00
Generali Insurance AD	012	BGN	47,307,180	G	2	64.97			99.78	99.78
							34.81	Generali Bulgaria Holding EAD		
Generali Life Insurance AD	012	BGN	7,000,000	G	2		99.56	Generali Bulgaria Holding EAD	99.56	99.56
Generali Zakrila Medical and Dental Centre EOOD	012	BGN	100,000	G	11		100.00	Generali Insurance AD	100.00	99.78
GP Reinsurance EAD	012	BGN	53,400,000	G	5		100.00	Generali CEE Holding B.V.	100.00	100.00
Generali Osiguranje d.d.	261	HRK	81,000,000	G	3		100.00	Generali CEE Holding B.V.	100.00	100.00
Generali Assurances Générales SA	071	CHF	27,342,400	G	3		99.93	Generali (Schweiz) Holding AG	99.93	99.93
Generali Personenversicherungen AG	071	CHF	106,886,890	G	3		15.06	Generali Assurances Générales SA	100.00	99.99
							84.94	Generali (Schweiz) Holding AG		
Fortuna Rechtsschutz-Versicherung-Gesellschaft AG	071	CHF	3,000,000	G	3		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Europ Assistance (Suisse) S.A.	071	CHF	200,000	G	11		100.00	Europ Assistance (Suisse) Holding S.A.	100.00	84.99
Europ Assistance (Suisse) Assurances S.A.	071	CHF	3,000,000	G	3		100.00	Europ Assistance (Suisse) Holding S.A.	100.00	84.99
Europ Assistance (Suisse) Holding S.A.	071	CHF	1,400,000	G	4		75.00	Europ Assistance Holding S.A.	85.00	84.99
							10.00	Generali (Schweiz) Holding AG		
Generali (Schweiz) Holding AG	071	CHF	4,332,000	G	4	51.05			100.00	100.00

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method(1)	Activity(2)	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio(3)
							20.01	Generali Holding Vienna AG		
							28.94	Redoze Holding N.V.		
Fortuna Investment AG	071	CHF	1,000,000	G	8		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Generali Worldwide Insurance Company Limited	201	EUR	86,733,396	G	3		100.00	Participatie Maatschappij Graafschap Holland N.V.	100.00	100.00
Generali Portfolio Management (CI) Ltd	201	USD	194,544	G	9		100.00	Generali Worldwide Insurance Company Limited	100.00	100.00
GW Beta	202	GBP	745,676	G	9		100.00	Participatie Maatschappij Graafschap Holland N.V.	100.00	100.00
Fortuna Lebens-Versicherung AG	090	CHF	10,000,000	G	3		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Fortuna Investment AG, Vaduz	090	CHF	1,000,000	G	11		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Generali Sigorta A.S.	076	TRY	124,133,033	G	3		99.90	Generali Turkey Holding B.V.	99.90	99.90
Akcionarsko društvo za osiguranje Generali Osiguranje Montenegro	290	EUR	4,399,000	G	3		57.49	Akcionarsko društvo za osiguranje Generali Osiguranje Srbija	100.00	100.00
							42.51	Generali CEE Holding B.V.		
Akcionarsko društvo za osiguranje Generali Osiguranje Srbija	289	RSD	2,131,997,310	G	3		0.05	GP Reinsurance EAD	100.00	100.00
							99.95	Generali CEE Holding B.V.		
Akcionarsko društvo za reosiguranje Generali Reosiguranje Srbija	289	RSD	616,704,819	G	6		0.01	GP Reinsurance EAD	100.00	100.00
							99.99	Akcionarsko društvo za osiguranje Generali Osiguranje Srbija		
Akcionarsko društvo za upravljanje dobrovoljnim penzijskim fondom Generali	289	RSD	135,000,000	G	11		100.00	Akcionarsko društvo za osiguranje Generali Osiguranje Srbija	100.00	100.00
Europ Assistance USA Inc.	069	USD	5,000,000	G	11		100.00	Europ Assistance North America, Inc.	100.00	99.99
Europ Assistance North America, Inc.	069	USD	34,061,342	G	11		100.00	Europ Assistance Holding S.A.	100.00	99.99
Customized Services Administrators Inc.	069	USD	2,974,774	G	11		100.00	Europ Assistance North America, Inc.	100.00	99.99
GMMI Inc.	069	USD	400,610	G	11		100.00	Europ Assistance North America, Inc.	100.00	99.99
Transocean Holding Corporation	069	USD	194,980,600	G	9	100.00			100.00	100.00
General Securities Corporation of North America	069	USD	364,597	G	9		1.00	Generali North American Holding 1 S.A.	100.00	99.62
							1.00	Generali North American Holding 2 S.A.		
							1.00	Generali North American Holding S.A.		
							97.00	GNAREH 1 Farragut LLC		
GNAREH 1 Farragut LLC	069	USD	34,421,491	G	10		1.00	General Securities Corporation of North America	100.00	99.62
							35.73	Generali North American Holding 1 S.A.		
							21.09	Generali North American Holding 2 S.A.		
							42.18	Generali North American Holding S.A.		
GNAREI 1 Farragut LLC	069	USD	26,801,181	G	10		100.00	GNAREH 1 Farragut LLC	100.00	99.62
Genamerica Management Corporation	069	USD	100,000	G	11	100.00			100.00	100.00
Generali Consulting Solutions LLC	069	USD	156,420	G	11	100.00			100.00	100.00

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[3]
Generali Claims Solutions LLC	069	USD	269,558	G	11		100.00	Generali Consulting Solutions LLC	100.00	100.00
Europ Assistance Canada Inc.	013	CAD	6,738,011	G	9		100.00	Europ Assistance Holding S.A.	100.00	99.99
CMN Global Inc.	013	CAD	203	G	11		100.00	Europ Assistance Canada Inc.	100.00	99.99
Generali Argentina Compañía de Seguros S.A.	006	ARS	79,391,209	G	3	60.68			100.00	96.10
							39.32	Caja de Seguros S.A.		
Caja de Seguros S.A.	006	ARS	228,327,701	G	3		99.00	Caja de Ahorro y Seguro S.A.	99.99	90.09
							0.99	Participatie Maatschappij Graafschap Holland N.V.		
Caja de Ahorro y Seguro S.A.	006	ARS	269,000,000	G	4	62.50			90.00	90.00
							27.50	Genirland Limited		
Ritenere S.A.	006	ARS	530,000	G	11		2.01	Caja de Seguros S.A.	100.00	90.00
							97.99	Caja de Ahorro y Seguro S.A.		
Generali Brasil Seguros S.A.	011	BRL	993,924,630	G	3	96.59			100.00	100.00
							3.41	Transocean Holding Corporation		
Generali Latam Prestação de Serviços e Partecipações Ltda.	011	BRL	450,000	G	11	99.99			100.00	100.00
							0.01	Generali Brasil Seguros S.A.		
Generali Colombia Vida - Compañia de Seguros S.A.	017	COP	4,220,989,500	G	3	15.38			99.81	93.90
							68.28	Generali Colombia Seguros Generales S.A.		
							16.16	Transocean Holding Corporation		
Generali Colombia Seguros Generales S.A.	017	COP	34,244,441,700	G	3	88.25			91.34	91.34
							3.09	Transocean Holding Corporation		
Generali Ecuador Compañía de Seguros S.A.	024	USD	4,327,444	G	3	52.45			52.45	52.45
Aseguradora General S.A.	033	GTQ	500,000,000	G	3	51.00			51.00	51.00
PT Asuransi Jiwa Generali Indonesia	129	IDR	778,000,000,000	G	3		98.73	Generali Asia N.V.	98.73	98.73
PT Generali Services Indonesia	129	IDR	11,376,454	G	10		99.00	Generali Vie S.A.	100.00	98.93
							1.00	Generali IARD S.A.		
Generali Pilipinas Life Assurance Co. Inc.	027	PHP	1,515,050,500	G	3		100.00	Generali Pilipinas Holding Co. Inc.	100.00	60.00
Generali Pilipinas Insurance Co. Inc.	027	PHP	1,208,860,137	G	3		100.00	Generali Pilipinas Holding Co. Inc.	100.00	60.00
Generali Pilipinas Holding Co. Inc.	027	PHP	3,079,155,490	G	4		60.00	Generali Asia N.V.	60.00	60.00
Generali Life Assurance (Thailand) Co. Ltd	072	THB	3,300,000,000	G	3		49.00	Generali Asia N.V.	91.42	89.16
							42.42	KAG Holding Company Ltd		
Generali Insurance (Thailand) Co. Ltd	072	THB	860,000,000	G	3		47.67	Generali Asia N.V.	82.56	80.70
							34.88	KAG Holding Company Ltd		
IWF Holding Company Ltd	072	THB	2,300,000	G	4		43.48	Flandria Participations Financières S.A.	100.00	94.67
							56.52	DWP Partnership		

Subsidiaries Consolidated line by line

Company	Country	Currency	Share capital in original currency	Method(1)	Activity(2)	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio(3)
KAG Holding Company Ltd	072	THB	1,791,244,200	G	4		100.00	IWF Holding Company Ltd	100.00	94.67
FTW Company Limited	072	THB	200,000	G	4		90.57	Generali Asia N.V.	90.57	90.57
MGD Company Limited	072	THB	200,000	G	4		90.57	Generali Asia N.V.	90.57	90.57
DWP Partnership	072	THB	200,000	G	4		50.00	FTW Company Limited	100.00	90.57
							50.00	MGD Company Limited		
Generali Vietnam Life Insurance Limited Liability Company	062	VND	1,651,000,000,000	G	3	100.00			100.00	100.00
Generali China Life Insurance Co. Ltd	016	CNY	3,700,000,000	G	3	50.00			50.00	50.00
Generali China Assets Management Company Co. Ltd	016	CNY	200,000,000	G	9		80.00	Generali China Life Insurance Co. Ltd	80.00	40.00
Generali Financial Asia Limited	103	HKD	105,870,000	G	9	89.00			89.00	89.00
Generali Investments Asia Limited	103	HKD	50,000,000	G	9		100.00	Generali Investments Holding S.p.A.	100.00	99.63
NKFE Insurance Agency Company Limited	103	HKD	900,000	G	11		100.00	Generali Financial Asia Limited	100.00	89.00
Europ Assistance Worldwide Services (South Africa) (Pty) Ltd	078	ZAR	18,264,900	G	11		99.00	Europ Assistance Holding S.A.	99.00	98.99
HealthiChoices (Pty) Limited	078	ZAR	200	G	11		50.50	Europ Assistance Worldwide Services (South Africa) (Pty) Ltd	50.50	49.99
Europ Assistance Financial Services (Pty) Ltd	078	ZAR	100	G	11		58.00	Europ Assistance Worldwide Services (South Africa) (Pty) Ltd	58.00	57.41
EASA Training Academy (Pty) Ltd	078	ZAR	100	G	11		100.00	Europ Assistance Worldwide Services (South Africa) (Pty) Ltd	100.00	98.99
24 Fix (Pty) Ltd	078	ZAR	4,444,149	G	11		90.00	Europ Assistance Worldwide Services (South Africa) (Pty) Ltd	90.00	89.09
Access Health Africa (Proprietary) Limited	078	ZAR	1,000	G	11		100.00	Europ Assistance Worldwide Services (South Africa) (Pty) Ltd	100.00	98.99
Randgo Rewards (Pty) Ltd	078	ZAR	1,000	G	11		50.10	Europ Assistance Worldwide Services (South Africa) (Pty) Ltd	50.10	49.59
Buxola (Pty) Ltd	078	ZAR	100	G	11		100.00	Randgo Rewards (Pty) Ltd	100.00	49.59
MRI Criticare (Pty) Limited	078	ZAR	200	G	11		100.00	Europ Assistance Worldwide Services (South Africa) (Pty) Ltd	100.00	98.99

The percentage of consolidation in each subsidiaries consolidated line by line is 100%.

(1) Consolidation Method: Line-by-line consolidation method =G, Proportionate consolidation method = P, Line-by-line consolidation method arising from joint management = U

(2) 1=Italian Insurance companies; 2=EU Insurance companies; 3=non EU Insurance companies; 4=Insurance holding companies; 5=EU Reinsurance companies; 6=non EU Reinsurance companies; 7=Banks; 8=Asset Management companies; 9=other Holding companies; 10=Real Estate companies; 11=other

(3) Net Group partecipation percentage.

