2016 Draft Annual Report

CLOSE TO REALITY. TOGETHER BEYOND NUMBERS.



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UnipolSai Assicurazioni Annual Report 2016





In 2016 the Unipol Group launched its new three-year Business Plan and, to use an artistic metaphor, laid out its new vision, "designing" its new objectives and sketching out a path to be followed with four very precise key drivers: simplicity, speed, innovation and proactivity.

UnipolSai Assicurazioni defined its own future as part of this master design: the most important assets on which to focus over the three years, maintaining its leadership in MV TPL and creating products with a strong service content, constantly adapting its product mix to needs and demand as they evolve.

Being increasingly closer to the situations, increasingly connected to the world around us, means knowing how to deeply understand the essence of reality and its needs.

Close to reality, together beyond numbers. This is the sense of UnipolSai's commitment, as well that of the entire Group. For Unipol, for us, a geographical network, presence and proximity are decisive factors founded on in-depth awareness of the world which we live in. Distinguishing features, which enable us to combine long-term sustainable profitability with the creation of value for everyone: stakeholders and community.

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8. Independent Auditors' Report

Company bodies

BOARD OF DIRECTORS	CHAIRMAN	Carlo Cimbri	
	VICE CHAIRMEN	Fabio Cerchiai	
		Pierluigi Stefanini	
	DIRECTORS	Francesco Berardini	Maria Rosaria Maugeri
		Milva Carletti	Maria Lillà Montagnani
		Paolo Cattabiani	Nicla Picchi
		Lorenzo Cottignoli	Giuseppe Recchi
		Ernesto Dalle Rive	Elisabetta Righini
		Giorgio Ghiglieno	Barbara Tadolini
		Salvatore Lauria	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	
INDEPENDENT AUDITORS		PricewaterhouseCoopers SpA	
MANAGER IN CHARGE OF		Maurizio Castellina	

FINANCIAL REPORTING

Introduction

Macroeconomic background and market performance

Macroeconomic background

2016 was characterised by global economic growth of a little less than 3%, slightly down compared to 2015.

The Euro area, aided by the constant support of the European Central Bank (ECB) and by a less restrictive fiscal policy that sustained domestic demand, achieved an expansion of the Gross Domestic Product (GDP) around 1.7%, higher than in 2015 and than the potential growth estimated between 0.9% and 1.2%.

In 2016, the ECB intervened on the monetary policy bias on two distinct occasions. In the March meeting, in light of the constant weakness of headline inflation (-0.1% was the figure in that month), caused by the low cost of energy and of most commodities, the ECB reduced to zero the discount rate and to -0.40% the deposit rate paid by the monetary authority on the treasury accounts of commercial banks. Moreover, within the scope of Quantitative Easing (QE), the monthly amount of securities purchases was raised from \in 60bn to \in 80bn with the inclusion among the purchasable securities, of non-financial corporate bonds issued in Euro and having at least investment grade rating. In the December meeting, the ECB decided to adapt the QE to a European economic environment of moderate but constant growth. The QE was extended through 2017 with the reduction back to the original \in 60bn, starting in April, of the monthly amount of the purchases.

In the United States, the economy grew by slightly more than 1.5%: after a disappointing first quarter (0.8% growth year on year), which coincided with the collapse of the price of commodities (including oil) and with financial instability in China, the rest of the year saw the economy bounce back significantly thanks to domestic consumption, buoyed by the high level of employment attained (December unemployment was 4.7%).

In light of the American economic scenario and with inflation near the 2% target (the average for 2016 was 1.3%, the December figure was 2.1%), the Federal Reserve, in the last meeting of 2016, raised the official rate by 25 basis points, to 0.75%. The FED stated that the monetary policy normalisation process in 2017 could entail additional raises of the discount rate: this assumption postulates the continuation of the positive performance of the US economy, which should also be assisted by the expansionary fiscal policy envisioned by the Trump Administration. In this context, the Dollar appreciated relative to numerous currencies, including the Euro.

In spite of the activism of the Bank of Japan directed at weakening the YEN, in 2016 Japan recorded only tentative economic growth, estimated at approximately 0.8%. Not even the constant support from public spending seems able to lift the country back up from a condition of substantial deflation.

In the early months of 2016, China recorded a marked decline in the currency reserves used to contrast the depreciation of the Yuan, caused by significant capital outflows from the country. The government adopted spending policies directed at supporting the change process of the development model, with the goal of making domestic demand grow further and reducing the weight of exports and investments. Overall, in 2016 China saw the growth of its gross domestic product (+6.7%) align to the target set by the government (a range between 6.5% and 7%). However, the risk associated with excessive debt in the private sector remains.

Lastly, Emerging Countries expressed economic results substantially correlated with commodity prices. A first part of the year, made difficult by the drop in commodity prices, was followed by a second half in which, thanks to the recovery of the prices, especially of oil, widespread positive signals were recorded, in particular in Russia.

In 2016, the Italian economy achieved a growth rate of approximately 0.9%. The key factors underlying this result were a less restrictive fiscal policy and the consequent recovery in domestic demand, in particular in the durable goods sector. However, the results observed on the employment front are still contradictory: in December, 242 thousand new jobs were recorded compared to the figure of twelve months before, however the general unemployment rate rose to 12% and the youth unemployment rate returned above 40%. The result of the confirmative constitutional referendum led to the collapse of the government, quickly replaced by a new administration. Different political questions remain open, including the revision of the electoral law that will have to be drafted on the basis of the recent decision of the Constitutional Court. In the meantime, the full extent of the problem of impaired loans affecting the Italian banking system, inherited from a recession that lasted for almost three years. The crisis even involved the third national credit pole, i.e. Monte dei Paschi di Siena. This called for public intervention which, in compliance with European regulations, sought to forestall the risk of contagion. In total, the government set aside €20bn in support for banks in difficulty.

With regard to public finances, while debt seems substantially under control, the unsatisfactory pace of growth of our economy is being revealed as an obstacle to reducing the incidence of the Italian public debt on the GDP. Though this is not an immediate threat, the gradual increase in rates, also involving Italian government security yields, is destined to have an impact on the expense to service the debt, restricting the degree of freedom of the government's fiscal policy.

Financial markets

In 2016 there was a general downward shift in the interest rate curve on the money market, hitting a low during the summer and later bouncing back in the final quarter, but failing to return to the 2015 year-end levels. A similar curve was seen for German securities. Italian government security rates showed a more marked upward trend after the summer, reaching values higher than those of the end of 2015 for securities maturing in more than 5 years: consequently to considerable decreases on annual BOTs (-31 basis points), irrelevant increases were recorded in the medium and long-term section (+24 cents with a ten-year duration and +25 with a thirty-year duration). Thus, in the past year, the spread between Italian and German securities rose across all maturities, from 34 points for the two-year security (from 0.33% to 0.67%) to 79 points for the thirty-year security (from 1.20% to 1.99%).

The euro started 2016 at 1.089 to the dollar, then weakened towards year end, standing at 1.055 at 31 December. This trend reflects the divergent monetary policies pursued on the two sides of the Atlantic, as well as, since the US election results, the overlapping effects of the more expansive fiscal policy and the resulting acceleration of monetary restriction in the USA.

In the first half of 2016, the financial markets saw periods of strong volatility due to the rekindling of deflationist fears in Europe, slowing Chinese growth, plus the unexpected victory of Brexit supporters in the referendum held in the United Kingdom. Contrary to expectation, the election of Donald Trump to the presidency of the United States buoyed stock prices. In this scenario, the result of the constitutional referendum in Italy added no significant shockwaves.

With market rates generally lower compared to the end of 2015, the performance of European stock markets was modest: the Eurostoxx 50 index, which represents the performance of the stocks with the largest market capitalisation in the eurozone, was up by 0.7% (+9.6% in the fourth quarter). The German Dax performed well with a rise of +6.9% (+9.2% in the last quarter of the year), while the Milan FTSE Mib index - heavy with banking securities - performed negatively, particularly in the first half, recording -10.2% (+17.3% in the fourth quarter). The performance of the IBEX Index of Madrid was instead down, with a -2.0% drop over the year (+6.5% in the more recent quarter).

Looking outside Europe, the Standard & Poor's 500 index, which represents the performance of the largest listed companies in the US, this year rose by +9.5% (+3.3% in the fourth quarter), while in Japan the Nikkei index, burdened by a negative first half-year, gained only 0.4 the whole year (+16.2% in the fourth quarter).

Lastly, in relation to the emerging market indices, the most representative index, the Morgan Stanley Emerging Market, rose by 7.1% in 2016 (-1.8% in the fourth quarter).

The iTraxx Senior Financial index, representing the average spread of financial sector companies with a high credit rating, fell by 8.2 basis points, from 101.8 to 93.6 at the end of the fourth quarter. In 2016, the index increased from 76.8 to 93.6, equivalent to a 16.8 basis points widening of the spread. The improvement in the last quarter of the year is essentially due to the confirmation of economic growth in the United States and in the Euro area, as well as to the partial abating of the stresses on the banking system.

Insurance sector

The past year ended with a further contraction of the volume of premiums, both in the Non-Life and in the Life sector.

There was a 1.6% decrease in activity on the Non-Life business (including cross-border operations), in the first three quarters of 2016, with respect to the same period in 2015. The decline was concentrated in the MV segment, where motor vehicle TPL was down 5.9%. 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 slightly more than 5% on average for the year. This decline cannot be explained by the trend of claims frequency, as this recorded a 0.06% increase in the first three quarters of 2016: this parameter has recorded small, but constant, increases for seven quarters in a row. On the contrary, in the Land Vehicle Hulls business, there was a 5.5% increase in turnover, with support provided by the good performance of the automotive market (+16% new vehicle registrations in 2016).

In the Non-MV Non-Life market, premiums increased by 1.1% in the first nine months of 2016 (including cross-border activities). Certain classes recorded significant growth: Health (+8.3%), Bonds (+7.5%) and Assistance (+7.5%). The aggregate of representative insurance companies in the European Economic Area recorded a 2.5% decline in premiums collected, versus 1.9% growth for Italian and non-EU insurance companies.

Because of the challenging economic background, the propensity to save of Italian households continues to be high: the ISTAT household budget survey shows a 9.3% saving rate in September, in line with that of the previous quarters, but higher than the average in 2015.

In this context, the new production of Individual Life policies has recorded, in 2016, an 11.5% decrease compared to 2015, for a monetary volume close to \leq 101.6bn (including cross border activity). Several factors contributed to this result, including insurers' low propensity to place class I products, in light of the low level reached by interest rates. On the other hand, investors did not find unit linked policies very attractive because of the volatility experienced by financial markets, especially in the first half of 2016. These dynamics caused a modest decline in the premiums subscribed in traditional products (-4.5%) while the activity on class III policies experienced a significant setback (-30%). Considering collective policies in the calculation, sizeable increases emerge in class IV (+31.1%), but over very limited volumes, while a modest growth was recorded for open pension funds (+3.9%). In terms of distribution, premiums from financial advisors dropped (-24.8%) while the banking and post office channel is aligned to the market average with a 12% decline. The agency networks closed 2016 with a modest drop in premiums: 1.7%.

In 2016 net Life flows, i.e. the difference between premiums and services paid by insurers, remained positive. This is the result of a limited decline in gross premiums and of a reduction in the size of claims. Of note in the first months of 2016 is the stabilisation on values below 7% of the surrender ratio (the ratio between amounts paid for partial or total surrenders and technical provisions). As a result of these changes, technical provisions for the Life business increased by more than \in 51bn in the last twelve months, exceeding \in 608bn at the end of September 2016.

Pension funds

In 2016 the result is a fair growth in subscriptions to Integrated Pension Funds. The available data, published by Covip, and relating to the first nine months of 2016, show over 7.6 million of total subscribers of the different supplementary pension schemes with an increase of 5.7% compared to the same period of 2015. Looking at disaggregated data by pension type, we note a substantial increase in the number of subscribers to new Personal Pension Funds (+6.5%), as the segment with the highest number of participants. Open Pension Funds and Occupational Funds also show considerable growth rates nevertheless.

Funds assigned to services exceeded €146bn, with a 4.5% increase with respect to the previous year.

Again in reference to the first nine months of 2016, the average yields of Occupational Pension Funds (2.2%) were above the revaluation guaranteed by post-employment benefits (1%).

The V Sample Survey conducted by the Mefop (a company for the development of the Pension Fund Market), which analyses the evolution of the level of pension literacy of Italians, shows an increase, compared to the past, in the number of people who declare to know the current public pension system well or quite well (53% against 49% in 2012). This is a common trend, though of varying intensity, for both subscribers to Pension Funds (59% against 53%) and non subscribers (51% against 49%).

Real Estate market

According to Land Registry figures, in the third quarter of 2016 the number of real estate transactions in the residential segment recorded a 17.3% increase with respect to the same period of 2015. Positive also the performance of the sales of property for services (+31.1%), production activities (+24.5%) and commercial use (+23.3%). The sector was supported both by the decline in prices and by the low nominal interest rates charged by banks for mortgages. Nomisma estimated a decline in the unit prices of all types of property, from -1.2% for homes to -2.3% for offices. 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 has lasted for seven consecutive quarters. This survey also shows the decline in the average discount relative to the initial price, which in the third quarter of 2016 dropped to 13%. Selling times, reduced to less than nine months, also contracted compared to the previous surveys.

Main regulatory developments

New national accounting standards

Directive 2013/34/EU (so-called "Accounting Directive"), regarding separate and consolidated financial statements, replaces the previous directives on accounting in order to simplify the administrative charges (with special reference to small-sized companies) and to increase the clarity and compatibility of the financial statements with the intention of providing accounting information that is more meaningful to users.

This directive was adopted in the Italian system through the approval of the Legislative Decree 139 of 18 August 2015 and Legislative Decree 136/2015, which introduced several new elements with regard to the preparation of separate and consolidated financial statements. The new provisions apply to the financial statements of financial years beginning on or after 1 January 2016. The most significant changes concern the general principles of preparation of the financial statements, the initial recognition of some items, the valuation methods and the information to be provided in the notes to the financial statements and in the Management Report.

Legislative Decree 139/2015 (hereafter also "Decree") also explicitly refers to OIC national accounting standards for the practical application, including possible regulations on specific cases. In this context on 22 December 2016 the OIC (Organismo Italiano di Contabilità) published a set of updated accounting standards regarding the provisions that have a greater innovative impact with respect to the legislation previously in force (see amortised cost for the recognition of receivables, payables and debt securities, fair value measurement of the derivatives, elimination of research and advertising costs no longer capitalised and elimination of the extraordinary section of the profit and loss).

The new accounting regulations partly also concern the financial statements of insurance companies which, as known, are governed by specific industry legislation. Indeed, 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 case 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 are thus not applicable to insurance companies.

With Measure no. 53 on 6 December 2016, IVASS made changes to and supplemented ISVAP Regulation no. 22 of 4 April 2008 concerning the provisions and the layouts for the preparation of the financial statements of insurance companies, also adopting the amendments of accounting disclosure nature introduced by the Decree, in addition to the amendments requested by the Private Insurance Code for the harmonisation with Solvency II regulations.

Below is a summary of the new OIC accounting standards that 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.

OIC 21 Investments

An important new element is introduced with regard to the recognition of dividends from subsidiaries in the financial statements of the holding company, which may only take place after the investee's Shareholders' Meeting resolution on distribution (converging with the provisions of international accounting standards on the subject). In other terms, the dividends are recognised in the year when the legal entitlement to receive them arises; their recognition in the year of accrual of the profit subject to distribution is no longer allowed. On first-time application, the new provisions can be applied retroactively.

OIC 24 Intangible assets

Research and advertising costs are no longer capitalised, in line with the provisions on international accounting standards IAS/IFRS. Goodwill must be amortised based on the useful life (maximum 20 years) and, if this cannot be determined, within 10 years. Moreover, the useful life estimated at the time of the initial recognition cannot be changed in subsequent years.

OIC 28 Shareholders' equity

The main change related to the recognition of treasury shares which are no longer held in an asset item but as a direct reduction of Shareholders' equity in a specific item called Negative reserve for treasury shares in the portfolio (as amended by the Civil Code), in line with international accounting practices.

OIC 29 Changes in accounting standards - Changes in accounting estimates, correction of errors, events after the end of the financial year.

The changes to standards and correction of significant errors are recorded retroactively, unless in case of deviations from the new standards or if this approach does not prove possible. Retroactive accounting implies for the amendment to an accounting standard or the correction of an error to be recorded on the opening balance of the shareholders' equity of the year when the new accounting standard is adopted or the significant error is corrected. The change of standards is admitted only if required by new provisions or by new accounting standards, or if adopted independently by the issuer of the financial statements under its own responsibility and at its own discretion to better represent the events or transactions in the financial statements. The retroactive application of a new accounting standard or the correction of a significant error implies, for comparative purposes, the redetermination of the effects that would have been obtained in the comparative financial statements if the new accounting standard had always been applied.

There is a clear convergence with international accounting practices.

Main Measures and Regulations issued by IVASS

The new Private Insurance Code ("Codice delle Assicurazioni Private" or CAP) published in the Italian Official Gazette on 16 June 2015, which transposes Legislative Decree 74 of 12 May 2015, to implement Directive 2009/138/EC ("Solvency II"), in force since 1 January 2016, provided an indispensable revision of most secondary regulations issued by IVASS. In this context, the provisions pertaining to the financial statements were also revised, reflecting, *inter alia*, the amendments made to the Civil Code as a result of the transposition of the "Accounting" directive. At the same time, the new Solvency II rules made it necessary to review all supervisory forms to assess their actual, harmonised consistency with the new regulations.

The main Measures and Regulations issued by IVASS in 2016 and in early 2017, consequent to the national implementation of the guidelines provided by EIOPA on the financial requirements of the new supervisory system, are summarised below.

IVASS Measure no. 53 of 6 December 2016

The document amends: ISVAP Regulation no. 22 of 4 April 2008, concerning the provisions and the layouts for the preparation of the financial statements and the half-yearly financial reports of insurance and reinsurance companies, ISVAP Regulation no. 7 of 13 July 2007, regarding the layouts for the financial statements of insurance and reinsurance companies obligated to adopt international accounting standards.

The main amendments to <u>Regulation 22/2008</u>, applicable starting from the financial statements 2016 and the half-yearly financial report at 30 June 2017, may be summarised as follows:

- the supervisory forms were decreased according to Solvency II reporting. Information on the financial
 performance remains in place for some specific national cases such as CARD claims and, only for annual
 reports, information on technical provisions. However, it must be pointed out that part of the eliminated
 forms was re-introduced by IVASS for statistic purposes by Regulation no. 36 issued by IVASS on
 28 February 2017.
- The digital, instead of paper, forwarding of the Financial Statements and of the Half-Yearly Financial Report has been arranged, which was also simplified as it only contains quali/quantitative information on the economic performance, and without the obligation of limited audit by the independent auditor.
- The judgement on the sufficient technical provisions has been entrusted to the independent auditor or auditing firm, after repealing the figure of the auditing actuary according to the provisions of the new private insurance code.
- After the repeal of the figure of auditing actuary, according to the provisions of the new private insurance code, some tasks were attributed to the actuarial function.

Regulation no. 22/2008 was also updated to adjust the industry regulation to the amendments made by the primary accounting legislation (Legislative Decree 173/97) when adopting the Accounting Directive (2013/34/EU) implemented by Legislative Decree no. 139 of 18 August 2015 with regard to:

- recognition of treasury shares in direct decrease of the shareholders' equity by posting a reserve with negative sign and consequently amending the layouts of the Statement of Financial Position.
- Elimination of the statement of guarantees, commitments and memorandum accounts from the Statement of Financial Position, without making changes with respect to the relevant disclosure in the notes to the financial statements.
- Elimination of the research and advertising costs from the capitalised costs with consequent, though limited, changes to the notes to the financial statements and the chart of accounts.
- The statement of cash flows must be attached to the separate financial statements in any form.
- The recognition of dividends accrued is no longer allowed in case of subsidiaries. In the 2016 financial statements the specific cases must predispose a restatement of the year 2015.

Below are some amendments regarding Regulation no. 7/2007:

- regarding the IAS/IFRS and consolidated half-yearly financial report, which must be sent in digital format to the Supervisory Authority, only the information regarding the profit or loss was maintained, in addition to the comment on management. It shall always be approved by the Board of Directors, while the limited audit by the independent auditors is no longer requested. The obligations for listed companies remain in force.
- The Supervisory forms relating to the consolidated financial statements will only include the Disclosure on premiums and the Report on consolidated financial statement items; it is no longer necessary to send the other forms as these are replaced by the Solvency II reporting.

IVASS Regulation no. 17 of 19 January 2016

This document regulates in detail the criteria and procedures for determining the group's solvency (Solvency II), repealing ISVAP Regulation no. 18/2008, on adjusted solvency assessment, which concerned the calculation procedures (and corresponding forms) as well as the capital adequacy at the level of financial conglomerate (Solvency I).

IVASS Regulation no. 18 of 15 March 2016

The Regulation contains the provisions that specify the general principles, the application rules and the methods to be adopted to determine the technical provisions and their validation. It also regulates the role of the actuarial function within the process of revision and validation of the quality of the data to be used in their assessment. Lastly, the document describes the activities to be carried out in case of significant deficiencies of the data themselves.

IVASS Regulation no. 21 of 10 May 2016

The document regulates the macro-prudential disclosure (Financial Stability Reporting), directed at assuring the consistent and uniform application of the new data collection system for the purposes of financial stability and enhancing the convergence of European supervision practices, while rendering the set of provisions pertaining to the disclosure more organic. The Regulation defines the criteria for identifying entities subject to reporting, the general principles of periodic quantitative information (annual, quarterly) as well as the content, the terms and the formats for transmitting data to the supervisory authority.

IVASS Regulation no. 22 of 1 June 2016

The document pertains to supervision activity on groups and establishes a differentiated set of rules according to whether the ultimate holding company of the national subgroup is based in a Member State or in a non-EU State. In particular, for the ultimate holding company of the national subgroup based in a member State, the supervision instruments prescribed on the national subgroup do not apply, unless otherwise provided by IVASS, and for the ultimate holding company of the national subgroup based in a non-EU State, in general, the supervision instruments apply on the Italian subgroup, unless otherwise provided by the same Authority.

