

Balance sheet - Liabilities and equity

Shareholders' equity

Shareholders' equity

Shareholders' equity attributable to the Group

1.1.1 - Share capital

Ordinary shares are recognised as share capital and their value equals the nominal value.

1.1.2 - Other equity instruments

The item includes preference shares and equity components of compound financial instruments.

1.1.3 - Capital reserve

The item includes the share premium account of the Parent Company.

1.1.4 - Revenue reserve and other reserves

The item comprises retained earnings or losses adjusted for the effect due to changes arising from the first-time

1.1.5 - Own shares

As provided for by IAS 32, the item includes equity instruments of the Parent company held by the same compa

1.1.6 - Reserve for currency translation differences

The item comprises the exchange differences to be recognised in equity in accordance with IAS 21, which deriv

1.1.7 - Reserve for unrealised gains and losses on available for sale financial assets

The item includes gains or losses arising from changes in the fair value of available for sale financial assets, as

The amounts are accounted for net of the related deferred taxes and deferred policyholder liabilities.

1.1.8 - Reserve for other unrealised gains and losses through equity

The item includes the cash flow hedging derivatives reserve, the reserve for hedge of a net investment in a fore

1.1.9 - Result of the period

The item refers to the Group consolidated result of the period. Dividend payments are accounted for after the a

1.2 - Shareholders' equity attributable to minority interests

The item comprises equity instruments of minority interests.

It also includes the reserve for unrealized gains and losses on available for sale investments and the any other

Other provisions

In compliance with IAS 37, the amounts recorded to other provisions are recognised only when the company ha

Insurance provisions

This item comprises amounts, gross of ceded reinsurance, of liabilities related to insurance contracts and invest

3.1 - Life insurance policies

In accordance with IFRS 4, policies of the life segment are classified as insurance contracts or investment cont

Classification requires the following steps:

- identification of the characteristics of products (option, discretionary participation feature, etc.) and service
- determination of the level of insurance risk in the contract; and
- application of the international principle.

3.1.1 - Insurance contracts and investment contracts with DPF

Premiums, payments and change in the insurance provision related to products whose insurance risk is consid

3.1.2 - Shadow accounting

In order to mitigate the valuation mismatch between financial investments carried at fair value according to IAS

The policyholders' share is calculated on the average contractual percentage for the policyholder participation,

The accounting item arising from the shadow accounting application is included in the carrying amount of insura

The main accounting effect of the shadow accounting is double fold: on the one hand, the recognition of the po

3.1.3 - Investment contracts

Investment contracts without DPF and that do not have a significant investment risk, mainly include unit/index-l

- the products are recognised as financial liabilities at fair value or at amortized cost. In detail, linked pro
- fee and commission income and expenses are recognised in the profit and loss account. Specifically,
- fee and commission income and incremental costs of pure capitalization contracts without DPF (other
- the risk component of linked products is unbundled, if possible, and accounted for as insurance contra

3.2 - Life insurance provisions

Life insurance provisions are related to insurance contracts and investment contracts with discretionary particip

Liabilities related to insurance contracts and investment contracts with discretionary participation features are d

These actuarial assumptions take into consideration the most recent demographic tables of each country where

Among life insurance provisions, the additional provisions to the mathematical ones, already envisaged by the l

As previously mentioned, insurance provisions include deferred policyholder liabilities related to contracts with l

3.2.1 - Liability adequacy test (LAT)

In accordance with IFRS 4, in order to verify the adequacy of the reserves a Liability Adequacy Test (LAT) is pe

The liability adequacy test is performed through the comparison of the IFRS reserves (which include the impact

The insurance contracts modelling and best estimates assumptions used are consistent with Group Embedded
Each inadequacy is charged to profit and loss account, initially reducing deferred acquisition costs and value of

3.3 - Non-life insurance provisions

The local GAAP for each country is applied to the non-life insurance provisions, since all the existing policies fa
The provisions for unearned premiums includes the pro-rata temporis provision, which is the amounts of gross
The provisions for outstanding claims are determined by a prudent assessment of damages, based on objective
The non-life insurance provisions meets the requirements of the liability adequacy test according to IFRS 4.
Amounts ceded to reinsurers from insurance provisions are determined in accordance with the criteria applied f

Financial liabilities

Financial liabilities at fair value through profit or loss and financial liabilities at amortized cost are included in thi

4.1 - Financial liabilities at fair value through profit or loss

The item refers to financial liabilities at fair value through profit or loss, as defined and regulated by IAS 39. In d

4.2 - Other financial liabilities

The item includes financial liabilities within the scope of IAS 39 that are not classified as at fair value through pr
This item comprises both subordinated liabilities, which, in the case of bankruptcy, are to be repaid only after th
Bond instruments issued are measured at issue price, net of costs directly attributed to the transaction. The diff
Furthermore, it includes liabilities to banks or customers, deposits received from reinsurers, bonds issued, othe

4.3 - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.
When an existing financial liability is replaced by another from the same lender on substantially different terms,

Payables

5.1 - Payables arising out of insurance and reinsurance operations

The item includes payables arising out of insurance and reinsurance operations.

5.3 - Other payables

These payables (including) These provisions are accounted for in accordance with IAS 19 (see paragraph 6.

Other liabilities

The item comprises liabilities not elsewhere accounted for. In detail, it includes liabilities directly associated with

6.1 - Liabilities directly associated with non-current assets and disposal groups classified as held for sale

The item includes liabilities directly associated with non-current assets and disposal groups classified as held fo

6.2 - Deferred tax liabilities

Deferred tax liabilities are recognised for all taxable temporary differences between the carrying amount of asse

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a t
In respect of taxable temporary differences associated with investments in subsidiaries, associates and

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax

Deferred tax liabilities are measured at the tax rates that are expected to be applied in the period when the liab

6.3 - Tax payables

The item includes payables due to tax authorities for current taxes. Current income tax relating to items recogni

6.4 - Other liabilities

This item includes provisions for defined benefit plans, such as termination benefit liabilities and other long-term

Deferred fee and commission income includes acquisition loadings related to investment contracts without DPF

Thus, the acquisition commissions have been moved in the balance sheet, as liabilities to be released to profit