The total percentage of votes exercitable at shereholders'general meeting, which differs from that of direct on indirect shareholding, is a follows:

Generali Investments Europe 100.00%

Generali France 100.00%

FTW Company Limited 90.57%

MGD Company Limited 90.57%

Non-Consolidated Subsidiaries and Associated Companies

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[3]	Book Value (€ thousand)
Risparmio Assicurazioni S.p.A. in liquidazione	086	EUR	150,000	a	11		100.00	Generali Italia S.p.A.	100.00	100.00	161
Generali Horizon S.p.A.	086	EUR	120,000	a	9		100.00	Generali Italia S.p.A.	100.00	100.00	
Generali Corporate Services S.c.a.r.l. in liquidazione	086	EUR	10,000	a	11	1.00			100.00	99.47	10
							1.00	Genertel S.p.A.			
							1.00	Europ Assistance Italia S.p.A.			
							1.00	Banca Generali S.p.A.			
							1.00	Generali Infrastructure Services s.c.a.r.l.			
							1.00	Generali Business Solutions S.c.p.A.			
							1.00	Generali Real Estate S.p.A. SGR			
							1.00	Generali Investments Europe S.p.A. Società di Gestione Risparmio			
							2.00	Alleanza Assicurazioni S.p.A.			
							2.00	Genertellife S.p.A.			
							88.00	Generali Italia S.p.A.			
Initium S.r.l. in liquidazione (*)	086	EUR	1,712,185	b	10		49.00	Generali Properties S.p.A.	49.00	49.00	3,500
Sementi Ross S.r.l.	086	EUR	102,800	a	11		100.00	Sementi Dom Dotto S.p.A.	100.00	100.00	
Sementi Dom Dotto S.p.A.	086	EUR	3,500,000	a	11		100.00	Genagricola - Generali Agricoltura S.p.A.	100.00	100.00	3,820
Finagen S.p.A. in liquidazione	086	EUR	6,700,000	a	8		99.90	Alleanza Assicurazioni S.p.A.	100.00	100.00	5,228
							0.10	Generali Italia S.p.A.			
Investimenti Marittimi S.p.A.	086	EUR	103,000,000	b	9		30.00	Generali Italia S.p.A.	30.00	30.00	
Servizi Tecnologici Avanzati S.p.A.	086	EUR	102,000	b	11	25.00			25.00	25.00	
Genertel Servizi Assicurativi S.r.l.	086	EUR	80,000	a	11		50.00	Genertel S.p.A.	100.00	100.00	
							50.00	Genertellife S.p.A.			
Tiberina S.r.l. Unipersonale	086	EUR	20,000	a	11		100.00	Generali Italia S.p.A.	100.00	100.00	633
Telco S.p.A. (*)	086	EUR	687,375	b	8	9.07			19.32	19.31	
							0.28	AachenMünchener Lebensversicherung AG			
							0.05	AachenMünchener Versicherung AG			
							0.90	Generali Lebensversicherung Aktiengesellschaft			
							0.07	Generali Versicherung Aktiengesellschaft			
							0.11	Central Krankenversicherung Aktiengesellschaft			
							0.08	Cosmos Lebensversicherungs Aktiengesellschaft			
							1.43	Generali Vie S.A.			

Non-Consolidated Subsidiaries and Associated Companies

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[3]	Book Value (€ thousand)
							3.57	Alleanza Assicurazioni S.p.A.			
							3.76	Generali Italia S.p.A.			
CityLife Sviluppo 2 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	13
CityLife Sviluppo 3 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	13
CityLife Sviluppo 4 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	13
CityLife Sviluppo 5 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	13
CityLife Sviluppo 6 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	13
Consel S.p.A.	086	EUR	22,666,669	b	9		32.50	Generali Italia S.p.A.	32.50	32.50	22,100
Solaris S.r.l. in liquidazione (*)	086	EUR	20,000	b	10		50.00	Generali Properties S.p.A.	50.00	50.00	
Fondo Sammartini (*)	086	EUR	650,000	c	11	32.00			48.00	48.00	681
							16.00	Generali Italia S.p.A.			
Generali Investments - Società di Intermediazione Mobiliare S.p.A.	086	EUR	3,000,000	a	8		100.00	Generali Investments Holding S.p.A.	100.00	99.63	3,000
Generali Innovation Center for Automobile Repairs S.c.a.r.l.	086	EUR	3,100,000	a	11		1.00	Generali Business Solutions S.c.p.A.	100.00	100.00	3,132
							0.25	Genertel S.p.A.			
							98.75	Generali Italia S.p.A.			
Imprebanca S.p.A.	086	EUR	50,000,000	b	9		20.00	Generali Italia S.p.A.	20.00	20.00	10,000
Donatello Intermediazione S.r.l.	086	EUR	59,060	a	11	10.87			100.00	100.00	1,344
							89.13	Generali Italia S.p.A.			
Generali Deutschland Alternative Investments GmbH & Co. KG	094	EUR	60,000	a	9		100.00	Generali Deutschland AG	100.00	100.00	75
Generali Deutschland Alternative Investments Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	Generali Deutschland AG	100.00	100.00	25
vSPS Management GmbH	094	EUR	25,000	a	11		100.00	Generali Versicherung Aktiengesellschaft	100.00	100.00	25
BBG Beteiligungsgesellschaft m.b.H.	094	EUR	25,600	a	9		100.00	Deutsche Bausparkasse Badenia Aktiengesellschaft	100.00	100.00	33
Alstercampus Verwaltungsgesellschaft mbH	094	EUR	25,000	a	9		50.00	Generali Real Estate S.p.A.	50.00	50.00	13
Generali Partner GmbH	094	EUR	250,000	a	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00	808
GLL GmbH & Co. Retail KG	094	EUR	405,010,000	a	10	31.50			52.49	52.49	127,554
							5.25	AachenMünchener Lebensversicherung AG			
							7.87	Generali Lebensversicherung Aktiengesellschaft			
							7.87	Central Krankenversicherung Aktiengesellschaft			
Generali Deutschland Immobilien Verwaltungs GmbH	094	EUR	25,000	a	10		100.00	Generali Real Estate S.p.A.	100.00	100.00	35
BA1 Altercampus Grundstücksgesellschaft mbH & Co. KG (*)	094	EUR	1	c	10		50.00	Generali Lebensversicherung Aktiengesellschaft	50.00	50.00	580

Non-Consolidated Subsidiaries and Associated Companies

Company	Country	Currency	Share capital in original currency	Method(1)	Activity(2)	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio(3)	Book Value (€ thousand)
Zweite AM RE Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	AachenMünchener Versicherung AG	100.00	100.00	25
Generali Lloyd Versicherungsmakler GmbH	094	EUR	153,388	b	11		50.00	Generali Versicherung Aktiengesellschaft	50.00	50.00	
Generali Akademie GmbH	094	EUR	25,600	a	11		100.00	Generali Versicherung Aktiengesellschaft	100.00	100.00	
Versicherungs-Planer-Vermittlungs GmbH	094	EUR	35,600	a	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00	40
Thuringia Versicherungsvermittlungs-GmbH	094	EUR	25,600	a	11		100.00	Generali Beteiligungs- und Verwaltungs-AG	100.00	100.00	26
Deutscher Lloyd GmbH	094	EUR	30,700	a	11		100.00	Generali Beteiligungs- und Verwaltungs-AG	100.00	100.00	
MLV Beteiligungverwaltungsgesellschaft mbH	094	EUR	51,129	a	9		100.00	Generali Holding Vienna AG	100.00	100.00	41
Generali Finanz Service GmbH	094	EUR	26,000	a	11		100.00	Generali Beteiligungs- und Verwaltungs-AG	100.00	100.00	
Deutsche Vermögensberatung Aktiengesellschaft DVAG (*)	094	EUR	150,000,000	b	11		40.00	Generali Deutschland AG	40.00	40.00	263,937
MPC Real Value Fund GmbH & Co. KG	094	EUR	5,000,200	a	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00	3,379
GLL Retail USA GmbH	094	EUR	62,586,000	a	11		100.00	GLL GmbH & Co. Retail KG	100.00	52.49	
GLL Retail Europa GmbH	094	EUR	5,588,000	a	11		100.00	GLL GmbH & Co. Retail KG	100.00	52.49	
Stadtteilzentrum Panzerwiese Beteiligungs GmbH	094	EUR	41,389,000	a	11		94.80	GLL GmbH & Co. Retail KG	94.80	49.76	
Generali SicherungsTreuhand GmbH	094	EUR	52,000	a	11		100.00	Generali Beteiligungs- und Verwaltungs-AG	100.00	100.00	112
Volksfürsorge Fixed Assets GmbH	094	EUR	104,000	a	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00	104
Cosmos Fixed Assets GmbH	094	EUR	25,000	a	9	100.00			100.00	100.00	3,000
Central Fixed Assets GmbH	094	EUR	25,000	a	9		100.00	Central Krankenversicherung Aktiengesellschaft	100.00	100.00	25
AVW Versicherungsmakler GmbH	094	EUR	1,550,000	b	11		26.00	Generali Versicherung Aktiengesellschaft	26.00	26.00	2,232
Generali European Retail Investments GmbH & Co. KG	094	EUR	20,250	a	10		49.38	Generali Deutschland Immobilien Verwaltungs GmbH	100.00	100.00	94
							50.62	Generali Real Estate S.p.A.			
AM RE Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	AachenMünchener Lebensversicherung AG	100.00	100.00	25
AM Versicherungsvermittlung GmbH	094	EUR	25,000	a	11		100.00	AachenMünchener Versicherung AG	100.00	100.00	25
ver.di Service GmbH	094	EUR	75,000	b	11		50.00	Generali Versicherung Aktiengesellschaft	50.00	50.00	21
Dein Plus GmbH - Vorteile für Gewerkschaftsmitglieder	094	EUR	50,000	b	11		60.00	Generali Versicherung Aktiengesellschaft	60.00	60.00	
VOV GmbH	094	EUR	154,000	b	11		21.50	AachenMünchener Versicherung AG	43.00	43.00	1,735
							21.50	Generali Versicherung Aktiengesellschaft			
Louisen-Center Bad Homburg Verwaltungsgesellschaft mbH	094	EUR	25,000	a	10		94.90	Generali Deutschland AG	94.90	94.90	24

Non-Consolidated Subsidiaries and Associated Companies

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding %				Group Equity Ratio[3]	Book Value (€ thousand)
						Direct	Indirect	Through	Total		
Verwaltungsgesellschaft Marienplatz-Galerie Schwerin mbH	094	EUR	25,000	a	10		100.00	AachenMünchener Versicherung AG	100.00	100.00	25
Europ Assistance Océanie S.A.S.	225	XPF	24,000,000	a	11		99.88	Europ Assistance Holding S.A.	99.88	99.86	286
Cabinet Berat et Fils S.A.S.	029	EUR	8,000	a	11		100.00	Cofifo S.A.S.	100.00	98.93	2,672
ASSERCAR SAS	029	EUR	37,000	b	11		14.87	Generali IARD S.A.	29.73	29.41	311
							14.87	L'Equité S.A. Cie d'Assurances et Réass.contre les risques de toute nature			
COSEV@D Société par actions simplifiée	029	EUR	100,000	a	11		100.00	Cofifo S.A.S.	100.00	98.93	4,755
Generali Investments Opera SAS	029	EUR	1,000,000	a	8		100.00	Generali Investments Holding S.p.A.	100.00	99.63	1,000
VIGIE Assurances SARL Agence	029	EUR	4,271,610	a	11		100.00	Generali IARD S.A.	100.00	98.93	
Landy PVG S.A.S.	029	EUR	39,000	a	11		100.00	Cofifo S.A.S.	100.00	98.93	
Generali Reassurance Courtage S.A.	029	EUR	3,016,656	a	11		100.00	Generali France Assurances S.A.	100.00	98.93	2,219
Trieste Courtage S.A.	029	EUR	39,000	a	11		0.02	Generali Vie S.A.	99.98	98.91	39
							99.96	Generali France Assurances S.A.			
Bourbon Courtage S.A.	029	EUR	124,500	a	11		0.12	Generali IARD S.A.	100.00	94.17	310
							0.12	Generali Vie S.A.			
							99.76	Prudence Creole			
Generali 7 S.A.	029	EUR	270,000	a	11		0.06	Generali Vie S.A.	99.92	98.84	408
							0.03	Generali France S.A.			
							99.83	Generali France Assurances S.A.			
PMC Treize Montluçon S.A.S.	029	EUR	1,000	a	9		100.00	Generali France Assurances S.A.	100.00	98.93	3,372
Generali 9 S.A.S.	029	EUR	1,000	a	9		100.00	Generali France Assurances S.A.	100.00	98.93	4
Generali 10 S.A.S.	029	EUR	37,000	a	9		0.01	Generali Vie S.A.	100.00	98.93	37
							99.99	Generali France Assurances S.A.			
Generali Gerance S.A.	029	EUR	228,000	a	11		0.07	Generali IARD S.A.	99.73	98.66	241
							99.66	Generali Vie S.A.			
EAP France SA (*)	029	EUR	100,000	c	11		51.00	Europ Assistance France S.A.	51.00	50.99	480
Bien Être Assistance S.A.S. (*)	029	EUR	1,000,000	c	11		51.00	Europ Assistance France S.A.	51.00	50.99	695
Foncière Hypersud S.A. (*)	029	EUR	50,000,205	b	10		48.64	Generali Vie S.A.	48.64	48.11	5,792
Europ Assistance - IHS Services S.A.S.	029	EUR	7,287,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.99	
Risque et Sérénité S.A.	029	EUR	6,135,300	a	9		49.12	Generali Vie S.A.	61.16	60.50	3,916
							12.04	Generali France Assurances S.A.			
MAPREG	029	EUR	133,182	b	11		25.26	Generali France S.A.	25.26	24.99	5,750
Generali Revenus FCP	029	EUR	9,587,828	a	11		2.55	Generali IARD S.A.	100.00	98.93	
							97.45	Generali Vie S.A.			
GF Sante S.A.S.	029	EUR	921,150	a	11		100.00	Cofifo S.A.S.	100.00	98.93	953
ABT SAS	029	EUR	125,000	c	11		25.00	Generali France Assurances S.A.	25.00	24.73	31