IVASS Regulation no. 24 of 6 June 2016

The Regulation bears provisions on investments and assets covering technical provisions consequent to the national implementation of the guidelines on the corporate governance system, with particular reference to the principle of the prudent person pertaining to investments. To assure compliance with the prudent person principle in the management of investments, companies define their own policies for investments, for managing assets and liabilities and for managing liquidity risk, consistent with the nature, the scope and the complexity of the corporate activity carried out.

IVASS Regulation no. 25 of 26 July 2016

The document pertains to the national transposition of the EIOPA guidelines on the procedures to identify, assess and classify the Tier 1 equity components, the different authorisation procedures for the refunds or redemptions of the core equity components at different Tier levels, as well as the exceptional waivers to the cancellation or postponement of the distributions, and the authorisation of elements not included in the lists.

IVASS Regulation no. 30 of 26 October 2016

The document encloses the supervisory provisions for intercompany transactions and risk concentrations, with the aim of updating, in view of the Solvency II logic, the rules for intercompany transactions (per ISVAP Regulation no. 25 of 27 May 2008, repealed) and for monitoring risk concentrations both at the individual and at the group level.

IVASS Regulation no. 32 of 9 November 2016

The document pertains to Own Risk and Solvency Assessment (ORSA) provisions. ORSA assesses the total solvency requirement and the entity's ability to continuously fulfil the mandatory capital requirements and the requirements pertaining to the technical provisions of the new solvency rules (Solvency II), further delving into the deviations from the ORSA of the assumptions underlying the calculation of the solvency capital requirement (SCR). Therefore, entities must define adequate processes and procedures commensurate to the organisational structure and to the risk management system that takes into account the nature, scope and complexity of the risks pertaining to the activity carried out.

IVASS Regulation no. 33 of 6 December 2016

The Regulation transposes the EIOPA Guidelines on Solvency II reporting to the public and to the Supervisory Authority, as well as those pertaining to methods for the determination of market shares for exemptions from quarterly quantitative reporting obligations.

Specifically, with regard to public disclosure, entities are obligated to publish an annual Solvency and Financial Condition Report (SFCR), whose specific content is prescribed by primary regulations and by the related implementation measures. In addition, to enable the supervisory Authority to perform its functions, entities are obliged to periodically provide a report to the IVASS (Regular Supervisory Report - RSR) which, providing broader more extensive information than is intended for the public, is a support instrument for the assessment of their global solvency.

IVASS Regulation no. 34 of 7 February 2017

The Regulation defines the implementing provisions of the IVASS, at the Italian level, on Solvency II assessment of the assets and liabilities (different from technical provisions), aimed at implementing EIOPA Guidelines on Governance (Pillar II requirements), and on recognition and assessment of assets and liabilities (Pillar I requirements). The assessment must be consistent with 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. In general, for assets and liabilities other than technical provisions, the regulations allow the use of IAS/IFRS International Financial Reporting Standards, except for some specific cases, specified in the Delegated Acts, where the IAS/IFRS differ.

IVASS Regulation no. 35 of 7 February 2017

The document concerns the issue of 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.

IVASS Regulation no. 36 of 28 February 2017

The document introduces provisions on the matter of communication to IVASS of data and information for the conduct of statistical analyses, studies and analyses pertaining to the insurance market, achieving the necessary reconciliation with the implementing regulations for financial statements and supervisory reporting.

Update to Consob regulations

Legislative Decree 25 of 15 February 2016, in force since 18 March 2016, incorporated the new Directive 2013/50/EU (the new Transparency Directive, hereinafter also the "Directive") by eliminating the obligation to publish the Interim Financial Report envisaged by Art. 154-ter of Legislative Decree 58/1998.

However, the decree gave Consob the right to issue a regulation requiring the publication of additional periodic financial information after the publication of a dedicated impact analysis examining the fulfilment of the conditions laid out by the Directive.

By resolution no. 19770 dated 26 October 2016, Consob made the resulting amendments to the Issuer's Regulation, in particular introducing the new Art. 82-ter, whereby listed companies have the right to choose whether to publish additional periodic financial information. If they do choose to publish it on a voluntary basis, they must disclose this decision to the market, specifying the information that they intend to provide, so as to ensure that the decisions adopted are clear and stable over time. Any decision to suspend publication must be justified and made public and will become effective starting from the following financial year. The regulatory amendments introduced by Consob Resolution no. 19770 apply starting on 2 January 2017.

In line with the amendments made in the reference regulatory framework, starting next year the Unipol Group will make its quarterly financial disclosure briefer and more focused on its business.

The disclosure will be provided in the form of a dedicated press release, the content of which will be amended with respect to the quarterly periodic press release published until 2016. However, the Group's interim financial report will no longer be published, and as a result the statement of financial position and income statement which are currently an integral part of the press release will not be included.

Therefore, starting in 2017 the content of the voluntary quarterly financial disclosure will regard at least the main quantitative performance indicators, such as:

- Non-Life and Life premium trends;
- Combined ratio;
- Profit (loss) for the period;
- Shareholders' equity;
- Solvency II ratio.

The press release, which will also contain qualitative information regarding trends in the Group's main businesses, will be approved by the Board of Directors and published on the Group's website based on the timing set forth in the regulations previously in force.

Update to tax regulations

The following main legislative changes were introduced to the tax domain:

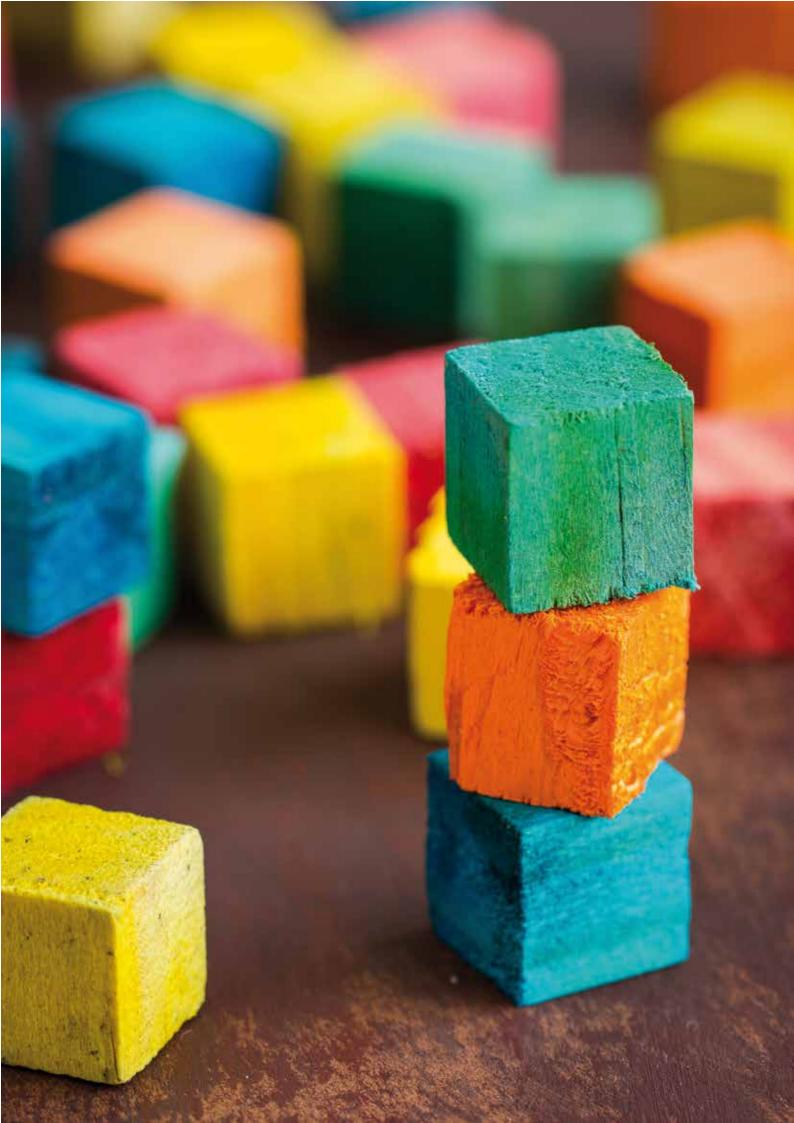
<u>Decree Law 18 of 14 February 2016 converted with Law 49 of 8 April 2016</u> containing urgent measures regarding the reform of cooperative credit banks, the guarantee on the securitisation of bad and doubtful loans, the tax regime regarding crisis procedure and collective savings management.

The reform of cooperative credit is governed by requiring cooperative credit banks (BCC) to adhere to a parent established as a joint-stock company whose shareholders' equity cannot be lower than €1bn and the granting of government guarantees as part of the securitisation transactions that have underlying bad and doubtful loans. The tax provisions include the introduction of fixed registry, mortgage and cadastral taxes in judicial sales through auctions, and the retroactive provision of 24 months regarding the tax insignificance of the voluntary contributions received by subjects concerned by insolvency proceedings.

Decree Law 59 of 3 May 2016 converted into Law 119 of 30 June 2016 containing urgent provisions on executive and insolvency proceedings, and also in favour of investors in banks in liquidation. These provisions govern the regime of repayment of the bondholders of the four banks that started defaulting in 2015, and measures are introduced in favour of creditors and to accelerate bankruptcy proceedings. In fiscal terms there is the possibility of paying an annual guarantee fee for all the subjects that intend to maintain the credit transformability regime unchanged for deferred tax assets posted in their financial statements, with the aim of dispelling any doubts raised by the European Commission on credit regulations for deferred tax assets on the subject of possible aid from the government.

Decree Law 193 of 22 October 2016 converted with Law 225 of 1 December 2016 ("Connected to the 2017 Budget Law") which introduces certain changes pertaining to periodic VAT obligations designed to combat evasion, as well as a number of tax simplifications. Among the latter, of note is the move to 30 June of the deadline for paying the balance and first advance payment of the IRES and of the IRAP, the tacit renewal to the expiration of the optional rules on consolidation and fiscal transparency, the possibility of filing supplementary returns for income tax, IRAP, VAT and withholding agents no later than the expiration of the correct accounting standards. Specific provisions are also included on the matter of collection, including the facilitated definition of overdue and as-yet unpaid amounts and the attribution of the collection functions, from 1 July 2017, to the Tax Authority-Collection instead of Equitalia.

Law no. 232 of 11 December 2016 ("2017 Budget Law"), which among the various provisions introduced individual longterm saving plans (PIR), managed by insurance companies and by financial intermediaries, to enable natural person savers to benefit from the tax exemptions with a long-term outlook, specifically for investments of at least 5 years, which can also be implemented with insurance policies. It also introduces group VAT, applicable starting from 2019-2021, whereby a single taxable entity may be identified in groups; the enhancement of tax credit on costs incurred for research and development activities; the expansion of tax relief provisions pertaining to productivity bonuses and welfare in favour of the employees; the streamlining of the Aid to Economic Growth (ACE) with the reduction of the notional yield coefficient of own capital changes from 4.7% to 2.3% for 2017 and to 2.7% for the subsequent years; the extension and the expansion of deductions for energy efficiency and anti-seismic requalification of buildings; the strengthening of the increased depreciation; the reopening of the terms for the revaluation of corporate assets and for the realignment of the civil and fiscal values; the extension of the terms for the facilitated assignment of the assets to shareholders.





Information on significant events

2016-2018 Business Plan of the UNIPOL Group approved

The main event of 2016 was the launch of the **2016-2018 Business Plan of the Unipol Group (UnipolToBe)**, approved by the Board of Directors on 12 May 2016. The Plan is based on four key areas, which highlight, amongst other things, the Group's expertise in the provision of insurance services and in the application of on-line services to insurance products, leveraging the fact that it has the largest agent distribution network in the insurance business in Italy, which will be reorganised in order to increase productivity by optimising territorial coverage and the economic sustainability of the agencies.

1. Innovative and distinctive offer

In the **Non-Life Business** UnipolSai intends to strengthen its market leadership in the **MV sector**, setting itself the objective of increasing the portfolio by around 400,000 new customers by 2018, also by extending repair and assistance services (Auto Presto & Bene, MyGlass). Furthermore, it intends to extend its extensive knowhow in online and insurance services to the **Non-MV sector** (specifically home, retail and SMEs), setting itself the objective of increasing premiums by 8% in Retail and SME segments by 2018.

On-line services will be the strategic lever to personalise customer relations, and will contribute to achieving an important benefit in terms of cutting the cost of claims. More specifically, in the MV sector, the percentage of black boxes installed in the MV portfolio will be increased from the present 30% to around 45% in 2018, with the objective of achieving a cumulative benefit of around ϵ 50m on the cost of settling claims over the three-year period. Alfaevolution Technology, the Group company established specifically for this purpose, will sustain the development of on-line services with an overall investment of around ϵ 100m, by centralising the service model and expertise internally.

As regards the protection of health requirements, the development and integration of the specialist, winning model of UniSalute with the agency network is envisaged.

The products and services offered in the **Life Business** will be integrated with protection and assistance services and the portfolio mix will be reviewed (bringing the weight of Class III to approximately 30% of total premiums) with a focus on improving profitability.

2. Simplified customer and agent experience

The attention paid to the end customer and to the agency network is a core feature of the Plan, which envisages the activation of a series of personalisable online services, which seek to facilitate the customer's decision-making process, also by offering a multiple of channels, backed by the professionalism and the expert advice of the agency network.

The agency network will play a central role in relations with the customer; for this reason, there will be significant investment made on developing the network, in terms of simplifying and digitalising both sales and administrative processes.

3. More effective physical distribution

The process to reorganise UnipolSai's agency network, the strategic core of the Plan, will continue with a view to increasing productivity by optimising territorial coverage and making agencies economically sustainable.

The organisational model will be focused on the specialisation of the sales force in specific customer segments, envisaging, over the period covered by the Plan, a consistent rise in the number of Family Welfare Consultants and SME Business Specialists, with a view to increasing Affluent clientele and the SME and Small Business segment.

4. Excellence of the business operating mechanism

Internal organisation, processes and technology are key factors of the Plan. More specifically, important changes are envisaged for claims settlement processes, with the support of online data, as well as rendering the recruitment process more efficient and automating sales processes.

In terms of information technology, investments of around €150m are envisaged over the three-year period, with a view to improving service quality and cutting costs, while training programmes for employees and agents will be the focus of UNICA - Unipol Corporate Academy, the single training centre for the entire Group, operational since March 2016.

Other business areas

Investment management strategy will focus on structurally sustaining financial returns in the medium and long term by means of policies that also take the equilibrium required by Solvency II metrics into account. In terms of asset class, a gradual reduction of the share of government securities is envisaged, with a view to a progressive diversification, based on a selective increase of corporate securities and other financial assets.

The guidelines in the real estate sector envisage the valorisation and stabilisation of the percentage represented by the real estate portfolio - forecast as around \notin 4.3bn in 2018 - of the Group's total assets, with measures set to increase the quality of the portfolio and to support the future improvement of the profitability of the third party portfolio.

In the reinsurance business, the objective of the Plan is to increase presence on foreign markets through UnipolRe, the Group's Reinsurance company, based in Dublin, with a view to bringing premiums from \notin 39m in 2015 to around \notin 300m in 2018.

Further more detailed information is available on the Group's institutional website, <u>www.unipol.it</u>, where a full copy of the Plan is available.

Extraordinary company mergers completed during the year

Following the granting of the prescribed authorisations by IVASS and the completion of the company merger procedure on 25 January 2016, the deed of merger by incorporation of Liguria Società di Assicurazioni S.p.A. and Liguria Vita S.p.A. into UnipolSai Assicurazioni S.p.A. was executed (hereafter also "Liguria Merger").

The merger, after registration with the competent Registers of Companies, took effect on 31 January 2016, with accounting and tax effects from 1 January 2016.

The Merger was carried out at carrying amounts, resulting in an increase in the share capital of the Merging Company of \in 8,991.71, in relation to 12,525 shares issued in service of the swap and the recognition of a merger deficit of \in 51.5m allocated to goodwill.

On 28 December 2016, the merger deed was signed for the merger by incorporation of Dialogo S.p.A. in Liquidazione into UnipolSai (hereafter also "Dialogo Merger" and, jointly with the Liguria Merger, the "2016 Mergers"), following the granting of the prescribed authorisation by IVASS and the assumption of the relevant resolutions by the corporate bodies in charge, as well as the satisfaction of all the legal conditions.

The merger, after registration with the competent Register of Companies on 30 December 2016, took effect on 31 December 2016, with accounting and tax effects from 1 January 2016.

With the merging company holding more than 90% of the share capital of Dialogo, the merger was performed according to the simplified procedure pursuant Art. 2505-bis of the Civil Code.

Consequently to the merger the share capital of the Merging Company rose by \in 1,386.27, after the issue, in service of the swap, of 1,931 new ordinary shares without nominal value.

UnipolSai shares issued in service of the swap of the merger transactions, traded on the MTA market, have regular dividend entitlement and entitle their owners to the same rights as the owners of outstanding UnipolSai shares at the time of the issue of the new shares.

For additional details on the effects of the merger transactions, please refer to Notes to the Financial Statements in paragraph "Accounting effects of the Mergers".

Support plan for communities hit by the earthquake

Through its insurance companies (UnipolSai Assicurazioni, Linear, UniSalute and Arca) and banking business (Unipol Banca), as support for the populations and businesses in Central Italy affected in the second half of 2016 in earthquakes that had tragic consequences in terms of human lives, seriously damaging homes and production activities, the Unipol Group has launched a structured and integrated plan of action in favour of the various categories of stakeholders of the Group located in that area (customers, civil societies, employees, agents, member organisations and suppliers).

The support also went over and beyond the action associated with the Group's normal business activities in promoting action targeting local communities. The most important contribution was the internal collection of funds donated by employees and agents, which amounted to over \in 500k. The Group doubled the amount to reach \notin 1,055k, which will be delivered to the Special Commissioner for the reconstruction of the areas affected by the earthquake.

Acquisition of the hotel and property management business "Una Hotels & Resorts" finalised

On 29 December 2016, the subsidiary Atahotels S.p.A. and the associate UnipolSai Investimenti SGR S.p.A. (the latter on behalf of Real Estate Investment Fund Athens R.E. Fund) began execution of the agreements signed with Una S.p.A. ("Una") on 25 May 2015 regarding the acquisition, through two separate transactions, of the hotel management unit of Una (for a price provisionally set at ≤ 29 m), and the corresponding property portfolio held for hotel purposes (for ≤ 259 m).

The execution of the two transactions began after obtaining the necessary approval from the competent authorities and after endorsement of Una's debt rescheduling agreement.

Through the aforementioned acquisition, Atahotels became the **new national leader in the Italian hotel sector**, with 43 facilities (both business and leisure), 5,500 rooms and with an aggregate turnover of approximately €120m.

Establishment of Leithà

On 22 December 2016, Leithà S.r.l., a single-member company, was established with the purpose of providing support in the construction of software prototypes and of testing new technologies and the predictive analysis of data to aid development of the Group's businesses and IT systems, in line with the provisions of the Group Innovation Plan.

Velasca progetto design idee sotto la torre (Velasca ideas under the tower design project): the winner is BRUTA, the project of Scuola Politecnica di Design

On 4 July 2016, in Milan, the first edition of **Velasca Progetto Design - Idee sotto la Torre** ended; it is the contest called by UnipolSai Assicurazioni within the *Urban Up* project, in collaboration with Lissoni Architettura S.p.A. The goal was to showcase and promote young designers' creativity, in line with all the values represented by Torre Velasca, which has been a symbol of innovation for over 50 years.

For the Unipol Group, owner of the property since 2012, returning Torre Velasca to its central status is an important part of its strategy of showcasing this unique architectural landmark in the Milan skyline. This process started with Opening Velasca at the time of the Expo and its objective from the start has been to return Torre Velasca to the centre of the cultural debate, restoring its status as one of the most prominent landmarks in Milan but also in Italy and internationally. With the Velasca Progetto Design - Idee sotto la Torre Contest, the Unipol Group continues in the direction of showcasing and promoting this important building.

Torre Velasca is included in the Unipol Group's project dedicated to the requalification of the Group's properties and directed at showcasing some of the most important buildings in the Italian architectural landscape.

UnipolSai Assicurazioni main sponsor of the Italia Olympic Team for the 2016 Olympics

UnipolSai Assicurazioni was a **main sponsor of the Italia Olympic Team** for the 2016 Olympics in Rio, the most prestigious sporting event in the world; for this occasion, a communication campaign was launched to stress the company's closeness to people and sport. The 2016 Rio Olympic Games were the most important moment of the three-year agreement between UnipolSai and CONI (Italian National Olympic Committee) started in January 2015.

The Unipol Group at the meeting of the Clinton Global Initiative

At the annual meeting of the Clinton Global Initiative (CGI) held in New York from 19 to 21 September, the Unipol Group stood by the United Nations High Commissioner for Refugees (UNHCR) in providing healthcare to Syrian refugees in Lebanon. A commitment to the action announced by Carlo Cimbri, Unipol Group CEO, in the presence of Filippo Grandi, the United Nations High Commissioner for Refugees. The **partnership between Unipol and the UNHCR** allows life-saving and emergency hospital care - including natural or Caesarean births - to Syrian refugees in Lebanon, the country with the world's highest concentration of refugees per capita, i.e. over a million people in a population of around 4 million. This two-year commitment involves covering 75% - or 90% in more vulnerable cases - of the hospitalisation costs of refugees and of treatment to be provided through the hospital network with which the UNHCR already has agreements. The UNHCR launched a medical care project in Lebanon which, in 2015 alone, guaranteed emergency hospital services to over 58 thousand people.

Unipol best practices at international level in reputation building and protection

On 4 and 5 October 2016, the Unipol Group was a key participant in the "Global Reputation Leaders Network Summit" in Boston, a well-known major international event organised by the Reputation Institute, a world leader in corporate reputation management. During this event, the most important global companies met to discuss reputation management strategies and the most effective best practices.

