Accounting principles

Basis of presentation

The Generali Group?s consolidated financial statements at 31 December 2012 was drawn up taking into accou
The Legislative Decree No. 209/2005 empowered ISVAP (now IVASS) to give further instructions for financial s
In this yearly report the Generali Group prepared its consolidated financial statements and Notes in conformity
As allowed by the aforementioned Regulation, the Generali Group believed it appropriate to supplement its con
The consolidated financial statements at 31 December 2012 were approved by the Board of Directors on 13 Ma
The consolidated financial statements at 31 December 2012 is audited by Reconta Ernst&Young S.p.A., the ap

Consolidated financial statements
The set of the consolidated financial statements is made up of the balance sheet, the profit and loss account, th
The Notes, which are mandatory as minimum content established by ISVAP (now IVASS), are presented in the
Comparative figures are restated compared to those presented in the financial statements at 31 December 201
This yearly report is drawn up in euro (the functional currency used by the entity that prepares the financial stat

Consolidation area
Based on the IAS 27, the Consolidated financial statements include the figures for both the Parent company an
At 31 December 2012, the consolidation area decrease from 523 to 498 companies, of which 451 are subsidiar
Changes in the consolidation area compared to the previous year and the table listing companies included in th
Consolidation methods

Investments in subsidiaries are consolidated line by line, whereas investments in associated companies and in
The balance sheet items of financial statements denominated in foreign currencies is translated into euro based
Instead, the profit and loss account items are translated based on the average exchange rates of the year. The
The exchange rate differences arising from the translation of the statements expressed in foreign currencies ar

Exchange rates of the balance sheet

Exchange rate at the end of the period (€)

Exchange rates of the income statement

Average exchange rate (€)

Line-by-line consolidation method

The subsidiaries as well as the special purpose entities where the requisites of effective control are applicable a
Control is presumed to exist when the Parent Company owns, directly or indirectly through subsidiaries, more th
The consolidation of a subsidiary ceases commencing from the date when the Parent Company loses control.
In preparing the consolidated financial statements:
the financial statements of the Parent Company and its subsidiaries are consolidated line by line. For consolida

- intra-group balances are eliminated in full;
- the carrying amount of the Parent Company?s investment in each subsidiary and the Parent Company
- minority shareholders? interests, together with their share of profit are shown as separate items.

Subsidiaries consolidated line by line are acquired using the acquisition method. The acquisition cost is represe
The assets acquired and liabilities assumed in a business combination are initially recognized at acquisition cur
Based on the IAS 27, the acquisitions of further minority interests of subsidiaries already consolidated line by lin
Similarly, in line with what it has been stated above concerning the purchase of further minority shares, the diffe

Consolidation using the equity method
Investments in associates and joint ventures are consolidated using the equity method.
An associate is an entity over which the investor has significant influence. Significant influence is the power to p
A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is
Under the equity method, the investment in an associate is initially recognized at cost (including goodwill) and t
Dividends received reduce the carrying amount of the investment. After application of the equity method, the G
Upon loss of significant influence over the associate, the Group measures and recognises any retained investm
Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group?s entities at their respective functional cur
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot
Differences arising on settlement or translation of monetary items are recognised in profit or loss with the excep
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the