

Segment reporting

Generali activities could be split in different lines of business according to the products and services offered. In particular, subject to IFRS 8, three main sectors of activity have been defined:

- Non life segment, which includes insurance activities performed in the Non life business;
- Life segment, which includes insurance activities performed in the Life business;
- Holding and other business segment.

Life segment

Activities of Life segment include saving and protection business, both individual and for family, as well as unit linked products with investment purposes.

Investment vehicles and entities supporting the activities of life companies are also reported in this segment.

Non life segment

Activities of Non life segment include both motor and non-motor businesses, among which motor third party liabilities, casualty, accident and health. It includes also more sophisticated covers for commercial and industrial risks and complex plans for multinationals.

Investment vehicles and entities supporting the activities of life companies are also reported in this segment.

Holding and other business segment

This grouping is an heterogeneous pool of non insurance assets and in particular it includes banking and asset management activities, expenses regarding coordination activities and interest expenses on the Group financial debt, as well as other activities that the Group considers ancillary to the core insurance business. The holding expenses mainly include the holding and territorial sub-holding direction expenses regarding coordination activities, the expenses relating to the parent company of stock option and stock grant plans as well interest expenses on the Group financial debt.

Methods of disclosure presentation

According to IFRS 8, the disclosure regarding operating segments of the Group is consistent with the evidence reviewed periodically at the highest managerial level for the purpose of making operational decisions about resources to be allocated to the sector and assessment of results.

Assets, liabilities, income and expenses of each segment are presented in the appendix to the notes, prepared under the ISVAP Regulation No. 7 of 13 July 2007 as subsequently amended.

Segment data derives from a separate consolidation of the amounts of subsidiaries and associated companies in each business segment, eliminating of the effects of the transactions between companies belonging to the same segment and, the carrying amount of the investments in subsidiaries and the related portion of equity. The reporting and control process implemented by Generali Group implies that assets, liabilities, income and expenses of companies operating in different business segments are allocated to each segment through specific segment reporting. Intra-group balances between companies belonging to different business segments are accounted for in the consolidation adjustments column in order to reconcile segment information with consolidated information.

In this context, Generali Group adopts a business approach on segment reporting, characterized by the fact that some transactions between companies belonging to different segments are eliminated within each segment.

The main impacts are explained below:

- the elimination in the non-life segment and holding and other businesses segment of participations and loans to companies of other segments, belonging to the same country, as well as related income (dividends and interests)
- the elimination in the non-life segment and holding and other businesses segment of realized gains and losses arising from intra-segment operations
- the elimination in the life segment of participations and loans to companies of other segments, belonging

- to the same country, as well the related income (dividends and interests) if not backing technical reserves
- the elimination in the life segment of realized gains and losses arising from intra-segment operations if not backing technical reserves

Furthermore, loans and interest income and expenses on loans between Group companies belonging to different segments are eliminated directly in each segment.

In detail, this approach presents the following main changes: both investments and dividends received by non-life and holding and other businesses companies and paid by companies of other segments, and realized gains and losses on intra-segment transactions are eliminated within the non-life and holding and other businesses segments; both investments and dividends received by life holding and paid by companies of other segments, and realized gains and losses on intra-segment transactions are eliminated within the life segment.

The abovementioned approach reduces consolidation adjustments, that currently include dividends received by life companies and paid by Group companies belonging to other segments, and net commissions for financial services rendered and received by Group companies.

Generali Group is divided into seven markets, in line with the strategy to simplify the Group and its governance. The new setup aims to optimise the Group's international operations and will enable greater coordination between local businesses and the Head office. The new structure is composed of the business units of the three core markets – Italy, France and Germany – and four regional units: CEE (Central and Eastern European countries members of the EU), EMEA (Austria, Belgium, Greece, Guernsey, Ireland, Netherlands, Portugal, Spain, Switzerland, Tunisia, Turkey and Dubai), Asia, and Americas (Argentina, Brazil, Colombia, Ecuador, Guatemala and Panama). The reporting by geographical area presented in this report has been adapted to the new territorial structure of the Group.

In order to provide a management view of the key performance indicators, the geographical reporting is now disclosed as country's consolidated view, instead of contribution to the Group's results. The elimination of transactions between Generali Group companies in different geographic regions is included within the cluster International Operations.

Balance sheet and Income statement by segment are reported in the following tables.

