

Printer-friendly PDF Other assets

Intangible assets

Intangible assets
Intangible assets arising from insurance business combination

Goodwill

Carrying amount as at 31 December previous year
Carrying amount as at the end of the period

At 31 December 2012 Group's goodwill amounted to € 7,222 million (- 2.3% if compared to the same period of 2011). The table below details the goodwill by relevant companies:

- Generali Deutschland Holding
- Generali Toro
- Banca del Gottardo Group
- Schweiz Holding AG
- Assistance Holding
- Goodwill

The decrease was mainly driven by the disposal of Israeli Migdal Group (€ -135 million) and to the devaluation of cash generating units. Cash generating units were established in accordance with the Group's participation structure and considering the table below shows the detail of the Group's goodwill by cash generating unit:

- Deutschland Holding
- Toro Holding Group
- Banca del Gottardo Group
- Schweiz Holding AG
- Assistance Group

The cash generating units have been defined consistently with IAS 36; with regard to the measurement of the recoverable amount, specifically, the Dividend Discount Model (DDM) was used for the determination of the recovery value for the cash generating units. This method represents a variant of the method of cash flows. In particular, the Excess Capital variant, defines 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
- calculation of the cash generating unit's terminal value, that was the foreseen value of the cash generating unit

The expected cash flows used in the analysis for each CGU, were those detailed in the Strategic Plan 2013-2015. A) Nominal growth rate (g):

- Generali Deutschland Holding
- Generali Toro Holding Group
- Banca del Gottardo Group
- Schweiz Holding AG
- Assistance Vienna AG
- General France

B) Cost of equity (k) net of taxes:

- Generali Deutschland Holding
- Generali Toro
- PPF Holding Group
- Banca del Gottardo Group
- Schweiz Holding AG
- Assistance Group
- General Holding Vienna AG
- General France
- Life

For each entity, the cost of equity was extrapolated based on the Capital Asset Pricing Model (CAPM) formula. More in detail: the risk free rate was defined as the average value - observed during the last three months of 2012 - of the yield of the Italian government bonds; the Beta coefficient was determined based on a homogeneous basket of securities of the non-life insurance industry; the market risk premium amounts to 5% for all Group's CGUs. In the CGUs located in countries where the market risk premium is different, the market risk premium was adjusted accordingly.

All CGUs passed the impairment test, being their recoverable amounts higher than their carrying amounts. For other minor CGUs the Embedded Value Method and, if necessary, the Appraisal value were adopted. The Embedded value method consists in the restatement at current values of all the assets and liabilities of the company. The Appraisal value represents the company's economic value determined by the adjusted net asset value and the fixed generations of new business. The Appraisal value is therefore defined as the sum of the embedded value and the fixed generations of new business. Also these CGUs passed the impairment test being their recoverable amount, calculated on the basis of the Embedded Value Method, higher than their carrying amounts.

Tangible assets

Land and buildings (self used)

The main changes occurred in the period and the fair value of the properties used for own activity by the Parent Company are:

Carrying value as at 31 December previous year
Fair value as at 31 December previous year
Foreign currency translation effects previous year

(€141,000,000) 21
expenditure scope
at the end of the period
at the end of the period

The fair value of land and buildings (self used) at the end of the reporting period was mainly based on external

Other assets

(€141,000,000) 21
assets or disposal groups classified as held for sale
acquisition costs
assets
interest income
commissions for investment management services
acquisition costs
December previous year
scope
December current year

The other tangible assets amounted to € 2,016 million (€ 1,835 million at 31 December 2011). It mainly include

Cash and cash equivalents

(€141,000,000) 21
cash equivalents
balances with central banks
bank

The decrease of the period was substantially attributable to the decrease in deposits with the European Central
