Annual Integrated Report 2014

GENERALI

generali.com

183rd year

Annual Integrated Report 2014

Cover: some of the young participants in Leave Your Mark, an initiative addressed to all employees worldwide, to create a selected pool of talent with the aim of working together to define the future strategies of the Group.

From values, to idioms and finally to stories

Over time the reports of the Group have evolved from pure accounting documents into vehicles that transmit ethical and strategic principles and affirm the Vision, Mission and Values which distinguish our Company.

This year our reports have taken a further step ahead towards a true narrative dimension. The coherence of the different communicative languages used highlights the story, the “symbolic universe” around which our targets and aspirations are set.

This year our people drive the design process of the reports. In fact, in the photos smiling faces are portrayed looking upward, as if to seize aspirations.

Aiming high, towards excellence

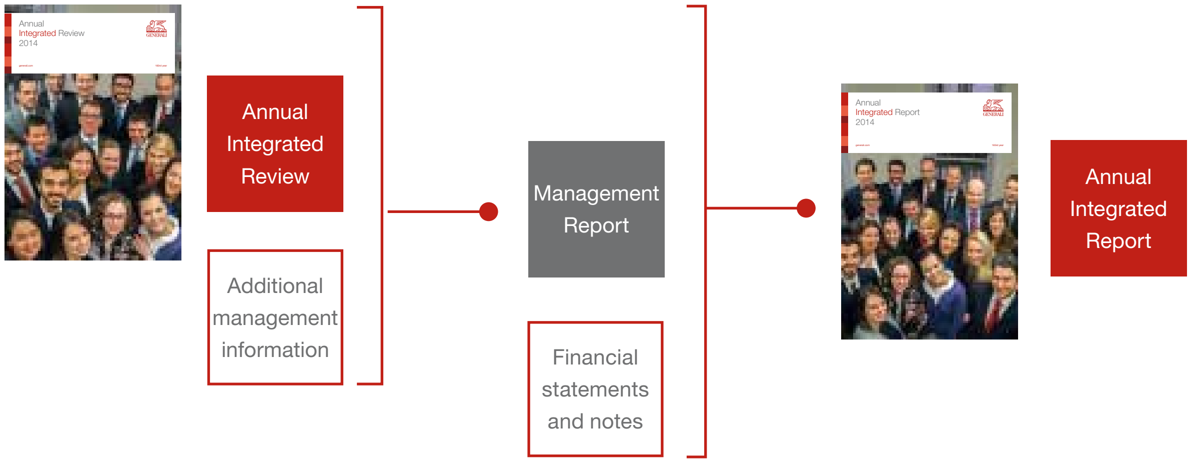
The international component of the Group enters the scene due to the geographical and cultural diversity of the subjects and locations of the photos, showing that we are a truly international Company, through cities like Milan, Paris, Prague and Hong Kong.

Because reports, without a story, would be less valuable.

About the Report

Consistently with the approach to corporate reporting adopted in 2013, we have decided to also prepare a 2014 Annual Integrated Report, in accordance with the principles included in the International <IR> Framework. We strongly believe that such approach is an innovative and efficient way to communicate our ability to create value in a sustainable manner over time. Our commitment to the International Integrated Reporting Council (IIRC) carries on through the <IR> Business Network, the ideal continuation of the <IR> Pilot Programme that officially ended in September 2014 and to which we participated since 2012. The Insurance Network, where we co-chair, has been set up within the <IR> Business Network, with the aim of developing, sharing and spreading best practices for drawing up of an integrated report in the insurance sector.

Our integrated report meets both the International <IR> Framework and the existing compliance requirements, taking into consideration the different information needs of the final users: the Annual Integrated Review becomes an Annual Integrated Report, as indicated below.



Considered also the suggestions from our stakeholders, our report has been further improved in the connectivity of various sections, thus allowing the final users to read in a more fluent and logically coherent manner, and in conciseness.
The Annual Integrated Review is available in an interactive version on the Group website.

Reference guide

Main stakeholders

Financial community | Our people | Clients | Sales force

Cross reference to a dedicated section on the website | Cross reference to a section of the report | Focus on a corporate case

For technical terminology and acronyms, please refer to the Glossary at the end of the report.

Responsibility for the Annual Integrated Review

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

Please send to integratedreporting@generali.com your comments and opinion on the report.

Index

Annual Integrated Review

Additional management information

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..

2015 corporate event calendar

March

12/03/2015

Results Reporting
31/12/2014

April

30/04/2015

Annual
General Meeting

May

14/05/2015

Results Reporting
31/03/2015

27/05/2015

Investor Day

July

30/07/2015

Results Reporting
30/06/2015

November

05/11/2015

Results Reporting
30/09/2015

Corporate Bodies

as at 11 March 2015

Chairman
Gabriele Galateri di Genola

Vice-Chairmen
Francesco Gaetano Caltagirone
Clemente Rebecchini

Group CEO
Managing Director
and General Manager
Mario Greco

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

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

Secretary of the Board of Directors
Giuseppe Catalano

Letter from the Chairman

I am particularly pleased to present the 2014 Annual Integrated Report, which illustrates the progress made by the Group in 2014 and the results for all our stakeholders. Generali has consolidated its position and its role as a major player in the international insurance industry, confirming the quality of choices on which are based the complex and challenging strategic redesign commenced almost three years ago.

All of this took place against the backdrop of an uncertain global environment - characterized by diverse trends in the large international areas - which unfortunately kept the low rate of growth of the world economy in line with that of previous years.

This is a complex scenario, in which the role of an insurance group like Generali is important and valuable, both for its ability to create value and become an impetus of development, anticipating and dealing with challenges. For instance, the theme of demographic changes, where longevity and aging processes represent a critical issue for choices in terms of welfare, or the theme of environmental challenges, climate change and its consequences, which greatly expands the possible actions of the industry in which we operate.

The report and results of Generali confirm the Group's position as a global player, modern and innovative. The results were achieved thanks to the work of all the employees led by a management capable of managing the company in a difficult turnaround process towards a new, important chapter in its history at the international level. This demanding work was possible also due to the choice of transparent governance, in line with the best market standards, and thanks to the unwavering contribution of the Board and other corporate bodies, that represent a solid reference point in support of the management.

I am sure that this report will be only an excellent chapter of a further long story of which all of us are proud.

Gabriele Galateri di Genola

Letter from the Group CEO

2014 was a crucial year for Generali. At 31 December, a turnaround phase ended that had few precedents in the industry and that now allows the Group to start a new phase in the market to regain the place of excellence it deserves. When in 2013 we set ambitious targets in terms of Solvency, operating result, cash flow and cost reduction, not everyone was willing to believe that we would make it. Instead today, we can state, with a year in advance, that the Solvency I ratio reached 164%*, operating result amounted to € 4.5 billion, allowing net result to exceed € 1.6 billion**, cash flow amounted to € 2.8 billion, and that all other targets were met or exceeded. It was a difficult path, through the sale of numerous non-core activities. At the same time we acquired minority interests in activities critical to our business, which we now have full control of, especially in Eastern Europe, where we continue to grow and consolidate our leadership position; and we reorganized the business in Italy with the creation of a single brand for the country.

In 2014, Generali confirmed its role as a major international player, with over € 70 billion premiums. International presence is our greatest strength: Generali is a large European centric company and continues to build, with a selective focus, its presence in Asia and South America.

This report also illustrates the progress made in areas other than in the industrial and financial ones. Our activities, by their very nature, impact and benefit our clients, our people, our sales force and, to a greater extent, also the communities in which we operate: in the following pages, we explain how we are trying to exploit even more our potential.
It is not a requirement dictated by custom, but the best way to ensure that our business can prosper in the long term.

We look to the future with greater confidence. We work to build the Generali of a tomorrow that is around the corner, with continuing connections with the present and future needs of our clients, constant attention to the opportunities offered by technological development, an even more efficient business model, a more global and even stronger brand.

We have achieved results to be proud of, thanks to the commitment of all the women and men who, through various roles, work for our Group worldwide. That is why, their faces are the fairest illustration of the 2014 Annual Integrated Report.

Mario Greco

Mario Greco

* Including the disposal of BSI
** Net of some significant extraordinary impairments

Group highlights

Written premiums

(+7.7%)

€ 70,430 mln

Business mix

P&C premiums	29%
Life premiums	71%

The Group operating result amounts to 4,508 mln (+10.8%)

Operating return on equity over the cycle

ROE 13.2%
(+1.5 p.p.)

Target 2015

Operating result on equity 13%

Total Asset Under Management

(+13.5%)

€ 480 bln

Clients

Over the past few years Generali has focused on strengthening its position in key markets and improving customer centricity across all our companies. We currently protect over **72 million people** around the world, by offering first class insurance products and services

Proforma index, including the impacts from the BSI disposal

Solvency I

164%

Target 2015

Solvency I 160% ✓

Proceeds from disposals

~ 4 bln

Target 2015

Proceeds from disposals € 4 bln ✓

Debt and cash management

Interest coverage ratio 5.3x

Leverage ratio 38.5%

Net free surplus € 2 bln

Net free cash before Dividend € 1.2 bln

Target 2015 **On track**

Interest coverage ratio 7

Leverage ratio < 35%

Net Free Surplus > € 2 bln

Net Free Cash before Dividend > € 1.5 bln

Our people

78,333

Men 50.9%

Women 49.1%

Generali worldwide

We operate through more than

470 companies

in more than

60 countries

Insurance Performance*

Life

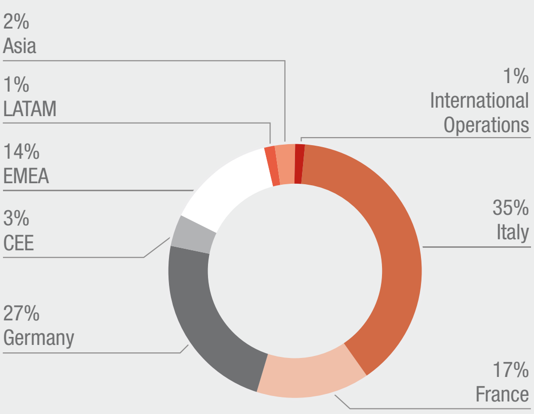
- Strong increase in written premiums driven by unit-linked policies.
- Significant increase in APE thanks to single premiums performance.
- Operating result increased due to positive technical performance.

GROSS WRITTEN PREMIUMS
€ 49,813 mln
(+11.2%)

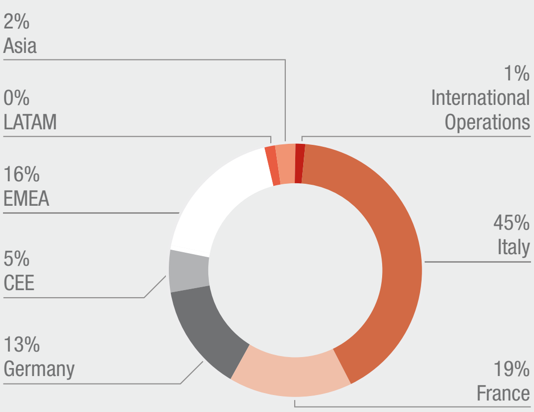
APE
€ 5,163 mln
(+14.2%)

OPERATING RESULT
€ 2,978 mln
(+15.2%)

Gross written premiums by country



Operating result by country



* For more information on the segment reporting review, please see Appendix to Management Report.

P&C

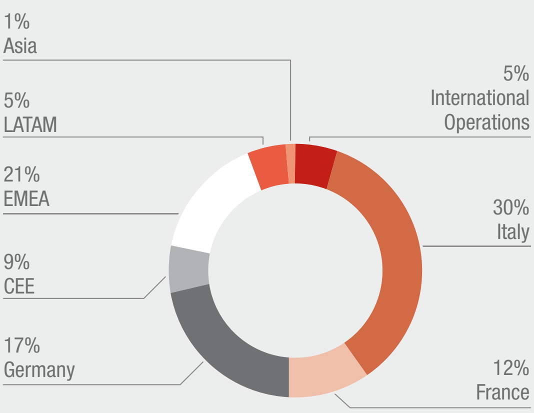
- Stable written premiums, differing between countries.
- Improving COR, in particular owing to the positive performance of the loss ratio.
- Strong increase in Operating result.

GROSS WRITTEN PREMIUMS
€ 20,617 mln
(+0.2%)

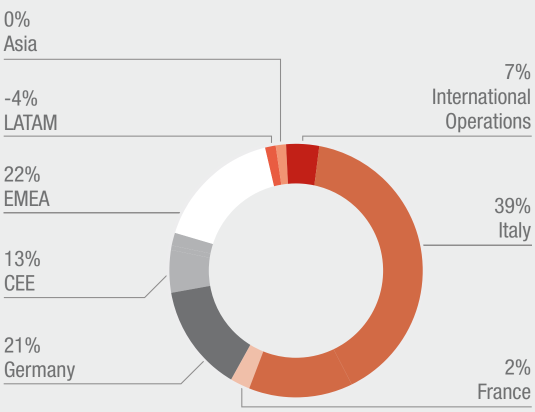
COR
93.8%
(-1.9 p.p.)

OPERATING RESULT
€ 1,831 mln
(+13.1%)

Gross written premiums by country



Operating result by country



2014 key facts

January
- Senior bond issuance

February
- Rating confirmation by Fitch
- Upgrade to Generali outlook by Moody's

March
- Rating confirmation by Standard & Poor's

April
- Cat bond placement
- Appointment of the new Board of Statutory Auditors
- Subordinated bond issuance

May
- Upgrade to Generali outlook by Fitch
- Conclusion of the squeeze-out of the minorities of Generali Deutschland Holding AG (Germany)

June
- Generali inclusion in the NYSE Euronext Vigeo World 120
- Approval of the demerger plan from Telco S.p.A. (Italy)
- Completion of the disposal of Fata Assicurazioni Danni S.p.A. (Italy)

July

Signed agreement for the disposal of BSI Group (Switzerland)

Rating confirmation by Fitch

Acquisition of Citylife S.p.A. (Italy)

August

September

Generali confirmed in the FTSE4Good Index

October

Resignations of Paolo Scaroni and Sergio Balbinot

Upgrade to Generali outlook by A.M. Best

November

European partnership with Discovery Ltd. for the launch of Vitality

Investor Day

Generali confirmed as a Global Systemically Important Insurer by the Financial Stability Board

Announced the buyback on three hybrid bonds

December

Rating review by Standard & Poor's

Flavio Cattaneo appointed as member of the Board of Directors and Giuseppe Catalano as Secretary of the Board

Acquisition of the 49% of Multi-Purpose Insurans Berhad (Malaysia)

For in-depth information, please see Our strategy.

Highlights on the main events of 2014

Actions for the optimization of the debt and for the strengthening of financial solidity

In January, Assicurazioni Generali issued a **senior bond** for a total amount of € 1,250 million, underwritten for approximately 90% by foreign institutional investors. The issuance proceeds were used to refinance part of the Group's senior debt maturing in 2014, amounting to € 2,250 million, in line with the Group's funding strategy. In May and November, senior bonds were reimbursed for € 1,500 million and € 750 million, respectively, thus reducing the senior bond for € 1 billion through internal resources.

In April, Generali placed a fixed rate 12-year **subordinated bond** for an overall amount of € 1 billion. The issuance, paying a 4.125% coupon, was directed to institutional investors; the demand was 7 times higher than the amount placed on the market. The issuance was used to both strengthen the regulatory capital position following the non-eligibility of the € 500 million subordinated loan issued in 2008 and reimbursed in April 2014, and to refinance the senior debt due in 2015, at a lower cost for the Group.

Assicurazioni Generali announced in early November a **buyback** operation **on three hybrid bonds**. Such operation, covered by a new issuance, aimed to efficiently refinance the Group's debt maturing between June 2016 and February 2017, in line with the objective of reducing interest expenses over the next years in order to optimize its regulatory capital structure.

Recognitions by rating agencies for the strategy aimed at improving the Group's economic and capital strength

In February, the rating agency **Fitch** affirmed the Insurer Financial Strength rating of Assicurazioni Generali at A- and on 2 May it upgraded Generali's outlook from negative to stable. The agency confirmed such rating in July and it also reaffirmed the Company's senior and subordinated notes at BBB+ and BBB-, respectively.

In February, the rating agency **Moody's** upgraded Generali's outlook from negative to stable and confirmed the Insurance Strength Rating at Baa1 and the rating Baa2 for the senior bonds.

In October, the rating agency **A.M. Best** upgraded Assicurazioni Generali's outlook from negative to stable and confirmed its Financial Strength rating at A (Excellent). The rating demonstrates the Group's strong business position, sound operating performance and increasing capitalization, while the outlook upgrade reflects the stabilization of the Italian macroeconomic and financial scenario and the success of Generali's strategic plan.

In late March, the rating agency **Standard & Poor's** affirmed its A- rating of Generali, thus resolving the credit watch initiated following last year's review of the evaluation criteria linked to government debt securities ("Rating Above the Sovereign").

Generali passed S&P's stress test, clearly demonstrating its ability to maintain a positive solvency even in a highly distressed scenario. In December, S&P's downgraded the rating of Generali to BBB+ from A- as a consequence of the downgrade of the sovereign Italian rating. The outlook was revised from negative to stable. In 2013 S&P's changed its global evaluation criteria, thus limiting the rating of Generali to two notches above that of Italy. The rating agency also stated that the indicative Group Credit Profile (GCP) remains unchanged at A confirming "the very strong business risk profile and upper adequate financial risk profile".

A summary table on the ratings assigned to Generali is presented below:

	Rating	Outlook
A.M. Best	A	Stable
Fitch	A-	Stable
Moody's	Baa1	Stable

Generali is included in many **ethical indexes**, such as FTSE4Good, NYSE Euronext Vigeo World 120, MSCI Global Sustainability Indexes and MSCI Global SRI indexes.

Actions for the strengthening of capital position and focus on the insurance business

In April, Generali became the first Italian sponsor to enter the Insurance Linked Securities (ILS) market through the **first ever 144A indemnity catastrophe bond placement** on protection against European windstorm. This innovative transaction allows Generali to optimize protection covers against catastrophic events deriving from European windstorms. The success on capital market has allowed the protection provided to Generali to be upsized to € 190 million with a fixed premium of 2.25% per annum and to extend it to 3 years.

In May, the resolution taken on 4 December 2013 by the extraordinary General Meeting of Generali Deutschland Holding AG (GDH), approving the **squeeze-out of GDH's minorities**, was registered with the German Commercial Register. After the registration of the shareholders' resolution, all the shares held by the minority shareholders in GDH were transferred to Assicurazioni Generali and, at the same time, the shares of GDH were delisted. This transaction resulted in a reduction in the equity of the Group of € 130 million.

In June, Generali completed the **sale of 100% of Fata Assicurazioni Danni S.p.A.** for a total amount of € 194.7 million, after a price adjustment procedure, thus allowing the Group to further strengthen its liquidity and capital position and to improve the Solvency I ratio by 0.7 percentage points. The transaction resulted in a non-recurring gain of € 56 million.

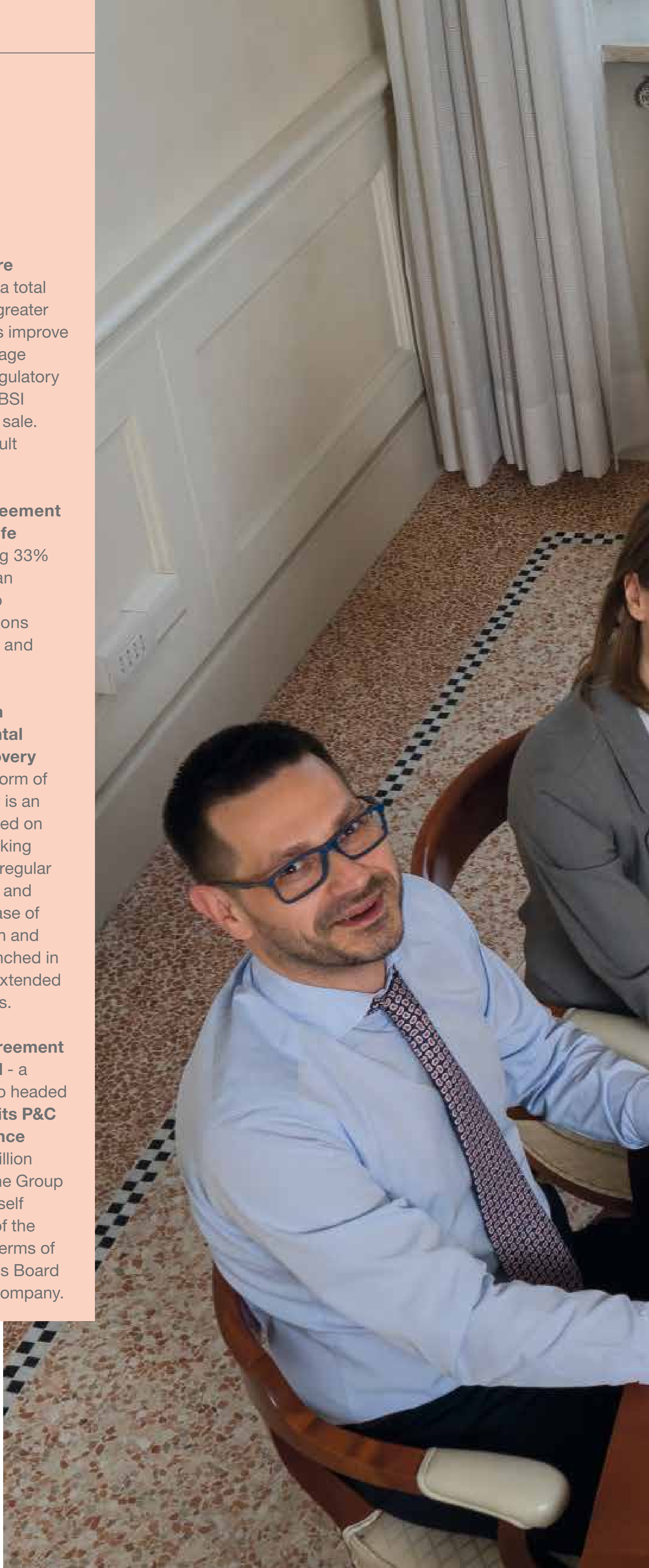
In June, Generali **approved the demerger from Telco S.p.A.**. The Group will complete the demerger as soon as the necessary authorization are received. The demerger from Telco is in line with the Group's strategy to actively manage its assets.

Generali **signed an agreement to sell its entire interest in the BSI Group to BTG Pactual** for a total of € 1.24 billion in July. This operation allows a greater focus on the core insurance business and helps improve the Solvency I ratio by approximately 8 percentage points. Pending the release of the necessary regulatory approvals, since June 2014 the participation in BSI Group is classified as a disposal group held for sale. Following the operation, BSI had a negative result of € 112 million at year-end.

At the end of July, the Group **reached an agreement with Allianz to become sole owner of Citylife S.p.A.** through the acquisition of the remaining 33% of the company that manages the largest urban development project in Milan. Citylife has also reached a binding agreement with the institutions financing the project to redefine certain terms and conditions of the original deal.

In November, Generali entered into a **European partnership – the first of its kind in Continental Europe – with the insurance company Discovery for the launch of "Vitality"**, an innovative platform of Health & Protection insurance solutions. Vitality is an insurance model - designed by Discovery - based on behavior and shared value. It has the aim of making the people healthier through a customized and regular interaction with the client in order to encourage and reward a healthy lifestyle. The development phase of the Generali Vitality products has already begun and the forecasted exclusive distribution will be launched in Germany, France and Austria and will then be extended to the other countries where the Group operates.

In December, Generali has **entered into an agreement with Multi-Purpose Capital Holdings Berhad** - a wholly owned subsidiary of the Malaysian group headed by MPHB Capital - t**o acquire a 49% stake in its P&C insurance subsidiary, Multi-Purpose Insurance Berhad (MPIB)**, for a consideration of € 81.4 million (MYR 355.8 million). Thanks to this take-over, the Group enters into the Malaysian market establishing itself among the ten biggest P&C insurance players of the country. The operation is essentially neutral in terms of Solvency. Generali immediately appoints various Board members and key managers of the Malaysian company.



Group Governance

In October, the independent Board member **Paolo Scaroni resigned** as Chairman of the Remuneration Committee and member of the Appointment and Corporate Governance of Generali, and **Sergio Balbinot resigned** as Group Chief Insurance Officer of Generali.

In December, the Board of Directors **appointed Flavio Cattaneo** as member of the Board of Directors and **Giuseppe Catalano** was appointed Secretary of the Board.

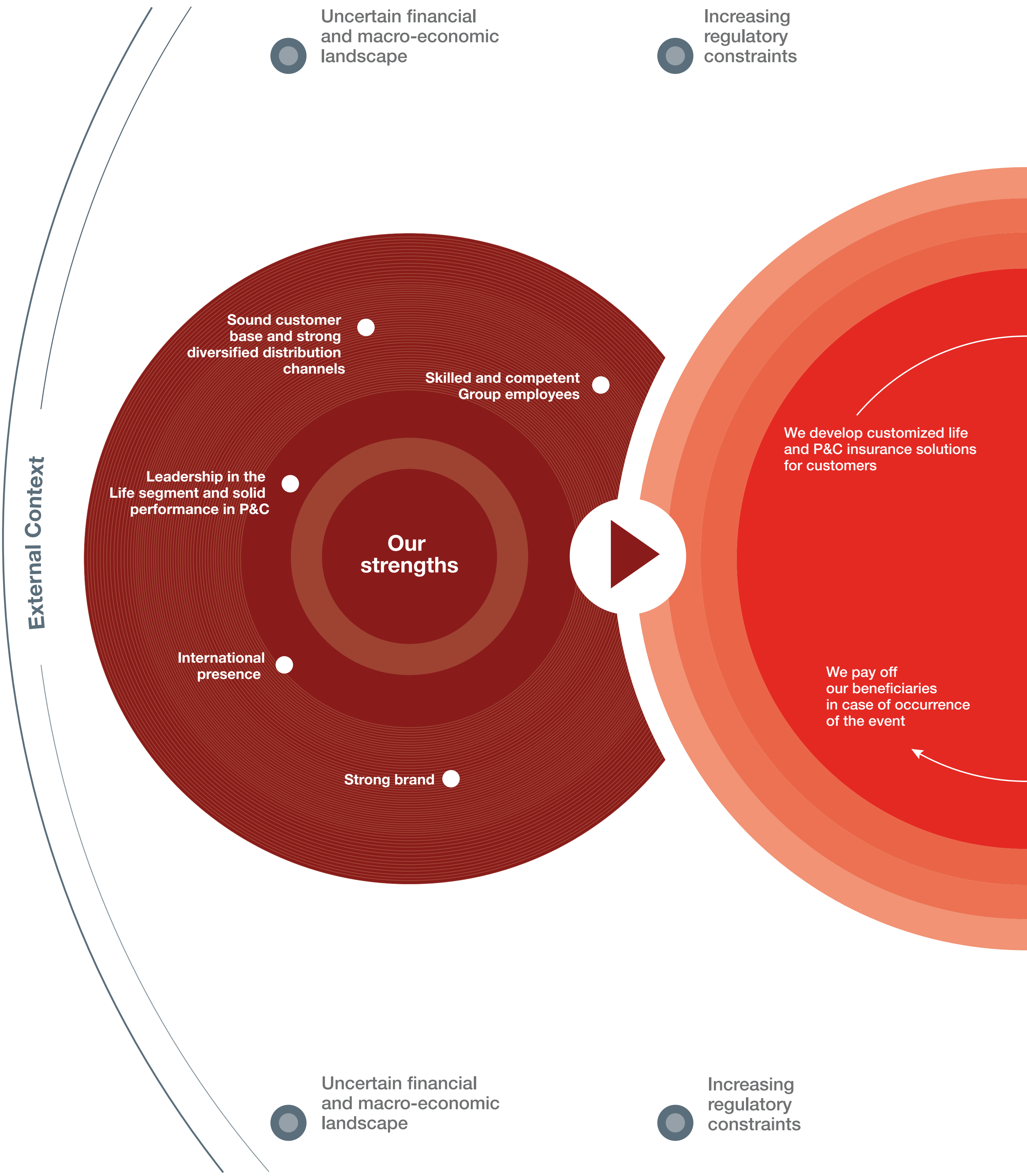
Significant events after 31 December 2014

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 on 8 January 2013. With the acquisition of the full control of the shares in GPH, the operational holding company in Central-Eastern Europe, one of the biggest insurance players of the area, changed its company name to Generali CEE Holding B.V.. The purchase of the remaining shares of GPH was completed in line with the terms previously announced to the market for a final price of € 1,245.5 million.

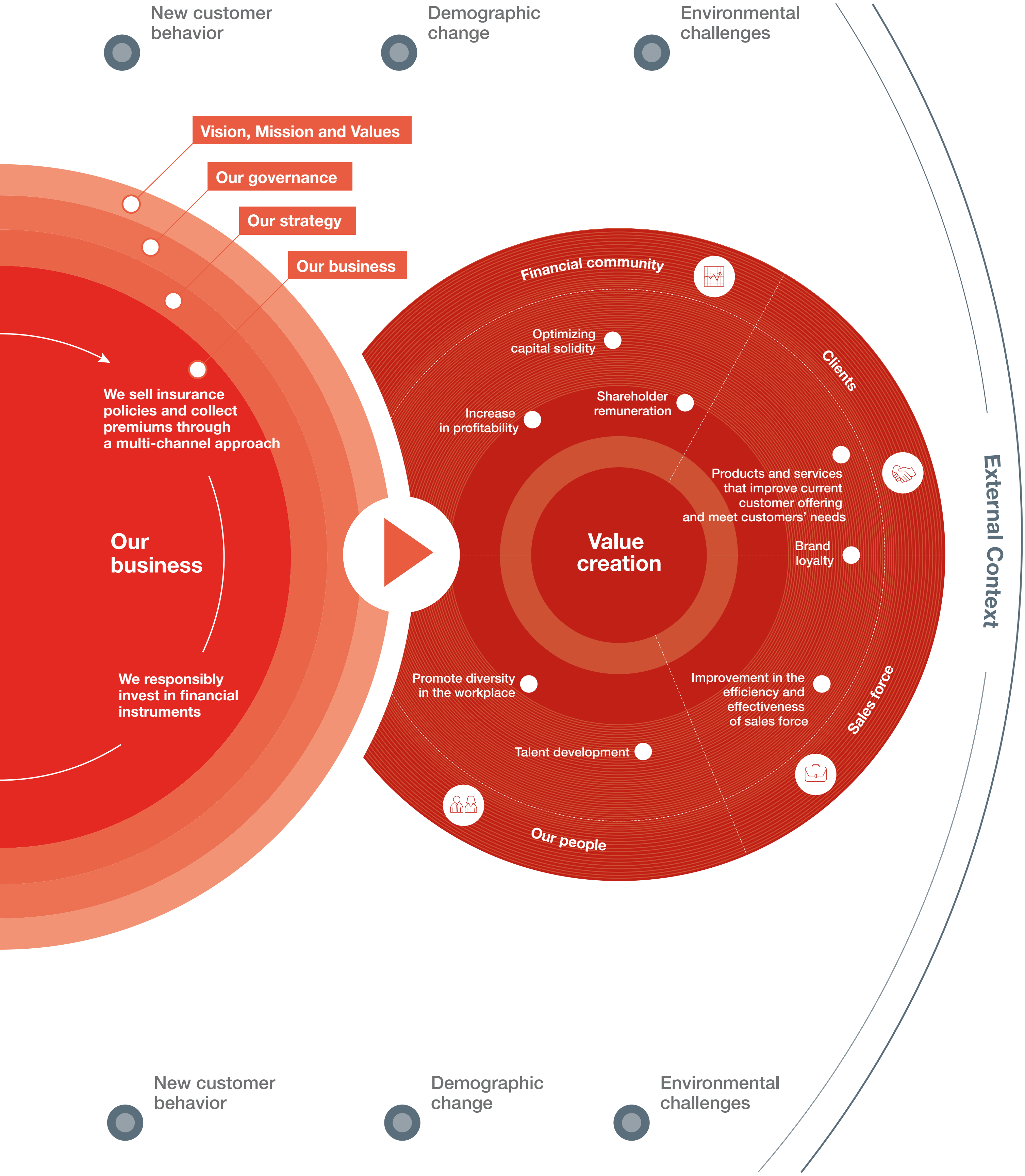
On 13 February 2015, at Generali's request, Standard & Poor's withdrew its rating relative to the Group which consequently will not be evaluated by the agency. The decision is based on the obvious and inexplicable inflexibility of S&P's criteria that does not allow to take into account the significant improvement in the financial solidity achieved by the Group over the past two years. Furthermore, the mechanical link to the sovereign rating applied by S&P's does not give merit to the Group's high level of diversification or the benefits of its broad geographical presence. In line with industry norms, Generali will remain rated by three major rating agencies: Moody's (Baa1), Fitch (A-) and A.M. Best (A).

Our Group

Our business model



For information about stakeholders, please see Appendix to Management Report.



External context

Main long-term factors that may **significantly affect the business** and the **ability to create value** for the Group

Uncertain financial and macro-economic landscape

In 2014, global economic growth remained in line with the previous year, with a growth rate higher than last year in the advanced economies and lower in those developing.
The difficult economic situation of the **Euro Zone** countries and the continuous decrease in inflation have pushed the European Central Bank to announce new stimulus measures, pushing government rates at their historical minimum. USA are showing a growth trend also due to the lowering of the unemployment rate while Russia is facing a tough economic period and China has slowed down its growth.
The **financial markets** are characterized by an environment of **low interest rates** and a **positive trend** although differentiated between the geographical areas of the **equity markets**.
With regards to the insurance sector, the moderate growth in household income together with the low interest rates require companies, especially those in the life business, an accurate analysis of their business model.

The challenging macroeconomic and financial contexts, together with the forthcoming enforcement of Solvency 2, have highlighted the importance of a strategic asset-allocation and asset-liability management process even more structured and integrated at Group level.
The strategic asset-allocation implementation takes into consideration many indicators, such as economic capital requirements, Group targets on results and the expected returns of the insured.
This scenario, characterized by very low interest rates, is dealt with by resorting to greater diversification in terms of asset classes and geographic exposure, reducing liquidity and paying even greater attention to the consistency between assets and liabilities, which would limit the reinvestment risk, especially for the life portfolios characterized by the presence of financial guarantees.

Increasing regulatory constraints

The **regulation of the insurance industry** is extremely dynamic at national, European and international level.
Worthy of note are: Solvency 2, the European project reviewing the prudential supervision of insurance and reinsurance business, and the European directive IMD2 (Insurance Mediation Directive 2) which provides for the introduction of new requirements and stricter rules regarding the distribution of insurance products designed to increase consumer protection, improve information transparency and reduce conflicts of interest, restoring confidence in the sector.

We carefully follow the regulatory developments in order to ensure a proper level of internal preparation and we promote different dedicated initiatives.
In particular, in order to meet the Solvency 2 requirements, we have identified our actions in a proper action plan and have prioritized the formal adoption of internal models for the measurement of capital requirements.
With respect to the European directive IMD2 we have launched an important international and cross-functional initiative aiming at identifying possible actions and implications and better supporting our business units in addressing changes.

We were confirmed as a Global Systemically Important Insurer by the Financial Stability Board (FSB); as a consequence, we have developed the Systemic Risk Management Plan (SRMP), in which we explain how we intend to manage and reduce our systemic risk exposure, the Liquidity Risk Management Plan (LMRP), in which we disclose the level of adequacy of available liquidity and its management in a stress-scenario, and the Recovery Plan, which is the instrument for the evaluation and proper management of critical scenarios.
We actively collaborate with the Supervisor for the drafting of the Resolution Plan as to guarantee an eventual liquidation procedure which does not compromise financial stability and economy.

New customer needs

In a mutating economic environment, consumers are showing different attitudes toward insurance products and services and insurers. These changes have their roots in two global trends: **digitalization**, which has created the possibility of introducing new forms of sale and use of new insurance solutions, and **economic uncertainty**, which has decreased spending on some forms of retirement savings or insurance. These factors have made clients increasingly attentive to the quality of service and also more independent in decision-making, thanks to the many lower cost sources of information available.

We believe that technological development is a crucial element for providing effective and appealing insurance solutions: we are working on the digitalization processes in order to allow our clients to have access to insurance solutions via several tools, in line with new habits and needs.
Our aim is to become an excellent designer of insurance solutions to be distributed through a variety of channels. For this reason, the Technical Excellence program is key to our activities.

Demographic change

Societies are facing dramatic and unprecedented demographic changes: an **aging population** - the main causes for which are longevity, i.e. the greater life expectancy, and falling fertility rates, two drivers that are the result of successes in healthcare, education and increasing affluence but that create a social challenge -, an **altering family structure** and **migration**.
Aging population has many potentially consequences on the economy, including pressure on growth and the labor market, on state budgets (through both pension and health care costs) and on the private savings behavior by individuals.
Life insurance plays a vital role in mitigating the effects of an aging society.

We are aware of both the growing demand for post-retirement income products and of insufficient levels of insurance literacy and lack of information on products that affect the ability of individual to save. We are therefore committed to offering proper solutions and to improve financial awareness in the society by educating the sales force to dialogue with the individuals and facilitate the comparison between pension funds accumulated and projected salary at retirement age. Improving dialogue allows people to become more aware of their needs and us to undertake the right actions.
We offer not only traditional insurance solutions: we have developed innovative solutions, such as “living age solutions”, i.e. insurance products based on the life style. They will be developed through Generali Vitality, the start-up launched in partnership with Discovery in 2014. We are also analyzing how to better develop long-term care (LTC) products.

Environmental challenges

The **climate** is changing, becoming even more extreme and unpredictable. This adds to the factors that may influence the risk landscape, especially for insurance protection against events that depend on the weather such as floods, drought and windstorm. The rise in claims tied to catastrophic events is infact reflected in higher expected losses and in an increase in their volatility, thus resulting in greater uncertainty in pricing and in higher risk capital absorption associated to the business being underwritten. Tariff adjustments may therefore be required.
If unmitigated or not well managed, they could eventually make it unaffordable for customers to access insurance or, in extreme cases, even lead to the impossibility of insuring risks. The climate change also represents a business opportunity that derives from the new needs generated by the changes themselves.

We are actively working on identifying and assessing the significance of the risks, so as to minimize the negative effects that may follow. We constantly monitor the main perils and territories to which we are exposed, using stochastic models for simulating natural phenomena. We are thus in a position to verify the adequacy and enhance the effectiveness of our insurance underwriting and risk mitigation strategy.
We manage our reinsurance cessions centrally to take advantage of economies of scale, improve diversification in our business and to better leverage our “purchasing power” on the international reinsurance markets. We are also committed to investing in research and studies on these topics.
We identify the opportunities arising from catastrophic events in the possibility of better promoting existing products and developing new ones, associated with an appropriate level of services, to satisfy the potential greater need of protection against catastrophes, and of promoting a supportive regulatory context.

For an in-depth description of the risk profile and specific methodologies for risk assessment, please see Risk Report in the Notes to the Consolidated Financial Statements.

Vision, Mission and Values

"Our Vision, Mission and Values are the backbone of the Group culture and they differentiate us from anybody else. I am proud of them."
Mario Greco, Group CEO

Our Vision

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

Our Mission

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

Our Values

Deliver on the promise
Value our people
Live the community
Be open

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

Protect
We are dedicated to the heart of insurance - managing and mitigating risks of individuals and institutions.

Enhance
Generali is also committed to creating value.

People
We deeply care about our clients' and our people's future and lives.

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

First choice
Logical and natural action that acknowledges the best offer in the market based on clear advantages and benefits.

Delivering
We ensure achievement striving for the highest performance.

Relevant
Anticipating or fulfilling a real life need or opportunity, tailored to local and personal needs and habits, perceived as valuable.

Accessible
Simple, first of all, and easy to find, to understand and to use; always available, at a competitive value for money.

Insurance solutions
We aim at offering and tailoring a bright combination of protection, advice and service.

Deliver on the promise
We tie a long-term contract of mutual trust with our people, clients and stakeholders; all of our work is about improving the lives of our clients. We commit with discipline and integrity to bringing this promise to life and making an impact within a long lasting 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. Our markets are our homes.

Be open
We are curious, approachable and empowered people with open and diverse mindsets who want to look at things from a different perspective.

During 2014 we have launched a global internal communication campaign based on actions aiming at informing and raising awareness on our values.
Such campaign has used several tools:

- **posters**, initially spread in digital format on the We, Generali Portal and local intranets, then more widely in all the Group offices. The four values were so largely displayed allowing our people to become more familiar with them. This approach highlighted our values and the simultaneous presence of negations and affirmations brought out the real meaning of value, strengthening it;
- the **mugs**, personalized with our values, were distributed to each employee, thus enabling those words and messages to be present to be on every office desk;
- the **postcards**, coupled with each value and illustrated with playful and evocative images, hosted on their backs the dos and don'ts, thus recalling in this way the contrast between positive and negative. These messages were designed to strengthen the meaning and to better understand all the different aspects of behavior and attitude embodied by our values.

We believe that our values must be the basis of our activities, integrated in our product and services in order to reach our customers. These challenges are the basis of the **Values in Action Labs**, a global internal initiative undertaken to sustain this important phase of change in Generali. This initiative includes a series of workshops, aiming at the promotion and development of values in the countries and regions which host these events. The labs, adopting a methodology that promotes engagement and fosters focus and creative collaboration, took place in many offices of the Group, in order to ensure a complete geographical representation and a deep engagement.
More than 400 participants had the opportunity to work together and prepare a true action plan, with the aim of translating the values into daily business activities and identifying the time, resources and people needed to implement the proposed initiatives.
To date, more than 20 projects and initiatives have been launched with success.
The Values in Actions Labs show that everybody in our Group is ready to commit in setting the bases of a shared culture. It is up to each of us to make the difference.

Our governance and compensation policy

Governance

General Meeting

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

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.

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 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.

Appointments and Corporate Governance Committee

It performs consultative, recommendatory and preparatory activities for the Board on subjects relating to its size and composition and the corporate governance rules of the Company and the Group.

Investment Committee

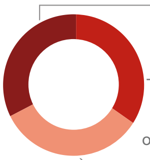
It conducts a periodic analysis of the Group investment policies, the main operational guidelines and the corresponding results, and a prior analysis of major investment and divestment operations.

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.

At 31 December 2014

Around 244,000 shareholders



Subjects held - either directly or indirectly through third parties, trustees and subsidiaries - more than 2% of the share capital	Number of shares	Percentage of share capital
Mediobanca S.p.A.	206,349,114	13.254%
Delfin S.AR.L (Leonardo Del Vecchio Group)	46,800,000	3.006%
Cassa Depositi e Prestiti (through Fondo Strategico Italiano)*	40,000,000	2.569%
New B&D Holding Group	37,890,000	2.434%
Caltagirone Group	34,750,000	2.232%
People's Bank of China	31,351,390	2.014%

* As a result of the sale from Fondo Strategico Italiano of 29,777,535 Generali ordinary shares in July 2014 and 8,998,306 Generali ordinary shares in January 2015, the total percentage of Generali shares held by Cassa Depositi e Prestiti through Fondo Strategico Italiano decreased to 1.991% at 23 January 2015.

1,556,873,283 registered shares, all of which are ordinary shares, each with a nominal value of € 1.00
€ 17.0 closing price of Generali shares at 31 December 2014 (€ 14.79 lowest price at 16 October and € 17.43 maximum price at 9 January)
€ 26,466,845,811 market capitalization

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 strengthening 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 Committe

Cross-functional Committee that examines and identifies topics with material impact on the financial statements both at Group and Head Office level.

Finance Committee

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

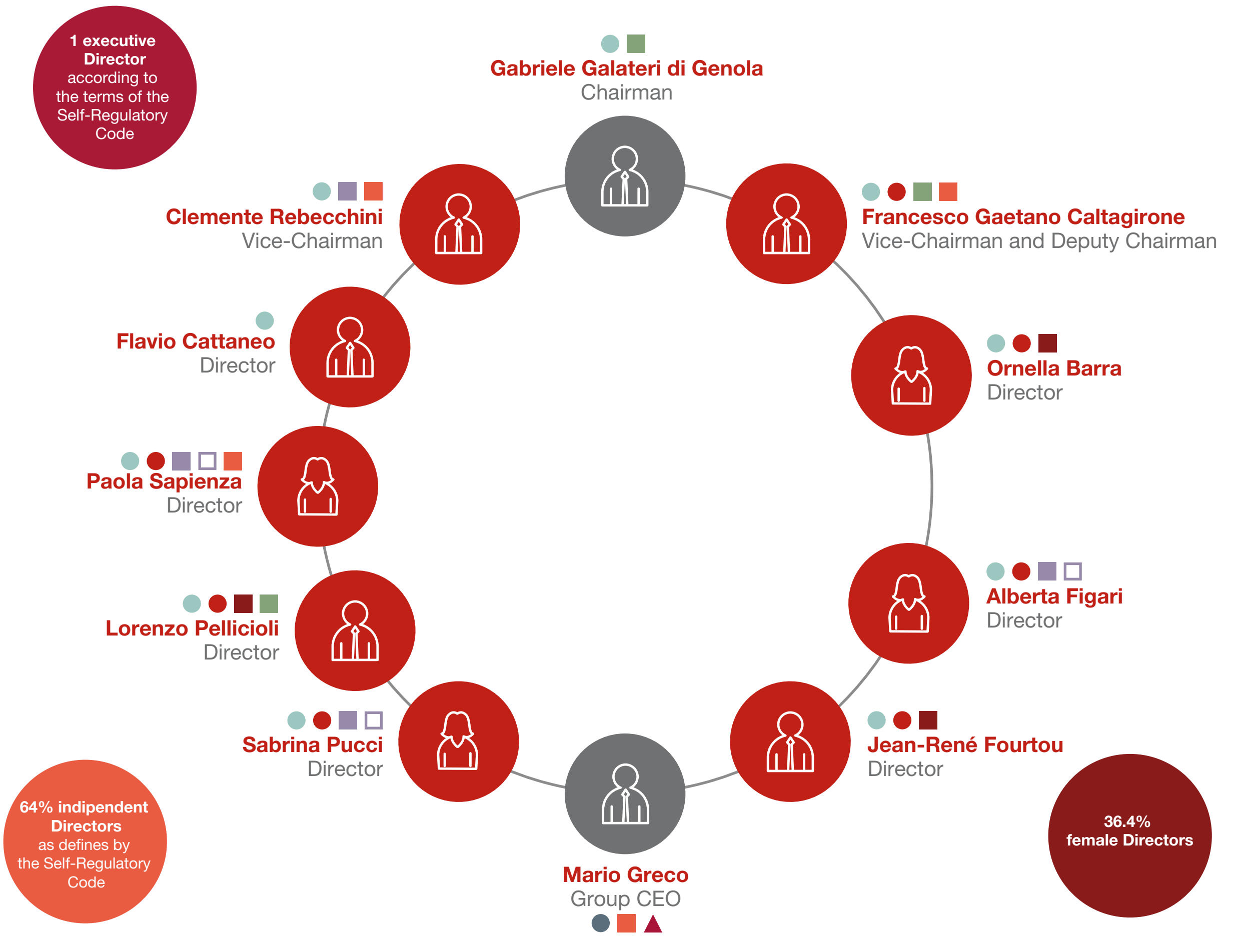
Product & Underwriting Committee

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.

> "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



- Executive
- Non Executive
- Indipendent as defined in the Self-Regulatory Code
- Director responsible for the internal control and risk management system
- Remuneration Committee
- Risk and Control Committee
- Sub Committee for Related Party Transactions
- Appointments and Corporate Governance Committee
- Investment Committee

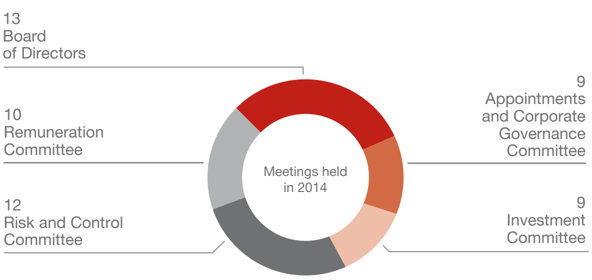
Selection of Directors based on their professional skills among candidates who have at least three years' experience in qualifying job activities and in compliance with age limits set in the Article of Association (Director: 77; Chairman: 70 and Managing Director: 65)

Skills, expertise and geographical diversity appropriately represented

For the cv of the members of the Board of Directors, please see www.generali.com/Governance/corporate-bodies

5 information meetings covering strategy, reinsurance and the Solvency II Directive

Self-assessment process conducted with the support of a leading firm of consultants on the size, composition and functioning of the Board of Directors and its Committees with regard to its activities in 2014



Percentage of the Directors' attendance at the meetings held in 2014

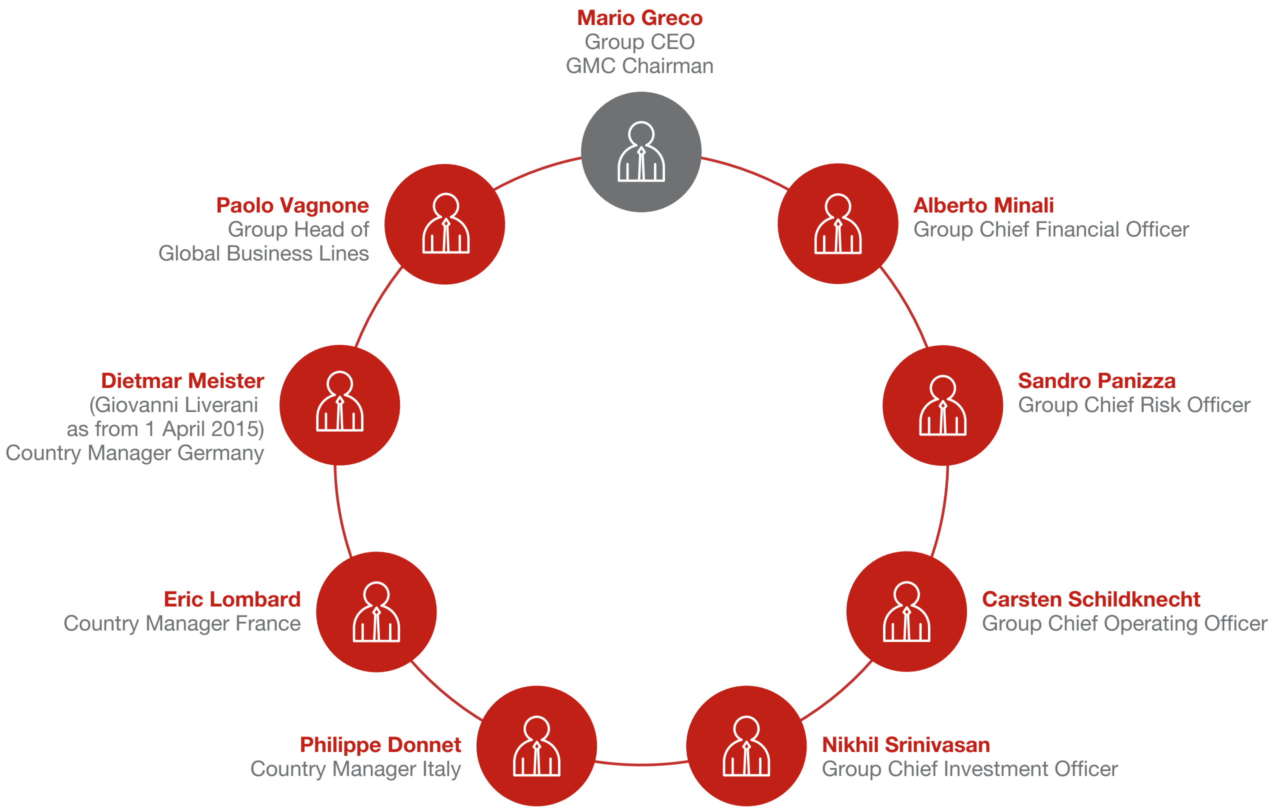
- Board of Directors: 97.2%
- Remuneration Committee: 100%
- Risk and Control Committee: 100%
- Appointments and Corporate Governance Committee: 92.6%
- Investment Committee: 100%

Board of Auditors

Carolyn Dittmeier (Chairwoman)
Antonia Di Bella (permanent Auditor) **Francesco Di Carlo** (substitute)
Lorenzo Pozza (permanent Auditor) **Silvia Olivotto** (substitute)

60% female Auditors

Focus on the Group Management Committee (GMC) as at 15 January 2015



Mario Greco
Group CEO
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.

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 Officer

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 model.

Carsten Schildknecht
Group Chief Operating Officer

His mission is to run the Generali operating platform to deliver operational excellence, enable distribution excellence and 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 our 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.

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.

Dietmar Meister
Country Manager Germany

He is responsible for the management of German business which accounts to about € 18 billion premiums with approximately 14,000 employees.

Giovanni Liverani joins the GMC as from 1 January 2015 and he will become Country Manager Germany as from 1 April 2015.

Paolo Vagnone
Group Head of Global Business Lines

His mission is to combine the strength of three leading strategic businesses (Generali Employee Benefits, Global Corporate & Commercial and Europ Assistance) 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.

For in-depth information, please visit www.generali.com/Governance/corporate-governance-report

Compensation policy

We aim to attract, motivate and retain our people who – for their technical and managerial competencies and their different profiles in terms of origin, gender and experiences - represent a competitive driver for the Group. We believe that an effective compensation policy can positively reinforce employee engagement and alignment with organizational goals consistent with our Group vision, mission and values.

Our pillars	Main criteria
Equity and consistency	— **Balanced remuneration packages** based on role, responsabilities, skills and abilities demonstrated; — **Same approach** across countries/regions/business and functions.
Alignment with corporate strategy	— **Structured incentive systems** linked to the achievement of sustainable Group results; — Targets setting on an annual and multi-year basis to maintain a **sustainable level of performance in terms of results and risks taken**.
Competitiveness	— Constant monitoring of **our peers practices and general remuneration trends of the market**; — **Competitive total compensation** in terms of levels and structure; — Alignment with **business strategy and direction**.
Value merit and performance	— Variable compensation based on **performance**, **differentiation and selectivity**; — Strong connection between **remuneration and Group results**; — Performance-based compensation as a **key driver of motivation**, **retention and alignment** with organizational goals.
Governance and Compliance	— Clear and transparent **governance;** — **Sound guidelines on remuneration compliant** with global and local regulatory requirements and in line with Group values; — Dialogue with **institutional investors and proxy advisors**.

Group governance on compensation is primarily focused on Group executives:

- Group CEO;
- members of the Group Management Committee (GMC);
- office heads and managers of control functions, for whom further specifics and disposals are required, according to the regulatory requirements dedicated to those roles;
- other roles which directly report to the Group CEO, with a significant impact on the risk and strategic profile of the Group;
- the other members of the Global Leadership Group (GLG).

In line with the strategy, which aims to increase the international integration of the Group and the strengthening of its role at international level, the pillars of our compensation policy, coherent at a global level, are applied throughout the organization in accordance with local specificities and regulations.
In particular, we pay careful attention to the governance processes related to the members of the GLG, who is made up of the 200 most influential positions of the Group, in terms of organizational key roles, impacts on results and implementation of the strategy.

Equity and Consistency

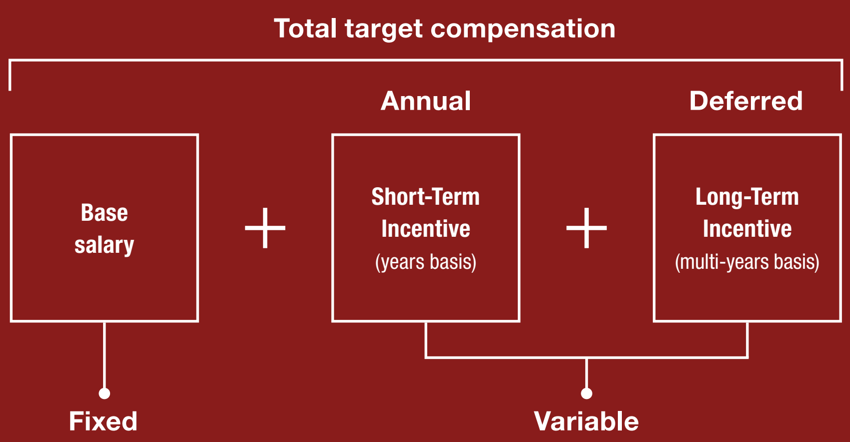
The pillars of our compensation policy are consistently cascaded throughout the organization taking into account business and local specificities and regulations within the various markets where we operate.

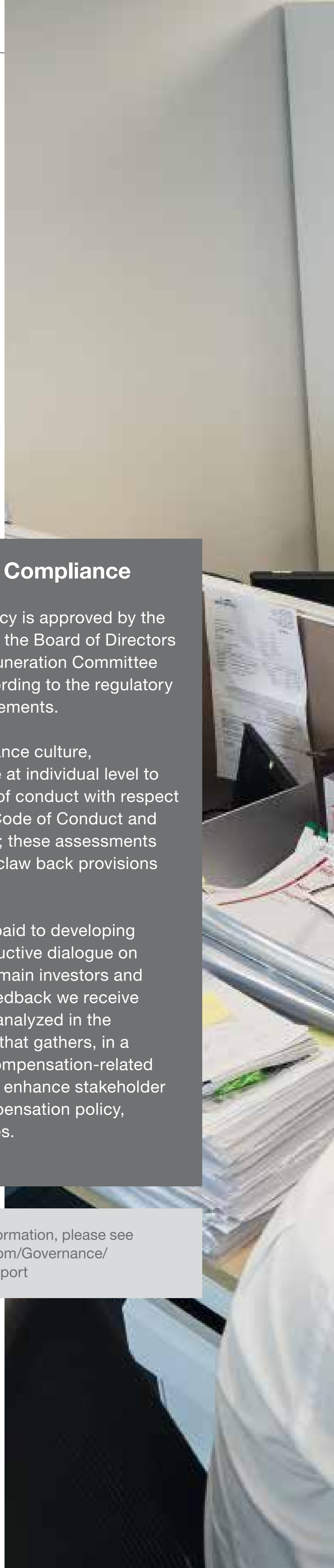
Competitiveness

The Group's intention is to align the executive compensation policy in competitive terms compared to our peers in the European financial market, with individual positioning set according to the performance and potential assessment and people strategy.

Alignment with corporate strategy

Our incentive systems are structured so that roles are remunerated according to the achievement of annual and multi-year results in order to maintain a sustainable level of performance over time. Targets are both qualitative and quantitative and allow a control over a variety of aspects of business performance, such as, in a sustainable perspective and aligned with our values, those related to the stakeholder engagement, specifically customer engagement, people management and community involvement.





■ Value merit and performance

Merit is a key element of our compensation policy. The variable remuneration of Group executives is made up of a short-and a long-term component:

- the Group Short-Term Incentive (STI) is the annual cash bonus system for the Group CEO and for the members of GMC and GLG providing for an individual bonus from 0% to 200% of baseline target depending on:
  • Group funding capacity linked to the Group operating result and net result;
  • individual balanced scorecards, based on 5 to 9 goals linked to value creation, risk adjusted profitability, process effectiveness and customer and people management.

- the Group Long-Term Incentive (LTI) is the multi-year programme for Group executives and for some selected key resources, settled in Generali shares under the General Meeting approval:
  • in line with market practice and shareholder expectation, payment is set within a 6-year timeframe subject to performance conditions aligned with the strategic targets of the Group;
  • in line with regulatory requirements, LTI plan has malus and claw back clauses in the terms of our risk management policies and a no-sell 2 years period of shares.

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

■ Governance and Compliance

The compensation policy is approved by the General Meeting, upon the Board of Directors proposal and the Remuneration Committee recommendation, according to the regulatory and governance requirements.

In line with our compliance culture, assessments are made at individual level to ensure the adherence of conduct with respect to compliance, audit, Code of Conduct and governance processes; these assessments can trigger malus and claw back provisions on all 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 analyzed in the Remuneration Report, that gathers, in a single document, all compensation-related information, in order to enhance stakeholder awareness of our compensation policy, practices and outcomes.

For in-depth information, please see www.generali.com/Governance/remuneration-report


WE DON'T
WE
DELIVER
ON

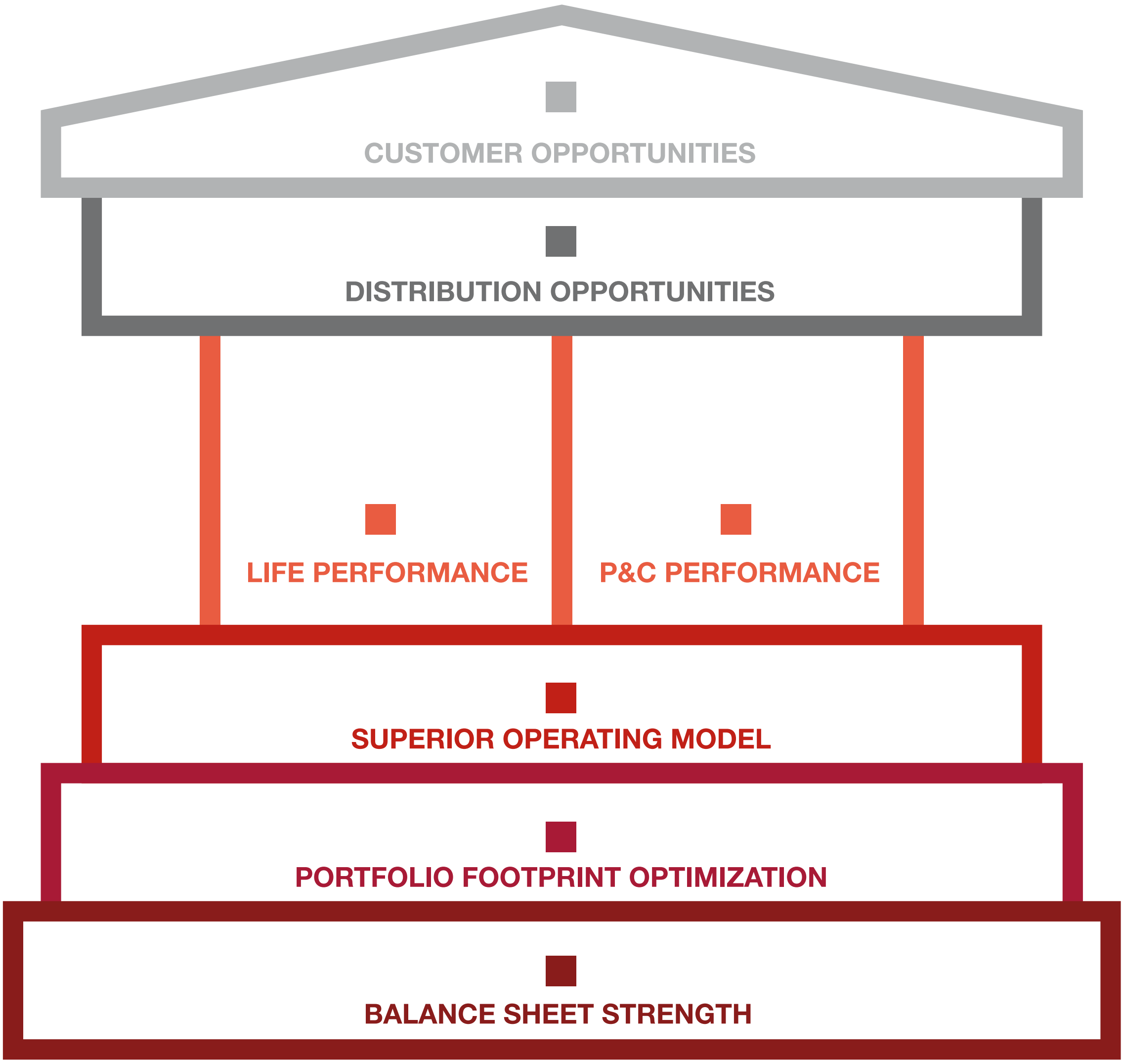
Our strategy

The Group strategy is based on the following key strengths:

- strong brand, especially in core countries;
- broad, enviable and diversified international presence, with various excellent competitive positioning in both mature and emerging markets;
- large premiums and assets base that position Generali among the top insurance groups in the world;
- a consolidated leadership in the life segment and a strong performance in P&C segment.

Based on these strengths, Generali developed a strategy to improve profitability and maximize the value creation for its shareholders, set on three key criteria: discipline, simplicity and focus on the core business, i.e. the insurance business.

Fundamentals of the strategy



The Group's goal is to provide shareholders with an excellent return, through discipline, simplicity and focus on:

- insurance core business;
- stronger capital position to be acquired through a disciplined capital management over time;
- customer acquisition and retention, with a focus on retail and affluent segments.

Customer opportunities

Our strategy is to be client centric. We understand the importance of focusing on loyalty maximization and long-term value creation.
We will maximize the value of our current customer base, by improving retention and increasing cross- and up-selling. As the availability of information is crucial in this process, we will invest in acquiring a broader knowledge of our clients, in order to better assess their specific needs and accordingly tailor appropriate solutions.
Particular focus has been dedicated in targeting the affluent segment, given its relevant size and growth pattern in both mature and emerging markets. A key success factor will be the creation of distinctive integrated solutions for each stage of the customer lifecycle, via the proper architecture of the operating model.

Life performance

Life profitability will increase by optimizing returns on absorbed capital, focusing more on protection products, streamlining operations and reviewing incentive systems in the distribution network.
In order to strengthen the technical performance, we are introducing Group guidelines and fostering best practice sharing on key elements along the value chain such as pricing, risk selection, and loss reduction.

Superior operating model

Our objective is to optimize the operating model, pursuing a strong and continuous efficiency and greater integration of the main processes across our companies, in order to reduce costs, particularly in IT, procurement and real estate facilities. We will move towards a coherent and coordinated model, integrating local strengths with the full support of the Group and the development of new skills, using the Group's existing expertise and through knowledge sharing.
We also aim to attract and invest in the best talent and develop their ability to pursue our strategy in the future. We invest in projects of international mobility, as we focus on incentive plans for our top management, which balances the individual dimension and that relating to the results of the entire Group.

Balance sheet strength

Our goal is to increase our capital position by increasing the quality of operating net income and an increasing attention to cash flows.

Distribution opportunities

Products' distribution is carried out through a variety of channels (both proprietary and third-party) allowing customers to choose according to their needs and preferences. These multiple access points must strongly interact and complement each other in order to offer superior customer experience and maximize customer value for the Group. We aim at pursuing excellence in the management of sales channels, through the strengthening of both traditional and direct channels, implementing and disseminating internal and external best practices to identify all potential levers (e.g. incentive systems, frontend applications, sales-funnel optimization, reduction in administration tasks for distributors) that can improve our productivity. We are also very attentive towards new distribution opportunities, such as bankassurance agreements especially in many emerging markets where we have decided to operate.

