



Next to people,
next to you.

UnipolSai Assicurazioni
Annual Report
 2017





NEXT TO PEOPLE, NEXT TO YOU

This is how we think, because by adopting a management model that addresses not only the protection of our assets and profitability, we are striving to be constantly close to people and to their security needs, and attentive to the protection of their savings. Close to their personal and professional plans, close to their passions and what they love.

As proactive players in our country's development, we are concretely committed to the community and the environment. We support and value the beauty of our artistic and cultural heritage and sports, thus favouring development wherever we have a presence.

For us, closeness is also innovation: not only in products and services, but also in methods and processes. Innovative, widespread, accessible.

To be increasingly next to people, next to you.

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Company bodies

BOARD OF DIRECTORS	CHAIRMAN	Carlo Cimbri	
	VICE CHAIRMEN	Fabio Cerchiai	
		Pierluigi Stefanini	
	DIRECTORS	Francesco Berardini	Maria Rosaria Maugeri
Paolo Cattabiani		Maria Lillà Montagnani	
Lorenzo Cottignoli		Nicla Picchi	
Ernesto Dalle Rive		Giuseppe Recchi	
Cristina De Benetti		Elisabetta Righini	
Giorgio Ghiglieno		Barbara Tadolini	
Vittorio Gioveti		Francesco Vella	
Massimo Masotti			
SECRETARY OF THE BOARD OF DIRECTORS		Roberto Giay	
GENERAL MANAGER	Matteo Laterza		
BOARD OF STATUTORY AUDITORS	CHAIRMAN	Paolo Fumagalli	
	STATUTORY AUDITORS	Giuseppe Angiolini	
		Silvia Bocci	
ALTERNATE AUDITORS	Domenico Livio Trombone		
	Luciana Ravicini		
	Donatella Busso		
MANAGER IN CHARGE OF FINANCIAL REPORTING	Maurizio Castellina		
INDEPENDENT AUDITORS	PricewaterhouseCoopers S.p.A.		

Introduction

Macroeconomic background and market performance

Macroeconomic background

The year 2017 saw global economic growth just above 3.5%, a significant acceleration compared to 2016.

The Eurozone managed to expand its Gross Domestic Product (GDP) by around 2.3%, marking growth around half a percentage point higher than in 2016 and more than double its potential. It should also be underscored that development has been quite even and synchronised amongst the area's various countries. Various factors have contributed to this result: the constant support of the European Central Bank (ECB), the less restrictive fiscal policy, accelerating domestic demand, improvements in employment (the unemployment rate was 8.7% in December) and good international trade trends.

In 2017, the ECB maintained its expansionary monetary policy, moving forward with its bond buying program (Quantitative Easing, or QE) within a context of significant economic growth, despite the presence of inflation that is still far from the 2% target (in December, inflation was 1.4%). The ECB recently confirmed that the official discount rate will remain anchored at the current level even beyond the end of QE. The latter was updated in January 2018 with a reduction in bond purchases from €60bn to €30bn per month and a time horizon extended at least until next September.

In the United States, economic activity developed at a rate of close to 2.3%, higher than the 1.5% recorded in 2016. After a first quarter characterised by limited growth (GDP +1.2% on an annual basis), activity accelerated as the year continued thanks to good domestic demand trends, which were also encouraged by expectations surrounding the Trump administration's tax reform. In 2017, in light of the sustained growth being experienced by the US economy, full employment (the unemployment rate fell to 4.1% in December) and the change in consumer prices close to the target of 2%, the Federal Reserve (Fed) hiked the official discount rate on three occasions (25 basis points each time), bringing it to 1.5% in December. Furthermore, due to the strength of the United States economy, in October the Fed announced that it will begin to progressively reduce the amount of bonds held.

In Japan, thanks to the continuation of unconventional monetary policies and new fiscal stimulus measures, the country achieved good growth (around 1.6%) within a context of full employment (in December, the unemployment rate was 2.8%). However, the inflation rate remains far from the Bank of Japan's target (in December it was 1%), making a continuation of the monetary authority's accommodating approach plausible for 2018.

China achieved economic growth exceeding government expectations (+6.8%, against a forecast of +6.5%), to a significant extent favoured by the development of the main economic areas to which it exports goods and, at the same time, by a slow but constant increase in domestic demand in a country where the savings rate, nearly at 40% of GDP, is one of the highest in the world.

Lastly, 2017 was essentially positive from the economic perspective for the emerging economies, which were supported by the recovery in oil prices and commodities, within a context of considerable development in international trade.

In 2017, the Italian economy also achieved a positive growth rate of approximately 1.5% on an annual basis. This result was favoured by numerous factors: consumption, supported by the declining unemployment rate (10.8% at the end of the year), the less restrictive fiscal policy, the recovery in investments and international trade which favoured exports. In addition, it is necessary to note the continuous action of the ECB which resulted in particularly favourable financial conditions. Despite the good economic growth achieved, the level of public debt continues to remain high, unlike that of other Eurozone countries.

In 2018, a stabilisation of the economic expansion is expected, although the continuation of international geopolitical uncertainty could negatively impact economic trends. Tensions have not disappeared between North Korea and the United States, relations are becoming embittered between Saudi Arabia and Iran and the Turkish military intervention in Syrian Kurdistan is causing concern. Furthermore, the evolution of the Brexit process, the complex phase of forming a new government in Germany, the Italian political situation in the wake of the very recent elections and the Catalan issue could represent elements of instability in Europe.

Financial markets

In 2017, the market rates curve was characterised by modest volatility. There were limited increases in the long-term part (roughly twenty basis points), while the short-term part closed the year at values that were basically unchanged compared to the end of 2016. Low volatility for German government bond yields as well, although the curve shifted upwards on all maturities: the movement was more intense in the medium-term part (33 basis points for the five-year) and less accentuated on longer maturities (the ten-year rose by 22 basis points). Italian government rates experienced an upward trend concentrated on very long maturities (from 15 years and up), while the other yields rose less than the analogous German bonds. Therefore, the yield spread between Italian and German bonds declined slightly in the last year on all maturities under 15 years (-10 basis points for the ten-year bond), while it rose on the long-term part of the curve (+27 basis points for the fifteen-year bond; +11 basis points for the twenty-year bond).

The euro started 2017 at 1.054 to the dollar, then appreciated in the course of the year, standing at 1.199 at 31 December 2017. This performance is linked in part to the decent growth outlooks of the Eurozone and in part reflects the Trump administration's approach towards economic policies supporting domestic production, which will entail a weaker US currency.

With market rates that became gradually higher compared to the end of 2016, with volatility at all-time lows thanks to the measures taken by the main central banks and in light of the global economic development scenario that is synchronised for the first time in quite a few years, the stock markets marked positive performance in 2017: the Eurostoxx 50 index, which represents the performance of the stocks with the largest market capitalisation in the Eurozone, was up by 6.5% (-2.5% in the fourth quarter). The performance of the German Dax was notable at +12.5% (+0.7% in the final quarter of the year). The Italian stock exchange also performed well thanks to the improved climate within the banking system and the stability of government bonds: the FTSE MIB, abundant in financial securities, rose by 13.6% (-3.7% in the fourth quarter). Lastly, Madrid's Ibex, impacted in part by political tensions in Catalonia, recorded +7.4% during the year (-3.3% in the final quarter of 2017).

The Standard & Poor's 500 index, which represents the performance of the largest listed companies in the US, was up 19.4% in 2017 (+6.1% in the fourth quarter), while in Japan the Nikkei index gained 19.1% in 2017 (+11.8% in the fourth quarter) due to the positive effects of the fiscal and monetary support provided to the economy.

Lastly, in relation to the emerging market indices, in line with positive economic trends overall, the most representative index, the Morgan Stanley Emerging Market, rose by 27.8% in 2017 (+5.3% in the fourth quarter).

The iTraxx Senior Financial index, representing the average spread of financial sector companies with a high credit rating, fell by 15.6 basis points, from 59.6 to 44.0 at the end of the fourth quarter. In 2017, the index decreased from 93.6 to 44.0, equivalent to a 49.6 basis points restriction of the spread. This improvement can be attributed in large part to the strengthening of the European banking system within a context of robust economic growth and a steeper market yield curve which favours the profitability of credit institutions.

Insurance sector

The year 2017 ended with a further contraction of the volume of premiums in the Life sector, accompanied by a limited increase in the total Non-Life premiums.

There was a 0.4% increase in activity on the Non-Life business (including cross-border operations), in the first three quarters of 2017, with respect to the same period in 2016. Income in the MV segment was down again, where MV TPL declined by 2.8%. This result seems due to the high rate of competition of the sector, as a result of which, according to Ania data, premiums decreased by more than 3% on average for the year. This decline cannot be explained by the trend of claims frequency, as this recorded an additional slight increase in the first three quarters of 2017. The trend of this indicator reflects the upswing in distance travelled under way for a few quarters now, as regards light vehicles as well as heavy vehicles. On the contrary, in the Land Vehicle Hulls class, there was a 7% increase in turnover, with support provided by the good performance of the automotive market (+7.8% new vehicle registrations in 2017).

In the Non-MV Non-Life market, premiums increased by 2% in the first nine months of 2017 (including cross-border activities). The Health sector (+6.5%) was confirmed as particularly dynamic, and the Accident class also achieved a good result in terms of volume growth (+2.8%). The development of some smaller classes also exceeded the average (Pecuniary Losses, Legal protection and Assistance). The aggregate of representative insurance companies in the European Economic Area recorded a 0.9% decline in premiums collected, versus 2.7% growth for Italian and non-EU insurance companies.

In the Life business, activities were impacted by increased confidence in domestic economic outlooks, which led Italian households to increase their expenditure, triggering a decline in their propensity to save. In this context, the Life premiums (including cross border activity) recorded a 3.9% decrease in 2017 compared to 2016, for a monetary volume of €115.7bn. Several factors contributed to this result, including insurers' low propensity to place traditional products, in light of the low level reached by interest rates. Indeed, the significant growth recorded in class III policies (+30.1%) was not capable of offsetting the decline in premiums subscribed for class I products (-14.8%). Class VI business showed good performance, with growth of 9.9%.

In 2017 net Life flows (net of cross border activity) i.e. the difference between premiums and services paid by insurers, remained in positive territory (+€27.4bn), although at values significantly lower than those recorded in the same period of 2016 (+€39.4bn). This result is the outcome of an appreciable downturn in gross premiums (-3.6%) in conjunction with an acceleration in the flow of claims (+13.2%). Lastly, technical provisions for the Life business increased by around €37.3bn during the year, reaching in excess of €658bn at the end of the year.

Pension funds

The data published by Covip for 2017 show over 8.3 million total subscribers of the different supplementary pension schemes, marking an increase of 7.1% compared to the end of 2016. The increases were not dissimilar amongst the main types: Occupational Pension Funds +8.0%, Open Pension Funds +9.2% and new Personal Pension Funds +8.1%. These results were supported by the launch of the contractual participation mechanism in four funds: the fund for motorway sector workers, the fund for employees of Ferrovie dello Stato group companies, the fund for motorway, railway and tramway workers and, with specific methods, the Veneto regional fund.

The amount of funds assigned to services was just under €161bn, with a 6.3% increase with respect to December of the previous year.

Again in reference to 2017, the average yields of Occupational Pension Funds (2.6%) were above the revaluation guaranteed by post-employment benefits (1.7%). Appealing results were recorded by Open Pension Funds (+3.3%).

In 2017, a new instrument dedicated to long-term investments was launched: the Individual Savings Plan (PIR). It is estimated that, during the year just ended, investors contributed as much as €11bn to PIRs. The sums invested in these products enjoy considerable tax benefits, also due to the restrictions defined on the investments.

Real Estate market

According to Land Registry figures, in the third quarter of 2017 the number of real estate transactions in the residential segment recorded a modest +1.5% increase with respect to the same period of 2016. The performance of the sales of property for services and commercial use (+5.5%) and production activities (+12%) was a bit more robust. On the other hand, unit prices dropped by more than 1% across all segments.

For 2017, Nomisma estimates an increase of 5.5% in residential property sales. However, this will not be enough to drive up unit prices, which are expected to decline for all property types. The same goes for rents (expressed in prices per square metre), which are also expected to experience further downsizing.

The survey on the Italian housing market, conducted quarterly by the Bank of Italy on a sample of real estate agents questioned on the state of the housing market, shows that a majority expects prices to stabilise, a trend that consolidated already in 2015. This survey also shows the decline in the average discount relative to the initial price, which in the third quarter of 2017 dropped to 10.2%. Selling times, reduced to 7.5 months, also contracted to a considerable extent compared to the previous surveys.

Main regulatory developments

New national accounting standards

Directive 2013/34/EU (the "Accounting Directive"), transposed in the Italian system through the approval of Legislative Decree no. 139 of 18 August 2015 and Legislative Decree 136/2015, introduced several new elements with regard to the preparation of separate and consolidated financial statements which entailed a process of revision of the domestic accounting standards OIC, already applicable with reference to last year's financial statements.

The new accounting regulations partly also concerned the financial statements of insurance companies, which are governed by specific industry legislation. Legislative Decree 139/2015, in addition to amending the provisions of the Civil Code with regard to financial statements, also made changes to Legislative Decree 173/1997, though limiting the scope of application of the new elements to the insurance sector. As can be inferred also from the report to the Decree, the legislator has meant to exclude the application by insurance companies of accounting standards that may potentially cause merely accounting misalignments to emerge in the financial statements due to uneven measurement criteria compared to those applicable to typical items of insurance nature. The criterion of the amortised cost for the measurement of securities, receivables and payables and the fair value measurement of derivatives thus did not become applicable to insurance companies.

Below is a summary of the amendments to the new OIC accounting standards promulgated on 29 December 2017, in force starting from the financial statements that start on or after 1 January 2017, which also apply to the financial statements of insurance companies due to their general nature or because they refer to provisions also adopted by the specific industry legislation, which had no effects on the separate financial statements of UnipolSai.

OIC 16 Property, plant and equipment and OIC 24 Intangible assets

Based on the recent amendment, any write-down of fixed assets, previously revalued on the basis of an appraisal, shall always transit in the income statement (unless otherwise provided by law) and shall not be allocated in the revaluation reserve, regardless of the ways the revaluation was effected. In the previous version of the standard, instead, it was assumed that the allocation to the income statements upon such an occurrence, should take place only in the cases of revaluation carried out according to pre-determined parameters (and not as a result of an appraisal).

OIC 19 Payables

Firstly, this standard requires the correct classification of an overdue trade payable, which, following a renegotiation, has to be qualified as long term, based on the nature (or on the origin) thereof with respect to ordinary operations, regardless of the period of time within which it must be extinguished. Secondly, OIC 6 "Restructuring the debt and financial statements disclosure" is repealed, transposing some provisions in the new version of OIC 19 "Payables". The new version provides both the concept that companies that do not apply the amortised cost shall allocate the transaction costs of a debt restructuring to the income statement in the year in which the benefit is received, and the obligation of providing some additional detailed information on the debt restructuring.

OIC 21 Investments

The amendment to the standard clarifies that, if payment of an equity investment is deferred at different conditions from those normally applied on the market, for similar or comparable transactions, shall be recognised in the financial statements at the value corresponding to the payable determined in accordance with OIC 19 "Payables", plus ancillary charges.

Main regulations and consultation papers issued by IVASS

On 31 January 2017, the Authority published the revision of Regulation no. 22/2008 concerning the provisions and the layouts for the preparation of the Financial Statements, as amended by IVASS Measure no. 53 of 6 December 2016, together with some applicative clarifications. Last 13 February (with revision on 27 February 2017), the IVASS also published some "Applicative clarifications" on IVASS Regulation no. 24 of 6 June 2016 relating to the transmission to the Supervisory Authority of information about assets hedging technical provisions, and on 14 February 2017 it published an additional "Applicative clarification" on IVASS Regulation no. 18 of 15 March 2016, concerning the applicative rules for the determination of the technical provisions in the Solvency II framework.

The main Regulations issued by IVASS in 2017 are summarised below.

IVASS Regulation no. 34 of 7 February 2017

This Regulation concerns provisions on corporate governance relating to the valuation of assets and liabilities other than technical provisions and criteria for their valuation for solvency supervisory purposes, and results from the domestic implementation of EIOPA guidelines.

Within their corporate governance systems, businesses must establish adequate organisational and informational oversight mechanisms that also extend to the recognition and valuation of assets and liabilities. The assessment of assets and liabilities for solvency purposes follows the mark-to-market principle, reflecting the amount at which the different items could be exchanged, sold or settled between knowledgeable and willing parties in an arm's length transaction. For assets and liabilities other than technical provisions, this is typically equivalent to the measurement at fair value laid out by the adoption of the IFRSs (International Financial Reporting Standards) adopted by the European Commission by virtue of Regulation (EC) no. 1606/2002, without prejudice to the cases specifically defined in Delegated Regulation (EU) no. 2015/35 of inconsistency of the IFRSs with the mark-to-market principle.

IVASS Regulation no. 35 of 7 February 2017

The Regulation prescribes the procedures for adjusting the ability to absorb the losses of technical provisions and of deferred taxes in the determination of solvency capital requirements calculated with the standard formula. Specifically, it provides that, in the calculation of the solvency capital requirement, companies can take into account any risk attenuation effect deriving from the ability to reduce losses of technical provisions and of deferred taxes, or the potential offsetting of unexpected losses through a reduction in technical provisions and deferred taxes. The provisions of the present Regulation were already in force starting from the solvency balance sheet at 31 December 2016.

IVASS Regulation no. 36 of 28 February 2017

The Regulation contains provisions on the frequency, methods, content and terms for the transmission to IVASS by supervised parties of data and information for conducting statistical surveys, studies and analyses relating to the insurance market. Furthermore, the Regulation provides the necessary reconciliation with the implementing regulation on accounting and reporting for supervisory purposes, by virtue of the amendments to ISVAP Regulations no. 22 of 4 April 2008 and no. 7 of 13 July 2007, contained in IVASS Measure no. 53 of 6 December 2016, along with other amendments concerning supervisory and public accounting and disclosure (Pillar 3) resulting from the adoption of the Solvency II Directive.

The Regulation introduces the obligation for the Board of Directors to approve a "statistical information policy" to be transmitted to the IVASS and the identification of a single contact person for the communication of statistical information to the Authority.

Consultation paper no. 2 of 19 July 2017

This paper contains the draft Regulation on the corporate governance system for the company and the group, as well as the adoption of the EIOPA guidelines on the corporate governance system pursuant to the Solvency II Directive. The draft evokes the provisions compatible with the new primary legislative framework of ISVAP Regulation no. 20 of 26 March 2008 containing provisions on internal controls, risk management, compliance and the outsourcing of the activities of insurance companies, ISVAP Regulation no. 39 of 9 June 2011 relating to remuneration policies and ISVAP Circular no. 574/2005 on outwards reinsurance which will therefore be repealed following the entry into force of the Regulation in question.

Consultation paper no. 3 of 30 August 2017

The document concerns the simplification of the pre-contractual disclosure of non-life insurance policies, by proposing some amendments to ISVAP Regulation no. 35/2010 concerning disclosure obligations for insurance products.

Consultation paper no. 4 of 15 November 2017

This paper illustrates the amendments to ISVAP Regulation no. 38/2011 to introduce new methods to calculate the return on segregated funds (also amending ISVAP Regulation no. 14/2008 and ISVAP Regulation no. 22/2008). The proposed amendments aim on one hand to allow for improved management over time of returns to be recognised to policyholders, making it possible to set aside net realised capital gains in a mathematical provision named "profits provision" and, on the other hand, to make recourse to strategies intended to stabilise returns on segregated funds over time. The consultation closed on 15 December 2017 and, on 14 February 2018, Measure no. 68 was issued, which then amends the aforesaid Regulations starting on 15 February 2018. The amendments thus introduced allow entities to provide, for new agreements, methods for determining the average rate of return that take into account the allocation of the net capital gains realised in a dedicated "profits provision". This provision is a mathematical reserve and it entirely contributes to the determination of the average rate of return in a maximum time of eight years from the date on which the net capital gains were allocated.

With regards, instead, to the treatment of derivatives, the provisions of Regulation no. 38/2011 obligated entities to take into account, in determining the financial result of the segregated fund, of the gains and of the losses achieved in the period of observation as a result of the use of derivative financial instruments, also in the cases in which the intra-annual periodic renegotiations were part of a documented strategy. The new Measure introduces the possibility of invoking an accounting exemption to allow suspending the recognition of the gains and losses deriving from the periodic (typically intra-annual) negotiation of particular types of derivatives, allocating the net income in an entry adjusting the financial result of each period of observation of the segregated fund until the closing date of the transaction. Exercise of the exemption is accompanied by governance and consumer protection safeguards.

Consultation paper no. 5 of 27 November 2017

The document contemplates the new criteria and methods for determining mandatory discounts within the scope of TPL for motor vehicles prescribed by Article 132-ter, of the Private Insurance Code amended by Legislative Decree no. 74 of 12 May 2015 and by Law no. 124 of 4 August 2017.

Consultation paper no. 6 of 19 December 2017

The paper contains the draft Regulation on the external audit on the Solvency and Financial Condition Report (SFCR) of the company and the group, as required by the Private Insurance Code, calling for the following documents to be audited: statement of financial position and relative valuations for solvency purposes, own funds eligible to cover capital requirements, Solvency Capital Requirement (SCR), standard formula and internal model, and the Minimum Capital Requirement (MCR). The public consultation closed on 19 February 2018. The new provisions will come into force in 2018 while, for the year 2017 the indications of the Letter to the market of 7 December 2016 remain confirmed.

Main publications issued by EIOPA with regard to Solvency II

On 19 June 2017, EIOPA issued a Supervisory Statement dedicated to Own Risk and Solvency Assessment (ORSA) based on the assessment, by national Supervisors, of the initial experiences of Solvency II application, while on 18 December 2017, EIOPA published a Supervisory Statement based on an analysis of the Solvency and Financial Condition Reports (SFCR) prepared in 2016 by insurance companies and EU groups, highlighting sufficient consistency with the prescriptions of Solvency II.

On 4 July 2017, EIOPA started a public consultation on the first set of comments to the European Commission for the review of the Solvency II framework, identifying possible simplifications for the calculation of the capital requirement. The consultation closed on 31 August 2017 and the resulting paper was presented to the European Commission in October 2017.

On 6 November 2017, a consultation paper was issued on the second set of technical opinions to the European Commission, also concerning revisions to the Solvency II framework. Among the main aspects discussed are the capacity of deferred taxes to absorb losses, Life and Non-Life underwriting risk, catastrophe risk, unrated debt and unlisted equity and other matters including the cost of capital in the calculation of the risk margin. The consultation period concluded on 5 January 2018. On 28 February 2018, EIOPA presented the second and last series of Advice to the European Commission, providing further simplification and improvement in the calculation of capital requirements, to guarantee a proportional and technically sound supervisory regime that is sensitive to risk and consistent for the entire insurance sector.

Other regulations

Please note the entry into force, as of financial years starting on or after 1 January 2017, of Legislative Decree no. 254 of 30 December 2016 implementing directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (Official Gazette no. 7 of 10 January 2017).

In particular, the directive introduced the obligation for large undertakings qualified as “public-interest entities” to provide a non-financial statement (hereafter, also “NFS”) in their yearly directors’ reports which must contain, “to the extent necessary to ensure an understanding of the undertaking’s business, its performance, results and impacts”, a description of the company’s corporate management and organisational model, as well as information regarding the main risks deriving from the undertaking’s activities and its products and services in addition to the policies applied and the results achieved by it with reference to environmental and social matters as well as topics relating to personnel, respect for human rights and the fight against active and passive corruption.

The parties required to publish the NFS are only the public-interest entities as defined in Legislative Decree no. 39/2010 which surpass certain size requirements (“significant public-interest entities” or “SPIE”), or which:

- i) have had an excess of 500 employees on average during the financial year and
- ii) at the reporting date, have surpassed at least one of the following size limits:
 - a statement of financial position total of €20m;
 - total revenue from sales and services of €40m.

The decree envisages that Consob will govern by regulation:

- the methods for the direct transmission of the NFS to Consob and any methods for publishing the NFS in addition to those specified by the decree, as well as the necessary information supplementing or amending the NFS that may be requested by Consob in the case of incomplete or non-compliant statements;
- the methods and terms for the control conducted by Consob on the NFSs published;
- the principles of conduct and the methods for carrying out the auditor engagement for checking the compliance of the information.

In exercising the regulatory mandates referred to above, on 19 January 2018, Consob issued, with Resolution no. 20267, the Regulation implementing Legislative Decree no. 254 of 30 December 2016 relating to the communication of non-financial information.

With respect to the obligations laid out by the aforementioned Legislative Decree, it is pointed out that UnipolSai is not subject to this obligation because it is included among the cases of exemption and equivalence provided by Art. 6, paragraph 2, as a subsidiary company included within the Consolidated Non-Financial Statement prepared by the Unipol Group.

The holding company Unipol prepared the integrated consolidated financial statements of the Unipol Group for the first time for the year ended 31 December 2016, with voluntary early adoption of the reporting areas prescribed in Legislative Decree no. 254/2016 on non-financial reporting.

Tax-related Changes

The following main legislative changes were introduced with respect to **taxes**:

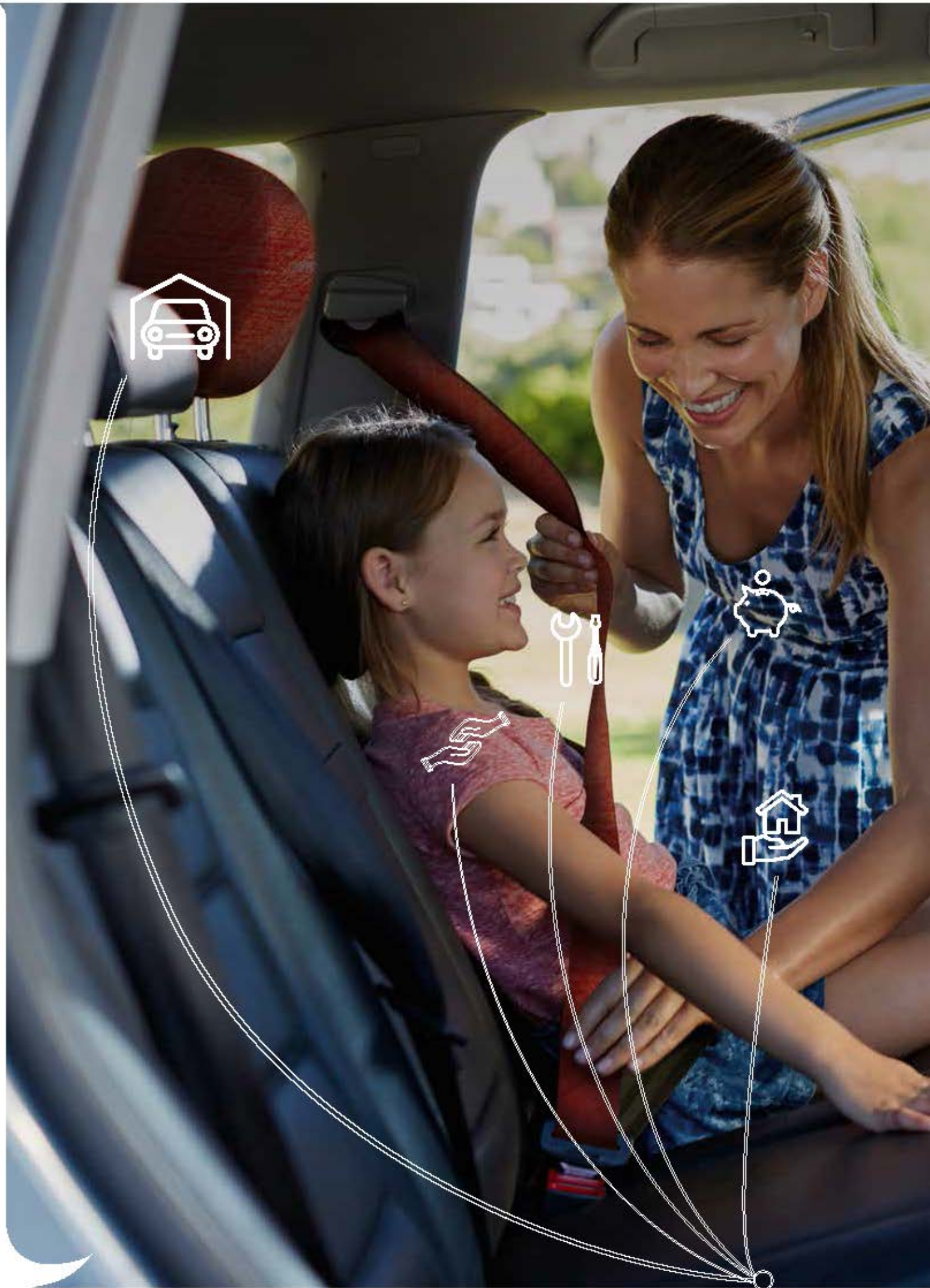
Decree Law no. 50 of 24 April 2017 converted with Law no. 96 of 21 June 2017 containing corrective measures of the 2017 Budget Law and entitled "Urgent provisions on finance, initiatives in favour of regional bodies, additional interventions for the areas struck by earthquakes and development measures". The tax provisions include the introduction of ACE (Aid to Economic Growth) rules which reduce the rate used as the basis for the calculation of the benefit from 4.75% to 1.6% in 2017 and as of 2018 under normal circumstances to 1.5%. The split-payment VAT mechanism (splitting of payments which entails the payment of VAT debited on invoices directly to the tax authority rather than to the supplier) is also extended to listed companies in the Italian Stock Exchange's FTSE MIB index and the VAT safeguarding clauses introduced by Law 190/2014 (2015 Stability Law) are modified.

Law no. 167 of 20 November 2017 (the "2017 European Law") due to which parties requesting a VAT reimbursement will be recognised the lump-sum reversal of costs incurred for the issue of the guarantee, for a sum equal to 0.15% of the amount guaranteed for each year of duration of the guarantee, starting from requests submitted with the annual VAT tax return relating to the year 2017.

Decree Law no. 148 of 16 October 2017 converted with Law no. 172 of 4 December 2017 ("Connected to the 2018 Budget Law"), which extends the measures pertaining to the facilitated definition of overdue and as-yet unpaid amounts originally prescribed by Decree Law no. 193/2016 to the charges included in amounts entrusted to collection agents from 1 January 2017 to 30 September 2017, thus giving time continuity to the definition, in addition to extending the Split payment mechanism to all companies controlled by public Administrations.

Law no. 205 of 27 December 2017 ("2018 Budget Law") which, among the various provisions:

- ✓ blocks the raises to VAT rates for the year 2018;
- ✓ postpones from May to November the payment of the tax advance on insurance borne by companies, increasing the rates to 58% as of 2018, to 59% as of 2019 and to 74% for subsequent years;
- ✓ introduces a system of exemption from the tax on insurance for natural disaster policies;
- ✓ amends the VAT Group regulations on intragroup transactions;
- ✓ extends and expands deductions for energy and earthquake-proofing upgrades;
- ✓ extends increased depreciation;
- ✓ provides for the re-opening of the terms for the revaluation of corporate assets and for the realignment of civil and fiscal values;
- ✓ expands the tax benefit provisions on welfare in favour of employees;
- ✓ extends the tax regime provided for private workers to public employees;
- ✓ introduces the specific tax treatment of the temporary supplementary advance annuity ("RITA").





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**MANAGEMENT
REPORT**

Information on significant events

Project for streamlining the insurance sector

On 29 June 2017, the Boards of Directors of Unipol and UnipolSai approved a project that aims to definitively streamline the insurance sector of the Unipol Group, as part of which, on 16 November 2017, after obtaining the necessary authorisations from the Supervisory Authority, Unipol sold to UnipolSai the equity investments it held in:

- UniSalute S.p.A., an insurance company specialised in the health segment (the top insurance company in Italy by number of customers managed), equal to 98.53% of the share capital, for consideration of €715m, and
- Compagnia Assicuratrice Linear S.p.A. ("Linear"), an insurance company specialised in the direct sale of Non-Life products, in particular MV, equal to the entire share capital, for consideration of €160m;

The considerations of the aforementioned disposals were determined within the *range* of values identified with the support of Mediobanca - Banca di Credito Finanziario S.p.A. and JP Morgan Limited, in the capacity of financial advisors, respectively for Unipol and UnipolSai, by applying the estimation methodologies normally used in accordance with the best Italian and international valuation practices.

In addition, it is established that, if the conditions and prerequisites are satisfied, the controlling interest, equal to 63.39% of the share capital, held by Unipol in Arca Vita may also be transferred to UnipolSai. In this regard, please note that in November 2017 Unipol Gruppo S.p.A., BPER Banca S.p.A. and Banca Popolare di Sondrio S.c.p.A. agreed to the early renewal of their strategic bancassurance partnership in the Life and Non-Life segments launched in 2009, the natural maturity of which was 31 December 2019. The new agreements entered into will have a duration of five years, starting on 1 January 2018, and will be renewable again upon agreement between the parties.

The Project is meant to aggregate the entire insurance business referring to the Unipol Group under the control of UnipolSai, with a number of benefits in terms of consistency and effectiveness in policy governance and in the organisational and operational coordination of the overall insurance activity. In particular, the Project will facilitate the development of an integrated multichannel offer model, meant to take into account the evolution of consumer conduct and requirements, while also maintaining the identity and corporate autonomy of the individual companies which operate as the top market leaders in their respective reference sectors.

Banking sector restructuring plan

On 29 June 2017, the Board of Directors of Unipol, in its capacity as Parent of the banking group of the same name, approved the guidelines of a Group banking sector restructuring plan (the "**Restructuring Plan**" or the "**Plan**"), which envisaged the transfer by means of proportional partial spin-off of Unipol Banca S.p.A. (hereafter "**Unipol Banca**" or the "**Company being divided**") in favour of a newly established company ("**NewCo**" or the "**Beneficiary**"), of a company complex inclusive, inter alia, of a portfolio of bad and doubtful loans of the Bank (the "**Bad and Doubtful Loans**"), gross of valuation reserves, for an amount of roughly €3bn, after (i) the adjustment of their value in accordance with the conditions currently prevailing in the market for disposal transactions, and (ii) the strengthening of the average rate of coverage of loans classified as "unlikely to pay" and those classified as "past due", meant to remain within Unipol Banca, to the best levels of the banking industry.

These Bad and Doubtful Loans corresponded to the entire portfolio of bad and doubtful loans of the Bank at the date of approval of the half-yearly report at 30 June 2017, with the exclusion of those deriving from loans for leases and unsecured commitments.

The transfer of the above-mentioned company complex (the "**Company Complex**"), inclusive of the stock of Bad and Doubtful Loans, to a separate business specialised in the collection of these positions, will enable:

- Unipol Banca, as a result of the transfer of the Bad and Doubtful Loans and the strengthening of rates of coverage on other impaired loans:
 - to focus on its core activities with a financial position and a reduced risk profile, a necessary condition to guarantee potential growth in profitability for the benefit of all stakeholders;
 - to obtain risk indicators (NPL ratio) at excellent levels within the scope of the domestic banking system;

- the entire Unipol Group:
 - to increase the efficiency of credit collection activities, thanks to specialised structures which are completely dedicated to this activity. In this regard, in line with what was approved by the Board of Directors of the Parent Unipol on 22 December 2016, Unipol Banca established the special purpose vehicle Unipol Reoco S.p.A. ("**Reoco**"), wholly owned by the Bank and now included within the scope of the spin-off in favour of the NewCo, which is called upon to concentrate on the acquisition, valuation and sale of the real estate assets pledged as collateral against the Bad and Doubtful Loans, in order to facilitate their recovery;
 - to keep with NewCo, and as a result within the Group, the value linked to the future recovery of the Bad and Doubtful Loans, also through any future assignments to third parties on the basis of economic conditions deemed consistent, thus avoiding a large-scale assignment of non-performing loans to third party investors which could result in a significant transfer of value outside the Group;
 - to thus facilitate the pursuit of all possible strategic options that may arise within the process of streamlining and concentration of the Italian banking system.

On 18 July 2017, Unipol transmitted to UnipolSai Assicurazioni S.p.A. ("**UnipolSai**") and to Unipol Banca a specific note describing the activities and phases for carrying out the Plan which is broken down into the following transactions (overall, the "**Transaction**"):

- an increase in rates of coverage of existing impaired loans, taking into account the changed outlooks for their realisation;
- signing on 3 August 2011 by Unipol and Unipol Banca of an agreement for the early dissolution of the indemnity agreement currently in place on non-performing loans meant to be included in the Bad and Doubtful Loans subject to transfer;
- following the completion of the transactions described above, the disbursement by Unipol and UnipolSai of capital account payments in favour of the Bank for a total of €900m, in proportion with the stakes in the share capital of Unipol Banca held by the same shareholders, in order to replenish the Bank's capital in line with the capital ratios existing before the adjustments pursuant to the previous point, also taking into account the capital of the bank that will be allocated to NewCo at the time of the Spin-Off;
- following the transactions described above, the proportional partial spin-off of Unipol Banca in favour of NewCo (the "**Spin-Off**"), through the spin-off in favour of the latter, with continuity of carrying amounts, of the Bank's Company Complex consisting essentially (i) in the assets: of Bad and Doubtful Loans (along with specialised personnel for the management and processing of such Bad and Doubtful Loans and the functional contracts), the 100% stake in Reoco and deferred tax assets relating to the Company Complex; and (ii) in the liabilities: of shareholders' equity and several payables relating to the Company Complex, including the payable deriving from the Shareholder Loan to be disbursed to the Bank within the context of the Transaction, subsequent to obtaining the authorisation for the Spin-Off from the Bank of Italy and before the completion thereof.

The Boards of Directors of UnipolSai and Unipol Banca, which met on 27 and 28 July 2017, respectively, examined and approved the Transaction as outlined by the Parent Unipol and, as a result of the resolutions they passed, the following transactions were completed:

- on 31 July 2017, Unipol and Unipol Banca entered into the **Agreement for the early Termination of the credit indemnity agreement**, signed on 3 August 2011 and subsequently amended, effective as of 30 June 2017, defining the indemnity due from Unipol to Unipol Banca as €670.4m. A first tranche equal to €170.4m was paid by Unipol to Unipol Banca on the same date. The remaining €500m will be paid in 10 annual instalments of €50m each, on 31 July each year from 31 July 2018, plus deferred interest to be calculated at an annual rate of 2.75% per year and without prejudice, for Unipol, to the right to early payment of the residual amount in a lump sum on each annual interest payment date;
- on 31 July 2017, Unipol and UnipolSai Assicurazioni made a **non-repayable capital account contribution** (which therefore will not be repeated and is not reimbursable) to Unipol Banca for a total of **€900m**, respectively for €519.74m and €380.26m, in order to (i) replenish the capital of Unipol Banca in line with the Bank's capital ratios preceding the write-downs on loans recognised at 30 June 2017, also taking into account the capital of the Bank which will be allocated to the NewCo at the time of the Spin-Off. As these payments are not repayable, they are eligible for calculation for supervisory purposes amongst the elements of the bank's individual highest quality own funds (CET 1).

- Pursuant to the put/call option contract in place between Unipol and UnipolSai on a share of 27.49% of the share capital of Unipol Banca, the put exercise price of €331.6m at 30 June 2017 increased by the amount paid by UnipolSai in favour of Unipol Banca by way of payment of the capital account contribution with no right to reimbursement. At 31 December 2017 the option exercise price is therefore equal to €579.1m. Please recall that the five-year option contract will expire on 6 January 2019;
- on 2 August 2017, Unipol Banca approved the Project for the proportional partial spin-off, in favour of a NewCo, of a company complex (the **"Complex involved in the division"**) inclusive, inter alia, of a portfolio of bad and doubtful loans in the amount of €2,936m, gross of value adjustments, and €587m net of value adjustments. The amount of the Bad and Doubtful Loans included in the Complex involved in the division was determined on the basis of Unipol Banca's half-yearly accounting statement at 30 June 2017, after the (i) adjustment of the value of the Bad and Doubtful Loans, in accordance with conditions prevailing in the market for disposal transactions, and (ii) the strengthening of the average rate of coverage of unlikely to pay positions, which remained within Unipol Banca, to the best levels of the banking system.
- on 31 January 2018, before the Spin-Off became effective, Unipol and UnipolSai disbursed a **shareholder loan** to Unipol Banca for €173.2m and €126.8m, respectively, and therefore a **total of €300m** which, as envisaged in the Spin-Off Plan, was included in the Complex involved in the division transferred to the NewCo;
- on 1 February 2018 (the **"Effective Date"**), once the Bank of Italy had released specific approval on 30 October 2017, the proportional spin-off took effect of Unipol Banca to UnipolReC S.p.A. (**"UnipolReC"**), a credit recovery company operating in accordance with Article 115 of Italian Royal Decree 773 of 18 June 1931 (TULPS), established on the same date. UnipolReC has the same shareholders as Unipol Banca in the same proportions, i.e., Unipol holds 57.75% and UnipolSai 42.25%, and is a special purpose vehicle of the Unipol Banking Group. The Complex involved in the division was transferred from Unipol Banca to UnipolReC for a shareholders' equity value of €313.2m, comprising €290.1m share capital and around €23m capital reserves. As a result of the Spin-Off, the share capital and capital reserves of Unipol Banca reduced by corresponding amounts, with no change in the number of Unipol Banca shares without nominal value outstanding. Pursuant to the contractual agreements in force, the put/call option referenced above, in place between Unipol and UnipolSai and involving Unipol Banca shares, was automatically extended to UnipolReC shares issued at the time of the Spin-Off for a share corresponding to 27.49%, without triggering any changes on the total put exercise price;
- on 15 March 2018 Unipol Banca and UnipolReC entered into a dedicated deed recognising the exact amount of the statement of financial position asset and liability elements transferred to the Beneficiary Company at the Effective Date, which lays out an adjustment in cash of €32.2m, due to UnipolReC from Unipol Banca. Indeed, the Spin-Off deed calls for the differences arising in the amount of the statement of financial position asset and liability elements constituting the Complex involved in the division between 30 June 2017 and the Effective Date, resulting from company trends and/or a more specific identification of such elements, to be settled between the Company being divided and the Beneficiary Company with debit and credit items and/or with adjustments in cash, without entailing changes in the equity value of the Complex involved in the division. The amount of Bad and Doubtful Loans included in the Complex involved in the division at the Effective Date is equal to €2,900.8m gross of value adjustments and €553.0m net of value adjustments.

As a result of the above, with effect from 30 June 2017 Unipol Banca and the Unipol Group amended the model for the management of impaired loans, with regard not only to the Bad and Doubtful Loans subject to transfer to UnipolReC, but also to the remaining NPL portfolio existing at the same date and meant to remain with the Bank after the Spin-Off, with a view to facilitating their recovery within a more limited time horizon, also through any future realisation transactions other than the ordinary management of the relationship with the debtor.

In line with the changed model for the management of the existing NPL portfolio, the estimation criteria applied in the valuation of loans were revised, with the recognition of significant value adjustments.

As a result of what is laid out above, Unipol Banca closed the financial statements at 31 December 2017 with a net loss for the year of €752m. Consequently, UnipolSai wrote down the equity investment held in the associated company by a total amount of €92.8m, taking into account the effects of the put/call option on Unipol Banca shares.

Evolution of the agreements relating to the subsidiary Popolare Vita

On 29 June 2017, the UnipolSai Board of Directors approved the termination of the Distribution Agreement in place between the subsidiary Popolare Vita S.p.A. ("Popolare Vita" or the "Company") and Banco BPM S.p.A. and, consequently, the exercise of the put option available to UnipolSai on the basis of the shareholders' agreement (the "Agreement") in place with Banco BPM, concerning the equity investment held by UnipolSai in Popolare Vita, equal to 50% of its share capital plus one share. The equity investment sale price was determined, as prescribed in the Agreement, on the basis of a specific procedure which, inter alia, referred the definition of the consideration to two independent experts identified for this purpose (a business bank or a leading auditing firm and an actuarial expert), applying the methodologies defined in the Pact.

BDO Italia S.p.A. and BDO AG Wirtschaftsprüfungsgesellschaft – Actuarial Services, engaged to determine, pursuant to the shareholders' agreements in force, the price to be paid by Banco BPM S.p.A. for the acquisition of the equity investment held by UnipolSai in Popolare Vita, issued their final report on 14 November 2017, determining the total value of the Company at 30 June 2017 as €1,071m and, as a result, the sale price of the 21,960,001 shares of Popolare Vita held by UnipolSai as €535.5m, confirming the appraisal contained in the draft report transmitted to UnipolSai and to Banco BPM on 27 October 2017.

Taking into account the distribution of freely available profit reserves of Popolare Vita S.p.A., approved unanimously by the shareholders' meeting on 30 June 2017 (share attributable to UnipolSai equal to €53.4m), the total income referring to the disposal of the equity investment held by UnipolSai amounts to €588.9m.

Acquisition of the equity investment in Ambra Property by the parent company Unipol

On 30 June 2017, UnipolSai and Unipol Gruppo stipulated the preliminary sale agreement, pertaining to the acquisition by UnipolSai of the equity investment equal to 100% of the share capital of Ambra Property S.r.l., already owned by Unipol Gruppo. Having obtained authorisation from IVASS, on 29 September 2017, with effective date 30 September 2017, the deed of sale of the equity investment was stipulated, upon payment by UnipolSai of the purchase price, i.e. €56.2m.

Authorisation to the use of the Partial Internal Model

Following the application for authorisation submitted by UnipolSai Assicurazioni, on 7 February 2017, the Supervisory Authority authorised the Company to use the Partial Internal Model for calculating the individual Solvency Capital Requirement with effect from 31 December 2016.

Insurance business highlights

<i>(Amounts in €m)</i>	Financial Statements 2017	Financial Statements 2016
Gross premiums	9,802.5	10,010.5
<i>% variation (1)</i>	<i>(2.1)</i>	<i>(5.1)</i>
Direct premiums	9,792.9	10,001.9
<i>% variation (1)</i>	<i>(2.1)</i>	<i>(5.0)</i>
Payments (claims, expiries, surrenders and annuities)	8,642.5	8,040.3
<i>% variation (1)</i>	<i>7.5</i>	<i>(6.8)</i>
Operating expenses	2,100.3	2,132.2
<i>% variation (1)</i>	<i>(1.5)</i>	<i>(1.4)</i>
% Non-Life Operating Expenses/Premiums ratio	28.2	28.4
Loss ratio with OTI ratio (2)	68.1	67.9
Combined ratio direct business with OTI ratio (3)	96.3	96.3
Net gains on investments and realised gains		
-excluding class 'D' and impairment	1,556.2	1,462.9
<i>% variation (1)</i>	<i>6.4</i>	<i>(16.4)</i>
-excluding class 'D' and including impairment	1,396.4	1,196.6
<i>% variation (1)</i>	<i>16.7</i>	<i>(15.9)</i>
Net profit (loss)	577.2	458.5
<i>% variation (1)</i>	<i>25.9</i>	<i>(19.6)</i>
No. of agencies	2,766	2,909
No. of agents	4,480	4,639
No. staff (4)	7,480	7,450

(1) Variation on 31/12 of the previous year

(2) Loss ratio for direct business, including OTI ratio, i.e. the ratio between the net balance of other technical items and the change in other technical provisions and earned premiums

(3) Sum of the loss ratio and the operating expense/written premiums ratio

(4) Number of FTE (full time equivalent) employees: 7,239 (in 2016 7,211)

<i>(Amounts in €m)</i>	Financial Statements 2017	Financial Statements 2016
Investments and cash and cash equivalents	47,211.0	47,166.6
<i>% variation (1)</i>	<i>0.1</i>	<i>1.3</i>
Technical provisions	43,107.5	43,687.5
<i>% variation (1)</i>	<i>(1.3)</i>	<i>1.3</i>
% Technical provisions/Premiums ratio		
- Non-Life	206.0	211.9
- Life	998.2	950.7
- Non-Life + Life	439.8	436.4
Shareholders' equity	5,752.8	5,528.5
<i>% variation (1)</i>	<i>4.1</i>	<i>0.6</i>

(1) Variation on 31/12 of the previous year

Share performance

Information on share performance

At the end of December 2017, the listed price of an ordinary UnipolSai share was €1.95, down 4.1% in the last 12 months, versus rises of 15.5% in the FTSE Italia All-share index, of 13.6% in the FTSE MIB index and of 8.1% in the FTSE Italia All Share Insurance index.

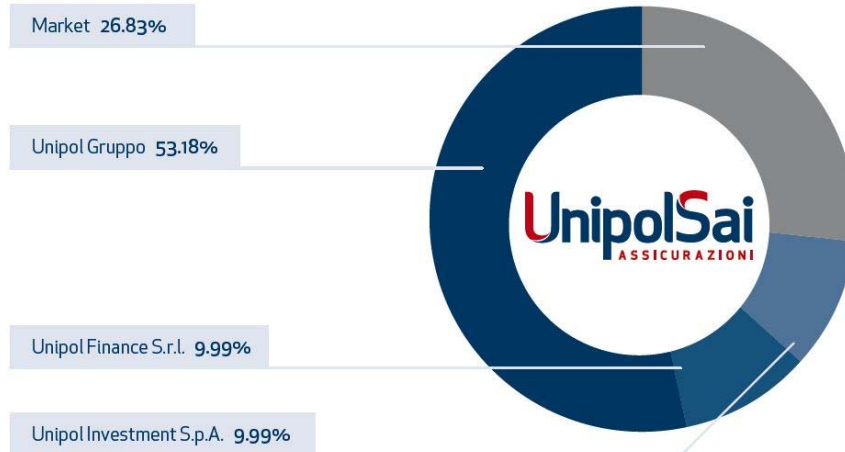
Capitalisation values

Capitalisation at 31 December 2017 amounted to €5,509m (€5,744m at 31/12/2016).

Shareholding structure

The company is controlled by Unipol Gruppo S.p.A., pursuant to Art.2359, paragraph 1 of the Civil Code. The shareholding structure is shown in the chart below:

Main Shareholders of UnipolSai Assicurazioni



The companies Unipol Finance S.r.l. and Unipol Investment S.p.A. are subsidiaries of Unipol Gruppo S.p.A..

Operating performance

In 2017, the UnipolSai's operations continued to hinge on the consolidation of the operating mechanism, of the relationship with the sales network and customers and product innovation, particularly with respect to the use of telematics.

Direct Non-Life premiums at 31 December 2017 amounted to €6,901.1m (-0.8% compared to 2016), of which €3,937.4m in the MV classes, down by 2.6% relative to 2016 as a result of the competitive pressure on rates, and €2,963.7m in the Non-MV classes (+1.5%).

In terms of Non-Life claims, although there was an improvement in the final quarter of the year, 2017 was characterised by a significant increase in claims from atmospheric events and a greater presence of claims of significant amounts. The MV TPL class posted positive performance in terms of frequency and cost curbing, even within a scenario complicated by a further drop in the average premium. Overall, the year ended on 31 December 2017 recorded a slight deterioration of the loss ratio for direct business (including the balance of other technical items), which amounted to 68.1% versus 67.9% in 2016.

The expense ratio for direct business was 28.2% of premiums written, versus 28.4% in 2016. Overall, the combined ratio (direct business - including OTI ratio) was 96.3%, substantially in line with the previous year.

In the Life sector, 2017 was characterised by the proposal, on the agency network, of multisegment and linked products, which met with good commercial success within a market context in which interest rates were very low and even negative in the short term.

The Company recorded direct premiums of €2,891.8m, down slightly compared to the previous year (-4.9%), but with a financially more advanced composition of new business.

As regards the management of financial investments, the general recovery in the global economy made it possible to overcome the numerous geopolitical tensions that arose in the course of 2017. The main stock markets recorded very positive performance and, despite the fact that the ECB has started to wind down its expansionary monetary policy, the Eurozone's Government bond yields have remained at very limited levels.

Real estate management continued to focus on the renovation of some of the portfolio's properties, particularly in Milan, in order to seek out opportunities to increase value or generate income, as well as structures intended for business use. The year 2017 was also characterised by the disposals of certain properties for significant amounts, in line with the expectations laid out in the Business Plan.

UnipolSai closed 2017 with a profit of €577.2m.

The aspects with the most impact on the operating performance are as follows:

A. At the end of 2017, premiums were €9,802.5m, of which €9,792.9m in direct business, with breakdown as follows:

Amounts in €m

Premiums (€)	Non-Life	Life	Total 2017	Total 2016	% Var.	Var.on 2016
Direct business	6,901.1	2,891.8	9,792.9	10,001.9	(2.1)	(209.0)
Indirect business	9.2	0.4	9.5	8.6	11.3	1.0
	6,910.3	2,892.2	9,802.5	10,010.5	(2.1)	(208.0)
Premiums ceded	411.6	6.4	418.0	424.9	(1.6)	(6.9)
Premiums retained	6,498.7	2,885.8	9,384.5	9,585.6	(2.1)	(201.1)
% breakdown	69.2	30.8	100.0			

The net retention of acquired premiums was 95.7%, in line with the previous year (95.8%).

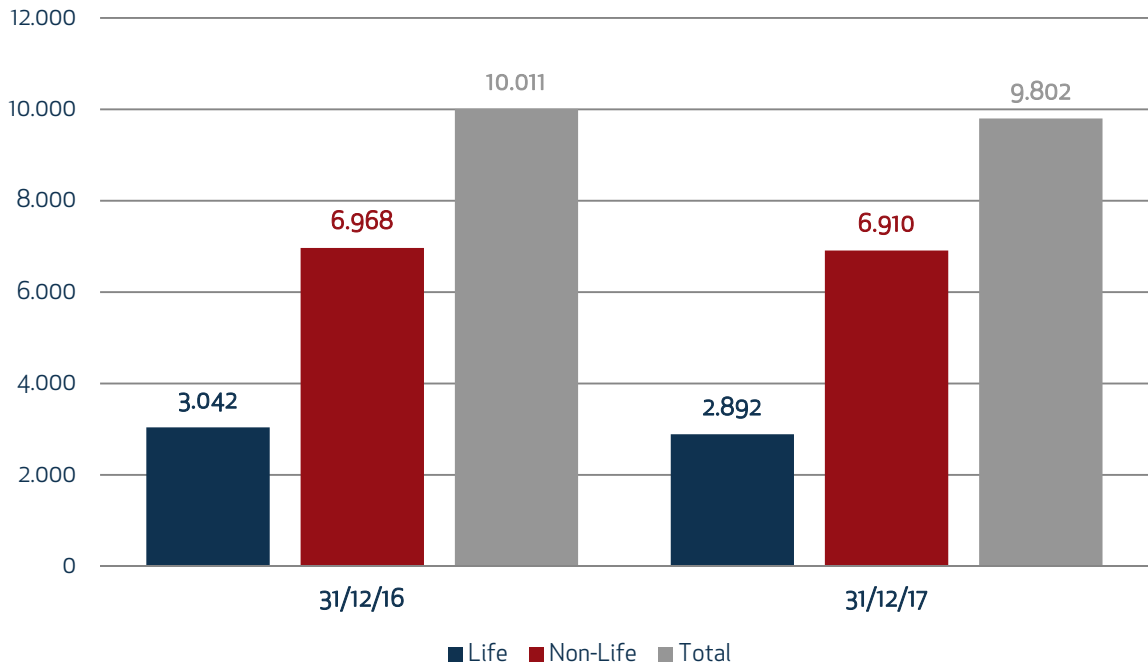
The result from technical insurance management, which also includes operating expenses and allocation of the share of gains on investments, was overall positive for €705.9m (€705.9m in 2016) with the breakdown showing a positive €204.2m for the Life business and €501.7m for the Non-Life business.

- B. Total operating expenses (including acquisition and collection commissions and other acquisition and administrative expenses) were €2,100.3m (2,100.3), with an incidence on (Life and Non-Life) premiums of 21.4% (21.3% in 2016). Net of reinsurers' commissions, total operating expenses were equal to €1,950.0m (-2.0%).
- C. Investments and cash and cash equivalents reached €1,950.0m (net of impairment), (€47,166.6m in 2016), of which €4,169.4m (€4,536.3m in 2016) relating to investments in Class D.
- D. Gains on investments and cash commitments (net of losses on investments and financial charges, excluding those benefiting policyholders that bear the risk and investments arising from pension fund management - Class D), amounted to €1,315.6m up €20.6m (+1.6%) on 31 December 2016.
Ordinary and extraordinary gains on investments, including net realised capital gains and impairment and reversals of impairment losses, amounted to €1,396.4m, increasing by €199.8m (+16.7%) compared with 31 December 2016.
- E. Technical provisions for the Life and Non-Life businesses reached a total amount, at the end of 2017, of €43,107.5m (-1.3%), €42,515.1m net of the reinsurers' share (-1.2%). The technical provisions-premiums ratio was 206.0% in the Non-Life business (211.9% in 2016) and 998.2% in the Life business (950.7% in 2016).
- F. Profit from ordinary operations amounted to €800.8m, while profit from extraordinary operations came to €16.0m, bringing pre-tax profit to €816.8m.
- G. Taxes for the period had a negative effect on the profit for the period of €239.6m.
- H. Therefore, the net profit for the year amounted to €577.2m, an increase by €118.7m compared with the previous year.

The shareholders' equity of the Company, including the profit for the year, was €5,752.8m.

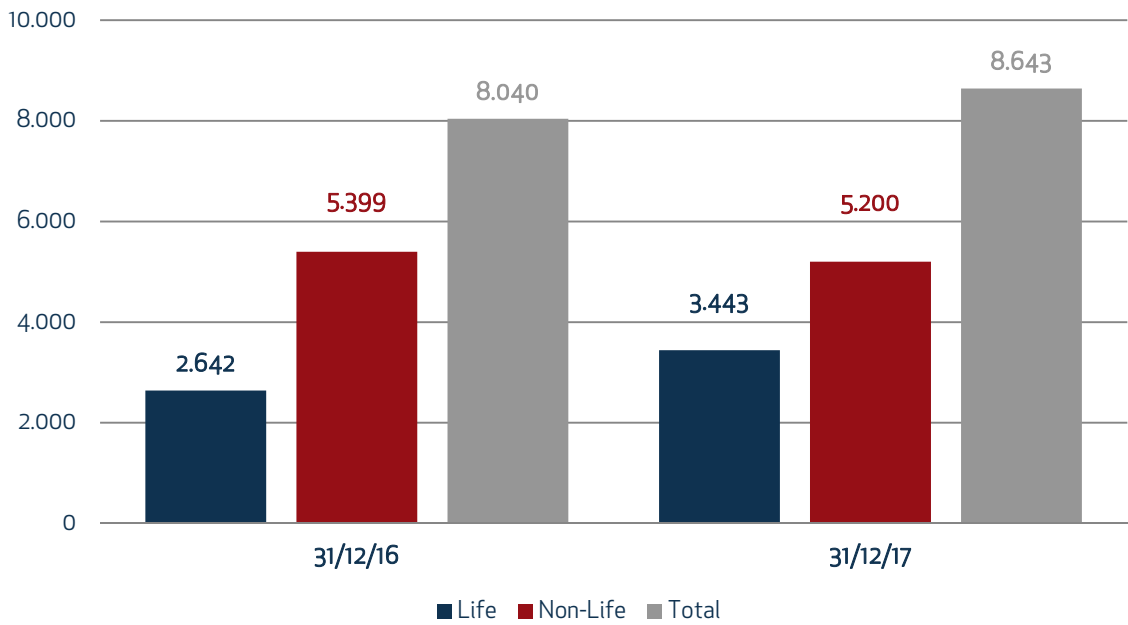
Total premiums

Amounts in €m



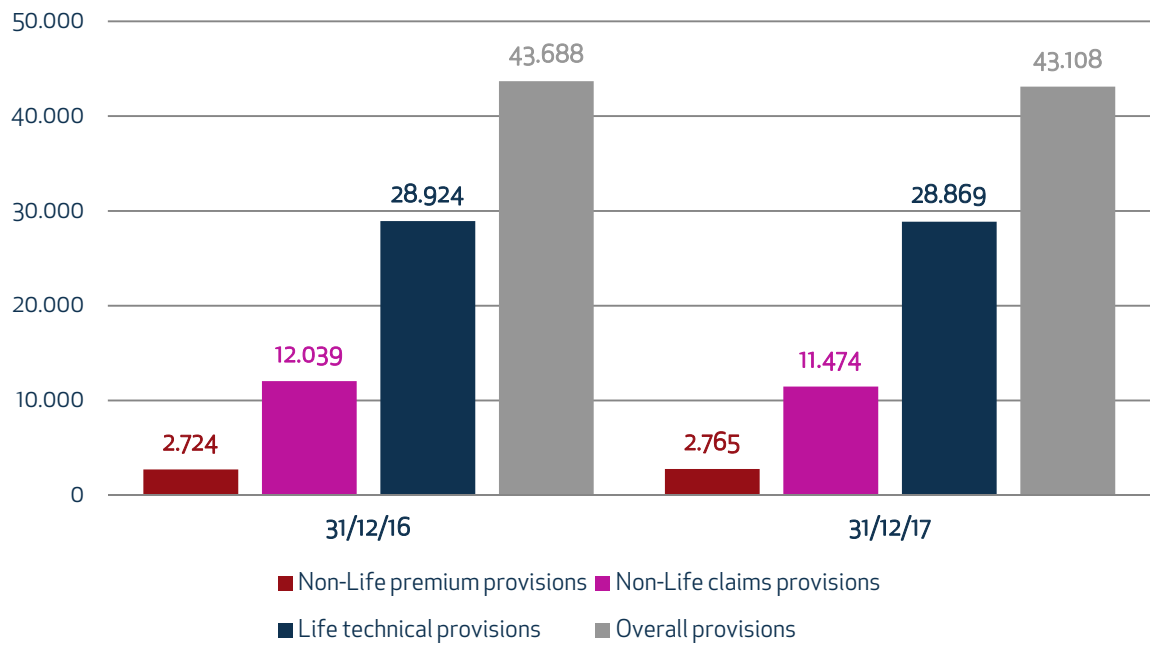
Payments

Amounts in €m



Technical provisions

Amounts in €m



Premiums

Premiums acquired at 31 December 2017 amounted to a total of 9,802.5m, a decrease of 9,802.5.

The breakdown of premiums by class, the composition ratios and the percent variations on the previous year are shown in the table below, complying with the classification of risks set out in Legislative Decree 209 of 7 September 2005 ("Insurance Code"), Art. 2, paragraph 1 (Life business), and paragraph 3 (Non-Life business).

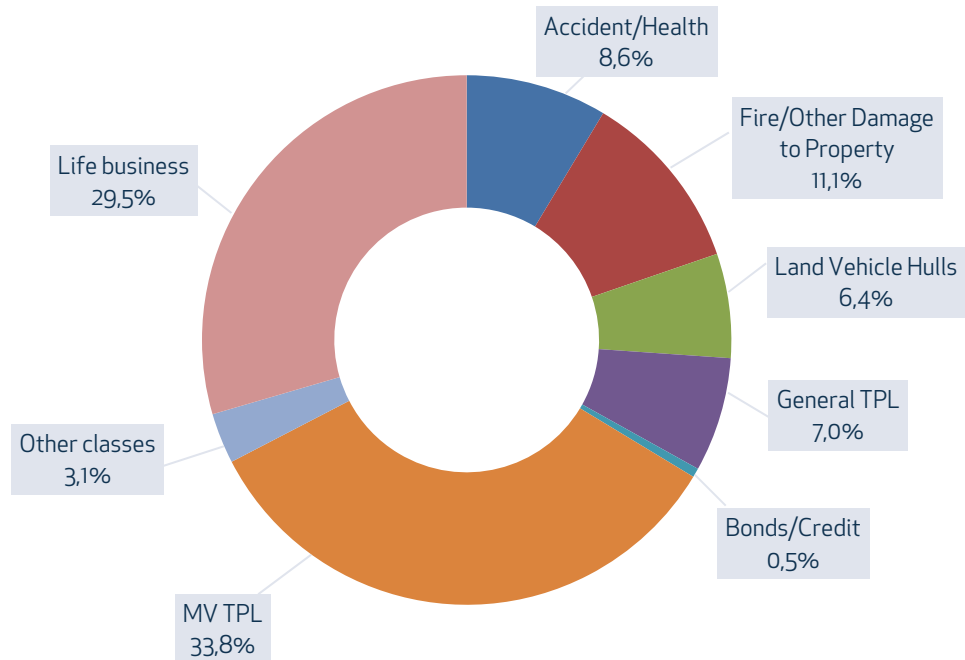
Premiums by class

Amounts in €k

Code	Class	FY 2017	% Comp.	FY 2016	% Comp.	Variation 2017/2016 amount	%
ITALIAN DIRECT BUSINESS							
Non-Life business							
1	Accident	616,901	6.3	626,883	6.3	(9,981)	(1.6)
2	Health	227,716	2.3	223,269	2.2	4,447	2.0
3	Land Vehicle Hulls	623,560	6.4	607,429	6.1	16,131	2.7
4	Railway rolling stock	228	0.0	72	0.0	157	219.0
5	Aircraft	626	0.0	330	0.0	296	89.7
6	Sea, lake and river vessels	5,145	0.1	4,978	0.0	167	3.4
7	Goods in transit	17,137	0.2	18,515	0.2	(1,379)	(7.4)
8	Fire	525,293	5.4	502,410	5.0	22,883	4.6
9	Other damage to property	562,544	5.7	547,826	5.5	14,718	2.7
10	Land Vehicle TPL	3,305,588	33.8	3,425,458	34.2	(119,870)	(3.5)
11	Aircraft TPL	570	0.0	463	0.0	107	23.2
12	Sea, lake and river TPL	8,246	0.1	8,807	0.1	(562)	(6.4)
13	General TPL	684,785	7.0	677,740	6.8	7,045	1.0
14	Credit	318	0.0	75	0.0	243	324.1
15	Bonds	53,568	0.5	62,678	0.6	(9,110)	(14.5)
16	Pecuniary losses	57,808	0.6	54,472	0.5	3,336	6.1
17	Legal expenses	63,431	0.6	60,231	0.6	3,200	5.3
18	Assistance	147,667	1.5	138,598	1.4	9,069	6.5
Total Non-Life business		6,901,131	70.5	6,960,233	69.6	(59,102)	(0.8)
Life business							
I	Whole and term life insurance	1,832,176	18.7	2,195,362	21.9	(363,186)	(16.5)
II	Marriage, birth						
III	Unit-linked/index-linked policies	194,576	2.0	63,549	0.6	131,027	206.2
IV	Health	2,423	0.0	1,511	0.0	912	60.4
V	Capitalisation insurance	267,432	2.7	276,518	2.8	(9,086)	(3.3)
VI	Pension funds	595,210	6.1	504,770	5.0	90,440	17.9
Total Life business		2,891,818	29.5	3,041,710	30.4	(149,893)	(4.9)
Total Direct business		9,792,949	100.0	10,001,943	100.0	(208,995)	(2.1)
INDIRECT BUSINESS							
Non-Life business		9,175	96.1	7,994	93.2	1,181	14.8
Life business		370	3.9	579	6.8	(209)	(36.1)
Total Indirect business		9,545	100.0	8,573	100.0	972	11.3
TOTAL PREMIUMS		9,802,494		10,010,516		(208,023)	(2.1)

In 2017, taxes (borne by policyholders) amounting to €1,040,382k were collected on premiums, along with contributions to the National Health Service amounting to €348,463k

Direct premiums



Non-Life insurance business

Direct business premiums at 31 December 2017 amounted to €6,901.1m, a decrease of €59.1m (-0.8%) compared with the premiums acquired in 2016; the MV segment dropped by 2.6% while Non-MV rose by 1.5%. Also considering indirect business, premiums acquired during the year amounted to €6,910.3m (-0.8%).

In the MV sector, premiums declined primarily as a result of the decrease in average premiums and, in part, in the customer portfolio, only partially offset by growth in the Land Vehicle Hulls segment.

In any event, the year ended with an improved technical result in the MV TPL class especially owing to the drop in claims frequency, while some significant atmospheric events in the second half of the year contributed to a large extent to the decline in Land Vehicle Hulls.

In the Non-MV business, the premium growth trend recorded already in the first half of the year was confirmed, although the year closed with a decline in the technical balance with respect to the previous period as a result of significant atmospheric events occurring throughout the country as well as some considerable claims impacting Fire benefits.

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With regard to claims reported, during the year 2,213,799 claims were received for all Non-Life classes, a decrease of 5.1% from those received in 2016.

In 2017 the Claims Department managed for the Company 1,368,253 claims reported during the year (of which nearly 79% have already been settled with payment) in addition to 499,085 claims from previous years existing at 1 January or reopened (of which more than 62% already settled with payment).

"Fault" claims (Non-Card, Debtor Card or Natural Card) totalled 624,251, down by 2.2% (638,164 in 2016).

Claims that present at least a Debtor Card claims handling numbered 356,750, down by 3.2% compared to the same period in the previous year.

Handler Card claims totalled 475,102 (including 114,756 Natural Card claims, claims between policyholders at the same company), down by 0.6%. The settlement rate in 2017 was 82.0% in line with the same period of the previous year.

The weight of cases to which the Card agreement may be applied (both Handler Card and Debtor Card claims) out of total cases (Non-Card + Handler Card + Debtor Card) in 2017 came to 84.5% (84.8% in 2016).

The average cost (amount paid plus amount reserved) for claims reported declined by 0.7% in 2017 (-1.2% in 2016). The average cost of the amount paid out rose by 2.0%.

"Debtor Card claims" are those claims managed by other companies for which their policyholders are fully or partially liable, and are settled through a specific clearing house set up at CONSAP.

"Handler Card claims" are those managed by companies whose policyholders are not liable, either fully or partially. In these cases, the company receives a lump-sum repayment from the counterparty's insurance company.

Lastly, Non-Card claims are those which do not fall within the Card agreement.

The table below, regarding Italian direct business, illustrates the claims settlement rate at 31 December 2017 for the main classes concerned, and the comparison with 31 December 2016, obtained by comparing the number of claims paid out to the number of claims reported in the period or set aside at the end of the previous year, net of those cancelled as they were not followed up on (percentage values).

Percentage amounts

Class	Current claims		Prior-year claims	
	2017	2016	2017	2016
Accident	60.6	58.0	64.8	69.3
Health	83.7	82.8	59.8	57.4
Land Vehicle Hulls	87.7	91.1	73.1	77.6
Fire	73.8	76.6	69.7	67.8
Other damage to property	80.3	80.6	77.2	79.0
General TPL	57.0	55.7	37.1	34.0
Motor TPL under management (NC+HC) *	77.4	77.1	59.3	57.3
"Non-Card" Motor TPL	58.3	56.6	47.5	46.3
"Handler Card" Motor TPL	82.1	82.1	71.6	69.2
"Debtor Card" Motor TPL	73.7	67.6	57.6	56.1

* (NC = No Card - CG= Handler Card)

Overall, charges relating to claims for the current and previous years came to €4,369.4m, and dropped compared with 2016 (-1.7%).

With regard to Italian direct business, claims paid from the current and previous years resulted in an outlay (net of coinsurers' share and recoveries, including appraisal costs) of €4,754.9m, a decrease of €184.0m compared with 2016 (-3.7%).

Total premium provisions and claims provisions reached €14,238.6m at the end of the year, a decrease of €524.6m (-3.6% compared with 31 December 2016), amounting to 206.0% of premiums acquired (211.9% at 31 December 2016).

The "combined ratio" (including oti ratio), which also includes operating expenses, came to 96.3% of premiums for the year, unchanged compared to 2016 (96.3%).

Operating expenses in the Non-Life business, including acquisition and collection commissions and other acquisition costs and administrative expenses, amounted to €1,949.7m (€1,799.7m net of commissions received from reinsurers), compared with €1,977.8m in 2016 (€1,835.1m net of commissions received from reinsurers). The impact on premiums came to 28.2% (28.4% in 2016).

The technical result showed a positive balance of €501.7m (€349.8m in the previous year). The transfer of the share of net gains on investments came to €355.8m, compared with €170.4m in the previous year.

Below we provide information on the technical performance of the main classes.

		Claims Paid			Claims Reported		
		2017	2016	% Variation	2017	2016	% Variation
					Number	Number	
<i>Amounts in €k</i>							
CLASS	Italian Direct Business - Non-Life business						
1	Accident	257,124	252,094	2.0%	104,444	106,976	(2.4)%
2	Health	139,773	155,360	(10.0)%	369,459	522,257	(29.3)%
4	Railway rolling stock				1		0.0%
5	Aircraft	967	892	8.4%	4	7	(42.9)%
6	Sea, lake and river vessels	6,360	6,456	(1.5)%	369	333	10.8%
7	Goods in transit	3,803	4,338	(12.3)%	2,220	2,347	(5.4)%
8	Fire	310,563	247,679	25.4%	56,333	49,458	13.9%
9	Other damage to property	367,510	338,626	8.5%	231,477	225,856	2.5%
11	Aircraft TPL	995	906	9.8%	7	4	75.0%
12	Sea, lake and river TPL	8,872	7,319	21.2%	1,071	1,063	0.8%
13	General TPL	546,000	594,462	(8.2)%	92,127	91,935	0.2%
14	Credit	139	347	(59.9)%	1	2	(50.0)%
15	Bonds	45,294	40,665	11.4%	979	1,276	(23.3)%
16	Pecuniary losses	21,596	23,797	(9.2)%	35,436	32,856	7.9%
17	Legal expenses	14,375	13,640	5.4%	7,873	7,323	7.5%
18	Assistance	73,296	57,575	27.3%	400,010	383,764	4.2%
	TOTAL NON-MV BUSINESS	1,796,667	1,744,156	3.0%	1,301,811	1,425,457	(8.7)%
10	Land Vehicle TPL	2,569,223	2,828,605	(9.2)%	624,251	638,164	(2.2)%
3	Land Vehicle Hulls	389,019	366,159	6.2%	287,737	268,051	7.3%
	TOTAL MV BUSINESS	2,958,242	3,194,765	(7.4)%	911,988	906,215	0.6%
	TOTAL NON-LIFE BUSINESS	4,754,909	4,938,920	(3.7)%	2,213,799	2,331,672	(5.1)%

Accident

Direct premiums €616.9m (-1.6%)

Number of claims reported 104,444 (-2.4%)

Claims paid out €257.1m (+2.0%)

Charges relating to claims €250.1m (+5.7%)

The year 2017 ended with the premiums of the class in decline compared to the previous year, although in the segment of the retail products the commercial initiatives and the sales campaigns carried out over several months positively sustained the new production, offsetting the contraction of the portfolio, influenced by a still significant number of cancellations.

Within the scope of collective risks of note are both new, important acquisitions and a negative trend on contract cancellations, together with the reduction of already existing coverage of significant value.

The number of claims decreased thanks to the strict subscription policies and to the disposal of some high frequency cumulative contracts. The cost of claims, instead, increased as a result of the settlement of claims with a significant average value.

The above elements allow in any case to achieve a positive technical balance of the class.

Health

Direct premiums €227.7m (+2.0%)
 Number of claims reported 369,459 (-29.3%)
 Claims paid out €139.8m (-10.0%)
 Charges relating to claims €141.7m (-6.9%)

The premiums of the class grew slightly, mostly because of the Households and Small and Medium Enterprises sectors, in which the sales initiatives, directed both at maintaining the contracts in the portfolio and at acquiring new customers, were met with good success.

The reduction in the number of claims and costs is mostly a consequence of the transfer of some major contracts to the subsidiary UniSalute, a specialist company of the group in the class, but it is also due to the improvement in the Household and Small and Medium Enterprises sectors, in which the constant action to reform the portfolio with the introduction of the silent extension exclusion clause in nearly all contracts, made it possible to obtain the right equilibrium between guarantees issued, age of the policyholders and cost of the coverage.

Land Vehicle Hulls

Direct premiums €623.6m (+2.7%)
 Number of claims reported 287,737 (+7.3%)
 Claims paid out €389.0m (+6.2%)
 Charges relating to claims €423.1m (+8.3%)

Premiums grew, thanks to the opportunities offered by the market, which also increased, tied to the recovery in new vehicle registration and to the consequent gradual rejuvenation of the fleet on the road.

The number of claims and the related cost increased overall, by effect of the numerous, severe atmospheric events that took place during the year. The claims of the Fire and Theft guarantees improved, while those of the Kasko, Collision and Social-Political Events increased, but consistent with premium trends.

The overall result of the class is worsening compared to the last year, though confirming a positive profit margin.

Fire

Direct premiums €525.3m (+4.6%)
 Number of claims reported 56,333 (+13.9%)
 Claims paid out €310.6m (+25.4%)
 Charges relating to claims €384.2m (+33.5%)

In the Fire class, the growth of the premiums is mostly due to the Corporate and Individuals segments, while Small and Medium Enterprises decreased slightly.

With respect to claims, their increase is due to the atmospheric events that impacted several areas in the second half. Similarly, the total cost recorded in the class, which worsened substantially, was determined both by the atmospheric events, and by some major claims, which have already been partly indemnified.

Other Damage to Property

Direct premiums €562.5m (+2.7%)
 Number of claims reported 231,477 (+2.5%)
 Claims paid out €367.5m (+8.5%)
 Charges relating to claims €388.2m (+15.4%)

The Other Damage to Property class recorded a good increase in premiums, with contributions from different types of guarantee that comprise it, in an overall context of moderate improvement of the economic cycle.

The sharper increase of the cost of claims compared to the increase of the premiums determined, de facto, the deterioration of the technical balance of the class.

The Hail segment was characterised, on one hand, by a substantial increase in premiums, and on the other, on the front of charges relating to claims, by significant frost phenomena that occurred in April 2017 and in the following months by atmospheric events (hail but also drought). These phenomena, which involved the entire insurance market, negatively affected the farming season entailing a significant increase both of the claims and of the amount paid out with heavy repercussion on the class as a whole.

For the Fire component, the increase in the premiums is due in equal measure to the various business lines and to the increase in claims and in the amount paid out deriving from the accessory guarantees for Fire, whereas for the Theft guarantees, there was a contraction in both premiums and claims and total charges.

In Technological Risks, there was a contraction in premiums, accompanied by an improvement in the number of claims and in the amount paid out.

Land Vehicle TPL

Direct premiums €3,305.6m (-3.5%)
Number of claims reported 624,251 (-2.2%)
Claims paid out €2,569.2m (-9.2%)
Charges relating to claims €2,429.5m (-7.1%)

In 2017, a contraction of the premiums was recorded, essentially by effect both of the reduction of the average premium and of the contracts in the portfolio, albeit to a more marginal extent.