Unipol was considered a "best case" because it knew, before and better than others, how to understand the importance of positioning reputation as a corporate asset to be enhanced (through communication) and protected (through risk management), as well as integrating it into the business metrics and gradually become part of the Group's strategic planning process. In the Unipol Group, reputation is a strategic asset capable of orienting business and is becoming a form of managerial leverage in activating internal and external cultural change able to contribute to creating value.

Comparative analysis of figures with the previous year

On 1 January 2016 the new regulatory provisions with regard to financial statements came into force, introduced by Legislative Decree 139/2015 for the purpose of adopting the so-called *Accounting Directive*, together with the new accounting standards issued by the OIC, already commented on in the Introduction, under paragraph "Main regulatory developments", to which reference is made for more details.

The most significant amendments for the company refer to the accounting of dividends from subsidiaries, which can no longer be recognised in the year in which they accrue, and the recognition of treasury shares, which must be posted as a reduction of shareholders' equity in a specific item called Negative reserve for treasury shares, valued at purchase cost.

The new provisions were applied retroactively in the 2016 financial statements of the Company, leading to a change in the opening balances of 2016, and the restatement, for comparative purposes, of the values of the previous year.

Therefore the Report, as well as the financial statements and the notes to the Financial Statements, shows a comparison with the restated figures of the previous year.

For further information on the impact from the amended standards and on the reconciliation of the originally approved 2015 Financial Statements and the restated 2015 Financial Statements, reference should be made to the paragraph "Amendments to the accounting standards adopted and restatement of figures of the previous year" in the Notes to the Financial Statements.

The comparative analysis of the economic and financial figures for the year 2016 with those of the previous year was also affected by the Liguria Merger and, very marginally, by the Dialogo Merger.

Therefore, the following tables provide supplementary figures to facilitate the comparative analysis.

In particular, considering that the Liguria Merger took effect for accounting purposes on 1 January 2016, the following are provided:

- a Statement of Financial Position which illustrates the changes compared with 31 December 2015 (restated figures), separating those resulting from the Liguria Merger and those from other changes in the period relating to operations;
- an Income Statement comparing the results for 2016 with those of the previous year, restated based on the
 aggregation of the figures of the companies participating in the Liguria Merger (aggregate data on a like-for-like
 basis, restated in compliance with the new accounting standards where applicable), to provide clear evidence of
 the actual deviations of the insurance business compared with the previous year.

This Report provides comments only in relation to changes in the aggregate results for the previous year of the companies participating in the Liguria Merger.

The effects from the Dialogo Merger, entirely marginal due to the discontinued business of the merged company from 31 December 2015, are shown in the changes of the period 2016 without autonomous evidence.

The Notes to the Financial Statements also provide the changes compared with the figures for 2015, restated in compliance with the new accounting standards, only for the merging company.

Details of changes in statement of financial position items in 2016

Amounts in €k

				Changes due to	Other	
AS	SETS		2015	merger	changes	2016
Α.	Subscribed capital, unpaid	1				
В.	Intangible assets					
	1. Acquisition expenses to be amortised	2	73,953		3,726	77,679
	2. Other assets	3	775,170	51,475	(33,807)	792,837
	Total	4	849,123	51,475	(30,082)	870,516
C.	Investments					
	I - Land and buildings	5	2,726,037	9,627	(194,138)	2,541,526
	II - Investments in group companies and other investees					
	1. Shares and holdings	6	2,118,317	(138,550)	176,095	2,155,862
	2. Bonds	7	22,796		(10,193)	12,603
	3. Loans	8	328,204		(101)	328,103
	Total investments in group companies and other investees	9	2,469,317	(138,550)	165,800	2,496,568
	III - Other financial investments					
	1. Shares and holdings	10	606,078	9	(51,221)	554,866
	2. Mutual investment fund units	11	1,732,029	7,180	147,414	1,886,623
	3. Bonds and other fixed-yield securities	12	33,977,193	426,021	50,894	34,454,109
	4. Loans	13	148,083	354	(13,100)	135,337
	5. Other	14	250,556		(57,449)	193,107
	Total other financial investments	15	36,713,939	433,565	76,539	37,224,042
	IV - Deposits with ceding companies	16	26,087	(3,062)	(3,917)	19,108
	Total	17	41,935,380	301,580	44,284	42,281,244
D.	Investments benefiting life business policyholders that bear the risk and investments arising from pension funds management					
	 Investments relating to benefit linked to investment funds and market indices 	18	349,140		4,876	354,016
	II - Investments arising from pension fund management	19	3,575,690		606,545	4,182,235
	Total	20	3,924,830		611,421	4,536,251
D.	bis Technical Provisions - reinsurers' share					
	I - Non-life business technical provisions	21	553,485	40,229	(18,509)	575,204
	 II - Life business technical provisions (excl. technical provisions under point III) 	22	70,948	12,923	(14,625)	69,246
	III - Life business technical provisions where the investment risk is borne by policyholders and provisions arising from pension					
	fund management	23	634.435	F0.150	(22.12.4)	644450
F	Total Receivables	24	624,433	53,152	(33,134)	644,450
<u> </u>			1726 212	21.061	(111 101)	16 47 152
	I - Receivables relating to direct insurance business	25	1,736,312	21,961	(111,121)	1,647,152
	II - Receivables relating to reinsurance business	26	76,913	6,353	(2,586)	80,680
	III - Other receivables	27	1,169,059	33,410	161,782	1,364,251
	Total	28	2,982,284	61,724	48,076	3,092,084
F .	Other assets				Casi	0= +0=
	I - Property, plant and equipment and inventories	29	79,193		6,294	85,487
	II - Cash and cash equivalents	30	388,983	24,019	(63,846)	349,155
	IV - Other assets	31	1,278,496	376	69,190	1,348,061
	Total	32	1,746,672	24,394	11,637	1,782,704
G.	Accruals and deferrals	33	402,041	3,319	30,439	435,799
TO	TAL ASSETS	34	52,464,763	495,643	682,641	53,643,047

Details of changes in statement of financial position items in 2016

Amounts in €k

		Changes		
		Changes		
		due to	Other	
	2015	merger	changes	2016
		Ŭ	Ŭ	
35	2,031,446	9	1	2,031,456
36	407,256			407,256
37	399,226		7,063	406,289
38	2,179,293		124,988	2,304,281
39				
40	555,722		(97,243)	458,479
41	(76,561)		(2,731)	(79,292)
42	5,496,382	9	32,079	5,528,469
43	2,011,689			2,011,689
44	2,651,229	36,570	(51,146)	2,636,654
45	12,433,917	266,494	(661,045)	12,039,366
46	15,131	49	2,034	17,214
47	67,144	185	2,602	69,931
48	15,167,421	303,297	(707,554)	14,763,165
49	23,106,134	128,822	761,107	23,996,063
50	401,258	2,703	(114,755)	289,206
51	102,353	1,202	(608)	102,947
52	23,609,744	132,727	645,744	24,388,216
53	38,777,166	436,025	(61,810)	39,151,380
	2 40 071		1010	252.017
				353,917
55	1			4,182,235
56				4,536,152
57				553,837
58	174,112	37,322	13,334	224,767
	-6.6		(= 0 = =)	-6
				76,340
	/8,938	20	(8,440)	70,523
	2.000		((0 0)	2.272
		C - C -	(10-7	3,370
				461,192
				54,574
				918,540
		19,119		1,584,541
67	40,520		<u>3,686</u> 682,641	<u>52,212</u> 53,643,047
	36 37 38 39 40 41 42 43 43 44 45 46 47 48 49 50 51 52 53 53 53	36 407,256 37 399,226 38 2,179,293 39 - 40 555,722 41 (76,561) 42 5,496,382 43 2,011,689 44 2,651,229 45 12,433,917 46 15,131 47 67,144 48 15,167,421 49 23,106,134 50 401,258 51 102,353 52 23,609,744 53 38,777,166 54 348,971 55 3,575,690 56 3,924,662 57 626,572 58 174,112 59 7,6,657 60 78,938 61 - 59 7,6,657 60 78,938 61 - 62 3,860 63 429,216 64 55,839	36 407.256 37 399.226 38 2,179,293 39 . 40 555,722 41 (76,561) 42 5,496,382 9 43 2,011,689 . 44 2,651,229 36,570 45 12,433,917 266,494 46 15,131 49 47 67,144 185 48 15,167,421 303,297 49 23,106,134 128,822 50 401,258 2,703 51 102,353 1,202 52 23,609,744 132,727 53 38,777,166 436,025 51 102,353 1,202 52 23,609,744 132,727 53 38,777,166 436,025 54 348,971 . 55 3,575,690 . 55 3,575,690 . 56 3,924,662 .	36 407,256 37 399,226 7,063 38 2,179,293 40 555,722 (97,243) 41 (76,56) (2,731) 42 5,496,382 9 32,079 43 2,011,689 44 2,651,229 36,570 (51,146) 45 12,433,917 266,494 (661,045) 46 15,131 49 2,034 47 67,144 185 2,602 48 15,167,421 303,297 (707,554) 49 23,106,134 128,822 761,107 50 401,258 2,703 (114,755) 51 102,353 1,202 (608) 52 23,609,744 132,727 645,744 53 38,777,166 436,025 (61,810) 52 23,609,744 132,727 645,744 53 3,575,690 606,545 55 <

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Income Statement: comparison with 2015 Data Aggregated on a Like-For-Like Basis

Am	ounts in €k		2016	2015 Aggregated
	I. NON-LIFE BUSINESS TECHNICAL ACCOUNT			
1.	Earned premiums, net of reinsurance	1	6,586,270	6,810,175
2.	(+) Share of profits on investments transferred from the non-technical account			
	(item III.6)	2	170,378	355,328
3.	Other technical income, net of reinsurance	3	45,219	46,757
4.	Charges relating to claims, net of amounts recovered and reinsurance	4	4,445,948	4,483,192
5.	Change in other technical provisions, net of reinsurance	5	(2,240)	(2,334)
6.	Reversals and profit sharing, net of reinsurance	6	10,200	10,676
7.	Operating expenses:			
	 a) Acquisition costs net of commissions and profit received from reinsurers 	7	1,344,693	1,392,455
	b) Administrative expenses	8	490,403	497,630
	Total	9	1,835,097	1,890,085
8.	Other technical charges, net of reinsurance	10	160,455	130,618
9.	Change in equalisation provisions	11	2,602	2,906
10.	Non-Life business technical result	12	349,806	697,117
	II. LIFE BUSINESS TECHNICAL ACCOUNT			
1.	Premiums for the year, net of reinsurance	13	3,034,015	3,432,876
2.	Gains on investments			
	a) Gains arising from investments	14	1,120,610	1,034,435
	b) Reversals of value adjustments on investments	15	54,548	17,476
	c) Gains on realisation of investments	16	140,692	258,295
	Total	17	1,315,850	1,310,205
3.	Unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management	18	177,791	185,102
4.	Other technical income, net of reinsurance	19	21.686	20,292
5.	Charges relating to claims, net of reinsurance	20	2,510,288	3,054,853
6.	Change in mathematical provisions and other technical provisions, net of reinsurance	20	2,510,200	5,054,055
	a) Mathematical provisions, premium provision from supplementary insurance and			
	other technical provisions	21	799,294	878,446
	b) Technical provisions where the investment risk is borne by policyholders and arising from			
	pension fund management	22	313,410	161,932
	Total	23	1,112,704	1,040,378
7.	Reversals and profit sharing, net of reinsurance	24	1,557	1,288
8.	Operating expenses			
	a) Acquisition costs net of commissions and profit sharing received from reinsurers	25	88,695	82,762
	b) Administrative expenses	26	65,315	73,152
	Total	27	154,010	155,914

Amo	unts in €k		2016	2015 Aggregated
9.	Asset and financial charges			
_	 a) Investment management expenses and interest expense 	28	160,300	96,336
	b) Value adjustments on investments	29	101,095	87,567
	c) Losses on realisation of investments	30	40,675	305,464
	Total	31	302,070	489,367
	Unrealised asset and financial charges relating to investments arising from pension fund management	32	108,177	87,595
11.	Other technical charges, net of reinsurance	33	36,710	29,971
	(-) Share of profits on investments transferred to the non-technical account (item III. 4)	34	103,048	85,668
13.	Life business technical result	35	220,777	3,440
	III. NON-TECHNICAL ACCOUNT			
1.	Non-Life business technical result (item l. 10)	36	349,806	697,117
2.	Life business technical result (item II. 13)	37	220,777	3,440
3.	Gains on Non-Life business investments			
	a) Gains arising from investments	38	568,689	550,365
	b) Reversals of value adjustments on investments	39	51,647	21,542
	c) Gains on realisation of investments	40	243,505	484,048
	Total	41	863,841	1,055,955
4.	(+) Share of profits on investments transferred from the Life business technical account (item II. 12)	42	103,048	85,668
5.	Non-Life business asset and financial charges			
	 a) Investment management expenses and interest expense 	43	160,634	127,746
	b) Value adjustments on investments	44	271,394	277,765
	c) Losses on realisation of investments	45	205,045	176,800
	Total	46	637,073	582,311
6.	(-) Share of profits on investments transferred to the Non-Life business technical account (item I. 2)	47	170,378	355,328
7.	Other income	48	179,385	196,215
	Other charges	49	335,173	426,887
9.	Profit (loss) from ordinary operations	50	574,234	673,869
	Extraordinary income	51	96,051	257,219
11.	Extraordinary expenses	52	35,962	52,162
	Profit (loss) from extraordinary operations	53	60,089	205,057
-	Pre-tax profit (loss)	54	634,322	878,926
	Income tax on profit (loss) for the year	55	175,843	308,782
	Profit (loss) for the period	56	458,479	570,143

Income Statement: comparison with 2015 Data Aggregated on a Like-For-Like Basis

The aggregated income statement figures at 31 December 2015 were not subject to auditing, even limited auditing.

Insurance business highlights

Amounts in €m	Financial 2016	Aggregate Figures 2015
Gross premiums	10,010.5	10,551.7
% variation (1)	(5.1)	
Direct premiums	10,001.9	10,524.8
% variation (1)	(5.0)	
Payments (claims, expiries, surrenders and annuities)	8,040.3	8,623.1
% variation (1)	(6.8)	
Operating expenses	2,132.2	2,163.1
% variation (1)	(1.4)	
% Non-Life Operating Expenses/Premiums ratio	28.4	28.2
Loss ratio with OTI ratio (2)	67.9	65.6
Combined ratio direct business with OTI ratio (3)	96.3	94.0
Net gains on investments and realised gains		
-excluding class 'D' and impairment	1,462.9	1,748.9
% variation (1)	(16.4)	
-excluding class 'D' and including impairment	1,196.6	1,422.6
% variation (1)	(15.9)	
Net profit (loss)	458.5	570.1
% variation (1)	(19.6)	
No. of agencies	2,909	3,140
No. of agents	4,639	5,008
No. staff (4)	7,450	7,330

(1) Aggregated figures - percentage change at 31 December 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: 7.211

	Financial	Aggregate Figures
Amounts in €m	2016	2015
Investments and cash and cash equivalents	47,166.6	46,574.8
% variation (1)	1.3	
Technical provisions	43,687.5	43,137.9
% variation (1)	1.3	
% Technical provisions/Premiums ratio		
- Non-Life	211.9	217.5
-Life	950.7	803.6
- Non-Life + Life	436.4	408.7
Shareholders' equity	5,528.5	5,496.4
% variation (1)	0.6	

(1) Aggregated figures - percentage change at 31 December of the previous year

Share performance

Information on share performance

At the end of December 2016, the listed price of an ordinary UnipolSai share was \in 2.03, down 13.9% in the last 12 months, consequently to the decrease in the FTSE Italia All-share index (-9.9%), the FTSE MIB index (-10.2%) and the FTSE Italia All Share Insurance index (-16.3%).

Capitalisation values

Capitalisation at 31 December 2016 amounted to €5,744m (€6,562m at 31 December 2015).

Shareholding structure

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





Operating performance

In 2016, UnipolSai achieved significant economic and financial performance, in line with the 2016-2018 Business Plan objectives, despite a complex macroeconomic and sector situation characterised by persisting low interest rates, high volatility in the financial markets and strong competitive pressures, particularly in the MV insurance segment, in which the Company is the market leader.

More precisely, in the Non-Life sector, actions meant to reinvigorate the product lines supported a recovery in premiums in the Non-MV classes and significant growth in the MV TPL contract portfolio. Constant competitive pressure on tariffs in the MV TPL segment, as shown by the drop in average market premiums, equal to -5.9% year on year in the third quarter of 2016¹, continues to result in a decline in premiums from this business, with an impact on total premiums. In terms of MV business, UnipolSai confirmed its European leadership in black boxes installed in vehicles, rising from 2.5 million in 2015 to 3.1 million in 2016, now supplied by the subsidiary Alfaevolution which, in line with the Business Plan, is the centre of excellence for innovative technologies and already expanding to include Non-MV products.

Direct Non-Life premiums at 31 December 2016 amounted to $\leq 6,960.2m$ (-1.7% considering in the data at 31 December 2015 the premiums of Liguria Assicurazioni, merged from 2016), $\leq 4,041.7m$ of which in the MV classes (-3.8%) and $\leq 2,918.5m$ in the Non-MV classes (+1.2%).

As regards Non-Life claims, the positive trend seen in the Non-MV classes, combined with the constant monitoring of the average cost of claims, allowed the offsetting of most of the effects of the further considerable reduction recorded in the average MV TPL premium caused by the currently strong competitive pressure.

At 31 December 2016, the loss ratio for direct business (including the balance of other technical items) was 67.9%, versus 65.6% at 31 December 2015.

The expense ratio of direct business was substantially in line with the same period of the previous year (28.4% versus 28.2%): the decline in the overhead component limited the effects of the drop in premiums and of the increases in commissions paid following the standardisation of pay and incentive schemes for the various agency networks that are part of UnipolSai.

Overall, in 2016, the combined ratio (direct business - including oti ratio) was 96.3%, versus 94.0% at 31 December 2015.

In the Life business, within a market environment still characterised by interest rates which are extremely low and negative in the short term, the Company - with a view to limiting financial risk - has gradually enhanced the slowing of production of traditional guarantee-backed products, seeking to orient the commercial offering towards Class III and Multisegment products. At 31 December 2016 UnipolSai achieved direct premiums of €3,041.7m (-11.6%considering the premiums of Liguria Vita, merged from 2016, in the data at 31 December 2015).

As regards the management of financial investments, again in 2016 there was no lack of tension in the financial markets, particularly the equity markets, due to fears regarding the stability of the credit systems in European countries and the possible impacts of any future relaxation of the expansive monetary policies adopted to date by the main central banks. In 2016, in accordance with the strategic guidelines set in the Plan, the policy to gradually reduce the share of government bonds continued to be implemented, with a view to gradual diversification towards a selective increase of corporate securities and other financial assets. Although aiming to preserve the risk/return profile of the assets and the consistency between assets and liabilities towards the policyholders, the profitability of financial investments portfolio produced a significant return in the period in question equal to 3.7% of invested assets. It should be remembered that the returns recorded in 2015 (4.3%) were significantly influenced by capital gains, partly resulting from the forward sale of several securities.

¹ Source: IVASS, IPER Statistical Bulletin, 9 February 2017

In relation to investment property, operations in 2016 again focused on the major renovation and redevelopment works on the properties in portfolio, particularly in Milan. The persisting difficult situation of the market led to a need for a number of write-downs on the basis of the revised independent valuation reports, mostly relating to certain assets awaiting short/medium-term enhancement.

UnipolSai closed 2016 with a profit of €458.5m.

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

A. At the end of 2016, premiums were €10,010.5m, of which €10,001.9m in direct business, with breakdown as follows:

Amounts in €m Non-Life Life Total 2016 Total 2015 % Var. Premiums (€) Var.on 2015 6,960.2 Direct business 3,041.7 10,001.9 10,524.8 (5.0) (522.8) 8.6 26.9 (68.2) 8.0 0.6 (18.4) Indirect business 6,968.2 10,010.5 10,551.7 (5.1) 3,042.3 (541.2) 416.6 8.3 424.9 412.3 12.6 Premiums ceded 3.1 (5.5) 6,551.6 9,585.6 10,139.4 Premiums retained 3,034.0 (553.8) 68.3 100.0 % breakdown 31.7

The net retention of acquired premiums was 95.8%, downwith respect to the previous year (96.1%). The result from technical insurance management, which also includes operating expenses and allocation of the share of gains on investments, was overall positive for \in 570.6m (\notin 700.6m in 2015) with the breakdown showing a positive \notin 220.8m for the Life business and \notin 349.8m for the Non-Life business.

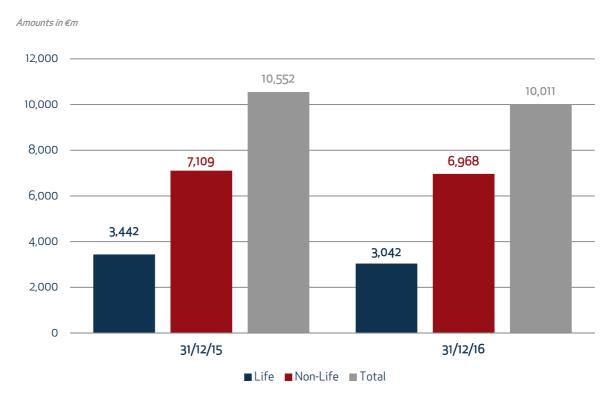
- B. Total operating expenses (including acquisition and collection commissions and other acquisition and administrative expenses) were €2,132.2m (-1.4%), with an incidence on (Life and Non-Life) premiums of 21.3% (20.5% in 2015). Net of reinsurers' commissions, total operating expenses were equal to €1,989.1m (-2.8%).
- C. Investments and cash and cash equivalents reached €47,166.6m (net of impairment), (€46,574.8m in 2015), of which €4,536.3m (3,924.8m in 2015) 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 €1,295.1m up 26.0m (+2.0%) on 31 December 2015. Ordinary and extraordinary gains on investments, including net realised capital gains and impairment and reversals of impairment losses, amounted to €1,196.6m, decreasing by €226.0m (-15.9%) compared with 31 December 2015.
- E. Technical provisions for the Life and Non-Life businesses reached a total amount, at the end of 2016, of €43,687.5m (+1.3%), €43,043.1m net of the reinsurers' share (+1.4%). The technical provisions-premiums ratio was 211.9% in the Non-Life business (217.6% in 2015) and 950.7% in the Life business (803.7% in 2015).