P&C performance

We aim at strengthening the P&C business, seizing new opportunities in both business lines (e.g. Accident and Health) and in client segments (e.g. Corporate and Commercial).
We will further improve our technical performance by centralizing reinsurance and sharing best practices within the Group.

Portfolio footprint optimization

On one hand we are strengthening our presence in the main European markets (Italy, Germany and France) and on the other we are consistently pursuing our expansion strategy in emerging markets, namely Asia and Central and Eastern European countries.

Our business

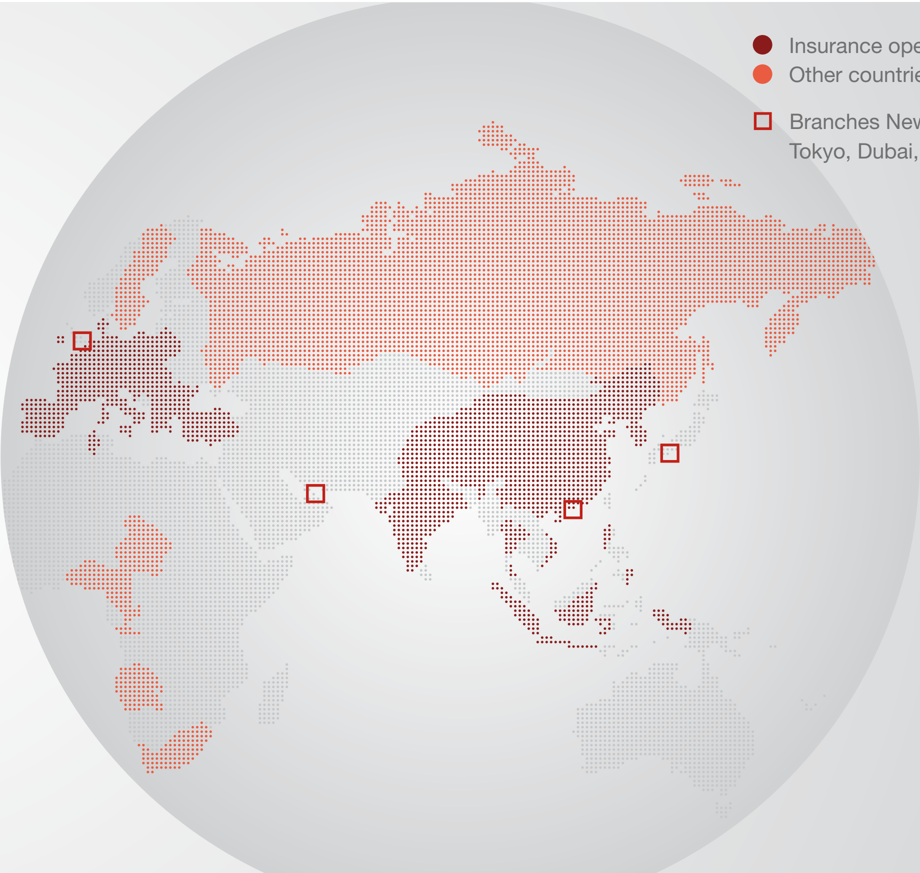
We develop simple, integrated, customized and competitive life and P&C **insurance solutions [B]** for our **clients [A]** in order to satisfy their needs: our solutions range from savings and family-protection policies to unit linked policies and complex solutions for multinational companies, from mass market coverages, such as motor third-party liabilities, households and health policies, to sophisticated products covering commercial and industrial risks.

Customer management

We, demain is one of the key projects in France, developing a closer client orientated business model aimed at all the stages of interaction. It focuses on three pillars: Clients (with dedicated approaches for different client segments), Offer (modular offers) and Multi-distribution (with the development of integrated channels).

From: Investor Day - France

We are an **international** insurance Group, widespread in more than 60 countries: we are leaders in Italy, among the first insurance players in Germany, France, Austria, Spain, Switzerland and we are present also in the potential high-growth markets, such as Central-Eastern Europe and China.



Through General Employee Benefits, the Group operates in more than 100 countries

New insurance solutions

B

Product	Main characteristics	Main channel
VALORE FUTURO	• 30% unit linked funds • 70% traditional segregated funds	• Tied agents
BG Stile Libero	• 90% unit linked funds • 10% traditional segregated funds	• Financial advisors

The development of products with a unit-linked component, enabling customers to access the benefits offered by the financial markets, is one of the key elements offered in the Life business.
In Italy, Valore Futuro and BG Stile Libero have experienced considerable success among our clients.

From: Investor Day - Italy

We distribute our products and offer our **services [C]** through a **multi-channel strategy [D]**, enabling our clients 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 [E]**: not only through our global agents and financial promoters, but also through **brokers [F]**, 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-sale service.

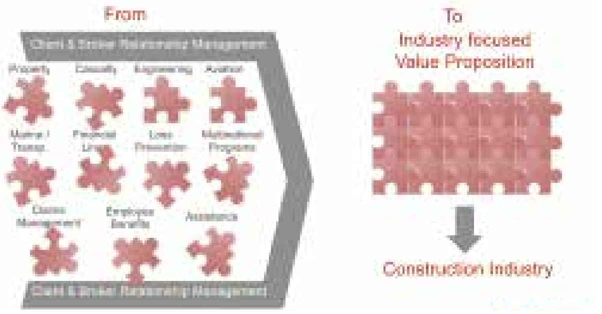
Our Services

C

Loss prevention

Since its inception in 2013, Generali Global Corporate & Commercial has harnessed the skills, expertise and competences of the Group's risk engineers in a global network. As insurance transfers the impact of present and future risks away from our customers' business, loss prevention curtails these risks and the potential losses that they can generate.
Our companies and customers are served by a global team of 100 risk engineers, located in more than 30 countries and reporting to a central unit.
Every year our professionals inspect and visit more than 5,000 plants, implementing surveys and desktop assessment for our clients and brokers in each country of the world.
Our risk engineers draw from their broad international experience to identify and recommend risk mitigation plans to our corporate partners and help implement them in the most effective way supporting their future growth and development. Generali loss prevention is a technical excellence center that ensures the sustainability of the business and the environment in which customers operate. Furthermore, loss prevention acts as an underwriting risk level stabilizer for our companies.
The risk engineers work together with underwriters, claims experts and client relationship managers to offer integrated solutions to our customers.
They have a mature and extensive corporate and commercial expertise that is further supplemented by specialized partners and consultants who address the most sophisticated needs of our customers.

Global Construction



GC&C Global Construction caters extensive and homogeneous products and services built around brokers' and clients' needs with a 360° innovative approach that includes P&C, Employee Benefits and assistance solutions. Thanks to the experience in international risk portfolio in several sectors, our offer was enhanced to better suit the needs of clients belonging to specific industries. Generali has over 50 years of leading presence in the construction industry being the insurer of some of the biggest and most complex infrastructure projects worldwide.

Distribution strategies and new technologies

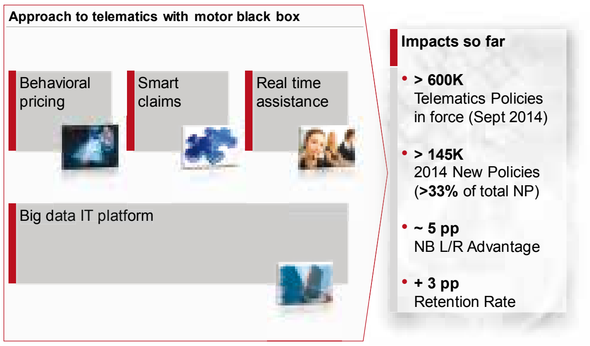
D

Digitalization is a continuous stimulus in developing our offering and improving interaction with our clients, our sales channels and our partners. In Germany, through CosmosDirekt, we provide innovative services that support our leadership in direct insurance.

From: Investor Day - Germany

New technologies

Telematics



From: Investor Day - Italy

The development of connectivity through telematics technologies applied, for example, to Motor and Home lines of business are crucial for the development of our offer.
Just in Italy Generali has a portfolio of over 600 thousand policies that contributed to the improvement of the loss ratio and customer retention.

E-commerce distribution platform

Plug&Sell is the e-commerce distribution platform of Europ Assistance (EA) group. It enables to sell and promote customized assistance and insurance products for all markets and business models (B2C, B2B2C, B2B). It has been rolled out in 5 main distribution solutions:

- eShop to sell in a few steps insurance products under EA brand or from EA partner site;
- mShop to sell insurance products on a dedicated mobile framework;
- Telesales to sell insurance products in an on-line authenticated and secured environment for agents;
- GDS/Amadeus connection to sell travel policies through an international booking platform connected to millions of customers;
- Cross-Sell to sell complementary insurance products in a fully integrated partner site.

Decidedly business oriented, Plug&Sell is constantly improving since 2007 and provides to its partners key features, such as multi currency secure-payment interface, segmented and customized offering management, quote/contract management, up-sell/cross-sell management and promotion management.

Some references: Home Away group, SAS, HOP!, Voyages-sncf.com, CosmosDirekt.de.

Global broker relationship management

We managed in an integrated way the relationship with the global brokers - on a worldwide basis and across all business lines and segments - through Generali Global Corporate & Commercial (GC&C).
This global management guarantees a focused business planning and execution approach.
Together with the brokers, our commercial partners, we identify specific activities, lines of business and target clients' segments and industries.

As of the second quarter of 2014, Generali started entering in strategic agreements with the global brokers. These agreements entitle Generali business units to access the global brokers' platforms based on risk and underwriting data. This enables the Group to better communicate its risk appetite and value propositions, with the aim of understanding the clients' needs and of providing them with the best products and services.

Premiums collected are properly managed in order to ensure the payment of **claims [G]** to our policyholders.

The **amounts received are invested [H]** in financial instruments.

Claims

After the flood that hit the city of Genoa (Italy), we prepared a plan of benefits providing immediate help for the benefit of our customers. We defined measures and incentives for our clients, residents in the town of Genoa, who had suffered damage caused by flooding, such as suspension, deferring and rescheduling of premiums payments. A task force was also set up for the coordination of the activities of our experts and vehicle repairers, to promptly proceed in the assessment and payment of the damages to our policyholders. We handled more than 600 claims for a total value of over € 16 million.

In Serbia, that was heavily hit by floods in May, Generali Osiguranje Serbia prepared a set of actions to support its clients. Specifically, we opened 24/7 call centers to speed the notifications of claims. Over 148 claims or 95% of total claims reported were paid in 45 days for a total amount of € 1.1 million. In addition, we supported local communities by means of various donations.

Socially Responsible Investments

With regards to investments, we have showed great awareness of sustainable development topics since 2006.
In Generali Investments Europe (GIE), our asset management company, a socially responsible investment process was developed by a team of 6 dedicated analysts. This process is based on an innovative, transparent and rigorous methodology that involves:

- the identification of 34 environmental, social and governance criteria, such as product quality, employees, supply chain, natural resources exploitation, emissions, composition and functioning of the Board of Directors;
- the mapping of six environmental, social and governance risks such as reputational risk and damage to brand image, normative pressures, class actions, competitive advantage, intangible assets and carbon emissions;
- the analysis of the main criteria identified and assignment of a rating to the company that enable to identify socially responsible investments;
- the selection of socially responsible investments also applying a financial filter.

The process also envisages the dialogue with the companies aimed at helping them understand their areas of improvement. Generali Investments Europe currently manages over € 22 billion in socially responsible portfolios in accordance with such ESG (Environmental Social and Governance) methodology. GIE also tries to influence on the governance of the companies through the voting policy: the process envisages the identification of specific voting recomendations - on the basis of the GIE voting policy principles - in the annual general meetings of the main European companies of which GIE is a shareholder.

For more information, please visit
www.generali-investments-europe.com

Reference markets and Group's competitive position[2]

Italy

GROSS WRITTEN PREMIUMS	TOTAL OPERATING RESULT	LIFE MARKET SHARE	P&C MARKET SHARE	RANKING	OUR PEOPLE
€ 23,525mln (33% of the Group total)	€ 2,183mln (48% of the Group total)	15.0%	16.3%	1°	14,383

Generali is the leader in the Italian insurance market with an overall share of 15.4%. The Group offers its clients – retail, SME and corporate – a complete variety of insurance solutions, in both life and P&C segments. The Italian turnover makes up over 30% of the overall Group revenues. At a distributive level, Generali operates through a multi-channel distribution network mainly concentrated on agents. Generali has a strong position in the direct channel, through Genertel – Genertellife, the first online insurance company in Italy. Furthermore, through Banca Generali the Group offers a variety of financial products in the previdential and asset–management sectors and hybrid financial products. The integration process, launched in 2013 aiming at the unification of all the existing brands into three main strategic brands, i.e. Generali (retail market and SME), Alleanza (households) and Genertel (alternative channels), is proceeding as scheduled.

With reference to the macroeconomic scenario, Italy remained in with a negative GDP growth rate in 2014 (-0.52% the annual growth of the third quarter). The financial markets experienced a sensible drop of the bond yield (e.g. the 10y BTP yield went from 4.13% at 31 December 2013 to 1.89% at the end of 2014). The stock market was stable (FTSE Mib + 0.23% with respect to 31 December 2013).

Gross written life premiums increased by 31.3% compared to the prior year. A strong contribution for this performance was given by new business (+46.5% in the first nine months of the year). Infact, despite aforementioned economic crisis and the continuing weak saving capacity of families, the current scenario with low interest rates makes minimum-yield insurance products appealing and fosters the demand for long-term saving products. Premiums per distribution channel illustrated strong increases in demand in all the channels: banks (+51.7%), agencies (+27.3%) and promoters (+57.8%). With regards to the life segment, all lines of business registered a significantly positive variation respect to the previous year.
The P&C segment witnessed a decrease (-3.1%) compared to the prior year. Despite the increase in registrations (+4.2% at the end of the year), the persistence of the economic crisis together with strong competition resulted in a decrease in premiums written.

2 Indicated shares and market positions, based on turnover, refer to official data or to the most recent available estimates.

Germany

GROSS WRITTEN PREMIUMS	TOTAL OPERATING RESULT	LIFE MARKET SHARE	P&C MARKET SHARE	RANKING	OUR PEOPLE
€ 17,223mln (24% of the Group total)	€ 754mln (17% of the Group total)	11.5%	5.7%	2°	13,397

Generali Deutschland is the second largest insurance group in terms of life and P&C premium collection in Germany. The market share for P&C was 5.7%, while for life insurance was 11.5% (including Health business). Generali Deutschland is market leader in the unit-linked and protection life business. The strategy aims to enhance the competitive advantage generated by the multi-channel distribution system, in which Generali Deutschland operates over a variety of distribution alternatives (financial advisors of the DVAG network, direct channel, traditional distribution channels).
At the same time the Group concentrates on exploiting the synergies between the various operating units, by integrating and optimizing back-office activities in shared service companies.
The squeeze-out procedure, aiming at the acquisition of the entire shareholding in Generali Deutschland Holding, was completed in the first half of 2014.

The German economic context was overall positive. The GDP grew by 1.2% (annual growth at the 3rd trimester), however the growth was slowing down after a positive first quarter. The German Bund was steady - the 10y Bund went from 1.93% at the end of 2013 to 0.54% at 31 December 2014 - while the stock market registered a positive trend (Frankfurter Dax + 2.65% with respect to year end 2013).

The German life insurance market experienced a weak first quarter (-3.5%), followed by a very positive second quarter (+7.7%). This fluctuating trend is, as in the past, attributable to single premiums. The economic uncertainty over the medium-long term, the good reputation of the German life insurance sector and satisfactory yields (if compared to those granted by the bunds) has allowed a good volume of sales, even though, the spread between the minimum guarantee and the profitability of government bonds is straining the profitability of the sector.
The Motor line showed a positive trend (+4.7%) despite signs of slowdown. The Property line also registered positive growth rates.

France

GROSS WRITTEN PREMIUMS	TOTAL OPERATING RESULT	LIFE MARKET SHARE	P&C MARKET SHARE	A&H MARKET SHARE	RANKING	OUR PEOPLE
€ 10,983mln (16% of the Group total)	€ 558mln (12% of the Group total)	4.8%	5.2%	6.6%	7° Life 6° P&C 5° A&H	7,521

After Italy and Germany, France represents the third market of the Generali Group, with the 16% of the Group total premiums. Generali France represents a major player in the French market, with a strong position and a multi-channel distribution network. Its sales force is composed of tied agents, salaried networks, brokers, indipendent financial advisors and partnership agreements (Generali France is a key player through P&C partnerships). It is leader in Internet Savings, main provider for indipendent financial advisors and Private Banks, and leader in Pensions for Professionals. Since 2014, Generali France introduced the We, demain program, a strategic long-term project aimed at reshaping its business model, to achieve a sustainable growth in profitability.

To achieve the pursued client centricity, Generali France has changed its organizational structure, dividing itself between four client areas (Individuals, Affluent, Professional&Small Enterprises, Commercial).

The economic growth in France was weak (+0.4% annual growth at the third quarter).
With regards to the financial markets, the yield of the 10y bonds (OAT) decreased from 2.56% at the end of 2013 to 0.83%. The Paris Stock Index (Cac) was stable during the year (-0.54%).

With respect to the insurance market, in November, life premiums registered an increase of 7% compared to the same period in 2013. Unit-linked policies grew (+26%) due to the positive trend of the stock index whereas traditional products experienced a slower growth (+4%), boosted by the lowering of the deposits yield.
P&C segment also grew by 1.5% compared to the previous year. Specifically, household-related products sales increased by 4%, due to the numerous weather-related damages which occurred during 2013 and in the first month of 2014. The increase in motor premiums (+1.5%) was in line with the performance in the prior year.

CEE

GROSS WRITTEN PREMIUMS	TOTAL OPERATING RESULT	LIFE MARKET SHARE	P&C MARKET SHARE	RANKING	OUR PEOPLE
€ 3,371mln (5% of the Group total)	€ 401mln (9% of the Group total)	Cz: 27.7% Hu: 9% Sk: 6.5% Pl: 3.0%	Cz: 35.1% Hu: 20.5% Sk: 10.1% Pl: 3.6%	Cz: 1° Hu: 2° Sk: 3° Pl: 10°	12,839

In the Central-Eastern European countries Generali operates through Generali CEE Holding B.V., previously named Generali PFF Holding (GPH), the minorities of which were totally acquired from the PPF Group in January 2015.
The Holding, with operating headquarters based in Prague, provides professional and operational know-how to insurance companies in 10 countries: Bulgary, Croatia, the Czech Republic, Hungary, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia.

With regards to the Czech Republic, the main financial market of the area, the yield of the Czech 10y bond decreased from 2.52% to 0.74% during 2014, similar to the overall trend recorded in the Euro Area.

The life insurance markets in the main countries of Central-Eastern Europe experienced a similar trend. In the Czech Republic, preliminary data illustrated a mild decrease (-0.7%). In Hungary the growth rate was 3%, benefitting from the highly positive trend of pure risk policies, while unit-linked products decreased by 5%. In Poland the result was negative (-3%), even if the decrease in traditional insurance products (-8%) was slowing down.
In the Czech Republic, motor premiums were positive (+3.1% is the preliminary data for 2014) for the first time since 2008, as well as in Hungary (+5.0%), for the first time since 2006. In the P&C segment negative trends were reported for Poland (-3.6%).

EMEA[3]

GROSS WRITTEN PREMIUMS	TOTAL OPERATING RESULT	LIFE MARKET SHARE	P&C MARKET SHARE	RANKING	OUR PEOPLE
€ 11,165mln (16% of the Group total)	€ 834mln (19% of the Group total)	At: 13.7% Es: 3.9% CH: 3.6%	At: 16.7% Es: 4.3% CH: 5.2%	At: 3° Es: 8° CH: 8°	10,974

With reference to the other European countries which are not aforementioned, highlighted below are the other markets in which Generali is present:

Austria

Generali is the third largest insurance operator in terms of life and P&C premiums written, with a market share of 13.7% for life insurance and 16.7% for P&C. The Group's total market share, according to recent estimates, evidences growth over the previous year.
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.
Its distributing strategy is multi-channel and can rely on agents, brokers, financial advisors and bank desks of BAWAG P.S.K. and 3Banken.

Spain

Generali España is one of the main insurance groups in Spain, with a total market share of 3.9% in the life segment and 4.3% in the P&C segment. It provides a wide range of life and P&C policies dedicated to both private individuals and enterprises, ensuring appropriate solutions to complex multinational realities.
The Group operates through a multi-channel distribution strategy which includes, in addition to bank branches, a network of agents and brokers which is among the most extensive in Spain. Overall, the Group ranks 8th the Spanish insurance market in terms of premiums.

Switzerland

Generali Switzerland is the 8th insurance group in terms of life and P&C premium collection. The life market share is 3.6%, while the P&C one is 5.2%. Generali has been operating in Switzerland since 1987 and in the following decade it consolidated its presence through the acquisition and merger of many insurance companies. Today Generali operates through the Generali and Fortuna brands in the life and P&C segments. The Group is focused on retail business and is characterized by the provision of innovative and high quality services offered through diverse distribution channels: agents, brokers, financial advisors and direct channel.

3 EMEA is made up of Austria, Belgium, Greece, Guernsey, Ireland, Netherlands, Portugal, Spain, Switzerland, Tunisia, Turkey and Dubai.

LATAM[4]

GROSS WRITTEN PREMIUMS	TOTAL OPERATING RESULT	LIFE MARKET SHARE	P&C MARKET SHARE	RANKING	OUR PEOPLE
€ 1,311mln (2% of the Group total)	€ -62mln (-1% of the Group total)	6.4%*	6.5%*	2°*	4,218

* Data refers to Argentina

The Generali Group has long been present in many countries in Latin America. Its main operations are in Argentina, where Generali is ranked as the second Group in the country. The Group's distribution network is based on agents, brokers and direct channels.

In terms of premiums, the second largest market of the Group is that of Brazil; other markets, with lower premiums but significant in terms of positioning, are Colombia, Guatemala, Ecuador and Panama.

ASIA[5]

GROSS WRITTEN PREMIUMS	TOTAL OPERATING RESULT	LIFE MARKET SHARE	P&C MARKET SHARE	RANKING	OUR PEOPLE
€ 1,153mln (2% of the Group total)	€ 60mln (1% of the Group total)	8.0%*	2.4%*	4° Life* 13° P&C*	4,375

* Data refers to the presence of the Group in the foreign operators' market of China

The Generali Group has been operating in the Far East since 1980. It is now present in China, Indonesia, Philippines, Thailand, India and, since 2011, in Vietnam. Two branches have been set up in Japan and Hong Kong, where the Asia Regional Office is based. The main operations are in China, where the JV incorporated with the local CNPC (China National Petroleum Corporation) partner has become one of the top life foreign insurance groups. In Indonesia, Philippines and Vietnam the business is focused exclusively on life insurance, whereas in Hong Kong, Thailand and Japan, P&C lines are also present.

The strategy of the Region has been outlined according to the Group ambition to increase its focus on emerging markets. The Hong Kong Regional Office has been reinforced in order to provide further support and coordination to the whole Region. An increase in dimension will involve all countries, particularly China and Indonesia, by expanding the existing distribution channels and the variety of products offered. Growth is pursued also through the identification of M&A opportunities and distribution deals, in order to expand in new lines and segments.

4 LATAM embodies Argentina, Brazil, Colombia, Ecuador, Guatemala and Panama.
5 ASIA embodies China, Indonesia, India, Hong Kong, Vietnam, Thailand, Philippines and Japan.

Our Performance

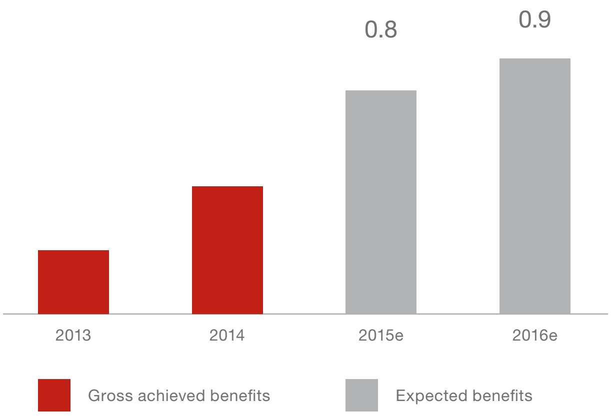
Technical Excellence

Technical Exellence (TechEx) aims to strengthen the core insurance business and achieve technical excellence in order to enhance profitability and deliver sustainable growth.
TechEx leverages skills and best practices within the Group, and is one of the most ambitious programs the Group has ever launched. It is a true journey and brings together people from all of Generali's core businesses: Life, P&C, Claims management, and Customer&Distribution.

Achieving technical excellence means ensuring that tariffs, products, underwriting, claims management, distribution and client centricity are in place in all relevant business units, and innovative insurance technical practices are adopted. A country by country personalized approach is adopted, allowing Group priorities to be applied in a way that is consistent with local market realities.
Building world-class technical capabilities in Life, P&C, Claims management, and Customer&Distribution is the key to competing and sustaining our performance.

TechEx is working in this respect on different levels. It is completing the sharing of best-in-class solutions and practices with learning by doing experiences that include temporary assignments to competence centers and global projects, and with proper internal training for the technical community. One of the main contributions coming from a global company is the opportunity to create networks of experts from different countries to exchange experience and to develop innovations and new ambitions. Dedicated communities have been created in Life, P&C, Claims management and Customer&Distribution, where professionals meet regularly in live sessions, WebEx seminars and forums.

Gross achieved and expected benefits
(Euro bn)



> “TechEx is a journey and a journey is not confined to a single act. It is rather a habit. The habit of doing ordinary things extraordinary well.”

**Valter Trevisani,
Head of Group Insurance and Reinsurance**

Focusing on Group high priority initiatives, with a personalized approach by country

Life
- In-force management
- Saving guarantee management & Unit Link
- Development of protecion business
- Product portfolio and tariff simplification

P&C
- Technical pricing
- Portfolio cleaning
- Price optimization
- Telematics

Claims management
- Bodily injury
- Material damage claims & vendor management
- Fraud management
- File review

Customer&Distribution
- Distribution efficiency
- Multi-channel approach
- Leveraging existing client base (cross sell and retention)

Client opportunities

The main goal is to highlight the deep change occurring in our way of doing business, that is through a customer vision.

For Generali, becoming a true client-centric company means focusing on insurance solutions, sales channels and operations, while keeping the customer at the centre of everything we do. In this respect evaluating customer experience is increasingly important and requires a dedicated approach. The Group is developing the Generali Net Promoter Score, which has become an important tool for evaluating the service we provide to the insured. The Net Promoter Score is based on customer opinions and on the principle that if customers recommend Generali to, for example, their family, colleagues or friends, it means that they are satisfied with the way the Group has worked for them.

In 2014 we increased our investments in order to better understand our customers' behaviour and the factors which most affect them in their decision making process. We conducted a survey on the brand awareness, involving 20,000 clients in 21 countries who reported that their purchase choices were influenced by the following factors :

- insurers offer an adequate coverage in relation to the premium requested;
- they take into consideration customer needs;
- they interact with clients;
- they have an open and approachable staff;
- they deliver on the promise.

As a consequence, interactions with customers during the purchase greatly increased also due to digitalization, which has allowed customers to have a low-cost access to information and compare policies, for instance according to service and price.

Distribution opportunities

Customer behaviour is changing: customers not only seek verbal advice and information about insurance products but also seek information in digital format. Based on these developments, we have launched the Group strategic initiative named Enable true multi-channel distribution.
Our ambition in terms of multi-channel and multi-access is to satisfy these new tendencies in both the customer and the market through four main initiatives:

- Lead management and Customer Relationship Management (CRM);
- distribution platforms;
- customer portals;
- products and pricing.

The Captive network remains one of the most important distribution channels that the Group intends to strengthen by providing the right set of tools and services, such as distribution platforms. To provide a better service to clients via the captive network, the distribution platforms must be very advanced and well integrated (e.g. with CRM).
As a Group we aspire to our Target Vision which is made up of all the elements required for meeting future customer expectations with regards to multi-access/ multichannel approaches.

A selection of case studies that demonstrate our capacity to deliver our multichannel Target Vision are:

- Agenda Commercial from Spain, an effective tool for the sales force that is strongly related to the management of salesman performance;
- myGenerali from Germany, a fully integrated front-end and back-end solution;
- EasyTab from Generali Italy, an end-to-end tablet solution for the life insurance network.

Direct channels continue to play a significant role in our distribution model. Leveraging on the capabilities and success stories in the Group (Italy and Germany), we have developed a direct distribution platform in various emerging markets, for instance, in Turkey.

Life performance

Within Technical Excellence, the following actions are in place with the goal of reshaping our savings portfolio into a simplified and optimized set of insurance solutions in line with market constraints and regulatory framework (e.g. IMD2).

- in-force management;
- savings guarantee and unit linked management;
- development of protection business;
- product and tariff simplification.

In-force management focuses on extracting additional value with initiatives impacting on policyholder credit rate, sale, portfolio optimization and customer retention. The protection business has become a high priority, with dedicated projects in selected areas (e.g. Italy and Spain). The start-up Generali Vitality was launched at the end of 2014 in partnership with the South-African company, Discovery, leader in the market of behaviour-linked insurance products. The plan is to provide customers with the Generali Vitality solution starting with the German, French and Austrian insurance markets.

Health: Generali Vitality

P&C performance

TechEx aims to develop the P&C portfolio while preserving profitability. P&C is beneficial for stabilizing performance as this business is less related to financial markets and contributes to positive cash flows and business diversification. TechEx strengthens the technical performance by acting on the key elements of the value chain:

- technical pricing;
- portfolio cleaning;
- price optimization;
- telematics.

A new pricing and underwriting policy (and related guidelines) was issued to guarantee full control on the underwriting process and an operating return on equity in line with the Group strategic objectives. Specific Group underwriting guidelines were released for all the businesses (motor and non motor) and a certification process was introduced to guarantee a state of the art pricing process.

A Group program was launched to strengthen and extend telematics initiatives in selected geographical areas, leveraging on the creation of a Group Telematics Competence Center and on the competences acquired in Italy (where we are in a leading position with over 650,000 vehicles insured with telematic based products).

Claims

In the event of a claim, clients expect a simple, fast and efficient service while at the same time claims management needs to effectively deal with fraud attempts, to have an accurate estimate of the damage and, for motor claims, to manage a high quality network of mechanics and body shops. We rely on a large network of claim experts, including claim and fraud specialists and loss adjusters.
TechEx is working with this network in order to make our approach more sophisticated in areas like loss control, fraud management, material damage evaluation, partner management, bodily injury, file review and recovery.
The new approach to fraud management produces substantial savings in the cost of claims, while enhancing the identification of suspicious cases, new fraud patterns and organized fraud and reducing false positives with the improvement in data quality for suspicious cases.
The Fraud Analytics Competence Center has been set up with the aim of enhancing the capabilities and the level of sophistication in fraud detection by combining statistical and claims fraud knowledge.

Reinsurance

Reinsurance has experienced a further decrease in costs, driven not only by the first implementation of the Facultative Reinsurance Guidelines but also by the optimization of Group treaty protection which benefited from less stringent market conditions.
In April 2014 Lion I Re was issued. It is the first ever catbond finalized at providing alternative reinsurance protection against the European windstorm risk.

Environmental changes have highlighted the Group exposure not only to catastrophic losses but also to the frequency of small to medium size natural events. To mitigate this emerging risk we purchased an aggregate catastrophe protection cover which integrates the per event cover and limits the deterioration of the combined ratio at Group level.

Superior operating model

Culture

Culture is the distinctive factor of any organization and the reason for its success in the long term. The definition and strengthening of culture are fundamental.

In order to carry out our daily work in the best manner, we believe it is important to communicate and share the same language, both internally and with the outside world. We have therefore defined and launched our Vision, Mission and Values. Such cultural framework contributes to differentiating us from others and presenting us in a simple and clear manner with regards to our commitments, objectives and principles of organizational behavior and to the relationships with our colleagues and clients.

The Lion, a fascinating, evocative and powerful symbol, was redesigned and will replace the over 100 different logos worldwide, with the intent of unifying and fostering brand awareness.

Organization and change management

Our current organization reflects the Generali commitment to become a multinational insurance group. We therefore consolidate our organizational model that is based on:

- a renewed governance, where the Group Head Office functions provide global strategic direction, maximize synergies and seize opportunities to support the business: they therefore aim at being centers of expertise and fostering best practices to create more value for our clients, shareholders and people;
- an organizational structure of Business Units, based on 7 geographical areas, i.e. the three main countries (Italy, France and Germany) and the four Regions (CEE , EMEA, Latin America and Asia) that drive the local strategy and establish a targeted approach to products offered, distribution channels activation and provision of services;
- a Global Business Lines division that serves global clients through a network of brokers and develops customized products;
- coordination mechanisms guaranteeing integration and coordination between Business Units and Group functions and based, in particular, on functional Committees and Guidelines and on two types of reporting lines between Business Units and Head Office functions having different coordination levels.

Operational Excellence

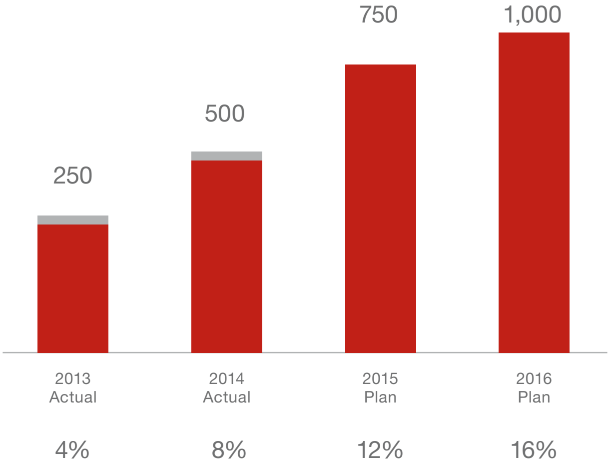
Factors such as low interest rates, the increasing complexity of the regulatory framework and the evolution in the distribution channels and customer behavior require that our operating platforms – our IT, our people, our facilities – be adapted. We aim at making them more efficient and adapted to new customer and distribution trends and exploiting new opportunities offered by technological development.

Efficiency enhancement is an important target for us and it is possible to achieve also through operation processes – conducted by highly motivated and skilled people – optimized towards excellence.

The OpEx program was launched in 2013. It is in line with the objective of saving € 1 billion by the end of 2016, achieving almost 50% of such target by end of 2014. Several Operational Excellence initiatives are being implemented in order to increase the operational efficiency and the quality of our processes whilst supporting the achievement of the cost savings target. These savings will not only enable the Group to “finance” inflation but will also allow Generali to have more resources for further investments.

Gross savings

Eur Mn., Percent of 2012 baseline



> “We have to develop, launch and run the transformation programs of the operating platform to meet our strategic objectives: Operational Excellence (OpEx), Client and Distribution Excellence and Commercial Excellence.”
>
> **Carsten Schildknecht, Group Chief Operating Officer**

Within the OpEx and under the supervision of the Group Operating Committee, composed of local COOs and Global function leaders, Generali is in the process of **centralizing IT infrastructure services** into a single service company, launched on 1 July 2014. Furthermore we are also:

- **globalizing the Procurement function**, ensuring the integration of local contracts into one organization and category of global management; we have launched the **Global Software Delivery Program to optimize software development activities globally**;

- engaging in **centralization and optimization of space** usage and maintenance, with very positive results. The first positive result was in France: in a single urban area in Paris, 26 building were concentrated into one complex.

From an organizational point of view, Generali has established the **Group Operating Committee** supervising the Generali Operating Platform Strategy which is now fully functional. A **mapping**, **monitoring and dialogue** process regarding over 174 projects has been created and is fully operational with the delivery of **significant results in local optimization programs**.

OpEx operates in collaboration and in support of the **Technical Excellence** project and its related initiatives, such as behaviour-linked pricing for P&C and fraud detection through statistical analysis.

In a **multi-channel distribution** scenario, we focused on identifying the IT capabilities required by such approach and the opportunities for **sharing** the capabilities, such as lead management, mobility for distributors and clients, customer portals, with the objective to provide higher functionalities at a more competitive price.

Our people

OUR PEOPLE WORLDWIDE	WOMEN	PER CAPITE AVERAGE HOURS OF TRAINING
78,333	49.1%	32.3 (+6.2%)
	MEN 50.9%	

"I am convinced that the opportunity of sharing the high-quality know-how of our leaders will be a speeding-up factor in our change processes and in our business results."

Monica Possa,
Group HR & Organization Director

People are a key factor in achieving our strategic objectives. We aim at valuing people and attracting new, highly skilled, open and flexible people, able to operate in an international context and to manage complexity and cultural diversity. They must be passionate about their work, be able to fulfil their potential and actively contribute to the Group's growth through their professional and personal growth.

We therefore offer top–level **leadership development programs**, such as:

— **Global Leadership Programs** (Series, Accelerator, Women Hub), addressed to the members of the Global Leadership Group (GLG) and to Group executives. These initiatives have the purpose of strengthening strategic thinking and fostering a global mindset, which enables our people to better understand the competitive environment under a customer-centric perspective. They must boost the sharing and the alignment of strategic priorities and our culture on the basis of which to build and reinforce the new leadership capabilities and support professional, functional and managerial growth. All together these initiatives develop necessary skills to identify and develop talents, through structured (and also of succession) plans. Such programs are supported by a digital social learning platform that enables networking and the exchange of know-how, best practices and ideas as well as integrated training activities;

— **Pilot Program on Technical Excellence** that witnesses the commitment of the Group on investing more on the updating and development initiatives for talents and other professionals of the Group;

— **Leave Your Mark**, an initiative addressed to all the employees worldwide and finalized at the selection of a group of young talents working together for the definition of our future strategy.

We consider the **diversity** of our people as an asset. We adopt an inclusive approach which aims to give tangible form to our belief that cooperation and exchange between different cultures, competences and experiences are crucial for our growth. Remarkable in terms of gender, age and culture are the specific focus groups and initiatives with the objectives of increasing the number of people which have an international experience, and the presence of women in leadership positions, reducing the average age of the working population and increasing diversity in general.

We believe that a proper **remuneration**, together with a benefit package, is a further instrument offered to our people that can strengthen their commitment and motivation in order to reach company targets.

We invest in **international mobility** projects which allow all employees with specific professional requirements to bring their skills abroad and acquire new skills from international working experiences. Asia, Brazil, Central-Eastern Europe, Germany, France, Spain and the network of Generali Employee Benefits are particularly active in promoting international mobility, which has involved 305 colleagues since it was launched in 2013.

Portfolio footprint optimization

Proceeds from disposals: prox € 4 bln

€ 4 bln

Target 2015

In May, the disposal of **Fata Assicurazioni Danni S.p.A.** (Italy) was completed and in July, Generali signed an agreement to sell its entire interest in the **BSI Group**. These disposals, together with those of previous years regarding the Israeli, American and Mexican assets and the partial placement of Banca Generali, have allowed the **achievement of the forecasted targets one year in advance**.

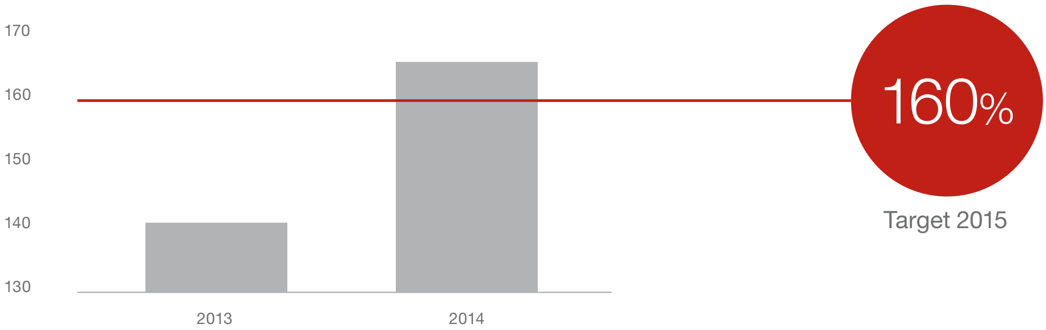
With reference to the geographical portfolio footprint optimization strategy, the Group made significant investments: in May, the **acquisition of the minorities of Generali Deutschland Holding AG** (Germany) took place with the contextual transfer to Assicurazioni Generali of all the shares previously owned by the minority shareholders. In July, the Group reached an agreement with Allianz to become sole owner of **Citylife S.p.A.**, through the acquisition of the remaining 33% of the company.

In January 2015, the acquisition of **100% of GPH**, the holding company operating in Central-European countries, with the exercise by PPF of the sale option on the remaining 24% of the shares was concluded.

Balance sheet strength

Solvency I pro forma at 164%

The Solvency I ratio amounts to 156% (+15 p.p.) with a €10.4 billion surplus due to the capital strengthening activities and in spite of the acquisition of the remaining 24% share of Generali PPF Holding.
If the disposal of BSI is also taken into consideration, the pro-forma ratio reaches 164%, surpassing the forecasted target for 2015.



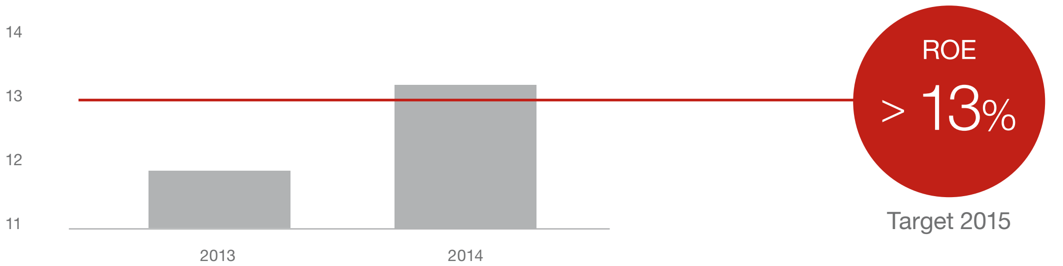
Target 2015

> “The results of the year show that the Group operating performance and capital position still improve despite an adverse market scenario and thanks to the strategy implemented, from which we expect a further future contribution to the journey in the value creation for all stakeholders.”

Alberto Minali,
Chief Financial Officer

Operating return on equity over the cycle at 13.2%

The Operating return on equity (ROE) is 13.2%, increasing with respect to 11.7% at the end of 2013, mainly due to the positive trend in the insurance operating result.



— Interest coverage ratio **5.3x**;
— Leverage ratio **38.5%**

The Leverage ratio at 38.5% and the Interest coverage ratio at 5.3x are shown net of the double counting linked to the pre-financing activity of the 2015 maturities. The improvement of 1.1 p.p. of the Leverage ratio compared to 2013 is a consequence of the stock debt reduction by € 1,000 million, of which € 500 million related to the senior bond already pre-financed. The Interest coverage ratio increased by 1.1x thanks to the improvement of the Group profitability and to the reduction in interest expenses due to the refinancing activity at lower rates and the net reduction of the stock of debt.

— Net Free Surplus **2 bln**
— Net Free Cash before Dividends **1.2 bln**

The Net Free Surplus is stable with respect to the previous year and in line with 2015 target.

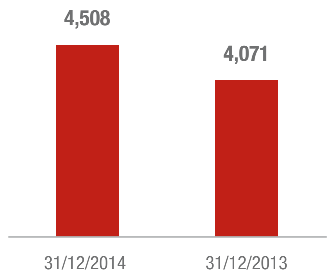
This confirms that the Group profitability and free resources generation relies on solid fundamentals. Also the Net Free Cash before Dividends is line with 2013 results as well as 2015 target, also considering the reported remittance ratio around 73%.

Group performance and financial position

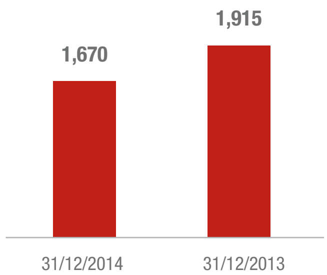
Group highlights

Gross written premiums

Group operating result



Net Result



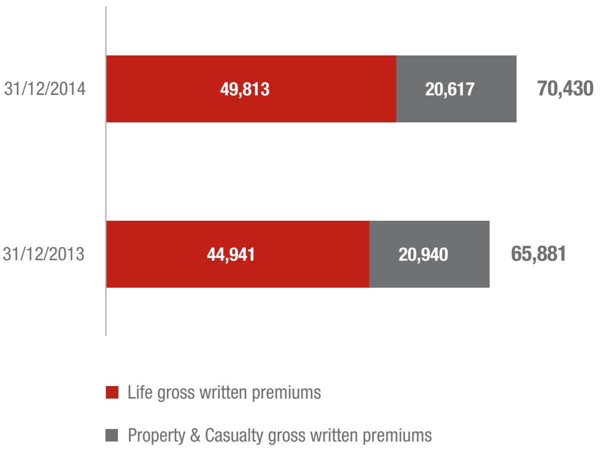
Solvency I ratio

- Total gross written premiums significantly increasing to approximately € 70.4 billion, driven by the excellent development of the life segment.
- Enhanced growth in the operating result (+10.8%), due to the positive performance of the core insurance business segments[6].
- Group result of the period amounted to € 1,670 million, affected by the lower result from discontinued operations compared to the previous year.
- Group Solvency I at 156%; considering the disposal of BSI the ratio on a pro-forma basis is 164%.

6 For further information on the review of the disclosure on segments, reference should be made to the section Appendix to Management Report.

Group performance

Gross written premiums development



Total written premiums amounted to € 70,430 million, increasing by 7.7% with respect to 31 December 2013. Confirming the trend observed at nine months, this increase is entirely attributable to the life segment where premiums written increased by 11.2% due to the launch of new products and the strength of the distribution network. Premiums written in the property&casualty segment are stable, notwithstanding a continuous challenging macroeconomic environment in many markets where the Group operates.
Premiums written trend in the fourth quarter is positive in both segments.

The growth in **life segment written premiums**, amounting to € 49.813 million, is driven by the excellent performance of Italy (+ 30.7%), France (+ 10.0%) resilient thanks to the actions taken on the portfolio in the prior year, the development of the EMEA area (+ 21.1%) showing strong growth in single premium products.
All lines of business are improving, particularly the Unit Linked, whose increase of 43% on equivalent terms is in line with the strategy to optimize the performance of the life insurance business, favoring products with low capital absorption.

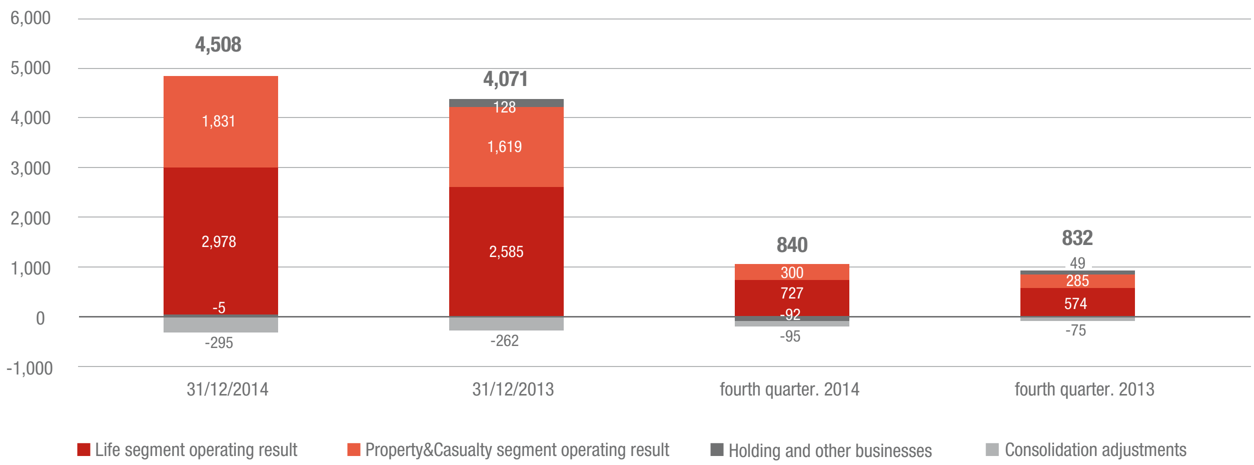
Net cash inflows further improved compared to the first nine months, increasing to € 12,747 million (+49.7% compared to 31 December 2013).
The new business, in terms of Annual Premium Equivalent (APE), registered a significant growth over the previous year (+14.2% at constant exchange rates and shares attributable to the group), amounting to € 5,163 million. Thanks to higher volumes and improved profitability, the new business value (NBV) amounted to € 1,239 million, increasing by 33.7% on equivalent terms. The profitability of new business (margin on APE) was 24.0%, an increase compared to 2013 (21.0%), due to the further reduction of the level of financial guarantee offered by savings products.

Gross written premiums in the property&casualty segment amounted to € 20,617 million, stable with respect to 31 December 2013. The premiums of the Motor lines of business increase slightly (+0.8% on equivalent terms); the decrease observed in the markets most affected by the current macro-economic environment - in particular Italy, France, Czech Republic and Spain - are more than offset by the development observed in Germany and in emerging markets.
The Non-motor line of business is at the same level of the prior year; the positive trend of the Commercial line (+0.6%), benefited from the strong performance in Germany and in the International Operations area, offset by the decline in Accident/Health and Personal line.

Operating result

The operating result of the Group amounted to € 4,508 million, showing a strong increase (+ 10.8%) with respect to 31 December 2013 (€ 4,071 million). This result, which brings the performance levels of the Group similar to those recorded at the beginning of the economic and financial crisis of 2008, was achieved despite the macroeconomic and regulatory difficulties and in an environment of low interest rates.
The increase in the operating result of the Group was driven both by the life segment, which benefited from the increased performance of the investment result and of the costs reduction, and by the non-life segment, due to the improvement in the underwriting result generated by the general reduction of claims and lower impact of natural catastrophes. Finally, the operating result of the holding and other business segments decreased due to higher costs for projects regarding the strengthening of Head Office structures, and due to personnel and IT expenses related to main Group projects, especially for the implementation of Solvency 2 requirements.

In line with the strategic objective of increasing the operating profitability of the group, the operating return on equity was 13.2%, increasing from 11.7% at 31 December 2013, enabling the target achievement.



Non-operating result

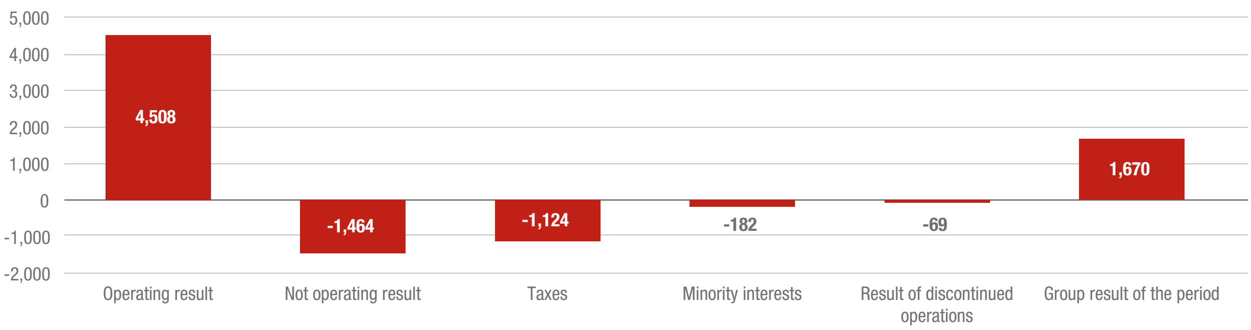
The non-operating result of the Group improved to € -1,464 million (€ -1,579 million at 31 December 2013). In particular:

- **net impairment losses** increased from € -623 million at 31 December 2013 to € -813 million due to higher impairments on equity and real estate investments and also from the stake in Ingosstrakh for approximately € -249 million;
- **net realized gains** increasing to € 874 million (€ 846 at 31 December 2013) thanks to higher realized gains on equities and bond portfolios. This item also includes the realized loss of approximately € -79 million, recorded as part of the repurchase of three hybrid bonds, aimed at optimizing the Group's financial debt management, which was completed in 2014. It is worthwhile to note that the net realized gains in 2013 included € 290 million arising from the provisions relating to the participation in Banca d'Italia.
- **net non-operating income from financial instruments at fair value through profit or loss** amounted to € -263 million (€ -204 million at 31 December 2013), due to the lower performances of certain financial markets compared to the same period of the last year;
- **other non-operating income and expenses** which include net non-recurring income and expenses and the amortization of the value of acquired portfolios, amounted to € -441 million (€ -795 million at 31 December 2013), of which € -139 related to the amortization of the value of acquired portfolios (€ -155 al 31

December 2013). The improvement is mainly attributable to the negative impact of some one-off events that occurred during 2013;

— **non-operating holding expenses, essentially** composed of interest expenses on financial liabilities and holding expenses that are considered as non-operating, increased to € -819 million (€ -802 million at 31 December 2013) as a result of non-recurring expenses related to Group's reorganization projects incurred by the Parent Company in order to support the implementation of strategic initiatives.

Group result



The **result for the period attributable to the Group** amounted to € 1,670 million, decreasing compared to € 1,915 million at 31December 2013; the result was affected by the lower contribution of the discontinued operations compared to the previous year.

The tax rate increased to 35% (32% at 31 December 2013). This trend, with respect to the previous year, is mainly attributable to lower non-taxable income on equities and the substitute tax on the revaluation of Banca d'Italia, paid in 2014, as well as to the increased burden on the substitute tax on Controlled Foreign Companies.

The result attributable to minority interests amounted to € 182 million (€ 227 to 31 December 2013), corresponding to a minority rate of 9.8% (10.6% at December 31, 2013), decreasing mainly due the aforementioned purchases of the minority interests in GPH and minority interests in Generali Deutschland Holding.

The result from discontinued operations amounted to € -69 million and includes the effects of the IFRS 5[7] application to BSI, which generated a negative impact of € 112 million, and some companies in Argentina, which have been classified as discontinued operations as a result of the aforementioned sale agreements, as well as the effects of the sale of Fata.

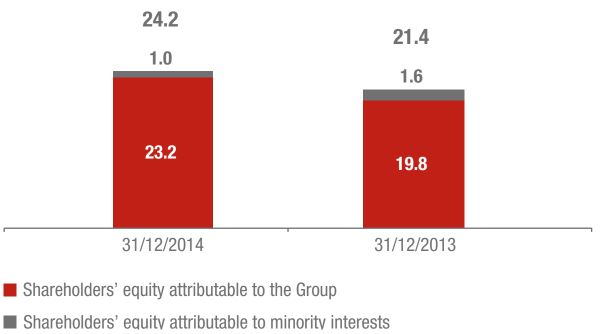
7 For further information on the accounting treatment, reference should be made to the section on Discontinued operations and Assets held for sale in the notes.

(€ million)	31/12/2014	31/12/2013	FOURTH QUARTER 2014	FOURTH QUARTER 2013
Consolidated operating result	**4,508**	**4,071**	**840**	**832**
Net earned premiums	64,322	60,622	18,029	16,137
Net insurance benefits and claims	-67,003	-63,101	-18,224	-17,655
Acquisition and administration costs	-10,346	-10,405	-2,807	-2,680
Net fee and commission income and net income from financial service activities	490	404	150	113
Net operating income from financial instruments at fair value through profit or loss	4,755	4,835	1,056	2,052
Net operating income from other financial instruments	13,082	12,404	2,954	3,042
Interest income and other income	12,097	11,812	3,005	2,930
Net operating realized gains on other financial instruments and land and buildings (investment properties)	2,504	2,160	461	490
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-320	-396	-129	-80
Interest expense on liabilities linked to operating activities	-518	-529	-162	-127
Other expenses from other financial instruments and land and buildings (investment properties)	-681	-643	-221	-171
Operating holding expenses	-418	-349	-128	-86
Net other operating expenses(*)	-373	-339	-190	-91
Consolidated non-operating result	**-1,464**	**-1,579**	**-540**	**-681**
Net non-operating income from financial instruments at fair value through profit or loss	-263	-204	-159	-132
Net non-operating income from other financial instruments(**)	60	223	-25	152
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	874	846	284	498
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-813	-623	-310	-346
Non-operating holding expenses	-819	-802	-213	-208
Interest expenses on financial debt	-741	-747	-177	-186
Other non-operating holding expenses	-78	-55	-36	-22
Net other non-operating expenses(***)	-441	-795	-142	-493
Earning before taxes	**3,045**	**2,492**	**301**	**151**
Income taxes(*)	-1,124	-835	-137	-128
Earnings after taxes	**1,921**	**1,657**	**163**	**23**
Profit or loss from discontinued operations	-69	485	-61	323
Consolidated result of the period	1,852	2,142	102	346
Result of the period attributable to the Group	**1,670**	**1,915**	**81**	**324**
Result of the period attributable to minority interests	182	227	21	23

(*) At 31 December 2014 the amount is net of operating taxes for € 64 million and of non-recurring taxes shared with the policyholders in Germany for € 27 million (at 31 December 2013 respectively for € 64 million and € 14 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

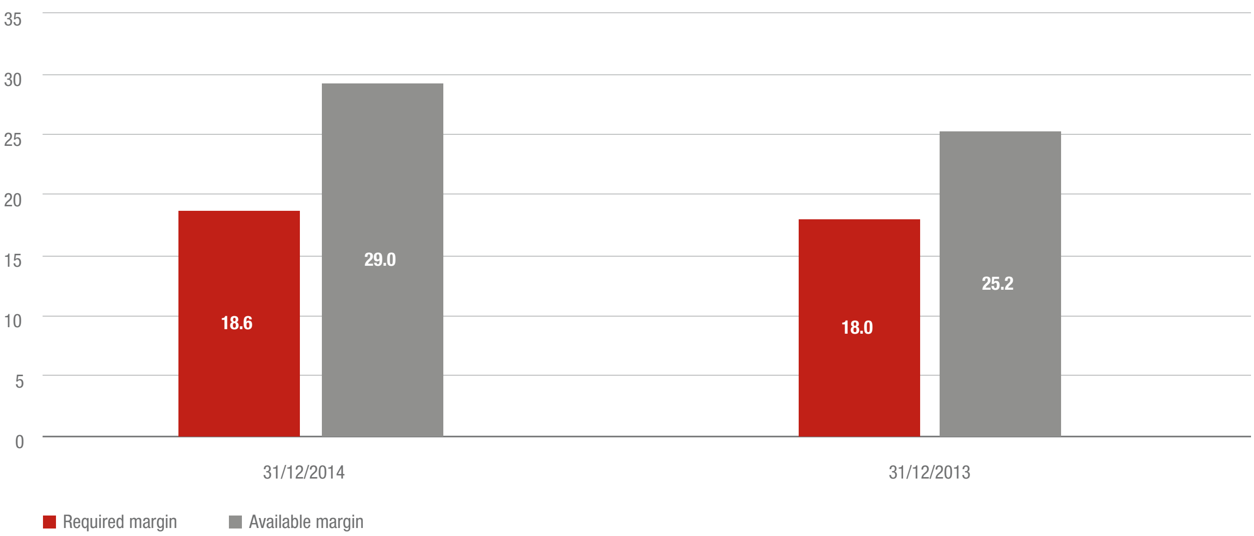


The shareholders' equity attributable to the Group amounted to € 23,204 million at 31 December 2014 compared to € 19,778 million at 31 December 2013. The increase of 17% is mainly attributable to:

- the result for the period attributable to the Group, which amounted to € 1,670 million at 31 December 2014;
- the dividend distribution of € -701 million, carried out in 2014;
- other gains or losses recognized through equity in the current year amounted to € 3,372 million. In particular, this result was attributable to € 3,997 million gains or losses from financial assets available for sale and only partially offset by the deterioration of profits from the re-measurement of liabilities relating to defined benefit plans for €-537 million attributable to the decrease in the reference rate used to discount such liabilities;
- the overall negative impact on Group equity from the purchase of minority interests in GPH in 2014 for € -648 million included in changes in other balance sheet items.

(€ million)	31/12/2014	31/12/2013
Shareholders' equity attributable to the Group at the end of the previous period	**19,778**	**19,013**
Result of the period	1,670	1,915
Dividend distributed	-701	-311
Other comprehensive income	3,372	-132
Reserve for unrealized gains and losses on available for sale financial assets	3,997	70
Foreign currency translation differences	12	-279
Net unrealized gains and losses on hedging derivatives	14	99
Net unrealized gains and losses on defined benefit plans	-537	88
Other net unrealized gains and losses	-114	-110
Other items	-915	-706
Shareholders' equity attributable to the Group at the end of the period	**23,204**	**19,778**

Group Solvency

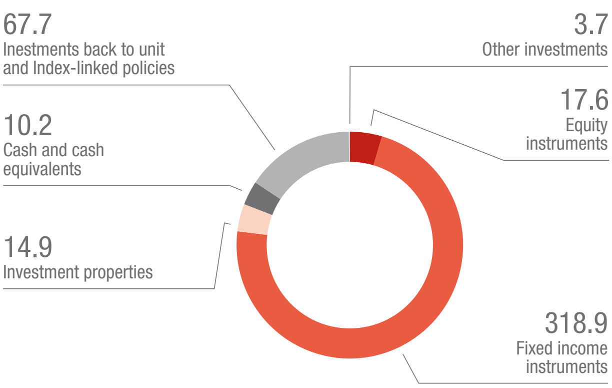


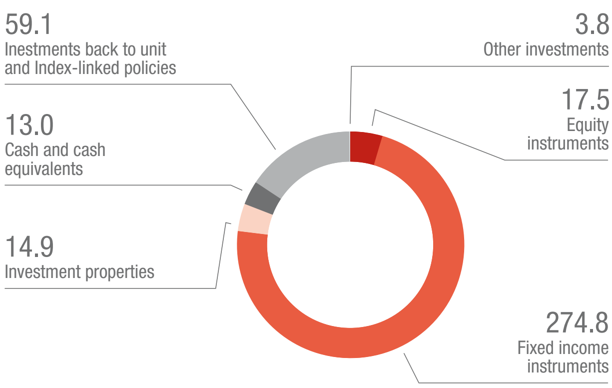
The Group Solvency I ratio was 156% at December 31, 2014 (141% at December 31, 2013) increasing by 15 pps despite the acquisition, of the remaining 24% of Generali PPF Holding, which has a negative effect on the index by 7 percentage points.
The required margin rose to € 18.6 billion, benefitting from business development, while the available margin (also considering the possibility of dividend) amounted to € 29.0 billion. The surplus is therefore equal to € 10.4 billion.

The index on a pro forma basis - also taking account of the sale of BSI - was 164%, exceeding the target set for 2015.

Investments

Asset allocation

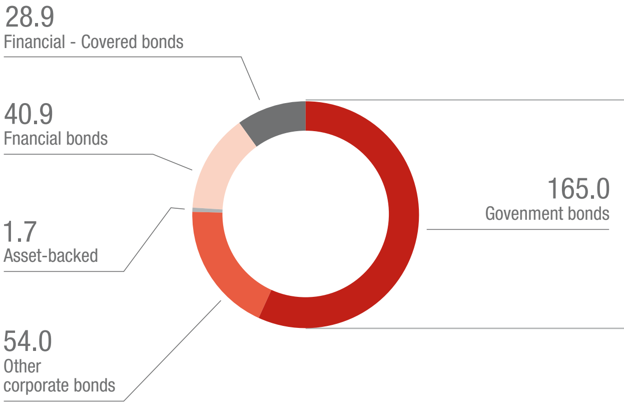




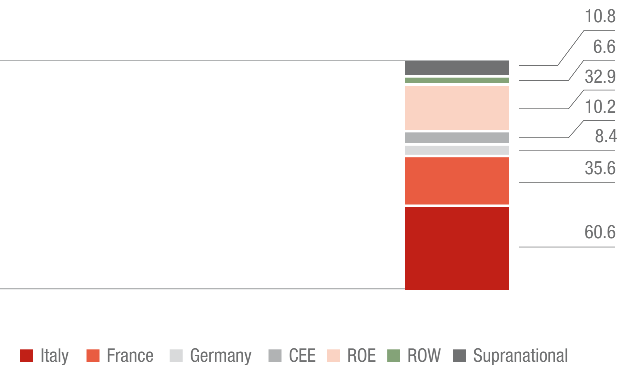
At 31 December 2014 total investments amounted to € 432.957 million, increasing by 12,99% over the previous year. Group investments amounted to € 365.250 million (+12,70%) and policy linked investments totaled € 67.707 million (+ 14,53%).
With reference to the weight of the main investment categories, there is an increase in exposure to fixed income securities, which amounted to 87,3% (84,8% at 31 December 2013)) while that to equities, while increasing in absolute terms, is reduced at 4,8% (5,4% at 31 December 2013). A decrease in the weight of real estate investments, which amounted to 4,1% (4,6% at 31 December 2013) while other investments, mainly including receivables from banks or banking customers, investments and derivatives, remain stable at 1,0% (1,1% at 31 December 2013). Finally, the weight of liquidity decreased from 4,0% at 31 December 2013 at 2,8% in line with its progressive reinvestment.

Fixed income securities: bond portfolio

Bond portafoglio: detail by sector



Bond portafoglio: detail by country of risk

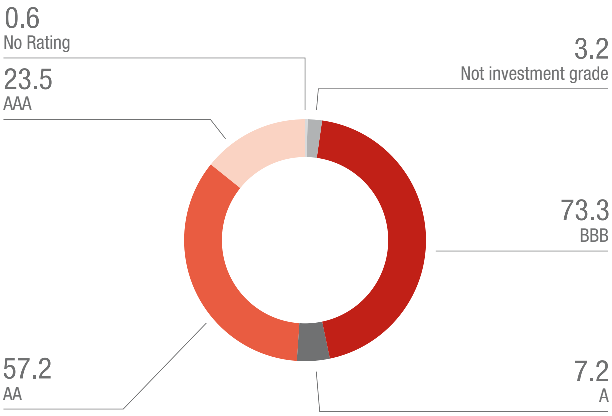


With reference to the composition of the bond portfolio, government securities, which accounted 56.8% (55.7% at 31 December 2013) show an increase amounting to € 165.014 million (€ 138.415 million at 31 December 2013). The change in the period is mainly attributable to the increase in the value of investments recorded in 2014. The exposure to individual bonds is mainly allocated to the respective countries of operation.
The corporate component increased in absolute terms to € 125,544 million (€ 110,117 million at 31 December 2013) equal to 43.2% of the bond portfolio (44.3% al 31 December 2013). The change is attributable to net purchases made during in the year.