In March, the new product Km&Servizi 2Ruote was launched; it obtained good sales results during the year. Consistently with the approach of the KM&Servizi line, for the motorcycle target the offer is characterised by innovative, exclusive guarantee and service contents, based on the potential of ICT.

Several investments were made to support our range of products and services, in particular the Interest-Free Loan and the installation of black boxes, a segment in which the Company has confirmed its leading position with more than 3.5m devices installed and circulating, accounting for nearly 50% of the market.

On the claims front, the frequency and the charges declined, substantially determining the improvement of the technical result of the class.

Other TPL

Direct premiums €684.8m (+1.0%)
Number of claims reported 92,127 (+0.2%)
Claims paid out €546.0m (-8.2%)
Charges relating to claims €350.8m (-21.0%)

Premiums in the Other TPL class increased, with mixed trends among the various segments: Public Authority decreased, affected by sharper rate competition, while the Corporate line and the Professional segment grew.

The stability of claims was accompanied by a sharp contraction in cost, confirming the significant improvement of the result of the class.

Credit and Bonds

Direct premiums €53.9m (-14.1%)
Number of claims reported 980 (-23.3%)
Claims paid out €45.4m (+10.8%)
Charges relating to claims €32.1m (-39.4%)

In 2017, work continued on the release of numerous multi-year risks that reached their natural maturity, accompanied by a thorough revision of the older portfolio in order to verify the actual existence of the risks to be hedged and, consequently, to intervene on their maintenance and/or on the amount of the premiums. These activities had a negative impact on the performance of premiums written, together with a decline in premiums pertaining to VAT sureties, due to the changes made to the specific regulations in recent years.

The risk subscription policy was unchanged, whereby priority is given to granting surety support to clients operating with the Company in the other classes or with high commercial potential.

The number of new claims continued to decline substantially, while the increase in payments made took place in view of sizeable reserves and was offset by positive actions for recovery/compensation from policyholders. Provisioning remained oriented to criteria of particular prudence.

In the Credit segment, the Company operates at the clients' request. Premiums stayed altogether marginal as a result.

Misc. pecuniary losses

Direct premiums €57.8m (+6.1%)
Number of claims reported 35,436 (+7.9%)
Claims paid out €21.6m (-9.2%)
Charges relating to claims €25.3m (+11.0%)

The increase in premiums was affected by the increase in the accessory guarantees included in the MV offering, of which the class is mostly made up, but also of the risks tied to companies.

The increase in claims and of the related cost is consistent with the development of the class, which allowed to confirm positive profitability.

Legal expenses

Direct premiums €63.4m (+5.3%)
Number of claims 7,873 reported (+7.5%)
Claims paid out €14.4m (+5.4%)
Charges relating to claims €18.4m (-3.0%)

The premiums from the class grew both on the multi-risk products of the Non-MV classes both on the guarantees tied to circulation, being connected to the commercial trends of the MV products and to the upselling and upgrade campaigns on the segment which, during the year, were popular with customers.

The increase in claims is consistent with the growth in the risks assumed and the technical result of the class continues to be positive.

Assistance

Direct premiums €147.7m (+6.5%)
Number of claims reported 400,010 (+4.2%)
Claims paid out €73.3m (+27.3%)
Charges relating to claims €73.2m (+15.6%)

Growth in the premiums of the class, mainly comprising guarantees tied to circulation, is due to the upselling and upgrade commercial campaigns activated on MV policies, to the development of the telematic portfolio and to the services present in the new KM&Servizi product.

The number of claims increased as a direct consequence of the expansion of the assistance services provided to customers, in particular the lower impact thresholds in case of crash on most of the portfolios on which the telematics devices are installed.

The increase in the cost of claims is exclusively concentrated on the “roadside assistance” guarantee and is due to the marked increase in the number of calls handled; consequently, the result of the class was deteriorated, albeit maintaining positive profitability.

Goods in Transit

Direct premiums €17.1m (-7.4%)
Number of claims reported 2,220 (-5.4%)
Claims paid out €3.8m (-12.3%)
Charges relating to claims €0.9m (-60.6%)

The Goods class declined in terms of premiums due to the loss of a sizeable contract, while the portfolio remained substantially stable, thanks to the slight improvement in the economic environment, which affected the premiums that are directly related to the revenues of the insured companies.

The trend in claims is positive, with a reduction both in the number of claims reported and in costs, confirming and improving the positive result of the class.

Marine Vessels

Direct premiums €5.1m (+3.4%)
Number of claims 369 reported (+10.8%)
Claims paid out €6.4m (-1.5%)
Charges relating to claims €4.5m (+335.5%)

The Marine Vessels class ended the year with an increase in premiums, essentially due to the recovery of the Sportscraft market, which is consolidating a positive trend, and a limited increase in the number of claims and a slight reduction in the amounts settled.

The new Non-Life Products

Of note is the marketing, in 2017, of the new product KM&SERVIZI 2Ruote, which introduces important innovations, including the possibility of activating a rate per kilometre and ITC services, and new methods for suspending the policy or the possibility of blocking the insured value of the vehicle in the event of total loss, for up to 24 months in the case of a new registration.

It should be pointed out that the product obtained the innovation prize as part of the “MF Innovation Award” promoted by the newspaper MF in collaboration with Accenture for the year 2017 in the “Motor vehicles and Mobility” category. Indeed, the product was described as “competitive and innovative, with advantages such as providing compensation for the entire value of the vehicle within the first two years from registration in the case of theft or fire, with significant technological content” and designed “based on the real needs of those who rely on a two-wheeled vehicle”.

Starting from June 2017, there was an adjustment to the minimum legal limits referred to the coverage of MV TPL, in compliance with the third paragraph of Art. 128 of the Code of private insurance and in accordance with the Directives 2005/14/EC and 2009/103/EC. The new limits are:

- €6,070,000.00 for personal injuries;
- €1,220,000.00 for damages to property.

Concerning the Non-MV Non-Life price list in 2017, the following are pointed out:

- *UnipolSai Casa&Servizi* in the price list since 15 March, dedicated to the protection of households and homes, which has important innovation elements, including the introduction of the UniboxC@sa technological solution, for reporting emergencies (e.g. fire, flooding or break-in) and the direct repair services for the most common claims, through a network of selected craftsmen;
- *UnipolSai C@ne&G@tto* dedicated to protecting dogs and cats as well as providing protection from the risks associated with the ownership of these pets. The product includes the Unibox PETs technological solution, for locating pets, and offers guarantees for Damages to third parties, Legal protection and veterinary expenses. This product obtained a mention within the "MF Innovation Award" in the "Home and Family" category for the technology.
- *UnipolSai Impresa&Servizi*, which was created with a view to simplification, innovation and a focus on services. This is a complete and flexible product suited to the insurance needs of SMEs. It integrates technology, assistance and insurance guarantees to protect craftsman and industrial activities, offering services pertaining to income protection, digital protection, direct repair of the most common claims, prompt recovery, as well as the Unibox L@voro electronic device for the protection of spaces and the automatic activation of the assistance services.

Life business and Pension Funds

Total premiums (direct and indirect business) for 2017 came to €2,892.2m, down compared with the previous year (-4.9%).

Direct premiums acquired during the year totalled €2,891.8m. The breakdown into individual and group policies and between first year premiums, subsequent premiums and single premiums are shown in the following tables:

<i>Amounts in €m</i>	2017	2016	% Variation on 2016
Individual			
Class I	1,385.2	1,764.5	(21.5)
Class III	194.6	63.5	206.2
Class IV	1.6	0.7	118.1
Class V	172.2	182.8	(5.8)
Class VI	28.9	27.5	4.9
Total	1,782.5	2,039.2	(12.6)
Group			
Class I	447.0	430.9	3.7
Class IV	0.8	0.8	n.s.
Class V	95.2	93.7	1.6
Class VI	566.3	477.2	18.7
Total	1,109.3	1,002.5	10.7
TOTAL DIRECT BUSINESS	2,891.8	3,041.7	(4.9)

<i>Amounts in €m</i>	2017	2016	% Variation on 2016
First year premiums			
Class I	123.7	122.3	1.2
Class III	40.1	5.4	638.0
Class IV	1.0	0.3	194.1
Total	164.8	128.0	28.7
Subsequent year premiums			
Class I	423.7	402.0	5.4
Class III	3.6	2.4	49.6
Class IV	0.6	0.4	55.2
Class V	1.3	1.6	(17.1)
Total	429.2	406.4	5.6
Single premiums			
Class I	1,284.7	1,671.1	(23.1)
Class III	151.0	55.7	170.8
Class IV	0.8	0.8	n.s.
Class V	266.1	274.9	(3.2)
Class VI	595.2	504.8	17.9
Total	2,297.8	2,507.3	(8.4)
TOTAL DIRECT BUSINESS	2,891.8	3,041.7	(4.9)

The contraction in the individual policy segment compared to the previous year (-12.6%) was due mainly to the decline in premiums from traditional products connected to the segregated funds in Class I (-21.5%) and, to a lesser extent, in Class V (-5.8%) which stems from the decision to direct the flow of premiums to revaluable products, through a process of optimisation of the allocation on the segregated funds.

Starting from 2017, the single premium revaluable product UnipolSai Investimento Garantito was placed only through ad hoc campaigns, while the sale of the single premium revaluable Class V product UnipolSai Investimento Capital was limited only to policyholders represented by legal persons.

Consequently, the premiums from single premium policies declined by 23.1% compared to the premiums of 2016.

First year premiums increased by 28.7%.

Also in the individual sector, the considerable increase in Class III premiums continued, recording significant growth (€194.6m versus €63.5m in the fourth quarter of 2016), as a result of the progressive shift of the Company's Life offer from traditional products to products with financial content, such as the multisegment products of the UnipolSai Gestimix line and the UnipolSai Energy line unit-linked products.

In 2017, the offer was enhanced with two new unit-linked products: "UnipolSai Risparmio Energy" and "UnipolSai Investimento PIR"; in addition, the offer of the UnipolSai Energy line was improved with three new internal funds.

Premiums on collective policies increased relative to 31 December 2016 (+10.7%) as a result in particular of growth in Class VI (+18.7%), particularly contracts with Occupational Pension Funds.

Operating expenses, including acquisition and collection commissions and other acquisition and administrative expenses totalled €150.7m (€150.3m net of commissions received from reinsurers), with a 5.2% impact on premiums (5.1% in the previous year).

The amounts paid (direct and indirect business) came to a total of €3,442.9m, an increase by 30.3% compared with the previous year, broken down as follows:

<i>Amounts in €m</i>	2017	2016	% Variation on 2016
Class I	1,783	1,860	(4.1)
Class II			n.s.
Class III	108	52	106.4
Class IV		0	n.s.
Class V	464	473	(1.7)
Class VI	1,087	256	324.5
Total	3,443	2,641	30.3

The marked increase in Class VI is substantially due to the liquidation, at the end of the mandate, of two guaranteed funds amounting to approximately €810m.

The following table shows the breakdown of the amounts paid according to the reason for payment, compared to the previous year.

<i>Amounts in €m</i>	2017	2016	% Variation on 2016
Capital and annuities accrued	1,774	1,097	61.7
Surrenders and advances	1,514	1,394	8.6
Claims	147	141	4.0
Settlement expenses	5	5	n.s.
Indirect business	3	4	(14.7)
Total	3,443	2,642	30.3

Among the reasons for payment, Capitals and Returns accrued recorded the greatest increase in percentage terms (+61.7% compared to 2016), but also the amounts paid for surrenders and advances continued to show rising values compared to the previous year (+8.6%) while claims reported a slight increase (+4.0%).

Technical provisions for the direct and indirect portfolios came to €28,868.9m, an decrease of 0.2% compared with the previous year.

The technical result showed a positive balance of €204.2m, compared with €220.8m in the previous year.

Pension Funds

UnipolSai retained a leading position in the supplementary pension market in 2017, despite a difficult competitive context.

UnipolSai managed a total of 23 occupational pension fund mandates at 31 December 2017 (17 of them for accounts "with guaranteed capital and/or minimum return").

Resources under management totalled €3,508.9m (€2,897.1m with guaranteed capital).

The assets of the open pension fund "UnipolSai Previdenza FPA" amounted to €833.9m and 42,543 registrations.

The new Life Products

Starting from 31 January 2017, “UnipolSai Risparmio Energy”, the new unit-linked single recurring premium product with the possibility to make additional payments, has expanded the range of solutions dedicated to saving, completing the price list with a class III financial-insurance product.

This is a benchmark product, thus with a precise indication with regard to asset allocation and the investment policy.

Since February, UnipolSai has no longer proposed the Class I investment product “UnipolSai Investimento Garantito” to customers, sold only during campaigns with pre-set ceiling, while since April the Single Premium Class I revaluable product “UnipolSai Investimento Garantito Extra” has been on the market. It has the following main features:

- a revaluation attributed on the basis of the “best of” mechanism, which envisages upon maturity of the policy, as well as in the case of death of the insured or total redemption before maturity, the settlement of the higher value of either the initial insured capital, adjusted on the basis of the annual adjustment measure determined in light of the positive or negative performance of the segregated funds, or the initial insured capital;
- the possibility to activate or deactivate, at any moment, a plan of scheduled partial redemptions, of variable amounts depending on the percentage selected by the Policyholder from amongst those offered;
- no possibility to make additional payments.

Since the end of July, the unit-linked line “UnipolSai Energy” was enhanced with three new flexible internal funds, which have the objective of maintaining risk within pre-set thresholds and which are differentiated from each other by the reference level of risk (Medium Low, Medium High and High).

In October, the rationalisation of the collective offering was completed with the marketing of the new mixed product “UnipolSai TFM Azienda”, dedicated to the allocation of the severance indemnity (TFM) of Directors or persons tied to the Policyholder by employment, and the marketing of the new “UnipolSai TFR Azienda” capitalisation product, dedicated to the allocation of the post-employment benefits (TFR).

The new products are characterised by a revaluation of the performance tied to the results of the segregated fund Fondicoll.

Since 9 October, the new multi-class Personal Pension Fund “UnipolSai Previdenza Futura” has been marketed; the product is characterised by a revaluable Class I component, connected with the return of the segregated fund Previattiva UnipolSai and a component connected with the performance of the units of the PreviGlobale internal fund.

Since 30 November, the Company has marketed the unit-linked whole life insurance product “UnipolSai Investimento PIR”, through which it is possible to establish a long term Personal Savings Plan. The product, with single premium and the possibility of making additional payments, is connected to the performance of the units of the dedicated internal fund PIR UnipolSai. The objective of the internal flexible fund is to maintain risk within the pre-set threshold.

Certification of Compliance of UnipolSai Life products

Please note that UnipolSai obtained extension to the Previdenza line, UnipolSai Previdenza FPA and UnipolSai Previdenza Futura products of its Certification of Compliance for product value, fairness and transparency from the Bureau Veritas. This recognition came after the certification obtained in 2016 for the entire Investment range of UnipolSai Life Products.

This was positive confirmation of the intrinsic quality of the range of Life insurance products, considered to be simple, fair, transparent and reliable, and is the first step in strengthening customer confidence.

The certification body verified respect for these values by monitoring the requirements and indicators throughout the entire process, from needs identification to post-sale management, thanks to transparent and thoroughly tracked organisational practices. Indeed, the Company has developed a “product manual” governing the operations involved in the product development, investment and after-sales customer relations management processes, in accordance with the Group’s core values.

This initiative has the dual objective of continuing to strengthen UnipolSai’s reputation with customers, as well as to demonstrate new types of market conduct to the sector, helping to re-build confidence in the financial and insurance industries.

In the future, we plan on gradually applying the certification to all new Life products.

Sales and settlement organisation

Structure of the sales organisation

At 31 December 2017, the agency network comprised 2,766 agencies (2,909 at 31 December 2016 (2,902 private agencies and 7 corporate agencies), employing 4,480 agents.

UnipolSai also places Life products through the branches of Unipol Banca and through the networks of financial advisors of Credit Suisse Italy. The rationalisation of the agency network throughout the country was consolidated, completing 329 reorganisation initiatives, 147 of which were groupings with transfer of portfolio or operations aimed at promoting the growth of the size of the involved agencies, 92 management changes and 90 agent replacements. 18 administrative initiatives were carried out, directed at changing the agency structures. In the same period, 5 new agencies were opened, while the liberalisation of 6 was defined.

In 2017, jointly with the commercial Districts, the monitoring processes of the MV and Individuals General Classes were consolidated, for their preventive protection, through the monthly analysis of multiple variables tied to the performance of individual Agencies. The goal is to make emerge and to foresee specific critical situations tied to portfolio retention, with the consequent activation of a technical, organisational and/or commercial nature.

In 2017 there was an intensification of the initiatives to boost productivity in the general classes consistently with the guidelines defined by the Business Plan.

In particular:

- the level of qualitative and quantitative support by the structure was enhanced and specific sales initiatives were dedicated to the development of business coverage for approximately 400 agencies (SME Agencies) which, due to their organisational and distribution model (presence of specialist sales personnel), to their historical performance on the enterprise general classes (development, portfolio retention and profitability) and positioning in highly attractive areas, can guarantee the greater potential for development in the enterprise segment;
- the plan for the development and consolidation of the network of business specialists continued; these are professionals who, in the sales organisation of the Agencies, handle mainly the development of the SME segment.

At the end of the year, the decision was made to further enhance the Company's programme directed at increasing market shares in the SME segment, strengthening the network with new SME Agencies and new professionals (SME Tutors) who come mainly from the sales area, which at the end of the training programme will be permanently included in the workforce, providing support for the agencies and the network of business specialists in the achievement of the defined objectives.

Lastly, a plan of extraordinary compensation for Agencies with business specialists coming from the partners network was approved, to support the Agencies in any organisational changes that may have been made necessary by the inclusion of the business specialists and assure sustainability for these professionals in the medium-long term.

The year 2017 saw the launch of additional new products: specifically, the "Commercio & Servizi" product, launched in November 2016, was accompanied by the products called "Casa & Servizi" (March 2017) and "C@ne&G@tto" (May 2017), which has seen the involvement of the entire agency network and of the related sales coordination structures.

Attention to training and support to networks, a detailed planning of activities and adequate marketing actions allowed to achieve significant new production volumes in 2017, up compared to the previous year.

At the end of November 2017, the new "Impresa & Servizi" product was launched; it is dedicated to small and medium enterprises which, being added to "Commercio & Servizi", allows to enhance the product catalogue for production companies.

Network training

Since the first half of 2017 saw the launch of new products, such as “Commercio & Servizi”, “Casa & Servizi” and “C@ne&G@tto”, the Agency network and the related sales coordination structures were involved and supported by new marketing and training initiatives carried out mainly through Unipol Academy.

A specific curriculum was dedicated to all business specialists; together with appropriate field training programmes, it will allow them to reach an adequate level of professionalism.

Settlement structure

The Claims Department of UnipolSai Assicurazioni conducts settlement activities for the classes MV, General TPL, Accident and Property (Fire, Theft, Technological Risk, Mechanical Breakdowns and Other Damage to Property).

The Claims Department develops through an organisation, in the offices and throughout Italy, based on specialisation by Class, with the goal of standardising claims management procedures also with reference to the specificity of the individual business areas, in particular: MV and Non-MV class, in turn comprising the General TPL/Accident and Property segments.

For specific types of claims (ex. Bonds, Transport, Hail, Legal Expenses, Assistance), settlement is assigned to centralised structures reporting to the Insurance General Directorate or to external providers (mainly under particular contracts intermediated by brokers). For the Health class, settlement is assigned to UniSalute, a Company that is specialised in the Health segment.

Evolution of the settlement process

In 2017, the project initiatives of the 2016-2018 Business Plan, directed at improving the settlement processes, were further directed, in particular:

- Black Box:** the process of “electronic settlement” continued, which innovatively uses the information contained in the black box for the claims of the MV classes (in particular, by verifying the consistency between the statements rendered and the actual dynamics of the event). The (Single) dedicated portal, integrated with the “Liquido” claims application, was further refined through the development of new features for reading/interpreting the data and defining liabilities. This generates numerous benefits, primarily the ability to combat fraud (strengthening prevention thereof), reducing claims management times and decreasing the number of disputes, with the consequent reduction of the average cost and an increase in the settlement rate to the advantage of the insured customers as well.

The advantages of the box are particularly evident especially in the South, where the claims supported in the preliminary investigation stage by the data of the black box account for approximately 60% of the total (41% at the national level).

Use of the telematic information also allows punctual management of claims within the management of the CARD agreement assigned to a specific structure.
- Antifraud Engine:** the current antifraud engine, using evolved mathematical algorithms, selects a sample of potentially fraudulent claims for them to be channelled to the dedicated settlement structure (so-called Special Areas). In the second half, the project for the evolution of the current engine was started, providing for the use of a technological and applicative platform which also supports artificial intelligence algorithms for the generation of predictive models.
- CPM (Medical Report Centre):** a service offered to the damaged customer with non-severe injuries (MV, Accident or General TPL), who is offered the option to perform the medical-legal examination directly at the offices of the Company and then to be paid promptly. The process was optimised for the booking of the visits by enhancing the customer’s contract service and introducing the use of an electronic agenda for the booking of medical visits, which can be done directly by the Agency. In addition to the CPMs located in the Territorial Settlement offices, covering particularly vast areas or with a high incidence of examinations, the Medical Booking Services (SPM) were also established, where the service, limited to the examination only, is performed directly at the doctor’s office.

- **General Classes Direct Repair:** to offer an innovative service to customers, similarly to what has been done for the MV Classes for years, a process of “direct repair intervention” was established for General Classes guarantees (Piped Water, Research and Damage Repair, Weather and Plates). At the time the Insurance Policy was stipulated or at the time of the accident, the Customer has the option of choosing the “Direct Repair” service, consisting of the direct repair intervention through a network of operators selected and made available by the Company, which will repair the damage without any outlay on the Customer’s part and with the concurrent zeroing of the deductible, when present.
- **APP and Customers Area:** the services already present (relating to own Agency, to the status of own policies, to the identification of the closest body shop and to the direct call to public assistance numbers), the APP and the Customers Area, in the new versions released in the second half, within the scope of the progressive digitalisation of the processes, was enhanced with a section dedicated to “Your claims” which, in addition to providing a set of information for consultation (with all data about the claim, including data and time of appraisal, indication and address of the adjuster), allows the policyholders with the “Liquido” claims system entering useful information for managing the claim, such as:
 - own IBAN for settlement;
 - photos relating to types of predefined documents (ID Card, driver licence, taxpayer ID Code, CAI form, generic document, report, witness statement, report by the authorities).
 Moreover, the Customer will receive constant updates on the management of the claim (Claim Tracking) receiving notices about the status of the claim (opening of the claim/appraiser appointment/return of the appraisal/settlement of the position/closure of the individual claim item).
- **Channelling in Auto Presto & Bene:** starting from the first half, activity was started to channel claims to repair centres that use the Auto Presto & Bene services, a Group company created, *inter alia*, to maximise savings on the average cost of the claim. This result was achieved thanks to an industrial approach of the repair process with control over the work of authorised workshops and a centralised management of the purchases of large volumes of replacement parts. The achievable economic benefits are important, and they are available for all Group companies.
- **Prompt Definition:** in the first half, the claims management process through an appraiser was optimised. Control over the appraiser network was enhanced in order to streamline the register and reduce settlement costs and times.
- **Evolution of the Claims System:** the rollout phase on the single claims system of the Group (Liquido) having been completed, the consolidation and development phase continued in the first half of the year in order to optimise the operations of the handlers, allowing them to monitor every single phase of the process, and providing adequate support to the settlement activity. “Liquido” allows high specialisation and diversification of the processes, accurate collection of the data and variables of the claim, sharing information among the players involved in the liquidation process, detailed reports so that claims handlers can carry out their activities in a more dynamic and effective manner. A further feature of Liquido is the integration with other internal and external systems (ANIA, trustees portal and many more besides), making it possible to profile each individual claim and to include information from the portfolio on more aggregation levels with a growing level of detail. In particular, it offers advantages in the individuals’ operations in terms of punctual monitoring of the activities to be carried out on the claim, allowing an immediate understanding of the overall status of the claim.

Operating and settlement expenses

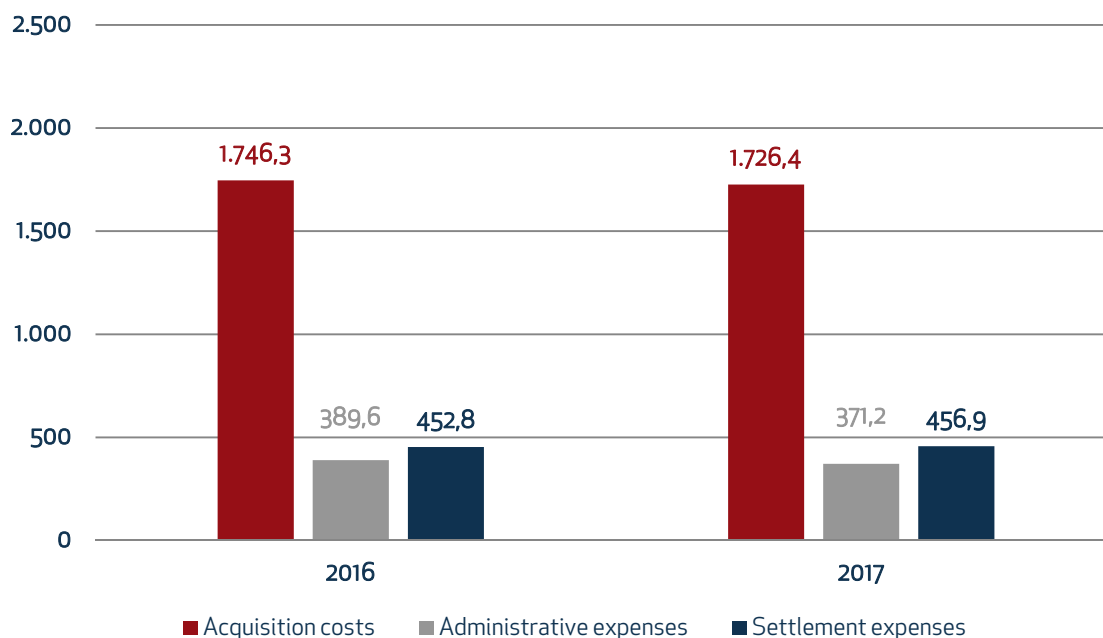
Operating expenses, which include acquisition and collection commissions and other acquisition costs and administrative expenses, amounted to a total of €2,100.3m compared with €2,132.2m in 2016 (respectively €1,950.0m and €1,989.1m net of commissions received from reinsurers), a decrease of 1.5% compared with 31 December 2016.

The impact on premiums increased, from 21.3% to 21.4%, as a result of the reduction in the premiums.

Settlement expenses in the Non-Life and Life businesses came to €456.9m, up on the figure recorded in 2016 (€452.8m).

Operating expenses (acquisition costs and administrative expenses) and settlement expenses

Amounts in €m



Acquisition and collection commissions and other acquisition costs totalled €1,726.4m (€1,746.3m in 2016) and other administrative expenses came to €371.2m (-4.7%), with impacts on premiums of 17.6% and 3.8% (17.4% and 3.9% in 2016).

Reinsurance

Indirect business

Total premiums of inwards reinsurance acceptances reached a total of €9.5m at 31 December 2017 compared to €8.6m at 31 December 2016, of which €9.2m compared to €8.0m at 31 December 2016 in the Non-Life business and €0.4m compared to €0.6m at 31 December 2016 in the Life business.

Reinsurance ceded

For the risks assumed in the Non-Life business, the reinsurance strategy implemented in the year is substantially in line with that of the previous year, with some improvement made on rates and on contractually prescribed exclusions. The true change compared to the guarantees covered is represented by a new proportional cover on Cyber Risks.

The renewal of the agreements for the year 2018 was also absolutely in line with the forecasts of 2017, notwithstanding some small improvements with a view to risk mitigation.

For this year the following operating cover is reported at Group level:

- excess of loss treaties for the protection of MV TPL, General TPL, Fire (by risk and by event, in the latter case partially also with the issue of a new "Azzurro Re" non-parametric CatBond), atmospheric events of Land Vehicle Hulls, Theft, Accident and Transport portfolios;
- stop loss treaty for the Hail class;

- proportional treaties for: Technological risk (C.A.R. - Contractors' All Risks -, Erection all Risks and Decennale Postuma - Ten-year Building Guarantee), Bonds (the retention of which is then protected by a "risk attaching" excess of loss), Aviation (Accident, Aircraft and TPL, the retention of which is protected by a "loss attaching" excess of loss), Assistance, Legal Expenses.

In order to minimise the counterparty risk, reinsurance continues to be fragmented and placed with leading professional reinsurers rated very sound financially by the main rating agencies, for the purposes of a comprehensive and competitive service. With regard to the risks of: Assistance, Legal Expenses and part of the Transport were instead ceded to specialised reinsurers and/or specialist companies inside the Group.

In 2017, proportional cover generated an overall positive result for reinsurers, in line with that of the company's direct business, as well as non-proportional protections. The period was affected by a significant claim that impacted the Multipol excess of loss coverage of the fire section.

Premiums ceded in the direct Non-Life business amounted to €410.5m at 31 December 2017 compared with €416.0m of the previous year. The retention ratio in the Non-Life business came to 94.1% at 31 December 2017, compared with 94.0% in the previous year.

The risks underwritten in the Life business in 2017 were mainly covered with two proportional treaties, one for individual risks and one for collective risks in excess of the risk premium. Retention is further protected with a non-proportional cover in excess of loss by event that regards the Life and/or Accident classes. Premiums ceded by UnipolSai in the Life business amounted to €6.3m at 31 December 2017 compared with €8.1m of the same period of the previous year.

The retention ratio in the Life business came to 99.8% at 31 December 2017, essentially unchanged compared with 2016.

Operations to combat fraud and claims management

Operations to combat fraud

Preventing and impeding insurance fraud in the MV TPL class are consolidated activities and an integral aspect of the company's core business, as well as a fundamental commitment for UnipolSai. The results of these activities produce positive impacts on the Company's financial statements as well as deterrent effects on the proliferation of such crimes, with resulting benefits also for customers.

Anti-fraud operations in the insurance field were covered by legal intervention. Specifically, Decree Law 1 of 24 January 2012, converted with amendments into Law 27 of 24 March 2012, assigned IVASS powers of supervision on the adequacy of company organisation and claims settlement systems in relation to the objective of combating fraud and imposed disclosure obligations for insurance companies.

ISVAP Regulation no. 44 of 9 August 2012 requires transmitting to the Supervisory Authority an annual report, containing the information necessary to assess the efficiency of processes, systems and people in order to guarantee the adequacy of the company organisation in relation to the objective of preventing and combating fraud in the MV TPL class.

The same Decree Law also requires insurance companies to provide an estimate of the reduced charges relating to claims arising from verification of fraud in their Management Report or in the Notes to the Financial Statements annexed to the annual financial statements and to publish it on their websites or using another appropriate form of disclosure.

Pursuant to and in accordance with Art. 30, paragraph 2 of the above-mentioned Decree Law 1/2012, it is pointed out that the estimate of the reduction of charges for claims arising from this activity totals approximately €60m, not considering operating costs and expenses incurred.

This estimate consists of the sum of provisions/forecasts of expense for claims to be investigated for antifraud purposes that were settled without follow-up in 2017, regardless of the year when they are generated.

Register of complaints

From January to December 2017 the UnipolSai register (set up pursuant to the provisions of ISVAP Regulation no. 24 of 19 May 2008 and subsequent amendments) totalled 14,689 complaints, 13,303 relating to Non-Life business and 926 relating to Life business, with an impact on policies in the portfolio of 0.042%, down by 13.8% compared with 31 December 2016 (15,983 complaints, with an impact on the portfolio of 0.049%).

13,586 replies had been sent to UnipolSai at 31 December 2017, while 643 complaints were in the assessment phase. The average response times were 19.6 days. 4,927 complaints were accepted, 6,448 were rejected and 2,211 were settled.

Disputes

Claims under dispute in the MV TPL class, pending at 31 December 2017, amounted to 53,456. Also regarding the management of claims in the MV TPL class, 31,942 claims under dispute were settled in 2017.

Asset and financial management

Investments and cash and cash equivalents

At 31 December 2017 the amount of investments and cash and cash equivalents, net of depreciation of property, plant and equipment and taking account of impairment, equalled €47,211.0m.

The breakdown of commitments is shown in the table below.

Investment cash and cash equivalent

<i>Amounts in €k</i>	FY	%	FY	%	Variation 2017/2016	
	2017	Comp.	2016	Comp.	amount	%
Land and buildings	2,376,041	5.0	2,541,526	5.4	(165,485)	(6.5)
Investments in group companies and other investees						
-Shares and holdings	3,539,979	7.5	2,155,862	4.6	1,384,116	64.2
-Bonds	10,603	0.0	12,603	0.0	(2,000)	(15.9)
-Loans	323,651	0.7	328,103	0.7	(4,452)	(1.4)
Total	3,874,232	8.2	2,496,568	5.3	1,377,665	55.2
Other financial investments						
-Shares and holdings	819,844	1.7	554,866	1.2	264,978	47.8
-Mutual investment fund units	2,716,676	5.8	1,886,623	4.0	830,052	44.0
-Bonds and other fixed-yield securities	32,109,474	68.0	34,454,109	73.0	(2,344,635)	(6.8)
-Loans	126,405	0.3	135,337	0.3	(8,931)	(6.6)
-Bank deposits (1)	6,582	0.0	106,582	0.2	(100,000)	(93.8)
-Sundry financial investments (2)	74,873	0.2	86,525	0.2	(11,652)	(13.5)
Total	35,853,854	75.9	37,224,042	78.9	(1,370,188)	(3.7)
Deposits with ceding companies	15,100	0.0	19,108	0.0	(4,008)	(21.0)
Investments benefiting policyholders that bear the risk and investments arising from pension fund management						
-Investment funds and market indices	438,455	0.9	354,016	0.8	84,439	23.9
-Pension funds	3,730,955	7.9	4,182,235	8.9	(451,280)	(10.8)
Total	4,169,410	8.8	4,536,251	9.6	(366,841)	(8.1)
Cash and cash equivalents	922,340	2.0	349,155	0.7	573,185	164.2
TOTAL INVESTMENTS AND CASH AND CASH EQUIVALENTS	47,210,977	100.0	47,166,650	100.0	44,327	0.1

(1) Deposits primarily subject to time restrictions exceeding 15 days.

(2) Include premiums for transactions in derivative products.

75.9% of commitments were comprised of investments in bonds and other fixed-yield securities, shares and holdings of mutual funds and other financial investments. Investments in group companies and other investees amounted to 8.2%, while investments in directly held properties came to 5.0%. Investments relating to benefits linked to investment funds, market indices and assets from pension fund management accounted for 8.8%. Bank liquidity amounted to 2.0%.

Real Estate Management

The Company's property assets at the end of the year amounted to €2,376.0m, compared with €2,541.5m at 31 December 2016.

During the year, the Company continued to renovate its owned property assets in order to subsequently leverage the refurbished properties with a view to leasing or use for business purposes. The projects are characterised by the use of technologies designed to maximise energy savings, including by relying on renewable energy.

The main projects pertain to properties located in the Milan area, among which are the following:

- the completion of activities preliminary to the renovation works for the completion of a headquarters building in Via De Castilia (Porta Nuova-Garibaldi area); the process to obtain the authorization of the Municipality of Milan was completed during the year. The property will consist of two buildings connected together and it is characterised by a mirrored facade which, aside from recalling the stylistic features used for the tower that will be built by the Group in the nearby piazza Gae Aulenti, will actively contribute to reducing local atmospheric pollution thanks to the innovative materials that will be used for its construction;
- the continuation of the work for the refurbishment of Torre Galfa, Via Fara 41, a 31-storey building in a central location in Milan, unused for approximately 15 years, which thanks to this initiative will become a multifunctional building with a hotel in the first 13 storeys and residential apartments for temporary use in the remaining storeys. The top floor of the Tower will contain a restaurant-bar. The building renovation project was developed to allow for the use by the general public of spaces located at street level and the preservation of the original stylistic forms of the facades, while also improving the entire structure's energy efficiency. To date, lease agreements have already been entered into for more than 85% of the leasable surface area;
- the completion of works on a historic property in Via Pantano 26/Corso di Porta Romana 19, consisting of two independent blocks built at different times, which develop around a central courtyard; marketing is nearly fully completed, under the brand "Residenze Ca' Litta", for the building in via Pantano no. 26 for residential use. The offices for business use in the part of the building facing Corso di Porta Romana are already operational;
- the renovation activities on the office complexes located in Milan in Via Dei Missaglia 97 and Via Crespi 57. As regards the former, named Milano Business Park and consisting of fourteen buildings, renovations are proceeding with a view to leasing several portions of the complex. During the year, lease agreements involving the Milano Business Park were signed and renegotiated for more than 11,000 square metres. As regards the building in Via Crespi 57, renovation works were carried out to bring the property into line with the quality standards requested by the market with a view to reaching full occupancy.

Other residential and office property requalification activities were also launched in Florence in order to subsequently generate income through a lease, and in Turin on properties for business use.

Concerning sales, during the year the sale agreements of approximately 500 real estate units located in various areas of Italy were stipulated. The transaction was carried out i) to further optimise the portfolio through the disposal of non-qualifying properties; ii) to reduce management costs, given the number of property units involved; iii) to obtain savings on investments that would have been necessary for the renovation of such properties.

In addition, amongst other transactions, some properties located in Genoa (office), Milan (office/commercial), Naples (office) and Florence (residential), respectively, were sold for significant amounts, as were to the aforesaid units in Milan in Via Pantano 26 and residential units in Milan in Via Dei Missaglia (Le Terrazze complex), Via Oldofredi and Via Manin. Overall, in the course of the year, properties were sold for a total amount of approximately €190m.

Porta Nuova Project

There were no changes compared to the financial statements of the previous year.

It is therefore estimated that the remaining collections, expected in two tranches in July 2023 and April 2025, will guarantee the recovery of the remaining investment, totalling €11.4m at 31 December 2017, plus additional proceeds, the quantification of which is currently uncertain as it relates to the outcome of the guarantees issued to the purchaser.

Investments in Group companies and other investees

The total amount of the investments in group companies and other investees totalled €3,874.2m (€2,496.6m at 31/12/2016), of which €3,540.0m refer to shares and holdings of investees, €10.6m consists of bonds issued by Group companies (€12.6m at 31/12/2016) and €323.7m in loans to Group companies essentially unchanged compared to 31 December 2016.

Details on the investments held and the relevant changes are contained in attachments 6 and 7 of the Notes to the Financial Statements, respectively.

The breakdown of investments by business segment was as follows:

<i>Amounts in €k</i>	2017	2016
Insurance Companies	1,544,199	664,199
Banks	708,217	420,800
Financial companies	542,497	448,507
Real estate companies	407,454	378,138
Consortiums	35,375	35,375
Management companies distributing mutual funds	6,440	6,440
Other companies or entities	295,798	202,399
Total	3,539,979	2,155,858

At 31 December 2017, investments rose from €2,155.9m to €3,540.0m, with an increase of €1,384.1m compared to 31 December 2016 (+64.2%).

€931.2m of the increase is due to the purchases of the investments in Linear Assicurazioni (€160m), Unisalute (€715m) and Ambra Property (€56.2m), already commented at the start of this Report, in the chapter "Information on significant events". To these are added capitalisations for subsidiaries and associates totalling €556.3m, broken down as follows: Unipol Banca (€380.3m), UnipolSai Nederland (€100m), AlfaEvolution Technology (totalling €37.5m), Marina di Loano (€30m), Pronto Assistance (€5m) and Meridiano Secondo (€3.5m).

Among the decreases were value adjustments for a total of €99.5m, of which €92.8m referred to Unipol Banca, €1.4m referred to Nuove Iniziative Toscane, €2.6m to Villa Ragionieri, the elimination of the investment held in Butterfly (€2.3m), as well as €0.2m referred to Casa di Cura Villa Donatello and €0.2m to Borsetto Srl.

For additional information on the changes in the equity investments during the period, reference is made to Part B, section 2.2 - Investments in Group companies and other investees.

At 31 December 2017 bonds issued by Group companies and other investees amounted to €10.6m, all classified under long-term investments with a net decrease compared to last year (€12.6m the balance at 31/12/2016), mainly comprising:

- Profit Participating Bonds for €6.9m, issued by the associates Garibaldi S.C.A. (€5.1m) and Isola S.C.A. (€1.8m);
- Profit Participating Bonds for €2.2m, linked to loans to the company Ex Var.

The outstanding receivables are expected to be collected in July 2023 and April 2025.

The item also includes the bonds issued by the investee Syneteristiki for €1.5m. The change relative to the previous period is exclusively due to the repayment of the bonds of the associate Unipol Banca (€2m).

Loans to Group companies amounted to €323.7m (€328.1m at 31/12/2016). The item includes:

- two loans executed in favour of Unipol Gruppo for €267.8m after the former company Unipol Assicurazioni took over the role of issuer, replacing the holding company Unipol Gruppo, of the Unipol 7% and Unipol 5.66% bond loans. The balance was unchanged on the previous year;
- a loan to Meridiano Secondo for €36.8m;
- a loan to Borsetto S.r.l. for €6.3m;

1 Management Report

- a loan to Società Edilizia Immobiliare for €5m;
- a loan to Penta Domus for a nominal amount of €1.8m and a carrying amount of €0.4m net of the value adjustments;
- a loan to Casa di Cura Villa Donatello for €5.4m;
- a loan to Centro Oncologico Fiorentino for €2m;
- a loan to Butterfly for a nominal amount of €0.1m, wholly written off.

In 2017, impairment of €1.5m was recognised, of which €1.4m referred to Penta Domus in liquidazione and €0.1m referred to Butterfly.

During the year, the loans issued to Auto Presto & Bene (€1.3m) and International Media Holding (€1.5m) were repaid.

Other financial investments

Financial operations in 2017 were consistent with the Investment Policy guidelines adopted by the Company and with recommendations of the Group Investments Committee and Financial Investments Committee.

The criteria of high liquidity of investments and prudence were the guidelines of the investment policy, maintaining the necessary consistency with the liability profile. The investment policy applied the criteria of optimising the portfolio's risk-return profile.

With a view to simplifying the asset portfolio, the reduction of level 2 and 3 structured securities according to the IFRS13 hierarchy continued, both through sales and when the securities reached their natural maturity. The following table shows the changes that took place during the year.

Structured Instruments

<i>Amounts in €m</i>	2017	2016	Change
Level 1	61.9	65.2	(3.3)
Level 2	630.4	862.2	(231.8)
Level 3	260.0	333.5	(73.5)
Total	952.2	1,260.9	(308.6)

The year 2017 was characterised by operations focused on bonds and stocks. There was a decrease in the weight of the investment in government securities while the exposure to bonds of non-government issuers, in particular financial corporate bonds. Of the activities carried out in this sector, seventy-five percent pertained to financial issuers and the remaining twenty-five percent to industrial issuers.

Exposure to equity instruments and to alternative instruments is increasing compared to the previous year.

Operations in interest rate derivatives on the Life portfolio were functional to the optimisation of the ALM profile. Derivatives were marginally increased for the Non-Life portfolio to mitigate the risk of a rise in interest rates.

"Other financial investments" at the end of 2017 amounted to €35,853.9m and mainly comprised bonds. In this regard, see the additional details in section 2.3 of the Notes to the Financial Statements.

At the end of 2017 the bond portfolio recorded a positive balance between unrealised capital gains and losses, which amounted to €3,803.1m, of which 1,996.6m for the long-term bond portfolio.

Investments benefiting policyholders that bear the risk and investments arising from pension fund management

Note that investments benefiting policyholders that bear the risk are comprised of investments covering Life business insurance contracts and capitalisation contracts, with benefits directly linked to investment funds and market indices. These investments are measured at current value, in strict correlation with the valuation of the related commitments (technical provisions).

At the end of 2017 these investments amounted to €438.5m, of which €15.0m comprised of assets covering Index-Linked policies (bonds for €10.7m and net financial investments for €4.0m) and €423.5m in assets for Unit-Linked policies (mutual investment fund units for €314.1m, bonds for €74.4m, shares for €7.1m, cash and cash equivalents and other assets net of items to be settled for €27.9m).

Investments arising from pension fund management refer to investments in relation to subscriptions of units of open funds promoted by UnipolSai and in relation to closed, guaranteed funds managed by the Company.

These investments amounted to €3,731.0m at 31 December 2017, comprised of shares for €156.8m, bonds for €2,861.2m, fund units for €242.4m, cash and cash equivalents for €465.6m and net other items for €5.1m.

Cash and cash equivalents

Bank deposits and cash at 31 December 2017 amounted to €922.3m, most of which is deposited at the affiliate Unipol Banca (€349.2m at 31/12/2016).

Current gains on assets and financial income. Gains and losses on trading

The breakdown of current gains on assets and financial income and gains and losses on trading are shown in the table below, with separate indication of net income relating to investments benefiting policyholders that bear the risk arising from pension fund management (Class D).

<i>Amounts in €k</i>	FY 2017	% Comp.	FY 2016	% Comp.	Variation 2017/2016	
					amount	%
NET GAINS ON INVESTMENTS AND FINANCIAL INCOME						
Land and buildings	(10,652)	(0.8)	(8,967)	(0.7)	(1,685)	(18.8)
Shares and holdings	118,196	9.0	71,848	5.5	46,348	64.5
<i>referred to group companies</i>	98,426		39,550		58,876	148.9
Bonds	1,232,395	93.7	1,268,981	98.0	(36,585)	(2.9)
Mutual investment fund units	70,508	5.4	35,616	2.8	34,892	98.0
Loans	11,699	0.9	12,217	0.9	(519)	(4.2)
Bank deposits	73	0.0	574	0.0	(501)	(87.3)
Bank and post office deposits	133	0.0	20	0.0	113	558.0
Sundry financial investments	(31,768)	(2.4)	(8,425)	(0.7)	(23,344)	(277.1)
Balance of reinsurance deposits	(2,685)	(0.2)	(2,929)	(0.2)	245	8.4
Interest on loans	(72,274)	(5.5)	(73,877)	(5.7)	1,603	2.2
TOTAL (a)	1,315,625	100.0	1,295,057	100.0	20,568	1.6
Gains (losses) on sale						
Land and buildings	16,306	6.8	24,471	14.6	(8,165)	(33.4)
Shares and holdings	56,918	23.7	(155,624)	(92.7)	212,542	136.6
Bonds	171,673	71.4	272,430	162.3	(100,758)	(37.0)
Mutual investment fund units	76,090	31.6	22,825	13.6	53,265	233.4
Sundry financial investments	(80,385)	(33.4)	3,733	2.2	(84,118)	(2,253.1)
TOTAL (b)	240,603	100.0	167,836	100.0	72,766	43.4
Total (a+b)	1,556,228		1,462,894		93,334	6.4
Net reversals on investments						
Land and buildings	(56,560)	35.4	(115,180)	43.3	58,620	50.9
Shares and holdings	(125,081)	78.2	(24,523)	9.2	(100,558)	(410.1)
<i>referred to group companies</i>	(99,610)		(15,421)		(84,189)	(545.9)
Bonds	98,566	(61.7)	(26,189)	9.8	124,754	476.4
Mutual investment fund units	(64,970)	40.6	(77,825)	29.2	12,855	16.5
Other financial investments	(11,807)	7.4	(22,576)	8.5	10,769	47.7
Total (c)	(159,853)	100.0	(266,293)	100.0	106,440	40.0
TOTAL (a+b+c)	1,396,375		1,196,600		199,774	16.7
Net investment income of Class D						
-Investment funds and market indices	15,320		11,295		4,025	35.6
-Pension funds	43,235		58,319		(15,083)	(25.9)
Total Class D	58,555		69,614		(11,059)	(15.9)
GRAND TOTAL	1,454,930		1,266,214		188,716	14.9

Gains on investments and cash commitments, net of losses on investments and financial charges, amounted to €1,315.6m.

Net capital gains totalled €240.6m. Trading in equities resulted in net gains of €56.9m.

In relation to long-term investments, net capital gains on disposals were realised amounting to €18.3m. In this regard, see the information provided in the dedicated comment section.

At 31 December 2017 net income and gains on asset and financial management amounted to a total of €1,556.2m.

Net impairment (including write-downs of property of €10.2m) came to a negative €159.9m.

Overall, net ordinary and extraordinary income, including impairment and reversals of impairment losses on investments amounted to a positive €1,396.4m.

Net gains (losses) on investments benefiting policyholders that bear the risk arising from pension fund management (Class D) amounted to a positive €58.6m.

Risk management policies (Art. 2428 of the Civil Code)

Financial risk is managed through the regular monitoring of the main indicators of exposure to interest rate risk, credit risk, equity risk, and liquidity risk.

Interest rate risk

The duration of the class C investment portfolio, an indicator of the Company's interest rate risk exposure, was 5.65 years at 31 December 2017. With specific reference to the bond portfolio, the duration was 6.71 years. The table shows the sensitivity of the bond portfolio to parallel changes in the benchmark rate curve for the financial instruments.

Risk Sector	Breakdown	Duration	Increase 10 bps	Increase 50 bps
Government	68.08%	7.77	(189,510,748)	(947,553,742)
Financial	25.39%	4.50	(40,938,617)	(204,693,087)
Corporate	6.53%	4.28	(10,016,322)	(50,081,611)
Bonds	100.00%	6.71	(240,465,688)	(1,202,328,440)

Credit risk

Management of the securities portfolio primarily involves investing in investment grade securities (86.89% of the bond portfolio).

Credit risk is monitored by measuring the portfolio's sensitivity to changes in benchmark credit spreads.

Rating	Breakdown	Increase 1 bps	Increase 10 bps	Increase 50 bps
AAA	0.32%	(40,417)	(404,171)	(2,020,856)
AA	0.62%	(391,618)	(3,916,182)	(19,580,911)
A	5.93%	(2,117,729)	(21,177,291)	(105,886,454)
BBB	80.01%	(23,216,883)	(232,168,832)	(1,160,844,160)
NIG	13.11%	(1,813,066)	(18,130,656)	(90,653,281)
Bonds	100.00%	(27,579,713)	(275,797,132)	(1,378,985,662)

Equity risk

Equity risk is monitored by analysing the equity portfolio's sensitivity to changes in the reference markets represented by sector indices.

Risk Sector	Breakdown	Beta coefficient	Shock -10%
Utilities	1.93%	0.91	(4,628,048)
Funds	70.93%	1.00	(169,796,781)
Energy	2.27%	0.86	(5,429,379)
Raw materials	0.52%	0.60	(1,234,506)
Industrial	0.67%	0.56	(1,604,000)
Luxury goods	1.30%	0.83	(3,105,721)
Commodities	1.32%	0.96	(3,157,000)
Health	1.41%	1.03	(3,376,108)
Finance	16.95%	1.48	(40,571,514)
IT	0.05%	0.53	(119,031)
Telecommunications	2.66%	0.95	(6,368,150)
Equity	100.00%	1.06	(239,390,237)

Liquidity risk

In the construction of the investment portfolio hedging provisions, priority is given to financial instruments that can be quickly transformed into cash and quantitative limits are specified for the purchases of securities that do not guarantee a rapid sale and/or a sale at fair conditions, because of their type or specific terms.

In that view, the Company constantly monitors cash flow matching between assets and liabilities in order to limit, particularly for segregated funds which no longer receive new business, the need to liquidate investments without adequate advance notice.

Treasury shares and shares of the holding company

At 31 December 2017, UnipolSai Assicurazioni held 7,005,640 treasury shares in its portfolio, for a total value of €79.3m, posted as a reduction of the shareholders' equity in the item Negative reserve for treasury shares. The number of treasury shares was unchanged from 31 December 2016.

At 31 December 2017, 2,374,398 shares of the Holding company Unipol Gruppo were also held by UnipolSai, for a total of €7.3m, recognised under assets in the Other financial investments. On 3 July 2017, 1,191,106 shares of the Holding company were assigned to Managers of the Company in accordance with the compensation plans based on financial instruments for the period 2013-2015.

Write-backs were recognised for a total of €0.2m at 31 December 2017.

Performance of Group companies

The financial statements of (direct and indirect) subsidiaries and associates were filed pursuant to Art. 2429 of the Civil Code.

The key figures of the main subsidiaries are reported below.

Insurance Companies

UniSalute, the top health insurance company in Italy by number of customers managed, specialised in the Healthcare segment (Health and Assistance), continues to successfully expand its business model, with premiums totalling €430.1m (€408.5m at 31/12/2016), marking growth of 5.3%. The year 2017 also posted profit of €44.2m (€40.8m at the end of 2016). Also in 2017, UniSalute continued to carry out its core business, essentially consisting of collective coverage for company employees, with an underwriting policy increasingly focused on the preservation of long-term profitability. Please note the following new contracts in 2017: Agidae Fund, Carige, Ca.Ri.Fe., GommaPlastica Fund, Volkswagen Group and Fendi Group.

In terms of collective policies, UniSalute enhanced its offerings with a new service named Monitor Salute for monitoring chronic illnesses such as hypertension, diabetes and chronic obstructive pulmonary disease. This is an at-home remote service that monitors the values characterising these illnesses, managed based on an exclusive agreement with a leading manufacturer of *health devices*. In one year of activities, several thousand company policyholders relied on the service: the most widespread illnesses were hypertension, followed by pulmonary disease and diabetes.

The service won first prize at the MF Innovation Award 2017 in the Health & Prevention category. This award recognises the significant contribution that the service is making by accompanying patients throughout their treatment, monitoring their health on a preventive basis as well as in diagnostic and treatment phases and supporting patients and their families with top-tier health care and social support and assistance, even at home.

The MF Innovation Award 2017 is the third recognition obtained after the special mention in the "Community integration" category of the "Digital Innovation in Healthcare Award 2017" awarded by the Polytechnic University of Milan's School of Management, and the prize for "Healthcare process organisational improvement" at the AboutPharma Digital Awards 2017.

Linear, a company specialised in direct sales (online and call centre) of MV products, achieved a profit of €7.8m in 2017 (€6.2m at 31/12/2016), with total gross premiums of €172.3m, recording an increase of 14.9% compared to 2016, despite the fact that the market environment is still not very favourable for the MV TPL class, which remains impacted by lively price competition and an ongoing trend of declining average premiums. The incidence of other guarantees remained good at 19.1% (18.2% at 31/12/2016). Contracts in the portfolio at the end of 2017 were close to 564k units (+17.6%), an all-time high for the Company.

SIAT recorded a €5.2m profit in 2017 (€6.2m at 31/12/2016) with total gross premiums (direct and indirect) at €146.1 m (€132.9m in 2016).

The rise in premiums can be attributed to "Land Vehicle Hulls" (+12.7%), which benefitted from the acquisition of new customers, as well as early closures, with correlated renewals, of several considerable fleets with high premium volumes and from the "Goods" sector, which increased appreciably (+4.4%).

Incontra Assicurazioni recorded a €6.9m profit at 31 December 2017 (profit of €13.7m at 31/12/2016), with rising premiums compared to the previous year, from €69.4m in 2016 to €107m at the end of 2017, mainly concentrated in the Health and Pecuniary Losses classes. Comparison on the results was mainly affected by the presence, in the previous year, of some non-repeatable items referred to reinsurance.

Pronto Assistance, active in placing assistance services insurance policies in the home, health, MV and business segments, closed 2017 with a profit of €4.2m (profit of €4.8m recorded in 2016). The year 2017 posted total premiums amounting to €131.9m (€124.7m at 31/12/2016), with an increase of approximately 5.8% mostly due to the indirect business taken by Group companies.

Popolare Vita recorded a profit of €61.9m at the end of 2017 (€47.7m at 31/12/2016). Gross premiums written amounted to €653.2m (€1,493.6m at 31/12/2016). The profit of Popolare Vita was boosted by the good performance of financial profitability of the portfolio net of the portion paid to the policyholders. As already noted, on 29 June 2017 UnipolSai approved the cancellation of the distribution agreement in place between Popolare Vita and Banco BPM S.p.A. and the simultaneous exercise of the put option on the stake held in Popolare Vita.

BIM Vita recorded a profit of €4.3m at the end of 2017 (an improvement compared to €2.9m at 31/12/2016). Gross premiums written amounted to €103.8m (€98.6m at 31/12/2016). The volume of total investments reached the amount of €641m (€708.2m at 31/12/2016), of which €438.8m refer to class D (€454.4m at 31/12/2016).

DDOR Novi Sad recorded a €4.1m profit (Non-Life and Life business) at 31 December 2017 (an improvement from €2.7m at 31/12/2016) with growing premiums, which rose from €81.9m at the end of 2016 (of which €73.4m in the Non-Life sector) to €90.2m at 31 December 2017 (of which €78.4m in the Non-Life sector). As in 2016, while the macroeconomic situation in Serbia was still uncertain, it did record improvements in 2017 in terms of: export growth by 12% (11.6% in 2016), reduction of the national debt (whose ratio over the Country's GDP decreased from 73% in 2016 to 63% in 2017), industrial production growth by approximately 4%, with positive effects on the labour market which allowed the unemployment rate to decrease by 2 percentage points (from 15% in 2016 to 13% in 2017), appreciation of the local value by 4% relative to the Euro and decline of the inflation rate to approximately 3%. Based on the most recent available national data, the Serbian insurance market also benefited from it, with total estimated domestic growth of approximately 5.3% in gross premiums: this enabled the company to continue to position itself among the leaders in the sector, with approximately 7% growth in Non-Life premiums (direct consequence of the rise in the MV business, as a result of development in the Serbian automobile market) and a significant increase in premiums in the Life business in excess of 38% (primarily connected to new business). Please also note that bancassurance volumes also increased, with a share equal to roughly 5% of total premiums.

Other Companies

The activities of the diversified companies ended the year 2017 with a positive result in all sectors. Specifically, as regards the hotel business, the subsidiary Gruppo UNA (formerly Atahotels) more than doubled its sales revenues thanks to its integration with Una Hotels, from roughly €58m in 2016 to around €127m at 31 December 2017. In addition, the company achieved a profit for the year of roughly €0.3m, despite the fact that it is still handling the costs of the integration and the relative synergies have not yet been fully achieved.

We also point out the awards won by the facilities of Una Hotel Versilia (best hotel chain in Italy) and Una Poggio dei Medici (best golf hotel and best golf course at the World Golf Awards).

At 31 December 2017, the company Villa Donatello earned revenues from services of roughly €20.4m, compared to €18.6m in 2016, marking an improvement of approximately 10%. Revenue trends show a continuation of positive performance in the core business, for hospitalisation (hospital stays and outpatient surgery) as well as clinic activities (visits and diagnostics). Furthermore, this year the company achieved a profit of approximately €0.2m versus a negative result in the previous years.

As regards agricultural activities, the sales of the company Tenute del Cerro rose by approximately 20% relative to 31 December 2016 (from approximately €6.5m to €7.8m). Moreover, Tenute del Cerro achieved a net positive result of approximately €0.1m versus a loss of about €1.4m in 2016.

We also point out the various awards won in 2017 for its wines, including 3 glasses from Gambero Rosso for its 2014 Nobile di Montepulciano and 93 points for its 2013 Brunello di Montalcino from James Suckling.

Transactions with Group companies and transactions with related parties

Transactions with Group companies (Art. 2497-bis of the Civil Code)

The areas of UnipolSai Assicurazioni that provide the most economically significant services to Group companies are as follows:

- Governance (services supporting internal control, risk management and compliance);
- Anti-money laundering and Anti-terrorism;
- Financial;
- Model 231 monitoring;
- Chief Economist & Innovation Officer;
- Communications and Media Relations;
- External Relations;
- Assessment of Investments;
- Human Resources and Organisation (personnel administration, external selection, training, development, remuneration systems, personnel management, trade union relations, employee disputes, employee welfare, safety and organisation);
- Legal (corporate affairs, Group legal, anti-fraud, institutional response, legal insurance consulting, privacy, general legal and disputes, corporate legal, complaints, management of investments);
- Claims Settlement;
- Insurance (regulatory management of distribution networks, MV tariffs and portfolio management, reinsurance, marketing, bancassurance Life business unit);
- IT services;
- Actuarial Function Validation;
- Administration (accounting, tax, administrative and financial statements services, management control, purchases and general services);
- Real Estate Area (coordination of urban planning processes, real estate asset and investment management, portfolio trading, value added, portfolio core, project & construction management, tenders and contracts, logistics and real estate services, facility management, tax and duty property management, real estate appraisals and property management).

These services are charged to the Group companies using the allocated cost method, with the exception of Financial Management, whose consideration is calculated by applying a commission to the assets managed and for some services relating to real estate asset management that require fixed prices.

UniSalute performs the following services in favour of UnipolSai Assicurazioni:

- managing addressing services, providing medical advice and assistance by telephone, making bookings, managing and settling claims relating to specific guarantees/products on behalf of the Company;
- policyholder record updating services and administrative services associated with the payment of health policy claims.

SIAT-Società Italiana Assicurazione e Riassicurazioni performs the following services in favour of UnipolSai Assicurazioni:

- technical assistance in the negotiation and stipulation of transport and aviation contracts;
- portfolio services for agreements in the transport sector;
- administrative support in the relationships with insurance counterparties.

Directly or through qualified third-party suppliers AlfaEvolution Technology is in charge of the supply and industrial management at the network of installers and agencies of "black boxes", providing the connectivity and data transmission service, the management of online data and additional services that may be activated on the installed devices.

Auto Presto & Bene performs car repair services in favour of UnipolSai Assicurazioni.

UnipolSai Servizi Previdenziali, performs administrative management of open pension funds on behalf of UnipolSai.

UnipolRe DAC carries out for UnipolSai Assicurazioni administrative and accounting services for inwards and outwards reinsurance.

UnipolSai Investimenti SGR administers on behalf of UnipolSai the units of property funds set up by third-party asset managers, owned by UnipolSai Assicurazioni.

Leithà S.r.l. provides, in favour of UnipolSai, innovative services with high technological value and study and analysis of data to support the development of new products and processes and business evolution, including the necessary preparatory and instrumental activities for the realisation of the Research Project, and, possibly the development of operating system software, operating systems and applications and database management pertaining to the Research Project.

Pronto Assistance Servizi provides the following services for the consortium member companies:

- organisation, provision and 24/24 management of services provided by the assistance insurance coverage, by taking the action requested and managing relations with professionals and independent suppliers to which the material execution of the action is assigned, also including settlement of the related remuneration. As part of the Tourism claims management, in addition to the provision of normal Assistance services, Pronto Assistance Servizi, at the request of an individual consortium member will be able to advance medical expense payments on behalf of that member;
- Contact centre activities for the customers, specialists and agencies of the Group, whose services consist in:
 - providing front office services to existing or potential customers at all stages of relations with the consortium members and their respective sales networks, or to any intermediaries acting on their behalf (brokers, banks);
 - providing after-sales services on policy statuses or on any transactions that can be made on existing policies;
 - providing customer services;
 - providing support services to the agency network in relations with customers and consortium members;
 - providing contact centre services dedicated to opening claims and related information requests.

UnipolSai Servizi Consortili continued to manage supply and service activities with regard to:

- Logistic and organisational services;
- General services;
- Communications, image and brand management.

The transactions described above were concluded in compliance with applicable regulations, i.e. the cases set out in Art. 2391 of the Civil Code (Directors' interests), the Guidelines on intragroup transactions and the regulations of transactions with related parties.

Moreover, it is noted that UnipolSai conducts the following transactions with Group companies:

- normal insurance and reinsurance transactions;
- leasing of property;
- agency mandates;
- secondment of personnel.

These transactions, which do not include atypical or unusual transactions, are settled at normal market conditions.

Tax regime for taxation of group income (so-called "tax consolidation")

From 2015 the Parent Unipol opted, as consolidating company, for the tax consolidation governed by Title II, Chapter II, Section II of the Consolidated Income Tax Act (Articles 117-129). All companies in the Unipol Group that meet the regulatory requirements take part in this regime as UnipolSai consolidated companies.

Transactions with related parties

Consob, by issuing the Regulation introducing provisions pertaining to transactions with related parties (the “**Regulation**”) with resolution no. 17221 of 12 March 2010, subsequently amended with resolution no. 17389 of 23 June 2010, regulates the disclosure obligations and the decision-making rules pertaining to transactions with Related Parties carried out by listed companies, directly or through subsidiaries.

This regulation is a part of the broader framework of regulatory provisions for groups and conflict of interest, introduced with the reform of corporate law, in order to:

- avoid the interference of the main shareholders (i.e. the shareholders or the parties that exercise control or a significant influence on the issuer) and of the management (i.e. the key managers) in the management of the company, to the detriment of minorities;
- limit the risk that the executive bodies, carrying out operations outside ordinary activities and/or market or standard conditions, may damage the company’s capital;
- allow the performance of transactions with related parties that pursue objectives of efficient management of the company’s resources.

The “Procedure for related party transactions” (the “**Procedure**”), prepared in accordance with Art. 4 of the Regulation - adopted on 30 November 2010, after receiving a favourable opinion from the Committee of Independent Directors, and amended, most recently, by the Board of Directors of UnipolSai Assicurazioni S.p.A. on 6 October 2016 - contains measures for implementing the aforementioned regulatory provisions, to define the rules, methods and principles for ensuring transparency and substantive and procedural fairness of Transactions with Related Parties (as defined below) carried out by the Company, either directly or through Subsidiaries.

The Company is subject to management and coordination by Unipol Gruppo S.p.A.; therefore, in addition to being obligated to comply with the provisions of the Regulation that specifically apply to it as a listed subsidiary, is also the recipient of the rules of conduct dictated by the Parent, also with reference - for matters of specific interest herein - to the similar procedure adopted by Unipol.

The Board of Directors of the Company, in accordance with the Regulation, expressed its opinion on the consistency of the present Procedure with respect to the principles indicated in the Regulation.

The Policy on intragroup transactions adopted pursuant to IVASS Regulation no. 30 of 26 October 2016 remains in place, since applicable.

No transactions “of major relevance” with related parties took place in 2017 and neither did any transactions that, according to Art. 2427, paragraph 2 of the Civil Code, had any significant effect on the Company’s financial position and results, with the exception of the following transaction:

- **Acquisition from Unipol Gruppo S.p.A. of the investments held in UniSalute S.p.A. and Compagnia Assicuratrice Linear S.p.A.**
UnipolSai Assicurazioni S.p.A. resolved, on 29 June 2017, to carry out the Related Party Transaction of Major Relevance involving the acquisition of the holding company Unipol Gruppo S.p.A. (i) of the investment held in UniSalute S.p.A., accounting for 98.53% of its share capital, and, indirectly, of the investment held by UniSalute S.p.A. in the share capital of UniSalute Servizi S.r.l. and (ii) of the investment held in Compagnia Assicuratrice Linear S.p.A., equal to its entire share capital. The Transaction was reviewed in advance by the Related Party Transactions Committee (the “Committee”), which issued its favourable opinion for its execution. On 7 July 2017, the Information Document in accordance with Art. 5 of Consob Regulation no. 17221/2010 was published. The acquisition was finalised on 16 November 2017, after obtaining the necessary legal authorisations.

The transactions of minor relevance include the following:

- **Changes to lease agreement conditions**

On 22 March 2017, the Related Party Transactions Committee of UnipolSai, in accordance with the prescribed procedure, issued its favourable opinion for the stipulation, by the General Manager of the Company, as the corporate Body competent to decide this transaction, of an amendment to the lease agreements in place with Compagnia Assicuratrice Linear S.p.A. and UniSalute S.p.A., pertaining to spaces located in the property situated in Bologna, via Larga no. 8 owned by UnipolSai.

- **Acquisition from Unipol Gruppo S.p.A. of the investment held in Ambra Property**

On 10 May 2017, the Board of Directors of UnipolSai resolved to carry out the acquisition of 100% of the share capital of Ambra Property S.r.l. held by Unipol. The Transaction was reviewed in advance by the Committee, which issued its favourable opinion.

- **Appendix to the agreement with Unipol Gruppo S.p.A. in relation to the tax consolidation**

On 29 June 2017, the UnipolSai Board of Directors resolved to stipulate an appendix (the "Agreement") to the agreement relating to the Unipol tax consolidation established by the Parent (the "tax consolidation"), which gives the consolidating entity Unipol the right to ask UnipolSai, as the company that transfers to the tax consolidation the most significant portion of positive taxable income, to issue collateral through the establishment of a pledge restriction on Italian government bonds held by the Company, within the limits of the amount of the tax payable transferred to the tax consolidation minus the advances already paid and, in any event, up to a maximum amount of €100m. In addition to safeguarding the objectives pursued by the Unipol Group through the establishment of the tax consolidation, the Agreement allows Unipol - as the Parent of the Banking Group by the same name - to comply, for the current year, with the prudential limits for risk-weighted assets prescribed by banking regulations for Related Party Transactions.

The transaction was reviewed in advance by the Committee, which issued its favourable opinion.

At 31 December 2017, no assets had been pledged as collateral.

Information on transactions with related parties at 31 December 2017

Amounts in €k	Holding company	Subsidiaries	Affiliates	Associates	Other related parties	Total	Incidence				
Assets											
Bonds				6,863	3,740	10,603	0.02	(1)	0.28	(3)	
Loans	267,785	49,159		6,707		323,651	0.61	(1)	8.66	(3)	
Bank deposits			9			9	0.00	(1)	0.00	(3)	
Deposits with ceding companies		2				2	0.00	(1)	0.00	(3)	
Receivables arising from direct insurance/reinsurance business		8,993	5	6	41,456	(4)	50,460	0.10	(1)	1.35	(3)
Other receivables	18,060	32,510	41,249	124	283	92,226	0.17	(1)	2.47	(3)	
Bank deposits and post office			829,972			829,972	1.56	(1)	22.21	(3)	
Sundry assets		1,341	43,406			44,747	0.08	(1)	1.20	(3)	
Technical provisions – Reinsurers' share		170,277				170,277	0.32	(1)	4.56	(3)	
Total	285,846	262,282	914,641	13,699	45,479	1,521,948	2.87	(1)	40.72	(3)	
Liabilities											
Deposits received from reinsurers		33,957				33,957	0.06	(1)	0.91	(3)	
Payables arising from insurance/reinsurance		27,951	41			27,992	0.05	(1)	0.75	(3)	
Collateralised payables/other loans			2,866			2,866	0.01	(1)	0.08	(3)	
Sundry payables	113,301	48,163	8,507	55	517	170,543	0.32	(1)	4.56	(3)	
Sundry liabilities	10,149	7,261	25,814		231	43,455	0.08	(1)	1.16	(3)	
Total	123,450	117,332	37,228	55	748	278,812	0.53	(1)	7.46	(3)	
Memorandum accounts	1,140,762	715,409	35,634,020	28,431	30,475	37,549,098	70.74	(1)	71.46	(5)	
Income from:											
Land and buildings	83	9,575	5,080		1,074	15,812	0.64	(6)	2.74	(2)	
Shares, units and dividends	642	96,121		1,514	149	98,426	3.98	(6)	17.05	(2)	
Other investments	1,827	171	43		13	2,054	0.08	(6)	0.36	(2)	
Other income - Extraordinary income	5,335	35,950	21,338	128	428	63,178	2.55	(6)	10.95	(2)	
Total	7,886	141,817	26,461	1,643	1,663	179,470	7.25	(6)	31.09	(2)	
Charges											
Investment management expenses	10	882	36,011			36,902	0.07	(6)	6.39	(2)	
Other charges - Extraordinary	4,302	29,954	10,866	22	818	45,962	0.09	(6)	7.96	(2)	
Total	4,312	30,836	46,877	22	818	82,864	0.16	(6)	14.36	(2)	
Other technical charges											
Acquisition costs		13,338	59,736		101,673	(4)	174,748	7.06	(6)	30.28	(2)
Administrative expenses	13,105	18,447	1,205		67	32,824	1.33	(6)	5.69	(2)	
Total	13,105	31,785	60,941		101,741	207,572	8.38	(6)	35.96	(2)	
Non-Life and Life technical											
Balance of outwards reinsurance *		54,452				54,452	7.71	(7)	9.43	(2)	
Balance of inward reinsurance net of retroceded amounts *		91				91	0.01	(7)	0.02	(2)	
Total		54,543				54,543	2.20	(7)	9.45	(2)	

(1) The percentage based on total assets/liabilities in the Statement of Financial Position.

(2) The percentage on profit (loss) for the period.

(3) The percentage on total sources of financing in the statement of cash flows.

(4) Amounts relating to transactions with investee agencies.

(5) The percentage on total memorandum accounts.

(6) The percentage on total gains/losses, respectively.

(7) The percentage on balance of the life and non-life technical result.

(*) Negative amounts are a cost for the company.

Comments on the main items

The item "bonds" represents the bonds issued by Group companies and refer to the associate Garibaldi (€5m), to the associate Isola Scala (€1.8m) and to other investees (€3.7m): Syneteristiki (€1.5m) and Ex Var S.c.A. (€2.2m);

At 31 December 2017 the item Loans to holding companies, amounting to €267.8m and unchanged compared to the previous year, refers to two loans executed in 2009 in favour of the holding company Unipol Gruppo, after UnipolSai Assicurazioni took over the role of issuer of the Unipol 7% and Unipol 5.66% bond loans. The total interest for the year was €1.8m.

Loans to the other Group companies equalled €55.9m and refer to the following companies: Meridiano Secondo (€36.8m), Casa di Cura Villa Donatello (€5.4m), Società Edilizia Immobiliare (€5m), Centro Oncologico Fiorentino (€2m), Borsetto S.r.l. (€6.3m), Penta Domus S.p.A. in liquidazione (€0.4m net of impairment), Butterfly AM S.a.r.l. (nominal amount of €0.1m - fully written off). The total interest for the year amounted to €0.2m.

The item Receivables arising from direct insurance and reinsurance business in terms of transactions with subsidiaries refers to the following: €2.6m to receivables from the agency Sogeint, €1.5m to receivables from Incontra Assicurazioni and approximately €4.5m in reinsurance receivables from UnipolRe DAC; in terms of transactions with other investees, the item entirely refers to receivables from corporate agencies.

Other receivables from the holding company refer mainly to the receivable from Unipol Gruppo S.p.A. as a result of participation in the tax consolidation regime; with respect to the subsidiaries it comprises non-insurance receivables, mainly referred to the performance of services, of €7.9m from UniSalute (€5m as a deposit established on the basis of a reinsurance treaty), €2.3m from Linear, €3.2m from Popolare Vita, €1.6m from Casa di Cura Villa Donatello, €0.9m from Tenute del Cerro and €0.8m from AlfaEvolution.

The item also includes a receivable of €9.5m from Pronto Assistance Servizi S.p.A., of which €8.6m for advances on future services and €0.8m for service and secondment of personnel.

Other receivables from affiliates includes receivables from Finitalia amounting to €29.1m for premiums advanced by the latter as part of the service relation to the split payment of policies, receivables for service and secondment of personnel from the Arca Group (€4.3m), from UnipolSai Investimenti (€0.8m) and from Unipol Banca (€0.7m); there is an additional receivable of €2.9m from Unipol Banca S.p.A. for commissions on the placement of banking products.

The item also includes a receivable of €1.3m for fees for real estate services from Tikal R.E. Fund and an additional receivable of €1.3m, of the same nature, from Athens R.E. Fund.

The entire amount (€830m) of bank deposits with affiliates refers to current accounts held with Unipol Banca, whereas the sundry assets with affiliates refers mainly to amounts secured for claims (€39.4m) with the same counterparty.

Technical provisions - Reinsurers' share refer to reinsurance relations with the subsidiaries UnipolRe DAC for €131.5m and SIAT - Società Italiana di Assicurazione for €38.7m.

The entire amount of deposits received from reinsurers refers to relations with the subsidiary UnipolRe DAC.

Payables arising from direct insurance and reinsurance business refer mainly to reinsurance transactions with the following subsidiaries: UniSalute for €18.5m, Pronto Assistance for €6.8m and SIAT - Società Italiana di Assicurazione for €2.3m.

Collateralised payables/other loans are entirely referred to loans obtained from Unipol Banca.

Sundry payables due to the holding company Unipol Gruppo refer to payables for participation in the tax consolidation regime.

Those due to subsidiaries are referred mainly to payables for services received from Pronto Assistance (€2.4 million), UnipolSai Servizi Consortili (€24m), Pronto Assistance Servizi (€4.5m) and to payables to AlfaEvolution (€11.5m). In relation to affiliates, sundry payables are mainly comprised of payables due to Finitalia for €4m.

Sundry liabilities to holding companies are referred to the allocation of the costs to be recognised to the employees of UnipolSai seconded to Unipol Gruppo; with respect to the subsidiaries, it refers mainly to payables to UnipolSai Servizi Consortili for services received (€4.1m); with respect to the affiliates, lastly, the amount refers to payables to Finitalia for €7.3m and to Unipol Banca for €18.5m.

Income from land and buildings refers to leases with the subsidiaries UnipolSai Servizi Consortili (€1.8m), Atahotels (€1m), UniSalute (€3.3m), Linear (€2.4m) and with the associate Unipol Banca (€4.2m).

Dividend income from subsidiaries refers for €76m to Popolare Vita, €8m to UnipolSai Finance, €6.3m to Incontra, €1.1m to Bim Vita, €4.7m to SIAT - Società Italiana di Assicurazione.

Gains on other investments from the holding company mainly refers to interest income on the loans granted to Unipol Gruppo S.p.A..

Other income - extraordinary income essentially refers to recoveries for services provided and secondment of personnel. With regard to transactions with affiliates it also includes income from commissions for the placement of banking products due by Unipol Banca (€6.4m) and real estate services to the associates Tikal R.E. Fund and Athens R.E. Fund.

Investment management expenses mainly relate to the expense on the securities dossier due to the affiliate Unipol Banca for €36m.

The item Other charges – Extraordinary expenses includes the costs incurred by the Company for personnel seconded to Group companies and for the services provided to the Group companies, subsequently charged to the individual counterparties.

Acquisition expenses in relations with affiliates refer mainly to the cost for fees due to Finitalia S.p.A. for the loan granted to the contracting parties for the purchase of policies (€54.1m); with the other related parties instead, these regard commissions paid to investee agencies.

As regards administrative expenses, the amounts refer almost exclusively to costs for services and in particular, with respect not only to the holding company Unipol Gruppo, but also to the following subsidiaries: SIAT - Società Italiana di Assicurazione (€2m), UnipolRe DAC (€1.1m), UnipolSai Servizi Consortili (€9m) and to real estate costs with respect to Midi (€4.3m).

The balance of outwards reinsurance mainly derives from transactions with the subsidiaries Pronto Assistance (income of €6.8m), UnipolRe DAC (income of €19.2m), SIAT (income of €10m) and UniSalute (income of €18.4m).