Non-Consolidated Subsidiaries and Associated Companies

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio[3]	Book Value (€ thousand)
Metropole Assurances S.à r.l.	029	EUR	1,166,460	a	11		100.00	Generali IARD S.A.	100.00	98.93	
E3 S.a.r.l.	029	EUR	5,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	98.93	
SAS 100 CE (*)	029	EUR	49,967,080	c	10		49.67	Generali Europe Income Holding S.A.	49.67	49.49	23,815
SCI Les 3 Collines Le Ferandou	029	EUR	304,000	b	10		33.30	Generali IARD S.A.	48.30	47.78	142
							15.00	Generali Vie S.A.			
SCI Parcolog Isle d'Abeau Gestion	029	EUR	8,000	a	10		100.00	SC Generali Logistique	100.00	98.93	1
SCE Château La Pointe	029	EUR	34,309,128	a	10		100.00	Generali France S.A.	100.00	98.93	35,646
Bois Colombes Europe Avenue SCI (*)	029	EUR	1,000	c	10		50.00	Generali Vie S.A.	50.00	49.46	7,394
SCI Pasquier (*)	029	EUR	6,437,750	c	10		50.00	Generali IARD S.A.	50.00	49.46	12,309
SCI 9 Messine (*)	029	EUR	2,420,250	c	10		50.00	Generali Vie S.A.	50.00	49.46	9,026
SCI Daumesnil (*)	029	EUR	16,753,270	c	10		50.00	Generali IARD S.A.	50.00	49.46	24,835
SCI Malesherbes (*)	029	EUR	32,930,674	c	10		50.00	Generali Vie S.A.	50.00	49.46	27,624
SCI 15 Scribe (*)	029	EUR	14,738,000	c	10		50.00	Generali IARD S.A.	50.00	49.46	27,635
Lead Equities II. Auslandsbeteiligungs AG	008	EUR	730,000	b	9		21.59	Generali Versicherung AG	21.59	21.59	
Lead Equities II. Private Equity Mittelstandsfinanzierungs AG	008	EUR	7,300,000	b	9		21.59	Generali Versicherung AG	21.59	21.59	
SK Versicherung AG (*)	008	EUR	3,633,500	b	2		20.43	Generali Holding Vienna AG	39.66	39.66	5,256
							19.23	Generali Versicherung AG			
Drei-Banken Versicherungs-Aktiengesellschaft (*)	008	EUR	7,500,000	b	7		20.00	Generali Holding Vienna AG	20.00	20.00	5,446
Generali TVG Vorsorgemanagement GmbH	008	EUR	145,346	a	11		100.00	Generali Sales Promotion GmbH	100.00	100.00	62
Bonus Pensionskasse AG (*)	008	EUR	5,087,098	b	11		50.00	Generali Holding Vienna AG	50.00	50.00	9,904
Generali 3Banken Holding AG (*)	008	EUR	70,000	b	9		49.30	Generali Versicherung AG	49.30	49.30	78,122
GBK Vermögensverwaltung GmbH	008	EUR	35,000	a	11		100.00	Generali Versicherung AG	100.00	100.00	8,982
Generali Vermögensberatung GmbH	008	EUR	35,000	a	11		100.00	Generali Versicherung AG	100.00	100.00	35
M.O.F. Immobilien AG	008	EUR	1,000,000	b	10		20.00	Generali Immobilien GmbH	20.00	20.00	8,200
Generali FinanzService GmbH	008	EUR	50,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	100.00	713
3 Banken-Generali Investment-Gesellschaft m.b.H. (*)	008	EUR	2,600,000	b	8		48.57	Generali Holding Vienna AG	48.57	48.57	2,039
Risk-Aktiv Versicherungsservice GmbH	008	EUR	35,000	a	11		100.00	Generali Versicherung AG	100.00	100.00	35
BONUS Vorsorgekasse AG (*)	008	EUR	3,000,000	b	11		50.00	Generali Holding Vienna AG	50.00	50.00	2,799
Generali Telefon- und Auftragsservice GmbH	008	EUR	35,000	a	11		100.00	Generali Bank AG	100.00	100.00	35
Car Care Consult Versicherungsmakler GmbH	008	EUR	35,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	100.00	35
Generali Betriebsrestaurants GmbH	008	EUR	36,336	a	11		100.00	Generali Versicherung AG	100.00	100.00	484
MAS Versicherungmakler GmbH	008	EUR	55,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	100.00	125
TTC - Training Center Unternehmensberatung GmbH	008	EUR	35,000	a	11		100.00	Europäische Reiseversicherungs AG	100.00	74.99	133

Non-Consolidated Subsidiaries and Associated Companies

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding %				Group Equity Ratio[3]	Book Value (€ thousand)
						Direct	Indirect	Through	Total		
Global Private Equity Holding AG	008	EUR	482,680	b	9		11.62	Generali Versicherung AG	23.02	23.02	56
							11.40	Generali Lebensversicherung Aktiengesellschaft			
Point Partners GP Holdco S.à r.l. (*)	092	EUR	25,000	b	11		25.00	Generali European Retail Investments Holdings S.A.	25.00	24.87	
Point Partners Special Limited Partnership (*)	092	EUR	55,102,630	b	11		25.00	Generali European Retail Investments Holdings S.A.	25.00	24.87	
UBS (Lux) Euro Value Added Real Estate Fund	092	EUR	282,200,000	b	10		7.09	AachenMünchener Lebensversicherung AG	26.58	26.58	9,148
							1.77	AachenMünchener Versicherung AG			
							17.72	Generali Lebensversicherung Aktiengesellschaft			
Holding Klege S.à.r.l. (*)	092	EUR	12,500	c	9		50.00	Torelli S.à.r.l.	50.00	49.75	
GARBE Logistic European Strategic Fund II (*)	092	EUR	125,633,942	b	11		7.95	AachenMünchener Lebensversicherung AG	39.73	39.73	37,715
							7.95	Central Krankenversicherung Aktiengesellschaft			
							23.84	Generali Lebensversicherung Aktiengesellschaft			
GLL Retail Holding Alpah Sarl	092	EUR	15,068,000	a	11		100.00	GLL GmbH & Co. Retail KG	100.00	52.49	
Europ Assistance Travel S.A.	067	EUR	60,101	a	11		100.00	Europ Assistance Servicios Integrales de Gestion, S.A.	100.00	99.98	219
Ponte Alta - Consultoria e Assistência, Lda	055	EUR	400,000	a	11		100.00	Europ Assistance - Companhia Portuguesa de Seguros de Assistencia, S.A.	100.00	52.99	3,400
Dedale S.A.	009	EUR	80,100	a	11		99.98	Generali Belgium S.A.	99.98	99.97	1,770
B&C Assurance S.A.	009	EUR	627,000	a	11		99.58	Generali Belgium S.A.	100.00	99.99	982
							0.42	Groupe Vervietois d'Assureurs S.A.			
Webbroker S.A.	009	EUR	4,300,000	a	11		100.00	Generali Belgium S.A.	100.00	99.99	860
MRS Egheze	009	EUR	61,500	a	10		99.87	Generali Belgium S.A.	99.87	99.86	3,301
Verzekeringskantoor Soenen N.V.	009	EUR	18,600	a	11		99.80	Generali Belgium S.A.	99.80	99.79	2,016
Groupe Vervietois d'Assureurs S.A.	009	EUR	94,240	a	11		99.95	Generali Belgium S.A.	99.95	99.94	571
Admirant Beheer B.V. (*)	050	EUR	18,000	b	10		50.00	Generali Real Estate Investments B.V.	50.00	49.71	9
C.V. Admirant (*)	050	EUR	18,000	b	10		50.00	Generali Real Estate Investments B.V.	50.00	49.71	22,071
Beleggingsconsortium Sloterdijk C.V. (*)	050	EUR	18,000	b	10		21.38	Generali Real Estate Investments B.V.	21.38	21.25	
Beleggingsconsortium Sloterdijk Beheer B.V. (*)	050	EUR	18,000	b	10		21.38	Generali Real Estate Investments B.V.	21.38	21.25	
Amulio Governance B.V.	050	EUR	18,000	c	9		50.00	Lion River II N.V.	50.00	49.99	9
Sigma Real Estate B.V. (*)	050	EUR	18,000	c	9		22.34	Corelli S.à.r.l.	22.34	22.23	
Nederlands Algemeen Verzekeringskantoor B.V.	050	EUR	18,151	a	11		100.00	Generali Nederland N.V.	100.00	98.56	2,518
ANAC All-finance Nederland Advies Combinatie B.V.	050	EUR	12,500	a	11		100.00	Nederlands Algemeen Verzekeringskantoor B.V.	100.00	98.56	