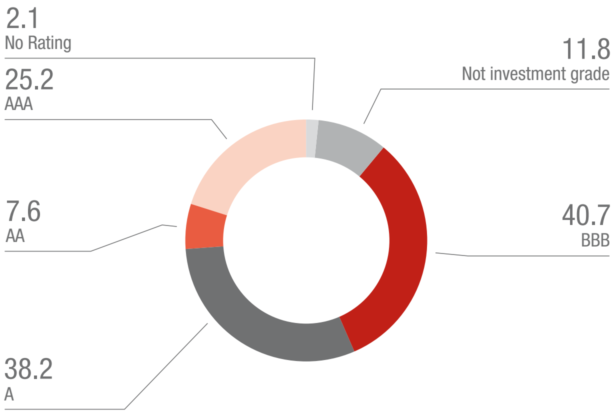
The corporate component is divided between guaranteed bank corporate bonds, other financial sector bonds and bonds issued by industrial companies. With regards to new investments, non-financial sector bonds were preferred, with the aim of encouraging a greater level of diversification.

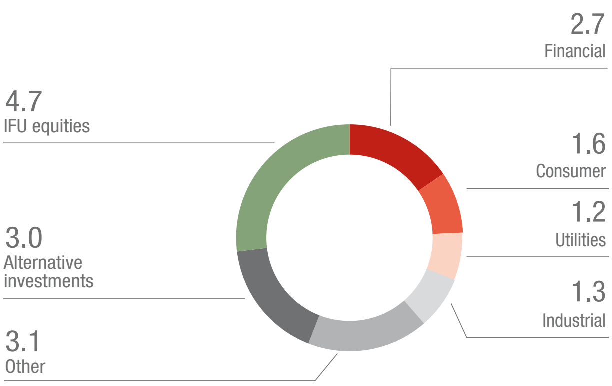
A breakdown by credit rating of the bond portfolio at December 31, 2014 split between corporate and government bonds follows:

Government bonds



Corportate bonds



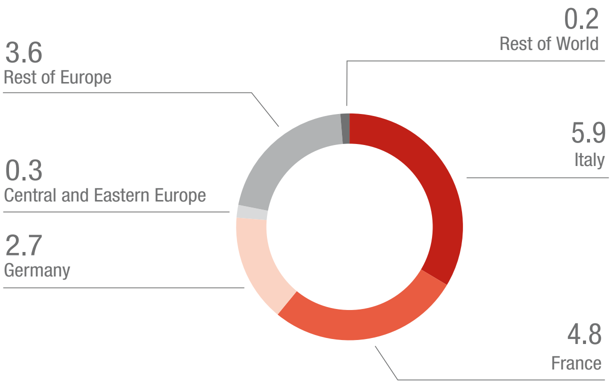


Equity securities: equity portfolio

Equity securities increased slightly to € 17.610 million (€ 17.467 million at December 2013).

The change in the period is mainly attributable to the recovery of the value of investments, in particular direct investments that benefited from the positive trend in share prices.

Investment Property



Real estate investments in terms of book value amounted to € 14.872 (€ 14.935 million at 31 December 2013).

In particular, with reference to the composition of the property portfolio at fair value, amounting to € 17.650 million, the Group's investments are almost entirely allocated in Western Europe, mainly in Italy, France and Germany. In addition, the buildings are mainly allocated in their respective countries of operation.

Investment result[8]

	31/12/2014	31/12/2013
Economic components		
Current income from fixed income instruments	10,651	10,359
Current income from equity instruments	639	501
Current income from investment properties(*)	862	890
Net realized gains	3,106	3,042
Net impairment losses	-991	-852
Net unrealized gains	228	78
Average stock	**346,437**	**317,470**
Ratio		
Current return(*)	3.6%	3.8%
Harvesing rate	0.7%	0.7%
P&L return	4.4%	4.4%

(*) Net of depreciation of the period

The current return recorded a modest decline 3.5% (3.8% at 31 December 2013) while in absolute terms the current income increased to € 12,385 million (€ 12,081 million at 31 December 2013). The decline in the ratio is attributable to the significant increase in the average investments taking into account both, the reinvestment of cash at lower interest rates and the reduction in the credit spread of sovereign bonds of Eurozone countries.
The contribution to the result for the period from realized gains and losses through profit or loss (harvesting rate) remains unchanged at 0.7%.

8 For details on the calculation of this indicator, see the Methodological notes attached to this report.

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

Total liabilities were as follows:

(€ million)	31/12/2014	31/12/2013
Liabilities linked to operating activities	**36,541**	**32,656**
Liabilities linked to financing activities	**12,253**	**12,686**
Subordinated debt	8,315	7,539
Senior bonds	3,477	4,468
Other non subordinated liabilities linked to financing activities	460	678
Total	**48,794**	**45,342**

In comparison to the stock at 31 December 2013, there was a significant reduction of liabilities linked to financial activities. Consistent with the strategy of the Group, the net decrease is the result of an increase in subordinated debt following the refinancing of senior obligation from € 500 million maturing in May 2015 through a subordinated issuance carried out in May 2014 and a reduction of senior debt attributable to the repayment of maturities in 2014 partially using resources for € 1,000 million.

The weighted average cost of financial debt at 31 December 2014 amounted to 5.62%, decreasing from 5.93% at December 31, 2013 and 5.71% at 30 September 2014. The decrease in the cost during the year was due to the activities of refinancing and Liability Management conducted in 2014 at rates below maturing issues. The weighted average cost reflects the annualized cost of financial debt considering the outstanding debt at the reporting date and the related activities currency and interest rate hedging.

Interest expenses on total liabilities are detailed below:

(€ million)	31/12/2014	31/12/2013
Interest expenses on liabilities linked to operating activities	518	529
Interest expense on liabilities linked to financing activities	741	747
Total	**1,260**	**1,276**

Focus on financial debt

Details of subordinated liabilities and senior bonds

(€ million)	31/12/2014				31/12/2013			
	Nominal value	Book value	Accrued interest expenses	Average weighted cost %	Nominal value	Book value	Accrued interest expenses	Average weighted cost %
Subordinated liabilities	8,356	8,315	541	6.21%	7,580	7,539	528	6.55%
Senior bons	3,508	3,477	200	4.13%	4,496	4,468	216	4.81%
Total	**11,864**	**11,792**			**12,076**	**12,007**		

* 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 an redemptions of subordinated liabilities and senior bonds

(€ million)	31/12/2014			31/12/2013		
	Issuances	Redemptions	Issuances net of redemptions	Issuances	Redemptions	Issuances net of redemptions
Subordinated liabilities	2,500	1,858	642	0	200	-200
Senior bonds	1,250	2,250	-1,000	0	0	0
Total	**3,750**	**4,108**	**-358**	**0**	**200**	**-200**

Subordinated Liabilities

Detail of the principal issues

	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	444	16/06/2006	16/06/2016	Perp
Assicurazioni Generali	6.27%	350	GBP	448	16/06/2006	16/06/2026	Perp
Generali Finance B.V.	5.48%	869	EUR	709	08/02/2007	08/02/2017	Perp
Assicurazioni Generali	6.42%	495	GBP	633	08/02/2007	08/02/2022	Perp
Assicurazioni Generali	10.13%	750	EUR	747	10/02/2012	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	987	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

(*) in currency million.
(**) in € million.

This category also includes unquoted subordinated liabilities issued by Assicurazioni Generali SpA and other subsidiaries. Liabilities issued by Assicurazioni Generali SpA in the form of private placements amounted to a nominal value of € 1,000 million corresponding to an amortized cost of € 997 million. The remaining subordinated liabilities are denominated in securities issued by subsidiaries in Austria for approximately € 25 million euro.

In 2014 the following transactions on subordinated liabilities were performed:

- On 7 April 2014 Assicurazioni Generali made an early repayment of a bank loan of € 500 million;
- On 2 May 2014 Assicurazioni Generali issued a subordinated loan of € 1,000 million;
- On 21 November 2014 Generali Finance BV set up a Liability Management transaction in which three subordinated notes were partially bought back of the proceeds of a new subordinated issuance for a nominal amount of € 1,500 million.

Senior bonds

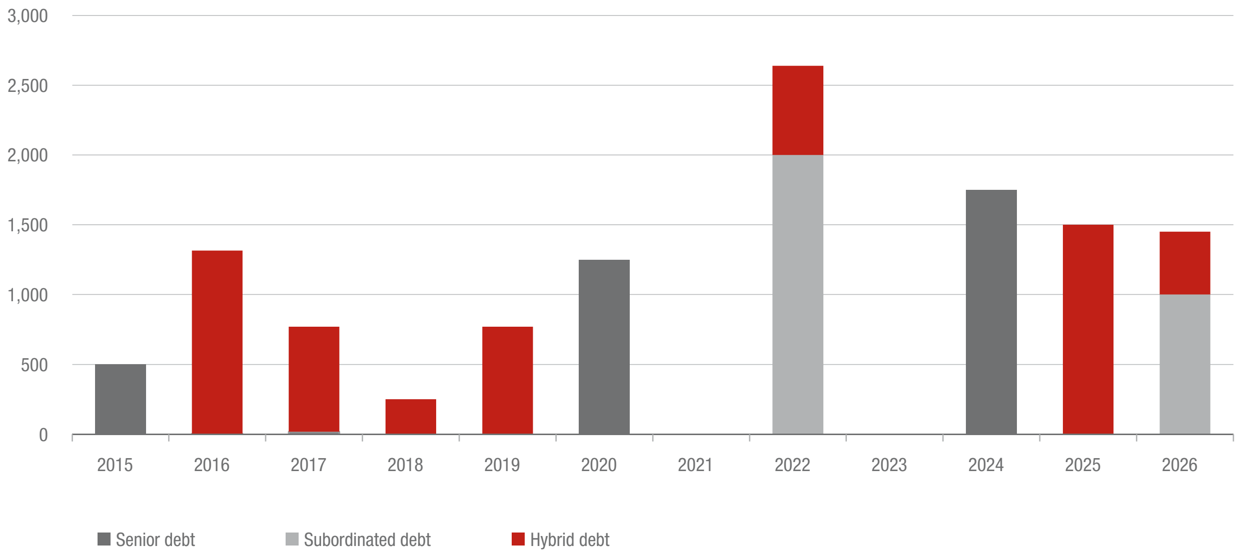
Issuer	Coupon	Outstanding (*)	Currency	Amortised cost(**)	Issue date	Maturity
Generali Finance B.V.	3.88%	500	EUR	500	06/05/2005	06/05/2015
Generali Finance B.V.	5.13%	1,750	EUR	1,722	16/09/2009	16/09/2024
Assicurazioni Generali	2.88%	1,250	EUR	1,242	14/01/2014	14/01/2020

(*) in currency million.
(**) in € million.

This category includes also other bonds issued by the subsidiary Ceska Pojistovna for a nominal amount of CZK 500 million, corresponding to an amortized cost of approximately € 13 million. During 2014 the following operations on senior debt securities were performed:

- On 14 January 2014 Assicurazioni Generali SpA issued a bond for € 1,250 million;
- On 12 May 2014 Generali Finance BV repaid a bond issued for € 1,500 million;
- On 11 November 2014 Assicurazioni Generali SpA repaid a bond of € 750 million.

Maturity of financial debt



The average duration at 31 December 2014 was 6.87 years compared to 5.27 years at December 31, 2013. The lengthening of the average duration is a direct result of the re-financing operations and the optimization of capital described above.

Lines of credit

As established market practice for the sector, Assicurazioni Generali has a series of revolving credit lines for a total amount of € 2 billion with maturities between 2015 and 2016.

The counterparties are major financial institutions of high international standing. This operation will have an impact the Group's financial debt only if the facility is drawn upon and allows Generali to improve its financial flexibility to manage future liquidity needs in a volatile environment.

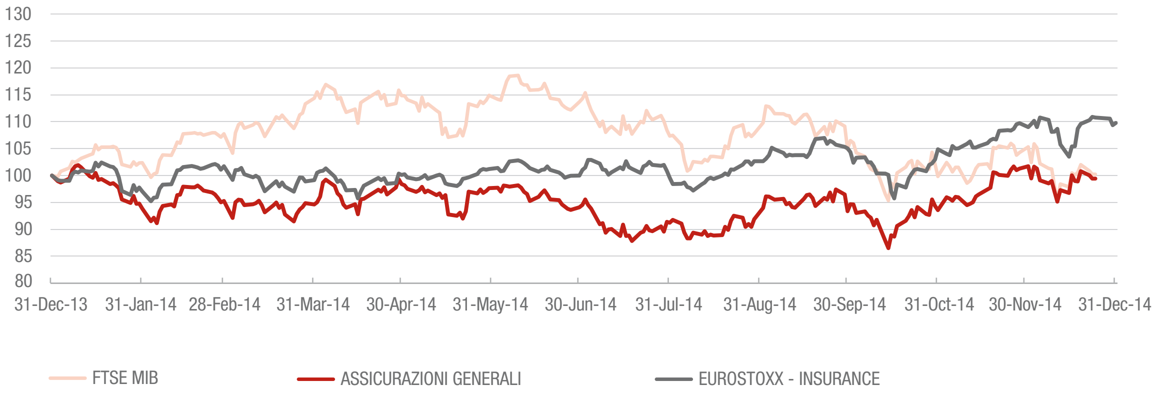
Liquidity

(€ million)	31/12/2014	31/12/2013
Cash at bank and short-term securities	8,340	9,854
Cash and cash equivalents	154	2,418
Cash and balances with central banks	14	15
Money market investment funds unit	2,158	129
Other	-443	-1,320
Cash and cash equivalents	**10,223**	**11,096**

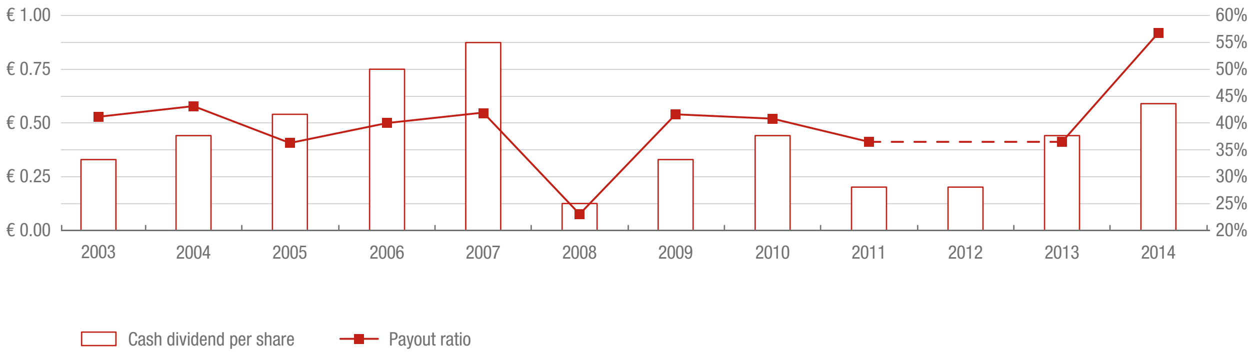
As mentioned peviously, cash decreased to € 10,223 million, as a result of the Group investment policy focused on consolidating current return and reducing cash levels.

Share performance

Information on share trend



Dividend per share and payout ratio[9]



Main indicators per share

	31/12/2014	31/12/2013
Per share information		
EPS	1.07	1.24
Operating earning per share	1.52	1.36
DPS	0.60	0.45
Embedded value per share	17.0	18.6
Payout ratio	55.9%	36.6%
Share price information (in euro)		
Share price	17.00	17.10
Minimum share price	14.79	11.92
Maximum share price	17.43	17.33
Average share price	16.26	14.57
Share volume information		
Weighted average number of ordinary shares outstanding	1,555,999,441	1,548,056,710
Market capitalization (in € milion)	26,467	26,622
Average daily number of traded shares	6,204,520	6,116,433
Total shareholders' return (%)*	2.24	26.16

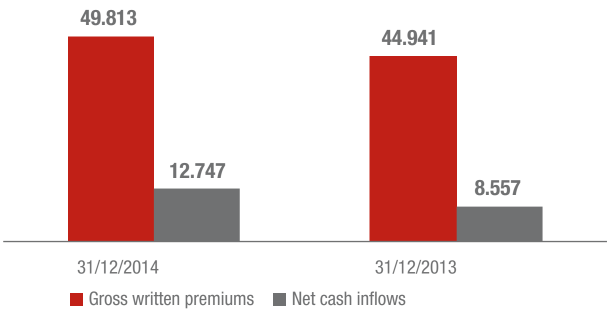
* (total dividend + var. share price during the reference period) / share price at the beginning of the year.

9 The payout ratio for 2012 is not shown in the graph as it is insignificant 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.

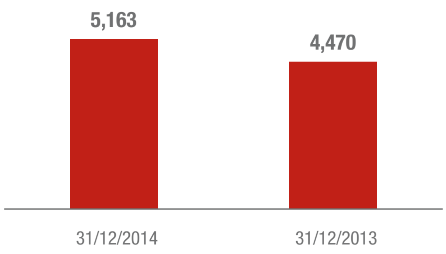
Performance and financial position by segment

Life segment

Gross written premiums and net cash inflows



APE



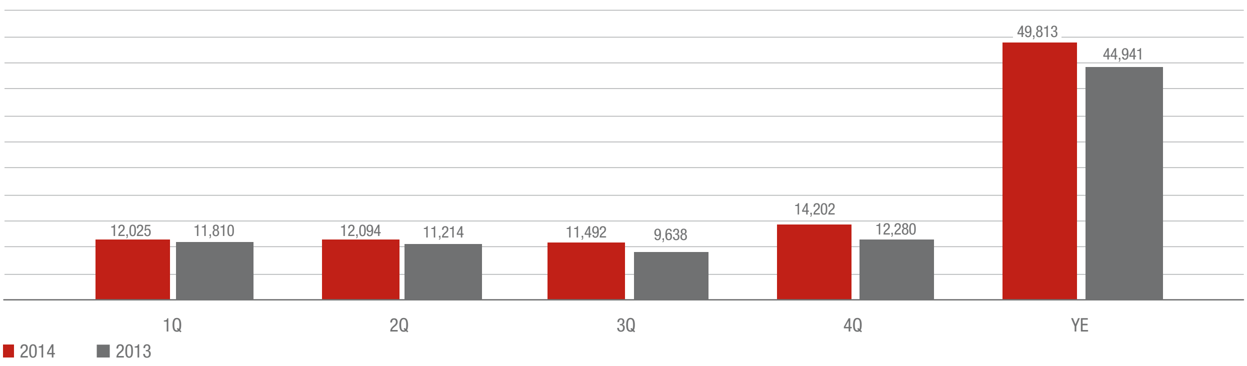
Operating Result

Operating Result from investments

- Excellent development of premiums written (+ 11.2% on equivalent terms), attributable to the development of linked business; net cah inflows showed a strong recovery.
- Sharp increase in new business in terms of APE to € 5,163 million (+ 14.2%) and new business value (NBV) + 33.7%.
- Operating result increasing (+ 15.2%) due to the positive performance of the investment result and the reduction of expenses.

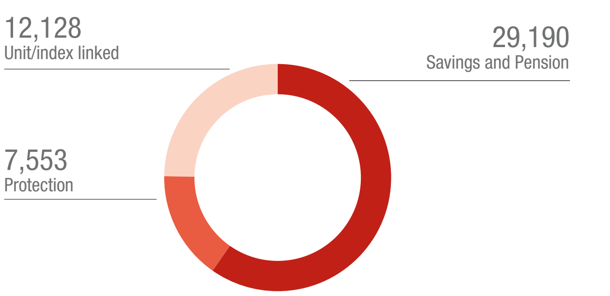
Premiums development and new business

Gross written premiums

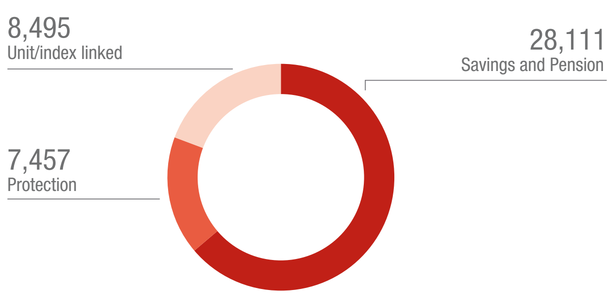


Written premiums in the life segment, including premiums related to investment contracts, amounted to 49,813 miillion, growing by 11.2% on equivalent terms compared to the previous year. This trend is encouraged by the significant growth in linked contracts (+ 43% on equivalent terms), in line with the strategy to focus on low capital-absorption products. The other business lines showed a positive trend; saving lines increased by 4% on equivalent terms and, to a lesser extent, the protection policies (+ 2.5% on equivalent terms).

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



Group written premiums by line of business at 31/12/2013

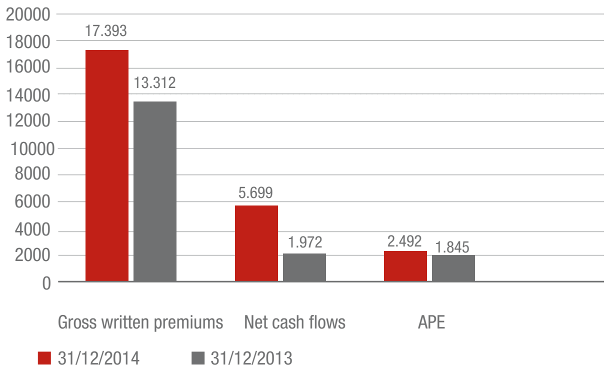


Net cash inflows amounted to € 12,747 million, a significant increase with respect to 31 December 2013 (+ 49.7%), due to the above mentioned positive trend in premiums. Slight increase in capital outflows.

New business annual premium equivalent (APE) increased significantly over the previous year (+ 14.2% at constant exchange rates and share attributable to the Group) and totaled € 5,163 million. The new business production is mainly driven by the growth in single premiums (+ 27.2% on equivalent terms) in Italy, Ireland and France, while the annual premiums, mantaining a predominant weight on APE (56.2%), registered a moderate increase (+ 5.9% on equivalent terms). With reference to the lines of business, there is a significant progression of the unit-linked business (+ 41.8% on equivalent terms, due to the strong growth of the product “multi-ramo” (multi-line) in Italy and production in Ireland) and the business of saving lines (+ 11.1% on equivalent terms). The protection line decreased slightly (-3.7% on equivalent terms).

The profitability of new business (margin on APE) stood at was 24.0%, increasing compared to 2013 (21.0%), due to the further reduction of the level of collateral offered by savings products. The value of new business (NVB) was 33.7% on equivalent terms and amounted to € 1,239 million.

Italy

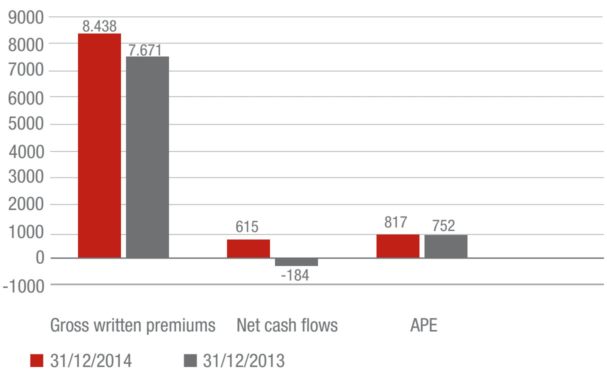


Gross written premiums in Italy rose from € 13,312 million at 31 December 2013 to € 17,393 million. This trend (+ 30.7%) is due to the growth of +35% in individual premiums, driven by the increase in single premiums (+ 60.5%), and by the competitive returns compared to alternative products and also to the success of new hybrid products. The latter are distributed through both the traditional channel whose individual premiums grew by 7.2%, and through promoters, the collection of which recorded an increase of +149.4%. The banking channel also contributes to the development with an increase of +174.2%, essentially tripling its volumes. Positive performances were recorded in all companies, especially Genertellife.

New business annual premium equivalent increased (+35.1% on equivalent terms), due to the significant growth in both annual premiums (+ 20.0% on equivalent terms), which represent the predominant part of the APE (57.2%), and single premiums (+ 62.4% on equivalent terms).
The profitability (margin on APE) increased from 18.2% in 2013 to 25.7% in 2014, due to the greater weight of the most profitable unit linked business and the recovery of savings and pension lines, due to the further decline in guarantees offered. As a result of higher volumes and improved profitability the value of new business increased by 91.1% on equivalent terms and amounted to € 641 million.

An improvement in net cash inflows benefiting from the aforementioned performance of premiums. A slightly increase in cash outflows.

France

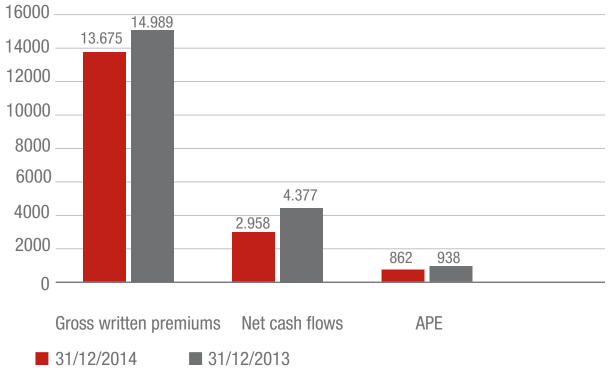


Gross written premiums in France increased from € 7,671 million at 31 December 2013 to 8,438 € million. This growth (10.0%) was attributable to prevailing market conditions, which benefited from the fall in interest rates. With reference to the lines of business, there is a significant growth of savings policies (+12.6%), confirming the re-launch of this business. Even the collection of linked products showed strong growth (+17.3%) benefiting from the demand of customers looking for attractive returns and reflecting the actions taken by the Group to improve the portfolio mix towards products with lower capital absorption.

The increase in **APE** (+9.0% on equivalent terms) is mainly due to the excellent development of single premiums (+17.8% on equivalent terms) which largely offset the slight decrease in annual premiums (-3.4 %).
The profitability (margin on APE) decreased from 12.7% in 2013 to 10.9% in 2014, mainly as a result of a review of the conservative operating assumptions used to assess the business risk. The value of new business amounted to € 89 million (-6.8% on equivalent terms).

Net cash inflows became positive as a result of the selective underwriting policy and pro-active management of the existing portfolio.

Germany



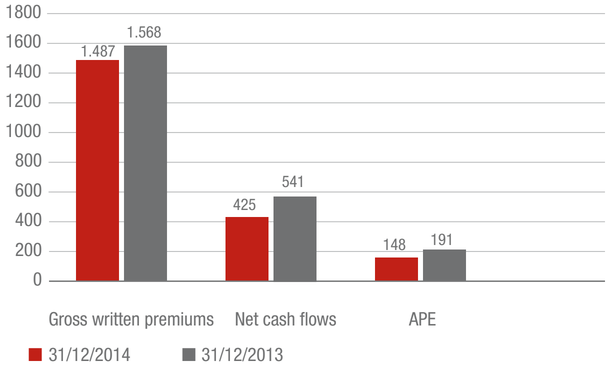
Gross written premiums in Germany decreased (-8.8%), from € 14,989 million at 31 December 2013 to € 13,675 million. This trend is mainly due to the planned reduction of single premiums (-25.9% with respect to the previous year). The current environment of low interest rates, as well as the uncertainties, still existing, concerning the development of the capital market, explain the current declining trend in single premiums, making Germany the second contributor within the Group.

New business in terms of APE presents a sharp decline (-12.6% on equivalent terms) due to the drop in both the life segment (-12.2% on equivalent terms) the protection lines (-23.5% in terms basis). Single premiums show a significant reduction (27.7% on equivalent terms), while annual premiums showed a slight decline (-1.6%).

The increased weight of the more profitable new business with an annual premium (weight on APE from 57.8% in 2013 to 65.0% in 2014) contributes to the development of the profitability of which amounted to 30.7%. The **value of new business** is slightly higher and amounts to € 265 million (+ 1.6% on equivalent terms).

A decrease of 32% in net cash inflows resulting from the measures taken to reduce the new production of single business premiums. The capital outflows are stable.

Central and Eastern Europe

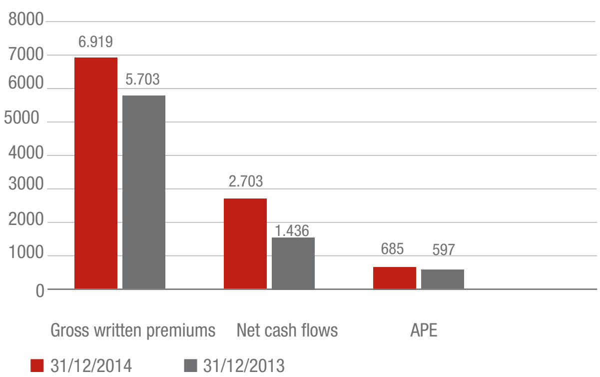


Gross written premiums in Central and Eastern Europe countries decreased from € 1,568 million at 31 December 2013 to € € 1,487 million, (-1.1% on equivalent terms). Specifically, compared with a positive performance from protection policies (+ 4.5%) and linked policies (+ 2.8% on equivalent terms), a decrease in the savings and pension policies was observed (-4.9% on equivalent terms) mainly in the Czech Republic.
The reduction in **new business in terms of APE** (-13.2% on a comparable basis) is mainly due to the observed decrease in the production of unit linked policies (-21.8% on equivalent terms).

The decline in profitability (margin on APE) from 38.5% in 2013 to 32.8% of 2014 is explained both by the exclusion of pension funds from the scope of evaluation and from higher interest rates observed in the first part of the year used as a discount factor.

The combined effect of lower sales volumes and declining profitability caused the **value of new business** to contract by 18.6% on equivalent terms, amounting to € 49 million.
A decline in net cash inflows with respect to 31 December 2013 (-19.2%) was due to higher cash outflows from pension funds and from rising capital outflows.

EMEA



An increasing trend was observed for in **gross written premiums** from the EMEA regional structure (+ 21.1% on equivalent terms), which rose from € 5,703 million at 31 December 2013 to € 6,919 million. The trend (21.1%) is determined by the positive performance of the linked and savings lines of business and to a lesser extent, also by the protection lines.

In particular, there is a reduction in gross written premiums in **Spain** which amounted to € 984 million (€ 1,006 million at 31 December 2013); this decrease (-2.1%) is attributed to the decrease of the savings line, single premiums, mainly due to the interruption of sales of group pension policies (SPE) in mid 2013. The positive evolution of the individual protection line is mainly due to the contribution of Cajamar but is offset by the negative trend in the group protection line.

Gross written premiums in **Austria** amounted to € 1,294 million (€ 1,156 million at 31 December 2013); the growth of 11.9% is due to the positive contribution of all the lines. Savings policies increased (+ 17.3%), mainly due to the trend of single premiums benefiting from a new legal situation in the private sector (tax reduction on the minimum contract term from 15 to 10 years for people over the age of 50), as well as from various large contracts with major business customers. Protection policies also increased (+9.7%) and unit-linked policies (+0.9%).

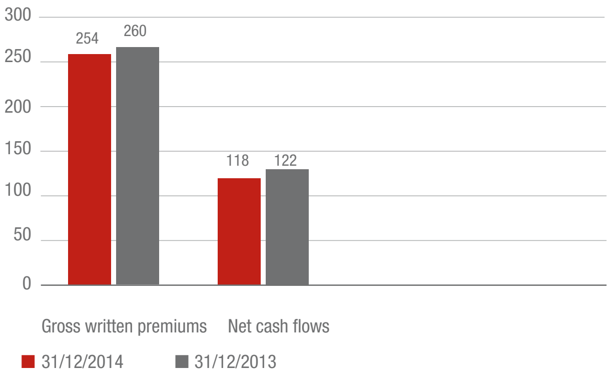
Increasing gross written premiums in **Switzerland** (+4.7% on equivalent terms); regular premiums decreased slightly by 1.8%, while single premiums more than doubled. Regarding the business lines, the increase can be mainly attributed to savings lines (+ 48.1%).

A positive contribution was experienced (€ 2,085 million) in **Ireland**, which showed a strong positive trend on linked policies, the cash inflows of which almost doubled compared to last year.

New business in terms of APE increased (+9.7% on equivalent terms), following the increase observed in single premiums (+46.9% on equivalent terms) only partly offset by a decrease in annual premiums (-12.2% on equivalent terms). In terms of geographical area, the business showed positive progress in Ireland (+63.1% on equivalent terms), Austria (+8.1% on equivalent terms) and Belgium (+8.3% on equivalent terms), while declining in Spain (-8.4% on equivalent terms), and Switzerland (-7.7% on equivalent terms).
Profitability decreased slightly from 26.1% in 2013 to 25.9% in 2014. **The value of new business** amounted to € 177 million, increasing by 11.2%.

Net cash inflows in EMEA grew significantly due to the growth in premiums over a slight decrease in maturing contracts, observed mainly in Ireland. In Austria, net inflows have increased significantly (+68%) due to lower surrenders and the growth of single premium savings policies. The negative amount of net inflows in Spain is due to the type of life portfolio, mainly oriented to annuity products and short-term investments involving regular cash flows that are not always covered by an appropriate volume of revenue, since the trend of premiums written is more volatile.

LATAM

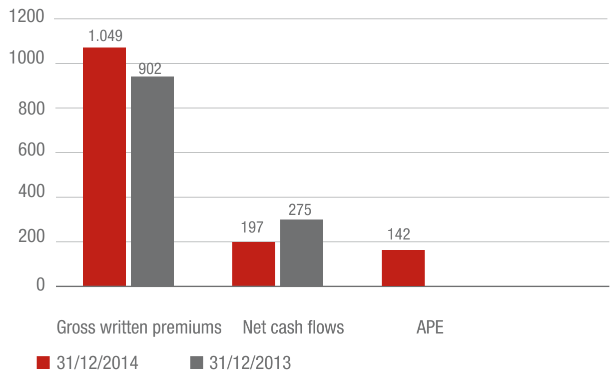


Gross written premiums in Latin America recorded a growth (26.6% on equivalent terms) amounting to € 253.9 milllion (€ 260 million at 31 December 2013).

This development is attributable to both the collection of protection policies (+ 29% on equivalent terms) and to a lesser extent, savings policies (+ 4.1% on equivalent terms).

Net cash inflows in Latin America are increasing.

ASIA



Excellent performance of the **gross written premiums** in Asia, which increased from € 902 million at 31 December 2013 € 1,049 million (+19.1% on equivalent terms), due to the positive performance of all the countries in the area.

China, which alone has more than 70% of the total life production of the region, is growing due to a recently launched savings product sold through the bancassurance channel. Indonesia, after difficulties experience in the last few months due to political instability, also shows positive growth particularly in unit-linked policies, both in regular and single premiums. Positive development in the Philippines, both in the linked and savings products, mainly due to the performance of the bancassurance channel, which benefits from a number of initiatives to support and strengthen the sales force.
Decreasing **Net cash inflows** in Asia due primarily to the performances in China.

With reference to **Asia and Latin America**, the **new production in terms of APE** is growing (+ 16.0% on equivalent terms) with increases observed in Asia (+ 15.5% on equivalent terms) and in Latin America (+ 21.4% on equivalent terms).

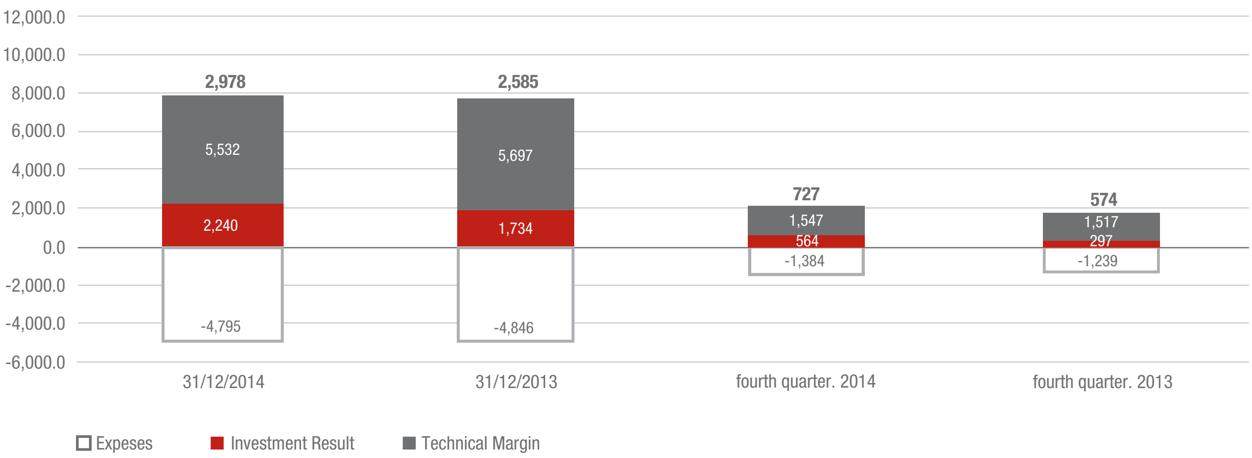
The contraction in terms of profitability, from 19.0% in 2013 to 11.8% in 2014, is explained in large part from the exit from the perimeter of the United States and Mexico during the first part of 2013. The **value of new business** is growing (+ 49.0% on equivalent terms) and amounted to € 19 million.

International Operations

Growth in gross written premiums of the International Operations increased from € 537 million at 31 December 2013 to € 598 million (+11.4% on equivalent terms), this development is attributable to the favorable business of Generali Employee Benefits and the activity of the Holding.

Finally, net cash inflows increased, favored by the above mentioned positive trend in premiums offsetting the decline in capital outflows.

Operating result



The **operating result** of the life segment amounted to € 2,978 million, an increase of 15.2% from € 2,585 million at the end 2013. The increase is primarily due to the favorable financial margin and the simultaneous containment of costs.

This improvement is also confirmed by comparing the fourth quarter of 2014 to the corresponding quarter of the previous year (+ 26.6% on a comparable basis).

Finally, the operating profitability on investments[10] of the life segment amounted to 0.81% (0.78% at December 31, 2013).

Operating result: Technical margin

(€ million)	31/12/2014	31/12/2013	FOURTH QUARTER 2014	FOURTH QUARTER 2013
Technical margin	**5,532**	**5,697**	**1,547**	**1,517**
Net earned premiums	44,699	40,826	13,102	11,226
Fee and commission from financial service activities	224	200	61	55
Net insurance claims adjusted for financial interests and bonuses credited to policyholders	-39,547	-35,405	-11,686	-9,769
Other insurance items	156	77	71	4

The technical margin[11], amounted to € 5,532 million, slightly decreasing; in particular, the contraction of the loadings and profitability of protection lines were only partially offset by growth in fees related to the sale of linked products. In addition, the technical margin, especially in Germany, reflected the decline of the amount of the acquisition costs shared with policyholders.

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

10 For further information of the calculation methodology for this indicator, please refer to the Glossary in the Appendix to the Management Report.

11 For further information of the calculation methodology for this indicator, please refer to the Methodological note on alternative performance indicators in the Annex to the Management Report.

Operating result: Net Investment result

(€ million)	31/12/2014	31/12/2013	FOURTH QUARTER 2014	FOURTH QUARTER 2013
Net investment result	**2,240**	**1,734**	**564**	**297**
Operating income from investments	16,594	15,912	3,821	4,740
Net income from investments	12,305	11,523	2,908	2,826
Current income from investments	11,024	10,629	2,841	2,647
Net operating realized gains on investments	2,443	2,086	460	467
Net operating impairment losses on investments	-310	-391	-126	-74
Other operating net financial expenses	-852	-801	-267	-214
Net income from financial instruments at fair value through profit or loss	4,289	4,388	913	1,914
Net income from financial instruments related to unit and index-linked policies	3,300	4,101	724	1,823
Net other income from financial instruments at fair value through profit or loss	989	288	189	91
Policyholders' interests on operating income from own investments	-14,354	-14,177	-3,257	-4,443

The net investment result amounted to € 2,240 million, increasing (+ 29.2%) compared to € 1,734 million at 31 December 2013.

This trend was determined by the increase in net realized gains on both equities and on government bonds in the bond segment. In addition, due to the investment strategy implemented by the Group, there was higher current income from investments in equities and bonds despite the environment of low interest rates; however, such a scenario led to higher provisions for interest rate risk compared to the previous year.

In detail:

- **current income from investments** – which includes the current income from investments at fair value through profit or loss - amounted to € 11,024 million (€ 10,629 million at 31 December 2013), while the related current return, calculated based on the book value of investments, decreased to 3.6%. In detail, the current income from fixed income securities increased from € 9,251 million at 31 December 2013 to € 9,588 million due to the actions taken by the Group to support current returns and the reduction of cash held in the life segment portfolios. In addition, the current income of the equity segment also recorded an increase, from € 388 million at 31 December 2013 to € 449 million. Finally, the current income from investment properties amounted to € 672 million, essentially stable.
- **net operating realized gains on investments** amounted to € 2,443 million (€ 2,086 million at December 31, 2013) due to higher realized gains particularly on the equity portfolios of the Group, compared to the same period last year;
- **net operating impairment losses on investments** decreased from € -391 million at 31 December 2013 to € -310 million; The trend is largely due to the impairment of the investment in Telco, accounted for in 2013, partially offset by higher impairments on equities recorded in 2014;
- **other operating net financial expenses**, which include interest expense relating to operating debt and investment management expenses, amounted to € -852 million (€ -801 million at December 31, 2013);
- **net income from financial instruments related to unit- and index-linked contracts** increased from € 4,101 million at 31 December 2013 to € 3,300 million. This trend reflects the change in the value of investments related to the lower performance of the financial markets over the corresponding period of the previous year;
- **net income from financial instruments at fair value through profit or loss** amounted to € 989 million (€ 288 million at December 31, 2013. The significant change is attributable to the performance of various derivative contracts used for various types of insurance products, to hedge the risks related to changes in interest rates.

The policyholders' interest on income from investments increased from € -14,177 million at 31 December 2013 to € -14,354 million, resulting in a slight increase compared to the previous period, due to the increase in operating income from investments and to higher allocations to interest rate risk provisions linked to the extreme low level of interest rates.

Operating result: Total operating expenses

(in milioni di euro)	31/12/2014	31/12/2013	QUARTO TRIM.2014	QUARTO TRIM.2013
Spese di gestione assicurative e altre componenti operative	**-4,795**	**-4,846**	**-1,384**	**-1,239**
Spese di gestione assicurative	-4,759	-4,773	-1,365	-1,225
Altre componenti operative	-35	-73	-20	-14

Total operating expenses improved from € -4,846 million at 31 December 2013 to € -4,795 million.

In particular, management fees related to insurance amounted to € -4,759 million, a decrease of 0.3% with respect to December 31, 2013. Acquisition costs, which amounted to € -3,820 million, decreasing by 1.1%, contributed to this trend due to the performance observed mainly in Germany.

Administrative expenses amounted to € -940 million, increasing by 3.0% due to the trend observed in particular in Italy and France, in contrast with other areas in which the Group operates.

The acquisition and administrative costs ratio amounted to 9.7%, a decrease with respect to 31 December 2013 (10.8%) due to the contraction of 0.9 pps observed in the acquisition costs component concentrated mainly in France and Germany.

The ratio of total administration costs related to insurance business to the average insurance provision remained essentially stable at 0.28%.
The decrease in other operating components was attributable to higher provisions for risk with respect to the prior period.

Non – operating result

The non-operating result of the life segment improved from € -487 million at 31 December 2013 to € -381 million due to higher non-operating net realized gains.

Life segment operating result

(€ million)	31/12/2014	31/12/2013	FOURTH QUARTER 2014	FOURTH QUARTER 2013
Life segment operating result	**2,978**	**2,585**	**727**	**574**
Net premiums	44,699	40,826	13,102	11,226
Net insurance benefits and claims	-53,893	-49,526	-14,925	-14,231
of which change in the provisions for unit and index-linked policies	-5,965	-4,790	-1,594	-2,182
Acquisition and administration costs	-4,668	-4,667	-1,339	-1,202
Acquisition and administration costs related to insurance business(*)	-4,668	-4,667	-1,339	-1,202
Other acquisition and administration costs	-1	-1	0	0
Net fee and commission income and net income from financial service activities	132	93	35	32
Net operating income from financial instruments at fair value through profit or loss	4,682	4,773	1,032	2,023
of which net income from financial assets and liabilities related to unit and index-linked policies	3,300	4,101	724	1,823
Net operating income from other financial instruments	11,912	11,138	2,789	2,717
Interest income and other income	10,631	10,243	2,722	2,538
Net operating realized gains on other financial instruments and land and buildings (investment properties)	2,443	2,086	460	467
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-310	-391	-126	-74
Interest expense on liabilities linked to operating activities	-278	-263	-84	-63
Other expenses from other financial instruments and land and buildings (investment properties)	-574	-537	-182	-151
Net other operating expenses(**)	114	-52	32	9
Life segment non-operating result	**-381**	**-487**	**-73**	**-228**
Net non-operating income from other financial instruments	-238	-272	-34	-137
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)(***)	121	31	91	42
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)(***)	-359	-303	-125	-179
Net other non-operating expenses(****)	-143	-215	-39	-92
Life segment earnings before taxes	**2,597**	**2,098**	**653**	**346**

(*) Commissions related to investments contracts, which amounted to € -92 million (€ -107 million at 31 December 2013), are included in net fee and commission income and net income from financial service activities.
(**) At 31 December 2014 the amount is net of operating taxes for € 64 million and of non-recurring taxes shared with the policyholders in Germany for € 27 million (at 31 December 2013 respectively for € 64 million and € 14 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

(€ million)	Gross written premiums		Net cash flows		APE	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Italy	17,393	13,312	5,699	1,972	2,492	1,845
France	8,438	7,671	615	-184	817	752
Germany	13,675	14,989	2,958	4,377	862	938
Central Eastern Europe	1,487	1,568	425	541	148	191
EMEA	6,919	5,703	2,703	1,436	684	598
Spain	984	1,006	-174	-189	119	130
Austria	1,294	1,156	289	172	102	94
Switzerland	1,127	1,062	595	585	58	62
Other EMEA	3,513	2,479	1,993	868	405	312
Latin America	254	260	118	122	17	37
Asia	1,049	902	197	275	142	109
International Operations	598	537	32	18		
Total	**49,813**	**44,941**	**12,747**	**8,557**	**5,163**	**4,470**

(€ million)	Savings and Pension		Protection		Unit/index linked		Total	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Italy	14,467	12,543	224	200	2,703	569	17,393	13,312
France	5,021	4,458	1,566	1,582	1,437	1,225	8,024	7,266
Germany	5,858	7,488	4,195	4,144	3,623	3,357	13,675	14,989
Central Eastern Europe	767	851	247	245	473	471	1,487	1,568
Europe, Middle East and Africa	2,267	2,057	848	833	3,780	2,789	6,894	5,679
Spain	780	807	186	186	17	12	984	1,005
Austria	749	639	284	259	242	239	1,275	1,137
Switzerland	253	169	134	134	740	760	1,127	1,062
Other EMEA	484	442	243	254	2,781	1,778	3,508	2,474
Latin America	30	29	222	230	0	0	252	259
Asia	708	616	227	203	114	83	1,049	902
International Operations	73	69	24	19	0	0	97	88
Total direct written premiums	**29,190**	**28,111**	**7,553**	**7,457**	**12,128**	**8,495**	**48,871**	**44,062**

(€ million)	NBV		Operating Result	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Italy	641	336	1,346	1,030
France	89	96	560	528
Germany	265	248	376	340
Central Eastern Europe	49	73	144	172
Europe, Middle East and Africa	177	156	470	409
Spain	66	39	121	117
Austria	17	19	68	65
Switzerland	29	28	135	122
Other EMEA	65	70	145	105
Latin America		18	4	0
Asia	19	10	49	38
International Operations			30	69
Total	**1,239**	**937**	**2,978**	**2,585**

Financial position of life segment

Investments

(in € million)	31/12/2014	Impact (%)	31/12/2013	Impact (%)
Equity instruments	12,983	4.1%	13,234	4.7%
Fixed income instruments	286,056	89.2%	242,233	86.6%
Bonds	261,255	81.5%	219,992	78.6%
Other fixed income instruments	24,801	7.7%	22,245	8.0%
Land and buildings (investment properties)	9,881	3.1%	9,644	3.4%
Other investments	5,039	1.6%	4,389	1.6%
Investments in subsidiaries, associated companies and joint ventures	4,282	1.3%	3,483	1.2%
Derivatives	-71	0.0%	414	0.1%
Other investments	829	0.3%	492	0.2%
Cash and cash equivalents	6,624	2.1%	10,219	3.7%
General accounts investments	**320,583**	**100.0%**	**279,724**	**100.0%**
Investment back to unit and index-linked policies	67,707		59,116	
Total investments	**388,290**		**330,840**	

At 31 December 2014 total investments of the life segment increased compared to 31 December 2013, amounting to € 388,290 million (+29.14%). Group investments amounted to € 320,583 million (+14.61%), and linked policy investments totalled 67,707 million (+14.53%).

The exposure to fixed income instruments increased to 89.2% (86.6% at 31 December 2013) while, despite a slight increase in absolute terms, the weight of equity instruments decreased to 4.1% (4.7% at 31 December 2013). Real estate investments remained stable at 10,638 million, while the weight decreased from 3.4% to 3.1%. The weight of cash and cash equivalents decreased further to 2.1% (3.7% at 31 December 2013).

With respect to the bond investment portfolio, the exposure to government bonds increased at € 150,538 million (€ 122,274 million at 31 December 2013), the impact of this asset class increased at 57.6% (55.6% at 31 December 2013). The trend is primarily due to the increase in value of investments during the year.

The corporate component also increased to € 110,717 million (€ 97,718 million at 31 December 2013) with a slight decrease on incidence at 42.4% (44.4% at 31 December 2013). The growth was attributable to net acquisitions made in the year with the aim of diversifying the overall bond portfolio. The growth was attributable to the increase in the value of investments and, to a lesser extent, to the net purchases made during the year.

Finally, the average duration of the bond portfolio was 8.2 years (7.3 years at 31 December 2013), consistently with ALM Group strategy.

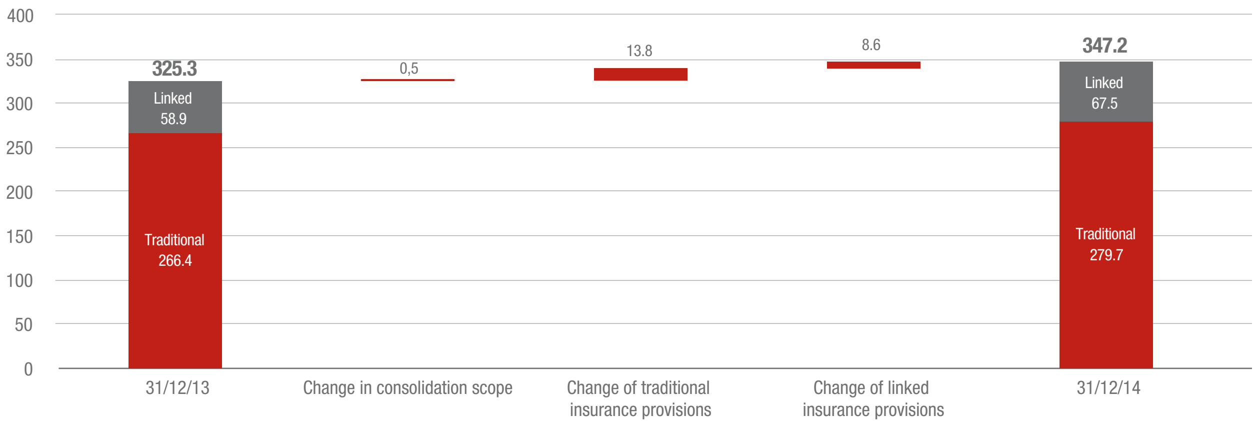
	31/12/2014	31/12/2013
Current return (*)	3.6%	3.8%
Harvesting rate	0.6%	0.6%
P&L return	4.5%	4.4%

(*) Net of depreciation of the period

The current return on investments in the life segment recorded a modest decline in all asset classes from 3.8% in 31 December 2013 to 3.6%, with revenues amounting to € 10,907 million (€ 10,517 million at 31 December 2013).

The contribution to the result of the period from harvesting operations remained stable at 0.6%, benefitting from the improvement in all components.

Life segment insurance provison



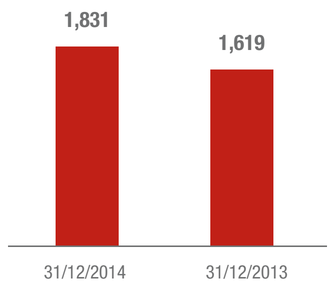
Without taking into account deferred policyholders liabilities, the insurance provisions and financial liabilities of the life segment amounted to € 347,183 million; an increase on a comparable basis of 6.9% which reflects both the increase in reserves for the traditional portfolio (+5.2% on a comparable basis), and the linked portfolio (+14.5% on a comparable basis), due to the combined effect of cash inflows and the recovery of financial markets.

Finally, deferred policyholders liabilities increased to € 25,300 million (€ 3,999 million at 31 December 2013), due to the increases in the fair value of investments, particularly in the bond component.

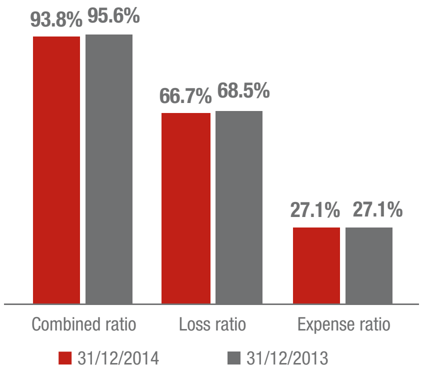
Property&Casualty Segment

Gross written premiums

Operating result



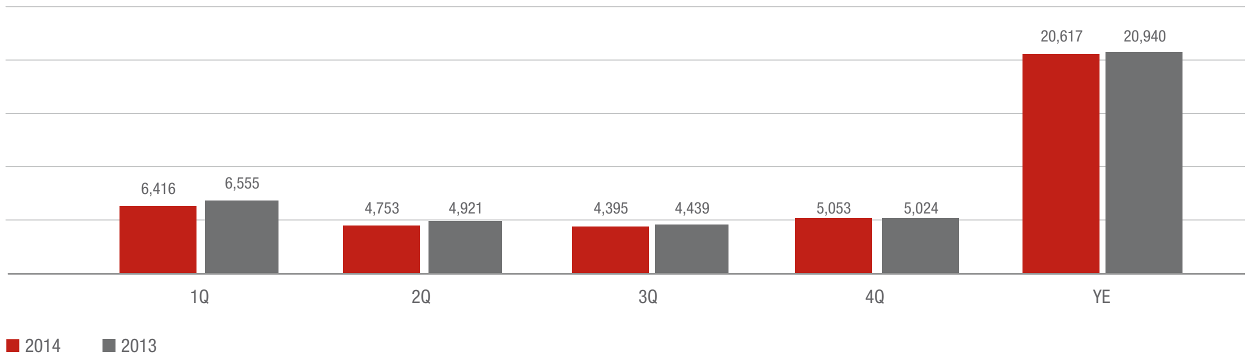
Combined ratio



Operating return on investments

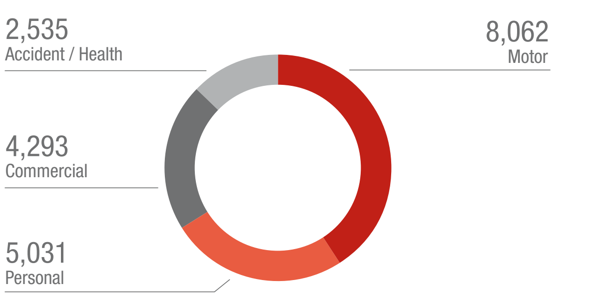
- Gross written premiums stable (+0.2% on equivalent terms), with different trends in the main countries where the Group operates.
- Strong growth in the operating result (+13.1% on equivalent terms).
- Improving Group Net Cor (-1.9 p.p.), thanks to the loss ratio trend.
- Positive operating return on investment which amounts to 4.69%.

Premiums development

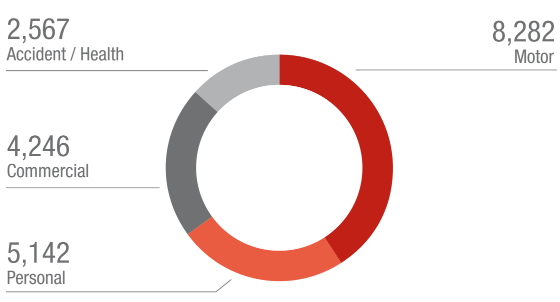


Property&casualty written premiums amounted to € 20,617 million, stable compared to the previous year (+ 0.2 % on equivalent terms).
Motor line premiums increased by 0.8% with different trends in the main countries where the Group operates; positive trends were registered in Germany and emerging markets, while deceasing trends were registered in the markets of countries most affected by the current macro-economic scenario (in particular Italy, France, Czech Republic and Spain).
The Non motor segment line result was stable; the positive trend of Commercial/Industrial line (+1.7% at equivalent terms), although differentiated among the countries where the Group operates, is completely offset by the negative trend of Personal (-0.9%) and Accident/Health (-1.2%).

Group written premiums at 31 December 2014



Group written premiums at 31 December 2013



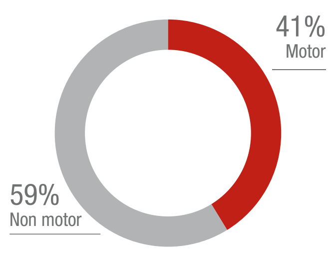
A geographical focus follows regarding the main indicators mentioned above:

Italy

GROSS WRITTEN PREMIUMS

€6,132 mln

-2.9%



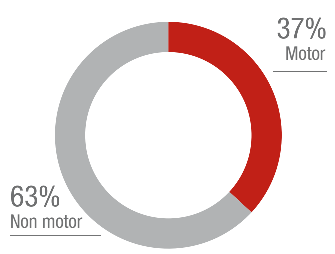
Gross written premium in Italy amounted to 6,132 million, in slight decrease with respect to 31 December 2013 (-2.9%). This performance is evident both in the Non-Motor line (-1.9%), and in the Motor line (-4.9%) mainly influenced by a significant contraction in tariffs.
The Non-Motor Line evidences a negative trend in Accident/Health line (-6,7%), partially offset by the positive trend of the Personal line (+2.1%). The Commercial/Industrial line (-0.1%) witnessed a stable trend despite the stagnant economic situation of Italy.

France

GROSS WRITTEN PREMIUMS

€2,545 mln

-6.5%



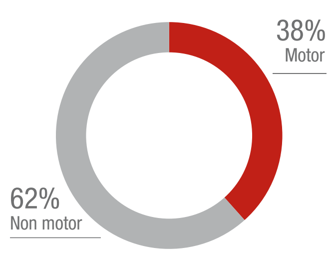
Gross written premiums in France decreased (-6.5 % on equivalent terms) to € 2,545 million. The decrease was attributable to the portfolio pruning's actions and consequently contracts reduction. In addition the Motor line (-7.2%) suffers in a very competitive market.
The Non-Motor line (-5.6%) reflects the decrease in premiums in the Commercial/Industrial line (-7.4%) affected by the difficult economic environment leading to a stagnant market. In reduction the Personal lines (-4.3%).

Germany

GROSS WRITTEN PREMIUMS

€3,547 mln

+3.3%



Excellent performance of the German gross written premiums which amount to 3,547 million (€ 3,436 million at 31 December 2013), increasing by 3.3 % due to both the Motor (+4.3%) and Non Motor (+2.6%) lines.

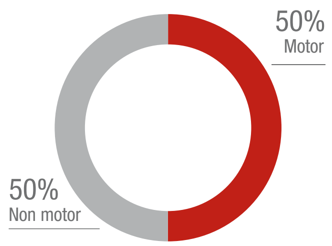
As for the Non Motor line, Commercial/Industrial (+5.0%) and Personal (+4.0%) segments witnessed an increase while a slight drop is observable in the Accident/Health (-2.2%) segment. As forecasted, the positive trend of the Motor line continued also in 2014, allowing Generali Deutschland to obtain a further improvement in the technical result.

Central Eastern Europe

GROSS WRITTEN PREMIUMS

€1,884 mln

+1.3%



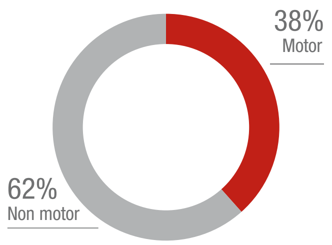
Gross written premiums of Central and Eastern Europe amounted to € 1,884 million, increased with respect to 31 December 2013 (1.3% on equivalent terms). The trend is due mostly to the Motor line (+2.5% on equivalent terms) and, to a more limited extent, to the Non Motor segment (+0.8 on equivalent terms). Proama witnessed a significant growth, driven by new contracts and existing policies renewals. Also Hungary observed growth, while Czech Republic and Poland decreased.

EMEA

GROSS WRITTEN PREMIUMS

€4,246 mln

0.6%



Gross premiums written for the EMEA regional structure showed a slight increase compared to 31 December 2013 (0.6 % on equivalent terms) to 4,246 million (€ 4,218 million at 31 December 2013).

Austria experienced a positive trend, gross written premiums increased from € 1,408 million at 31 December 2013 to € 1,426 million (+1.3%). Both Non Motor (+1.7%), increased thanks to the growth of all business lines which benefited from tariff adjustments, and Motor (+2.0%) witnessed an increase.

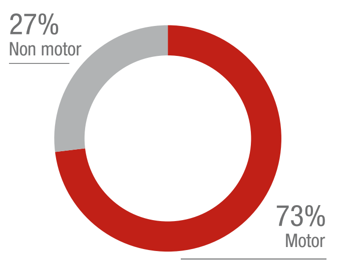
Gross written premiums in Spain were almost stable (-0.2%) reaching € 1,281 million (€ 1,284 million at 31 December 2013). Positive trend in the Non Motor segment; Personal line (+0.7%) is improving compared to the market, while the Commercial/Industrial line (-1.1%) mirrors the impact of the economic downturn. Accident/Health line (+4.3%) is strongly increasing due to the decreased performances of the Spanish health system. Motor line (-6.4%) suffered from the market difficulties characterized by a tariff competition that deceases the average premium amount. However in the last months of the year, the introduction of credit scoring requirements and customer segmentation contributed to the stabilization and underwriting's growth of this business line.

Gross written premiums in Switzerland decreased (-2.5% on equivalent terms), reaching € 675 million (€ 684 million at 31 December 2013). The negative performance can be attributed to the Motor lines (-4.4% on equivalent terms), mirroring the reduction of renewals and portfolio pruning. The Non-Motor lines highlights a slight reduction (-0.8% on equivalent terms) due to the Accident/Health lines (-1.7% on equivalent terms) which suffers from portfolio pruning and a strict underwriting policy finalized at the recovery of profitability.

LATAM

GROSS WRITTEN PREMIUMS

€ 1,057 mln
+22.9%

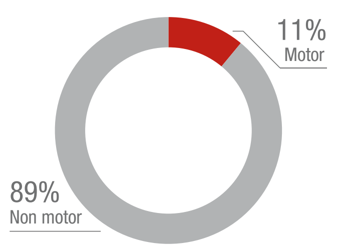


A positive contribution of gross written premiums from Latin America (22.9 % on equivalent terms) from € 1,112 million at 31 December 2013 to € 1,057 million. The Motor line (+19.7%) increases, especially in Argentina, although below the inflation rate. The rationale is to increase competitiveness in a competitive market. The increase of the interest rates throughout the year has convinced various companies to accept a lower technical result, offset by higher financial results. A positive trend also for the Non Motor segment (+33.9%), mainly due to the growth of the Commercial/Industrial lines in Argentina and Brazil.

Asia

GROSS WRITTEN PREMIUMS

€ 103 mln
+12.6%



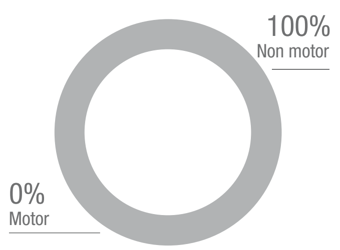
Gross written premiums amounted to € 103 million, increasing from the prior year (12.6 % on equivalent terms).

This increase is completely attributable to the Hong Kong branch.

International operations

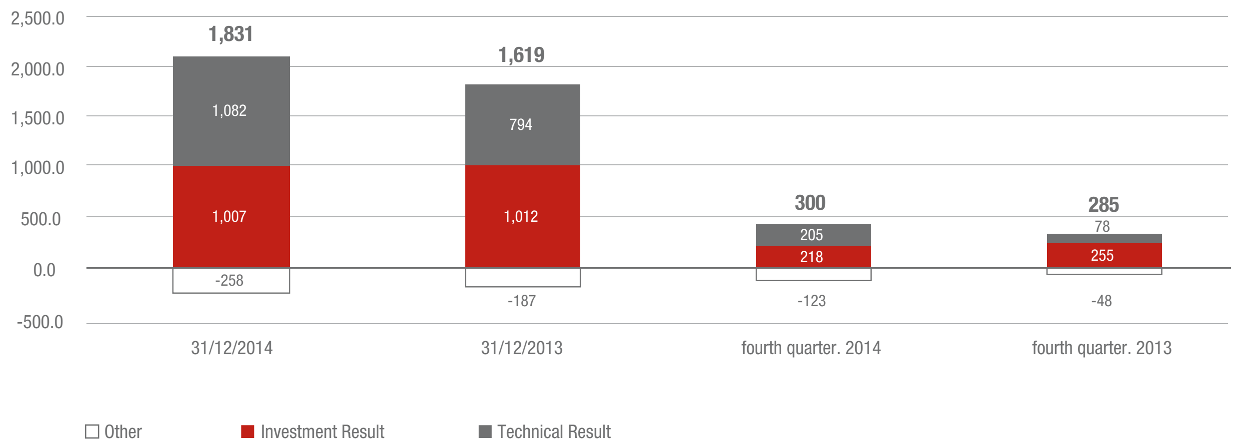
GROSS WRITTEN PREMIUMS

€ 1,102 mln
-1.5%



The gross written premiums of International Operations witnessed a decrease compared to 31 December 2013 (-1.5 % on equivalent terms), amounting € 1,102 million. Specifically, the trend is attributable to the drop in the gross written premiums related to the care services.

Operating result



The operating result for the property&casualty segment increased to € 1,831 million (€ 1,619 million at 31 December 2013). The significant increase observed (+13.1%) is mainly attributable to the technical result, with a Group Net Cor of 93.8%, improving by 1,9 p.p. compared to the previous year.

With reference to the fourth quarter of 2014, compared to the same period of the last year, the operating result increased (+5.3%), due to the development of the technical result in the fourth quarter.

The operating return on investments of the property &casualty segment increased to 4.69% (4.65% at 31 December 2013).