1 Management Report

Remuneration paid to members of the Administration and Control Bodies, the General Manager and Key Managers

Remuneration payable for 2017 to the UnipolSai Assicurazioni Directors, Statutory Auditors, General Managers and Key Managers for carrying out their duties within UnipolSai and in other consolidated companies amounted to €14.1m, details of which are as follows:

<i>Amounts in €k</i>	2017
Directors and General Manager	3,623
Statutory Auditors	264
Other Key Managers	10,213 (*)

** The amount mainly comprises compensation of employees and it includes the amount paid to Unipol Gruppo Finanziario, as the consideration for the secondment of some Key Managers.*

The remuneration of the General Manager and the Key Managers relating to benefits granted under the capital participation plans (performance shares), is duly represented in the Remuneration Report, prepared according to Art. 123-ter of the Consolidated Law on Finance and made available, pursuant to current regulations, on the Company website.

In 2017 the companies in the Group paid Unipol Gruppo and UnipolSai the sum of €0.7m as remuneration for the activities carried out by the General Manager and the Key Managers.

Disclosure about Solvency II prudential supervision

The test for the capital adequacy of the Company is determined in compliance with the Solvency II regulations, which came into force on 1 January 2016. The main applicable legal and regulatory references are as follows:

- Framework Directive 2009/138/EC ("SII Directive"), adopted in the Italian legal system with Legislative Decree 74 of 12 May 2015, which amended and supplemented Legislative Decree 209/2005 (Private Insurance Code);
- the Delegated Acts, issued with EU Delegated Regulation 35/2015 and subsequent amendments and integrations ("Regulation"), which supplement the SII Directive;
- the Guidelines issued by EIOPA, adopted through the regulations issued by IVASS, including in particular:
 - IVASS Regulation no. 18 of 15 March 2016 contains the application rules and the methods to be adopted to determine the technical provisions;
 - IVASS Regulation no. 25 of 26 July 2016 pertaining to the identification, measurement and classification of the core equity components;
 - IVASS Regulation no. 32 of 9 November 2016 pertaining to Own Risk and Solvency Assessment provisions;
 - IVASS Regulation no. 34 of 7 February 2017 implementing provisions on the measurement of assets and liabilities other than technical provisions in the Solvency II Report;
 - IVASS Regulation no. 35 of 7 February 2017 containing provisions for the adjustment for the ability to absorb the losses of technical provisions and of deferred taxes in the determination of solvency capital requirements calculated with the standard formula.

Solvency capital requirements and relevant coverage ratios

The Company has equity admissible to cover the capital requirements equal to 2.41 times the Solvency Capital Requirement (SCR) and 4.93 times the Minimum Capital Requirement (MCR).

The table below summarises:

- the amount of equity available and admissible to cover the capital requirements, with details of the individual levels;
- the amount of the SCR and MCR;
- the coverage ratios of the capital requirements.

<i>Amounts in €m</i>	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Available own funds to meet the Solvency Capital Requirement	7,694.2	5,565.6	1,232.8	895.8	
Available own funds to meet the Minimum Capital Requirement	7,694.2	5,565.6	1,232.8	895.8	
Eligible own funds to meet the Solvency Capital Requirement	7,694.2	5,565.6	1,232.8	895.8	
Eligible own funds to meet the Minimum Capital Requirement	7,085.8	5,565.6	1,232.8	287.3	
Solvency Capital Requirement	3,192.2				
Minimum Capital Requirement	1,436.5				
Ratio of Eligible own funds to Solvency Capital Requirement	2.41				
Ratio of Eligible own funds to Minimum Capital Requirement	4.93				

All the figures above are calculated on the basis of the information unavailable as of today. The solvency situation of the Company will be subject to a specific disclosure to the market and to the Supervisory Authority by 7 May 2018, in accordance with EU Regulation 2015/35 (Delegated Acts).

The individual solvency capital requirements are calculated using the Partial Internal Model, approved by the Supervisory Authority for regulatory purposes, starting from 31 December 2016. For the purposes of determining equity, the volatility adjustment prescribed by Art. 36-septies of the Private Insurance Code is applied.

Internal Model

In February 2017, UnipolSai Assicurazioni S.p.A. received authorisation from the Supervisory Authority to use the Partial Internal Model for calculating the individual Solvency Capital Requirement with effect from 31 December 2016.

The Partial Internal Model approved includes the following risk modules:

- Non-Life underwriting and provisions risk;
- Life underwriting and provisions risk;
- Market risk;
- Credit risk;
- Risk aggregation.

The modules currently included in the Partial Internal Model were defined on the basis of the following criteria:

- Relevance of the module, taking into account the specific characteristics of the Companies.
- Level of progress reached in the development of measurement methodologies for the individual risk modules.

There is a plan for the extension of the Partial Internal Model to include all measurable risk modules and reach a Full Internal Model type configuration.

Non-Life underwriting and provisions risk is measured using the Partial Internal Model, consistent with the standards set out by Solvency II legislation, characterised by a component valued using the Internal Model (Catastrophe and Earthquake Risk), the use of Group specific parameters (relating to tariff-setting and provisions risks in the Non-Life insurance and reinsurance obligations segments 1, 4 and 5), illustrated in the next paragraph, and Standard Formula components.

The **Life underwriting and provisions risk** of the class C portfolio is measured using a Partial Internal Model based on an ALM-type stochastic approach in line with new standards laid down in Solvency II, which allow an integrated "fair value" measurement of assets and liabilities. This approach uses the Least Square Monte Carlo method. Life underwriting and provisions risk of the class D portfolio and the life catastrophe risk are measured using the Market Wide Standard Formula.

Market risk of class C portfolio is measured using a Partial Internal Model that adopts a Monte Carlo VaR approach. As part of the internal market model, Life liabilities are replicated through cash flows with a maturity equivalent to the breakdown of Life provisions and polynomial functions (the Least Square Monte Carlo approach) to represent the Future Discretionary Benefits component. The market risk of the class D portfolio and the concentration risk are measured using the Market Wide Standard Formula.

Credit risk is measured using the Partial Internal Model that adopts a CreditRisk+ approach. This model makes it possible to measure the risk of default relating to bank counterparties, concerning exposures deriving from cash available at banks and financial risk mitigation operations through derivative contracts, and to the insurance and reinsurance counterparties. Furthermore, the model allows the risk of default deriving from exposures to intermediaries and policyholders to be measured.

Risk aggregation is measured using the Partial Internal Model. The risk aggregation process defined by the Group calls for a bottom-up approach and may be broken down into two phases:

- aggregation of the risk sub-modules which make up Market risks, Non-Life and Health Technical Insurance risks, Life technical insurance risks and Credit risks so as to obtain the Probability Distribution Forecast ("PDF") of each risk module;
- aggregation of the risk modules of Market risks, Non-Life and Health Technical Insurance risks, Life technical insurance risks and Credit risks in order to calculate the Basic SCR.

The aggregation of the sub-modules involves three distinct approaches:

- joint sampling of risk factors;
- aggregation by means of the Var-Covar method (with a posteriori determination of the PDF);
- aggregation of multiple marginal distributions through coupling functions.

Undertaking Specific Parameters (USP)

Note that, with effect from 1 January 2016, IVASS authorised respectively the Unipol Group as a whole and UnipolSai S.p.A. to use the specific parameters in place of the sub-set of parameters defined in the standard formula for the calculation of the Group's and the Company's Solvency Capital Requirement for the Non-Life and Health tariff-setting and provisions risks.

In particular, the use of the specific parameters concerns the tariff-setting and provisions risks in the segments of Non-Life insurance and reinsurance obligations under Annex II to EU Delegated Regulation 2015/35 of 10 October 2014, as specified below:

- Segment 1, Proportional insurance and reinsurance on TPL resulting from the circulation of vehicles;
- Segment 4, Proportional insurance and reinsurance against fire and other damage to property;
- Segment 5, Proportional insurance and reinsurance on general TPL.

Other Information

Human resource management and development

The Company's workforce at 31 December 2017 consists of 7,480 employees. In 2017 90 employees terminated their employment with the Company, of which 20 due to intragroup transfers and 70 due to actual termination and there were 120 new entries, of which 110 new hires and 10 by effect of the mobility processes within the insurance Group.

If calculated as full time equivalent (FTE), that is, considering the number of hours actually worked, the number of employees would be 7,239.

Personnel costs for remuneration, social security charges and post-employment benefits amounted to €536.9m.

In 2017, the Industrial Relations activity was characterised mainly by the negotiation for the renewal of the National Agreement and on the subsequent acceptance of Unipol Gruppo of the contractual text defined by the Parties at the national level.

In addition, meetings continued with the company trade union representatives for the submission to the trade unions of the organisational developments impacting the main business areas with a view to "improving the operating mechanism", as laid out in the Business Plan.

Training

In the course of 2017, its second year of activities, Unica - Unipol Corporate Academy worked on the basis of its four main pillars:

- launch, in the second part of the year, of the new UNICA Portal, an advanced environment for "doing training" with a simpler and more flexible and customised approach;
- completion of the entire internal instructor selection and recruitment process and launch of the certification process.
- expansion of the Catalogue training offering, which now features 253 courses differentiated based on level of detail and has been made more accessible thanks to new self-enrolment procedures implemented for Unipol Group employees;
- development of new specialised courses required to support the enactment of the Group's business plan. Among these, we note the "Management and Subordinate Development" course, the new course in Risk management for SME Tutors and the Family Welfare and Business Specialist courses dedicated to the agency network.

To administer training, traditional classroom teaching methods were used in addition to webinars and the digital learning format. For employees the classroom man-hours are prevalent, while remote learning continues to prevail for intermediaries.

The training activities that mostly concerned the employees were those of a managerial, regulatory and technical-insurance nature.

Some of the main projects were:

- the **Advanced Course in Management and Subordinate Development**, dedicated to the development of the competencies of roughly 1,800 structure Managers of the different companies of the Unipol Group;
- The **SME Risk Management PMI course**, useful for developing the skills of the new specialised SME Tutor added to the sales organisation to support the commercial development of the insurance business of agencies operating in the SME segment.

On Unica's first anniversary, celebrated on 14 March 2017, the "Le ali ai piedi" ("Wings on our heels") communication campaign (linked the 2016-2018 Business Plan) and the "Unica per tutti" ("Unica for everyone") initiative were also launched, which include all of Unica's transversal projects dedicated to the continuous education of all workers, with activities focusing on smart training, office training, digital library and training events.

The training activities addressed to the sales network pertained both to regulatory changes and on the new products **Casa&Servizi**, **Impresa&Servizi** and **C@ne&G@tto**, both on the support and the development of the intermediaries' competencies in a constantly evolving market.

Some of the main projects were:

- The Family Welfare Course, which involves 3 different training areas (Professional, Evolution, Top Performer) intended to enhance advisory expertise and consolidate the relationship of trust with the "family" customer.
- The IMA - Agency Innovation Manager Advanced Course, dedicated to a limited number of high-potential agents for the development of an innovative business model. This course won the Adriano Olivetti prize as the best course in the One-to-One category.
- Courses on the Personal Pension Fund (PIP) and Individual Savings Plan (PIR) products.
- Training sessions in support of the new Consulenza Persone (Personal Advisory) Tool, directed at providing valuable advice and an offering dedicated to retail customers.
- Lastly, of note were the initiatives tied to some changes introduced in the 2017 version Card, in particular with regard to pre-arbitration.

A good deal of the projects were carried out with training financed by the Bank Insurance Fund.

Protection of Privacy

In order to guarantee the protection and integrity of customer, employee and partner data and, in general, the data of all those with whom the Company comes into contact, it adopted all measures necessary to ensure compliance with obligations deriving from personal data protection legislation (Legislative Decree 196/2003). Moreover, the activities are under way for alignment with the European Union Regulation 2016/679 of 27 April 2016, which will be applicable from 25 May 2018.

IT Management

The Division's Plan of activities, which descends from the 2016-2018 Business Plan, provides for the refocusing of effort and investments from the merger and integration activities provided in the previous year, to innovation and business support activities, with the progressive increase of the technological innovation activities tied to the redesign and construction of new IT architectures, processes and methods of interaction with Agencies, Customers, ecosystem of external Partners and to the improvement of operating efficiency and service quality.

The main activities carried out in the course of the year can be summarised as follows by area of intervention:

- New IT architectures
 - New Integration Architecture developed between IT systems (Digital Services Platform).
 - New platform created for the development of new Digital Touch Points (DTP).
 - The specifications were defined for the development of a series of new parametric decision-making engines for the automation of business processes (Conventions, Clauses, Autonomy and Authorisations with exemptions), configurable on the basis of the business requirements.
- Mobility, Multi-Channel Approach and New "Digital Touch Points"
 - Agents can now use Company systems in mobility and through their personal devices, as well as the new Mobile Advanced Digital Signature (Firma Elettronica Avanzata) and Payments via POS and Mobile-POS functions which are gradually being rolled out throughout the network.
 - The new simplified MV policy issuance interface has been released for the new KM&Servizi product.
 - New functions have been released for the management of and interaction with new IoT devices (MV, Commerce, Home, Pets) as well as new functions for the tracking and pre-opening of claims, which are integrated within the app as well as the customer portal.
 - New Digital Touch Points have been released (new website, Home Insurance Private Area, customer app).

- Artificial Intelligence, Robotics and Big Data Hub
 - New technologies were selected and tested within the scope of cognitive systems and of artificial intelligence engines, which were used to develop automation projects, some of which have already been completed while others are ongoing.
 - Applications are currently being developed based on new Artificial Intelligence technology for the analysis of claim images to automate the recognition and estimation of MV damages and improve claims fraud analysis using new predictive analysis techniques.
 - The content of the Big Data Hub has been enhanced with daily information coming from various Company systems and the analysis platform was integrated with a new reporting and analysis technology.

- Telematics, New Service Development and Unipol Ecosystem
 - The new AlfaEvolution Technology IT infrastructure has been released.
 - The new telematic products Commercio&Servizi, KM&Servizi and Linear Auto Box, Casa&Servizi, KM&Servizi 2Ruote and C@ne&G@tto and UniSalute testing on the monitoring of chronic patients have been released.

- Completion of integration and Business evolution support
 - Digital receipts were extended to all agencies along with use of the new “Liquido” claims system for the management of new claims.
 - Interventions were completed on the Solvency II IT system, which in 2017 made it possible to conduct the first official Solvency II full year 2016 processing with the partial internal model.
 - The process of research, selection, realisation and migration to the Group’s new E-learning platform, developed for Unipol Academy was completed.
 - Numerous regulatory compliance initiatives were carried out, including the release of the new features prescribed by CARD 2017 and upgrading the systems according to the split payment tax regulations. Moreover, analyses were launched on regulatory requirements, particularly relating to the new European General Data Protection Regulation (GDPR), the introduction of the new IFRS 17 and the European Insurance Distribution Directive (IDD).

- Optimisation of IT costs and processes and organisational evolution
 - The times of availability of the online agency services were extended until midnight from Monday to Saturday (they had already been extended to 10 pm in 2016) and the Customer features used in Self Service mode were made available 23 hours a day.
 - A project for enhancing IT Security was launched; it comprises several lines of initiative, with progressive strengthening of measures to prevent and contrast attacks, through the introduction of new defence technologies and the automation of security management and control processes, thanks in part to collaborations with international partner.
 - Infrastructural technological rationalisation and evolution work was carried out, allowing, together with the renegotiation of some contracts, to obtain significant expense reductions and to meet the budget targets set out in the Business Plan.
 - The organisational structure of the Division was reconfigured to improve coordination and control of the ICT evolution of the ecosystem of the Group Companies and specific structures were created for the governance of new technologies (Omnichannel, Digital Touch Point, Artificial Intelligence, User Experience Design), of the data (Data Governance) and of Security.

Communications

In 2017, implementations continued in parallel for the Unipol.it and UnipolSai.com corporate websites concerned by a continuous development of the institutional content to promptly and effectively address the Market’s information requirements and the transparency expectations of the Group’s reference public. In particular, consistently with the decisions made in 2016 for the renewal of Unipol.it, during the year the necessary operations were completed for the total restyling of UnipolSai.com, both from the viewpoint of graphics and of info-navigational innovations, also including a more decisive interaction with the UnipolSai.it business site. The site thus regenerated went online on 10 January 2018, confirming a precise integrated digital communication strategy in support of the Group’s brand identity.

All the activities of the Corporate Sponsorship Program of the Unipol Group were featured extensively in the Unipol.it and UnipolSai.com websites and at Social level, with an ongoing, integrated editorial plan that gave visibility to all the cultural, environmental, social and sports events sponsored by the Group. The most significant of these activities was the sponsorship that tied the Company to an excellent Italian brand like “Ducati Corse”: to support this project, social initiatives were carried out, obtaining outstanding results and recognition both in terms of impact and of numbers of persons involved and contacted.

The steady growth of the corporate social channels led to expand the corporate profiles dedicated to UnipolSai: official pages were opened on Instagram (@unipolsaicorporate) and Facebook (UnipolSai Corporate), together with those already existing on Twitter (@UnipolSai_CRP) and YouTube (Unipol Group Corporate Channel), bore witness to the positive path of progressive digitalisation of the communication activities of the Group taken, in order to be present in a digital world that is more and more widespread and essential, to reach the most diversified audience and to strongly emphasise our position ‘close’ to people.

Non-recurring significant transactions and atypical and/or unusual transactions

In 2017 there were no atypical and/or unusual transactions, in addition to those reported among the main events of the period, that, because of their significance, importance, nature of the counterparties involved in the transaction, transfer pricing procedures, or occurrence close to the end of the year, could give rise to doubts relating to: the accuracy and completeness of the information in the present documentation, a conflict of interest, the safeguarding of the company’s assets or the protection of non-controlling shareholders.

Statement pursuant to Art. 2.6.2, paragraph 9 of the Regulation governing markets organised and managed by Borsa Italiana S.p.A.

Pursuant to the requirements set forth in Art. 2.6.2, paragraph 9 of the Regulation governing markets organised and managed by Borsa Italiana S.p.A. with reference to subsidiaries subject to the management and coordination of another company, it is hereby stated that the conditions set forth in Art. 37 of Consob Regulation no. 16191/2007 exist for UnipolSai S.p.A.

Report on corporate governance and ownership structures for 2017

The information required by the Art. 123-bis, Legislative Decree 58 of 24 February 1998 as amended is included in the Annual Report on corporate governance, approved by the Board of Directors and published together with the management report.

The annual Corporate Governance report is available in the “Governance/Corporate Governance System/Annual Report on Corporate Governance” Section on the Company’s website (www.unipolsai.com).

Significant events after the reporting period

Update to the UnipolSai Euro Medium Term Note (EMTN) Programme

On 2 February 2018 UnipolSai published the update to the EMTN Programme for a nominal total of €3bn (set up on 14/6/2014), as part of which 22 February 2018 saw the placement launch of a subordinated bond loan for €500m targeting qualified investors only. The loan, qualifying as Tier 2 own funds for the purpose of Solvency II regulations, was issued on 1 March 2018 with the following characteristics: €500m principal, maturing in March 2028, issue price of 100%, coupon of 3.875% and a spread on the benchmark rate of 274.5 basis points, listed on the market regulated by the Luxembourg Stock Exchange.

Evolution of the contractual agreements relating to the subsidiary Popolare Vita

On 11 January 2018, UnipolSai and Banco BPM signed the contract for the disposal of Popolare Vita at the price of €535.5m, the finalisation of which is subject to obtaining the necessary authorisations from the Supervisory Authorities.

Shareholder loan to Unipol Banca

On 31 January 2018, within the scope of the Plan for the restructuring of the banking sector, Unipol and UnipolSai disbursed a shareholder loan to Unipol Banca for €173m and €127m, respectively, for a total amount of €300m. On 1 February 2018 the spin-off of Unipol Banca to UnipolReC became effective. It involved the transfer of a company complex that included, amongst other things, the aforesaid shareholder loan and bad and doubtful loans for a gross total of €2,900.8m and net total of €553m at the date of the spin-off.

MF Innovation Award 2017

As part of the MF Innovation Award, the award promoted by the financial newspaper MF in partnership with Accenture for innovation, everyday customer service, simplicity and usability, the product "UnipolSai Km&Servizi 2Ruote" won the Innovation award in the "Motor Vehicles and Mobility" category and the product "Monitor Salute", the remote monitoring service of chronic diseases promoted by UniSalute, was winner in the "Health&Prevention" category. It also received a mention in the "Home and Family" category for the product "UnipolSai C@ne&G@tto".

MotoGP 2018 Championship: UnipolSai still in the saddle with Ducati

After a truly amazing 2017 championship in terms of results achieved by the Ducati Team and brand visibility, UnipolSai renewed its partnership with Ducati Corse for the 2018 MotoGP championship.

Business outlook

After 31 December 2017 there were no significant changes in the global macroeconomic scenario, which remains marked by a certain optimism.

In its meeting of 8 March 2018, the Governing Council of the European Central Bank decided to keep interest rates unchanged and confirmed that the securities purchase programme will continue, as previously announced.

In Italy, the political vote of 4 March could result in a phase of political uncertainty which risks stoking tensions in financial markets, with the consequent resumption of the volatility of the spreads of Italian government bonds.

After positive performance in January, in the following weeks the stock markets exhibited greater volatility. All this reflects on financial investments and on the financial management, which continues to be aimed at the consistency of assets and liabilities, optimising the risk-return profile of the portfolio and pursuing selectively an adequate diversification of the risks.

On 22 February 2018 UnipolSai Assicurazioni launched the placement of a 10-year subordinated bond loan for €500m, that can be calculated, for regulatory purposes, under Level 2 own funds (Tier 2). The loan, exclusively targeted to qualified investors, was considerably successful, which made it possible to reduce the coupon to a rate of 3.875% with a spread on the benchmark rate of 274.5 basis points.

With regard to the trends of the business sectors in which the Company operates, there are no particularly significant events to report. In the Non-Life business, in a market scenario that remains strongly competitive, the Group is carrying out sales initiatives and settlement policies aimed at maintaining positive technical margins, in line with the targets of the 2016-2018 Business Plan.

In the Life business, turnover grew significantly in February.

Excluding unforeseeable events also connected with the reference context, the operating result for 2018 is expected to remain positive.

Bologna, 22 March 2018

The Board of Directors





02

FINANCIAL STATEMENTS **FOR THE YEAR 2017**

Financial statements

Statement of Financial Position Year 2017

Amounts in €

Annex I

Company

UnipolSai Assicurazioni S.p.A.

Share capital

Subscribed € 2,031,456,338

Paid-up € 2,031,456,338

Registered Office at

BOLOGNA- Via Stalingrado 45

Bologna Register of Companies

N° 00818570012

2 Financial Statements for the year 2017

Statement of financial position ASSETS

		AMOUNTS FOR THE YEAR			
A. SUBSCRIBED CAPITAL, UNPAID					1
of which called		2			
B. INTANGIBLE ASSETS					
1. Acquisition commissions to be amortised					
a) Life business	3	53,562,434			
b) Non-Life business	4	21,432,330	5	74,994,764	
2. Other acquisition costs			6		
3. Start-up and expansion costs			7	6,240,216	
4. Goodwill			8	548,841,192	
5. Other long-term costs			9	188,088,152	10
					818,164,324
C. INVESTMENTS					
I - Land and buildings					
1. Property for corporate business			11	442,319,090	
2. Property for use by third parties			12	1,855,680,749	
3. Other property			13	16,207,124	
4. Other property rights			14	2,279,472	
5. Fixed assets in progress and payments on account			15	59,554,449	16
					2,376,040,884
II - Investments in group companies and other investees					
1. Shares and holdings in:					
a) holding companies	17	7,326,925			
b) subsidiaries	18	2,764,485,204			
c) affiliates	19	713,737,240			
d) associates	20	33,405,094			
e) other	21	21,024,181	22	3,539,978,644	
2. Bonds issued by					
a) holding companies	23				
b) subsidiaries	24				
c) affiliates	25				
d) associates	26	6,862,800			
e) other	27	3,740,000	28	10,602,800	
3. Loans to:					
a) holding companies	29	267,785,217			
b) subsidiaries	30	49,158,557			
c) affiliates	31				
d) associates	32	6,706,990			
e) other	33		34	323,650,764	35
			to be carried forward		3,874,232,208
					818,164,324

AMOUNTS FOR THE PREVIOUS YEAR				
				181
	182			
	183	49,746,566		
	184	27,932,272	185	77,678,838
			186	
			187	16,510,496
			188	603,912,061
			189	172,414,873
				190
				870,516,268
			191	465,794,623
			192	1,992,568,335
			193	23,590,422
			194	3,429,472
			195	56,142,670
			196	2,541,525,522
	197	11,004,693		
	198	1,661,563,086		
	199	426,320,993		
	200	35,942,276		
	201	21,031,211	202	2,155,862,259
	203			
	204			
	205	2,000,000		
	206	6,862,800		
	207	3,740,000	208	12,602,800
	209	267,785,217		
	210	50,587,838		
	211			
	212	8,185,556		
	213	1,543,953	214	328,102,564
			215	2,496,567,623
			to be carried forward	
				870,516,268

2 Financial Statements for the year 2017

Statement of financial position

ASSETS

	AMOUNTS FOR THE YEAR				
			amount carried forward		
				818,164,324	
C. INVESTMENTS (continued)					
III - Other financial investments					
1. Shares and holdings					
a) Listed shares	36	667,557,316			
b) Unlisted shares	37	152,286,949			
c) Holdings	38		39	819,844,265	
2. Mutual investment fund units			40	2,716,675,880	
3. Bonds and other fixed-yield securities					
a) listed	41	31,734,185,734			
b) unlisted	42	374,437,142			
c) convertible bonds	43	851,316	44	32,109,474,192	
4. Loans					
a) collateralised loans	45				
b) loans on policies	46	28,403,793			
c) other loans	47	98,001,595	48	126,405,388	
5. Mutual investment units			49		
6. Bank deposits			50	6,581,502	
7. Sundry financial investments			51	74,872,794	
IV - Deposits with ceding companies			52	35,853,854,021	
			53	15,099,618	
				54	42,119,226,731
D. INVESTMENTS BENEFITING LIFE BUSINESS POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT					
I - Investments linked to investment funds and market indices			55	438,455,104	
II - Investments arising from pension fund management			56	3,730,954,699	
				57	4,169,409,803
D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE					
I - NON-LIFE BUSINESS					
1. Premium provision			58	101,266,452	
2. Claims provision			59	439,673,829	
3. Provision for profit sharing and reversals			60		
4. Other technical provisions			61	62	540,940,281
II - LIFE BUSINESS					
1. Mathematical provisions			63	48,326,683	
2. Premium provision from supplementary insurance			64		
3. Provision for amounts payable			65	3,182,429	
4. Provision for profit sharing and reversals			66		
5. Other technical provisions			67		
6. Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management			68	69	51,509,112
				70	592,449,393
			to be carried forward		47,699,250,251

AMOUNTS FOR THE PREVIOUS YEAR			
		amount carried forward	870,516,268
	216	402,245,831	
	217	152,620,315	
	218		219 554,866,146
			220 1,886,623,440
	221	34,305,110,166	
	222	147,368,780	
	223	1,630,164	224 34,454,109,110
	225		
	226	34,501,688	
	227	100,835,184	228 135,336,872
			229
			230 106,581,750
			231 86,525,074
			232 37,224,042,392
			233 19,108,018
			234 42,281,243,555
			235 354,016,130
			236 4,182,234,951
			237 4,536,251,081
			238 102,894,954
			239 472,309,040
			240
			241
			242 575,203,994
			243 65,718,972
			244
			245 3,527,428
			246
			247
			248
			249 69,246,400
			250 644,450,394
		to be carried forward	48,332,461,298

2 Financial Statements for the year 2017

Statement of financial position

ASSETS

	AMOUNTS FOR THE YEAR			
		amount carried forward		
				47,699,250,251
E. RECEIVABLES				
I - Receivables relating to direct insurance business from:				
1. Policyholders				
a) for premiums for the year	71	568,319,731		
b) for premiums for previous years	72	5,093,214	73	573,412,945
2. Insurance intermediaries			74	880,231,069
3. Insurance company current accounts			75	28,707,369
4. Policyholders and third parties for amounts to be collected			76	109,593,294
II - Receivables relating to reinsurance business, from:			77	1,591,944,677
1. Insurance and reinsurance companies			78	65,617,058
2. Reinsurance intermediaries			79	22,594
III - Other receivables			80	65,639,652
F. OTHER ASSETS			81	1,046,313,327
82				2,703,897,656
I - Property, plant and equipment and inventories:				
1. Office furniture and machines and internal means of transport			83	51,388,558
2. Movable assets entered in public registers			84	
3. Plant and equipment			85	27,482,889
4. Inventories and sundry goods			86	4,272,456
87				83,143,903
II - Cash and cash equivalents				
1. Bank deposits and post office accounts			88	922,314,438
2. Cheques and cash in hand			89	25,767
90				922,340,205
IV - Other assets				
1. Transitory reinsurance accounts			92	
2. Sundry assets			93	1,256,749,581
94				1,256,749,581
G. ACCRUALS AND DEFERRALS				
1. Interest			96	393,690,047
2. Rental income			97	1,904,046
3. Other accruals and deferrals			98	22,550,386
99				418,144,479
TOTAL ASSETS			100	53,083,526,075

AMOUNTS FOR THE PREVIOUS YEAR				
		amount carried forward		48,332,461,298
	251	558,783,200		
	252	12,295,716	253	571,078,916
			254	907,927,382
			255	41,674,076
			256	126,471,759
			257	1,647,152,133
			258	80,663,233
			259	17,004
			260	80,680,237
			261	1,364,251,265
			262	3,092,083,635
			263	55,206,653
			264	
			265	26,023,065
			266	4,257,456
			267	85,487,174
			268	349,079,586
			269	75,634
			270	349,155,220
			272	
			273	1,348,061,121
			274	1,348,061,121
			275	1,782,703,515
			276	414,739,566
			277	2,403,413
			278	18,655,999
			279	435,798,978
			280	53,643,047,426

2 Financial Statements for the year 2017

Statement of financial position

LIABILITIES AND SHAREHOLDERS' EQUITY

	AMOUNTS FOR THE YEAR			
A. SHAREHOLDERS' EQUITY				
I - Subscribed capital or equivalent provision		101	2,031,456,338	
II - Share premium reserve		102	407,255,806	
III - Revaluation reserves		103	96,559,196	
IV - Legal reserve		104	406,291,268	
V - Statutory reserve		105		
VI - Reserve for shares of the holding company		400	7,326,925	
VII - Other reserves		107	2,306,033,070	
VIII - Retained profit (loss)		108		
IX - Profit (loss) for the year		109	577,198,962	
X - Negative reserve for treasury shares		401	(79,292,274)	110 5,752,829,291
B. SUBORDINATED LIABILITIES				111 2,011,689,000
C. TECHNICAL PROVISIONS				
I - NON-LIFE BUSINESS				
1. Premium provision	112	2,677,436,596		
2. Claims provision	113	11,473,647,908		
3. Provision for profit sharing and reversals	114	12,089,877		
4. Other technical provisions	115	2,388,237		
5. Equalisation provisions	116	73,021,430	117 14,238,584,048	
II - LIFE BUSINESS				
1. Mathematical provisions	118	24,264,246,224		
2. Premium provision from supplementary insurance	119	850,996		
3. Provision for amounts payable	120	332,604,624		
4. Provision for profit sharing and reversals	121	7,364,987		
5. Other technical provisions	122	94,456,837	123 24,699,523,668	124 38,938,107,716
D. TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING FROM PENSION FUND MANAGEMENT				
I - Provisions relating to contracts connected to investment funds and market indices			125 438,455,105	
II - Provisions arising from pension fund management			126 3,730,954,699	127 4,169,409,804
		to be carried forward		50,872,035,811

AMOUNTS FOR THE PREVIOUS YEAR				
		281	2,031,456,338	
		282	407,255,806	
		283	96,559,196	
		284	406,289,192	
		285		
		500	11,004,693	
		287	2,196,716,909	
		288		
		289	458,479,435	
		501	(79,292,274)	290 5,528,469,295
				291 2,011,689,000
	292	2,636,653,660		
	293	12,039,365,538		
	294	13,902,179		
	295	3,312,130		
	296	69,930,996	297 14,763,164,503	
	298	23,996,063,035		
	299	860,701		
	300	289,206,032		
	301	7,600,269		
	302	94,485,539	303 24,388,215,576	304 39,151,380,079
			305 353,917,050	
			306 4,182,234,951	307 4,536,152,001
		to be carried forward		51,227,690,375

2 Financial Statements for the year 2017

Statement of financial position

LIABILITIES AND SHAREHOLDERS' EQUITY

	AMOUNTS FOR THE YEAR			
	amount carried forward			
				50,872,035,811
E. PROVISIONS FOR RISKS AND CHARGES				
1. Post-employment benefits and similar obligations		128	2,366,701	
2. Provisions for taxes		129	88,976,985	
3. Other provisions		130	370,620,943	461,964,629
F. DEPOSITS RECEIVED FROM REINSURERS				168,962,441
G. PAYABLES AND OTHER LIABILITIES				
I -Payables arising from direct insurance business, to:				
1. Insurance intermediaries	133	50,480,857		
2. Insurance company current accounts	134	10,052,939		
3. Policyholders for guarantee deposits and premiums	135	13,903,989		
4. Guarantee funds in favour of the policyholders	136	100,161	137	74,537,946
II -Payables arising from reinsurance business, to:				
1. Insurance and reinsurance companies	138	68,979,878		
2. Reinsurance intermediaries	139	354,468	140	69,334,346
III - Bond loans			141	
IV - Payables to banks and financial institutions			142	
V - Collateralised payables			143	2,865,553
VI - Sundry loans and other financial payables			144	13,006,420
VII - Post-employment benefits			145	53,561,328
VIII - Other payables				
1. Policyholders' tax due	146	152,771,109		
2. Sundry tax payables	147	30,171,881		
3. Social security charges payable	148	31,092,287		
4. Sundry payables	149	310,646,511	150	524,681,788
IX - Other liabilities				
1. Transitory reinsurance accounts	151			
2. Commissions for premiums under collection	152	93,798,137		
3. Sundry liabilities	153	711,018,181	154	804,816,318
			155	1,542,803,699
H. ACCRUALS AND DEFERRALS				
1. Interest			156	37,685,004
2. Rental income			157	71,664
3. Other accruals and deferrals			158	2,827
			159	37,759,495
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160	53,083,526,075

AMOUNTS FOR THE PREVIOUS YEAR			
	amount carried forward		51,227,690,375
		308	2,593,359
		309	121,824,810
		310	429,419,024
			311 553,837,193
			312 224,767,060
	313	41,918,411	
	314	18,509,748	
	315	15,831,947	
	316	80,205	317 76,340,311
	318	70,156,832	
	319	366,127	320 70,522,959
			321
			322
			323 3,370,006
			324 11,994,000
			325 54,574,407
	326	152,276,388	
	327	28,668,737	
	328	31,194,061	
	329	237,059,305	330 449,198,491
	331		
	332	92,894,517	
	333	825,645,816	334 918,540,333
			335 1,584,540,507
		336	52,101,863
		337	101,334
		338	9,094
			339 52,212,291
			340 53,643,047,426

2 Financial Statements for the year 2017

The undersigned declare that these financial statements are truthful and comply with the records.

Legal representatives of the Company (*)

The Chairman

Carlo Cimbri

(**)

(*) For foreign companies, a signature of the general representative for Italy is required.

(**) Specify the office of the party signing

Financial statements

Income statement

Year 2017

Amounts in €

Annex II

Company

UnipolSai Assicurazioni S.p.A.

Share capital

Subscribed € 2,031,456,338

Paid-up € 2,031,456,338

Registered Office at

BOLOGNA - Via Stalingrado 45

Bologna Register of Companies

N° 00818570012

2 Financial Statements for the year 2017

Income statement

	AMOUNTS FOR THE YEAR			
I. NON-LIFE BUSINESS TECHNICAL ACCOUNT				
1. EARNED PREMIUMS, NET OF REINSURANCE				
a) Gross premiums written		1	6,910,306,364	
b)(-) Premiums ceded to reinsurers		2	411,635,809	
c) Change in the gross amount of the premium provision		3	40,336,998	
d) Change in reinsurers' share of the premium provision		4	(1,988,996)	5
				6,456,344,561
2. (+) INVESTMENT INCOME TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III.6)				6
				355,755,825
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE				7
				44,465,858
4. CHARGES RELATING TO CLAIMS, NET OF AMOUNTS RECOVERED AND REINSURANCE				
a) Amounts paid				
aa) Gross amount	8	5,199,609,027		
bb)(-) reinsurers' share	9	199,395,175	10	5,000,213,852
b) Change in recoveries net of the reinsurers' share				
aa) Gross amount	11	107,689,970		
bb)(-) reinsurers' share	12	5,699,393	13	101,990,577
c) Change in claims provision				
aa) Gross amount	14	(553,100,691)		
bb)(-) reinsurers' share	15	(24,288,098)	16	(528,812,593)
				17
				4,369,410,682
5. CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE				18
				(923,893)
6. REVERSALS AND PROFIT SHARING, NET OF REINSURANCE				19
				7,873,879
7. OPERATING EXPENSES:				
a) Acquisition commissions			20	1,169,351,132
b) Other acquisition costs			21	307,431,175
c) Change in commissions and other acquisition costs to be amortised			22	(6,499,942)
d) Collection commissions			23	151,369,218
e) Other administrative expenses			24	315,002,580
f)(-) Commissions and profit sharing from reinsurers			25	149,913,386
				26
				1,799,740,661
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE				27
				175,656,728
9. CHANGE IN EQUALISATION PROVISIONS				28
				3,090,434
10. NON-LIFE BUSINESS TECHNICAL RESULT (Item III.1)				29
				501,717,753

AMOUNTS FOR THE PREVIOUS YEAR							
		111	6,968,227,142				
		112	416,642,914				
		113	(45,594,698)				
		114	(10,908,656)				
			115	6,586,270,270			
				116	170,378,222		
				117	45,219,030		
		118	5,398,808,900				
		119	180,024,354	120	5,218,784,546		
		121	106,141,396				
		122	3,411,270	123	102,730,126		
		124	(661,435,584)				
		125	8,671,162	126	(670,106,746)		
					127	4,445,947,674	
						128	(2,240,281)
						129	10,200,149
				130	1,190,529,717		
				131	292,484,041		
				132	(4,379,854)		
				133	157,976,859		
				134	332,426,391		
				135	142,700,340	136	1,835,096,522
						137	160,454,574
						138	2,602,420
						139	349,806,464

2 Financial Statements for the year 2017

Income Statement

	AMOUNTS FOR THE YEAR			
II. LIFE BUSINESS TECHNICAL ACCOUNT				
1. PREMIUMS FOR THE YEAR, NET OF REINSURANCE:				
a) Gross premiums written		30	2,892,187,546	
b) (-) Premiums ceded to reinsurers		31	6,356,284	32 2,885,831,262
2. GAINS ON INVESTMENTS:				
a) Gains arising from shares and holdings		33	57,463,436	
(of which: from group companies and other investees		34	49,315,703)	
b) Gains on other investments:				
aa) from land and buildings	35	146,536		
bb) from other investments	36	1,051,559,693	37 1,051,706,229	
(of which: from group companies and other investees		38	430,187)	
c) Reversals of value adjustments on investments		39	49,298,022	
d) Gains on realisation of investments		40	128,061,063	
(of which: from group companies and other investees		41	1,168,235)	42 1,286,528,750
3. UNREALISED GAINS RELATING TO INVESTMENTS BENEFITING POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT				43 170,971,502
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE				44 23,321,374
5. CHARGES RELATING TO CLAIMS, NET OF REINSURANCE				
a) Amounts paid				
aa) Gross amount	45	3,442,894,594		
bb) (-) Reinsurers' share	46	10,872,815	47 3,432,021,779	
b) Change in provision for amounts payable				
aa) Gross amount	48	43,409,056		
bb) (-) Reinsurers' share	49	145,787	50 43,263,269	51 3,475,285,048
6. CHANGE IN MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE				
a) Mathematical provisions				
aa) Gross amount	52	328,823,826		
bb) (-) Reinsurers' share	53	(7,579,591)	54 336,403,417	
b) Premium provision from supplementary insurance:				
aa) Gross amount	55	(9,705)		
bb) (-) Reinsurers' share	56		57 (9,705)	
c) Other technical provisions				
aa) Gross amount	58	(28,702)		
bb) (-) Reinsurers' share	59		60 (28,702)	
d) Technical provisions where the investment risk is borne by the policyholders and arising from pension fund management				
aa) Gross amount	61	(359,808,507)		
bb) (-) Reinsurers' share	62		63 (359,808,507)	64 (23,443,497)

AMOUNTS FOR THE PREVIOUS YEAR			
		140	3,042,289,274
		141	8,274,133
			142 3,034,015,141
		143	28,714,739
(of which: from group companies and other investees		144	17,987,315)
	145	205,958	
	146	1,091,689,458	147 1,091,895,416
(of which: from group companies and other investees			148 10,790,490)
			149 54,548,274
			150 140,691,607
(of which: from group companies and other investees			151)
			152 1,315,850,036
			153 177,791,182
			154 21,685,973
	155	2,641,508,776	
	156	19,824,950	157 2,621,683,826
	158	(114,759,653)	
	159	(3,364,191)	160 (111,395,462)
			161 2,510,288,364
	162	790,194,048	
	163	(11,265,277)	164 801,459,325
	165	(260,803)	
	166		167 (260,803)
	168	(1,904,459)	
	169		170 (1,904,459)
	171	313,409,994	
	172		173 313,409,994
			174 1,112,704,057

2 Financial Statements for the year 2017

Income Statement

	AMOUNTS FOR THE YEAR			
7. REVERSALS AND PROFIT SHARING, NET OF REINSURANCE			65	(235,282)
8. OPERATING EXPENSES:				
a) Acquisition commissions	66	51,514,999		
b) Other acquisition costs	67	39,559,771		
c) Change in commissions and other acquisition costs to be amortised	68	3,815,868		
d) Collection commissions	69	7,195,266		
e) Other administrative expenses	70	56,196,598		
f) (-) Commissions and profit sharing from reinsurers	71	374,088	72	150,276,678
9. ASSET AND FINANCIAL CHARGES:				
a) Investment management expenses and interest expense	73	144,587,882		
b) Value adjustments to investments	74	107,331,643		
c) Losses on realisation of investments	75	57,997,823	76	309,917,348
10. UNREALISED ASSET AND FINANCIAL CHARGES RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT			77	112,416,186
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			78	37,598,233
12. (-) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (item III.4)			79	100,675,932
13. LIFE BUSINESS TECHNICAL RESULT (Item II.2)			80	204,162,242
III. NON-TECHNICAL ACCOUNT				
1. NON-LIFE BUSINESS TECHNICAL RESULT (Item I.10)			81	501,717,753
2. LIFE BUSINESS TECHNICAL RESULT (item II.13)			82	204,162,242
3. GAINS ON NON-LIFE BUSINESS INVESTMENTS:				
a) Gains arising from shares and holdings	83	65,223,018		
(of which: from group companies and other investees	84	49,110,222)	
b) Gains on other investments:				
aa) from land and buildings	85	68,913,135		
bb) from other investments	86	449,863,160	87	518,776,295
(of which: from group companies and other investees	88	17,437,333)	
c) Reversals of value adjustments on investments	89	93,048,677		
d) Gains on realisation of investments	90	263,804,649		
(of which: from group companies and other investees	91	472,500	92	940,852,639

AMOUNTS FOR THE PREVIOUS YEAR				
			175	1,557,373
		176	55,974,441	
		177	41,256,435	
		178	8,105,463	
		179	8,115,137	
		180	57,199,985	
		181	430,667	182 154,009,868
		183	160,300,008	
		184	101,094,886	
		185	40,674,871	186 302,069,765
				187 108,177,300
				188 36,710,368
				189 103,048,437
				190 220,776,800
				191 349,806,464
				192 220,776,800
		193	45,917,387	
(of which: from group companies and other investees		194	21,252,187)	
	195	80,135,786		
	196	442,636,061	197	522,771,847
(of which: from group companies and other investees			198	23,880,659)
			199	51,647,295
			200	243,504,937
(of which: from group companies and other investees			201) 202 863,841,466

2 Financial Statements for the year 2017

Income Statement

	AMOUNTS FOR THE YEAR				
4. (+) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (item II.12)			93	100,675,932	
5. NON-LIFE BUSINESS ASSET AND FINANCIAL CHARGES:					
a) Investment management expenses and interest expense		94	155,188,111		
b) Value adjustments to investments		95	194,868,218		
c) Losses on realisation of investments		96	111,589,281	97	461,645,610
6. (-) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (item I.2)			98	355,755,825	
7. OTHER INCOME			99	176,974,179	
8. OTHER CHARGES			100	306,224,372	
9. PROFIT (LOSS) FROM ORDINARY OPERATIONS			101	800,756,938	
10. EXTRAORDINARY INCOME			102	71,289,981	
11. EXTRAORDINARY EXPENSES			103	55,295,951	
12. PROFIT (LOSS) FROM EXTRAORDINARY OPERATIONS			104	15,994,030	
13. PRE-TAX PROFIT (LOSS)			105	816,750,968	
14. INCOME TAX FOR THE YEAR			106	239,552,006	
15. PROFIT (LOSS) FOR THE YEAR			107	577,198,962	

AMOUNTS FOR THE PREVIOUS YEAR			
			203 103,048,437
		204 160,634,085	
		205 271,394,023	
		206 205,045,114	207 637,073,222
			208 170,378,222
			209 179,384,521
			210 335,172,625
			211 574,233,619
			212 96,050,752
			213 35,962,077
			214 60,088,675
			215 634,322,294
			216 175,842,860
			217 458,479,434

2 Financial Statements for the year 2017

The undersigned declare that these financial statements are truthful and comply with the records.

Legal representatives of the Company (*)

The Chairman

Carlo Cimbri

(**)

(*) For foreign companies, a signature of the general representative for Italy is required.

(**) Specify the office of the party signing





03

NOTES
TO THE FINANCIAL STATEMENTS

3 Notes to the Financial Statements

Foreword

The Company purpose is management of all insurance, reinsurance and capitalisation classes allowed by law.

The Company can also manage supplementary pension schemes allowed by current law and subsequent amendments and supplements, as well as set up, form and manage open pension funds and carry on activities additional to or functional for managing these funds.

The financial statements have been prepared in observance of current statutory rules and those specific for the insurance sector. More specifically, they have been drawn up in compliance with the provisions set forth under Title VIII of Legislative Decree 209 of 7 September 2005 (Insurance Code), of Legislative Decree 173 of 26 May 1997 and ISVAP Regulation no. 22 of 4 April 2008 (the "Regulation") as amended, and implementing the instructions issued on the subject by the Supervisory Authority. For whatever is not explicitly regulated by the regulations of the sector, please refer to the general rules regarding financial statements in the Civil Code and the accounting standards issued by the Italian Accounting Standards Setter (OIC).

The financial statements comprise the statement of financial position, the income statement and these notes along with their annexes, prepared according to the statements laid out in accordance with the Regulation. They are accompanied by the statement of cash flows prepared in free form. It is also accompanied by the Management Report.

The statement of financial position and the income statement are drawn up in Euro, without decimals, whilst amounts indicated in the notes to the financial statements and the other tables are expressed in €k, unless otherwise indicated.

The layout of the financial statements offers a comparison with the figures of the previous year.

No significant events occurred after year end that could affect the financial statement results.

In order to supplement the disclosures provided in the aforementioned mandatory statements, the reclassification tables of the statement of financial position and income statement, as well as the statement of changes in shareholders' equity, are annexed.

The measurement criteria were adopted on the basis of going concern assumptions, in application of the principles of accrual, materiality and significance of the accounting data.

The UnipolSai administrative bodies and the manager in charge of financial reporting have provided the statement on the financial statements pursuant to Art. 81-ter, Consob Regulation 11971 of 14 May 1999, as amended.

The financial statements of UnipolSai are subject to audit by the company PricewaterhouseCoopers S.p.A., in executing the shareholders' meeting resolution of 30 July 2013, which assigned the audit of the financial statements to said company for the 2013-2021 period.

Part A: Measurement criteria

The accounting policies and the most significant criteria used in drawing up the financial statements are set out below.

Intangible assets

Intangible assets of a long-lasting nature are recorded at purchase or production cost. The accessory charges are also included in the purchase cost while the production cost comprises all costs directly chargeable to the single assets. They are amortised from the time they become available for use, or when they in any case generate economic benefits.

Acquisition commissions to be amortised

The acquisition commissions on Non-Life long-term contracts are capitalised and amortised on a straight-line basis over three years. For the Life business, the commissions are amortised up to their respective loading, based on the duration of the contract, for a period no longer than ten years. All other charges pertaining to acquisition of the contracts and their management are reflected in the income statement of the year when they are incurred.

Start-up and expansion costs

Expense incurred if the company is set up or for amendments to the by-laws is recorded in this item. Charges regarding capital increases are amortised in a maximum period of five years, starting from the year when the capital increase takes effect, taking into account their future utility and their presumed useful life. The item also includes expense for the integration between the Fondiaria-SAI Group (today UnipolSai) and Unipol Assicurazioni, which is amortised for five years starting from the effective date of the merger.

Goodwill

The goodwill acquired against payment is recorded under assets at cost, since it is included in the amount paid for the acquisition, and it is amortised on the basis of the useful life over a maximum period not longer than 20 years.

Other long-term costs

Long-term costs comprise those incurred for company reorganisation projects and increasing costs on leased real estate.

These costs are amortised in a period ranging from two to ten years in consideration of their functionality and presumed useful life. For projects under development, amortisation is suspended until the year in which they are first used.

Costs for purchases of portfolio regarding the Life business are amortised on a straight-line basis, in consideration of the average residual life of the contracts involved.

Trademarks are amortised in ten years.

Other long-term costs are amortised over their estimated useful lives.

Investments

Land and buildings

Properties are classified as fixed assets (except for buildings available for sale and registered as non-durables). The costs of improvements and conversions are capitalised if they result in an increase in the useful life of the assets and of their profitability.

Properties used in operations for use by the company or leased to third parties are amortised with a 3% constant rate. The land, including the portions of land regarding the buildings, is accounted for separately and is not amortised. The properties not used for corporate business but instead as residential property are not amortised, bearing in mind the constant maintenance carried out to prolong their use over time and retain their value.

Assets that suffer impairment losses are written down.

The market value of the properties is given by an expert's analytical assessment for each real estate portion, unit or complex made by an independent external entity. Both the estimate reports and the external entity meet the requirement set forth in ISVAP Regulation no. 22 of 4 April 2008 and subsequent integrations or amendments (Art. 16 to 20).

Investments in group companies and other investees

These are mainly represented by long-term loans such as controlling interests, interests in affiliates and in other companies.

The investments concerned are recognised at purchase or subscription cost or at a value below cost if, on the basis of the financial position of the companies invested in, the investments show evidence of impairment.

Other financial investments

All long-term and short-term debt and equity instruments falling within the Company's portfolio are assigned based on the classification criteria established in a special framework resolution passed by the Board of Directors. In particular, the following types of assets are classified amongst long-term investments:

a) investments in financial instruments (debt and equity instruments) under item C.II (Investments in group companies and other investees) of the Assets accounts of the Statement of Financial Position pursuant to Legislative Decree 173/1997 if considered strategic with particular reference to the medium to long-term development objectives;

for the Life business

b) the investments in financial instruments under item C.III (Bonds issued by holding companies, subsidiaries, associates, affiliates and other companies) of the Assets accounts of the Statement of Financial Position pursuant to Legislative Decree 173/1997 for the part intended to hedge provisions for types of defined benefit policies as they are characterised by maximum correlation with commitments undertaken;

c) the investments in bonds and other fixed-yield securities under item C.III.3 (Bonds and other fixed-yield securities) of the Assets accounts of the Statement of Financial Position pursuant to Legislative Decree 173/1997 other than those indicated in point b) if consistent with the time horizon and level of the benefit guaranteed to the policyholders;

d) the investments in equity instruments and the like under items C.III.1 (Shares and holdings) of the Assets accounts of the statement of financial position pursuant to Legislative Decree 173/1997 and C.III.2 (Mutual investment fund units) of the Assets accounts of the Statement of Financial Position pursuant to Legislative Decree 173/1997 if their aptitude to form a long-term investment proves evident and, in any case, they must be residual in nature with respect to the sum total of the portfolio of a long-lasting nature.

The investments described in point c) and point d) must not in any case exceed the maximum limit of 70% of the total items C.III.1, C.III.2 and C.III.3 of the Assets accounts of the Statement of Financial Position pursuant to Legislative Decree 173/1997 (the limit excludes, both in numerator and denominator, the investments under item C.III of the Assets accounts of the Statement of Financial Position pursuant to Legislative Decree 173/1997 of the aforementioned point b)).

It is specified that the investments in financial instruments under item D (Investments benefiting policyholders of the Life businesses that bear the risk and arising from pension fund management) of the Assets accounts of the Statement of Financial Position pursuant to Legislative Decree 173/1997 must always be assigned to the “investments with short-term use” compartment for consistency with the current value measurement criterion applied to them, even if they have the characteristics for falling under “investments with long-term use”.

for the Non-Life business

- e) the investments in bonds and other fixed-yield securities under item C.III.3 (Bonds and other fixed-yield securities) of the Assets accounts of the Statement of Financial Position pursuant to Legislative Decree 173/1997 with long-term investment aims as they are functional for the insurance business;
- f) the investments in equity instruments and the like under items C.III.1 (Shares and holdings) of the Assets accounts of the Statement of Financial Position pursuant to Legislative Decree 173/1997 and C.III.2 (Mutual investment fund units) of the Assets accounts of the Statement of Financial Position pursuant to Legislative Decree 173/1997 if their aptitude to form a long-term investment proves evident and, in any case, they must be residual in nature with respect to the sum total of the portfolio of a long-lasting nature.

The investments described in point e) and point f) must not in any case exceed the maximum limit of 60% of the total items C.III.1, C.III.2 and C.III.3 of the Assets accounts of the Statement of Financial Position pursuant to Legislative Decree 173/1997.

Without prejudice to the above, the measurement criteria of the other financial investments are explained hereunder.

Shares and mutual fund units

Shares classified as current assets, treasury shares and mutual investment fund units are recognised at the lower of average purchase cost and market value, which for listed securities is the average price recorded in the last month of the year and for unlisted securities a prudent estimated realisable value.

The shares and mutual fund units classified as durable goods are kept at the purchase cost, if necessary adjusted by the write-downs due to impairment considered long-term.

Bonds and other fixed-yield securities

The securities held long term among the Company's assets are measured at the average purchase or subscription cost, adjusted or integrated by an amount equal to the accrued portion for the year of the negative or positive difference between the repayment value and the purchase price, with separate recognition of the portion for the year relating to any issue spreads. Write-downs are made only in the event of confirmed impairment. For implied rate securities (zero coupon bonds, etc.) the capital adjustment already accrued during the year is taken into account. Securities used for current commitments are aligned to the lower between the average cost, increased or adjusted for issue spreads matured and the return accrued on implied rate securities, and that of the market (for listed securities) formed from the arithmetic mean of prices recorded in December and (for unlisted securities) from the estimated realisable value at the end of the year, determined on the current value of securities traded on regulated markets and with similar characteristics.

Write-downs in previous years are not maintained if the reasons giving rise to such write-downs should no longer apply.

Loans

They are recognised at their estimated realisable value.

Financial derivatives

Financial derivatives, as defined by ISVAP Regulation no. 36 of 31 January 2011 and subsequent amendments, are used only for hedging purposes, to reduce the risk profile of the assets/liabilities hedged, i.e. to optimise their risk/return profile.

The derivative contracts in force at the end of the period are measured according to the “principle of valuation consistency”. Specifically, the unrealised capital losses or gains are charged to the income statement consistently with the corresponding unrealised capital losses and gains calculated on the assets and liabilities hedged.

3 Notes to the Financial Statements

According to the provisions of Art.2427-bis of the Civil Code, the fair value of the derivative is indicated for transactions existing at the close of the year.

This value represents the amount at which an asset can be exchanged (or a liability paid off) in a free transaction between aware and independent parties.

For those financial instruments for which there is an active market, the fair value coincides with the market value, while the fair value for instruments for which there is no active market is determined based on the current value of a similar instrument or by using generally accepted valuation models and techniques.

Premiums collected or paid for options on securities, shares, currencies or interest rates in place at year end are respectively recognised in items G.VI "Sundry loans and other financial payables" and C.III.7 "Sundry financial investments".

On expiry of the option:

- if exercised, the premium is recorded as an adjustment to the purchase or sale price of the underlying asset;
- if abandoned, the premium is recognised under "Gains/losses on realisation of investments".

Gains on securities

The interest income accrued is recognised to the income statement according to the accruals principle, as is the difference accrued between the repayment value and the price of issuing bonds and similar securities. The difference between the repayment value and the carrying amount of the accrued difference is considered for the securities constituting fixed assets.

The dividends are recognised in the year in which their distribution is resolved.

The gains and losses arising from the trading of fixed-yield securities and shares are recognised to the income statement according to the actual date of redemption.

Deposits with ceding companies

The item includes the deposits set up with ceding companies in connection with risks underwritten in reinsurance, and are recorded at nominal value.

Investments benefiting Life policyholders that bear the risk arising from pension fund management

These are recorded at current value, pursuant to the provisions of Art. 17, paragraph 2 of Legislative Decree 173/97, particularly:

- for listed investments, it is the value of the last trading day of the year;
- for the investments traded in unregulated markets, it is an estimate of their realisable value on the same date;
- for the other assets and liabilities and the cash and cash equivalents, it is usually their nominal value.

Receivables

They are recognised at their estimated realisable value.

In particular:

- Receivables from policyholders for premiums of the year and of previous years represent the receivables accrued, but not yet collected at year end. The specially set up bad debt provision takes into account the Possible future loss calculated based on experience and on final data of the year in progress.
- Receivables from intermediaries include the receivable from agents, brokers and other intermediaries, in addition to the receivables for reimbursements paid to preceding agents. They are directly adjusted by way of write-offs for final losses and write-downs for assumed non-collection, done by allocating the amount resulting from the analytical verification of the single positions to a special provision.
- Receivables from companies are the year-end balances adjusted by a special provision for the write-downs resulting from the checks made on the single positions of doubtful collection.

- Receivables from third parties and policyholders for amounts to be collected are made up of recoveries to carry out in connection with the claims for which payment of the indemnity has been made. These receivables are considered collectable based on a prudent valuation.
- Receivables relating to reinsurance business with companies include all receivables deemed collectable and are consequently adjusted by a special bad debt provision calculated based on the checks on the single positions.
- other receivables include all receivables that do not fall under the above-mentioned items and are adjusted by a special provision for depreciation determined on the basis of the assumed collectability.

Other assets

Furniture, office machinery, plant and movables recorded in public registers

The assets falling under fixed assets are stated in the financial statements at purchase cost or at transfer values and are amortised based on their estimated useful life.

Subordinated liabilities

The loans issued that fall within this category are recognised at their nominal value.

Accruals and deferrals

Accruals and deferrals are calculated on an accrual basis.

Non-Life business technical provisions

Premium provision

The **premium provision** in the Italian direct portfolio broken down into its components is determined by applying Articles 37 and 37-bis of Legislative Decree 209/2005 and in compliance with the provisions and valuation methods provided for by Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 (former ISVAP Regulation no. 16 of 4 March 2008 as amended):

- a) the provision for unearned premiums is calculated using, for the classes concerned, the analytical method "*pro rata temporis*" provided for by paragraph 5 of the mentioned annex 15, of the above-mentioned Regulation, except for the risks in the Credit class for contracts executed or renewed by 31 December 1991, for which the calculation criteria provided for in Annex 15-bis of the Regulation no. 22 and subsequent integrations and amendments apply;
- b) the provision for unexpired risks, connected with the technical performance and intended to cover the part of risk falling within the period after year end, consists - in accordance with the simplified method laid down in paragraph 6 of the aforesaid Regulation - of the classes where valuation of the total amount of the reimbursements and relevant costs arising from insurance contracts concluded before the year ended exceeds that of the provision for unearned premiums and of the premium instalments that will become due after that date in connection with the same contracts; for unearned premiums for unearned premiums;
- c) the provisions in addition to the provision for unearned premiums, connected with the special nature and characteristics of some risks (damages caused by hail and other natural disasters: damages caused by earthquake, seaquake, volcanic eruption and associated phenomena; damages caused by nuclear energy and risks included in the Bonds business) are determined based on the provisions given in the mentioned Annex 15 paragraphs 9 to 20.

3 Notes to the Financial Statements

The provision for **profit sharing and reversals** in the health business is calculated in respect of amounts to pay to the policyholders for contracts containing the profit participation or reversals clause.

The reinsurers' share of the premium provisions is calculated by applying to the premiums ceded the same criteria as those used for calculating the premium for direct insurance business provision.

Other technical provisions

The item includes the ageing provisions of the health class, intended to cover the deterioration of the risk as the age of the policyholders rises, calculated on the basis of the flat-rate method provided for by Art. 44, paragraph 3 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 as amended, to the extent of 10% of the gross premiums written of the year pertaining to contracts having the characteristics given under paragraph 43/1 of the annex.

Equalisation provisions

The equalisation provisions allocated to equalise fluctuations in the rate of claims of future years or to cover particular risks such as credit risk, risk of natural disasters or damages caused by nuclear energy are calculated according to the provisions in ministerial decree no. 705 of 19 November 1996 as defined in paragraph 50 of annex 15 to ISVAP Regulation no. 22 of 4 April 2008.

Claims provision

The direct claims provision is ascertained analytically by estimating the presumed cost of all the claims outstanding at the end of the year and on the basis of prudent technical valuations carried out with reference to objective elements, in order to ensure that the total amount set aside is enough to meet the claims to be settled and the relative direct expenses and settlement expenses.

In particular, the provisions for claims are estimated using the inventory method and the adjusters' estimates are also combined, where application conditions are satisfied, with the results of statistical methods such as the Chain Ladder, the Bornhuetter Ferguson and the ACPC (Average Cost Per Claim) and with valuations based on the average costs for the year (for similar groups covering a sufficiently large number of claims).

These methods were applied after consistency of the underlying data had been verified using the model assumptions.

The Chain Ladder method is applied to the amount paid out and the loading. The method is based on historical analysis of the factors that affect the trend in claims. The selection of these factors is based on the figures for the accumulated amounts paid out, which produces an estimate of the final cost per year of occurrence if the claims for that year have not been paid in full.

The Chain Ladder method is suitable for sectors in which the figures are stable and is therefore not suitable in cases in which there are no significantly stable previous periods and in cases of significant changes in the settlement rate.

The Bornhuetter Ferguson method uses a combination of a benchmark, or estimates of the ratio of losses to 'a priori' premium and an estimate based on claims incurred (Chain Ladder). The two estimates are combined using a formula that gives greater weight to experience. This technique is used in situations in which the figures are not suitable for making projections (recent years and new classes of risk).

The ACPC method is based on a projection of the number of claims to be paid and the respective average costs. This method is based on three fundamental assumptions: settlement rate, basic average costs and exogenous and endogenous inflation.

These methods extrapolate the final cost according to the year in which the claim is incurred and according to similar groups of risk on the basis of the trends in claims recognised in the past. When there was reason for deeming the trends recognised to be invalid some of the factors were modified and the projection adapted to fit the available information.

Some examples of what affects the trends could be:

- changes in the claims handling procedures involving different approaches to settlement/making allocations to provisions;
- market trends showing increases higher than inflation (may be linked to the economic situation or to political, legal or social developments);
- random fluctuations including the impact of “major” claims.

Claims incurred but not yet reported are estimated on the basis of the historical trends within the company, with the number and the average costs of the claims being estimated separately.

The reinsurers' share of the claims provision reflects the sums recovered from them to meet the reserves, the amounts being laid down in the individual policies or in the contracts.

Life Business Technical Provisions

The amount recognised is calculated in accordance with Art. 23-bis and with Annex 14 and 14-bis to ISVAP Regulation no. 22 of 4 April 2008, as amended by IVASS Measure no. 53 of 6 December 2016. The technical provisions are broken down as follows:

1. Mathematical Provisions:

The mathematical provision for direct insurance is calculated analytically for each contract on the basis of pure premiums, with no deductions for policy acquisition costs to be amortised, and by reference to the actuarial assumptions (technical interest rates, demographic models of death or disability) used to calculate the premiums on existing contracts, in accordance with paragraphs 11, 12, 13, 14, 15, 16 and 19 of Annex no. 14 of ISVAP Regulation no. 22/2008. The mathematical provision includes the portion of pure premiums related to the premiums accrued during the year. It also includes all the revaluations made under the terms of the policy and is never less than the surrender value.

2. Additional Provisions:

- Additional provision for demographic risk: in this regard, it was decided to add to the provisions to be set up to cover commitments undertaken with the policyholders, in compliance with Paragraph 36, Annex 14 of ISVAP Regulation no. 22/2008 after having verified a variance between the demographic bases used to calculate the principals forming the annuities and table A62 prepared by ANIA.
- Additional provision to cover the possible variance between the expected rates of return on the assets held as a hedge against the technical provisions and commitments by way of levels of financial guarantees and adjustments made to the benefits provided under the policies, in compliance with paragraph 22 of Annex no. 14 to ISVAP Regulation no. 22/2008.
- Additional provision covering the time offset between the period in which the return to be paid contractually was accrued and the time when it is actually paid to the policyholder, in compliance with paragraph 23 of Annex no. 14 to ISVAP Regulation no. 22/2008.
- The additional provision set up to hedge the risk of mortality in insurance contracts in Class III (as laid down in Art. 2, paragraph 1, of Legislative Decree 209 of 7/9/2005), which provide a benefit should the insured party die during the term of the contract, in compliance with paragraph 41 of Annex no. 14 to ISVAP Regulation no. 22/2008.
- The additional provision set up to fund guaranteed benefits on maturity or when certain events occur (as laid down in Art. 2, paragraph 1, of Legislative Decree 209 of 7/9/2005), in compliance with paragraph 41 of Annex no. 14 to ISVAP Regulation no. 22/2008.

3 Notes to the Financial Statements

3. Provision for amounts payable:

The provision for amounts payable is determined according to the criteria laid down in Art. 23-bis, paragraph 5, of ISVAP Regulation no. 22/2008 and it includes the total amount needed to cover payment of benefits that have fallen due but not so far been paid, surrendered policies and claims not yet paid.

4. Technical provisions for supplementary insurance:

The Technical provisions of supplementary insurance were calculated on the basis of gross premiums according to the *pro-rata temporis* method, in compliance with the provisions of paragraph 18 of Annex no. 14 to ISVAP Regulation no. 22/2008.

5. Provision for profit sharing and reversals:

The Provision for profit sharing and reversals includes the amounts to be attributed to the policyholders or to the beneficiaries of the contracts by way of technical profit sharing and premium reversal, provided that such amounts were not attributed to the policyholders, in accordance with paragraph 6 of Article 23-bis of ISVAP Regulation no. 22/2008.

6. Other Technical Provisions:

Other technical provisions entirely consist of amounts set aside for future operating expenses and are calculated on the basis of the provisions of paragraphs 17 and 20 of Annex no. 14 of ISVAP Regulation no. 22/2008.

For all the other methodological aspects regarding calculation of the technical provisions, including the additional provisions, please refer to the Actuarial function.

Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management

According to the provisions of Art. 39 of Annex no. 14 to ISVAP Regulation no. 22/2008, for Unit-Linked policies and for Class VI contracts per Article 2, paragraph 1, of Legislative Decree 209/2005, the mathematical provisions were calculated on the basis of the number and value of the shares of the respective investment lines in effect on the measurement date, i.e. at the market value of the corresponding covering assets.

For Index Linked insurance (per Art. 41, paragraph 2, of Legislative Decree 209/2005), the mathematical provision was calculated by duly taking into account the provisions of paragraph 40 of Annex no. 14 to ISVAP Regulation no. 22/2008.

Provisions for risks and charges

These include the allocations deemed most suitable for liabilities temporary in nature, of certain or probable existence whose amount or contingency date cannot be determined at year end.

They do not include the provisions used to correct values of asset items.

In particular:

- the income tax provisions include the tax expenses allocated for items that will be taxed in subsequent years;
- the other provisions include the foreseeable expenses of various types and those deriving from the dispute in progress, analytically measured for the single positions.

Income tax for the year

Starting from the 2015 tax year and for the 2015-2017 three-year period, UnipolSai has opted for the Group tax regime regulated by Art. 117 et seq. of Italian Presidential Decree no. 917/86, under the tax consolidating company Unipol Gruppo, together with its own subsidiaries that meet the regulatory requirements. An agreement was signed with the consolidating company, regulating the financial and procedural aspects governing the option in question.

Income tax for the year is recognised among costs for the year and calculated in accordance with current tax regulations. It represents:

- the charges/income for current taxes;
- the amounts of deferred tax assets and liabilities arising during the year and usable in future years;
- for the portion due for the year, offsetting of deferred tax assets and liabilities generated in previous years;
- the expense, if any, for substitute tax of the income tax related to special cases.

Deferred tax assets and liabilities are recognised, calculated on the temporary differences that have arisen or been deducted during the year (including the portion of the tax assets and liabilities relating to the subsidiaries for which the tax regime provided for in Art. 115 et seq. of the Consolidated Income Tax Act was chosen), affecting deferred tax assets and the provision for deferred taxes, respectively. Deferred tax assets and liabilities are calculated on the basis of the tax rates set by current tax regulations and applicable to future years in which all or part of the temporary differences that underlie them are expected to be reabsorbed.

Deferred tax assets are recognised only if it is reasonably certain that they will be recovered in future years. Deferred tax liabilities are always recognised.

The disclosure pursuant to Art. 2427, paragraph 1, letter 14 of the Civil Code, together with the statement of reconciliation between theoretical and effective tax charges, is provided in section 21 - Information on the non-technical account.

Payables and other liabilities

These are recorded at their nominal value and represent the Company's payables to third parties.

Specifically, post-employment benefits reflect the liabilities accrued with all the workforce at year end, in conformity with current laws and the collective labour agreements.

Treasury shares

Treasury shares in the portfolio are recognised on the basis of their purchase value as a direct decrease in shareholders' equity, in a special item Negative reserve for treasury shares in the portfolio.

Earned premiums

The total for the year is obtained by adding the premium provision. Gross and ceded written premiums included all amounts accrued during the year for the insurance contracts, regardless of the fact that these amounts have been collected, net of cancellations caused by technical reversals of single securities issued during the year, and by contract changes, with or without premium changes, introduced with replacements or appendices, in conformity with the provisions of ISVAP Regulation no. 22 of 4 April 2008 as amended and integrated.

Profit from investments in the income statement

Shares of profits from investments to the technical account of the Non-Life business and to the non-technical account of the Life business are assigned in compliance with the provisions of ISVAP Regulation no. 22 of 4 April 2008 as amended and integrated, as explained in the relevant sections of the Notes to the Financial Statements.

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Inwards reinsurance

The technical components communicated by the ceding companies relating to the year, even if incomplete, are estimated for the residual part in order to determine the correct competence and the pertinent retrocessions. The technical provisions are those communicated by the ceding companies, potentially supplemented to take additional foreseeable losses into account.

Translation of balances in foreign currencies

Items expressed in foreign currencies are treated in accordance with the principles of multicurrency accounting. In compliance with Art. 2426, paragraph 8-bis of the Civil Code, property, plant and equipment, intangible assets and financial assets (held as investments) in foreign currencies are recognised at the spot rate at the time of purchase. Other items expressed in a foreign currency are recognised at the year-end rates. All translation differences are recognised in the Income Statement.

Exchange rates used

The main exchange rates used for the translation into euros are as follows:

Currencies	29/12/2017	30/12/2016
US Dollar	1.1993	1.0541
Pound Sterling	0.8872	0.8562
Swiss Franc	1.1702	1.0739
Canadian Dollar	1.5039	1.4188
YEN	135.0100	123.4000
Swedish Krona	9.8438	9.5525

Criteria adopted in breaking down the elements common to the Non-Life and Life businesses

The Company is authorised to jointly carry on insurance and reinsurance activity in both the Life and Non-Life businesses.

Pursuant to Art. 7 of ISVAP Regulation no. 17 of 11 March 2008 implementing Art. 11, paragraph 3 and 348 of Legislative Decree 209 of 7 September 2005, the overheads are recognised to the appropriate account when they are directly chargeable to it on the basis of the information regarding the cost centre.

The costs and revenue common to the two management accounts that were impossible to assign from the very beginning to a specific account and that were therefore recognised indistinctly were broken down at year end based on the framework resolution passed by the Board of Directors according to the criteria consistent with the organisational structure and by using appropriate parameters. In particular:

Acquisition costs

The common costs of the organisational units that pertain to the company's technical/commercial structure, whether central or local, are divided up based on productivity parameters that primarily include the value of the premiums and the number of contracts in the Non-Life and Life portfolios. As the case may be, a single parameter or a combination of several parameters can be used.

Settlement expenses

Considering that the settlement activities are assigned to separate organisational units between the Non-Life and Life businesses, as a rule settlement expenses common to the two management accounts do not arise.

If in the aftermath of organisational changes common cost centres should arise in the future, the relevant costs must be divided based on suitable quantitative parameters in connection with the activity the organisational units to which they refer carry out.

Administrative expenses

The common administrative expenses (referring to organisational units not directly attributable to a specific management account) are divided between Non-Life and Life businesses on the basis of suitable quantitative parameters in connection with the type of activity carried out by the organisational unit to which they refer (i.e. the number of parties, number of policies in portfolio, the amount of the premiums, etc.). As the case may be, a single parameter or a combination of several parameters can be used.

Gains on investments

Recognition of the gains on assets and financial income reflects the actual income coming from the loans and the liquid funds pertaining to the Life business and the Non-Life business.

In the case of advances made by one business on behalf of the other, shares of income calculated in proportion to the entity and to the duration of the disbursements made, applying market rates, are recognised to the account involved.

Asset and financial charges

These are mostly distinctly recognised (Life and Non-Life) from the very origin.

The common costs, mostly pertaining to the structure expenses, are divided up on the basis of the incidence of the investments between the two businesses.

Other gains and other losses

These are assigned to each management account consistently with the attribution of the event or of the statement of financial position and income statement entries to which they relate.

Gains from recoveries of common costs from third parties are divided with criteria consistent with those used for dividing the costs recovered.

Extraordinary income and expenses

The capital gains and losses deriving from the disposal of properties, tangible assets, profits and losses deriving from the trading of securities classified as "long-term" and extraordinary gains and losses are charged to the management accounts based on their origin, meaning based on how the assets are attributed on the date of their realisation or their measurement.

Income tax

Income tax pertaining to investment property is assigned to each management account based on the allocation of the investments to which they refer.

Income tax (IRES, IRAP and deferred tax assets/liabilities) are assigned based on the contribution of each business to the tax result of the year.

Uncertainty in the use of estimates

The application of certain accounting standards implies significant elements of judgment based on estimates and assumptions which are uncertain at the time they are formulated.

As regards the 2017 financial statements, it is believed that the assumptions made are appropriate and, therefore, that the financial statements have been drafted clearly and give a true and fair view of the statement of financial position, income statement and statement of cash flows. The relevant paragraphs of the notes to the financial statements provide full details of the reasons underlying the decisions made and the measurements performed. In order to formulate reliable estimates and assumptions, reference has been made to past experience, and to other factors considered reasonable for the case in question, based on all available information.

3 Notes to the Financial Statements

However, we cannot exclude that changes in these estimates and assumptions may have a significant effect on the statement of financial position and income statement as well as on the potential assets and liabilities reported in the financial statements for disclosure purposes, if different elements emerge with respect to those considered originally.

In particular, the greater use of subjective assessments by company management was necessary in the following cases:

- calculation of the current value of financial assets and liabilities where this could not be directly observed on active markets. In this case, the subjective elements lie in the choice of measurement models or input parameters that cannot be directly observed on the market;
- definition of parameters used in the analytical assessment of securities investments to verify any impairment. In particular, reference is made to the choice of measurement models and the main assumptions and parameters used;
- assessment of the recoverability of deferred tax assets;
- quantification of provisions for risks and charges where there is uncertainty about the amount required and the contingency periods.
- in the estimation processes leading to determination of the technical provisions.

In such cases an explanation is provided with the aim of providing investors with a better understanding of the main causes of uncertainty, but in no way is meant to suggest that alternative assumptions might be appropriate or more valid. In addition, the financial statements measurements are made on the basis of going concern assumptions, as no risks have been identified that could compromise orderly business operations.

Part B: Information on the Statement of Financial Position and Income Statement

The Company jointly carries on the Non-Life and Life insurance businesses and, as required by ISVAP Regulation no. 22 of 4 April 2008 as subsequently amended and integrated, separately draws up a Statement of Financial Position regarding the Non-Life business (Annex 1) and a Statement of Financial Position regarding the Life business (Annex 2), as well as the statement of breakdown of the profit (loss) for the year between the Non-Life business and the Life business (Annex 3).

This profit totalled €577,199k, €378,404k of which in the Non-Life business and €198,795k in the Life business.

Statement of Financial Position - Assets

The items in the Statement of Financial Position and the changes in corresponding balances with respect to the previous year are given below, with additional information as required by current regulations.

Section 1 - Intangible assets - (item B)

The "intangible assets" item at 31 December 2017 amounted to €818,164k, decreasing by €52,352k (-6.0%) compared to the financial position of the previous year. The main components are commented below.

1.1 Acquisition commissions to be amortised (item B.1)

Acquisition commissions to be amortised totalled €74,995k, €53,562k of which in the Life business and €21,432k in the Non-Life business. The change is negative by 2,684k compared to the financial position of the previous year.

1.2 Start-up and expansion costs (item B.3)

The item amounts to €6,240k and it consists of expenses pertaining to the planned integration between Unipol Assicurazioni and the companies of the former Fondiaria-SAI Group amortised starting from 2014 in line with commencement of the legal effects of the merger. The change from the previous year amounts to -€10,270k and it corresponds to the portion amortised in the period.

1.3 Goodwill (item B.4)

Goodwill came to a total of €548,841k, €429,162 of which belonging to the Non-Life business and €119,679 to the Life business, and it is amortised in 20 years.