Non-Consolidated Subsidiaries and Associated Companies

Company	Country	Currency	Share capital in original currency	Method(1)	Activity(2)	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio(3)	Book Value (€ thousand)
Stoutenburgh Adviesgroep B.V.	050	EUR	18,151	a	11		100.00	Nederlands Algemeen Verzekeringskantoor B.V.	100.00	98.56	
Société Robert Malatier Ltd	031	GBP	51,258	b	11		33.33	Generali IARD S.A.	33.33	32.98	543
MyDrive Solutions Limited	031	GBP	626	a	11		100.00	Participatie Maatschappij Graafschap Holland N.V.	100.00	100.00	17,842
IOCA Entertainment Limited (*)	031	GBP	10,000	b	11		35.00	Banca Generali S.p.A.	35.00	17.65	2,160
Generali Invest CEE Public Limited Company	040	EUR	131,753,751	a	8		100.00	CP INVEST investicní spolecnost, a.s.	100.00	100.00	
Europ Assistance A/S	021	DKK	500,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.99	
Citadel Insurance plc	105	EUR	5,000,400	b	11		20.16	Generali Italia S.p.A.	20.16	20.16	978
Europ Assistance Magyarorszag Kft	077	HUF	24,000,000	a	11		26.00	Generali Biztosító Zrt.	100.00	99.99	99
							74.00	Europ Assistance Holding S.A.			
Famillio Befektetési és Tanácsadó Korlátolt Felelősségü Társaság	077	HUF	780,000,000	a	11		100.00	Generali Biztosító Zrt.	100.00	100.00	312
GP Consulting Pénzügyi Tanácsadó Kft.	077	HUF	11,000,000	a	11		100.00	Generali Biztosító Zrt.	100.00	100.00	601
AUTOTÁL Biztosítási Szolgáltató Kft	077	HUF	104,000,000	a	11		100.00	Generali Biztosító Zrt.	100.00	100.00	1,013
Shaza & Toptorony zrt (*)	077	EUR	84,603,426	c	11		50.00	GLL AMB Generali Bankcenter S.à.r.l.	50.00	50.00	31,154
Europ Assistance s.r.o.	275	CZK	2,900,000	a	11		25.01	Ceská Pojištovna a.s.	100.00	99.99	1,698
							74.99	Europ Assistance Holding S.A.			
CP Asistence s.r.o.	275	CZK	3,000,000	a	11		100.00	Europ Assistance s.r.o.	100.00	99.99	
Nadace GCP	275	CZK	1,000,000	a	11		100.00	Ceská Pojištovna a.s.	100.00	100.00	148
VUB Generali dôchodková správcovská spolocnost', a.s. (*)	276	EUR	10,090,976	b	11		50.00	Generali Poistovna a.s.	50.00	50.00	8,305
Generali IT S.r.o.	276	EUR	165,970	a	11		100.00	Generali VIS Informatik GmbH	100.00	100.00	132
GSL Services s.r.o.	276	EUR	6,639	a	11		100.00	Generali Poistovna a.s.	100.00	100.00	7
Europ Assistance Polska Sp.zo.o.	054	PLN	3,000,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.99	73
S.C. Genagricola Romania S.r.l.	061	RON	60,882,570	a	11		100.00	Genagricola - Generali Agricoltura S.p.A.	100.00	100.00	18,013
S.C. San Pietro Romania S.r.l.	061	RON	15,112,570	a	11		100.00	Agricola San Giorgio S.p.A.	100.00	100.00	3,903
S.C. Vignadoro S.r.l.	061	RON	3,327,931	a	11		90.68	Genagricola - Generali Agricoltura S.p.A.	100.00	100.00	4,843
							9.32	Agricola San Giorgio S.p.A.			
CPM Internacional d.o.o.	261	HRK	275,600	a	11		100.00	Sementi Dom Dotto S.p.A.	100.00	100.00	
Generali Group Partner AG	071	CHF	100,000	a	11		100.00	Generali (Schweiz) Holding AG	100.00	100.00	92
Europ Assistance Yardim ve Destek Hizmetleri Ticaret Anonim Sirketi	076	TRY	1,304,000	a	11		99.99	Europ Assistance Holding S.A.	99.99	99.98	112
Europ Assistance CEI OOO	262	RUB	10,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.99	800
Blutek Auto d.o.o.	289	RSD	337,474,441	a	11		100.00	Akcionarsko društvo za osiguranje Generali Osiguranje Srbija	100.00	100.00	1,400
Europ Assistance d.o.o. za posredovanje u osiguranju	289	RSD	1,405,607	a	11		100.00	Europ Assistance Magyarorszag Kft	100.00	99.99	
Generali Realties Ltd	182	ILS	2	a	10	100.00			100.00	100.00	

Non-Consolidated Subsidiaries and Associated Companies

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding %				Group Equity Ratio[3]	Book Value (€ thousand)
						Direct	Indirect	Through	Total		
Montcalm Wine Importers Ltd	069	USD	600,000	a	11		80.00	Genagricola - Generali Agricoltura S.p.A.	80.00	80.00	
GLL 200 State Street L.P. (*)	069	USD	89,200,000	c	11		49.90	GLL AMB Generali 200 State Street	49.90	49.90	39,748
Pluria Productores de Seguros S.A.	006	ARS	50,000	a	11		96.00	Caja de Ahorro y Seguro S.A.	96.00	86.40	345
Europ Assistance Argentina S.A.	006	ARS	3,285,000	a	11		28.90	Caja de Seguros S.A.	84.99	55.76	133
							56.10	Ponte Alta - Consultoria e Assistência, Lda			
Europ Assistance Brasil Serviços de Assistência S.A.	011	BRL	2,975,000	c	11		100.00	EABS Serviços de Assistencia e Partecipaçoes S.A.	100.00	26.50	
EABS Serviços de Assistencia e Partecipaçoes S.A.	011	BRL	46,238,940	c	9		50.00	Ponte Alta - Consultoria e Assistência, Lda	50.00	26.50	
CEABS Serviços S.A.	011	BRL	6,000,000	c	11		50.00	Europ Assistance Brasil Serviços de Assistência S.A.	100.00	26.50	
							50.00	EABS Serviços de Assistencia e Partecipaçoes S.A.			
Europ Servicios S.p.A.	015	CLP	1,000,000	a	11		100.00	Europ Assistance SA	100.00	38.98	
Europ Assistance SA	015	CLP	335,500,000	a	11		25.48	Europ Assistance Holding S.A.	50.96	38.98	176
							25.48	Ponte Alta - Consultoria e Assistência, Lda			
La Nacional Compañia Inmobiliaria (Lancia) C.A.	024	USD	47,647	a	10		100.00	Generali Ecuador Compañía de Seguros S.A.	100.00	52.45	2,120
Europ Assistance (Bahamas) Ltd	160	USD	10,000	a	11		99.99	Europ Assistance - IHS Services S.A.S.	99.99	99.98	
Atacama Investments Ltd (*)	249	USD	76,713	b	11		44.16	Participatie Maatschappij Graafschap Holland N.V.	44.16	44.16	19,126
Care Management Network Inc.	160	USD	9,000,000	a	11		100.00	Europ Assistance (Bahamas) Ltd	100.00	99.98	
Generali Pacifique NC	253	XPF	1,000,000	a	11		100.00	Generali France S.A.	100.00	98.93	2,095
Cabinet Richard KOCH	253	XPF	1,000,000	a	11		100.00	Generali France S.A.	100.00	98.93	2,178
MPI Generali Insurans Berhad (*)	106	MYR	100,000,000	b	3		49.00	Generali Asia N.V.	49.00	49.00	94,152
Future Generali India Life Insurance Company Ltd (*)	114	INR	14,520,000,000	c	3		25.50	Participatie Maatschappij Graafschap Holland N.V.	25.50	25.50	10,071
Future Generali India Insurance Company Ltd (*)	114	INR	7,100,000,000	c	3		25.50	Participatie Maatschappij Graafschap Holland N.V.	25.50	25.50	16,574
Europ Assistance India Private Ltd	114	INR	230,590,940	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.99	
Generali China Insurance Co. Ltd (*)	016	CNY	1,300,000,000	b	3	49.00			49.00	49.00	68,295
Europ Assistance Travel Assistance Services (Beijing) Co Ltd	016	CNY	1,750,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.99	
Guotai Asset Management Company (*)	016	CNY	110,000,000	b	8	30.00			30.00	30.00	151,216
Shanghai Sinodrink Trading Company, Ltd	016	CNY	5,000,000	b	11		45.00	Genagricola - Generali Agricoltura S.p.A.	45.00	45.00	
Europ Assistance Worldwide Services Pte Ltd	147	SGD	182,102	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.99	
Generali Services Pte Ltd	147	SGD	150,000	a	11		100.00	Generali Asia N.V.	100.00	100.00	
Europ Assistance (Macau) - Serviços De Assistência Personalizados, Lda.	059	MOP	400,000	a	11		70.00	Ponte Alta - Consultoria e Assistência, Lda	70.00	37.09	

Non-Consolidated Subsidiaries and Associated Companies

Company	Country	Currency	Share capital in original currency	Method(1)	Activity(2)	Shareholding % Direct	Indirect	Through	Total	Group Equity Ratio(3)	Book Value (€ thousand)
Europ Assistance IHS (Proprietary) Limited	078	ZAR	400,000	a	11		15.00	Europ Assistance Worldwide Services (South Africa) (Pty) Ltd	100.00	99.84	4
							85.00	Europ Assistance - IHS Services S.A.S.			
Europ Assistance IHS Services Angola Limitada	133	AOA	2,250,000	a	11		90.00	Europ Assistance - IHS Services S.A.S.	90.00	89.99	
EA-IHS Services Nigeria Limited	117	NGN	10,000,000	a	11		100.00	Europ Assistance - IHS Services S.A.S.	100.00	99.99	
Assurances Maghrebia S.A.	075	TND	30,000,000	b	3	44.17			44.17	44.17	780
Assurances Maghrebia Vie S.A.	075	TND	10,000,000	b	3	22.08			22.08	22.08	1,255
Europ Assistance – IHS Services Cameroun, Société à Responsabilité Limitée Unipersonnelle	119	XAF	1,000,000	a	11		100.00	Europ Assistance - IHS Services S.A.S.	100.00	99.99	
EA-IHS Services Congo Sarl	145	XAF	10,000,000	a	11		100.00	Europ Assistance - IHS Services S.A.S.	100.00	99.99	
Europ Assistance Niger SARLU	150	XAF	1,000,000	a	11		100.00	Europ Assistance - IHS Services S.A.S.	100.00	99.99	

(1) a=non consolidated subsidiaries (IAS 27); b=associated companies (IAS 28); c=joint ventures (IAS 31).

(2) 1=Italian Insurance companies; 2=EU Insurance companies; 3=non EU Insurance companies; 4=Insurance holding companies; 5=EU Reinsurance companies; 6=non EU Reinsurance companies; 7=Banks; 8=Asset Management companies; 9=other Holding companies; 10=Real Estate companies; 11=other.

(3) Net Group partecipation percentage.

(*) Partecipations valued at equity.

List of Countries

Country	Country Code
ANGOLA	133
ARGENTINA	006
AUSTRIA	008
BAHAMAS	160
BELGIUM	009
BRASIL	011
BRITISH VIRGIN ISLANDS	249
BULGARIA	012
CAMERUN	119
CANADA	013
CHILE	015
COLOMBIA	017
CROATIA	261
CZECH REPUBLIC	275
DENMARK	021
ECUADOR	024
EIRE	040
FRANCE	029
GERMANY	094
GREECE	032
GUATEMALA	033
GUERNSEY	201
HONG KONG	103
HUNGARY	077
INDIA	114
INDONESIA	129
ISRAEL	182
ITALY	086
JERSEY	202
LIECHTENSTEIN	090
LUXEMBOURG	092
MACAO	059
MALTA	105
MALAYSIA	106
MARTINICA	213
NETHERLANDS	050
NEW CALEDONIA	253
NIGER	150

List of countries

Country	Country Code
NIGERIA	117
PEOPLE'S REPUBLIC OF CHINA	016
PEOPLE'S REPUBLIC OF CONGO	145
PHILIPPINES	027
POLAND	054
POLYNESIAN FRENCH	225
PORTUGAL	055
REPUBLIC OF MONTENEGRO	290
REPUBLIC OF SERBIA	289
REUNION	247
ROMANIA	061
RUSSIA	262
SINGAPORE	147
SLOVAC REPUBLIC	276
SLOVENIA	260
SOUTH AFRICA REPUBLIC	078
SPAIN	067
SWITZERLAND	071
THAILAND	072
TUNISIA	075
TURKEY	076
U.S.A.	069
UNITED KINGDOM	031
VIETNAM	062

List of Currencies

Currency	Currency Code
Angolan Novo Kwanza	AOA
Argentine Peso	ARS
Bulgarian Lev	BGN
Brasilian Real (new)	BRL
Canadian Dollar	CAD
Swiss Franc	CHF
Chilean Peso	CLP
Chinese Renminbi	CNY
Colombian Peso	COP
Czech Korona	CZK
Danish Krone	DKK
Euro	EUR
British Pound	GBP
Guatemalan Quetzal	GTQ
Hong Kong Dollar	HKD
Croatian Kuna	HRK
Hungarian Forint	HUF
Indonesian Rupiah	IDR
Israeli Shekel	ILS
Indian Rupee	INR
Macaon pataca	MOP
Malaysian Ringi	MYR
Nigerian Naira	NGN
Philippine Peso	PHP
Polish Zloty	PLN
Romanian Leu	RON
Serbian Dinar	RSD
Russian Ruble	RUB
Singapore Dollar	SGD
Thai Bhat	THB
Tunisian Dinar	TND
Turkish Lira (new)	TRY
US Dollar	USD
Dong (Vietnam)	VND
Central African CFA Franc	XAF
French Polinesian Franc	XPF
South African Rand	ZAR


By 2020, one in five vehicles
on the road will have a wireless
network connection

Attestation of the Consolidated Financial Statements

pursuant to article 154-bis of Legislative Decree no. 58 of 24 February 1998 and article 81-ter of Consob Regulation no. 11971 of 14 May 1999

Attestation of the consolidated financial statements pursuant to the provisions of art. 154-*bis*, paragraph 5, of legislative decree 58 of february 24, 1998 and art. 81–*ter* of consob regulation no. 11971 of 14 may 1999 as amended

1. The undersigned, Philippe Donnet, in his capacity as Managing Director and Group CEO, and Alberto Minali, in his capacity as Manager in charge of preparing the financial reports of Assicurazioni Generali S.p.A., General Manager and Group CFO, having also taken into account the provisions of Art 154-*bis*, paragraphs 3 and 4, of the Italian Legislative Decree No. 58 dated 24 February 1998, hereby certify:
   - the adequacy in relation to the characteristics of the Company and
   - the effective implementation

   of the administrative and accounting procedures for the preparation of the consolidated financial statements over the course of the period from 1 January to 31 December 2015.