Technical result

(€ million)	31/12/2014	31/12/2013	FOURTH QUARTER 2014	FOURTH QUARTER 2013
Technical result	**1,082**	**794**	**205**	**78**
Net earned premiums	19,622	19,788	4,927	4,902
Net insurance benefits and claims	-13,084	-13,552	-3,294	-3,424
Net acquisition and administration costs	-5,312	-5,372	-1,375	-1,376
Other net technical income	-144	-69	-53	-25

The technical result amounted € 1,082 million, registering a strong growth with respect to 2013 (+36.2%); the technical result includes the impact of catastrophic claims of approximately € 238 million. These events relate primarily to the floods that had repeatedly hit Italy in January, May, October and November and the storms of June in Central Europe. Similar events had an impact on 31 December 2013 for approximately € 460 million.

The worsening of the Other net technical income is primay attributable to Italy for non recurring positive effects recorded in 2013 related to ceded reinsurance, as well as more reversal of previous years' premiums.

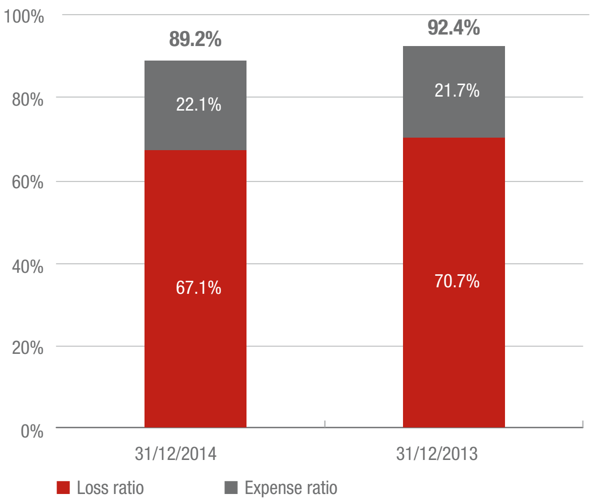
	31/12/2014	31/12/2013	Change
Combined ratio	**93.8%**	**95.6%**	**-1.9**
Loss ratio	66.7%	68.5%	-1.8
current year loss ratio excluding natural catastrophes	69.3%	69.5%	-0.3
natural catastrophes impact	1.2%	2.3%	-1.1
prior year loss ratio	-3.8%	-3.4%	-0.4
Expense ratio	27.1%	27.1%	-0.1
Acquisition cost ratio	21.2%	21.3%	-0.1
Administration cost ratio	5.9%	5.9%	0.0

The *combined ratio* amounts at 93.8% decreasing of 1.9 compared to 31 December 2013, almost completely due to the improvement of the loss ratio (-1.8 pps); stable the expense ratio that is positioned at 27.1%.
In detail, the loss ratio registered a further improvement in respect with the results observed at the 3rd Quarter. This trend is also confirmed without considering the lower impact of catastrophic events, which weighted 1.2 pps with respect to the 2.3 pps in the previous year. The current year loss ratio excluding natural catastrophes, decreased by 0.3%; the contribution of the prior year loss ratio was also positive, which increases to -3.8 pps, in the context of the Group prudent reservation policy

Net acquisition and administration costs amounted to € 5,312 million, compared to 31 December 2013 (€ 5,372 million). In detail, acquisition costs amounted to € 4,157, decreased of 1.2%, mirroring the trends registered in France, Central Eastern Countries, Switzerland and in the International Operations cluster. The incidence of acquisition costs on net earned premiums is slightly decreasing to 21.2% (-0.1 pps).
Administrative costs amounted to € 1,155 million, evidencing a decrease of -0.7%, mainly because of the observed effects of Italy, Germany and Switzerland. The ratio of expenses to net earned premiums remained stable at 5.9%.
The expense ratio remained stable at 27.1%.

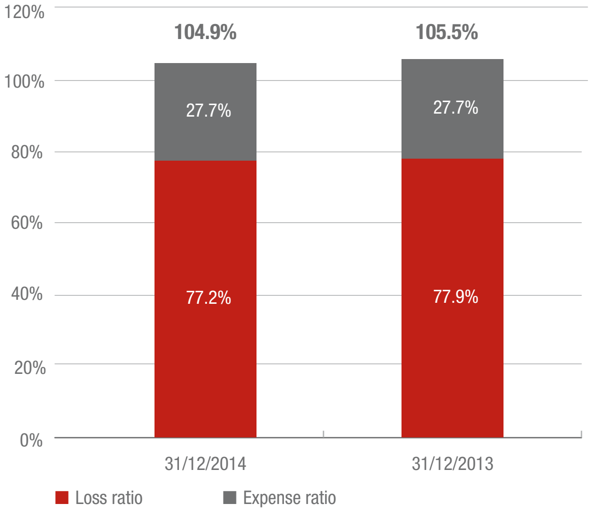
A review of the combined ratio for the business areas of the Group will follow.

Italy



The ratio in Italy improved considerably (-3.2 pps), amounting to 89.2%. This trend mainly reflected the decrease in the loss ratio (–3.6% pps) which benefited from the positive trend of non - catastrophic events. Catastrophic claims increased, amounting to € 96 million (1.7 pps on the net cor; 0.5 pps at the end of 2013) due to the floods of January, October, November and the storms in July. The expense ratio increased with respect to the previous year, amounting to 22.1%, due to the increase in acquisition cost.

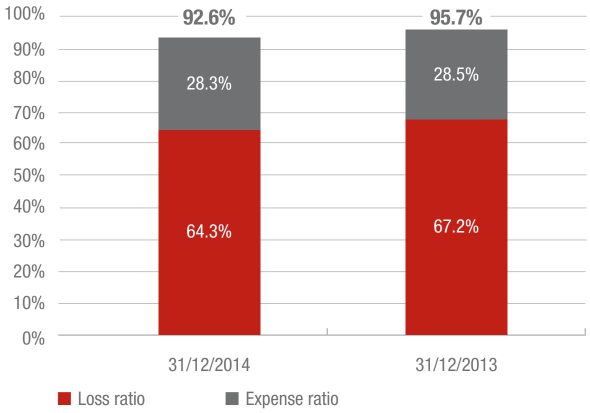
France



The combined ratio of France is equal to 104.9%, evidencing a decrease of 0.6 pps with respect to the previous year due to the contraction of the loss ratio, equal to 77.2% (-0.7pps). This ratio includes the impact of 2.4 pps of the catastrophic events, caused by the floods of January and the storms of June, while the impact in the prior year was of 2.8 pps.

The current year loss ratio, excluding natural catastrophes was stable. The positive trend of the retail line is absorbed by the considerable amount of claims in the auto-fleets line. Negative contribution from the prior year loss ratio considering the strengthening of the reserves related to the Buildings and General lines, likewise the observed trend of the market. Stable the expense ratio at 27.7% (+0.1 pps).

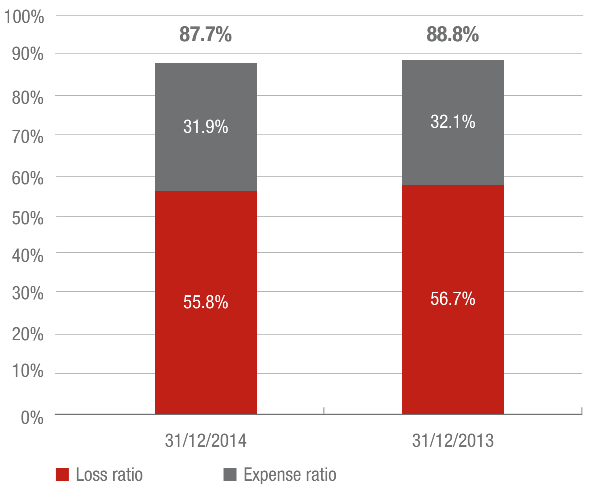
Germany



The combined ratio of Germany amounted to 92.6, strongly decreased with respect to 31 December 2013. Previous year suffered from significant catastrophic events, which weighted for 4.1 pps (1.1 pps at year end 2014). Non catastrophic claims were stable.

The expense ratio decreased by 0.2%, at 28.3%.

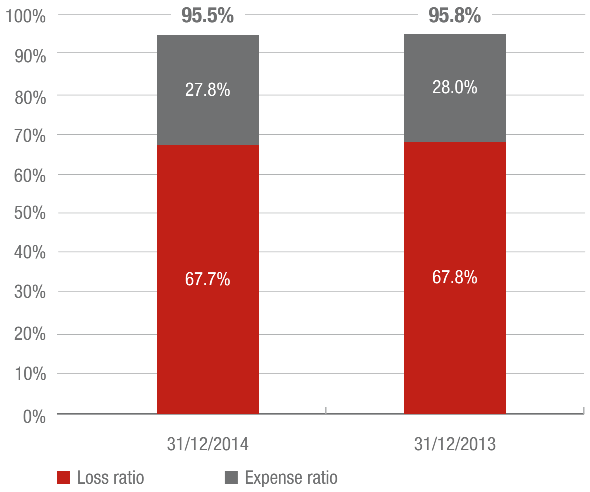
Central and Eastern Europe



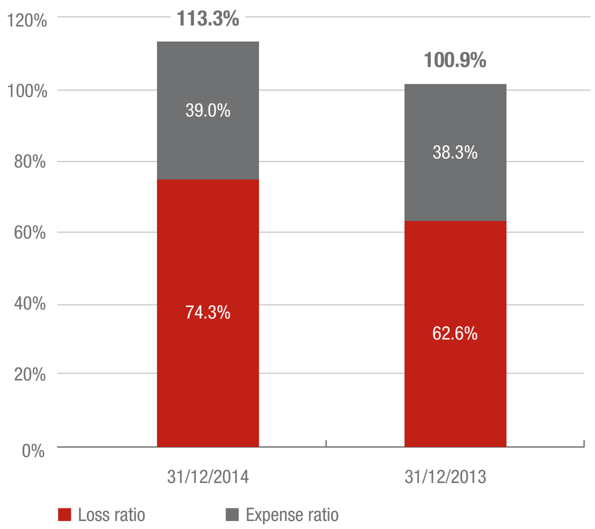
The combined ratio of the central and easten European countries was 87.7%, decreasing slghtly with respect to 2013 (-1.0 pps). This ratio includes the impact of the catastrophic events of 0.4 p.p., while last year catastrophic events influenced the ratio for 4.1 pps.

Expense ratio experience (31.9%) a slight drop of -0.2 pps compared with prior year.

EMEA



LatAm



The combined ratio of the regional structure EMEA was 95.5%, improved slightly compared to 31 December 2013 (-0.3 pps) due to the trends observed in the main markets of the area.

The combined ratio of Spain, equal to 93.3, improved (-1.0 pps) due to the contraction of the loss ratio (-0.8 pps) and to a lesser extent to the expense ratio (-0.1 pps).

The combined ratio of Austria also improved (-0.4 p.p.), reaching 94.2% due to the decrease in the loss ratio (66.9%), despite some reserve strengthening which weighted for 1.2 p.p.

The combined ratio of Switzerland, amounting at 92.7%, registered an improvement (-1.7 pps) due to the positive trend (-2.5 pps) of the expense ratio, which amounts to 22.6%. The claim rate increased (+0.9 pps).

The combined ratio of Latin America increased by 12.4%, amounting to 113.3%, because of the trend of the Brazilian cor, which suffered from worsening of the claims rate on the motor line, caused by a specific line of business in run-off.

Financial result

(€ million)	31/12/2014	31/12/2013	FOURTH QUARTER 2014	FOURTH QUARTER 2013
Investment result	**1,007**	**1,012**	**218**	**255**
Current income from investments	1,358	1,410	300	349
Altri oneri finanziari netti operativi	-352	-398	-83	-94

The financial result amounted to € 1,007 million, stable with respect to 31 December 2013 (-0.5%). In particular the current income from investments amounted to € 1,358 million (€ 1,410 million at 31 December 2013); this decrease is mainly attributable to the difficult context of low reinvestment rates. The actions of the Group, aiming at sustaining the result have allowed the achievement of a current return of 3.3%.

In detail, the change in current income is primarily attributable to the decline in income from real estate investments - net of amortization - decreasing from € 283 million at 31 December 2013 to € 268 million.

Despite the low reinvestment rate context, income derived from investments in fixed income securities registered a stable trend in line with the previous year, amounting to € 863 million at 31 December 2013 to € 861 million in 2014.

The current income from equity instruments, instead, recorded an increase at € 121 million (€ 94 million at 31 December 2013). Other operating net financial expenses, which include interest expense related to operating debt and investment management expenses amounted to € -279million (€ -325 million at 31 December 2013), due to lower interest expenses on operating debt.

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, increased to € -258 million (€ -187 million at December 31, 2013) mainly due to increasing provisions for risks.

Non-operating result

The non-operating result of the property&casualty segment worsened to € -184 million (€ -106 million at 31 December 2013).
In particular, the non-operating investment result decreased, despite the increase of the net realized gains which amounted to € 769 million (€ 726 million at 31 December 2013). The impairment losses, mainly on equity portfolios, increased to € -417 million (€ -258 million al 31 December 2013).

Moreover also the net income from financial instruments at fair value through profit or loss decreased to € -263 million (€ -207 million at 31 December 2013).

Net other non-operating expenses increased, amounting to € -273 million (€ -368 million at 31 December 2013), of which € -63 million related to the amortization of the value of acquired portfolios (€ -70 million at 31 December 2013). This trend is mainly due to the one-off effect registered during 2013.

Property&Casualty operating result

(€ million)	31/12/2014	31/12/2013	FOURTH QUARTER 2014	FOURTH QUARTER 2013
Property&Casualty operating result	**1,831**	**1,619**	**300**	**285**
Net earned premiums	19,622	19,788	4,927	4,902
Net insurance benefits and claims	-13,110	-13,575	-3,300	-3,424
Acquisition and administration costs	-5,315	-5,380	-1,376	-1,379
Acquisition and administration costs related to insurance business	-5,317	-5,387	-1,376	-1,382
Other acquisition and administration costs	-3	-7	-1	-3
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	68	50	19	24
Net operating income from other financial instruments	965	984	205	231
Interest income and other income	1,290	1,360	282	325
Interest expense on liabilities linked to operating activities	-102	-143	-24	-30
Other expenses from other financial instruments and land and buildings (investment properties)	-224	-232	-53	-64
Net other operating expenses	-399	-249	-175	-70
Property&Casualty non-operating result	**-184**	**-106**	**-240**	**-51**
Net non-operating income from financial instruments at fair value through profit or loss	-263	-207	-142	-142
Net non-operating income from other financial instruments	352	468	21	329
Net realized gains on other financial instruments and land and buildings (investment properties)	769	726	223	427
Net impairment losses on other financial instruments and land and buildings (investment properties)	-417	-258	-202	-99
Net other operating expenses	-273	-368	-119	-238
Property&Casualty earnings before taxes	**1,646**	**1,513**	**60**	**234**

Property and casualty indicator by country

(€ million)	Gross written premiums		Operating result	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Italy	6,132	6,316	720	596
France	2,545	2,722	32	4
Germany	3,547	3,436	366	293
Central Eastern Europe	1,884	1,924	239	237
EMEA	4,246	4,218	402	373
Spain	1,281	1,284	167	158
Austria	1,426	1,408	172	155
Switzerland	675	684	74	60
Other EMEA	864	843	-12	0
Latin America	1,057	1,112	-65	62
Asia	103	92	3	-14
International Operations	1,102	1,118	133	69
Total	**20,617**	**20,940**	**1,831**	**1,619**

Direct written premius by line of business

(€ million)	Motor		Non motor		Total	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Italy	2,485	2,612	3,539	3,606	6,023	6,218
France	919	990	1,571	1,664	2,490	2,654
Germany	1,360	1,304	2,182	2,127	3,542	3,430
Central Eastern Europe	926	931	925	953	1,851	1,884
Europe, Middle East and Africa	1,592	1,581	2,554	2,550	4,146	4,130
Spain	333	356	913	906	1,246	1,262
Austria	552	541	856	841	1,408	1,383
Switzerland	307	317	366	364	673	682
Other EMEA	399	366	419	438	819	804
Latin America	769	853	283	254	1,051	1,107
Asia	9	10	73	69	82	78
International Operations	3	1	732	734	735	735
Total direct written premiums	**8,062**	**8,282**	**11,859**	**11,955**	**19,921**	**20,237**

(€ million)	Combined ratio*		Loss ratio		Expense ratio	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Italy	89.2%	92.4%	67.1%	70.7%	22.1%	21.7%
France	104.9%	105.5%	77.2%	77.9%	27.7%	27.7%
Germany	92.6%	95.7%	64.3%	67.2%	28.3%	28.5%
Central Eastern Europe	87.7%	88.8%	55.8%	56.7%	31.9%	32.1%
EMEA	95.5%	95.8%	67.7%	67.8%	27.8%	28.0%
Spain	93.3%	94.3%	65.0%	65.9%	28.3%	28.4%
Austria	94.2%	94.6%	66.9%	67.7%	27.3%	26.9%
Switzerland	92.7%	94.4%	70.2%	69.3%	22.6%	25.1%
Other EMEA	105.1%	102.6%	71.7%	70.0%	33.4%	32.6%
Latin America	113.3%	100.9%	74.3%	62.6%	39.0%	38.3%
Asia	97.6%	120.0%	56.3%	79.0%	41.2%	41.0%
International Operations	83.8%	90.6%	60.7%	66.0%	23.1%	24.7%
Total	**93.8%**	**95.6%**	**66.7%**	**68.5%**	**27.1%**	**27.2%**

(*) CAT calims 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 (At 31 December 2013 CAT claims impacted on the Group combined ratio for 2.3 pps, of which 0.5 pps in Italy, 2.8 pps in France, 4.1 pps in Germany and 4.1 pps in the European Eastern Countries).

(€ million)	Personal		Commercial		Accident / Health(*)	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Italy	724	803	1,702	1,610	1,113	1,193
France	957	953	614	711	0	0
Germany	1,374	1,320	292	278	517	529
Central Eastern Europe	336	348	479	498	110	107
Europe, Middle East and Africa	1,060	1,060	829	821	666	669
Spain	429	426	305	308	179	171
Austria	333	326	367	363	155	152
Switzerland	193	191	4	3	170	170
Other EMEA	104	116	153	147	162	175
Latin America	20	30	239	203	24	21
Asia	0	5	32	34	40	30
International Operations	560	623	107	92	66	19
Total direct written premiums	**5,031**	**5,142**	**4,293**	**4,246**	**2,535**	**2,567**

(*) The Accident/Health business premiums, managed according to the criteria of the life business, are taken into account in the life segment.

Property and Casualty Segment Financial Position

Investments

(in € million)	31/12/2014	Impact (%)	31/12/2013	Impact (%)
Equity instruments	3,346	8.7%	3,348	9.3%
Fixed income instruments	25,948	67.3%	23,975	66.6%
Bonds	23,654	61.3%	22,149	61.5%
Other fixed income instruments	2,294	5.9%	1,826	5.1%
Land and buildings (investment properties)	4,290	11.1%	4,645	12.9%
Other investments	1,203	3.1%	1,079	3.0%
Investments in subsidiaries, associated companies and joint ventures	1,267	3.3%	1,188	3.3%
Derivatives	-77	-0.2%	-135	-0.4%
Other investments	14	0.0%	26	0.1%
Cash and cash equivalents	3,772	9.8%	2,947	8.2%
Total investments	**38,559**	**100.0%**	**35,994**	**100.0%**

Total investments in the property&casualty segment went from € 35,994 million at 31 December 2013 to € 38,559 million (+ 7.1%).

With reference to the exposure to the various asset classes, despite an increase in the absolute values, the weight of the fixed income portfolio remained stable at 67.3% (66.6% at 31 December 2013). A downward trend is registered regarding the exposure to equity instruments equal to 9.3% at 31 December 2013 to 8.7%, and also the exposure to the real estate investments equal to 11.1% (12.9% at 31 December 2013). Finally, the weight of cash and cash equivalents increased from 8.2% at 31 December 2013 to 9.8%.

Government bonds amounted to € 10,021 million (€ 10,872 million at 31 December 2013), reducing their weight to 26.0% (30.2% at 31 December 2013).
Corporate bonds increased to € 13,611 million (€ 11,277 million at 31 December 2013), equal to 57.6% (50.9% at 31 December 2013).

Lastly the average duration of the bond portfolio is 4,6 years (4,1 years at 31 December 2013), consistently with ALM Group strategy.

	31/12/2014	31/12/2013
Current return (*)	3.5%	3.9%
Harvesting rate	1.0%	1.4%
P&L return	3.9%	4.6%

(*) Net of depreciation of the period

The current return of total investments in the property&casualty segment slightly decreased to 3.5% (3.9% at 31 December 2013), with the related incomes amounting at € 1,307 million.

The harvesting rate decreased to 1.0% (1.4% at 31 December 2013) due to an increase in the impairment losses.

Property and Casualty insurance provisions

(€ million)	31/12/2014	31/12/2013
Net provisions for unearned premiums	5,006	5,027
Net provisions for outstanding claims	24,651	24,076
Other net provisions	459	430
Property&Casualty insurance provisions	30,117	29,533
of which Motor	13,254	13,503
of which Non Motor	16,863	16,030

Holding and other businesses segment

The Holding and other activities segment refers to the activities of the companies of the Group in the banking and asset management sectors, the costs incurred for the direction, coordination and financing activities, as well as all the other operations which are considered ancillaries with respect to the core insurance business.

The operating result of the aforementioned operations is reported in the table below:

(€ million)	31/12/2014	31/12/2013	FOURTH QUARTER 2014	FOURTH QUARTER 2013
Holding and other businesses Operating result	**-5**	**128**	**-92**	**49**
Financial	374	343	82	95
Holding expenses	-418	-349	-128	-86
Other businesses	40	134	-47	39

In particular, the operating result of the **holding and other activities segment** amounted to € -5 million, decreasing compared to 128 million at 31 December 2013. This trend was determined by the increase of the holding's operating costs and by the negative performance of the non core activities, partially offset by the financial segment performance reflecting the positive result of Banca Generali.

The operating result of the **financial segment** registered an increase, reaching € 374 million (€ 343 million at 31 December 2013), experiencing a growth by 8.9%. In detail, the result includes the operating result of Banca Generali which amounted to € 221 million, increasing by 11.7 % (€ 198 million at 31 December 2013).

The positive performance of the financial segment is attributable to the net result of financial activities, which have benefitted from higher net fees, only partially absorbed by the increase in the acquisition and administration costs.

The **operating holding expenses** amounted to € -418 million (€ -349 million at 31 December 2013) increasing due to the higher costs incurred for the projects of improvement of the Head Office structures, and for professional and IT activities regarding the main projects of the Group, such as the transition to the new Solvency II regime.

The operating result of other activities amounted to € 40 million, decreasing compared to €134 of the prior year. This trend was mainly attributable to the result of the real estate development activities linked with the Citylife project, which starting from the fourth quarter of 2014 was included in the operating result.

Operating result of the holding and other businesses segment

(€ million)	31/12/2014	31/12/2013	FOURTH QUARTER 2014	FOURTH QUARTER 2013
Holding and other businesses operating result	**-5**	**128**	**-92**	**49**
Net earned premiums	1	8	0	8
Net insurance benefits and claims	0	0	0	0
Acquisition and administration costs	-363	-358	-92	-98
Fee and commission income and income from financial service activities	534	472	158	132
Net operating income from financial instruments at fair value through profit or loss	6	12	5	5
Net operating income from other financial instruments	295	419	-13	118
Interests and other income	472	480	96	132
Net operating realized gains on other financial instruments and land and buildings (investment properties)	60	74	0	23
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-10	-5	-3	-6
Interest expenses on liabilities linked to to operating activities	-145	-135	-54	-35
Other expenses from other financial instruments and land and buildings (investment properties)	-82	-35	-52	-6
Net other operating expenses	-59	-35	-22	-21
Operating holding expenses	-418	-349	-128	-86
Holding and other businesses non-operating result	**-917**	**-990**	**-245**	**-401**
Net non-operating income from financial instruments at fair value through profit or loss	0	2	-17	10
Holding and other businesses non-operating result	-917	-992	-228	-411
Net non-opeating income from other financial instruments	-72	22	-31	-40
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	-34	84	-49	28
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-38	-62	18	-68
Net other non-operating expenses	-26	-212	16	-163
Non operating holding expenses	-819	-802	-213	-208
Interest expenses on financial debt	-741	-747	-177	-186
Holding non recurring expenses	-78	-55	-36	-22
Holding and other businesses result before taxes	**-922**	**-862**	**-337**	**-353**

Outlook

In **2015** the International Monetary Fund expects GDP to grow in the Euro Area by 1.3% (0.8% in 2014), although the recovery will not be uniform across countries; we will observe a first slight improvement in the unemployment rate (from 11.6% in 2014 to 11.2% in 2015), while inflation is expected at 0.9% in 2015 (0.5% in 2014). This scenario is consistent with the decision of the European Central Bank that will maintain an expansionary monetary policy.
Also economy in USA is growing (+ 3.1%; 2.2% in 2014) and those of the emerging countries (+ 5.0%; 4.4% in 2014).
Two main risks may arise in this improving scenario for the economies of Europe and the US in 2015: on the one hand, an exacerbation of geopolitical tensions in the Middle East and Russia, on the other hand a slight decline of financial markets, which experience a good dose of optimism.

Regarding financial markets, the robust economic growth of the United States and the expansionary monetary policy of Quantitative Easing in the Euro Area, announced in January 2015 by the European Central Bank, increase growth expectations in mature economies. In addition, the sharp decline in oil prices should support growth globally.

The life insurance segment shows a gradual recovery in household income that should mean greater savings. The low interest rates and the low level of inflation will make the traditional life products attractive compared to other financial instruments, while the positive performance of the equity markets should make the unit-linked products attractive. The banking sector could leverage the distribution of insurance products to try to offset the lower intermediation income. Premiums in the motor line is expected to be recovered in Spain and France; in Italy the growth rates are expected to remain negative, even if in recovery. In Germany, a slowdown is expected compared to the positive performance in the past years. In the property line, the premium collection should improve in line with the economic cycle and Italy should accordingly show more limited growth rates.

With regard to the reinsurance business in particular, the catastrophic events that occurred in the world were of medium and small magnitude and had marginal effects on the reinsurance industry, that could reinforce its capital strength also benefiting from the capital inflows from the financial market (in particular thanks to Cat Bond's issuances). The reinsurance business yielded a positive trend on average and has led to a reduction in costs of the Group renewals of reinsurance contracts for 2015.

The future development of the **Group Life segment** will face a market scenario characterised by various external constraints: IMD2 stricter rules for the distribution of insurance products, the Solvency 2 Directive and in general financial markets characterized by low interest rates. This scenario requires to continue and enhance the focus on the TechEx program initiatives at all levels of Group and Business Units. Some levers of In-force management show further room for improvement in order to increase the value of the in-force portfolio (e.g. retention management, portfolio optimization, cross & up selling), combined with a simplification of the product range. The Group's commitment towards the technical excellence (the TechEx) needs to be increasingly driven by capability building and performance management: **the trend of written premiums will continue to reflect a careful underwriting policy and the focus on the value of the products**. Initiatives aiming at enhancing the value of the in-force portfolio through dedicated actions and at the selective development of some lines of business, such as Protection and Unit-Linked products.

The Group dedicates a great deal of attention on the **Property&Casualty segment**, particularly on the Retail business, aiming at moving the product mix towards a more balanced portfolio in order to avoid the negative effects arising from a low interest rate environment. As a consequence, the level of competition in the P&C lines has significantly increased, in almost all areas, causing a steep decrease of the average premium. This effect is particularly visible on the Motor lines, but also on the Property lines such as Household. The P&C lines still experience a favourable market environment and this is also helped by a positive trend in claims frequency which keeps dropping since 2011, thus contributing to excellent results in almost all European markets. Generally speaking, also the outlook of the distribution network is changing, introducing multi-mandate agents, aggregator channels (e.g., in Italy, Spain and Germany) and sales, which seem to be increasingly digitalized. Companies are significantly investing in the digital space in order to ensure that the new customer needs are met. In fact, customers tend to be widely connected and companies need to adapt to this new trend. Consistently with the strategic objective of increasing the contribution to Group results of the **Property&Casualty segment**, in 2015 we expect to enhance the technical efficiency achieved during 2014, thanks to the results of actions already put in place.

The **investment policy** for 2015 will continue to be based on an asset allocation aiming at consolidating current profitability and at minimizing the level of cash held.
With regard to fixed-income investments, the investment strategy aims to diversify the portfolio, both in government bonds, where European “core” rates have reached a minimum, and in corporate bonds, including private placements and secured loans. This aims at ensuring adequate profitability for the policyholders and a satisfactory return on capital, while maintaining the risk profile under control.
Equity exposure will be maintained substantially stable, pursuing a geographical and industrial rotation into geographical areas and industries with higher growth rates than Europe.
New investments in the real estate sector will be selectively addressed in new geographical areas, such as Asia, the UK and Eastern Europe, in order to improve the diversification of the overall portfolio. Also more proactive management of the portfolio will be implemented in order to improve the overall profitability.

In light of the actions implemented, notwithstanding the uncertain macroeconomic scenario, consistently with the Group strategy, Generali Group expects for 2015 to strengthen the levels of operating performance achieved in 2014.

Milan, 11 March 2015

The Board of Directors

Appendix to Management Report

Note on Management Report

The Generali Group's consolidated financial statements at 31 December 2014 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 and Legislative Decree No. 209/2005, as amended by Legislative Decree No. 32/2007.

In this yearly report the Generali Group prepared its consolidated financial statements and Notes in accordance with the ISVAP Regulation No. 7 of 13 July 2007 and subsequent modifications and the 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 meet also the IAS/IFRS requirements.

The Group takes advantage of the option provided for by Regolamento Emittenti, art. 70, paragraph 8, and art. 71, paragraph 1-bis, to waive the obligation to publish the information documents prescribed in relation to significant operations of merger, split, capital increase by contribution in assets, acquisitions and disposals.

The Group at 31 December 2014 consists of 473 consolidated line by line subsidiaries and valued at equity entities (480 at 31 December 2013). In particular, 426 entities consolidated line by line and 47 valued at equity.

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

On 14 July 214 the Group concluded an agreement for the sale of BSI Group. In October 2014 the Group has also agreed to sale the Argentinean entities La Estrella, Caja ART and Caja de Retiro. Pending the release of the necessary regulatory authorization, in accordance with IFRS 5, BSI group and the Argentinean entities under disposal were classified in the financial statements as disposal groups held for sale. Consequently, these investments have not been excluded from consolidation but both the total of the related assets and liabilities and the related profit or loss, net of tax effects, have been recorded separately in the specific lines in the financial statements. Comparative figures of this report have been restated, excluding from the consolidation area he non-current assets or disposal groups held for sale and sold during the period.

A description of the **alternative performance indicators** presented in this repot can be found in the Methodological note on alternative performance indicators.

The Management Report is prepared in accordance not only to the law but also to the **Content Elements** and **Guiding Principles** envisaged by the International <IR> Framework issued by the International Integrated Reporting Council (IIRC) in December 2013.

The connection between the **Content Elements** and the sections of the document is represented as follows:

Here follows an explanation of each **Guiding Principle**.

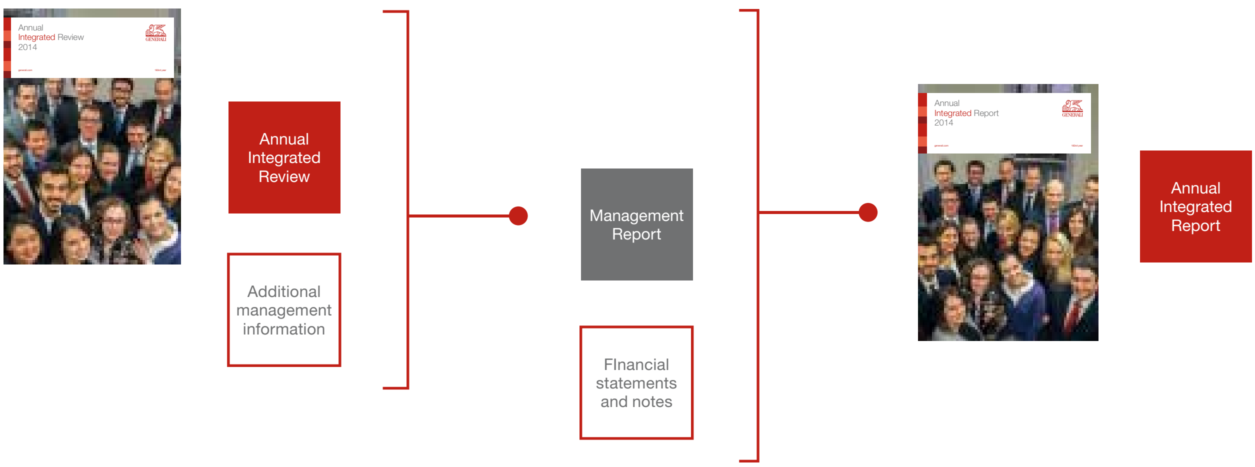
The **Strategic focus and future orientation** principle is applied along the whole document.

In accordance with the **Connectivity of information** principle, the report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect 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 other information, the capitals recognized through the stakeholders and information consistent with that in other communication tools. Other elements improving the connectivity of information and the overall usefulness of the report are a logical and well presented structure, cross-referencing (the design further contributes to achieve the principle) and a clear language – reference to the glossary is envisaged when jargon or highly technical terminology is used. Generali also issues an interactive version of its Annual Integrated Review on its website: it is another tool further highlighting the connectivity of information.

Generali maintains **Stakeholder relationships** as to understand and satisfy their needs, especially their information needs. The stakeholder engagement process promoted by the Group was addressed to the following stakeholders: financial community (analysts and investors), the community (academia) and employees.
Specifically, Generali regularly meets with members of the financial community at roadshows, meetings and sector conferences: 35 were such events in 2014. Following the 2013 result presentation, some investors were asked to give us a feedback on the new set of information from Generali, i.e. the Annual Integrated Review, the Financial Supplement and the simplification of the result presentation to the market. Feedback and suggestions on the integrated report were then collected through questionnaires over 2014, when the report was presented to about a hundred of students at the university of Trieste, Udine, Venice (Ca' Foscari) and Milan (Bocconi) and to some Group employees.
We regularly dialogue with regulators and the European Institutions as to maintain good relationships and ensure legislative compliance. We also offer our competences and participate in public consultations for the definition of new rules, by providing our view in order to safeguard the specificities of the Group and the insurance industry.
In the future, Generali will continue to further strengthen its actions related to stakeholder engagement; thereby a greater alignment to the materiality determination process as proposed by the IIRC will be implemented.

In accordance with the **Materiality** principle, the report should only disclose information to explain to providers of financial capital how an organization creates value over time. Generali believes that value is created by focusing on the following primary stakeholders: the financial community, its people, clients, sales force and regulators. Matters that may significantly affect the Group ability to create value over time are therefore those connected to such five stakeholder categories.
In order to identify material matters, Generali relied on strategic management control tools, such as the strategic plan and the Quarterly Business Review (QBR).

The Annual Integrated Review also meets the **Conciseness** principle, as represented in the following diagram.



As for **Reliability and completeness**, the Annual Integrated Report is supported by a structured information system, which processes financial and non-financial information. This allows Generali to increase the homogeneity and reliability of both kinds of information. As for the scope of the reporting, the performance indicators refer to all the Group, unless otherwise indicated.

In accordance with the **Consistency and Comparability** principle, the report includes information that is consistent with the previous year (changes in criteria are reported in the paragraph below) and the strategic objectives announced.

Changes in the presentation of the performance indicators of the Group

All the economic indicators and comparative performance included in this management report have been restated in line with the current scope of consolidation and with the review of segment reporting. As concerns this last topic, please refer to the paragraph Segment reporting in the basis of presentation and accounting principles of the Notes.

It should be noted, therefore, that the changes indicated in the management report are on a comparable basis, excluding from the comparison period, discontinued operations with reference to 31.12.2014.

As mentioned above, the comparative KPIs contained in this report have been restated as follows:

	31/12/2013 as previously published	change in scope and segment reporting	31/12/2013 as published
Gross written premiums	66,055	-174	65,881
Life Gross written premiums	45,115	-174	44,941
Property & Casualty Gross written premiums	20,940	0	20,940
Net cash inflows	8,702	-144	8,557
Operating result	4,207	-136	4,071
Life	2,645	-59	2,585
Property & Casualty	1,616	3	1,619
Holding and other businesses	129	-1	128
Consolidation adj.	-182	-79	-262
Non operating result	-1,805	226	-1,578
Investments	342,036	-20,028	322,008

Methodological note on alternative performance measures

In order to support the assessment of the quality and the sustainability of the Groups earnings in each segment and country, in the management report the performance indicators have been included.

Operating result

Under CESR Recommendation on alternative performance measures (CESR/05 – 178b), operating result cannot replace earnings before taxes calculated in accordance with IAS/IFRS. In addition, it should be read together with financial information and the related notes on the accounts which are included in the audited financial statements.

Operating result was drawn up reclassifying items of earnings before taxes of each segment on the basis of the management characteristics of each segment and taking into consideration the recurring holding expenses.

Specifically, 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 integrated report, the Group has re-determined its operating segments in order to provide disclosures which are more closely aligned with the new organizational structure of the Group and to ensure a better economic representation of the individual business and geographical segments.

In the **life segment**, all profit and loss accounts are considered as operating items, except those representing the non-operating result, i.e.:

- realized gains and losses and net impairment losses on investments which both did not affect the statutory reserves to the extent they were not included in the deferred policyholders liability and those on shareholders' fund;
- net other non-operating expenses, principally including results activities in run-off, Company restructuring charges, amortization of value of business 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 calculated net of the estimated amount attributable to the policyholders.

Furthermore, where a new fiscal law materially affects the operating result of the countries for which 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 the following which are represented in the non-operating result, i.e:

- 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 returns from real estate development activities, activities in run-off, the impairment losses of property held for own use, Company restructuring charges and the 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 and other businesses segment**, which 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.

Within this segment all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result, i.e.:

- non-recurring realized gains and losses and net impairment losses,
- other net non-operating expenses, principally including results activities in run-off, Company restructuring charges, amortization of value of business acquired directly or through acquisition of control of insurance companies (value of business acquired or VOBA) and other net non-recurring expenses.

With reference to holding costs, are considered as operating the Parent Company and territorial sub-holding direction expenses regarding coordination activities.

In addition, non-operating holding expenses include:

- interest expenses on liabilities linked to the Group's financing activities[1],
- 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 Generali Group are equivalent to the sum of the operating result and non-operating result of the above mentioned segments and related consolidation adjustments.

In accordance with the approach described above, the Generali Group has also presented the life, property&casualty and Group operating result of the main countries where it operates. In order to provide a management view of the key performance indicators, the geographical reporting, following the segment reporting review, is now disclosed as country's consolidated view, instead of 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 have been considered as transactions concluded with external reinsurers. This representation of the life and non-life operating result by country makes this performance indicator more consistent with both the risk management policies implemented by each company and with the other indicators measuring the technical profitability of the Group's companies.

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

	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 operating expenses	1.6 - 2.6
Net other non-operating expenses	1.6 - 2.6

7 For further details on the definition of financial debt, please refer to the paragraph Debt in the section Group financial position of the Management report.

Please note the following reclassifications implemented in the calculation of the operating result compared to the corresponding items of the income statement:

- within the operating result, investment management and investment property management expenses have been reclassified from acquisition and administration costs to net operating income from financial instruments, into other expenses from financial instruments and land and buildings (investment properties);
- within the operating result, income and expenses related to real estate development activities have been classified as other non-operating income and expenses, coherently with the management model adopted that foresees the sale at completion;
- within operating income, gains and losses on foreign currencies are 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, within operating income, gains and losses on foreign currencies have been 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;
- within 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 among other non-operating income and expenses coherently with the management model adopted that foresees the sale at completion
- within operating income, net other operating expenses are adjusted for operating taxes and for non-recurring taxes that affect in a relevant manner the operating income of the countries where policyholders sharing is determined taking into account the taxes for the period. These adjustments are included in the calculation of operating income and are excluded from the income taxes item.

Operating result by drivers

The operating results of the life and property&casualty segments are also presented in the format of result drivers, which better describe the management trends of the changes that occurred in each segment performance.

The operating result of the **life segment** is made up of a technical margin gross of underwriting expenses, a net investment result and acquisition and administration costs related to insurance business and other net operating expenses. In detail, the technical margin includes loadings, risk and surrenders results.

Net investment result consists of operating income from investments, net of the related policyholders' interests. Finally, other net operating expenses are indicated separately.

The operating result of the **property&casualty segment** consists of a technical result, an investment 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 is made up of 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 not related to the insurance business, depreciation of tangible assets and amortization of multi-annual costs, provisions for recurring risks and other taxes.

Operating return on equity

Operating return on equity indicates the return in terms of operating result on Group shareholders' equity. It is calculated according to the following ratio:

- total operating result adjusted to include:
    - interest expenses on financial debt;
    - income taxes based on a mid-term expected tax rate as assumed in 2015 Target (please refer to the chapter "The Generali Group's strategy");
    - minority interests;
- average Group shareholders' equity at the beginning and at the end of each period of valuation,

excluding gains and losses included in Other Comprehensive Income OCI (e.g. net unrealized gains and losses on AFS investments, foreign currency translation differences, net unrealized gains and losses on hedging derivatives).

Return on Investments

A performance indicator of **return on investments** has been presented, that is calculated as the ratio:

- for the **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 (excluded 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 REPO classified as other liabilities. The average is calculated on the average asset base of each quarter of the reporting period.

These investment returns have been presented in the life and property&casualty segments and for the Group consolidated figures.

Consolidated investments

With regards to the presentation of **consolidated investments**, the following variations, with respect to the corresponding balance sheet items have been implemented, in order to provide a consistent representation to that used for the calculation of the relative profitability:

- Investment Fund Units have been split by nature between equity, bond and investment property portfolios;
- derivatives are presented net of derivative liabilities. Moreover, hedging derivatives are classified in the respective asset class hedged;
- reverse REPOs have been reclassified, in accordance with their nature of short-term liquidity commitments, from ‘Other fixed income instruments’ to ‘Cash and cash equivalent’;
- REPOs classified as liabilities are presented in “Cash and cash equivalent”.

Segment investments are presented without taking into account the investments in fully consolidated equity investments and intra-group financing among different segments, except for Life segment, of which some quotas are considered in the computation of the policy subscribers participation to the profits.

Interest coverage ratio

EBIT (Earnings before Interests and Taxes)/interest expenses on financial debt

Leverage ratio

Financial leverage: Financial debt / financial debt + adjusted shareholders' equity.

Adjusted shareholders' equity consists of the Equity including minority interests, net of the profit or loss of the "Other Comprehensive Income".

Net Free Surplus

The **Net Free Surplus** is the sum of the following components:

Life FCF:

The Life FCF is calculated from the EV source and it represents the "Expected" Cash Flow generation in a given year from existing and new business, i.e. it is the movement of the Free Surplus excluding operating and economic variances. More in detail, it is the sum of:

1. The net Required Capital variation

a. Release of Capital from existing business
b. Additional required capital from New Business

2. The ANAV variation:

a. Run off profit from existing business, i.e. transfers from VIF to ANAV
b. New business profits (commissions)

In a different way:
1a (capital) + 2a (profits) is the Expected Cash Flow generation from the Existing business and 1b + 2b is the New business strain.

Non Life FCF:

IFRS Non Life Operating Result Net of Taxes (normalized tax rate) and Minorities, and net of Change in Solvency 1 required capital

Financial FCF:

Operating Result of the banking and asset management activities Net of Taxes (normalized tax rate) and Minorities, and net of Change in regulatory required capital (typically Basel 2 or Basel 3 for banks)

Holding expenses

IFRS holding expenses, including interest expenses on financial debt, net of taxes and minorities.

Net Free Cash Flow before Dividend

It represents the percentage of theoretically distributable earnings, i.e. Gross Free Surplus, made by our subsidiaries (including reinsurance cash flows) that is actually remitted or passed up to the parent company net of the above mentioned Holding expenses.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Indici azionari mondiali
Index Shows China Inflation Stable
See it in >>
ECWB
BLOOMBERG
INTELLIGENCE

Consolidated financial statements

Index

Consolidated financial statements

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

CONSOLIDATED STATEMENTS

Consolidated financial statements

at **31 December 2014**

(Amounts in € million)

BALANCE SHEET

(€ million)	31/12/2014	31/12/2013
1 INTANGIBLE ASSETS	**8,601**	**9,352**
1.1 Goodwill	6,617	7,163
1.2 Other intangible assets	1,983	2,189
2 TANGIBLE ASSETS	**4,610**	**4,786**
2.1 Land and buildings (self used)	2,797	2,879
2.2 Other tangible assets	1,814	1,907
3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	**4,378**	**4,875**
4 INVESTMENTS	**427,191**	**384,645**
4.1 Land and buildings (investment properties)	12,628	12,828
4.2 Investments in subsidiaries, associated companies and joint ventures	1,284	1,407
4.3 Held to maturity investments	2,940	4,115
4.4 Loans and receivables	50,780	63,371
4.5 Available for sale financial assets	276,498	230,031
4.6 Financial assets at fair value through profit or loss	83,061	72,893
of which financial assets where the investment risk is borne by the policyholders and related to pension funds	67,707	59,116
5 RECEIVABLES	**12,057**	**10,915**
5.1 Receivables arising out of direct insurance operations	7,462	7,584
5.2 Receivables arising out of reinsurance operations	1,143	1,082
5.3 Other receivables	3,452	2,249
6 OTHER ASSETS	**35,973**	**15,651**
6.1 Non-current assets or disposal groups classified as held for sale	21,304	653
6.2 Deferred acquisition costs	1,958	1,957
6.3 Deferred tax assets	2,715	2,807
6.4 Tax receivables	2,825	2,866
6.5 Other assets	7,172	7,368
7 CASH AND CASH EQUIVALENTS	**8,508**	**19,431**
TOTAL ASSETS	**501,318**	**449,656**

(€ million)	31/12/2014	31/12/2013
1 SHAREHOLDERS' EQUITY	**24,185**	**21,404**
1.1 Shareholders' equity attributable to the Group	**23,204**	**19,778**
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	7,571	7,276
1.1.5 (Own shares)	-8	-11
1.1.6 Reserve for currency translation differences	-239	-252
1.1.7 Reserve for unrealized gains and losses on available for sale financial assets	6,498	2,501
1.1.8 Reserve for other unrealized gains and losses through equity	-943	-306
1.1.9 Result of the period	1,670	1,915
1.2 Shareholders' equity attributable to minority interests	**981**	**1,627**
1.2.1 Share capital and reserves	706	1,434
1.2.2 Reserve for unrealized gains and losses through equity	93	-34
1.2.3 Result of the period	182	227
2 OTHER PROVISIONS	**1,751**	**1,768**
3 INSURANCE PROVISIONS	**386,202**	**345,752**
of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	51,674	45,809
4 FINANCIAL LIABILITIES	**48,794**	**62,016**
4.1 Financial liabilities at fair value through profit or loss	18,374	16,084
of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	15,886	13,227
4.2 Other financial liabilities	30,420	45,932
of which subordinated liabilities	8,315	7,612
5 PAYABLES	**9,379**	**8,129**
5.1 Payables arising out of direct insurance operations	3,553	3,190
5.2 Payables arising out of reinsurance operations	557	572
5.3 Other payables	5,270	4,367
6 OTHER LIABILITIES	**31,007**	**10,586**
6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale	19,700	648
6.2 Deferred tax liabilities	3,706	2,338
6.3 Tax payables	1,420	1,607
6.4 Other liabilities	6,181	5,993
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**501,318**	**449,656**

INCOME STATEMENT

(€ million)	31/12/2014	31/12/2013
1.1 Net earned premiums	64,322	60,622
1.1.1 Gross earned premiums	66,324	62,913
1.1.2 Earned premiums ceded	-2,003	-2,290
1.2 Fee and commission income and income from financial service activities	967	872
1.3 Net income from financial instruments at fair value through profit or loss	3,510	4,611
of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	3,293	4,103
1.4 Income from subsidiaries, associated companies and joint ventures	192	181
1.5 Income from other financial instruments and land and buildings (investment properties)	15,991	15,374
1.5.1 Interest income	9,919	9,828
1.5.2 Other income	2,117	1,882
1.5.3 Realized gains	3,761	3,455
1.5.4 Unrealized gains and reversal of impairment losses	194	208
1.6 Other income	3,301	2,246
1 TOTAL INCOME	**88,282**	**83,905**
2.1 Net insurance benefits and claims	-67,003	-63,101
2.1.1 Claims paid and change in insurance provisions	-68,280	-64,527
2.1.2 Reinsurers' share	1,276	1,425
2.2 Fee and commission expenses and expenses from financial service activities	-470	-468
2.3 Expenses from subsidiaries, associated companies and joint ventures	-68	-294
2.4 Expenses from other financial instruments and land and buildings (investment properties)	-3,461	-3,222
2.4.1 Interest expense	-1,298	-1,355
2.4.2 Other expenses	-421	-444
2.4.3 Realized losses	-435	-475
2.4.4 Unrealized losses and impairment losses	-1,307	-949
2.5 Acquisition and administration costs	-10,489	-10,518
2.5.1 Commissions and other acquisition costs	-7,884	-7,963
2.5.2 Investment management expenses	-103	-75
2.5.3 Other administration costs	-2,502	-2,480
2.6 Other expenses	-3,838	-3,888
2 TOTAL EXPENSES	**-85,329**	**-81,492**
EARNINGS BEFORE TAXES	**2,953**	**2,413**
3 Income taxes	**-1,033**	**-757**
EARNINGS AFTER TAXES	**1,921**	**1,657**
4 RESULT OF DISCONTINUED OPERATIONS	**-69**	**485**
CONSOLIDATED RESULT OF THE PERIOD	**1,852**	**2,142**
Result of the period attributable to the Group	1,670	1,915
Result of the period attributable to minority interests	182	227
EARNINGS PER SHARE:		
Basic earnings per share (€)	1.07	1.24
from continuing operations	1.13	0.80
Diluted earnings per share (€)	1.06	1.23
from continuing operations	1.11	0.80

STATEMENT OF COMPLENSIVE INCOME

(€ million)	31/12/2014	31/12/2013
1 CONSOLIDATED RESULT OF THE PERIOD	1,852	2,142
Items that may be reclassified to profit and loss in future periods		
2.1 Foreign currency translation differences	110	-346
2.2 Net unrealized gains and losses on investments available for sale	4,017	-48
2.3 Net unrealized gains and losses on cash flows hedging derivatives	21	104
2.4 Net unrealized gains and losses on hedge of a net investment in foreign operations	-1	0
2.5 Share of other comprehensive income of associates	49	-17
2.8 Result of discontinued operations	29	-113
2.10 Other		
Subtotal	4,225	-420
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	-196	25
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	-529	100
Subtotal	-725	125
2 OTHER COMPREHENSIVE INCOME	3,499	-295
3 TOTAL COMPREHENSIVE INCOME	5,351	1,847
attributable to the Group	5,042	1,782
attributable to minority interests	309	65
Earnings per share (in €)	3.44	1.19
Diluted earnings per share (in €)	3.44	1.19

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STATEMENT OF CHANGES IN EQUITY

		Amounts at 31/12/2012	Changes in amounts at	Allocation	Transfer to profit and loss account	Other transfer
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	Share Capital	1,557	0	0		0
	Other equity instruments	0	0	0		0
	Capital reserves	7,098	0	0		0
	Revenue reserves and other reserves	8,591	0	-1,006		-310
ATTRIBUTABLE TO THE	(Own shares)	-403	0	0		392
	Result of the period	94	0	1,821		0
GROUP	Other comprehensive income	2,076	0	739	-872	0
	Total shareholders' equity attributable to the group	19,013	0	1,554	-872	82
SHAREHOLDERS' EQUITY TO MINORITY INTERESTS	Share capital and reserves	2,308	0	229		-1,103
	Result of the period	278	0	-51		0
TO MINORITY INTERESTS	Other comprehensive income (*)	128	0	-84	-79	0
	Total shareholders' equity attributable to minority interests	**2,713**	**0**	**95**	**-79**	**-1,103**
TOTAL		**21,726**	**0**	**1,649**	**-950**	**-1,020**

31/12/2013		Allocation	Transfer to profit and loss account	Other transfer	Change in owhership interest	Amounts at 31/12/2013 31/12/2014
1,557	0	0		0		1,557
0	0	0		0		0
7,098	0	0		0		7,098
7,276	0	1,697		-701	-700	7,571
-11	0	3		0		-8
1,915	0	-245		0		1,670
1,944	0	5,042	-1,687	0	17	5,316
19,778	**0**	**6,497**	**-1,687**	**-701**	**-683**	**23,204**
1,434	0	366		-83	-1,011	706
227	0	-45		0		182
-34	0	186	-41	0	-17	93
1,627	**0**	**507**	**-41**	**-83**	**-1,028**	**981**
21,404	**0**	**7,004**	**-1,728**	**-784**	**-1,711**	**24,185**

STATEMENT OF CASH FLOW (INDIRECT METHOD)

	31/12/2014	31/12/2013
Earnings before taxes	**2,953**	**2,413**
Changes in non-cash items	**15,035**	**11,790**
Change in the provisions for unearned premiums and for unexpired risks for non-life segment	-26	-66
Change in the provisions for outstanding claims and other insurance provisions for non-life segment	450	620
Change in the mathematical provisions and other insurance provisions for life segment	19,935	16,249
Change in deferred acquisition costs	-3	-31
Change in other provisions	121	354
Other non-cash expenses and revenues arising out of financial instruments, investment properties and investments in subsidiaries, associated companies and joint ventures	-1,697	-2,631
Other changes	-3,745	-2,706
Change in receivables and payables from operating activities	**395**	**496**
Change in receivables and payables arising out of direct insurance and reinsurance operations	541	83
Change in other receivables and payables	-146	412
Income taxes paid	**-1,214**	**-1,468**
Net cash flows from cash items related to investing or financing activities	**2,581**	**-4**
Financial liabilities related to investment contracts	2,380	113
Payables to banks and customers	332	-177
Loans and receivables from banks and customers	-131	59
Other financial instruments at fair value through profit or loss	0	0
NET CASH FLOWS FROM OPERATING ACTIVITIES	**19,750**	**13,227**
Net cash flows from investment properties	336	48
Net cash flows from investments in subsidiaries, associated companies and joint ventures(***)	-39	181
Net cash flows from loans and receivables	2,931	4,104
Net cash flows from held to maturity investments	1,304	637
Net cash flows from available for sale financial assets	-18,983	-18,862
Net cash flows from tangible and intangible assets	116	-325
Net cash flows from other investing activities	-6,851	-818
CASH FLOW FROM INVESTING ACTIVITIES	**-21,187**	**-15,035**
Net cash flows from shareholders' equity attributable to the Group	0	0
Net cash flows from own shares	4	217
Dividends payment	-702	-311
Net cash flows from shareholders' equity attributable to minority interests(****)	-119	-216
Net cash flows from subordinated liabilities and other similar liabilities	487	-200
Net cash flows from other financial liabilities	-2,098	-906
CASH FLOW FROM FINANCING ACTIVITIES	**-2,427**	**-1,415**
Effect of exchange rate changes on cash and cash equivalents	**86**	**-122**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD(*)	12,262	15,607
CHANGES IN CASH AND CASH EQUIVALENTS	-3,779	-3,345
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(**)	8,484	12,262

(*) Cash and cash equivalents at the beginning of the period include cash and cash equivalents (€ 12,287 million), liabilities to banks payables on demand (€ -2 million) and bank overdrafts (€ -22 million) without cash and cash equivalents of non current assets or disposal groups classified as held for sale (€ 7,145 million).
(**) Cash and cash equivalents at the end of the period include cash and cash equivalents (€ 8,508 million), liabilities to banks payables on demand (€ 7 million), bank overdrafts (€ 17 million).
(***) Includes mainly proceeds arising from the disposal of Fata Danni S.p.A. (€ 195 million) and the minority squeez-out of Generali Deutschland Holding (€ -234 mln).
(****)It refers entirely to dividends attributable to minority interests.

Notes to the Consolidated Financial Statements

Basis of presentation and accounting principles

Basis of presentation

The Generali Group's consolidated financial statements at 31 December 2014 were drawn up taking into account 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 amended by Legislative Decree No 259/2010, as well with the Legislative Decree No 209/2005.

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.

On 14 July Generali Group concluded an agreement for the sale of 100% of BSI Group. In October the Group also concluded the agreement for the sale of the Argentine companies 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.. Awaiting the necessary regulatory authorizations, in accordance with IFRS 5,BSI Group and the Argentine companies being sold was classifies as disposal groups classified as held for sale. Consequently such participation is not excluded from consolidation but both the total assets and liabilities and the result of the period has been separately recognised in specific items in the financial statements.

Furthermore the comparative period of comprehensive income have been restated. In line with this adjustment also the tables related to comprehensive income has been restated.

The consolidated financial statements at 31 December 2014 were approved by the Board of Directors on 11 March 2015.

The consolidated financial statements at 31 December 2014 were audited by Reconta Ernst&Young S.p.A., the appointed audit firm from 2012 to 2020.

1. 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.

2. 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 2014, the consolidation area decreased from 480 to 473 companies, of which 426 are subsidiaries consolidated line by line and 47 associated companies valued at equity.

Changes in the consolidation area compared to the previous year and the table listing companies included in the new consolidation area are attached to these Notes, in the Appendix related to the change in the consolidation area, compared to 2013.

3. 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 (€)	
	31/12/2014	31/12/2013
US dollar	1.210	1.378
Swiss franc	1.202	1.226
British pound	0.776	0.832
Argentine peso	10.242	8.982
Czech Koruna	27.715	27.373

Exchange rates of the income statement

Currency	Average exchange rate (€)	
	31/12/2014	31/12/2013
US dollar	1.329	1.328
Swiss franc	1.215	1.231
British pound	0.806	0.849
Argentine peso	10.773	7.281
Czech Koruna	27.537	25.979

3.1 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 assessment of control is based on the substance of the economic relationship between the Group and the entity and, among other things, considers existing and potential voting rights.

The Group re-assesses periodically and systematically whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the period on which the Group obtains control while they are deconsolidated from the period when the Group loses control.

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 loss 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.

3.2 Business combination and goodwill

Business combinations are acquisitions of assets and liabilities that constitutes a business and are accounted for applying the 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.

3.3 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 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.

3.4 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 2014 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 appropriate section of the notes.

3.5 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 2014 new principles and amendments shall be applied. The most relevant changes for the Group with respect to the consolidated financial statements at 31 December 2013 are described below. The most relevant changes for the Group with respect to the consolidated financial statements at 31 December 2013.. 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 2014

IFRS 10, 11, 12, Amendments to IAS 27 and IAS 28

Following the endorsement in the European Union, for the annual period began at 1 January 2014 the following new principles have been be applied:

- IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, revised versions of IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures, Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities (endorsed by European Union with Regulation (EU) 1254/2012).

IFRS 10 "Consolidated Financial Statements" replaced IAS 27 and the interpretation of SIC12 "Consolidation - Special Purpose Entities". IFRS 10 unified and specified the consolidation principles in IAS 27 and SIC 12. According to IAS 27 control is defined as the power to govern the financial operating policies of an entity to obtain benefits from its activities and for special purpose vehicles and SIC 12 indicates the majority of the risk and rewards that can be obtained from the investment as a criterion for their consolidation. According to IFRS 10 an investor has control over another company when it jointly has:

- power to direct the "significant activities" (which influence the economic returns)
- exposure to returns of the investee
- ability to affect those returns through its power over the investee

The assessment of control is based on all facts and circumstances and a reassessment is required when they indicate the elements of control has been changed.

The application of IFRS 10 in Generali Group resulted in the consolidation of an investment fund previously classified as available for sale. No material impact occurred ad for this reason financial statements were not restated

IFRS 11 substitutes IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities - Non-Monetary Contributions by Venturers". IFRS 11 defined a joint arrangement as an arrangement of which two or more parties have joint control. Distinguishes between joint operations and joint ventures: a joint operation is an agreement whereby the parties have rights to the assets, and obligations for the liabilities relating to the arrangement. For accounting purposes, the assets and liabilities that are part of the arrangement are reflected in the financial statements using the applicable IFRS. A joint venture is an agreement whereby the parties have rights to the net assets of the arrangement. For accounting purposes, the joint venture is consolidated using the equity method (proportional method no longer available as optional IFRS 11). The application of IFRS11 did not lead to any modification to classification and measurement of joint ventures. Joint operations had not been detected.

IFRS 12 established the minimum information designed to understand the nature and risk of the interest held by an entity in one or other entities and the effects that these interest bearing financial position, performance and cash flows of the entity that prepares consolidated financial statements. Generali Group included the required disclosures in the appropriate section of the notes. Consistent with the transitional provisions of IFRS 12, the comparative periods for the disclosures relating to unconsolidated structured entities were not presented.

The following amendments are also effective in the current period:

Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) and Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

The Transition Guidance illustrates a guidance to the transition to new standards on consolidation. The guidance introduces limits to retrospective application. In particular, a company must not make entries for the restatement of the company for which the consolidation conclusion on the date of initial application is the same as that obtained in accordance with IAS 27 and SIC-12 "Consolidation - Special Purpose Entities" and in opposite case the retrospective application is limited to the period preceding the date of initial application. Furthermore disclosure requirements regarding unconsolidated structured entities shall not to be presented for comparative periods.

The amendments to IFRS 10, IFRS 12 and IAS 27 "Investment Entities" define investment entities as companies that obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services, commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation and investment income, measures and evaluates the performance of investments on a fair value basis

The amendment to IFRS 10, 11, 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance" have been endorsed by European Union with Regulation 313/2013.

The amendment to IFRS 10, 11, 12 "Investment entities" have been endorsed by European Union with Regulation 1174/2013.

Amendments to IAS 32 – Offsetting financial assets and financial liabilities

In December 2011, the IASB clarified the requirements for offsetting of financial assets and liabilities publishing the amendment to IAS 32 Offsetting Financial Assets and Financial Liabilities.

Specifically, a financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

- currently has a legally enforceable right to offset the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

If both conditions are met net positions are presented in balance sheet. This amendment is effective for annual periods beginning on or after 1 January 2014.

Amendments to IAS 32 has been endorsed by European Regulation (UE) n. 1256 of 13 December 2012.

These amendments do not have material impacts in the consolidated financial statements of the Group.

Amendments to IAS 36 – recoverable amount disclosure for non financial assets

Following the entry into force of IFRS 13 Fair Value Measurement, the IASB published in May 2013 a narrow scope amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets" requires more disclosures on the recoverable value of non-financial assets (goodwill included) as fair value less costs to sell.

The amendments to IAS 36 in question are effective for accounting periods beginning January 1, 2014 or later.

These amendments were approved with Regulation (EU) No. 1374 of December 2013 will not have a material impact on the Group.

New principles and amendments that are 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 mode 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 requirements of impairment introduced by the standard. The most significant impacts are expected in terms of the process of assessing the losses expected by the Group's risk management.

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.

The Group is assessing the impact of the requirements introduced by IFRS 9 that, from a first assessment, could be material for the Group but not determinable at the moment.

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.

Other changes not significant for the Group

Change	Effective Date	Date of publication
Narrow scope amendments to IAS 39 Financial Instruments – Novation of Derivatives and Continuation of Hegde Accounting	1 January 2014	June 2013
Amendments to IAS 19 Defined Benefit Plans Employee Contributions	1 July 2014	November 2013
Amendments resulting from Annual Improvements 2010-2012 Cycle	1 July 2014	December 2013
Amendments resulting from Annual Improvements 2011-2013 Cycle	1 July 2014	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 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

Balance Sheet - Assets

1. 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.

1.1 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 based on EBS). 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 1.1 – Goodwill in the section Notes to the balance sheet.

1.2 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.

1.2.1 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, which therefore continue to be presented in the liabilities using the criteria ordinarily adopted by the buyer with expect to its insurance contracts.

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 3.2 and 3.3 of 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.

2. Tangible assets

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

2.1 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.

2.2 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.

3. 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.

4. Investments

4.1 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.

4.2 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.

4.3 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.

4.3.1 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.

4.3.2 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.

4.3.3 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.

4.3.4 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.

4.4 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.

5. Receivables

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

5.1 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.

5.2 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

6. 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.

6.1 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.

6.2 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.

6.3 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
- 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

6.4 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.

6.5 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.

7. 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

1. Shareholder's equity

1.1 Shareholder's equity attributable to the Group

1.1.1 Share capital

Ordinary shares are recognized as share capital and their value equals the nominal value.

1.1.2 Other equity instruments

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

1.1.3 Capital reserve

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

1.1.4 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.

1.1.5 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

1.1.6 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.

1.1.7 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.

1.1.8 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 pasticipations and those relating to non-current assets or disposal groups classified as held for sale.

1.1.9 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.

1.2 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.

2. 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.

3. Insurance provisions

This item comprises amounts, gross of ceded reinsurance, of liabilities related to insurance contracts and investment contracts with discretionary participation features.

3.1 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.

3.1.1 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.

3.1.2 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 3.2 Life insurance provisions), 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.

3.1.3 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

3.2 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 mentioned in paragraph 3.1.2 of insurance provisions).

3.2.1 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” and financial liabilities related to investment contracts), 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 (Best Estimate Liabilities). In order to be consistent with the Solvency 2 project a risk margin is added to the Best Estimate; this margin is measured according to the cost of capital approach. The Best Estimate reserve also includes the costs of embedded financial options and guarantees, which are measured with a market-consistent methodology.

The insurance contracts modelling and best estimates assumptions used are consistent with Group Embedded Value methodology and are reviewed by an international actuarial consulting society.

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.

3.3 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.

4. Financial liabilities

Financial liabilities at fair value through profit or loss and financial liabilities at amortised cost are included in this item.

4.1 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.

4.2 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.

4.3 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.

5. Payables

5.1 Payables arising out insurance operations

The item includes payables arising out of insurance and reinsurance operations.

5.2 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 6.4 below).

6. 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.

6.1 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..

6.2 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.

6.3 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.

6.4 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

1. Income

1.1 Earned premiums

The item includes gross earned premiums on insurance contracts and investment contracts with discretionary participation features, net of earned premiums ceded.

1.2 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.

1.3 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.

1.4 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..

1.5 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.

1.6 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.

2. Expenses

2.1 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.

2.2 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.

2.3 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.

2.4 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.

2.5 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.

2.6 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.

2.7 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.

3. 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.

1. 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).

2. 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.

3. 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 (e.g. following the transfer of a financial asset available for sale).

4. 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).

5. Changes in ownership interests

This section comprises the effects capita transaction of the subsidiaries, that do not result in the loss of control.

6. 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

1. 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:

(a) in the principal market for the asset or liability; or
(b) 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 tecniques

Valuation techniques are used when a quoted price is not available and 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; end
- income approach: converts future amounts to a single current (i.e. discounted) amount.