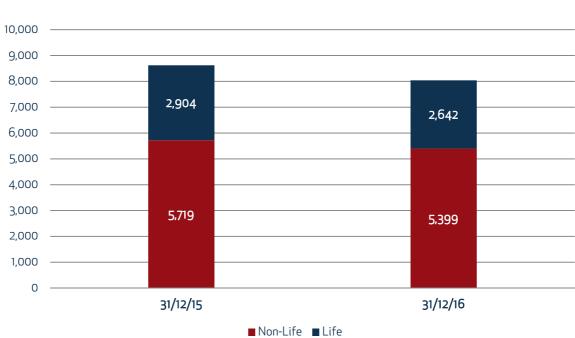
1

- F. Profit from ordinary operations amounted to €574.2m, while profit from extraordinary operations came to €60.1m, bringing pre-tax profit to €634.3m.
- G. Taxes for the period had a negative effect on the profit for the period of €175.8m. It is worth pointing out that the result for 2015 was negatively affected by the recognition of €98.6m relating to the recalculation of deferred tax assets and liabilities due to the change of the IRES rate (from 27.5% to 24% as provided by the 2016 Stability Act with effect from tax period 2017).
- H. Therefore, the net profit for the year amounted to €458.5m, €-111.7m compared with the previous year.

The shareholders' equity of the Company, including the profit for the year, was €5,528.5m.

Total premiums



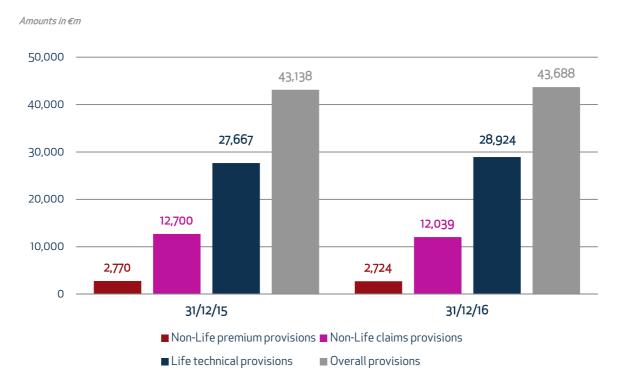


Payments

Amounts in €m

35

Technical provisions



Premiums

Premiums acquired at 31 December 2016 amounted to a total of €10,010.5m, a decrease of 5.1%.

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).

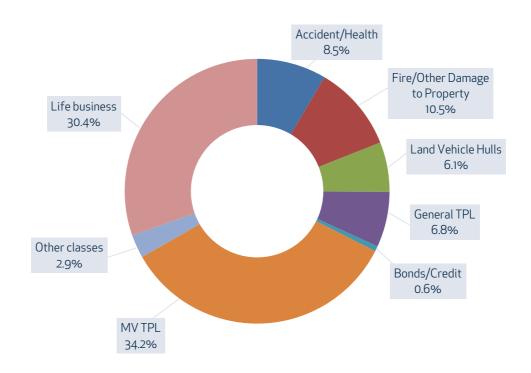
Premiums by class

Amounts in €k

Amoun							
Code	Class	FY 2016	% comp.	FY 2015	% comp.	Variation amount	2016/2015 %
	ITALIAN DIRECT BUSINESS						
	Non-Life business						
1	Accident	626,883	6.3	631,023	6.0	(4,141)	(0.7)
2	Health	223,269	2.2	227,286	2.2	(4,017)	(1.8)
3	Land Vehicle Hulls	607,429	6.1	590,964	5.6	16,465	2.8
4	Railway rolling stock	72	0.0	359	0.0	(288)	(80.1)
5	Aircraft	330	0.0	255	0.0	75	29.3
6	Sea, lake and river vessels	4,978	0.0	6,032	0.1	(1,054)	(17.5)
7	Goods in transit	18,515	0.2	18,362	0.2	153	0.8
8	Fire	502,410	5.0	486,463	4.6	15,947	3.3
9	Other damage to property	547,826	5.5	533,874	5.1	13,952	2.6
10	Land Vehicle TPL	3,425,458	34.2	3,600,360	34.2	(174,902)	(4.9)
11	Aircraft TPL	463	0.0	784	0.0	(322)	(41.0)
12	Sea, lake and river TPL	8,807	0.1	8,841	0.1	(33)	(0.4)
13	General TPL	677,740	6.8	676,197	6.4	1,543	0.2
14	Credit	75	0.0	202	0.0	(127)	(62.8)
15	Bonds	62,678	0.6	60,400	0.6	2,278	3.8
16	Pecuniary losses	54,472	0.5	51,440	0.5	3,032	5.9
17	Legal expenses	60,231	0.6	62,377	0.6	(2,146)	(3.4)
18	Assistance	138,598	1.4	128,372	1.2	10,227	8.0
	Total Non-Life business	6,960,233	69.6	7,083,592	67.3	(123,359)	(1.7)
	Life business						
I	Whole and term life insurance	2,195,362	21.9	2,364,348	22.5	(168,987)	(7.1)
П	Marriage, birth						
Ш	Unit-linked/index-linked policies	63,549	0.6	16,714	0.2	46,835	280.2
IV	Health	1,511	0.0	1,221	0.0	289	23.7
v	Capitalisation insurance	276,518	2.8	586,288	5.6	(309,770)	(52.8)
VI	Pension funds	504,770	5.0	472,628	4.5	32,142	6.8
	Total Life business	3,041,710	30.4	3,441,199	32.7	(399,489)	(11.6)
	Total Direct business	10,001,943	100.0	10,524,791	100.0	(522,848)	(5.0)
	INDIRECT BUSINESS						
	Non-Life business	7,994	93.2	25,661	95.3	(17,667)	(68.8)
	Life business	579	6.8	1,272	4.7	(692)	(54.5)
	Total Indirect business	8,573	100.0	26,933	100.0	(18,360)	(68.2)
	TOTAL PREMIUMS	10,010,516		10,551,724		(532,026)	(5.1)

In 2016, taxes (borne by policyholders) amounting to €1,050,491k were collected on premiums, along with contributions to the National Health Service amounting to €360,723k

Direct premiums



Non-Life insurance business

Direct business premiums at 31 December 2016 amounted to $\leq 6,960.2m$, a decrease of $\leq 123.4m$ (-1.7%) compared with the premiums acquired in 2015; the MV segment dropped by 3.8% while Non-MV rose by 1.2%. Also considering indirect business, premiums acquired during the year amounted to $\leq 6,968.2m$ (-2.0%).

The MV sector recorded a significant decrease in premiums due mainly to the drop in average MV TPL premiums, only partly offset by the growing customer portfolio.

In addition, again with reference to the MV business, there was a slight increase in the frequency of claims, which reversed the decreasing trend of recent years, similarly to the overall market trend.

In the Non-MV businesses, the growing trend of the premiums, recorded in the first half-year, was confirmed. A contribution to the improvement of the technical balance of the Non-MV segment came from the reduction in the cost of claims, which reabsorbed the damages deriving from the earthquake that hit central Italy and the increase in serious claims.

With regard to claims reported, during the year 2,331,672 claims were received for all Non-Life classes, an increase of 4.1% on those received in 2015.

In 2016 the Claims Department managed for the Company 1,340,980 claims reported during the year (of which nearly 78.5% have already been settled with payment) in addition to 576,161 claims from previous years existing at 1 January or reopened (of which more than 62% already settled with payment).

In 2016, cases relating to "fault" claims (Non-Card, Debtor Card or Natural Card) reported totalled 638,164, up by 0.8% (633,002 in 2015).

Claims that present at least one Debtor Card claims handling were 368,524, down by 0.2% with respect to the same period of the previous year.

Handler Card claims totalled 478,079 (including 118,010 Natural Card claims, claims between policyholders at the same company), up by 3.4%. The settlement rate in 2016 was 82.0% versus 80.7% in 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 2016 came to 84.8% (84.4% in 2015).

The average cost (amount paid plus amount reserved) for claims reported declined by 1.2% in 2016 with respect to the previous year (-2.3% in 2015). The average cost of the amount paid out remained substantially unchanged at 0.1% (-3.3% in 2015).

"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 2016 for the main classes concerned, and the comparison with 31 December 2015, 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).

Class	Curi clai	rent ims	Prior-year claims		
	2016	2015	2016	2015	
Accident	58.0	51.7	69.3	69.6	
Health	82.8	86.3	57.4	58.6	
Land Vehicle Hulls	91.1	88.3	77.6	73.5	
Fire	76.6	78.7	67.8	75.3	
Other damage to property	80.6	73.2	79.0	78.9	
General TPL	55.7	49.0	34.0	31.1	
Motor TPL under management (NC+HC) *	77.1	75.6	57.3	54.6	
"Non-Card" Motor TPL	56.6	55.2	46.3	44.0	
"Handler Card" Motor TPL	82.1	80.7	69.2	66.0	
"Debtor Card" Motor TPL	67.6	69.5	56.1	58.7	

Percentage amounts

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

Overall, charges relating to claims for the current and previous years came to \leq 4,445.9m, and dropped compared with 2015(-0.8%).

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 \leq 4,938.9m, a decrease of \leq 299.6m compared with 2015 (-5.7%).

Total premium provisions and claims provisions reached $\leq 14,763.2m$ at the end of the year, a decrease of $\leq 707.6m$ (-4.6% compared with 31 December 2015), amounting to 211.9% of premiums acquired (217.6% at 31 December 2015).

The "combined ratio" (including oti ratio), which also includes operating expenses, came to 96.3% of premiums for the year (94.0% in 2015).

Operating expenses in the Non-Life business, including acquisition and collection commissions and other acquisition costs and administrative expenses, amounted to \leq 1,977.8m (\leq 1,835.1m net of commissions received from reinsurers), compared with \leq 2,005.7m in 2015 (\leq 1,890.1m net of commissions received from reinsurers).

The impact on premiums came to 28.4% (28.2% in 2015). The increase is due to the severe drop in the premiums, to a greater impact of acquisition costs of a commercial nature for the initiatives undertaken in order to sustain the productive recovery and to a higher proportion of the commissions due to the technical improvement which affects the variable part recognised to the network.

The technical result showed a positive balance of \leq 349.8m (\leq 697.1m in the previous year). The transfer of the share of net gains on investments came to \leq 170.4m, compared with \leq 355.3m in the previous year.

1

			Claims Paid		Claims Reported		
		2016	2015	% Variation	2016	2015	% Variation
Amounts	s in €k				Number	Number	
CLASS	Italian Direct Business - Non-Life business						
1	Accident	252,094	252,267	(0.1)%	106,976	108,454	(1.4)%
2	Health	155,360	162,981	(4.7)%	522,257	504,848	3.4%
4	Railway rolling stock					2	(100.0)%
5	Aircraft	892	2,157	(58.6)%	7	5	40.0%
6	Sea, lake and river vessels	6,456	4,274	51.0%	333	403	(17.4)%
7	Goods in transit	4,338	6,158	(29.6)%	2,347	2,366	(0.8)%
8	Fire	247,679	294,453	(15.9)%	49,458	65,792	(24.8)%
9	Other damage to property	338,626	348,663	(2.9)%	225,856	214,599	5.2%
11	Aircraft TPL	906	683	32.7%	4	8	(50.0)%
12	Sea, lake and river TPL	7,319	6,913	5.9%	1,063	1,083	(1.8)%
13	General TPL	594,462	644,930	(7.8)%	91,935	99,425	(7.5)%
14	Credit	347	101	241.7%	2	1	100.0%
15	Bonds	40,665	54,713	(25.7)%	1,276	1,871	(31.8)%
16	Pecuniary losses	23,797	21,358	11.4%	32,856	30,939	6.2%
17	Legal expenses	13,640	13,878	(1.7)%	7,323	7,311	0.2%
18	Assistance	57,575	41,977	37.2%	383,764	305,787	25.5%
	TOTAL NON-MV BUSINESS	1,744,156	1,855,507	(6.0)%	1,425,457	1,342,894	6.1%
10	Land Vehicle TPL	2,828,605	3,039,743	(6.9)%	638,164	633,002	0.8%
3	Land Vehicle Hulls	366,159	343,296	6.7%	268,051	263,821	1.6%
	TOTAL MV BUSINESS	3,194,765	3,383,039	(5.6)%	906,215	896,823	1.0%
	TOTAL NON-LIFE BUSINESS	4,938,920	5,238,546	(5.7)%	2,331,672	2,239,717	4.1%

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

Accident

Direct premiums $\notin 626.9m$ (-0.7%) Number of claims reported 106,976 (-1.4%) Claims paid out $\notin 252.1m$ (-0.1%) Charges relating to claims $\notin 236.6m$ (-1.0%)

The year 2016 ends with total premiums of the accident classes slightly down and a customer portfolio that is still shrinking. Positive results were recorded nevertheless, due to the main business initiatives promoted in the territory and the renewal of some important collective agreements of a significant amount.

The new production regarding the products of the retail business, and particularly those dedicated to cover road traffic risks, is growing.

The cost of claims shows payments that are essentially in line with the previous year while the number of reports is decreasing thanks to the continuous monitoring on the risks in the portfolio and the favourable evolution of the frequency of claims.

These elements make it possible to obtain a positive technical balance of the class.

Management Report

Health

Direct premiums $\in 223.3m(-1.8\%)$ Number of claims reported 522,257(+3.4%)Claims paid out $\in 155.4m(-4.7\%)$ Charges relating to claims $\in 152.1m(-6.2\%)$

The Health class continues the declining trend of the premiums observed in recent years. The new production did not offset the loss of policies, in particular those that expired without tacit renewal.

Among the new elements regarding the offer to households, noteworthy is a new type of coverage with "guaranteed renewal" and wide protection, which allows independent insurance coverage to be continued regardless of the health conditions, until the Policyholders turn 80.

With regard to claims, the increase in the number of reported claims and the reduction of the cost were confirmed, since the claims paid refer mainly to guarantees that feature a high frequency of reported claims, although of a limited average amount, which leads to a technical result that is improving compared to the previous year.

Land Vehicle Hulls

Direct premiums \notin 607.4m (+2.8%) Number of claims reported 268,051 (+1.6%) Claims paid out \notin 366.2m (+6.7%) Charges relating to claims \notin 390.6m (+9.8%)

The premiums in this class confirmed the positive development recorded during the year, obtained thanks to the favourable market conditions, tied to the recovery in new vehicle registrations and to the consequent gradual rejuvenation of the fleet on the road.

The number of reported claims increased consistently with the greater guarantees provided and the consequent rise in the cost of claims, further intensified by a worsening of the claims regarding guarantees Natural Disasters, Social-Political Events, Kasko (comprehensive cover) and Collision recorded in the second part of the year. As a consequence the result of the class is worsening compared to the last year, though confirming a positive profit margin.

Fire

Direct premiums \in 502.4m (+3.3%) Number of claims reported 49,458 (-24.8%) Claims paid out \notin 247.7m (-15.9%) Charges relating to claims \notin 287.8m (-1.8%)

The year ended with a total increase in premiums in all segments. In the second part of the year, the Personal sector confirmed the results of the first half-year and signs of recovery were recorded both in the Corporate sector and in the Small and Medium Enterprises sector.

The number of claims in the period is considerably lower than in 2015, which had been penalised by important claims linked to atmospheric events in the first quarter of the year. Occurrences are less frequent but an increase is recorded in the number of significant claims in terms of both number and amount, partly due to the earthquake events that took place in the second half of the year. In any case these events did not entirely compromise the performance of the Class, which confirm an improvement of the comprehensive result.

Other damage to property

Direct premiums \in 547.8m (+2.6%) Number of claims reported 225,856 (+5.2%) Claims paid out \in 338.6m (-2.9%) Charges relating to claims \in 336.4m (-5.7%)

The Other Damage to Property class, which includes different types of guarantees, recorded an increase in premiums, especially thanks to the moderate improvement of the economic climate. The lower cost of claims together with the increasing premiums led to the improvement in the technical balance of the class.

For the component Other Damage to Property from Fire the increase in premiums is due to both the business risks and the risks linked to individuals; however, a rise was also recorded in the number of claims, to be attributed to the accessory guarantees Fire in the Individuals sector.

As regards Theft, premiums were slightly down, while in terms of claims, a decrease in the number and overall cost is reported as a result of the careful selection of the risks.

For Technological risks, despite a slowdown of the economic crisis in the building sector, a drop in premiums was confirmed nevertheless. The claims rate improved with regard to the number of claims reported, while the cost increased due to some claims of a considerable amount.

Land Vehicle TPL

Direct premiums \in 3,425.5m (-4.9%) Number of claims reported 638,164 (+0.8%) Claims paid out \in 2,828.6m (-6.9%) Charges relating to claims \in 2,614.9m (+1.9%)

The year 2016 recorded a contraction in premiums that was determined by the reduction of the average premium, which became necessary to maintain the offering competitive in a market that continues to be characterised by keen price competition.

This contraction was partly offset by a positive trend in the number of policies in the portfolios.

In March 2016, the new Km&Servizi product was launched; it immediately became popular with the network and customers. The product contains innovative and exclusive additional guarantees and services that exploit, in the interest of the Company and of the customers, telematics and the network of vehicle and people services that the group companies are able to provide.

During the year, significant investments continued to be 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 position as market leader with more than 3m devices installed and circulating.

On the claims front, frequency worsened slightly after years of constant improvement. The decrease in the average premium and the slight growth in claims frequency have caused the technical result of the class to worsen.

Other TPL

Direct premiums $\in 677.7m (+0.2\%)$ Number of claims reported 91,935 (-7.5%) Claims paid out $\in 594.5m (-7.8\%)$ Charges relating to claims $\in 444.0m (-11.5\%)$

Premiums in the Other TPL class increased slightly compared to the previous year, despite a market situation characterised by fierce competition, particularly from Companies outside the European Union in the sectors of civil liability, professional and health insurance.

The careful selection of the risks has allowed a significant decline to be confirmed in the number of claims reported and the total cost, causing an improvement in the result of the class.

Credit and Bonds

Direct premiums $\in 62.8m (+3.5\%)$ Number of claims reported 1,278 (-31.7%) Claims paid out $\in 41.0m (-25.2\%)$ Charges relating to claims $\in 53.1m (-1.8\%)$

During 2016 the Bonds class stabilised its premiums despite an unfavourable market context attributable mainly to the decrease in calls for tenders after the legislation, incomplete at secondary level, came into force and the VAT surety applications ceased because of the changes made to the specific legislation in the last few years.

At portfolio level, the repositioning policy continues, giving priority to granting surety support to clients operating with the Company in the other classes or with high commercial potential.

Claims continue to decrease in terms of reported claims and payments made. Provisions are still characterised by particular prudence, while the proactive management of disputes allows significant recoveries to be made in the medium term.

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

Misc. pecuniary losses

Direct premiums \in 54.5m (+5.9%) Number of claims reported 32,856 (+6.2%) Claims paid out \in 23.8m (+11.4%) Charges relating to claims \in 22.8m (+12.8%)

The increase in premiums concerns both the risks linked to traffic, which the class is mainly made up of and which are positively affected by the increase in the auto portfolio (in terms of number of policies), and the risks linked to businesses.

The increase in the number of claims and the relevant cost, limited for the component linked to traffic, is greater for the business risks, also hit by some serious claims.

The worsened result consequently to the increased cost does not compromise the positive profit margins of the class.

Legal expenses

Direct premiums $\in 60.2m$ (-3.4%) Number of claims 7,323 reported (+0.2%) Claims paid out $\in 13.6m$ (-1.7%) Charges relating to claims $\in 18.9m$ (-4.6%)

The premiums of the assistance class are essentially connected to the business trends of the MV products. The competitive tension recorded in 2016 on the price of MV TPL partially compromised the space for the development of the Legal Expenses and cause a reduction in premiums.

The lost volumes of premiums, offset by a slight drop in terms of cost of claims, led to an improvement in the result of the class, which was already widely positive.

Assistance

Direct premiums \in 138.6m (+8.0%) Number of claims reported 383,764 (+25.5%) Claims paid out \in 57.6m (+37.2%) Charges relating to claims \in 63.3m (+22.9%)

2016 showed a significant rise in premiums, obtained thanks to the upselling and upgrade commercial campaigns on MV policies and the contextual development of the portfolio online.

A considerable rise was recorded in the number of reported claims as well as consequent rise in costs, which however does not jeopardise the positive result of the class, though worsening compared to the previous year. The increase in reported claims derives mainly from 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.

Goods in Transit

Direct premiums $\in 18.5m (+0.8\%)$ Number of claims reported 2,347 (-0.8%) Claims paid out $\in 4.3m (-29.6\%)$ Charges relating to claims $\in 2.3m (-61.8\%)$

The Goods class recorded essentially stable premiums despite the loss of a limited number of important contracts and a general economic scenario that is still not positive and exerts a depressive effect on premiums, directly correlated to the turnover of the insured businesses.

The trend of claims is positive, stable in terms of claims reported and down in relation to payments; the year ended with an improved result for the class.

Marine Vessels

Direct premiums \notin 5.0m (-17.5%) Number of claims 333 reported (-17.4%) Claims paid out \notin 6.5m (+51.0%) Charges relating to claims \notin -1.9m (-251.2%)

The Marine Vessels class recorded a decrease in premiums due to the loss of two commercial fleets and the downward trend characterising the market, not only at national level.

A decrease in occurrences was recorded with regard to claims, though with a rise in the amounts due to two sportscraft claims of medium seriousness.