2. The adequacy of the administrative and accounting procedures in place for preparing the consolidated financial statements as at 31 December 2015 has been assessed through a process established by Assicurazioni Generali S.p.A. on the basis of the guidelines set out in the *Internal Control – Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.

3. The undersigned further confirm that:

   3.1 the consolidated financial statements as at 31 December 2015:

   a) are prepared in compliance with applicable international accounting standards recognized by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, with the provisions of Legislative Decree No. 38 of 28 February 2005, of the Italian Civil Code, of Legislative Decree No. 209 of 7 September 2005 and with applicable provisions, regulations and circular letters issued by ISVAP (now IVASS);

   b) correspond to the related books and accounting records;

   c) provide a true and fair representation of the financial position of the issuer and the group of companies included in the scope of consolidation;

   3.2 the management report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and group companies included in the scope of consolidation and a description of the main risks and uncertain situations to which they are exposed.

Milan, 17 March 2016

Philippe Donnet
Managing Director and Group CEO

ASSICURAZIONI GENERALI S.p.A.

Alberto Minali
Manager in charge of preparing the Company's financial reports, General Manager and Group CFO

ASSICURAZIONI GENERALI S.p.A.


"
Wind technology could supply
95% of global electricity by 2030

Board of Auditors' Report

Report by the Board of Auditors to the Shareholders' Meeting of Assicurazioni Generali S.p.A., which was convened to approve the Financial Statements as at 31 December 2015 pursuant to articles 153 of Legislative Decree 58/1998 and 2429, par., 3 of the Civil Code

Dear Shareholders,

according to article 153 of L. D. no. 58 of 24 February 1998 (TUF, i.e. the Italian Consolidated Law on Financial Intermediation) and to the indications of Consob statement no. 1025564 of 6 April 2001, as amended, and considering the conduct principles recommended by the National Council of Certified Accountants, the Board of Auditors of Generali S.p.A. reports to you on the supervisory activity conducted in the financial year 2015.

1. Activities of the Board of Auditors During the Year Ended on 31 December 2015 *(item 10 of Consob Statement no. 1025564/01)*

The Board of Auditors conducted its activities holding, during financial year 2015, 34 meetings lasting approximately two hours and thirty minutes on average.
Furthermore, the Board:

- participated in the 13 meetings of the Board of Directors;
- participated in the 12 meetings of the Control and Risk Committee and in the 9 meetings of the Transactions with Related Parties Sub-Committee;
- participated, with its Chairman or another auditor, in the 6 meetings of the Remuneration Committee;
- participated, through its Chairman or another auditor, in the 7 meetings of the Investments Committee;

In addition to the above, within its own plan of activities, the Board of Auditors also:

- obtained information on the Appointments and Corporate Governance Committee's activities, which met 5 times during the financial year;
- held meetings with and obtained information from: the head of the Internal Audit Function, the head of the Compliance Function, the head of the Risk Management Function, the head of the Anti-Money Laundering Function, the Manager in charge of preparing corporate accounting records, the General Counsel, and the heads of the corporate functions involved, from time to time, in the Board's supervisory activities;
- met with the Supervisory Board set up pursuant to L. D. 231/2001 for useful information exchanges;
- pursuant to paragraphs 1 and 2 of art. 151 of TUF, held meetings and exchanged information with the supervisory bodies of the main subsidiary companies;
- within the relations between supervisory and auditing bodies envisaged by the law, held ad-hoc meetings on a regular basis with the firm in charge of statutory auditing – Reconta Ernst & Young S.p.A. – during which significant data and information for fulfilling their respective duties were exchanged.

2. Transactions Having a Significant Impact on the Economic, Financial and Assets Position. Other Significant Events *(item 1 of Consob Statement no. 1025564/01)*

The Board monitored the Company's compliance with the law and with the articles of association and its adherence to the principles of sound management, with particular reference to significant transactions under the economic, financial and assets profile by constantly participating in the meetings of the Board of Directors and by studying the documentation provided.
In this regard, the Board received information from the Managing Director and from the Board of Directors on the activities conducted and on the transactions having a significant impact on the economic, financial and assets position conducted by the Company, also through its direct or indirect subsidiaries.
Based on the information available, the Board reasonably concluded that those transactions are to be regarded as complying with the law, with the articles of association and with the principles of sound management, and that they do not appear patently imprudent, rash or in conflict with the resolutions taken by the Meeting, or capable of undermining the corporate equity.
In particular, the Board was informed about transactions in which directors stated their interest, on their behalf or on behalf of third parties, and has no comments to make about the compliance of the respective resolutions with laws and regulations.

The main significant events involving the Company and the Group during 2015 and that are also described in the Management Report and in the Integrated Annual Report are listed below:

- Effective as of 1 January 2015, the assets and liabilities of the Portuguese offices of Assicurazioni Generali S.p.A. were transferred to the new Company incorporated under the laws of Portugal, Companhia de Seguros SA. In view of that transfer, Assicurazioni Generali S.p.A. entered a € 29.3 million stake in its books.

- Since January 2015 the Generali Group has held 100% of Generali PPF Holding B.V. (GPH), having acquired the remaining 24% of shares held by the PPF Group, in line with the agreements signed on 8 January 2013. The purchase of the remaining shares of GPH was completed in line with the terms previously announced to the markets, for a final price of € 1,245.5 million for the stake.
- In March 2015 Assicurazioni Generali S.p.A announced that a Non-Prosecution Agreement (NPA) was concluded between its subsidiary company BSI S.A. (BSI) and the U.S. Department of Justice regarding the outstanding issues related to the private banking business conducted in the past with U.S. clients. The amount owed by BSI to the U.S. Department of Justice – USD 211 million – is consistent with the reserve already earmarked in its 2014 financial statements by the Generali Group.
- In the month of May 2015 Assicurazioni Generali renewed the revolving lines of credit opened in May 2013 for an overall amount of € 2 billion which the Group will be allowed to use in 3 to 5 years, according to the specific credit lines.
- In June 2015, Mediobanca S.p.A., Intesa San Paolo S.p.A., and Assicurazioni Generali S.p.A. exercised their right to apply for the non-proportional demerger of Telco S.p.A., to be implemented by assigning 4 newly established beneficiary companies – which are wholly owned by each shareholder – the respective prorated value of Telco's assets and liabilities. That demerger yielded € 44 million for Assicurazioni Generali, which was reflected in the assets as the difference between the value of Telco S.p.A. on 31 December 2014 (€ 12.7 million) and the value of the new stake in Telco AG (€ 56.7 million). After that operation, Assicurazioni Generali purchased from Telco AG the shares of Telecom Italia S.p.A. held by it (580,255,302 shares) for € 670.2 million. Almost all Telecom Italia S.p.A.'s shares were subsequently transferred by executing the forward sales agreements entered into by the company between late 2014 and early 2015. That operation generated a € 161.3 million capital loss, which was partially offset by the € 7.9 million loss already recorded in the previous financial year and regarding the negative evaluation of derivative contracts. The remaining part of the investment in Telecom Italia S.p.A. was floated on the market in early July 2015.
- In July 2015 Generali acquired full control of MyDrive Solutions Ltd, an English start-up company founded in 2010 by leading experts in the use of data analytics tools to profile driving styles.
- On 15 September 2015, the Group completed the transfer of BSI and of its subsidiaries to Banco BTG Pactual. According to the terms of the agreement signed on 14 July 2014, the final consideration for the transfer amounts to some CHF 1,248 million and consists in about CHF 1 billion cash and the rest in financial instruments (BTG units are listed on the São Paulo stock exchange – BM&FBOVESPA).
- On 20 October 2015 Generali placed a subordinated bond issue for an overall € 1.25 billion which was aimed at institutional investors.
- On 3 November 2015 the Financial Stability Board published the updated list of global systemically important insurers (GSIIs) based on the companies' data at the end of 2014, striking off Assicurazioni Generali from the list.
- Within the reorganisation of our activities in Austria, we set up the newco Generali Beteiligungs- und Verwaltung-AG by splitting up the Generali Rückversicherung AG subsidiary company. The latter was subsequently transferred to Generali Holding Vienna AG for € 300.3 million, generating a capital gain of € 249.5 million. The operation was settled by partially offsetting a borrowing arrangement with the Austrian company (amounting to € 802.9 million, currently € 502.6 million). After the operation, Assicurazioni Generali holds 100% of the stake in Generali Beteiligungs- und Verwaltung-AG.
- In December 95.7% of Europ Assistance Holding SA was acquired from Generali France SA and Generali Vie SA for € 406.6 million. The remaining amount of the stake is still held by Participatie Maatschappij Graafschap Holland NV.

Some of the most significant transactions conducted after the end of the financial year include:

- In January the Fitch credit rating agency confirmed its IFS (Insurer Financial Strength) A- rating of Generali and of its companies. Based on the Fitch Factor-Based Model (FBM), the capital position of Generali is close to the Very strong level, thanks to the improved capitalisation of the Group.
- On 26 January 2016 the Group CEO, Mr. Mario Greco, informed the Company's Chairman, Mr. Gabriele Galateri di Genola, that he was not available for a further mandate as Managing Director after his term expired on the same day of the meeting approving the financial statements for the FY ended on 31 December 2015. On 9 February the Board of Directors of As-

sicurazioni Generali approved the forthwith termination, by mutual consent, of the existing relationship between the Company and Mr. Mario Greco, in line with the Group remuneration policies. The Board resolved to temporarily grant the Company's Chairman the powers previously wielded by Mr. Mario Greco, in compliance with the succession plan. On 17 March 2016, the Board of Directors of Assicurazioni Generali co-opted Mr. Philippe Donnet, the managing director of Generali Italia S.p.A., granting him executive powers and appointing him as Group CEO. The same Board also appointed Mr. Alberto Minali, Group CFO, as the General Manager of the Company. Both keep the positions they previously held within the Group.

- In March IVASS - the Institute for the supervision of insurance companies - following the application for authorisation submitted by Assicurazioni Generali S.p.A., allowed a partial internal model to be used as of 1 January 2016 to calculate the consolidated Group Solvency Capital Requirement and the Solvency Capital Requirement of its main Italian and German insurance companies, of its French non-life companies and of the Czech company Česká Pojišťovna A.s.

As far as other significant events are concerned, the Board of Auditors received information, at various meetings of the Board of Directors , concerning the litigation under way with former Company managers, Messrs. Giovanni Perissinotto and Raffaele Agrusti.
For further details, please refer to the Management Report to the financial statements of the Parent Company and to the Notes to the Accounts of the Consolidated Financial Statements. The Board of Auditors acknowledges the Board of Director's continued monitoring of the investments underlying the above litigation.

