

## FINANCIAL LIABILITIES

### 17 Liabilities at fair value through profit or loss

#### Financial liabilities at fair value through profit or loss

(€ million)	Financial liabilities held for trading		Financial liabilities designated as at fair value through profit or loss		Total	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Financial liabilities related to investment contracts issued by insurance companies	0	0	7,454	17,491	7,454	17,491
where the investment risk is borne by the policyholders	0	0	6,094	16,220	6,094	16,220
pension funds	0	0	1,266	1,184	1,266	1,184
other financial liabilities related to investment contracts	0	0	94	87	94	87
Derivatives	867	1,246	0	0	867	1,246
Hedging derivatives	0	0	576	713	576	713
Other financial liabilities at FV	0	0	38	33	38	33
<b>Total</b>	<b>867</b>	<b>1,246</b>	<b>8,068</b>	<b>18,238</b>	<b>8,935</b>	<b>19,484</b>

### 18 Other financial liabilities

#### Other financial liabilities

(€ million)	31/12/2017	31/12/2016
<b>Subordinated liabilities</b>	<b>8,379</b>	<b>9,126</b>
<b>Loans and bonds</b>	<b>12,975</b>	<b>11,533</b>
Deposits received from reinsurers	607	577
Bonds	3,171	3,273
Other loans	3,269	2,240
Financial liabilities related to investment contracts issued by insurance companies	5,928	5,443
<b>Liabilities to banks or customers</b>	<b>12,027</b>	<b>11,272</b>
Liabilities to banks	423	506
Liabilities to customers	11,603	10,766
<b>Total</b>	<b>33,381</b>	<b>31,932</b>

The decrease of the item 'Subordinated liabilities' was attributable to early repayment on the subordinated perpetual obligation made on 8 February 2017 by Generali Finance B.V .

The increase in the total of the item 'Other loans' was attributable to the growth in repurchase agreements in relation to the hedging of exposure to exchange risk underwritten by some Group companies.

The main Group's financial liabilities at amortized cost are represented by senior bonds and subordinated liabilities. The following tables sort Senior and Subordinated liabilities into categories based on maturity, or first call date, when applicable. For each category of maturity, the undiscounted cash flows (including the related hedging derivatives), the book value and the fair value of financial liabilities are reported.

**Subordinated liabilities - undiscounted cash flows**

(€ million)	31/12/2017			31/12/2016		
	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	796	251	269	1,463	711	711
between 1 and 5 years	5,459	3,324	4,110	3,038	1,027	1,134
between 5 and 10 years	5,307	3,964	4,570	7,163	5,306	5,822
more than 10 years	893	840	982	2,254	2,081	2,164
<b>Total subordinated liabilities</b>	<b>12,454</b>	<b>8,379</b>	<b>9,930</b>	<b>13,918</b>	<b>9,126</b>	<b>9,831</b>

The following main subordinated issuances are included as part of the subordinated liabilities category:

**Main subordinated issues**

	Coupon	Outstanding (*)	Currency	Amortised cost(**)	Issue date	Call date	Maturity
Assicurazioni Generali	6.27%	350	GBP	392	16/06/2006	16/02/2026	Perp
Generali Finance B.V.	5.48%	869	EUR	0	08/02/2007	02/08/2017	Perp
Assicurazioni Generali	6.42%	495	GBP	555	08/02/2007	08/02/2022	Perp
Assicurazioni Generali	10.13%	750	EUR	748	10/07/2012	10/07/2022	10/07/2042
Assicurazioni Generali	7.75%	1,250	EUR	1,247	12/12/2012	12/12/2022	12/12/2042
Assicurazioni Generali	4.13%	1,000	EUR	990	04/02/2014	n.a.	04/05/2026
Generali Finance B.V.	4.60%	1,500	EUR	1,340	21/11/2014	21/11/2025	Perp
Assicurazioni Generali	5.50%	1,250	EUR	1,242	27/10/2015	27/10/2027	27/10/2047
Assicurazioni Generali	5.00%	850	EUR	840	08/06/2016	08/06/2028	08/06/2048

(\*) in currency million.

(\*\*) in € million.

Unquoted subordinated liabilities issued by Assicurazioni Generali S.p.A. and other subsidiaries are also classified in this category. Liabilities issued by Assicurazioni Generali S.p.A. in the form of private placement amount to a nominal value of € 1,000 million corresponding to an amortized cost of € 999 million. The remaining subordinated liabilities relate to securities issued by Austrian subsidiaries corresponding to an amortized cost of approximately € 26 million.

In February 2017, a subordinated bond issued by the Group in February 2007 was repaid for a nominal value of € 869 million, through the proceeds deriving from the issue of a subordinated bond for the total amount of € 850 million made in June 2016.

The fair value of subordinated liabilities amounts to € 9.930 million.

**Senior bonds - undiscounted cash flows**

(in milioni di euro)	31/12/2017			31/12/2016		
	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	201	0	0	224	48	48
between 1 and 5 years	1,820	1,438	1,520	1,931	1,500	1,606
between 5 and 10 years	1,929	1,733	2,238	2,019	1,724	2,238
more than 10 years	0	0	0	0	0	0
<b>Total bond issued</b>	<b>3,950</b>	<b>3,171</b>	<b>3,757</b>	<b>4,174</b>	<b>3,273</b>	<b>3,892</b>

The category of bonds includes several senior issues shown below:

**Main senior bonds issues**

Issuer	Coupon	Outstanding (*)	Currency	Amortised cost(**)	Issue date	Maturity
Assicurazioni Generali	5.13%	1,750	EUR	1,733	16/09/2009	16/09/2024
Assicurazioni Generali	2.88%	1,250	EUR	1,247	14/01/2014	14/01/2020

(\*) in currency million.

(\*\*) in € million.

The category of 'bonds issued' includes both the issues described in the table 'Main senior bonds issues' and a senior bond issued in May 2010, for a nominal amount of € 560 million (at 31 December 2017 the remaining amount was about € 192 million), to fund the tax recognition of goodwill related to the unusual transaction Alleanza Toro. This issue was classified as operating debt because the debt structure provides a perfect correlation between cash flows arising from their recognition of taxes and loan repayments both in terms of interest and of capital.

The fair value of bonds issued amounted to € 3,757 million.

## Details on financial liabilities

The major monetary and non-monetary changes occurred during the period for the main items of financial liabilities (non-insurance) as well as for derivatives at fair value are shown below:

### Altre passività finanziarie

(€ million)	Movimenti non monetari						Carrying amount as at the end of the period
	Carrying amount as at 31.12 previous year	Cash-flows movements	Fair value changes	Changes in consolidation scope	Foreign currency translation effects	Other non cash movements	
Subordinated liabilities	9,126	-709	0	0	-38	0	8,379
Net position of hedging derivatives on subordinated liabilities	442	-99	36	0	-17	0	362
Bonds and other loans at long term	4,280	-334	0	-4	-6	-53	3,882
Derivatives and hedging derivatives classified as financial liabilities	1,517	-647	249	0	-39	0	1,081
REPO and other short term financial liabilities	1,181	1,359	0	0	-31	0	2,508
Other financial liabilities at fair value	33	1	4	0	0	0	38
<b>Total</b>	<b>12,594</b>	<b>1,061</b>	<b>-289</b>	<b>-4</b>	<b>-19</b>	<b>-54</b>	<b>13,289</b>