

Shareholders' equity and share

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Shareholders' equity

(€ million)	31/12/2016	31/12/2015
Shareholders' equity attributable to the Group	24,545	23,565
Share capital	1,560	1,557
Capital reserves	7,098	7,098
Revenue reserves and other reserves	8,604	7,688
(Own shares)	-7	-6
Reserve for currency translation differences	42	74
Reserve for unrealized gains and losses on available for sale financial assets	6,319	6,067
Reserve for other unrealized gains and losses through equity	-1,153	-944
Result of the period	2,081	2,030
Shareholders' equity attributable to minority interests	1,123	1,143
Total	25,668	24,708

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 decreased to € -7 million, amounting to 310,273 shares (€ -6 million, 310,273 shares as at 31 December 2015).

During the year the Parent company distributed dividends amounting to € 1,123 million.

The reserve for currency translation differences arising from the translation of the subsidiaries' financial statements denominated in foreign currencies amounted to € 42 million (€ 74 million as at 31 December 2015). 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 € 6,319 million (€ 6,067 million at 31 December 2015).

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 decreased mainly because of actuarial losses arising from the re-measurement of the liability for defined benefit plans for € -244 million, as a result of a decrease of the reference interest rates used to discount these liabilities.

Other Comprehensive Income

Other comprehensive income

(€ million)	31/12/2016	31/12/2015
Consolidated result of the period	2,239	2,259
Items that may be reclassified to profit and loss in future periods	0	0
Foreign currency translation differences	-60	328
Allocation	-65	366
Transfer to profit and loss account	5	-38
Net unrealized gains and losses on investments available for sale	195	-398
Allocation	203	486
Transfer to profit and loss account	-8	-884
Net unrealized gains and losses on cash flows hedging derivatives	26	41
Allocation	-80	87
Transfer to profit and loss account	106	-45
Net unrealized gains and losses on hedge of a net investment in foreign operations	-9	-49
Allocation	3	-52
Transfer to profit and loss account	-12	2
Share of other comprehensive income of associates	6	9
Allocation	7	18
Transfer to profit and loss account	-1	-9
Result of discontinued operations	17	-576
Allocation	17	-4
Transfer to profit and loss account	0	-572
Others	0	0
Allocation	0	0
Transfer to profit and loss account	0	0
Subtotal	175	-645
Allocation	84	900
Transfer to profit and loss account	91	-1,546
Items that may not be reclassified to profit and loss in future periods	0	0
Share of other comprehensive income of associates	0	0
Allocation	0	0
Result of discontinued operations	0	437
Allocation	0	437
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	-244	162
Allocation	-244	162
Subtotal	-244	600
Allocation	-244	600
Total other comprehensive income	-69	-46
Total comprehensive income	2,170	2,214
attributable to the Group	2,092	1,912
attributable to minority interests	78	302

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)	31/12/2016	31/12/2015
Income taxes related to other comprehensive income	24	271
Foreign currency translation differences	-1	5
Unrealized gains and losses on available for sale financial assets	-69	353
Net unrealized gains and losses on cash flows hedging derivatives	-5	-21
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	99	-67

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

	31/12/2016	31/12/2015
Result of the period (€ million)	2,081	2,030
- from continuing operations	2,081	2,066
- from discontinued operations	0	-35
Weighted average number of ordinary shares outstanding	1,558,512,070	1,556,428,701
Adjustments for potential dilutive effect	18,055,207	18,055,207
Weighted average number of ordinary shares outstanding	1,576,567,277	1,538,373,494
Earnings per share (in €)	1.34	1.30
- from continuing operation	1.34	1.33
- from discontinued operations	0.00	-0.02
Diluted earnings per share (in €)	1.32	1.32
- from continuing operation	1.32	1.34
- from discontinued operations	0.00	-0.02

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)	31/12/2016		31/12/2015	
	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	13,574	1,096	13,768	931
Adjustments to Parent Company for IAS/IFRS application	938	42	1,229	-241
Parent Company amounts in conformity with IAS/IFRS principles	14,513	1,138	14,997	691
Result of the period of entities included in the consolidation area		7,180		5,855
Dividends	5,983	-5,983	5,294	-5,294
Elimination of participations, equity valuation impacts and other consolidation adjustments	-3,352	-255	-4,080	779
Reserve for currency translation differences	43		74	
Reserve for unrealized gains and losses on available for sale financial assets	6,218		5,982	
Reserve for other unrealized gains and losses through equity	-941		-731	
Shareholders equity attributable to the group	22,464	2,081	21,535	2,030