3. Transactions with Related Parties and Intragroup Transactions. Atypical and/or Unusual Transactions *(items 2 and 3 of Consob Statement no. 1025564/01)*

Assicurazioni Generali S.p.A. adopted "*Procedures regarding transactions with related parties*" ("RPT Procedures") in compliance with Consob Regulation 17221/2010, and with article 2391-*bis* of the Civil Code, which also apply to transactions conducted by subsidiaries.
Those procedures were first updated in December 2013. During FY 2015, the Board of Auditors, within its own surveillance and monitoring activities, asked for further clarification on the RPT Procedures and on the checks aimed at identifying and managing transactions with related parties within the Generali Group.
As a result, the Company launched its ad-hoc analyses, with the help of the Internal Audit Function and of external legal consultants.
Those legal consultants examined the RPT Procedures adopted by the Company and concluded that the overall structure of the organisation and of its procedures is compliant with the reference regulation, and matches the best practices found in the market: they, however, put forward some suggestions with a view to further refinement of those procedures.
The inspections conducted by the Internal Audit Function, which focused on the main management stages of transactions with related parties and were aimed at confirming the effectiveness of the relevant controls, concluded that they were adequate overall, while offering some proposals for further improving those processes.
The Company's Compliance Function, after examining the suggestions offered by the legal counsel and by the Internal Audit Function, prepared a proposal for changing the RPT Procedures and the internal working regulation of the RPT Sub-Committee.
Those proposals were approved by the RPT Sub-Committee on 9 March 2016, after hearing the Board of Auditors, then they were submitted to and approved by the Board of Directors on 17 March 2016.
The Board of Auditors, during FY 2015, also recommended that the Company should delve deeper into the inclusion, within the definition of related parties, of professional firms or companies in which Company's directors with strategic responsibilities are part of.
At this Board's request, a specific investigation was started, with the support of an external consultant who concluded that professional firms were already included in the definition of related parties, as specified in the annex to the general procedure. Furthermore, the position of an international law firm, whose partners include a Company director, was specifically analysed, also with the same external consultant's support, and the outcome confirmed that that international law firm does not qualify as a related party of Assicurazioni Generali S.p.A., under the current circumstances.
Taking into account the above, the Board of Auditors confirmed that the RPT Procedures adopted by the Company comply with the prescriptions of Consob Regulation no. 17221/2010, as amended.
The annual Financial Report includes the financial and economic impact of the transactions with related parties as well a description of the most significant transactions. Since the beginning of the mandate of this Board, no transactions classified as significantly material, according to the above Procedures, have been submitted to the Transactions with Related Parties Sub-Committee and no transactions with related parties have been per-

formed as a matter of urgency.
With reference to intragroup transactions in the financial year, the Board, in its supervisory activity, found that they were performed in compliance with the relevant annual guidelines adopted by the Board of Directors, according to ISVAP Regulation no. 25 of 27 May 2008. Those transactions, which were implemented with a view to streamlining operating functions, lowering costs, ensuring the level of service and exploiting the Group's synergies and were regulated at market prices or at cost, consisted in reinsurance or co-insurance relations, management of movable and immovable property, management and settlement of claims, IT and administrative services, loans and guarantees, as well as loans of staff.
We also assessed the information provided by the Board of Directors in the draft Financial Statements on intragroup and related party transactions as adequate.
To the best of our knowledge, no atypical and/or unusual transactions were implemented.

4. Company and Group Organisational Structure *(item 12 of Consob Statement no. 1025564/01)*

With reference to the organisational structure of Assicurazioni Generali S.p.A. and of the Group, in the year 2015 the Company continued to consolidate its organisational structure according to its own governance model, as described in the Report on Corporate Governance and Ownership Structures.
Some of the main organisational changes implemented in 2015 include:

- the reorganisation of the Group Audit Function, with the appointment of its new Head, effective from 7 April 2015, which was accompanied by the overhaul of the function's organisational structure.
- the creation, in January 2015, of the Actuarial function within the Group CFO's area;
- the establishment of the Corporate Affairs function, accompanied by the appointment, as of 16 January 2015, of the Company Secretary and Head of Corporate Affairs who manages the corporate secretarial activities and themes regarding corporate law and the Company's governance;
- the establishment of the Group Data Officer function, whose head reports directly to the Group CEO (and from 17 March 2016 to the General Manager) and is responsible for defining and implementing the strategy and methods for acquiring, analysing, and managing data, supporting the identification of new business initiatives and the improvement of the existing portfolio, in coordination with the relevant Group functions;
- some reinforcement within Business Units, such as the reorganisation of the Germany Country unit, organisational changes within the Global Business Lines division and the appointment of three Regional Officers (Asia, EMEA, and Americas).

The Group organisational structure envisages a matrix model of Business Units and Group Head Office Functions, the latter acting as strategic steering, guidance and coordination structures for Business Units.

The organisational governance and the interaction between Business Units and Group Head Office Functions are regulated by formal integration mechanisms, consisting in:

- the Group Management Committee (GMC), as a co-ordination body within which the Top Management shares the main strategic decisions;
- the Quarterly Business Reviews, through which local businesses define their own goals in line with the global strategy;
- the Functional Guidelines and Function Councils through which functions are coordinated globally;
- a classification of functions into two (so-called Solid and Dotted) categories based on the importance of reporting and coordination between the functions supporting the Business Units and their counterpart functions of the Group Head Office;
- three main cross-function committees supporting the Group CEO in steering the Group's strategic decisions (Balance Sheet Committee, Finance Committee, Product & Underwriting Committee).

Finally, on 17 March 2016, the Board of Directors co-opted the new CEO, Mr. Philippe Donnet, and also appointed the new General Manager, Mr. Alberto Minali, to whom the Group Strategy & Business Development, Group Financial Office, Group Operating Office, Group Data Office, Group Insurance and Reinsurance and the Group Marketing Office functions report.
The Board of Auditors, by obtaining information from the heads of the relevant corporate functions, gained knowledge of and monitored the overall organisational structure of the Company and of the Group and regarding the adequacy of the prescriptions given by Assicurazioni Generali S.p.A. to its subsidiary companies pursuant to art. 114, par. 2, of the TUF in order to promptly obtain the information needed to fulfil the disclosure requirements prescribed by law.
The review of the reports drawn up by the supervisory boards of the subsidiaries and/or of the reports trans-

mitted by them to this Board following specific demands found no significant elements worthy of your attention.

5. Internal Control and Risk Management System, Administrative-Accounting System and Financial Information Process *(items 13 and 14 of Consob Statement no. 1025564/01)*

5.1. Internal Control and Risk Management System

The Report on Corporate Governance and Ownership Structures describes the main features of the internal control and risk management system.

In particular, we wish to point out that the Company provided itself with an internal regulatory system applying to the whole Group, named Generali Internal Regulation System (GIRS). The system consists of three levels: Group Policies approved by the Board of Directors; Group Guidelines approved by the Group CEO; Group Operating Procedures approved by the relevant Group Head Office functions.

The corporate functions operate according to an organisational model based on three control levels:

- the heads of the operating areas (risk owners);
- the second-level control functions, in particular the Group Risk Management, the Group Compliance and the Group Actuarial function, the latter established in January 2015;
- the Group Audit.

The Group CEO is also assigned the role of director in charge of the internal control and risk management system.

Within the adjustment to Solvency II, including to the guidelines and the management acts issued concerning EIOPA and the laws and regulations which implemented it nationally, in 2015 the Company substantially concluded the definition and/or updating process of its corporate policies. Those policies are aimed both at establishing the roles and responsibilities of control functions, and at defining the processes connected with protecting against business activity-related risks, such as financial, credit, insurance, operational risks and other risks, including those regarding liquidity, financial liabilities, strategy, reputation, contagion and the emerging risks, as described in the Risk Report and in the Parent Company's Financial Statements.

The above policies on the internal control and risk management system have also been adopted by the main subsidiaries, taking into account the regulatory specific details of the various countries in which the Group operates and any business peculiarities.

In this regard, the Board acknowledges that the Group updated the Directives on the internal control and risk management system, also based on the regulatory provisions of Regulation 20/2008 IVASS in the updated version of 30 June 2014 and according to the guidelines described in the Letter to the Market issued by IVASS on 15 April 2014.

As regards the prospective evaluation of risks, based on the requests included in Regulation 20/2008 and in the IVASS Letter to the Market of 15 April 2014, which have already been mentioned above, and in the "ORSA (Own Risk Solvency Assessment) Policy" approved by the Company as an integral part of the Risk Management Policy, in 2015 the Group ORSA Report referred to 31 December 2014 was submitted to IVASS.

In March 2016 IVASS allowed a "Partial internal model" to be used to calculate the Solvency Capital Requirement of the Group and of its main Italian, German, non-life French companies, and of the Czech company Česká Pojišt'ovna A.s..

Against this background of continuous evolution and consolidation of control systems, in line with the gradual update of the applicable sector discipline, the Board of Auditors has constantly monitored the adequacy of the internal control and risk management system adopted by the Company and by its Group. In particular, the Board of Auditors:

i) Acknowledged the overall adequacy assessment of the internal control and risk management system which was expressed by the Board of Directors, after considering the report written by the Risk and Control Committee;
ii) Reviewed the report written by the Risk and Control Committee and by the management and released in order to support the Board of Directors;
iii) Became familiar with the activities performed by the Internal Audit, Compliance, Risk Management and Actuarial functions, also by participating in the meetings of the Control and Risk Committee and by talking with their heads;
iv) Reviewed the half-yearly reports written by the head of the Internal Audit Function;
v) Monitored the completion of the Audit Plan approved by the Board of Directors and received information flows on the outcomes of the audits;
vi) Became familiar with the activities of the Supervisory Board, which was set up by the company in compliance with L. D. 231/2001, through specific information and updating meetings regarding the activities conducted by that board;

vii) Obtained information from the heads of the relevant corporate functions;
viii) Became familiar with the Group's system and with the framework of policies, regulations, guidelines and procedures aimed at complying with the specific norms of the insurance industry, as well with those prescribed for listed companies and adopted by the Company (including – as regards market abuse – the management of confidential information, internal dealing, and transactions with related parties);
ix) Exchanged information with the supervisory bodies of subsidiary companies pursuant to paragraphs 1 and 2 of art. 151 of the TUF;

Within its own supervisory activity of the internal control and risk management system, the Board of Auditors focused in particular on the profiles regarding the compliance with the anti-money laundering rules, also in view of some issues emerged in the management of the Centralised Computer Archive in 2013 for the subsidiary Generali Italia S.p.A., within the reallocation of insurance portfolios after the restructuring of the Group's Italian business.
The Board, in agreement with the boards of auditors of the companies involved, constantly monitored the progress and the actual implementation of the relevant action plan adopted by the Company, as it was submitted by the same Supervisory Authority. That plan included more comprehensive anti-money-laundering and counter-terrorist measures.
In particular, in 2015, the Board participated in the meetings of the Control and Risks Committee noting that the latter systematically monitored the implementation of the planned anti-money-laundering and counter-terrorist initiatives in order to fully align the procedures of local companies with the provisions of the Group's anti-money laundering policy approved by the Company's Board of Directors on 24 September 2014 ("Group Anti-Money Laundering & Counter-Terrorism Financing (AML/CTF) Policy").
The initiatives included the implementation of a control system aimed at checking the consistency between data on subjects included in (mostly non-life) insurance portfolios and the so-called black lists (lists of terrorists, subjects under international sanctions, etc.). The Group Compliance Officer confirmed that the initiatives adopted adequately protect against the risk. An *ad-hoc* plan of measures was specifically devised for Italy and is now substantially complete, as confirmed by the Board of Auditors of Generali Italia S.p.A.
The Board also acknowledged that in 2016 the Group companies will be requested to implement a new anti-money-laundering and counter-terrorist compliance plan. It will also take into account the latest international guidelines on the fourth AML EU Directive (which will enter into force in 2017). It should be noted that the Group Compliance Officer's function was strengthened in 2015 by employing new staff and by setting up four units, including the unit devoted to AML activities.
In view of the above, the analyses conducted and the information acquired provided no elements that may prompt this Board to consider the internal control and risk management system as not adequate, as a whole. All this considering its evolutionary nature and the continuous improvement of its effectiveness pursued by the Company.

5.2. Accounting & Administrative System and Financial Information Process.

As regards the accounting & administrative system and the financial information process, the Board of Auditors also monitored the activities conducted by the Company with a view to continuously assessing their adequacy.
This goal was pursued by the Company by adopting a "financial reporting model" made up of a set of principles, rules, and procedures designed to guarantee an adequate administrative and accounting system.
The Report on Corporate Governance and Ownership Structures describes the main features of the model, as defined by the Manager in charge of preparing the corporate books, who collaborates with the Financial Reporting Risk structure.
The report issued by the statutory auditing firm pursuant to art. 19, par. 3 of L. D. 39/2010 shows no significant shortcomings in the internal control system in connection with the financial information process. That report was discussed and further analysed during an appropriate meeting between the Board and the auditing firm.