The new Non-Life Products

The new KM&SERVIZ/product was marketed in 2016:

- modulation of the offer based on specific requirements of some market segments. Therefore, in addition to the traditional offer dedicated to Vehicles and Trucks, Km&Servizi spins off into Km&Servizi City, addressing the inhabitants of 8 large metropolitan areas, and Km&Servizi Lavoro, dedicated to the small business, light commercial vehicles in particular;
- new guarantees for "Mechanical Faults" (in Km&Servizi Autovetture and City) and "Damages to Transported Goods" (in Km&Servizi Lavoro);
- new option "Locked Value" to extend up to 24 months the value of the purchase of newly registered vehicles;
- "Assistance Plus" guarantee to offer more attention to customers in case of claim;
- review of the contractual documents in order to better organise information and make it easier to read, with Information Booklets that feature a simpler language and explanation boxes that clarify the most important or less known concepts for consumers;
- review of the price estimation and issue process in order to better manage the activities of the agency (faster processes that can be used while on the move).

With regard to the new tariffs, noteworthy are:

- a new tariff structure for MV TPL and Land Vehicle Hulls characterised by greater customisation;
- a greater MV TPL discount when choosing Direct Repair;
- greater Land Vehicle Hulls discounts whenever in combination with Unibox;
- "Protected Claim" that, by cancelling the evolution in malus of the factors linked to the Customer's claim rate in case of first claim, is an important loyalty tool.

In some territorial areas, in order to increase the competitive push of the Km&Servizi product, effective from 1 April 2016, some changes were made to the MV TPL territorial coefficients and to the tariff for the "Windows" guarantee.

Consequently to the strong decrease in the average MV TPL premium observed during 2016 and considering the substantial stop of the drop in the frequency of claims, interventions were needed on the tariffs for the Km&Servizi product with an increase in the reference premium, together with a review of the tariffs in some territorial areas for both Vehicles and Trucks, while some advantages were introduced for the trucks with a historically positive technical performance.

Some actions were also predisposed for the residents in the municipalities hit by the earthquake of 24 August 2016 with a reduction of the Km&Servizi vehicle tariff.

Concerning the Non-MV pricelist, starting in May 2016, the PreventivatoRE tool was implemented; it stems from the need to provide the sales network with a tool to produce quotes for Non-MV risks quickly and effectively, to promote the growth of new business. To produce the quotes, a partial collection of the customer's identifying data is sufficient, and generalist models with pre-set guarantee combinations can be used (or even new, specific models can be created).

The following new products are reported:

 UnipolSai Commercio&Servizi. The new product is aimed at the simplification, innovation and orientation to services. It is a complete and flexible product that suits the insurance needs of small and medium-sized enterprises and represents the first insurance solution on the market that integrates technology, assistance and guarantees protecting business activities, proposing the following main new elements:

- catastrophe, flood and earthquake guarantees, with the possibility of insuring the earthquake risk to an indemnity limit equal to 100% of the insured amount;
- packages of particular guarantees designed for the business segments that comprise the greatest number of potential policyholders, offered through the following specific information booklets:
 - UnipolSai COMMERCIO&SERVIZI Bars + restaurants
 - UnipolSai COMMERCIO&SERVIZI Hair Stylists + Beauticians
 - UnipolSai COMMERCIO&SERVIZI Vehicles + Mechanics
- "Direct repair" services for the most common claims, through a network of selected craftsmen sent directly by the Company. This solution offers undoubted advantages to Customers in terms of service, quick settlement and economically, since access to direct repair zeroes the deductible contractually agreed for the claims;
- "Quick Recovery" service in case of serious claims that can cause significant prejudice to the customer, also as a result of the suspension of the insured business; The Customer, prior assessment by the Company, may benefit from the "Quick Recovery" service with the help of a company specialised in damage containment and in the reclamation of the insured premises in order to resume business activities with a quick turnaround;
- optional guarantee dedicated to "Digital Protection" (cyber risks), which provides an assistance service in addition to specific reimbursements in case of "cyber attack" and a specific "Legal Expenses" guarantee dedicated to the problem areas connected with Internet use;
- optional "Save the season" guarantee dedicated to bars and restaurants at beachside locations, which could suffer from economic prejudice in case of persisting inclement weather during the summer season;
- Unibox L@voro offer, an electronic device equipped with a serious of sensors that allow to protect public sites in an extremely innovative way, automatically activating the assistance services in favour of Customers. The control unit of the device will communicate any alarms through notifications on the mobile phone specified by the Customer when starting the contract; for some particularly important cases, depending on the danger situation detected (ex. life threatening situation if smoke, gas or monoxide are detected or at night-time in case of detecting burglary), the Customer will be contacted directly by the Operation Centre. The services are included in the Assistance Plus packages, with offer differentiated by the number and type of sensors depending on the solution purchased (Unibox L@voro EASY / FULL / TOP).

Life business and Pension Funds

Total premiums (direct and indirect business) for 2016 came to \in 3,042.3m, down compared with the previous year (-11.6%).

Direct premiums acquired during the year totalled €3,041.7m. The breakdowns into individual and group policies and between first year premiums, subsequent premiums and single premiums are shown in the following tables:

Management Report

Amounts in €m	2016	2015	% Variation on 2015
Individual			
Class I	1,764.5	1,937.1	(8.9)
Class III	63.5	14.6	334.0
Class IV	0.7	0.5	58.2
Class V	182.8	439.8	(58.4)
Class VI	27.5	31.5	(12.5)
Total	2,039.2	2,423.5	(15.9)
Group			
Class I	430.9	427.2	0.8
Class III		2.1	(100.0)
Class IV	0.8	0.8	2.2
Class V	93.7	146.5	(36.0)
Class VI	477.2	441.1	8.2
Total	1,002.5	1,017.7	(1.5)
TOTAL DIRECT BUSINESS	3,041.7	3,441.2	(11.6)

Amounts in €m	2016	2015	% Variation on 2015
First year premiums			
Class I	122.3	97.3	25.6
Class III	5.4		
Class IV	0.3	0.2	65.9
Total	128.0	97.5	31.3
Subsequent year premiums			
Class I	402.0	400.2	0.4
_Class III	2.4	2.8	(13.8)
Class IV	0.4	0.3	52.4
Class V	1.6	1.9	(15.5)
Total	406.4	405.1	0.3
Single premiums			
Class I	1,671.1	1,866.8	(10.5)
Class III	55.7	14.0	299.5
Class IV	0.8	0.8	2.2
_Class V	274.9	584.4	(53.0)
Class VI	504.8	472.6	6.8
Total	2,507.3	2,938.5	(14.7)
TOTAL DIRECT BUSINESS	3,041.7	3,441.2	(11.6)

The individual policy segment contracted by 15.9%, due mainly to the decline in premiums from traditional products in Class I (-8.9%) and in Class V (-58.4%). First year premiums grew (+31.2%), confirming a good performance of products with annual and recurring premiums.

The significant increase, in percentage terms, of Class III premiums, although volumes are still small, is a consequence of the progressive shift of the Company's Life offering from traditional products to Class III. In particular, increased sales of the single Premium Multisegment product, complemented in 2016 by the product with recurring single premium, confirms the opportunities offered by a rapidly expanding market segment, able to combine the typical security of insurance products with the capital appreciation tied to internal equity funds. Class III premiums also take into account the production of the new single premium Unit Linked product sold since April, which broadens the investment solutions offered by the Company.

Premiums on collective policies decreased slightly relative to 31 December 2015 (-1.5%).

Operating expenses, including acquisition and collection commissions and other acquisition and administrative expenses totalled $\leq 154.4m$ ($\leq 154.0m$ net of commissions received from reinsurers), with a 5.1% impact on premiums (4.6% in the previous year).

The amounts paid (direct and indirect business) came to a total of $\leq 2,641.5$ m, a decrease by 9.0% compared with the previous year, broken down as follows:

Amounts in €m	2016	2015	% Variation on 2015
Class	1,860	1,951	(4.6)
Class III	52	56	(6.8)
Class IV		0	n.s.
Class V	473	538	(12.1)
Class VI	256	359	(28.6)
Total	2,642	2,904	(9.0)

The breakdown by reason for exit is shown in the following table and shows a generalised decrease for all the reasons for exit.

Amounts in €m	2016	2015	% Variation on 2015
Capital and annuities accrued	1,097	1,290	(14.9)
Surrenders and advances	1,394	1,477	(5.6)
Claims	141	125	13.1
Settlement expenses	5	7	(22.9)
Indirect business	4	6	(35.2)
Total	2,642	2,904	(9.0)

Among the reasons for exit, Capitals and Returns accrued recorded the greatest reduction in percentage terms (-14.9% compared to 2015), but also the amounts paid for surrenders and advances continued to show falling values compared to the previous year (-5.6%) while claims reported a slight increase (+13.1%).

Technical provisions for the direct and indirect portfolios came to $\leq 28,924.4$ m, an increase of 4.5% compared with the previous year.

The technical result showed a positive balance of ≤ 220.8 m, compared with ≤ 3.4 m in the previous year. The rise is essentially due to a lower impact of losses on investments and financial charges relating to investments and an improved profitability of the segment.

Pension Funds

UnipolSai retained a leading position in the supplementary pension market in 2016, despite a difficult competitive context.

UnipolSai managed a total of 23 occupational pension fund mandates at 31 December 2016 (16 of them for accounts "with guaranteed capital and/or minimum return").

Resources under management totalled €4,339.8m (€3,374.6m with guaranteed capital).

On 1 May 2016 the merger by incorporation of the Open Pension Funds "Fondiaria Previdente", "Sai", "Unipol Insieme", "Conto Previdenza" and "UnipolSai Assicurazioni" into the Open Pension Fund "Unipol Previdenza" took effect. The latter changed its name into "UnipolSai Previdenza FPA" on the date the merger took effect. With this operation, which took place in compliance with COVIP Resolution of 15 July 2010 as later amended and supplemented, the Company planned to rationalise the pension products in the Open Pension Fund sector by concentrating it in a single pension fund consisting of seven segments. The increase in average assets managed per segment will lead to a more efficient management of the assets, with greater diversification of the investments and a better expected risk/yield profile, a simplification of the management processes and a consequent reduction of the incidence of fixed costs.

The assets of the open-ended pension fund "UnipolSai Previdenza FPA" amounted to €807.6m and 43,124 registrations.

The new Life Products

During the first quarter of 2016 the two main investment products "UnipolSai Investimento Garantito" and "UnipolSai Investimento Capital" were restyled with the aim of increasing the profit margins for the Company consequently to the results obtained in the reference separately managed accounts.

The new products envisage a higher performance fee level than the previous ones, to be applied if the return of the separately managed accounts is higher than 3.00%.

Starting from 11 April 2016, UnipolSai Investimento Energy became available; it is a new single premium Unit Linked product with the possibility of additional payments, which expands the range of investment solutions, completing the single premium price list with a Class III financial-insurance product.

The product was conceived as an opportunity container and it will develop in multiple phases.

In the initial phase Energy will be connected to two Internal Funds managed by the Group Finance Department: Comparto 3 Azionario Globale and Comparto 2 Bilanciato. They are benchmark funds, thus with a precise indication with regard to asset allocation and the investment policy.

Customers may choose how to breakdown the premium among the Internal Funds available.

In the subsequent phases the Company will assess the introduction of new Funds of different types and yield objectives in order to satisfy a greater range of potential Customers.

The new product "UnipolSai Previdenza FPA", created in May 2016 from the merger of the existing Open Pension Funds, enables the investment to be diversified among 7 segments, and it is open both to individual subscriptions and to collective subscriptions.

In June 2016, "UnipolSai Risparmio GestiMix" was launched; it is the version with single recurring premiums of the single premium product "UnipolSai Investimento GestiMix" marketed since October 2015, with the goal of also completing the offering with annual and periodic premiums with a Multisegment product.

The product is characterised by a revaluable Class I component, connected with the return of the Separately Managed Account R.E. UnipolSai and a Class III component, connected with the performance of the units of the internal fund Comparto 3 Azionario Globale.

The main features are as follows:

for the part of the performance connected with the return from the separately managed account, capital
adjustment on the basis of the return from the separately managed account, with the recognition of a *Best of*type financial guarantee equal to 0.5% per year, provided at expiration or, if before, at the time of surrender or
death;

- the possibility of choosing between two investment profiles: the Balanced profile, in which the allocation in Units is between 20% and 40%, and the dynamic profile, with an investment in Units that may vary between 40% and 60%;
- the presence of a free managed balancing service, which enables to delegate the Company to make decisions for the allocation of their investment, within the minimum and maximum limits prescribed by the selected profile.

On 5 October 2016 the new version of the class I single premium product "UnipolSai Investimento Garantito" was marketed, expecting a reduction of the minimum guaranteed annual yield to 0% in the *Best of* mode.

Traded at the same time was the restyling of the class I product "UnipolSai Investimento Capital", expecting the reduction of the minimum guaranteed annual premium to 0.15%, recognised upon the expiry of the tenth year and increasing the level of loadings on the premium.

In November the new version of the Class I product with single recurring premiums "UnipolSai Risparmio Attivo" was marketed.

The main features of the new product are as follows:

- adjustment of the capital based on the returns on the separately managed accounts of Nuova Press 2000;
- recognition of a Best of type minimum guarantee equal to 0% a year; in case of death or surrender, the Company recognises a provision that cannot be lower than the sum of the insured capitals referred to each premium paid;
- loading on the premiums paid, calculated on the basis of the accumulation of the positive payments reached by the contract.

Commercial and Settlement structure

Structure of the sales organisation

At 31 December 2016, the agency network comprised 2,909 agencies (2,902 private agencies and 7 corporate agencies), employing 4,639 agents.

UnipolSai also places Life products through the branches of Unipol Banca and through the networks of financial advisors of Credit Suisse Italy.

The reduction in the number of agencies is mainly due to the reorganisation of the distribution network to encourage the growth in size of the agencies involved and optimise the presence in the territory.

In 2016 the negotiation with the agency networks of the Fondiaria-SAI and Milan division was completed, leading to the signing of the agreement already in place for the former Unipol division.

In September the commercial and operating returns network was presented with some tools for the monitoring of the MV and Individuals General classes, which run monthly quali/quantitative analyses on multiple performance variables of each Agency with the aim of highlighting any criticalities in retention of the portfolio, with the consequent activation of technical, organisational and/or commercial actions.

In 2016 there was an intensification of the Company's initiatives to re-launch the productivity in the various segments. In particular:

- the first training modules of the SME Risk Management Master for Business Specialists were completed. Agents colleagues and Agency co-operators who will become the reference point on the SME segment;
- in November the new product "Commercio & Servizi" was launched, addressing small and medium-sized businesses; the distinguishing and innovative characteristics of the product (Unibox, new insurance coverage) were favourably accepted by the agency network and the customers, determining a significant increase in the new production.

Settlement structure

In 2016 the project of Reorganisation of the Claims Department was consolidated with the aim of homogenising the management procedures also with reference to the specific aspects of the individual classes, by identifying univocal accountability and a settlement process that focuses more on attaining the corporate objectives.

All the territorial offices of former Unipol and former Fondiaria-SAI were unified and the rollout project on the new claims system was completed for the entire settlement and agency network.

In 2016 some initiatives were started aimed at making the handling processes even more efficient:

- electronic records retention: the project aims to supersede the physical archiving of the original paper documents received by the Company or the agency network through the introduction of a certified process for the electronic records retention of the digital documents.
- Black box: the process of "electronic settlement" continued, which innovatively uses the information contained in the black box during the settlement phase (in particular, by verifying the consistency between the statements rendered and the actual dynamics of the event). The process industrialisation was also completed by adopting, across the entire settlement network, a (Single) dedicated portal that in 2016 was also extended to the MV trustee network and to the Technical Rooms of the Company Auto Presto & Bene. This generates numerous benefits, primarily the ability to combat fraud (strengthening prevention thereof), reducing claims management times and decreasing the number of disputes.
- Antifraud engine: the antifraud engine was extended to the entire network; using evolved mathematical
 algorithms, it selects a sample of potentially fraudulent claims for them to be channelled to the dedicated
 settlement structure (so-called Special Areas).
- CPM (Medical Report Centre): service offered to the damaged customer who undergoes medical-legal exams directly at the offices of the Company, to then receive prompt settlement; in 2016 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. The service, in addition to MV claims with injuries, was extended to the Accident claims.
- New Claims System: the rollout phase on the single claims system of the Group (Liquido) having been completed, the consolidation and development phase continues in order to optimise the operations of the handlers, by monitoring every single phase of the process and with 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 allowing claims handlers to carry out their activities in a fluid, 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.

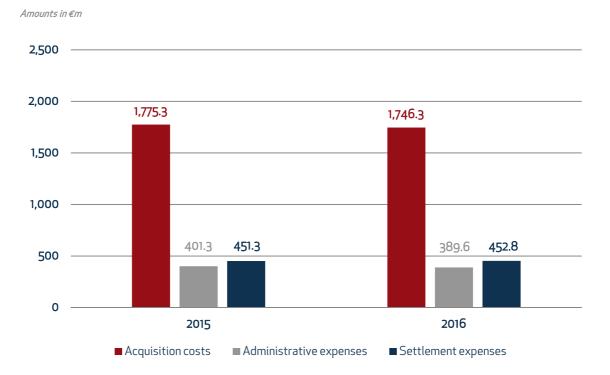
The Claims Department of UnipolSai Assicurazioni conducts settlement activities for the classes MV, General TPL, Accident and Property (Fire, Theft, Technological Risk, Mechanical Breakdowns and Other Damage to Property).

For specific types of claims (ex. Bonds, Goods in Transit, 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 or for the Assistance class). For the Health class, settlement is assigned to UniSalute, a Company of the Unipol Group that is specialised in the Health segment.

Operating and settlement expenses

Operating expenses, which include acquisition and collection commissions and other acquisition costs and administrative expenses, amounted to a total of \in 2,132.2m compared with \in 2,163.1m in 2015 (respectively \in 1,989.1m and \in 2,046.0m net of commissions received from reinsurers), a decrease of 1.4% compared with 31 December 2015. The impact on premiums increased, from 20.5% to 21.3%, as a result of the reduction in the premiums.

Settlement expenses in the Non-Life business and Life business came to \leq 452.8m, up on the figure recorded in 2015 (\leq 451.3m).



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

Acquisition and collection commissions and other acquisition costs totalled $\leq 1,746.3 \text{ m}$ ($\leq 1,775.3 \text{ m}$ in 2015) and other administrative expenses came to $\leq 389.6 \text{ m}$ (-2.9%), with impacts on premiums of 17.4% and 3.9%, respectively (16.8% and 3.8% in 2015).

Reinsurance

Indirect business

Total premiums of inward reinsurance acceptances reached a total of €8.6m at 31 December 2016 compared to €26.9m at 31 December 2015, of which €8.0m compared to €25.7m at 31 December 2015 in the Non-Life business and €0.6m compared to €1.3m at 31 December 2015 in the Life business.

The extent of the reinsurance acceptances continues to be affected by the failed transfer referring to the former Fondiaria-SAI divisions after the merger of 2014 and the limited subscription activity towards the Group companies on the Italian market, with consequent transfer of the indirect work to UnipolRe, the Group company specialised in this sector.

Reinsurance ceded

For the risks assumed in the Non-Life business, the reinsurance strategy implemented in 2013 led to synergies and economies of scale on the results already starting from 2014.

In 2016, thanks also to the new "Multipol" Multiline Aggregate Excess of Loss treaty, the reinsurance coverage managed to maximise the efficiency and effectiveness of the main non proportional treaties, while assuring a greater and/or new protection on the flood and atmospheric event risks also for the Land Vehicle Hulls class.

The renewal of the agreements for the year 2017 was also absolutely in line with the forecasts of 2016, notwithstanding some small improvements that can be mainly referred to the economic conditions.

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 Transports were instead ceded to specialised reinsurers and/or specialist companies inside the Group.

Also in 2016, proportional and non proportional cover generated an overall positive result for reinsurers, in line with that of the company's direct business, just like non-proportional cover, because the period was not affected by particularly serious claims borne by them.

Premiums ceded in the direct Non-Life business amounted to \leq 416.0m at 31 December 2016 compared with \leq 399.7m of the previous year.

The retention ratio in the Non-Life business came to 94.0% at 31 December 2016, compared with 94.4% in the previous year. The decrease is due in particular to some classes for which an increase was recorded in the use of cover by specialised companies or Group companies such as Unisalute, for health and the related assistance, and PAS, for the assistance class, or outside the Group (ARAG for legal expenses), with the main purpose of providing customers with a more qualified service, and secondly to achieve economies of scale.

The risks underwritten in the Life business in 2016 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 $\in 8.1$ compared with $\notin 9.3$ m of the same period of the

previous year.

The retention ratio in the Life business came to 99.7% at 31 December 2016, essentially unchanged compared with 2015.

Antifraud activity 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, Italian 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 for 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 $\leq 63m$, 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 2016, regardless of the year when they are generated.

Register of complaints

From January to December 2016 the register (set up pursuant to the provisions of ISVAP Regulation no. 24 of 19 May 2008 and subsequent amendments) totalled 15,983 complaints, 14,758 relating to Non-life business and 1,225 relating to Life business, with an impact on policies in the portfolio of 0.049%, down by 11% compared with 31 December 2015 (18,331 complaints, with an impact on the portfolio of 0.055%).

14,971 replies had been sent to UnipolSai at 31 December 2016, while 1,012 complaints were in the assessment phase. 6,715 complaints were accepted, 6,451 were rejected and 1,805 were settled.

Disputes

Claims under dispute in the MV TPL class pending at 31 December 2016 numbered 62,992, down by 15.9% compared with the same figure in the previous year.

Also regarding the management of claims in the MV TPL class, 45,140 claims under dispute were settled in 2016.

Asset and financial management

Investments and cash and cash equivalents

At 31 December 2016 the amount of investments and cash and cash equivalents, net of depreciation of property, plant and equipment and taking account of impairment, equalled €47,166.6m.

The breakdown of commitments is shown in the table below.

