

## SHAREHOLDERS' EQUITY AND SHARE

### 16 Shareholders' equity

#### Shareholders' equity

(€ million)	31/12/2017	31/12/2016
<b>Shareholders' equity attributable to the Group</b>	<b>25,079</b>	<b>24,545</b>
Share capital	1,562	1,560
Capital reserves	7,098	7,098
Revenue reserves and other reserves	9,209	8,604
(Own shares)	-8	-7
Reserve for currency translation differences	-115	42
Reserve for unrealized gains and losses on available for sale financial assets	6,279	6,319
Reserve for other unrealized gains and losses through equity	-1,055	-1,153
Result of the period	2,110	2,081
Shareholders' equity attributable to minority interests	1,098	1,123
<b>Total</b>	<b>26,177</b>	<b>25,668</b>

The share capital is made up of 1,559,883,538 ordinary shares with a par value of € 1 each.

The Group's own shares are € -8 million, amounting to 310,273 shares.

During the year the Parent company distributed dividends amounting to € 1,249 million.

The reserve for currency translation differences arising from the translation of the subsidiaries' financial statements denominated in foreign currencies amounted to € -115 million (€ 42 million as at 31 December 2016). The negative variation was attributable to the appreciation of the euro against most major currencies.

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 € 6,279 million (€ 6,319 million at 31 December 2016).

The reserve for other unrealised gains and losses through equity comprised, among other component, gains or losses on re-measurement of the net defined benefit liability in accordance with IAS 19, 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 item remained essentially stable compared to 31 December 2016 and amounted to € 980 million.

## Other Comprehensive Income

### Other comprehensive income

(€ million)	31/12/2017	31/12/2016
<b>Consolidated result of the period</b>	<b>2,295</b>	<b>2,239</b>
<b>Items that may be reclassified to profit and loss in future periods</b>	<b>0</b>	<b>0</b>
Foreign currency translation differences	-190	-60
Allocation	-190	-65
Transfer to profit and loss account	0	5
Net unrealized gains and losses on investments available for sale	-81	317
Allocation	265	337
Transfer to profit and loss account	-347	-20
Net unrealized gains and losses on cash flows hedging derivatives	41	26
Allocation	60	-80
Transfer to profit and loss account	-19	106
Net unrealized gains and losses on hedge of a net investment in foreign operations	17	-9
Allocation	18	3
Transfer to profit and loss account	-1	-12
Share of other comprehensive income of associates	-7	6
Allocation	-7	7
Transfer to profit and loss account	0	-1
Result of discontinued operations	-7	-105
Allocation	-8	-105
Transfer to profit and loss account	1	0
Others	0	0
Allocation	0	0
Transfer to profit and loss account	0	0
Subtotal	-227	175
Allocation	139	96
Transfer to profit and loss account	-366	79
<b>Items that may not be reclassified to profit and loss in future periods</b>	<b>0</b>	<b>0</b>
Share of other comprehensive income of associates	0	0
Allocation	0	0
Result of discontinued operations	8	-19
Allocation	8	-19
Reserve for revaluation model on intangible assets	0	0
Allocation	0	0
Reserve for revaluation model on tangible assets	0	0
Allocation	0	0
Actuarial gains or losses arising from defined benefit plans	31	-224
Allocation	31	-224
Subtotal	39	-244
Allocation	39	-244
<b>Total other comprehensive income</b>	<b>-189</b>	<b>-69</b>
<b>Total comprehensive income</b>	<b>2,107</b>	<b>2,170</b>
attributable to the Group	2,010	2,092
attributable to minority interests	97	78

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.

#### Income taxes related to other comprehensive income

(€ million)	31/12/2017	31/12/2016
<b>Income taxes related to other comprehensive income</b>	93	35
Foreign currency translation differences	0	-1
Unrealized gains and losses on available for sale financial assets	120	-58
Net unrealized gains and losses on cash flows hedging derivatives	-8	-5
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	0
Actuarial gains or losses arising from defined benefit plans	-20	99

#### Earnings per share

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.

#### Earning per share

	31/12/2017	31/12/2016
Result of the period (€ million)	2,110	2,081
- from continuing operations	2,327	2,081
- from discontinued operations	-217	0
Weighted average number of ordinary shares outstanding	1,560,771,499	1,558,512,070
Adjustments for potential dilutive effect	20,036,569	20,036,569
Weighted average number of ordinary shares outstanding	1,580,808,068	1,578,548,639
Earnings per share (in €)	1.35	1.34
- from continuing operation	1.49	1.34
- from discontinued operations	-0.14	0.00
Diluted earnings per share (in €)	1.33	1.32
- from continuing operation	1.47	1.32
- from discontinued operations	-0.14	0.00

For more details on dividend per share please refer to the Management Report.

## 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.

### Reconciliation report

(€ million)	31/12/2017		31/12/2016	
	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	13,421	1,404	13,574	1,096
Adjustments to Parent Company for IAS/IFRS application	957	-31	938	42
<b>Parent Company amounts in conformity with IAS/IFRS principles</b>	<b>14,378</b>	<b>1,374</b>	<b>14,513</b>	<b>1,138</b>
Result of the period of entities included in the consolidation area		8,949		7,180
Dividends	6,883	-6,883	5,983	-5,983
Elimination of participations, equity valuation impacts and other consolidation adjustments	-3,534	-1,330	-3,352	-255
Reserve for currency translation differences	-115		43	
Reserve for unrealized gains and losses on available for sale financial assets	6,211		6,218	
Reserve for other unrealized gains and losses through equity	-854		-941	
<b>Shareholders equity attributable to the group</b>	<b>22,969</b>	<b>2,110</b>	<b>22,464</b>	<b>2,081</b>