The item includes:

- the deficit arising from the merger by incorporation of La Fondiaria S.p.A. into Fondiaria-SAI S.p.A. that took place in 2002 for a residual value of €34,049k regarding Non-Life and €27,416k regarding the Life business;
- the goodwill relating to the company transactions that Aurora Assicurazioni merged into Unipol Assicurazioni concluded in 2004, for a residual value of €53,110k in the Non-Life business and €21,206k in the Life business;
- the deficit arising from the merger of Unipol, Milano and Premafin into UnipolSai, that took place on 6 January 2014 for a residual value of €347,699k of which €294,473k related to the Non-Life business and €53,226k to Life;

3 Notes to the Financial Statements

- the deficit emerging from the merger by incorporation of UnipolSai Real Estate, Europa Tutela Giudiziaria, Sai Holding, Systema and UnipolSai Servizi Tecnologici into UnipolSai, which took place on 31 December 2015 with accounting effect on 1 January 2015 for a residual amount of €986k allocated entirely to the Non-Life business;
- the goodwill recognised in relation to the acquisition on 31 December 2015 of the Linear Life business unit for a residual amount of €127k attributed entirely to the Life business.
- the deficit emerging from the merger of Liguria and Liguria Vita, which took place on 31 January 2016 with accounting effect on 1 January 2016 for a residual amount of €46,545k allocated entirely to the Non-Life business;

1.4 Other long-term costs (item B.5)

Other long-term costs, amounting to €188,088k (item B5), increased by €15,673k compared to the 2016 figure. Of this item, €7,474k referred to the Life business and €180,614k to the Non-Life business; the most sizeable component concerned expense for third-party services for IT development and integration projects that totalled €96,431k, for which direct acquisitions in the period are reported for €21,433k. The most noteworthy projects in progress were the new claims platform (€2,759k), the new Group MV System (€1,148k), the project for the evolution of technological and applicative architectures (€4,254k), the project for the development of the Essig platform (€3,334k), the multi-channel project (€1,800k), the IT- accounting system integration project totalling €889k (€584k non-life and €305k life) and lastly the integration of the investments of the Solvency II project (€2,202k). Moreover, there was an increase of €14,558k attributable to capitalised invoices on properties owned by third parties for improvements made. The Trademarks item totalled €99k.

These amounts were recognised under assets with consent from the Board of Statutory Auditors, where necessary. Research, development and advertising costs were not recorded as intangible assets. These costs are recognised in profit or loss as in previous years.

All assets classified under this item are considered of long-term use.

The changes in intangible assets during the year are described in detail in Annex 4.

Section 2 - Investments (item C)

2.1 Land and buildings (item C.1)

Class C.1 asset accounts net of their depreciation broke down as follows at 31 December 2017:

<i>Amounts in €k</i>	Assets	Accum. deprec.	Net assets
Property for own use	568,411	126,092	442,319
Property for use by third parties	2,119,813	264,132	1,855,681
Other property	16,207		16,207
Other rights	2,630	350	2,279
Fixed assets in progress	59,554		59,554
Total	2,766,615	390,575	2,376,041

All land and buildings owned are considered of long-term use.

The "Property for use by third parties" item includes both property for business use by third parties and residential property, while the item "Other property" includes land and plots for development. The "Other property rights" item includes several parking spaces in Florence and building rights in Viquarterio, municipality of Pieve Emanuele (Milan).

In implementing the reference IVASS regulation (ISVAP Regulation no. 22 of 4 April 2008), the Company calculated the current value of owned land and buildings using appraisal estimates prepared by independent experts appointed by the Board of Directors, through the distinct measurement of each asset by applying methodologies that differ according to the characteristics of the asset: either the equity type supplemented by elements that take into account the profitability of the property, the comparative type, or the transformation type.

Based on the results of these appraisals, also considering the realisation values expected on the properties being disposed of, the Company decided to bring in write-downs amounting to €10,186k to property investment as they are considered long-term.

The total current value of property at 31 December 2017 amounted to €2,612,235k, increasing by approximately €236,190k compared to the relevant carrying amount.

The changes during the year are listed in Annex 4 to these Notes to the Financial Statements, and are summarised in the following table:

<i>Amounts in €k</i>	
Movements during the period	2017
Gross property at 31/12/2016	2,924,344
New investments/improvements	61,637
Sales and other reductions	209,180
Write-downs of property	10,186
Gross property at 31/12/2017	2,766,615
Accum. depreciation previous year	382,819
Amount of depreciation for the year	46,374
Decreases for disposals	38,619
Accumulated depreciation at 31 December	390,574
Net property at 31/12/2017	2,376,041

The detail of the write-downs made during the year and in previous years is stated in a relevant table annexed to the Notes to the Financial Statements.

Information on lease agreements

There are no assets leased to third parties.

As established by Italian law, lease agreements, even if financial, are recognised as rental agreements.

In compliance with the provisions of Art. 2427, paragraph 22, of the Italian Civil Code and in accordance with accounting standard OIC 12, the effects that would have been recorded on the financial statements in relation to leases are summarised in accordance with the international accounting standards (IAS 17).

In 2017, in particular, all lease agreements pertaining mainly to IT machinery and equipment such as disaster recovery systems and the data transmission network in place in the previous year were closed and therefore, no effects on shareholders' equity are reported, while the effects on the income statement represented by the difference between the higher amortisation costs and the lower lease costs would amount to €13k.

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2.2 Investments in Group companies and other investees (item C.II)

Investments

The total amount of Italian and foreign investments (item C.II.1) at 31 December 2017 was €3,539,979k versus €2,155,862k, with a net increase of €1,384,116k. The changes in the period were as follows:

<i>Amounts in €k</i>	
Movements during the period	2017
Opening balance	2,155,862
Purchases and subscriptions	1,487,416
Impairment and reversals of impairment losses	(99,395)
Repayments and other decreases	(13)
Sales	(3,892)
Balance at 31/12/17	3,539,979

Purchases refer to:

- ✓ UniSalute S.p.A. (€715,000k);
- ✓ Linear S.p.A. (€160,000k);
- ✓ Ambra Property S.r.l. (€56,150k);
- ✓ International Media Holding S.p.A. (€6k)

The subscriptions refer to:

- ✓ Unipol Banca S.p.A. (€380,260k);
- ✓ UnipolSai Nederland B.V. (€100,000k);
- ✓ AlfaEvolution S.p.A. (€37,500k);
- ✓ Marina di Loano S.p.A. (€30,000k);
- ✓ Pronto Assistance S.p.A. (€5,000k);
- ✓ Meridiano Secondo S.r.l. (€3,500k).

Value adjustments refer to the following equity investments:

- ✓ Unipol Banca S.p.A. (€92,844k);
- ✓ Villa Ragionieri S.r.l. (€2,588k);
- ✓ Butterfly AM Scarl (€2,325k);
- ✓ Nuove Iniziative Toscane S.r.l. (€1,385k);
- ✓ Casa di Cura Villa Donatello for €255k;
- ✓ Borsetto S.r.l. (€212k).

There are also reversals on Unipol Gruppo shares (€214k).

The repayments refer to the amount deriving from the liquidation of International Media Holding S.p.A., while the amount of the sales is solely due to the assignment to the executive staff of the shares of the holding company, in execution of the compensation Plans based on financial instruments.

More in particular, with reference to the individual investee Companies, the following is pointed out:

- AlfaEvolution Technology S.p.A.: in 2017, seven payments were made for future capital increases for a total amount of €37,500k. These payments extinguished the total amount of the payments for future capital increases envisaged at the moment of establishment.
- Ambra Property S.r.l.: on 29 September, with effect 30 September, Unipol Gruppo purchased the entire equity investment, upon payment of the price of €56,150k.

- International Media Holding S.p.A. in liquidazione: on 16 January 2017, the agreement with International Acquisition Holdings for the purchase of an investment representing 11.25% of capital was enforced, since the terms of the prior notification to IVASS had elapsed. UnipolSai then purchased 5,625 shares for a price of €6k and the investment, having reached 25% of capital, was reclassified among associates. The extraordinary shareholders' meeting of 19 April 2017 placed the company in liquidazione. On 25 July, the liquidator paid to each shareholder the respective allocation share, equal to €13k for UnipolSai. On 26 September the company was removed from the Register of Companies of Milan.
- Linear S.p.A.: in the performance of the sale agreement of 30 June 2017, on 16 November 19,300,000 shares (100% of the share capital) were purchased by Unipol Gruppo S.p.A. upon payment of the price of €160,000k.
- Marina di Loano S.p.A.: on 14 February, a capital account payment of €30,000 was made to provide the subsidiary with the necessary resources to carry out some urgent work and fully repay the loan received from the associate UnipolSai Finance S.p.A.
- Meridiano Secondo S.r.l.: on 26 July, a capital account payment of €3,500k was made to enable the subsidiary to pay the construction costs relating to the Torre Unipol project in Milan.
- Metropolis S.p.A. in liquidazione: on 11 April, the company was removed from the Register of Companies of Milan, as the prescribed time interval of 90 days from the filing of the final liquidation financial statements at 30 December 2016 had expired. The value of the investment had already been written off at 31 December 2015.
- Pronto Assistance S.p.A.: on 27 March, a capital account payment of €5,000k was made.
- Unipol Banca S.p.A.: on 31 July, within the scope of the restructuring plan of the banking sector of the Unipol Group, a capital account payment of €380,261k, equal to the pro-rata of the total amount of €900,000k, was made.
- UnipolSai Nederland B.V.: on 26 July, a payment of €100,000k was made to the parent company's Share Premium reserve, as provided by the Capital Contribution Agreement executed on the same date. The purpose of the payment was to provide the subsidiary with the liquidity needed to subscribe the capital increase for the same amount as resolved by UnipolRe DAC.
- UniSalute S.p.A.: in the performance of the sale agreement of 30 June 2017, on 16 November 17,242,993 shares (98.53% of the share capital) were purchased by Unipol Gruppo S.p.A. upon payment of the price of €715,000k.

With regard to further details on the shares and holdings (item C.II.1), please refer to the following statements provided in the annexes to the notes to the financial statements:

- a) changes in shares and holdings in the year (Annex 5);
- b) statement with information relating to Group companies and other investees (Annex 6);
- c) analytical statement of movements of investments in investees (Annex 7).

Current value of investments (as per Annexes 5 and 7).

For the investments traded in unregulated markets, a prudent analytical evaluation of their probable realisable value was made.

In particular, the current value of investments in subsidiaries and associates was determined considering the shareholders' equity, if necessary adjusted to take into account current values of the assets and, where verifiable, a goodwill value: the value of recognition higher than the portion of shareholders' equity stated in the latest financial statements of the investee, if any, refers to an estimated value of the economic capital of the company deriving from appraisals issued by independent experts at the time of acquisition or from estimates made internally on the basis of methodologies and parameters commonly used in professional practices, and from the evaluation of the prospective plans drawn up by the company.

The current amount of investments is €3,572,036k, whilst their carrying amount comes to €3,539,979k.

As provided for by Art. 16 of Legislative Decree 173/97, the following table regarding the investments in subsidiaries and associates classified as "long-term" is provided, the carrying amount being higher than the pro-rata shareholders' equity of the investee:

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Amounts in €k

Subsidiaries or Associates	% holding (ord. and sav. shares)	Carrying amounts	Shareholders' equity pro-rata	Difference
Popolare Vita Spa (Ex Bpv Vita)-Novara- IT	50.00%	505,400	201,144	(304,256)
Linear Assicurazioni Spa-Bologna- IT	100.00%	160,000	98,048	(61,952)
UniSalute Spa-Bologna- IT	98.53%	715,000	150,265	(564,735)
Nuove Iniziative Toscane Srl-Firenze- IT	100.00%	106,412	101,744	(4,668)
Villa Ragionieri Srl-Firenze- IT	100.00%	58,285	54,365	(3,919)
Marina Di Loano Spa-Milano- IT	100.00%	81,709	79,524	(2,185)
Meridiano Secondo Srl-Milano- IT	100.00%	18,682	16,208	(2,474)
UnipolSai Servizi Previdenziali Srl-Firenze- IT	100.00%	762	454	(308)
AlfaEvolution Technology Spa-Bologna- IT	100.00%	90,000	87,673	(2,327)
Ambra Property Srl-Bologna- IT	100.00%	56,150	54,270	(1,880)
Ddor Novi Sad Ord Eur-Novu Sad- RS	100.00%	85,971	43,495	(42,476)
UnipolSai Nederland Bv-Amsterdam- NL	100.00%	290,988	249,028	(41,960)
Penta Domus Spa In Liquidazione-Torino- IT	24.66%		(1,472)	(1,472)
Hotel Villaggio Cdm Spa In Liquidazione-Modena- IT	49.00%		(1,841)	(1,841)
Garibaldi Sca-Lussemburgo- LU	32.00%	660	(2,221)	(2,882)
Isola (Ex Hedf Isola)-Lussemburgo- LU	29.56%	1,598	(1,206)	(2,804)
Butterfly Am Sarl-Lussemburgo- LU	28.57%		(1,641)	(1,641)

In particular for the investments held in the following companies it is reported that:

UniSalute and Linear: within the project for streamlining the insurance sector of the Group, it is pointed out that in November 2017 the acquisition of the equity investments in the two companies by Unipol was completed, and the investments were recognised in the 2017 financial statements of the Company at the respective acquisition values.

In consideration of the controlling relationship between Unipol and UnipolSai, the acquisition constituted, for UnipolSai, a related party transaction in accordance with Consob Regulation no. 17221/2010 and with the procedure for carrying out related party transactions adopted by the company. The Board of Directors of the company was supported in its evaluations by leading independent experts who issued appropriate fairness opinions on the final price that was identified.

The investments were in any case tested for impairment at 31 December 2017, merely for checking purposes, according to the DDM (Dividend Discount Model) in the "excess capital" version.

The analysis showed that the carrying amount of the investments in Linear and UniSalute in the financial statements of UnipolSai at 31 December 2017 are within the measurement range selected in the application of the DDM method and therefore the carrying amounts were confirmed.

DDOR Novi Sad: the greater value recognised compared to the corresponding portion of shareholders' equity represents the goodwill, and is supported by the valuation of the investment made using the Dividend Discount Model (DDM) in the excess capital version.

Popolare Vita: the higher carrying amount compared to the corresponding portion of shareholders' equity is supported by the outcomes of the final report issued by the experts, BDO Italia S.p.A. and BDO AG Wirtschaftsprüfungsgesellschaft – Actuarial Services, appointed to determine the sale price as a result of the exercise of the option for the sale of the entire investment held in favour of Banco BPM S.p.A.. The price set for the sale of the investment is still higher than the carrying amount of the investment.

Meridiano Secondo: the higher amount recognised in the financial statements relative to the corresponding portion of shareholders' equity is due to entries pertaining mostly to tax items, not fully recognised in the statement of financial position of the investee.

Marina di Loano: the higher amount recognised in the financial statements relative to the corresponding portion of shareholders' equity is due to unrealised capital gains on properties.

Nuove Iniziative Toscane: a €1,385.2k adjustment in the carrying amount was made during the year. The residual value recognised greater than the corresponding portion of shareholders' equity is due to unrealised capital gains on properties.

Villa Ragionieri: a €2,587.5k adjustment in the carrying amount was made during the year. The residual value recognised greater than the corresponding portion of shareholders' equity is due to entries pertaining to tax items.

UnipolSai Nederland BV: the higher value recognised on the financial statements compared to the corresponding portion of shareholders' equity is due to the unrealised capital gain on the carrying amount of the subsidiary UnipolRe.

AlfaEvolution Technology: the company started operations last year; the greater value recognised compared to the corresponding portion of shareholders' equity is supported by the valuation of the company at 31 December 2017 made using the Discounted Cash Flow (DCF) method.

Ambra Property: no adjustments were made as the higher carrying amount recognised in the financial statements compared to the corresponding portion of shareholders' equity is attributable to unrealised gains on property assets.

UnipolSai Servizi Previdenziali: no adjustments were made to the value of the investee, because the company's mission is being redefined with the goal of "insourcing" service activities for the administrative management of the Group's open pension funds.

With regard to affiliated companies, for the company Hotel Villaggio Città del Mare there is a provision for risks and charges established to address potential future expenses, while for Isola and Garibaldi, on the basis of the information currently available in relation to the expected repayment flows, the recoverability of the investment is not deemed to be compromised.

The other differences are not deemed significant.

Bonds

At 31 December 2017 bonds issued by Group companies and other investees amounting to €10,603k had been booked, all classified under long-term investments with a net decrease of €2,000k (€12,603k at 31/12/2016). The change is exclusively due to the repayment of the bonds of the associate Unipol Banca outstanding at the end of the previous year.

Currently, the item includes the following bonds, all classified among long-term investments:

- profit Participating Bonds for €5,057k issued by the associate Garibaldi S.C.A.;
- profit Participating Bonds for €2,240k issued by the associate Ex Var. S.C.A.;
- profit Participating Bonds for residual €1,806k regarding the associate Isola S.C.A.;
- bonds issued by the investee Syneristiki for €1,500k.

Loans to Group companies and other investees

Loans to Group companies (item C.II.3) amounted to €323,651 k at 31 December 2017, with a decrease of -€4,452k compared to the previous year's figure.

3 Notes to the Financial Statements

The item comprises two loans started in 2009 for €267,785k after the Company took over the role of issuer, replacing the holding company Unipol Gruppo, of the Unipol Gruppo 7% and Unipol Gruppo 5.66% bond loans. The loans, repayable on demand either in full or in part and in any event at least three days before the repayment date of the loans, bear interest at the 3M Euribor rate plus 100 b.p. spread.

The item also includes the following loans:

<i>Amounts in €k</i>		
LOANS	2017	2016
Casa di Cura Villa Donatello	5,400	5,400
Centro Oncologico Fiorentino	1,952	1,990
Auto Presto e Bene	-	1,300
Meridiano Secondo	36,813	36,813
Società Edilizia Immobiliare	4,994	5,086
Borsetto S.r.l.	6,271	6,271
Butterfly	129	129
Penta Domus	1,786	1,786
Total	57,345	58,775

The changes of the bonds issued by investees (item C.II.2) and of the loans granted to Group companies and investees (item C.II.3) are provided in Annex 5. Of particular note is the repayment, on 30 June 2017, by the subsidiary Auto Presto e Bene. Concerning the loan in place with Borsetto S.r.l., as a result of the write-off of the investment, the entire disbursed amount of the loan was written off, whereas for Penta Domus the write-down is only partial and it amounts to €1,350k; the net exposure in the financial statements amounts to €436k.

2.3 Other financial investments (item C.III)

The total balance of this item amounted to €35,853,854k, decreasing by €1,370,188k at 31 December 2016 (-3.7%). The main components can be summed up as follows:

<i>Amounts in €k</i>	2017	2016	Change on 2016
C.III.1 Shares and holdings	819,844	554,866	264,978
C.III.2 Mutual investment fund units	2,716,676	1,886,623	830,052
C.III.3 Bonds and other fixed-yield securities	32,109,474	34,454,109	(2,344,635)
C.III.4 Loans	126,405	135,337	(8,931)
C.III.6 Bank deposits	6,582	106,582	(100,000)
C.III.7 Sundry financial investments	74,873	86,525	(11,652)
Total	35,853,854	37,224,042	(1,370,188)
			(3.7)%

The item "other financial investments" contains no investments in companies in which the Company owns at least one-tenth of the share capital or voting rights that can be exercised at the ordinary shareholders' meeting.

The breakdown of shares and holdings, mutual investment fund units, bonds/other fixed-yield securities and sundry financial investments based on long-term and short-term use, separately for Non-Life and Life businesses, is provided in detail in Annex 8, with the corresponding current value indicated.

Transactions involving bonds attributed to the long-term segment

To ensure the availability of freely negotiable investments, the Company has adopted an Investment Policy that was approved with a board of directors' resolution on 10 May 2017 (revised on 9 February 2018), wherein a maximum limit of long-term investments was established (70% Life and 60% Non-Life), calculated on the Company's total investments, which includes both equity instruments and debt securities, except for investments considered strategic, all investments falling under Class D (Class III and Class VI) and those covering defined benefit policies.

The total of investments at 31 December 2017, calculated as explained above, consists of the following, separately for the Non-Life and Life businesses:

Amounts in €k

Non Life- Business	2017
C.III.1 Shares and holdings	515,714
C.III.2 Mutual investment fund units	1,587,558
C.III.3 Bonds and other fixed-yield securities	8,521,890
Total	10,625,162

Total long-term investments in the Non-Life business at 31 December 2017 amounted to €2,914,007k, which is 27.43% of total financial investments.

IN 2017, no transfers were made from the long-term segment to the short-term segment and vice versa, nor did any disposals take place.

Amounts in €k

Life- Business	2017
C.III.1 Shares and holdings	304,130
C.III.2 Mutual investment fund units	1,129,118
C.III.3 Bonds and other fixed-yield securities (*)	23,587,584
Total	25,020,833

() Except those covering defined benefit policies*

Total long-term investments in the Life business at 31 December 2017 amounted to €12,936,832k (not including those covering defined benefit policies), which is 52.26% of total financial investments.

In the first half of the year, no transfers were made from the long-term segment to the short-term segment and vice versa, nor did any disposals take place. The only translation that generated capital gains for an amount of €4,317k involved a security for which the company accepted an offer of exchange with another security of the same issuer. The security held in the portfolio was therefore repaid early and simultaneously reinvested in the new issue.

During the second half, no transfers were made from the long-term segment to the short-term segment and vice versa, while the disposal of two tranches of a bond, totalling €55,500k, was carried out. The sale is a part of the simplification of the asset portfolio, started in previous years.

3 Notes to the Financial Statements

For more information on the sale of long-term investments and their effects, please refer to Section 22 - Information on the income statement.

The changes of long-term assets in the year, including the items above, are provided in Annex 9.

The balance of the "shares and holdings" item (C.III.1) amounted to €819,844k, up by €264,978k compared to 31 December 2016 (+47.8%). Net value adjustments recognised at year end amounted to €25,686k.

Item C.III.2 "mutual investment fund units" amounted to a balance of €2,716,676k at 31 December 2017, with an increase of €830,052k compared to 31 December 2016. Net value adjustments recognised at year end amounted to €64,970k.

The value adjustments refer (€60,470k) to Fondo Atlante (a closed-end private investment fund established to support the capital increases of some Italian banks, and some operations on NPL – Non-Performing Loans), in which UnipolSai invested a total amount of €92,168k versus an original commitment of €100,000k assumed at the end of 2015. Net of the value adjustments of 2017 and of the previous year, the fund is recognised in the financial statements at 31 December 2017 for a value of €12,223k, aligned to the evaluations communicated by the management company Quaestio Capital Management SGR.

UnipolSai also committed to participate in Fondo Atlante 2 (a closed-end private investment fund whose objective is the intervention in operations on NPL – Non-Performing Loans) with a total investment of €100,000k, of which €50,994k had already been paid at 31 December 2017. The Fondo Atlante 2 is recognised in the financial statements at 31 December 2017 for a value of €50,240k, net of the value adjustments recognised during the year for €754k.

"Bonds and other fixed-yield securities" (item C.III.3) at 31 December 2017 broke down as follows:

<i>Amounts in €k</i>	2017	% Comp.	2016	Change on 2016
Securities issued by Gov., pub. entities				
listed	21,129,189	65.8	22,866,067	(1,736,878)
unlisted	255,476	0.8	32,963	222,513
Convertible bonds	851	0.0	1,630	(779)
Other listed securities	10,604,996	33.0	11,439,043	(834,047)
Other unlisted securities	118,962	0.4	114,406	4,556
Total	32,109,474	100.0	34,454,109	(2,344,635)
				(6.8)%

The separation between long-term commitments and short-term commitments is €16,075,120k and €16,034,354k, respectively.

The government securities and other listed securities, for the nominal amount of €33,888,336, are recorded in the financial statements for €31,734,186k. If measured based on the average of the December 2017 prices, these securities would amount to a total of €35,501,838k.

Of the bonds classified as financial assets, securities amounted to a total countervalue of €16,075,120k, with a fair value of €18,071,735k.

Net write-backs recorded on the portion of bonds included in the current assets portfolio amounted to €98,566k.

The unlisted securities, for the nominal amount of €419,673k, are recorded in the financial statements for €374,437k, matching the market value measured at the end of the period.

The securities in portfolio are mainly deposited with Banks or issuing Institutions.

In connection with the bonds under item C.III.3, an analytical indication of the positions of significant amount (greater than €130,000k) per issuer party is provided hereunder.

The exposures thus selected represent 75.1% of the entire portfolio.

<i>Amounts in €k</i>	
Issuer	Carrying amount
Tesoro Italia	17,583,136
Tesoro Spagna	2,115,513
Corsair Finance Ireland Ltd	477,192
Intesa Sanpaolo Spa	339,612
Tesoro Portogallo	309,943
Unicredit Spa	279,834
Comunitad De Catalunya	243,300
Jpmorgan Chase & Co	222,778
Barclays Plc	203,965
Commerzbank Ag	202,952
Royal Bank Of Scotland Group	197,955
Goldman Sachs Group Inc	181,984
Tesoro Irlanda	181,034
Cooperatieve Rabobank Ua	173,003
Hsbc Holdings Plc	164,955
Bnp Paribas Paris	161,341
Generali Spa	159,759
Societe Generale	156,687
Banco Bpm Spa	155,387
Deutsche Bank Ag	153,020
Comunidad De Madrid	151,672
Nomura International Funding Pte Lt	150,000
Credit Agricole S.A.	136,118
Total	24,101,142

The securities portfolio includes €7,061,607k relating to subordinated bonds; the details are provided in the chapter "Additional tables appended to the Notes to the Financial Statements", which shows the main characteristics of these investments.

Lastly, evidence is provided of the amounts recognised as the issuing and/or trading difference for the bonds and the other fixed-yield securities recorded under items C.II.2 and C.III.3:

<i>Amounts in €k</i>	2017
Positive issue spreads	21,027
Negative issue spreads	(1,387)
Positive trading spreads	65,123
Negative trading spreads	(43,296)
Zero coupon adjustments	193,525

3 Notes to the Financial Statements

Item C.III.4 "loans", amounting to €126,405k, consists of €28,404k for loans on policies and €98,002k for other loans that comprise €621k for loans granted to Agents guaranteed by the portfolio indemnity and, in the event this is insufficient, by the special agent suretyship policy, €2,348k for loans granted to employees, and €95,000k for a subordinated loan to P&V Assurance. The loan agreement provides for a 9% annual interest rate to pay each half-year and a perpetual life, with the possibility of repayment on the request of the lender or of the borrower with at least five years' advance notice or without advance notice and with the consent of the other party in those cases in which P&V no longer uses this loan to hedge the margin.

The changes in the year in loans (item C.III.4) and bank deposits (item C.III.6) are shown in Annex 10.

Item C.III.6, totalling €6,582k, refers to term "bank deposits" with a duration of more than 15 days, with a decrease by €100,000k compared to 31 December 2016.

The deposit made on 31 December 2016 with Banco Popolare, with a total nominal amount of €100,000k attributed to the Life business reached maturity in February 2017, substantially determining the decrease. Several transactions were carried out during the year with reference to the Life business, all with the associate Unipol Banca, as summarised below.

Amounts in €

Nominal value	Transaction date	Maturity date
125,000,000.00	27/01/2017	06/03/2017
150,000,000.00	31/03/2017	10/05/2017
150,000,000.00	27/04/2017	05/09/2017
200,000,000.00	26/06/2017	04/09/2017
200,000,000.00	05/12/2017	22/12/2017

"Sundry financial investments" (item C.III.7) broke down as follows:

<i>Amounts in €k</i>	2017	2016	Change on 2016
Premiums for cap options		2,528	(2,528)
Premiums for call options	25,250	31,141	(5,890)
Premiums for put options	36,923	21,754	15,169
Premiums for other options	12,700	29,890	(17,190)
Value of cross currency swaps		1,212	(1,212)
Total	74,873	86,525	(11,652)
			(13.5)%

The change from the previous year is mainly due to the expiration of 2 Cross currency Swaps, the renouncement at expiration of 3 previously purchased Swaptions, the purchase of 9 put options on indices and the early closing of 6 put options on indices, and to the period-end assessments on put and call options.

2.4 Deposits with ceding companies (item C.IV)

These receivables at 31 December 2017 amounted to €15,100k, decreasing by €4,008k compared to the 2016 figure (-21.0%).

These are deposits set up as guarantee at the ceding companies in connection with the risks undertaken in reinsurance, whose movements (establishment and repayment) take place annually or every six months. Their duration largely depends on the specific nature of the underlying insurance benefits and on the actual duration of the reinsurance agreements, which are renegotiated at the end of each year.

Deposits with ceding companies were not written down as they are considered recoverable.

Section 3 - Investments benefiting Life policyholders that bear the risk and investments arising from Pension Fund management (item D)

The investments regarding the technical provisions pertaining to contracts having the characteristics indicated by Art. 41 of Legislative Decree 209 of 7 September 2005 "Private insurance code" are reported in Class D.I. These are specifically Index-Linked and Unit-Linked products.

The balance of Class D.I amounted to €438,455k, which increased by €84,439k compared to the previous year (+23.9%).

During the period assets were transferred from Class D.I to Class C totalling €7,656k in the cases of portions of excess assets no longer representative of the technical commitments, which were therefore released from the particular hedging destination that characterises the assets entered in Class D.I (as explained in Art. 21 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent integrations and amendments).

No transfers from Class C to Class D were made during the period (regulated by Art. 20 - paragraphs 1 to 4 - Italian Legislative Decree 173 of 26 May 1997).

The details of the assets relating to contracts whose benefits are linked with investment funds and market indices (item D.I) are provided in Annexes 11 (Total), 11/1 and 11/2 for the two types of product (Index-Linked and Unit-Linked).

Class D.II records the investments relating to the defined contribution open pension fund and includes 17 occupational pension funds for which management backed by guarantee is carried out.

These investments at the end of 2017 amounted to a total of €3,730,955k, decreasing by €451,280k (-10.8%) compared to the previous year.

The details of the assets arising from pension fund management (item D.II) are provided in the annexes:

- no. 12 (Total);
- no. 12/4 for "UnipolSai Previdenza FPA";
- no. 12/7 for "Cometa";
- no. 12/8 for "Arco";
- no. 12/10 for "Alifond";
- no. 12/11 for "Byblos";
- no. 12/13 for "Telemaco";
- no. 12/15 for "Filcoop";
- no. 12/16 for "Fondapi";
- no. 12/18 for "Previmoda";
- no. 12/19 for "Fonte";
- no. 12/20 for "Fondinps";
- no. 12/21 for "Perseo Sirio Gar.";
- no. 12/22 for "Cometa Sicurezza 2015 Gar.";
- no. 12/23 for "Previcoper Sicuro Gar.";
- no. 12/24 for "F.do Pens. Cooperlavoro Sicurezza Gar";
- no. 12/25 for "F.do Pens. Cariplo Gar.";
- no. 12/26 for "F.do Pens. Mediafond Gar.";
- no. 12/27 for "F.do Pens. Eurofer Gar."

3 Notes to the Financial Statements

According to the instructions issued by the Supervisory Commission for Pension Funds (COVIP) with its Resolution of 17 June 1998, the statement of the Open Pension Fund has been drawn up for the year ended at 31 December 2017, annexed to the Company's Financial Statements as required by the mentioned regulations.

Section 4 - Technical provisions - reinsurers' share (item D.bis)

The balance of this item at 31 December 2017 amounted to €592,449k. The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2017	2016	Change on 2016
Life business technical provisions	48,327	65,719	(17,392)
Life business - amounts payable	3,182	3,527	(345)
Non-Life premium provision	101,266	102,895	(1,629)
Non-Life claims provision	439,674	472,309	(32,635)
Total	592,449	644,450	(52,001)
			(8.1)%

The amount, down compared to the previous year, reflects the performance of the direct business of the company and the trend in reinsurance agreements.

The technical provisions - reinsurers' share are calculated using the same criteria used for allocating direct business provisions while also considering the contractual reinsurance clauses.

The reinsurers' share is determined with the same criteria used for forming risks underwritten provisions and represent their share of the contractual commitments.

Section 5 - Receivables (item E)

The balance of this item at 31 December 2017 is €2,703,898k. The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2017	2016	Change on 2016
E.I.1 Due from policyholders for premiums	573,413	571,079	2,334
E.I.2 Receivables from ins. intermediaries	880,231	907,927	(27,696)
E.I.3 Insurance company current accounts	28,707	41,674	(12,967)
E.I.4 Policyholders and third parties for amounts to be recovered	109,593	126,472	(16,878)
E.II Receivables relating to reinsurance business	65,640	80,680	(15,041)
E.III Other receivables	1,046,313	1,364,251	(317,938)
Total	2,703,898	3,092,084	(388,186)
			(12.6)%

Receivables from policyholders (item E.I.1) accounted for 5.9% of direct premiums of the year (5.7% in 2016).

These receivables included receivables of doubtful collection, against which a write-down of €67,985k was made. The write-down was made taking into account the historic trend on the non-recoverability of the receivables in subsequent periods. There were no significant unit amounts in the receivables of doubtful collection, nor were there any substantial changes to the allocated provision compared to the previous year.

Receivables from agents and other intermediaries (item E.I.2) mostly consist of the portfolio reimbursements from the agencies and the receivables for premiums collected toward the end of the year.

The bad debt provision allocated and referred mainly to receivables for reimbursements, which totalled €17,984k, was sufficient to cover the receivables of doubtful collection.

Receivables from policyholders and third parties for amounts to be collected amounted to €109,593k, and are recorded at their estimated realisable value. The balance of this item at 31 December 2016 decreased by €16,878k.

Receivables from insurance and reinsurance companies and from reinsurance intermediaries (item E.II), for the most part short-term, derived from inwards and outwards reinsurance relations, and amounted to €65,640k at 31 December 2017, decreasing by €15,041k compared to 2016 (-18.6%).

These amounts are net of the relevant bad debt provision that totalled €24,472k. The doubtful positions are measured individually.

“Other receivables” (item E.III) amounted to €1,046,313k (decreasing by €317,938k compared to 31/12/2016). The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2017	2016	Change on 2016
Tax authorities	539,124	577,080	(37,955)
Group companies	35,098	130,477	(95,379)
Mutuelle Du Mans	23,287	25,404	(2,117)
Roadway Accident Victims Fund	66,836	113,600	(46,764)
Derivative contract guarantees	206,621	352,551	(145,930)
Sundry receivables	175,348	165,140	10,208
Total	1,046,313	1,364,251	(317,938)
			(23.3)%

Additional details are provided for the most significant items, as follows:

- tax receivables for €539,124k (€577,080k at 31/12/2016), comprising mainly:
 - €212,331k relating to the advance payment of the insurance tax provided for by Decree Law 282/2004;
 - €181,157k for the amounts paid in connection with the substitute tax on the mathematical provisions established by Decree Law 209 of 25 September 2002, recovered in conformity with the mentioned regulations;
 - €99,238k for withholdings;
 - €8,457k for IRAP receivable;
 - €2,804k for claims of reimbursement of foreign tax receivables.
- Receivables from group companies for €35,098k. Among them were €16,503k as a receivable for withholding tax from the holding company Unipol Gruppo by effect of participation in the tax consolidation. The Life business has a payable of €93,882k and therefore the net receivable from the consolidating company amounts to €14,347k.
- Receivables from the Company Mutuelle du Mans amounted to €23,287k, compared to €25,404k at 31 December 2016. This receivable, backed by a guarantee, regards the guarantee issued to the purchaser by the company Mutuelle du Mans, with reference to the adequacy of the technical provisions at 31 December 2004 of the companies MMI Danni and MMI Assicurazioni, purchased in 2005. The receivable is also covered for €16,065k by a provision for sundry risks and charges.

3 Notes to the Financial Statements

When MMA refused to fulfil its initial obligations, in 2011 Unipol Assicurazioni started the arbitration proceedings provided for by the contracts to settle the dispute, which was subsequently declared extinguished following the execution, on 3 November 2014, of a settlement agreement whereby MMA undertook to pay to UnipolSai the differential between the net amount paid and the value of the provisions at 31 December 2004 (the net amount paid being the algebraic sum of claims paid, direct expenses, direct liquidation expenses, indirect liquidation expenses, amounts recovered from policyholders and reinsurers' shares), determined by an independent Auditor (KPMG).

The agreement also prescribes periodic checks on the net incremental amount paid accrued at 30 June and at 31 December of each year.

As agreed in the settlement, UnipolSai, following the payment of the first differential on the Net amount paid, delivered to MMA the bank guarantees issued on 3 April 2008 and consent for their release, in view of the delivery by MMA of a new first demand bank guarantee of the initial amount of €29,823,750, then reduced - as a result of the payments made in the meantime - on 14 December 2017 to €25,966,500. The guarantee covers MMA's commitment to the obligation for periodic settlement of the additional differential that may be noted by the Auditor, no later than 3 months from the end of each half, with respect to the net amount paid after 30 June 2014. Collections took place regularly. In 2017 in particular €2,117k were collected;

- Receivables from Fondo Vittime della Strada that amounted to €66,836k, €29,756k of which derived from the excess contribution advance paid in January 2017 over the amount actually due and €37,080k from the claims settlement activity.
- Payments made as cash collateral to safeguard derivatives totalling €206,621k.

The noteworthy receivables are:

- Receivable from Avvenimenti e Sviluppo Alberghiero S.r.l. (a wholly-owned subsidiary of Im.Co.) that amounted to €103,158k (before the value adjustments), of which €101,665k as advances paid by Milano Assicurazioni pursuant to a contract for the purchase of future property pertaining to a property complex in Rome, Via Fiorentini. As regards this amount due, the most suitable recovery initiatives are being assessed and value adjustments related to this receivable were recognised in previous years, for a total amount of €73,800k. As a result of the write-downs carried out, the net value of this receivable recognised in the financial statements at 31 December 2017 amounted to €29,358k.
- Items awaiting settlement for €41,568k, of which receivables from Finitalia for €29,146k for lending to agents and policyholders for the underwriting of instalment policies.
- Receivables for rents amounting to €16,495k.

Considering the existing exposures, a total write-down for €171,289k was made. Of it, €73,800k were for the above-mentioned receivables from Avvenimenti e Sviluppo Alberghiero and €58,957k for disputes with agents.

Section 6 - Other assets (item F)

The balance of this item at 31 December 2017 was €2,262,234k. The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2017	2016	Change on 2016
F.I Property, plant and equipment and inventories	83,144	85,487	(2,343)
F.II Cash and cash equivalents	922,340	349,155	573,185
F.IV Other assets	1,256,750	1,348,061	(91,312)
Total	2,262,234	1,782,704	479,530
			26.9%

Property, plant and equipment and inventories recorded in item F.I are considered long-term assets. The balance at 31 December 2017, which totalled €83,144k, is net of the relevant accumulated depreciation as per the following table:

<i>Amounts in €k</i>	2017	2016	Other changes
Office furniture and machines and internal means of transport	51,389	55,207	(3,818)
Movable assets entered in public registers			0
Plant and equipment	27,483	26,023	1,460
Inventories and sundry goods	4,272	4,257	15
Total	83,144	85,487	(2,343)

Cash and cash equivalents (item F.II) amounted to €922,340k, €922,314k of which refer to current account deposits (€349,080k in 2016) and €26k to cash and revenue stamps (the change compared to 31 December 2016 totalled €573,185k).

Bank deposits include accounts in non-euro currencies (US dollars, Swiss francs, British sterling and Japanese YEN) for a value of €10,258k, credit balances in postal current accounts totalling €57,271k and the net fees accrued in the period.

Sundry assets (item F.IV.2) amounted to €1,256,750k at year end (€1,348,061k in 2016, showing a 6.8% decrease).

3 Notes to the Financial Statements

The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2017	2016	Change on 2016
Technical entries on claims	144,187	163,974	(19,787)
Attachments for claims	77,150	104,979	(27,830)
Non-Life/Life connection account	22,767	62,836	(40,069)
Advances on portfolio indemnities	53,411	67,246	(13,836)
Real estate expense to recover	26,120	19,418	6,702
Valuation of financial instruments	23,053	7,667	15,386
Deferred tax assets	867,754	919,251	(51,497)
Sundry assets	42,309	2,690	39,619
Total	1,256,750	1,348,061	(91,312)
			(6.8)%

Among the technical inward entries on claims, of note is the amount of the “handler lump-sum” to recover, amounting to €126,354k.

The contra-item for the measurement of derivatives was €23,053k and refers to the measurement of forward currencies for €21,096k and asset swaps for €1,957k.

Deferred tax assets amounted to €867,754k.

The movements of the receivable for deferred tax assets that took place in the period are summarised in the following table:

<i>Amounts in €k</i>	2017
Deferred tax assets	
Aggregate opening balance	919,251
Other changes	7,653
Increases during the period	39,937
Uses during the period	(99,088)
Total	867,754

The additional information on the deferred tax assets is provided in the statement (drawn up pursuant to Art. 2427, paragraph 1, point 14 of the Civil Code) provided in section 21 of the Income Statement.

Section 7 - Accruals and deferrals (item G)

Item G “Accruals and deferrals” showed a total balance at 31 December 2017 of €418,144 k with a decrease of €17,654k compared to the post-merger aggregate figure (-4.1%).

The breakdown into accruals and deferrals follows:

<i>Amounts in €k</i>	Accruals	Deferrals	Total
G.1 Interest	393,690		393,690
G.2 Rental income		1,904	1,904
G.3 Other accruals and deferrals	552	21,999	22,550
Total	394,242	23,903	418,144

Item G.1 "Interest", which amounted to €393,690k (€414,740k at 31/12/2016), is mostly made up of accruals on securities for €375,069k, accruals on derivatives totalling €18,482k and accruals on other loans for €49k. Prepayments on rental fees totalled €1,904k.

Item G.3 "other accruals and deferrals", which amounted to €22,550k (€18,656k at 31/12/2016), breaks down as follows:

- expense deferrals on long-term loans expiring in 2018 totalling €4,847k;
- overhead deferral for €7,222k;
- other deferrals individually insignificant for €1,490k;
- prepayments on technical items for €8,991k.

Statement of Financial Position - Liabilities

Section 8 - Shareholders' Equity (item A)

Movements in shareholders' equity recognised during the year with respect to the previous year are set out in detail in the attached statement of changes in shareholders' equity.

A statement of use and availability of equity reserves has also been annexed, as required by Art. 2427, paragraph 1, no. 7-bis of the Civil Code.

The share capital and equity reserves at 31 December 2017 totalled €5,175,630k.

The Shareholders' Meeting on 27 April 2017 approved the individual financial statements for 2016 of UnipolSai Assicurazioni and, in accordance with the provisions of the by-laws, the allocation of the profit for the year according to the following procedure:

- allocation of €2k to Legal Reserve, pertaining entirely to the Non-Life business, so that the Legal Reserve will reach 20% of the share capital;
- distribution to all the Shareholders of UnipolSai Assicurazioni S.p.A. of total dividends amounting to €352,839k (of which €254,590k pertaining to the Non-Life business and €98,249k to the Life business);
- allocation to "Extraordinary Reserve" of the remaining part of the profit for the year, totalling €105,638k pertaining to the Life business.

At 31 December 2017, the share capital amounted to €2,031,456k, subscribed and fully paid-up, consisting of 2,829,717,372 ordinary shares, all with no nominal value.

Details of the equity reserves (items from A.II to A.X), which at 31 December 2017 totalled €3,144,174k, are provided in the following table:

3 Notes to the Financial Statements

Amounts in €k

Item	2017	2016	Change. on 2016
A.II Share premium reserve	407,256	407,256	
A.III Property revaluation reserve	96,559	96,559	
A.IV Legal reserve	406,291	406,289	2
A.VI Reserve for shares of the holding company	7,327	11,005	(3,678)
A.VII Other reserves	2,306,033	2,196,717	109,316
Reserve for holding company shares to be purchased		38,995	(38,995)
Merger reserve	1,778,510	1,638,569	139,942
Extraordinary reserve	16,156	16,156	
Other extraordinary reserves	510,536	404,897	105,638
Reserve for treasury shares to be purchased		97,269	(97,269)
Dividend equalisation reserve	826	826	
Premium reserve for disposal of option rights that were not exercised	5	5	
A.X Negative reserve for treasury shares	(79,292)	(79,292)	
Total	3,144,174	3,038,534	105,640
			3,5%

The increase in the reserves is due to the allocation of the result referred to the previous year.

The reserve for shares of the holding company was adjusted to the value of the securities held in the portfolio at the end of the period, with the excess amount allocated to the merger surplus reserve from which it had originally been drawn.

Section 9 - Subordinated liabilities (item B)

The subordinated liabilities issued by UnipolSai Assicurazioni S.p.A. amounted to €2,011,689k, unchanged compared to the figure of the previous year, and relate to:

- €750,000k for hybrid bond loan;
- €561,689k for subordinated bond loans;
- €700,000k for subordinated loans;

The main characteristics of the subordinated liabilities are given below:

- €750,000k - regarding the subordinated bond loan with indefinite maturity issued on 18 June 2014 and listed on the Luxembourg Stock Exchange with option of early repayment subject to the authorisation of the Supervisory Authority starting from the tenth year. Interest at the fixed rate of 5.75% accrue on the loan for the first ten years, and after that date, the coupon will be variable and based on the 3-month Euribor plus a spread of 518 basis points. The loan has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier I and is subject to the interim measures prescribed by the Solvency II regulations. The total interest accrued in the year was €43,125k.

- €300,000k (former Unipol Assicurazioni S.p.A.) - subordinated bond loan issued in June 2001 by the holding company Unipol Gruppo that the Company took over as issuer in 2009. The loan is for 20 years with option of early repayment every three months starting from June 2011. The interest rate, which was fixed at 7% until 15 June 2011, was then transformed to floating (three-month Euribor plus 250 basis points) and it amounted to 2.171% at 31 December 2017. The loan, which is listed on the Luxembourg Stock Exchange, has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier II and is subject to the interim measures prescribed by the Solvency II regulations. The total interest accrued in the year was €6,609k.
- €300,000k (former Unipol Assicurazioni S.p.A.) - subordinated bond loan issued in July 2003 by the holding company Unipol Gruppo that the Company took over as issuer in 2009. The loan is for 20 years with option of early repayment every three months starting from July 2013. The interest rate, which was fixed at 5.66% until 28 July 2013, was then transformed to floating (three-month Euribor plus 250 basis points) and it amounted to 2.169% at 31 December 2017. The loan, which is listed on the Luxembourg Stock Exchange, has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier II and is subject to the interim measures prescribed by the Solvency II regulations. The total interest accrued in the year was €6,606k. The Company holds part of this loan included in the portfolio for a nominal value of €38,311k, acquired at the end of 2009 from the holding company Unipol Gruppo and recognised, reducing the liabilities. Therefore, the debt recorded in the financial statements amounted to €261,689k and the net interest income for the year amounted to €5,762k.
- €400,000k (former Fondiaria-SAI S.p.A.) - loan granted by Mediobanca - Banca di Credito Finanziario S.p.A. in July 2003 lasting 20 years with option of early repayment subject to the authorisation of the Supervisory Authority starting from the tenth year. The interest rate at 31 December 2017 is equal to the six-month Euribor plus 251.5 basis points (of which 71.5 basis points as additional spread defined between the parties in 2014 based on the "Additional Costs Clauses"^(*)). The loan has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier I and is subject to the interim measures prescribed by the Solvency II regulations. The total interest accrued in the year was €9,153k (including the component of the additional spread).
- €100,000k (former Fondiaria-SAI S.p.A.) - loan granted by Mediobanca - Banca di Credito Finanziario S.p.A. in December 2005 lasting 20 years with option of early repayment subject to the authorisation of the Supervisory Authority starting from the tenth year. The interest rate at 31 December 2017 is equal to the six-month Euribor plus 251.5 basis points (of which 71.5 basis points as additional spread defined between the parties in 2014 based on the "Additional Costs Clauses"^(*)). The loan has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier II and is subject to the interim measures prescribed by the Solvency II regulations. The total interest accrued in the year was €2,294k (including the component of the additional spread).
- €150,000k (former Fondiaria-SAI S.p.A.) - loan granted by Mediobanca - Banca di Credito Finanziario S.p.A. in June 2006 lasting 20 years with option of early repayment subject to the authorisation of the Supervisory Authority starting from the fifth year. The interest rate at 31 December 2017 is equal to the six-month Euribor plus 251.5 basis points (of which 71.5 basis points as additional spread defined between the parties in 2014 based on the "Additional Costs Clauses"^(*)). The loan has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier II and is subject to the interim measures prescribed by the Solvency II regulations. The total interest accrued in the year was €3,436k (including the component of the additional spread).

(*) The "Additional Costs Clauses" contained in the original loan agreements, oblige UnipolSai to indemnify Mediobanca for any cost incurred by the latter due to changes in the laws or in their interpretation or application; this case emerged when EU Regulation no. 575/2013 of the European Parliament and the Council (Capital Requirement Regulation) came into force, amending the system of deduction of the loans granted by banks to insurance companies.

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- €50,000k (former Milano Assicurazioni S.p.A.) - loan granted in July 2006 by Mediobanca - Banca di Credito Finanziario S.p.A. (the original amount was €150,000k, €100,000k of which was repaid in 2008) lasting 20 years with option of early repayment subject to the authorisation of the Supervisory Authority starting from the tenth year. The interest rate at 31 December 2017 is equal to the six-month Euribor plus 251.5 basis points (of which 71.5 basis points as additional spread defined between the parties in 2014 based on the "Additional Costs Clauses" ^(*)). The loan has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier II and is subject to the interim measures prescribed by the Solvency II regulations. The interest accrued in the year was €1,145k (including the component of the additional spread).

The total interest accrued in the year was €72,368k. Considering the own bonds held by the Company, net interest amounted to €71,525k.

Section 10 - Technical provisions (items C.I - Non-Life business and C.II - Life business)

The breakdown of technical reserves and their changes are summarised in the following table:

<i>Amounts in €k</i>	2017	2016	Change on 2016
Non-Life premium provision	2,677,437	2,636,654	40,783
Non-Life claims provision	11,473,648	12,039,366	(565,718)
Other Non-Life business provisions	87,500	87,145	354
Life business technical provisions	24,366,919	24,099,010	267,909
Life business - amounts payable	332,605	289,206	43,399
Total	38,938,108	39,151,380	(213,272)
			(0.5)%

Non-Life business technical provisions

The Non-Life business technical provisions at 31 December 2017 totalled €14,238,584k (-€524,580k compared to 31/12/2016) and were formed in observance of ISVAP Regulation no. 22 of 4 April 2008 as amended (hereafter defined "Regulation"), prepared in implementation of Art. 37, paragraph 1 of Decree Law 209/2005.

Premium provision

The premium provision amounts to €2,677,437k (+1.5% compared to 31/12/2016) of which 2,675,444k refer to direct business and 1,992k to indirect business.

Details of the premium provision for unearned premiums and of supplementary provisions broken down by business are given in the following statement:

Amounts in €k

Class	Unearned premiums and supplementary provisions
1- Accident	249,187
2- Health	63,430
3- Land Vehicle Hulls	248,694
4- Railway rolling stock	44
5- Aircraft	264
6- Marine Vessels	1,873
7- Goods in transit	5,887
8- Fire	320,658
9- Other damage to property	250,347
10- Land Vehicle TPL	1,104,877
11- Aircraft TPL	249
12- Marine TPL	3,450
13- General TPL	255,673
14- Credit	86
15- Bonds	83,436
16- Pecuniary losses	19,744
17- Legal expenses	21,755
18- Assistance	45,791
Total direct business	2,675,444
Indirect business	1,992
Total	2,677,437

The premium provision for unearned premiums was calculated for each risk according to the “*pro rata temporis*” method, which involves deferring a portion of premium proportionate to the hedge time lacking until the receipt expires.

Then the directly chargeable acquisition costs are separated in order to calculate the premium provision. They are calculated by applying the percentage obtained by comparing the acquisition commissions, overcommissions and other items incurred during the year directly chargeable to the gross premiums written.

As for the supplementary provisions of the premium provision:

- the bonds supplementary provision, which amounted to €48,316k, was calculated on the basis of Articles 10 and 11 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations.
- The supplementary provision for insurance covering damages caused by natural disasters consisting of earthquake, seaquake and volcanic eruption amounted to €170,946k and was calculated on the basis of Art. 16 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations.
- The supplementary provision for insurance covering damages caused by hail was calculated on the basis of Articles 12 and 13 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations and amounts to €3,6k.

3 Notes to the Financial Statements

- The allocation regarding the provision for unexpired risks was calculated on the basis of Art. 8 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations (empirical method), based on the ratio of claims to premiums pertaining the current generation recorded in the reporting year and measured also taking into account values gathered from the ratio in previous years. The instalments falling due are calculated by adding up all the portions of premium still unissued until the year is completed. To measure the claims to premium ratio, the Company considered the average of the values recorded in the last three financial statements.
Only in the case in which this result was higher than 100% was a provision for unexpired risks set aside. The provision is equal to the sum that allows the balance between premium provisions plus instalments falling due and the expected costs to be re-established. Based on these calculations it was not necessary to proceed with any allocation, because the premium provision of all classes is increased with the instalments due relative to expected claims.
- The supplementary provision in the Credit segment amounted to €69k.

Other provisions

- The provision for profit sharing and reversals (item C.I.3) amounted to €12,090k. The decrease compared to 31 December 2016 was €1,812k (-13.0%) and was calculated according to the provisions of Art. 45 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations, taking into account the amounts to pay to policyholders and beneficiaries of the contracts by way of technical profit sharing and premium reversal.
- Other technical provisions (item C.I.4) amounted to €2,388k (€3,312k at 31/12/2016). They are entirely made up of the ageing provision pursuant to Articles 42, 43 and 44 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations.
All health insurance contracts part of the Italian portfolio not having the characteristics set forth in Art. 43 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations were selected, and left out, of the calculation when determining the ageing provision. The gross premiums of 2017 relating to the remaining portfolio amounted to €23,882k.
The flat rate of 10% was applied on these premiums. This rate is considered sufficient considering the low average contractual duration of the policies in portfolio (5 years) and since there is no long-term "whole life" product.
- The equalisation provisions (item C.I.5), which amounted to €73,021k (€69,931 k was the amount of the provisions at 31/12/2016) included €72,764k of the equilibrium provision for risks of natural disasters aimed at compensating the trend of claims over time and formed based on Art. 37 of Decree Law 209/2005, €24k for the Credit insurance compensation provision and the remaining €233k for the other technical provisions of indirect business.

The breakdown by class of the direct business equalisation provisions is provided in the following table:

<i>Amounts in €k</i>	2017
1- Accident	3,876
2- Health	10
3- Land Vehicle Hulls	26,705
4- Railway rollingstock	26
5- Aircraft	204
6- Marine Vessels	780
7- Goods in transit	2,383
8- Fire	35,750
9- Other damage to property	2,393
14- Credit	24
16- Pecuniary losses	288
18- Assistance	350
Total	72,788
Indirect business	233
Total	73,021

Claims provision:

The claims provision (direct and indirect business) amounted to €11,473,648k, a substantial decrease compared to last year's figure of €12,039,366k. As far as direct business is concerned, it consists of:

- €9,890,701k for compensations and direct expenses;
- €904,404k of provision for claims incurred but not reported;
- €577,832k of provision for settlement expenses.

The decrease in claims provisions is due mainly to the lower incidence of claims of the previous generations, which in recent years have experienced the introduction of generations of lower and lower claims characterised by the decrease in claims reported, due to both the improvements made in terms of claims and the concession in 2014 from the agency network (former Milano Assicurazioni) to honour the commitments assumed with the Antitrust Authority.

The provision in indirect business totalled €100,711k.

The claims provision for direct business is calculated with the so-called inventory method together with assessments made with statistical-actuarial methodologies, as established by Art. 24 of annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations. Upon opening of the claims an estimate of reference is proposed on the system that the adjuster is required to accept until when he has information that allows him to make a more detailed appraisal of the claim.

The provisions are continuously updated. The adjuster must update the reserve each time he learns of information that causes a considerable shift in the value of the position in question since it affects the liability or the value of the damage.

The update of the provisions is monitored with the creation of an automatic ageing report that is triggered when some conditions (no estimate, reopening, change in outcome) occur or by the fact that a given number of months has elapsed, variable depending on the class, over which the liquidator must update the valuation of the provision.

The final quantification of the total amount to record on the financial statements is determined by, where applicable, also resorting to statistical-actuarial methodologies carried out by the management structure in conformity with regulations in force. More specifically, evaluations deriving from the analysis of the trend of the property/persons mix, the settlement rate and the average cost of the previous year are used for the MV TPL claims for the year.

The indirect settlement expense quantification and attribution procedure involves an analysis by cost centre of the personnel expenses and overheads that catalogues what is attributable to the settlement expenses beforehand.

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Attribution to the single classes (for the not directly allocated expenses) and to generation for the year is done according to the claims paid.

The provision for direct and indirect settlement expenses was measured by applying, per year of occurrence of the claims, the percentage obtained from the historic analysis of the incidence of the expenses paid on the indemnities to the amount of the provisions estimated at final cost.

The provision for claims incurred but not reported is calculated based on the provisions of Art. 29 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations, with the frequency of the claims and average cost measured separately.

The final figures recorded in the year with regard to what is forecast at the end of the previous year are also considered for the allocations. For more details on the methods used to calculate the claims provision, please refer to section A of these notes.

The changes in the year in the premium provision components (item C.I.1) and the Non-Life claims provision (item C.I.2) are indicated in Annex 13.

Life Business Technical Provisions

The Life business (Class C.II) technical provisions at 31 December 2017 amounted to a total of €24,699,524k (€24,388,216k at 31/12/2016). The increase was €311,308k.

The amount of the technical provisions is adequate for the Company's commitments with the contracting parties, the policyholders and the beneficiaries, and are broken down as follows:

- €24,256,434k relating to the mathematical provision of direct business and the supplementary insurance provisions;
- €331,538k for direct business amounts payable;
- €94,457k relating to the sundry technical provisions, which entirely refer to allocations for future operating expenses;
- €7,365k relating to the provision for profit sharing and reversals;
- €8,663k relating to the mathematical provision of indirect business;
- €1,066k for indirect business amounts payable.

The provision for direct business amounts payable at the end of the year amounted to €331,538k (€288,518k at 31/12/2016), €97,465k of which relating to the previous year.

The changes in the year in mathematical provision components (item C.II.1) and provision for profit sharing and reversals (item C.II.4) are indicated in Annex 14.

The other technical provisions (item C.II.5), which amounted to €94,457k at 31 December 2017 (€94,486k the figure at 31/12/2016) entirely refer to allocations for future operating expenses and are broken down by class as follows:

<i>Amounts in €k</i>	2017	2016	Change on 2016
Class I	74,186	73,425	761
Class III	1,076	1,311	(235)
Class IV	78	56	22
Class V	19,117	19,693	(576)
Total	94,457	94,486	(29)

Section 11 - Technical provisions where the investment risk is borne by policyholders (item D.I) and provisions arising from Pension Fund management (item D.II)

This category includes the life insurance policies where the yield is based on investments or indices for which the policyholder bears the risk. The related mathematical provisions are calculated with reference to the obligations provided by the agreements and are represented with the best possible approximation by the reference assets.

The total amount at 31 December 2017 amounted to €4,169,410k, decreasing by €366,742k (-8.1%) compared to the previous year. With reference to the product types in the portfolio, the amount of the technical provisions breaks down as follows:

<i>Amounts in €k</i>	
Sub - Funds	2017
Index-Linked Policies	14,976
Unit-Linked Policies	423,479
Unipol Previdenza FPA	833,865
Cometa	897,272
Arco	64,473
Alifond	88,636
Byblos	175,221
Telemaco	80,645
Filcoop	32,597
Fondapi	101,971
Previmoda	121,486
Fonte	661,594
Fondinps	79,118
Perseo Sirio gar.	77,675
Cometa Sicurezza 2015 gar.	78,278
Previcoper Sicuro gar.	150,489
F.do Pens. Cooperlavoro Sicurezza Gar	188,384
F.do Pens. Cariplo Gar.	4,698
F.do Pens. Mediafond Gar.	3,757
F.do Pens. Eurofer Gar.	90,795
Total	4,169,410

Section 12 - Provisions for risks and charges (item E)

Item E states the balances of the provisions specified hereunder:

<i>Amounts in €k</i>	2017	2016	Change on 2016
Post employment benefits and similar obligations	2,367	2,593	(227)
Provision for future risk and charges	298,278	342,787	(44,509)
Provision for IVASS penalties	3,940	3,791	150
Solidarity and employee leaving provision	33,108	47,219	(14,111)
Income tax provision	88,977	121,825	(32,848)
Provision for property charges	6,960	6,960	
Provision for tax risks	28,334	28,662	(328)
Total	461,965	553,837	(91,873)
			(16.6)%

The breakdown of changes over the year is provided in the following table:

<i>Amounts in €k</i>	31/12/2016	Uses/ Excess	Provisions	31/12/2017
Provisions for risks and charges				
Post employment benefits and similar obligations	2,593	227		2,367
Provision for future risks and charges	342,787	56,831	12,322	298,278
Provision for IVASS penalties	3,791	1,416	1,566	3,940
Solidarity and employee leaving provision	47,219	19,111	5,000	33,108
Income tax provision	121,825	32,945	97	88,977
Provision for property charges	6,960			6,960
Provision for tax risks	28,662	3,460	3,133	28,334
Total	553,837	113,990	22,118	461,965

The provision for future charges, which amounted to €298,278k, decreased by €44,509k compared to the previous year, and mainly consists of:

- €116,834k for allocations for charges arising from relations with the intermediaries both for items in litigation and for estimated losses on portfolio indemnities to assign;
- €75,262k for cases in litigation given to lawyers;
- €41,940k for disputes with insurance and reinsurance companies, including €16,065k which refer to the previously mentioned amount due from the company Mutuelle Du Mans;
- €11,198k for real estate litigation;
- €8,291k for personnel disputes.

The provision was adjusted to meet all liabilities deemed probable at 31 December 2017.

€19,111k of the employee leaving provision were used for the disbursements incurred during the year and are adequate to make future payments.

The income tax provisions amounted to €88,977k and referred to the charge expected for deferred tax liabilities that will become due in future years.

Additional information on the deferred tax liabilities is provided in the statement (drawn up pursuant to Art. 2427, paragraph 1, point 14 of the Civil Code) provided in section 21 of the Income Statement.

The provision for property charges represents the allocation, in view of the estimated costs for reversals that are expected to be required on directly owned properties, and the planning charges to be deducted or to be paid in upcoming years.

Provisions for tax risks, €28,334k, include items pertaining to current and potential tax disputes, of which €15,906k for disputes and €12,428k for other estimated risks.

The movements of the provisions for risks and charges during the period are provided in detail in Annex 15.

Ongoing disputes and contingent liabilities

Relations with the Tax Authorities

In 2017, the assessments received in 2016 were settled; they pertained to the merged company Immobiliare Fondiaria-SAI for the years 2011 and 2012, concerning findings on transactions with related parties (IM.CO. and ICEIN), and to the merged company Immobiliare Milano Assicurazioni for the years 2010 and 2011, concerning findings for performance of intragroup services. Although it deemed the merged company's actions to be substantially correct, the Company opted to settle by agreement, taking into account the risks that are always associated with the activation of a dispute, obtaining the reduction of the higher tax claims and of the penalties applied. In view of the expenses incurred, the risk provision allocated previously was used.

In the 2017 financial statements, amounts deemed sufficient for facing mainly the risks below have been allocated to the tax provision:

- the risks arising from developments in the dispute regarding the treatment of technical outwards reinsurance items of the former Aurora Assicurazioni, already started against the parent Unipol, and also extended to the merged entity Unipol Assicurazioni for the tax periods 2007-2009;
- the risks deriving from an assessment notice regarding IRPEG and ILOR for the year 1991 concerning the merged Fondiaria Assicurazioni, still pending at the Supreme Cassation Court as a result of the appeal filed by the Company;
- the risks deriving from an assessment notice for abuse of rights with reference to IRPEG and IRAP for the year 2004 on share purchases and collections of the related dividends.

Moreover, the provisions for risks and charges include a provision for tax charges of sufficient amount with respect to the potential estimated liabilities deriving from already formalised, or not yet formalised charges, for which no tax dispute has yet been brought.

Other tax disputes

The Group companies, which collected or paid delegation fees in view of coinsurance relations with other companies of the insurance sector, received notices of assessment and of imposition of penalties for VAT purposes, because the Tax Authorities deem these relations to be not exempt but taxable. Appeals were filed against all assessments before the competent tax commissions. Taking into account the prevalent jurisprudence favourable to companies on these matters, no provisions have been allocated. The recent Court of Cassation decision no. 5885/17 in favour of one of the Group companies, despite referring the dispute back to the competent Regional Tax Commission, expressed principles indicating that the case will probably have a positive outcome.

3 Notes to the Financial Statements

Proceedings initiated by the Antitrust Authority (AGCM)

In the initial months of 2017, the proceeding initiated by the AGCM ended with a positive outcome, with the Decision of 14 November 2012, relating to preliminary proceedings no. l/744 against UnipolSai for alleged violations of Art. 2, Law 287/1990 and/or Art. 101 of the Treaty on the Functioning of the European Union ("TFUE"). The State Council rejected the Antitrust Authority's appeal before the Regional Administrative Court and, by decision dated 1 December 2016 published on 7 March 2017, confirmed cancellation of the penalty previously inflicted. The Company has taken action to recover the sum paid at the time.

Consob sanction proceedings

By means of communications dated 19 April 2013, Consob commenced two separate penalty proceedings against Fondiaria-SAI and Milano Assicurazioni for charges relating to their respective 2010 consolidated financial statements.

Pursuant to Art. 187-septies, paragraph 1 of the Consolidated Law on Finance, Consob notified Ms. Jonella Ligresti and Mr. Emanuele Erbetta, for the offices held in Fondiaria-SAI at the time of the events, of the violation set forth in Art. 187-ter, paragraph 1, of the Consolidated Law on Finance. Fondiaria-SAI is also charged with this violation as a party bearing joint and several liability. It is also charged with the offence set forth in Art. 187-quinquies, paragraph 1, letter a), of the Consolidated Law on Finance for the aforementioned violation of Art. 187-ter, paragraph 1 of the Consolidated Law on Finance by Ms. Jonella Ligresti and Mr. Emanuele Erbetta, acting in the above-mentioned capacities.

Consob also made the same charge against Milano Assicurazioni. In this regard, pursuant to Art. 187-septies, paragraph 1 of the Consolidated Law on Finance, the Commission charged Mr. Emanuele Erbetta, for the role he held in the subsidiary at the time of the events, with the violation established in Art. 187-ter, paragraph 1, of the Consolidated Law on Finance. Milano Assicurazioni is also charged with this violation as a party bearing joint and several liability. It is also charged with the offence set forth in Art. 187-quinquies, paragraph 1, letter a), of the Consolidated Law on Finance for the aforementioned violation of Art. 187-ter, paragraph 1 of the Consolidated Law on Finance by Mr. Emanuele Erbetta, acting in the above-mentioned capacity.

Fondiaria-SAI and Milano Assicurazioni (currently UnipolSai), assisted by their lawyers, presented their conclusions, asking that the administrative penalties set out in Articles 187-ter, 187-quinquies and 187-septies of the Consolidated Law on Finance not be imposed on the companies. On 20 March 2014 the Consob issued a resolution whereby, not deeming that the parties' defences deserved to be accepted, it ordered:

- Jonella Ligresti to pay €250k and to be disqualified from office for four months;
- Emanuele Erbetta to pay €400k and to be disqualified from office for eight months;
- UnipolSai to pay €650k.

UnipolSai provided for the payment of the fines, and also filed an appeal against Ms. Ligresti. Mr. Erbetta directly paid the penalty imposed on him. In any case, UnipolSai challenged the decision before the Court of Appeal of Bologna, which rejected the appeal on 6 March 2015. The Company, assisted by its lawyers, challenged the decision before the Supreme Cassation Court.

IVASS assessments

On 2 July 2014, IVASS sent to UnipolSai the order of sanctions at the end of the proceeding started in 2012 against Unipol Assicurazioni on the matter of the measurement of the claims provisions of the MV and Boats TPL classes. The imposed penalty amounted to €27,500. Since UnipolSai does not deem the conclusions of the Institute to be acceptable in any way, it appealed against this decision before the Regional Administrative Court (TAR). On 9 September 2015 the Regional Administrative Court rejected the appeal of the Company, which challenged the ruling before the Council of State, which has not set a date for the hearing for the discussion yet.

Corporate liability action against certain former directors and statutory auditors decided by the Shareholders' Meetings of Fondiaria-SAI and Milano Assicurazioni

On 17 October 2011, Amber Capital LP, fund manager of Amber Global Opportunities Master Fund Ltd, a Fondiaria-SAI shareholder, in accordance with Art. 2408 of the Civil Code, informed the Board of Statutory Auditors of Fondiaria-SAI of various transactions carried out by companies in the Fondiaria-SAI Group with "related" companies attributable to the Ligresti family, criticising the "non-market" conditions and "anomalies" of said transactions.

On 16 March 2012 the Board of Statutory Auditors of Fondiaria-SAI issued an initial response in its "Report pursuant to Art. 2408, paragraph 2 of the Civil Code", after which by letter dated 26 March 2012 the shareholder Amber Capital requested further investigation.

The Board of Statutory Auditors therefore performed further controls and investigations. On 15 June 2012 IVASS served Measure no. 2985 upon Fondiaria-SAI by which the Authority defined the proceedings launched pursuant to Art. 238 of the Private Insurance Code, and through IVASS Communication prot. no. 32-12-000057 of the same date charged Fondiaria-SAI with significant irregularities pursuant to Art. 229 of the Private Insurance Code, with particular reference to a number of transactions implemented by Fondiaria-SAI and its subsidiaries with counterparties qualifying as related parties of Fondiaria-SAI, and assigning a fifteen-day deadline for the effects of these transactions to be permanently removed.

IVASS considered that the actions proposed or implemented by the Company were not suitable to correct the situation which led to the charges cited in the notice of 15 June 2012, prolonging – according to the Institute – the inability of Fondiaria-SAI to remedy the violations and the relative effects.

Therefore, by Measure no. 3001 of 12 September 2012 (the "IVASS Measure"), IVASS appointed Prof. Matteo Caratozzolo as ad acta commissioner of Fondiaria-SAI (the "Commissioner") also as Parent, considering the requirements of Art. 229, Legislative Decree no. 209 of 7 September 2005 to be met.

In particular, with regard to the disputed transactions considered not only on an individual basis but as a whole, IVASS tasked the Commissioner with (i) specifically identifying the individuals responsible for the transactions carried out to the detriment of Fondiaria-SAI S.p.A. and its subsidiaries; (ii) determining the damage suffered by the same; (iii) promoting or encouraging the promotion of all necessary initiatives, including judicial, at Fondiaria-SAI S.p.A. and its subsidiaries, suitable, in relation to the disputed transactions, to safeguard and reintegrate the assets of Fondiaria-SAI S.p.A. and its subsidiaries; (iv) exercising the powers held by Fondiaria-SAI S.p.A. as Parent and as a shareholder in the shareholders' meetings of the subsidiaries.

Following the in-depth examinations conducted regarding the above-mentioned transactions, entered into by the Fondiaria-SAI Group primarily in the real estate segment in the 2003-2011 period, which directly involved members of the Ligresti family and certain SPVs attributable to said family, the Commissioner asked the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni to call the respective Shareholders' Meetings, placing on the agenda the proposed corporate liability action, pursuant to Articles 2392 and 2393 of the Civil Code, against some directors and statutory auditors of the companies (jointly with other parties).

On 5 February 2013, the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni, having examined the respective reports drafted by the Commissioner in accordance with Art. 125-ter of the Consolidated Law on Finance, resolved, following the aforementioned request, to call the Shareholders' Meetings of the two companies for 13 and 14 March 2013, on first and second call respectively.

The Shareholders' Meetings, held on second call on 14 March 2013, resolved to promote corporate liability action against the persons indicated in the reports prepared for the Meetings by the Commissioner and made these resolutions public in accordance with law.

As a result of the aforementioned resolutions, the ad acta Commissioner appointed his own lawyers who arranged for civil proceedings to be brought before the Court of Milan against the parties identified as responsible for the transactions described above. The proceedings are currently at preliminary investigation stage during which the court has, amongst other things, ordered a technical court expert's report.

3 Notes to the Financial Statements

In relation to the aforementioned transactions, the Companies requested and, on 20 December 2013, obtained a seizure order from the Court of Milan against some of the defendants in the above proceedings. The Company made arrangements to enforce the attachment through the parties concerned and through third parties, and the related enforcement proceedings are still in progress.

The attachment was challenged by the counterparties and on 24 March 2014 the Court of Milan, sitting en banc, confirmed the precautionary provision, rejecting all complaints filed by the counterparties.

Furthermore, with reference to the other transactions involved in the complaint from Amber Capital LP, not included in the Commissioner's mandate ("Minor Transactions"), on the invitation of the Board of Statutory Auditors of Fondiaria-SAI pursuant to Art. 2408 of the Civil Code, the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni conducted investigations and checks, which showed that Minor Transactions were also carried out by companies in the Fondiaria-SAI Group with "related" companies attributable to the Ligresti family with various breaches of directors' and statutory auditors' duties. In particular, the investigations and checks highlighted both breaches of directors' and statutory auditors' duties and damages to the company assets of the Fondiaria-SAI Group. The persons who, as a result of the checks performed by the Boards of Directors, were deemed responsible for the Minor Transactions are (i) members of the Ligresti family, who exercised control over the Fondiaria-SAI Group companies involved, and who would have pursued their own personal interests to the detriment of said companies in violation of Articles 2391 and 2391-bis of the Civil Code and the procedure governing "related party" transactions; (ii) the former "executive" directors, who would have proposed and implemented the transactions in question, and the directors of the internal control committees of Fondiaria-SAI and Milano Assicurazioni, who would also have been responsible for the violation of said regulations and procedures; (iii) the statutory auditors who would have also been responsible for the damages suffered by the companies in the Fondiaria-SAI Group due to the violation of Articles 2403 and 2407 of the Civil Code and Art. 149 of the Consolidated Law on Finance.

The liability of members of the Ligresti family in relation to the transaction in question (as with the transactions already involved in the liability actions of the Commissioner) would derive not only from the violation of their duties of the offices of director formally held in Fondiaria-SAI and Milano Assicurazioni but also (aa) from the "unitary management" they would have illegitimately exercised over companies in the Fondiaria-SAI Group by helping to approve and implement the transactions constituting a "conflict of interests" and "in violation of the principles of correct corporate and business management" (pursuant to Art. 2497 of the Civil Code); (bb) the de facto interference (in particular from Mr. Salvatore Ligresti) in the administration of the companies in the Fondiaria-SAI Group (in accordance with Art. 2392 of the Civil Code).

Consequently, on 30 July 2013 the ordinary shareholders' meetings of Fondiaria-SAI and Milano Assicurazioni resolved to promote corporate liability action pursuant to Articles 2392 and 2393 of the Civil Code and, to the extent they may apply, Articles 2043 and 2497 of the Civil Code, against certain former de facto and official directors of Fondiaria-SAI and Milano Assicurazioni, regardless of their particular offices held and even if no formal office was held; certain former directors of Fondiaria-SAI and Milano Assicurazioni and, pursuant to Art. 2407 of the Civil Code, against certain members of the Board of Statutory Auditors of Fondiaria-SAI and Milano Assicurazioni.

In connection with the resolutions mentioned above, UnipolSai (formerly Fondiaria-SAI) served the writ of summons. The proceedings are currently in the preliminary investigation stage and, in this case as well, the Court ordered a technical expert's report.

Ongoing disputes with investors

Writs of summons by shareholders of La Fondiaria Assicurazioni (Tender offer legal cases)

From 2003 onwards, a number of La Fondiaria Assicurazioni ("Fondiaria") shareholders have initiated a series of legal proceedings claiming, albeit on different legal grounds and justifications, compensation for damages allegedly suffered due to failure to launch the takeover bid on Fondiaria shares by SAI Società Assicuratrice Industriale SpA ("SAI") in 2002.

On the whole, 16 proceedings were brought against the Company; 14 of these were settled at various degrees and stages of the proceeding, while one was extinguished when the first court's decision handed down in favour of the Company became definitive, as the opposing party failed to appeal it. At 31 December 2017, only one case is pending before the Supreme Court of Cassation; specific provisions, deemed adequate, have been made in view of it.

Other ongoing proceedings

UnipolSai Assicurazioni S.p.A. is a party in criminal and civil proceedings referring to events occurred during the previous management of Fondiaria-SAI and Milano Assicurazioni.

A summary of the currently pending criminal cases is provided below.

- (a) Criminal Case 21713/13 (formerly Gen. Criminal Records Reg. 20219/2012) pending before the Fourth Criminal Section of the Court of Turin against defendants Salvatore Ligresti, Antonio Talarico, Fausto Marchionni, Jonella Ligresti, Emanuele Erbetta, Ambrogio Virgilio and Riccardo Ottaviani, accused of the offences of false corporate communications under Art.2622 of the Civil Code in relation to the 2010 financial statements of Fondiaria-SAI S.p.A. and market manipulation under Art.185 of the Consolidated Law on Finance) on Fondiaria-SAI and Milano Assicurazioni securities, owing to the alleged falsification of the financial statements that allegedly pertained to the "claims provisions"; within this proceeding, UnipolSai Assicurazioni S.p.A. was summoned and appeared before the court as civilly liable for the actions of the defendants.

At the end of the preliminary hearings and of the trial phase, at the hearing of 11 October 2016 the Court read out the verdict and the sentence, whose grounds have, as yet, not been released, whereby:

- it affirmed the criminal liability of the defendants Salvatore Ligresti, Jonella Ligresti, Fausto Marchionni and Riccardo Ottaviani, accused of false corporate communications and market manipulation;
- it ordered the defendants, jointly and where applicable, with the civilly liable UnipolSai Assicurazioni S.p.A. and Reconta Ernst & Young S.p.A., to pay compensation for damages to the 2,265 allowed civil claimants, to be allowed in a separate civil proceeding;
- it ordered the defendants, jointly and where applicable, with the civilly liable UnipolSai Assicurazioni S.p.A. and Reconta Ernst & Young S.p.A., to pay the legal fees of the civil claimants' legal counsel;
- it acquitted the defendants Antonio Talarico and Ambrogio Virgilio because they did not commit any criminal offence, in accordance with Art. 530, paragraph 2 of the Code of Criminal Procedure;
- it rejected the compensation requests of some civil claimants;
- it set the term for filing the grounds for the decision at ninety days.

The Court of Turin did not order payment of any interim award on the damage claimed by the civil claimants. Moreover, with its decision of 25 October 2016, the Court of Turin allowed the plea bargain request filed by Mr. Emanuele Erbetta and sentenced the defendant to 3 years of incarceration and a fine of €200k, in addition to the payment of the legal expenses borne by the civil claimants.