Investment cash and cash equivalent

	FY	%	FY	%	Variation 2016,	/2015
Amounts in €k	2016	Comp.	2015	Comp.	amount	%
Land and buildings	2,541,526	5.4	2,735,664	5.9	(194,138)	(7.1)
Investments in group companies and other investees						
-Shares and holdings	2,155,862	4.6	1,979,768	4.3	176,095	8.9
-Bonds	12,603	0.0	22,796	0.0	(10,193)	(44.7)
-Loans	328,103	0.7	328,204	0.7	(101)	(0.0)
Total	2,496,568	5.3	2,330,768	5.0	165,800	7.1
Other financial investments						
-Shares and holdings	554,866	1.2	606,087	1.3	(51,221)	(8.5)
-Mutual investment fund units	1,886,623	4.0	1,739,209	3.7	147,414	8.5
-Bonds and other fixed-yield securities	34,454,109	73.0	34,403,215	73.9	50,894	0.1
-Loans	135,337	0.3	148,437	0.3	(13,100)	(8.8)
-Bank deposits (1)	106,582	0.2	167,408	0.4	(60,826)	(36.3)
-Sundry financial investments (2)	86,525	0.2	83,147	0.2	3,378	4.1
Total	37,224,042	78.9	37,147,504	79.8	76,539	0.2
Deposits with ceding companies	19,108	0.0	23,025	0.0	(3.917)	(17.0)
Investments benefiting policyholders that bear the risk and investments arising from pension fund management						
-Investment funds and market indices	354,016	0.8	349,140	0.7	4,876	1.4
-Pension funds	4,182,235	8.9	3,575,690	7.7	606,545	17.0
Total	4,536,251	9.6	3,924,830	8.4	611,421	15.6
Cash and cash equivalents	349,155	0.7	413,002	0.9	<i>(63,846)</i>	(15.5)
TOTAL INVESTMENTS AND CASH AND CASH EQUIVALENTS	47,166,650	100.0	46,574,791	100.0	591,859	1.3

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

(2) Include premiums for transactions in derivative products.

78.9% 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 5.3%, while investments in directly held properties came to 5.4%. Investments relating to benefits linked to investment funds, market indices and assets from pension fund management accounted for 9.6%. Bank liquidity amounted to 0.7%.

Real Estate Management

The Company's property assets at the end of the year amounted to $\leq 2,541.5m$, compared with $\leq 2,735.7m$ at 31 December 2015.

UnipolSai is also active in the development, renovation and requalification of several buildings, some with a view to subsequent income generation through their sale or lease, and others for utilisation by the companies in the Group.

The most significant transactions are developing in the Milan area, including:

- completion and refurbishment of a headquarters building in Via De Castilia (Porta Nuova area) to obtain a new sustainable, cutting edge building;
- refurbishment of Torre Galfa, Via Fara 41, a 30-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 in the remaining storeys. The top floor of the Tower will contain a restaurant-bar;
- refurbishment of 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. The Via Pantano 26 is for residential use and sales have already started with the "Residenze Ca' Litta" brand, the building in Corso di Porta Romana 19 will be used for high-end head office purposes.
- in addition, in the last quarter of 2016, refurbishment work started on the office complex located in Milan Via Dei Missaglia 97 (called Milano Business Park) comprising fourteen buildings of approximately 140 thousand square metres, where the shared parts of some of the buildings are being refurbished and auxiliary services to the complex are being created (cafeterias and car parking spots), and integrating commercial services directed at improving usability of the complex in order to make this type of asset more attractive in the office market in Milan.

In 2016, temporary leases were started on some apartments in Florence under the Domux Home brand and, in 2017, this business is expected to be developed also on other cities, and temporary leases will also be started on properties for office use.

The activity to sell a portion of the real estate portfolio through several transactions particularly concerning the sale in fractions of the real estate complex located in Milan, via Bugatti, Tomaselli, Fraschini, Roselli called "Le Terrazze" and the sale of some buildings in Milan, Turin and Florence, as well as the sale of real estate units distributed throughout Italy. In particular, at the end of 2016 an offer for the purchase of properties involving over 200 real estate units. The transaction will be closed in 2017.

The purchase of a property in Trieste was closed in 2016. This transaction completed the reacquisition of some properties from the Rho Fund, including some buildings used as office sites by the Group.

On 29 December 2016, the subsidiary Atahotels S.p.A. and the associate UnipolSai Investimenti SGR S.p.A. (the latter on behalf of Real Estate Investment Fund Athens R.E. Fund, hereafter also the "Fund") began execution of the agreements signed with Una S.p.A. on 25 May 2015 regarding the acquisition, through two separate transactions, respectively:

- by Atahotels, of the activities relating to hotel under the "UNA Hotels" brand, currently run by UNA, the company owning the brand itself, though the direct acquisition of the relevant business unit of UNA;
- by the Athens R.E. Fund, managed by the asset management company and specialised in the hotel sector of the relevant properties for hotel or accessory use.

The execution of the two transactions began after obtaining the necessary approval from the competent authorities and after endorsement of Una's debt rescheduling agreement.

This has created the new national leader in the Italian hotel sector, with 43 facilities, 5,500 rooms and with an aggregate turnover of approximately €120m.

The transaction led to the acquisition by the Fund of 21 properties owned by UNA, 17 of which for hotel use and the others for accessory use, for a total value of approximately $\leq 259m$ ("UNA Properties"), together with the debt referred to the same properties. The acquisition of UNA Properties was settled through a bank loan of $\leq 170m$, the issue in favour of UNA, for $\leq 39m$, of subordinated units of the Fund ("B" units) and the issue, for $\leq 50m$, of ordinary units of the Fund ("A" units), through a cash payment by UnipolSai for the same amount. As part of the transaction, UnipolSai:

- provided the subsidiary Atahotels with the financial means needed to purchase the Class, also through its suitable capitalisation, which shall take into account the possible price adjustment;
- subscribed the newly issued A Units of the Fund for €50m in order to allow it to purchase the UNA properties;
- to contribute some properties owned by the Company to the Fund, mainly for hotel use and namely: Golf Hotel Madonna di Campiglio – Pinzolo (TN), Naxos Beach Hotel – Giardini Naxos (ME), Linea Uno Residence – Milan, Hotel The One – San Donato Milanese (MI) and the Principi di Piemonte hotel – Turin, in order to focus a considerable part of the Group's real estate portfolio for receptive use in a single investment platform with specific knowledge in the management and enhancement of hotel facilities.

Contributions were made to the Fund by Tikal R.E. Fund (real estate fund the Company holds a 95% stake in) with the following hotel facilities owned by Tikal:

- Hotel Expo Fiera Milan;
- Hotel The Big Milan;
- Hotel Quark Due Milan;
- Hotel Contessa Jolanda Milan.

Porta Nuova Project

With regard to the investment in the "Porta Nuova" real estate project, described in the financial statements last year, please note that in 2016 UnipolSai collected an additional \notin 20.8m from loans disbursed in the form of profit participating bonds, of which \notin 10.6m as remuneration on the capital invested, recognised in the 2016 income statement under investment income. It is estimated that the remaining collections, expected in an additional two tranches in July 2023 and April 2025, will guarantee the recovery of the remaining investment, totalling \notin 11.4m at 31 December 2016, 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 $\leq 2,496.6m$ ($\leq 2,330.8m$ at 31 December 2015), of which $\leq 2,155.9m$ refer to shares and holdings of investees, $\leq 12.6m$ consists of bonds issued by Group companies ($\leq 22.8m$ at 31 December 2015) and $\leq 328.1m$ in loans to Group companies essentially unchanged compared to 31 December 2015.

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:

Amounts in €k	2016
Other company or entity	202,181
Insurance Company	664,199
Consortium	35,375
Bank	420,800
Management company distributing mutual funds	6,440
- Financial company	448,507
Real estate company	378,138
Industrial company	218
Total	2,155,858

At 31 December 2016, equity investments rose from \leq 2,118.3m to \leq 2,155.9m, with an increase of \leq 37.5m compared to 31 December 2015 (+1.8%). The Merger with Liguria and Liguria Vita determined a reduction in investments of \leq 138.6m, as an effect of the elimination of the carrying amount of the merged subsidiaries, while the merger of Dialogo in Liquidazione S.p.A. led to a reduction for \leq 4.3m.

The main capitalisation transactions concerned UnipolSai Nederland for €100m, AlfaEvolution Technology for a total of €47.5m, Centro Oncologico Fiorentino and Marina di Loano for €16m, UnipolSai Finance for €10m and Pronto Assistance for €5m.

With reference to the value adjustments for a total of ϵ 15m as referred to losses deemed to be permanent, there are ϵ 7.5m relating to Centro Oncologico Fiorentino, ϵ 4m relating to Nuove Iniziative Toscane, ϵ 1m to Penta Domus, ϵ 0.7m to Butterfly and International Media Holding, ϵ 0.5m to Villa Ragionieri and ϵ 0.3m to SAI Mercati Immobiliari.

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 2016 bonds issued by Group companies and other investees amounted to ≤ 12.6 m, all classified under long-term investments with a net decrease compared to last year (≤ 22.8 m the balance at 31/12/2015), mainly comprising:

- Profit Partecipating 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 following bonds:

- bonds issued by the associate Unipol Banca for €2.0m.
- bonds issued by the investee Syneteristiki for €1.5m.

Loans to Group companies amounted to €328.1m (€328.2m at 31/12/2015). The item includes:

- two loans executed in favour of Unipol Gruppo Finanziario for €267.8m after the former company Unipol Assicurazioni took over the role of issuer, replacing the holding company Unipol Gruppo Finanziario, 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;
- a loan to the company Edilizia Immobiliare for €5m;
- a loan to Penta Domus for a nominal amount of €1.8m;

- a loan to Casa di Cura Villa Donatello for €5.4m;
- a loan to Centro Oncologico Fiorentino for €2m;
- a loan to Auto Presto e Bene for €1.3m;
- a loan to International Media Holding €1.5m granted in December 2016;
- a loan to Butterfly for €0.1m.

The loan to Metropolis for \leq 4.1m in place at 31 December 2015 and hedged entirely through the allowance for bad debt, was partially repaid for approximately \leq 1m and the remaining \leq 3.2m completely zeroed, recording a loss on loans deemed to be definitive.

Other financial investments

Financial operations in 2016 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 and applying 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.

Amounts in €m	2016	2015	Change
Level 1	65	69	(4)
Level 2	862	949	(87)
Level 3	333	362	(29)
Total	1,260	1,380	(120)

In the course of 2016, as part of the adjustment of the Investment Policy to the provisions of IVASS Regulation no. 24 of 6 June 2016, there was a review, inter alia, of the definition of Structured Financial Instruments ("Structured Instruments"), which is now aligned with the definitions provided in Implementing Regulation (EU) 2015/2450 (Annex VI – Definition of the CIC Table) on information to be submitted to the supervisory authorities for Solvency II purposes.

Previously, the definition of Structured Instruments was aligned with the instructions provided by IVASS for the periodic communication pursuant to Art. 35, paragraph 5 of Regulation 36/2011, now repealed, and included more types of instruments.

For a like-for-like comparison, the total value of structured instruments at 31 December 2015 (shown in the financial statements for 2015 in the amount of \in 6,325.2m) was therefore recalculated as \in 1,380m, in compliance with the new classification criteria. The reduction in structured instruments compared to the previous classification is primarily due to the different treatment of "callable" securities, which are no longer considered structured instruments.

The year 2016 was characterised by operations focused mainly on bonds. A decrease is recorded in the weight of the investment in government securities while the exposure to bonds of non-government issuers is increasing.

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.

Exposure to equity instruments is decreasing compared to the previous year, while the exposure to alternative investments is increasing.

"Other financial investments" at the end of 2016 amounted to €37,224.0m and mainly comprised bonds.

At the end of 2016 the bond portfolio recorded a positive balance between unrealised capital gains and losses, which amounted to \in 3,186.1m 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 2016 these investments amounted to \leq 354.0m, of which \leq 108.4m comprised of assets covering Index-Linked policies (bonds for \leq 119.2m and net financial investments for \leq -12.1m) and \leq 245.7m in assets for Unit-Linked policies (mutual investment fund units for \leq 157.5m, bonds for \leq 53.5m, shares for \leq 20.6m, cash and cash equivalents and other assets net of items to be settled for \leq 14.1m).

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 \notin 4,182.2m at 31 December 2016, comprised of shares for \notin 161.5m, bonds for \notin 3,345.7m, fund units for \notin 233.1m, cash and cash equivalents for \notin 434.5m and net other items for \notin 7.4m.

Cash and cash equivalents

Bank deposits and cash at 31 December 2016 amounted to €349.2m, most of which is deposited at the affiliate Unipol Banca (€413.0m at 31/12/2015).

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).

	FY	%	FY	%	Variation 201	6/2015
Amounts in €k	2016	comp.	2015	comp.	amount	%
NET GAINS ON INVESTMENTS AND FINANCIAL INCOME						
Land and buildings	(8,967)	(0.7)	18,608	1.5	(27,576)	(148.2)
Shares and holdings	71,848	5.5	82,806	6.5	(10,959)	(13.2)
Bonds	1,268,981	98.0	1,211,206	95.4	57,775	4.8
Mutual investment fund units	35,616	2.8	35,080	2.8	536	1.5
Loans	12,217	0.9	13,447	1.1	(1,229)	(9.1)
Bank deposits	574	0.0	323	0.0	251	77.9
Bank and post office deposits	20	0.0	99	0.0	(79)	(79.5)
Sundry financial investments	(8,425)	(0.7)	4,735	0.4	(13,160)	(277.9)
Balance of reinsurance deposits	(2,929)	(0.2)	(3,164)	(0.2)	235	7.4
Interest on loans	(73,877)	(5.7)	(94,077)	(7.4)	20,200	21.5
TOTAL (a)	1,295,057	100.0	1,269,063	100.0	25,995	2.0
Gains (losses) on sale						
Land and buildings	24,471	14.6	6,353	1.3	18,118	285.2
Shares and holdings	(155,624)	(92.7)	131,728	27.4	(287,352)	(218.1)
Bonds	272,430	162.3	546,400	113.9	(273,970)	(50.1)
Sundry financial investments	26,559	15.8	(204,594)	(42.6)	231,152	113.0
TOTAL (b)	167,836	100.0	479,888	100.0	(312,051)	(65.0)
Total (a+b)	1,462,894		1,748,951		(286,056)	(16.4)
Net reversals on investments						
Land and buildings	(115,180)	43.3	(64,732)	19.8	(50,448)	(77.9)
Shares and holdings	(24,523)	9.2	(90,074)	27.6	65,551	72.8
Bonds	(26,189)	9.8	(127,791)	39.2	101,603	79.5
Other financial investments	(100,401)	37.7	(43,716)	13.4	(56,685)	(129.7)
_Total (c)	(266,293)	100.0	(326,314)	100.0	60,020	18.4
TOTAL (a+b+c)	1,196,600		1,422,637		(226,036)	(15.9)
Net investment income of Class D						
-Investment funds and market indices	11,295		18,557		(7,262)	(39.1)
-Pension funds	58,319		78,949		(20,631)	(26.1)
Total Class D	69,614		97,506		<i>(27,893</i>)	(28.6)
GRAND TOTAL	1,266,214		1,520,143	Т	(253,928)	(16.7)

Gains on investments and cash commitments, net of losses on investments and financial charges, amounted to €1,295.1m.

Net capital gains totalled €167.8m. Trading in equities resulted in losses of €155,6m.

The comparison with 2015 is affected by the forward sales of Italian government bonds expired in January 2015, for a nominal value of \in 1,462m and a sales value of \in 1,688m, realising net capital gain of \in 211m.

In relation to long-term investments, net capital gains on disposals were realised amounting to €29.4m.

At 31 December 2016 net income and gains on asset and financial management amounted to a total of \leq 1,462.9m. Net impairment (including write-downs of property of \leq 58.8m) came to a negative \leq 266.3m. Overall, net ordinary and extraordinary income, including impairment and reversals of impairment losses on investments amounted to a positive \leq 1,196.6m.

Net gains (losses) on investments benefiting policyholders that bear the risk arising from pension fund management (Class D) amounted to a positive €69.6m.

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 5.70 years at 31 December 2016. With specific reference to the bond portfolio, the duration was 6.53 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	70.39%	7.36	(197,681,665)	(988,408,325)
Financial	23.76%	4.48	(40,655,144)	(203,275,720)
Corporate	5.85%	4.84	(10,801,112)	(54,005,559)
Bonds	100.00%	6.53	(249,137,921)	(1,245,689,605)

Credit risk

Management of the securities portfolio primarily involves investing in investment grade securities (87.20% of the bond portfolio).

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

BBB	81.91%	(25,419,222) (2,167,581)	(254,192,224) (21,675,815)	(1,270,961,118) (108,379,074)
A	4.28%	(1,246,709)	(12,467,085)	(62,335,426)
AA	0.69%	(205,900)	(2,058,996)	(10,294,978)
AAA	0.33%	(55,115)	(551,154)	(2,755,770)
Rating	Breakdown	Increase 1 bps	Increase 10 bps	Increase 50 bps

Equity risk

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

Rating	Breakdown	Beta coefficient	Shock -10%
Utilities	2.08%	0.96	(3,232,917)
Funds	71.82%	0.93	(111,363,660)
Energy	1.67%	0.97	(2,583,490)
Raw materials	0.00%		
Industrial	0.68%	0.96	(1,057,500)
Luxury goods	1.27%	0.85	(1,965,415)
Commodities	0.16%	0.80	(250,375)
Health	0.76%	1.00	(1,185,758)
Finance	20.13%	1.35	(31,214,236)
_IT	0.00%	1.00	(4,551)
Telecommunications	1.42%	1.01	(2,198,306)
Equity	100.00%	1.02	(155,056,209)

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 separately managed accounts which no longer receive new business, the need to liquidate investments without adequate advance notice.

Treasury shares and holding company shares

At 31 December 2016, UnipolSai Assicurazioni held 7,005,640 treasury shares in its portfolio, for a total value of \notin 79.3m, posted as a reduction of the shareholders' equity in the item Negative reserve for treasury shares. At 31 December 2015, 5,205,640 shares were held, for a total value of \notin 76.6m (historical purchase value re-determined on the basis of the provisions of the new accounting standards).

At 31 December 2016, 3,565,504 shares of the Holding company Unipol Gruppo Finanziario were also held by UnipolSai, for a total of €11m, recognised under assets in the Other financial investments.

On 11 July 2016 UnipolSai purchased 1,000,000 shares of the holding company Unipol Gruppo Finanziario S.p.A. for $\leq 2.2m$, in execution of the compensation plans based on financial instruments of the performance share type, intended for the managers of the Company for the years 2013-2015, while on 8 August 2016, the Company started the programmes for the purchase of ordinary shares of the holding company Unipol Gruppo Finanziario S.p.A., to serve the compensation plans based on financial instruments of the performance share type, intended for the managers of the Company started the programmes for the years 2016-2018, in compliance with the resolutions of the Board of Directors in the meeting of 3 August 2016.

In particular the Company purchased on the regulated market, on 8 and 9 August 2016, a total of 1,800,000 treasury shares, and on 8, 9 and 10 August 2016 a total of 900,000 Unipol shares for €2.7m and €2.3m, respectively. The purchase transactions were disclosed to the market in accordance with the applicable regulations. With the transactions described, UnipolSai completed its purchase programmes regarding both treasury shares and the Holding company.

On 1 July 2016, 1,403,356 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 2010-2012 and 2013-2015, while in September 40,000 shares were allocated in the segregated accounts.

Write-backs were recognised for a total of €0.4m at 31 December 2016.

Performance of Group companies

The key figures of several subsidiaries are reported below. The financial statements of (direct and indirect) subsidiaries and associates were filed pursuant to Art. 2429 of the Civil Code.

In 2016, the activity of the diversified company developed further, both from a commercial viewpoint and through the completion of specific acquisitions. On 29 December 2016, the subsidiaries Atahotels and UnipolSai Investimenti SGR S.p.A. (the latter on behalf of Real Estate Investment Fund Athens R.E. Fund) began execution of the agreements signed with Una S.p.A. in May 2015.

For more information reference is made to the specific section dedicated to the management of real estate assets. Atahotels reported a profit of $\leq 0.6m$, slightly down compared with the corresponding figure of 2015 (+ $\leq 2.1m$), which benefited from the positive effect deriving from the Expo.

The result of 2016 was affected by the release, in the early months of the year, of all the facilities owned by the Antirion Global-Comparto Hotel Fund (ENPAM), which caused a significant decline in revenues, offset by the collection of goodwill on facilities. It must be pointed out that last year Atahotels was not able to benefit from the income arising from the acquisition of the business unit of Una S.p.A., which, as specified previously, was finalised right at the end of the year, upon the conclusion of the authorisation process.

With regard to the Florentine hub of medical clinics, the shareholders' meeting of Centro Oncologico Fiorentino resolved to place it in liquidation in view of the impossibility to proceed with the company's operations in an economically sustainable way, and of the failure of the negotiation for its sale to the Region.

At 31 December 2016, the company Villa Donatello had a net loss in line with the previous year's (- \in 0.2m). However, pre-tax result improved by about \in 0.6m (from - \in 0.9m to - \in 0.3m), thanks to the development of clinic activities (visits and diagnostics) and of the reference health care hub, for Florence, for professionals operating in private facilities.

As regards agricultural activities, although Tenute del Cerro still recorded a loss of \in 1.3m (- \in 0.9m in 2015), it improved significantly in terms of business profitability, as reflected in the pre-tax result (from - \notin 2.5m to - \notin 2.1m).

DDOR Novi Sad recorded a ≤ 2.7 m profit at 31 December 2016 (an improvement from the ≤ 1.8 m at 31/12/2015) with growing total gross premiums (including both the Non-Life and Life sectors), which rose from ≤ 76.1 m at year-end 2015 (of which ≤ 69.7 m in the Non-Life sector) to ≤ 81.9 m at 31 December 2016 (of which ≤ 73.4 m in the Non-Life sector).

Incontra Assicurazioni recorded a ≤ 13.7 m profit at 31 December 2016 (a sharp improvement compared to ≤ 2.3 m at 31/12/2015), with rising premiums compared to the previous year, from ≤ 63.8 m in 2015 to ≤ 69.4 m at the end of 2016, mainly concentrated in the Health and Pecuniary Losses classes. At 31 December 2016, the volume of total investments reached approximately ≤ 135.4 m (≤ 119 m at 31/12/2015), while gross technical provisions reached ≤ 161.9 m (≤ 142.3 m at 31/12/2015): the ratio between gross technical provisions and written premiums is 233.4%.