2. 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 liabilties 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.

3. 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 Group 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 Group 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).

4. 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;
- 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.

5. 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 possibility of early exercise of share options is another common factor. The binomial pricing model 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 fair value of equity instruments granted reflects market conditions.

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 generation of value in comparison with peers, are also treated as an equity-settled share-based payment falling under IFRS 2 scope.

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 a n-nominal simulation on order to count for the possible outcomes fo Generali share performance respect to peer group. 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 and is recognised as employee benefits expense.

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, 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.

6. Segment reporting

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.

As of this financial report, the segment reporting has been revised, in order to provide a disclosure more in line with the new organisational structure of the Group, as well as a better representation of economic performances by business segment and by country.

The previous segment's identification "Life segment", "Non Life segment", "Financial Segment" and "Holding expenses" has been revised in the following three business segments:

- non-life segment, which includes non-life insurance activities;
- life segment, which includes life insurance activities;
- holding and other businesses segment, which 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.

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.

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

7. Geographical segment information

With effect from 1 November 2013, Generali Group has concluded the re-definition of its geographical structure based on 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. This new structure is composed of the business units of the three core markets – Italy, France and Germany – and four regional units: CEE (Central and Eastern European countries members of the EU) and Asia, and the newly formed EMEA (Austria, Belgium, Dubai, Greece, Guernsey, Ireland, Netherlands, Portugal, Spain, Switzerland, Tunisia and Turkey) and LatAm (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.

8. 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.

Risk Report

In compliance with the IFRS 7 requirements, introduced by the Regulation (EC) n. 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 has been exposed to during the period, along with a description of the related risk management processes.

Within the Risk Management System, this Report is part of the reporting processes, aimed at disclosing a continuous monitoring of risks at various levels of the operational structure.

Generali Group has developed an Internal Control and Risk Management System, approved by the Board of Directors of the Parent Company, whose principles apply to all Group companies. It defines the purposes, principles, structure, roles, responsibilities and key disposals of the system, in line with laws and regulations applicable in terms of Group internal controls and risk management.

By means of the Internal Control and Risk Management System the Generali Group aims at the maintenance within acceptable levels of the identified risks in order to optimize the available financial resources required for these risks and to improve the Group profitability in relation to its exposure to risks (risk-adjusted performance). The Group aims at maintaining a significant integration of its risk management processes in all business areas in the countries where it operates. The Risk Management processes apply to the Group as a whole and also to individual companies, with a varying depth and level of integration depending on the complexity of the underlying risks and on the characteristics of the local activities performed. The objective of an integrated management system at Group level is pursued with the coordination and direction activities by the Head Office, with the adoption of Group Policies and Guidelines, of monitoring tools as well as common methodological frameworks. The coordination and direction is ensured also by the reporting of the local risk management functions to the Group risk management function. The HO coordination is fundamental to ensure an efficient Risk Management System and to allocate capital to business units on the basis of their specific risk profile.

In order to comply with the forthcoming Solvency II regulatory framework, the Group has further strengthened its overall risk management system with a focus on the risk modelling, the monitoring process and the subsequent risk reporting to Supervisory authority and to the market. This process implied also the definition and updating of risk policies including provisions for the main business processes with related roles and responsibilities as required by the regulation. In preparation for the entry in force of the Solvency II regime, the Group has also confirmed its commitment to the pre-application process, in order to receive approval for the use of the Internal Model to be used for the calculation of the solvency capital requirement, following the schedule agreed upon with the Group Supervisor and the other Supervisory Authorities. This task has required a significant development and model improvement for the evaluation of the main risks.

The following sections provide an insight on the updated Group Risk Management Policy, integrated with the Own Risk and Solvency Assessment (ORSA) principles and with a management model aimed at the implementation of the risk strategy, as defined by the Board of Directors.

The Generali Group has been designated as Global Systemically Important Insurer (G-SII) by the Financial Stability Board (FSB), taking into consideration its size, its international presence and its role in the broader global financial system. This designation, which is part of an international framework in which various qualitative and quantitative criteria were considered, implies the need to adapt the Group internal processes to the specific requirements defined by the ‘International Association of Insurance Supervisors (IAIS) aimed at mitigating and managing global systemic risks. The Group, in line with the other systemic insurance entities, is actively involved in the working group supporting the definition of the methodological framework for systemic insurers.

In order to comply with Enhanced Supervision provisions in terms of systemic and liquidity risk, a Systemic Risk Management Plan and a Liquidity Risk Management Plan have been defined. In addition, a Recovery Plan has been developed in order to demonstrate the Group’s ability to manage and overcome extreme scenarios of systemic crisis that could undermine the economic and financial stability of the Group. Support has been given also to the definition of the Resolution Plan.

The following paragraphs detail general aspects related to the implementation of the Risk Management Policy at Group level, with particular reference to governance and risk management processes. In particular the definition of the main risks and sub-risks which the Group is exposed to, is given, according to the structure of the Group Risk Map, which has been approved within the Risk Management Policy. For each category of risk, a brief description of the main methodologies applied for the evaluation is given, together with the quantitative evidence, in compliance with the requirements of IFRS 7.

1. The Risk Management System

In order to ensure an effective management of risks which could undermine the solvency position of the Group and of the Business Units or the achievement of the Group's objectives, the Board of Directors[11] 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 risks throughout the Group, the adoption of these policies is required to all Group subsidiaries.

The "Internal Control and Risk Management System" defines the roles and the responsibilities of the governance bodies, of the organizational structures and of the control functions within the risk management process, with particular reference to those designated as "key" in the context of Solvency II regulation. According to regulatory requirements the roles of the Board of Directors, Risk and Control Committee, Top Management and committees supporting the Top Management are provided. The roles and responsibilities of the control functions are also detailed.

The "Risk Management Policy", enclosed to the "Internal Control and Risk Management System", outlines the strategies, principles, and processes to identify, assess and monitor present and forward looking risks.

The following table shows the main risk policies in coherence with Solvency II requirements and in particular those related to the main risk categories:

Risk category	Related Risk Type Policies	Other Policies required within the Solvency II framework
Financial and Credit risks	Group Investment Policy	Capital Management Policy Group Reporting Policy Group Fit & Proper Policy Group Data Quality Policy Group Outsourcing Policy
Underwriting risks	Group Life Underwriting and Reserving Policy Group Non Life Underwriting and Reserving Policy	
Operational risks	Group Operational Risk Management Policy	
Liquidity risk	Group Liquidity Risk Management Policy	

1.1 Roles and responsibilities

The risk management is put in place 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, as illustrated in the "Internal Control and Risk Management System", annually approved by the Board of Directors of the Parent Company and subsequently, taking into consideration specificities and local regulations, by the Board[12] of each entity.

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 coherence with the capital adequacy level.

11 Board of Directors is meant to be the Board of Directors of Assicurazioni Generali S.p.A. (Parent Company).

12 Board is meant to be the administrative, supervisory or management body according to the local governance.

The Board of Directors is informed by the Top management of the Parent Company and by the Group Risk Management function about the group risks exposures, on ongoing basis through periodical reports concerning the results and the underlying risk profile and on extraordinary basis in case of material changes in the risk profile, or when prompt intervention through corrective measures is required. The Board of Directors is also informed by the 'Dirigente Preposto' in charge of preparing the company's financial reports, through the Risk and Control Committee, as regards the risk management and internal control over the process of financial reporting. The Risk and Control Committees supports the Board of Directors in carrying out the tasks related to the Internal Control and Risk Management System. The committee is composed by non-executive directors, the majority of whom independent.

At Group level, the Board of each group company maintains the ultimate responsibility to approve risk management policies and strategies and risk tolerance levels as well as to periodically define risk adjusted targets, in alignment with Group directives and capital adequacy of each company.

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 ensures the definition of operative limits and their prompt review through guidelines which implementation is under the responsibility of each single Group Company. Moreover the Top Management monitors the risk exposures, and compliance, with the assigned tolerance level on ongoing basis.

The Group CEO is also the director 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 system of internal controls and risk management.

The Group Management Committee (which is the main committee supporting the Top Management) applies a team management approach in managing business at an international level, in order to improve the alignment on the strategic priorities of the Group and to increase the effectiveness and sharing of the decision-making process. In particular, it supports the Group CEO for the strategic decisions, such as the sharing of the recommendations submitted to the Board of Directors, the main decision in terms of risk and investment, the assessment of the Group financial and operating results, as well as on strategic program with impact at Group and main business units level.

The Top Management of the Parent Company is supported also by the Balance Sheet Committee, the Finance Committee and the Product & Underwriting Committee. The Balance Sheet Committee examines and identifies the issues which may have material impact in the balance sheet, both on a Group and Head Office level. The Finance Committee examines and assesses extraordinary investments and transactions, while Product & Underwriting Committee oversees the profitability and the riskiness of new insurance products through a centralized process calling for prior approval of new products.

Also Group companies have risk committees in support of the Top Management in terms of risk management.

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) have direct responsibility to take charge for risks, manage them and implement appropriate control measures. To this end, they provide the Top Management with the information needed to define the policies, methodologies and tools for the management and control of the risks for which they are responsible, both at Group and Company level, 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 the scope of their autonomy, while on a higher hierarchical level, they submit specific recommendations or proposals to the Top Management;
- the Group Risk Management and the Group Compliance functions 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 tightness of the Risk Management System, as prescribed by the regulation and as defined by the Board of Directors. He 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 Man-

agement provides the elements for the evaluation of the tightness of the overall Risk management system. With the purpose of fully complying with independence requirements from the business functions, the Group CRO also functionally reports to the Board of Directors. Further, the Chief Risk Officers of the local entities report also to the Group CRO. The Group Compliance function, whose responsible is the Group Compliance Officer, has the responsibility to evaluate if the organization and the internal procedures are adequate to prevent the risk of incurring in judicial or administrative sanctions, financial losses and damage to reputation as a result of violations of laws, regulations or measures of supervisory Authorities or self-regulatory standards. Also the Group Compliance Officer functionally reports to the Board of Directors;
- the Group Internal Audit is the Third Line of Defence. It is an independent function carrying out assurance activity on an objective basis for the benefit of the Board of Directors, the Top management and other corporate areas, with the aim of improving the effectiveness and efficiency of the system of internal controls, the organization and the governance processes. The Internal Audit function reports directly to the Board of Directors.

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, 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 to the directives for the Internal Control and Risk. Management System described above. Local amendments are allowed only in case of conflict with local laws.

2. The Risk Management Policy

The "Risk Management Policy" is the main reference point for all policies and guidelines related to risks. 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 present 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, procedures and responsibilities 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.

2.1 The 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 (including forward looking evaluation included in the ORSA Reporting) for the Board of Directors, the Supervisory Authority and external stakeholders.

Own Risk and Solvency Assessment (ORSA) is defined as the set of processes and procedures employed to identify, assess, monitor, manage and report risks on a current and forward looking basis, as well as the level of Own Funds required to ensure that the firm's solvency needs are met.

The Policy indicates the key activities to be put in place in order to perform the forward looking risk assessment, integrates the processes for the implementation of the Risk Management System, and describes the procedures in place to develop the ORSA Report.

3. Risk identification

The risk identification process is designed to ensure that:

- Risks identified by the business are properly considered,
- The economic capital model reflects the risk profile of the Generali Group,
- The material and quantifiable risks are appropriately captured.

The Group Risk Map approved by the Board of Directors identifies the main risks listed hereafter:

Risks covered by Partial Internal Model					Non-Pillar I risks
Financial risks	Credit risks	Insurance risks Non-Life	Insurance risks Life & Health	Operational risks	
Interest rate	Spread widening	Pricing	Mortality	Compliance Risk	Liquidity risk
Interest rate volatility	Default	Reserving	Longevity	Financial reporting risk	Strategic risk
Equity		CAT	Morbidity/ Disability	Internal fraud	Reputational risk
Equity volatility			Lapse	External fraud	Contagion risk
Property			Expense	Employment practice	Emerging risk
Currency			Health	Clients & products	
Concentration				Damage to physical assets	
				Business disruption and system failure	
				Execution and process management	

4. Risk measurement

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.

5. Financial Risks

Financial risk encloses risks deriving from unexpected movements in interest rates, equity, property and exchange rates or increasing in interest rate and equity volatility that may have an adverse impact on the economic or financial results.

Losses from excessive concentrations in individual counterparties are also considered.

Assets subject to mentioned market movements are invested both to profitably employ the capital subscribed by shareholders and to meet contractual obligations to policyholders; financial market movements imply a change both in the value of investments and insurance liabilities. Therefore, oversight through analysis of the impact of adverse market movements implies an adequate consideration of volatility, correlations among risks and the effects on the economic value of the related insurance liabilities.

Within the processes of investment management, Group companies are required to apply the Group Risk Guidelines.

At year-end 2014 the investments whose market risk affects the Group were of € 365 billion at market value[13].

(€ million)	31/12/2014		31/12/2013	
	Total fair value	Impact (%)	Total fair value	Impact (%)
Equity instruments	17,610	4.8%	17,740	5.5%
Direct Equity exposure	9,839		11,111	
IFU and alternative investments	7,770		6,629	
Fixed income instruments	324,485	88.9%	284,347	87.4%
Government bonds	167,301		140,339	
Corporate bonds	129,255		113,541	
Loans (oth. fixed income investments)	12,974		17,102	
IFU bonds	14,955		13,364	
Land and buildings	23,074	6.3%	23,409	7.2%
RE Investment properties	17,650		17,910	
Self-used real estate	3,181		3,370	
IFU real estates	2,243		2,128	
Total	**365,169**	**100.0%**	**325,496**	**100.0%**

The exposure to fixed income instruments, considering the investments for which market risk is intended to affect the Group, increases to 88.9% (87.4% as at 31 December 2013) while both the exposure to equity instruments and Group's real estate investments decreased respectively to 4.8% (5.5% at 31 December 2013) and 6.3 % (7.2% at 31 December 2013).

As mentioned above, the economic impact of changes in interest rate, equity values and the related volatilities for the shareholders will depend not only on the sensitivity of the assets to these shifts but also on how the same movements affect the present values of its insurance liabilities, which may absorb a portion of risk.

In life business this absorption is generally based on the level and structure of minimum return guarantees and profit sharing arrangements. The impact of the minimum guaranteed rates of return on solvency, both on the short and long terms, is assessed through deterministic and stochastic analysis. These analyses are performed at company and, if necessary, at single portfolio level and take into account the interaction between assets and liabilities helping to develop product strategies and strategic asset allocations aiming at optimising the risk/return profile.

In order to control the Group exposure towards the financial markets, while maintaining a perspective of risk/return, the management adopts procedures and actions on the single portfolios including:

- credit and tactical asset allocation guidelines are being updated to the changing market conditions and to the ability of the Group to assume financial risks;
- matching strategies in terms of net cash flow or duration matching strategies, for the management of the interest rate risk;
- dynamic hedging strategies through the use of derivatives instruments as options, swaps, forwards and futures;
- portfolio and management rules and product pricing, coherent with sustainable guarantee level.

13 From investments whose market risk affects the Group are excluded investments back to policies where the investment risk is borne by the policyholders, investments in subsidiaries, associated companies and joint ventures, derivatives, mortgage loans, receivables from banks or customers, cash and cash equivalents and other residual financial investments different than equities, bonds or loans. Instead, land and buildings used by third parties and. self used properties are included.

The Group uses a data warehouse to collect and consolidate the financial investments' data, which guarantees a homogeneous, time effective and high quality analysis of the financial risks.

The currency risk arising from the issuance of subordinated debts in British pound sterling has been mitigated with a specific hedging strategy.

Concentration risk consists of possibility that a single investment exposure, or a group of exposures, generates a loss of such extension that might harm the financial or solvency position of the Group. In order to mitigate and reduce such risks, the Group pursues with diversification of investments and of the counterparties. These diversification objectives are achieved primarily through the application of the Group Guidelines.

Group's exposures to investments in equities - detailed by sector and country of risk of investees - as well as to direct real estate investments - detailed by country of location - are reported at fair values in the following tables:

Breakdown of equity investments by sector of location

(€ million)	31/12/2014	
	Total fair value	Impact (%)
Equity instruments	17,610	100.0%
Financial	2,727	15.5%
Consumer	1,551	8.8%
Utilities	1,200	6.8%
Industrial	1,326	7.5%
Other	3,035	17.2%
Alternative investments	3,023	17.2%
Asset allocation funds	4,747	27.0%

Breakdown of direct equity investments by country of risk

(€ million)	31/12/2014	
	Total fair value	Impact (%)
Direct equity investments	9,839	
Italy	2,678	27.2%
France	2,710	27.5%
Germany	934	9.5%
Central and Eastern Europe	94	1.0%
Rest of Europe	2,631	26.7%
Spain	204	2.1%
Austria	139	1.4%
Switzerland	251	2.6%
The Netherlands	473	4.8%
United Kingdom	982	10.0%
Others	583	5.9%

Breakdown of direct real estate investments by country of location

(€ million)	31/12/2014		31/12/2014	
	Investment properties		Self-used real estates	
	Total fair value	Impact (%)	Total fair value	Impact (%)
Direct Real-estate investments	17,650		3,181	
Italy	5,923	33.6%	1,459	45.9%
France	4,832	27.4%	397	12.5%
Germany	2,710	15.4%	678	21.3%
Central and Eastern Europe	321	1.8%	83	2.6%
Rest of Europe	3,636	20.6%	456	14.3%
Spain	737	4.2%	113	3.5%
Austria	1,340	7.6%	126	4.0%
Switzerland	896	5.1%	190	6.0%
Others	663	3.8%	27	0.8%
Rest of world	229	1.3%	108	3.4%

5.1 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 allowed by IFRS 4, this impact is here represented as percentage change of Group's Embedded Value[14].

Embedded Value 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 companies of the group), the EV is equal to the sum of the Adjusted Net Asset Value (ANAV), and the Value In-Force (VIF):

- the Adjusted Net Asset Value corresponds to the market value of the consolidated shareholders' funds, net of goodwill and DAC, 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, according to the parameters indicated by the CFO Forum:

- Yield curve +1%: sensitivity to an upward parallel shift of 100 basis points in the underlying market risk free rates, accompanied by an upward shift in all economic assumptions;
- Yield curve -1%: sensitivity to a downward parallel shift of 100 basis points in the underlying market risk free rates, with a minimum level (Floor) of 0%, accompanied by a downward shift in all economic assumptions;
- Equity value -10%: sensitivity to a 10% market value simultaneous reduction at valuation date for equity investments;
- Property value -10%: sensitivity to a 10% market value simultaneous reduction at valuation date for property investments.

The changes in embedded value (%) at 31 December 2014 and 31 December 2013 are reported in the table below.

14 Generali Group publishes annually also a separate Embedded Value report for life segment.

Life embedded value sensitivities: Market Risks

(%)	31/12/2014	31/12/2013
Interest rate +1%	6.8	2.9
Interest rate -1%	-15.9	–6.4
Equity price -10%	-3.5	–3.1
Property price -10%	-3.4	–3.0

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 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.

Similarly to the previous year, data at 31 December 2014 showed that the Company suffered from the effects of the decreasing interest rates. The impact is also higher than the increase corresponding to the opposite risk free variation. This asymmetry, amplified over the previous year due to the decrease in interest rates and the increase of the volatility recorded in late 2014, is explained by 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.

5.2 Non-life segment and Holding and other businesses segment

According to the requirements of IFRS 7, the impact on the non-life and financial segment of possible changes in interest rates and values of the equity instruments is represented by the impact on the result of the period and on the shareholder's equity of the Group, net of the corresponding tax effects.

Market risk evaluation has been performed, for both non-life and 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 (+/- 100bp yield curve change, +/- 10% change for equity).

The market risk evaluation was done 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 +/- 100bp on the yield curve and of +/-10% 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[15],
- 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 of the period related to the re-computation on coupon 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 of the period, it is not material and therefore considered within the impact on shareholders' equity.

15 In the sensitivity analysis is assumed not to reach the defined impairment triggers.

Sensitivity on non-life and Holding and other businesses segments' Shareholders'equity

(%)	31/12/2014	31/12/2013
Interest rate +1%	-833	-651
Interest rate -1%	681	684
Equity price +10%	248	308
Equity price -10%	-247	-312

6. Credit Risk

Credit risk refers to possible losses arising from the default or failure of third parties to meet their payment obligations (default risk), or from the changes in value resulting from movements in the credit standings of the third party or from the widening of the credit spreads (spread widening risk).

6.1 Financial Instruments Credit Risk

Within the Group Risk Guidelines, investment in adequate credit quality securities (investment grade) is preferred and the diversification (or dispersion) of risk is encouraged.

The Group uses a data warehouse to collect and consolidate the financial investments, which guarantees a homogeneous, time effective and high quality analysis of the financial risks.

For the internal rating assessment of an issue or issuer, ratings of the main agencies ratings are used. In the case of different rating judgments, the second best value available is used. Securities without a rating are given an internal one based on exhaustive economic and financial analysis.

The portfolio of fixed income investments of the Group is prudently built.

The distribution by rating class shows that the absolute majority of the investments is of high rating standing.

In order to mitigate the counterparty risk, related to market risk hedging strategies, the following measures have been: the counterparty selection, the use of quoted instruments and the integration of ISDA Master Agreements with the Credit Support Annex (CSA). CSA requires the counterparty to post collateral when the derivative position is beyond an agreed threshold.

Note that the same considerations on market risk regard also the financial instruments backing life insurance policies, therefore, default, downgrades or changes in spread could affect the financial liabilities values with a consequent mitigation effect.

Group's exposures to investments in government bonds - detailed by country of risk and rating - are reported at fair value in the following tables:

Breakdown of investments in government bonds by country of risk

(€ million)	31/12/2014			
	Total fair value	Impact (%)	of which home-country	Impact (%)
Government bonds	**167,301**		**106,605**	
Italy	61,197	36.6%	56,055	91.6%
France	35,734	21.4%	25,291	70.8%
Germany	9,168	5.5%	6,840	74.6%
Central and Eastern Europe	10,234	6.1%	6,112	59.7%
Rest of Europe	33,510	20.0%	11,393	34.0%
Spain	11,410	6.8%	5,285	46.3%
Austria	6,071	3.6%	2,318	38.2%
Belgium	9,384	5.6%	2,283	24.3%
Others	6,646	4.0%	1,506	22.7%
Rest of world	6,592	3.9%	914	13.9%
Supranational	10,867	6.5%		0.00%

Breakdown of investments in government bonds by rating

(€ million)	31/12/2014		31/12/2013	
	Total fair value	Impact (%)	Total fair value	Impact (%)
Government bonds	**167,301**		**140,339**	
AAA	24,541	14.7%	18,844	11.3%
AA	57,666	34.5%	48,196	28.8%
A	7,363	4.4%	3,756	2.2%
BBB	73,977	44.2%	66,398	39.7%
Non investment grade	3,184	1.9%	2,727	1.6%

The government bonds portfolio amounted to € 167,301 million at the end of the period, with the 63.4% 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.

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 fair value in the following tables:

Breakdown of direct investments in corporate bonds by sector

(€ million)	31/12/2014	
	Total fair value	Impact (%)
Corporate bonds	**129,255**	
Financial	42,337	32.8%
Covered Bonds	30,891	23.9%
Asset-backed	1,725	1.3%
Utilities	16,270	12.6%
Industrial	12,620	9.8%
Consumer	8,115	6.3%
Telecommunication services	6,390	4.9%
Energy	4,669	3.6%

Breakdown of direct investments in corporate bonds by rating

(€ million)	31/12/2014		31/12/2013	
	Total fair value	Impact (%)	Total fair value	Impact (%)
Corporate bonds	129,255		113,541	
AAA	27,232	21.1%	29,627	22.9%
AA	7,645	5.9%	9,205	7.1%
A	38,983	30.2%	33,728	26.1%
BBB	41,306	32.0%	32,309	25.0%
Non investment grade	11,999	9.3%	6,425	5.0%

The investments in corporate bonds totalled € 129,255 million at the end of the period. The portfolio was composed for 43.4% by non-financial corporate bonds, for 32.8% by financial corporate bonds and for 23.9% by covered bonds.

6.2 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 liability transferable to an individual reinsurer for each reinsurance program should not exceed a given percentage of its shareholder's 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 has been established. For long-tail business more restrictive criteria are adopted.

Rating of insurance provisions ceded to reinsurers

(€ million)	31/12/2014	31/12/2013
AAA	3	6
AA	1,972	2,621
A	1,219	1,214
BBB	142	169
Non investment grade	0	0
No Rating	1,042	864
Total	**4,378**	**4,875**

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.

Our policy in selection of counterparties is stable over time and prudent, and changes from year to year normally depend on rating variations occurred during the year relating to certain reinsurers and/or on significant variations of reserves related to individual claims as it was the case in 2014 for rating class AA (reduction by € 450 million of outstanding reserves related to one reinsurer).

In 2014 it is still visible the impact of the Group business model implemented in 2012 which provides for 100% treaty reinsurance cessions to the Holding company; it produces significant reduction in ceded reinsurance outside the Group and, consequently, of the total reserves to reinsurers.

“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. This is especially true this year where a new important reserve was posted with a not rated counterparts almost entirely covered by deposits.

7. 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.

7.1 Life underwriting risk

Insurance Risk Life & Health includes biometric risks embedded in life and health policies deriving from the uncertainty in the expected future claims payout related to assumptions regarding mortality, longevity, morbidity and disability rates. It includes also risks coming from uncertainty, in respect of expected value, on lapse and expenses risks.

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 redefining the structure of related financial guarantees.

In this perspective the structure of the product has been redefined, connecting in many cases the level and the recognition of guarantees with the length of staying inside the contract.

The table below shows the distribution of insurance provisions of life gross direct business by level of financial guarantee.

Life insurance provisions and financial liabilities: financial guarantee

(€ million)	Gross direct insurance	
	31/12/2014	31/12/2013
Liabilities with guaranteed interest (*)	**255,629**	**244,770**
between 0% and 1%	69,516	56,503
between 1% and 3%	107,248	105,317
between 3% and 4%	49,173	51,500
between 4% and 5%	28,535	30,173
more than 5 %	1,157	1,277
Provisions without guaranteed interest	**70,638**	**60,907**
Provisions matched by specific assets	**6,894**	**6,930**
Total	**333,160**	**312,606**

(*) The upper bound of each range is excluded

The total insurance provisions include the gross direct amount of mathematical provisions, which amount to € 249,760 million (€ 238,629 million at 31 December 2013), the provisions for policies where the investment risk is borne by the policyholders and for pension fund, which amount to € 51,663 million (€ 45,795 million at 31 December 2013), the ageing provision for life segment, which amount to € 10,962 million (€ 10,249 million at 31 December 2013), and financial liabilities related to investment contacts, which amount to € 20,776 million (€ 17,933 million at 31 December 2013).

The insurance provisions above are grouped in three macro classes:

- contracts with a minimum guarantee level: this group considers both yearly cliquet and at event (death and maturity) guarantees;
- contracts without interest guarantee: in this category, together with standard unit linked policies are also included contract 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.

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 € 70,638 million (€ 60,907 million as at 31 December 2013).

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 sensitivities: Underwriting Risks

(%)	31/12/2014	31/12/2013
Expenses -10%	3.6	3.6
Lapse rate -10%	1.9	3.5
Mortality -5%	1.8	2.0
Annuity Mortality -5%	-1.4	–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. Like the previous year, 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 process and operative risk management 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 is performed 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, in the underwriting of new contracts, that considers both the medical and the financial and moral aspects. A Group standard for 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, while above the autonomy each risk is examined also by either the Underwriting Department of Parent Company (which is the main reinsurer for many Group companies) or by a local professional reinsurer.

As far as riders are concerned, which are mostly 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 Companies must apply the underwriting guidelines and operating limits defined by the Corporate Centre which also defines the standard process to request dispensations in order to maintain the risk exposure between the set up limits and to ensure a coherent use of the capital.

In order to mitigate mortality and morbidity risk, another feature is reinsurance. As far as the surplus (proportional) reinsurance is concerned, 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 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 acquiring, at a central or local level, ad hoc non proportional covers, and sometimes diversifying the risk, for instance adopting adequate underwriting policies.

The longevity risk, notwithstanding its minor weight in the life business of the Group, is constantly monitored. For the most important portfolios of annuities in course of 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.

As far as new business is concerned, in each country demographic assumptions reflecting future mortality trends are used, while for group contracts, if possible, mortality adjustments clauses are considered. For policies which foresee an accumulation phase and at maturity an annuity conversion option for the lump sum, no guarantee is normally allowed 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.

As far as lapse risk (risks related to voluntary withdrawal from the contract) and expense risk (risks related to inadequacy of charges and loadings in the premiums in order to cover future expenses) are concerned, they are evaluated in a prudential manner in the pricing of new products, 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, locally and centrally, there are two levels of control, both ex-ante and ex-post.

Aggregate analysis has been made on the best estimate of the risk factors in order to assess the congruence of the assumptions and to update them; at the same time it has been assessed the coherence of the assumptions made and the actual experience of the year valuating, risk by risk, the changes in the portfolio values.

The tables below show the concentration of gross direct premiums of life segment, including investment contracts, by line of business and by geographical area.

Gross direct premiums by line of business and by geographical area

(€ million)	Savings and Pension		Protection		Unit/index linked		Total	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Italy	14,467	12,543	224	200	2,703	569	17,393	13,312
France	5,021	4,458	1,566	1,582	1,437	1,225	8,024	7,266
Germany	5,858	7,488	4,195	4,144	3,623	3,357	13,675	14,989
Central Eastern Europe	767	851	247	245	473	471	1,487	1,568
Europe, Middle East and Africa	2,267	2,057	848	833	3,780	2,789	6,894	5,679
Spain	780	807	186	186	17	12	984	1,005
Austria	749	639	284	259	242	239	1,275	1,137
Switzerland	253	169	134	134	740	760	1,127	1,062
Other EMEA	484	442	243	254	2,781	1,778	3,508	2,474
Latin America	30	29	222	230	0	0	252	259
Asia	708	616	227	203	114	83	1,049	902
International Operations	73	69	24	19	0	0	97	88
Total direct written premiums	**29,190**	**28,111**	**7,553**	**7,457**	**12,128**	**8,495**	**48,871**	**44,062**

The table above shows the major importance of savings and protection contracts (59.7% of the total), while the unit/index linked portfolio accounts for 24.8% of the total gross direct written premiums. Concerning the health business, the Group has a strong presence in markets such as Germany and Austria where operate companies dedicated to this segment; while in all the other geographical areas health premiums refers to life insurance rider covers.

With reference to the distribution by geographical area, the Group, in the life and health market, is present in various countries with a relative stability in terms of written premiums. However it is worth noting that around 97% of the total written life and health premiums refers to the European market.

7.2 Non-Life underwriting risk

Insurance Risk Non-Life refers to uncertainty as to the occurrence, amount and timing of insurance liabilities. This includes the following sub-risk:

- 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,
- the pricing 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.

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;
- determines for frequency risks, 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 value creation estimated from risk capital as 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.

Reinsurance counterparties are chosen in accordance to the criteria defined by the Corporate Centre (as described in paragraph 5.2).

With specific reference to the Parent Company, these principles have been confirmed by the Board of Directors on 18th February 2014 and the structures in place during the year in course 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.

The following table shows the cumulative claim payments and the ultimate cost of claims by accident year and their development from 2005 to 2014. 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 € 485.4 million in 2014).

The difference between the ultimate cost of claims and the cumulative paid losses for calendar year 2014 constitutes the claim reserve for accident years 2005 to 2014. 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 2005-2014 indicates the adequate level of prudence adopted by the Generali Group in its reserving policy.

Claims development

(€ million)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Totale
Cumulative claim payments											
at the end of accident year	4,948	5,122	5,533	5,799	6,011	5,874	5,467	5,578	5,493	5,252	
one year later	8,226	8,603	9,333	9,740	9,886	9,683	9,078	9,096	8,887		
two years later	9,145	9,605	10,384	10,809	11,022	10,758	10,125	10,169			
threes years later	9,603	10,059	10,916	11,327	11,596	11,246	10,563				
four years later	9,851	10,354	11,239	11,651	11,915	11,527					
five years later	10,033	10,558	11,429	11,869	12,153						
six years later	10,184	10,714	11,573	12,045							
seven years later	10,295	10,780	11,704								
eight years later	10,346	10,876									
nine years later	10,384										
Estimate of ultimate cumulative claims costs:											
at the end of accident year	11,291	12,245	12,889	13,294	13,617	13,386	12,822	13,095	12,763	12,188	127,590
one year later	11,612	12,111	12,743	13,129	13,387	13,178	12,515	12,646	12,492		
two years later	11,297	11,896	12,504	12,926	13,286	12,965	12,368	12,458			
threes years later	11,154	11,742	12,364	12,970	13,233	12,967	12,271				
four years later	11,092	11,671	12,487	12,927	13,249	12,901					
five years later	11,027	11,545	12,435	12,913	13,231						
six years later	10,918	11,578	12,475	12,886							
seven years later	10,920	11,496	12,456								
eight years later	10,892	11,474									
nine years later	10,873										
Estimate of ultimate cumulative claims costs at reporting date	**10,873**	**11,474**	**12,456**	**12,886**	**13,231**	**12,901**	**12,271**	**12,458**	**12,492**	**12,188**	**123,230**
Cumulative payments to date	**-10,384**	**-10,876**	**-11,704**	**-12,045**	**-12,153**	**-11,527**	**-10,563**	**-10,169**	**-8,887**	**-5,252**	**-103,561**
Provision recognised in the balance sheet	**489**	**598**	**753**	**841**	**1,078**	**1,374**	**1,707**	**2,289**	**3,605**	**6,936**	**19,670**
Provision not included in the claims development table											6,707
Total provision included in the balance sheet											**26,376**

The differences with the amounts published in previous reporting periods are mainly due to changes in exchange rates.

The underwriting policy

In the non-life branches, the Group underwriting embraces all lines of business. The Group is active in Personal, 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 94% of direct gross written premiums.

The following tables show the concentration of non-life direct gross written premiums - split by Motor ad Non motor lines of business and geographical area - and the detail of Non motor line of business.

Gross written premiums (direct insurance) by line of business and by geographical area

(€ million)	Motor		Non motor		Total	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Italy	2,485	2,612	3,539	3,606	6,023	6,218
France	919	990	1,571	1,664	2,490	2,654
Germany	1,360	1,304	2,182	2,127	3,542	3,430
Central Eastern Europe	926	931	925	953	1,851	1,884
Europe, Middle East and Africa	1,592	1,581	2,554	2,550	4,146	4,130
Spain	333	356	913	906	1,246	1,262
Austria	552	541	856	841	1,408	1,383
Switzerland	307	317	366	364	673	682
Other EMEA	399	366	419	438	819	804
Latin America	769	853	283	254	1,051	1,107
Asia	9	10	73	69	82	78
International Operations	3	1	732	734	735	735
Total direct written premiums	**8,062**	**8,282**	**11,859**	**11,955**	**19,921**	**20,237**

(€ million)	Personal		Commercial		Accident / Health(*)	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Italy	724	803	1,702	1,610	1,113	1,193
France	957	953	614	711	0	0
Germany	1,374	1,320	292	278	517	529
Central and Eastern Europe	336	348	479	498	110	107
EMEA	1,060	1,060	829	821	666	669
Spain	429	426	305	308	179	171
Austria	333	326	367	363	155	152
Switzerland	193	191	4	3	170	170
Other EMEA	104	116	153	147	162	175
Latin America	20	30	239	203	24	21
Asia	0	5	32	34	40	30
International Operations	560	623	107	92	66	19
Total direct written premiums	**5,031**	**5,142**	**4,293**	**4,246**	**2,535**	**2,567**

(*) The Accident/Health business premiums, managed according to the criteria of the life business, are taken into account in the life segment

8. 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 the 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 set 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 the following risks:

- financial reporting risk, defined as the risk of a transaction error which could entail an untrue and incorrect representation of the situation of the assets, liabilities, profit or loss in the Company's financial statements, in the yearly and half-yearly consolidated financial statements and in any other financial release;
  A model coherent with international frameworks (COSO, COBIT) has been defined to manage the financial reporting risk; the Manager charged with the preparation of the company's financial reports of the Parent Company defines, with the support of the Group Financial Reporting Risk unit, its operational and organizational aspects in application of the powers and means provided for by Law 262 of 28 December 2005;
- 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 provides guidelines for carrying out the compliance activities and provides, as part of the management and coordination activities of the Parent Company, 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.

9. Risk not considered as Solvency II Pillar I risks

This risk category encompasses risks that are not included in the previous categories and for which no capital is required. That may impact on the Group capacity to meet its business objectives and whose management and mitigation actions do not require any capital charge calculation.

9.1 Liquidity Risk

The Group manages liquidity risk with the aim of efficiently dealing with expected and unexpected cash outflows, taking into account potential difficulties in liquidating assets due to assets illiquidity.

The Group aims at maintaining a sound financial structure over a short and long time frame through a constant cash flows' monitoring activity.

At Group level, liquidity risk is defined as the risk of not being able to efficiently meet expected and unexpected cash flow requirements, or rather being able to meet these risks only through a worse credit market access or through the sale of financial assets at heavy discount.

The liquidity risk is primarily monitored and managed at local level by the single business units, within a common Group framework approved by the Head Office.

Such framework has the aim of providing a common approach to manage the liquidity risk in order to guarantee the main Group companies financial sustainability in terms of expected and unexpected cash outflows over a short/medium time frame. The Liquidity Risk framework includes: 1. an ad hoc liquidity risk policy, which provides a common definition of the key risk factors and a detailed list of actions and strategies to be undertaken in order to prevent and mitigate possible risk situations, 2. operating liquidity risk guidelines which define the main monitoring activities, their frequency and the thresholds related to the main key risk factors and, finally, 3. a specific Contingency Funding Plan with the aim of identifying and formalizing the governance process and the financial plans to be activated in case of relevant liquidity stress situations.

The liquidity risk policy as well as the related operating guidelines 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 towards the Head Office allow each business unit to reduce the exposure to the main risks assumed at local level, in order to mitigate the possible negative consequences of catastrophes events or large claims which could impact the company's 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, that highlights possible future liquidity constraints both over an ordinary scenario and in several stressed scenarios over a one year horizon.

The model basically reflects the company's cash flows projections over a one year time frame together with the portfolio investments liquidability, 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.

The Group Liquidity Risk Coverage Ratio and the Group Excess Liquidity, that measure the amount of group available liquid resources, are then calculated starting from the liquidity ratios of individual companies. The need to safeguard the balance of cash flows of individual companies within the group acts as a constraint in the calculation methodology. The two indicators also take available credit lines into account.

Global Systemically Important Insurers (GSII)

In July 2013, The Group has been formally nominated by the IAIS (International Association of Insurance Supervisors) as a Global Systemically Important Insurers (GSII), i.e. the list of main international insurance groups whose eventual failure could create negative impacts over the entire economic system. This nomination has lead, among other things, to a specific improvement of the liquidity risk monitoring process, which is explicitly required by the new regulation. The GSII process has indeed the aim of creating a common framework between the main global peers included in the scope in order to avoid that financial crisis related to these groups would negatively impact the entire economic system.

The Group has already entered into an improvement process to adequate its internal liquidity risk framework and tools in order to be compliant also with the GSII requirements.

This process has been finalized during 2014 through the formal approval of the Liquidity Risk Management Plan (LRMP) by the Parent Company's Board; the LRMP defines and disciplines the main aspects related to the Group liquidity risk, identifies the main sources of stress, the available monitoring tools and mitigation actions, and also establishes the relevant governance and escalation processes in order to manage potential stress situations.

Holding

The Head Office liquidity level 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 to be paid by the subsidiaries, evaluations on possible capital needs for the subsidiaries and a refinancing strategy analysis performed on a regular basis.

These evaluations, supported by the outcomes of the Liquidity Risk Model previously described, are also performed over unfavourable macroeconomic and financial scenarios, in order to be able to satisfy every possible liquidity needs.

The main Holding funding sources are cash inflows arising from insurance and reinsurance activities, the subsidiaries' dividends, the intragroup loans, the available credit lines with the main banking institutions, an integrated cash pooling system, the sale of assets and the quick and efficient access to the debt market, continuously monitored by the appropriate structures.

Thanks to the regular cash flows 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 exposures denominated in currencies other than Euro, hedging has been put in place in order to pursue goals of cash flows predictability and stability, as well to reduce the currency risks.

Liquidity risk is also managed through the placement of different kinds of financial instruments into the market; this strategy allows the Group to diversify its sources of funds, drawing from different classes of investors.

Financial liabilities at amortized cost

(€ million)	31/12/2014	31/12/2013
Subordinated liabilities	**8,315**	**7,612**
Loans and bonds	**13,155**	**14,312**
Deposits received from reinsurers	805	997
Bonds(*)	3,860	4,915
Other loans	3,679	3,738
Financial liabilities related to investment contracts issued by insurance companies	4,811	4,663
Liabilities to banks or customers	**8,950**	**24,008**
Liabilities to banks	946	1,616
Liabilities to customers	8,003	22,392
Total	**30,420**	**45,932**

(*) Including senior bond issued in May 2010 to fund the tax recognition of goodwill related to the extraordinary operation Alleanza Toro for a nominal amount of € 560 million (at 31.12.2014 the related book value amounted to € 383 million). This issue was classified as operating debt because the debt structure provides a perfect correlation between cash flows arising from the recognition of taxes and loan repayments in terms of interest than capital.

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

(€ million)	31/12/2014			31/12/2013		
	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	552	-	-	543	-	-
between 1 and 5 years	5,026	2,915	3,136	6,263	3,867	3,891
between 5 and 10 years	4,102	2,625	3,274	4,559	3,327	3,778
more than 10 years	3,222	2,775	2,903	602	418	384
Total subordinated liabilities	**12,902**	**8,315**	**9,313**	**11,967**	**7,612**	**8,053**

Senior bonds

(€ million)	31/12/2014			31/12/2013		
	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	728	500	506	2,554	2,234	2,280
between 1 and 5 years	817	395	413	1,208	514	536
between 5 and 10 years	3,552	2,964	3,639	584	447	448
more than 10 years	-	-	-	1,840	1,721	1,900
Total bond issued	**5,097**	**3,859**	**4,558**	**6,185**	**4,915**	**5,165**

During 2014 the Group issued three bonds for a total aggregate amount of 3,75 billion euro with the aim of substitute or refinance a corresponding amount of liabilities.

In the same period two senior bonds came to maturity for a total amount of 2,25 billion euro that have been reimbursed with the proceeds of the senior bond issuance priced in January 2014 for 1,25 billion and internal resources.

Debts to banks or bank customers primarily relate to the ordinary activities of Banca Generali and BSI and are mainly on demand or short-term.

Insurance liabilities

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 7.1 '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 mitigation strategies, either embedded in the products or 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.

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	
	31/12/2014	31/12/2013
Up to 1 year	34,464	32,588
Between 1 and 5 years	77,040	76,248
Between 5 and 10 years	68,975	65,170
Between 11 and 20 years	84,079	77,504
More than 20 years	68,602	61,096
Total	333,160	312,606

The total amount of insurance provisions and financial liabilities related to investment contracts is the same as the total shown in chapter 7.1 – Life underwriting risk.

Note that the provision for outstanding claims (not included in the table), which at 31 December 2014 amounted to € 5,225 million (€4,548 million at 31 December 2013), by definition, matures in the first year.

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.

Non-life insurance provisions: maturity

(€ million)	Gross direct insurance	
	31/12/2014	31/12/2013
Up to 1 year	11,837	11,801
Between 1 and 5 years	11,753	11,370
Between 5 and 10 years	4,494	4,277
Between 11 and 20 years	3,048	3,630
More than 20 years	0	0
Total	**31,132**	**31,079**

9.2 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 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 affect the solvency, economic or financial situation of Generali Group.

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 Group Risk Map or that may require to define a new risk category.

10. 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.

Following the actions undertaken on some European sovereigns, including Italy's, the main rating agencies have revised the rating assigned to the Group, while confirming its financial stability, which benefits from its competitive position, geographical and distribution diversification as well as flexible life product characteristics, which serve to partially insulate the Group somewhat from stress related to the sovereign debt.

The current rating and outlook assigned to Assicurazioni Generali by the major agencies are the following:

	Rating	Outlook
A.M.Best	A	Stable
Fitch	A-	Stable
Moody's	Baa1	Stable

In February 2014 the rating agency Fitch has confirmed the Insurer Financial Strength rating of Assicurazioni Generali at A- and on May 2 has improved the outlook of Generali from negative to stable. In July 2014 the same agency confirmed its rating restating also the BBB + rating for senior bond placement of General and BBB- for subordinate.

In February 2014, the rating agency Moody's improved the outlook of Generali from negative to stable and confirmed the Insurance Strength rating to Baa1 and the Baa2 rating on the Generali senior bond placement.

In October 2014, the rating agency A.M. Best has revised the outlook of Assicurazioni Generali from negative to stable and confirmed its Financial Strength rating to A (Excellent). The rating shows the strong position of the Group's business, the solid operating performance and the increasing capitalization, while the improvement in the outlook reflects the stabilization of the Italian macroeconomic and financial scenario and the success of the strategic plan of Generali.

11. Capital management

Generali Group aims at maintaining an adequate level of capital according to the current regulatory requirements, and to the forthcoming Solvency II framework and related interim measures already in place.

Compared to Solvency I, the framework currently under finalization at European level, 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 and ratings purposes.

The use of the Group Internal Model, along with Embedded Value metrics, 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 the following:

- to grant that local (solvency) regulatory requirements of each operating segment where the Parent Company and other Group companies operate (non-life segment, life segment and financial segment) are fulfilled;
- to ensure business continuity and the capacity to develop its activity;
- to continue guaranteeing an adequate remuneration of shareholders' capital;
- to pursue the optimal ratio between equity and debt, by ensuring adequate remuneration of all capital and debt sources;
- to determine adequate pricing policies which are consistent with risk levels of each activity sector.

In this context, the main evidences related to current capital requirements are described.

In each country that 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 insurance obligations and/or operational risks. This minimum level of capital has been continuatively maintained during the financial year.

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 2014 the Group available margin amounted to € 29.0 billion (€ 25.3 billion at 31 December 2013) and the Groups required margin to € 18.6 billion (€ 18.0 billion at 31 December 2013). Therefore, the Groups Solvency I cover ratio (i.e. the ratio of available margin to required margin) was 156% (141% at 31 December 2013).

With reference to the Solvency I cover ratio the following sensitivity analysis to market risks have been performed:

- equity -30%: a 30% reduction of the value of all the equity investments in the portfolio at the balance date affects the ratio by around 10 percentage points;
- yield curve +1%: an upward parallel shift of 100 basis points in the underlying market risk free rates at balance sheet date affects the ratio by around 15 percentage points;
- yield curve -1%: a downward parallel shift of 100 basis points in the underlying market risk free rates at balance sheet date affects the ratio by around 12 percentage points.

It should be noted that the Company is the Parent Company of the General Group designated by the Financial Stability Board as a Global Systemically Important Insurer and is therefore subject to enhanced supervision and additional capital requirements still under definition by the main players including supervisory authorities at international level. To this end, the Company has been required to engage in the definition of both a Systemic and a Liquidity risk management plans as well as in Recovery and Resolution plans.

Integration to the management report and the financial statement in compliance to CONSOB request of February, 19th 2015

In compliance with the CONSOB request pursuant to art. 114, paragraph 5 of Legislative Decree no. 58/98:

- the progress of the initiatives undertaken following the issuance of the EIOPA Guidelines on October 31st, 2013 and the subsequent IVASS implementation in the regulations, for the preparatory phase to the introduction of Solvency II are described with particular reference to:
  - the system of governance
  - the forward looking assessment of own risks
  - the reporting
  - the *pre-application* of internal models for the calculation of the new capital requirements.
- indication of the actions taken or planned as a result of the outcomes of the Stress Test exercises shared by EIOPA on November 30th, 2014 has been given, also taking into account any request made by IVASS in line with the recommendations issued by EIOPA on November 27th, 2014.

With regard to the system of governance, the Group has updated the Directives on the Internal Control and Risk Management System, based on the regulatory provisions referred to in IVASS Reg. 20/2008 in the updated version in force since June 30th, 2014 and according to the guidelines explicated in IVASS Letter to market of April 15th, 2014. In addition to the updating of these Guidelines, which define the roles and responsibilities of key corporate bodies and of control functions, the Group has defined during 2014, in accordance with IVASS, a plan for policies required by Solvency II. To this end, the Group has updated the main policies related to the control functions and, updated and defined risk management policies on the different types of risk. It is confirmed that the adoption of policies can be considered completed with the exception of some policies for which approval by the Board of Directors is expected in the 2nd quarter of 2015, according to a planning agreed with the Supervisory Authority and consistent with the broader plan for the adaptation to Solvency II requirements. All policies follow the EIOPA interim measures plan and include the contents therein required.

It is also specified how in consideration of the pre-application request for partial internal model for the calculation of the regulatory requirement, the risk policies system is complemented by additional policies to define the processes related to governance, validation and changes to the internal model.

With regard to the forward looking assessment of own risks, the Group has complied with the requirements of the above mentioned Reg. 20/2008 and Letter to market IVASS of April 15th, 2014 defining ORSA Policy as part of the Risk Management Policy. During 2014 the Group ORSA Report at 31.12.2013 has also been presented to IVASS.

With regard to Solvency II reporting, the Group is continuing in activities aimed to define processes and information systems necessary to fulfil quantitative and qualitative reporting requirements defined by the third pillar of Solvency II. During 2014 and the first part of 2015 Group implemented the information platform for the management of the processes necessary for the collection, validation and transmission of the content of individual and Group reporting planned for the preparatory phase with reference to the year end 2014 and the third quarter of 2015. In the coming months, the implementation of the entire set of reporting required upon the entry into force of Solvency II will be completed.

In addition, in coherence with the guidelines and directions by EIOPA and IVASS, the Group regulator, in December 2014 Group approved the reporting policy, the policy that defines responsibilities for the preparation, validation and transmission of the data set required for Pillar III reporting, together with the characteristics of the information platform used for this scope. This policy is being implemented also by the Group's subsidiaries involved in Solvency II Pillar II reporting, both on undertaking's and Group's perspective.

With regard to the pre-application process for the request for the approval for the use of an internal model for the calculation of the new capital requirements, the Group is pursuing the pre-application plan that will be completed by the second quarter of 2015 on the basis of a work plan and meetings agreed with IVASS and other Supervisory Authorities. During the month of June the formal request for approval of the internal model will be forwarded (application package).

Finally, with reference to the results of the European stress test of April 30th, 2014, and in line with EIOPA recommendations, no action in particular has been started. The Group had already started (and is further strengthening) a set of measures to improve the risk-return profile through the following main actions:

- de-risking of investments with particular regard to equity investments
- optimization of reinsurance policies
- reduction of the duration gap wherever possible and appropriate
- upgrading of the Asset and Liability Management models and of the of strategic asset allocation processes
- in-force management of the life and non-life portfolio
- reduction of crediting rating to the policyholder when allowed by the contract conditions
- plan for a strong reduction and containment of operating costs
- continuous business orientation towards products with lower capital/performance guarantees and strong commercial drive towards unit-linked products

Also, as part of the G-SII project, the Board of Directors of AG has approved:

- Systemic Risk Management Plan ("SRPM")
- Liquidity Risk Management Policy ("LRMP")
- Recovery Plan ("RcP")

being elements supporting the understanding and managing of the risk profile in extreme situations.

Notes to the Balance Sheet

Assets

1. Intangible assets

(€ million)	31/12/2014	31/12/2013
Goodwill	**6,617**	**7,163**
Other intangible assets	**1,983**	**2,189**
Software	317	385
Value of in-force business arising from insurance business combination	1,088	1,238
Other intangible assets	579	566
Total	**8,601**	**9,352**

1.1 Goodwill

(€ million)	31/12/2014	31/12/2013
Carrying amount as at 31st December previous year	**7,163**	**7,222**
Changes in consolidation scope	0	0
Other variations	-545	-59
Carrying amount as at the end of the period	**6,617**	**7,163**

At 31 December 2014 Group's goodwill amounted to € 6,617 million (-7.6% compared to 31 December 2013). The decrease was attributable to the application of IFRS 5 to BSI group.

The table below details the goodwill by relevant companies:

(€ million)	31/12/2014	31/12/2013
Generali Deutschland Holding	2,179	2,179
Alleanza Assicurazioni	1,461	1,461
Generali Italia	1,332	1,332
Generali PPF Holding Group	563	569
BSI - Banca del Gottardo Group	0	545
Generali France Group	415	415
Generali Schweiz Holding AG	291	286
Generali Holding Vienna AG	153	153
Other	222	222
Total goodwill	**6,617**	**7,163**

The decrease was attributable to the application of IFRS 5 to BSI group.

The goodwill booked was subject to impairment tests as required 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, Non-Life and Holding and other businesses segment.

The table below shows the details of the Group's goodwill by cash generating unit:

(€ million)	Vita	Danni	Totale
Generali Deutschland Holding	562	1,617	2,179
Alleanza Assicurazioni	1,461	0	1,461
Generali Italia	640	692	1,332
Generali PPF Holding Group	361	202	563
Generali France Group	319	97	416
Generali Schweiz Holding AG	83	209	292
Generali Holding Vienna AG	76	77	153
Europ Assistance Group	0	82	82
Other	-	-	140
Goodwill	**3,501**	**2,976**	**6,617**

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 value in use for the following cash generating unit (CGU): Generali Italia, Alleanza Assicurazioni, Generali Deutschland Holding, Ceška 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 2015-2017, presented to the Board of Directors in December 2014 and subsequent amendments. In order to extend the analysis horizon to a 5 year period, the main economic and financial data were calculated for further two years (2018 and 2019). The net result (2017 and 2018) 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):

	g
Generali Deutschland Holding	2.00%
Alleanza Assicurazioni	2.50%
Generali Italia	2.50%
Generali PPF Holding Group	3.00%
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:

	ke
Generali Deutschland Holding	
Life Companies	6.50%
Non Life Companies	5.70%
Alleanza Assicurazioni	
Life Companies	8.00%
Generali Italia	
Life Companies	8.00%
Non Life Companies	7.20%
Generali PPF Holding Group	
Life Companies	6.60%
Non Life Companies	6.80%
Generali France Group	
Life Companies	6.90%
Non Life Companies	6.00%
Generali Schweiz Holding AG	
Life Companies	6.10%
Non Life Companies	5.30%
Generali Holding Vienna AG	
Life Companies	6.70%
Non Life Companies	5.90%
Europ Assistance Group AG	
Non Life Companies	6.30%

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 2014 - of the 10-years government bond of the reference country 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% 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%). This sensitivity highlighted that some negative changes included in the chosen sensitivity's bucket could lead the recoverable value of some Group CGUs under the corresponding carrying amounts.

1.2 Other intangible assets

(€ million)	31/12/2014	31/12/2013
Carrying amount as at 31st December previous year	**2,189**	**2,681**
Foreign currency translation effects	-9	-108
Increases	324	238
Changes in consolidation scope	-181	-8
Decreases	-65	-121
Amortization of the period	-295	-566
Impairment losses of the period	-1	0
Other variations	21	73
Carrying amount as at the end of the period	**1,983**	**2,189**

The decrease was attributable to the application of IFRS 5 to BSI group.

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 € 1,088 million. This amount was attributable to:

- the acquisitions, which took place in 2006, of Generali Italia for € 179 million net of accumulated amortisation, and in the CEE countries for € 20 million, net of accumulated amortisation,
- the acquisition of Bawag PSK Versicherung in 2007, which brought a further activation of € 34 million, net of accumulated amortisation,
- the acquisition of the Ceška group, which brought a further activation of € 855 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 6.3 of the section Basis for presentation and accounting principles in 2014 Consolidated Financial Statements.

2. Tangible assets

2.1 Land and buildings (self used)

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:

(€ million)	31/12/2014	31/12/2013
Gross book value as at 31 December previous year	**3,865**	**3,979**
Accumulated depreciation and impairment as at 31 December previous year	**-986**	**-977**
Carrying amount as at 31 December previous year	**2,879**	**3,002**
Foreign currency translation effects	5	-19
Increases	14	15
Capitalized expenses	20	31
Changes in consolidation scope	0	-7
Reclassifications	-63	-35
Decreases	-5	-51
Depreciation of the period	-48	-49
Net impairment loss of the period	-6	-7
Carrying amount as at the end of the period	**2,797**	**2,879**
Accumulated depreciation and impairment as at the end of the period	**988**	**986**
Gross book value as at the end of the period	**3,785**	**3,865**
Fair value	**3,181**	**3,370**

The fair value of land and buildings (self-used) at the end of the reporting period was mainly based on external appraisals.

2.2 Other tangible assets

(€ million)	31/12/2014	31/12/2013
Carrying amount as at 31 December previous year	**1,907**	**2,016**
Foreign currency translation effects	0	-4
Increases	296	264
Changes in consolidation scope	-62	-8
Decreases	-219	-73
Amortization of the period	-103	-130
Impairment losses of the period	-2	-131
Other variations	-4	-26
Carrying amount as at the end of the period	**1,814**	**1,907**

Other tangible assets, which amounted to € 1,814 million (€ 1,907 million at 31 December 2013),mainly includes property inventories for a amount of € 1,497 million (mainly related to Citylife) and furniture, fittings and office equipment, net of accumulated amortisation and impairment losses (€ 277 million).

3. Amounts ceded to reinsurers from insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Non-life amounts ceded to reinsurers from insurance provisions	**2,175**	**2,454**	**858**	**985**	**3,033**	**3,439**
Life amounts ceded to reinsurers from insurance provisions	**810**	**632**	**534**	**805**	**1,344**	**1,437**
"Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds"	155	156	0	0	155	156
Mathematical provisions and other insurance provisions	655	476	534	805	1,189	1,281
Total	**2,985**	**3,085**	**1,392**	**1,790**	**4,378**	**4,875**

4. Investments

The division of investments by nature is summarized in the table below.

Comments regarding specific categories are reported in the following paragraphs.

(€ million)	31/12/2014		31/12/2013	
	Total Book value	Impact (%)	Total Book value	Impact (%)
Equity instruments	**17,610**	**4.8%**	**17,740**	**5.2%**
Available for sale financial assets	15,170	4.2%	15,058	4.4%
Financial assets at fair value through profit or loss	2,440	0.7%	2,682	0.8%
Fixed income instruments	**318,884**	**87.3%**	**280,245**	**81.9%**
Bonds	290,558	79.6%	250,284	73.2%
Other fixed income instruments	28,325	7.8%	29,961	8.8%
Held to maturity investments	2,940	0.8%	4,115	1.2%
Loans	48,674	13.3%	54,888	16.0%
Available for sale financial assets	258,602	70.8%	212,554	62.1%
Financial assets at fair value through profit or loss	8,667	2.4%	8,687	2.5%
Land and buildings (investment properties)	**14,872**	**4.1%**	**14,956**	**4.4%**
Other investments	**3,662**	**1.0%**	**10,728**	**3.1%**
Investments in subsidiaries, associated companies and joint ventures	1,284	0.4%	1,407	0.4%
Derivatives	-150	0.0%	251	0.1%
Receivables from banks or customers	1,694	0.5%	8,090	2.4%
Other investments	834	0.2%	980	0.3%
Cash and cash equivalents	**10,223**	**2.8%**	**18,368**	**5.4%**
Total	**365,250**	**100.0%**	**342,036**	**100.0%**
Investments back to unit and index-linked policies	67,707		59,116	
Total investments	**432,957**		**401,152**	

Investments fund units (IFU) are allocated to respective asset classes based on prevailing underlying assets. IFU allocated within equity instruments amounted to € 4,747 million (€ 4,732 million as at 31 December

2013), those allocated within fixed income instruments amounted to € 14,955 (€ 13,235 million as at 31 December 2013) whereas IFU allocated within land and buildings (investment properties) amounted to € 2,243 million (€ 2,128 million as at 31 December 2013).

Given their short term investments nature, Reverse REPO, that amounted to € 412 million (€ 393 million as at 31 December 2013), are reclassified within "cash and cash equivalents". For the same reason REPO, that amounted to € -854million (€ -1,586 million as at 31 December 2013), are reclassified in the same item, as well.

Also IFU for an amount of € 2,158 million (€ 129 million at 31 December 2013) are classified within that class.

Derivatives investments are presented net of derivatives held as financial liabilities, that amounted to € -1,709 million (€ - 1,131 million as at 31 December 2013). Hedging derivatives are excluded, as they are presented within hedged item asset classes.

The table below shows the book value of fixed income instruments split by rating and maturity:

Detail of investments in bonds by rating

(€ million)	Avalaible for sale fin. assets	Financial assets at fair value through profit	Held to maturity investments	Loans	Bonds
AAA	32,682	509	1,282	14,260	48,733
AA	60,591	607	87	3,516	64,801
A	37,662	1,163	16	6,527	45,368
BBB	102,002	2,541	1,374	8,131	114,047
Non investment grade	12,725	311	71	1,869	14,975
Not Rated	1,415	104	80	1,035	2,635
Total	**247,076**	**5,235**	**2,910**	**35,338**	**290,558**

Detail of investments in bonds 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	6,044	443	1,121	839	8,446
Between 1 and 5 years	41,990	1,510	688	10,656	54,845
Between 5 and 10 years	80,928	870	668	8,721	91,187
More than 10 years	115,768	2,394	433	14,814	133,408
Perpetual	2,346	19		307	2,672
Total	**247,076**	**5,235**	**2,910**	**35,338**	**290,558**

4.1 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:

(in milioni euro)	31/12/2014	31/12/2013
Gross book value as at 31 December previous year	**14,873**	**14,802**
Accumulated depreciation and impairment as at 31 December previous year	**-2,046**	**-1,903**
Carrying amount as at 31 December previous year	**12,828**	**12,899**
Foreign currency translation effects	39	-39
Increases	305	700
Capitalized expenses	90	108
Changes in consolidation scope	167	70
Reclassifications	-241	-98
Decreases	-260	-526
Depreciation of the period	-177	-181
Net impairment loss of the period	-123	-106
Carrying amount as at the end of the period	**12,628**	**12,828**
Accumulated depreciation and impairment as at the end of the period	**2,247**	**2,046**
Gross book value as at the end of the period	**14,875**	**14,873**
Fair value	**17,650**	**17,910**

The fair value of land and buildings (investment properties) at the end of the reporting period is mainly based on external appraisals.

4.2 Investments in subsidiaries, associated companies and joint ventures

(€ million)	31/12/2014	31/12/2013
Investments in non-consolidated subsidiaries	147	214
Investments in associated companies valued at equity	737	758
Investments in joint ventures	228	214
Investments in other associated companies	172	221
Total	**1,284**	**1,407**

The decrease was attributable to the application of IFRS 5 to BSI group, in particular € 68 million in the line item Investments in associated companies valued at equity and € 2 million within the item Investments in non-consolidated subsidiaries.

More details on investments in subsidiaries, associated companies and joint ventures of the Group are provided in the section “Disclosure of interests in other entities” in Other Information.

4.3 Held to maturity investments

(€ million)	31/12/2014	31/12/2013
Quoted bonds	2,910	4,088
Other held to maturity investments	31	28
Total	**2,940**	**4,115**

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 2013 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 € 3,018 million, of which € 2,987 million represented by bonds.

4.4 Loans and receivables

(€ million)	31/12/2014	31/12/2013
Loans	**49,086**	**55,281**
Unquoted bonds	35,338	38,193
Deposits under reinsurance business accepted	754	702
Other loans and receivables	12,994	16,387
Mortgage loans	6,082	9,098
Policy loans	2,852	2,987
Term deposits with credit institutions	2,198	2,512
Other loans	1,862	1,790
Receivables from banks or customers	**1,694**	**8,090**
Receivables from banks	136	1,644
Receivables from customers	1,558	6,446
Total	**50,780**	**63,371**

This category accounts for 11.5% of total investments. It mainly consisted of unquoted bonds and mortgage loans, which represent 72.0% and 12.4% of total loans, respectively. More than 90% of the bonds category is represented by fixed income medium-to-long term bond instruments.

The decrease of mortgage loans and receivables from banks and customers was mainly due to the application of IFRS5 to BSI group.

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.

The fair value of total loans amounted to € 57,530 million, of which € 41,258 million related to bonds. Receivables from banks or customers are mainly short-term.

4.5 Avaiable for sale financial assets

(€ million)	31/12/2014	31/12/2013
Unquoted equities at cost	48	288
Equities at fair value	9,734	10,540
quoted	8,133	9,097
unquoted	1,600	1,443
Bonds	247,076	201,989
quoted	242,282	197,353
unquoted	4,794	4,637
Investment fund units	17,139	15,833
Other available for sale financial assets	2,502	1,380
Total	**276,498**	**230,031**

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 € 240,608 million.

The increase compared 31 December 2013 was attributable to increase in value of investments and net acquisition in the period particularly of debt securities. In addition, the impact of the application of IFRS 5 to BSI group and Argentinean companies held for sale amounted to € 1,036 million at 31 December 2013.

(€ million) 31/12/2014	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**

(€ million) 31/12/2013	Fair value	Utili / Perdite da valutazione	Costo ammortizzato
Unquoted equities at cost	288	0	288
Equities at fair value	10,540	1,842	8,698
Bonds	201,989	8,379	193,610
Investment fund units	15,833	418	15,416
Other available for sale financial assets	1,380	225	1,155
Total	**230,031**	**10,864**	**219,166**

This category accounted for 63.9% of the total investments.

In particular, available for sale bonds represented 85.0% of total bonds with a rating higher or equal to BBB, class assigned to the Italian government bonds.

The realized gains and losses and impairment losses on available for sale financial assets are shown in the table below.

(€ million)	31/12/2014	Realized gains	Realized losses	Impairment losses
Equities		1,438	-189	-580
Bonds		1,488	-49	-50
Investment fund units		398	-64	-229
Other available for sale financial assets		59	-3	-39
Total		**3,383**	**-304**	**-898**

(€ million)	31/12/2013	Realized gains	Realized losses	Impairment losses
Equities		1,206	-137	-286
Bonds		1,583	-173	0
Investment fund units		249	-32	-149
Other available for sale financial assets		40	-30	-14
Total		**3,078**	**-371**	**-449**

4.6 Financial assets at fair value through profit or loss

(€ million)	Financial assets held for trading		Financial assets designated as at fair value through profit and loss		Total financial assets at fair value through profit and loss	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Equities	4	136	54	147	58	283
Quoted	4	135	21	5	25	140
Unquoted	0	1	33	142	33	143
Bonds	22	789	5,213	5,225	5,235	6,014
Quoted	22	769	4,221	4,541	4,242	5,309
Unquoted	0	21	992	684	992	704
Investment fund units	667	18	6,295	4,373	6,965	4,391
Derivatives	1,560	1,382	0	0	1,560	1,382
Hedging derivatives	0	0	373	78	373	78
Investments back to policies where the risk is borne by the policyholders and pension funds	0	0	67,707	59,116	67,707	59,116
Other financial investments	0	563	1,167	1,066	1,163	1,629
Total	**2,253**	**2,887**	**80,808**	**70,006**	**83,061**	**72,893**

This category accounted for 18.7% of total investments. In detail, these investments were mainly allocated in the life segment (€ 81,743 million, which accounted for 98.4% of this category) whereas the residual part referred to the non-life segment (€ 1,045 million which accounted for 1.3% of this category) and to the Holding and other businesses segment (€ 272 million, which accounted for 2.6% of this category).