The decision was appealed before the Court of Appeal of Turin.

- (b) The criminal proceeding Gen. Criminal Records Reg. no. 14442/14, with the defendants Gioacchino Paolo Ligresti, Pier Giorgio Bedogni and Fulvio Gismondi accused of false corporate communications (Art. 2622 of the Civil Code) and market manipulation (Art.185 of the Consolidated Law on Finance) for Mr. Fulvio Gismondi only, in which proceeding UnipolSai was cited for civil liability, false official statement in certificates (Art. 481 of the Criminal Code), ended in the first instance, at the end of the shortened and simplified proceedings, with the decision of 16 December 2015 acquitting the defendants because the fact does not exist. The decision was appealed by the General Prosecutor's Office at the Court of Appeal of Milan and by the civil claimant Consob; the proceedings are still pending.
- (c) Criminal Case (Gen. Criminal Records Reg. 24630/2013) against Messrs. Benito Giovanni Marino, Marco Spadacini and Antonio D'Ambrosio, acquitted on 10 November 2014 at the end of the shortened and simplified proceeding before the Court of Turin, is awaiting the setting of the appeal trial following the Prosecutor's filing of an appeal.

Based on the status of the criminal proceedings, on the information acquired hitherto by the Company and on the legal opinions acquired on the matters, the risk of loss is deemed unlikely.

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Moreover, as reported in the Financial Statements ended 31 December 2016, some investors have autonomously initiated civil proceedings for damages. In these proceedings, the plaintiffs summarily stated that they had purchased and subscribed Fondiaria-SAI shares as they were prompted by the information in the information prospectuses published by Fondiaria-SAI on 24 June 2011 and 12 July 2012 in relation to the increases in share capital under option resolved by the company on 14 May 2011, 22 June 2011 and 19 March 2012 respectively, and in the financial statements of Fondiaria-SAI relating to the years 2007-2012. UnipolSai (former Fondiaria-SAI) appeared at all Civil Proceedings and disputed the plaintiffs' claims. A first civil proceeding initiated before the Court of Turin ended with a final decision rejecting the merits of the Plaintiff's demands, acquitting UnipolSai from all compensation claims. On 18 May 2017, the Milan Court has instead partially upheld the compensation claims of another shareholder. The Company appealed against the sentence before the Milan Court of Appeal. Of the remaining proceedings, some are in the decision stage and some in the introductory/preliminary stage.

Provisions deemed suitable were made in relation to the disputes with investors described above.

Deposits received from reinsurers (item F)

The item comprised the deposits set up as guarantee at the Company in connection with the risks ceded and retroceded, which fell from €224,767 k (the figure at 31/12/2016) to €168,962k at the end of 2017, marking a €55,805k decrease (-24.8%).

What has been explained for the receivables (section 2, point 2.4, item C.IV) applies to the relevant duration.

Section 13 - Payables and other liabilities (item G)

The balance of this item at 31 December 2017 was €1,542,804k, which decreased by €41,737k compared to 31 December 2016 (-2.6%). The breakdown is summarised in the following table:

Amounts in €k

Items	2017	2016	Change on 2016
G.I Payables arising from direct insurance business	74,538	76,340	(1,802)
G.II Payables arising from reinsurance	69,334	70,523	(1,189)
G.V Collateralised payables	2,866	3,370	(504)
G.VI Sundry loans and other financial payables	13,006	11,994	1,012
G.VII Post-employment benefits	53,561	54,574	(1,013)
G.VIII Other payables	524,682	449,198	75,483
G.IX Other liabilities	804,816	918,540	(113,724)
Total	1,542,804	1,584,541	(41,737)
			(2.6)%

Payables arising from direct insurance business (item G.I) included payables to companies for €10,053k, to agents for €50,481k and to policyholders for advance premiums for €13,904k.

Payables arising from reinsurance business (item G.II) referred to reinsurance companies for €68,980 k and to reinsurance intermediaries for €354k.

Item G.V “collateralised payables”, at 31 December 2017 amounted to €2,866k. The item refers to mortgage loans Unipol Banca disbursed to corporate agencies regarding four properties Unipol Assicurazioni purchased in 2011 and 2012, as broken down below:

<i>Amounts in €k</i>	residual amount at 31/12/2017
Mortgage 6023128 Building 4378 Parma	1,018
Mortgage 6174396 Building 4379 Fidenza	294
Mortgage 6174397 Building 4379 Fidenza	135
Mortgage 8150029 Building 4380 Forlì	1,419
	2,866

Item G.VI “sundry loans and other financial payables”, which amounted to €13,006k, at 31 December 2017 referred entirely to financial payables. In particular, the item comprises €7,765k for premiums collected in relation to the sold put options on equities.

The changes that took place in the period regarding post-employment benefits (item G.VII), which amounted to €53,561k, are detailed in Annex 15.

The uses regarding this fund are mainly represented by settlements made totalling €36,991k.

Of the other payables (item G.VIII), which amounted to €524,682k, up by €75,483k compared to the previous year’s figure, note:

- item G.VIII.1 “Payables for policyholders’ tax due”, which at 31 December 2017 presented a balance of €152,771k and consisted of the amounts due for insurance tax (€121,028k) and the payable to the National Health Service. (€31,743k);
- item G.VIII.2 “Sundry tax payables”, which at 31 December 2017 presented a balance of €30,172k and consisted primarily of personnel tax payables equal to €14,694k and payables for other withholding taxes, totalling €12,355k;
- item G.VIII.3 “Other social security charges payable”, whose balance was €31,092k, comprised the national insurance fund for agents payables that amounted to €11,200k and payables to INPS amounting to €19,266k;
- Item G.VIII.4, “Sundry payables”, whose breakdown and major changes follow:

<i>Amounts in €k</i>	2017	2016	Change on 2016
Trade payables	82,088	71,412	10,677
Claims management	5,673	13,128	(7,456)
Group companies	107,867	95,122	12,744
Financial intermediaries	46,920	3,370	43,550
Guarantee deposits and advances paid	24,993	23,500	1,493
Other	43,106	30,527	12,579
Total	310,646	237,059	73,587
			31.0%

These are mainly short-term payables; the changes that took place during the year pertain to normal development of the Company’s business.

Item G.IX, “other liabilities”, amounted to €804,816k at 31 December 2017 (-€113,724k compared to 31/12/2016).

3 Notes to the Financial Statements

The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2017	2016	Change on 2016
Commissions for premiums under collection	93,798	92,895	904
Financial liabilities	191,297	252,571	(61,274)
Provisions for personnel costs	128,304	150,033	(21,729)
Incentives and contributions to the agency network	181,325	158,732	22,593
Invoices receivable	74,003	62,758	11,245
Non-Life/Life connection account	22,767	62,836	(40,069)
Technical reinsurance entries	11,095	10,760	335
Liabilities pertaining to the technical accounts	48,974	105,219	(56,245)
Sundry liabilities	53,254	22,737	30,517
Total	804,816	918,540	(113,724)
			(12.4)%

Financial liabilities for €191,297k are broken down as follows:

- contra-item of interest rate swaps for €3k;
- contra-item of asset swaps for €191,294k.

Section 14 - Accruals and deferrals

Item H "Accruals and deferrals" showed a total balance at 31 December 2017 of €37,759k with a decrease of €14,453k compared to the post-merger aggregate figure (-27.7%).

The breakdown of the item follows:

<i>Amounts in €k</i>	2017	2016	Change on 2016
Financial derivatives	8,631	22,872	(14,241)
Interest on Life policy loans	347	344	3
Rents/sub-rentals	72	101	(30)
Interest on subordinated loans	28,707	28,885	(178)
Other accruals and deferrals	3	9	(6)
Total	37,759	52,212	(14,453)
			(27.7)%

The breakdown into accruals and deferrals is shown in the following table:

<i>Amounts in €k</i>	Accruals	Deferrals	Total
H.1 Interest	37,685		37,685
H.2 Rental income		72	72
H.3 Other accruals and deferrals		3	3
Total	37,685	74	37,759

No long-term accruals and deferrals are reported.

Section 15 - Assets and liabilities relating to Group companies and other investees

The details of the assets and liabilities relating to Group companies and other investees are provided in Annex 16. Please refer to the Management Report as well.

Section 16 - Receivables and payables

The balances of the receivables and payables recorded under items C and E of the assets and item G of the liabilities are shown in the following table, with those due after the next year and those due after five years separated for each category.

With regard to item F of the liabilities (Deposits received from reinsurers) and referring to what is stated in the relevant paragraph, the payables recorded therein are considered all due within the following year.

<i>Amounts in €k</i>	Balance at 31/12/2017	Amount due beyond 31/12/2018	Amount due beyond 31/12/2022
Loans			
Loans to holding companies	267,785		
Loans to subsidiaries	49,159	43,602	43,602
Loans to associates	6,707	6,707	436
Loans on policies	28,404	17,733	4,356
Other loans	98,002	96,294	95,276
Total	450,056	164,336	143,670
Receivables			
Receivables from policyholders	573,413		
Insurance intermediaries	880,231	299,085	176,938
Insurance company current accounts	28,707		
Policyholders and third parties for amounts to be recovered	109,593		
Companies and insurance and reinsurance intermediaries	65,640		
Other receivables	1,046,313	264,903	21,792
Total	2,703,898	563,988	198,730
Deposits received from reinsurers	168,962		
Payables			
Payables arising from direct insurance business	74,538	31	
Payables arising from reinsurance	69,334		
Collateralised payables	2,866	152	415
Sundry loans and other financial payables	13,006		
Other payables	524,682	3,934	3,934
Total	684,426	4,117	4,349

Section 16 bis - Individual pension schemes

UnipolSai Assicurazioni has the following existing individual pension schemes pursuant to Art. 13, paragraph 1 of Italian Legislative Decree 252/05: Unipol Futuro Presente, Integrazione Pensionistica Aurora, PiùPensione Fondiaria-SAI, UnipolSai PiùPensione, UnipolSai Piano Pensionistico Individuale. The premiums paid to the individual plans are included in the segregated fund called Previattiva UnipolSai.

Starting from 31 January 2017, the individual pension schemes Integrazione Pensionistica Aurora, PiùPensione Fondiaria-SAI, UnipolSai PiùPensione, UnipolSai Piano Pensionistico Individuale were closed to placement and starting from 1 January 2018 the merger by absorption of the aforesaid schemes into Unipol Futuro Presente became effective.

Moreover, starting from 9 October 2017, a new individual pension scheme was established and opened for placement: UnipolSai Previdenza Futura, of the multisegment type with performance connected with the segregated fund Previattiva UnipolSai and/or with the PreviGlobale internal fund.

The resources relating to the individual pension schemes form an independent and separate equity within the Company.

Section 17 - Guarantees, commitments, potential liabilities and other memorandum accounts

The total balance at 31 December 2017, which amounted to €52,546,521k (-€935,763k compared to 31/12/2016), is mostly made up of securities deposited with third parties (€41,425,716k) and of the commitments account (€8,805,222k).

<i>Amounts in €k</i>	2017	2016	Change on 2016
Guarantees given: Sureties	30,930	27,801	3,129
Guarantees given: Other guarantees	581	581	
Guarantees given: Collateral	64,060	64,707	(648)
Guarantees received: Sureties	57,080	60,477	(3,397)
Guarantees received: Collateral	66,204	24,914	41,290
Guarantees given by third parties in the interest of the company	871,527	892,906	(21,379)
Other guarantees received	579,073	331,627	247,446
Commitments	8,805,222	8,659,311	145,911
Third party assets	22,859	17,183	5,676
Assets attributable to pension funds managed in the name and on behalf of third parties	611,767	965,159	(353,392)
Securities deposited with third parties	41,425,716	42,420,451	(994,735)
Other memorandum accounts	11,502	17,166	(5,663)
Total	52,546,521	53,482,284	(935,763)

The guarantees provided included €10,030k for surety policies in favour of municipal Authorities in relation to the Via Larga complex in Bologna and €17,801k relating to tax entries pertaining to the group.

The collateral given item comprises mainly securities set as collateral on transactions in derivatives.

With regard to the sureties received, the following were the main ones:

- ✓ guarantee deposits on leases through sureties amounting to €7,057k;
- ✓ guarantee of €25,967k, issued by the company Mutuelle du Mans with reference to the adequacy of the technical provisions of the companies MMI Danni and MMI Assicurazioni purchased in 2005 by Navale Assicurazioni merged into Unipol in 2010;
- ✓ guarantees given by the Agents individually through insurance or banking sureties for €16,764k. The amount also includes the guarantees given by preceding Agents established to benefit, earlier than indicated by the National Agreement, from the liquidation relating to the accrued portfolio indemnities.
- ✓ guarantees given by the Agents in collective form through the agent suretyship fund or through surety policies in compliance with the provisions of the National Agents Agreement for €3,651k;

Note that of the guarantees given by third parties in the interest of the company, of note were the guarantees of €561,689k given by the holding company Unipol Gruppo in favour of the bondholders of the subordinated loans that Unipol Assicurazioni took over as issuer in 2009.

The item also comprises €115,576k of sureties for participation in tenders, €72,008k of a surety issued to CONSAP and €70,000k as UBI Banca surety for Telespazio.

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The amount of the other guarantees received refers to the guarantees issued by the holding company Unipol Gruppo by granting a sale option on 246,726,761 Unipol Banca shares, corresponding to 27.49% of the investee's share capital for a strike price of €579,073k at 31 December 2017.

The detail of the commitments is shown in the following table:

Amounts in €k

<i>Commitments</i>	2017	2016	Change on 2016
Financial derivatives	7,930,875	8,146,957	(216,082)
Capital subscribed	594,148	403,438	190,710
Taxes to be paid on Life technical provisions	69,422	69,755	(333)
Other commitments	210,777	39,160	171,617
Total	8,805,222	8,659,311	145,911

The commitments recorded for transactions on derivatives at year end amounted to a total of €7,930,875k and are connected with Class C investments for €7,922,642k and Class D investments for €8,233k. The values are detailed in Annex 18.

Commitments for capital subscribed refer to the capital still to be paid on the closed funds.

The taxes to be paid on Life technical provisions refer to the commitment of paying the substitute tax due for the year 2017 on the mathematical provisions, pursuant to Decree Law 209/2002, to be paid in 2018.

The other commitments consist of commitments to purchase properties under construction (€39,027k), of the commitment to disburse a loan of €126,750k to Unipol Banca, taken within the plan for the restructuring of the banking business as illustrated in the Management Report, and of the commitment to disburse a loan of €45,000k to AlfaEvolution Technology.

Third party assets comprise mainly office equipment as well as €177k corresponding to the value of the securities obtained as collateral for the reinsurance business.

Assets attributable to pension funds managed in name and on behalf of third parties refer to the following Pension Funds:

Amounts in €k

Fund	2017
Arco Senza Garanzia	136,394
Cooperlavoro	144,311
Filcoop	44,369
Previcoper	149,903
Solidarieta' Veneto	132,065
Agrifondo	4,725
Total	611,767

The breakdown by type follows:

Amounts in €k

<i>Types</i>	2017
Bonds	329,161
Equities	205,431
Liquidity	74,650
Other net assets	2,526
Total	611,767

Details of the guarantees given and received, and of the commitments are provided in Annex 17.

Distinction by depositary entity category of the securities deposited with third parties is shown in the following table. The balance at 31 December 2017 was €41,425,716k.

Amounts in €k

<i>Depositary entity</i>	2017	2016	Change on 2016
Group companies	36,171,303	37,524,166	(1,352,864)
Banks	3,509,336	3,711,670	(202,335)
Issuers	1,744,463	1,183,828	560,635
Others	614	787	(172)
Total	41,425,716	42,420,451	(994,563)

Other memorandum accounts, whose balance at 31 December 2017 amounted to €11,502k, consisted mainly of deposits for books on claims almost entirely established at the associate Unipol Banca.

€614k in the table refers to the value of securities at third parties under guarantee for the inwards reinsurance business.

At 31 December 2017 there are no potential liabilities to report pursuant to Art. 2427 of the Civil Code.

Information on financial derivatives

In compliance with the instructions issued by IVASS (Regulation no. 24 of 6 June 2016) and consistent with the guidelines established by the Company's Board, the use of derivatives during the year was aimed solely at hedging the risk of security position and the exchange rate or portfolio management optimisation risk, ruling out merely speculative aims.

These aims were achieved through the specific derivatives listed in the Board of Directors resolution and involved securities held in portfolio at the time of conclusion of the related contract and for its entire duration.

All the transactions were initiated with banking counterparties or similar or proven reliability.

For the determination of the fair value of OTC type derivatives, UnipolSai, and the Group it belongs to, use valuation methods (Mark to Model) in line with the methods generally used by the market and based on data directly available on the market.

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For derivatives on which a CSA (Credit Support Annex) collateralisation agreement is provided between the companies of the UnipolSai Group and the authorised market counterparties, provision is made for use of the EONIA discount curve (Euro OverNight Index Average). As regards uncollateralised derivatives, CVA (Credit Valuation Adjustment) and DVA (Debit Valuation Adjustment) adjustments are made. It should be noted that, at 31 December 2017, almost all derivative positions represent collateralised contracts for which CSA agreements are in place with the counterparties involved in the trading.

The objective of the models used to calculate the fair value is to obtain a value for the financial instrument consistent with the assumptions that market participants would use to quote a price, assumptions that also concern the risk inherent in a particular valuation technique and/or in the inputs used.

For the proper Mark to Model valuation of each category of instrument, adequate and consistent pricing models must be defined beforehand as well as the market parameters.

The list of the main models used within the UnipolSai Group for Mark to Model pricing of OTC derivatives is provided below:

- Securities and interest rate derivatives:
 - Discounted cash flows;
 - Black;
 - Black-Derman-Toy;
 - Hull & White 1.2 factors;
 - Libor Market Model;
 - Longstaff & Schwartz;
 - Kirk.
- Securities and inflation derivatives:
 - Discounted cash flows;
 - Jarrow-Yildirim.
- Securities and share, index and exchange rate derivatives:
 - Discounted cash flows;
 - Black-Scholes.
- Securities and credit derivatives
 - Discounted cash flows;
 - Hazard rate models.

The main observable market parameters used to perform Mark to Model valuations are as follows:

- interest rate curves for reference currency;
- interest rate volatility surface for reference currency;
- CDS spread or Asset Swap spread curves of the issuer;
- inflation curves for reference currency;
- reference exchange rates;
- exchange rate volatility surface;
- share or index volatility surface;
- share reference prices;
- reference inflation curves.

The main non-observable market parameters used to perform Mark to Model valuations are as follows:

- correlation matrices between exchange rates and risk factors;
- historical volatility;
- credit risk parameters such as the recovery rate.

The derivatives for which there may be no consistent and validated valuation models available for the purposes of measuring fair value, are valued on the basis of the prices provided by the counterparty. It should be noted that, at 31 December 2017, almost all derivative positions represent contracts for which the measurement is of the internal Mark to Model type and the market parameters used for the measurement are exclusively of the observable type.

In the termsheets of the derivatives in the portfolio of the company at 31 December 2017 there are no specific significant terms and conditions that may influence the amounts, the maturities and the certainty of the future flows differently from the contractual provisions.

The open positions in derivatives at 31 December 2017, set up with 16 counterparties and with a portion of the reference capital up to a maximum of €250,000k, are shown in the following table:

Amounts in €k

Transaction description	Hedging		Effective management		Total		Overall exposure
	No.	Fair value	No.	Fair value	No.	Fair value	
Forward purchases of currency	6	(2,147)			6	(2,147)	129,337
Forward sales of currency	104	23,332			104	23,332	1,876,888
Purchase of call options			10	28,146	10	28,146	629,450
Purchase of put options	10	28,809			10	28,809	942,500
Sale of put options	10	(6,607)			10	(6,607)	715,000
Purchase of Swaptions	1	4,063			1	4,063	200,000
Total contracts with equity swaps	131	47,451	10	28,146	141	75,597	4,493,176
Purchase of Interest Rate Swaps	23	31,796			23	31,796	1,961,000
Purchase of Credit Default Swap	1	(5,460)			1	(5,460)	200,000
Purchase of Asset Swaps	19	(236,792)	1	1,577	20	(235,215)	1,268,466
Total contracts without equity swaps	43	(210,455)	1	1,577	44	(208,878)	3,429,466
Grand total	174	(163,004)	11	29,723	185	(133,281)	7,922,642

The forward purchases and sales of currency made in the year refer to the following currencies: Euro, US Dollar, Pound Sterling, Swiss Franc and Japanese YEN.

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Income Statement

The results achieved in 2017 are summarised in the reclassification statement of the income statement, the most salient aspects of which are recalled below:

<i>Amounts in €k</i>	2017	2016	Change on 2016
Technical balance: Life	204,162	220,777	(16,615)
Non-life	501,718	349,806	151,911
Total	705,880	570,583	135,297
Income from investments, other gains and losses	94,877	3,650	91,227
Profit (loss) from ordinary operations	800,757	574,234	226,523
Extraordinary components	15,994	60,089	(44,095)
Pre-tax profit (loss)	816,751	634,322	182,429
Net profit (loss)	577,199	458,479	118,720

Section 18 - Information on Non-Life business technical account (I)

The gross premiums at 31 December 2017 amounted to €6,910,306k, decreasing by €57,921k (833.9) compared to 31 December 2016. The premiums regarding indirect business amounted to €9,175k and account for 0.1% of the total. Net of reinsurance, the premiums earned amounted to €6,456,345k compared to 31 December 2016, i.e. €6,586,270k. The premiums are broken down by business segment in the Management Report.

The summarised information on Non-Life business technical account - Italian business and foreign business - is reported in Annex 19.

Other technical income, net of reinsurance (item I.3), equalled €44,466k) at 31 December 2017 (€45,219k at 31 December 2016) and included €19,167k regarding the Land vehicle TPL class, mostly consisting of recovered expenses for managing claims on behalf of foreign companies, €1,380k of recovered commissions following the introduction of the Bersani Decree and €14,189k as commissions on premiums of previous years cancelled. Indirect business included €8,776k as reinstated premiums estimated on claims provision.

The charge of the claims for the Non-Life business (item I.4) amounted to €4,369,411k, versus €4,445,948k (2016 figure) and included, in addition to the change in the claims provision, the amounts paid in the year for direct and indirect business as compensation and settlement expenses, net of the relevant recoveries and the reinsurers' shares, as established by Art. 48 of Legislative Decree 173 of 26 May 1997. The provision on the claims of previous generations amounted to 8,479,698k at the end of the period.

The changes, referred to Italian direct business, are summarised in the table below:

<i>Amounts in €k</i>	2017
Opening claims provision	11,925,741
Payments in the year for prior year claims	3,118,410
Closing claims provision	8,479,698
Breakdown of claims provision	327,633
% impact on opening provision	2.75%

When considering the amounts to be recovered and the recoveries made, the positive breakdown was as follows:

<i>Amounts in €k</i>	2017
Amounts to be collected at the end of the previous year	126,472
Amounts collected in the year	110,564
Amounts to be collected at the end of the year	92,674
Changes in the amounts to be collected	76,766
Total effect	404,399

The breakdown of the provisions for claims of previous years was positive on nearly all classes. The savings realised closed claims compared to the initial claims provision improved compared to the previous years.

The savings for the TPL classes (MV and General TPL) were mostly used, to revalue cases still in reserve, whilst in the other Non-Life classes they enabled the realisation of positive run-offs.

As shown in the table, the positive overall result of the breakdown of the claims provisions also benefited from a significant positive differential relating to the recoveries (€76,766k).

The amount of the reversals and profit sharing (item 1.6) recognised to the policyholders or other beneficiaries represented a net balance of €7,874k (€10,200k as at 31 December 2016) and referred almost entirely to technical profit sharing.

Operating expenses amounted to €1,799,741k, already net of the commissions received from reinsurers (€149,913k), and included acquisition and collection expenses for €1,621,652k (down by 0.9%% compared to the 2016 figure) and other administrative expenses for €315,003k (-5.2% compared to the 2016 figure) with a %, respectively (% and % impact on premiums.

The balance of item 1.7.f "commissions and profit sharing from reinsurers", equal to €149,913k (+5.1% compared to the 2016 figure), referred to commissions for €117,529k and to profit sharing for €32,385k.

Other technical charges, net of reinsurance (item 1.8), at 31 December amounted to €175,657k (€160.455k in 2016), of which:

- €164.590k direct business,
- €987k indirect business,
- €10.080k premium ceded.

In direct business the most significant items included cancelled premiums of previous years for €106.356k, the management rights of the CARD room for €5.096k and contributions for €45.864k.

Premiums ceded included mainly the estimate of the reinstated premiums on claims provisions for €9.733k.

Item 1.9 "change in equalisation provisions", which was negative by €3,090k, is due to the higher provisions in the year compared to the previous year. The detail of these provisions, by class, is reported in section no. 10 (Technical provisions). The change in indirect business equalled €223k of costs.

Transfer of shares of the profit from investments from the non-technical account and indication of the base applied for the calculation - Item 1.2

The profit from investments assumed to determine the share to be transferred to the Non-Life business technical account derives from the sum of the amounts, posted in the non-technical account, of the gains on investments and the relevant asset and financial charges.

3 Notes to the Financial Statements

The share to be assigned to the technical account, pursuant to ISVAP Regulation no. 22 of 4 April 2008 as amended, is obtained by applying to the aforementioned gains on investments the ratio between the semisum of the technical provisions net of the reinsurance at the end of the current year and at the end of the previous one and the same semisum increased by the value of the semisum of the shareholders' equity also resulting at the end of the current year and at the end of the previous one.

The breakdown in the individual portfolios and classes of the share of the profit assigned to the technical account was also made on the basis of the provisions of the aforementioned ISVAP Regulation.

As at 31 December 2017 profits from investments were transferred from the non-technical account to the technical account for €355,756k (€170,378k the 2016 figure).

Section 19 - Information on Life business technical account (II)

The gross premiums at year end amounted to €2,892,188k (decreasing by 4.9% compared to the 2016 figure); the premiums regarding indirect business equalled €370k.

Summarised information on premiums and the reinsurance balance is contained in Annex 20.

The details of the gains on investments (item II.2), which at 31 December 2017 amounted to €1,286,529k (€1,315,850k the figure at 31 December 2016) is shown in Annex 21.

Detailed in Annex 22 are the unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.3), which at 31 December 2017 amounted to €170,972k (€177,791k the 2016 figure).

The other technical income, net of reinsurance (item II.4), amounted to €23,321k (€21,686k the 2016 figure) and included €20,912k of commissions for investments relating to benefits linked to investment funds and market indices and investments arising from pension fund management.

As regards charges regarding servicing, the gross sums paid (item II.5 a) aa)) amounted to €3,442,895k compared to 31 December 2016 that amounted to €2,641,509k (+30.3%) and included:

<i>Amounts in €k</i>	2017	2016	Change on 2016
Capital and annuities accrued	1,773,950	1,097,300	676,650
Surrenders and advances	1,514,497	1,394,252	120,245
Claims	146,587	140,991	5,597
Settlement expenses	4,770	5,341	(572)
Indirect business	3,091	3,625	(534)
Total	3,442,895	2,641,509	801,386

The change in provision for amounts payable, net of the reinsurers' share, equalled €43,263k (-€111,395k the 2016 figure).

The change in technical provisions, net of reinsurance (item II.6), amounted to -€23,443k (€1,112,704k the 2016 figure).

Item II.7 "reversals and profit sharing, net of reinsurance" amounted to -€235k at 31 December 2017 (€1,557k the 2016 figure) and consisted entirely of reversals.

Operating expenses (item II.8) amounted to €150,277k (-2.4% compared to the 2016 figure), already net of the commissions received from reinsurers (€374k), and included acquisition and collection expenses for €102,086k (-10.0% compared to the 2016 figure) and other administrative expenses for €56,197k (-1.8% compared to the 2016 figure, with a 1.9% impact on premiums).

The item II.8.f “commissions and profit sharing from reinsurers”, which at 31 December 2017 equalled €374k (-13.1% compared to the 2016 figure), referred entirely to commissions.

The detail of asset and financial charges (item II.9), which at 31 December 2017 amounted to €309,917k, versus €302,070k in 2016, is shown in Annex 23.

These charges included write-downs regarding bonds, shares and fund units for €100,528k and write-downs regarding derivative financial instruments for €6,062k.

Detailed in Annex 24 are the asset and financial charges and the unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.10), equal to €112,416k (€108,177k the 2016 figure).

Other technical charges, net of reinsurance (item II.11), equal to €37,598k (+2.4% compared to the 2016 figure), mainly comprised:

- management fees for €25,921k;
- cancelled premiums of previous years for €9,280k;
- commissions on investments related to Unit-Linked Policies and pension funds for €619k.

Transfer of shares of the profit from investments to the non-technical account and indication of the base applied for the calculation - Item II.12

The profit from investments assumed to determine the share to be transferred to the non-technical account derives from the sum of the amounts, posted in the technical account, the gains on investments and the relevant asset and financial charges. Excluded for the purposes above are unrealised gains as well as unrealised asset and financial charges relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management, which remain as entirely attributed to the technical account.

The share to be assigned to the non-technical account, pursuant to ISVAP Regulation no. 22 of 4 April 2008, as amended, is obtained by applying to the aforementioned profit from investments the ratio resulting between:

- the semisum of the shareholders' equity resulting at the end of the current year and at the end of the previous one;
- this amount, increased by the semisum of the technical provisions (net of reinsurance) also resulting at the end of the year and at the end of the previous one.

However, if the profit from investments that remains assigned to the Life business technical account is lower than the amount of the profits from investments contractually recognised to the policyholders in the year, the portion to transfer to the non-technical account must be adequately reduced by an amount equal to this lower value, until it is entirely cancelled.

The breakdown of the individual portfolios and classes of the portion of the profit from investments regarding the technical account was based on their actual origin until reaching the portion of the income equal to the profits from investments contractually recognised to the policyholders; the propositional method envisaged by the aforementioned ISVAP Regulation was applied to the remaining difference.

Based on the results of the calculation made according to these criteria, €100,676k (€103,048k the 2016 figure) were transferred from the Life technical account to the non-technical account of profits from investments.

Section 20 - Development of the technical items for the class

20.1 Non-Life insurance

The summary of technical accounts by individual class (Italian portfolio) is shown in Annex 25.

The accounting entries pertaining to the technical accounts are posted in the accounts mainly broken down by class.

The accounting entries that are common to more classes pertain to the overheads.

To attribute the overheads to the individual classes, direct attributions were partly made. Different parameters were also partly applied, based on the nature of the expense to break down. The main parameters used were determined on the basis of the premiums, the number of policies and the compensations paid.

On this point reference is made to section A - Measurement criteria.

The summary of the technical account summarising all Non-Life classes (Italian portfolio) is shown in Annex 26.

20.2 Life insurance

The summary of technical accounts by individual class (Italian portfolio) is shown in Annex 27.

The accounting entries pertaining to the technical accounts are posted in the accounts mostly broken down by class.

The accounting entries that are common to more classes pertain to the overheads and income from investments.

As regards the latter, net of any portion transferred to the non-technical account, this was allocated to the classes proportionally to the technical provisions according to the already mentioned ISVAP Regulation no. 22 of 4 April 2008 as amended or integrated.

Overheads were assigned to the individual classes through various parameters, such as payments, parties insured and commissions paid.

On this point reference is made to section A - Measurement criteria.

The summary of the technical account summarising all Life classes (Italian portfolio) is shown in Annex 28.

20.3 Non-Life and Life insurance

The summary of the technical accounts summarising all Non-Life and Life classes regarding foreign business constitutes Annex 29.

Section 21 - Information on the non-technical account (III)

The gains on Non-Life business investments (item III.3) amounted to €940,853k (+8.9% compared to the 2016 figure) as detailed in Annex 21.

The Non-Life business asset and financial charges (item III.5) amounted to €461,646k, versus the 2016 figure of €637,073k, are detailed in Annex 23.

Investment management expenses and interest expense (item C.III.5.a), with a balance of €155,188k (€160,634k the 2016 figure), included:

- administrative expenses attributed to the management of investments for €62,888k;
- financial charges linked to derivative financial instruments for €41,131k;
- taxes on investments for €22,926k, €17,222k of which for IMU and €1,137k for other taxes on financial investments;

- issue/trading spreads for €14,204k;
- expenses on securities dossier for €10,778k;
- interest on deposits received from reinsurers for €1,395k.

Value adjustments to investments (item III.5.b) amounted to €194,868k (-28.2% compared to the 2016 figure) and consisted of alignments of shares, interests and fund units for €122,960k, of bonds for €3,271k and on other financial investments for €12,819k.

This item also included the write-downs of properties totalling €55,819k, €45,633k of which referred to the portions of amortisation and €10,186k referred to write-downs for value adjustments.

The item III.7 "other income" equalled €176,974k at 31 December 2017, versus €179,385k (2016 figure), with a -1.3% change, broken down as follows:

Amounts in €k

	2017	2016	Change on 2016
Other income			
Interest income	8,349	7,662	687
Recovery of expenses	53,680	55,806	(2,126)
Positive exchange rate differences	16,150	847	15,303
Withdrawals from provisions	73,650	77,863	(4,212)
Commission on placement of bank products	7,228	7,756	(528)
Other income	9,623	18,148	(8,526)
Recovery of expenses for management of Roadway Accident Victims Fund (FVS)	8,294	11,303	(3,009)
Total	176,974	179,385	(2,410)

Interest income included €708k as interest on deposits and €7,640k as interest on other receivables.

The income from recovered administrative costs from services provided equalled €52,508k, of which €34,100k refer to services performed.

Withdrawals from provisions refer for €55,762k to the provision for risks and charges for liabilities set aside in previous years and occurred in the current year, and for €17,888k to bad debt provisions, of which €11,176k relating to losses recognised in the period and €6,712k to surplus provisions.

Other income includes €2,550k which represent the compensation for the management of real estate assets both from Group companies and from third parties.

The item III.8 "other charges" equalled €306,224k at 31 December 2017 (€335,173k the 2016 figure), broken down as follows:

Amounts in €k

	2017	2016	Change on 2016
Other charges			
Interest expense	75,236	76,653	(1,418)
Allocations to provisions	23,202	33,031	(9,828)
IVASS penalties	1,416	2,517	(1,100)
Charges for man./plac. pens. funds/banking prod.	7,229	7,413	(184)
Negative exchange rate differences		6,816	(6,816)
Sundry taxes	2,020	2,874	(854)
Charges on behalf of third parties	39,283	38,436	847
Sundry charges	157,838	167,433	(9,595)
Total	306,224	335,173	(28,948)

3 Notes to the Financial Statements

Interest expense included mainly €72,274k regarding interest on subordinated loans and €2,962k of interest on other payables.

Sundry charges included €59,756k as amortisation of intangible assets, €55,071k as amortisation of goodwill and insurance portfolios acquired in previous years, €13,451k of impairment losses on receivables and €11,399k of other charges regarding the payment of reimbursed indemnities. Charges on behalf of third parties included costs and other administrative charges for seconded personnel at other companies.

"Extraordinary income" (item III.10) equalled €71,290k versus €96,051k (2016 figure), broken down as follows:

Amounts in €k

	2017	2016	Change on 2016
Extraordinary income			
Gains on disposals of property	23,125	24,669	(1,544)
Gains on trading of securities	4,317	4,975	(658)
Gains on trading of shares and investments	17	906	(889)
Gains on trading of other assets	271	51	219
Extraordinary gains	43,507	65,449	(21,942)
Other income	54		54
Total	71,290	96,051	(24,761)

Regarding gains from properties, securities and investments trading, reference is made to the content of the specific sections of the Management Report and the Notes to the Financial Statements - Section 22.

Among the extraordinary gains, of note is income of €11,800k, relating to the indemnity recognised to the Company by UniCredit S.p.A. on the basis of the bancassurance agreements in force in relation to the subsidiary Incontra Assicurazioni S.p.A. Indeed, as part of the above-mentioned agreements, if the subsidiary did not reach a given volume of actual gross premiums (as defined in the agreement) in the period between 1 January 2012 and 31 December 2016, variable indemnity was agreed upon in favour of UnipolSai based on cumulative premiums during the observation period. The indemnity was paid out in May 2017, following the verification of the degree to which the business objective had been reached by the subsidiary and an amount of €21,007k relating to previous years' taxes. In particular, in 2017 reductions were recognised on the taxes allocated in the 2016 financial statements as a result of positive replies received to tax clarification requests, of better qualifications of components that affected the taxes allocated in the 2016 financial statements and of favourable adjustments deriving from the re-filing of the 2016 Tax Return for 2015.

Extraordinary expenses (item III.11) equalled €55,296k (€35,962k the 2016 figure), broken down as follows:

Amounts in €k

	2017	2016	Change on 2016
Extraordinary expenses			
Losses on disposals of property	6,818		6,818
Losses on long-lived securities	2,297	1,190	1,106
Losses on trading of investments	20		20
Extraordinary losses	9,533	21,630	(12,097)
Settlements	31,409	12,573	18,836
Other charges	5,214	545	4,669
Losses on disposals of other assets	5	24	(19)
Total	55,296	35,962	19,334

Losses on disposals concern the long-term investments segment.

The transactions mainly include expenses deriving from the definition of legal proceedings initiated during the period, which received allocations in previous years.

Extraordinary losses comprise an amount of €3,785k relating to taxes referred to previous years.

Item III.14 "Income tax for the year" represented a total charge of €239,552k (€175,843k the 2016 figure), €210,472k of which regarding current IRES and IRAP taxes of the year, €2,485k relating to substitute taxes under Art. 15, paragraph 10 of Decree Law no. 185/2008 in addition to the net balance of the deferred tax assets and liabilities for €26,595k.

The table below reports the changes occurred:

Amounts in €k

	IRES	IRAP	Total
Current and substitute taxes	(179,402)	(33,555)	(212,957)
Deferred tax assets and liabilities:			
- use of deferred tax assets	(95,170)	(3,918)	(99,088)
- use of deferred tax liabilities	38,114	1,026	39,141
- recognition of deferred tax assets	39,876	62	39,937
- recognition of deferred tax liabilities	(6,586)		(6,586)
Balance on deferred tax assets/liabilities	(23,765)	(2,830)	(26,595)
TOTAL	(203,167)	(36,385)	(239,552)

3 Notes to the Financial Statements

The statement of reconciliation between theoretical and effective IRES and IRAP tax charges is provided below, showing the changes compared to the previous year.

<i>Amounts in €k</i>	2017	2016	Change
Pre-tax profit (loss)	816,751	634,322	182,429
Theoretical IRES - (Expenses)/Income	(196,020)	(174,439)	(21,582)
Tax effect deriving from taxable income permanent changes			
Increases:	(45,420)	(42,406)	(3,014)
- PEX investments - write-downs	(23,348)	(3,808)	(19,540)
- Dividend Washing	(479)	(4,148)	3,668
- Interest expense	(712)	(867)	155
- Taxes and other non-deductible costs	(5,140)	(7,820)	2,680
- Non-deductible goodwill	(6,025)	(7,552)	1,527
- Allocations to provisions for risks	(1,634)	(3,357)	1,722
- Extraordinary losses	(2,279)	(5,785)	3,506
- Recalculation of IRAP tax exemption	(319)	(1,635)	1,316
- property not for own use	(1,621)	(2,013)	393
- Impairment losses on receivables	(600)	(1,285)	686
- Other changes	(3,261)	(4,135)	873
Decreases:	40,758	74,389	(33,632)
- PEX investments - gains exempt	4	2,183	(2,179)
- Dividends excluded	27,595	19,386	8,209
- IRAP deduction	805	666	139
- ACE relief	4,166	28,911	(24,745)
- Extraordinary gains	7	13,773	(13,766)
- Withdrawals from provisions for risks	1,849	4,228	(2,380)
- Redeemed goodwill	2,261	468	1,793
- Other changes	4,070	4,774	(704)
IRES pertaining to the year - (Expenses)/Income	(200,682)	(142,455)	(58,227)
- Theoretical IRAP on the technical result	(48,141)	(38,914)	(9,227)
- Dividends and overheads	6,872	6,392	480
- Deductible amortisation/depreciation	3,147	2,445	702
- Gains on transfers of property not for own use	(1,367)	(1,399)	32
- Other changes	3,104	2,432	673
IRAP	(36,385)	(29,044)	(7,341)
Substitute taxes	(2,485)	(4,344)	1,859
Total Income Tax	(239,552)	(175,843)	(63,709)

Lastly, the statement under Art. 2427, paragraph 1, no. 14 of the Civil Code is also enclosed, which contains the temporary differences that led to the recognition of deferred tax assets and liabilities, calculated by applying to these temporary differences the nominal tax rates in force at the time when these will be brought forward as provided for by the national accounting standard no. 25.

Amounts in €k	2017 Fiscal effect (*)		2016 Fiscal effect (*)		Change	
	Amount	Tax effect	Taxable amount	Tax effect	Taxable amount	Tax effect
DEFERRED TAX ASSETS						
IRES						
Valuation of Outstanding Equity Portfolio	52,330	12,559	55,891	13,414	(3,561)	(855)
Write-downs of securities (Art. 9 of the Consolidated Income Tax Act)	18,454	4,429	15,014	3,603	3,440	826
Change in Life Business technical provisions	64,522	15,486	59,132	14,191	5,390	1,295
Change in Non-Life Business claims provision	636,686	152,804	697,623	167,430	(60,937)	(14,626)
Write-downs of Property	576,469	138,353	603,049	144,732	(26,580)	(6,379)
Depreciation of property and other assets	28,022	6,726	28,244	6,779	(222)	(53)
Goodwill amortisation	740,752	177,781	747,407	179,378	(6,655)	(1,597)
Provisions for personnel expenses	134,207	32,210	171,092	41,061	(36,885)	(8,851)
Provision for risks and charges	448,717	107,692	498,680	119,683	(49,963)	(11,991)
Write-downs of receivables from policyholders	452,895	108,695	513,336	123,201	(60,441)	(14,506)
Other changes	2,365	567	5,449	1,308	(3,084)	(741)
Substitute tax realignment		8,264		2,513		5,751
TOTAL IRES	3,155,419	765,566	3,394,917	817,293	(239,498)	(51,727)
IRAP						
Unrealised losses on outstanding investments up to 2007			663	45	(663)	(45)
Write-down of Property	592,990	40,442	568,910	38,800	24,080	1,642
Depreciation of property and other assets	8,263	564	7,974	543	289	21
Goodwill amortisation	739,421	50,428	745,606	50,850	(6,185)	(422)
Write-downs of receivables from policyholders	142,325	9,707	156,448	10,670	(14,123)	(963)
Property Fund capital gain and other changes	15,375	1,049	15,375	1,049		
TOTAL IRAP	1,498,374	102,190	1,494,976	101,957	3,400	232
TOTAL DEFERRED TAX ASSETS	4,653,793	867,756	4,889,893	919,250	(236,098)	(51,495)

(*) Rate: 24% IRES; 6.82% IRAP

3 Notes to the Financial Statements

The deferred taxes are detailed below:

<i>Amounts in €k</i>	2017 Fiscal effect (*)		2016 Fiscal effect (*)		Change	
	Amount	Tax effect	Taxable amount	Tax effect	Taxable amount	Tax effect
DEFERRED TAX LIABILITIES						
IRES						
Tax gains on property	155,246	37,338	180,901	43,416	(25,655)	(6,078)
Capital gains on property for own use, applied in instalments	186,740	44,428	292,455	70,189	(105,715)	(25,761)
TOTAL IRES	341,986	81,766	473,356	113,605	(131,370)	(31,839)
IRAP						
Tax gains on property	105,734	7,212	120,523	8,220	(14,789)	(1,008)
TOTAL IRAP	105,734	7,212	120,523	8,220	(14,789)	(1,008)
TOTAL DEFERRED TAX LIABILITIES	447,720	88,978	593,879	121,825	(146,159)	(32,847)

(*) Rate: 24% IRES; 6.82% IRAP

The items excluded from the calculation of deferred tax liabilities included the write-downs, and the correlated write-backs, on interests that meet the requirements of Art. 87 of Presidential Decree 917/1986 which, although the part of the capital gain that became taxable after the amendments made to the Pex regulations can be theoretically brought forward, do not present the elements of objective determinability required for their correct valuation.

Section 22 - Information on the income statement

Relations with group companies and other investees are detailed in Annex 30.

The main items are commented on in the special Section of the Management Report.

The statement summarising the premiums written for direct business by geographical area is shown in Annex 31.

The charges regarding human resources, directors and statutory auditors are detailed in Annex 32.

The number of employees at 31 December 2017, broken down by category, is as follows:

	2017
Executives	175
Officers	1,600
Office workers	5,696
Other	9
Total	7,480

Considering the number of employees as FTE (Full Time Equivalent), the total equalled 7,239 resources.

Results on sales of capitalised securities

In the Non-Life business, there were no early disposals of bonds attributed to the long-term segment, while in the Life business the sales carried out in 2017 concerned a bond and entailed recording net losses of €2,020k.

The sales made are part of the strategy to reduce the exposure of structured financial products. These securities were included in the category of complex structured financial assets.

Results on transactions in financial derivatives

Transactions involving derivatives brought about total net income of €22,939k, of which €9,771k on transactions closed during the period and €13,168k on transactions still in existence at the end of the year. The following table provides the details of the expenses and income recognised in 2017 by type of derivative and of transaction.

Amounts in €k

	Closed transactions	Ongoing transactions at year-end	Impact on Comprehensive Income Statement
Hedging derivatives			
- options on share	(12,654)	(6,094)	(18,748)
- options on bonds	(5,775)		(5,775)
- options on rates	(14,108)		(14,108)
- swaps other	(1,470)	(27)	(1,497)
- swaps on rates	(40,849)	4,399	(36,450)
- swaps on currencies	(1,559)		(1,559)
- Other transactions	86,439	21,185	107,624
Total hedging derivatives	10,023	19,464	29,487
Other derivatives transactions			
- options on share	1,294	(5,891)	(4,597)
- options on rates	(860)		(860)
- swaps on rates	(686)	(405)	(1,091)
Total other derivatives transactions	(252)	(6,296)	(6,548)
Grand total	9,771	13,168	22,939

Part C: Other Information

Statement summarising the key figures of the financial statements of Unipol Gruppo at 31 December 2016 and 31 December 2015 restated

In accordance with Art.2497 et seq. of the Civil Code, the company Unipol Gruppo carries out management and coordination activities.

Amounts in €m

Statement of financial position	31.12.2016	31.12.2015 restated
ASSETS		
A) SUBSCRIBED CAPITAL, UNPAID		
B) FIXED ASSETS		
I Intangible assets	4.7	6.1
II Property, plant and equipment	1.3	1.7
III Financial assets	6,420.2	6,116.9
TOTAL FIXED ASSETS	6,426.2	6,124.7
C) CURRENT ASSETS		
I Inventories		
II Receivables	553.6	791.8
III Current financial assets	105.3	315.8
IV Cash and cash equivalents	1,064.8	875.2
TOTAL CURRENT ASSETS	1,723.7	1,982.9
D) ACCRUALS AND DEFERRALS	0.8	1.6
TOTAL ASSET	8,150.6	8,109.1
LIABILITIES		
A) SHAREHOLDERS' EQUITY		
I Share capital	3,365.3	3,365.3
II Share premium reserve	1,410.0	1,410.0
III Revaluation reserves	20.7	20.7
IV Legal reserve	545.7	529.1
V Statutory reserve		
VI Reserve for treasury shares in portfolio	282.2	261.2
VII Other reserves		
VIII Retained profit (loss)	(293)	(371)
IX Profit (loss) for the year	159.9	243.5
X Negative reserve for treasury shares	(15.5)	(21.2)
TOTAL SHAREHOLDERS' EQUITY	5,475.5	5,437.9
B) PROVISIONS FOR RISKS AND CHARGES	737.2	693.6
C) POST-EMPLOYMENT BENEFITS	0.0	0.2
D) PAYABLES	1,937.9	1,977.3
TOTAL LIABILITIES	8,150.6	8,109.1

INCOME STATEMENT	31.12.2016	31.12.2015 restated
A) VALUE OF PRODUCTION	44.3	55.0
B) COSTS OF PRODUCTION	77.7	185.9
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	(33.4)	(130.9)
C) FINANCIAL INCOME AND CHARGES	227.2	304.5
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	(55.6)	(71.3)
PRE-TAX PROFIT (LOSS)	138.2	102.3
PROFIT (LOSS) FOR THE YEAR	159.9	243.5

The key figures about the holding company Unipol Gruppo, shown in the previous summarised statement required by Art.2497-bis of the Civil Code, were taken from the relevant financial statements for the years ended 31 December 2016 and 31 December 2015.

For a suitable and comprehensive understanding of the equity-financial position of the Holding company and the economic result obtained by the company in the years ended on these dates, reference is made to the financial statements that, together with the reports by the Independent Auditors and the Board of Statutory Auditors, are available at the Company's registered office, Via Stalingrado 45, Bologna or on the website www.unipol.it.

Consolidated Financial Statements

UnipolSai prepares the Consolidated Financial Statements in accordance with Art.154-ter of Legislative Decree 58/1998 (Consolidated Law on Finance) and of ISVAP Regulation no. 7 of 13 July 2007, as amended, in accordance with the IAS/IFRS standards issued by the IASB and endorsed by the European Union. A copy of the Consolidated Financial Statements at 31 December 2017 of UnipolSai is available at the company's registered office and on the web site (www.unipolsai.com).

UnipolSai is directly controlled by the mixed financial holding company Unipol Gruppo S.p.A., a company listed on the Italian Stock Market in Milan, with its registered office in Bologna - Via Stalingrado, 45, which prepares the Consolidated Financial Statements in accordance with Art.154-ter of Legislative Decree no. 58/1998 (Consolidated Law on Finance) and of ISVAP Regulation no. 7 of 13 July 2007, as amended, in accordance with the IAS/IFRS standards issued by the IASB and endorsed by the European Union. Unipol Gruppo carries out management and coordination activities with respect to the (direct and indirect) subsidiaries. It is also the parent of the Unipol Insurance Group enrolled in the Register of Insurance Groups - No. 046 and parent company of the Unipol Banking Group.

As a result of the total split of Finsoe S.p.A., entered into force on 15 December 2017, Unipol Gruppo also took on the role of mixed financial holding company leading the Unipol financial conglomerate.

A copy of the Consolidated Financial Statements of Unipol Gruppo at 31 December 2017 is available at the company's registered office and on the website (www.unipol.it).

3 Notes to the Financial Statements

Fees for audit and non-audit services

Pursuant to Art.149-duodecies of Consob Issuer's Regulation, the following table shows the fees paid by the Company to the independent auditors, or members of the same network, for audit assignments and the provision of other services indicated separately by type or category.
The remuneration did not include VAT and expenses.

Amounts in €k

Type of services	Provider of the service	Recipient	Fees
Audit	PricewaterhouseCoopers S.p.A.	UnipolSai Assicurazioni S.p.A.	2,340
Attestation services	PricewaterhouseCoopers S.p.A.	UnipolSai Assicurazioni S.p.A.	508
Other services	PricewaterhouseCoopers S.p.A.	UnipolSai Assicurazioni S.p.A.	40
Other services	PricewaterhouseCoopers Advisory S.p.A.	UnipolSai Assicurazioni S.p.A.	54
Total			2,942

The fees received by the Independent auditors PricewaterhouseCoopers S.p.A. from the subsidiaries of UnipolSai Assicurazioni are broken down by type below:

Amounts in €k

Type of services	Provider of the service	Recipient	Fees
Legally-required audit	PricewaterhouseCoopers S.p.A.	Subsidiaries	647
Legally-required audit	PricewaterhouseCoopers d.o.o.	Subsidiaries	77
Legally-required audit	PricewaterhouseCoopers Dublin	Subsidiaries	254
Attestation services	PricewaterhouseCoopers S.p.A.	Subsidiaries	15
Total			992

Proposed allocation of profit for the period and relevant effects on the shareholders' equity

Proposed allocation of the profit for the period

Dear Shareholders,

The Board of Directors submits to the Ordinary Shareholders' Meeting the following resolution proposal.

"The Ordinary Shareholders' Meeting of UnipolSai Assicurazioni S.p.A. ("UnipolSai" or the "Company"),

- having examined the draft financial statements of the Company at 31 December 2017, accompanied by the annexes and documentation required by Legislative Decree 209 of 7 September 2005, as well as the annexes and additional documents drawn up pursuant to ISVAP Regulation no. 22 of 4 April 2008, as subsequently amended, having read the Management Report and having accepted the Board of Statutory Auditors' Report and the report prepared by the company PricewaterhouseCoopers S.p.A. appointed to serve as the independent auditor;
- having examined the results of said draft financial statements, which close with profit for the year totalling €577,198,961.53, of which €378,403,608.06 relating to the Non-Life business and €198,795,353.47 relating to the Life business;
- having acknowledged that the legal reserve existing in the financial statements at 31 December 2017 and unchanged at the current date, has already reached the limit of 20% of the share capital;
- having acknowledged that as things currently stand, the Company directly holds 1,800,000 treasury shares,

hereby resolves

- to approve the financial statements of UnipolSai at 31 December 2017, accompanied by the Management Report, recording profit for the year of €577,198,961.53, of which €378,403,608.06 relating to the Non-Life business and €198,795,353.47 relating to the Life business (the "Profit for the year");
- to approve the proposed allocation of the Profit for the year at 31 December 2017, in compliance with Art. 27 of the By-Laws, as follows:
 - distribution of a total of €410,048,018.94, of which €308,464,775.69 relating to the Non-Life business and €101,583,243.25 relating to the Life business, and thus the distribution of a unit dividend, also in consideration of the redistribution pertaining to treasury shares, equal to €0.145 for each entitled ordinary share;
 - allocation of the residual Profit for the year – totalling €167,150,942.59 – to the Extraordinary reserve posted in the item Other provisions of shareholders' equity, of which €69,938,832.37 attributed to the Non-Life business and €97,212,110.22 attributed to the Life business,
 also with warning that the possible change in the number of treasury shares in the portfolio of the company at the time of the distribution will have no incidence on the amount of the unit dividend as established above, but will increase or decrease the amount allocated to Extraordinary reserve;
- to set the dividend payment date as 23 May 2018 (ex-dividend date of 21 May 2018 and record date of 22 May 2018)."

Effects on the shareholders' equity

Below, separately for the Life and Non-Life businesses, are the statements regarding the amount of each immovable property under items A.I to A.X of the Statement of Financial Position - Liabilities and Shareholders' equity updated on the basis of the profit allocation proposal resulting from the financial statements.

Breakdown of Non-Life Shareholders' Equity

<i>Amounts in €k</i>	Balances at 31 December 2017	Allocation of profit and dividend distribution	Post-resolution balances
I Share capital	1,528,514		1,528,514
II Share premium reserve	147,888		147,888
III Revaluation reserves	96,559		96,559
IV Legal reserve	305,703		305,703
V Statutory reserve			
VI Reserve for shares of the holding company	7,327		7,327
VII Other reserves	1,153,589	69,939	1,223,528
VIII Retained profit (loss)			
IX Profit (loss) for the year	378,404		
X Negative reserve for treasury shares	(55,699)		(55,699)
Dividend distribution		308,465	
Total	3,562,284	378,404	3,253,819

Breakdown of Life Shareholders' Equity

<i>Amounts in €k</i>	Balances at 31 December 2017	Allocation of profit and dividend distribution	Post-resolution balances
I Share capital	502,943		502,943
II Share premium reserve	259,368		259,368
III Revaluation reserves			
IV Legal reserve	100,589		100,589
V Statutory reserve			
VI Reserve for shares of the holding company			
VII Other reserves	1,152,444	97,212	1,249,656
VIII Retained profit (loss)			
IX Profit (loss) for the year	198,795		
X Negative reserve for treasury shares	(23,593)		(23,593)
Dividend distribution		101,583	
Total	2,190,545	198,795	2,088,962

Bologna, 22 March 2018

The Board of Directors





04

**TABLES APPENDED
TO THE NOTES TO THE FINANCIAL STATEMENTS**

4 Tables appended to the Notes to the Financial Statements

Tables appended to the Notes to the Financial Statements

Company

UnipolSai Assicurazioni S.p.A.

Share capital

Subscribed € 2,031,456,338

Paid-up € 2,031,456,338

Registered Office at

BOLOGNA - Via Stalingrado 45

Annexes to the Notes to the Financial Statements

Amounts in K€

N.	DESCRIPTION	*Non-Life	*Life	*Non-Life and Life
1	Statement of Financial Position - Non-Life business	1		
2	Statement of Financial Position - Life business		1	
3	Statement of breakdown of the profit (loss) for the year between the Non-Life business and the Life business			1
4	Assets - Changes in the year in intangible assets (item B) and land and buildings (item C.I)			1
5	Assets - Changes in the year in investments in group companies and other investees: shares and holdings (item C.II.1), bonds (item C.II.2) and loans (item C.II.3)			1
6	Assets - Statement with information relating to investees			1
7	Assets - Statement of changes in investments in group companies and other investees: shares and holdings			1
8	Assets - Breakdown based on the use of other financial investments: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7)			1
9	Assets - Changes in the year in other financial investments with long-lived use: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7)			1
10	Assets - Changes in the year in loans and bank deposits (items C.III.4, 6)			1
11	Assets - Statement of assets relating to benefits linked to investment funds and market indices (item D.I)		3	
12	Assets - Statement of assets arising from pension fund management (item D.II)		21	
13	Liabilities - Non-Life business - Changes in the year in premium provision (item C.I.1) and claims provision (item C.I.2)	1		
14	Liabilities - Changes in the year in mathematical provision (item C.II.1) and provision for profit sharing and reversals (item C.II.4)		1	
15	Liabilities - Changes in the year in provisions for risks and charges (item E) and post-employment benefits (item G.VII)			1
16	Details of assets and liabilities relating to Group companies and other investees			1
17	Information on 'guarantees, commitments and other memorandum accounts'			1
18	Statement of commitments for transactions on derivative contracts			1
19	Summarised information on Non-Life business technical account	1		
20	Summarised information on Life business regarding premiums and the reinsurance balance		1	
21	Gains on investments (items II.2 and III.3)			1
22	Income and unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.3)		1	
23	Asset and financial charges (items II.9 and III.5)			1
24	Charges and unrealised losses relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.10)		1	
25	Non-Life business - Summary of technical accounts by individual class - Italian portfolio	1		
26	Summary of the condensed technical account of all Non-Life classes - Italian portfolio	1		
27	Life business - Summary of technical accounts by individual class - Italian portfolio		1	
28	Summary of the condensed technical account of all Life classes - Italian portfolio		1	
29	Summary of the Non-Life and Life technical accounts - Foreign portfolio			1
30	Relations with group companies and other investees			1
31	Summary of direct business written premiums			1
32	Statement of charges regarding human resources, directors and statutory auditors			1

* State the number of forms and annexes actually filled in. Put 0 if the annex, though required, was not filled in as the items are null. Put n.a. if the company is not obliged to fill in the annex.

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

	Amounts for the year			
A. SUBSCRIBED CAPITAL, UNPAID				1
of which called	2			
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised	4	21,432		
2. Other acquisition costs	6			
3. Start-up and expansion costs	7	5,864		
4. Goodwill	8	429,162		
5. Other long-term costs	9	180,614		10 637,072
C. INVESTMENTS				
I - Land and buildings				
1. Property for corporate business	11	416,194		
2. Property for use by third parties	12	1,851,168		
3. Other property	13	16,207		
4. Other property rights	14	2,279		
5. Fixed assets in progress and payments on account	15	59,554	16 2,345,403	
II - Investments in group companies and other investees				
1. Shares and holdings in:				
a) holding companies	17	7,327		
b) subsidiaries	18	2,138,291		
c) affiliates	19	463,633		
d) associates	20	31,147		
e) other	21	20,734	22 2,661,132	
2. Bonds issued by				
a) holding companies	23			
b) subsidiaries	24			
c) affiliates	25			
d) associates	26			
e) other	27	3,740	28 3,740	
3. Loans to:				
a) holding companies	29	214,785		
b) subsidiaries	30	49,159		
c) affiliates	31			
d) associates	32	6,707		
e) other	33		34 270,651	35 2,935,523
			to be carried forward	637,072

Amounts for the previous year					
					181
			182		
			184	27,932	
			186		
			187	14,758	
			188	467,561	
			189	166,900	190 677,151
			191	438,304	
			192	1,986,619	
			193	23,590	
			194	3,429	
			195	56,143	196 2,508,085
		197	11,005		
		198	1,105,741		
		199	277,732		
		200	33,684		
		201	20,734	202 1,448,896	
		203			
		204			
		205	2,000		
		206			
		207	3,740	208 5,740	
		209	214,785		
		210	50,588		
		211			
		212	8,186		
		213	1,544	214 275,103	215 1,729,738
				to be carried forward	677,151

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

		Amounts for the year			
		amount carried forward		637,072	
C.	INVESTMENTS (continued)				
	III - Other financial investments				
	1. Shares and holdings				
	a) Listed shares	36	463,427		
	b) Unlisted shares	37	52,287		
	c) Holdings	38		39	515,714
	2. Mutual investment fund units			40	1,587,558
	3. Bonds and other fixed-yield securities				
	a) listed	41	8,402,697		
	b) unlisted	42	118,351		
	c) convertible bonds	43	842	44	8,521,890
	4. Loans				
	a) collateralised loans	45			
	b) loans on policies	46			
	c) other loans	47	98,002	48	98,002
	5. Mutual investment units			49	
	6. Bank deposits			50	6,582
	7. Sundry financial investments			51	58,327
	IV - Deposits with ceding companies			52	10,788,072
				53	7,656
				54	16,076,654
D.	bis TECHNICAL PROVISIONS - REINSURERS' SHARE				
	I - NON-LIFE BUSINESS				
	1. Premium provision			58	101,266
	2. Claims provision			59	439,674
	3. Provision for profit sharing and reversals			60	
	4. Other technical provisions			61	
				62	540,940
					17,254,666
					to be carried forward

Amounts for the previous year			
		amount carried forward	677,151
	216	219,341	
	217	52,620	
	218		219 271,961
			220 1,184,114
	221	10,205,989	
	222	27,390	
	223	1,603	224 10,234,983
	225		
	226		
	227	100,835	228 100,835
			229
			230 6,582
			231 74,690
			232 11,873,165
			233 8,371
			234 16,119,359
			238 102,895
			239 472,309
			240
			241
			242 575,204
		to be carried forward	17,371,714

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

		Amounts for the year			
		amount carried forward			
					17,254,666
E.	RECEIVABLES				
	I - Receivables relating to direct insurance business from:				
	1. Policyholders				
	a) for premiums for the year	71	470,620		
	b) for premiums for previous years	72	5,071	73	475,690
	2. Insurance intermediaries			74	771,452
	3. Insurance company current accounts			75	23,658
	4. Policyholders and third parties for amounts to be collected			76	109,593
	77				1,380,394
	II - Receivables relating to reinsurance business, from:				
	1. Insurance and reinsurance companies			78	63,738
	2. Reinsurance intermediaries			79	23
	80				63,760
	III - Other receivables			81	808,728
	82				2,252,882
F.	OTHER ASSETS				
	I - Property, plant and equipment and inventories:				
	1. Office furniture and machines and internal means of transport			83	51,389
	2. Movable assets entered in public registers			84	
	3. Plant and equipment			85	27,483
	4. Inventories and sundry goods			86	4,272
	87				83,144
	II - Cash and cash equivalents				
	1. Bank deposits and post office accounts			88	114,009
	2. Cheques and cash in hand			89	26
	90				114,035
	IV - Other assets				
	1. Transitory reinsurance accounts			92	
	2. Sundry assets			93	1,075,725
	94				1,075,725
	95				1,272,904
	of which Account connecting the Life business			901	
G.	ACCRUALS AND DEFERRALS				
	1. Interest			96	121,770
	2. Rental income			97	1,904
	3. Other accruals and deferrals			98	20,434
	99				144,107
	TOTAL ASSETS				100
					20,924,559

Amounts for the previous year					
		amount carried forward			17,371,714
	251	461,623			
	252	12,279	253	473,901	
			254	787,925	
			255	30,735	
			256	126,472	257
					1,419,033
			258	79,020	
			259	17	260
					79,037
				261	1,058,647
					262
					2,556,717
			263	55,207	
			264		
			265	26,023	
			266	4,257	267
					85,487
			268	77,322	
			269	76	270
					77,397
			272		
			273	1,171,546	274
					1,171,546
			903	62,836	275
					1,334,431
					276
					135,033
					277
					2,403
					278
					16,201
					279
					153,638
					280
					21,416,500

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

	Amounts for the year			
A. SHAREHOLDERS' EQUITY				
I - Subscribed capital or equivalent provision		101	1,528,514	
II - Share premium reserve		102	147,888	
III - Revaluation reserves		103	96,559	
IV - Legal reserve		104	305,703	
V - Statutory reserve		105		
VI - Reserve for shares of the holding company		400	7,327	
VII - Other reserves		107	1,153,589	
VIII - Retained profit (loss)		108		
IX - Gains (losses) in the year		109	378,404	
X - Negative reserve for treasury shares		401	(55,699)	110 3,562,284
B. SUBORDINATED LIABILITIES				111 1,337,939
C. TECHNICAL PROVISIONS				
I - NON-LIFE BUSINESS				
1. Premium provision	112	2,677,437		
2. Claims provision	113	11,473,648		
3. Provision for profit sharing and reversals	114	12,090		
4. Other technical provisions	115	2,388		
5. Equalisation provisions	116	73,021		117 14,238,584
		to be carried forward		19,138,807

Amounts for the previous year					
		281	1,528,514		
		282	147,888		
		283	96,559		
		284	305,701		
		285			
		500	11,005		
		287	1,149,911		
		288			
		289	254,592		
		501	(55,699)		
			290	3,438,470	
			291	1,337,939	
	292	2,636,654			
	293	12,039,366			
	294	13,902			
	295	3,312			
	296	69,931		297	14,763,165
	to be carried forward				19,539,574

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

	Amounts for the year			
	amount carried forward			
				19,138,807
E. PROVISIONS FOR RISKS AND CHARGES				
1. Post-employment benefits and similar obligations		128	2,367	
2. Provisions for taxes		129	72,527	
3. Other provisions		130	352,429	131 427,324
F. DEPOSITS RECEIVED FROM REINSURERS				132 121,867
G. PAYABLES AND OTHER LIABILITIES				
I - Payables arising from direct insurance business, to:				
1. Insurance intermediaries	133	47,786		
2. Insurance company current accounts	134	8,989		
3. Policyholders for guarantee deposits and premiums	135	13,417		
4. Guarantee funds in favour of the policyholders	136	100	137 70,292	
II - Payables arising from reinsurance business, to:				
1. Insurance and reinsurance companies	138	62,801		
2. Reinsurance intermediaries	139	354	140 63,155	
III - Bond loans			141	
IV - Payables to banks and financial institutions			142	
V - Collateralised payables			143 2,866	
VI - Sundry loans and other financial payables			144 9,205	
VII - Post-employment benefits			145 49,201	
VIII - Other payables				
1. Policyholders' tax due	146	152,182		
2. Sundry tax payables	147	23,265		
3. Social security charges payable	148	31,092		
4. Sundry payables	149	251,684	150 458,223	
IX - Other liabilities				
1. Transitory reinsurance accounts	151			
2. Commissions for premiums under collection	152	91,586		
3. Sundry liabilities	153	473,843	154 565,429	155 1,218,371
of which Liaison account with Life business	902	22,767		
H. ACCRUALS AND DEFERRALS				
1. Interest			156 18,119	
2. Rental income			157 70	
3. Other accruals and deferrals			158 3	159 18,192
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				160 20,924,559

Amounts for the previous year				
	amount carried forward			19,539,574
		308	2,593	
		309	96,671	
		310	407,411	311 506,676
				312 162,455
	313	40,296		
	314	17,851		
	315	13,421		
	316	80	317 71,648	
	318	63,387		
	319	366	320 63,753	
			321	
			322	
			323	3,370
			324	10,179
			325	50,427
	326	149,906		
	327	22,325		
	328	31,194		
	329	136,093	330 339,518	
	331			
	332	90,404		
	333	552,868	334 643,272	335 1,182,168
	904			
			336	25,519
			337	99
			338	9
			339	25,627
			340	21,416,500

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

	Amounts for the year			
A. SUBSCRIBED CAPITAL, UNPAID				1
of which called	2			
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised	3	53,562		
2. Other acquisition costs	6			
3. Start-up and expansion costs	7	377		
4. Goodwill	8	119,679		
5. Other long-term costs	9	7,474	10	181,092
C. INVESTMENTS				
I - Land and buildings				
1. Property for corporate business	11	26,126		
2. Property for use by third parties	12	4,512		
3. Other property	13			
4. Other property rights	14			
5. Fixed assets in progress and payments on account	15		16	30,638
II - Investments in group companies and other investees				
1. Shares and holdings in:				
a) holding companies	17			
b) subsidiaries	18	626,194		
c) affiliates	19	250,104		
d) associates	20	2,259		
e) other	21	290	22	878,847
2. Bonds issued by				
a) holding companies	23			
b) subsidiaries	24			
c) affiliates	25			
d) associates	26	6,863		
e) other	27		28	6,863
3. Loans to:				
a) holding companies	29	53,000		
b) subsidiaries	30			
c) affiliates	31			
d) associates	32			
e) other	33		34	53,000
			35	938,709
			to be carried forward	181,092

Amounts for the previous year			
			181
	182		
	183	49,747	
	186		
	187	1,752	
	188	136,352	
	189	5,515	190 193,366
	191	27,491	
	192	5,950	
	193		
	194		
	195		196 33,441
197			
198	555,822		
199	148,589		
200	2,259		
201	297	202 706,966	
203			
204			
205			
206	6,863		
207		208 6,863	
209	53,000		
210			
211			
212			
213		214 53,000	215 766,829
		to be carried forward	193,366

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

	Amounts for the year			
			amount carried forward	181,092
C. INVESTMENTS (continued)				
III - Other financial investments				
1. Shares and holdings				
a) Listed shares	36	204,130		
b) Unlisted shares	37	100,000		
c) Holdings	38		39 304,130	
2. Mutual investment fund units			40 1,129,118	
3. Bonds and other fixed-yield securities:				
a) listed	41	23,331,489		
b) unlisted	42	256,086		
c) convertible bonds	43	9	44 23,587,584	
4. Loans				
a) collateralised loans	45			
b) loans on policies	46	28,404		
c) other loans	47		48 28,404	
5. Mutual investment units			49	
6. Bank deposits			50	
7. Sundry financial investments			51 16,545	52 25,065,782
IV - Deposits with ceding companies				53 7,444
D. INVESTMENTS BENEFITING LIFE BUSINESS POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT				54 26,042,573
I - Investments relating to benefits linked to investment funds and market indices				55 438,455
II - Investments arising from pension fund management				56 3,730,955
D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE				57 4,169,410
II - LIFE BUSINESS				
1. Mathematical provisions			63 48,327	
2. Premium provision from supplementary insurance			64	
3. Provision for amounts payable			65 3,182	
4. Provision for profit sharing and reversals			66	
5. Other technical provisions			67	
6. Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management			68	69 51,509
			to be carried forward	30,444,584

Amounts for the previous year				
		amount carried forward		193,366
	216	182,905		
	217	100,000		
	218		219	282,905
			220	702,509
	221	24,099,121		
	222	119,978		
	223	27	224	24,219,126
	225			
	226	34,502		
	227		228	34,502
			229	
			230	100,000
			231	11,835
			232	25,350,877
			233	10,737
			234	26,161,884
			235	354,016
			236	4,182,235
			237	4,536,251
			243	65,719
			244	
			245	3,527
			246	
			247	
			248	69,246
		to be carried forward		30,960,747

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

		Amounts for the year			
		amount carried forward			
					30,444,584
E.	RECEIVABLES				
	I - Receivables relating to direct insurance business from:				
	1. Policyholders				
	a) for premiums for the year	71	97,700		
	b) for premiums for previous years	72	23	73	97,723
	2. Insurance intermediaries			74	108,779
	3. Insurance company current accounts			75	5,049
	4. Policyholders and third parties for amounts to be collected			76	
				77	211,551
	II - Receivables relating to reinsurance business, from:				
	1. Insurance and reinsurance companies			78	1,879
	2. Reinsurance intermediaries			79	
				80	1,879
	III - Other receivables			81	237,586
				82	451,016
F.	OTHER ASSETS				
	I - Property, plant and equipment and inventories:				
	1. Office furniture and machines and internal means of transport			83	
	2. Movable assets entered in public registers			84	
	3. Plant and equipment			85	
	4. Inventories and sundry goods			86	
				87	
	II - Cash and cash equivalents				
	1. Bank deposits and post office accounts			88	808,306
	2. Cheques and cash in hand			89	
				90	808,306
	IV - Other assets				
	1. Transitory reinsurance accounts			92	
	2. Sundry assets			93	181,024
	of which Liaison account with Non-Life business			94	181,024
				95	989,330
				901	22,767
G.	ACCRUALS AND DEFERRALS				
	1. Interest			96	271,920
	2. Rental income			97	
	3. Other accruals and deferrals			98	2,117
				99	274,037
	TOTAL ASSETS			100	32,158,967

Amounts for the previous year				
		amount carried forward		30,960,747
	251	97,161		
	252	17	253	97,178
			254	120,002
			255	10,939
			256	
			257	228,119
			258	1,643
			259	
			260	1,643
			261	305,604
			262	535,366
			263	
			264	
			265	
			266	
			267	
			268	271,758
			269	
			270	271,758
			272	
			273	176,515
			274	176,515
			275	448,273
			903	
			276	279,707
			277	
			278	2,455
			279	282,161
			280	32,226,548

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

	Amounts for the year			
A. SHAREHOLDERS' EQUITY				
I -Subscribed capital or equivalent provision		101	502,943	
II -Share premium reserve		102	259,368	
III -Revaluation reserves		103		
IV -Legal reserve		104	100,589	
V -Statutory reserve		105		
VI -Reserve for shares of the holding company		400		
VII -Other reserves		107	1,152,444	
VIII -Retained profit (loss)		108		
IX -Profit (loss) for the year		109	198,795	
X - Negative reserve for treasury shares		401	(23,593)	110 2,190,545
B. SUBORDINATED LIABILITIES				111 673,750
C. TECHNICAL PROVISIONS				
II -LIFE BUSINESS				
1.Mathematical provisions	118	24,264,246		
2.Premium provision from supplementary insurance	119	851		
3.Provision for amounts payable	120	332,605		
4.Provision for profit sharing and reversals	121	7,365		
5.Other technical provisions	122	94,457		123 24,699,524
D. TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT				
I -Provisions relating to contracts connected to investment funds and market indices		125	438,455	
II -Provisions arising from pension fund management		126	3,730,955	127 4,169,410
		to be carried forward		31,733,229

Amounts for the previous year			
	281	502,943	
	282	259,368	
	283		
	284	100,589	
	285		
	500		
	287	1,046,806	
	288		
	289	203,888	
	501	(23,593)	290 2,089,999
			291 673,750
	298	23,996,063	
	299	861	
	300	289,206	
	301	7,600	
	302	94,486	303 24,388,216
	305	353,917	
	306	4,182,235	307 4,536,152
	to be carried forward		31,688,117

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

	Amounts for the year			
	amount carried forward			31,733,229
E. PROVISIONS FOR RISKS AND CHARGES				
1. Post-employment benefits and similar obligations		128		
2. Provisions for taxes		129	16,450	
3. Other provisions		130	18,192	131 34,641
F. DEPOSITS RECEIVED FROM REINSURERS				132 47,096
G. PAYABLES AND OTHER LIABILITIES				
I - Payables arising from direct insurance business, to:				
1. Insurance intermediaries	133	2,695		
2. Insurance company current accounts	134	1,064		
3. Policyholders for guarantee deposits and premiums	135	487		
4. Guarantee funds in favour of the policyholders	136		137 4,246	
II - Payables arising from reinsurance business, to:				
1. Insurance and reinsurance companies	138	6,179		
2. Reinsurance intermediaries	139		140 6,179	
III - Bond loans			141	
IV - Payables to banks and financial institutions			142	
V - Collateralised payables			143	
VI - Sundry loans and other financial payables			144 3,801	
VII - Post-employment benefits			145 4,360	
VIII - Other payables				
1. Policyholders' tax due	146	590		
2. Sundry tax payables	147	6,906		
3. Social security charges payable	148			
4. Sundry payables	149	58,963	150 66,459	
IX - Other liabilities				
1. Transitory reinsurance accounts	151			
2. Commissions for premiums under collection	152	2,212		
3. Sundry liabilities	153	237,176	154 239,388	155 324,433
of which Account connecting the Non-Life business	902			
H. ACCRUALS AND DEFERRALS				
1. Interest			156 19,566	
2. Rental income			157 2	
3. Other accruals and deferrals			158	159 19,568
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160	32,158,967

Amounts for the previous year				
	amount carried forward			31,688,117
		308		
		309	25,153	
		310	22,008	311 47,161
				312 62,312
	313	1,622		
	314	659		
	315	2,411		
	316		317 4,692	
	318	6,770		
	319		320 6,770	
			321	
			322	
			323	
			324 1,815	
			325 4,147	
	326	2,371		
	327	6,344		
	328			
	329	100,966	330 109,680	
	331			
	332	2,490		
	333	272,778	334 275,268	335 402,372
	904	62,836		
			336 26,583	
			337 2	
			338	339 26,585
				340 32,226,548

4 Tables appended to the Notes to the Financial Statements

Annex 3

Statement of breakdown of the profit (loss) for the year between the Non-Life business and the Life business

		Non-Life business	Life business	Total
Technical result		1	21	41
Gains on investments	+	501,718	204,162	705,880
Assets and financial charges	-	940,853		940,853
Share of profits on investments transferred from the Life business technical account to the Non-Life business technical account	+	461,646		461,646
Share of profits on investments transferred to the Non-Life business technical account	-		100,676	100,676
Interim operating result		6	26	46
Other income	+	625,169	304,838	930,007
Other charges	-	159,307	17,668	176,974
Extraordinary income	+	244,168	62,056	306,224
Extraordinary expenses	-	62,588	8,702	71,290
Pre-tax profit (loss)		10	30	50
Income tax for the year	-	51,826	3,470	55,296
Profit (loss) for the year		11	31	51
		551,069	265,682	816,751
		12	32	52
		172,666	66,886	239,552
		13	33	53
		378,404	198,795	577,199

Annex 4

Assets - Changes in the year in intangible assets (item B) and land and buildings (item C.I)

		Intangible assets B	Land and buildings C.I
Gross opening balance	+	1	31
Increases in the year	+	2,226,898	2,924,344
for: purchases or increases		2	32
reversals of impairment losses		56,459	61,637
write backs		3	33
other changes		56,459	61,637
Decreases in the year	-	4	34
for: sales or decreases		5	35
write-downs		6	36
other changes		7	37
Gross closing balance (a)		2,661	219,366
Amortisation/depreciation:		8	38
Opening balance	+	9	39
Increases in the year	+	10	40
for: amount of amortisation for the year		11	41
other changes		2,280,696	2,766,615
Decreases in the year	-	12	42
for: decreases for disposals		1,356,382	382,819
other changes		13	43
Closing balance amortisation/depreciation (b)		106,150	46,374
Carrying amount (a - b)		14	44
Current value		106,150	46,374
Total write-backs		15	45
Total write-downs		16	46
		17	47
		18	48
		1,462,532	390,574
		818,164	2,376,041
		51	2,612,235
		22	108,589
		23	602,452

Assets - Changes in the year in investments in group companies and other investees: shares and holdings (item C.II.1), bonds (item C.II.2) and loans (item C.II.3)

		Shares and holdings C.II.1		Bonds C.II.2		Loans C.II.3	
Opening balance	+	1	2,155,862	21	12,603	41	328,103
Increases in the year:	+	2	1,487,631	22		42	49
for: purchases, subscriptions or lending		3	1,487,416	23		43	
reversals of impairment losses		4	215	24		44	
write-backs		5					
other changes		6		26		46	49
Decreases in the year	-	7	103,514	27	2,000	47	4,501
for: sales or repayments		8	3,892	28	2,000	48	2,790
write-downs		9	99,610	29		49	1,479
other changes		10	13	30		50	232
Carrying amount		11	3,539,979	31	10,603	51	323,651
Current value		12	3,572,036	32	9,960	52	323,651
Total write-backs		13	8,145				
Total write-downs		14	2,135,696	34		54	1,479

Item C.II.2 includes

Listed bonds	61	
Unlisted bonds	62	10,603
Carrying amount	63	10,603
of which convertible bonds	64	

4 Tables appended to the Notes to the Financial Statements

Assets - Statement with information relating to investees (*)

Ord. No.(**)	Type (1)	Listed unlisted (2)	Business conducted	Name and registered office	Currency
2	a	L	2	Unipol Gruppo Spa-Bologna-IT	242
3	b	NL	9	Gruppo Una Spa-Milano-IT	242
4	b	NL	9	Auto Presto & Bene Spa (Ex Sai Sistemi Ass.Vi)-Torino-IT	242
6	b	NL	1	Bim Vita Spa (Ex Vitasi)-Torino-IT	242
7	b	NL	9	Casa Di Cura Villa Donatello-Firenze-IT	242
8	b	NL	9	Centro Oncol. F.No Casa Di Cura In Liquidazione-Sesto Fiorentino-IT	242
9	b	NL	1	Ddor Novi Sad Ord Eur-Novu Sad-RS	242
12	b	NL	2	Finsai International Sa-Lussemburgo-LU	242
13	b	NL	2	Unipolsai Nederland Bv-Amsterdam-NL	242
14	b	NL	7	Unipolsai Servizi Consortili Scrl-Bologna-IT	242
17	b	NL	1	Incontra Assicurazioni Spa (Ex Capitalia Ass.)-Milano-IT	242
21	b	NL	4	Nuove Iniziative Toscane Srl-Firenze-IT	242
22	b	NL	1	Popolare Vita Spa (Ex Bpv Vita)-Novara-IT	242
23	b	NL	7	Pronto Assistance Servizi Scrl-Torino-IT	242
24	b	NL	1	Pronto Assistance Spa-Torino-IT	242
26	c	NL	6	Unipolsai Investimenti Sgr (Ex Sai Investimenti)-Torino-IT	242
27	b	NL	2	Sai Mercati Mobiliari In Liquidazione-Milano-IT	242
28	b	NL	9	Tenute Del Cerro S.P.A. (Ex Saiagricola)-Bologna-IT	242
31	b	NL	9	Unipolsai Servizi Previdenziali Srl-Firenze-IT	242
34	b	NL	4	Villa Ragionieri Srl-Firenze-IT	242
35	d	NL	2	Fin. Priv.-Milano-IT	242
39	e	NL	6	Acomea Sgr (Ex Sai Asset Management Sgr)-Milano-IT	242
40	e	NL	9	Compagnia Aerea Italiana Spa Ex Alitalia-Fiumicino-IT	242
41	e	NL	3	Banca Popolare Etica Scarl-Padova-IT	242
42	e	NL	9	Città Studi Spa-Biella-IT	242
45	e	NL	1	Downall Srl In Liquidazione-Milano-IT	242
46	e	NL	4	Ex Var Scs-Lussemburgo-LU	242
48	e	NL	3	Isola D'Elba Banca Di Credito Cooperativo-Portoferraio-IT	242
49	e	NL	9	Istituto Europeo Di Oncologia-Milano-IT	242
50	e	NL	1	Mediorischi Srl-Milano-IT	242
52	d	NL	7	Uci - Ufficio Centrale Italiano-Milano-IT	242
53	e	NL	1	Gruppo Gpa In Liquidazione-Milano-IT	242
55	b	NL	4	Midi Srl-Bologna-IT	242
57	d	NL	9	Hotel Villaggio Cdm Spa In Liquidazione-Modena-IT	242
60	e	NL	1	Syneteristiki Insurance Sa-Atene-GR	242

(*) The group companies and the other companies in which an interest is held directly, also via a trust company or a third party, must be listed.