Pronto Assistance active in placing assistance services insurance policies in the home, health, MV and business segments, customisable to meet the customer's needs, closed 2016 with a profit of \leq 4.8m (profit of \leq 3.8m recorded in 2015). The year 2016 posted total premiums amounting to \leq 124.7m (\leq 73.8m at 31/12/2015).

SIAT recorded a \in 6.2m profit in 2016 (\in 5.4m at 31/12/2015) with total gross premiums (direct and indirect) at \in 132.9 m (\notin 121.9m in 2015).

The increase in premiums refers to the "Vessels" sector, which benefitted from the time mismatch in the renewal of the policies of some important fleets, with terms exceeding twelve months. New and important constructions in the "work sites" segment becoming subject to risk also contributed to this increase. In addition, the improvement of the rating (to "A-", assigned in May 2016 by the primary international agency AM Best, specialised in the insurance context) also enabled the acquisition of some foreign business of intermediate size.

On the other hand, the production regarding the "Goods" segment recorded a decrease, being negatively affected by the persistently unfavourable economic environment (in particular with regard to the domestic component).

Popolare Vita recorded a profit of \leq 47.8m at the end of 2016 (\leq 55.3m at 31/12/2015). Gross premiums written amounted to \leq 1,493.6m (\leq 2,517.2m at 31/12/2015). The volume of total investments (Non-Life and Life sectors) reached the amount of \leq 8,646.2m, (\leq 8,113.6m at 31/12/2015), of which \in 1,853.9m referred to Class D. The distribution agreement between Popolare Vita and Banco Popolare expires on 31 December 2017 with possibility of renewal, if cancellation is not exercised by 30 June 2017. Also the deadline expires on the same date for UnipolSai to exercise the put option on the interest in Popolare Vita.

BIM Vita recorded a profit of ≤ 2.9 m at the end of 2016 (essentially unchanged compared to 31/12/2015). Gross premiums written amounted to ≤ 98.6 m (≤ 157.5 m at 31/12/2015). The volume of total investments reached the amount of ≤ 708.2 m (≤ 782.8 m at 31/12/2015), of which ≤ 454.4 m refer to class D (≤ 524 m at 31/12/2015).

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;

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- Model 231 monitoring;
- Innovation & New Business Solutions;
- 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 (logistics, asset and investment management and core offices portfolio).

Following the merger of UnipolSai Real Estate, UnipolSai provides a number of Group companies with services relating to real estate asset 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 the services relating to real estate asset management that require fixed prices.

UniSalute performs the following services in favour of UnipolSai Assicurazioni:

- addressing, providing medical advice and assistance by telephone, making bookings, managing and settling claims relating to specific guarantees/products on behalf of the Company;
- support for employee training and learning;
- policyholder record updating 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.

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.

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

- organisation, provision and 24/7 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) for the three-year period 2015-2017. UnipolSai and all companies in the Unipol Group that meet the regulatory requirements take part in this regime as 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 Finanziario 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 intercompany 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 2016 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 of operations.

The transactions with related parties of minor relevance include the following:

• Lease agreement between the subsidiary MIDI S.r.l. and Unipol Gruppo Finanziario S.p.A.

On 10 March 2016 the Board of Directors of UnipoiSai resolved on the Transaction - carried out through the subsidiary MIDI S.r.I. ("MIDI") with the parent Unipol Gruppo Finanziario S.p.A. (the "Parent") - regarding the amendment to the contractual conditions in force between MIDI and the Parent regarding a position of the property used as management offices located in Bologna, Via Stalingrado no. 37 owned by MIDI itself, consequently entering into a new lease agreement, after terminating the existing agreement. The Transaction was reviewed in advance by the Related Party Transactions Committee, which issued its favourable opinion.

• Lease agreement with Finitalia

On 30 June 2016 the Board of Directors of UnipolSai resolved the Transaction pertaining to the signing with Finitalia S.p.A. of a lease agreement regarding a portion of the property located in Milan, Viale Lancetti no. 43 owned by the Company. The Transaction was reviewed in advance by the Related Party Transactions Committee, which issued its favourable opinion.

Termination by mutual agreement of the investment agreement between UnipolSai Assicurazioni S.p.A and Immobiliare Grande Distribuzione SIIQ S.p.A. and the reacquisition, by UnipolSai Assicurazioni S.p.A., of the investment, amounting to 20% of the share capital, held by Immobiliare Grande Distribuzione SIIQ S.p.A. in UnipolSai Investimenti SGR S.p.A.

On 9 September 2016 the Transaction was executed which concerned the repurchase by the Company of the 20% stake in the share capital held in UnipolSai Investimenti SGR S.p.A. by Immobiliare Grande Distribuzione SIIQ S.p.A. ("IGD"); this subject was included in the scope of application of the Procedure, on a voluntary basis pursuant to Art. 4, paragraph 2 of the Regulation. The repurchase of the investment is consequent to:

- i) the termination by mutual agreement of the Investment Agreement between UnipolSai and IGD, as subsequently amended in order to extend it to the parent Unipol Gruppo Finanziario S.p.A., and
- ii) the early exercise by UnipolSai of the option to purchase the Investment in IGD, pursuant to the option agreement signed on 28 January 2015, in accordance with the Investment Agreement.

The transactions had been resolved by the Board of Directors of the Company, to the extent of its responsibility in the meeting of 17 December 2015, subject to the favourable opinion of the Committee for Related Party Transactions.

• Lease agreements with Unipol Banca S.p.A.

In 2016 the Committee for Related Party Transactions expressed its favourable opinion to UnipolSai signing two lease agreements with Unipol Banca S.p.A. regarding real estate portions, to be used to host a bank branch, located in Florence, Piazza della Libertà, at the corner with Via Lorenzo il Magnifico, and in Rome, Piazza Esquilino, at the corner with Via Farini, respectively.

Among the exempt transactions carried out in 2016 there was the contribution of some properties to the Athens R.E. Fund by UnipolSai, as part of the already mentioned transaction between Atahotels and UnipolSai Investimenti SGR S.p.A., described in the section Management Report dedicated to the real estate sector, to which reference is made.

The amount and type of assets, liabilities, guarantees, commitments and other memorandum accounts regarding transactions with Group companies, other investees and other related parties are shown in the table below.

Information on transactions with related parties at 31 December 2016

_			ſ		-		r r	-			
					Other						
	Holding				related						
Amounts in €k	company	Subsidiaries	Affiliates	Associates	parties		Total			Incid	lence
Assets											
Bonds			2,000	6,863	3,740		12,603	0.02	(1)	0.90	(3)
Loans	267,785	50,588		8,186	1,544		328,103	0.61	(1)	23.33	(3)
Bank deposits			9				9	0.00	(1)	0.00	
Deposits with ceding									17		
companies			46				46	0.00	(1)	0.00	(3)
Receivables arising from			12				1-		19		157
direct insurance/reinsurance											
business		69,794	11	2	50,738	(4)	120,545	0.22	(1)	8.57	(3)
Other receivables	108,051	25,119	53,006	207	369	(7/	186,753	0.35	(1)	13.28	(3)
Bank deposits and post office	.00,05	23,3	318,482	207	505		318,482	0.59	(1)	22.64	
		2002					1 1			1	
Sundry assets Technical provisions –		2,992	52,930				55,922	0.10	(1)	3.98	(3)
Reinsurers' share		197,020					197,020	0.37	(1)	14.01	(3)
Total	375,836	345,512	426,485	15,257	56,391		1,219,482	2.27	(1)	86.70	
Liabilities	5,5,6,6	2-10,0-2	420,405	1,2,37	50,551		1,213,402	2.2/	(1)	00.70	(3/
Deposits received from											
reinsurers		43,943					43,943	0.08	(1)	3.12	(3)
Payables arising from		13/3/13					13/3/13		17		157
insurance/reinsurance		10,767	23,078				33,845	0.06	(1)	2.41	(3)
Collateralised payables/other											
loans			3,370				3,370	0.01	(1)	0.24	(3)
Sundry payables	94,057	48,427	13,541	55	447		156,527	0.29	(1)	11.13	(3)
Sundry liabilities	11,084	3,567	4,324		353		19,328	0.04	(1)	1.37	(3)
Total	105,141	106,703	44,313	55	801		257,013	0.48	(1)	18.27	(3)
Memorandum accounts	893,316	575,967	36,956,669	30,988			38,456,940	71.69	(1)	72.00	(5)
Income from:											
Land and buildings	93	10,004	10,616		937		21,650	0.88	(6)	4.72	(2)
Shares, units and dividends	560	37,495		1,129	367		39,550	1.61	(6)	8.63	(2)
Other investments	2,066	208	80	10,382	285		13,021	0.53	(6)	2.84	(2)
Other income - Extraordinary	2,000	200	00	10,302	205		13,021	0.))	(0)	2.04	(2)
income	5,056	29,015	41,634	4,702	449		80,856	3.29	(6)	17.64	(2)
Total	7,775	76,722	52,329	16,212	2,038		155,076	6.32	(6)	33.82	1
Charges		<i>r</i> - <i>u</i> -=	5-15-5		-1-0-				19/	33	1~/
Investment management											<u> </u>
expenses	102	1,051	39,264				40,417	0.08	(6)	8.82	(2)
Losses on realisation of											Ī
investments	1,945						1,945		(6)		(2)
Other charges - Extraordinary	4,654	23,160	20,140	62	194		48,210	0.09	(6)	10.52	
Total	6,701	24,211	59,403	62	194		90,571	0.17	(6)	19.75	(2)
Other technical charges											1
Acquisition costs		10,913	49,674		89,576	(4)	150,162	6.12	(6)	32.75	(2)
Administrative expenses	11,658	19,343	2,188		0.0, -		33,189	1.35	1.7	7.24	
Total	11,658	<u> </u>	51,862		89,576		183,352	7.47		39.99	
Non-Life and Life technical	1,00	0,2,0	5,002		0,0,0		20,00	/דיי/	19	55.55	(-/
Balance of outwards											
reinsurance*		13,048	12,175				25,223	4.42	(7)	5.50	(2)
							(عے,رے	7.74	(/)	0ر.ر	(2)
		13,040									
Balance of inward reinsurance net of retroceded amounts *		835	(109)				725	0.13	(7)	0.16	(2)

 Image: constraint of the percentage based on total assets/liabilities in the Statement of Financial Position.
 Image: constraint of the period.

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

(4) Amounts relating to transactions with investee agencies.

(5) The percentage on total memorandum accounts.

(6) The percentage on total gains/losses, respectively.
 (*) Negative amounts are a cost for the company.

Comments on the main items

The item bonds represents bonds issued by Group companies and held by UnipolSai: in particular, $\in 2m$ in bonds by the affiliate Unipol Banca, $\in 5m$ by the associate Garibaldi, $\in 1.8m$ by the associate Isola and $\in 3.7m$ of bonds by the other investees Syneteristiki ($\in 1.5m$) and Ex Var S.c.A. ($\in 2.2m$).

At 31 December 2016 the item Loans to holding companies, amounting to ≤ 267.8 m and unchanged compared to the previous year, refers to two loans executed in 2009 in favour of the holding company Unipol Gruppo Finanziario, 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 ≤ 2.1 m.

Loans to group companies equalled \in 60.3m and refer to loans granted to the following companies: Meridiano Secondo for \in 36.8m, Casa di Cura Villa Donatello for \in 5.4m, Società Edilizia Immobiliare for \in 5.1m, Centro Oncologico Fiorentino for \in 2m, Auto Presto e Bene for \in 1.3m, Borsetto S.rl. for \in 6.3m, Penta Domus S.p.A. for \in 1.8m, International Media Holding for \in 1.5m and Butterfly AM S.a.r.l. for \in 0.1m.

The total interest for the year was €0.2m.

Deposits with ceding companies refer exclusively to reinsurance transactions with UniSalute.

The item Receivables relating to direct insurance business and reinsurance in terms of transactions with subsidiaries refers to the following: \leq 50.6m to receivables from the agency Sogeint, \leq 2m, to receivables from Incontra Assicurazioni and approximately \leq 16.8m in reinsurance receivables from UnipolRe DAC; in terms of transactions with other investees, the item refers to receivables from corporate agencies.

Other receivables from the holding company refer mainly to the receivable from Unipol Gruppo Finanziario S.p.A. as a result of participation in the tax consolidation regime; with respect to the subsidiaries it comprises receivables from Popolare Vita for \in 3.4m, \in 1.4m from Casa di Cura Villa Donatello, \in 0.9m from Tenute del Cerro, \in 0.8 from SIAT – Società Italiana di Assicurazione, \in 0.8m from Incontra and another \in 0.8m from BIM Vita.

The item also includes a receivable of €5.7m from Pronto Assistance Servizi S.p.A. for administrative services.

Other receivables from affiliates includes receivables from Finitalia amounting to \leq 30m 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 UniSalute for \leq 2.2m, from Linear for \leq 2.1m, from the Arca Group for \leq 3.8m and from Unipol Banca for \in 1m; there is another receivable from Unipol Banca of \leq 3.1m for commissions on the placement of banking products. The item also includes a receivable of \leq 5m from UniSalute as a deposit set up on the basis of a reinsurance treaty signed during the year. Fund equal to \leq 1.7m.

The entire amount (\in 318.5m) 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 (\in 50.8m) with the same counterparty.

Technical provisions - Reinsurers' share refer to reinsurance relations with the subsidiaries UnipolRe DAC for \in 154.9m and SIAT - Società Italiana di Assicurazione for \in 42.1m.

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

Payables arising from direct insurance/reinsurance business refer mainly to reinsurance transactions with the following subsidiaries: Pronto Assistance for \in 7.3m and SIAT- Società Italiana di Assicurazione for \in 2m. In relation to affiliates, the item is mainly composed of payables to: UniSalute for \in 3.6m deriving from coinsurance transactions and \in 13.2m deriving from reinsurance transactions, and Linear for \in 6.3m deriving from coinsurance transactions.

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

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

Those due to subsidiaries are referred mainly to costs for services received from UnipolSai Servizi Consortili (\in 22.6m) and payables to AlfaEvolution (\in 8m). In relation to affiliates, sundry payables are mainly comprised of payables due to UniSalute for the claims settlement service for \in 5.9m.

Sundry liabilities to holding companies are entirely referred to the allocation of the costs to be recognised to the employees of UnipolSai seconded to Unipol Gruppo Finanziario; with respect to the subsidiaries, it refers to payables to Sogeint for contributions to be recognised amounting to ≤ 1.5 m.

Income from land and buildings refers to leases with the subsidiaries UnipolSai Servizi Consortili (\in 1.8m) and Atahotels (\in 7.9m) and with the affiliates UniSalute (\in 3.3m), Linear (\in 2.9m) and Unipol Banca (\in 4m)

Dividend income from subsidiaries refers for €7m to UnipolSai Finance, €3.5m to Pronto Assistance, €1.2m to Bim Vita, €2.9m to SIAT - Società Italiana di Assicurazione and €22.9m to Popolare Vita.

Gains on other investments from the holding company mainly refers to interest income on the loans granted to Unipol Gruppo Finanziario 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 (\in 6.2m) plus the capital gains on the sale of properties to the Athens Fund for \in 10.5m.

Investment management expenses mainly relate to the expense on the securities dossier due to the affiliate Unipol Banca for €37.7m.

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 (\leq 45.2m); with the other related parties instead these regard commissions paid to investee agencies.

Administrative expenses due to holding companies refer almost exclusively to costs for personnel seconded to Unipol Gruppo Finanziario, while those due to subsidiaries are referred mainly to costs for services received from UnipolSai Servizi Consortili (ϵ 7m) and property expenses due to Midi (ϵ 4.4m).

The balance of outwards reinsurance mainly derives from transactions with the subsidiaries Pronto Assistance (cost for €7.3m in the Non-Life business), UnipolRe (income of €8.4m in the Non-Life business) and SIAT (€14.1m in the Non-Life business). The balance of €12.2m with affiliates derives entirely from transactions with UniSalute.

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

Remuneration payable for 2016 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 ≤ 12.7 m, details of which are as follows:

Amounts in €k	2016	
Directors and General Manager	3,150	
Statutory Auditors	249	
Other Key Managers	9,319	(*)

* 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 2016 the companies in the Group paid Unipol Gruppo Finanziario and UnipolSai the sum of ≤ 0.5 m 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 new regulations on prudential supervision on insurance companies, so-called *Solvency II*, which came into force on 1 January 2016, introduced in the legal system of the European Union by a complex set of rules, with different level of adoption at national level. Mentioned in particular are:

- 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 2.43 times the Solvency Capital Requirement (SCR) and 4.84 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.

Amounts in €m	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Available own funds to meet the Solvency Capital Requirement	7,285.6	5,002.6	1,246.6	899.8	136.6
Available own funds to meet the Minimum Capital Requirement	6,518.5	5,002.6	1,246.6	269.3	
Eligible own funds to meet the Solvency Capital Requirement	7,285.6	5,002.6	1,246.6	899.8	136.6
Eligible own funds to meet the Minimum Capital Requirement	6,518.5	5,002.6	1,246.6	269.3	
Solvency Capital Requirement	2,992.6				
Minimum Capital Requirement	1,346.7				
Ratio of Eligible own funds to Solvency Capital Requirement	2.43				
Ratio of Eligible own funds to Minimum Capital Requirement	4.84				

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 20 May 2017, 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 to use from 31 December 2016. The authorisation was issued on 7 February 2017 after the authorisation procedure according to the regulation.

Internal Model

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 Formula Standard 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, following submission of the application for authorisation, by the Measures of 2 February 2016 and with effect from 1 January 2016, IVASS authorised 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.

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 2016 consists of 7,450 employees. In 2016 72 employees terminated their employment with the Company, of which 5 due to intercompany transfers and 67 due to actual termination and there were 313 new entries, of which 101 new hires and 212 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 7,211.

Personnel costs for remuneration, social security charges and post-employment benefits amounted to €533.3m.

In 2016, the activity of the Industrial Relations function was characterised mainly by the negotiation for the definition of a single Supplemental Corporate Agreement ("CIA") for approximately 9,000 employees of the insurance companies of the Group (of which approximately 5,400 former Unipol employees and 3,600 former Fondiaria-SAI employees). The related trade union agreement was signed on 13 May 2016.

Overall, the new Group CIA has allowed to unify the regulatory, economic and welfare conditions for all employees of the insurance business of the Group, e.g.: work schedule, leave, company productivity bonus (PAP), variable corporate bonus (PAV), meal coupons, expense reimbursements, loans and mortgages, supplementary pensions, healthcare and other insurance coverage.

On 13 September 2016, the 2016-2018 Business Plan of the Group was presented to the Trade Unions, illustrating the strategies and objectives with which the Group intends to rise to the challenge of a rapidly evolving market scenario.

After the end of the year - on 22 February 2017 - the draft agreement for the renewal of the CCNL (National Labour Contract) for non-managerial staff was signed by Ania and the Trade Unions. The previous CCNL had expired on 30 June 2013 and the negotiation for the renewal had started in May 2015.

The salient points of the draft agreement of the new CCNL, due to expire on 31 December 2019, are as follows:

- Once fully implemented, the salary increase shall be equal to 4.8%, corresponding to a gross base pay raise of €103 for each month. Moreover, the gross amount of the summation of "one-off" and "back pay through 31 March 2017" will total €1,110.
- Without prejudice to the current work schedule rules, each company is given the possibility of determining, after trade union negotiation, that the work schedule shall include Friday afternoons. If no agreement is reached, the company may decide: a) to distribute the 37 weekly work hours equally from Monday to Friday afternoon, or b) to let work be performed on Friday afternoons by personnel returning to the office, with compensatory time off to be provided in the following months.
- For the managers, the related contractual framework was entirely revised, eliminating the 'hierarchical grades' and providing for a single level comprising two professional classifications (business manager and senior manager), fully interchangeable with each other.
- Full operational flexibility was definitively achieved within the contact centre, through the complete interchangeability of duties and activities of the assigned employees.
- Other specific provisions were also defined on various matters, including those concerning: the reduction of union leave; temporary employment measures in 'support' of former employees of the companies in compulsory winding-up; application of the CCNL for outsourced contact centre activities.

The draft agreement signed by the Parties will be submitted in the next few days to the approval of both the Advisory Boards of the ANIA, and of workers' meetings.

The Unipol Group, following its withdrawal from the trade association, did not participate in the negotiations, but constantly followed its development.

Therefore, since there are no association-related constraints, the application of the new CCNL to its own employees will have to be preceded by an adequacy evaluation by the competent corporate bodies.

Training

1

During 2016, Unica - Unipol Corporate Academy was set up based at Villa Boncompagni in San Lazzaro di Savena (Bo). Unipol Corporate Academy, responsible for the training products for all the Unipol Group, has the aim of producing excellent courses that target the development of knowledge and expertise in every professional sphere for personnel and for the entire sales network.

In line with the objective of devising increasingly exhaustive educational tools and more in keeping with the actual needs of users, learning products were prepared, composed of a catalogue of over 200 courses, developed using different methods based on the level of depth.

The product mix is also enhanced by the in-house Trainers Register, which aids the creation of a strong identity as well as developing a sense of belonging to the Group. At 31 December 2016 the Trainers Register listed 116 in-house trainers that had completed the "Train the Trainer" course during the year.

Training

During the year 83% of the potential receivers was involved in training activities organised by Unica. In particular:

- 8,096 employees, equal to 67% of staff;
- 30,531 secondary network agents and co-operators, equal to 88% of the total.

The average daily participation was:

- 269 in classroom mode or through webinars (of which 73 employees and 196 network intermediaries);
- 1,232 users in distance training mode (of which 60 employees and 1,172 network intermediaries).

In the peaks up to 4,855 uses for distance training were recorded and 1,339 daily participations for classroom training.

A considerable number of courses was provided, many of which are common to employees and network intermediaries. 638 courses were provided to employees and 542 to intermediaries, of which 324 addressing the primary network and 218 the secondary one.

