

Shareholders' equity and Share

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Shareholders' equity

| (€ million) | 31/12/2015 | 31/12/2014 |
|--|---------------|---------------|
| Shareholders' equity attributable to the Group | 23,565 | 23,204 |
| Share capital | 1,557 | 1,557 |
| Capital reserves | 7,098 | 7,098 |
| Revenue reserves and other reserves | 7,688 | 7,571 |
| (Own shares) | -6 | -8 |
| Reserve for currency translation differences | 74 | -239 |
| Reserve for unrealized gains and losses on available for sale financial assets | 6,067 | 6,498 |
| Reserve for other unrealized gains and losses through equity | -944 | -943 |
| Result of the period | 2,030 | 1,670 |
| Shareholders' equity attributable to minority interests | 1,143 | 981 |
| Total | 24,708 | 24,185 |

The share capital is made up of 1,556,873,283 ordinary shares with a par value of € 1 each.

The Group's own shares decreased to € -6 million, amounting to 310,273 shares (€ -8 million, 309,133 shares as at 31 December 2014).

During the year the Parent company distributed dividends amounting to € 934 million.

The reserve for currency translation differences arising from the translation of the subsidiaries' financial statements denominated in foreign currencies amounted to € 74 million (-239 million as at 31 December 2014). The positive variation was attributable to the depreciation 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 € 6,067 million (€ 6,498 million at 31 De-

ember 2014). The variation is essentially attributable to the decrease in unrealized gains and losses attributable to the available for sale financial assets.

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 revised, 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 substantially stable against the increase in gains arising from the re-measurement of the liability for defined benefit plans for € 162 million, as a result of an increase of the reference interest rates used to discount these liabilities, substantially offset by the decrease in the reserve for disposal groups due to the mentioned BSI disposal (€ 157 million as at 31 December 2014).

Other Comprehensive Income

| (€ million) | 31/12/2014 | 31/12/2013 |
|--|--------------|--------------|
| Consolidated result of the period | 2,259 | 1,852 |
| Items that may be reclassified to profit and loss in future periods | | |
| Foreign currency translation differences | 328 | 110 |
| Allocation | 366 | 105 |
| Transfer to profit and loss account | -38 | 5 |
| Net unrealized gains and losses on investments available for sale | -398 | 4,017 |
| Allocation | 486 | 5,694 |
| Transfer to profit and loss account | -884 | -1,678 |
| Net unrealized gains and losses on cash flows hedging derivatives | 41 | 21 |
| Allocation | 87 | 71 |
| Transfer to profit and loss account | -45 | -50 |
| Net unrealized gains and losses on hedge of a net investment in foreign operations | -49 | -1 |
| Allocation | -52 | -1 |
| Transfer to profit and loss account | 2 | 0 |
| Share of other comprehensive income of associates | 9 | 49 |
| Allocation | 18 | 48 |
| Transfer to profit and loss account | -9 | 1 |
| Result of discontinued operations | -576 | 29 |
| Allocation | -4 | 36 |
| Transfer to profit and loss account | -572 | -6 |
| Others | | |
| Allocation | | |
| Transfer to profit and loss account | | |
| Subtotal | -645 | 4,225 |
| Allocation | 900 | 5,953 |
| Transfer to profit and loss account | -1,546 | -1,728 |
| Items that may not be reclassified to profit and loss in future periods | | |
| Share of other comprehensive income of associates | 0 | 0 |
| Allocation | 0 | 0 |
| Result of discontinued operations | 437 | -196 |
| Allocation | 437 | -196 |
| Reserve for revaluation model on intangible assets | | |
| Allocation | | |
| Reserve for revaluation model on tangible assets | | |
| Allocation | | |
| Actuarial gains or losses arising from defined benefit plans | 162 | -529 |
| Allocation | 162 | -529 |
| Subtotal | 600 | -725 |
| Allocation | 600 | -725 |
| Total other comprehensive income | -46 | 3,499 |
| Total comprehensive income | 2,214 | 5,351 |
| attributable to the Group | 1,912 | 5,042 |
| attributable to minority interests | 302 | 309 |

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) | 31/12/2015 | 31/12/2014 |
|--|------------|---------------|
| Income taxes related to other comprehensive income | 271 | -1,544 |
| Foreign currency translation differences | 5 | -8 |
| Unrealized gains and losses on available for sale financial assets | 353 | -1,766 |
| Net unrealized gains and losses on cash flows hedging derivatives | -21 | -11 |
| 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 | -67 | 240 |

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 Compa-

ny'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

| | 31/12/2015 | 31/12/2014 |
|--|---------------|---------------|
| Result of the period (€ million) | 2,030 | 1,670 |
| - from continuing operations | 2,066 | 1,751 |
| - from discontinued operations | -35 | -81 |
| Weighted average number of ordinary shares outstanding | 1,556,428,701 | 1,555,999,441 |
| Adjustments for potential dilutive effect | 16,168,060 | 16,168,060 |
| Weighted average number of ordinary shares outstanding | 1,572,596,761 | 1,572,167,501 |
| Earnings per share (in €) | 1.30 | 1.07 |
| - from continuing operation | 1.33 | 1.13 |
| - from discontinued operations | -0.02 | -0.05 |
| Diluted earnings per share (in €) | 1.29 | 1.06 |
| - from continuing operation | 1.31 | 1.11 |
| - from discontinued operations | -0.02 | -0.05 |

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) | 31/12/2015 | | 31/12/2014 | |
|---|--|----------------------|--|----------------------|
| | 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 | 13.768 | 932 | 13,964 | 738 |
| Adjustments to Parent Company for IAS/IFRS application | 1.230 | -241 | 1,156 | 118 |
| Parent Company amounts in conformity with IAS/IFRS principles | 14.997 | 691 | 15,120 | 856 |
| Result of the period of entities included in the consolidation area | | 5.855 | | 6,865 |
| Dividends | 5.294 | -5.294 | 4,946 | -4,946 |
| Elimination of participations, equity valuation impacts and other consolidation adjustments | -4.080 | 779 | -3,894 | -1,076 |
| Reserve for currency translation differences | 74 | | -239 | |
| Reserve for unrealized gains and losses on available for sale financial assets | 5.982 | | 6,334 | |
| Reserve for other unrealized gains and losses through equity | -731 | | -763 | |
| Shareholders equity attributable to the group | 21,535 | 2,030 | 21.534 | 1,670 |