Appendix 1

Segment reporting - Balance sheet

(€ million)	NON-LIFE SEGMENT		LIFE SEGMENT	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
1 INTANGIBLE ASSETS	3,514	3,520	4,752	4,725
2 TANGIBLE ASSETS	2,124	2,075	1,074	984
3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	2,895	3,033	1,199	1,344
4 INVESTMENTS	36,853	35,601	404,617	385,124
4.1 Land and buildings (investment properties)	4,261	4,191	7,340	7,737
4.2 Investments in subsidiaries, associated companies and joint ventures	1,541	1,267	3,874	4,282
4.3 Held to maturity investments	81	70	1,479	1,467
4.4 Loans and receivables	2,952	3,112	43,118	44,854
4.5 Available for sale financial assets	25,839	25,915	257,193	245,042
4.6 Financial assets at fair value through profit or loss	2,179	1,046	91,611	81,743
5 RECEIVABLES	4,751	5,982	6,637	5,605
6 OTHER ASSETS	4,471	3,514	9,823	11,087
6.1 Deferred acquisition costs	278	283	1,722	1,674
6.2 Other assets	4,193	3,231	8,101	9,412
7 CASH AND CASH EQUIVALENTS	2,929	3,077	5,827	5,575
TOTAL ASSETS	57,537	56,802	433,928	414,445
1 SHAREHOLDERS' EQUITY				
2 OTHER PROVISIONS	791	615	770	750
3 INSURANCE PROVISIONS	33,377	33,150	371,310	353,052
4 FINANCIAL LIABILITIES	9,463	8,215	29,776	27,464
4.1 Financial liabilities at fair value through profit or loss	356	364	19,728	18,004
4.2 Other financial liabilities	9,107	7,851	10,048	9,460
5 PAYABLES	3,371	3,482	4,853	4,953
6 OTHER LIABILITIES	3,774	4,077	6,076	7,357
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				

HOLDING AND OTHER BUSINESSES		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
379	355	0	0	8,645	8,601
1,271	1,551	0	0	4,469	4,610
0	0	0	0	4,094	4,378
16,632	15,234	-10,654	-8,767	447,448	427,191
511	700	0	0	12,112	12,628
429	178	-4,476	-4,443	1,369	1,284
424	1,403	0	0	1,984	2,940
8,306	7,139	-6,178	-4,324	48,198	50,780
6,367	5,541	0	0	289,399	276,498
596	272	0	0	94,385	83,061
318	469	0	0	11,706	12,057
928	21,411	-80	-39	15,142	35,973
0	0	0	0	2,000	1,958
928	21,411	-80	-39	13,142	34,016
1,135	1,187	-846	-1,331	9,044	8,508
20,664	40,207	-11,581	-10,137	500,549	501,318
				24,708	24,185
427	385	-181	0	1,807	1,751
0	0	0	0	404,687	386,202
14,544	15,430	-3,879	-2,315	49,904	48,794
6	14	-8	-8	20,082	18,374
14,538	15,416	-3,872	-2,307	29,821	30,420
604	944	0	0	8,828	9,379
744	19,573	19	0	10,614	31,007
				500,549	501,318

Appendix 2

Segment reporting - Income statement

(€ million)	NON-LIFE SEGMENT		LIFE SEGMENT	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
1.1 Net earned premiums	19,818	19,622	48,689	44,699
1.1.1 Gross earned premiums	20,975	20,906	49,425	45,418
1.1.2 Earned premiums ceded	-1,157	-1,284	-737	-719
1.2 Fee and commission income and income from financial service activities	0	0	263	251
1.3 Net income from financial instruments at fair value through profit or loss	40	-162	1,903	3,698
1.4 Income from subsidiaries, associated companies and joint ventures	47	103	180	249
1.5 Income from other financial instruments and land and buildings (investment properties)	2,063	2,162	13,720	13,351
1.6 Other income	1,147	1,591	2,745	2,097
1 TOTAL INCOME	23,115	23,315	67,499	64,346
2.1 Net insurance benefits and claims	-13,081	-13,110	-56,010	-53,893
2.1.1 Claims paid and change in insurance provisions	-13,604	-13,696	-56,600	-54,583
2.1.2 Reinsurers' share	524	586	590	690
2.2 Fee and commission expenses and expenses from financial service activities	0	0	-105	-112
2.3 Expenses from subsidiaries, associated companies and joint ventures	-12	-50	-3	-18
2.4 Expenses from other financial instruments and land and buildings (investment properties)	-620	-833	-1,577	-1,578
2.5 Acquisition and administration costs	-5,457	-5,364	-5,220	-4,876
2.6 Other expenses	-2,023	-2,296	-1,984	-1,351
2 TOTAL EXPENSES	-21,192	-21,653	-64,900	-61,827
EARNINGS BEFORE TAXES	1,923	1,662	2,599	2,519

HOLDING AND OTHER SEGMENTS		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
0	1	0	0	68,507	64,322
0	0	0	0	70,400	66,324
0	1	0	0	-1,894	-2,003
1,200	931	-369	-216	1,094	967
-3	-25	0	0	1,941	3,510
15	2	-113	-163	130	191
543	591	-106	-113	16,219	15,991
417	456	-239	-843	4,070	3,301
2,173	1,955	-826	-1,334	91,961	88,282
0	0	0	0	-69,091	-67,003
0	0	0	0	-70,204	-68,280
0	0	0	0	1,113	1,276
-503	-396	23	39	-586	-470
-1	0	0	0	-16	-68
-1,040	-1,083	22	32	-3,215	-3,461
-422	-422	243	173	-10,856	-10,489
-1,100	-1,005	315	815	-4,792	-3,838
-3,065	-2,907	603	1,058	-88,555	-85,329
-892	-952	-224	-276	3,407	2,953