

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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Financial liabilities related to investment contracts issued by insurance companies	0	0	2,907	7,454	2,907	7,454
where the investment risk is borne by the policyholders	0	0	1,515	6,094	1,515	6,094
pension funds	0	0	1,239	1,266	1,239	1,266
other financial liabilities related to investment contracts	0	0	153	94	153	94
Derivatives	668	867	0	0	668	867
Hedging derivatives	0	0	548	576	548	576
Other financial liabilities at FV	0	0	36	38	36	38
Total	668	867	3,491	8,068	4,159	8,935

The item “Financial liabilities related to investment contracts issued by insurance companies” decreased compared to 31 December 2017 due to the change in the

scope of consolidation particularly with reference to the operations in Guernsey and to a lesser extent Belgium.

18 Other financial liabilities

Other financial liabilities

(€ million)	31/12/2018	31/12/2017
Subordinated liabilities	8,124	8,379
Loans and bonds	13,263	12,986
Deposits received from reinsurers	747	607
Bonds	3,111	3,171
Other loans	3,184	3,279
Financial liabilities related to investment contracts issued by insurance companies	6,221	5,928
Liabilities to banks or customers	12,995	12,027
Liabilities to banks	116	423
Liabilities to customers	12,880	11,603
Total	34,382	33,391

The decrease of the item ‘Subordinated liabilities’ was attributable to early repayment on the subordinated perpetual obligation issued in 2008, made at the end of 2018 for a nominal value of € 250 million.

The main Group’s financial liabilities at amortized cost are represented by senior bonds and subordinated liabil-

ities. 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)	31/12/2018			31/12/2017		
	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	1,275	750	762	796	251	269
between 1 and 5 years	4,373	2,570	2,942	5,459	3,324	4,110
between 5 and 10 years	5,930	4,803	4,883	5,307	3,964	4,570
more than 10 years	0	0	0	893	840	982
Total subordinated liabilities	11,578	8,124	8,587	12,454	8,379	9,930

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	388	16/06/2006	16/02/2026	Perp
Assicurazioni Generali	6.42%	495	GBP	549	08/02/2007	08/02/2017	Perp
Assicurazioni Generali	7.24%	350	EUR	350	04/03/2009	04/03/2019	Perp
Assicurazioni Generali	8.50%	350	EUR	350	06/03/2009	06/03/2019	Perp
Assicurazioni Generali	9.00%	50	EUR	50	15/07/2009	15/07/2019	Perp
Assicurazioni Generali	10.13%	750	EUR	748	10/07/2012	10/07/2022	10/07/2042
Assicurazioni Generali	7.75%	1,250	EUR	1,248	12/12/2012	12/12/2022	12/12/2042
Assicurazioni Generali	4.13%	1,000	EUR	991	02/04/2014	n.a.	04/05/2026
Assicurazioni Generali	4.60%	1,500	EUR	1,341	21/11/2014	21/11/2025	Perp
Assicurazioni Generali	5.50%	1,250	EUR	1,243	27/10/2015	27/10/2027	27/10/2047
Assicurazioni Generali	5.00%	850	EUR	841	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. The remaining subordinated liabilities relate to securities issued by Austrian subsidiaries corresponding to an amortized cost of approximately € 25 million.

In November and December 2018 two subordinated bonds issued by the Group in 2008 for a nominal value of € 250 million by mean of available liquidity.

The fair value of subordinated liabilities amounts to € 8.587 million.

Senior bonds - undiscounted cash flows

(€ million)	31/12/2018			31/12/2017		
	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	197	0	0	201	0	0
between 1 and 5 years	1,712	1,376	1,411	1,820	1,438	1,520
between 5 and 10 years	1,840	1,740	2,057	1,929	1,733	2,238
more than 10 years	0	0	0	0	0	0
Total bond issued	3,749	3,116	3,469	3,950	3,171	3,757

The category of bonds includes several quoted senior issues shown below:

Main senior bonds issues

Emittente	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 € 128 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 € 3,469 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:

Other financial liabilities

	Carrying amount as at 31.12 previous year	Cash-flows movements	Non-monetary changes				Carrying amount as at the end of the period
			Fair value changes	Changes in consolidation scope	Foreign currency translation effects	Other non cash movements	
Subordinated liabilities	8,379	-245	0	0	-10	-0	8,124
Net position of hedging derivatives on subordinated liabilities	362	0	18	0	-4	0	376
Bonds and other loans at long term	3,882	-67	0	378	1	0	4,195
Derivatives and hedging derivatives classified as financial liabilities	1,081	-236	-1	0	-4	0	840
REPO and other short term financial liabilities	2,508	-393	0	0	-19	0	2,097
Other financial liabilities at fair value	38	0	-2	0	-0	0	36
Total	13,289	-469	-15	379	-21	0	13,164