Bond securities in this category belong to classes of rating greater than or equal to BBB.

The decrease is due to the application of IFRS 5 to BSI group and Argentinean companies held for sale, more than offset by the increase in financial assets where the risk is borne by policyholders. In fact, the category also includes the assets covering contracts where the financial risk is borne by the policyholders, for an amount of € 67,707 million.

(€ million)	Policies where the investment risk is borne by the policyholders		Pension funds		Total	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Assets	65,522	56,898	2,185	2,218	67,707	59,116
Total assets	**65,522**	**56,898**	**2,185**	**2,218**	**67,707**	**59,116**
Financial liabilities	14,361	11,743	1,526	1,484	15,886	13,227
Insurance provisions (*)	51,428	45,567	90	86	51,519	45,653
Total liabilities	**65,789**	**57,311**	**1,616**	**1,570**	**67,405**	**58,880**

(*) (*) Insurance provisions are net of amounts ceded to reinsurers from insurance provisions.

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 2014, after sales and pay backs during the years, the stock of these reclassified financial instruments amounted to € 4,330 million.

(€ million)	Book Value reclassified as at 1 January 2009	Book Value reclassified as at 1 January 2010	Book Value reclassified as at 1 January 2011	Book Value reclassified as at 1 January 2012	Book Value reclassified as at 1 January 2013	Book Value reclassified as at 1 January 2014	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	12,561	9,693	8,204	6,377	5,111	-909	4,202	4,969
Financial assets at fair value through profit or loss	630	625	573	501	363	168	-41	127	137
Total reclassified investments	**14,658**	**13,186**	**10,266**	**8,705**	**6,740**	**5,279**	**-949**	**4,330**	**5,106**

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 € 767 million (considering both the group share and minorities), € 98 million net of policyholders share and deferred taxes for the 2014 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 € 10 million, € 1 million net of policyholders share and deferred taxes for the 2014 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 and 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 2014, 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 € 11,481 million of financial assets linked to various contracts and which are still recognised. In particular, approximately € 3,353 million are subject to securities lending transactions mainly in France, approximately € 815 million are subject to contracts to REPO while approximately € 7,313 million are assets pledged as collateral (please refer to the paragraph *Contingent liabilities, commitments, guarantees, pledged assets and collaterals*).

5. Receivables

This category included receivables arising out of the different activities of the Group, such as direct insurance and reinsurance operations.

6. Other assets

(€ million)	31/12/2014	31/12/2013
Non-current assets or disposal groups classified as held for sale	21,304	653
Deferred acquisition costs	1,958	1,957
Tax receivables	2,825	2,866
Deferred tax assets	2,715	2,807
Other assets	7,172	7,368
Total	**35,973**	**15,651**

The item non-current assets held for sale and discontinued operations includes the assets of BSI and those of Argentinean companies held for sale. For more details on the "Non-current assets or disposal groups classified as held for sale" should be referred to paragraph 12 of the section "Other information". For details on deferred taxes should be referred to paragraph 3 "Taxes" of the section "Notes to the income statement".

Deferred acquisition costs

(in milioni di euro	Segment Life		Segment Non Life		Total	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Carrying amount as at 31 December previous year	**1,650**	**1,628**	**307**	**694**	**1,957**	**2,323**
Acquisition costs deferred	458	421	203	193	662	614
Changes in consolidation scope	0	-29	0	-351	0	-381
Amortization of the period	-432	-370	-219	-219	-652	-590
Other movements	-1	0	-8	-9	-9	-9
Carrying amount as at 31 December current year	**1,674**	**1,650**	**283**	**307**	**1,958**	**1,957**

The deferred acquisition costs amounted to € 1,958 million, stable compared to the previous year.

7. Cash and cash equivalents

(€ million)	31/12/2014	31/12/2013
Cash and cash equivalents	154	2,519
Cash and balances with central banks	14	4,689
Cash at bank and short-term securities	8,340	12,224
Total	**8,508**	**19,431**

The decrease compared to 31 December 2013 was attributable to the application of IFRS 5 to BSI and to the gradual reinvestment of excess of liquidity.

Balance Sheet – Liabilities and Equity

1. Shareholders' equity

(€ million)	31/12/2014	31/12/2013
Shareholders' equity attributable to the Group	**23,204**	**19,778**
Share capital	1,557	1,557
Capital reserves	7,098	7,098
Revenue reserves and other reserves	7,571	7,275
(Own shares)	-8	-11
Reserve for currency translation differences	-239	-252
Reserve for unrealized gains and losses on available for sale financial assets	6,498	2,501
Reserve for other unrealized gains and losses through equity	-943	-305
Result of the period	1,670	1,915
Shareholders' equity attributable to minority interests	**981**	**1,627**
Total	**24,185**	**21,405**

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 € –8 million, amounting to 309,133 shares (€ –11 million, 460,969 shares at 31 December 2013).

During the year the Parent company distributed dividends amounting to € 701 million.

The reserve for currency translation differences arising from the translation of the subsidiaries' financial statements denominated in foreign currencies amounted to € –239 million, which is substantially stable compared to 31 December 2013 (€ –252 million).

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 € 6,498 million (€ 2,501 million at 31 December 2013). The variation is essentially attributable to the gains recorded on fixed income securities, mainly for the government bond component, which benefitted from favourable market conditions.

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 decrease in this reserve is attributable to losses arising from the re-measurement of the liability for defined benefit plans, for both the Group's subsidiaries and the disposal group BSI, amounting to € -733 million as a result of a decrease of the reference interest rates used to discount these liabilities.

1.1 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.

(€ million)	31/12/2014		31/12/2013	
	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	**13,964**	**738**	**14,095**	**569**
Adjustments to Parent Company for IAS/IFRS application	1,156	118	1,165	208
Parent Company amounts in conformity with IAS/IFRS principles	**15,120**	**856**	**15,260**	**777**
Result of the period of entities included in the consolidation area		6,865		5,343
Dividends	4,946	-4,946	3,504	-3,504
Elimination of participations, equity valuation impacts and other consolidation adjustments	-3,894	-1,076	-3,512	-701
Reserve for currency translation differences	-239		298	
Reserve for unrealized gains and losses on available for sale financial assets	6,334		2,379	
Reserve for other unrealized gains and losses through equity	-763		-67	
Shareholders equity attributable to the group	**21,504**	**1,700**	**17,864**	**1,915**

2. Other provisions

(€ million)	31/12/2014	31/12/2013
Provisions for taxation	137	174
Provisions for commitments	643	598
Other provisions	970	996
Total	**1,751**	**1,768**

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.

The Group does not recognize any contingent liability that 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.

The Group does not recognize any contingent asset that is a possible asset that arises form past events

and whose existence will be confirmed only by the occurrence or on-occurrence of one or more uncertain future events not wholly within the control of the entity. Only when it has become virtually certain that an economic inflow of economic benefits will arise, the asset and the relaed income are recognized in the financial statements of the period in which the change occurs.
In the normal course of business, the Group may enter into agreements and transactions that do not lead to the recognition of these commitments as assets and liabilities in the consolidated financial statements under IFRS. For further information regarding contingent liabilities please refer to the paragraph *Contingent liabilities, commitments, guarantees, pledged assets and collaterals* in the *Other information* section.

The table below summarized the main changes occurred during the period:

(€ million)	31/12/2014	31/12/2013
Carrying amount as at 31 December previous year	1,768	1,471
Foreign currency translation effects	0	-6
Changes in consolidation scope	-4	-48
Changes	-14	352
Carrying amount as at the end of the period	**1,751**	**1,768**

3. Insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Non-life insurance provisions	**31,594**	**31,511**	**1,556**	**1,461**	**33,150**	**32,972**
Provisions for unearned premiums	5,241	5,350	197	180	5,438	5,530
Provisions for outstanding claims	25,891	25,729	1,352	1,276	27,243	27,005
Other insurance provisions	462	432	7	5	469	437
of which provisions for liability adequacy test	20	14	0	0	20	14
Life insurance provisions	**351,312**	**311,113**	**1,739**	**1,668**	**353,052**	**312,780**
Provisions for outstanding claims	5,225	4,548	1,074	972	6,299	5,520
Mathematical provisions	249,760	238,629	530	559	250,290	239,189
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	51,663	45,795	11	14	51,674	45,809
Other insurance provisions	44,664	22,140	124	123	44,788	22,263
of which provisions for liability adequacy test	1,053	826	0	0	1,053	826
of which deferred policyholder liabilities	25,300	3,999	0	0	25,300	3,999
Total	**382,906**	**342,624**	**3,296**	**3,129**	**386,202**	**345,752**

In the Non-life segment insurance provisions remain substantially stable (+0.5% compared to 31 December 2013).
In the Life segment insurance provisions increase by 12.9%, mainly due 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 € 6,895 million (€ 6,702 million in 2013) and the ageing provisions for life segment, which amount to € 10,965 million (€ 10,252 million in 2013).

Provisions for outstanding claims

(€ million)	Gross direct insurance	
	31/12/2014	31/12/2013
Motor	11,604	11,342
Non motor	14,287	14,387
Personal and commercial lines	11,794	11,989
Accident/Health (*)	2,493	2,398
Total	**25,891**	**25,729**

(*) Life segment includes health insurance with life features.

For year end 2014, 44.8% of the gross direct claims provisions were referred to the motor business in line with the prior year (44.1%). In the non-motor business, the personal and commercial lines weighted 82.6%.

Insurance provisions and financial liabilities related to policies of the life segment

(€ million)	Importo netto	
	31/12/2014	31/12/2013
Insurance contracts	212,940	210,140
Investment contracts with discretionary participation feature	99,289	84,174
Total insurance provisions	**312,228**	**294,314**
Investments contracts fair valued	15,964	13,270
Investments contracts at amortised cost	4,811	4,663
Total financial liabilities	**20,776**	**17,933**
Total	**333,004**	**312,247**

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 € 249,747 million and € 51,519 million respectively), and the ageing provisions for life segment, which amounted to € 10,962 million (accounted for in other insurance provisions of the life segment). In the Life portfolio the policies with significant insurance risk amounted to 63.9% (67.3% at 31 December 2013), while investment contracts with discretionary participation feature amounted to 29.8% (27.0% at 31 December 2013).

The investment contracts within the scope of IAS 39 accounted for 6.2% (5.5% in 2013). They are mainly unit/index linked policies without significant insurance risk.

Mathematical provisions and ageing for life segment

(€ million)	Gross direct amount	
	31/12/2014	31/12/2013
Carrying amount as at 31 December previous year	**248,878**	**241,299**
Foreign curreny translation effects	665	-657
Premiums and payments	2,257	1,858
Interests and bonuses credited to policyholders	9,612	10,079
Transfer to Non-current assets or disposal group classified as held for sale	-504	0
Acquisitions, disinvestments and other movements	-186	-3,701
Carrying amount as at the ed of the period	**260,722**	**248,878**

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	
	31/12/2014	31/12/2013
Carrying amount as at 31 December previous year	**45,795**	**41,048**
Foreign curreny translation effects	89	-157
Premiums and claims	2,670	669
Interests and bonuses credited to policyholders	3,298	4,001
Acquisitions, disinvestments and other	-190	234
Transfer to Non-current assets or disposal group classified as held for sale	0	0
Carrying amount as at the ed of the period	**51,663**	**45,795**

The development of provisions for policies where the investment risk is borne by policyholders and for pension funds highlights the increase in the value of assets backing unit/index linked policies, due to financial market movements, and the development of net inflow.

Deferred policyholders liabilities

(€ million)	31/12/2014	31/12/2013
Carry amount as at the end of the period	**3,999**	**4,000**
Foreign currency translation effects	3	-18
Change of the period	21,300	27
Acquisitions and disinvestments	-2	-10
Carry amount as at the end of the period	**25,300**	**3,999**

Deferred policyholders liabilities have significantly developed during the period thanks to the raise in the policyholders' share as a result of the increase of the available-for-sale investments due to favourable market conditions.

4. Financial liabilities

4.1 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		Totale	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Financial liabilities related to investment contracts issued by insurance companies	0	0	15,964	13,270	15,964	13,270
where the investment risk is borne by the policyholders	0	0	14,361	11,743	14,361	11,743
pension funds	0	0	1,526	1,484	1,526	1,484
other financial liabilities related to investment contracts	0	0	78	42	78	42
Derivatives	1,709	1,131	0	0	1,709	1,131
Hedging derivatives	0	0	675	894	675	894
Other financial liabilities	0	0	25	789	25	789
Total	**1,709**	**1,131**	**16,665**	**14,952**	**18,374**	**16,084**

4.2 Other financial liabilities

(€ million)	31/12/2014	31/12/2013
Subordinated liabilities	**8,315**	**7,612**
Loans and bonds	**13,155**	**14,312**
Deposits received from reinsurers	805	997
Bonds(*)	3,860	4,915
Other loans	3,679	3,738
Financial liabilities related to investment contracts issued by insurance companies	4,811	4,663
Liabilities to banks or customers	**8,950**	**24,008**
Liabilities to banks	946	1,616
Liabilities to customers	8,003	22,392
Total	**30,420**	**45,932**

(*) Including senior bond issued in May 2010 to fund the tax recognition of goodwill related to the extraordinary operation Alleanza Toro for a nominal amount of € 560 million (at 31.12.2014 the related book value amounted to € 383 million). This issue was classified as operating debt because the debt structure provides a perfect correlation between cash flows arising from the recognition of taxes and loan repayments in terms of interest and principal

The following main subordinated issuances are included as part of the subordinated liabilities category:

	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	444	16/06/2006	16/06/2016	Perp
Assicurazioni Generali	6.27%	350	GBP	448	16/06/2006	16/06/2026	Perp
Generali Finance B.V.	5.48%	869	EUR	709	08/02/2007	08/02/2017	Perp
Assicurazioni Generali	6.42%	495	GBP	633	08/02/2007	08/02/2022	Perp
Assicurazioni Generali	10.13%	750	EUR	747	10/02/2012	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	987	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

(*) in currency million.
(**) in € million.

Subordinated liabilities issued by Assicurazioni Generali S.p.A. and other subsidiaries in the form of private placements 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 and are accounted for at a corresponding amortized cost of € 997 million. The remaining subordinated liabilities are mainly issued by Austrian subsidiaries for approximately € 24 million.

The *fair value* of subordinated liabilities amounts to € 9,271 million.

The category of bonds includes various senior issues shown below:

Emittente	Coupon	Outstanding (*)	Currency	Amortised cost(**)	Issue date	Maturity
Generali Finance B.V.	3.88%	500	EUR	500	06/05/2005	06/05/2015
Generali Finance B.V.	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.

Other senior bonds issued by Ceska Pojistovna for a nominal amount of CZK 500 million corresponding to an amortized cost of approximately € 13 million are also classified in this category.

The fair value of bonds issued amounted to € 4,558 million.

Liabilities to banks and customers are mainly payable on demand or short term liabilities. The variation of the period is attributable to disposal group BSI.

5. Payables

(€ million)	31/12/2014	31/12/2013
Payables arising out of direct insurance operations	**3,553**	**3,190**
Payables arising out of reinsurance operations	**557**	**572**
Other payables	**5,270**	**4,367**
Payables to employees	1,002	1,037
Provision for defined benefit plans	109	102
Payables to suppliers	1,527	1,155
Social security	198	186
Other payables	2,434	1,887
Total	**9,379**	**8,129**

6. 6 Other liabilities

(€ million)	31/12/2014	31/12/2013
Liabilities directly associated to non-current assets and disposal groups classified as held for sale	19,700	648
Deferred tax liabilities	3,706	2,338
Tax payables	1,420	1,607
Other liabilities	6,181	5,993
Total	**31,007**	**10,586**

As previously indicated, starting from 30 June 2014, the line item relating to non-current liabilities or belonging to a disposal group held for sale includes the liabilities of the banking group BSI and of the Argentinian entities held for sale.

Other liabilities also include liabilities related to defined employee benefit plans amounting to € 4,077 million (3,416 million as of 31 December 2013). For more details on the "liabilities directly associated to non-current assets and disposal groups classified as held for sale" should be referred to paragraph 12 of the section "Other information". For details on deferred taxes should be referred to paragraph 3 "Taxes" in section "Notes to the Income Statement".

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 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 € 109 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:

(€ million)	31/12/2014	31/12/2013
Net liability as at 31 December previous year	**3,518**	**3,714**
Foreign currency translation effects	3	-8
Net expense recognised in the income statement	212	227
Re-measurements recognised in Other Comprehensive Income	867	-176
Contributions and benefits paid	-183	-218
Changes in consolidation scope and other changes	-231	-22
Net liability as at 31 December current year	**4,185**	**3,518**

The item "Changes in consolidation scope and others" mainly refers 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 related to insurance policies issued by Generali Group insurers, or other investments owned by the Group entities. Consequently, in accordance with IAS 19 these are not recognised as plan assets and so cannot be deducted from the defined benefit obligations. However, to obtain the economic net liability for defined benefit plans these assets would have to be netted against the present value of the related pension obligations.

In Germany and Austria, where the Group retains approximately the 77% of the present value of defined benefit obligations, the pension guarantee associations, to the extent of the yearly contributions 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:

(€ million)	31/12/2014	31/12/2013
Current service cost	94	110
Net interest	114	111
Past service cost	3	5
Losses (gains) on settlements	0	0
Net expense recognised in the income statement	**212**	**227**

The re-measurement of liabilities related to defined benefit plans and plan assets, recognised in Other comprehensive income are detailed as follows:

(€ million)	31/12/2014	31/12/2013
Actuarial gains (losses) from change in financial assumptions	-906	232
Actuarial gains (losses) from change in demographical assumptions	0	6
Actuarial gains (losses) from experience	7	-116
Return on plan assets (other than interest)	33	53
Re-measurements recognised in Other Comprehensive Income	**-867**	**176**

The actuarial losses recognised during the period are mainly linked to the trend of the reference interest rates, consistently with the requirements of IAS 19, for the determination of the discount rate applicable to 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:

(€ million)	31/12/2014	31/12/2013
Defined benefit obligation as at 31 December previous year	**5,273**	**5,429**
Foreign currency translation effects	13	-28
Current Service cost	94	110
Past service cost	4	5
Interest expense	137	146
Actuarial losses (gains)	899	-123
Losses (gains) on settlements	0	0
Contribution by plan participants	9	18
Benefits paid	-206	-247
Changes in consolidation scope	-1,104	-38
Defined benefit obligation as at 31 December current year	**5,119**	**5,273**

(€ million)	31/12/2014	31/12/2013
Defined benefit obligation as at 31 December previous year	**1,755**	**1,715**
Foreign currency translation effects	10	-20
Interest income	23	34
Return on plan assets (other than interest)	33	53
Gains (losses) on settlements	0	0
Employer contribution	21	57
Contribution by plan participants	9	18
Benefits paid	-44	-86
Changes in consolidation scope and other changes	-873	-16
Fair value of plan assets as at 31 December	**934**	**1,755**

The defined benefit plans' weighted-average asset allocation by asset category is as follows:

(%)	31/12/2014	31/12/2013
Bonds	55.3	46.8
Equities	13.8	22.8
Real estate	12.2	16.2
Investment fund units	9.8	5.7
Insurance policies issued by non Group insurers	1.9	0.9
Other investments	7.0	7.6
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:

%	Eurozone		Switzerland	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Discount rate	2.0	3.6	1.0	2.1
Rate of salary increase	2.8	2.8	1.3	1.6
Rate of pension increase	1.9	2.1	0.0	0.0

The average duration of the obligation for defined benefit plans is 14.2 years at 31 December 2014 (13.7 years at 31 December 2013).

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:

(€ million)					
Assumptions	Discount rate		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	-338	380	62	-65	281

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:

(€ million)	31/12/2014	31/12/2013
Within the next 12 months	185	218
Between 2 and 5 years	763	899
Between 5 and 10 years	957	1,149
Beyond 10 years	4,846	3,932
Total	**6,751**	**6,198**

Notes to the income statement

1. Income

1.1 Net earned premiums

(€ million)	Gross amount		Reinsurers' share		Net amount	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Non-life earned premiums	20,906	21,420	-1,284	-1,632	19,622	19,788
Premiums written	20,818	21,236	-1,223	-1,506	19,596	19,730
Change in the provision for unearned premiums	88	184	-62	-126	26	58
Life premiums	45,418	41,485	-719	-659	44,699	40,826
Other premiums written	0	8	1	1	1	8
Total	**66,324**	**62,913**	**-2,003**	**-2,290**	**64,322**	**60,622**

1.2 Fee and commissions income and income from financial service activities

(€ million)	31/12/2014	31/12/2013
Fee and commission income from banking activity	151	136
Fee and commission income from asset management activity	564	526
Fee and commission income related to investment contracts	227	193
Fee and commission income related to pension funds management	17	17
Others fee and commission income	7	0
Total	**967**	**872**

1.3 Net income from financial asset at fair value through profit and 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	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Interest income	0	7	327	353	462	438	789	798
Realized gains	14	72	374	335	223	389	611	796
Realized losses	-248	-36	-224	-271	-333	-414	-806	-720
Unrealized gains	6	60	4,940	5,780	2,031	1,574	6,977	7,414
Unrealized losses	-608	-59	-2,124	-2,094	-1,329	-1,524	-4,061	-3,677
Total	**-837**	**45**	**3,293**	**4,103**	**1,054**	**463**	**3,510**	**4,611**

The net income from financial assets at fair value through profit or loss mainly referred to the life segment (€ 3,698 million). This item is not material for non-life segment (€ -162 million) and for the holding and other businesses segment (€ -26 million).

1.4 Income and expenses from subsidiaries, associated companies and joint venture

(€ million)	31/12/2014	31/12/2013
Dividends and other income	92	138
Realized gains	81	39
Reversal of impairment	19	3
Total	**191**	**180**

1.5 Income from other financial instruments and land and buildings (investment properties

(€ million)	31/12/2014	31/12/2013
Interest income	**9,919**	**9,828**
Interest income from held to maturity investments	129	156
Interest income from loans and receivables	2,095	2,247
Interest income from available for sale financial assets	7,638	7,320
Interest income from other receivables	8	9
Interest income from cash and cash equivalents	49	96
Other income	**2,117**	**1,882**
Income from land and buildings (investment properties)	934	958
Other income from available for sale financial assets	1,182	924
Realized gains	**3,761**	**3,455**
Realized gains on land and buildings (investment properties)	113	269
Realized gains on held to maturity investments	0	0
Realized gains on loans and receivables	231	108
Realized gains on available for sale financial assets	3,383	3,078
Realized gains on other receivable	0	0
Realized gains on financial liabilities at amortised cost	35	0
Reversal of impairment	**194**	**208**
Reversal of impairment of land and buildings (investment properties)	42	26
Reversal of impairment of held to maturity investments	0	0
Reversal of impairment of loans and receivables	16	51
Reversal of impairment of available for sale financial assets	50	21
Reversal of impairment of other receivables	86	110
Total	**15,991**	**15,374**

1.6 Other income

(€ million)	31/12/2014	31/12/2013
Gains on foreign currencies	1,535	466
Income from tangible assets	220	297
Reversal of other provisions	266	258
Leasing fees	0	0
Income from service and assistance activities and recovery of charges	461	510
Income from non-current assets or disposal group classified as held for sale	0	0
Other technical income	520	480
Other income	299	234
Total	**3,301**	**2,246**

2. Expenses

2.1 Net insurance benefits and claims

(€ million)	Gross amount		Reinsurers' share		Net amount	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Non-life net insurance benefits and claims	**13,696**	**14,499**	**-586**	**-924**	**13,110**	**13,575**
Claims paid	13,579	14,187	-919	-1,169	12,661	13,019
Change in the provisions for outstanding claims	50	226	332	231	382	457
Change in claims paid to be recovered	50	29	-1	15	49	44
Change in other insurance provisions	16	57	2	-2	18	56
Life net insurance benefits and claims	**54,583**	**50,027**	**-690**	**-501**	**53,893**	**49,526**
Claims payments	34,596	33,869	-641	-496	33,954	33,373
Change in the provisions for outstanding claims	803	117	24	0	827	118
Change in the mathematical provisions	10,851	10,175	1	5	10,852	10,179
Change in the provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	5,965	4,790	1	2	5,967	4,792
Change in other insurance provisions	2,367	1,076	-75	-12	2,292	1,064
Total	**68,280**	**64,527**	**-1,276**	**-1,425**	**67,003**	**63,101**

2.2 Fee and commissions expenses and expenses from financial service activities

(€ million)	31/12/2014	31/12/2013
Fee and commission expenses from banking activity	270	231
Fee and commission expenses from asset management activity	97	121
Fee and commission expenses related to investment contracts	92	107
Fee and commission expenses related to pension funds management	11	10
Total	**470**	**468**

2.3 Expenses from subsidiaries, associated companies and joint ventures

(€ million)	31/12/2014	31/12/2013
Realized losses	29	12
Impairment losses	39	282
Total	**68**	**294**

2.4 Expenses from other financial instruments and land and buildings (investment properties)

(€ million)	31/12/2014	31/12/2013
Interest expense	**1,298**	**1,355**
Interest expense on subordinated liabilities	550	528
Interest expense on loans, bonds and other payables	514	582
Interest expense on deposits received from reinsurers	33	36
Other interest expense	201	209
Other expenses	**421**	**444**
Depreciation of land and buildings (investment properties)	177	180
Expenses from land and buildings (investment properties)	245	264
Realized losses	**435**	**475**
Realized losses on land and buildings (investment properties)	10	31
Realized losses on held to maturity investments	0	0
Realized losses on loans and receivables	37	68
Realized losses on available for sale financial assets	304	371
Realized losses on other receivables	5	4
Realized losses on financial liabilities at amortized cost	79	0
Impairment losses	**1,307**	**949**
Impairment of land and buildings (investment properties)	165	132
Impairment on held to maturity investments	0	0
Impairment of loans and receivables	191	270
Impairment of available for sale financial assets	898	449
Impairment of other receivables	52	97
Total	**3,461**	**3,222**

2.5 Acquisition and administration costs

(€ million)	Non-life segment		Life segment		Holding and other businesses	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net acquisition costs and other commissions	4,157	4,209	3,727	3,754	0	0
Investment management expenses(*)	38	51	197	169	40	14
Other administration costs	1,169	1,178	951	922	382	380
Total	5,364	5,437	4,876	4,845	422	394

(*) Before the elimination of intra-group transactions between segments.

In other administration costs of the life segment, administration expenses related to investment contracts amounted to € 56 million (€ 59 million at 31 December 2013), while administrative expenses of non-insurance companies amounted to € 11 million (€ 10 million at 31 December 2013). In the non-life segment, administrative expenses of non-insurance companies remained stable at € 14 million, of which € 11 million (€ 7 million at 31 December 2013) referred to the real estate activity. In the Holding and other businesses segment, other administration costs include € 19 million (€ 22 million at 31 December 2013) related to real estate activity.

2.6 Other expenses

(€ million)	31/12/2014	31/12/2013
Amortization and impairment of intangible assets	323	322
Amortization of tangible assets	94	88
Expenses from tangible assets	214	395
Losses on foreign currencies	553	446
Restructuring charges, termination employee benefit expenses and allocation to other provisions	491	483
Other taxes	158	158
Expenses from service and assistance activities and charges incurred on behalf of third parties	323	366
Expenses from non-current assets or disposal group classified as held for sale	0	42
Other technical expenses	661	617
Holding costs	496	405
Other expenses	525	565
Total	**3,838**	**3,888**

3 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 2014 and 2013 are as follow:

(€ million)	31/12/2014	31/12/2013
Income taxes	1,111	1,271
Deferred taxes	-79	-514
Total taxes of period	**1,033**	**757**
Income taxes on discontinued operations (*)	1	48
Total income taxes	**1,033**	**805**

In Italy, with respect to the 2013 fiscal year, income taxes are calculated by using the ordinary corporate income tax rate of 27.50%. For the 2013 fiscal year, income taxes of the Group's parent company, Assicurazioni Generali S.p.A., and its Italian subsidiaries carrying on banking or insurance business are computed at the ordinary corporate income tax rate of 27.50% plus a surcharge equal to 8.50%, whereas income taxes for the remaining companies are calculated at the ordinary corporate income tax rate of 27.50%. 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 2014 the weighted average tax rate remained substantially unchanged at approximately 16.20%.

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 (contribution sociale) 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 (30%), 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 27.50%, to the effective tax rate.

(€ million)	31/12/2014	31/12/2013
Expected income tax rate	**27.5%**	**27.5%**
Earning before taxes	**2,953**	**2,413**
Expected income tax expense	**812**	**664**
Effect of permanent differencies and foreign tax rate differential	-191	-253
Effect of fiscal losses	-4	48
IRAP, trade tax and other local income taxes	175	140
Substitute taxes	180	159
Foreign withholding taxes not recoverable	16	18
Income taxes for prior years	47	-15
Other	-2	-4
Tax expenses	**1,033**	**757**
Effective tax rata	**35.0%**	**31.4%**

For the 2013 fiscal year, the effective tax rate is slightly higher than the theoretical tax rate. In particular, as for Italy, the effective tax rate was influenced by the 8.50% temporary surcharge on IRES on banks and insurance companies, as well as by the substitute tax on Controlled Foreign Companies whereas, in respect of Germany, the effective tax rate was substantially influenced by the recognition of deferred tax assets on tax losses and interest expenses carried forward by Generali Beteiligungs.

About the 2014 fiscal year, the effective tax rate is higher than in the previous year, being up to 35%. In particular, as for Italy, the effective tax rate was influenced by both IRAP and substitute taxes on Controlled Foreign Companies, and on the 2013 revaluation of Banca d'Italia shares, as well as by the reversal of intercompany dividends at a consolidated level, whereas, in respect of foreign companies, the effective tax rate was substantially influenced by the realization of certain gains partially exempt from tax in the hands of the French companies.

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 2014 and 2013 are scheduled according to their expiry periods as follows.

(€ million)	31/12/2014	31/12/2013
2013	0	0
2014	0	19
2015	2	19
2016	10	20
2017	19	42
2018	6	27
2019	25	55
2020	0	0
2021	7	0
2022 and over	0	0
Unlimited	1,081	941
Fiscal losses carried forward	**1,150**	**1,123**

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.

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 2014 and 2013 are related to the following assets and liabilities.

(€ million)	31/12/2014	31/12/2013
Intangible assets	157	151
Tangible assets	59	64
Land and buildings (investment properties)	715	725
Available for sale financial assets	6,723	2,423
Other investments	297	311
Deferred acquisition costs	21	23
Other assets	358	343
Fiscal losses carried forward	89	280
Allocation to other provisions and payables	675	625
Insurance provisions	465	393
Financial liabilities and other liabilities	985	726
Other	69	68
Total deferred tax assets	**10,613**	**6,132**
Netting	-7,899	-3,325
Total net deferred tax assets	**2,715**	**2,807**

(€ million)	31/12/2014	31/12/2013
Intangible assets	281	302
Tangible assets	113	141
Land and buildings (investment properties)	339	372
Available for sale financial assets	8,947	2,881
Other investments	402	272
Deferred acquisition costs	415	426
Other assets	52	62
Other provisions and payables	150	184
Insurance provisions	652	869
Financial liabilities and other liabilities	151	181
Other	104	-26
Total deferred tax liabilities	**11,605**	**5,663**
Netting	-7,899	-3,325
Total net deferred tax liabilities	**3,706**	**2,338**

Other Information

1. 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 € -452 million for a corresponding notional amount of € 40,797 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 € 7.011 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.

1.1 Derivative instruments designated for hedge accounting

The exposure in terms of amounts recognised in the financial statements amounts to € -302 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.

1.2 Other 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	381	0	149	530	43	0	42
Total interest rate contracts	5,381	3,816	8,229	17,426	1,375	-661	714
Total foreign exchange contracts	7,414	7,864	301	15,579	142	-1,011	-869
Total credit derivatives	0	0	250	250	0	-37	-37
Total	**13,176**	**11,681**	**8,929**	**33,786**	**1,560**	**-1,709**	**-150**

The table above shows the Group's exposure in derivative instruments for which an hedge accounting relationship has not been identified. The recognised amounts in the financial statements for these exposures at 31.12.2014 amounted to € -150 million for a corresponding notional amount of € 33,786 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.

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.

2. Other Comprehensive Income

(€ million)	31/12/2014	31/12/2013
Consolidated result of the period	**1,852**	**2,142**
Items that may be reclassified to profit and loss in future periods		
Foreign currency translation differences	110	-346
Allocation	105	-396
Transfer to profit and loss account	5	50
Net unrealized gains and losses on investments available for sale	4,017	-48
Allocation	5,694	1,034
Transfer to profit and loss account	-1,678	-1,082
Net unrealized gains and losses on cash flows hedging derivatives	21	104
Allocation	71	-11
Transfer to profit and loss account	-50	115
Net unrealized gains and losses on hedge of a net investment in foreign operations	-1	0
Allocation	-1	0
Transfer to profit and loss account	0	0
Share of other comprehensive income of associates	49	-17
Allocation	48	-17
Transfer to profit and loss account	1	0
Result of discontinued operations	29	-113
Allocation	36	-79
Transfer to profit and loss account	-6	-34
Others		
Allocation		
Transfer to profit and loss account		
Subtotal	4,225	-420
Allocation	5,953	531
Transfer to profit and loss account	-1,728	-950
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	-196	25
Allocation	-196	25
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	-529	100
Allocation	-529	100
Subtotal	-725	125
Allocation	-725	125
Total other comprehensive income	**3,499**	**-295**
Total comprehensive income	**5,351**	**1,847**
attributable to the Group	5,042	1,782
attributable to minority interests	309	65

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.

(€ million)	31/12/2014	31/12/2013
Income taxes related to other comprehensive income	**-1,544**	**98**
Foreign currency translation differences	-8	-9
Unrealized gains and losses on available for sale financial assets	-1,766	187
Net unrealized gains and losses on cash flows hedging derivatives	-11	-44
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	3
Actuarial gains or losses arising from defined benefit plans	240	-38

3. Fair value measurement

L'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) in the principal market for the asset or liability; or
(b) 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, 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 2014[16].

(€ million)	31/12/2014	
	Totale valori di bilancio	Totale fair value
Available for sale financial assets	276,498	276,498
Financial assets at fair value through profit or loss	15,354	15,354
Held to maturity investments	2,940	3,018
Loans	47,827	54,575
Land and buildings (investment properties)	12,628	17,650
Own used land and buildings	2,797	3,181
Investments in subsidiaries, associated companies and joint ventures	1,284	1,284
Cash and cash equivalents	8,508	8,508
Investments back to unit and index-linked policies	67,707	67,707
Total investments	727,395	739,626
Financial liabilities at fair value through profit or loss	18,374	18,374
Other liabilities	15,854	17,652
Liabilities to banks or customers	8,950	8,945
Total financial liabilities	**43,178**	**44,970**

3.1 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; 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

16 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. With reference to Loans category, within the amount presented in table below are included unquoted bonds, loan and receivables from banks and customers.

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.

31/12/2014	Livello 1	Livello 2	Livello 3	Totale
Available for sale financial assets	242,348	28,257	5,893	276,498
Equities	8,347	204	1,230	9,781
Bonds	219,388	25,784	1,904	247,076
Investment fund units	14,024	1,813	1,302	17,139
Other assets available for sale	589	455	1,457	2,502
Financial assets at fair value through profit or loss	56,584	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 investment riks 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	1,163
Total assets at fair value	**298,932**	**52,976**	**7,650**	**359,559**
Financial liabilities at fair value through profit or loss	14,829	3,499	45	18,373
Financial liabilities related to investment 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**

31/12/2013	Livello 1	Livello 2	Livello 3	Totale
Available for sale financial assets	201,390	22,871	5,769	230,030
Equities	9,095	213	1,520	10,828
Bonds	179,934	20,086	1,970	201,989
Investment fund units	12,323	1,826	1,685	15,833
Other assets available for sale	38	747	595	1,380
Financial assets at fair value through profit or loss	42,839	28,292	1,763	72,893
Equities	140	142	1	283
Bonds	4,222	1,484	308	6,014
Investment fund units	4,229	109	53	4,391
Derivatives	275	1,105	1	1,382
Hedging derivatives	0	78	0	78
Investments back to policies where the investment riks is borne by the policyholders	33,410	24,698	1,009	59,116
Other assets at fair value through profit or loss	563	676	391	1,629
Total assets at fair value	**244,229**	**51,163**	**7,532**	**302,924**
Financial liabilities at fair value through profit or loss	13,239	2,767	78	16,084
Financial liabilities related to investment contracts issued by insurance companies	12,174	1,095	0	13,270
Derivatives	307	824	0	1,131
Hedging derivatives	1	815	78	894
Other financial liabilities	756	33	0	789
Total liabilities at fair value	**13,239**	**2,767**	**78**	**16,084**

3.2 Valuation technique

Valuation techniques are used when a quoted price is not available and 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 (ie 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; end
- *income approach*: converts future amounts to a single current (i.e. discounted) amount.

3.3 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. 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), this adjustment is not material for the Group 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.

3.4 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 € 1,564 million of government securities, € 1,522 million of corporate bonds;
- from level 1 to level 2 € 894 million of government securities and € 1,052 million of corporate bonds;
- from level 2 to level 1 € 8,006 million of financial assets where the risk is borne by the policyholders and and related to pension funds in particular following the completion of the harmonization of the levelling policy

3.5 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, substantially stable compared to 31 December 2013 (2.4%).

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.

- 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 and observations on sensitivity analysis and input described above.

- 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.

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.

(€ million) 31/12/2014	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 financial assets	5,769	925	-194	-988
- Equities	1,520	23	9	-44
- Bonds	1,970	355	17	-550
- Investment fund units	1,685	150	-241	-119
- Other available for sale financial assets	595	396	20	-275
Financial assets at fair value through profit or loss	1,763	356	-3	-560
- Equities	1	101	0	-31
- Bonds	308	10	-1	-136
- Investment fund units	53	182	-2	-115
- Derivatives	1	0	-1	0
- Hedging derivatives	0	0	0	0
Investments back to policies where the investment risk is borne by the policyholders	1,009	63	1	-109
Other assets at fair value through profit or loss	391	0	0	-169
Total assets at fair value	**7,532**	**1,280**	**-196**	**-1,547**
Financial liabilities at fair value through profit or loss	77	0	-14	0
- Financial liabilities related to investment contracts issued by insurance companies	0	0	0	0
- Derivatives	-1	0	0	0
- Hedging derivatives	78	0	-14	0
Other financial liabilities	0	0	0	0
Total liabilities at fair value	**77**	**0**	**-14**	**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	241	140	5,894	119	2
0	-152	-126	1,230	38	364
0	129	-17	1,904	-20	-4
0	-2	-171	1,302	95	-707
0	267	454	1,457	5	349
-16	0	216	1,756	0	15
-7	0	-31	33	0	0
11	0	-46	147	0	1
-23	0	87	183	0	14
0	0	0	0	0	0
0	0	0	0	0	0
5	0	40	1,008	0	-1
-2	0	166	386	0	1
-16	241	357	7,650	119	17
-19	0	1	45	0	0
0	0	0	0	0	0
0	0	1	0	0	0
-19	0	0	45	0	0
0	0	0	0	0	0
-19	0	1	45	0	0

3.6 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:

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	1,284	1,284
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**	**29,938**	**79,708**
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	8,945
Total liabilities	**12,938**	**5,312**	**8,385**	**26,636**

31/12/2013	Level 1	Level 2	Level 3	Total
Held to maturity investments	3,297	746	53	4,095
Bonds	3,296	746	25	4,067
Other financial investments	1	0	27	28
Loans	7,377	40,187	8,496	56,060
Debt securities	7,352	33,690	517	41,559
Other loans	25	6,496	7,979	14,501
Receivables from banks and customers	0	829	7,264	8,093
Investments in subsidiaries, associated companies and joint ventures	0	0	1,407	1,407
Land and buildings (investment properties)	0	0	17,910	17,910
Own used land and buildings	0	0	3,370	3,370
Total assets	10,674	41,762	38,500	90,935
Other liabilities	12,329	1,513	3,806	17,648
Subordinated liabilities	6,407	0	1,646	8,053
Senior debt	4,701	0	464	5,165
Other debt	1,221	1,513	1,697	4,431
Liabilities to banks and customers	0	3,447	20,561	24,008
Total liabilities	**12,328**	**4,960**	**24,367**	**41,655**

— 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.

— 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.

4. Contingent liabilities, commitments, guarantees, pledged assets and collaterals

4.1 Contingent liabilities

In the course of the ordinary business, the Group may encounter agreements or transactions which do no 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 2014 the estimate of the contingent liabilities amounts to € 107 million. This amount mainly refers to tax litigations relating to changes in the interpretations of the tax law in Germany.

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.

4.2 Commitments

Generali Group at 31 December 2014 has commitments for a total amount of approximately € 3,879 million relating to 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 € 1,417 million represent commitments associated with alternative investments (private equity), mainly in *private equity* funds which are consolidated line-by-line by the Group. Approximately € 1,085 million refer to several investment opportunities and, in particular, to real estate investment funds. The potential commitments to grant loans amount to approximately 400 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 € 941 million refer to potential commitments of the German life companies towards a German entity incorporated 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.

4.3 Guarantees

The Group's nominal exposure towards third parties amounts to € 744 million, of which € 628 million refer to guarantees given in the context of the Group's real estate development and € 116 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.

4.4 Pledged assets and collaterals

At 31 December 2014, as already mentioned in the paragraph *Assets transferred that do not qualify for derecognition of the section Assets*, the Group has pledged approximately € 7,390 million of assets as collateral. In particular, approximately € 5,744 million have been pledged against transactions in bonds and loans, which have been recognised essentially in the context of the Group's banking and real estate activities, and approximately € 904 million for transactions in derivatives. Residual part is related to collateral pledged in relation to reinsurance business accepted.

Furthermore, the Group has received financial assets as *collateral* for approximately € 6,864 million, in particular for transactions in bonds and loans for approximately € 5,153 million and for the transactions in derivatives for approximately € 685 million. Finally, with respect to reinsurance transactions of the Group approximately € 880 million have been received.

5. Disclosures on interests in other entities

5.1 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 more detailed information on this aspect, please refer to paragraph 4 *Contingent liabilities, commitments, guarantees, pledged assets and collaterals*.

Non-controlling interests

A summary of the financial information relating to each subsidiary that have non-controlling interests that are material to 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).

Principal place of business	Banca Generali Group		Generali China Life Insurance Co, Ltd	
	Italy		China	
(€ million)	31/12/2014	31/12/2013	31/12/2014	31/12/2013
BALANCE SHEET				
Investments	5,622	6,117	5,906	4,740
Other assets	470	391	233	223
Cash and cash equivalent	176	186	114	102
TOTAL ASSETS	**6,268**	**6,694**	**6,252**	**5,066**
Technical provisions	0	0	4,382	3,799
Financial liabilities	5,314	5,847	1,033	744
Other liabilities	407	368	233	156
Net Assets	547	478	604	368
TOTAL NET ASSETS AND LIABILITIES	**6,268**	**6,694**	**6,252**	**5,066**
NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	254	208	303	184
INCOME STATEMENT				
Net earned premiums	0	0	617	520
Fee and commission income	583	521	4	5
NET RESULT	284	204	40	26
OTHER COMPREHENSIVE INCOME	13	16	155	-43
TOTAL COMPREHENSIVE INCOME	297	219	194	-17
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**79**	**69**	**20**	**13**
DIVIDENDS PAID TO NON-CONTROLLING INTERESTS	**54**	**50**	**3**	**-**
CASH FLOW				
cash flow from operating activities	-997	-219	173	153
cash flow from investing activities	1,170	308	-384	11
cash flow from financing activities	-102	-90	221	-257

Transactions with non-controlling interests

The most significant transactions with non-controlling interests occurred in 2014 and relate to Generali Deutschland Group and Generali PPF Holding (renamed in 2015 as Generali CEE Holding).
These transactions relate to the acquisition of minority interests in entities which the Group already controls.

The Group has classified these transactions as transactions with owners in their capacity as owners and consequently their effects have been accounted for through equity. The related impact is described here below.

Generali Deutschland Group

As part of its plan to rationalise its business model, on 9th July 2013, Generali Group has agreed to acquire from private investors a 3% share of Generali Deutschland Holding, the second largest insurance group in Germany. On 7th May 2014, the Group has finalised the squeeze-out procedure for the remaining 4%, in order to obtain the control over 100% of the entity.

The first part of the transaction (that is the acquisition of a 3% share held by private investors) was accounted for in 2013, while the completion of the squeeze-out procedure (acquisition of the remaining 4% share) has the following impacts in the 2014 accounts.

Generali Deutschland Holding	
(€ million)	31/12/2014
(A) Non-Controlling Interests carrying amount	104
(B) Consideration received	234
(A)-(B) Difference recognised through equity	**-130**
of which: with impact on Group Shareholders equity	-130
of which: with impact on Non-Controling Interests	0

Generali PPF Holding

In line with the agreement signed on 8th January 2013, Generali reached 100% ownership of Generali PPF Holding (GPH) starting from January 2015 following the exercise of the option held by PPF, the minority shareholder, for the sale of its remaining 24% share. The Group has not opted for the alternative exist mechanism provided for by the agreement. The acquisition of the outstanding of GPH has been completed according to the terms already communicated to the market (for a consideration of approximately € 1,246 millions). At the reporting date, Generali holds a 76% share of the entity with full control on the entity's relevant activities.

The risks and rewards attributable to the minority interests have substantially been transferred to the Group and therefore the Group's equity has recorded the following impact:

Generali PPF Holding	
(€ million)	31/12/2014
(A) Non-Controlling Interests carrying amount	685
(B) Consideration received	1.246
(A)-(B) Difference recognised through equity	**-561**
of which: with impact on Group Shareholders equity	-596
of which: with impact on Non-Controling Interests	36

During 2014, the Group has dismissed its investment in Fata Danni to Cattolica Assicurazioni S.p.A. and has finalised the agreement for the sale of BSI Group to BTG Pactual Group. Further details on these transactions can e found in section 11 "1 Non-current assets or disposal group classified as held for sale" of the Other information chapter and in section "2014 Key facts" in the Management Report.

5.2 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 4 "Contingent liabilities, commitments, guarantees, pledged assets and collaterals".

The Group has material interests into two associates that are accounted for according to the equity method.

Società	Deutsche Vermögensberatung Aktiengesellschaft DVAG	Guotai Asset Management 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 Deutchland 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 RMB 60 billion (appoximately € 8 million) value of assets under management
Principal place of business	Germany	China
Profit rights / voting rights held (if different)	30% / 40%	40%

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.

Riepilogo dei dati economici-finanziari

(€ million)	Deutsche Vermogensberatung Aktiengesellshaft DVAG		Guotai Asset managemenent Company	
	31/12/2013 (*)	31/12/2012 (*)	31/12/2014	31/12/2013
INCOME STATEMENT				
Revenues	1,191	1,233	85	78
Profit from continuing operations	176	185	20	19
Profit from discontinued operations after taxes	0	0	0	0
OTHER COMPREHENSIVE INCOME	0	0	19	-1
TOTAL COMPREHENSIVE INCOME	**176**	**185**	**39**	**18**
BALANCE SHEET				
Current assets	990	993	155	117
Non-current assets	166	145	5	7
Current liabilities	350	351	33	23
Non-current liabilities	140	138	16	8
NET ASSETS	**665**	**649**	**110**	**93**

(*) The financial information are referred to the last approved financial statements by the Shareholders meeting of the associated company Deutsche Vermogensberatung Aktiengesellshaft DVAG

(€ million)	Deutsche Vermogensberatung Aktiengesellshaft DVAG		Guotai Asset managemenent Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
CARRYING AMOUNT RECONCILIATION				
Group's interest in net assets of investees at the beginning of the period	240	234	125	125
Total comprehensive income attributable to the Group	64	53	12	5
Dividends received during the year	-47	-47	-6	-6
Carrying amount in investee at the end of the year	257	240	130	125

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 controlled 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

(€ million)	31/12/14	31/12/13
Carrying amount of interests in immaterial associates	**350**	**393**
Aggregated Group's share of:		
Profit from continuing operations	26	-219
Profit from discountinued operations after taxes	0	0
Other comprehensive income	8	-7
TOTAL COMPREHENSIVE INCOME	**34**	**-226**

5.3 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 more detailed information on this aspect, please refer to paragraph 4 *Contingent liabilities, commitments, and collateral*.

Aggregated information on immaterial joint ventures

(€ million)	31/12/14	31/12/13
Carrying amount of interests in immaterial joint ventures	**228**	**215**
Aggregated Group's share of:		
Profit from continuing operations	5	9
Profit from discountinued operations after taxes	0	0
Other comprehensive income	14	-9
TOTAL COMPREHENSIVE INCOME	**18**	**1**

5.4 Unconsolidated Structured Entities

As of 31 December 2014, 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 reinsurance vehicle which provides coverage with respect to the potential losses affecting Generali Group arising from catastrophes arising from Europe windstorms over a three year period. Generali Group is deemed to be sponsor because 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.

6. Information on employees

	31/12/2014	31/12/2013
Managers	2,165	1,987
Employees	56,690	56,267
Sales attendant	19,271	18,743
Others	207	188
Total	**78,333**	**77,185**

The number of employees is substantially unchanged from the previous year. It should be noted that the number of employees at 31 December 2014 still includes the workforce of BSI Group, classified as a disposal group held for sale.

7. Share-based compensation plans

At 31 December 2014 incentive plans based on equity instruments granted by the Parent Company and other Group companies are outstanding.

7.1 Share-based compensation plans granted by the Parent Company

Long-Term Incentive (LTI) The long-term variable remuneration of Generali takes the form of multi-year plans, which are 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 hall 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).

In 2013, Generali adopted a new plan based on a single three-year cycle, after which free shares, subject to specific lock-up periods, may be granted to the participants.

In line with last year, a new long-term incentive plan based on Assicurazioni Generali shares - the 2014 Group LTI - 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 and the reaching of the entry threshold of the Solvency I ratio, 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 175% of the gross fixed remuneration of the plan participants,; 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 is connected to an entry threshold that is represented by the Group solvency ratio calculated according to the criteria laid down by Solvency I.

For the first tranche for 2014, the solvency ratio must be no less than 141%; for the second and third tranches, related to 2015 and 2016, it must be at least 160%, save the possibility to revise this level as a consequence of the introduction of the compulsory Solvency II methodology.

Once the level of the solvency ratio has been reached, the achievement of the Group's financial targets, represented by the ROE and the relative TSR, compared with the following peers of the STOXX Euro Insurance index, is verified on a yearly basis.

The performance level, expressed as a percentage, is determined by the cross-comparison of ranges of ROE and relative TSR. The maximum performance level is 175%, whilst the minimum is 50%. For some specific individuals, the LTI maximum pay-out is limited to 87.5%.

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, at the grant date, 50% of the shares are immediately available (to allow the participants to pay the tax charges connected with the grant), 25% is subject to a one-year lock-up period and the remaining 25% to a two year lock-up period; this is without prejudice to the obligation of directors participating in the plan to maintain a suitable number of shares assigned until term of the office in course at the expiry of the lock-up.

The maximum number of shares that can be granted is 7,000,000, accounting for 0.45% of the current share capital.

For additional information related to incentive plans refer to the 2014 remuneration report.

In line with the previous plans, the 2014 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.

For each tranche was calculated a fair value for each of the possible RoE intervals according to the reference matrix described above. The table below shows fair values for each RoE interval and for each tranche:

(in Euro)		Tranche 2014	Tranche 2015	Tranche 2016
Return on Equity	< 10%	0,00	0,00	0,00
	10% ≤ x ≤ 11%	2,04	2,05	2,74
	11% < x ≤ 12%	2,76	2,77	3,70
	12% < x ≤ 13%	3,48	3,49	4,66
	> 13%	4,20	4,21	5,63

In order to assess the cumulative cost of the entire plan, 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 is allocated over a period of maturity of 3 years (vesting period), with a corresponding increase in equity.

The cost associated with the above mentioned plans recognised during the period amounted to € 23.5 million. This amount includes both the cost for the share-based payments linked to the performance of the Generali share as well as the component of the cash bonus linked to the performance objectives (which is identifiable as a benefit within the IAS 19 scope) associated to the first three-year periods of the 2010-2012 plans. The maximum number of shares that can be granted in relation to mentioned plans is approximately 15 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.

	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 31/12/2013	**675,325**	**28.9**	**0**	**0**
Granted	0	0	0	0
Forfeited	0	0	0	0
Exercised	0	0	0	0
Expired	244,942	28.9	0	0
Options outstanding as at 31/12/2014	**430,383**	**28.8**	**0**	**0**
Of which exercisable	430,383	28.8	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 October 2015. The stock options granted to the Parent Company Chairman and Managing Directors have expired.

7.2 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 2014, the share-based compensation plans granted by Banca Generali are as follows:

- two stock option plans, respectively reserved to the financial advisors and some managers of the group approved in the Shareholders' Meeting of Banca Generali of 18th July 2006;
- two stock option plan reserved for networks distribution - financial advisors and private bankers - and relationship managers approved in the Shareholders' Meeting of Banca Generali of 21st April 2010.

At 31 December 2014, the options related to the stock option plan granted and exercisable referring to the plans approved in 2006 amounted to 30 thousand entirely granted to employees, because the exercise period for financial advisors has expired last 31.03.2014. For employees instead, the exercise period of the assigned options, following the three-year extension approved in 2010, ends on 31 December 2015.

The reduction in respect of the previous year is mainly due to the exercise carried out by financial advisors and employees and, to a lesser extent, to the termination of the relationships with some beneficiaries.

Instead, with reference to the plans approved in 2010, at 31 December 2014 the options granted amounted to 1,176 thousand, of which 89 thousand reserved to relationship managers (employees), while the options effectively exercisable amounted to 392 thousand, of which about 20 thousand reserved to relationship managers. The reduction of options granted, in comparison with the previous year, is mainly attributable to exercises actuated by relationship managers and, to a lower extent, to the cessation of relationships with some financial advisors.

	Number of options	Average price of the year
Options outstanding as at 31/12/2013	2,040,221	10.3
Granted	0	0.0
Forfeited	46,835	9.9
Exercised	766,993	9.8
Expired	20,206	9.0
Options outstanding as at 31/12/2014	1,206,187	10.7
Of which exercisable	422,343	10.6

As for the stock option plans approved in 2006, with reference to the plan granted to the employees, following the three-year extension of the exercise period approved in 2011, the fair value at measurement date is € 2.5, while the fair value of stock options granted to the financial advisors is between € 2.4 and € 2.5 depending on the exercise date foreseen. As the vesting period of these plans has expired (and for financial advisors also the exercise period), they have now reached the end of the exercise stage.

As for the stock option plans approved in 2010, reserved for financial advisors, private bankers and relationship managers (employees) of Banca Generali respectively, the fair value is between € 1.01 and € 0.65 depending on the exercise date foreseen.

The costs charged in the profit or loss account of the period from stock option plans approved in 2010, reserved for financial advisors, private bankers and relationship managers (employees) of Banca Generali respectively amount to € 0.2 million.

Share-based compensation plans granted by Generali France

At the balance sheet date there are the following share-based compensation plans granted by Generali France to the employees of Generali France group: eight stock grant plans approved on 21st December 2006, 20th December 2007, 4th December 2008, 10th December 2009, 9th December 2010, 14th March 2012, 25th June 2013 and 7th March 2014 by the board and a stock granting plan, reserved to the employees of the Generali France group.

At 31 December 2014, the number of shares granted amounted to 5,071,218 preferred shares, of which 380,410 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 € 2.3 million. The plans are considered as cash-settled and therefore a € 72.7 million liability was accounted for.

8. Earnings per share

	31/12/2014	31/12/2013
Result of the period (€ million)	1,670	1,915
- from continuing operations	1,751	1,238
- from discontinued operations	-81	677
Weighted average number of ordinary shares outstanding	1,555,999,441	1,548,056,710
Basic earnings per share (€)	1.07	1.24
- from continuing operations	1.13	0.80
- from discontinued operations	-0.05	0.44

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.

	31/12/2014	31/12/2013
Result of the period (€ million)	1,670	1,915
- from continuing operations	1,751	1,238
- from discontinued operations	-81	677
Weighted average number of ordinary shares outstanding	1,555,999,441	1,548,056,710
Adjustments for stock option	15,034,424	8,034,424
Weighted average number of ordinary shares outstanding	1,571,033,865	1,556,091,134
Diluted earnings per share (€)	1.06	1.23
- from continuing operations	1.11	0.80
- from discontinued operations	-0.05	0.44

8.1 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 at guaranteeing 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 '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.

(€ million)	Subsidiaries with significant control not consolidated	Associated companies	Other related parties	Total	% on balance sheet item
Loans	5	654	452	1,111	0.3
Loans issued	-4	-4	-138	-142	0.3
Interest income	6	20	23	50	0.5
Interest expenses	0	0	-19	-19	1.5

The loans towards **associated companies** mainly refer to bonds issued by Telco S.p.a. which amount to € 298 million.

As far as **other related parties** are concerned, the most significant transactions are with Mediobanca Group regarding investment bonds for € 429 million, and financial liabilities amounting to € 134 million. Hybrid instruments of € 500 million was settled.

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.

9. Reinsurance policy of the Group

Information on the reinsurance policy of the Group is provided in the Risk Report of the consolidated annual financial statements 2014.

As abovementioned, in April 2014 Generali entered into the Insurance Linked Securities (ILS) market to optimize its protection against catastrophes. This transaction involves the risk transfer of catastrophic natural events for a period of three years through the placement of a Indemnity bond providing protection in respect of European windstorm risk under the US Rule 144A. This operation allowed to increase the protection provided to Generali till €190 million with fix annual premium of 2.25%.

10. Significant non-recurring events and transactions

Below a description of non-recurring transactions carried out by the Group during the 2014.

— Fata Assicurazioni Danni S.p.A.

In June Generali completed the 100% disposal of Fata Assicurazioni Danni. The price adjustment procedure led to a transaction worth a total of €194.7 million. The operation resulted in a realized gain of € 56 million.

— Generali Deutschland Holding

In May the minorities squeeze-out of Generali Deutschland Holding AG (GDH) approved by the extraordinary general meeting of GDH last December 4th 2013 was registered with the Commercial Register in Germany. By the registration of the shareholders' resolution all the shares held by the minority shareholders in GDH were transferred to Assicurazioni Generali. The shares of Generali Deutschland were withdrawn from the stock market. This transaction resulted in a reduction in the Group equity of € 130 million.

— Telco

In June Generali resolved to exercise the demerger option from Telco. The Group will complete the demerger as soon as the necessary authorization are received. This operation had no impact on the economic and financial position of the Group.

— BSI Group

In July Generali concluded the agreement for the sale of its entire holding in BSI for a total consideration of € 1.24 billion. The consideration of the sale of BSI will be adjusted using customary mechanisms and any fine established pursuant to the US Department of Justice's tax amnesty programme relating to Swiss financial banking institutions payable by BSI.

Finally, the operation contributed to the net result for € -112 million.

Pending the release of the necessary regulatory authorization, in accordance with IFRS 5, starting from 30 June 2014 BSI group was classified in the balance sheet as a disposal group held for sale. Consequently, this participation has not been excluded from consolidation but the total of the related assets and liabilities have been recorded in two separate lines in the balance sheet and the related profit or loss, net of tax effects, is recognized separately under the appropriate heading of the income statement net in the consolidated profit (loss) from discontinued operations.

Further information is available in the section 'Non-current assets or disposal group classified as held for sale'.

— La Estrella, Caja ART e Caja de Retiro

In October Generali concluded the agreement for the sale of some of its operation in Argentina - La Estrella, Caja ART e Caja de Retiro.

Pending the release of the necessary regulatory authorization, in accordance with IFRS 5, starting from 31 December 2014 the mentioned companies were classified in the balance sheet as a disposal group held for sale. Consequently, this participation has not been excluded from consolidation but the total of the related assets and liabilities have been recorded in two separate lines in the balance sheet and the related profit or loss, net of tax effects, is recognized separately under the appropriate heading of the income statement net in the consolidated profit (loss) from discontinued operations.

Further information is available in the section 'Non-current assets or disposal group classified as held for sale'.

— Acquisition of the second tranche of shares of Generali PPF Holding

Following the agreement signed on 8 January 2013, Generali has bought the remaining 24% of shares of Generali PPF Holding B.V. (GPH) owned by PPF Group. With this operation Generali obtained full control of the GPH.

After the acquisition of the first tranche of shares owned by the PPF Group, 25% of GPH shares, Generali controlled 76%. On 26 July 2014 PPF Group has exercised the option to sale the remaining part of share it owned, giving full control of GPH to Generali. Considering this, financial statements as at 31.12.2014 already consider the full ownership of the company[17]. This has a negative impact on shareholder's equity attributable to the Group for € -595 million.

Awaiting the formal conclusion of this operation a liability was recognised for € 1,245 million, the entire amount of the consideration to be paid.

The operation was formally concluded on 16 January 2015, for a final amount of € 1,245 million.

17 Note that within the information on the Group consolidation area the ownership percentage represents the legal ownership.

11. Atypical and/or unusual transactions

During the year, there were no atypical and/or unusual transactions, which — because of materiality, nature of counterparties, subject of the transaction, transfer price determination method and occurrence close to the balance sheet date — might give raise to any doubts about the correctness and exhaustiveness of this report, conflict of interests, preservation of equity and protection of minorities.

12. 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 July 2014, Generali Group concluded an agreement for the sale of 100% of BSI group and in October 2014 it has also agreed to sale the Argentinean entities La Estrella, Caja ART and Caja de Retiro. Pending the release of the necessary regulatory authorization, in accordance with IFRS 5, starting from 30 June 2014 and 31 December 2014 respectively, BSI group and the Argentinean entities under disposal were classified in the financial statements as disposal groups held for sale. Consequently, these investments have not been excluded from consolidation but both the total of the related assets and liabilities and the related profit or loss, net of tax effects, have been recorded separately in the specific lines in the financial statements.

The following tables show a condensed indication of the balance sheet ant the income statement of the discontinued operations.

Condensed balance sheet and profit and loss for discontinued operations for BSI Group

(€ million)	31/12/2014	31/12/2013
1 INTANGIBLE ASSETS	955	738
2 TANGIBLE ASSETS	215	212
3 INSURANCE PROVISIONS CEEDED	0	0
4 INVESTMENTS	14,427	12,725
5 RECEIVABLES	10	26
6 OTHER ASSETS	59	211
7 CASH AND CASH EQUIVALENTS	5,145	7,144
TOTAL ASSETS	**20,811**	**21,055**

(€ million)	31/12/2014	31/12/2013
2 OTHER PROVISIONS	198	54
3 INSURANCE PROVISIONS	0	0
4 FINANCIAL LIABILITIES	18,103	16,674
5 PAYABLES	139	110
6 OTHER LIABILITIES	537	421
TOTAL LIABILITIES	**18,977**	**17,258**

(€ million)	31/12/2014	31/12/2013
Revenues	1,010	865
Expenses	-868	-998
Profit before tax of discontinued operations	142	-133
Income taxes	-46	32
Profit of the year from discontinued operations	96	-101

The comprehensive impact of this operation on Group net income, allocated to the item result from discontinued operations, amounted to € - 112 million.

With reference to the statement of cash flows, the above information will not be considered for the purposes of the cash flow for the year. In particular, with reference to 31 December 2014 these activities reduced cash for € 2,008 million (€ -1,676 million from operating activities, € -564 million euro from investing activities and € +65 from financing activities. The effect of the foreign exchange translation differences on cash and cash equivalents amounted to €+168 million).

Finally, the following table shows the fair value hierarchy of assets and liabilities at fair value held by discontinued operations at 31 December 2014.

(€ million)	Livello 1	Livello 2	Livello 3	Totale
Available for sale financial assets	1,194	0	27	1,221
Equities	0	0	22	22
Bonds	1,189	0	1	1,190
Investment fund units	5	0	3	8
Other assets available for sale	0	0	0	0
Financial assets at fair value through profit or loss	1,183	564	1	1,749
Equities	91	0	1	92
Bonds	508	0	0	508
Investment fund units	15	0	0	15
Derivatives	-46	564	0	519
Hedging derivatives	0	0	0	0
Investments back to policies where the investment risk is borne by the policyholders	0	0	0	0
Other assets at fair value through profit or loss	615	0	0	615
Total assets at fair value	**2,377**	**564**	**28**	**2,970**
Financial liabilities at fair value through profit or loss	572	604	0	1,176
Financial liabilities related to investment contracts issued by insurance companies	0	0	0	0
Derivatives	-43	604	0	561
Hedging derivatives	0	0	0	0
Other financial liabilities	615	0	0	615
Total liabilities at fair value	**572**	**604**	**0**	**1,176**

Condensed balance sheet and profit and loss for discontinued operations for the Argentinean entities

(in milioni di euro)	31/12/2014	31/12/2013
1 INTANGIBLE ASSETS	0	0
2 TANGIBLE ASSETS	1	2
3 INSURANCE PROVISIONS CEEDED	0	0
4 INVESTMENTS	689	537
5 RECEIVABLES	0	0
6 OTHER ASSETS	6	8
7 CASH AND CASH EQUIVALENTS	4	1
TOTAL ASSETS	**701**	**547**

(€ million)	31/12/2014	31/12/2013
2 OTHER PROVISIONS	1	1
3 INSURANCE PROVISIONS	647	504
4 FINANCIAL LIABILITIES	0	0
5 PAYABLES	7	5
6 OTHER LIABILITIES	5	5
TOTAL LIABILITIES	**659**	**515**

(in milioni di euro)	31/12/2014	31/12/2013
Revenues	319	290
Expenses	-265	-241
Profit before tax of discontinued operations	54	49
Income taxes	-12	-17
Profit of the year from discontinued operations	**41**	**32**

The comprehensive impact of this operation on Group net income, allocated to the item result from discontinued operations, amounted to € - 19 million.

With reference to the statement of cash flows, the above information will not be considered for the purposes of the cash flow for the year. In particular, with reference to 31 December 2014 these activities reduced cash for € 3 million (€ +185 million from operating activities, € -182 million euro from investing activities).