6. Further Activities Conducted by the Board of Auditors

In addition to the above, the Board of Auditors carried out further assessments in compliance with the current laws and regulations applying to the insurance industry.
In particular, the Board of Auditors, also through its participation in the meetings of the Control and Risk Committee:

- Monitored the compliance with the guidelines on investment policies resolved following the issue of ISVAP Regulation no. 36 of 31 January 2011 by the Board of Directors on 13 May 2011, as amended in

2012, 2013 and, most recently, in November 2015;
- Reviewed transactions with derivative financial instruments in accordance with the guidelines and limitations prescribed by the Board of Directors and confirmed that the Company duly sent regular reports to IVASS;
- Analysed the administrative procedures adopted for handling, safekeeping and entering in the accounts financial instruments, by verifying the prescriptions given to their custodians as to the regular dispatch of bank statements with appropriate evidence about any restrictions;
- Checked the absence of restrictions and the full availability of the assets backing technical reserves;
- Confirmed that they matched with the register of assets backing technical reserves.

At the period ending date, the solvency margin was adequately covered by its fundamental elements.

The Management Report and the Notes to the Accounts provide evidence of the Net Worth and of the solvency ratios of the Company and of the Group.
The Company included in the Notes to the Accounts the information regarding share-based payment agreements, in particular bonus plans linked to capital instruments assigned by the Parent Company and by the other Group companies.

7. Organisation and Management Model Pursuant to L. D. no. 231/2001

The Board of Auditors examined and obtained information on the organisational and procedural activities conducted pursuant to L. D. 231/2001, as amended, regarding the administrative responsibility of organisations. The main aspects related to organisational and procedural activities conducted by the Company pursuant to L. D. 231/2001 are described in the "*Report on Corporate Governance and Ownership Structures*".
The information provided by the Supervisory Body on those activities found no noteworthy facts and/or circumstances.

8. Compliance with the Voluntary Self-Regulatory Code and Composition and Remuneration of the Board of Directors. *(item 17 of Consob Statement no. 1025564/01)*

The Company adheres to the Voluntary Self-Regulatory Code issued by the Corporate Governance Committee, as promoted by Borsa Italiana S.p.A., whose concrete implementation was assessed by this Board, with reference to its application principles and criteria, without any comments to make on the matter.
The Board of Auditors acknowledges that the Board of Directors assessed its functioning, size and composition and those of board committees, while being assisted by a leading consultancy firm.
The Board of Auditors also checked the appropriate application of the criteria and of the process implemented by the Board of Directors in order to assess the independence of directors qualified as "independent"; it also confirmed that it fulfils the requirements concerning its own independence.
In particular, the Board of Auditors monitored the assessment process conducted by the Board of Directors concerning director Flavio Cattaneo, who was co-opted by the board with its resolution of 5 December 2014. That director was later appointed as managing director of NTV, a company in which the Group indirectly holds a 15% stake, on 26 February 2015. With the opinion of the Appointments and Corporate Governance Committee, the Board of Directors concluded on 11 March 2015 as to Mr. Cattaneo's lack of independence under the terms of the self-regulatory Corporate Governance Code.
Furthermore, following a request for further investigation by this Board, the Company conducted a specific analysis, with the aid of an external consultant, regarding the position of director Alberta Figari, which confirmed her independence.
The Board of Auditors, during FY 2015, recommended that the process adopted by the Board of Directors for assessing whether directors met the "independence" requirement be performed also by using information available through the Procedures for Transactions with Related Parties. As specified in the Report on Corporate Governance and Ownership Structures 2016, the Company acted on the Board of Auditor's recommendation and launched the relevant activities, currently under way.
The Board of Auditors also suggested that the Board of Auditors should in the future participate in the meetings of the Appointments and Corporate Governance Committee in areas regarding the assessment of the directors' independence; this suggestion was discussed and accepted during a recent Board of Directors meeting
Finally, the Board of Auditors has in particular recommended that the Board of Directors formalise the process currently followed to evaluate the Directors' independence requisites, as well as introduce appropriate and systematic procedures for collecting significant pertinent information and criteria for engaging external consultants whenever specific circumstances need to be further delved into.

The Board of Auditors acknowledges that on 5 November 2014 the Board of Directors adopted a specific policy and a plan concerning the succession of top managers which was implemented when the former Group CEO ended his mandate.
The Board of Auditors has no comments to make on the consistency of the remuneration policy with the recommendations of the Voluntary Self-Regulatory Code and its compliance with ISVAP Regulation no. 39 of 9 June 2011.

9. Statutory Audit *(items 4, 7, 8 and 16 of Consob Statement no. 1025564/01)*

The mandate for the statutory audit of the financial statements of Assicurazioni Generali S.p.A. and the Group consolidated financial statements was assigned to the Reconta Ernst & Young S.p.A. auditing firm. This firm during FY 2015 also checked the proper accounting and correct reporting of the operational results in the Company's books.
On 1 April 2016 the auditing firm released the reports required by articles 14 and 16 of L. D. 39/2010 for the financial statements of the Parent and for the Group consolidated financial statements as at 31 December 2015, respectively. Those reports show that the annual reports were prepared with the necessary clarity and describe truthfully and correctly the financial position, the net result and the cash flows for the year ended on that day.
The Manager in charge of preparing the corporate books and the Managing Director and Group CEO released the statements and attestations required by article 154-*bis* of the TUF with reference to the financial statements and to the consolidated financial statements of Assicurazioni Generali S.p.A as at 31 December 2015.
The Board of Auditors supervised, to the extent required, the general layout of the financial statements of the Parent and of the consolidated financial statements in accordance with the law and with the specific regulations on drawing up insurance financial statements.
As regards the consolidated financial statements of the Assicurazioni Generali Group, the Board acknowledges that they were drawn up in compliance with the IAS/IFRS international accounting standards issued by IASB and approved by the European Union, pursuant to EU Regulation no. 1606 of 19 July 2002 and to the TUF, as well as to L. D. 209/2005, as amended. The consolidated financial statements were prepared according to the requirements of ISVAP Regulation no. 7 of 13/7/2007, as amended, and contain the information required by Consob Statement no. 6064293 of 28 July 2006. The explanatory note illustrates the assessment criteria adopted and provides the necessary information required by current regulations.
The Management Report drawn up by the Directors and attached to the draft financial statements of the Parent Company illustrates the business management performance, highlighting current and future trends, as well as the development and reorganisation process of the insurance group.
The Board of Auditors also acknowledges that it was heard, together with the auditing firm, by the Control and Risk Committee within the assessment conducted by the latter, along with the Manager in charge of preparing the corporate books, about the correct and uniform use of accounting standards for drawing up the consolidated financial statements.
On 1 April 2016 Reconta Ernst & Young S.p.A. issued their report pursuant to art. 19, par. 3 of L. D. 39/2010, which contains no elements deserving your attention.
We also held meetings with the heads of the Reconta Ernst & Young auditing firm charged with the statutory audit of accounts, also pursuant to art. 150, par. 3 of the TUF, during which information was exchanged but no noteworthy facts or circumstances emerged.
The Board examined the further activities/services assigned to the statutory auditing firm Reconta Ernst & Young S.p.A. and to firms within its network, whose fees are described in detail in the Notes to the Accounts.
Taking into account the statement confirming its independence issued by Reconta Ernst & Young S.p.A. pursuant to art. 17, par. 9 of L. D. no. 39/2010 and the nature of the tasks assigned to it and to the firms belonging to its network by Assicurazioni Generali S.p.A and by the Group, no elements have emerged that let us reasonably assume that the independence of the auditing firm is at risk.

10. Opinions Given by the Board of Auditors During the Financial Year *(item 9 of Consob Statement no. 1025564/01)*

During the financial year, the Board of Auditors also provided the opinions, comments and attestations required by the current legislation.
In particular, the Board issued a favourable opinion, during those meetings of the Board of Directors concerning proposed resolutions, pursuant to art. 2389 of the civil code, regarding the proposed deliberation for the remuneration for the Group CEO and for the Head of the Group Internal Audit.
The Board of Auditors also duly expressed its remarks about the semiannual reports on complaints, as prepared by the head of the Internal Audit Function in com-

pliance with ISVAP Regulation no. 24 of 19 May 2008. The reports found neither particular organisational issues, nor deficiencies. The Board also verified whether its reports and relevant remarks were promptly transmitted to IVASS by the Company.
In early 2016, the Board of Auditors issued a favourable opinion, pursuant to art. 2386, par. 1 of the Civil Code, about the proposed appointment by co-optation of Mr. Philippe Donnet at the meeting of the Board of Directors of 17 March, having examined the relevant process followed by the Company and by its Committees. On that occasion, it also gave its favourable opinion about the draft resolution according to art. 2389 of the civil code, regarding the proposed remuneration for the new Managing Director/Group CEO.
It also issued a favourable opinion, at the same meeting where a corporate capital increase was resolved, about the LTI Plan 2013.

11. Petitions and Complaints pursuant to article 2408 of the Civil Code. Possible omissions, reprehensible actions or anomalies *(items 5, 6 and 18 of Consob Statement no. 1025564/01)*

The Board of Auditors received neither complaints, nor petitions during financial year 2015.
In early FY 2016 three complaints as per art. 2408 of the Civil Code have been received.
On 1 February 2016 the shareholder Tommaso Marino sent the Board of Auditors a communication regarding the news found in the press in late January regarding the situation of the former Group CEO, Mr. Mario Greco. In particular, the it requested the Board of Auditors to check the following:

(i) whether the press reports alleging that Mr. Greco's exit was due to disagreements with Mr. Nagel, the Managing Director of Mediobanca S.p.A., were true;
(ii) whether over the last few months and up to the definitive break up of its relationship with Mr. Greco, the Generali Group has entered into contracts with the competing insurance group in which Mr. Greco is to hold his new office and whether those contracts may represent a significant advantage for the same competing insurance group;
(iii) whether former Group CEO Mr. Greco met with shareholders with a view to renewing his mandate and whether the press reports alleging that he faced obstacles that favoured his departure are true.

With reference to items (i) and (iii), the Board of Auditors reports that, at the meetings of the Board of Directors attended by the Board of Auditors, and in particular at those of 9 and 17 February 2016, in which Mr. Greco's position was discussed at legth, no information emerged that may link his decision with possible issues in his relationship with some Company shareholders.
The Board of Auditors reports that it has no information pointing to any meetings of Company shareholders with Mr. Greco in the weeks before the latter's notification of his decision to depart from the Company.
The Board also reports that based on direct experience gained at meetings of the Board of Directors and of board committees, as well at specific meetings regularly held with the former Group CEO, Mr. Greco, no significant issues have emerged regarding the aspects raised by Mr. Marino.
With regard to item (ii) of Mr. Marino's request, the Board asked the Company's Internal Audit Function to carry out a "special audit" on the matter. The Board met with the representatives of the Internal Audit Function on 9 February 2016 to agree on the purpose and extent of the activity regarding the contracts signed between 1 May 2015 and 9 February 2016 between companies belonging to the Generali Group and companies belonging to the Zurich Group.
On 18 March 2016 the audit report regarding the activity conducted by the Internal Audit Function was sent to the Board of Auditors. The further analyses conducted revealed no critical elements to be pointed out in this report.

On 5 February 2016 a shareholder, Mr. Vincenzo Covelli, also filed a complaint as per art. 2408 of the Civil Code regarding the same press reports of late January on the position of former Group CEO, Mr. Mario Greco.
In particular, the complaint urges the Board of Auditors to assess the following:

(i) whether the Board of Auditors had been informed by the Chairman that Mr. Greco was not willing to accept another term as Group CEO;
(ii) whether the Chairman of the Board of Directors may be considered responsible for failing to include a non-competition clause in the contract with the former Group CEO;
(iii) whether Consob conducted inspections on the matter;
(iv) whether the members of the Board of Directors exchanged Generali stocks when Mr. Greco departed from the Company.