(**) The order number must be higher than "0"

(1) Type

- a = Holding companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(2) Enter L for securities traded on regulated markets and NL for the others

(3) Business conducted

- 1 = Insurance company
- 2 = Financial company
- 3 = Bank
- 4 = Real Estate company
- 5 = Trust company
- 6 = Management company distributing mutual investment funds
- 7 = Consortium
- 8 = Industrial company
- 9 = Other company or entity

(4) Amounts in original

(5) Specify the entire stake held

Share capital		Shareholders' equity (***)	Profit or loss of the year (***) (4)	Portion held (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
3,365,292,407	717,473,508			0.33		0.33
37,817,599	37,817,599	32,046,107	301,169	100.00		100.00
2,619,061	2,619,061	7,324,743	1,980,693	100.00		100.00
11,500,000	11,500,000	26,242,219	4,295,422	50.00		50.00
361,200	70,000	23,955,254	180,436	100.00		100.00
182,000	350,000	9,332,110	428,215	100.00		100.00
2,579,597,280	2,114,424	43,494,929	4,062,105	100.00		100.00
100,000	401,566	255,836	(94,770)	63.85	36.15	100.00
19,070	1,907	249,027,683	231,237	100.00		100.00
5,200,000	10,000,000	36,149,550	(114,858)	98.23	1.51	99.74
5,200,000	5,200,000	29,345,387	6,931,444	51.00		51.00
26,000,000	50,000,000	101,744,207	(1,456,968)	100.00		100.00
219,600,005	43,920,001	402,288,039	61,882,948	50.00		50.00
516,000	516,000	2,659,472	(85,219)	95.34	4.56	99.90
2,500,000	2,500,000	45,086,691	4,202,899	100.00		100.00
3,913,588	3,913,588			49.00		49.00
13,326,395	13,326,395	10,043,197	579,494	100.00		100.00
66,000,000	66,000,000	75,341,932	71,333	98.81	1.19	100.00
104,000	200,000	454,386	(144,442)	100.00		100.00
78,000	150,000	54,365,388	(2,575,865)	100.00		100.00
20,000	20,000	100,056,772	5,073,666	28.57		28.57
5,775,000	577,500			8.66		8.66
3,526,838	82,769,806,291			0.04		0.04
65,335,568	1,244,487			0.21		0.21
26,891,947	26,891,947			0.02		0.02
100,000	100,000			10.00		10.00
37,221	37,221			18.97		18.97
2,913,764	48,490			1.65		1.65
80,579,007	80,579,007			14.37		14.37
120,360	120,360			10.00		10.00
529,890	1,039,000	873,387	297,161	37.76		37.76
3,772,000	16,400,000			10.00		10.00
112,000,000	112,000,000	132,636,687	(110,525)	100.00		100.00
2,030,000	7,000,000	(3,756,298)	(232,959)	49.00		49.00
7,907,924	26,359,747			18.73		18.73

(***) To be filled in only for subsidiaries and associates

4 Tables appended to the Notes to the Financial Statements

Assets - Statement with information relating to investees (*)

Ord. No. (**)	Type (1)	Listed unlisted (2)	Business conducted	Name and registered office	Currency
61	e	NL	2	The Co-Operators Group Sa-Guelph-CA	242
62	e	NL	3	Banca Di Bologna Spa-Bologna-IT	242
64	e	NL	9	Cooptecnital Scarl-Roma-IT	242
65	e	NL	9	Fondazione Unipolis-Bologna-IT	242
66	e	NL	9	Inforcoop Scarl-Roma-IT	242
68	e	NL	7	Consorzio Energia Fiera District-Bologna-IT	242
69	b	NL	2	Unipolsai Finance Spa-Bologna-IT	242
70	e	NL	4	Euromilano Spa-Milano-IT	242
73	c	NL	3	Unipol Banca Spa-Bologna-IT	242
75	e	NL	1	Inter Mutuelles Assistance Sa - Ima Sa-Niort-FR	242
76	e	NL	3	Bancapulia Ord-San Severo-IT	242
81	b	NL	9	Sogeint Srl-S.Donato Mi-IT	242
82	e	NL	1	Tirrena Assicurazioni Spa-Roma-IT	242
83	d	NL	2	Garibaldi Sca-Lussemburgo-LU	242
87	d	NL	2	Isola (Ex Hedf Isola)-Lussemburgo-LU	242
91	e	NL	3	Bancapulia Priv-San Severo-IT	242
94	b	NL	9	Alfaevolution Technology Spa-Bologna-IT	242
95	d	NL	4	Borsetto Srl-Torino-IT	242
96	d	NL	2	Butterfly Am Sarl-Lussemburgo-LU	242
97	d	NL	9	Funivie Del Piccolo San Bernardo Spa-La Thuile-IT	242
98	b	NL	8	Ital H&R Srl-Bologna-IT	242
99	b	NL	4	Marina Di Loano Spa-Loano-IT	242
100	b	NL	4	Meridiano Secondo Srl-Milano-IT	242
101	d	NL	2	Metropolis Spa In Liquidazione-Milano-IT	242
102	d	NL	2	Penta Domus Spa In Liquidazione-Torino-IT	242
104	d	NL	4	Servizi Immobiliari Martinelli Spa-Cinisello-IT	242
105	b	NL	1	Siat-Genova-IT	242
106	b	NL	4	Società Edilizia Immobiliare Sarda - Seis Spa-Bologna-IT	242
107	d	NL	2	International Media Holding Spa In Liquidazione-Milano-IT	242
108	b	NL	8	Leithà Srl-Bologna-IT	242
109	b	NL	9	Ambra Property Srl-Bologna-IT	242
110	b	NL	1	Linear Assicurazioni Spa-Bologna-IT	242
111	b	NL	1	Unisalute Spa-Bologna-IT	242

(*) The group companies and the other companies in which an interest is held directly, also via a trust company or a third party, must be listed.

(**) The order number must be higher than "0"

(1) Type

- a = Holding companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(3) Business conducted

- 1 = Insurance company
- 2 = Financial company
- 3 = Bank
- 4 = Real Estate company
- 5 = Trust company
- 6 = Management company distributing mutual investment funds
- 7 = Consortium
- 8 = Industrial company
- 9 = Other company or entity

(4) Amounts in original

(5) Specify the entire stake held

(2) Enter L for securities traded on regulated markets and NL for the others

Share capital		Shareholders' equity (***)	Profit or loss of the year (***) (4)	Portion held (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
26,793,000	345,772			5.78	5.78	
43,692,965	846,107			0.13	0.13	
55,728	108			4.63	4.63	
258,230	1			100.00	100.00	
889,550	889,550			2.44	2.44	
31,500	18			6.67	6.67	
32,000,000	32,000,000	242,248,094	7,920,406	100.00	100.00	
1,356,563	87,492			14.86	14.86	
897,384,181	897,384,181			42.25	42.25	
31,407,217	2,060,841			3.95	3.95	
39,943,987	39,943,987			0.08	0.08	
100,000	100,000	480,681	171,184	100.00	100.00	
17,850,000	35,000,000			11.14	11.14	
31,000	31,000	(6,941,974)	(62,084)	32.00	32.00	
31,000	31,000	(4,079,935)	(58,924)	29.56	29.56	
39,943,987	39,943,987			0.01	0.01	
5,000,000	5,000,000	87,673,462	(575,795)	100.00	100.00	
2,971,782	2,971,782	1,983,699	(327,927)	44.93	44.93	
29,165	23,332	(5,745,231)	(13,884,704)	28.57	28.57	
10,713,416	6,121,952	12,296,740	614,041	23.55	23.55	
13,312	13,312	166,327	80,244	100.00	100.00	
5,536,000	5,536	79,524,189	(1,081,451)	100.00	100.00	
10,000	10,000	16,208,066	(244,559)	100.00	100.00	
4,267,786	4,267,786	(5,970,831)	(6,992,136)	24.66	24.66	
100,000	1,000	1,121,844	149,136	20.00	20.00	
38,000,000	38,000,000	62,918,073	5,186,312	94.69	94.69	
3,877,500	750,000	25,543,018	(685,316)	51.67	51.67	
100,000	100,000	163,357	63,356	100.00	100.00	
25,100,000	1	54,269,969	(836,281)	100.00	100.00	
19,300,000	19,300,000	98,048,035	7,784,447	100.00	100.00	
17,500,000	17,500,000	152,505,038	44,201,696	98.53	98.53	

(***) To be filled in only for subsidiaries and associates

4 Tables appended to the Notes to the Financial Statements

Assets - Statement of changes in investments in group companies and other investees: shares and holdings

Ord. No(1)	Type (2)	(3)	Name	Increases in the year		
				For purchases		Other increases
				Quantity	Value	
2	a	D	Unipol Gruppo Spa			215
3	b	D	Gruppo Una Spa			
3	b	V	Gruppo Una Spa			
4	b	D	Auto Presto & Bene Spa (Ex Sai Sistemi Ass.Vi)			
6	b	V	Bim Vita Spa (Ex Vitasi)			
7	b	D	Casa Di Cura Villa Donatello			
8	b	D	Centro Oncol. F.No Casa Di Cura In Liquidazione			
9	b	D	Ddor Novi Sad Ord Eur			
9	b	V	Ddor Novi Sad Ord Eur			
12	b	D	Finsai International Sa			
12	b	V	Finsai International Sa			
13	b	D	Unipolsai Nederland Bv			29,628
13	b	V	Unipolsai Nederland Bv			70,372
14	b	D	Unipolsai Servizi Consortili Scrl			
14	b	V	Unipolsai Servizi Consortili Scrl			
17	b	D	Incontra Assicurazioni Spa (Ex Capitalia Ass.)			
21	b	D	Nuove Iniziative Toscane Srl			
22	b	D	Popolare Vita Spa (Ex Bpv Vita)			
22	b	V	Popolare Vita Spa (Ex Bpv Vita)			
23	b	D	Pronto Assistance Servizi Scrl			
24	b	D	Pronto Assistance Spa			5,000
26	c	V	Unipolsai Investimenti Sgr (Ex Sai Investimenti)			
27	b	D	Sai Mercati Mobiliari In Liquidazione			
28	b	D	Tenute Del Cerro S.P.A. (Ex Saiagricola)			
28	b	V	Tenute Del Cerro S.P.A. (Ex Saiagricola)			
31	b	D	Unipolsai Servizi Previdenziali Srl			
			Totals C.II.1		931,156	556,475
	a		Holding companies			215
	b		Subsidiaries		931,150	176,000
	c		Affiliates			380,261
	d		Associates		6	
	e		Others			
			Total D.I			
			Total D.II			

(1) It must match the one stated in Annex 6

(2) Type

- a = Holding companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(3) State:

- D for the investments allocated to the Non-Life business (item C.II.1)
 - V for the investments allocated to the Life business (item C.II.1)
 - V1 for the investments allocated to the Life business (item D.1)
 - V2 for the investments allocated to the Life business (item D.2)
- The interest, also when split, must be assigned the same order number

Decreases in the year		Carrying amount (4)		Cost	Current value
For sales		Quantity	Value		
Quantity	Value			Other decreases	
		3,892	2,374,398	7,327	9,284
			18,530,624	13,713	13,713
			19,286,975	14,273	14,273
			2,619,061	2,313	2,313
			5,750,000	9,923	9,923
		255	70,000	23,955	23,955
			350,000	8,900	8,900
			422,912	17,195	17,195
			1,691,512	68,776	68,776
			181,679		
			74,704		
			565	86,213	86,213
			1,342	204,775	204,775
			7,355,382	24,575	24,575
			2,468,090	8,244	8,244
			2,652,000	8,012	8,012
		1,385	50,000,000	106,412	106,412
			9,210,849	288,967	224,609
			12,749,152	216,433	310,891
			491,949	2,337	2,337
			2,500,000	13,566	13,566
			1,917,658	5,940	5,940
			13,326,395	9,464	9,464
			60,722,765	65,672	65,672
			4,490,641	4,900	4,900
			200,000	762	762
		103,514		3,539,979	3,572,036
		3,892		7,327	9,284
		4,228		2,764,485	2,794,585
		92,844		713,737	713,737
		2,550		33,405	33,405
				21,024	21,024

(4) Highlight with a (*) if measured using the equity method (for Type b and D only)

4 Tables appended to the Notes to the Financial Statements

Assets - Statement of changes in investments in group companies and other investees: shares and holdings

Ord. No(1)	Type (2)	(3)	Name	Increases in the year		
				For purchases		Other increases
				Quantity	Value	
34	b	D	Villa Ragionieri Srl			
35	d	D	Fin. Priv.			
39	e	D	Acomea Sgr (Ex Sai Asset Management Sgr)			
39	e	V	Acomea Sgr (Ex Sai Asset Management Sgr)			
40	e	D	Compagnia Aerea Italiana Spa Ex Alitalia			
41	e	D	Banca Popolare Etica Scarl			
42	e	D	Città Studi Spa			
45	e	D	Downall Srl In Liquidazione			
46	e	D	Ex Var Scs			
48	e	D	Isola D'Elba Banca Di Credito Cooperativo			
49	e	D	Istituto Europeo Di Oncologia			
50	e	D	Mediorischi Srl			
52	d	D	Uci - Ufficio Centrale Italiano			
53	e	D	Gruppo Gpa In Liquidazione			
55	b	D	Midi Srl			
57	d	D	Hotel Villaggio Cdm Spa In Liquidazione			
60	e	D	Syneteristiki Insurance Sa			
61	e	D	The Co-Operators Group Sa			
62	e	D	Banca Di Bologna Spa			
64	e	D	Cooptecnital Scarl			
65	e	D	Fondazione Unipolis			
66	e	D	Inforcoop Scarl			
68	e	D	Consorzio Energia Fiera District			
69	b	D	Unipolsai Finance Spa			
69	b	V	Unipolsai Finance Spa			
70	e	D	Euromilano Spa			
73	c	D	Unipol Banca Spa			261,332
73	c	V	Unipol Banca Spa			118,929
75	e	D	Inter Mutuelles Assistance Sa - Ima Sa			
76	e	D	Bancapulia Ord			
81	b	D	Sogeint Srl			
82	e	D	Tirrena Assicurazioni Spa			
83	d	V	Garibaldi Sca			
87	d	V	Isola (Ex Hedf Isola)			
91	e	D	Bancapulia Priv			

(1) It must match the one stated in Annex 6

(2) Type
a = Holding companies
b = Subsidiaries
c = Affiliates
d = Associates
e = Others

(3) State:
D for the investments allocated to the Non-Life business (item C.II.1)
V for the investments allocated to the Life business (item C.II.1)
V1 for the investments allocated to the Life business (item D.1)
V2 for the investments allocated to the Life business (item D.2)
The interest, also when split, must be assigned the same order number

Decreases in the year		Other decreases	Carrying amount (4)		Cost	Current value
For sales			Quantity	Value		
Quantity	Value					
		2,588	150,000	58,285	92,172	58,285
			5,714	27,446	29,552	27,446
			21,007	210	265	210
			28,993	290	436	290
			29,589,882		50,000	
			2,600	138	138	138
			5,825	4	18	4
			9,999		1,020	
			7,060	7	271	7
			800	41	41	41
			11,581,062	11,881	19,170	11,881
			12,035	31	500	31
			392,351	218	301	218
			1,639,980		8,500	
			112,000,000	129,373	129,373	129,373
			3,429,933		3,275	
			4,935,943	2,124	2,124	2,124
			20,000	1,232	1,232	1,232
			1,072	57	57	57
			5	3	3	3
			1	258	258	258
			21,730		22	
			1	2	2	2
			16,000,000	104,912	141,864	104,912
			16,000,000	98,870	135,822	98,870
			13,000	200	15,562	200
		75,430	260,572,219	463,633	793,294	463,633
		17,414	118,583,120	244,164	363,319	244,164
			81,470	4,363	4,363	4,363
			30,000	155	155	155
			100,000	100	980	100
			3,900,000		21,175	
			9,920	660	660	660
			9,164	1,598	1,598	1,598
			5,950	28	28	28

(4) Highlight with a (*) if measured using the equity method (for Type b and D only)

4 Tables appended to the Notes to the Financial Statements

Assets - Statement of changes in investments in group companies and other investees: shares and holdings

Ord. No(1)	Type (2)	(3)	Name	Increases in the year		
				For purchases		Other increases
				Quantity	Value	
94	b	D	Alfaevolution Technology Spa			37,500
95	d	D	Borsetto Srl			
96	d	D	Butterfly Am Srl			
97	d	D	Funivie Del Piccolo San Bernardo Spa			
98	b	D	Ital H&R Srl			
99	b	D	Marina Di Loano Spa			30,000
100	b	D	Meridiano Secondo Srl			3,500
101	d	D	Metropolis Spa In Liquidazione			
102	d	D	Penta Domus Spa In Liquidazione			
104	d	D	Servizi Immobiliari Martinelli Spa			
105	b	D	Siat			
106	b	D	Società Edilizia Immobiliare Sarda - Seis Spa			
107	d	V	International Media Holding Spa In Liquidazione	5,625	6	
108	b	D	Leithà Srl			
109	b	D	Ambra Property Srl	1	56,150	
110	b	D	Linear Assicurazioni Spa	19,300,000	160,000	
111	b	D	Unisalute Spa	17,242,993	715,000	

(1) It must match the one stated in Annex 6

(2) Type

- a = Holding companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(3) State:

- D for the investments allocated to the Non-Life business (item C.II.1)
 - V for the investments allocated to the Life business (item C.II.1)
 - V1 for the investments allocated to the Life business (item D.1)
 - V2 for the investments allocated to the Life business (item D.2)
- The interest, also when split, must be assigned the same order number

Decreases in the year		Carrying amount (4)		Cost	Current value	
For sales		Other decreases				
Quantity	Value		Quantity	Value		
			5,000,000	90,000	90,000	90,000
		212	1,335,149	767	3,612	767
		2,325	6,666		7,508	
			1,441,691	2,695	4,225	2,695
			13,312	118	118	118
			5,536	81,709	207,139	81,709
			10,000	18,682	40,041	18,682
			1,052,366		4,181	
			200	20	20	20
			35,983,610	39,809	39,809	39,809
			387,500	11,999	11,999	11,999
		13				
			100,000	100	100	100
			1	56,150	56,150	56,150
			19,300,000	160,000	160,000	160,000
			17,242,993	715,000	715,000	715,000

(4) Highlight with a (*) if measured using the equity method (for Type b and D only)

4 Tables appended to the Notes to the Financial Statements

Annex 8

Assets - Breakdown based on the use of other financial investments: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7)

	Long-term use portfolio		Short-term use portfolio		Total							
	Carrying amount	Current value	Carrying amount	Current value	Carrying amount	Current value						
I - Non-Life business												
1. Shares and holdings in:	1	2,136	21	2,136	41	513,578	61	536,399	81	515,714	101	538,535
a) listed shares	2		22		42	463,427	62	486,222	82	463,427	102	486,222
b) unlisted shares	3	2,136	23	2,136	43	50,151	63	50,177	83	52,287	103	52,313
c) holdings	4		24		44		64		84		104	
2. Mutual investment fund units	5	40,641	25	27,383	45	1,546,917	65	1,583,346	85	1,587,558	105	1,610,728
3. Bonds and other fixed-yield securities	6	2,871,229	26	3,169,954	46	5,650,661	66	6,145,574	86	8,521,890	106	9,315,527
a) Listed government securities	7	2,050,198	27	2,272,828	47	1,623,211	67	1,801,179	87	3,673,410	107	4,074,007
a2) other listed securities	8	723,189	28	792,838	48	4,006,098	68	4,322,624	88	4,729,287	108	5,115,462
b) unlisted government securities	9	80,785	29	86,029	49		69		89	80,785	109	86,029
b2) other unlisted securities	10	17,056	30	18,258	50	20,510	70	20,929	90	37,566	110	39,187
c) convertible bonds	11		31		51	842	71	842	91	842	111	842
5. Mutual investment units	12		32		52		72		92		112	
7. Sundry financial investments	13		33		53	58,327	73	48,470	93	58,327	113	48,470

	Long-term use portfolio		Short-term use portfolio		Total							
	Carrying amount	Current value	Carrying amount	Current value	Carrying amount	Current value						
II - Life business												
1. Shares and holdings in:	121		141		161	304,130	181	321,242	201	304,130	221	321,242
a) listed shares	122		142		162	204,130	182	221,223	202	204,130	222	221,223
b) unlisted shares	123		143		163	100,000	183	100,019	203	100,000	223	100,019
c) holdings	124		144		164		184		204		224	
2. Mutual investment fund units	125		145		165	1,129,118	185	1,148,337	205	1,129,118	225	1,148,337
3. Bonds and other fixed-yield securities	126	13,203,891	146	14,901,781	166	10,383,693	186	11,695,220	206	23,587,584	226	26,597,001
a) Listed government securities	127	10,235,087	147	11,760,371	167	7,220,692	187	8,239,295	207	17,455,780	227	19,999,666
a2) other listed securities	128	2,735,671	148	2,880,984	168	3,140,038	188	3,431,718	208	5,875,709	228	6,312,702
b) unlisted government securities	129	174,690	149	200,232	169		189		209	174,690	229	200,232
b2) other unlisted securities	130	58,442	150	60,193	170	22,953	190	24,194	210	81,396	230	84,387
c) convertible bonds	131		151		171	9	191	13	211	9	231	13
5. Mutual investment units	132		152		172		192		212		232	
7. Sundry financial investments	133		153		173	16,545	193	12,548	213	16,545	233	12,548

Annex 9

Assets - Changes in the year in other financial investments with long-lived use: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7)

		Shares and holdings C.III.1	Mutual investment fund units C.III.2	Bonds and other fixed- yield securities C.III.3	Mutual investment units C.III.5	Sundry financial investments C.III.7
Opening balance	+	2,469	69,865	15,836,246		
Increases in the year:	+	50	6,434	2,287,539		
for: purchases		50	6,434	2,075,479		
reversals of impairment losses						
transfers from the short-term portfolio						
other changes				212,060		
Decreases in the year:	-	383	35,658	2,048,665		
for: sales		220		1,991,919		
write-downs		12				
transfers to the short-term portfolio		151	12,276			
other changes			23,382	56,746		
Carrying amount		2,136	40,641	16,075,120		
Current value		2,136	27,383	18,071,735		

Annex 10

Assets - Changes in the year in loans and bank deposits (items C.III.4, 6)

		Loans C.III.4	Bank deposits C.III.6
Opening balance	+	135,337	106,582
Increases in the year:	+	5,113	1,075,313
for: lending		5,011	
reversals of impairment losses			
other changes		102	
Decreases in the year:	-	14,044	1,175,314
for: repayments		13,984	
write-downs		129	
other changes		(69)	
Carrying amount		126,405	6,582

4 Tables appended to the Notes to the Financial Statements

Annex 11

Assets - Statement of assets relating to benefits linked to investment funds and market indices (item D.I)

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Land and buildings	1	21	41	61
II. Investments in group companies and other investees:				
1. Shares and holdings	2	22	42	62
2. Bonds	3	23	43	63
3. Loans	4	24	44	64
III. Mutual investment fund units	5	314,057	25	157,516
IV. Other financial investments:				
1. Shares and holdings	6	7,166	26	20,559
2. Bonds and other fixed-yield securities	7	85,151	27	172,676
3. Bank deposits	8		28	
4. Sundry financial investments	9	4,046	29	(12,137)
V. Other assets	10	947	30	1,640
VI. Cash and cash equivalents	11	35,177	31	12,659
Payables and expenses	12	(8,089)	32	1,104
	13		33	
Total	14	438,455	34	354,016
			54	406,374
			74	339,367

Annex 11/1

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	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Land and buildings	1	21	41	61
II. Investments in group companies and other investees:				
1. Shares and holdings	2	22	42	62
2. Bonds	3	23	43	63
3. Loans	4	24	44	64
III. Mutual investment fund units	5	25	45	65
IV. Other financial investments:				
1. Shares and holdings	6	26	46	66
2. Bonds and other fixed-yield securities	7	10,746	47	10,920
3. Bank deposits	8	28	48	68
4. Sundry financial investments	9	4,046	49	1,250
V. Other assets	10	183	50	183
VI. Cash and cash equivalents	11	31	51	71
	12	32	52	72
	13	33	53	73
Total	14	14,976	54	12,353
	34	108,358	74	118,277

Annex 11/2

UNIT LINKED

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Land and buildings	1	21	41	61
II. Investments in group companies and other investees:				
1. Shares and holdings	2	22	42	62
2. Bonds	3	23	43	63
3. Loans	4	24	44	64
III. Mutual investment fund units	5	314,057	45	284,818
IV. Other financial investments:				
1. Shares and holdings	6	7,166	46	7,099
2. Bonds and other fixed-yield securities	7	74,405	47	74,252
3. Bank deposits	8	28	48	68
4. Sundry financial investments	9	29	49	69
V. Other assets	10	764	50	764
VI. Cash and cash equivalents	11	35,177	51	35,177
Payables and expenses	12	(8,089)	52	(8,089)
	13	33	53	73
Total	14	423,479	54	394,021
	34	245,659	74	221,089

4 Tables appended to the Notes to the Financial Statements

Annex 12

Assets - Statement of assets arising from pension fund management (item D.II)

	Current value		Acquisition cost					
	Year	Previous year	Year	Previous year				
I. Investments in group companies and other investees:								
1. Shares and holdings	1	21	41	61				
2. Bonds	2	22	42	62				
II. Other financial investments:								
1. Shares and holdings	3	156,756	23	161,524	43	143,056	63	151,551
2. Bonds and other fixed-yield securities	4	2,861,180	24	3,345,702	44	2,860,455	64	3,314,365
3. Mutual investment fund units	5	242,373	25	233,135	45	192,018	65	181,289
4. Bank deposits	6		26		46		66	
5. Sundry financial investments	7		27		47		67	
III. Other assets	8	16,374	28	20,867	48	16,374	68	20,867
IV. Cash and cash equivalents	9	465,557	29	434,458	49	465,557	69	434,458
Securities to be settled, payables and sundry liabilities	10	(11,286)	30	(13,451)	50	(11,286)	70	(13,451)
	11		31		51		71	
Total	12	3,730,955	32	4,182,235	52	3,666,175	72	4,089,078

Annex 12/04

UNIPOLSAI PREVIDENZA FPA

	Current value		Acquisition cost					
	Year	Previous year	Year	Previous year				
I. Investments in group companies and other investees:								
1. Shares and holdings	1	21	41	61				
2. Bonds	2	22	42	62				
II. Other financial investments:								
1. Shares and holdings	3	156,756	23	161,524	43	143,056	63	151,551
2. Bonds and other fixed-yield securities	4	435,623	24	406,013	44	440,475	64	405,815
3. Mutual investment fund units	5	114,299	25	92,976	45	104,076	65	82,167
4. Bank deposits	6		26		46		66	
5. Sundry financial investments	7		27		47		67	
III. Other assets	8	3,459	28	3,077	48	3,459	68	3,077
IV. Cash and cash equivalents	9	128,512	29	148,673	49	128,512	69	148,673
Securities to be settled, payables and sundry liabilities	10	(4,785)	30	(4,663)	50	(4,785)	70	(4,663)
	11		31		51		71	
Total	12	833,865	32	807,601	52	814,793	72	786,620

Annex 12/07

COMETA

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	859,055	44	844,501
3. Mutual investment fund units	5	32,719	45	27,343
4. Bank deposits	6		46	
5. Sundry financial investments	7		47	
III. Other assets	8	4,759	48	5,801
IV. Cash and cash equivalents	9	2,615	49	8,082
Securities to be settled, payables and sundry liabilities	10	(1,875)	50	(1,875)
	11		51	
Total	12	897,272	52	883,234
			72	874,318
				836,626

Annex 12/08

ARCO

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	49,111	44	49,834
3. Mutual investment fund units	5	3,883	45	3,095
4. Bank deposits	6		46	
5. Sundry financial investments	7		47	
III. Other assets	8	443	48	443
IV. Cash and cash equivalents	9	11,156	49	7,442
Securities to be settled, payables and sundry liabilities	10	(120)	50	(97)
	11		51	
Total	12	64,473	52	60,951
			72	64,028
				60,820

4 Tables appended to the Notes to the Financial Statements

Annex 12/09

POSTE

	Current value		Acquisition cost		
	Year	Previous year	Year	Previous year	
I. Investments in group companies and other investees:					
1. Shares and holdings	1	21	41	61	
2. Bonds	2	22	42	62	
II. Other financial investments:					
1. Shares and holdings	3	23	43	63	
2. Bonds and other fixed-yield securities	4	448,104	44	64	450,224
3. Mutual investment fund units	5	27,539	45	65	19,490
4. Bank deposits	6	26	46	66	
5. Sundry financial investments	7	27	47	67	
III. Other assets	8	2,223	48	68	2,223
IV. Cash and cash equivalents	9	4,592	49	69	4,592
Securities to be settled, payables and sundry liabilities	10	(1,255)	50	70	(1,255)
	11	31	51	71	
Total	12	481,202	52	72	475,274

Annex 12/10

ALIFOND

	Current value		Acquisition cost			
	Year	Previous year	Year	Previous year		
I. Investments in group companies and other investees:						
1. Shares and holdings	1	21	41	61		
2. Bonds	2	22	42	62		
II. Other financial investments:						
1. Shares and holdings	3	23	43	63		
2. Bonds and other fixed-yield securities	4	46,253	44	64	46,274	66,212
3. Mutual investment fund units	5	3,764	45	65	3,528	3,497
4. Bank deposits	6	26	46	66		
5. Sundry financial investments	7	27	47	67		
III. Other assets	8	270	48	68	270	589
IV. Cash and cash equivalents	9	38,492	49	69	38,492	11,652
Securities to be settled, payables and sundry liabilities	10	(143)	50	70	(143)	(242)
	11	31	51	71		
Total	12	88,636	52	72	88,421	81,708

Annex 12/11

BYBLOS

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	164,603	24	158,335
3. Mutual investment fund units	5	7,304	25	6,679
4. Bank deposits	6		46	66
5. Sundry financial investments	7		47	67
III. Other assets	8	894	28	1,038
IV. Cash and cash equivalents	9	2,480	29	352
Securities to be settled, payables and sundry liabilities	10	(60)	30	(534)
	11		51	71
Total	12	175,221	32	165,871
			52	174,312
			72	165,050

Annex 12/12

PRIAMO

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	240,690	44	239,890
3. Mutual investment fund units	5	6,799	45	6,386
4. Bank deposits	6		46	66
5. Sundry financial investments	7		47	67
III. Other assets	8	1,051	48	1,051
IV. Cash and cash equivalents	9	48,312	49	48,312
Securities to be settled, payables and sundry liabilities	10	(372)	50	(372)
	11		51	71
Total	12	296,481	52	295,268
			72	295,268

4 Tables appended to the Notes to the Financial Statements

Annex 12/13

TELEMACO

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	59,447	24	67,750
3. Mutual investment fund units	5	5,276	25	4,611
4. Bank deposits	6		46	
5. Sundry financial investments	7		47	
III. Other assets	8	269	28	292
IV. Cash and cash equivalents	9	15,856	29	6,543
Securities to be settled, payables and sundry liabilities	10	(204)	30	(201)
	11		31	
Total	12	80,645	32	78,994
			52	78,408
			72	76,778

Annex 12/15

FILCOOP

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	12,724	24	18,868
3. Mutual investment fund units	5		45	
4. Bank deposits	6		46	
5. Sundry financial investments	7		47	
III. Other assets	8	24	28	101
IV. Cash and cash equivalents	9	19,849	29	11,806
	10		30	
	11		31	
Total	12	32,597	32	30,775
			52	32,578
			72	30,840

Annex 12/16

FONDAPI

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	77,463	24	83,192
3. Mutual investment fund units	5	8,192	25	8,529
4. Bank deposits	6		26	46
5. Sundry financial investments	7		27	47
III. Other assets	8	303	28	614
IV. Cash and cash equivalents	9	16,279	29	5,200
Securities to be settled, payables and sundry liabilities	10	(266)	30	(389)
	11		31	51
Total	12	101,971	32	97,146
			52	98,256
			72	93,600

Annex 12/18

PREVIMODA

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	88,182	24	76,720
3. Mutual investment fund units	5	4,759	25	4,379
4. Bank deposits	6		26	46
5. Sundry financial investments	7		27	47
III. Other assets	8	193	28	276
IV. Cash and cash equivalents	9	28,682	29	27,876
Securities to be settled, payables and sundry liabilities	10	(330)	30	(172)
	11		31	51
Total	12	121,486	32	109,079
			52	120,084
			72	107,778

4 Tables appended to the Notes to the Financial Statements

Annex 12/19

FONTE

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	503,725	44	493,196
3. Mutual investment fund units	5	37,589	45	34,362
4. Bank deposits	6		46	20,800
5. Sundry financial investments	7		47	66
III. Other assets	8	3,538	48	2,995
IV. Cash and cash equivalents	9	118,045	49	84,686
Securities to be settled, payables and sundry liabilities	10	(1,302)	50	(1,302)
	11		51	
Total	12	661,594	52	613,297
			72	602,815

Annex 12/20

FONDINPS

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	74,444	44	65,897
3. Mutual investment fund units	5	4,179	45	3,066
4. Bank deposits	6		46	3,202
5. Sundry financial investments	7		47	66
III. Other assets	8	152	48	251
IV. Cash and cash equivalents	9	804	49	804
Securities to be settled, payables and sundry liabilities	10	(461)	50	(461)
	11		51	
Total	12	79,118	52	74,441
			72	77,535
				73,605

Annex 12/21

PERSEO SIRIO GAR.

	Current value				Acquisition cost			
	Year		Previous year		Year		Previous year	
I. Investments in group companies and other investees:								
1. Shares and holdings	1	21	41	61				
2. Bonds	2	22	42	62				
II. Other financial investments:								
1. Shares and holdings	3	23	43	63				
2. Bonds and other fixed-yield securities	4	60,309	24 45,502	44 60,302	64 45,841			
3. Mutual investment fund units	5	3,300	25 1,363	45 3,112	65 1,192			
4. Bank deposits	6	26	46	66				
5. Sundry financial investments	7	27	47	67				
III. Other assets	8	302	28 376	48 302	68 376			
IV. Cash and cash equivalents	9	13,824	29 1,272	49 13,824	69 1,272			
Securities to be settled, payables and sundry liabilities	10	(60)	30 (48)	50 (60)	70 (48)			
	11	31	51	71				
Total	12	77,675	32 48,465	52 77,480	72 48,633			

Annex 12/22

COMETA SICUREZZA 2015 GAR.

	Current value				Acquisition cost			
	Year		Previous year		Year		Previous year	
I. Investments in group companies and other investees:								
1. Shares and holdings	1	21	41	61				
2. Bonds	2	22	42	62				
II. Other financial investments:								
1. Shares and holdings	3	23	43	63				
2. Bonds and other fixed-yield securities	4	74,858	24 27,422	44 74,834	64 27,553			
3. Mutual investment fund units	5	2,801	25 560	45 2,634	65 519			
4. Bank deposits	6	26	46	66				
5. Sundry financial investments	7	27	47	67				
III. Other assets	8	169	28 104	48 169	68 104			
IV. Cash and cash equivalents	9	639	29 940	49 639	69 940			
Securities to be settled, payables and sundry liabilities	10	(189)	30 (36)	50 (189)	70 (36)			
	11	31	51	71				
Total	12	78,278	32 28,991	52 78,087	72 29,082			

4 Tables appended to the Notes to the Financial Statements

Annex 12/23

PREVICOOPER SICURO GAR

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	135,730	44	135,501
3. Mutual investment fund units	5	2,746	45	2,703
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	316	48	316
IV. Cash and cash equivalents	9	12,142	49	12,142
Securities to be settled, payables and sundry liabilities	10	(444)	50	(444)
	11	31	51	71
Total	12	150,489	52	150,218
		32	142,360	72
				142,921

Annex 12/24

F.DO PENS.COOPERLAVORO SICUREZZA GAR.

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	157,162	44	157,823
3. Mutual investment fund units	5	9,538	45	8,411
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	1,137	48	1,137
IV. Cash and cash equivalents	9	21,498	49	21,498
Securities to be settled, payables and sundry liabilities	10	(950)	50	(950)
	11	31	51	71
Total	12	188,384	52	187,918
		32	181,555	72
				181,660

Annex 12/25

F.DO PENS CARIPLO GAR.

		Current value		Acquisition cost	
		Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:					
1. Shares and holdings	1	21	41	61	
2. Bonds	2	22	42	62	
II. Other financial investments:					
1. Shares and holdings	3	23	43	63	
2. Bonds and other fixed-yield securities	4	3,728	44	3,716	64
3. Mutual investment fund units	5	112	45	111	65
4. Bank deposits	6	26	46	66	
5. Sundry financial investments	7	27	47	67	
III. Other assets	8	9	48	9	68
IV. Cash and cash equivalents	9	857	49	857	69
Securities to be settled, payables and sundry liabilities	10	(7)	50	(7)	70
	11		51		71
Total	12	4,698	32	4,685	72

Annex 12/26

F.DO PENS. MEDIAFOND GAR.

		Current value		Acquisition cost	
		Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:					
1. Shares and holdings	1	21	41	61	
2. Bonds	2	22	42	62	
II. Other financial investments:					
1. Shares and holdings	3	23	43	63	
2. Bonds and other fixed-yield securities	4	2,576	44	2,562	64
3. Mutual investment fund units	5	92	45	94	65
4. Bank deposits	6	26	46	66	
5. Sundry financial investments	7	27	47	67	
III. Other assets	8	8	48	8	68
IV. Cash and cash equivalents	9	1,088	49	1,088	69
Securities to be settled, payables and sundry liabilities	10	(7)	50	(7)	70
	11		51		71
Total	12	3,757	32	3,745	72

4 Tables appended to the Notes to the Financial Statements

Annex 12/27

F.DO PENS. EUROFER GAR.

		Current value		Acquisition cost	
		Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:					
1. Shares and holdings	1		21	41	61
2. Bonds	2		22	42	62
II. Other financial investments:					
1. Shares and holdings	3		23	43	63
2. Bonds and other fixed-yield securities	4	56,189	24	44	56,212
3. Mutual investment fund units	5	1,821	25	45	1,829
4. Bank deposits	6		26	46	66
5. Sundry financial investments	7		27	47	67
III. Other assets	8	128	28	48	128
IV. Cash and cash equivalents	9	32,737	29	49	32,737
Securities to be settled, payables and sundry liabilities	10	(80)	30	50	(80)
	11		31	51	71
Total	12	90,795	32	52	90,826
					72

Annex 13

Liabilities - Non-Life business - Changes in the year in premium provision (item C.I.1) and claims provision (item C.I.2)

Type		Year		Previous year		Change
Premium provision:						
Provision for unearned premiums	1	2,677,437	11	2,636,438	21	40,998
Provision for unexpired risks	2		12	215	22	(215)
Carrying amount	3	2,677,437	13	2,636,654	23	40,783
Claims provision:						
Provision for compensations and direct expenses	4	9,991,412	14	10,540,722	24	(549,310)
Provision for settlement expenses	5	577,832	15	572,826	25	5,006
Provision for claims incurred but not reported	6	904,404	16	925,817	26	(21,413)
Carrying amount	7	11,473,648	17	12,039,366	27	(565,718)

Annex 14

Liabilities - Changes in the year in mathematical provision (item C.II.1) and provision for profit sharing and reversals (item C.II.4)

Type		Year		Previous year		Change
Mathematical provision for pure premiums	1	23,973,548	11	23,694,680	21	278,868
Premiums carried forward	2	99,325	12	103,660	22	(4,335)
Mortality risk provision	3	8	13	9	23	(1)
Supplementing provisions	4	191,365	14	197,714	24	(6,349)
Carrying amount	5	24,264,246	15	23,996,063	25	268,183
Provision for profit sharing and reversals	6	7,365	16	7,600	26	(235)

Annex 15

Liabilities - Changes in the year in provisions for risks and charges (item E) and post-employment benefits (item G.VII)

		Provisions for pensions and similar obligations		Provisions for taxes		Other provisions		Post-employment benefits	
Opening balance	+	1	2,593	11	121,825	21	429,419	31	54,574
Provisions in the year	+	2		12	97	22	18,312	32	35,856
Other increases	+	3		13		23	3,709	33	122
Uses in the year	-	4	227	14	32,945	24	74,086	34	36,991
Other decreases	-	5		15		25	6,732	35	
Carrying amount		6	2,367	16	88,977	26	370,621	36	53,561

4 Tables appended to the Notes to the Financial Statements

Annex 16

Details of assets and liabilities relating to Group companies and other investees

I: Assets

	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
Shares and holdings	1 7,327	2 2,764,485	3 713,737	4 33,405	5 21,024	6 3,539,979
Bonds	7	8	9	10 6,863	11 3,740	12 10,603
Loans	13 267,785	14 49,159	15	16 6,707	17	18 323,651
Mutual investment units	19	20	21	22	23	24
Bank deposits	25	26	27 9	28	29	30 9
Sundry financial investments	31	32	33	34	35	36
Deposits with ceding companies	37	38 2	39	40	41	42 2
Investments relating to benefits linked to investment funds and market indices	43	44	45	46	47	48
Investments arising from pension fund management	49	50	51	52	53	54
Receivables relating to direct insurance business	55	56 3,590	57 5	58 6	59 41,456	60 45,057
Receivables relating to reinsurance business	61	62 5,403	63	64	65	66 5,403
Other receivables	67 18,060	68 32,510	69 41,249	70 124	71 283	72 92,226
Bank deposits and post office accounts	73	74	75 829,972	76	77	78 829,972
Sundry assets	79	80 1,341	81 43,406	82	83	84 44,747
Total	85 293,173	86 2,856,490	87 1,628,379	88 47,104	89 66,503	90 4,891,649
of which subordinated assets	91	92	93	94	95	96

II: Liabilities

	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
Subordinated liabilities	97	98	99	100	101	102
Deposits received from reinsurers	103	104 33,957	105	106	107	108 33,957
Payables arising from direct insurance business	109	110 149	111 41	112	113	114 190
Payables arising from reinsurance business	115	116 27,802	117	118	119	120 27,802
Payables to banks and financial institutions	121	122	123	124	125	126
Collateralised payables	127	128	129 2,866	130	131	132 2,866
Other loans and other financial payables	133	134	135	136	137	138
Sundry payables	139 113,301	140 48,163	141 8,507	142 55	143 517	144 170,543
Sundry liabilities	145 10,149	146 7,261	147 25,814	148	149 231	150 43,455
Total	151 123,450	152 117,332	153 37,228	154 55	155 748	156 278,812

Information on "guarantees, commitments and other memorandum accounts"

		Year		Previous year
I. Guarantees given:				
a) sureties and endorsements given in the interest of holding companies, subsidiaries and affiliates	1	17,801	31	14,672
b) sureties and endorsements given in the interest of associates and other investees	2		32	
c) sureties and endorsements given in the interest of third parties	3	13,129	33	13,129
d) other personal guarantee given in the interest of holding companies, subsidiaries and affiliates	4		34	
e) other personal guarantee given in the interest of associates and other investees	5	300	35	300
f) other personal guarantees given in the interest of third parties	6	281	36	281
g) collateral for bonds of holding companies, subsidiaries and affiliates	7		37	
h) collateral for bonds of associates and other investees	8		38	
i) collateral for bonds of third parties	9	11,923	39	11,140
l) guarantees given for company bonds	10	47,455	40	48,318
m) assets deposited for inwards reinsurance operations	11	4,682	41	5,249
Total	12	95,571	42	93,090
II. Guarantees received:				
a) group companies, associates and other investees	13		43	
b) third parties	14	123,283	44	85,391
Total	15	123,283	45	85,391
III. Guarantees given by third parties in the interest of the company:				
a) group companies, associates and other investees	16	1,145,409	46	898,796
b) third parties	17	305,192	47	325,737
Total	18	1,450,601	48	1,224,534
IV. Commitments:				
a) commitments for purchases with resale obligation	19		49	
b) commitments for sales with repurchase obligation	20		50	
c) other commitments	21	8,805,222	51	8,659,311
Total	22	8,805,222	52	8,659,311
V. Assets attributable to pension funds managed in the name and on behalf of third parties	23	611,767	53	965,159
VI. Securities deposited with third parties	24	41,425,716	54	42,420,451
Total	25	42,037,483	55	43,385,610

4 Tables appended to the Notes to the Financial Statements

Annex 18

Statement of commitments for transactions on derivative contracts

Derivative contracts	Year				Previous year											
	Purchase		Sale		Purchase		Sale									
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)								
Futures: on shares	1	101	21	121	41	141	61	161								
on bonds	2	102	22	122	42	142	62	162								
on currencies	3	103	23	123	43	143	63	163								
on rates	4	104	24	124	44	144	64	164								
other	5	105	25	125	45	145	65	165								
Options: on shares	6	1,571,950	106	56,955	26	715,000	126	(6,607)	46	1,302,384	146	55,165	66	513,000	166	(6,534)
on bonds	7		107		27		127		47		147		67		167	
on currencies	8		108		28		128		48		148		68		168	
on rates	9	200,000	109	4,063	29		129		49	725,000	149	12,044	69	475,000	169	(107)
other	10		110		30		130		50		150		70		170	
Swaps: on currencies	11		111		31		131		51	48,666	151	1,212	71		171	
on rates	12	3,237,699	112	(200,622)	32		132		52	2,902,955	152	(290,646)	72		172	
other	13	200,000	113	(5,460)	33		133		53		153		73		173	
Other transactions	14	129,337	114	(2,147)	34	1,876,888	134	23,332	54	52,697	154	913	74	2,127,255	174	(87,352)
Total	15	5,338,987	115	(147,211)	35	2,591,888	135	16,726	55	5,031,702	155	(221,312)	75	3,115,255	175	(93,993)

Only the transactions on derivative contracts in place at the time of preparation of the financial statements that imply commitments for the company must be entered.

If the contract does not exactly match the figures described or if the typical elements of more than one case merge, this contract must be included in the most similar contractual category.

Netting is not allowed, unless this refers to purchase/sale transactions referred to the same contract type (same content, maturity, underlying assets, etc.)

The contracts that require the swap of two currencies must be posted once, conventionally referring to the currency to be purchased. The contracts that require the swap of both interest rates and currencies must be posted only under the contracts on currencies.

The derivative contracts that require the swap of interest rates are conventionally classified as "purchases" or "sales" depending on whether they imply the purchase or sale of the fixed rate for the insurance company.

(1) For the derivative contracts that imply or may imply forward equity swaps, their settlement price must be stated; in all the other cases, the nominal value of the reference capital must be specified

(2) Enter the fair value of the derivative contracts

Summarised information on Non-Life business technical account

		Gross premiums written		Gross premiums earned		Gross charges relating to claims		Operating expenses		Reinsurance balance
Direct insurance business:										
Accident and Health (classes 1 and 2)	1	844,618	2	833,267	3	391,786	4	293,126	5	(16,654)
Land Vehicle TPL (class 10)	6	3,305,588	7	3,321,119	8	2,429,541	9	747,974	10	(9,085)
Land Vehicle Hulls (class 3)	11	623,560	12	611,745	13	423,120	14	160,485	15	(1,041)
Sea, air and transport insurance (classes 4, 5, 6, 7, 11 and 12)	16	31,952	17	32,017	18	15,949	19	15,980	20	(9,304)
Fire and Other damage to property (classes 8 and 9)	21	1,087,837	22	1,046,197	23	772,344	24	365,264	25	(11,160)
General TPL (class 13)	26	684,785	27	682,592	28	350,779	29	241,252	30	(11,852)
Credit and bonds (classes 14 and 15)	31	53,886	32	66,298	33	32,133	34	22,977	35	(21,810)
Misc pecuniary losses (class 16)	36	57,808	37	59,159	38	25,282	39	21,286	40	496
Legal expenses (class 17)	41	63,431	42	62,299	43	18,364	44	23,582	45	(3,107)
Assistance (class 18)	46	147,667	47	145,396	48	73,214	49	55,909	50	(11,852)
Total direct insurance business	51	6,901,131	52	6,860,089	53	4,532,511	54	1,947,835	55	(95,367)
Indirect insurance business	56	7,055	57	7,494	58	2,727	59	1,310	60	(79)
Total Italian portfolio	61	6,908,187	62	6,867,583	63	4,535,237	64	1,949,146	65	(95,446)
Foreign portfolio	66	2,120	67	2,386	68	3,581	69	508	70	(742)
Grand total	71	6,910,306	72	6,869,969	73	4,538,818	74	1,949,654	75	(96,188)

4 Tables appended to the Notes to the Financial Statements

Annex 20

Summarised information on Life business regarding premiums and the reinsurance balance

		Direct business		Indirect business		Total
Gross premiums:	1	2,891,818	11	370	21	2,892,188
a) 1. for individual policies	2	1,782,493	12	330	22	1,782,822
2. for collective policies	3	1,109,325	13	40	23	1,109,365
b) 1. periodic premiums	4	594,036	14	370	24	594,406
2. single premiums	5	2,297,782	15		25	2,297,782
c) 1. for contracts with no profit sharing	6	2,097,069	16	279	26	2,097,348
2. for contracts with profit sharing	7	4,962	17	91	27	5,053
3. for contracts when the investment risk is borne by policyholders and for pension funds	8	789,786	18		28	789,786
Reinsurance balance	9	(2,252)	19	9	29	(2,242)

Gains on investments (item II.2 and III.3)

	Non-Life business	Life business	Total
Gains arising from shares and holdings:			
Dividends and other income from shares and holdings of group companies and investees	1 49,110	41 49,316	81 98,426
Dividends and other income from shares and holdings of other companies	2 16,113	42 8,148	82 24,261
Total	3 65,223	43 57,463	83 122,686
Gains arising from investments in land and buildings			
	4 68,913	44 147	84 69,060
Gains on other investments:			
Gains on bonds of group companies and investees	5 54	45	85 54
Interests on loans to group companies and investees	6 1,638	46 362	86 1,999
Gains arising from mutual investment fund units	7 33,805	47 37,852	87 71,656
Gains on bonds and other fixed-yield securities	8 396,098	48 937,117	88 1,333,216
Interest on loans	9 8,671	49 1,028	89 9,699
Gains on mutual investment units	10	50	90
Interest on bank deposits	11	51 73	91 73
Gains on sundry financial investments	12 9,397	52 74,792	92 84,189
Interest on deposits with ceding companies	13 199	53 336	93 535
Total	14 449,863	54 1,051,560	94 1,501,423
Reversals of value adjustments on investments regarding:			
Land and buildings	15	55	95
Shares and holdings in group companies and investees	16 215	56	96 215
Bonds issued by group companies and investees	17	57	97
Other shares and holdings	18 4,908	58 6,831	98 11,739
Other bonds	19 68,170	59 38,577	99 106,747
Other financial investments	20 19,756	60 3,890	100 23,646
Total	21 93,049	61 49,298	101 142,347
Gains on realisation of investments:			
Capital gains on the disposal of land and buildings	22	62	102
Gains on shares and holdings in group companies and investees	23 472	63	103 472
Gains on bonds issued by group companies and investees	24	64	104
Gains on other shares and holdings	25 30,669	65 41,433	105 72,101
Gains on other bonds	26 160,132	66 56,985	106 217,117
Gains on other financial investments	27 72,531	67 29,644	107 102,175
Total	28 263,805	68 128,061	108 391,866
GRAND TOTAL	29 940,853	69 1,286,529	109 2,227,381

4 Tables appended to the Notes to the Financial Statements

Annex 22

Income and unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.3)

I. Investments relating to benefits linked to investment funds and market indices		Amounts
Income from:		
Land and buildings		1
Investments in group companies and other investees		2
Mutual investment fund units		3 1,136
Other financial investments		4 5,371
- of which income from bonds	5 4,874	
Other assets		6 12
Total		7 6,518
Gains on realisation of investments		
Capital gains on the disposal of land and buildings		8
Gains on investments in group companies and investees		9
Gains on mutual investment funds		10 4,886
Gains on other financial investments		11 1,317
- of which bonds	12 1,317	
Other income		13 155
Total		14 6,359
Unrealised gains		15 17,501
GRAND TOTAL		16 30,378

II. Investments arising from pension fund management		Amounts
Income from:		
Investments in group companies and other investees		21
Other financial investments		22 72,227
- of which income from bonds	23 65,654	
Other assets		24 4,202
Total		25 76,430
Gains on realisation of investments		
Gains on investments in group companies and investees		26
Gains on other financial investments		27 23,646
- of which bonds	28 5,860	
Other income		29
Total		30 23,646
Unrealised gains		31 40,517
GRAND TOTAL		32 140,593

Asset and financial charges (items II.9 and III.5)

		Non-Life business		Life business		Total
Investment management expenses and other expenses						
Expenses regarding shares and holdings	1	3,026	31	1,465	61	4,491
Expenses regarding investments in land and buildings	2	78,976	32	735	62	79,712
Expenses regarding bonds	3	29,365	33	71,509	63	100,875
Expenses regarding mutual investment fund units	4	685	34	463	64	1,148
Expenses regarding mutual investment units	5		35		65	
Expenses regarding sundry financial investments	6	41,739	36	68,591	66	110,331
Interest on deposits received from reinsurers	7	1,395	37	1,825	67	3,220
Total	8	155,188	38	144,588	68	299,776
Value adjustments to investments regarding:						
Land and buildings	9	55,819	39	741	69	56,560
Shares and holdings in group companies and investees	10	82,196	40	17,414	70	99,610
Bonds issued by group companies and investees	11		41		71	
Other shares and holdings	12	29,787	42	7,639	72	37,426
Other bonds	13	3,271	43	4,910	73	8,181
Other financial investments	14	23,797	44	76,627	74	100,424
Total	15	194,868	45	107,332	75	302,200
Losses on realisation of investments						
Capital losses on the disposal of land and buildings	16		46		76	
Losses on shares and holdings	17	8,217	47	7,437	77	15,654
Losses on bonds	18	33,324	48	14,140	78	47,465
Losses on other financial investments	19	70,048	49	36,421	79	106,469
Total	20	111,589	50	57,998	80	169,587
GRAND TOTAL	21	461,646	51	309,917	81	771,563

4 Tables appended to the Notes to the Financial Statements

Annex 24

Charges and unrealised losses relating to investments benefitting policyholders that bear the risk and investments arising from pension fund management (item II.10)

I. Investments relating to benefits linked to investment funds and market indices		Amounts
Operating expenses arising from:		
Land and buildings	1	
Investments in group companies and investees	2	
Mutual investment fund units	3	
Other financial investments	4	70
Other assets	5	4,368
Total	6	4,438
Losses on realisation of investments		
Capital losses on the disposal of land and buildings	7	
Losses on investments in group companies and investees	8	
Losses on mutual investment funds	9	842
Losses on other financial investments	10	4,872
Other charges	11	
Total	12	5,714
Unrealised losses	13	4,907
GRAND TOTAL	14	15,058
II. Investments arising from pension fund management		Amounts
Operating expenses arising from:		
Investments in group companies and investees	21	
Other financial investments	22	8,757
Other assets	23	26,263
Total	24	35,020
Losses on realisation of investments		
Losses on investments in group companies and investees	25	
Losses on other financial investments	26	24,896
Other charges	27	
Total	28	24,896
Unrealised losses	29	37,442
GRAND TOTAL	30	97,358

4 Tables appended to the Notes to the Financial Statements

Non-Life business - Summary of technical accounts by individual class - Italian portfolio

			Class code 1		Class code 2	
			Accident (name)		Health (name)	
Direct business gross of reinsurance						
Written premiums	+	1	616,901	1	227,716	
Change in premium provision (+ or -)	-	2	171	2	11,179	
Charges relating to claims	-	3	250,123	3	141,663	
Change in sundry technical provisions (+ or -)	-	4	448	4	(3,884)	
Balance of other technical items (+ or -)	+	5	(16,943)	5	(11,043)	
Operating expenses	-	6	237,248	6	55,878	
Technical balance of direct business (+ or -)	A	7	111,969	7	11,837	
Outwards reinsurance (+ or -)	B	8	(5,960)	8	(10,694)	
Indirect business net result (+ or -)	C	9	570	9	11	
Change in equalisation provisions (+ or -)	D	10	56	10		
Investment income transferred from the non-technical account	E	11	14,262	11	6,194	
Technical result (+ or -)	(A + B + C - D + E)	12	120,786	12	7,347	

			Class code 7		Class code 8	
			Goods in transit (name)		Fire (name)	
Direct business gross of reinsurance						
Written premiums	+	1	17,137	1	525,293	
Change in premium provision (+ or -)	-	2	251	2	33,812	
Charges relating to claims	-	3	924	3	384,166	
Change in sundry technical provisions (+ or -)	-	4		4	700	
Balance of other technical items (+ or -)	+	5	(561)	5	(14,041)	
Operating expenses	-	6	9,498	6	173,111	
Technical balance of direct business (+ or -)	A	7	5,903	7	(80,536)	
Outwards reinsurance (+ or -)	B	8	(8,842)	8	(4,115)	
Indirect business net result (+ or -)	C	9	11	9	1,588	
Change in equalisation provisions (+ or -)	D	10	52	10	1,735	
Investment income transferred from the non-technical account	E	11	455	11	22,376	
Technical result (+ or -)	(A + B + C - D + E)	12	(2,525)	12	(62,422)	

			Class code 13		Class code 14	
			General TPL (name)		Credit (name)	
Direct business gross of reinsurance						
Written premiums	+	1	684,785	1	318	
Change in premium provision (+ or -)	-	2	2,193	2	(89)	
Charges relating to claims	-	3	350,779	3	(171)	
Change in sundry technical provisions (+ or -)	-	4		4		
Balance of other technical items (+ or -)	+	5	(16,011)	5	7	
Operating expenses	-	6	241,252	6	76	
Technical balance of direct business (+ or -)	A	7	74,550	7	508	
Outwards reinsurance (+ or -)	B	8	(11,852)	8	50	
Indirect business net result (+ or -)	C	9	1,983	9	(4)	
Change in equalisation provisions (+ or -)	D	10		10	24	
Investment income transferred from the non-technical account	E	11	94,685	11	107	
Technical result (+ or -)	(A + B + C - D + E)	12	159,367	12	637	

Class code 3		Class code 4		Class code 5		Class code 6	
Land Vehicle Hulls (name)		Railway rolling stock (name)		Aircraft (name)		Marine vessels (name)	
1	623,560	1	228	1	626	1	5,145
2	11,814	2	(28)	2	76	2	(40)
3	423,120	3	67	3	182	3	4,464
4		4		4		4	
5	(2,919)	5	(6)	5		5	(155)
6	160,485	6	83	6	644	6	2,457
7	25,221	7	100	7	(276)	7	(1,892)
8	(1,041)	8	(628)	8	(524)	8	1,178
9		9		9	2	9	21
10	960	10		10		10	3
11	11,026	11	16	11	28	11	271
12	34,245	12	(512)	12	(769)	12	(425)
Class code 9		Class code 10		Class code 11		Class code 12	
Other damage to property (name)		Land Vehicle TPL (name)		Aircraft TPL (name)		Marine TPL (name)	
1	562,544	1	3,305,588	1	570	1	8,246
2	7,829	2	(15,531)	2	88	2	(413)
3	388,177	3	2,429,541	3	462	3	9,850
4		4		4		4	
5	(10,536)	5	(60,525)	5	6	5	(4)
6	192,153	6	747,974	6	66	6	3,232
7	(36,152)	7	83,079	7	(41)	7	(4,427)
8	(7,045)	8	(9,085)	8	(471)	8	(17)
9	231	9	(576)	9	6	9	
10	38	10		10		10	
11	14,190	11	178,589	11	23	11	708
12	(28,813)	12	252,007	12	(483)	12	(3,736)
Class code 15		Class code 16		Class code 17		Class code 18	
Bonds (name)		Pecuniary losses (name)		Legal expenses (name)		Assistance (name)	
1	53,568	1	57,808	1	63,431	1	147,667
2	(12,322)	2	(1,352)	2	1,132	2	2,271
3	32,304	3	25,282	3	18,364	3	73,214
4		4		4		4	
5	(5,143)	5	(459)	5	(389)	5	(1,614)
6	22,901	6	21,286	6	23,582	6	55,909
7	5,543	7	12,133	7	19,965	7	14,659
8	(21,860)	8	496	8	(3,107)	8	(11,852)
9	(663)	9	(63)	9		9	
10		10		10		10	
11	6,011	11	1,505	11	1,883	11	1,764
12	(10,969)	12	14,071	12	18,741	12	4,571

4 Tables appended to the Notes to the Financial Statements

Annex 26

Summary of the condensed technical account of all Non-Life classes - Italian portfolio

		Direct insurance risks		Indirect insurance risks		Retained risks		Total 5 = 1 - 2 + 3 - 4			
		Direct risks	Ceded risks	Accepted risks	Retroceded risks						
		1	2	3	4						
Written premiums	+	1	6,901,131	11	410,540	21	7,055	31	70	41	6,497,577
Change in premium provision (+ or -)	-	2	41,042	12	(2,156)	22	(439)	32	6	42	42,754
Charges relating to claims	-	3	4,532,511	13	168,127	23	2,727	33	(59)	43	4,367,169
Change in sundry technical provisions (+ or -)	-	4	(2,736)	14		24		34		44	(2,736)
Balance of other technical items (+ or -)	+	5	(140,336)	15	430	25	(261)	35	(29)	45	(140,998)
Operating expenses	-	6	1,947,835	16	149,632	26	1,310	36	14	46	1,799,499
Technical result (+ or -)		7	242,143	17	95,367	27	3,196	37	79	47	149,893
Change in equalisation provisions (+ or -)	-									48	2,868
Investment income transferred from the non-technical account	+	9	353,261			29	831			49	354,092
Technical result (+ or -)		10	595,405	20	95,367	30	4,026	40	79	50	501,117

Life business - Summary of technical accounts by individual class - Italian portfolio

		Class code I		Class code II		Class code III	
		Whole and term life (name)		Marriage-birth (name)		Invest. funds (name)	
Direct business gross of reinsurance							
Written premiums	+	1	1,832,176	1	1	194,576	
Charges relating to claims	-	2	1,783,609	2	2	115,389	
Change in mathematical provisions and sundry technical provisions (+ or -)	-	3	403,719	3	3	93,282	
Balance of other technical items (+ or -)	+	4	(25,906)	4	4	3,440	
Operating expenses	-	5	127,140	5	5	12,885	
Income from investments net of the share transferred to the non-technical account (*)	+	6	677,512	6	6	16,530	
Direct business result, gross of reinsurance (+ or -)	A	7	169,315	7	7	(7,010)	
Outwards reinsurance result (+ or -)	B	8	(2,160)	8	8		
Indirect business net result (+ or -)	C	9	(100)	9	9		
Technical result (+ or -)	(A + B + C)	10	167,055	10	10	(7,010)	

		Class code IV		Class code V		Class code VI	
		Health (name)		Capitalisation (name)		Pension funds (name)	
Direct business gross of reinsurance							
Written premiums	+	1	2,423	1	267,432	1	595,210
Charges relating to claims	-	2	97	2	500,789	2	1,082,940
Change in mathematical provisions and sundry technical provisions (+ or -)	-	3	(541)	3	(78,401)	3	(445,931)
Balance of other technical items (+ or -)	+	4	39	4	(5,843)	4	14,038
Operating expenses	-	5	855	5	6,617	5	3,078
Income from investments net of the share transferred to the non-technical account (*)	+	6	71	6	196,144	6	44,088
Direct business result, gross of reinsurance (+ or -)	A	7	2,122	7	28,729	7	13,249
Outwards reinsurance result (+ or -)	B	8	(91)	8		8	
Indirect business net result (+ or -)	C	9		9		9	
Technical result (+ or -)	(A + B + C)	10	2,030	10	28,729	10	13,249

(*) Algebraic sum of the entries regarding class and Italian portfolio included in the items II.2, II.3, II.9, II.10 and II.12 of the Income Statement.

4 Tables appended to the Notes to the Financial Statements

Annex 28

Summary of the condensed technical account of all Life classes Italian portfolio

		Direct insurance risks				Indirect insurance risks				Retained risks	
		Direct risks		Ceded risks		Accepted risks		Retroceded risks		Total	
		1	2	3	4	5 = 1 - 2 + 3 - 4					
Written premiums	+	1	2,891,818	11	6,284	21	318	31	64	41	2,885,788
Charges relating to claims	-	2	3,482,824	12	9,466	22	3,422	32	1,491	42	3,475,290
Change in mathematical provisions and other technical provisions (+ or -)	-	3	(27,872)	13	(5,799)	23	(3,271)	33	(1,743)	43	(23,602)
Balance of other technical items (+ or -)	+	4	(14,231)	14		24	(492)	34	(447)	44	(14,277)
Operating expenses	-	5	150,574	15	366	25	49	35	8	45	150,250
Investment income transferred to the non-technical account (*)	+	6	934,345			26	135			46	934,480
Technical result (+ or -)		7	206,404	17	2,252	27	(239)	37	(139)	47	204,053

(*) Algebraic sum of the entries regarding the Italian portfolio included in the items II.2, II.3, II.9, II.10 and II.12 of the Income Statement.

Annex 29

Summary of the Non-Life and Life technical accounts - foreign portfolio

Section I: Non-Life

			Total Non-Life
Direct business gross of reinsurance			
Written premiums	+	1	
Change in premium provision (+ or -)	-	2	
Charges relating to claims	-	3	
Change in sundry technical provisions (+ or -)	-	4	
Balance of other technical items (+ or -)	+	5	
Operating expenses	-	6	
Technical balance of direct business (+ or -)		A	7
Outwards reinsurance result (+ or -)		B	8
Indirect business net result (+ or -)		C	9 (841)
Change in equalisation provisions (+ or -)		D	10 223
Investment income transferred from the non-technical account		E	11 1,664
Technical result (+ or -)		(A + B + C - D + E)	12 601

Section II: Life

			Total Non-Life
Direct business gross of reinsurance			
Written premiums	+	1	
Charges relating to claims	-	2	
Change in mathematical provisions and sundry technical provisions (+ or -)	-	3	
Balance of other technical items (+ or -)	+	4	
Operating expenses	-	5	
Investment income transferred to the non-technical account (1)	+	6	
Direct business result, gross of reinsurance (+ or -)		A	7
Outwards reinsurance result (+ or -)		B	8
Indirect business net result (+ or -)		C	9 109
Technical result (+ or -)		(A + B + C)	10 109

(1) Algebraic sum of the entries regarding the foreign portfolio included in the items II.2, II.3, II.9, II.10 and II.12 of the Income Statement.

Relations with group companies and other investees

I: Income	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
Income from investments						
Income from land and buildings	1 83	2 9,575	3 5,080	4	5 1,074	6 15,812
Dividends and other income from shares and holdings	7 642	8 96,121	9	10 1,514	11 149	12 98,426
Gains on bonds	13	14	15 43	16	17 11	18 54
Interest on loans	19 1,827	20 171	21	22	23 1	24 1,999
Gains on other financial investments	25	26	27 1	28	29	30 1
Interest on deposits with ceding companies	31	32	33	34	35	36
Total	37 2,552	38 105,867	39 5,124	40 1,514	41 1,236	42 116,293
Income and unrealised gains on investments benefiting policyholders that bear the risk and arising from pension fund management	43	44	45	46	47	48
Other income						
Interest on loans	49	50 1	51 110	52	53	54 111
Recovery of expenses and administrative charges	55 4,519	56 35,286	57 12,126	58 22	59 14	60 51,967
Other gains and amounts recovered	61 816	62 662	63 9,100	64 104	65 399	66 11,081
Total	67 5,335	68 35,950	69 21,336	70 126	71 413	72 63,159
Gains on realisation of investments (*)	73 472	74	75	76	77 1,168	78 1,641
Extraordinary income	79	80	81	82 3	83 14	84 17
GRAND TOTAL	85 8,359	86 141,817	87 26,461	88 1,643	89 2,832	90 181,111

II: Charges	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
Investment management expenses and interest expense:						
Investment charges	91 10	92 882	93 36,011	94	95	96 36,902
Interest on subordinated liabilities	97	98	99	100	101	102
Interest on deposits received from reinsurers	103	104 438	105	106	107	108 438
Interest on payables arising from direct insurance business	109	110	111	112	113	114
Interest on payables arising from reinsurance business	115	116	117	118	119	120
Interest on payables to banks and financial institutions	121	122	123 1	124	125	126 1
Interest on collateralised payables	127	128 3	129 93	130	131	132 96
Interest on other payables	133	134	135	136	137	138
Impairment losses on receivables	139	140	141	142	143 54	144 54
Administrative charges and third-party expenses	145 4,302	146 29,513	147 9,908	148 22	149 14	150 43,758
Sundry charges	151	152	153 855	154	155 750	156 1,605
Total	157 4,312	158 30,836	159 46,868	160 22	161 818	162 82,855
Charges and unrealised losses on investments benefiting policyholders that bear the risk and arising from pension fund management	163	164	165	166	167	168
Losses on realisation of investments (*)	169	170	171	172	173	174
Extraordinary expenses	175	176	177 9	178	179	180 9
GRAND TOTAL	181 4,312	182 30,836	183 46,877	184 22	185 818	186 82,864

(*) With reference to the counterparty in the transaction

4 Tables appended to the Notes to the Financial Statements

Annex 31

Summary of direct business written premiums

	Non-Life business		Life business		Total	
	Establishment	F.o.S	Establishment	F.o.S	Establishment	F.o.S
Written premiums:						
in Italy	1 6,882,837	5	11 2,890,512	15	21 9,773,350	25
in other Member States of the European Union	2	6 3,832	12	16 337	22	26 4,169
in other countries	3	7 14,462	13	17 968	23	27 15,430
Total	4 6,882,837	8 18,294	14 2,890,512	18 1,305	24 9,773,350	28 19,599

Statement of charges regarding human resources, directors and statutory auditors

I: Personnel expenses		Non-Life business		Life business		Total
Employment expenses:						
Italian portfolio:						
- Remuneration	1	352,441	31	47,190	61	399,631
- Social security contributions	2	95,219	32	12,904	62	108,123
- Allocation to the post-employment benefits and similar obligations	3	25,707	33	3,483	63	29,190
- Sundry personnel expenses	4	55,980	34	7,203	64	63,183
Total	5	529,347	35	70,780	65	600,127
Foreign portfolio:						
- Remuneration	6		36		66	
- Social security contributions	7		37		67	
- Sundry personnel expenses	8		38		68	
Total	9		39		69	
Comprehensive total	10	529,347	40	70,780	70	600,127
Self-employment expenses:						
Italian portfolio	11	405,128	41	1,513	71	406,641
Foreign portfolio	12		42		72	
Total	13	405,128	43	1,513	73	406,641
Total self-employment expenses	14	934,475	44	72,292	74	1,006,768
II: Breakdown of personnel expenses						
		Non-Life business		Life business		Total
Investment management expenses	15	17,810	45	6,206	75	24,017
Charges relating to claims	16	558,169	46	3,586	76	561,755
Other acquisition costs	17	140,678	47	22,955	77	163,633
Other administrative expenses	18	183,569	48	34,508	78	218,077
Administrative charges and third-party expenses	19	34,249	49	5,037	79	39,286
Other charges	20		50		80	
Total	21	934,475	51	72,292	81	1,006,768
III: Average headcount in the year						Number
Executives					91	175
Office workers					92	7,296
Wage earning					93	
Others					94	9
Total					95	7,480
IV: Directors and Statutory Auditors						Number
Directors			96	20	98	2,308
Statutory Auditors			97	3	99	175
						Fees due

4 Tables appended to the Notes to the Financial Statements

The undersigned declare that these financial statements are truthful and comply with the records.