Finally, the following table shows the fair value hierarchy of assets and liabilities at fair value held by discontinued operations at 31 December 2014.

(in milioni di euro)	Livello 1	Livello 2	Livello 3	Totale
Available for sale financial assets	0	0	0	0
Equities	0	0	0	0
Bonds	0	0	0	0
Investment fund units	0	0	0	0
Other assets available for sale	0	0	0	0
Financial assets at fair value through profit or loss	522	0	0	523
Equities	0	0	0	0
Bonds	279	0	0	279
Investment fund units	244	0	0	244
Derivatives	0	0	0	0
Hedging derivatives	0	0	0	0
Investments back to policies where the investment risk is borne by the policyholders	0	0	0	0
Other assets at fair value through profit or loss	0	0	0	0
Total assets at fair value	522	0	0	523
Financial liabilities at fair value through profit or loss	0	0	0	0
Financial liabilities related to investment contracts issued by insurance companies	0	0	0	0
Derivatives	0	0	0	0
Hedging derivatives	0	0	0	0
Other financial liabilities	0	0	0	0
Total liabilities at fair value	0	0	0	0

Within the result of discontinued operations is considered, besides the two abovementioned disposal groups contributions, also the contribution deriving from the sale of Fata Assicurazioni Danni S.p.A for € 56 million and result deriving form some minor operations for € 6 million.

13. Audit and other service fees for the fiscal year

In table below, filled under the article 149-duodecis of Consob Regulation, are reported the 2014 fees for auditing and other service services to Parent company's audit company and companies within audit company's network.

(in migliaia di euro)	E&Y Italy	E&Y Network
Parent Company	**15,011**	**464**
Audit fee	2,566	464
Attestation service fees	5,845	0
Other services	6,600	0
Subsidiaries	**4,500**	**18,499**
Audit fee	2,626	17,300
Attestation service fees	1,238	186
Other service fees	637	1,013
of which Taxe service fees	150	559
of which Other services	487	454
Total	**19,511**	**18,963**

14. Other information

The Employment Court of Trieste, through its sentence in the first instance issued on 23 December 2014, rejected Assicurazioni Generali's claims challenging the settlement agreement entered into with Mr Giovanni Perissinotto in 2012, while it declared its lack of competence regarding the damages claims made against the latter. The same Court, through its non definitive sentence issued on 5 March 2015 (the grounds of which have yet to be published), confirmed, in the first instance, the validity also of the agreement entered into with Mr Raffaele Agrusti in July 2013, condemning Assicurazioni Generali Sp.A. to fulfil its obligations under this agreement and rejecting the damages claims made against the same Mr. Raffaele Agrusti.

SEGMENT REPORTING – BALANCE SHEET

	NON-LIFE SEGMENT		LIFE SEGMENT	
(€ million)	31/12/2014	31/12/2013	31/12/2014	31/12/2013
1 INTANGIBLE ASSETS	3,520	3,566	4,725	4,761
2 TANGIBLE ASSETS	2,075	1,795	984	1,082
3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	3,033	3,439	1,344	1,437
4 INVESTMENTS	35,601	33,117	385,124	330,165
4.1 Land and buildings (investment properties)	4,191	4,547	7,737	7,622
4.2 Investments in subsidiaries, associated companies and joint ventures	1,267	1,029	4,282	3,483
4.3 Held to maturity investments	70	68	1,467	1,394
4.4 Loans and receivables	3,112	2,885	44,854	46,474
4.5 Available for sale financial assets	25,915	24,034	245,042	200,869
4.6 Financial assets at fair value through profit or loss	1,046	554	81,743	70,322
5 RECEIVABLES	5,982	5,706	5,605	4,886
6 OTHER ASSETS	3,514	4,594	11,087	9,897
6.1 Deferred acquisition costs	283	307	1,674	1,650
6.2 Other assets	3,231	4,287	9,412	8,248
7 CASH AND CASH EQUIVALENTS	3,077	2,924	5,575	10,402
TOTAL ASSETS	56,802	55,140	414,445	362,630
1 SHAREHOLDERS' EQUITY				
2 OTHER PROVISIONS	615	594	750	783
3 INSURANCE PROVISIONS	33,150	32,972	353,052	312,780
4 FINANCIAL LIABILITIES	8,215	5,334	27,464	23,911
4.1 Financial liabilities at fair value through profit or loss	364	390	18,004	14,512
4.2 Other financial liabilities	7,851	4,943	9,460	9,399
5 PAYABLES	3,482	3,232	4,953	4,233
6 OTHER LIABILITIES	4,077	5,416	7,357	4,060
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				

Appendix 1

HOLDING AND OTHER BUSINESSES		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
355	1,024	0	0	8,601	9,352
1,551	1,909	0	0	4,610	4,786
0	0	0	0	4,378	4,875
15,234	27,895	-8,768	-6,532	427,191	384,645
700	658	0	0	12,628	12,828
179	212	-4,443	-3,317	1,284	1,407
1,403	2,653	0	0	2,940	4,115
7,139	17,227	-4,324	-3,215	50,780	63,371
5,541	5,128	0	0	276,498	230,031
272	2,017	0	0	83,061	72,893
469	324	0	-1	12,057	10,915
21,411	1,218	-39	-58	35,973	15,651
0	0	0	0	1,958	1,957
21,411	1,218	-39	-58	34,016	13,694
1,187	8,953	-1,331	-2,847	8,508	19,431
40,208	41,324	-10,137	-9,438	501,318	449,656
				24,185	21,404
386	391	0	0	1,751	1,768
0	0	0	0	386,202	345,752
15,430	35,916	-2,315	-3,146	48,794	62,016
14	1,181	-8	0	18,374	16,084
15,416	34,735	-2,307	-3,146	30,420	45,932
944	665	0	0	9,379	8,129
19,573	1,110	0	0	31,007	10,586
				501,318	**449,656**

SEGMENT REPORTING – INCOME STATEMENT

	NON-LIFE SEGMENT		LIFE SEGMENT	
(€ million)	31/12/2014	31/12/2013	31/12/2014	31/12/2013
1.1 Net earned premiums	19,622	19,788	44,699	40,826
1.1.1 Gross earned premiums	20,906	21,420	45,418	41,485
1.1.2 Earned premiums ceded	-1,284	-1,632	-719	-659
1.2 Fee and commission income and income from financial service activities	0	0	251	210
1.3 Net income from financial instruments at fair value through profit or loss	-162	-124	3,698	4,730
1.4 Income from subsidiaries, associated companies and joint ventures	103	69	249	239
1.5 Income from other financial instruments and land and buildings (investment properties)	2,161	2,217	13,351	12,586
1.6 Other income	1,591	1,001	2,097	824
1 TOTAL INCOME	**23,315**	**22,951**	**64,346**	**59,414**
2.1 Net insurance benefits and claims	-13,110	-13,575	-53,893	-49,526
2.1.1 Claims paid and change in insurance provisions	-13,696	-14,499	-54,583	-50,027
2.1.2 Reinsurers' share	586	924	690	501
2.2 Fee and commission expenses and expenses from financial service activities	0	0	-112	-117
2.3 Expenses from subsidiaries, associated companies and joint ventures	-50	-12	-18	-271
2.4 Expenses from other financial instruments and land and buildings (investment properties)	-833	-764	-1,578	-1,397
2.5Acquisition and administration costs	-5,364	-5,437	-4,876	-4,845
2.6Other expenses	-2,296	-1,650	-1,351	-1,239
2 TOTAL EXPENSES	**-21,653**	**-21,438**	**-61,827**	**-57,395**
EARNINGS BEFORE TAXES	**1,662**	**1,513**	**2,519**	**2,020**

Appendix 2

HOLDING AND OTHER SEGMENTS		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
1	8	0	0	64,322	60,622
0	8	0	0	66,324	62,913
1	1	0	0	-2,003	-2,290
931	839	-216	-177	967	872
-25	5	0	0	3,510	4,611
2	8	-163	-135	192	181
591	702	-113	-131	15,991	15,374
456	458	-843	-37	3,301	2,246
1,955	**2,020**	**-1,334**	**-480**	**88,282**	**83,905**
0	0	0	0	-67,003	-63,101
0	0	0	0	-68,280	-64,527
0	0	0	0	1,276	1,425
-396	-367	39	15	-470	-468
0	-11	0	0	-68	-294
-1,083	-1,078	32	17	-3,461	-3,222
-422	-394	173	158	-10,489	-10,518
-1,005	-1,032	815	33	-3,838	-3,888
-2,907	**-2,882**	**1,058**	**223**	**-85,329**	**-81,492**
-952	**-862**	**-276**	**-257**	**2,953**	**2,413**

Tangible and intangible assets

Appendix 3

	At cost	At revalued amount or at fair value	Total
Land and buildings (investment properties)	12,628		12,628
Land and buildings (self used)	2,797		2,797
Other tangible assets	1,814		1,814
Other intangible assets	1,983		1,983

Amounts ceded to reinsurers from insurance provisions

Appendix 4

(€ million)	Direct insurance		Accepted reinsurance		Total book value	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Non-life amounts ceded to reinsurers from insurance provisions(*)	2,175	2,454	858	985	3,033	3,439
Provisions for unearned premiums	365	421	67	82	432	503
Provisions for outstanding claims	1,807	2,028	784	900	2,592	2,929
Other insurance provisions	3	4	7	3	10	7
Life amounts ceded to reinsurers from insurance provisions(*)	810	632	534	805	1,344	1,437
Provisions for outstanding claims	310	224	298	239	607	463
Mathematical provisions	313	214	230	562	543	777
"Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds"	155	156	0	0	155	156
Other insurance provisions	32	37	7	4	39	41
Total	2,985	3,085	1,392	1,790	**4,378**	**4,875**

(*) After the elimination of intra-group transactions between segments.

Appendix 5

Financial assets

(€ million)	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			
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Equities at cost	0	0	0	0	48	288	0	0	0	0	48	288
Equities at fair value	0	0	0	0	9,734	10,540	4	136	2,460	2,200	12,198	12,876
- of which quoted equities	0	0	0	0	8,133	9,097	4	135	2,428	2,058	10,565	11,291
Bonds	2,910	4,088	35,338	38,193	247,076	201,989	22	789	14,929	14,853	300,274	259,912
- of which quoted bonds	2,910	4,088	0	0	242,282	197,353	22	769	13,864	14,169	259,077	216,377
Investment fund units	0	0	0	0	17,139	15,833	667	18	59,905	50,141	77,711	65,992
Loans and receivables from customers	0	0	1,558	6,446	0	0	0	0	0	0	1,558	6,446
Loans and receivables from banks	0	0	136	1,644	0	0	0	0	0	0	136	1,644
Deposits under reinsurance business accepted	0	0	754	702	0	0	0	0	0	0	754	702
Deposit components of reinsurance contracts	0	0	0	0	0	0	0	0	0	0	0	0
Other loans and receivables	0	0	12,994	16,386	0	0	0	0	0	0	12,994	16,386
Derivatives	0	0	0	0	0	0	1,560	1,382	0	0	1,560	1,382
Hedging derivatives(*)	0	0	0	0	0	0	0	0	373	78	373	78
Other financial investments	31	28	0	0	2,502	1,380	0	563	3,141	2,734	5,673	4,704
Total	**2,940**	**4,115**	**50,780**	**63,371**	**276,498**	**230,031**	**2,253**	**2,887**	**80,808**	**70,006**	**413,279**	**370,410**

(*) 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

Appendix 6

	Policies where the investment risk is borne by the policyholders		Pension funds		Total	
(€ million)	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Assets	65,522	56,898	2,185	2,218	67,707	59,116
Intra-group assets(*)						
Total	**65,522**	**56,898**	2,185	2,218	67,707	59,116
Financial liabilities	14,361	11,743	1,526	1,484	15,886	13,227
Insurance provisions(**)	51,428	45,567	90	86	51,519	45,653
Intra-group liabilities(*)						
Total	**65,789**	**57,311**	1,616	1,570	67,405	58,880

(*) 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

Appendix 7

(€ million)	Direct insurance		Accepted reinsurance		Total book value	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Non-life insurance provisions(*)	31,594	31,511	1,556	1,461	**33,150**	**32,972**
Provisions for unearned premiums	5,241	5,350	197	180	5,438	5,530
Provisions for outstanding claims	25,891	25,729	1,352	1,276	27,243	27,005
Other insurance provisions	462	432	7	5	469	437
of which provisions for liability adequacy test	20	14	0	0	20	14
Life insurance provisions(*)	351,312	311,113	1,739	1,668	**353,052**	**312,780**
Provisions for outstanding claims	5,225	4,548	1,074	972	6,299	5,520
Mathematical provisions	249,760	238,629	530	559	250,290	239,189
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	51,663	45,795	11	14	51,674	45,809
Other insurance provisions	44,664	22,140	124	123	44,788	22,263
of which provisions for liability adequacy test	1,053	826	0	0	1,053	826
of which deferred policyholder liabilities	25,300	3,999			25,300	3,999
Total provisions	**382,906**	**342,624**	**3,296**	**3,129**	**386,202**	**345,752**

(*) After the elimination of intra-group transactions between segments.

Financial liabilities

Appendix 8

	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)	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Preference shares	0	0	0	0	0	0	0	0
Subordinated liabilities	0	0	0	0	8,315	7,612	8,315	7,612
Financial liabilities related to investment contracts issued by insurance companies	0	0	15,964	13,270	4,811	4,663	20,776	17,933
where the investment risk is borne by the policyholders	0	0	14,361	11,743	0	0	14,361	11,743
pension funds	0	0	1,526	1,484	0	0	1,526	1,484
other liabilities related to investment contracts	0	0	78	42	4,811	4,663	4,889	4,705
Deposits received from reinsurers	0	0	0	0	805	997	805	997
Deposit components of insurance contract	0	0	0	0	0	0	0	0
Bonds	0	0	0	0	3,860	4,915	3,860	4,915
Liabilities to customers	0	0	0	0	8,003	22,392	8,003	22,392
Liabilities to banks	0	0	0	0	946	1,616	946	1,616
Other loans	0	0	0	0	3,679	3,738	3,679	3,738
Derivatives	1,709	1,131	0	0	0	0	1,709	1,131
Hedging derivatives	0	0	675	894	0	0	675	894
Other financial liabilities	0	0	25	789	0	0	25	789
Total	**1,709**	**1,131**	**16,665**	**14,952**	**30,420**	**45,932**	**48,794**	**62,016**

(*) In accordance with Regolamento n° 7 of 13 July 2007 hedging derivatives are only derivatives for which hedge accounting is applied.

Technical insurance items

Appendix 9

	31/12/2014			31/12/2013		
(€ million)	Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
NON-LIFE SEGMENT						
NET EARNED PREMIUMS	20,906	1,284	19,622	21,420	1,632	19,788
a Premiums written	20,818	1,223	19,596	21,236	1,506	19,730
b Change in the provisions for unearned premiums	88	62	26	184	126	58
NET INSURANCE BENEFITS AND CLAIMS	13,696	586	13,110	14,499	924	13,575
a Claims paid	13,579	919	12,661	14,187	1,169	13,019
b Change in the provisions for outstanding claims	50	-332	382	226	-231	457
c Change in claims to be recovered	50	1	49	29	-15	44
d Change in other insurance provisions	16	-2	18	57	2	56
LIFE SEGMENT						**0**
NET PREMIUMS	45,418	719	44,699	41,485	659	40,826
NET INSURANCE BENEFITS AND CLAIMS	54,583	690	53,893	50,027	501	49,526
a Claims paid	34,596	641	33,954	33,869	496	33,373
b Change in the provisions for outstanding claims	803	-24	827	117	-0	118
c Change in the mathematical provisions	10,851	-1	10,852	10,175	-5	10,179
d Change in the provisions for policies where the investment risk is borne by the policyholders and the provisions for pension funds	5,965	-1	5,967	4,790	-2	4,792
e Change in other insurance provisions	2,367	75	2,292	1,076	12	1,064

Income and expenses from investments, receivables and payables

Appendix 10

(€ 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 31/12/2014	Total income and expenses 31/12/2013
							Unrealized gains	Reversal of impairment losses	Unrealized losses	Impairment losses			
Income and expenses from investments	**10,293**	**2,587**	**-421**	**4,458**	**-801**	**16,116**	**6,686**	**127**	**-2,727**	**-1,293**	**2,793**	**18,909**	**18,023**
a from land and buildings (investment properties)	0	934	-421	113	-10	616	0	42	0	-165	-123	493	647
b from investments in subsidiaries, associated companies and joint ventures	0	92	0	81	-29	144	0	19	0	-39	-20	124	-98
c from held to maturity investments	129	0	0	0	-0	129	0	0	0	0	0	129	157
d from loans and receivables	2,095	0	0	231	-37	2,289	0	16	0	-191	-175	2,114	2,067
e from available for sale financial assets	7,638	1,182	0	3,383	-304	11,899	0	50	0	-898	-848	11,051	10,523
f from financial assets held for trading	2	0	0	6	-8	-0	4	0	-9	-0	-5	-6	-2
g from financial assets designated as at fair value through profit or loss	428	378	0	645	-412	1,040	6,682	0	-2,717	0	3,965	5,004	4,730
Income and expenses from receivables	**8**	**0**	**0**	**0**	**-5**	**3**	**0**	**-86**	**0**	**-52**	**-138**	**-135**	**-203**
Income and expensed from cash and cash equivalents	**49**	**0**	**0**	**0**	**0**	**49**	**0**	**0**	**0**	**0**	**0**	**49**	**96**
Income and expenses from financial liabilities	**-1,317**	**0**	**0**	**59**	**-474**	**-1,731**	**329**	**0**	**-1,362**	**0**	**-1,033**	**-2,764**	**-1,473**
a from financial liabilities held for trading	-2			8	-240	-234	1	0	-599	0	-598	-832	46
b from financial liabilities designated as at fair value through profit or loss	-17			17	-154	-154	327	0	-763	0	-435	-590	-164
c from other financial liabilities	-1,298			35	-79	-1,342	0	0	0	0	0	-1,342	-1,355
Income and expenses from payables	**0**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**9,033**	**2,587**	**-421**	**4,518**	**-1,279**	**14,437**	**7,015**	**41**	**-4,088**	**-1,346**	**1,622**	**16,059**	**16,443**

Acquisition and administration costs of insurance business

	Non-life segment		Life segment	
(€ million)	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Commissions and other acquisition costs	4.328	4.415	3.878	3.854
a Acquisition and administration commissions	3.191	3.260	2.746	2.754
b Other acquisition costs	935	943	1.089	1.089
c Change in deferred acquisition costs	16	20	-18	-51
d Collecting commissions	186	193	61	63
Commissions and profit commissions from reinsurers	-171	-206	-150	-100
Commissions and other acquisition costs net of commissions and profit commissions from reinsurers(*)	38	51	197	169
Other administration costs	1.169	1.178	951	922
Total	5.364	5.437	4.876	4.845

(*) Before the elimination of intra-group transactions between segments.

Details on other comprehensive income

Appendix 12

	Allocation		Transfer to profit and loss account		Other transfer		Total variation		Taxes		Amounts	
(€ million)	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Items that may be reclassified to profit and loss in future periods												
Reserve for currency translation differences	105	-396	5	50			110	-346	-8	-9	-191	-301
Net unrealized gains and losses on investments available for sale	5,694	1,034	-1,678	-1,082			4,017	-48	-1,766	197	6,573	2,557
Net unrealized gains and losses on cash flows hedging derivatives	71	-11	-50	115			21	104	-11	-44	-175	-195
Net unrealized gains and losses on hedge of a net investment in foreign operations	-1	-0	0	0			-1	-0	-0	0	-47	-46
Share of other comprehensive income of associates	48	-17	1	0			49	-17	0	0	72	23
Result of discontinued operations	36	-79	-6	-34			29	-113	0	0	576	547
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	-196	25					-196	25	0	0	-437	-242
Reserve for revaluation model on intangible assets												
Reserve for revaluation model on tangible assets												
Actuarial gains or losses arising from defined benefit plans	-529	100					-529	100	240	-45	-962	-433
TOTAL OTHER COMPREHENSIVE INCOME	5,227	655	-1,728	-950	0	0	3,499	-295	-1,544	99	5,409	1,909

Appendix 13

Details on financial assets reclassified and its effects in profit and loss account and comprehensive income (€ million)

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 31/12/2014		Fair value as at 31/12/2014		Financial assets reclassified in 2014		Financial assets reclassified until 2014		Financial assets reclassified in 2014		Financial assets reclassified until 2014	
from	to			Financial assets reclassified in 2014	Financial assets reclassified until 2014	Financial assets reclassified in 2014	Financial assets reclassified until 2014	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		4,202		4,969			0	0				-767
Financial asset at fair value through profit or loss	Loans and receivables	Corporate bonds	630		127		137			0	0			-10	
Total			**14,658**		**4,330**		**5,106**			**0**	**0**			**-10**	**-767**

Assets and liabilities measured at fair value on recurring and non-recurring basis: fair value hierarchy

Appendix 14

	Level 1		Level 2		Level 3		Total	
(€ million)	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Financial assets and liabilities at fair value through profit or loss on recurring basis								
Available for sale financial assets	242,348	201,389	28,257	22,871	5,893	5,769	276,435	230,030
Financial assets at fair value through profit or loss	56,584	42,816	24,720	28,239	1,756	1,763	83,072	72,818
Financial assets held for trading	696	1,725	1,543	1,066	14	20	2,253	2,811
Financial assets designated at fair value through profit or loss	55,888	41,091	23,177	27,173	1,742	1,743	80,820	70,007
Investment properties								
Tangible assets								
Intangible assets								
Total financial assets at fair value	**298,932**	**244,205**	**52,976**	**51,111**	**7,650**	**7,532**	**359,507**	**302,848**
Financial liabilities at fair value through profit or loss	14,829	13,213	3,499	2,718	45	77	18,373	16,008
Financial liabilities held for trading	1	281	1,711	775	0	-1	1,712	1,055
Financial liabilities designated as at fair value through profit or loss	14,828	12,932	1,789	1,943	45	78	16,661	14,952
Total financial liabilities at fair value on recurring basis	**14,827**	**13,213**	**3,501**	**2,718**	**45**	**77**	**18,373**	**16,008**
Total financial assets and liabilities at fair value on recurring basis	**3,471**	**286**	**1,169**	**35**	**28**	**15**	**4,668**	**336**
Non-current assets or of discontinued operations	2,899	286	565	35	28	15	3,492	336
Non-current liabilities or of discontinued operations	572	0	604	0	0	0	1,176	0

Appendix 15

Detail of the variations of assets and liabilities measured at fair value on a recurring basis classified in Level 3

	Available for sale financial assets	Financial assets at fair value through profit or loss		Investment properties	Tangible assets	Intangible assets	Financial liabilities at fair value through profit or loss	
		Financial assets held for trading	Financial assets designated as at fair value through profit or loss				Financial liabilities held for trading	Financial liabilities designated as at fair value through profit or loss
Opening balance	**5,769**	**20**	**1,743**				**1**	**77**
Purchases and issues	925	5	351				0	0
Disposals through sales and settlements	-878	-6	-551				0	0
Pay-backs	-110	0	-2				0	0
Net gains and losses recognized in P&L	241	0	-16				0	-19
of which net unrealised gains and losses	0	0	-16				0	-19
Net unrealised gains and losses recognized in OCI	241	0	0				0	0
Net transfers in Level 3	395	0	1				0	0
Net transfers out of Level 3	-588	-4	0				0	-14
Other changes	140	-1	217				1	0
Closing balance	**5,893**	**14**	**1,742**				**2**	**44**

Assets and liabilities not measured at fair value: fair value hierarchy

Appendix 16

(€ million)	Book value		Fair Value							
			Level 1		Level 2		Level 3		Total	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Assets										
Held to maturity investments	2,940	4,115	1,889	3,297	1,098	746	31	53	3,018	4,095
Loans and receivables	47,827	60,158	6,709	7,377	40,074	41,016	7,792	15,760	54,575	64,153
Investments in subsidiaries, associated companies and joint ventures	1,284	1,407	0	0	0	0	1,284	1,407	1,284	1,407
Land and buildings (investment properties)	12,628	12,828	0	0	0	0	17,650	17,910	17,650	17,910
Other assets			0	0	0	0	3,181	3,370	3,181	3,370
Totale assets	64,680	78,508	8,598	10,674	41,172	41,762	29,938	38,500	79,708	90,935
Liabilities										
Other liabilities	24,804	40,273	12,900	12,328	5,312	4,960	8,385	24,367	26,598	41,655

Change in the consolidation area

Subsidiaries consolidated line by line

Non-consolidated subsidiaries and associated companies

Newly consolidated Change in the consolidation area(*)

Newly consolidated:	
1.	BSI Bank (Panama) S.A., Panama
2.	BSI Fund Management S.A., Luxembourg
3.	Cofifo S.A.S., Paris
4.	DWP Partnership, Bangkok
5.	EASA Training Academy (Pty) Ltd, Constantia Kloof
6.	FTW Co. Ltd., Bangkok
7.	Generali Financial Holding FCP-FIS - Sub-Fund 2, Luxembourg
8.	Generali Investments Luxembourg S.A., Hesperange
9.	GG Einkaufszentrum Marienplatz , Berlin
10.	GID-Fonds AAHYSL, Cologne
11.	GID-Fonds DLAET, Frankfurt
12.	GID-Fonds GLRET 5, Frankfurt
13.	Haussmann Investissement SAS, Paris
14.	HSR Verpachtung GmbH, Wien
15.	MGD Co. Ltd., Bangkok
16.	MKE Kaufhausvermietungs GmbH, Wien
17.	Palac Krizik a.s., Prague
18.	Residenze CYL S.p.A., Milan
19.	SC HOCHE, Paris
20.	SCI 18-20 rue de la Paix, Paris
21.	SCI 204 PEREIRE, Paris
22.	SCI 28 COURS A 1ER, Paris
23.	SCI 33 MONTAIGNE, Paris
24.	SCI 5/7 MONCEY, Paris
25.	SCI 6 MESSINE, Paris
26.	SCI Berges de Seine, Paris
27.	SCI BUREAUX PARIS, Paris

* Consolidation area consists of companies consolidated “line by line”.

Company disposed of/wound up:	
1.	3 Banken-Generali - CEE Liquid, Wien
2.	Alpine Services Ltd, Nassau
3.	AM Vertriebsservice-Gesellschaft für Personenversicherungen mbH (merged in VVS Versicherungs-Vertriebsservice GmbH), Frankfurt
4.	AMCO Beteiligungs-GmbH (merged in Generali Deutschland Holding AG), Aachen
5.	Anderfin SA, Lugano
6.	BSI Generali Bank (Channel Islands) Limited, St. Peter Port
7.	BSI Trust Corp. (Bahamas) Ltd, Nassau
8.	Fata Assicurazioni Danni S.p.A., Rome
9.	Finagen S.p.A. in liquidazione, Mogliano Veneto
10.	FT GEN-Fonds, Frankfurt
11.	Generali Capital Finance B.V (merged in Generali Finance B.V.), Amsterdam
12.	Generali Horizon S.p.A., Trieste
13.	Generali Vermögensverwaltung GmbH & Co. KG (merged in Generali Beteiligungs-GmbH), Aachen
14.	Generali/AIV Leasing Salzburg GmbH (merged in Generali Versicherung AG), Wien
15.	Generali/AIV Leasing St.Pölten GmbH (merged in Generali Versicherung AG), Wien
16.	Generali/AIV Leasing Vorarlberg GmbH (merged in Generali Versicherung AG), Wien
17.	GLL AMB Generali South Express S.à.r.l., Luxembourg
18.	Icare Assurance S.A., Boulogne Bollancourt
19.	Icare Courtage S.a.r.l., Boulogne Bollancourt
20.	Icare S.A., Boulogne Bollancourt
21.	Interunfall/AIV-Leasing Salzburg GmbH (merged in Generali Versicherung AG), Wien
22.	Interunfall/AIV-Leasing Voarlberg GmbH (merged in Generali Versicherung AG), Wien
23.	Risparmio Assicurazioni S.p.A., Trieste
14.	SC Progador (SCI) (merged in Generali Vie S.A.), Paris
25.	SCI 3-5 Malesherbes (merged in SCI Malesherbes), Paris
26.	SCI Generali Le Dufy (merged in Generali Vie S.A.), Paris
27.	SCI Generali Le Franklin (merged in Generali Vie S.A.), Paris
28.	SCI Generali Pierre (merged in SCI GF Pierre), Paris
29.	SCI Haussmann 50-Generali (merged in Generali Vie S.A.), Paris
30.	SCI Parcolog Dagneux, Paris
31.	SCI Parcolog Orchies, Paris
32.	Solidia Finance et Patrimonie S.A. (merged in Oudart Patrimoine Sarl), Paris
33.	Thalia S.A., Lugano
34.	Volksfürsorge AG Vertriebsgesellschaft für Vorsorge- und Finanzprodukte (merged in Generali Versicherung AG), Munchen

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)
Assicurazioni Generali S.p.A.	086	EUR	1,556,873,283	G	1		0.01	Genertellife S.p.A.	0.02	100.00
							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		65.10	Europ Assistance Holding S.A.	91.15	90.49
							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	90.49
Europ Assistance Trade S.p.A.	086	EUR	540,000	G	11		91.50	Europ Assistance Italia S.p.A.	100.00	90.49
							8.50	Europ Assistance Service S.p.A.		
Europ Assistance Vai S.p.A.	086	EUR	468,000	G	11		98.89	Europ Assistance Service S.p.A.	98.89	89.48
Generali Corporate Services S.c.a.r.l.	086	EUR	10,000	G	11	1.00			99.00	98.33
							2.00	Genertellife S.p.A.		
							1.00	Alleanza Assicurazioni S.p.A.		
							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 Immobiliare Italia SGR S.p.A.		
							1.00	SIMGENIA S.p.A. Società di Intermediazione Mobiliare		
							1.00	Generali Investments Europe S.p.A. Società di Gestione Risparmio		
							1.00	Generali Business Solutions S.c.p.A.		
							87.00	Generali Italia S.p.A.		
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	50.61
Banca Generali S.p.A.	086	EUR	115,677,077	G	7		9.61	Generali Vie S.A.	50.71	50.61
							0.44	Genertel S.p.A.		
							2.43	Alleanza Assicurazioni S.p.A.		
							4.87	Genertellife S.p.A.		
							33.36	Generali Italia S.p.A.		
Fondo Scarlatti	086	EUR	547,456,612	G	10		2.89	Generali Vie S.A.	67.31	67.28
							1.94	Genertel S.p.A.		

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	
							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
EOS Servizi Fiduciari S.p.A.	086	EUR	3,000,000	G	11		100.00	BSI S.A.	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	2,094,121,438	G	10		1.52	Genertel S.p.A.	100.00	100.00
							2.06	Generali Properties S.p.A.		
							29.47	Alleanza Assicurazioni S.p.A.		
							10.87	Genertellife S.p.A.		
							56.08	Generali Italia S.p.A.		
Fondo Immobiliare Toscanini	086	EUR	262,022,734	G	10		1.89	Assitimm S.r.l.	100.00	100.00
							18.45	Alleanza Assicurazioni S.p.A.		
							0.38	Genertellife S.p.A.		
							79.28	Generali Italia S.p.A.		
Generali Infrastructure Services s.c.a.r.l.	086	EUR	4,806,462	G	11	48.20			100.00	99.72
							0.10	Generali Belgium S.A.		
							0.10	Ceska pojistovna, a.s.		
							0.10	Generali Pojistovna a.s.		
							0.10	Generali Vida Companhia de Seguros S.A.		
							0.50	Generali Vie S.A.		
							50.90	Generali Business Solutions S.c.p.A.		
Generali Business Solutions S.c.p.A.	086	EUR	8,010,000	G	11	1.00			99.75	99.45
							0.25	Genertel S.p.A.		
							0.25	SIMGENIA S.p.A. Società di Intermediazione Mobiliare		
							0.01	Europ Assistance Italia S.p.A.		
							0.01	Generali Corporate Services S.c.a.r.l.		
							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 Immobiliare Italia SGR 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]
							1.01	Alleanza Assicurazioni S.p.A.		
							0.55	Banca Generali S.p.A.		
							0.05	Generali Infrastructure Services s.c.a.r.l.		
							0.26	Genertellife S.p.A.		
							0.26	Generali Investments Europe S.p.A. Società di Gestione Risparmio		
							96.05	Generali Italia S.p.A.		
Genertel Servizi Assicurativi S.r.l.	086	EUR	80,000	G	11		50.00	Genertellife S.p.A.	100.00	100.00
							50.00	Genertel 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	50.61
Generali Immobiliare Italia SGR S.p.A.	086	EUR	5,000,000	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	99.64
							28.29	Generali Deutschland Holding AG		
							28.29	Generali France S.A.		
							5.70	Generali France Assurances S.A.		
SIMGENIA S.p.A. Società di Intermediazione Mobiliare	086	EUR	5,200,000	G	8		40.00	Alleanza Assicurazioni S.p.A.	100.00	92.59
							15.00	Banca Generali S.p.A.		
							45.00	Generali Italia S.p.A.		
Genertellife S.p.A.	086	EUR	168,200,000	G	1		100.00	Generali Italia S.p.A.	100.00	100.00
Generali Innovation Center for Automobile Repairs S.c.a.r.l.	086	EUR	3,100,000	G	11		0.25	Genertel S.p.A.	100.00	99.99
							1.00	Generali Business Solutions S.c.p.A.		
							98.75	Generali Italia S.p.A.		
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		28.18	Alleanza Assicurazioni S.p.A.	100.00	99.74
							71.82	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 Holding 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.		

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	
AachenMünchener Lebensversicherung AG	094	EUR	71,269,998	G	2		100.00	Generali Deutschland Holding AG	100.00	100.00
AachenMünchener Versicherung AG	094	EUR	136,463,896	G	2		100.00	Generali Deutschland Holding 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 Holding AG	100.00	100.00
Europ Assistance Versicherungs-Aktiengesellschaft	094	EUR	2,800,000	G	2		25.00	Generali Deutschland Holding AG	100.00	99.23
							75.00	Europ Assistance S.A.		
Europ Assistance Services GmbH	094	EUR	250,000	G	11		100.00	Europ Assistance Versicherungs-Aktiengesellschaft	100.00	99.23
Cosmos Lebensversicherungs Aktiengesellschaft	094	EUR	11,762,200	G	2		100.00	Generali Deutschland Holding AG	100.00	100.00
Cosmos Versicherung Aktiengesellschaft	094	EUR	9,205,200	G	2		100.00	Generali Deutschland Holding AG	100.00	100.00
ENVIVAS Krankenversicherung AG	094	EUR	1,022,800	G	2		100.00	Generali Deutschland Holding AG	100.00	100.00
AdvoCard Rechtsschutzversicherung Aktiengesellschaft	094	EUR	12,920,265	G	2		100.00	Generali Deutschland Holding AG	100.00	100.00
Generali Deutschland Pensionskasse AG	094	EUR	7,500,000	G	2		100.00	Generali Deutschland Holding 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	99.64
VVS Versicherungs-Vertriebsservice 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	99.64
Generali Deutschland Pensor 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	100.00	100.00
							5.55	AdvoCard Rechtsschutzversicherung Aktiengesellschaft		
							22.21	AachenMünchener Lebensversicherung AG		
							22.21	Central Krankenversicherung Aktiengesellschaft		
							27.77	Generali Lebensversicherung Aktiengesellschaft		
							16.66	Cosmos Lebensversicherungs Aktiengesellschaft		
							0.04	Generali Real Estate 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]
Generali Northern America Real Estate Investments GmbH & Co. KG	094	EUR	17,560,021	G	10		27.75	AachenMünchener Lebensversicherung AG	100.00	100.00
							38.80	Generali Lebensversicherung Aktiengesellschaft		
							16.76	Central Krankenversicherung Aktiengesellschaft		
							16.64	Cosmos Lebensversicherungs Aktiengesellschaft		
							0.05	Generali Real Estate S.p.A.		
Generali Beteiligungs- und Verwaltungs-AG	094	EUR	66,963,298	G	4		98.78	Generali Deutschland Holding AG	100.00	100.00
							1.22	Transocean Holding Corporation		
AM Erste Immobilien AG & Co. KG	094	EUR	71,360,992	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 Holding AG	100.00	100.00
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 Holding AG	100.00	100.00
Generali Deutschland Schadenmanagement GmbH	094	EUR	100,000	G	11		100.00	Generali Deutschland Holding AG	100.00	100.00
Generali Deutschland Finanzdienstleistung GmbH	094	EUR	52,000	G	11		100.00	Generali Deutschland Holding AG	100.00	100.00
Generali Deutschland Informatik Services GmbH	094	EUR	15,000,000	G	11		100.00	Generali Deutschland Holding 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
Schloss Bensberg Management GmbH	094	EUR	250,000	G	10		100.00	AachenMünchener Lebensversicherung AG	100.00	100.00
Generali Deutschland 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

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method(1)	Activity(2)	Shareholding% Direct	Shareholding% Indirect	Shareholding% Through	Shareholding% Total	Group equity ratio(3)
Grundstücksgesellschaft Einkaufszentrum Louisen-Center Bad Homburg mbH & Co. KG	094	EUR	77,675,829	G	10		100.00	Generali Deutschland Holding AG	100.00	100.00
GID-Fonds AAREC	094	EUR	3,309,907,657	G	11		0.85	Dialog Lebensversicherungs-Aktiengesellschaft	100.00	100.00
							22.74	AachenMünchener Lebensversicherung AG		
							43.30	Generali Lebensversicherung Aktiengesellschaft		
							21.05	Central Krankenversicherung Aktiengesellschaft		
							10.92	Cosmos Lebensversicherungs Aktiengesellschaft		
							0.47	AdvoCard Rechtsschutzversicherung Aktiengesellschaft		
							0.67	Generali Deutschland Pensionskasse AG		
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	472,120,787	G	11		100.00	Central Krankenversicherung Aktiengesellschaft	100.00	100.00
GID-Fonds VLAOT	094	EUR	1,604,768,317	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
GID-Fonds GLLAE	094	EUR	639,802,405	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 Holding AG	100.00	100.00
							43.10	Generali Versicherung Aktiengesellschaft		
							13.45	Cosmos Versicherung Aktiengesellschaft		
							34.66	AdvoCard Rechtsschutzversicherung Aktiengesellschaft		
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	845,412,069	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
GID-Fonds GLRET 2	094	EUR	774,765,272	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
GID-Fonds GLRET 4	094	EUR	463,697,568	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	101,254,032	G	11		96.87	Generali Deutschland Pensor Pensionsfonds AG	96.87	96.87
GLL AMB Generali Properties Fund I GmbH & Co. KG	094	EUR	36,860,630	G	11		100.00	GLL AMB Generali Cross-Border Property Fund FCP	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]
GLL AMB Generali Properties Fund II GmbH & Co. KG	094	EUR	63,480,666	G	11		100.00	GLL AMB Generali Cross-Border Property Fund FCP	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	37,677,828	G	11		100.00	AachenMünchener Versicherung AG	100.00	100.00
GID-Fonds AVAOT III	094	EUR	30,981,237	G	11		100.00	AdvoCard Rechtsschutzversicherung Aktiengesellschaft	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	655,124,008	G	11		100.00	Cosmos Lebensversicherungs Aktiengesellschaft	100.00	100.00
GID-Fonds GLRET	094	EUR	2,621,288,460	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
GID-Fonds DLRET	094	EUR	57,914,506	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	560,657,125	G	11		100.00	Generali Versicherung Aktiengesellschaft	100.00	100.00
GENTUM Nr. 1	094	EUR	159,387,421	G	11		20.00	Cosmos Lebensversicherungs Aktiengesellschaft	100.00	100.00
							25.00	Central Krankenversicherung Aktiengesellschaft		
							2.00	Dialog Lebensversicherungs-Aktiengesellschaft		
							23.00	AachenMünchener Lebensversicherung AG		
							27.00	Generali Lebensversicherung Aktiengesellschaft		
							3.00	AdvoCard Rechtsschutzversicherung Aktiengesellschaft		
GID-Fonds AVRET	094	EUR	196,690,722	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 USD	094	EUR	225,308,064	G	11		100.00	Cosmos Lebensversicherungs Aktiengesellschaft	100.00	100.00
GENTUM Nr. 2	094	EUR	241,723,995	G	11		20.00	Central Krankenversicherung Aktiengesellschaft	99.99	99.99
							40.00	Generali Lebensversicherung Aktiengesellschaft		
							39.99	AachenMünchener Lebensversicherung AG		
GID-Fonds GLRET 5	094	EUR	6,403,585,925	G	11		100.00	Generali Lebensversicherung Aktiengesellschaft	100.00	100.00
GID-Fonds DLAET	094	EUR	17,099,999	G	11		100.00	Dialog Lebensversicherungs-Aktiengesellschaft	100.00	100.00
GID-Fonds AAHYSL	094	EUR	146,959,780	G	11		36.10	AachenMünchener Lebensversicherung AG	96.52	96.52
							27.07	Generali Lebensversicherung 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)
							20.03	Central Krankenversicherung Aktiengesellschaft		
							13.32	Generali Deutschland Pensionskasse AG		
Generali IARD S.A.	029	EUR	70,310,825	G	2		100.00	Generali France Assurances S.A.	100.00	98.95
Generali Vie S.A.	029	EUR	299,197,104	G	2		100.00	Generali France Assurances S.A.	100.00	98.95
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 France Assurances S.A.	99.99	98.94
GFA Caraïbes	029	EUR	5,742,000	G	2		100.00	Generali France Assurances S.A.	100.00	98.95
Prudence Creole	029	EUR	6,164,000	G	2		0.01	Generali France S.A.	93.81	92.82
							93.79	Generali France Assurances S.A.		
SAS Lonthènes	029	EUR	529,070	G	10		100.00	E-Cie Vie S.A.	100.00	98.95
Europ Assistance France S.A.	029	EUR	2,464,320	G	11		100.00	Europ Assistance Holding S.A.	100.00	98.98
SAS Ocealis	029	EUR	300,000	G	11		75.00	Europ Assistance Holding S.A.	75.00	74.23
Generali France S.A.	029	EUR	114,336,053	G	4	67.10			98.95	98.95
							31.85	Participatie Maatschappij Graafschap Holland N.V.		
Europ Assistance Holding S.A.	029	EUR	17,316,016	G	2		37.86	Generali Vie S.A.	99.99	98.98
							57.81	Generali France S.A.		
							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	98.95
Suresnes Immobilier S.A.	029	EUR	43,040,000	G	10		100.00	Generali Vie S.A.	100.00	98.95
Generali France Assurances S.A.	029	EUR	1,038,510,560	G	5		100.00	Generali France S.A.	100.00	98.95
E-Cie Vie S.A.	029	EUR	86,950,710	G	2		100.00	Generali France Assurances S.A.	100.00	98.95
Haussmann Investissement SAS	029	EUR	2,501,000	G	9		80.00	Generali Vie S.A.	100.00	98.95
							10.00	Generali IARD S.A.		
							10.00	E-Cie Vie S.A.		
Ifa S.A.	029	EUR	15,785,200	G	7		51.00	BSI S.A.	51.00	51.00
Expert & Finance S.A.	029	EUR	3,292,070	G	11		91.19	Generali Vie S.A.	91.19	90.23
Terra Nova V Montreuil SCI	029	EUR	1,000	G	10		0.10	Torelli S.à.r.l.	100.00	99.66
							99.90	Sammartini S.à.r.l.		
Courtage Inter Caraibes	029	EUR	50,000	G	11		99.76	GFA Caraïbes	99.76	98.71
Generali 7 S.A.	029	EUR	270,000	G	11		0.06	Generali Vie S.A.	99.92	98.86
							0.03	Generali France S.A.		
							99.83	Generali France Assurances S.A.		
GEII Rivoli Holding SAS	029	EUR	12,000,000	G	10		100.00	Generali Europe Income Holding S.A.	100.00	99.65
Immobiliare Commerciale des Indes Orientales (IMMOCIO)	029	EUR	134,543,500	G	10		100.00	Generali Vie S.A.	100.00	98.95
SAS IMMOCIO CBI	029	EUR	68,690,268	G	10		100.00	Immobiliare Commerciale des Indes Orientales (IMMOCIO)	100.00	98.95

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]
Oudart S.A.	029	EUR	5,500,000	G	11		100.00	BSI S.A.	100.00	100.00
Oudart Gestion S.A.	029	EUR	1,000,000	G	8		100.00	Oudart S.A.	100.00	100.00
Oudart Patrimoine Sarl	029	EUR	56,120	G	8		100.00	Oudart S.A.	100.00	100.00
Europ Assistance S.A.	029	EUR	35,402,786	G	2		100.00	Europ Assistance Holding S.A.	100.00	98.98
Europ Assistance Téléassistance S.A.S.	029	EUR	100,000	G	11		100.00	Europ Assistance France S.A.	100.00	98.98
SCI Generali Reaumur	029	EUR	10,643,469	G	10		100.00	Generali Vie S.A.	100.00	98.95
SCI du 54 Avenue Hoche	029	EUR	152,400	G	10		99.99	Generali Vie S.A.	100.00	98.95
							0.01	Generali IARD S.A.		
SCI 42 Notre Dame Des Victoires	029	EUR	13,869,690	G	10		100.00	Generali Vie S.A.	100.00	98.95
SCI Generali Pyramides	029	EUR	409,706	G	10		67.88	Generali IARD S.A.	100.00	98.95
							32.12	SCI Generali Wagram		
SCI Generali Wagram	029	EUR	284,147	G	10		100.00	Generali IARD S.A.	100.00	98.95
SCI du Coq	029	EUR	12,877,678	G	10		0.81	Generali IARD S.A.	100.00	98.95
							99.19	Generali Vie S.A.		
SCI Espace Seine-Generali	029	EUR	153,000	G	10		100.00	Generali Vie S.A.	100.00	98.95
SCI GF Pierre	029	EUR	47,394,248	G	10		1.18	Generali IARD S.A.	100.00	98.96
							90.96	Generali Vie S.A.		
							7.86	SCI Generali Wagram		
SCI Landy-Novatis	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	98.95
Generali Habitat SCpl	029	EUR	934,956	G	10		91.14	Generali Vie S.A.	91.14	90.18
SCI Cogipar	029	EUR	10,000	G	10		100.00	Generali Vie S.A.	100.00	98.95
SCI Font Romeu Neige et Soleil	029	EUR	15,200	G	10		100.00	Generali IARD S.A.	100.00	98.95
SC Commerce Paris	029	EUR	1,746,570	G	10		100.00	Generali Vie S.A.	100.00	98.95
SCI Landy-Wilo	029	EUR	1,000,000	G	10		0.10	Generali IARD S.A.	100.00	98.95
							99.90	Generali Vie S.A.		
SCI Generali Carnot	029	EUR	10,525,000	G	10		100.00	Generali Vie S.A.	100.00	98.95
SCI Generali Commerce 1	029	EUR	100,000	G	10		100.00	Generali IARD S.A.	100.00	98.95
SCI Generali Commerce 2	029	EUR	100,000	G	10		100.00	Generali IARD S.A.	100.00	98.95
SCI Generali le Moncey	029	EUR	919,020	G	10		100.00	Generali Vie S.A.	100.00	98.95
SC Generali Logistique	029	EUR	123,680,773	G	10		100.00	Generali Vie S.A.	100.00	98.95
SCI Beaune Logistique 1	029	EUR	8,001,000	G	10		0.10	Generali Vie S.A.	100.00	98.95
							99.90	SC Generali Logistique		
SCI Parcolog Lille Henin Beaumont 2	029	EUR	633,077	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Iris La Défense	029	EUR	1,350	G	10		44.44	Generali IARD S.A.	100.00	98.95
							55.56	Generali Vie S.A.		
OPCI Parcolog Invest	029	EUR	225,848,750	G	10		68.31	Generali Vie S.A.	100.00	98.95
							31.69	E-Cie Vie S.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]
SCI Parc Logistique Maisonneuve 1	029	EUR	7,051,000	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Parc Logistique Maisonneuve 2	029	EUR	5,104,000	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Parc Logistique Maisonneuve 3	029	EUR	8,004,000	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Parc Logistique Maisonneuve 4	029	EUR	8,004,000	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Parcolog Isle D'Abeau 1	029	EUR	11,472,000	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Parcolog Isle D'Abeau 2	029	EUR	12,476,000	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Parcolog Isle D'Abeau 3	029	EUR	12,476,000	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Parcolog Gondreville Fontenoy 2	029	EUR	3,838,000	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Parcolog Combs La Ville 1	029	EUR	7,001,000	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Parcolog Mitry Mory	029	EUR	11,320,950	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Parcolog Bordeaux Cestas	029	EUR	9,508,000	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Parcolog Marly	029	EUR	7,001,000	G	10		100.00	SC Generali Logistique	100.00	98.95
SC Parcolog Messageries	029	EUR	1,000	G	10		100.00	SC Generali Logistique	100.00	98.95
SCI Commerces Regions	029	EUR	1,000	G	10		1.00	Generali IARD S.A.	100.00	98.95
							99.00	Generali Vie S.A.		
SCI Eureka Nanterre	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	98.95
SCI Thiers Lyon	029	EUR	1,000	G	10		1.00	Generali IARD S.A.	100.00	98.95
							99.00	Generali Vie S.A.		
SCI Iliade Massy	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	98.95
SAS Parcolog Lille Henin Beaumont 1	029	EUR	302,845	G	10		100.00	OPCI Parcolog Invest	100.00	98.95
OPCI Generali Bureaux	029	EUR	103,996,539	G	10		100.00	Generali Vie S.A.	100.00	98.95
OPCI Generali Residentiel	029	EUR	149,607,800	G	10		100.00	Generali Vie S.A.	100.00	98.95
OPCI GB1	029	EUR	153,698,740	G	10		100.00	Generali Vie S.A.	100.00	98.95
OPCI GR1	029	EUR	200,481,793	G	10		19.16	Generali IARD S.A.	100.00	98.95
							42.51	Generali Vie S.A.		
							7.19	L'Equité S.A. Cie d'Assurances et Réass. contre les risques de toute nature		
							31.14	E-Cie Vie S.A.		
SCI 18-20 rue de la Paix	029	EUR	20,207,750	G	10		100.00	Generali Vie S.A.	100.00	98.95
SCI Berges de Seine	029	EUR	7,500,250	G	10		100.00	Generali Vie S.A.	100.00	98.95
SCI 6 MESSINE	029	EUR	9,631,000	G	10		100.00	OPCI GR1	100.00	98.95
SCI 204 PEREIRE	029	EUR	4,480,800	G	10		100.00	OPCI GR1	100.00	98.95
SCI 33 MONTAIGNE	029	EUR	174,496	G	10		100.00	OPCI GR1	100.00	98.95
SCI 5/7 MONCEY	029	EUR	13,263,396	G	10		100.00	OPCI GR1	100.00	98.95
SCI 28 COURS A 1ER	029	EUR	14,629,770	G	10		100.00	OPCI GR1	100.00	98.95
SC HOCHE	029	EUR	250	G	10		100.00	Generali Vie S.A.	100.00	98.95
SCI BUREAUX PARIS	029	EUR	250	G	10		100.00	Generali Vie S.A.	100.00	98.95
BSI Monaco SAM	091	EUR	15,000,000	G	7		100.00	BSI S.A.	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]
BSI Asset Managers SAM	091	EUR	2,000,000	G	8		99.96	BSI Monaco SAM	99.96	99.96
Generali Rückversicherung AG	008	EUR	8,833,000	G	5	100.00			100.00	100.00
Generali Holding Vienna AG	008	EUR	63,732,464	G	5		29.67	Generali Rückversicherung AG	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 (AT)	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		60.00	BAWAG PSK Versicherung AG	100.00	85.00
							40.00	Generali 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		7.81	Generali Rückversicherung AG	100.00	100.00
							92.19	Generali Holding Vienna AG		
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		25.00	Generali Holding Vienna AG	100.00	99.23
							75.00	Europ Assistance Holding S.A.		
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
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 VIS Informatik GmbH	008	EUR	35,000	G	11		100.00	Generali Holding Vienna AG	100.00	100.00
Generali Pensionskasse AG	008	EUR	350,000	G	8		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 Versicherungsmaker GmbH	008	EUR	138,078	G	11		100.00	Europäische Reiseversicherungs AG (AT)	100.00	74.99
3 Banken-Generali-GLStock	008	EUR	5,724	G	11		1.00	Generali Holding Vienna AG	100.00	99.88
							0.35	Europäische Reiseversicherungs AG (AT)		
							98.65	Generali Versicherung AG		
3 Banken Generali GLBond Spezialfonds	008	EUR	9,330	G	11		100.00	Generali Versicherung AG	100.00	100.00
3 Banken-Generali-GSBond	008	EUR	3,650	G	11		93.84	Generali Versicherung AG	93.84	93.84
3 Banken-Generali - GEN4A Spezialfonds	008	EUR	55,500	G	11		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]
BAWAG Spezialfonds 6	008	EUR	13,730	G	11		100.00	BAWAG PSK Versicherung AG	100.00	75.00
3 Banken-Generali - GEN4Dividend Spezialfonds	008	EUR	1,248,500	G	11		5.84	Generali Holding Vienna AG	92.33	92.20
							0.50	Europäische Reiseversicherungs AG (AT)		
							85.98	Generali Versicherung AG		
Generali European Retail Investments Holdings S.A.	092	EUR	256,050	G	9		100.00	Generali European Real Estate Investments S.A.	100.00	99.66
Generali Luxembourg S.A.	092	EUR	75,000,000	G	2		100.00	Generali France S.A.	100.00	98.95
Generali Belgium Senior Homes FCP FIS	092	EUR	44,420,000	G	11		100.00	Generali Belgium S.A.	100.00	99.71
BSI Fund Management S.A.	092	EUR	2,500,000	G	11		100.00	BSI Europe S.A.	100.00	100.00
Generali Investments Luxembourg S.A.	092	EUR	1,921,900	G	11		100.00	Generali Investments Holding S.p.A.	100.00	99.64
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		85.25	Generali Vie S.A.	100.00	98.97
							6.56	E-Cie Vie S.A.		
							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	100.00
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	99.65
							20.34	Generali European Real Estate Income Investments GmbH & Co. KG		
							18.50	Generali Vie S.A.		
							2.26	E-Cie 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.		
Generali European Real Estate Investments S.A.	092	EUR	269,883,728	G	8	1.17			100.00	99.66
							9.77	Generali Rückversicherung AG		
							7.81	AachenMünchener Lebensversicherung AG		
							16.60	Generali Lebensversicherung Aktiengesellschaft		
							4.88	Generali España, S.A. de Seguros y Reaseguros		
							24.41	Generali Vie S.A.		
							24.42	Generali Italia 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]
							9.77	Generali Real Estate Investments B.V.		
							1.17	Generali Vida 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	99.66
GLL AMB Generali Cross-Border Property Fund FCP	092	EUR	225,000,000	G	9		28.00	AachenMünchener Lebensversicherung AG	100.00	100.00
							48.00	Generali Lebensversicherung Aktiengesellschaft		
							16.00	Central Krankenversicherung Aktiengesellschaft		
							8.00	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	50.61
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	12,500	G	9		100.00	Generali European Real Estate Investments S.A.	100.00	99.66
Torelli S.à.r.l.	092	EUR	12,500	G	9		100.00	Generali European Real Estate Investments S.A.	100.00	99.66
Sammartini S.à.r.l.	092	EUR	12,500	G	9		100.00	Generali European Real Estate Investments S.A.	100.00	99.66
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	919,742,502	G	11		0.69	Dialog Lebensversicherungs-Aktiengesellschaft	98.42	98.42
							62.67	AachenMünchener Lebensversicherung AG		
							2.10	AachenMünchener Versicherung AG		
							2.01	Generali Versicherung Aktiengesellschaft		
							21.86	Central Krankenversicherung Aktiengesellschaft		
							0.45	ENVIVAS Krankenversicherung AG		
							0.50	AdvoCard Rechtsschutzversicherung Aktiengesellschaft		
							8.03	Generali Deutschland Pensionskasse AG		
							0.11	Generali Deutschland Pensor Pensionsfonds AG		
Generali Diversification USD Corporate Bond Fund AAA - A-	092	EUR	2,157,576,955	G	11		0.50	Dialog Lebensversicherungs-Aktiengesellschaft	100.00	100.00
							13.82	AachenMünchener Lebensversicherung AG		
							0.92	AachenMünchener Versicherung AG		
							53.81	Generali Lebensversicherung Aktiengesellschaft		
							3.78	Generali Versicherung Aktiengesellschaft		
							7.46	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]
							15.79	Cosmos Lebensversicherungs Aktiengesellschaft		
							0.51	Cosmos Versicherung Aktiengesellschaft		
							0.18	ENVIVAS Krankenversicherung AG		
							0.39	AdvoCard Rechtsschutzversicherung Aktiengesellschaft		
							2.71	Generali Deutschland Pensionskasse AG		
							0.12	Generali Deutschland Pensor Pensionsfonds AG		
Sellin Bond Sub-Fund II	092	EUR	421,420,630	G	11		100.00	Generali Deutschland Holding AG	100.00	100.00
BSI Europe S.A.	092	EUR	35,400,000	G	7		100.00	BSI S.A.	100.00	100.00
Generali Financial Hold SF2	092	EUR	0	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	99.02
							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	99.02
Coris Gestión de Riesgos, S.L.	067	EUR	3,008	G	11		100.00	Europ Assistance Servicios Integrales de Gestion, S.A.	100.00	99.02
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
Gensegur Agencia de Seguros S.A.	067	EUR	60,101	G	11		100.00	Generali España, S.A. de Seguros y Reaseguros	100.00	99.90
Cafel Inversiones 2008, S.L.	067	EUR	3,006	G	11		100.00	Frescobaldi S.à.r.l.	100.00	99.66
Generali Vida Companhia de Seguros S.A.	055	EUR	9,000,000	G	2	99.99			99.99	99.99
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	52.46
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	52.41
Generali Belgium S.A.	009	EUR	40,000,000	G	2		22.52	Flandria Participations Financières S.A.	99.99	99.71
							32.29	Generali Italia S.p.A.		
							19.99	Generali Levensverzekering Maatschappij N.V.		
							24.91	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	98.98
Europ Assistance Services S.A.	009	EUR	186,000	G	11		20.00	Generali Belgium S.A.	100.00	99.12
							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.		
MRS Bioul S.A.	009	EUR	850,000	G	10		99.87	Generali Belgium Senior Homes FCP FIS	100.00	99.71
							0.13	Generali Real Estate Investments B.V.		
RVT Kortenaken SA	009	EUR	1,200,000	G	10		99.97	Generali Belgium Senior Homes FCP FIS	100.00	99.71
							0.03	Generali Real Estate Investments B.V.		
RVT Zottegem SA	009	EUR	2,250,000	G	10		99.68	Generali Belgium Senior Homes FCP FIS	100.00	99.70
							0.32	Generali Real Estate Investments B.V.		
RVT Oordegem SA	009	EUR	146,382	G	10		48.67	Generali Belgium Senior Homes FCP FIS	100.00	99.47
							51.33	Generali Real Estate Investments B.V.		
Casa-Bouw Sprl	009	EUR	15,719,831	G	10		38.20	Generali Belgium Senior Homes FCP FIS	100.00	99.42
							61.80	Generali Real Estate Investments B.V.		
Generali Levensverzekering Maatschappij N.V.	050	EUR	11,344,505	G	2		100.00	Generali Verzekeringsgroep N.V.	100.00	98.56
Generali Schadeverzekering Maatschappij N.V.	050	EUR	1,361,341	G	2		100.00	Generali Verzekeringsgroep 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.		