As far as item (i) is concerned, the Board of Auditors acknowledges that it had been immediately informed

by the Chairman about Mr. Greco's statement, which was received on 26 January 2016 noting that he was not available to accept a new term as Group CEO at the expiry of his current term. On the same day, the Company fully informed the markets about Mr. Greco's decision through an appropriate press release.
As regards item (ii), the negotiation of the contract terms of the Group CEO's mandate does not fall within the specific duties of the Chairman of the Board of Directors. However, the Board of Auditors notes that the inclusion or absence of certain clauses in such agreements is still strictly connected with the specific dynamics of each negotiation and with the role and interests of the professional profile sought.
The Board of Auditors however explicitly recommended to the Board of Directors in its meeting of 9 February 2016, that in the future when agreements are formalized with senior managers, to assess the possibility of inclusion of specific non-competition clauses, a recommendation that was actually implemented in the drawing up the agreement with the new Group CEO.
As for item (iii), the Board of Auditors has no information about any inspections conducted by Consob on the issues raised by the shareholder Covelli.
Finally, with reference to item (iv), as the information available on the web site of the Company in the section "Internal Dealing" shows, no securities of the Company have been exchanged by the members of the Board of Directors in the period specified by the shareholder Covelli.
Later, Shareholder Tommaso Marino on 19 February 2016 filed a further complaint as per art. 2408 of the Civil Code in connection with a sanction imposed by the Italian Antitrust Authority on Generali Italia S.p.A. for alleged anti-competitive conducts.
The Board of Auditors conducted appropriate control activity at the relevant Company offices, finding that the sanction was lifted by the Lazio regional administrative court in December 2015 following an appeal by Generali Italia S.p.A., before it paid the amount prescribed by the sanction.

Taking into account the updates sent to Consob and IVASS regarding the measures taken by the Company before this Board of Auditors took office, regarding anti-money laundering and counter-terrorism, whose implementation has been now substantially completed, its supervisory activities found no reprehensible actions, omissions or anomalies that should be reported to the relevant Supervisory Authorities.

***

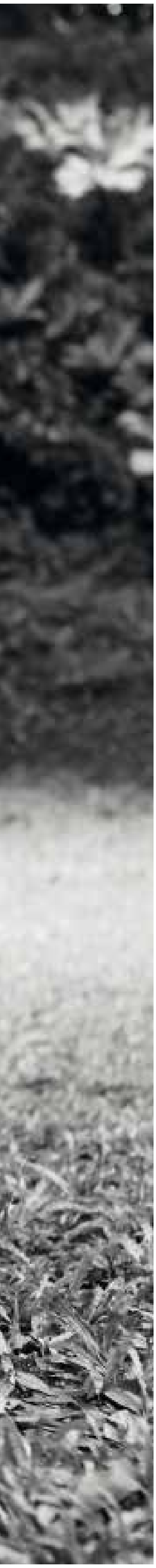
Given all the considerations contained in this Report, the Board of Auditors does not find any impediments to the approval of the financial statements of Assicurazioni Generali S.p.A. for the year ended on 31 December 2015, as submitted by the Board of Directors, and expresses its favourable opinion on the proposed allocation of the operating profit for the year and on the proposal to distribute the dividend, to be drawn in part from the extraordinary reserve.

Trieste, 4 April 2016

The Board of Auditors

Carolyn Dittmeier
Lorenzo Pozza
Antonia Di Bella

“ In the last 25 years, the net annual rate of forest loss has dropped by over a half, from 0.18% in the early 1990s to 0.08% in the 2010-2015 period



Independent Auditor's Report

Building a better working world

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Independent auditor's report
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010 and with article 102 of Legislative Decree n. 209, dated 7 September 2005

(Translation from the original Italian text)

To the Shareholders of
Assicurazioni Generali S.p.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Generali Group which comprise the balance sheet as at December 31, 2015, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the year then ended and the related explanatory notes.

Directors' responsibility for the consolidated financial statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulation issued to implement article 90 of the Legislative Decree n. 209/2005.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11, paragraph 3 of Legislative Decree n. 39/2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.IVA 00891231003
Iscritta all'Albo Revisori Contabili al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Generali Group as at December 31, 2015, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and the regulation issued to implement article 90 of Legislative Decree n. 209/2005.

Report on other legal and regulatory requirements

Opinion on the consistency of the Management Report and of specific information of the Report on Corporate Governance and Share Ownership with the consolidated financial statements

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion, as required by law, on the consistency of the Management Report and of specific information of the Report on Corporate Governance and Share Ownership, as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58/1998, with the consolidated financial statements. The Directors of Assicurazioni Generali S.p.A. are responsible for the preparation of the Management Report and of the Report on Corporate Governance and Share Ownership in accordance with the applicable laws and regulations. In our opinion, the Management Report and the specific information of the Report on Corporate Governance and Share Ownership, are consistent with the consolidated financial statements of Generali Group as at December 31, 2015.

Trieste, 1st April 2016

Reconta Ernst & Young S.p.A.

Signed by: Paolo Ratti, Partner

This report has been translated into the English language solely for the convenience of international readers

Glossary

Glossary

General definitions

Integrated report: concise communication that illustrates how the strategy, governance and future prospects of an organization, in the external environment in which it operates, are used to create value in the short, medium and long term.

Equivalent terms: refer to equivalent exchange rates and equivalent consolidation scope.

Equivalent consolidation area: refers to equivalent consolidation scope.

Technical components

Gross written premiums: equal to gross written premiums of direct business and accepted by third parties.

Gross direct premiums: equal to gross premiums written of direct business.

Investment contracts: investment contracts that have the legal form of insurance contracts but as they substantially expose the insurer to significant insurance risk (such as the mortality risk or similar insurance risks cannot be classified as insurance contracts.
In accordance with the definitions of FRS 4 and IAS 39 39 these contracts are recognized as financial liabilities. investment contracts that have the legal form of an insurance contract but as they substantially expose the insurer to significant insurance risk (such as the mortality risk or similar insurance risks) cannot be classified as such. In line with the definitions of FRS 4 and IAS 39 these contracts are recognized as financial liabilities.

Net cash inflows: it is an indicator of cash flows generation of the life segment. It is equal to the amount of premiums collected net of benefits paid.
APE, new business annual premium equivalent: it is an indicator of volumes of life segment, annual and normalized, and it is equivalent to the sum of new annual premium policies, plus a tenth of premiums in single premium policies. (calculated net of minority interests).

NBV, value of new business: it is an indicator of new value created by the new business of life segment. is obtained by discounting at the date of new contracts the corresponding expected profits net of the cost of capital (net of the portion attributable to minority interests).

New Business Margin: it is a performance indicator of the new business of life segment, equal to the ratio NBV / APE.

Operating return on investments: it is an indicator of both life segment and property and casualty segment, calculated as the ratio between the operating result and the average investments calculated based on the financial statement values, as described in the methodological notes.

Combined Ratio (COR) = it is a technical performance indicator of property&casualty segment, calculated as the weight of the loss ratio and the acquisition and general expenses (expense ratio) on the earned premiums net of insurance.

Current accident year loss: it is a further detail of combined ratio calculated as the ratio between:
- current year incurred claims + related claims management costs net of recoveries and reinsurance; and
- earned premiums net of reinsurance.

Previous accident year loss: it is a further detail of combined ratio calculated as the ratio between:
- previous year incurred claims + related claims management costs net of recoveries and reinsurance; and
- earned premiums net of reinsurance.

Provisions for unearned premiums: it comprises the unearned premium component, defined as the part of gross premiums written which is to be allocated to the following financial periods, and the provisions for unexpired risk on insurance contracts in force in excess of the related unearned premiums.

Provisions for outstanding claims: it shall comprise the estimated overall amounts which, from a prudent valuation based on objective elements, are required to meet the payment of the claims incurred during the current year or the previous ones, and not yet settled, as well as the related settlement expenses. The outstanding claims provisions shall be estimated as the total ultimate cost taking into account all future foreseeable charges, based on reliable historical and forecast data, as well as the specific features of the company.

Provisions for sums to be paid: technical reserves constituted at the end of each financial year by companies operating in life segment in order to cover the overall amounts required to meet the payment of the capitals and annuities accrued, surrenders and claims outstanding.

Mathematical provisions: is the amount that shall be set aside by the insurance company to meet its future obligations to policyholders.

Provisions arising from policies where the investment risk is borne by the policyholders and from pension funds: comprises the amounts to be allocated to the policyholders or to the beneficiaries relating to life segment products where the risk arising from the underlying financial investments backing the technical liabilities is borne by the policyholders.

Financial assets and liabilities

Financial asset:

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

(i) to receive cash or another financial asset from another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

(d)a contract that will or may be settled in the entity's own equity instruments and is:

(i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments.

Financial liability:

A financial liability is any liability that is:

(a) a contractual obligation:

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) a contract that will or may be settled in the entity's own equity instruments and is:

(i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments.

Investments –asset allocation

Generali Group use for the management and presentation of investments a different aggregation respect to financial statements. In particular, within total investments are included also cash and cash equivalents and specific items of financial liabilities having nature similar to investments, such as derivatives liabilities and repurchase arrangements. Below are described asset classes that compose the total investments:

Fixed income instruments: direct investments in government and corporate bonds, loans, term deposits other than those presented as cash and cash equivalents, and reinsurance deposits. Moreover, this asset class includes also investments funds mainly exposed to investments or risks similar to direct investments presented within this asset class.

Equity investments: direct investments in quoted and unquoted equity instruments. Moreover, this asset class includes also investments funds mainly exposed to investments or risks similar to direct investments presented within this asset class, including also private equity and hedge funds.

Investments Properties: direct investments in real-estates. Moreover, this asset class includes also investments funds mainly exposed to real-estate investments.

Cash and cash equivalents: in addition to financial statements line item "cash and equivalents", this asset class includes also short term deposits and money-market investment funds.

Investments back to unit and index-linked policies: includes various types of investments backing insurance liabilities related to unit and index-linked policies

Other Investments: includes participations in non-consolidated Group companies, derivative investments and receivables form banks and customers, the latter mainly related to Group banking operations.

Alternative performance measures

Operating result: it was obtained by reclassifying the components making up earnings before tax in each line of business on the basis of the specific characteristics of each segment, and taking account of recurring expense of the holding.

All profit and loss items were considered, with the exception of net non-operating costs, i.e., results of discontinued operations, corporate restructuring costs, amortisation of portfolios acquired directly or through acquisition of control of insurance companies or companies in the holding and other activities segment (value of business acquired or VOBA) and other net non-recurring costs. In the Life segment, the following are also considered as non-operating items: realised gains and losses on investments not considered in determining profits attributed to policyholders and net measurement losses that do not contribute to the formation of local technical reserves but exclusively in determining the deferred liability to policyholders for amounts not relating to policyholders and those on free assets. In the P&C segment, the following are considered as non-operating items: all realized and measurement gains and losses, including exchange-rate gains and losses. In the holding and other activities segment, the following are considered as non-operating items: realized gains and losses and non-recurring net measurement losses. The total operating result does not include non-operating holding costs such as interest expense on borrowings and costs arising from parent stock option plans and stock grants.

Share performance indicators

Earning per share: Earning per share: equals to the ratio of Group net result and the weighted average number of ordinary shares outstanding.

Operating earning per share is the ratio between:

- total operating result net of interest on financial liabilities, taxes and third party interests (as defined in the section 3 of the methodological note), and
- the weighted average number of ordinary shares outstanding.

Operating return on equity: an indicator of return on capital in terms of the Group operating result adjusted as described in the previous methodological note.

Other indicators

Net Operating Cash

Net Operating Cash is a view of cash generation at the Group's parent company level. The figure is the sum of: The dividends paid by Group subsidiaries, earnings from parent company reinsurance activities, expenses and interest paid, and the net balance of tax payments and recoveries.

Share based compensation

Lockup clause: it imposes the unavailability of the shares assigned with respect to some incentive plans (or a specific share) for a specific time horizon as defined by any individual plan. The clause provides for the commitment of the issuing Company and potentially of some shareholders not to pursue selected actions on the equity of the company itself in the period subsequent to a public offering

Stock granting: free shares assignment.

Stock option: it represents the right of the holder to buy shares of the Company at a predefined price (so called strike). These options are assigned free of charge.

Solvency

Solvency I ratio: is defined as equal to the ratio of the available margin and the required margin., calculated in accordance with S1 requirements.

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Annual Integrated Report
and Consolidated Financial
Statements 2015 prepared by
**Group Integrated Reporting
& CFO Hub**
in collaboration with
Group Social Responsibility

Coordination
**Group Communications
& Public Affairs**

The document is available on
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Print
**Lucaprint S.p.A.
divisione Sa.Ge.Print**

Photos
**Mattia Zoppellaro
Agenzia Contrasto**

The photo shoot was organized in
**Trieste, Madrid, Monaco,
Jakarta, Venezia**

Photo on page 12
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