Legal representatives of the Company (*)

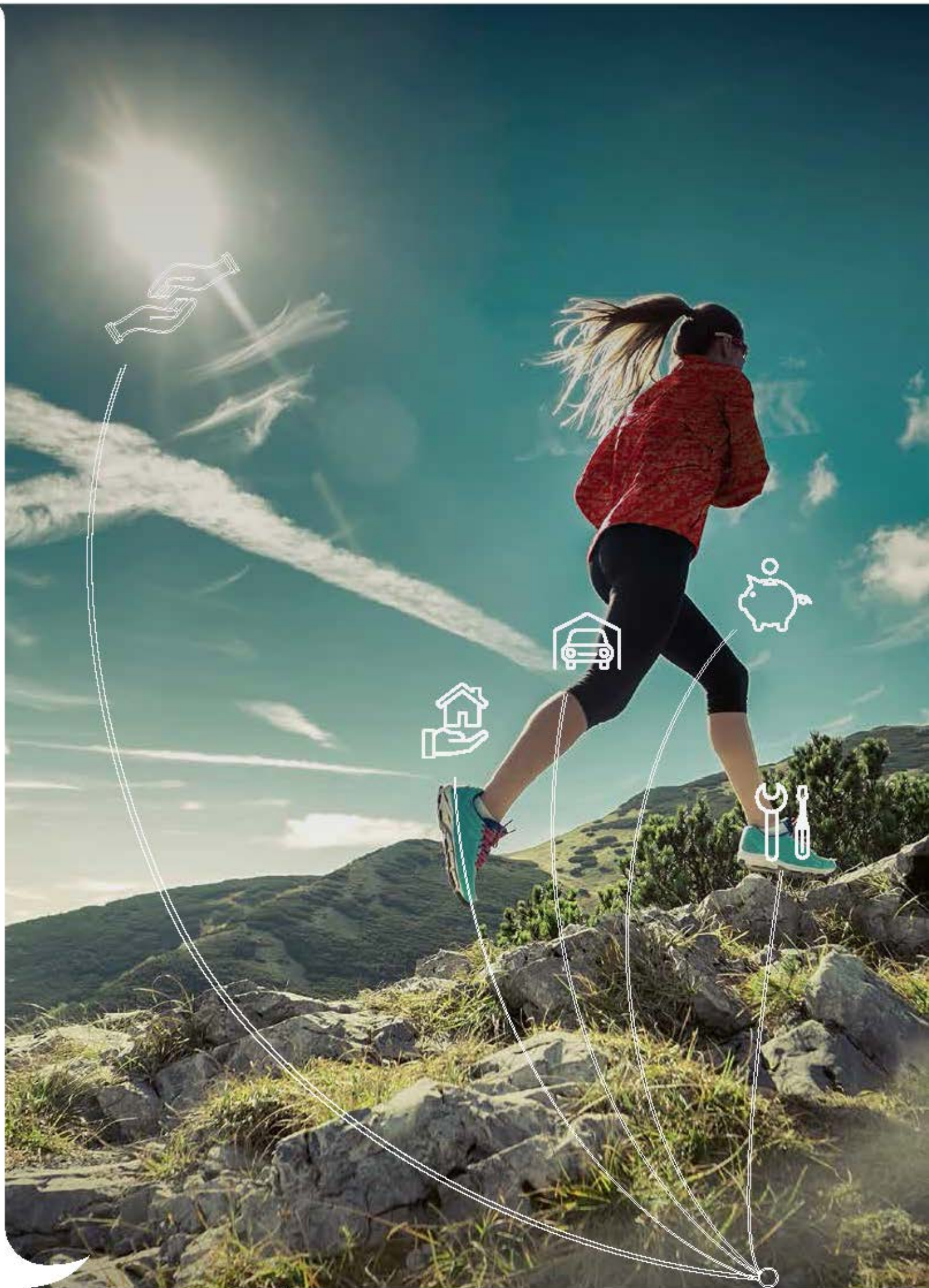
The Chairman

Carlo Cimbri

(**)

(*) For foreign companies, a signature of the general representative for Italy is required.

(**) Specify the office of the party signing



05

ADDITIONAL TABLES
APPENDED TO THE NOTES
TO THE FINANCIAL STATEMENTS



5 Additional tables appended to the Notes to the Financial Statements

Reclassification statement of financial position at 31 December 2017 and at 31 December 2016

Amounts in €k

ASSETS	2017	2016
Subscribed capital, unpaid		
Intangible assets		
Acquisition costs being amortised	74,995	77,679
Start-up costs, goodwill and other long-term costs	743,170	792,837
Total intangible assets	818,164	870,516
Investments and cash and cash equivalents		
I Land and buildings	2,376,041	2,541,526
II Investments in group companies and other investees		
Shares and holdings	3,539,979	2,155,862
Bonds	10,603	12,603
Loans	323,651	328,103
III Other financial investments		
Shares and holdings	819,844	554,866
Mutual investment fund units	2,716,676	1,886,623
Bonds	32,109,474	34,454,109
Loans	126,405	135,337
Mutual investment units		
Sundry financial investments	81,454	193,107
IV Deposits with ceding companies	15,100	19,108
V Cash and cash equivalents	922,340	349,155
Total investments and cash and cash equivalents	43,041,567	42,630,399
Investments benefiting life business policyholders that bear the risk arising from pension fund management		
Linked to investment funds and market indices	438,455	354,016
Arising from pension fund management	3,730,955	4,182,235
Total	4,169,410	4,536,251
Receivables		
I Arising from direct insurance and reinsurance business		
Policyholders for premiums	573,413	571,079
Intermediaries	880,254	907,944
Insurance and reinsurance companies	94,324	122,337
Policyholders and third parties for amounts to be collected	109,593	126,472
II Other receivables	1,046,313	1,364,251
Total receivables	2,703,898	3,092,084
Other assets		
Tangible assets and inventories	83,144	85,487
Other assets	1,674,894	1,783,860
Total other assets	1,758,038	1,869,347
TOTAL ASSETS	52,491,077	52,998,597

LIABILITIES AND SHAREHOLDERS' EQUITY	2017	2016
Shareholders' equity		
Share capital	2,031,456	2,031,456
Equity reserves and unallocated profit	3,223,466	3,117,826
Retained profit (loss)		
Profit (loss) for the year	577,199	458,479
Negative reserve for treasury shares	(79,292)	(79,292)
Total shareholders' equity	5,752,829	5,528,469
Subordinated liabilities	2,011,689	2,011,689
Technical provisions, net of the quotas ceded and retroceded		
Non-Life premium provision	2,576,170	2,533,759
Non-Life claims provision	11,033,974	11,567,056
Other Non-Life business provisions	87,500	87,145
Life business mathematical provisions	24,215,920	23,930,344
Life business provision for amounts payable	329,422	285,679
Other Life business provisions	102,673	102,947
Total technical provisions	38,345,658	38,506,930
Net technical provisions when investment risk is borne by policyholders and provisions arising from pension fund management		
Contracts linked to investment funds and market indices	438,455	353,917
Arising from pension fund management	3,730,955	4,182,235
Total	4,169,410	4,536,152
Provisions for risks and charges		
Post-employment benefits and similar obligations	2,367	2,593
Provisions for taxes	88,977	121,825
Other provisions	370,621	429,419
Total provisions for risks and charges	461,965	553,837
Payables and other liabilities		
Arising from direct insurance and reinsurance business		
Intermediaries	50,835	42,285
Insurance and reinsurance company current accounts	79,033	88,667
Insurance and reinsurance company deposit accounts	168,962	224,767
Sundry payables	14,004	15,912
II Sundry loans and other financial payables	15,872	15,364
III Post-employment benefits	53,561	54,574
IV Other payables		
Policyholders' tax due	152,771	152,276
Sundry tax payables	30,172	28,669
Sundry payables	341,739	268,253
V Other liabilities	842,576	970,753
Total payables and other liabilities	1,749,526	1,861,520
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	52,491,077	52,998,597

5 Additional tables appended to the Notes to the Financial Statements

Statement B

Reclassified income statement

Amounts in €k

TECHNICAL ACCOUNT	2017			2016		
	Life	Non-Life	Total	Life	Non-Life	Total
Direct business gross of reinsurance						
(+) Written premiums	2,891,818	6,901,131	9,792,949	3,041,710	6,960,233	10,001,943
(-) Change in technical provisions and premium provision	(27,872)	50,860	22,988	1,105,998	(34,327)	1,071,671
(-) Charges relating to claims	3,482,824	4,532,511	8,015,335	2,523,181	4,629,554	7,152,736
(+) Balance of other technical items	(14,231)	(130,650)	(144,881)	(15,039)	(121,462)	(136,501)
(-) Operating expenses	150,574	1,947,835	2,098,410	154,344	1,975,866	2,130,210
(+) Net income from investments (1)	934,491	355,756	1,290,247	980,346	170,378	1,150,724
Direct business gross result	206,551	595,031	801,582	223,494	438,055	661,549
Outwards reinsurance result	(2,252)	(95,367)	(97,619)	(2,815)	(91,820)	(94,635)
Indirect business net result	(137)	2,054	1,917	98	3,572	3,670
Technical account result	204,162	501,718	705,880	220,777	349,806	570,583
NON-TECHNICAL ACCOUNT						
(+) Income from investments (2)	100,676	123,451	224,127	103,048	56,390	159,438
(+) Other income	17,668	159,307	176,974	23,078	156,306	179,385
(-) Other charges	62,056	244,168	306,224	60,743	274,429	335,173
Profit (loss) from ordinary operations	260,449	540,308	800,757	286,160	288,073	574,234
(+) Extraordinary income	8,702	62,588	71,290	5,058	90,993	96,051
(-) Extraordinary expenses	3,470	51,826	55,296	2,351	33,611	35,962
Pre-tax profit (loss)	265,682	551,069	816,751	288,868	345,455	634,322
(-) Taxes	66,886	172,666	239,552	84,980	90,863	175,843
NET PROFIT (LOSS)	198,795	378,404	577,199	203,888	254,592	458,479

(1) Included for the Life business is the income net of the share transferred to the non-technical account.

Included for the Non-Life business is the income transferred from the non-technical account.

(2) Included for the Life business is the income transferred from the technical account.

Included for the Non-Life business is the income net of the share transferred to the technical account.

Statement of changes in shareholders' equity occurred during the years ended 31 December 2017 and 31 December 2016

<i>Amounts in €k</i>	Equity reserves and unallocated profit										Total
	Share Capital	Share premium reserve	Revaluation reserve	Legal reserve	Statutory reserve	Reserve for treasury shares	Reserve for holding company shares	Other reserve	Profit for the year	Negative reserve for treasury shares	
Balances at 31 december 2015	2,031,446	407,256	96,559	399,226			12,815	2,069,919	555,722	(76,561)	5,496,382
Effects after the merger of Liguria and Dialogo	10							5			16
Allocation profit 2015											
- Legal reserve				7,063					(7,063)		
- Extraordinary reserve								125,593	(125,593)		
- Shareholders' dividend									(423,677)		(423,677)
Allocation of profit delta resulting from 2015 restatement								(611)	611		
Operations involving treasury shares										(2,731)	(2,731)
Operations involving shares of the Holding company							(1,810)	1,810			
Profit for 2016									458,479		458,479
Balances at 31 december 2016	2,031,456	407,256	96,559	406,289			11,005	2,196,716	458,479	(79,292)	5,528,469
Allocation profit 2016											
- Legal reserve				2					(2)		
- Extraordinary reserve								105,638	(105,638)		
- Shareholders' dividend									(352,839)		(352,839)
Operations involving treasury shares											
Operations involving shares of the Holding company								3,678	(3,678)		
Profit for 2017									577,199		577,199
Balances at 31 december 2017	2,031,456	407,256	96,559	406,291			11,005	2,306,032	573,521	(79,292)	5,752,829

5 Additional tables appended to the Notes to the Financial Statements

Statement D

Analysis of the shareholders' equity pursuant to Art. 2427, number 7 bis of the Civil Code

Amounts in €k

Nature/Description	Amount	Possibility of use	Available portion
Capital	2,031,456		
Capital reserves:	1,672,012		1,664,685
Share premium reserve	407,256	A,B,C	407,256
Revaluation reserves Legislative Decree 185/2008	96,559	A,B,C	96,559
Merger by incorporation surplus reserve - La Fondiaria (cancellation)	71,773	A,B,C	71,773
Merger by incorporation surplus reserve - La Fondiaria (cancellation) suspended	38,697	A,B,C	38,697
Merger surplus reserve - Fonsai (swap transaction/cancellation)	1,033,924	A,B,C	1,033,924
2015 Merger surplus reserve	5	A,B,C	5
Merger gain reserve			
Share premium reserve for disposal of option rights that were not exercised	5	A,B,C	5
Dividend equalisation reserve	826	A,B,C	826
Reserve for treasury shares		-	
Reserve for holding company shares	7,327	-	
Reserve for treasury shares to be purchased		A,B,C	
Reserve for holding company shares to be purchased		A,B,C	
Extraordinary reserve	15,640	A,B,C	15,640
Income-related reserves:	1,551,455		1,145,163
Legal reserve	406,291	B	
Extraordinary reserve	511,052	A,B,C	511,052
Merger surplus - Fonsai (from swap transaction/cancellation)	619,860	A,B,C	619,860
2015 Merger surplus reserve	13,984	A,B,C	13,984
2015 Merger surplus reserve - suspended	94	A,B,C	94
Reserve for treasury shares		-	
Reserve for holding company shares		-	
Reserve for treasury shares to be purchased		A,B,C	
Reserve for holding company shares to be purchased		A,B,C	
Merger by incorporation surplus reserve - La Fondiaria (cancellation)	174	A,B,C	174
Negative reserve for treasury shares	(79,292)		(79,292)
Total	5,175,630		2,730,556
Non-distributable portion (2)			81,235
Residual distributable portion			2,649,321

Key:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

(2): Includes the remaining part allocated to the legal reserve, up to one fifth of the share capital, as set forth in art. 2430 of the Civil Code and the portion intended to cover multiannual costs not amortised, as provided for by Art. 16, paragraph 11 of Legislative Decree 173/1997

Statement of cash flows at 31 December 2017

Amounts in €k

	31/12/2017	31/12/2016
SOURCES OF FINANCING		
CASH FLOWS GENERATED BY OPERATIONS		
Profit (loss) for the year	577,199	458,479
Increase (decrease) in reserves	(528,014)	582,814
<i>premium reserves and other Non-Life technical provisions</i>	42,766	(26,476)
<i>Non-Life claims provisions</i>	(533,082)	(662,569)
<i>Life technical provisions</i>	(37,697)	1,271,859
Increase (decrease) in funds	38,990	68,878
<i>Accumulated amortisation/depreciation</i>	131,875	146,632
<i>Provisions for risks and charges</i>	(92,886)	(77,754)
Investments	3,216,987	177,642
<i>Write-down of securities</i>	27,061	
<i>Write-down of investments</i>	218,578	
<i>Decrease in investments in securities</i>	2,433,393	
<i>Decrease in investments in shares and participating interests</i>		
<i>Decrease in investments in property</i>	157,729	164,441
<i>Decrease in class D investments</i>	366,841	
<i>Decrease in loans</i>	13,383	13,201
(Increase) decrease in the change in receivables and other assets net of payables and other liabilities	440,963	20,555
Increase (decrease) in subordinated liabilities		
Increase (decrease) in deposits received from reinsurers	(55,805)	13,334
Decrease in bank deposits	100,000	60,826
Decrease in other commitments		
OTHER SOURCES OF FINANCING		
Liquidity from merged company		24,019
TOTAL SOURCES	3,790,321	1,406,548
USES OF CASH		
Investments:	2,811,545	924,410
<i>Increase in investments in securities</i>		40,701
<i>Increase in investments in shares and participating interests</i>	2,669,198	272,288
<i>Increase in investments in property</i>		
<i>Reversal of impairment losses in securities</i>	113,820	
<i>Reversal of impairment losses in participating interests</i>	28,527	
<i>Increase in class D investments</i>		611,421
<i>Increase in loans</i>		
Increase in bank deposits		
Other cash commitments	52,752	98,289
Dividends distributed	352,839	423,676
TOTAL USES	3,217,136	1,446,376
Increase (decrease) in cash and cash equivalents	573,185	(39,828)
TOTAL	3,790,321	1,406,548
Bank accounts/cash available at the start of the year	349,155	388,983
Bank accounts/cash available at the end of the year	922,340	349,155

5 Additional tables appended to the Notes to the Financial Statements

Statement F

Statement summarising write-backs

Amounts in €k

	Property for corporate business	Property for use by third parties	Other property	Total
Law 74/1952	3,192	1,525		4,717
Law 823/73	116	2,853		2,969
Law 576/75	164	1,208		1,372
Law 295/178 and subs. Amend.	838	1,921	2	2,761
Law 72/83	1,496	3,173		4,669
Law 413/91	4,005	11,421		15,426
DECREE LAW 185/08	46,073	30,600		76,673
Total	55,884	52,701	2	108,587 ^(*)

(*) net of accumulated depreciation.

Statement of changes in property, plant and equipment and intangible assets

Amounts in €k

	2016	Increases	Decreases	2017
TANGIBLE ASSETS				
Office furniture and machines	55,207	12,630	16,448	51,389
Motor vehicles				
Plant and equipment	26,023	8,547	7,088	27,483
Inventories and sundry goods	4,257	15		4,272
Total tangible assets	85,487	21,193	23,536	83,144
INTANGIBLE ASSETS				
Acquisition commissions	77,679	3,816	6,500	74,995
Other acquisition costs				
Start-up and expansion costs	16,510		10,270	6,240
Goodwill	603,912		55,071	548,841
Other multiannual costs	172,415	56,459	40,785	188,088
Total intangible assets	870,516	60,274	112,626	818,164

5 Additional tables appended to the Notes to the Financial Statements

Subordinated Bonds

Assets that have subordination clauses are listed according to the level of subordination at international level with reference to the sector in which the issuer operates.

Amounts in €k

Issuer	Currency	Carrying amount 31/12/17	Interest rate	Maturity	Early repayment	Level of subordination
ABN AMRO BANK NV	EUR	59,802	FIX TO FLOATER	18/01/2028	YES	TIER 2
ABN AMRO BANK NV	EUR	75,488	FIX TO FLOATER	PERPETUAL	YES	TIER 1
ACHMEA B.V.	EUR	57,065	FIX TO FLOATER	PERPETUAL	YES	TIER 2
AEGON NV	EUR	51,307	FIX TO FLOATER	25/04/2044	YES	TIER 2
AGEAS INSURANCE SA/NV	EUR	69,083	FIX TO FLOATER	30/06/2047	YES	TIER 2
ALLIANZ FINANCE II BV	EUR	2,092	FIX TO FLOATER	08/07/2041	YES	TIER 2
ALLIANZ SE	EUR	15,650	FIXED	PERPETUAL	YES	TIER 2
ALLIANZ SE	EUR	65,455	FIX TO FLOATER	06/07/2047	YES	TIER 2
ALLIANZ SE	EUR	46,124	FIX TO FLOATER	PERPETUAL	YES	TIER 2
ALLIED IRISH BKS	EUR	10,025	FIX TO FLOATER	26/11/2025	YES	TIER 2
ALLIED IRISH BKS	EUR	32,047	FIX TO FLOATER	PERPETUAL	YES	TIER 1
AMERICA MOVIL SAB DE CV	EUR	20,443	FIX TO FLOATER	06/09/2023	YES	OTHER CLAUSES
ASR NEDERLAND NV	EUR	6,141	FIX TO FLOATER	29/09/2045	YES	TIER 2
ASR NEDERLAND NV	EUR	2,000	FIX TO FLOATER	PERPETUAL	YES	TIER 1
ASR NEDERLAND NV	EUR	25,452	FIX TO FLOATER	PERPETUAL	YES	TIER 2
AT SECURITIES BV	EUR	6,670	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
ATF NETHERLANDS BV	EUR	19,935	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
AVIVA PLC	EUR	61,840	FIX TO FLOATER	03/07/2044	YES	TIER 2
AVIVA PLC	EUR	36,549	FIX TO FLOATER	04/12/2045	YES	TIER 2
AXA SA	EUR	43,095	FIX TO FLOATER	06/07/2047	YES	TIER 2
AXA SA	EUR	11,577	FIX TO FLOATER	16/04/2040	YES	TIER 2
AXA SA	EUR	80,032	FIX TO FLOATER	PERPETUAL	YES	TIER 2
BANCO BILBAO VIZCAYA ARGENTARIA SA	EUR	39,997	FIXED	10/02/2027	NO	TIER 2
BANCO BILBAO VIZCAYA ARGENTARIA SA	EUR	89,907	FIX TO FLOATER	PERPETUAL	YES	TIER 1
BANCO BILBAO VIZCAYA ARGENTARIA SA	EUR	3,997	INDEXED	16/02/2022	YES	TIER 2
BANCO BPM SPA	EUR	12,484	FIXED	31/05/2021	NO	TIER 2
BANCO BPM SPA	EUR	1,520	FIX TO FLOATER	21/09/2027	YES	TIER 2
BANCO COMERCIAL PORTUGUES SA	EUR	499	FIX TO FLOATER	07/12/2027	YES	TIER 2
BANCO DE SABADELL SA	EUR	4,657	FIXED	06/05/2026	NO	TIER 2
BANCO DE SABADELL SA	EUR	608	FIX TO CMS	PERPETUAL	YES	TIER 1
BANCO DE SABADELL SA	EUR	394	FIX TO FLOATER	PERPETUAL	YES	TIER 1
BANCO SANTANDER SA	EUR	114,103	FIX TO FLOATER	PERPETUAL	YES	TIER 1
BANK OF AMERICA CORP	EUR	1,506	INDEXED	06/05/2019	NO	TIER 2
BANK OF AMERICA CORP	EUR	9,876	INDEXED	14/09/2018	NO	TIER 2
BANK OF AMERICA CORP	EUR	6,500	INDEXED	28/03/2018	YES	TIER 2
BANK OF IRELAND	EUR	50,739	FIX TO FLOATER	11/06/2024	YES	TIER 2
BANK OF IRELAND	EUR	21,412	FIX TO FLOATER	PERPETUAL	YES	TIER 1
BANKIA SA	EUR	12,572	FIX TO FLOATER	22/05/2024	YES	TIER 2
BANKIA SA	EUR	21,011	FIX TO FLOATER	PERPETUAL	YES	TIER 1
BANQUE FED. CREDIT MUTUEL	EUR	1,779	CMS/CMT	PERPETUAL	YES	TIER 2
BANQUE FED. CREDIT MUTUEL	EUR	14,886	FIXED	11/09/2025	NO	TIER 2
BARCLAYS BANK PLC	EUR	12,995	FIXED	23/01/2018	NO	TIER 2
BARCLAYS BANK PLC	EUR	2,891	FIXED	30/03/2022	NO	TIER 2
BARCLAYS PLC	EUR	9,945	FIX TO FLOATER	07/02/2028	YES	TIER 2
BARCLAYS PLC	EUR	93,152	FIX TO FLOATER	11/11/2025	YES	TIER 2
BARCLAYS PLC	EUR	91,849	FIX TO FLOATER	PERPETUAL	YES	TIER 1
BAYER AG	EUR	30,668	FIX TO FLOATER	01/07/2024	YES	OTHER CLAUSES
BAYER AG	EUR	31,997	FIX TO FLOATER	02/10/2022	YES	OTHER CLAUSES
BELFIUS BANK SA	EUR	40,134	FIXED	11/05/2026	NO	TIER 2
BERTELSMANN SE & CO KGAA	EUR	34,521	FIX TO FLOATER	23/04/2027	YES	OTHER CLAUSES

Amounts in €k

Issuer	Currency	Carrying amount 31/12/17	Interest rate	Maturity	Early repayment	Level of subordination
BHP BILLITON FIN	EUR	1,200	FIX TO FLOATER	22/10/2024	YES	OTHER CLAUSES
BNP PARIBAS CARDIF SA	EUR	95,133	FIX TO FLOATER	PERPETUAL	YES	TIER 2
BNP PARIBAS PARIS	EUR	10,075	FIXED	01/10/2026	NO	TIER 2
BNP PARIBAS PARIS	EUR	14,523	FIXED	11/01/2027	NO	TIER 2
BNP PARIBAS PARIS	EUR	1,911	FIXED	17/02/2025	NO	TIER 2
BNP PARIBAS PARIS	EUR	5,972	FIXED	27/01/2026	NO	TIER 2
BNP PARIBAS PARIS	EUR	36,761	FIX TO FLOATER	14/10/2027	YES	TIER 2
BNP PARIBAS PARIS	EUR	15,152	FIX TO FLOATER	20/03/2026	YES	TIER 2
BNP PARIBAS PARIS	EUR	66,948	FIX TO FLOATER	PERPETUAL	YES	TIER 1
BPCE SA	EUR	21,469	FIXED	15/03/2025	NO	TIER 2
BPCE SA	EUR	16,022	FIX TO FLOATER	08/07/2026	YES	TIER 2
BPCE SA	EUR	49,033	FIX TO FLOATER	30/11/2027	YES	TIER 2
CAIXABANK SA	EUR	35,991	FIX TO FLOATER	15/02/2027	YES	TIER 2
CAJA DE AHORROS Y MONTE	EUR	33,050	FIX TO FLOATER	28/07/2025	YES	TIER 2
CASINO GUICHARD PERRACHON	EUR	11,777	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
CATTOLICA ASSICURAZIONI	EUR	32,980	FIX TO FLOATER	14/12/2047	YES	TIER 2
CENTRICA PLC	EUR	13,927	FIX TO FLOATER	10/04/2021	YES	OTHER CLAUSES
CITIGROUP INC	EUR	24,929	FIXED	20/11/2026	NO	TIER 2
CITIGROUP INC	EUR	1,601	INDEXED	10/02/2019	YES	TIER 2
CLOVERIE PLC VIA SWISS RE CORPSOL	EUR	28,125	FIX TO FLOATER	11/09/2044	YES	TIER 2
CLOVERIE PLC ZURICH INS	EUR	40,855	FIXED	PERPETUAL	YES	TIER 2
CNP ASSURANCES	EUR	16,962	FIXED	20/10/2022	NO	TIER 3
CNP ASSURANCES	EUR	42,410	FIX TO FLOATER	05/06/2045	YES	TIER 2
CNP ASSURANCES	EUR	29,057	FIX TO FLOATER	10/06/2047	YES	TIER 2
CNP ASSURANCES	EUR	4,449	FIX TO FLOATER	30/09/2041	YES	TIER 2
CNP ASSURANCES	EUR	38,259	FIX TO FLOATER	PERPETUAL	YES	TIER 2
COMMERZBANK AG	EUR	40,472	FIXED	09/05/2018	NO	TIER 2
COMMERZBANK AG	EUR	12,903	FIXED	16/03/2021	NO	TIER 2
COMMERZBANK AG	EUR	51,624	FIXED	23/03/2026	NO	TIER 2
COMMERZBANK AG	EUR	32,691	FIXED	30/03/2027	NO	TIER 2
COOPERATIEVE RABOBANK UA	EUR	823	FIXED	09/11/2022	NO	TIER 2
COOPERATIEVE RABOBANK UA	EUR	41,715	FIXED	21/07/2026	NO	TIER 2
COOPERATIEVE RABOBANK UA	EUR	34,165	FIX TO FLOATER	26/05/2026	YES	TIER 2
COOPERATIEVE RABOBANK UA	EUR	79,449	FIX TO FLOATER	PERPETUAL	YES	TIER 1
CORSAIR FINANCE IRELAND LTD	EUR	32,000	INDEXED	05/10/2020	NO	TIER 2
CREDIT AGRICOLE ASSURANCES	EUR	30,757	FIX TO FLOATER	27/09/2048	YES	TIER 2
CREDIT AGRICOLE ASSURANCES	EUR	95,034	FIX TO FLOATER	PERPETUAL	YES	TIER 2
CREDIT AGRICOLE S.A.	EUR	1,113	FIXED	11/06/2019	NO	TIER 2
CREDIT AGRICOLE S.A.	EUR	16,976	FIXED	17/03/2025	NO	TIER 2
CREDIT AGRICOLE S.A.	EUR	27,656	FIXED	17/03/2027	NO	TIER 2
CREDIT AGRICOLE S.A.	EUR	472	FIXED	30/06/2020	NO	TIER 2
CREDIT AGRICOLE S.A.	EUR	89,901	FIX TO FLOATER	PERPETUAL	YES	TIER 1
CREDIT LOGEMENT SA	EUR	25,343	INDEXED	PERPETUAL	YES	TIER 1
CREDIT MUTUEL ARKEA	EUR	14,945	FIXED	09/02/2029	NO	TIER 2
CREDIT MUTUEL ARKEA	EUR	4,998	FIXED	18/09/2018	NO	TIER 2
CREDIT SUISSE GROUP AG	EUR	82,019	FIX TO FLOATER	PERPETUAL	YES	TIER 1
CREDITO EMILIANO SPA	EUR	50,003	FIX TO FLOATER	13/03/2025	YES	TIER 2
DANSKE BANK	EUR	12,000	FIX TO FLOATER	PERPETUAL	YES	TIER 1
DEMETER (SWISS LIFE)	EUR	58,277	FIX TO FLOATER	PERPETUAL	YES	TIER 2
DEMETER (ZURICH INS)	EUR	9,981	FIX TO FLOATER	01/10/2046	YES	TIER 2
DEUTSCHE BANK AG	EUR	14,039	FIXED	01/04/2025	NO	TIER 2

5 Additional tables appended to the Notes to the Financial Statements

Amounts in €k

Issuer	Currency	Carrying amount 31/12/17	Interest rate	Maturity	Early repayment	Level of subordination
DEUTSCHE BANK AG	EUR	29,787	FIXED	17/02/2025	NO	TIER 2
DEUTSCHE BANK AG	EUR	18,439	FIX TO FLOATER	24/05/2028	YES	TIER 2
DEUTSCHE BANK AG	EUR	59,810	FIX TO FLOATER	PERPETUAL	YES	TIER 1
DEUTSCHE BANK AG LONDON	EUR	9,180	FIXED	23/02/2035	YES	TIER 2
DIRECT LINE INSURANCE GROUP PLC	EUR	9,017	FIX TO CMS	PERPETUAL	YES	TIER 1
DNB NOR BANK ASA	EUR	54,001	FIX TO FLOATER	PERPETUAL	YES	TIER 1
ELECTRICITE DE FRANCE SA	EUR	17,987	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ELECTRICITE DE FRANCE SA	EUR	79,057	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
ELMBV (SWISS LIFE)	EUR	9,974	FIX TO FLOATER	PERPETUAL	YES	TIER 2
ENBW ENERGIE BADEN-WUERTTEMBERG AG	EUR	24,800	FIX TO FLOATER	02/04/2021	YES	OTHER CLAUSES
ENBW ENERGIE BADEN-WUERTTEMBERG AG	EUR	14,903	FIX TO FLOATER	05/04/2022	YES	OTHER CLAUSES
ENEL SPA	EUR	48,655	FIX TO CMS	15/01/2020	YES	OTHER CLAUSES
ENEL SPA	EUR	15,957	FIX TO CMS	15/09/2021	YES	OTHER CLAUSES
ENGIE SA (EX GDF SUEZ)	EUR	10,222	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
GAS NATURAL FENOSA FINANCE BV	EUR	60,246	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
GENERALI FINANCE BV	EUR	96,279	FIX TO FLOATER	PERPETUAL	YES	TIER 1
GENERALI SPA	EUR	23,844	FIXED	04/05/2026	NO	TIER 2
GENERALI SPA	EUR	42,813	FIX TO FLOATER	08/06/2048	YES	TIER 2
GENERALI SPA	EUR	26,887	FIX TO FLOATER	10/07/2042	YES	TIER 2
GENERALI SPA	EUR	16,363	FIX TO FLOATER	27/10/2047	YES	TIER 2
GENERALI SPA	EUR	45,879	FIX TO FLOATER	PERPETUAL	YES	TIER 1
GROUPAMA SA	EUR	43,300	FIXED	23/01/2027	NO	TIER 2
GROUPAMA SA	EUR	3,613	FIX TO FLOATER	27/10/2039	YES	TIER 2
GROUPAMA SA	EUR	6,454	FIX TO FLOATER	PERPETUAL	YES	TIER 2
HANNOVER FINANCE SA	EUR	860	FIX TO FLOATER	14/09/2040	YES	TIER 2
HANNOVER RUECKVERSICHERU-REG	EUR	49,063	FIX TO FLOATER	PERPETUAL	YES	TIER 2
HSBC HOLDINGS PLC	EUR	10,000	FIXED	19/03/2018	NO	TIER 2
HSBC HOLDINGS PLC	EUR	50,255	FIXED	30/06/2025	NO	TIER 2
HSBC HOLDINGS PLC	EUR	99,694	FIX TO FLOATER	PERPETUAL	YES	TIER 1
HUTCHISON WHAMPOA KY	EUR	9,857	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
ING BANK NV	EUR	4,225	FIX TO FLOATER	21/11/2023	YES	TIER 2
ING BANK NV	EUR	13,107	FIX TO FLOATER	29/05/2023	YES	TIER 2
ING GROEP NV	EUR	37,955	FIX TO FLOATER	15/02/2029	YES	TIER 2
ING GROEP NV	EUR	78,569	FIX TO FLOATER	PERPETUAL	YES	TIER 1
INTESA SANPAOLO SPA	EUR	11,701	FIXED	13/09/2023	NO	TIER 2
INTESA SANPAOLO SPA	EUR	44,537	FIXED	15/09/2026	NO	TIER 2
INTESA SANPAOLO SPA	EUR	29,171	FIXED	26/06/2024	NO	TIER 2
INTESA SANPAOLO SPA	EUR	85,061	FIX TO FLOATER	PERPETUAL	YES	TIER 1
INTESA SANPAOLO SPA	EUR	11,029	INDEXED	20/02/2018	NO	TIER 2
INTESA SANPAOLO SPA	EUR	43,941	INDEXED	28/05/2018	NO	TIER 2
INTESA SANPAOLO VITA SPA	EUR	27,129	FIX TO FLOATER	PERPETUAL	YES	TIER 1
KBC GROEP NV	EUR	19,231	FIX TO FLOATER	11/03/2027	YES	TIER 2
KBC GROEP NV	EUR	4,996	FIX TO FLOATER	25/11/2024	YES	TIER 2
KBC GROEP NV	EUR	47,986	FIX TO FLOATER	PERPETUAL	YES	TIER 1
LA BANQUE POSTALE SA	EUR	12,981	FIXED	09/06/2028	NO	TIER 2
LA BANQUE POSTALE SA	EUR	18,004	FIX TO FLOATER	19/11/2027	YES	TIER 2
LA MONDIALE SAM	EUR	57,507	FIX TO FLOATER	PERPETUAL	YES	TIER 2
LANDESBANK BADEN-WUERTTEMBERG	EUR	15,953	FIXED	28/09/2026	NO	TIER 2
LANDESBANK BERLIN AG	EUR	3,650	FIXED	25/11/2019	NO	TIER 2
LEGAL GENERAL GROUP	EUR	20,845	FIX TO FLOATER	21/03/2047	YES	TIER 2
LEGAL GENERAL GROUP	EUR	20,651	FIX TO FLOATER	27/10/2045	YES	TIER 2

Amounts in €k

Issuer	Currency	Carrying amount 31/12/17	Interest rate	Maturity	Early repayment	Level of subordination
LLOYDS BANK PLC	EUR	5,641	FIXED	24/03/2020	NO	TIER 2
LLOYDS BANKING GROUP PLC	EUR	60,002	FIX TO FLOATER	PERPETUAL	YES	TIER 1
MACQUARIE BANK LTD	EUR	3,786	FIXED	21/09/2020	NO	TIER 2
MAPFRE SA	EUR	29,814	FIX TO FLOATER	31/03/2047	YES	TIER 2
MITSUBISHI UFJ INVESTOR	EUR	842	INDEXED	30/12/2099	NO	TIER 1
MUNICH RE	EUR	6,965	FIX TO FLOATER	26/05/2042	YES	TIER 2
NATIONAL AUSTRALIA BANK	EUR	34,740	FIX TO FLOATER	12/11/2024	YES	TIER 2
NATIONWIDE BUILDING SOCIETY	EUR	14,184	FIXED	14/09/2026	NO	TIER 2
NATIONWIDE BUILDING SOCIETY	EUR	3,694	FIXED	22/07/2020	NO	TIER 2
NATIONWIDE BUILDING SOCIETY	EUR	45,103	FIX TO FLOATER	PERPETUAL	YES	TIER 1
NATIXIS	EUR	12,000	CMS/CMT	PERPETUAL	YES	TIER 1
NN GROUP NV	EUR	15,447	FIX TO FLOATER	08/04/2044	YES	TIER 2
NN GROUP NV	EUR	36,869	FIX TO FLOATER	13/01/2048	YES	TIER 2
NN GROUP NV	EUR	45,160	FIX TO FLOATER	PERPETUAL	YES	TIER 2
NORDEA BANK AB	EUR	15,000	FIX TO CMS	PERPETUAL	YES	TIER 1
NORDEA BANK AB	EUR	37,197	FIX TO FLOATER	PERPETUAL	YES	TIER 1
NYKREDIT REALKREDIT AS	EUR	33,203	FIX TO FLOATER	03/06/2036	YES	TIER 2
NYKREDIT REALKREDIT AS	EUR	9,993	FIX TO FLOATER	17/11/2027	YES	TIER 2
OMV AG	EUR	4,999	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ORANGE SA (EX FRANCE TELECOM)	EUR	52,301	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
ORIGIN ENERGY FINANCE LTD	EUR	47,601	FIX TO FLOATER	16/09/2019	YES	OTHER CLAUSES
ORSTED A/S (EX DONG ENERGY)	EUR	8,433	FIX TO CMS	24/11/2024	YES	OTHER CLAUSES
ORSTED A/S (EX DONG ENERGY)	EUR	11,471	FIX TO FLOATER	06/11/2020	YES	OTHER CLAUSES
POSTE VITA SPA	EUR	14,181	FIXED	30/05/2019	NO	TIER 2
PRUDENTIAL FINANCIAL INC.	EUR	22,466	FIX TO FLOATER	15/09/2047	YES	TIER 2
PRUDENTIAL PLC	EUR	44,436	FIX TO FLOATER	20/07/2035	YES	TIER 2
RAIFFEISEN BANK INTERNATIONAL AG	EUR	8,998	FIX TO FLOATER	21/02/2025	YES	TIER 2
REPSOL INTERNATIONAL FINANCE BV	EUR	28,340	FIX TO FLOATER	25/03/2025	YES	OTHER CLAUSES
REPSOL INTERNATIONAL FINANCE BV	EUR	25,236	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
ROYAL BANK OF SCOTLAND	EUR	20,000	FIXED	09/04/2018	NO	TIER 2
ROYAL BANK OF SCOTLAND GROUP	EUR	11,856	FIXED	19/12/2023	NO	TIER 2
ROYAL BANK OF SCOTLAND GROUP	EUR	16,922	FIXED	28/05/2024	NO	TIER 2
ROYAL BANK OF SCOTLAND GROUP	EUR	32,722	FIXED	PERPETUAL	YES	TIER 1
ROYAL BANK OF SCOTLAND GROUP	EUR	61,835	FIX TO FLOATER	25/03/2024	YES	TIER 2
ROYAL BANK OF SCOTLAND GROUP	EUR	51,604	FIX TO FLOATER	PERPETUAL	YES	TIER 1
RWE AG	EUR	33,062	FIX TO FLOATER	21/10/2020	YES	OTHER CLAUSES
SANTANDER ISSUANCES S.A	EUR	27,353	FIXED	04/04/2026	NO	TIER 2
SANTANDER ISSUANCES S.A	EUR	41,379	FIXED	18/03/2025	NO	TIER 2
SCOR SA	EUR	28,124	FIX TO FLOATER	08/06/2046	YES	TIER 2
SCOR SA	EUR	9,934	FIX TO FLOATER	PERPETUAL	YES	TIER 2
SERVIZI ASS. DEL COMMERCIO ESTERO	EUR	56,738	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
SKANDINAVISKA ENSKILDA BANKEN	EUR	53,196	FIX TO FLOATER	PERPETUAL	YES	TIER 1
SNS BANK N.V.	EUR	510	FIXED	14/05/2049	NO	TIER 2
SNS BANK N.V.	EUR	225	FIXED	26/10/2049	NO	TIER 2
SOCIETE GENERALE	EUR	8,939	FIXED	14/04/2025	NO	TIER 2
SOCIETE GENERALE	EUR	12,446	FIXED	19/08/2026	NO	TIER 2
SOCIETE GENERALE	EUR	20,021	FIXED	27/02/2025	NO	TIER 2
SOCIETE GENERALE	EUR	39,764	FIX TO FLOATER	16/09/2026	YES	TIER 2
SOCIETE GENERALE	EUR	75,517	FIX TO FLOATER	PERPETUAL	YES	TIER 1

5 Additional tables appended to the Notes to the Financial Statements

Amounts in €k

Issuer	Currency	Carrying amount 31/12/17	Interest rate	Maturity	Early repayment	Level of subordination
SOCIÉTÉ EUROPEENNE SATELLITE	EUR	34,179	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
SOGECAP SA	EUR	110,007	FIX TO FLOATER	PERPETUAL	YES	TIER 2
SOLVAY FINANCE SA	EUR	5,000	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
STANDARD CHARTERED PLC	EUR	10,087	FIXED	19/11/2024	NO	TIER 2
STANDARD CHARTERED PLC	EUR	28,150	FIXED	23/11/2022	NO	TIER 2
STANDARD CHARTERED PLC	EUR	15,864	FIX TO FLOATER	21/10/2025	YES	TIER 2
STANDARD CHARTERED PLC	EUR	41,991	FIX TO FLOATER	PERPETUAL	YES	TIER 1
SVENSKA HANDELSBANKEN AB	EUR	41,352	FIX TO FLOATER	PERPETUAL	YES	TIER 1
SWEDBANK AB	EUR	10,006	FIX TO FLOATER	PERPETUAL	YES	TIER 1
SYNETERISTIKI INSURANCE CO. INC.	EUR	1,500	INDEXED	PERPETUAL	YES	TIER 1
TALANX AG	EUR	33,961	FIX TO FLOATER	05/12/2047	YES	TIER 2
TDC A/S	EUR	15,000	FIX TO FLOATER	26/02/2021	YES	OTHER CLAUSES
TELEFONICA EUROPE BV	EUR	34,352	FIXED	PERPETUAL	YES	OTHER CLAUSES
TELEFONICA EUROPE BV	EUR	32,522	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
THE BANK OF NEW YORK MELLON LUX SA	EUR	25,375	INDEXED	15/12/2050	NO	TIER 1
TOTAL SA	EUR	39,285	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
UBS AG	EUR	31,202	FIXED	15/05/2024	NO	TIER 2
UBS GROUP AG	EUR	82,764	FIX TO FLOATER	PERPETUAL	YES	TIER 1
UNICREDIT INTERNATIONAL BANK SA	EUR	200	FIX TO FLOATER	PERPETUAL	YES	TIER 1
UNICREDIT SPA	EUR	18,642	FIXED	05/06/2018	NO	TIER 2
UNICREDIT SPA	EUR	75,880	FIXED	31/10/2022	NO	TIER 2
UNICREDIT SPA	EUR	36,200	FIX TO CMS	PERPETUAL	YES	TIER 1
UNICREDIT SPA	EUR	42,422	FIX TO FLOATER	03/01/2027	YES	TIER 2
UNICREDIT SPA	EUR	101,215	FIX TO FLOATER	PERPETUAL	YES	TIER 1
UNICREDIT SPA	EUR	4,876	INDEXED	25/06/2018	NO	TIER 2
UNIONE DI BANCHE ITALIANE SCPA	EUR	60,015	FIX TO FLOATER	05/05/2026	YES	TIER 2
UNIONE DI BANCHE ITALIANE SCPA	EUR	503	FIX TO FLOATER	15/09/2027	YES	TIER 2
UNIONE DI BANCHE ITALIANE SCPA	EUR	7,946	INDEXED	30/10/2018	YES	TIER 2
UNIPOLSAI ASSICURAZIONI SPA	EUR	4,793	INDEXED	28/07/2023	YES	TIER 2
VATTENFALL AB	EUR	58,830	FIX TO FLOATER	19/03/2027	YES	OTHER CLAUSES
VENETO BANCA SPA	EUR	62	FIX TO FLOATER	01/12/2025	YES	TIER 2
VOLKSWAGEN INT.NAL FINANCE NV	EUR	44,303	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
WACHOVIA CORP.	EUR	1,492	FIXED	27/11/2018	NO	TIER 2
WILLOW NO.2 IE FOR ZURICH INSURANCE	EUR	33,560	FIX TO FLOATER	01/10/2045	YES	TIER 2
Total		7,061,607				

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0282	To - Airasca - Via Roma 187 - 189	241		
2	0345	To - Chieri - Vicolo S. Antonio - Via V. Emanuele li Snc	189		
2	2035	To - Collegno - Viale Gramsci 24	48		
2	0247	To - Grugliasco - Via Echirolles 6/8	181		
2	0414	To - Ivrea - P.Zza Lamarmora 7	73		
2	0248	To - Ivrea - Via Monte Stella 6	508		
2	0105	To - Moncalieri - P.Za V. Emanuele 8	188		
2	0434	To - Moncalieri - Piazza Caduti Per La Liberta' 7	112		
2	1050	To - Moncalieri - Strada Ferrero Di Cambiano, 20	3,000		
1	0008	To - Moncalieri - Via F. Postiglione 18	1,041		
2	0008	To - Moncalieri - Via F. Postiglione 18	704		
2	0112	To - Nichelino - Via Giusti 10	78		
2	0251	To - Rivarolo Canavese - V. Gallo Pecca 22	223		
2	0131	To - Rivoli - C. So Susa 40-42	110		
2	0163	To - Torino - C. So Francia 151	144		
2	0167	To - Torino - C. So Grosseto 269	94		
2	0171	To - Torino - C. So Sebastopoli 310/1	106		
2	0172	To - Torino - C. So Siracusa 92	274		
2	0544	To - Torino - C. So Svizzera 185	1,574		
2	0178	To - Torino - C. So Turati 74	70		
2	1049	To - Torino - C. So Vittorio Emanuele 48/V. Carlo Alberto 65	22,919	986	
2	0162	To - Torino - Corso Dante 119	1,035		
2	0019	To - Torino - Corso Galileo Galilei 12/14	23,107	2,370	
2	0231	To - Torino - Corso Lecce 50	119		
1	2219	To - Torino - Corso Trapani 7/D	1,953		
2	2219	To - Torino - Corso Trapani 7/D	46		
1	7560	To - Torino - Corso Vittorio Emanuele 8, 3	45		
2	7560	To - Torino - Corso Vittorio Emanuele 8, 3	864		
2	0161	To - Torino - Cosenza 101/Pitagora 9	182		
2	0194	To - Torino - Grossi 29/Vinci 21/Cellini 6	7,230	170	
1	1109	To - Torino - Lungo Dora Firenze 71	26,281	165	
2	1109	To - Torino - Lungo Dora Firenze 71		4	
2	0022	To - Torino - Piazza Derna 207	69		
2	0494	To - Torino - Piazza Guala 143	7,967		
2	2303	To - Torino - Strada Del Drosso, 25	4,763		
2	0303	To - Torino - Via Arsenale 5	8,408		
1	3510	To - Torino - Via Berthollet 46	378	116	
2	3510	To - Torino - Via Berthollet 46	9,797	161	
2	0187	To - Torino - Via Breglio 61	320		
1	0284	To - Torino - Via Carlo Alberto 59	5,790		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
	241								
				7	182	198	57		
				2	46	100	10	7	
	179			2					
				3	71	72	19	4	
				11	497	550	65		
					188	430	33	10	2
				4	108	143	26	33	
					3,000	3,000	1,373		2,891
				124	917	2,909	3,830	176	
				21	683	1,011	126	131	
	76			2					
				8	215	300	47		
	110								
	144								
	94								
				4	102	190	22	28	
	274								
	1,574								
				3	67	240	18	51	
				543	23,362	23,139	2,878		2,442
				20	1,014	2,330	148	636	
				1,041	24,436	46,689	16,333	4,689	
	119								
		144		50	1,758	1,800	309		578
		3		1	42		7		14
			42						
42				56	852	1,640	1,023	450	
	182								
	1,105			4	6,290	16,963	24	3,878	
			1,215	630	24,600	21,987	1,288		
1,215				25	1,194	1,067	63		
	69								
				232	7,735	8,015	2,417		
				128	4,635	4,682	892		3,221
				204	8,205	8,392	1,898		414
			491	2					
491				264	10,185	9,383	517		
	320								
				323	5,467	6,700	5,283		

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other increases	Write-backs and reversals of impairment losses
2	0253	To - Torino - Via Dei Quartieri 10	84		
2	2284	To - Torino - Via Guarini 4	167		
1	3511	To - Torino - Via Marengo 15	20,129		
2	0290	To - Torino - Via Millefonti 22/24	235		
2	0492	To - Torino - Via Millio 41	683		
2	0197	To - Torino - Via Monginevro 61	67		
2	0199	To - Torino - Via S.Pio Vii 84	115		
2	0200	To - Torino - Via Valperga Caluso 30	135		
2	0206	To - Venaria - Via Tripoli 17	62		
2	0328	Vc - Borgosesia - Via G. Ferrari 15	110		
2	3003	Vc - Gattinara - Piazza Giuseppe Mazzini 3	3,106	42	
2	2204	Vc - Vercelli - Corso Garibaldi 44	42		
2	2205	Vc - Vercelli - Via Duchessa Jolanda 20	31		
2	2206	Vc - Vercelli - Via Xx Settembre 2	157		
2	1021	No - Novara - C.So Della Vittoria 2	35		
1	2247	No - Novara - Via Baluardo Lamarmora 19	44		
2	2247	No - Novara - Via Baluardo Lamarmora 19	155		
1	0313	Cn - Alba - Corso Langhe 7	67		
2	0313	Cn - Alba - Corso Langhe 7	107		
2	2261	Cn - Cuneo - Piazza Boves 2	214		
2	0314	Al - Alessandria - Corso Crimea 25	215		
2	2002	Al - Alessandria - Via Faa' Di Bruno N. 49	77		
1	4200	Al - Alessandria - Via Spalto Marengo 11	101		
2	2254	Al - Alessandria - Via Trotti 44/46	143		
2	0266	Al - Novi Ligure - Via Garibaldi 91/D	152		
2	0201	Al - Tortona - Via Carducci 25	78		
2	0323	Bi - Biella - Piazza 1 Maggio 10	253		
2	0033	Bi - Biella - Via Cova 10/A	100		
2	7380	Bi - Biella - Via Gramsci 21	113		
2	2013	Bi - Biella - Via Nazario Sauro 4	43		
2	0351	Bi - Cossato - Via Paietta 8	108		
2	0501	Bi - Trivero - Località Ponzone / Via Provinciale 195	91		
3	0525	Im - San Remo - Monte Bignone S.N.C.	22		
2	0153	Sv - Savona - Via Servettaz 1	109		
2	0538	Ge - Camogli - Fabbricati Non Abitativi Camogli Viale Gaggini 1	86		
3	0543	Ge - Camogli - Terreni Agr. In Com. Camogli Viale Gaggini 1	58		
2	0540	Ge - Camogli - Via Gaggini 1	8,555	273	
2	0334	Ge - Camogli - Via Gaggini, 1	359		
2	0541	Ge - Camogli - Via Romana 215	209		
2	0061	Ge - Genova - C.So De Stefanis 1/5	60		
2	0409	Ge - Genova - P.Zza De Ferrari 1	19,812	426	

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
	84								
				6	162	160	35		11
				498	19,630	20,481	1,035		
	235								
	683								
				2	65	200	14	53	
	114								
	135								
				2	60	200	13	47	
				4	106	140	25		
				77	3,070	2,976	784		1,956
	42								
	31								
	157								
	35								
	44								
	155								
				3	65	88	20		
				4	103	132	32		
	214								
				8	206	258	65		
	77								
				5	96	114	86	60	13
		8		5	130	130	30		8
	152								
	78								
	253								
				4	97	300	21	82	
				5	108	136	43	28	
	43								
	42				66	65	13		1
				4	88	93	37	5	10
					22	41			
	109								
					86	84	4		9
					58	271			
				264	8,564	8,384	3,387		1,693
					359	692			
					209	206			70
	60								
	18,982			48	1,208	1,768	402	47	163

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other Increases	Write-backs and reversals of impairment losses
2	2218	Ge - Genova - Via B. Bosco N. 15/31	1,715		
2	0065	Ge - Genova - Via Cantore 35	120		
1	2236	Ge - Genova - Via Roccatagliata Ceccardi 1	429		
2	2236	Ge - Genova - Via Roccatagliata Ceccardi 1	401		
2	2063	Ge - Genova - Via Roccatagliata Ceccardi 1/2	531		
1	7356	Ge - Genova - Via Sottoripa 1/A	875		
2	7356	Ge - Genova - Via Sottoripa 1/A	481		
2	0067	Ge - Genova - Via Timavo 3	85		
1	4069	Ge - Genova - Via Xx Settembre 1	1,220		
2	2264	Ge - Genova - Via Xx Settembre 19/1	321		
3	0542	Ge - Santa Margherita Ligure - Terreni S.Margherita Ligure Snc	1		
2	3009	Ge - Sestri Levante - Localita Riva Trigoso Snc	37		
2	3019	Ge - Zoagli - Localita Rovara - Strada Del Castellaro S.N.C.	1,913		
2	0075	Sp - La Spezia - V.Le Italia 363	205		
2	1045	Sp - La Spezia - Via Fazio 50	260		
2	2071	Sp - La Spezia - Viale Italia 162	197		
1	7365	Sp - La Spezia - Viale Italia 210/6	143		
2	0245	Va - Arcisate - C.So Matteotti 24	89		
2	2259	Va - Busto Arsizio - Piazza Garibaldi 1	143		
2	1044	Va - Busto Arsizio - Via Xx Settembre 8	212		
2	3002	Va - Laveno Mombello - Via Buozzi, 1	1,500	16	
2	0297	Va - Malnate - Piazza Della Repubblica Snc	220		
2	2179	Va - Saronno - Piazza De Gasperi 15	46		
2	0151	Va - Saronno - Via Diaz / Via Bossi 2	44		
2	0498	Va - Tradate - Via Montegrappa 17-Via Baracca 2	118		
2	0551	Va - Varese - Via Albani, 41	11,646	934	
1	2200	Va - Varese - Via Carcano, 2	141		
2	0205	Va - Varese - Via Foscolo 10	169		
2	2203	Va - Varese - Via Piave 3	92		
2	0504	Va - Varese - Via Rovereto 15	68		
2	5205	Co - Como - Piazza Del Popolo 14	202		
2	0350	Co - Como - Via Borgovico, 126	232		
2	4121	Co - Como - Via F.Lli Rosselli 13	284		
2	2037	Co - Como - Via Innocenzo Xi 13	193		
1	8110	Co - Como - Via Innocenzo Xi, 13	1,622		
2	8110	Co - Como - Via Innocenzo Xi, 13	3,213		
2	2183	So - Sondrio - Galleria Xxv Aprile 5	70		
2	0023	Mi - Abbiategrasso - Via Serafino Dell'Uomo 34	100		
2	0312	Mi - Abbiategrasso - Via Ticino 1	173		
2	2298	Mi - Assago - Palazzo A - Strada 6	38,519	79	
2	0289	Mi - Bresso - Via Xxv Aprile 41 / Via Patellani 42	181		
2	0264	Mi - Corsico - Via Vittorio Emanuele 10	201		
2	2075	Mi - Legnano - Corso Italia 54	118		
2	2076	Mi - Legnano - Corso Sempione 119	47		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
	1,715								
	119			1					
	429								
	401								
				21	510	1,800	195	134	
				48	827	1,341	783		
				21	459	499	257		
				3	82	300	31	57	
				62	1,157	1,590	910	883	
					321	505	61		3
					1	1			1
					37	40			99
					1,913	1,900			700
	205								
	260								
	197								
				9	134	310	165		
	89								
				5	138	140	30		
				8	204	302	50		
				33	1,483	1,500	409		1,636
				8	212	220	52		41
	46								
				2	42	180	9	32	
				4	114	122	27		
		1,072		229	11,279	11,279	1,872		46,449
					141	410	24	83	
				6	163	870	36	118	
	90			2					
	68								
				7	195	400	43	103	
	232								
				11	274	350	110	218	66
				7	186	435	36	111	
				65	1,557	1,885	594		
				123	3,090	3,115	1,019		
	70								
				4	97	230	21	12	
	173								
				1,075	37,523	37,485	5,566		8,096
				7	174	250	61		
				8	194	220	59		
				4	113	390	25	68	
	46			1					

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0265	Mi - Legnano - Via Porta / Corso Sempione 164	239		
2	0425	Mi - Magenta - Via Mazenta 19/23	124		
2	0555	Mi - Milano - C.So B. Aires 77-79-Via Doria 56	1,233		
2	2122	Mi - Milano - Corso Di Porta Romana 19		13	
1	5425	Mi - Milano - Corso Di Porta Vigentina 9	8,890	336	
2	3023	Mi - Milano - Galleria Del Corso 4	1,537		
1	7207	Mi - Milano - Galleria Unione 3	11		
3	0537	Mi - Milano - Localita Bruzzano - Aree Edificabili	7,358	4	
2	0537	Mi - Milano - Localita Bruzzano - Aree Edificabili	4,732	212	
3	3072	Mi - Milano - Localita Trenno Snc	5,562		
2	3032	Mi - Milano - Localita Vaiano Valle Nord - Valle Sud - Macconago	60,187	258	
2	0086	Mi - Milano - P.Za Garibaldi 8	61		
2	0087	Mi - Milano - P.Za Napoli 38	176		
1	2238	Mi - Milano - P.Za De Angeli 7-9 / Trivulzio 3 / V.Frua 22	818		
2	0250	Mi - Milano - P.Za De Angeli 9	391		
2	2090	Mi - Milano - Piazza Caneva 4	213		
2	4367	Mi - Milano - Piazza Castello 13	10,511		
1	7701	Mi - Milano - Piazza Missori 2	1,326		
2	3075	Mi - Milano - Piazza Missori 2	33		
2	7701	Mi - Milano - Piazza Missori 2	1,960		
2	0310	Mi - Milano - Piazza Velasca 5	80,269	403	
2	0100	Mi - Milano - V.Le Lombardia 34	73		
2	0254	Mi - Milano - V.Lussu 4-6/V.La Malfa 7-9-11/V.Adriano100-102-104	1,163		
2	2302	Mi - Milano - Via Benigno Crespi, 57	40,030	1,874	
2	3001	Mi - Milano - Via Adriano 98	859		
2	3028	Mi - Milano - Via Adriano/Via Nenni Snc	663		
2	3056	Mi - Milano - Via Amidani 15 Edificio 3A	2,100		
2	3055	Mi - Milano - Via Amidani 17 Edificio 3B	1,475		
2	3054	Mi - Milano - Via Amidani 19 (Ex. 15) Edificio 2	2,413		
2	3053	Mi - Milano - Via Amidani Ed1/Via Gabussi 1	2,413		
2	3063	Mi - Milano - Via Bellarmino Snc - Area Edificabile	39,750	257	
2	2095	Mi - Milano - Via Boccaccio 32	108		
3	3018	Mi - Milano - Via Brugatelli / Via Ettore Ponti Snc	21		
2	3018	Mi - Milano - Via Brugatelli / Via Ettore Ponti Snc			
2	3007	Mi - Milano - Via Bugatti 1/3/5 - Lotto M13	678		
2	3039	Mi - Milano - Via Bugatti 13 - Lotto M14, Edificio P1	6,030		
2	3008	Mi - Milano - Via Bugatti 7/9/11 - Lotto M15	540		
2	0554	Mi - Milano - Via Cardano 6	1,720		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
				8	231	390	51		
	124								
	1,233					20			
36,790					36,803	47,337	2,656		5,156
				405	8,821	19,100	4,767	1,093	
				54	1,483	1,600	254		
				1	10	12	14		
			7,363						
7,363					12,306	12,123			5,850
					5,562	5,713			927
					60,446	60,550			85
				2	59	190	13	47	
	97				79	330	31	64	
	818								
	391								
	213								
				373	10,139	11,300	2,399		4,340
				56	1,271	3,067	582	404	
				1	32	40	3		
				82	1,878	4,533	860	597	
				1,136	79,536	97,531	9,723		
	73								
	1,163								
				1,007	40,898	40,920	6,033		13,503
	859								
					663	670			10
				19	2,081	2,130	561		8,092
		81		14	1,380	1,380	388		4,546
				18	2,396	2,572	580		7,734
				17	2,395	2,570	597		7,853
					40,007	39,610			3,492
	108								
			21						
21					21	71			
	502				177	200	43		18
	1,079	542		2	4,407	4,524	3		796
	540								
				61	1,659	1,815	364		

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other increases	Write-backs and reversals of impairment losses
2	2097	Mi - Milano - Via Casati, 39	1,709	29	
2	0304	Mi - Milano - Via Castellanza 6/8/10	12,375		
2	2289	Mi - Milano - Via Castellanza, 6	229		
2	0239	Mi - Milano - Via Cechov 48	131		
2	3036	Mi - Milano - Via Cesare Musatti Torre 2	4,068		
2	3037	Mi - Milano - Via Cesare Musatti Torre 3	3,930		
2	3004	Mi - Milano - Via Cesare Musatti Torre 4	2,700	97	
2	3005	Mi - Milano - Via Cesare Musatti Torre 5	2,700		
2	2222	Mi - Milano - Via Conservatorio 15	16,051	224	
2	2223	Mi - Milano - Via Conservatorio 17	11,438	103	
2	2294	Mi - Milano - Via Corridoni 1	291		
5	0072	Mi - Milano - Via De Castilla 23	49,255	3,644	
2	3043	Mi - Milano - Via Dei Missaglia 97 - Edificio A1	11,107	87	
1	3046	Mi - Milano - Via Dei Missaglia 97 - Edificio A2 (Ex B1)	3,926	56	
2	3046	Mi - Milano - Via Dei Missaglia 97 - Edificio A2 (Ex B1)	9,674	108	
1	3047	Mi - Milano - Via Dei Missaglia 97 - Edificio B1 (Ex B4)	3,161	14	
2	3047	Mi - Milano - Via Dei Missaglia 97 - Edificio B1 (Ex B4)	12,326	29	
2	3045	Mi - Milano - Via Dei Missaglia 97 - Edificio B2 (Ex A4)	13,456	399	
2	3044	Mi - Milano - Via Dei Missaglia 97 - Edificio B3 (Ex A3)	12,000	3,261	
2	3067	Mi - Milano - Via Dei Missaglia 97 - Edificio B4 (Ex B3)	16,186	799	
2	3048	Mi - Milano - Via Dei Missaglia 97 - Edificio C1	8,327	35	
2	3049	Mi - Milano - Via Dei Missaglia 97 - Edificio C2	8,257		
2	3050	Mi - Milano - Via Dei Missaglia 97 - Edificio C3	8,025		
2	3068	Mi - Milano - Via Dei Missaglia 97 - Edificio C4	8,547	24	
2	3069	Mi - Milano - Via Dei Missaglia 97 - Edificio E	900		
2	3070	Mi - Milano - Via Dei Missaglia 97 - Edificio F	6,090	77	
2	0552	Mi - Milano - Via Fara, 39	3,865		
2	0553	Mi - Milano - Via Fara, 41	35,038	13,105	
2	0520	Mi - Milano - Via Fiori Chiari Madonnina 9 - 24/A	900		
2	3041	Mi - Milano - Via Fraschini 22 - Lotto M14, Edificio O	11,353		
2	3042	Mi - Milano - Via G. Sanv Rosselli 1 - Lotto M14, Edificio Q3	4,654		
1	1006	Mi - Milano - Via Isonzo 2 / C. So Lodi 38	8		
2	1006	Mi - Milano - Via Isonzo 2 / C. So Lodi 38	118		
2	4278	Mi - Milano - Via L. Della Pila 61	1,404		
2	2290	Mi - Milano - Via Lancetti, 43 - Via Maloja, 1 - Via Dell'Aprica, 28	46,708	466	
2	0545	Mi - Milano - Via Larga 26	9,902	59	
2	3022	Mi - Milano - Via Locatelli 1	10,971		
2	0092	Mi - Milano - Via Locatelli 4	220		
2	3006	Mi - Milano - Via Manin 37	2,040		
2	3060	Mi - Milano - Via Manin 37	2,322		
1	0300	Mi - Milano - Via Manin 37	1,739		
2	3059	Mi - Milano - Via Medici Del Vascello 40	3,500		
2	3038	Mi - Milano - Via Medici Del Vascello 40/E	990		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
				27	1,711	4,156	160	560	
	5,198			36	7,141	8,700	323		
	28			1	200	210			194
				5	127	230	28		
				44	4,025	3,900	787		9,830
				44	3,887	4,000	824		9,516
				11	2,786	2,670	408		10,522
				16	2,684	2,720	400		10,741
				247	16,029	23,676	1,440		
				168	11,373	18,016	1,006		
	291								
					52,899	60,000			29,040
				287	10,906	11,100	2,584		8,241
				104	3,879	4,081	835		2,723
				254	9,527	9,519	2,108		6,919
39				87	3,127	4,336	642		1,636
			39	336	11,980	10,664	2,461		6,218
				387	13,468	14,900	3,232		9,983
				359	14,902	14,700	2,577		10,660
				436	16,549	18,000	1,471		11,150
				171	8,192	8,600	1,605		8,681
				168	8,090	8,730	1,592		8,726
				162	7,863	9,160	1,620		9,087
				168	8,402	9,030	585		7,552
				15	885	900	74		1,207
				122	6,045	6,000	419		4,911
				138	3,727	4,033	881		893
					48,143	51,657	3,714		23,217
				13	887	900	94		244
	1,579	631		2	9,141	9,858	3		1,350
	548	257		1	3,848	3,918	1		658
				1	7	10	30	4	
				4	114	370	25	67	
	1,404								
				1,313	45,862	47,782	10,752		21,458
				284	9,677	9,550	2,683		576
	10,971								
	220								
		190			1,850	1,850			509
	1,694	137		50	440	440	271		297
	1,739								
				85	3,415	3,400	1,197		3,447
				15	975	1,000	395		3,194

5 Additional tables appended to the Notes to the Financial Statements

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Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0549	Mi - Milano - Via Melzi D'Eril, 34	12,321		
2	0094	Mi - Milano - Via Mussi 4-6	266		
2	1018	Mi - Milano - Via Oldofredi 51	678		
2	0095	Mi - Milano - Via Palmanova 189	76		
2	2120	Mi - Milano - Via Pantano 26	40,993	9,769	
2	2121	Mi - Milano - Via Pantano 26		5	
2	3057	Mi - Milano - Via Patecchio 1 - Lotto A5 Ed.6	978		5
2	0432	Mi - Milano - Via Perotti 2	2,291		8
2	2123	Mi - Milano - Via Pontaccio 15	8,616	213	
1	2244	Mi - Milano - Via Rasori 2	2		
2	3058	Mi - Milano - Via Ripamonti-Missaglia Snc	6		
3	3031	Mi - Milano - Via Romano' _Cascina Malghera 42	750		
2	3031	Mi - Milano - Via Romano' _Cascina Malghera 42	384		
2	0006	Mi - Milano - Via Roncaglia 14	11		
2	3010	Mi - Milano - Via S.Sofia 29	723		
2	3503	Mi - Milano - Via Senigallia 18/2 Ed. Aefg	25,006		
2	3505	Mi - Milano - Via Senigallia 18/2 Ed. B	18,287		
2	3513	Mi - Milano - Via Senigallia 18/2 Ed. C	18,041		
2	3504	Mi - Milano - Via Senigallia 18/2 Ed. D	18,910		
2	3013	Mi - Milano - Via Stephenson 77-80-82	1,600	238	
2	4279	Mi - Milano - Via Suzzani 273	1,162		
2	3014	Mi - Milano - Via Tesio 25	712		
2	0097	Mi - Milano - Via Tibaldi 5	198		
2	3040	Mi - Milano - Via Tomaselli 1 - Lotto M14_Edificio N2	14,588		
2	2265	Mi - Milano - Via Tonale 22	229		
2	0547	Mi - Milano - Via Torino 66/68-Via S.Sisto 4	20,954	2	
2	0298	Mi - Milano - Via Treccani Degli Alfieri 16-18-20-22-24-26	18,662	643	
3	3016	Mi - Milano - Via Trenno-Lampugnano Snc	13		
2	3016	Mi - Milano - Via Trenno-Lampugnano Snc			
1	7734	Mi - Milano - Via Unione 1	15		
2	0277	Mi - Milano - Via Vincenzo Monti 21	9,660	57	
2	3035	Mi - Milano - Via Viviani, 2	1,987		
2	3024	Mi - Milano - Viale Majno 42	4,576		
2	0546	Mi - Milano - Viale Restelli, 3	677		
2	3017	Mi - Milano - Viale Richard-Morimondo-Viale Famagosta Snc	1		
2	2227	Mi - Milano - Viale Umbria, 76	10,804	7	
2	0445	Mi - Paderno Dugnano - Via Cadorna Ang.Via Pepe,2 (Via Piaggio 2)	249		
4	0536	Mi - Pieve Emanuele - Loc.Viquarterio-Diritti Edificatori-V.Dei Pini Snc	1,150		
2	3051	Mi - Pieve Emanuele - Localita' Viquarterio - Via Dei Pini Snc	13,140		
2	3052	Mi - Pieve Emanuele - Via Dei Platani Snc	220		
2	0216	Mi - Pieve Emanuele - Via Delle Rose 6	8,664	797	

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
					12,321	11,000	1,688		13,129
				9	256	490	59	109	
	678								
				3	73	230	16	64	
			50,762						
13,972					13,977	20,210	748		1,695
				11	972	970	321		3,970
				55	2,244	3,100	359	114	
				51	8,777	14,400	260		212
					1	7	3		
					6	6			26
					750	1,142			130
					384	206			49
					10	100	5	6	
	723								
				585	24,421	24,260	1,313		5,375
				405	17,882	18,496	979		7,561
				397	17,644	18,360	968		7,832
				418	18,492	18,582	1,013		7,894
		206		32	1,600	1,600	726		3,732
	1,162								
	712								
	198								
	2,873	1,418		4	10,293	10,293	5		1,840
	229								
	20,956								
				16	19,289	28,828	95		
			13						
13					13	17			
				1	14	22	25	1	
				79	9,637	14,000	1,519		
	1,987								
	4,576								
	677								
					1	1			
		575		36	10,200	10,200	219		1,831
				9	241	286	57		
			1,150						
1,150					14,290	13,909			17,391
					220	220			150
				4	9,457	12,467	19		

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other increases	Write-backs and reversals of impairment losses
2	0230	Mi - Rozzano - Via Torino 85	187		
1	4357	Mi - San Donato Milanese - Via Dell'Unione Europea 3	99,421	471	
2	4357	Mi - San Donato Milanese - Via Dell'Unione Europea 3	58,791	216	
2	3203	Mi - Segrate - Via Delle Regioni 40	2,059		
1	3201	Mi - Segrate - Via Milano 2	4,784		
2	3201	Mi - Segrate - Via Milano 2	94	25	
2	3202	Mi - Segrate - Via Milano 4/1	286		
2	0521	Mi - Sesto San Giovanni - Via Milanese 300	37,633	647	
2	0225	Mi - Sesto San Giovanni - Via Rovani 59	107		
2	2009	Bg - Bergamo - Via Angelo Maj, 14/D	232		
2	0423	Bg - Lovere - Via S. Maria 35	92		
2	0267	Bg - Seriate - Via Paderno / Via Italia 83	204		
2	0507	Bg - Verdellino - App.To A - P.Zza Degli Affari,20	102		
2	4370	Bs - Brescia - C.So Bazoli 45 - Via Aldrighi	949		
1	7715	Bs - Brescia - Piazzale Della Stazione 63	177		
2	7715	Bs - Brescia - Piazzale Della Stazione 63	156		
2	2022	Bs - Brescia - Via Foppa 6	305		
1	2233	Bs - Brescia - Via Solferino 11	244		
2	2258	Bs - Brescia - Via Xx Settembre 32	784		
2	0344	Bs - Chiari - Via Maffoni 15	204		
2	2014	Bs - Darfo Boario Terme - Viale Repubblica, 27	61		
2	0439	Pv - Mortara - C.So Cavour 74	104		
2	2214	Pv - Vigevano - Corso Garibaldi 41	36		
2	0513	Pv - Voghera - Via S. Lorenzo 14	128		
2	0336	Cr - Casalmaggiore - Via Marconi 1	104		
2	0050	Cr - Crema - Via Mazzini 78	50		
2	0353	Cr - Cremona - Corso Garibaldi 8-10	254		
1	2043	Cr - Cremona - Piazza S. Antonio Maria Zaccaria 7	329	3	
2	2043	Cr - Cremona - Piazza S. Antonio Maria Zaccaria 7	426	3	
2	5206	Cr - Cremona - Via Della Cooperazione 6	127		
2	2044	Cr - Cremona - Via Ingegneri 5	71		
2	7393	Cr - Cremona - Via Manzoni 19	47		
2	7776	Mn - Mantova - Piazza 80 Fanteria 6	92		
2	0428	Mn - Mantova - Piazza San Francesco 6	357		
2	2081	Mn - Mantova - Via Mazzini 16	229		
2	7368	Mn - Mantova - Via Mazzini 16	291		
2	0081	Mn - Mantova - Via V. Da Feltre 58	108		
2	2143	Mn - Ostiglia - Via Xx Settembre 63/65/67	398		
2	4130	Lc - Lecco - Via Besonda 11	407		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
				7	180	350	40	30	
				2,966	96,926	101,759	28,916	1,170	
				1,611	57,395	56,741	11,194	702	
	2,059								
	4,784								
	119								
	286								
				951	37,329	38,890	6,201	1,394	543
	106			2					
	232								
				3	88	127	21	5	
	204								
	102								
				33	915	1,000	201		
				8	169	261	107	30	
				6	150	199	58	29	
	305								
				11	233	400	150		
	784								
	204								
	61								
				4	101	117	24	1	
	36								
	128								
				4	101	142	24		
				2	48	280	11	35	
	254								
				7	325	855	45	42	
				10	419	945	59	54	
	127								
				3	69	176	15	45	
	47								
	92								
	351			7					
				8	221	350	53		
	291								
	108								
	197	11			190	190	38		28
	407								

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0348	Lo - Codogno - Via A.Diaz 30	120		
2	2045	Mb - Desio - Via Mons.Cattaneo 8	43		
2	7520	Mb - Monza - Piazza Diaz 1	218		
1	2246	Mb - Monza - Via Camperio 8	123		
2	2137	Mb - Monza - Via Passerini 6	133		
2	0104	Mb - Monza - Via S.Martino 2	142		
2	0154	Mb - Seregno - Via Raffaello Sanzio 10	81		
2	0479	Mb - Seregno - Via Trabattoni 20	115		
2	0326	Bz - Bolzano - Via Manci 25 Via Diaz 22	20		
2	2018	Bz - Bolzano - Via Perathoner 5	96		
2	0316	Tn - Arco - Via Santa Caterina 4/B	127		
5	3030	Tn - Campo Carlo Magno - Via Cima Tosa	244		
2	3030	Tn - Campo Carlo Magno - Via Cima Tosa	3,045		
2	8020	Vr - Affi Vr - Via Pascoli 31/A	159		
2	0421	Vr - Legnago - Viale Dei Caduti 72	143		
2	0252	Vr - San Giovanni Lupatoto - Via Ca' Dei Sordi 31	76		
2	0519	Vr - Venezia - Via Antonio Da Mestre 19	193		
2	0508	Vr - Verona - Corso Cavour 35	437		
1	2249	Vr - Verona - Corso Porta Nuova 60	285		
2	0207	Vr - Verona - Via Dei Mutilati 3/D	267		
2	2207	Vr - Verona - Via Locatelli, 20	44		
2	0244	Vr - Verona - Via S.Alessio 2	167		
2	0322	Vi - Bassano Del Grappa - Via Marinali 52	221		
2	0321	Vi - Bassano Del Grappa - Via Parolini 108	171		
2	0262	Vi - Camisano Vicentino - Via Roma / Via Stadio 7	161		
2	2181	Vi - Schio - Via Romana Rompato 19	65		
2	0204	Vi - Valdagno - P.Za Dante 4	65		
2	2199	Vi - Valdagno - Via Cristoforo Colombo 8	60		
2	0510	Vi - Vicenza - App.Ti A/B - Piazzale De Gasperi 13	661		
2	4375	Vi - Vicenza - C.So Felice E Fortunato 300	835	120	
1	7568	Vi - Vicenza - Via Firenze 7-13	26		
2	7568	Vi - Vicenza - Via Firenze 7-13	60		
2	2257	Bl - Belluno - Via Feltre 244	49		
2	0337	Tv - Castelfranco Veneto - Via M. Podgora / Borgo Vicenza 42	244		
2	2038	Tv - Conegliano - Via P.F. Calvi 106	47		
2	0450	Tv - Pieve Di Soligo - Via Zanzotto 23	112		
1	3204	Tv - Treviso - Via Pennacchi 1	280	47	
2	3204	Tv - Treviso - Via Pennacchi 1	1,160	166	
2	5220	Tv - Treviso - Viale De Gasperi 8	122		
2	2197	Tv - Treviso - Vicolo Bianchetti 1	81		
2	0512	Tv - Vittorio Veneto - L.Go Med.D'Oro Bortolotto, 1	265		
1	5448	Ve - Mestre - Corso Del Popolo 125	366		
2	4165	Ve - Mestre - Corso Del Popolo 146C	72		
2	2287	Ve - Mestre - Via Carducci 38	155		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
	120								
	43								
				12	206	530	191	181	
	123								
	133								
				5	137	720	30	107	
				3	78	260	17	64	
	114			1					
	20								
				3	93	320	21	82	17
	127								
			244						
244				41	3,248	3,849	859	612	
				6	153	200	34		
				5	138	169	33		
	76								
	193								
				16	421	540	98		
				15	270	590	216		
	267								
				2	42	160	11	38	
	167								
				8	213	256	50		
	171								
				6	155	250	34		
	65								
				2	63	280	14	50	
	60								
	635			26					
				32	923	930	195		200
	6				20	140	40	17	
					60	260	65	52	
				2	47	120	10		
				9	234	295	74		
	47								
	112								
				7	319	300	16		157
				30	1,296	1,300	66		667
	122								
				3	78	280	17	7	
				10	254	254	86		
				15	351	560	160	66	
	72								
	155								