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)
							34.11	Generali Italia S.p.A.		
Generali Verzekeringsgroep 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
Participatie Maatschappij Transhol B.V.	050	EUR	8,168,000	G	9		100.00	Transocean Holding Corporation	100.00	100.00
Generali Finance B.V.	050	EUR	379,916,500	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
							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	99.24
							40.34	Generali Levensverzekering Maatschappij N.V.		
Saxon Land B.V.	050	GBP	60,566,552	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 Vie S.A.		
							30.00	Generali Deutschland Holding AG		
Lion River I N.V.	050	EUR	558,496	G	9	31.17			99.98	99.66
							0.36	Generali Assurances Générales		
							30.20	Generali Deutschland Holding AG		
							30.19	Generali Vie S.A.		
							8.06	Lion River II N.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 Italia S.p.A.	100.00	99.98
							2.06	Generali Beteiligungs-GmbH		
							2.06	Generali Vie S.A.		
							93.81	Participatie Maatschappij Graafschap Holland N.V.		
NV Schadeverzekering Maatschappij De Nederlanden van Nu	050	EUR	500,000	G	2		100.00	Generali Schadeverzekering Maatschappij N.V.	100.00	98.56

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	
Generali PPF Holding B.V.	275	CZK	2,621,820	G	4	76.00			76.00	76.00
CZI Holdings N.V.	050	CZK	2,662,000,000	G	4		100.00	Generali PPF Holding B.V.	100.00	76.00
CP Strategic Investments N.V.	050	EUR	225,081	G	9		100.00	Ceska pojistovna, a.s.	100.00	76.00
Iberian Structured Investments I B.V.	050	EUR	90,000	G	4		100.00	Generali PPF Holding B.V.	100.00	76.00
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 Vie S.A.		
							30.00	Generali Deutschland Holding AG		
Generali PanEurope Limited	040	EUR	42,134,869	G	2	55.77			100.00	100.00
							7.12	Generali Deutschland Holding AG		
							36.34	Generali Worldwide Insurance Company Limited		
							0.77	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	12,976,200	G	2	100.00			100.00	100.00
BSI Trust Corporation (Malta) Ltd	105	EUR	50,000	G	11		98.00	BSI S.A.	98.00	98.00
Generali Biztosító Zrt.	077	HUF	4,500,000,000	G	2		100.00	Generali PPF Holding B.V.	100.00	76.00
Europai Utazasi Biztosito Rt.	077	HUF	400,000,000	G	2		13.00	Europäische Reiseversicherungs AG (AT)	74.00	56.11
							61.00	Generali Biztosító Zrt.		
Vàci utca Center Uzletközpont Kft	077	EUR	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	76.00
Generali Alapkezelo Zártköruen Muködo Részvénytársaság	077	HUF	500,000,000	G	8		74.00	Generali Biztosító Zrt.	100.00	76.00
							26.00	Generali PPF Holding B.V.		
Genertel Biztosító Zrt	077	HUF	1,180,000,000	G	2		100.00	Generali Biztosító Zrt.	100.00	76.00
Generali Pojistovna a.s.	275	CZK	500,000,000	G	2		100.00	Generali PPF Holding B.V.	100.00	76.00
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	76.00
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
Parížská 26, s.r.o.	275	CZK	200,000	G	10		100.00	Ceska pojistovna, a.s.	100.00	76.00
Palac Krizik a.s.	275	CZK	2,020,000	G	10		50.00	Ceska pojistovna, a.s.	50.00	76.00
							50.00	CP INVEST Realitní Uzavrený Investicní Fond a.s.		
Ceska pojistovna, a.s.	275	CZK	4,000,000,000	G	2		100.00	CZI Holdings N.V.	100.00	76.00
Penzijní spolecnost Ceské Pojištovny, a.s.	275	CZK	300,000,000	G	11		100.00	CP Strategic Investments N.V.	100.00	76.00

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	
Ceská pojištovna ZDRAVI a.s.	275	CZK	100,000,000	G	2		100.00	Ceska pojistovna, a.s.	100.00	76.00
Generali PPF Asset Management a.s.	275	CZK	52,000,000	G	8		100.00	CZI Holdings N.V.	100.00	76.00
CP INVEST investicní spolecnost, a.s.	275	CZK	91,000,000	G	8		100.00	Ceska pojistovna, a.s.	100.00	76.00
Univerzální správa majetku a.s.	275	CZK	1,000,000	G	11		100.00	Ceska pojistovna, a.s.	100.00	76.00
CP Direct, a.s.	275	CZK	20,000,000	G	11		100.00	Ceska pojistovna, a.s.	100.00	76.00
Generali PPF Services a.s.	275	CZK	3,000,000	G	11		20.00	Generali Pojistovna a.s.	100.00	76.00
							80.00	Ceska pojistovna, a.s.		
Pankrac Services, s.r.o.	275	CZK	200,000	G	10		100.00	Ceska pojistovna, a.s.	100.00	76.00
CP INVEST Realitní Uzavrený Investicní Fond a.s.	275	CZK	152,000,000	G	9		13.00	GP Reinsurance EAD	100.00	76.00
							10.00	Generali Pojistovna a.s.		
							77.00	Ceska pojistovna, a.s.		
City Empiria a.s.	275	CZK	2,004,000	G	10		100.00	CP INVEST Realitní Uzavrený Investicní Fond a.s.	100.00	76.00
Solitaire Real Estate, a.s.	275	CZK	128,296,000	G	10		100.00	CP INVEST Realitní Uzavrený Investicní Fond a.s.	100.00	76.00
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	76.00
Fond kvalifikovaných investoru GPH	275	CZK	0	G	11		16.67	Generali Pojistovna a.s.	100.00	76.00
							83.33	Ceska pojistovna, a.s.		
Generali Poistovna a.s.	276	EUR	25,000,264	G	2		100.00	Generali PPF Holding B.V.	100.00	76.00
Apollo Business Center IV, spol. s r.o.	276	EUR	25,000	G	10		100.00	Ceska pojistovna, a.s.	100.00	76.00
Generali Towarzystwo Ubezpieczen S.A.	054	PLN	190,310,000	G	2		100.00	Generali PPF Holding B.V.	100.00	76.00
Generali Zycie Towarzystwo Ubezpieczen S.A.	054	PLN	63,500,000	G	2		100.00	Generali PPF Holding B.V.	100.00	76.00
Generali Finance spólka z ograniczona odpowiedzialnoscia	054	PLN	15,230,000	G	8		100.00	Generali Towarzystwo Ubezpieczen S.A.	100.00	76.00
Generali Powszechne Towarzystwo Emerytalne S.A.	054	PLN	145,500,000	G	11		100.00	Generali Towarzystwo Ubezpieczen S.A.	100.00	76.00
Generali Zavarovalnica d.d.	260	EUR	39,520,356	G	2		99.84	Generali PPF Holding B.V.	99.84	75.88
S.C. FATA Asigurari S.A.	061	RON	35,848,850	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	Ceska pojistovna, a.s.	100.00	76.00
S.C. Generali Romania Asigurare Reasigurare S.A.	061	RON	179,100,909	G	2		84.49	Generali PPF Holding B.V.	99.91	75.93
							15.42	Iberian Structured Investments I B.V.		
Zad Victoria AD	012	BGN	13,826,082	G	2	100.00			100.00	100.00
Generali Bulgaria Holding EAD	012	BGN	83,106,000	G	4		100.00	Generali PPF Holding B.V.	100.00	76.00
Generali Insurance AD	012	BGN	16,571,800	G	2		99.37	Generali Bulgaria Holding EAD	99.37	75.52
Generali Insurance Life AD	012	BGN	7,000,000	G	2		99.58	Generali Bulgaria Holding EAD	99.58	75.68
Generali Zakrila Medical and Dental Centre EOOD	012	BGN	100,000	G	11		100.00	Generali Insurance AD	100.00	75.52

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding% Direct	Shareholding% Indirect	Shareholding% Through	Shareholding% Total	Group equity ratio[3]
GP Reinsurance EAD	012	BGN	53,400,000	G	5		100.00	Generali PPF Holding B.V.	100.00	76.00
Generali Osiguranje d.d.	261	HRK	81,000,000	G	3		100.00	Generali PPF Holding B.V.	100.00	76.00
Generali Assurances Générales	071	CHF	27,342,400	G	3		99.92	Generali (Schweiz) Holding AG	99.92	99.92
Generali Personenversicherungen AG	071	CHF	106,886,890	G	3		15.06	Generali Assurances Générales	100.00	99.98
							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	84.23
Europ Assistance (Suisse) Assurances S.A.	071	CHF	3,000,000	G	3		100.00	Europ Assistance (Suisse) Holding S.A.	100.00	84.23
Europ Assistance (Suisse) Holding S.A.	071	CHF	1,400,000	G	4		75.00	Europ Assistance Holding S.A.	85.00	84.23
							10.00	Generali (Schweiz) Holding AG		
Generali (Schweiz) Holding AG	071	CHF	4,332,000	G	4	51.05			100.00	100.00
							20.01	Generali Holding Vienna AG		
							28.94	Redoze Holding N.V.		
Patrimony 1873 SA	071	CHF	5,000,000	G	11		100.00	BSI S.A.	100.00	100.00
Fortuna Investment AG	071	CHF	1,000,000	G	8		100.00	Generali (Schweiz) Holding AG	100.00	100.00
BSI S.A.	071	CHF	1,840,000,000	G	7		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 Worldwide Insurance Company Limited	201	EUR	86,733,397	G	3		100.00	Participatie Maatschappij Graafschap Holland N.V.	100.00	100.00
Generali International Ltd	201	EUR	13,938,259	G	3		100.00	Generali Worldwide Insurance Company Limited	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 Limited	202	GBP	745,676	G	9		100.00	Generali Worldwide Insurance Company Limited	100.00	100.00
Generali Sigorta A.S.	076	TRY	104,586,866	G	3		99.67	Generali Turkey Holding B.V.	99.67	99.67
Delta Generali Holding d.o.o. Podgorica	290	EUR	5,000,000	G	4		57.50	Generali Osiguranje Srbija a.d.o.	100.00	76.00
							18.00	Generali Reosiguranje Srbija a.d.o.		
							24.50	Generali PPF Holding B.V.		
Generali osiguranje Montenegro AD Podgorica	290	EUR	4,399,000	G	3		100.00	Delta Generali Holding d.o.o. Podgorica	100.00	76.00
Generali Osiguranje Srbija a.d.o.	289	RSD	2,131,997,310	G	3		100.00	Generali PPF Holding B.V.	100.00	76.00
Generali Reosiguranje Srbija a.d.o.	289	RSD	616,704,819	G	6		0.01	GP Reinsurance EAD	100.00	76.00
							99.99	Generali Osiguranje Srbija a.d.o.		
Akcionarsko društvo za upravljanje dobrovoljnim penzijskim fondom Generali	289	RSD	135,000,000	G	11		100.00	Generali Osiguranje Srbija a.d.o.	100.00	76.00
Generali Realties Ltd	182	ILS	2	G	10	100.00			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	
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
Europ Assistance USA Inc.	069	USD	5,000,000	G	11		100.00	Europ Assistance North America, Inc.	100.00	98.98
Europ Assistance North America, Inc.	069	USD	34,061,342	G	11		100.00	Europ Assistance Holding S.A.	100.00	98.98
Customized Services Adminitrators Inc.	069	USD	2,974,774	G	11		100.00	Europ Assistance North America, Inc.	100.00	98.98
GMMI, Inc.	069	USD	400,610	G	11		100.00	Europ Assistance North America, Inc.	100.00	98.98
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	99.63
							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		35.73	Generali North American Holding 1 S.A.	100.00	99.63
							21.09	Generali North American Holding 2 S.A.		
							42.18	Generali North American Holding S.A.		
							1.00	General Securities Corporation of North America		
GNAREI 1 Farragut LLC	069	USD	34,037,500	G	10		100.00	GNAREH 1 Farragut LLC	100.00	99.63
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
Generali Claims Solutions LLC	069	USD	100,000	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	98.98
CMN Global Inc.	013	CAD	203	G	11		100.00	Europ Assistance Canada Inc.	100.00	98.98
Generali Argentina Compañía de Seguros S.A.	006	ARS	79,391,209	G	3	50.00			100.00	94.55
							50.00	Caja de Seguros S.A.		
Caja de Seguros S.A.	006	ARS	228,327,700	G	3		99.00	Caja de Ahorro y Seguro S.A.	99.00	89.10
La Caja de Seguros de Retiro S.A.	006	ARS	5,020,000	G	3		5.00	Caja de Ahorro y Seguro S.A.	100.00	89.14
							95.00	Caja de Seguros S.A.		
La Estrella Seguros de Retiro S.A.	006	ARS	90,255,655	G	3		50.00	Caja de Seguros S.A.	50.00	44.55
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	512,000	G	11		50.83	Caja de Seguros S.A.	100.00	89.54
							49.17	Caja de Ahorro y Seguro S.A.		
Generali Brasil Seguros S.A.	011	BRL	885,700,249	G	3	94.86			100.00	100.00
							5.14	Transocean Holding Corporation		

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	
Generali Colombia Vida - Compañia de Seguros S.A.	017	COP	4,199,989,500	G	3	15.38			99.81	90.67
							68.28	Generali Colombia - Seguros Generales S.A.		
							16.16	Transocean Holding Corporation		
Generali Colombia - Seguros Generales S.A.	017	COP	22,154,947,500	G	3	81.83				86.61
							4.77	Transocean Holding Corporation		
Generali Ecuador Compañía de Seguros S.A.	024	USD	2,130,000	G	3	51.74			51.74	51.74
Aseguradora General S.A.	033	GTQ	500,000,000	G	3	51.00			51.00	51.00
BSI Investment Advisors (Panama) Inc	051	USD	410,000	G	11		100.00	BSI S.A.	100.00	100.00
BSI Bank (Panama) S.A.	051	USD	10,000,000	G	9		100.00	BSI S.A.	100.00	100.00
BSI Overseas (Bahamas) Ltd	160	USD	10,000,000	G	8		100.00	BSI S.A.	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	100.00			100.00	100.00
Generali Investments Asia Limited	103	HKD	50,000,000	G	9		100.00	Generali Investments Holding S.p.A.	100.00	99.64
PT Asuransi Jiwa Generali Indonesia	129	IDR	628,000,000,000	G	3		98.73	Generali Asia N.V.	98.73	98.73
Generali Pilipinas Life Assurance Co. Inc.	027	PHP	1,725,050,515	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		99.99	Generali Pilipinas Holding Co. Inc.	99.99	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
BSI Bank Limited	147	USD	214,000,000	G	7		100.00	BSI S.A.	100.00	100.00
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	80.69
							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		
KAG Holding Company Ltd	072	THB	1,791,244,200	G	4		99.99	IWF Holding Company Ltd	99.99	94.66
FTW Co. Ltd.	072	THB	200,000	G	4		90.57	Generali Asia N.V.	90.57	90.57
MGD Co. Ltd.	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 Co. Ltd.	100.00	90.57
							50.00	MGD Co. Ltd.		
Generali Vietnam Life Insurance Limited Liability Company	062	VND	1,174,000,000	G	3	100.00			100.00	100.00
Europ Assistance Worldwide Services (Pty) Ltd	078	ZAR	18,264,900	G	11		64.02	Europ Assistance Holding S.A.	64.02	63.37
Healthichoices (Pty) Limited	078	ZAR	200	G	11		50.50	Europ Assistance Worldwide Services (Pty) Ltd	50.50	32.00

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	
Labour Assist (Pty) Ltd	078	ZAR	100	G	11		90.00	Europ Assistance Worldwide Services (Pty) Ltd	90.00	57.03
Europ Assistance Financial Services (Pty) Ltd	078	ZAR	100	G	11		100.00	Europ Assistance Worldwide Services (Pty) Ltd	100.00	63.37
EASA Training Academy (Pty) Ltd	078	ZAR	100	G	11		49.00	Europ Assistance Worldwide Services (Pty) Ltd	49.00	31.05
Kudough Credit Solutions (Pty) Ltd	078	ZAR	1,000	G	11		90.00	Europ Assistance Worldwide Services (Pty) Ltd	90.00	57.03
24 Fix (Pty) Ltd	078	ZAR	4,444,149	G	11		90.00	Europ Assistance Worldwide Services (Pty) Ltd	90.00	57.03
Access Health Africa (Proprietary) Limited	078	ZAR	1,000	G	11		100.00	Europ Assistance Worldwide Services (Pty) Ltd	100.00	63.37
Randgo Reward (Pty) Ltd	078	ZAR	1,000	G	11		50.10	Europ Assistance Worldwide Services (Pty) Ltd	50.10	31.75
Buxola (Pty) Ltd	078	ZAR	100	G	11		100.00	Randgo Reward (Pty) Ltd	100.00	31.75
MRI Criticare Medical Rescue (Pty) Limited	078	ZAR	200	G	11		100.00	Europ Assistance Worldwide Services (Pty) Ltd	100.00	63.37

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 99.98%

Generali Verzekeringsgroep NV 98.56%

IWF Holding Company Ltd 81.97%

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.	086	EUR	150,000	a	11		100.00	Generali Italia S.p.A.	100.00	100.00	161
Finagen S.p.A. in liquidazione	086	EUR	6,700,000	a	8		0.10	Generali Italia S.p.A.	100.00	100.00	16,109
							99.90	Alleanza Assicurazioni S.p.A.			
Sementi Dom Dotto S.p.A.	086	EUR	3,500,000	a	11		100.00	Genagricola S.p.A.	100.00	100.00	3,820
Solaris S.r.l. in liquidazione (*)	086	EUR	20,000	b	10		40.00	Generali Properties S.p.A.	40.00	40.00	
Servizi Tecnologici Avanzati	086	EUR	102,000	b	11	25.00			25.00	25.00	
Donatello Intermediazione Srl	086	EUR	59,060	a	11	10.87			100.00	100.00	1,344
							89.13	Generali Italia S.p.A.			
Generali Horizon S.p.A.	086	EUR	120,000	a	9		100.00	Generali Italia S.p.A.	100.00	100.00	177
Initium S.r.l. in liquidazione (*)	086	EUR	250,000	b	10		49.00	Generali Properties S.p.A.	49.00	49.00	3,624
Continuum S.r.l. (*)	086	EUR	200,000	b	10		40.00	Generali Properties S.p.A.	40.00	40.00	164
Sementi Ross S.r.l.	086	EUR	102,800	a	11		100.00	Sementi Dom Dotto S.p.A.	100.00	100.00	
AEON Trust Soc. Italiana Trust (**)	086	EUR	90,000	a	11		100.00	BSI S.A.	100.00	100.00	129
A7 S.r.l. (*)	086	EUR	200,000	c	10		40.10	Generali Italia S.p.A.	40.10	40.10	2,147
Tiberina S.r.l.	086	EUR	20,000	a	11		100.00	Generali Italia S.p.A.	100.00	100.00	473
Telco S.p.A. (*)	086	EUR	295,858,333	b	8	9.07			19.32	19.31	17,817
							0.28	AachenMünchener Lebensvers.			
							0.05	AachenMünchener Versicherung			
							0.90	Generali Lebensversicherung AG			
							0.07	Generali Versicherung AG			
							0.11	Central Krankenversicherung AG			
							0.08	Cosmos Lebensversicherungs AG			
							1.43	Generali Vie S.A.			
							3.76	Generali Italia S.p.A.			
							3.57	Alleanza Assicurazioni S.p.A.			
Consel S.p.A. (*)	086	EUR	22,666,669	b	9		32.50	Generali Italia S.p.A.	32.50	32.50	22,490
Investimenti Marittimi S.p.A.	086	EUR	103,000,000	b	9		30.00	Generali Italia S.p.A.	30.00	30.00	
Cross Factor S.p.A. (*) (**)	086	EUR	1,032,000	b	11		20.00	BSI S.A.	20.00	20.00	471
Imprebanca S.p.A.	086	EUR	50,000,000	b	9		20.00	Generali Italia S.p.A.	20.00	20.00	10,000
Valore Immobiliare S.r.l. (*)	086	EUR	10,000	c	10		1.00	Generali Properties S.p.A.	50.00	50.00	463
							49.00	Generali Italia S.p.A.			
HSR S.r.l. in liquidazione	086	EUR	20,000	a	10		90.00	Generali Properties S.p.A.	90.00	90.00	54
Fondo Sammartini (*)	086	EUR	2,075,000	c	11	57.83			86.75	86.75	
							28.92	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	9
CityLife Sviluppo 3 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	9
CityLife Sviluppo 4 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	9

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)
CityLife Sviluppo 5 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	9
CityLife Sviluppo 6 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	9
CityLife Sviluppo 7 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	
CityLife Sviluppo 8 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	
CityLife Sviluppo 9 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	
CityLife Sviluppo 10 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	100.00	
GI SIM S.p.A.	086	EUR	3,000,000	a	8		100.00	GI Holding S.p.A.	100.00	99.64	3,000
BBG Beteiligungsges.	094	EUR	25,600	a	9		100.00	Deutsche Bausparkasse Badenia	100.00	100.00	33
Deutsche Vermögensberatung AG (*)	094	EUR	150,000,000	b	11		40.00	Generali Deutschland Holding	40.00	40.00	256,930
Generali Akademie GmbH	094	EUR	25,600	a	11		100.00	Generali Versicherung AG	100.00	100.00	
Versicherungs-Planer-Vermittl.	094	EUR	35,600	a	11		100.00	Generali Lebensversicherung AG	100.00	100.00	40
Thuringia Vers.svermittlungs	094	EUR	25,600	a	11		100.00	Generali Beteiligungs AG	100.00	100.00	26
Deutscher Lloyd GmbH	094	EUR	30,700	a	11		100.00	Generali Beteiligungs AG	100.00	100.00	
MLV Beteiligungverwaltungsges.	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 AG	100.00	100.00	
Generali Pensionsmanagement	094	EUR	52,000	a	11		100.00	Generali Beteiligungs AG	100.00	100.00	112
Volksfürsorge Fixed Assets	094	EUR	104,000	a	11		100.00	Generali Lebensversicherung AG	100.00	100.00	104
AVW Versicherungsmakler GmbH	094	EUR	1,550,000	b	11		26.00	Generali Versicherung AG	26.00	26.00	2,232
VOV GmbH	094	EUR	154,000	b	11		21.50	AachenMünchener Versicherung	43.00	43.00	1,735
							21.50	Generali Versicherung AG			
Generali Partner GmbH	094	EUR	250,000	a	11		100.00	Generali Lebensversicherung AG	100.00	100.00	808
Generali Lloyd Vers.smakler	094	EUR	153,388	b	11		50.00	Generali Versicherung AG	50.00	50.00	
AM RE Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	AachenMünchener Lebensvers.	100.00	100.00	25
Central Fixed Assets GmbH	094	EUR	25,000	a	9		100.00	Central Krankenversicherung AG	100.00	100.00	25
Cosmos Fixed Assets GmbH	094	EUR	25,000	a	9		100.00	Cosmos Lebensversicherungs AG	100.00	100.00	24
Zweite AM RE Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	AachenMünchener Versicherung	100.00	100.00	25
AM Versicherungsvermittlung	094	EUR	25,000	a	11		100.00	AachenMünchener Versicherung	100.00	100.00	25
GLL GmbH & Co. Retail KG	094	EUR	405,010,000	b	10	29.63			49.38	49.38	130,179
							4.93	AachenMünchener Lebensvers.			
							7.41	Generali Lebensversicherung AG			
							7.41	Central Krankenversicherung AG			
Louisen-Center Bad Homburg Vr.	094	EUR	25,000	a	10		94.90	Generali Deutschland Holding	94.90	94.90	24
Schroder Nordic Property Fund (*)	094	EUR	1,450,000	b	11		20.69	Generali Lebensversicherung AG	20.69	20.69	25,418
Alstercampus Verwaltung. mbH	094	EUR	25,000	a	9		50.00	Generali Real Estate S.p.A.	50.00	50.00	13
Verwaltungsges. Marienplatz	094	EUR	25,000	a	10		74.00	Generali Real Estate S.p.A.	74.00	74.00	25
BA1 Alstercampus Grundstücksg. (*)	094	EUR	1,000	c	10		50.00	Generali Lebensversicherung AG	50.00	50.00	4,965
Verwaltungsg. Wohnen Westhafen	094	EUR	25,000	a	10		85.00	Generali Versicherung AG	85.00	85.00	21

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)
Grundstücksg. Wohnen Westhafen	094	EUR	4,731,000	c	10		84.99	Generali Versicherung AG	84.99	84.99	
Generali Deutschland IV GmbH	094	EUR	25,000	a	10		100.00	Generali Real Estate S.p.A.	100.00	100.00	35
MPC Real Value Fund GmbH&Co.KG	094	EUR	5,000,200	a	11		100.00	Generali Lebensversicherung AG	100.00	100.00	3,679
Generali European Retail IG KG	094	EUR	20,250	a	10		50.62	Generali Real Estate S.p.A.	100.00	100.00	94
							49.38	Generali Deutschland IV GmbH			
Generali Alternative Inv. G.KG	094	EUR	60,000	a	9		100.00	Generali Deutschland Holding	100.00	100.00	75
Generali Alternative Inv. GmbH	094	EUR	25,000	a	9		100.00	Generali Deutschland Holding	100.00	100.00	25
ver.di Service GmbH	094	EUR	75,000	b	11		50.00	Generali Versicherung AG	50.00	50.00	21
Dein Plus GmbH	094	EUR	50,000	b	11		60.00	Generali Versicherung AG	60.00	60.00	
vSPS Management GmbH	094	EUR	25,000	a	11		100.00	Generali Versicherung AG	100.00	100.00	25
Trieste Courtage S.A.	029	EUR	39,000	a	11		0.02	Generali Vie S.A.	99.98	98.93	39
							99.96	Generali France Assurances SA			
Bourbon Courtage S.A.	029	EUR	124,500	a	11		0.12	Generali IARD S.A.	100.00	92.83	75
							0.12	Generali Vie S.A.			
							99.76	Prudence Creole			
Generali Gerance S.A.	029	EUR	228,000	a	11		0.07	Generali IARD S.A.	99.73	98.68	241
							99.66	Generali Vie S.A.			
Generali Reassurance Courtage	029	EUR	3,016,656	a	11		100.00	Generali France Assurances SA	100.00	98.95	2,219
Europ Assistance Océanie SAS	225	XPF	24,000,000	a	11		99.88	Europ Assistance Holding S.A.	99.88	98.86	286
Landy PVG S.A.S.	029	EUR	39,000	a	11		100.00	Cofifo S.A.S.	100.00	98.95	1,800
Risque et Sérénité S.A.	029	EUR	6,135,300	a	9		49.12	Generali Vie S.A.	61.16	60.51	4,060
							12.04	Generali France Assurances SA			
Europ Assistance IHS Services	029	EUR	7,287,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	98.98	994
Arche SA	029	EUR	120,975	a	10		79.31	Cofifo S.A.S.	79.31	78.47	
SCI Les 3 Collines Le Ferandou	029	EUR	304,000	b	10		33.30	Generali IARD S.A.	48.30	47.79	142
							15.00	Generali Vie S.A.			
Rocher Pierre SCpI (*)	029	EUR	35,401,086	b	10		48.52	Generali Vie S.A.	48.52	48.01	15,375
Bien Être Assistance S.A.S. (*)	029	EUR	1,000,000	c	11		51.00	EAP France SAS	51.00	25.74	599
Parcolog Isle d'Abeau Gestion	029	EUR	8,000	a	10		100.00	SC Generali Logistique	100.00	98.95	12
Foncière Hypersud S.A. (*)	029	EUR	72,993,000	b	10		49.00	Generali Vie S.A.	49.00	48.48	5,080
SAS 100 CE (*)	029	EUR	51,277,080	c	10		50.00	Generali Europe Income Holding	50.00	49.82	24,352
EAP France SAS (*)	029	EUR	738,500	c	11		51.00	Europ Assistance France S.A.	51.00	50.48	1,451
Bois Colombes Europe Avenue SC (*)	029	EUR	1,000	c	10		50.00	Generali Vie S.A.	50.00	49.47	6,256
ASSERCAR SAS	029	EUR	37,000	b	11		14.86	Generali IARD S.A.	29.73	29.42	311
							14.87	L'Equité IARD S.A.			
COSEV@D SAS	029	EUR	100,000	a	11		100.00	Cofifo S.A.S.	100.00	98.95	
Generali 8 S.A.S.	029	EUR	1,000	a	9		100.00	Generali France Assurances SA	100.00	98.95	1

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Method[1]	Activity[2]	Shareholding% Direct	Shareholding% Indirect	Shareholding% Through	Shareholding% Total	Group equity ratio[3]	Book value (€ thousand)
Generali 9 S.A.S.	029	EUR	1,000	a	9		100.00	Generali France Assurances SA	100.00	98.95	1
Generali 10 S.A.S.	029	EUR	37,000	a	9		100.00	Generali France Assurances SA	100.00	98.95	37
Cabinet Berat et Fils S.A.S.	029	EUR	8,000	a	11		100.00	Cofifo S.A.S.	100.00	98.95	2,672
Generali Investments Opera SAS	029	EUR	1,000,000	a	8		100.00	GI Holding S.p.A.	100.00	99.64	1,000
SCI Daumesnil (*)	029	EUR	2,500	c	10		45.00	Generali IARD S.A.	100.00	98.95	23,916
							55.00	SCI GF Pierre			
SCI Malesherbes (*)	029	EUR	1,000	c	10		100.00	Generali Vie S.A.	100.00	98.95	24,800
SCI 15 Scribe (*)	029	EUR	250	c	10		99.60	Generali IARD S.A.	100.00	98.95	28,272
							0.40	Generali Vie S.A.			
SCI Pasquier (*)	029	EUR	6,437,750	c	10		50.00	Generali IARD S.A.	50.00	49.47	12,659
SCI 9 Messine (*)	029	EUR	2,420,250	c	10		50.00	Generali Vie S.A.	50.00	49.47	2,454
VIGIE Assurances SARL Agence	029	EUR	4,271,610	a	11		100.00	Generali IARD S.A.	100.00	98.95	1,354
MAPREG	029	EUR	133,182	b	11		25.26	Generali France S.A.	25.26	25.00	3,950
GF Sante S.A.S.	029	EUR	921,150	a	11		100.00	Cofifo S.A.S.	100.00	98.95	3,686
ABT SAS	029	EUR	125,000	c	11		25.00	Generali France Assurances SA	25.00	24.74	31
SCI Château La Pointe	029	EUR	34,309,128	a	10		100.00	Generali France S.A.	100.00	98.95	35,646
Generali Revenus FCP	029	EUR	9,587,828	a	11		2.55	Generali IARD S.A.	100.00	98.95	
							96.04	Generali Vie S.A.			
							1.41	E-Cie Vie S.A.			
Drei-Banken Versicherungs-AG (*)	008	EUR	7,500,000	b	7		20.00	Generali Holding Vienna AG	20.00	20.00	9,593
3 Banken-Generali Investment (*)	008	EUR	2,600,000	b	8		48.57	Generali Holding Vienna AG	48.57	48.57	1,854
Generali Betriebsrestaurants	008	EUR	36,336	a	11		100.00	Generali Versicherung AG (A)	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
SK Versicherung AG (*)	008	EUR	3,633,500	b	2		20.43	Generali Holding Vienna AG	39.66	39.66	5,065
							19.23	Generali Versicherung AG (A)			
TTC-Training Center Unternem.	008	EUR	35,000	a	11		100.00	Europäische Reiseversicherungs	100.00	74.99	133
Global Private Equity Holding	008	EUR	482,680	b	9		11.39	Generali Lebensversicherung AG	23.02	23.02	56
							11.63	Generali Versicherung AG (A)			
Car Care Consult Versicherungs	008	EUR	35,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	100.00	35
Generali Telefon-Auftragsserv.	008	EUR	35,000	a	11		100.00	Generali Bank AG	100.00	100.00	35
BONUS Vorsorgekasse AG (*)	008	EUR	1,500,000	b	11		50.00	Generali Holding Vienna AG	50.00	50.00	2,395
Risk-Aktiv Versicherungsserv.	008	EUR	35,000	a	11		100.00	Generali Versicherung AG (A)	100.00	100.00	35
Generali 3Banken Holding AG (*)	008	EUR	70,000	b	9		49.30	Generali Versicherung AG (A)	49.30	49.30	73,045
Generali FinanzService GmbH	008	EUR	50,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	100.00	854
M.O.F. Immobilien AG	008	EUR	1,000,000	b	10		20.00	Generali Immobilien GmbH	20.00	20.00	4,349
Generali TVG Vorsorgemanagem.	008	EUR	145,346	a	11		100.00	Generali Sales Promotion GmbH	100.00	100.00	62
M.O.F. Beta Immobilien AG	008	EUR	1,000	b	10		20.00	Generali Immobilien GmbH	20.00	20.00	4,504

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)
GBK Vermögensverwaltung GmbH	008	EUR	35,000	a	11		100.00	Generali Bank AG	100.00	100.00	8,036
Generali Vermögensberatung	008	EUR	35,000	a	11		100.00	Generali Versicherung AG (A)	100.00	100.00	35
PCO Immobilien GmbH	008	EUR	35,000	a	10		100.00	Generali Immobilien GmbH	100.00	100.00	381
Lead Equities II Auslandsbet.	008	EUR	730,000	b	9		21.59	Generali Versicherung AG (A)	21.59	21.59	
Lead Equities II Private Eq.	008	EUR	7,300,000	b	9		21.59	Generali Versicherung AG (A)	21.59	21.59	
Europ Assistance Travel S.A.	067	EUR	60,101	a	11		100.00	Europ Assistance SIdG, S.A.	100.00	99.02	219
Robert Malatier	031	GBP	51,258	b	11		40.00	Generali IARD S.A.	40.00	39.58	634
Global Investment Planning Ltd (**)	031	GBP	10,000	a	11		100.00	BSI S.A.	100.00	100.00	19
Verzekeringskantoor Soenen NV	009	EUR	18,600	a	11		99.80	Generali Belgium S.A.	99.80	99.51	2,016
Groupe Vervietois d'Assureurs	009	EUR	94,240	a	11		99.95	Generali Belgium S.A.	99.95	99.65	571
Dedale S.A.	009	EUR	80,100	a	11		99.98	Generali Belgium S.A.	99.98	99.69	1,770
B&C Assurance S.A.	009	EUR	627,000	a	11		99.58	Generali Belgium S.A.	100.00	99.71	982
							0.42	Groupe Vervietois d'Assureurs			
Webbroker S.A.	009	EUR	4,300,000	a	11		100.00	Generali Belgium S.A.	100.00	99.71	
Nederlands Algemeen Verzek.	050	EUR	18,151	a	11		100.00	Generali Verzekeringsgroep NV	100.00	98.56	2,518
ANAC Verzekeringen B.V.	050	EUR	12,500	a	11		100.00	Nederlands Algemeen Verzek.	100.00	98.56	
Stoutenburgh Adviesgroep B.V.	050	EUR	18,151	a	11		100.00	Nederlands Algemeen Verzek.	100.00	98.56	
Admirant Beheer B.V. (*)	050	EUR	18,000	b	10		50.00	Generali Real Estate Inv. B.V.	50.00	49.62	10
C.V. Admirant (*)	050	EUR	18,000	b	10		50.00	Generali Real Estate Inv. B.V.	50.00	49.62	24,401
Beleggingscons. Sloterdijk CV (*)	050	EUR	18,000	b	10		21.37	Generali Real Estate Inv. B.V.	21.37	21.21	1,633
Beleggingscons. Sl. Beheer BV (*)	050	EUR	18,000	b	10		21.37	Generali Real Estate Inv. B.V.	21.37	21.21	5
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	22.26	
Generali PPF Invest PLC	040	EUR	131,753,751	a	8		100.00	CP Invest Invest.spol. a.s.	100.00	76.00	
BSI Art Collection S.A. (**)	092	CHF	1,000,000	a	9		99.00	BSI S.A.	100.00	100.00	788
							1.00	BSI Laran S.A.			
UBS (Lux) Euro Value Added	092	EUR	282,200,000	b	10		7.09	AachenMünchener Lebensvers.	26.58	26.58	11,148
							1.77	AachenMünchener Versicherung			
							17.72	Generali Lebensversicherung AG			
Holding Klege S.à.r.l. (*)	092	EUR	12,500	c	9		50.00	Torelli S.à.r.l.	50.00	49.83	
GARBE Logistic Strategic Fund (*)	092	EUR	125,750,000	b	11		7.95	AachenMünchener Lebensvers.	39.76	39.76	36,615
							23.86	Generali Lebensversicherung AG			
							7.95	Central Krankenversicherung AG			
BSI & Venture Partners S.A. (**)	092	EUR	200,000	a	9		100.00	BSI S.A.	100.00	100.00	201
BSI & Venture Partners CMGP (**)	092	EUR	12,500	a	9		100.00	BSI S.A.	100.00	100.00	403
Generali Belgium FCP FIS	092	EUR	72,759,922	a	11		100.00	Generali Belgium S.A.	100.00	99.71	
BSI & Venture Partners SICAV	092	EUR	31,000	a	11		100.00	BSI & Venture Partners CMGP	100.00	100.00	

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)
Ponte Alta Lda	055	EUR	400,000	a	11		100.00	Europ Assistance Portugal	100.00	52.46	3,400
Europ Assistance A/S	021	DKK	500,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	98.98	
Citadel Insurance plc	105	EUR	5,000,400	b	11		20.16	Generali Italia S.p.A.	20.16	20.16	978
Europ Assistance Kft	077	HUF	24,000,000	a	11		74.00	Europ Assistance Holding S.A.	100.00	93.01	99
							26.00	Generali Biztosító Zrt.			
GP Consulting Kft	077	HUF	11,000,000	a	11		100.00	Generali Biztosító Zrt.	100.00	76.00	602
Famillio Kft	077	HUF	780,000,000	a	11		100.00	Generali Biztosító Zrt.	100.00	76.00	307
Shaza & Toptorony zrt (*)	077	HUF	0	c	11		50.00	GLL AMB Generali Bankcenter	50.00	50.00	32,583
AUTOTÁL BiztosításiSzolgáltató	077	HUF	104,000,000	a	11		100.00	Generali Biztosító Zrt.	100.00	76.00	1,013
Generali Servis s.r.o.	275	CZK	100,000	a	11		100.00	Generali Pojistovna a.s.	100.00	76.00	4
Europ Assistance s.r.o.	275	CZK	2,900,000	a	11		75.00	Europ Assistance Holding S.A.	100.00	94.00	1,670
							25.00	Ceska pojistovna, a.s.			
Generali Care s.r.o.	275	CZK	1,000,000	a	11		100.00	Generali Pojistovna a.s.	100.00	76.00	28
REFICOR s.r.o.	275	CZK	100,000	a	11		100.00	Ceska pojistovna, a.s.	100.00	76.00	795
AIV Sprava Nemovitosti s.r.o.	275	CZK	200,000	a	10		100.00	Generali Velky Spalicek S.r.o.	100.00	100.00	50
CP Asistence s.r.o.	275	CZK	3,000,000	a	11		100.00	Europ Assistance s.r.o.	100.00	94.00	
Nadace Ceské pojištovny	275	CZK	500,000	a	11		100.00	Ceska pojistovna, a.s.	100.00	76.00	126
Nadace pojištovny Generali	275	CZK	500,000	a	11		100.00	Generali Pojistovna a.s.	100.00	76.00	18
Generali IT S.r.o.	276	EUR	165,970	a	11		100.00	Generali VIS Informatik GmbH	100.00	100.00	132
VUB Generali d.s.s., a.s. (*)	276	EUR	10,090,951	b	11		50.00	Generali Poistovna a.s.	50.00	38.00	9,011
GSL Services s.r.o.	276	EUR	6,639	a	11		100.00	Generali Poistovna a.s.	100.00	76.00	7
Gradua Finance, a.s.	276	EUR	335,320	a	11		100.00	CZI Holdings N.V.	100.00	76.00	800
Europ Assistance Polska Spzoo	054	PLN	3,000,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	98.98	73
S.C. Genagricola Romania	061	RON	60,882,570	a	11		100.00	Genagricola S.p.A.	100.00	100.00	18,013
S.C. San Pietro Romania	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 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	
BSI Laran S.A. (**)	071	CHF	100,000	a	9		100.00	BSI S.A.	100.00	100.00	83
Finmo S.A. (**)	071	CHF	50,000	a	11		100.00	BSI S.A.	100.00	100.00	42
Funicolare Lugano-Paradiso	071	CHF	600,000	b	11		31.00	BSI S.A.	31.00	31.00	
Autolinee Regionali Luganesi	071	CHF	653,000	b	11		27.58	BSI S.A.	27.58	27.58	
Generali Group Partner AG	071	CHF	100,000	a	11		100.00	Generali (Schweiz) Holding AG	100.00	100.00	83
BSI Art Collection S.A. (**)	071	CHF	100,000	a	11		100.00	BSI S.A.	100.00	100.00	83
Thalia S.A. (*) (**)	071	CHF	4,800,000	b	9		35.00	BSI S.A.	35.00	35.00	1,599
B-Source S.A. (*) (**)	071	CHF	2,400,000	b	11		49.00	BSI S.A.	49.00	49.00	44,985
Finnat Gestioni S.A. (**)	071	CHF	750,000	b	11		30.00	BSI S.A.	30.00	30.00	187

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)
Convivium S.A. (**)	071	CHF	2,000,000	a	10		100.00	BSI S.A.	100.00	100.00	707
Europ Assistance A.S.	076	TRY	1,304,000	a	11		99.97	Europ Assistance Holding S.A.	99.97	98.95	112
Europ Assistance CEI OOO	262	RUB	10,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	98.98	800
Europ Assistance d.o.o.	289	RSD	1,405,607	a	11		100.00	Europ Assistance Kft	100.00	93.01	
Blutek Auto d.o.o.	289	RSD	337,474,441	a	11		100.00	Generali Osiguranje Srbija ado	100.00	76.00	1,403
Intl Inheritance Planning Ltd (**)	049	NZD	5,000	a	9		100.00	BSI S.A.	100.00	100.00	3
Atacama Investments Ltd (*) (**)	249	USD	15,536,634	b	11		44.16	BSI S.A.	44.16	44.16	20,492
GLL 200 State Street L.P. (*)	069	USD	1,000	c	11		49.90	GLL AMB Generali 200 State	49.90	49.90	35,212
Montcalm Wine Importers Ltd	069	USD	600,000	a	11		80.00	Genagricola S.p.A.	80.00	80.00	
Europ Assistance Argentina S.A	006	ARS	3,285,000	a	11		56.09	Ponte Alta Lda	84.99	55.18	66
							28.90	Caja de Seguros S.A.			
La Caja ART S.A. (*)	006	ARS	70,500,000	b	3		50.00	Caja de Seguros S.A.	50.00	44.55	32,394
Pluria Productores de Seguros	006	ARS	50,000	a	11		96.00	Caja de Ahorro y Seguro S.A.	96.00	86.40	473
Investment Advisory S.A. (**)	006	ARS	12,000	a	11		97.00	BSI S.A.	97.00	97.00	3
Care Management Network Inc.	160	USD	9,000,000	a	11		100.00	Europ Assistance (Bahamas) Ltd	100.00	98.97	
Europ Assistance (Bahamas) Ltd	160	USD	10,000	a	11		99.99	Europ Assistance IHS Services	99.99	98.97	
Europ Assistance Brasil S.A.	011	BRL	2,975,000	c	11		100.00	EABS Serviços Partecipaçoes SA	100.00	26.23	
EABS Serviços Partecipaçoes SA	011	BRL	46,238,940	c	9		50.00	Ponte Alta Lda	50.00	26.23	
CEABS Serviços S.A.	011	BRL	6,000,000	c	11		50.00	Europ Assistance Brasil S.A.	100.00	26.23	
							50.00	EABS Serviços Partecipaçoes SA			
BSI Servicios Internationales	015	CLP	64,000,000	a	11		100.00	BSI S.A.	100.00	100.00	
Europ Assistance SA	015	CLP	335,500,000	a	11		25.50	Europ Assistance Holding S.A.	51.00	38.62	176
							25.50	Ponte Alta Lda			
Europ Servicios S.p.A.	015	CLP	1,000,000	a	11		100.00	Europ Assistance SA	100.00	38.62	
La Nacional Cia Inmobiliaria	024	USD	47,647	a	10		100.00	Generali Ecuador S.A.	100.00	51.74	754
BSI (Panama) S.A. (**)	051	USD	10,000	a	11		100.00	BSI S.A.	100.00	100.00	9
BSI Servicios S.A.	080	UYU	1,100,000	a	11		100.00	BSI S.A.	100.00	100.00	
BSI Consultores S.A.	080	UYU	4,000,000	a	11		100.00	BSI S.A.	100.00	100.00	
EA Travel Assistance Services	016	EUR	1,750,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	98.98	
Generali China Insurance (*)	016	CNY	1,300,000,000	b	3	49.00			49.00	49.00	64,054
Guotai Asset Management Co. (*)	016	CNY	110,000,000	b	8	30.00			30.00	30.00	129,722
Shanghai Sinodrink Trading Co.	016	CNY	5,000,000	b	11		45.00	Genagricola S.p.A.	45.00	45.00	
Europ Assistance Worldwide Pte	147	SGD	182,102	a	11		100.00	Europ Assistance Holding S.A.	100.00	98.98	
NKFE Insurance Agency Co Ltd (*)	103	HKD	900,000	b	11		49.00	Generali Financial Asia Ltd	49.00	49.00	40
Future Generali India Life (*)	114	INR	1,223,000,000	c	3		25.50	Part. Maat. Graafschap Holland	25.50	25.50	10,833
Future Generali India Insur. (*)	114	INR	1,120,000,000	c	3		25.50	Part. Maat. Graafschap Holland	25.50	25.50	17,255
Europ Assistance India Private	114	INR	230,590,940	a	11		100.00	Europ Assistance Holding S.A.	100.00	98.98	

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		
Europ Assistance Angola Lda	133	AOA	2,250,000	a	11		90.00	Europ Assistance IHS Services	90.00	89.08	
EA-IHS Services Nigeria Ltd	117	NGN	10,000,000	a	11		100.00	Europ Assistance IHS Services	100.00	98.98	
Assurances Maghrebia S.A.	075	TND	30,000,000	b	3	44.17			44.17	44.17	657
Assurances Maghrebia Vie S.A.	075	TND	10,000,000	b	3	22.08			22.08	22.08	1,229
Europ Assistance–IHS Services	119	XAF	1,000,000	a	11		100.00	Europ Assistance IHS Services	100.00	98.98	
Generali Pacifique NC	253	XPF	1,000,000	a	11		100.00	Generali France S.A.	100.00	98.95	2,095
Cabinet Richard KOCH	253	XPF	1,000,000	a	11		100.00	Generali France S.A.	100.00	98.95	2,178
EA-IHS Services Congo Sarl	145	XOF	10,000,000	a	11		100.00	Europ Assistance IHS Services	100.00	98.98	
Europ Assistance IHS (Pty)	078	ZAR	400,000	a	11		15.00	Europ Assistance W.Services	100.00	93.64	4
							85.00	Europ Assistance IHS Services			
Europ Assistance Macau	059	MOP	400,000	a	11		70.00	Ponte Alta Lda	70.00	36.72	
Europ Assistance NIGER	150	XAF	1,000,000	a	11		100.00	Europ Assistance IHS Services	100.00	98.98	

(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.
(**) At 31 December 2014, the investment is classified under "Assets held for sale" as falling within the scope of the BSI Group.

The total percentage of votes exercitable at shereholders'general meeting, which differs from that of direct on indirect shareholding, is a follows:

Telco S.p.A. 30.58%

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
MARTINICA	213
MONACO	091
NETHERLANDS	050
NEW CALEDONIA	253
NEW ZEALAND	049

List of countries

Country	Country Code
NIGER	150
NIGERIA	117
PANAMA	051
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
URUGUAY	080
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
Nigerian Naira	NGN
New Zealand Dollar	NZD
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
Uruguayan Peso (new)	UYU
Dong (Vietnam)	VND
Central African CFA Franc	XAF
French Polinesian Franc	XPF
South African Rand	ZAR

Attestation of the consolidated financial statements

pursuant to the provisions of article 154-*bis* of legislative decree no. 58 of 24 February 1998 and art. 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, Mario Greco, 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., 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 2014.

2. The adequacy of the administrative and accounting procedures in place for preparing the consolidated financial statements as at 31 December 2014 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 2014:

   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 correct 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, 11 March 2015

Mario Greco
Managing Director
and Group CEO

ASSICURAZIONI GENERALI S.p.A.

Alberto Minali
Manager in charge of preparing
the Company's financial reports
and Group CFO

ASSICURAZIONI GENERALI S.p.A.

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 2014 pursuant to articles 153 of Legislative Decree 58/1998 and 2429, paragraph, 3 of the Civil Code

Dear Shareholders,

according to the provisions of article 153 of Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Financial Intermediation) and to the indications in Consob statement no. 1025564 of 6 April 2001, as amended, also 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 year 2014.
This Board of Auditors took office on 30 April 2014 when the Shareholders' Meeting appointed the control body of the Company for the following three years, changing its entire composition.
The activity conducted during 2014, after its appointment, allowed the Board, inter alia, to gain knowledge of the Company, of the group, of its organizational, administrative, and accounting structures as well as of its internal control and risk management system, useful also for planning its activities.

1. Activities of the Board of Auditors During the Year Ended on 31 December 2014 *(item 10 of Consob Statement no. 1025564/01)*

The Board of Auditors conducted its activities holding, as of its appointment, 23 meetings lasting approximately two hours on average.
Furthermore, the Board:

- participated in the 10 meetings of the Board of Directors;
- participated in the 7 meetings of the Control and Risk Committee and in the 4 meetings of the Transactions with Related Parties Sub-Committee;
- participated, through its Chairman or another auditor, in the 3 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, in accordance with the plan of activities prepared at the beginning of its mandate, the Board of Auditors also:

- obtained information on the Appointments and Corporate Governance Committee's activities, which met 5 times during the corporate year;
- held meetings with and obtained information from the Manager in charge of preparing the corporate books, 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 General Counsel, 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 Legislative Decree 231/2001 for useful information exchanges;
- pursuant to paragraphs 1 and 2 of article 151 of Legislative Decree 58/1998, 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 – 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 oversaw 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 above meetings of the Board of Directors and by reviewing 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 performed 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 Shareholders, or capable of undermining the corporate assets.
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 observations with regard the compliance of the respective resolutions with laws and regulations.

The main significant events involving the Group during 2014 and also described in the management report are listed below:

- in January 2014 Assicurazioni Generali S.p.A. issued a senior bond for an overall amount of € 1,250 million, underwritten for approximately 90% by foreign institutional investors. The issue was aimed at refinancing part of the Group's senior debt maturing in 2014, for an overall amount of € 2,250 million.
- In April 2014 Assicurazioni Generali S.p.A placed a fixed-rate junior bond issue with a duration of 12 years for an overall amount of € 1 billion, aimed both at strengthening the regulatory capital, given the exclusion, for these purposes, of the € 500 million junior financing issued in 2008 and refunded in April 2014, and at refinancing the Group's senior debt maturing in 2015 at a lower cost.
- In the same month of April 2014 Assicurazioni Generali S.p.A. entered the market of Insurance Linked Securities (ILS) in order to optimize its protection against catastrophic events. This transaction also marks the very first placement of a bond indemnity hedging against storms in Europe based on US regulation 144A. Thanks to this transaction, Assicurazioni Generali S.p.A optimized its protection against catastrophic events resulting from storms in Europe for a period of three years.
- In May 2014 the Company completed the acquisition of its stake in Generali Deutschland Holding from minority shareholders. Following the completion of the squeeze-out resolution adopted in December 2013, Assicurazioni Generali S.p.A was assigned all the shares held by the minority shareholders of the German subsidiary, followed by their delisting. The transaction determined a reduction in Group's Equity by € 130 million.
- In the same month of May 2014 a € 1,500 million senior bond was redeemed.
- In the month of June 2014 Assicurazioni Generali S.p.A completed the disposal of 100% of Fata Assicurazioni Danni S.p.A. for a total value, after the price adjusting procedure, of € 194.7 million. The transaction yielded a non-recurring profit of € 56 million.
- In the month of June 2014, Assicurazioni Generali S.p.A. resolved in support of the proposed demerger of its subsidiary Telco S.p.A. The transactions will be completed as soon as the necessary authorizations have been granted.
- In the month of July 2014, Assicurazioni Generali S.p.A signed the agreement for the sale of its entire stake in BSI Group to BTG Pactual, for an overall amount of € 1.24 billion. Pending the necessary regulatory authorizations, since June 2014 the stake in BSI Group has been classified as a disposal group held for sale. The transaction had – as a whole, also according to IFRS 5 – a negative impact on the income statement for € 112 million.
- At the end of July 2014, the Group reached an agreement with Allianz to become the sole owner of Citylife S.p.A. by acquiring the 33% stake not owned by Generali. Citylife S.p.A. furthermore reached a binding agreement with the banks funding the project in order to redefine some terms and conditions of the original contract.
- In November 2014, Assicurazioni Generali S.p.A announced the launch of a buyback operation of three hybrid bonds. That transaction, which was covered by a new issue, is aimed at refinancing the Group's debt maturing between June 2016 and February 2017 in order to reduce 0the interest expenditure over the next few years.
- In December 2014 Assicurazioni Generali S.p.A entered the Malaysian insurance market by means of an agreement with Multi-Purpose Capital Holdings Berhad (a company fully owned by the Malaysian group led by MPHB Capital) concerning the acquisition of 49% of the MPIB ("Multi-Purpose Insurans

Berhad") non-life insurance company for € 81.4 million.

Some of the most significant transactions occurred after the end of the corporate year include:

- in January 2015, the Generali Group gained complete control of Generali PPF Holding B.V. (GPH) by acquiring the remaining 24% of shares held by the PPF group. The purchase of the remaining shares in GPH was completed in line with the terms previously announced to the markets, for a final price of € 1,245.5 million.
- On 1 January 2015 the assets and liabilities of the Portuguese branch of Assicurazioni Generali S.p.A. were transferred to the newly-established Generali Companhia de Seguros SA, a company incorporated under the Portuguese law. After that transfer, Assicurazioni Generali S.p.A. now holds 163,996 shares of the newly established company over a total of 164,000 shares.
- In March 2015 Assicurazioni Generali S.p.A announced a Non-Prosecution Agreement (NPA) entered into by BSI and the U.S. Department of Justice regarding the disputes 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 the 2014 financial statements of the Generali Group.

With reference to other significant events, the Board of Auditors received information at the Shareholders' Meeting of 20 January 2015, regarding the litigation under way with former Company managers Dott. Giovanni Perissinotto and Dott. Raffaele Agrusti. In particular, the Board acknowledged that the Court of Trieste – Labour Section, in its finding of 23 December 2014, rejected in first instance the action brought by Assicurazioni Generali S.p.A. to challenge the settlement agreement signed in 2012 by Dott. Giovanni Perissinotto, while declaring that it lacks jurisdiction as to the claims for damages lodged by the Company against him.
The Board of Directors resolved, during the same meeting of 20 January 2015, to start appropriate appeal proceedings before the competent authorities against the above finding of the Court of Trieste.
The Board of Auditors will monitor the evolution of said proceedings also in order to assess the existence of any pre-conditions for its intervention.
Lastly, the Court of Trieste – Labour Section, with its finding of 5 March 2015, confirmed in first instance the validity of the settlement agreement reached in July 2013 with Dott. Raffaele Agrusti, ordering Assicurazioni Generali S.p.A. to comply with the provisions contained therein and rejecting, on the merits, the claims for damages brought against Dott. Agrusti himself. The Board of Auditors acknowledges that, in the meantime, the Board of Directors has continued to monitor the outcomes of the initiatives launched by the Company concerning to 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*" in compliance with the provisions of Consob Regulation 17221/2010, as amended, and by article 2391-*bis* of the Civil Code, also applying to transactions performed by subsidiaries. Those procedures were updated in December 2013.
The Board of Auditors, after taking office, examined said Procedures and concluded that they comply with the prescriptions of Consob Regulation 17221/2010, as amended.
The annual Financial Report describes the impact of the transactions with related parties on the financial statements as well as the nature of the most significant transactions.
Since the beginning of the mandate of this Board, no transactions classified as significant according to the above Procedures have been submitted to the Transactions with Related Parties Sub-Committee, and no transactions with related parties have been performed as a matter of urgency.
With reference to intragroup transactions in the corporate year, the Board, in its supervisory activity, found that they were performed in compliance with the relevant yearly 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 rationalizing operating functions, lowering costs, ensuring the level of service and utilizing the Group's synergies and were regulated at market prices or at cost, consisted in reinsurance or co-insurance relations, management of fixed assets and real estate, management and settlement of claims, IT and administrative services, financing and guarantees, as well as staff loans.

We also regarded as adequate the information supplied by the Board of Directors in the annual Financial Report concerning intragroup transactions and with related parties.

Based on the information provided to us, no atypical and/or unusual transactions were implemented.

4. Company and Group Organizational Structure *(item 12 of Consob Statement no. 1025564/01)*

With regard to the organizational structure of Assicurazioni Generali S.p.A. and of the Group, during 2014 the Company continued implementing its new organizational structure, focusing on the consolidation of the Group Head Office, in its coordination and strategic role all over the world.
The adoption of the new organizational and governance model for the Group, started in 2013, was strengthened in 2014.
The Group's organizational structure envisages a matrix model with Business Units and Group Head Office Functions; the latter act as supporting functions aimed at promoting the development of key skills globally by setting up competence centres guaranteeing functional excellence at a Group level. The organizational governance and the interaction between Business Units and Group Head Office Functions are regulated by formal integration and coordination mechanisms, consisting in:

- the Group Management Committee (GMC), as a co-ordination body with 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 company functions are coordinated at a global level;
- a grouping of functions into two categories (so-called Solid and Dotted) based on the importance of reporting and coordination between the functions supporting the Business Units and their counterpart functions of the Group Head Office.

The Board of Auditors, by obtaining information from the heads of the relevant corporate functions, gained knowledge of and maintained oversight of the overall organizational structure of the Company and of the Group and of the adequacy of the prescriptions given by Assicurazioni Generali S.p.A. to the subsidiary companies pursuant to article 114, paragraph 2, of Legislative Decree 58/1998 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 transmitted by them to this Board following specific request 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

With particular reference to the internal control and risk management system, it is to be emphasized that the Company has adopted Policies explaining the principles, strategies and processes aimed at identifying and monitoring the risks, as well as the roles and responsibilities of corporate bodies and operating structures within the risk management process.
Within the framework outlined by those Policies, the Company adopted specific regulations, processes and structures suitable for monitoring and hedging against the risks connected with its activity, such as financial, credit, insurance, operational and other risks such as liquidity, reputational, strategic and contagion risks, as described in the Management Report.
The above Policies on the internal control and risk management system are also 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.
The corporate functions operate according to an organizational model based on three levels of control: the heads of the operating areas (risk owners); the Group Risk Management and the Group Compliance; the Group Audit. The Group CEO is also assigned the role of director in charge of the internal control and risk management system.
According to the request submitted by Consob on 19 February 2015 as per article 114, paragraph 5, of Legislative Decree no. 58/1998, following the issue of Guidelines by EIOPA on 31 October 2013 and their subsequent transposition by IVASS in its regulations, the Company emphasized in the Management Report the

initiatives launched for the preparatory phase to the introduction of Solvency II, with particular reference to the governance system, to the forward-looking risk assessment, to the reporting and pre-application of internal models for the calculation of new capital requirements. The Company also describes in the Management Report the actions implemented or scheduled following the results of the stress tests published by EIOPA on 30 November 2014, including any requests submitted by IVASS in line with the Recommendations released by EIOPA on 27 November 2014.

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 in force since 30 June 2014 and according to the guidelines described in the Letter to the Market issued by IVASS on 15 April 2014.

In addition to the update of said Directives, which establish the roles and responsibilities of the main corporate bodies and control functions, the Group in 2014 outlined, in agreement with IVASS, a plan for adopting the Policies envisaged by Solvency II.

To this end, the Group updated the main Policies referring to control functions and updated and defined the management Policies concerning various types of risk. The Board also acknowledged that, as written in the Company's Management Report, the approval process of the Policies by the Board of Directors will be completed in the second quarter of corporate year 2015, according to a plan previously agreed upon with the Supervisory Authority and consistent with a wider plan of adjustments to Solvency II requirements.

As written in the same Management Report, considering the pre-application for using the partial internal model in order to calculate the regulatory requirement, the framework of risk policies is being supplemented by further Policies aimed at regulating the processes regarding governance, validation and for changing the internal model.

As for the forward-looking assessment of risks, according to the requests contained in Regulation 20/2008 and in IVASS's Letter to the Market of 15 April 2014, referred to above, the so-called "ORSA (Own Risk Solvency Assessment) Policy" was defined as an integral part of the Risk Management Policy. During 2014 the Group ORSA Report referring to 31 December 2013 was also submitted to IVASS.

As far as reporting is concerned, the Group is continuing its activities aimed at setting up information processes and systems needed to comply with the quantitative and qualitative reporting requirements of the third pillar of Solvency II. Furthermore, consistently with the EIOPA guidelines and with the IVASS indications, in December 2014 the Group approved the policy of reporting to supervisory authorities (i.e. the Reporting Policy) which specifies the corporate functions responsible for preparing, validating and transmitting the third pillar reporting and the characteristics of the platform those processes were built upon.

For more details on the measures being implemented and for further information on the subject, please refer to the Management Report.

Against this background of constant evolution and consolidation of control systems, in line with the gradual update of the applicable sector discipline, the Board of Auditors has maintained continuous oversight over the adequacy of the internal control and risk management system adopted by the Company and its Group. In particular, the Board:

i) acknowledged the adequacy assessment of the internal control and risk management system expressed by the Board of Directors which took into account the report written by the Risk and Control Committee;
ii) reviewed the Risk and Control Committee's report, which was released in support of the Board of Directors;
iii) became familiar with the activities performed by the Internal Audit, Compliance e Risk Management functions, including by participating in the meetings of the Control and Risk Committee and by talking with the respective heads;
iv) reviewed the half-yearly reports written by the head of the Internal Audit Function;
v) observed compliance with the Audit Plan approved by the Board of Directors and received information flows on the outcomes of the audits;
vi) reviewed the reports written by the Supervisory Board set up by the company in compliance with the provisions of Legislative Decree 231/2001 and received updates regarding its activity;
vii) obtained information from the heads of the relevant corporate functions;
viii) became familiar 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 – management of confidential information, internal dealing, transactions with related parties);

ix) pursuant to paragraphs 1 and 2 of article 151 of Legislative Decree 58/1998, exchanged information with the supervisory bodies of subsidiary companies;

Within its own supervisory activity of the internal control and risk management system, the Board focused in particular on the profiles regarding the compliance with the anti-money laundering rules, in view of some issues emerged in the management of the Centralized Computer Archive in 2013 for the subsidiary Generali Italia S.p.A., in the context of the reallocation of insurance portfolios after the restructuring of the Group's Italian business, which had been described by the supervisory body previously in office in its report at its last Meeting.
The Board, in agreement with the boards of auditors of the companies involved, constantly monitored the progress and the actual implementation of the action plan adopted by the Company on this subject, as submitted by the same Supervisory Authority, including farther-reaching measures proposed in the field of anti-money laundering and counter-terrorism.
Within this same action plan, the new "Anti-Money Laundering & Counter Terrorism Financing Policy" was approved by the Board of Directors: it applies to all subsidiary insurance companies operating both in life and non-life lines of business.
The implementation plan of the new Policy at a Group level, about which this Board informed Consob and IVASS, is currently under way and its progress is in line with the expected timelines.

In view of the above, the analyses conducted and the information acquired provided no elements that might prompt this Board to consider the internal control and risk management system inadequate as a whole, although taking into account the continuous improvement in the effectiveness of the system 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 Corporate Governance Report describes the main features of the model, as defined by the Manager in charge of preparing the corporate books, with the support of the Financial Reporting Risk function.
The report issued by the statutory auditing firm pursuant to article 19, paragraph 3 of Legislative Decree 39/2010 shows no significant shortcomings in the internal control system in connection with the financial information process. That report was discussed and delved into during as ad-hoc 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 consistent with the current laws and regulations applying to the insurance industry. In particular the Board, also through its participation in the activities of the Control and Risk Committee:

- maintained oversight over the compliance with the guidelines on investment policies adopted 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 December 2014;
- performed checks on 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;
- reviewed the administrative procedures adopted for handling, safekeeping and entering in the books financial instruments by verifying the prescriptions given to their custodians as to the regular dispatch of bank statements with the appropriate evidence of any restrictions;
- checked the absence of restrictions and the full availability of the assets backing technical reserves;
- confirmed their matching with the register of assets backing technical reserves.

At the period ending date, the solvency margin was adequately covered by its underlying elements.
The Management Report and the Notes to the Accounts provide evidence of the Net Equity 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. Organization and Management Model Pursuant to Legislative Decree no. 231/2001

We examined and obtained information on the organizational and procedural activities conducted pursuant to Legislative Decree 231/2001, as amended, on the administrative responsibility of organizations. The main aspects related to organizational and procedural activities conducted by the Company pursuant to Legislative Decree 231/2001 are described in the Report on Corporate Governance and Ownership Structure.
The information provided by the Supervisory Board on those activities found no facts or circumstances noteworthy of comment.

8. Compliance with the Voluntary Self-Regulatory Code. 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 the board committees, assisted by a leading consultancy firm.
The Board of Auditors also checked the correct application of the criteria and procedures adopted by the Board of Directors in order to assess the independence of the directors qualified as "*independent*"; it also confirmed that it fulfils the requirements concerning its own independence.
The Board acknowledges that the Board of Directors adopted a plan for the top management's succession.
The Board 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 auditing firm Reconta Ernst & Young S.p.A. was charged with the statutory audit of the financial statements of Assicurazioni Generali S.p.A. and of the consolidated financial statements of the Group. Reconta Ernst & Young S.p.A. verified, in the course of corporate year 2014, the proper accounting and correct reporting of the operational results of the Company in its books.
On 30 March 2015 the auditing firm released the reports required by articles 14 and 16 of Legislative Decree 39/2010 for the financial statements and for the Group consolidated financial statements as at 31 December 2014, 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 Legislative Decree 58/1998 with reference to the financial statements and to the consolidated financial statements of Assicurazioni Generali S.p.A as at 31 December 2014.

The Board provided oversight, within the limits of their responsibilities, over the general layout of the financial statements 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 said financial statements 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 Legislative Decree 58/1998 as well as to Legislative Decree 209/2005, as amended. The financial statements and the explanatory notes were drawn up by adopting the methods required by 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 notes explain the assessment criteria adopted and provide the information required by current regulations; the Management Report prepared by the directors details the development of management

issues, showing the current and future evolution, as well as the development and restructuring of the insurance group.
The Board of Auditors also acknowledges that it was consulted, 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 when drawing up the consolidated financial statements.

On 30 March 2015 Reconta Ernst & Young S.p.A. issued their report pursuant to article 19, paragraph 3 of Legislative Decree 39/2010, which contains no elements deserving your attention.
The Board also held meetings with the heads of the Reconta Ernst & Young auditing firm charged with the statutory audit of books, also pursuant to article 150, paragraph 3 of Legislative Decree 58/1998, during which information was exchanged without any noteworthy facts or circumstances emerging.

The Board examined the further tasks/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.
Considering the statement confirming its independence issued by Reconta Ernst & Young S.p.A. pursuant to article 19, paragraph 9 of Legislative Decree 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 Corporate Year *(item 9 of Consob Statement no. 1025564/01)*

During the corporate year, the Board of Auditors also provided the opinions, remarks and certificates required by the current legislation.

In particular, the Board of Auditors expressed its favourable opinion, pursuant to article 2386, paragraph 1, of the Civil Code, as to the appointment by co-option of Dott. Flavio Cattaneo, after reviewing the process followed by the Company and by its Committees in that case. That director was later appointed managing director of NTV, a company in which the Group indirectly holds a 15% stake. With the opinion of the Appointments and Corporate Governance Committee, the Board of Directors determined Dott. Cattaneo's lack of independence, as required pursuant to the Voluntary Self-Regulatory Code.

In December 2014, the Board of Directors resolved the appointment of a new head for the Group's Internal Audit Function, after identifying him with the aid of a leading head hunting firm, with a view to further strengthening the Group's auditing arm in its new organizational structure. The Board reviewed the selection process and, taking into account the tasks and goals of the function in question, gave its own favourable opinion on the appointment and on the proposed remuneration, as required by the Voluntary Self-Regulatory Code. The mandate of the new head of the Group Audit function shall begin in April 2015.

The Board also duly expressed its remarks on the Quarterly Reports on complaints prepared by the head of the Internal Audit Function in compliance with provisions of ISVAP Regulation no. 24 of 19 May 2008. The reports raised no particular organizational issues or deficiencies. The Board also verified whether its reports and relevant remarks were promptly transmitted to IVASS by the Company.

The Board, on 30 July 2014, attested, pursuant to article 2412 of the Civil Code, on transactions regarding the management of maturing debt and the renewal of the plan of EMTN bond issues.

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)*

On 31 December 2014 shareholder Alfonso Sonnessa asked to be brought up to date regarding a previous complaint, as per article 2408 of the Civil Code, submitted by him in March 2014 and concerning the subsidiary INA Assitalia S.p.A (now Generali Italia S.p.A.).
An answer was given to him during the Meeting of 30 April 2014 and later, at the instance of the Board of Auditors of the subsidiary Generali Italia S.p.A., the Internal Audit function had conducted the necessary investigations, which had concluded in July 2014 and had found no critical issues related to shareholder Sonnessa's remarks.
The Board of Auditors also reviewed the latest notice

dated 31 December 2014 written by Mr. Sonnessa, finding that it does not contain any new elements compared to the previous notice of March 2014. In view of the results of the investigations concluded in July 2014, no critical issues warranting their inclusion in this report have emerged.

The Board of Auditors received no formal complaints.

Without prejudice to the updates sent to Consob and IVASS regarding the measures taken by the Company before this Board of Auditors took office on anti-money laundering and counter-terrorism and being implemented, its supervisory activities found no actions noteworthy of censure, omissions or anomalies that should be reported to the competent Supervisory Authorities.

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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 2014, 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, 2 April 2015

The Board of Auditors

Carolyn Dittmeier
Lorenzo Pozza
Antonia Di Bella


GENERALI

Independent Auditor’s Report

Building a better
working world

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Independent auditors' report
pursuant to articles 14 and 16 of Legislative Decree No. 39 dated 27 January 2010 and to article 102 of Legislative Decree No. 209 dated 7 September 2005

(Translation from the original Italian text)

To the Shareholders of
ASSICURAZIONI GENERALI S.p.A.

1. We have audited the consolidated financial statements of ASSICURAZIONI GENERALI S.p.A. and its subsidiaries (the "GENERALI Group") as of December 31, 2014 and for the year then ended, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow and the related explanatory notes. The preparation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the Regulation issued in implementation of article 90 of the Legislative Decree n° 209/2005, is the responsibility of ASSICURAZIONI GENERALI S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   The consolidated financial statements present the corresponding figures from the consolidated financial statements of the prior year. As described in the explanatory notes, Management has restated certain corresponding figures as required by IFRS 5, with respect to the figures previously presented, audited by us and upon which we issued our auditors' report on April 3, 2014. We have examined the method used to restate the corresponding figures and the information presented in the explanatory notes in this respect, for the purpose of expressing our opinion on the consolidated financial statements as of December 31, 2014 and for the year then ended.

3. In our opinion, the consolidated financial statements of GENERALI Group at 31 December 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the Regulation issued in implementation of article 90 of Legislative Decree n° 209/2005; accordingly, they present clearly and give a true

and fair view of the financial position, the results of operations and the cash flows of the GENERALI Group as of December 31, 2014 and for the year then ended.

4. The Management of ASSICURAZIONI GENERALI S.p.A. is responsible for the preparation, in accordance with the applicable laws and regulations, of the Management Report and the Report on Corporate Governance and Share Ownership, published in the section "Governance" of the ASSICURAZIONI GENERALI S.p.A.'s web-site. Our responsibility is to express an opinion on the consistency of the Management Report and of the information presented in compliance with article 123-bis, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of Legislative Decree n. 58/1998 in the Report on Corporate Governance and Share Ownership with the financial statements, as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Management Report and the information presented in compliance with article 123-bis, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) of Legislative Decree n. 58/1998 in the Report on Corporate Governance and Share Ownership, are consistent with the consolidated financial statements of GENERALI Group at 31 December 2014.

Trieste, 30 March 2015

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

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.

Net cash inflows: equal to the amount of premiums collected net of benefits paid.

APE, new business annual premium equivalent: net of minority interests, is equivalent to the sum of new annual premium policies, plus a tenth of premiums in single premium policies.

NBV, value of new business: net of the portion attributable to minority interests, is obtained by discounting at the date of new contracts the corresponding expected profits net of the cost of capital.

New Business Margin: the ratio NBV / APE

Operating return of investments: equal to the ratio between the operating result and the average investments calculated based on the financial statement figures, as described in the methodological notes.

Current accident year loss: is the ratio between:

- current year incurred claims + related claims management costs net of recoveries and reinsurance to
- earned premiums net of reinsurance.

Previous accident year loss: is the ratio between:

- previous year incurred claims + related claims management costs net of recoveries and reinsurance to
- earned premiums net of reinsurance.

Solvency I ratio: equal to the ratio of the available margin and the required margin.

Equivalent terms: refer to equivalent exchange rates and equivalent consolidation scope.

Equivalent consolidation area: refers to equivalent consolidation scope.

Earning per share: equals to the ratio of Group net result and the weighted average number of ordinary shares outstanding.

Operating earnings 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.

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.

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www.generali.com

Annual Integrated Report
Group Integrated Reporting
in collaboration with
Group Social Responsibility

The document is available on
www.generali.com

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and Hong Kong

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Concept & Design
Inarea Strategic Design