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other Increases	Write-backs and reversals of impairment losses
2	3025	Ve - Musile Di Piave - Via Triestina 9	3,816		
2	2084	Ve - Venezia - Via Mestrina 6	60		
2	2144	Pd - Padova - Via Marchetto Da Padova 2	270		
2	0358	Ro - Ficarolo - Via Giglioli 5/1 - P.Zza Marconi 25	83		
2	0149	Ro - Rovigo - Via Maneo 3	76		
2	0472	Ro - Rovigo - Via X Luglio Ang.Vic.Ponchielli 1	132		
2	0516	Ud - Cividale Del Friuli - Stretta B. M. Dei Rubeis N.38 - Corte 2	166		
2	0349	Ud - Codroipo - Via Osterman Ang.Via Friuli 5	96		
2	0419	Ud - Latisana - V.Le Stazione 26	80		
2	0485	Ud - Tarvisio - Via Roma 35	58		
2	8102	Ud - Tavagnacco - Via Palladio	1,296		
2	0490	Ud - Tolmezzo - Via Roma 9/A	227		
2	7564	Ud - Udine - Via Aquileia 53	61		
1	0502	Ud - Udine - Via Poscolle,71 - M.Volpe,5	462		
2	4216	Ud - Udine - Via Pradamano 4	121		
2	0071	Go - Gorizia - C.So Italia 90	79		
2	0410	Go - Gorizia - Via Xxiv Maggio 19	151		
2	3514	Ts - Trieste - Riva Tommaso Gulli	7,842		
1	0533	Ts - Trieste - Via Carducci 29	1,433	4	
2	0533	Ts - Trieste - Via Carducci 29	3,754	16	
2	0556	Ts - Trieste - Via De Amicis 1/17	1,091		
2	7731	Ts - Trieste - Via Marconi 6/8	139		
2	2295	Ts - Trieste - Via Martiri Della Libertà' 13	141		
2	2296	Ts - Trieste - Via Mazzini 27	447		
2	0203	Ts - Trieste - Via Miramare 9	148		
2	0532	Ts - Trieste - Via Xx Settembre 89	1,644		
2	2155	Pc - Piacenza - Galleria Santa Maria 6	211		
2	4128	Pc - Piacenza - Largo Erfuat 7	132		
1	2154	Pc - Piacenza - Piazza Cavalli, 7	94		
2	0241	Pc - Piacenza - Via Stradella 2	258		
2	4379	Pr - Fidenza - Piazza Ettore Ponzi	294		
1	2148	Pr - Parma - Borgo Goldoni 1	170		
2	2148	Pr - Parma - Borgo Goldoni 1	48		
2	0119	Pr - Parma - Via Collegio Nobili 4	97		
1	4378	Pr - Parma - Via Saffi 82/B	904		
2	4378	Pr - Parma - Via Saffi 82/B	2,250		
5	3074	Pr - San Pancrazio Parma - Via Emilia Ovest Snc	5,643	358	
2	0285	Re - Reggio Emilia - V. Emilia Ospizio 118	256		
2	4270	Re - Reggio Emilia - Via Premuda 42	2,456		
2	0291	Re - Reggio Emilia - Viale Isonzo 72	126		
2	4328	Mo - Carpi - Via Peruzzi - Via Febbraio	2,744		
2	4233	Mo - Carpi - Viale Manzoni 62/D	177		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
				101	3,715	3,640	969		1,744
				2	57	140	13	56	
	270								
	76			3	80	103	19	8	
	132								
	166								
	96								
	80								
				2	56	77	13		
	369				926	1,430	3,184		10
				8	219	320	52		
	61								
				16	446	448	96		
	121								
				3	76	210	17	60	
	151								
				184	7,658	7,785	407		1,456
				37	1,401	1,004	210		
				57	3,713	4,296	311		
				3	1,088	1,880	18		
				7	132	360	90	1	
	141								
	447								
	148								
	1,644								
	211								
	132								
					94	160	9		34
	257			1					
				10	284	390	79		227
				6	164	490	38	98	
				2	47	130	11	28	
				3	94	550	21	62	
				17	887	719	109		184
				30	2,220	2,281	212		603
		361			5,640	5,640			17,948
				9	247	300	54		
				87	2,369	2,520	604	2,628	1,057
	126								
	2,744								
	177								

5 Additional tables appended to the Notes to the Financial Statements

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Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other increases	Write-backs and reversals of impairment losses
2	0249	Mo - Maranello - Via Gioia / Via Magellano 15	108		
2	2133	Mo - Modena - Piazza Medaglie D'Oro, 1	78		
2	0558	Mo - Modena - V.Stanguellini 65-120-140/V.Lamborghini	1,282		
2	2134	Mo - Modena - Via Giardini 10/1	120		
3	0523	Mo - Modena - Via M.Buonarroti Snc	20		
2	2272	Mo - Modena - Via Rainusso 130	257		
2	4085	Mo - Modena - Via S. Faustino 45-53	129		
2	8025	Mo - Modena - Via San Faustino 155	53		
2	0103	Mo - Modena - Via Tabboni 9-11-13 / Viale Fabrizi 21	144	96	
2	4171	Mo - Modena - Via Venceslao Santi 14	804		
2	5212	Mo - Modena - Viale Trento E Trieste 13	392		
2	8101	Bo - Baricella - Piazza Carducci 5	101		
1	4359	Bo - Bologna - Piazza Della Costituzione 2	14,130	108	
2	4359	Bo - Bologna - Piazza Della Costituzione 2	62,045	341	
2	4239	Bo - Bologna - Via Bigari 5	203		
1	4351	Bo - Bologna - Via Calzoni 8	10,880	375	
2	4351	Bo - Bologna - Via Calzoni 8			
1	3517	Bo - Bologna - Via Dei Fornacia 27 E 31	8,830		
2	3517	Bo - Bologna - Via Dei Fornacia 27 E 31	163		
1	4349	Bo - Bologna - Via Del Gomito 1	8,023	19	
2	4349	Bo - Bologna - Via Del Gomito 1	6,286	12	
1	4358	Bo - Bologna - Via Del Pilaastro 52	16,098	780	
2	3104	Bo - Bologna - Via Del Terrapieno	965	63	
2	8100	Bo - Bologna - Via Delle Lame 112	472		
2	7381	Bo - Bologna - Via Delle Lame 114	390		
2	4338	Bo - Bologna - Via Don Bedetti/Roncaglio	9		
2	4365	Bo - Bologna - Via Farini 12	17,372		
2	4366	Bo - Bologna - Via Guinizelli 17	12,502	242	
2	3106	Bo - Bologna - Via Larga 8 - Hotel	19,325		
2	3109	Bo - Bologna - Via Larga 8 - Parcheggio	18,326		
2	3108	Bo - Bologna - Via Larga 8 - Piastra Commerciale	19,188		
2	3105	Bo - Bologna - Via Larga 8 - Torre	105,574	378	
2	3107	Bo - Bologna - Via Larga 8 - Uffici	9,312	85	
5	3103	Bo - Bologna - Via Larga Fronte Strada	1,000	15	
2	4374	Bo - Bologna - Via Marconi 1	1,018		
2	4298	Bo - Bologna - Via Marziale 17-19-23-31	1,482		
2	4253	Bo - Bologna - Via Mentana 2	2,452	20	
2	0218	Bo - Bologna - Via Procaccini 17/G	191	22	
2	1042	Bo - Bologna - Via Rizzoli 1 - Via Orefici 2	1,234		
2	0324	Bo - Bologna - Via Rizzoli 3	588		
2	4310	Bo - Bologna - Via Rolli 7-9	787	27	
2	0325	Bo - Bologna - Via Savigno 1	247		
1	4081	Bo - Bologna - Via Stalingrado 45-53	72,238	1,763	
2	4081	Bo - Bologna - Via Stalingrado 45-53	7,556	154	
2	2300	Bo - Bologna - Via Ugo Bassi 4-V. Terribilia 4-V. Della Zecca 2	30,136	332	

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Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other Increases	Write-backs and reversals of impairment losses
2	4294	Bo - Bologna - Via Zacchi 1-3	726		
2	4257	Bo - Bologna - Via Zago 2/2	654		
2	4356	Bo - Bologna - Viale Majani 2	2,199	174	
2	4355	Bo - Bologna - Viale Masini 26-56	6,589		
2	0263	Bo - Castel Maggiore - Via Gramsci 192	177		
1	4297	Bo - Crespellano - Via 2 Agosto 1980	3,340	61	
2	0413	Bo - Imola - Via Cavour 37	112		
2	2185	Bo - San Lazzaro Di Savena - Via Jussi 8	87		
2	8103	Fe - Cento - Via Piemonte 8/10	728		
1	0357	Fe - Ferrara - C.So Ercole D'Este 6/A	329	3	
2	0357	Fe - Ferrara - C.So Ercole D'Este 6/A	771	6	
1	4185	Fe - Ferrara - P.Tta Toti 10-12/Via Piave 14	130		
2	4185	Fe - Ferrara - P.Tta Toti 10-12/Via Piave 14	485		
2	7364	Fe - Ferrara - Via Boccaleone 8	86		
2	2051	Fe - Ferrara - Via Cavour 150	142		
2	2050	Fe - Ferrara - Via Previati, 11	42		
2	0342	Ra - Cervia - Via Savonarola 5-7	130		
2	0052	Ra - Faenza - Corso Mazzini 54/2	82		
2	4381	Ra - Faenza - Via Baccharini 29/31	1,300		
2	2279	Ra - Ravenna - Piazza Mameli 5	174		
2	0278	Ra - Ravenna - Via Bramante 81	142		
2	2165	Ra - Ravenna - Via Cesarea 11	110		
1	4377	Ra - Ravenna - Via Faentina 106	44		
2	4377	Ra - Ravenna - Via Faentina 106	2,360		
2	0462	Ra - Ravenna - Via Porta Aurea 14	463		
2	2033	Fc - Cesena - Vicolo Cesuola 14	100		
2	0406	Fc - Forli' - Via Merenda 6-8	157		
1	4380	Fc - Forli' - Via Pietro Maroncelli 10	1,019		
2	4380	Fc - Forli' - Via Pietro Maroncelli 10	5,588		
2	0463	Rn - Riccione - Via Missori 2 Ang.Via Dei Mille 13	194		
1	0130	Rn - Rimini - Via Roma 102	45		
2	0130	Rn - Rimini - Via Roma 102	95		
2	0407	Pu - Fossombrone - Corso Garibaldi 149	78		
2	2153	Pu - Pesaro - Via Ardizi 14	65		
2	0120	Pu - Pesaro - Via M.Del Monaco 16	103		
2	4372	An - Ancona - Centro Direzionale Baraccola	962		
2	0315	An - Ancona - Corso Garibaldi 101	903		
1	4138	An - Ancona - Via 29 Settembre 2	305		
1	7771	An - Ancona - Via De Gasperi 78/A	21		
2	7771	An - Ancona - Via De Gasperi 78/A	64		
2	4382	An - Ancona - Via Mamiani 4-6	1,561		
2	2003	An - Ancona - Via Marsala, 21	34		
2	4337	An - Ancona - Via Pizzecolli 60	297		
2	0027	An - Ancona - Via Rismondo 14	92		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
					725	1,130	2		
					654	1,400			
				79	2,293	2,802	500	452	427
					6,589	6,030			
				6	170	310	37		
				86	3,315	3,830	2,266	157	
				4	108	137	26		
				3	84	200	18	12	
	728								
				7	325	297	58		55
				17	761	803	137		131
	130								
	485								
				5	82	240	71		
	142								
	42								
	128			2					
				3	79	270	17	56	
				45	1,256	1,431	235		116
	174								
	142								
				4	106	250	23		6
	4			1	38	44	9		
	40			82	2,238	2,728	492		
				17	447	435	107		16
				4	96	220	21		
	157								
				26	992	872	163		180
				141	5,447	5,848	899		1,205
				7	187	270	45	37	
				2	43	247	9	34	
				3	92	523	20	73	
				3	74	100	37		
				2	63	210	14		
				4	99	250	22	5	
				35	927	1,030	245		506
	903								
				16	289	355	240	240	
	21								
	64								
		171		40	1,350	1,350	119		552
	34								
	297								
				3	89	670	20	71	

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other increases	Write-backs and reversals of impairment losses
2	0415	An - Jesi - Via Dell' Asilo 1	162		
2	2027	Mc - Carrara - Via Don Minzoni 10 (Gia' 27)	28		
2	0347	Mc - Civitanova Marche - Via Dante Alighieri N.15	88		
2	0080	Mc - Macerata - C.So Cairoli 177	79		
2	0424	Mc - Macerata - Via Galleria Del Commercio 6-1	288		
2	0082	Mc - Massa - P.Za De Gasperi 6	88		
2	0317	Ap - Ascoli Piceno - Via Vidacilio 17	203		
2	7555	Ap - San Benedetto Del Tronto - Via De Gasperi 51	31		
2	0356	Fm - Fermo - P.Zza Del Popolo 37	140		
2	2048	Fm - Fermo - Via Xx Giugno, 23	92		
2	0437	Fm - Montegranaro - Viale Zaccagnini 21	162		
2	0335	Lu - Capannori - Via Delle Poste Snc	203		
2	2078	Lu - Lucca - Piazza Del Giglio, 4	71		
2	0509	Lu - Viareggio - Viale Manin,12	6,120		
2	0436	Pt - Montecatini Terme - Via Garibaldi 33	203		
2	0449	Pt - Pescia - Via Galeotti 59/61	131		
2	0452	Pt - Pistoia - Via B.Buozzi 18	275		
1	2248	Pt - Pistoia - Via S.Andrea 49	49		
2	2248	Pt - Pistoia - Via S.Andrea 49	440		
2	0123	Pt - Pistoia - Via Stadio 6/A	120		
2	0242	Pt - San Marcello Pistoie - Piazza Matteotti 141	191		
2	0327	Fi - Borgo San Lorenzo - Via Pecori Giraldi 10	157		
2	0331	Fi - Calenzano - Via Degli Olmi,7	6,989		
2	0332	Fi - Campi Bisenzio - Via Dei Tintori 11	249		
2	0038	Fi - Campi Bisenzio - Via Tesi 123	79		
2	2046	Fi - Empoli - Via Villani 4	93		
2	0360	Fi - Firenze - P.Zza Della Liberta' 1	1,741		
2	0398	Fi - Firenze - Piazza Della Liberta' 2-Via S. Gallo 123	9,001		
1	3502	Fi - Firenze - Piazza Della Liberta' 6	67,515	1,041	
2	3502	Fi - Firenze - Piazza Della Liberta' 6	3,900	48	
2	0365	Fi - Firenze - Piazza Della Repubblica N. 6	57,078	273	
4	0526	Fi - Firenze - Posti Auto Parterre Via Madanna Della Tosse 9	2,279		
2	0363	Fi - Firenze - V. Don Minzoni / V. M.Della Tosse /P.Za Libertà 13	11,784	1,117	
2	0004	Fi - Firenze - V.Le F.Lli Rosselli 53-55	138		
1	4332	Fi - Firenze - Via Alemanni 41	3,653		
2	4332	Fi - Firenze - Via Alemanni 41	2,313		
2	0393	Fi - Firenze - Via Atto Vannucci 23	553		
2	0380	Fi - Firenze - Via Baracca 18	1,200		
2	7744	Fi - Firenze - Via Benedetto Marcello 2	72		
2	0366	Fi - Firenze - Via Benivieni 1/3	873		
2	2262	Fi - Firenze - Via Cavour 112	416		
2	0382	Fi - Firenze - Via Cavour 82/84	8,863		
2	0381	Fi - Firenze - Via Del Bobolino 1-3-5 Viale Machiavelli 14	1,159		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
	162								
	28								
				3	85	143	21	13	
				3	76	300	18	47	
	288								
	88								
	203								
				2	29	180	26	26	
					140	90	29		14
	89			3					
	162								
				8	196	204	65		14
	71			1					
				11	6,109	6,034	88		89
	203								
		6		5	120	120	30	7	6
				10	265	488	62		
	49								
	440								
				4	116	490	25	90	
					191	163	34	57	2
	157								
				241	6,748	7,083	3,455		5,024
				9	240	267	57		
	78			1					
				3	89	260	20	6	
	1,741								
	9,001								
				1,698	66,858	60,502	3,470		
				98	3,850	3,496	200		
				1,140	56,211	59,589	7,389		
					2,279	2,060	350		
		1,037		253	11,611	11,611	2,363	755	1,897
	138								
				92	3,561	4,424	1,378	1,730	946
				58	2,255	2,126	580	1,033	548
	420			2	131	174	22	9	
				26	1,174	1,200	222		691
				3	68	310	44	58	
	30			16	827	934	99		
	416								
				169	8,694	8,507	1,104		113
					1,159	1,640			

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other Increases	Write-backs and reversals of impairment losses
3	3071	Fi - Firenze - Via Di Careggi 38	290		
2	0383	Fi - Firenze - Via L. Il Magnifico 2 - Via Toscanelli 1-3	6,034		
2	0368	Fi - Firenze - Via Landini - Via Catalani 8	1,780		
2	0235	Fi - Firenze - Via Lanza 73	127		
1	5411	Fi - Firenze - Via Lorenzo Il Magnifico 80	90		
1	3501	Fi - Firenze - Via Monaco 6 / Via Ghiacciaie 3	7,266	77	
2	3501	Fi - Firenze - Via Monaco 6 / Via Ghiacciaie 3	2,582	27	
2	0385	Fi - Firenze - Via Pian Dei Giullari 69/71	3,136		
2	0386	Fi - Firenze - Via Ricasoli, 48	3,540		
2	0395	Fi - Firenze - Via S. Pellico / Viale Gramsci 63	3,109		
2	0387	Fi - Firenze - Via S. Reparata N. 97	3,664	77	
2	0548	Fi - Firenze - Via Salvagnoli, 4	6,761	256	
2	0390	Fi - Firenze - Via San Leonardo 32-34-36A	3,642		
3	0522	Fi - Firenze - Via San Leonardo 38-40-42	487	9	
2	0391	Fi - Firenze - Via San Leonardo 44	2,911		
2	0392	Fi - Firenze - Via San Leonardo 46-48-6/R	3,332		
1	0397	Fi - Firenze - Via Toscanelli / P. Za Della Liberta' 9/11	674	40	
2	0397	Fi - Firenze - Via Toscanelli / P. Za Della Liberta' 9/11	8,657	384	
2	2054	Fi - Firenze - Viale Belfiore 42	65		
2	0374	Fi - Firenze - Viale G. Matteotti 54	3,090		
2	0402	Fi - Firenze - Viale G. Matteotti 60	8,928	117	
2	0378	Fi - Firenze - Viale G. Matteotti N. 14-16-18	15,852		
2	0373	Fi - Firenze - Viale G. Matteotti N. 52	4,141		
2	0375	Fi - Firenze - Viale G. Matteotti N. 56	2,354	1,666	
2	0400	Fi - Firenze - Viale Matteotti 50/A			
2	0372	Fi - Firenze - Viale Matteotti 50-50/A	4,127		
2	0376	Fi - Firenze - Viale Matteotti 64 - Via Fra' Bartolomeo 64	5,058	1,190	
2	3516	Fi - Firenze - Viale Matteotti, 12	1,400		
2	0369	Fi - Firenze - Viale S. Lavagnini N. 3-5	1,683		
2	0377	Fi - Firenze - Viale S. Lavagnini N. 7	4,456	829	
2	0455	Fi - Pelago - Via Forlivese 1/E 1/F 1/G	153		
2	2159	Fi - Pontassieve - Via Montanelli 43	38		
2	2160	Fi - Pontassieve - Via Roma 10	63		
2	0155	Fi - Sesto Fiorentino - Via Dante 44-46	120		
2	0340	Li - Cecina - Corso Matteotti 197	135		
1	2077	Li - Livorno - Via E. Mayer 7	81		
2	0422	Li - Livorno - Via Grande 110 - P. Za Grande 3	283		
2	2156	Li - Piombino - Corso Italia 92	38		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
					290	280			770
				111	5,923	5,854	2,038		524
				40	1,740	2,000	589	23	891
				4	122	480	27		
	90								
				180	7,162	5,126	374		
				33	2,576	1,968	68		
	3,136								
				12	3,528	3,747	159		1,338
	1,503				1,605	1,815	19		
				69	3,672	4,000	388	801	
				113	6,905	6,724	782		1,990
					3,642	3,600	1		
					496	875			
					2,911	3,450			
					3,332	4,700			
				14	700	739	106		
				178	8,864	8,725	1,373		
	65								
	1,004				2,086	2,523	50		
				120	8,925	8,905	773		523
				433	15,420	16,359	3,073		3,884
				119	4,022	4,181	966		2,189
		600			3,420	3,420			600
1,643	45			1	1,598	1,692	208		147
			1,643	93	2,391	2,532	353		38
				28	6,220	6,375	142		
					1,400	1,400			343
					1,683	1,680	43		207
					5,285	4,427	4		379
	153								
	38								
				2	60	130	13	7	
				4	116	490	25	97	
	133			3					
				3	78	300	20	41	
				12	270	272	137		10
	38								

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other Increases	Write-backs and reversals of impairment losses
2	4158	Li - Portoferraio - Via Cacciò 112	32		
2	0125	Li - Portoferraio - Viale Elba / Calata Italia 26	116		
2	2028	Pi - Cascina - Via Tosco Romagnola 248/E	84		
1	0122	Pi - Pisa - Via Manzoni 11	1,280	22	
1	7532	Pi - Pisa - Via Puccini 14	17	174	
2	0124	Pi - Ponsacco - Via Valdera 29	71		
2	2162	Pi - Pontedera - Via Aurelio Saffi 4	61		
2	0456	Pi - Pontedera - Via Della Misericordia 22	147		
2	0474	Pi - Santa Croce Sull'Arno - Viale A. Gramsci 10	187		
2	2004	Ar - Arezzo - Via Xxv Aprile 18/34	268	131	
2	0438	Ar - Montevarchi - Via Roma 26	95		
2	0453	Si - Poggibonsi - Via Xx Settembre 58	152		
2	2182	Si - Siena - Via Delle Terme 37	284		
2	0156	Si - Siena - Via Pian D'Ovile 70	366		
2	0236	Gr - Follonica - V. Biccocchi 90	76		
2	0405	Gr - Follonica - Via Santini N. 7/C	70		
2	0457	Po - Prato - Via Simintendi 20	4,087	374	
2	0126	Po - Prato - Via Tacca 8	225		
2	0458	Po - Prato - Via Valentini 10/B	7		
2	0459	Po - Prato - Via Valentini 8/D	256		
2	0030	Pg - Assisi - Via Los Angeles 185	87		
2	0404	Pg - Foligno - Via Garibaldi N. 87	202		
2	0058	Pg - Foligno - Via Umberto I 92	95		
2	0446	Pg - Perugia - Via Cortonese Ang. Via Romeo Gallenga 120	282		
2	2151	Pg - Perugia - Via Cortonese Pal.Sit / Via Briganti 93	128		
2	1023	Pg - Perugia - Via Fonti Coperte 38/H	113		
1	4326	Pg - Perugia - Via Palermo 21/A	401		
2	0483	Pg - Spoleto - Via Flaminia, 3	151		
2	0444	Tr - Orvieto - Piazza 29 Marzo, 23	99		
2	2186	Tr - Terni - Corso Tacito 101	29		
2	0210	Vt - Viterbo - Via Polidori 3	99		
2	0129	Ri - Rieti - Via Delle Orchidee 9	84		
2	0059	Rm - Frascati - Via D.Seghetti 42	113		
3	3029	Rm - Roma - Castelnuovo Di Porto	4,392		
2	0133	Rm - Roma - P.Za Meucci 23	93		
2	0134	Rm - Roma - P.Za Monte Gennaro 16-16/A	301		
1	4361	Rm - Roma - Piazza Esquilino 12 /Via Farini 17	29,471	153	
2	4361	Rm - Roma - Piazza Esquilino 12 /Via Farini 17	12,719	49	
1	4272	Rm - Roma - Piazza Esquilino 5 /Via Farini 5	17,418	388	

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
	32								
				4	112	330	25	90	
				3	81	170	18		18
				43	1,259	1,930	192	27	
				5	186	200	30	12	
				2	68	180	15	12	
				2	59	175	13	48	
				5	141	157	34	18	
	187								
				12	387	590	47		30
	95								
				5	146	241	35	3	
	284								
	366								
	74			2					
				3	68	98	16	1	
		283		103	4,075	4,075	697	511	2,545
				8	217	620	48	139	
	7								
	256								
	87								
	202								
	95								
	80				202	249	42		1
				5	124	450	27	34	
	113								
				23	378	517	381	112	
				5	146	175	35		
	99								
	29								
	99								
				3	81	160	18	55	
				4	109	430	24	13	
					4,392	4,370			
				3	90	360	20	24	
				11	291	760	70	214	
				789	28,835	30,964	7,534	3,118	
				310	12,459	12,196	1,833	1,356	
				469	17,337	21,898	5,497	8,894	

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other Increases	Write-backs and reversals of impairment losses
2	4272	Rm - Roma - Piazza Esquilino 5/Via Farini 5	30,402	588	
2	0293	Rm - Roma - Roma - Via Ciro Menotti 24	13,071		
2	0228	Rm - Roma - V.Delle Fornaci 175	214		
2	0143	Rm - Roma - V.Franzoi 20	380		
2	0469	Rm - Roma - Via Aladino Govoni, 24/43	58,802	62	
2	0135	Rm - Roma - Via Aosta 6-8-10	73		
2	3021	Rm - Roma - Via Casilina 209	176		
2	2172	Rm - Roma - Via Castellini, 13	1,239		
2	3062	Rm - Roma - Via Clitunno, 34-36	3,550		
2	0142	Rm - Roma - Via De Viti De Marco 50	285		
3	3061	Rm - Roma - Via Della Cesarina 3	3,010		
3	3065	Rm - Roma - Via Della Cesarina 3	674		
3	3066	Rm - Roma - Via Della Cesarina 3	495		
2	0257	Rm - Roma - Via Edoardo Pantano 21	224		
2	2169	Rm - Roma - Via Gregorio Vii, 44	92		
2	2301	Rm - Roma - Via In Arcione, 98/107	9,716		
2	0229	Rm - Roma - Via L.Da Vinci 273	149		
2	0140	Rm - Roma - Via Lazzari 26	251		
2	0014	Rm - Roma - Via Modestino 5-7	162		
2	2228	Rm - Roma - Via Pio Foa, 12	45		
2	4342	Rm - Roma - Via Pio Iv 6	22,682		
2	0145	Rm - Roma - Via R.Da Forli' 4	102		
2	0465	Rm - Roma - Via Sicilia, 42	2,781		
3	0524	Rm - Roma - Via Tor Carbone - Parco Appia Antica Snc	8		
3	2171	Rm - Roma - Via Tor Di Quinto Snc	421		
2	2230	Rm - Roma - Via Tre Madonne, 14-16-18	65,756	465	
2	0292	Rm - Roma - Viale Beethoven 63	645		
2	3012	Rm - Roma - Viale Caduti Per La Resistenza	83		
1	0147	Rm - Roma - Viale Umanesimo 304-308	30		
2	7505	Lt - Latina - Via Eroi Del Lavoro 5	61		
2	0060	Fr - Frosinone - Via Firenze 71	189		
2	0108	Na - Napoli - C.So Lucci 96	89		
1	0440	Na - Napoli - Centro Direzionale Lotto C2	5,990	488	
2	0440	Na - Napoli - Centro Direzionale Lotto C2		8	
2	7521	Na - Napoli - Piazza Municipio 4	401		
2	2141	Na - Napoli - Via Monte Oliveto 79	79		
2	8028	Na - Napoli - Via Schilizzi 16	195		
2	3506	Na - Napoli - Via Tommaseo 4	11,850		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
				779	30,212	34,392	7,265	15,727	
				53	13,018	20,000	836		
				8	206	560	45	29	
	380								
					58,864	66,229			
	73								
	176								
					1,239	1,500	210		351
					3,550	3,400			4,757
				10	274	930	64	221	
1,169					4,179	4,180			684
			674						
			495						
	224								
					92	137	19	32	1
				89	9,627	9,643	946		7,033
	149								
	133				118	300		68	1
	162								
	45								
				623	22,059	23,510	22,041	32	7,593
				4	99	280	22	31	
					2,781	4,500	655	165	
					8	18			
					421	1,192			
				26	66,195	70,980	150		
	645								
				3	81	84	15		
				2	29	66	30	16	
	61								
	189								
	89								
			356	213	5,909	5,272	1,247		
356				5	359	328	77		
	401								
	79								
				7	188	400	41		
	11,707			143					

5 Additional tables appended to the Notes to the Financial Statements

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Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0417	Aq - L'Aquila - C.So Federico li 60	168		
2	0160	Te - Teramo - V.Le Bovio 111-113-115	60		
2	0047	Ch - Chieti - Viale Europa 43	83		
2	0416	Ch - Lanciano - C.So Trento E Trieste 60	146		
2	4376	Ba - Bari - C.So Cavour	28		
2	1041	Ba - Bari - Via A. Da Bari 27	299		
2	2007	Ba - Bari - Via Abate Gimma 171	74		
1	0001	Ba - Bari - Via Carulli 14/20	168		
1	4360	Ba - Bari - Via Sparano Da Bari	3,225		
2	0159	Ta - Taranto - V.Le P.Amedeo 26	85		
1	7383	Br - Brindisi - Via Amena 16	71		
2	4196	Br - Brindisi - Via Tor Pisana 182	73		
2	0077	Le - Lecce - Via Cesare Battisti 28	92		
2	5208	Le - Lecce - Via Cesare Battisti 36	135		
2	0426	Le - Maglie - Via Conciliazione 4	86		
2	0339	Cz - Catanzaro - Corso Mazzini 27	198		
2	0045	Cz - Catanzaro - Largo Serravalle 9	243		
1	0012	Rc - Reggio Calabria - Via Ibico 1	214	242	
2	0012	Rc - Reggio Calabria - Via Ibico 1	44	130	
2	0429	Tp - Marsala - Via Curatolo 22	116		
2	4363	Tp - Marsala - Via Mothia 2-4-6-	97		
2	4369	Tp - Marsala - Via Salemi 15	244		
2	0118	Pa - Palermo - C.So Tukori 8	94		
2	2145	Pa - Palermo - P.Za Castelnuevo, 26	58		
2	2277	Pa - Palermo - Via Ricasoli 59	233		
2	0070	Me - Giardini Naxos - Via Recanati 26	2,142	224	
2	0083	Me - Messina - Via La Farina Isolato R	210		
1	4362	Me - Messina - Via Xxvii Luglio 195	476		
2	4362	Me - Messina - Via Xxvii Luglio 195	2,042		
2	0025	Ct - Acireale - Piazza Europa 25	54		
1	1004	Ct - Catania - Corso Italia 72	875	1	
2	0041	Ct - Catania - Piazza Risorgimento 24	67		
2	0338	Ct - Catania - Sicilia 48/56 - Rizzo 29 - Puccini 28	813		
1	7387	Ct - Catania - Via Castiglione 5	243		
1	0042	Ct - Catania - Via Del Bosco 298/A	2		
2	0042	Ct - Catania - Via Del Bosco 298/A	68		
1	0233	Ct - Catania - Via G. Castorina 43	125	2	
1	0002	Ct - Catania - Via Torino 73	620	32	
2	2285	Ct - Trecastagni - Corso Italia 2	64		
3	2216	Ct - Vizzini - Podere Maguli Snc	8		
2	0127	Rg - Ragusa - Via Di Vittorio 1	39		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
	168								
	60								
				3	80	300	18	59	
	145			1					
	28								
	291			7					
					74	310	13	68	1
	168								
	3,225								
				3	82	190	18	68	
	71								
					73	134	24	65	65
				3	89	460	19	66	
	135								
	86								
	198								
	238			4					
				17	439	592	164	30	
				6	168	178	48	9	
	116								
	97								
	154				90	100	19		35
	94								
				2	56	200	17	43	
				8	225	344	49		
		216			2,150	2,150	312	179	1,372
	203			7					
				19	457	686	387		1,086
				77	1,964	2,144	669		3,469
				2	52	390	11	22	
				41	835	2,130	527	127	
	67								
	811				3	5	1	1	
	243								
					2	8	9	1	
				2	66	162	14	33	
				12	115	560	277	38	
				69	583	1,820	1,728	4	
	64								
					8	20		2	
	39								

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2016	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0481	Sr - Siracusa - Largo 2 Giugno 6	160		
2	2283	Sr - Siracusa - Via San Sebastiano 34	113		
2	3207	Sr - Siracusa - Via Teracati 23	113		
1	7556	Ss - Sassari - Piazza Castello 13	24		
1	0152	Ss - Sassari - Via Roma 172-176	184		
2	0441	Nu - Nuoro - Via Deffenu 123	111		
2	2024	Ca - Cagliari - Piazza Salento 9/10	272		
2	0330	Ca - Cagliari - Via Cima 8	320		
2	0037	Ca - Cagliari - Viale Campania 27	68		
1	1003	Ca - Cagliari - Viale Diaz 29	316	380	
1	0294	Ca - Selargius - Località Planu - Via Peretti S.N.C.	636		
2	0294	Ca - Selargius - Località Planu - Via Peretti S.N.C.	47		
2	3020	Ca - Villasimius - Località Campulongu Snc	8,383	10	
2	4211	Or - Oristano - Piazza Roma Pal. Sotico	34		
2	2255	Ot - Arzachena - Località Liscia Di Vacca Snc	47		
2	0486	Ot - Tempio Pausania - Via S. Lorenzo 21	52		
2	0074	Og - Lanusei - Via Roma 5	47		
3	0557	Es - Estero - Lago Esperanza De Alicudia			
		GRAND TOTAL	2,541,525	61,681	
		TOTAL PROPERTY FOR CORPORATE BUSINESS	465,795	7,360	
		TOTAL PROPERTY FOR USE BY THIRD PARTIES	1,992,568	50,290	
		TOTAL OTHER PROPERTY	23,590	13	
		TOTAL OTHER PROPERTY RIGHTS	3,429		
		FIXED ASSETS IN PROGRESS AND PAYMENTS ON ACCOUNT	56,143	4,017	

(*) Property type

1 = Property for corporate business

2 = Property for use by third parties

3 = Other property

4 = Other property rights

5 = Fixed assets in progress and payments on account

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2017	Current value 31/12/2017	Total depreciation	Total write-backs	Total write-downs
				6	155	189	37		
	113								
	113								
				2	22	120	37	2	
				6	177	370	39	38	
	111								
	272								
				13	307	320	114		52
				2	66	220	14	15	
				24	673	2,160	436	67	
	636								
	47								
				201	8,192	8,150	201		16,926
	34								
	47								
				2	50	64	12		
	47								
						2			11
65,761	170,605	10,186	65,761	46,374	2,376,041	2,612,235	390,574	108,589	602,451
39	12,578	849	3,357	14,088	442,319	479,637	126,092	56,240	19,403
64,553	158,027	8,976	52,444	32,286	1,855,681	2,045,212	264,132	52,347	533,538
1,169			8,566		16,207	18,176		2	2,523
			1,150		2,279	2,060	350		
		361	244		59,554	67,150			46,988





06

**STATEMENT
ON THE FINANCIAL STATEMENTS
IN ACCORDANCE WITH ART. 81-TER OF CONSOB
REGULATION NO. 11971 OF 14 MAY 1999 AND
SUBSEQUENT AMENDMENTS AND ADDITIONS**



**STATEMENT ON THE FINANCIAL STATEMENTS
IN ACCORDANCE WITH ART. 81-ter, CONSOB REGULATION No.
11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND
ADDITIONS**

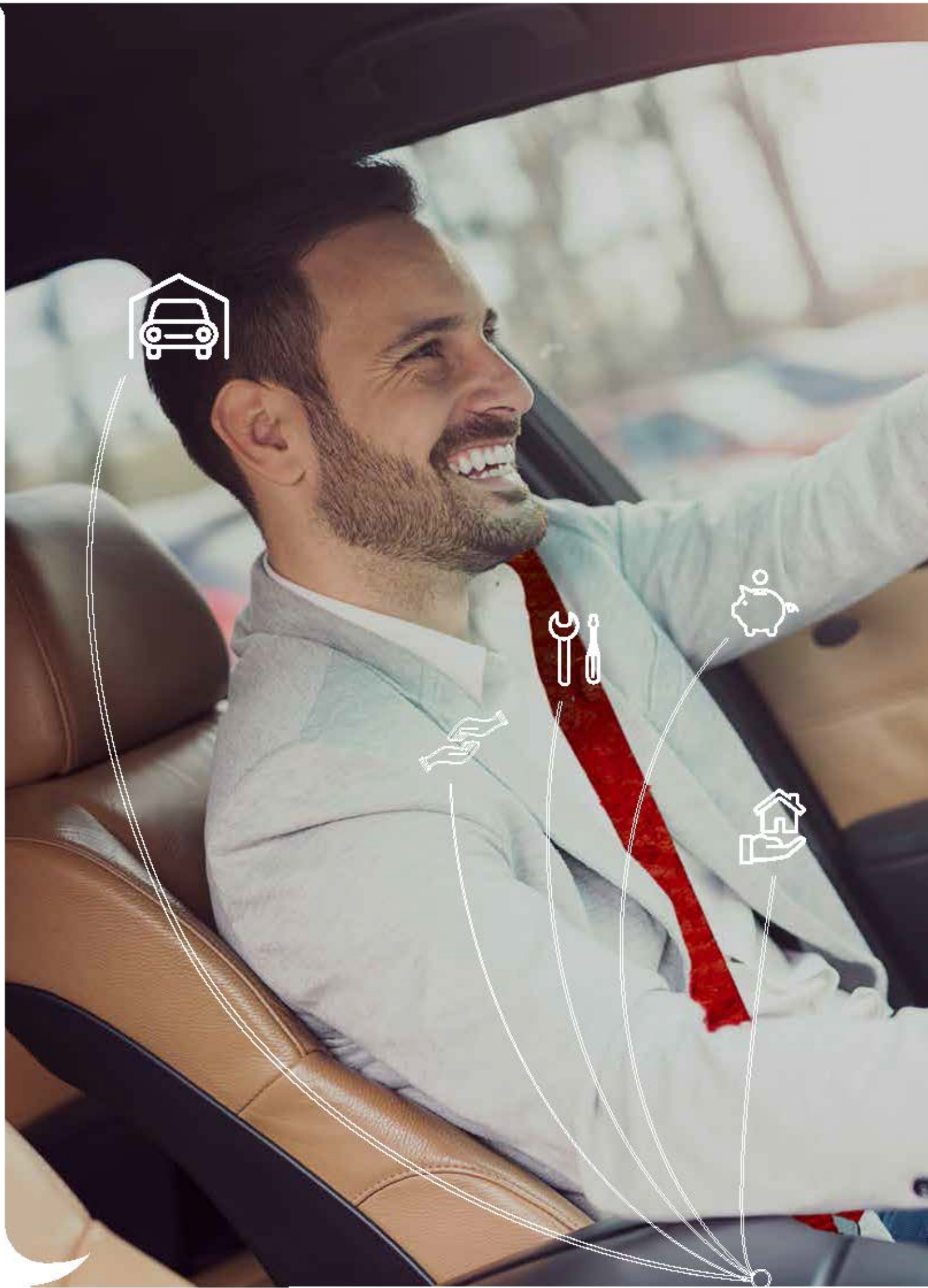
1. The undersigned, Carlo Cimbri, as designated Chairman, and Maurizio Castellina, as Manager in charge of financial reporting of UnipolSai Assicurazioni S.p.A., hereby certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998:
 - the adequacy in relation to the characteristics of the company and
 - the effective application,

of the administrative and accounting procedures for preparation of the financial statements for the period 1 January 2017-31 December 2017.
2. The assessment of the adequacy of the administrative and accounting procedures for preparing the financial statements for the year ended 31 December 2017 is based on a process defined by Unipol Gruppo S.p.A., inspired by the COSO Framework (Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organisations of the Treadway Commission and, as regards the IT component, by the COBIT Framework (Control Objectives for IT and related technology), unanimously recognised as the reference standards for the implementation and evaluation of internal control systems.
3. It is also certified that:
 - 3.1. The financial statements at 31 December 2017:
 - were prepared in compliance with provisions of the Civil Code and the national accounting principles approved by the OIC (Italian Accounting Standards Setter);
 - correspond to the book results and accounting records;
 - are suitable to provide a true and fair view of the equity, economic and financial situation of the issuer;
 - 3.2. the management report includes a reliable analysis of the performance and of the operating result, and of the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Bologna, 22 March 2018

The Chairman
Carlo Cimbri

Manager in charge
of financial reporting
Maurizio Castellina





07

**BOARD
OF STATUTORY AUDITORS' REPORT**

Board of Statutory Auditors' Report to the Shareholders' Meeting on the results of the financial statements of UnipolSai Assicurazioni S.p.A. at 31 December 2017 and on the activity carried out, pursuant to Art. 153 of Legislative Decree 58/1998 and Art. 2429, paragraph 2 of the Civil Code

Dear Shareholders,

In the year ending on 31 December 2017, the Board of Statutory Auditors carried out the activities for which it is responsible, laid out in applicable legislative and regulatory provisions, also taking into account the principles of conduct of the Board of Statutory Auditors of listed companies issued by Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants), the Consob recommendations on corporate controls and the activities of the board of statutory auditors (in particular, communications no. DAC/RM 97001574 of 20 February 1997 and no. DEM/1025564 of 6 April 2001 as amended), as well as the instructions laid out in the Corporate Governance Code for listed companies.

As regards this activity, the Board of Statutory Auditors reports the following.

1. Preliminary evidence of the significant events that took place in 2017.

The Board of Statutory Auditors first of all calls the Shareholders' attention to the disclosure, also provided by the Directors in the Management Report and in the Notes to the Financial Statements, regarding the main significant events that concerned UnipolSai Assicurazioni S.p.A. ("**UnipolSai**" or the "**Company**") in the course of 2017:

Project for streamlining the insurance sector

On 29 June 2017, the Boards of Directors of Unipol Gruppo S.p.A. ("**Unipol**") and UnipolSai approved a project that aims to definitively streamline the insurance sector of the Unipol Group, as part of which, on 16 November 2017, after obtaining the necessary authorisations from the Supervisory Authority, UnipolSai acquired the equity investments held by Unipol in:

- UniSalute S.p.A., an insurance company specialised in the health segment, equal to 98.53% of the share capital, and
- Compagnia Assicuratrice Linear S.p.A., an insurance company specialised in the direct sale of Non-Life products, in particular MV, equal to the entire share capital.

The considerations for the above sales were determined within the range of values identified with the support of leading financial advisors, applying normally used estimation methods in accordance with Italian and international best valuation practices.

In addition, it is established that, if the conditions and prerequisites are satisfied, the controlling interest, equal to 63.39% of the share capital, held by Unipol in Arca Vita S.p.A. ("**Arca Vita**") may also be transferred to UnipolSai. In this regard, please note that in November 2017 Unipol, BPER Banca S.p.A. and Banca Popolare di Sondrio S.c.p.A. agreed to the early renewal of their strategic bancassurance partnership in the Life and Non-Life segments launched in 2009, the natural maturity of which was 31 December 2019. The new agreements entered into will have a duration of five years, starting on 1 January 2018, and will be renewable again upon agreement between the parties.

Banking sector restructuring plan

The Boards of Directors of UnipolSai and Unipol Banca S.p.A. ("**Unipol Banca**" or the "**Bank**"), which met on 27 and 28 July 2017, respectively, examined and approved the Group banking sector restructuring plan (the "**Restructuring Plan**" or the "**Plan**"), which envisaged the transfer by means of proportional partial spin-off of Unipol Banca in favour of a newly established company, of a company complex inclusive, *inter alia*, of a portfolio of bad and doubtful loans of the Bank, gross of valuation reserves, for an amount of roughly €3bn (corresponding to the entire portfolio of bad and doubtful loans of the Bank at the date of approval of the half-yearly report at 30 June 2017, with the exclusion of those deriving from loans for leases and unsecured commitments), after (i) the adjustment of their value in accordance with the conditions currently prevailing in the market for disposal transactions, and (ii) the strengthening of the average rate of coverage of loans classified as "unlikely to pay" and those classified as "past due", which will remain within Unipol Banca, to the best levels of the banking industry.

Evolution of the agreements relating to the subsidiary Popolare Vita S.p.A.

On 29 June 2017, the UnipolSai Board of Directors approved the termination of the Distribution Agreement in place between the subsidiary Popolare Vita S.p.A. ("**Popolare Vita**") and Banco BPM S.p.A. ("**Banco BPM**") and, consequently, the exercise of the put option available to UnipolSai on the basis of the shareholders' agreement in place with Banco BPM, concerning the equity investment held by UnipolSai in Popolare Vita, equal to 50% of its share capital plus one share.

Acquisition of the equity investment in Ambra Property S.r.l. by the parent Unipol

On 29 September 2017 (effective as of 30 September 2017) the acquisition by the holding company Unipol of the investment held in Ambra Property S.r.l., equal to 100% of the share capital of the above-mentioned company, was finalised.

Authorisation to the use of the Partial Internal Model

On 7 February 2017 the Supervisory Authority authorised the Company to use the Partial Internal Model for calculating the individual Solvency Capital Requirement with effect from 31 December 2016.

With reference to the significant events after the reporting period, the Board of Statutory Auditors reports as follows:

Update to the UnipolSai Euro Medium Term Note (EMTN) Programme

On 2 February 2018 UnipolSai published the update to the EMTN Programme established on 14 June 2014 for a nominal total of up to €3bn, as part of which 22 February 2018 saw the launch of the placement of a subordinated bond loan for €500m targeting qualified investors only. The loan, qualifying as Tier 2 own funds for the purpose of Solvency II regulations, was issued on 1 March 2018, is maturing in March 2028 and is listed on the market regulated by the Luxembourg Stock Exchange.

Shareholder loan to Unipol Banca

On 31 January 2018, within the scope of the Plan for the restructuring of the banking sector, Unipol and UnipolSai disbursed a shareholder loan to Unipol Banca for €173m and €127m, respectively, for a total amount of €300m. This loan is included in the company complex transferred to UnipolReC S.p.A. on 1 February 2018 as a result of the spin-off.

Evolution of the agreements relating to the subsidiary Popolare Vita

On 11 January 2018, UnipolSai and Banco BPM signed the contract for the disposal of Popolare Vita which - having obtained the necessary authorisations from the competent Supervisory Authorities - was finalised on 29 March 2018.

Project for streamlining the insurance sector

On 22 March 2018, the Board of Directors approved the acquisition by UnipolSai of the controlling interest, equal to 63.39% of the share capital, held by Unipol in Arca Vita. This transaction may be completed once the necessary authorisations are obtained from the Supervisory Authority.

With reference to the disputes which concerned the Company during 2017, the Board of Statutory Auditors was informed and kept up to date in relation to the sanction and legal proceedings underway, described in the Notes to the Financial Statements, to which reference is made.

2. Preliminary evidence regarding the legal provisions governing the preparation of the Financial Statements of UnipolSai at 31 December 2017.

The Financial Statements presented to you show the management activity carried out during the year and the equity, financial and economic position of your Company at 31 December 2017.

The financial statements for the year ending on 31 December 2017 have been prepared in observance of current statutory rules and those specific to the insurance sector. More specifically, they have been drawn up in compliance with the provisions set forth under Title VIII of Legislative Decree 209 of 7 September 2005 ("**Insurance Code**"), of Legislative Decree 173 of 26 May 1997 and ISVAP Regulation no. 22 of 4 April 2008 (the "**Regulation no. 22/2008**") as amended, and implementing the instructions issued on the subject by the Supervisory Authority. For whatever is not explicitly regulated by the regulations of the sector, please refer to the general rules regarding financial statements in the Civil Code and the accounting standards issued by the Italian Accounting Standards Setter (OIC).

The measurement criteria were adopted on the basis of going concern assumptions, in application of the principles of accrual, materiality and significance of the accounting data.

No significant events occurred after year end that could affect the financial statement results.

3. Activities of the Board of Statutory Auditors in the year ending 31 December 2017.

In 2017, the Board of Statutory Auditors held 21 meetings, with an average duration of around two hours each.

In addition, the Board of Statutory Auditors participated in the 11 meetings of the Board of Directors, the 3 meetings of the Remuneration Committee, the 12 meetings of the Committee for Transactions with Related Parties (the "**Related Parties Committee**") and the 8 meetings of the Control and Risk Committee, and received a disclosure in relation to the work done at the 4 meetings of the Appointments and Corporate Governance Committee.

As part of its duties and for the mutual exchange of information between the bodies and departments involved in the internal control and risks management system, the Board of Statutory Auditors also met with:

- the Head of the Audit Department, the Head of the Compliance and Anti-Money Laundering Department, the Head of Risk Management, the Chief Risk Officer, the Manager in charge of financial reporting (the "**Manager in charge of financial reporting**") and the Heads and/or representatives of the company departments concerned by the supervisory activity of the control body from time to time;
- the Supervisory Board established pursuant to Legislative Decree 231 of 8 June 2001 ("**Legislative Decree 231/2001**"), Art. 6, paragraph 1, letter b);
- the representatives of the company charged to audit the accounts, PricewaterhouseCoopers S.p.A., within the framework of relationships between the control body and the auditor required by regulations in force.

Pursuant to Art. 151 of Legislative Decree 58 of 24 February 1998 (the "**Consolidated Law on Finance**" or "**TUF**"), the Board of Statutory Auditors also exchanged information with the control bodies of the subsidiaries.

In observance of the legal and regulatory provisions mentioned above, the Board acknowledges the outcome of its supervisory activities and verifications and therefore acknowledges that it has:

- monitored observance by the Company of the law and the by-laws and compliance with the principles of proper administration, particularly with reference to the transactions mentioned above of greatest economic, financial and equity significance;
- obtained information from the Directors - including by participating in the meetings of the Board of Directors and the board Committees - on the activity carried out and on the transactions of greatest economic, financial and equity significance performed by the Company, including through direct or indirect subsidiaries. On the basis of the information made available, the Board of Statutory Auditors can reasonably assert that the actions resolved and implemented conform to the law, the by-laws and the principles of proper administration and do not appear to be manifestly imprudent, hazardous, or in contrast with the resolutions adopted by the Shareholders' Meeting, or such to compromise the integrity of the company's assets. In addition, the transactions that involve a potential conflict of interests were resolved in compliance with the law and the codes of conduct adopted;
- acquired knowledge on and monitored, for matters within its competence, the adequacy of the Company's organisational structure and the instructions it gives to subsidiaries, pursuant to Art. 114, paragraph 2 of the Consolidated Law on Finance, in order to promptly obtain the information required to fulfil the obligations laid out in paragraph 1 of the same article, also by collecting information from managers and through meetings with the Independent Auditors. No particular elements worth reporting emerged from these activities;
- monitored - using (i) the information collected from the managers of the respective departments, (ii) the examination of the company documents, (iii) the analysis of the work plans and the results of the work carried out by the Independent Auditors and the bodies and departments responsible for internal control - the adequacy of the internal control system and the administrative-accounting system, and the latter's reliability in correctly representing operating events. In addition - through both direct verification of the activities carried out by the Audit, Compliance and Anti-Money Laundering and Risk Management Departments (the "**Control Functions**") and by the Manager in charge of financial reporting, and by taking part in all meetings of the Control and Risk Committee - the activities performed by the company control functions were examined to verify their adequacy and to obtain an evaluation of the actual functioning of the overall internal control system. Based on the checks carried out in fulfilment of the monitoring obligations imposed, the control body highlights no elements to be reported in this regard. The Board also believes that the Control Functions, just like the Manager in charge of financial reporting, are able to ensure significant coverage to guarantee a suitable control of the internal control system;
- monitored, by having meetings with the Manager in charge of financial reporting and the Independent Auditors, the process of developing and distributing financial reporting, from which no significant gaps emerged which would be such so as to negatively impact the opinion on the adequacy and effective application of the administrative-accounting procedures for the purpose of providing an accurate economic, equity and financial representation of operating events in compliance with the applicable accounting standards;
- monitored, for matters within its competence, the observance of the legal provisions as regards the process of preparing the Financial Statements and the contents of the Management Report, which are believed to be exhaustive. Taking into account that - pursuant to Art. 14 of Legislative Decree 39 of 27 January 2010 ("**Legislative Decree 39/2010**") as amended by Legislative Decree 135 of 17 July 2016 ("**Legislative Decree 135/2016**") - the Independent Auditors provide in their report, *inter alia*, a judgment of consistency of the Management Report with the Financial Statements and its compliance with legal standards, the Board of Statutory Auditors verified that there are no findings in this respect in the report issued by PricewaterhouseCoopers S.p.A.;

- examined the reflections of the Supervisory Board with respect to any update of the Organisational, Management and Control Model prepared pursuant to Legislative Decree 231/2001, Art. 6, letter a), taking into account the entry into the scope of the above-mentioned decree of new types of offence or changes therein. The Board of Statutory Auditors also acquired the required information on the organisational and procedural activities carried out in compliance with Legislative Decree 231/2001, by meeting with the Supervisory Board in relation to the audit and control activities respectively performed. No facts and/or circumstances worth noting emerged from the disclosure provided by the Supervisory Board, including through its Annual Report, with respect to the activities carried out;
- monitored, including by participating in Related Parties Committee meetings, that the transactions with related parties met the substantive and procedural correctness criteria and that they were not in conflict with the Company's interest pursuant to the Regulation introducing provisions pertaining to transactions with related parties, adopted by Consob in its Resolution no. 17221 of 12 March 2010 as amended, and to the Policy adopted by the Company in compliance with the above-mentioned Regulation. The Board of Statutory Auditors spent time in particular on the most significant transactions included within the insurance sector streamlining project and the banking sector restructuring plan, verifying the fairness of the preliminary analysis and decision-making process adopted as well as compliance with regulations in force and internal regulations, by analysing available documentation as well as participating in meetings of the Related Parties Committee and the Board of Directors. The Board of Statutory Auditors also examined the transactions exempt from the application of the above-mentioned internal procedure.
- verified the compliance of the Policy adopted by the Company pertaining to intra-group transactions with the new regulations issued by IVASS on 26 October 2016 through Regulation no. 30 ("**Regulation 30/2016**") pertaining to intra-group transactions and concentration of risks, which entered into force on 1 December 2016 and significantly changed the regulations previously in force. With regard to intra-group transactions, the activity performed by the Board brought to light that they were carried out in compliance with the Policy prepared in observance of IVASS Regulation 30/2016 and carried out under market conditions. In relation to the relations established with the Group companies and other related parties, the control body evaluates the disclosure provided in the Management Report as adequate. Specifically, the Board of Statutory Auditors believes that the outsourcing agreements in place are compliant with applicable regulatory provisions. Relating to the overall context of the intra-group transactions and/or transactions with related parties performed in 2017, the absence was ascertained of atypical or unusual transactions, which may give rise to doubts relating to the accuracy and completeness of the information, conflicts of interest and the safeguard of the company's assets;
- acknowledged that the Company is subject to management and coordination in accordance with Arts. 2497 et seq. of the Civil Code by the parent Unipol;
- held periodic meetings with representatives of PricewaterhouseCoopers S.p.A., the independent auditors, pursuant to Art. 150, paragraph 3 of the Consolidated Law on Finance and - in relation to the Financial Statements for the year ended 31 December 2017 - no significant data or information worth reporting came to light. The Board of Statutory Auditors was also informed by the independent auditors on the regular updating of the company accounts and the proper recognition of operating events in the accounting entries. The Independent Auditors' Report to the Financial Statements at 31 December 2017 (the "**Independent Auditors' Report**"), prepared in accordance with the instructions pursuant to Article 10 of Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16 April 2014 ("**Regulation (EU) 537/2014**") as well as Art. 14 of Legislative Decree 39/2010, as amended by Legislative Decree 135/2016, and Art. 102 of the Insurance Code, contains no remarks or information requests. In addition, it does not bring to light any significant errors with reference to the Management Report, or significant uncertainties relating to facts and circumstances that could give rise to doubts as to the Company's capacity to continue to operate on a going concern basis;

- examined, as the internal control and auditing committee, the Additional Report prepared pursuant to Article 11 of Regulation (EU) 537/2014 by the Independent Auditors (the "**Additional Report**"), which brings to light no information worth reporting;
- supervised and monitored, based on the provision contained in Art.19, paragraph 1 of Legislative Decree 39/2010, as amended by Legislative Decree 135/2016, the independence of the company charged with the audit of the accounts. In particular, the Board of Statutory Auditors examined and approved the further engagements assigned in the course of 2017 to PricewaterhouseCoopers S.p.A. and companies in its network, the consideration for which is reported in detail in the Notes to the Financial Statements, to which reference is made, and in particular the engagement proposals inherent in:
 - the auditing activities, required by IVASS pursuant to Art. 47-septies of the Insurance Code with the letter to the market dated 7 December 2016, on the Solvency and Financial Condition Report for the year ended at 31 December 2016;
 - the amendment of the contractual terms inherent in the engagement for conducting auditing procedures on the "New catastrophe process" as part of the activities aimed at the implementation of the partial internal model for the calculation of the capital requirement for Solvency II purposes;
 - the execution by PricewaterhouseCoopers Advisory S.p.A. of a training programme;
 - the provision of professional services concerning the auditing activities to be carried out in relation to certain accounting and financial information to be included in the Basic Prospectus of the Euro Medium Term Notes Programme of UnipolSai.

In relation to the engagement assigned at the time to PricewaterhouseCoopers S.p.A. for the audit of the accounts, the Board of Statutory Auditors also issued to the Board of Directors:

- a favourable opinion on the proposed amendment of the contractual terms of the engagement for the audit of the accounts for the year 2016, resulting from changes in the activities under the responsibility of the independent auditors following several extraordinary transactions as well as the attribution to the auditor of responsibility for issuing a certification on the sufficiency of the technical provisions previously attributed to the actuary auditor;
- favourable opinion on the proposed amendment of the contractual terms of the engagement for the audit of the accounts for the years 2017-2021 concerning the reduction in consideration resulting from the abrogation of Art. 27 of Regulation no. 22/2008 and Art. 15 of IVASS Regulation no. 7 of 13 July 2007 relating to the limited audit report of the independent auditors on the separate half-yearly report.

From an examination of the annual declaration confirming its independence, provided by PricewaterhouseCoopers S.p.A., as well as detailed analyses conducted with the collaboration of the competent corporate structures and the independent auditors, taking into account the nature of the engagements assigned to the latter and/or the companies in its network, no evidence or situations emerged such so as to lead one to believe that there are any risks for the independence of the company responsible for auditing the accounts or grounds for incompatibility pursuant to applicable regulations;

- evaluated, insofar as it is responsible - taking into account that the Company complies with the Corporate Governance Code for listed companies - the content of the "Annual report on corporate governance and ownership structures" and has no observations to make in this regard. Referencing what is laid out pursuant to Art. 123-bis of the Consolidated Law on Finance in relation to the judgment of consistency that the Independent Auditors must express with regard to certain information included in the above-mentioned "Annual report on corporate governance and ownership structures", the Board of Statutory Auditors highlights that the Independent Auditors' Report issued by PricewaterhouseCoopers S.p.A. has no findings in this regard;

- gave, during the year, the opinions, observations and/or certifications required by law and/or by regulations in force and the internal procedures. In addition to what is mentioned above, the Board of Statutory Auditors issued:
 - a favourable opinion on the appointment - due to ordinary internal turnover - of the Head of the Compliance and Anti-Money Laundering Department;
 - a favourable opinion on the resolutions pursuant to Art. 2386, paragraph 1 of the Civil Code in relation to the co-opting of two Directors;
 - a favourable opinion with respect to the Annual plan of activities of the Control functions.

The Board of Statutory Auditors also examined the Half-Yearly Reports on complaints prepared by the head of the Audit Department in compliance with the instructions laid out in ISVAP Regulation no. 24 of 19 May 2008, in which no significant issues or organisational deficiencies were found, and therefore it has no observations to make in this regard;

- verified, through the information acquired periodically, also during meetings with the Department head and/or representatives, the fulfilment of the anti-money laundering provisions pursuant to Legislative Decree 231 of 21 November 2007 as amended. No remarks need to be made with regard to the organisational structure set up to guarantee the prompt update of the archives and the identification of suspicious transactions;
- verified the compliance with the rules that govern the coverage of the technical provisions, with special reference, as regards financial instruments, to their full and free ownership and availability and the non-existence of constraints and the compliance with the criteria defined in the investment policy, amended in order to adopt the provisions pursuant to IVASS Regulation no. 24 of 6 June 2016. In this context, the suitability of the administrative and accounting procedures adopted by the Company to manage the process of measurement of the assets covering the technical provisions was periodically examined, together with their representation in the specific register, in the statements attached to the financial statements and in those subject to quarterly communication to IVASS;
- verified, through the information acquired periodically in the course of meetings with the Department heads and/or representatives, and by taking part in the meetings of the administrative body, the compliance with the regulatory provisions on the use of derivative financial instruments and the company policies adopted in this regard;
- verified, through the information acquired periodically in the course of meetings with the Department heads and/or representatives, the compliance with the provisions on the classification and valuation of the securities portfolio and the compliance of the assignments of financial instruments to the long-term and short-term segments with the guidelines adopted by the Company in line with the pertinent instructions of IVASS;
- verified, through the information acquired periodically, that the register of complaints is kept and fed correctly, in accordance with pertinent IVASS provisions;
- verified that, at the date of year-end close, the Company has equity admissible to cover the capital requirements equal to 2.41 times the Solvency Capital Requirement (SCR) and 4.93 times the Minimum Capital Requirement (MCR), (pointing out that these figures are calculated on the basis of the information available at 22 March 2018, the date on which the Board of Directors approved the Financial Statements, and that the solvency position of the Company will be subject to a specific disclosure to the market and to IVASS by 7 May 2018, in accordance with EU Regulation 2015/35 (Delegated Acts)). The solvency capital requirements are calculated on the basis of the Partial Internal Model, which the Company was authorised by IVASS, as reported previously, to use from 31 December 2016. For the purposes of determining equity, the volatility adjustment prescribed by Art. 36-septies of the Insurance Code is applied;

- verified, through the information acquired periodically, also during meetings with the Head of Risk Management Department and/or representatives, the adoption of policies and processes suitable to monitor and oversee risks connected with insurance activities;
- verified that the Company adopted all measures necessary to ensure compliance with obligations deriving from personal data protection legislation (Legislative Decree 196/2003) so as to guarantee the protection and integrity of customer, employee and partner data and, in general the data of all those with whom the Company comes into contact; in this respect, please note that activities are under way to come into compliance with European Union Regulation 2016/679 of 27 April 2016;
- exchanged information with the Boards of Statutory Auditors of the subsidiaries, pursuant to Art.151 of the Consolidated Law on Finance, being informed about the main checks that were carried out by the same while exercising their supervisory activities. In this regard, no situations worthy of mention in this Report emerged;
- acknowledged that the Board of Directors evaluated its functioning, size and composition, also in relation to the board committees, relying on the support of a major consulting firm. The Board of Statutory Auditors also checked the proper application of the criteria and procedures adopted by the Board of Directors to assess the independence of non-executive directors, in compliance with the provisions established in the Corporate Governance Code for listed companies, and in accordance with Art.147-ter, paragraph 4 of the Consolidated Law on Finance;
- checked that the independence requirements of the members of the Board of Statutory Auditors itself were met, pursuant to the provisions of Art.8 of the Corporate Governance Code for listed companies, acknowledging the checks carried out by the Board of Directors pursuant to Art.144-novies of the Issuer's Regulation in relation to the fulfilment of the independence requirements laid out in Art.148, paragraph 3, of the Consolidated Law on Finance by the members of the Board of Statutory Auditors;
- checked the company processes that led to the definition of the remuneration policy adopted, without making any observations in relation to its consistency with the recommendations of the Corporate Governance Code for listed companies and its compliance with the provisions of IVASS Regulation no. 39 of 9 June 2011.

In 2017, the Board of Statutory Auditors received no complaints in accordance with Art.2408 of the Civil Code or reports from third parties.

Having stated the above, the Board acknowledges that the financial statements submitted to you for approval comprise the statement of financial position, the income statement and the notes along with their annexes, prepared according to the statements laid out in accordance with Regulation no. 22/2008 as amended. They are accompanied by the statement of cash flows prepared in free form. They are also accompanied by the Management Report prepared by the Directors.

The analysis of the Management Report highlighted its consistency with the accounting figures, as was the case with the Independent Auditors' Report. The Notes to the Financial Statements illustrate the measurement criteria adopted, which are in line with the activity and transactions performed by the Company, and the other information required by law.

The Board verified that the Financial Statements correspond to the events and information it is aware of and has no remarks to make on the subject.

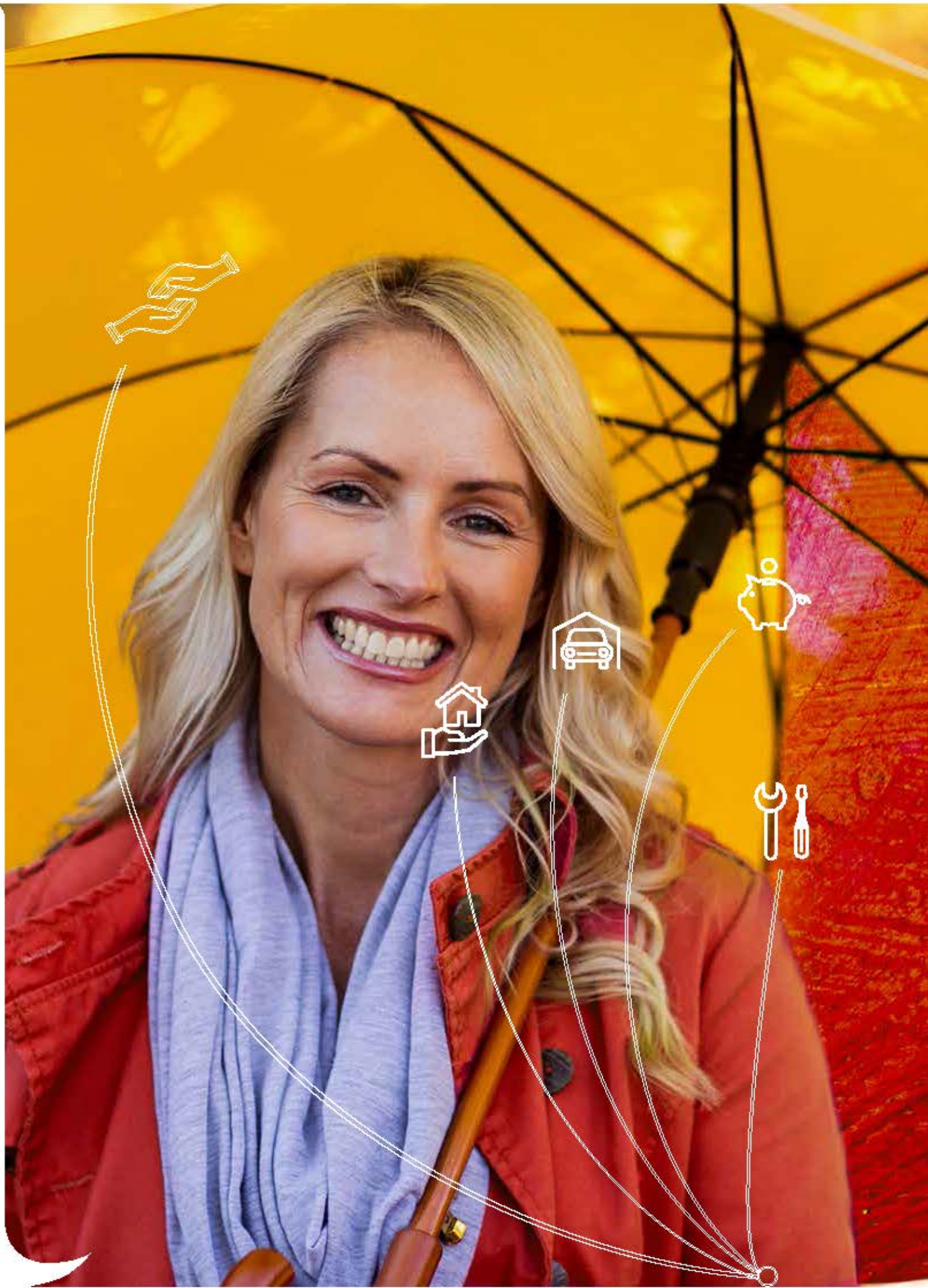
Therefore, the Board deems that the Financial Statements for the year ended 31 December 2017, as presented to you by the Board of Directors, may be approved, and expresses a favourable judgment on the proposal regarding the allocation of profit and the distribution of the dividend put forward by the same Board of Directors.

Finally, we would like to remind you that the mandate of the Board of Statutory Auditors currently in office will expire at the next ordinary shareholders' meeting, after the three-year period.

Bologna, 1 April 2018

On behalf of the
Board of Statutory Auditors

Chairman Paolo Fumagalli





08

**INDEPENDENT
AUDITORS' REPORT**



UnipolSai Assicurazioni SpA

Independent auditor's report

in accordance with article 14 of Legislative Decree n° 39 of 27 January 2010, article 10 of Regulation (EU) n° 537/2014 and article 102 of Legislative Decree n° 209 of 7 September 2005

Financial Statements as of 31 December 2017



Independent auditor's report

in accordance with article 14 of Legislative Decree n° 39 of 27 January 2010 and article 10 of Regulation (EU) n° 537/2014 and article 102 of Legislative Decree n° 209 of 7 September 2005

To the Shareholders of
UnipolSai Assicurazioni SpA

Report on the Audit of the Financial Statements as of 31 December 2017

Opinion

We have audited the financial statements of UnipolSai Assicurazioni SpA (the "Company"), which comprise the balance sheet as of 31 December 2017, the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2017, and of the result of its operations for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers SpA

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

Auditing procedures performed in response to key audit matters

Actuarial estimates of Non-life claims provisions

Notes to the Financial Statements, paragraph 2 Main accounting standards
Notes to the Financial Statements, Section 10 – Technical provisions

Technical provisions include Euro 11,473 million of Non-Life claims provisions representing the 22 per cent of “Total Liabilities and Shareholders’ Equity”.

Non-Life claims provisions is posted to face the amounts incurred by the Company to settle the claims incurred in the current and in previous years and not yet defined at year end. Granted that the valuation of outstanding claims relies on the quality of the underlying data, a range of methods, underlying a number of implicit or explicit assumptions relating to the expected settlement amount and number of claims, may be used to determine these provisions. Change in these assumptions can modify the estimate of the final provisions. Professional judgement is involved, for instance, in estimating the period over which claims are expected to settle.

The valuation of Non-Life claims provisions involves the use of significant estimates and relies on a significant professional judgement based on the actuarial assumption adopted.

In order to challenge the quality of the data utilized to value the Non-Life claims provisions, we understood and tested the governance process in place to determine the insurance contract liabilities and validated, on a sample basis, the controls in place. In addition we verified the accuracy and completeness of the data base testing a sample of claims and matching the information included in the IT system with those of the related dossiers.

Our audit procedures applied to verify the actuarial valuation include the following:

- analysis of the methodologies, hypothesis and assumptions adopted by management;
- challenge these methodologies and assumptions by comparing them with those used in the industry and in prior periods;
- performed a risk based assessment to determine the more relevant classes of business. For these classes, assisted by our own actuarial experts, we performed a sensitivity analysis on assumptions and estimates utilized by the Company and performed our own independent actuarial projections and compared the results with management’s estimates.



Key Audit Matters
Auditing procedures performed in response to key audit matters

Valuation of financial instruments structured securities portfolio

Management Report, paragraph Asset and financial management
Notes to the financial statement, Section 2 – Investments, paragraph 2.3 Other financial investments

Structured securities amount to some Euro 952 million representing 2 per cent of total assets.

The complexity of the valuation process is not uniform for all financial instruments types and it is harder for illiquid structured securities because quoted prices are not readily available.

The valuation of financial instruments held at fair value is based on a wide range of inputs, many of which not observable in the market. Where observable market data is not available, for example when determining the valuation of certain complex structures, fair value estimates are influenced by input data utilized in the internal valuation models and is consequently subject to a higher level of judgement. Valuation of financial structured securities is therefore complex and subject to judgement, especially when observable market data are not available.

Our audit procedures concerning valuation of structured securities include the following:

- we performed an understanding and an assessment of the valuation process along with the effectiveness of key controls on a sample basis;
- we analysed along with Company's Directors the methodologies and assumptions utilized;
- we challenged these methodologies and assumptions by comparing them with those used in the industry and in prior periods;
- we verified, on a sample basis, input data readily observable in the market;
- we performed on a sample basis, with the support of our valuation experts, an independent valuation on some structured securities.

Valuation of acquired investments

Management Report, paragraph Information on significant events, Project for streamlining the Group's insurance sector
Notes to the financial statement, Section 2 – Investments, paragraph 2.2 Investments in Group companies and other investees

As part of the project for streamlining the group's

Our audit procedures on the valuation of the acquired investments included a critical review of the following documents:

- minutes of the Board of Directors' meetings where the decision of the acquisition was approved;
 - appraisal documents and fairness opinion of financial advisors on the
-



Key Audit Matters

insurance sector of the Unipol Group, on 16 November 2017, obtained the authorisation from the IVASS authority, the Company acquired from Unipol Gruppo SpA the investment in UniSalute SpA (98,53 per cent of shareholders' equity) and in Compagnia Assicuratrice Linear SpA (100 per cent of the stakes).

Considerations paid for the acquisition of these investments have been determined in Euro 875 million, utilizing estimation methodologies with the support of financial advisors.

The methodologies and the assumptions valuation adopted by Company and financial advisors in the determination of the value of investments required a considerable professional judgement dependent also on the assumptions.

The valuation of such investments required significant estimates and, among other matters, the professional judgement is, for example, used in the future projections which have been utilised to develop discounted cash flow models and discount rates.

Auditing procedures performed in response to key audit matters

fairness of the total consideration payed and addressed to the Board of Directors and the Committee for transactions with related parties;

- external appraisal on the reasonableness of the estimate methodology and computations developed by the external advisors and issued by another financial advisor addressed to the Board of Directors and the Committee for transactions with related parties;
- legal opinion of the external advisor addressed to the Board of Directors and the Committee for transactions with related parties;
- info document relating to the significant operation put in place with related parties issued by the Committee for transactions with related parties.

We read the communication of the Insurance Authority with reference to the change of the main shareholder of UniSalute SpA and Compagnia Assicuratrice Linear SpA.

We further evaluated, with the support of PwC experts, the reasonableness of the assumptions and the methodologies used by management and financial advisors; we reperformed the calculation of the valuation of investments and performed a sensitivity analysis on the main assumptions and estimates used by the financial advisors and, finally, we compared our results to the conclusions reached by management and external financial advisors.

Banking sector restructuring plan

Management Report, paragraph Information on significant events, Banking sector restructuring plan
Notes to the financial statement, Section 2 –

Our audit procedures on the restructuring of the banking sector include a critical review of the following documents:

- minutes of the Board of Directors'



Key Audit Matters

Investments, paragraph 2.2 Investments in Group companies and other investees
Notes to the financial statement, Section 19 - Information on Life business technical account
Notes to the financial statement, Section 21 - Information on the non-technical account

The Company has recognized an impairment loss of the investment in Unipol Banca SpA for an amount of some Euro 93 million taking into account the effects of the put/call option agreement in place with Unipol Gruppo SpA and involving Unipol Banca shares.

The impairment loss is due to the restructuring plan of the banking sector realised from Unipol Group during the financial year 2017 that determined a significant loss resulting in the income statement of Unipol Banca SpA, mainly as a consequence of the strengthening of the coverage average rate for NPE, also in the light of the changed outlooks for their recoverability. Considering the loss result, the Company made a non-repayable capital account contribution to Unipol Banca SpA for an amount of some Euro 380 million.

In dealing with valuation, legal, tax and accounting matters the Company has been supported by several external advisors.

Considering the complexity of the restructuring plan and the existing put/call option agreement between the Company and the parent Unipol Gruppo SpA, the analysis of the restructuring plan of the banking sector has been considered a key audit matter due to the magnitude of the operation and the related accounting implications in the Company's financial statements.

Auditing procedures performed in response to key audit matters

- meetings where the restructuring plan has been approved;
- external appraisal on the economic and financial convenience for the Company to participate to the capital strengthening of Unipol Banca SpA, issued by a financial advisor and addressed to the Board of Directors and the Committee for transactions with related parties of the Company;
- external appraisal on the reasonableness of the assumptions on the economic and financial projections of Unipol Banca SpA issued by a financial advisor and addressed to the Board of Directors and the Committee for transactions with related parties of the Company.

Lastly we reviewed the impairment model for Unipol Banca SpA prepared by the Company and the related accounting treatment in the financial statements as of 31 December 2017.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, management uses the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



- we concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with *governance*, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with *governance* with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with *governance*, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by article 10 of Regulation (EU) n° 537/2014

On 30 July 2013, the Shareholders of UnipolSai Assicurazioni SpA in general meeting engaged us to perform the statutory audit of the Company and the consolidated financial statements audit for the years ending 31 December 2013 to 31 December 2021.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) n 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to those charged with *governance*, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.



Report on Compliance with other Laws and Regulations

Opinion in accordance with article 14, paragraph 2, letter e), of Legislative Decree n° 39/2010 and article 123-bis, paragraph 4, of Legislative Decree n° 58/1998

Management of UnipolSai Assicurazioni SpA is responsible for preparing a report on operations and a report on the corporate governance and ownership structure of UnipolSai Assicurazioni SpA as of 31 December 2017, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) n° 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree n° 58/1998, with the financial statements of UnipolSai Assicurazioni SpA as of 31 December 2017 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of UnipolSai Assicurazioni SpA as of 31 December 2017 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree n° 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Opinion drawn up pursuant to article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, Non – Life technical provisions

In execution of the assignment received from UnipolSai Assicurazioni SpA, we have performed procedures, in accordance with article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, on the items relating to the Non – Life technical provisions, included in the liabilities section of the balance sheet of UnipolSai Assicurazioni SpA as at 31 December 2017. The Directors are responsible to establish technical provisions to the extent to guarantee the obligations arising from insurance and reinsurance contracts.

On the basis of the procedures performed in accordance with article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, of Regulation n° 22/2008 issued by ISVAP and associated guidelines included in the application document published by IVASS on its website on 31 January 2017, the above mentioned technical provisions, included in the liabilities section of the balance sheet of UnipolSai Assicurazioni SpA as at 31 December 2017, are sufficient in accordance with applicable law and regulations and on the basis of correct actuarial techniques, in accordance with Regulation n° 22/2008 issued by ISVAP.



Opinion drawn up pursuant to article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, Life technical provisions

In execution of the assignment received from UnipolSai Assicurazioni SpA, we have performed procedures, in accordance with article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, on the items relating to the Life technical provisions, included in the liabilities section of the balance sheet of UnipolSai Assicurazioni SpA as at 31 December 2017. The Directors are responsible to establish technical provisions to the extent to guarantee the obligations arising from insurance and reinsurance contracts.

On the basis of the procedures performed in accordance with article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, of Regulation n° 22/2008 issued by ISVAP and associated guidelines included in the application document published by IVASS on its website on 31 January 2017, the above mentioned technical provisions, included in the liabilities section of the balance sheet of UnipolSai Assicurazioni SpA as at 31 December 2017, are sufficient in accordance with applicable law and regulations and on the basis of correct actuarial techniques, in accordance with Regulation n° 22/2008 issued by ISVAP.

Milan, 1 April 2018

PricewaterhouseCoopers SpA

Signed by

Antonio Dogliotti
(Partner)

This report has been translated into the English language from the original, which was issued in Italian and in accordance with Italian law, solely for the convenience of international readers.

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Share capital
€2,031,456,338.00 fully paid-up
Bologna Register of Companies
Tax and VAT No. 00818570012
R.E.A. No. 511469

A company subject
to management and coordination
by Unipol Gruppo S.p.A.,
entered in Section I of the Insurance
and Reinsurance Companies List
at No. 1.00006
and a member of the
Unipol Insurance Group,
entered in the Register of
the parent companies – No. 046

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