The training activities that mostly concerned the employees were those of a managerial, regulatory and technicalinsurance nature and focused primarily on the commitment to ongoing training on technical and mandatory knowledge needed for carry out daily operations. Among these were the hours provided in compliance with IVASS Regulation no. 6/2014, aimed at spreading knowledge on insurance products and revised industry regulations. Some of the main projects were:

- the Advanced Course in Management and Subordinate Development, dedicated to the development of the competencies of the structure Managers of the different companies of the Group, which started in July 2016 and will continue throughout the 2016-2018 Business Plan, involving over 1,800 professionals.
- the **MEU Master Executive Unipol**, intended for 20 managers, with in-depth studies of insurance and managerial matters and designed in collaboration with LUISS Business School, consists of 15 modules of 3 days each (for a total number of 45 days) and 4 distance modules started in November 2016 and that will go on for 18 months.
- the curriculum dedicated to the dissemination of the Organisational and Management Model (OMM) adopted by the Group with the goal of enhancing knowledge and awareness of its provisions;
- The training programme connected to the extension of the new claims system ("Liquido") to the entire Claims Department, completed in the first half of the year.

Some activities were carried out within the scope of the plan financed by the Bank Insurance Fund.

The training intended for the sales network referred to building courses useful to further increasing the skills of the entire sales network, also in compliance with training obligations envisaged in the IVASS Regulation. To the usual training offering tied to regulatory updates and new products (Km&Servizi and Commercio&Servizi) was added the training offering intended for specific business segments.

Training on the new KM&Servizi product involved 18,556 intermediaries (4,574 Agents and 13,982 co-operators), while that on the new Commercio&Servizi product involved 7,807 (3,468 Agents and 4,339 co-operators).

Protection of Privacy

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.

IT Management

In 2016 the Group IT Services completed activities for the 2013-2015 Business Plan and began action on the 2016-2018 Plan.

The activities carried out during the year can be grouped according to four main directions of action, of which the first three are based on the introduction of new technologies:

- Telematics, New products/Services and Evolution of infrastructures of specialist companies:
 - In March, production started of the new IT system of Alfaevolution Technology, based on the Group's new Big Data Hub, both realised by the IT Services Divisions in 2015-2016, which allowed Alfa to start its activities in accordance with Business Plan forecasts and, from March to December, handle the data of more than 3.1 million vehicle black boxes.
 - New products were created such as KM&Servizi, Commercio&Servizi and Linear Auto Box with new online services based on the introduction of new devices and functions, and strong integration between the IT systems and services made available to UnipolSai by Alfa and the other Group companies.
 - With this perspective, the systems of the specialist companies were evolved and enhanced to manage the increase of the activities related to the new services (e.g. volumes 2014-2016: +43% Finitalia, +111% Pronto Assistance).
 - Testing of the online monitoring of chronic patients with UniSalute was started.
- Digitalisation of agency and mobility processes:
 - A new mobility infrastructure was built, which allows agents to use company applications on their own mobile devices of different types (PCs, tablets, smartphones) according to the concept "Bring Your Own Device".
 - A new mobile digital signing method was created, integrated with the previous method, but without the use of biometric signature pads and a new payments system integrated with Essig based on the use of fixed and mobile pos.
 - During the year, digital receipts were extended to all agencies along with use of the new "Liquido" claims system for the management of new claims (approximately 3.4 million claims managed by Liquido in 2016).
 - At the end of the year the final roll-out step for the new technology infrastructure was started for the agencies in the former Aurora and Navale networks (11,700 devices at 1,300 agencies), so that the standardisation of infrastructures across all the agencies could be completed at the start of 2017.

- Consolidation of infrastructures and Web and APP customer services:
 - During the year, development work was completed on new solutions, leading to the release, in early 2017, of the new simplified interface for issuing MV, of the extension of the hours of availability of agency services until midnight and of the new functionality of claims progress tracking in the APP for customers.
 - At the end of the year the new Group website, created using new technologies, was also released and the client App was enhanced with new online services.
- Completion of migrations, new functionalities and simplification of price estimation and assistance:
 - The migration of the Unipol network to the new Flotte application was completed and the pilot project was launched on the former Fondiaria-SAI network.
 - The migrations of UnipolSai individual and collective Life policies to the target platform were completed.
 - Start-up of the new claims system on the former Fondiaria-SAI network was completed and the related migration of claims from the previous system began.
 - The new portal for claims adjusters, also usable via mobile, was created and the related start-up for all General Class adjusters was completed.
 - New fast quote calculators were also created for MV and General Class products and creation of the new sales support tool began.

Communications

2016 was a particularly important year for the Unipol Group as projects were completed or started that not only were significant but that also obtained positive public recognition.

The year started with the drafting of the Business Plan for the three-year period 2016-2018, "UnipolToBe", launched by the new Board of Directors on 13 May. In terms of digital communication, the Plan was presented to the market and all the stakeholders through a website and a video dedicated entirely to the strategies, policies and value identify of Unipol, stating objectives and key drivers that will guide the corporate activities for three years.

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. UnipolSai.com also saw a progressive integration with the content of the UnipolSai.it business website.

Always in line with a logic of growing digitalisation of financial information, for the second year in a row the positive experience was repeated with the creation of the digital version of the 2015 Consolidated Financial Statements of both the holding Unipol Gruppo Finanziario and the company UnipolSai and the 2015 Group Sustainability Report. These editions of the Financial Statements, inclusive of videos highlighting the annual results, were positively received by the financial community at the "Oscar di Bilancio" show for their innovation, originality and explanatory effectiveness.

In the second part of the year, special importance was given to a video content project linked to the Rio de Janeiro Olympic Games: "NextToRio". The most important sports event in the world was supported with the shooting of sixteen videos dedicated not only to sports but also to the daily life of the large Brazilian metropolis. The project was developed within the framework of the corporate sponsorship of UnipolSai with CONI, and particularly of the long-term support the company has wanted to give to some of the best Italian athletes, young sports champions advocating positive values, reunited in the Young Italy Team UnipolSai.

In addition to the "NextToRio" project, 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 editorial plan that gave visibility to the integrated communication of all the cultural, environmental, social and sports events sponsored by the Group.

The steady growth of the corporate social channels, 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 public and to strongly emphasise our "closeness" positioning.

The year 2016, already full of ambitious challenges and successes, ended with another very important project completed after a complex and in-depth analysis and development activity: on 24 October the totally renewed Gruppo Unipol.it website went online featuring a new look not only in terms of graphics – which are more modern, clean and high-level – but also of info-browsing, including an adaptive multidevice technological structure. In its new format the new website now meets the expectation of a large group with supranational ambitions, and is a valuable tool to showcase Unipol's identity and leadership.

An integrated view of the various governance and business areas, together with the sustainability plan and the relevant environmental, social and economic actions that characterise the entire content architecture.

An influential communication style with highly customised visual elements purposely created for the Unipol's new digital identity allows for intuitive and effective browsing, combining evolved search functions and integrating an extensive multimedia archive with constantly updated photo and video galleries also disseminated in the social channels of the Group on Twitter and YouTube, so to create a mutual and continuous interaction of the entire corporate digital communication.

Unipol.it represents an important evolution aimed at consolidating the brand's reputation, leveraging simplicity, speed, pro-activity and innovation, which are the four main indicators of the "UnipolToBe" Business Plan.

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

For information on non-recurring significant transactions, please refer to the "Information on significant events" Section relating to the merger which involved UnipolSai and Liguria Assicurazioni.

Prompt disclosure on this transaction was provided to the market through specific press releases.

In addition, in 2016 there were no atypical and/or unusual transactions 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.

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Report on corporate governance and ownership structures for 2016

The information required by the Art.123-bis, Legislative Decree 58 of 24 February 1998, amended by Art.5 of Legislative Decree 173 of 3 November 2008, is included in the annual report on corporate governance, approved by the Board of Directors and published, together with the Management Report, in accordance with Art.89-bis of the Regulation adopted by Consob in its Resolution no. 11971 of 14 May 1999, and with Section IA.2.6. Instructions on the Regulation of Markets organised and operated by Borsa Italiana S.p.A.

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

Authorisation to the use of the Partial Internal Model

Following the application for authorisation submitted by UnipolSai Assicurazioni S.p.A., 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.

UnipolSai Assicurazioni included in FTSE4Good – A recognition of its environmental, social and governance practices

On 30 January 2017, FTSE Russell (a partnership brand of FTSE International Limited and Frank Russell Company) confirmed that UnipolSai Assicurazioni satisfies the requirements to be included in the FTSE4Good Index Series. This index measures the performance of companies that apply rigorous environmental, social and governance (ESG) practices and, therefore, their conduct in areas such as the fight against climate change, governance, respect for human rights and the fight against corruption.

The UnipolSai security obtained an absolute score of 3.4 out of 5. This milestone was achieved thanks to constant monitoring of all activities and sustainability results, which represent an important element of credibility and transparency in the dialogue with our stakeholders.

A company's presence within the sustainability indexes is of increasing interest in the assessments of investors which ever more frequently consider non-financial parameters in their portfolio decisions, as sustainable businesses are considered less risky in the medium/long term.

New partnership between UnipolSai Assicurazioni and Ducati Corse for the MotoGP World Championship

On 20 January 2017, UnipolSai Assicurazioni announced a new partnership, in which it is the official sponsor of Ducati Corse for the MotoGP World Championship 2017, that will take off on 26 March at the Losail circuit in Qatar. In its partnership with the Borgo Panigale team, the UnipolSai brand will be present on the tail of the Desmosedici GP of the Spanish multi-time world champion Jorge Lorenzo and the Italian Andrea Dovizioso, on the racers' uniforms, on the helmet and on other Ducati Corse materials inside the paddock for each of the 18 races on the schedule and for the official tests.

Business outlook

In Italy, in spite of the expectations of a moderate economic recovery, uncertainties tied to the Country's structural weaknesses persist, and particularly egregious among them are those tied to the reduction of public debt and to the state of health of the credit system. The growing political instability, which affects not only our Country, risks stoking tensions in financial markets, which have already been observed in these initial months of 2017, with the consequent resumption of the volatility of the spreads of the securities of Italian government bonds relative to the German Bund. All this reflects on our 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.

With regard to the trends of the business sectors in which the Group operates, there are no particularly significant events to report.

In the Non-Life business, even though the market remains strongly competitive, the Group is carrying out sales initiatives aimed at maintaining positive technical margins.

In the Life business, in consideration of the situation of the financial markets and of the need to assure a prospective balance to the profitability of segregated funds, all production networks confirmed policies aimed at limiting premiums on traditional products in favour of Multisegment products with a non-guaranteed investment component.

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

Bologna, 23 March 2017

The Board of Directors





Financial statements

Statement of Financial Position Year 2016 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

Statement of financial position ASSETS

				AMOUNTS F	OR THE YEAR		
A. SUBSCRIBED CAPITAL, UNPAID						1	
of which called			2				
B. INTANGIBLE ASSETS			-				
1. Acquisition commissions to be amortised							
a) Life business	3	49,746,566					
b) Non-Life business	4	27,932,272	5	77,678,838			
2. Other acquisition costs			6				
3. Start-up and expansion costs			7	16,510,496			
4. Goodwill			8	603,912,061			
5. Other long-term costs			9	172,414,873		10	870,516,268
C. INVESTMENTS			5				
I - Land and buildings							
1. Property for corporate business			11	465,794,623			
2. Property for use by third parties			12	1,992,568,335			
3. Other property			13	23,590,422			
4. Other property rights			14	3,429,472			
5. Fixed assets in progress and payments on account			15	56,142,670	16 2,541,525,5	22	
II - Investments in group companies and other investees			.5	34 1 14			
1. Shares and holdings in:							
a) holding companies	17	11,004,693					
b) subsidiaries	18	1,661,563,086					
c) affiliates	19	426,320,993					
d) associates	20	35,942,276					
e) other	21	21,031,211	22	2,155,862,259			
2. Bonds issued by							
a) holding companies	23						
b) subsidiaries	24						
c) affiliates	25	2,000,000					
d) associates	26	6,862,800					
e) other	27	3,740,000	28	12,602,800			
3. Loans to:							
a) holding companies	29	267,785,217					
b) subsidiaries	30	50,587,838					
c) affiliates	31						
d) associates	32	8,185,556					
e) other	33	1,543,953	34	328,102,564	35 2,496,567,6	23	
			to be carried				870,516,268

	AMOUNTS FOR	THE PREVIOUS YEAR	
			181
	182		
183 41,641,104			
184 32,312,125			
	186		
	187 26,831,041		
	188 607,290,043		
	189 141,048,957		190 849,123,270
	191 578,412,325		
	192 2,063,133,067		
	193 23,765,282		
	194 3,429,472		
	195 57,296,637	196 2,726,036,783	
12,814,947			
1,624,878,055			
199 421,855,256			
200 37,540,562			
201 21,228,412	202 2,118,317,232		
203			
204			
205 2,000,000			
206 7,622,200			
207 13,174,000	208 22,796,200		
209 267,785,217			
210 50,103,828			
211			
212 10,314,759			
213	214 328,203,804	215 2,469,317,236	
	to be carried forward		849,123,270

ASSETS

2

				•	-	-	-	
				AMOUNTS F	OR THE	YEAR		
			amount ca	arried forward				870,516,268
C. INVESTMENTS (continued)								
III - Other financial investments								
1. Shares and holdings								
a) Listed shares	36	402,245,831						
b) Unlisted shares	37	152,620,315						
c) Holdings	38		39	554,866,146				
2. Mutual investment fund units			40	1,886,623,440				
3. Bonds and other fixed-yield securities								
a) listed	41	34,305,110,166						
b) unlisted	42	147,368,780						
c) convertible bonds	43	1,630,164	44	34,454,109,110				
4. Loans		,						
a) collateralised loans	45							
b) loans on policies	46	34,501,688						
c) other loans	47	100,835,184	48	135,336,872				
5. Mutual investment units			49	33,33 - 1 - 1				
6. Bank deposits			50	106,581,750				
7. Sundry financial investments			51	86,525,074	52	37,224,042,392		
IV - Deposits with ceding companies					53	19,108,018	54	42,281,243,555
D. INVESTMENTS BENEFITING LIFE BUSINESS POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT								
l - Investments linked to investment funds and market indices					55	354,016,130		
ll - Investments arising from pension fund management					56	4,182,234,951	57	4,536,251,08
D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE								
I - NON-LIFE BUSINESS								
1. Premium provision			58	102,894,954				
2. Claims provision			59	472,309,040				
3. Provision for profit sharing and reversals			60	11-13-31-1-				
4. Other technical provisions			61		62	575,203,994		
II - LIFE BUSINESS			01		02	5/5/2027		
1. Mathematical provisions			63	65,718,972				
2. Premium provision from supplementary insurance	_		64	-311 - 131 -				
3. Provision for amounts payable			65	3,527,428				
4. Provision for profit sharing and reversals			66	5,547,720				
5. Other technical provisions			67					
6. Technical provisions where the investment risk			57					
is borne by policyholders and provisions arising from pension fund management			68		69	69,246,400	70	644,450,394
				ied forward				48,332,461,298

	239 436 240 241 243 6 243 6	16,755,475 6,729,094 55,161,630 5,786,364	242	553,484,569		624,432,563
	239 436 240 241 243 6 244 245 245 246	6,729,094 65,161,630	242			
	239 436 240 241 243 6 244 244 245	6,729,094 65,161,630	242			
	239 436 240 241 243 6 243 6	6,729,094 65,161,630	242			
	239 436 240 241 243 6	6,729,094	242			
	239 436 240 241	6,729,094	242			
	239 43 6 240	6,729,094	242			
	239 43 6 240	6,729,094				
	239 436					
					-5/	
	1				-57	
			236	3,575,690,144	237	3,924,829,942
			235	349,139,798		
			232 5	26,086,978	234	41,935,379,957
			232 3	6,713,938,960	<u> </u>	
	229 230 16	7,408,168			<u> </u>	
227 102,922,670		8,082,890			<u> </u>	
226 45,160,220					<u> </u>	
225					<u> </u>	
223 3,918,46.		77,193,423				
221 53,767,93,55 222 191,355,364						
221 33,781,919,590	5				<u> </u>	
	220 1,73	2,029,287			<u> </u>	
218		06,077,827			<u> </u>	
217 152,634,801						
216 453,443,02					 	
	amount carried forward					849,123,270
	AMOU	JNTS FOR 1	THE PREVIC	US YEAR		

ASSETS

2

	-	AMOUNTS F	OR THE YEAR	
		amount carried forward		48,332,461,298
E. RECEIVABLES				
I - Receivables relating to direct insurance business from:				
1. Policyholders				
a) for premiums for the year	71 558,783,200			
b) for premiums for previous years	72 12,295,716	73 571,078,916		
2. Insurance intermediaries		74 907,927,382		
3. Insurance company current accounts		75 41,674,076		
4. Policyholders and third parties for amounts to be collected		76 126,471,759	77 1,647,152,133	
II - Receivables relating to reinsurance business, from:				
1. Insurance and reinsurance companies		78 80,663,233		
2. Reinsurance intermediaries		79 17,004	80,680,237	
III - Other receivables			81 1,364,251,265	82 3,092,083,635
F. OTHERASSETS				
I - Property, plant and equipment and inventories:				
 Office furniture and machines and internal means of transport 		83 55,206,653		
2. Movable assets entered in public registers		84		
3. Plant and equipment		85 26,023,065		
4. Inventories and sundry goods		86 4,257,456	87 85,487,174	
II - Cash and cash equivalents				
1. Bank deposits and post office accounts		88 349,079,586		
2. Cheques and cash in hand		89 75,634	90 349,155,220	
IV - Other assets				
1. Transitory reinsurance accounts		92		
2. Sundry assets		93 1,348,061,121	94 1,348,061,121	95 1,782,703,515
G. ACCRUALS AND DEFERRALS				
1. Interest			96 414,739,566	
2. Rental income			97 2,403,413	
3. Other accruals and deferrals			₉₈ 18,655,999	99 435,798,978
TOTAL ASSETS				100 53,643,047,426

	AMOUNTS FOR	THE PREVIOUS YEAR	
	amount carried forward		47,333,765,732
251 596,276,918			
252 17,221,129			
	254 923,357,046		
	255 61,706,000		
	256 137,751,060	257 1,736,312,153	
	258 76,894,893	-6- 00	
	259 17,965		
		1,169,058,917	262 2,982,283,928
	263 47,961,887		
	264 218		
	265 26,990,418		
	266 4,240,912	267 79,193,435	
	268 388,895,502		
	269 87,569	270 388,983,071	
			<u> </u>
	272 273 1,278,495,703	1 278 405 702	275 1,746,672,209
	1,278,495,703	1,278,495,703	2/5 1,/40,0/2,209
		2042/0220	<u> </u>
		276 384,248,398 277 2,876,170	
		_	279 402,041,309
		278 14,916,741	
			280 52,464,763,178

2

LIABILITIES AND SHAREHOLDERS' EQUITY

	-	AMOUNTS FOR THE YEA	2
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		104 406,289,192	
V - Statutory reserve		105	
VI - Reserve for shares of the holding company		400 11,004,693	
VII - Other reserves		107 2,196,716,909	
VIII - Retained profit (loss)		108	
IX - Profit (loss) for the year		109 458,479,435	
X - Negative reserve for treasury shares		401 (79,292,274)	
B. SUBORDINATED LIABILITIES			2 011 CO2 000
C. TECHNICAL PROVISIONS			111 2,011,689,000
I - NON-LIFE BUSINESS			
1. Premium provision	112 2,636,653,660		
2. Claims provision	113 12,039,365,538		
3. Provision for profit sharing and reversals	114 13,902,179		
4. Other technical provisions	115 3,312,130		
5. Equalisation provisions	116 69,930,996		
II - LIFE BUSINESS			
1. Mathematical provisions	118 23,996,063,035		
2. Premium provision from supplementary insurance	119 860,701		
3. Provision for amounts payable	120 289,206,032		
4. Provision for profit sharing and reversals	121 7,600,269		
5. Other technical provisions	122 94,485,539		124 39,151,380,079
D. TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING FROM PENSION FUND MANAGEMENT			
 Provisions relating to contracts connected to investment funds and market indices 		125 353,917,050	
II - Provisions arising from pension fund management		126 4,182,234,951	4,536,152,001
	to be carried forward		51,227,690,375

A	40UN	TS FOR THE PREVIOUS	YEAR	
	28	2,031,445,960		
	28			
	28			
	28			
	28			
	50	0 12,814,947		
	28	2,069,918,902		
	28	8		
	28	9 555,722,131		
	50	1 (76,561,166)	290	5496381666
			291	2,011,689,000
292 2,651,229,4	-07			
293 12,433,917,0				
294 9,627,4				
295 5,503,	511			
296 67,143,9	991 29	7 15,167,421,446		
298 23,106,133,5	597			
299 1,072,2				
300 401,258,				
301 6,042,8			 	
302 95,237,5	59 ₃₀	23,609,744,444	304	38,777,165,890
			1	
			1	
	30			2 02 4 661 607
to be carried forward	30	6 3,575,690,144	307	3,924,661,607
to be carried forward				50,209,898,163

LIABILITIES AND SHAREHOLDERS' EQUITY

		AMOUNTS FOR THE YEAR					
	amount carried forward				51,227,690,375		
E. PROVISIONS FOR RISKS AND CHARGES					J1,22/,030,3/		
1. Post-employment benefits and similar obligations		128	2,593,359				
2. Provisions for taxes		129	121,824,810				
3. Other provisions		130	429,419,024	131	553,837,19		
F. DEPOSITS RECEIVED FROM REINSURERS		.,,0	1-3/1-3/1	-	224,767,060		
G. PAYABLES AND OTHER LIABILITIES				132	224,707,000		
 Payables arising from direct insurance business, to: 							
1. Insurance intermediaries	133 41,918,4	11					
2. Insurance company current accounts	134 18,509,74						
3. Policyholders for guarantee deposits and premiums	135 15,831,94						
4. Guarantee funds in favour of the policyholders	136 80,20		76,340,311				
II -Payables arising from reinsurance business, to:		0 0/					
1. Insurance and reinsurance companies	138 70,156,83	2					
2. Reinsurance intermediaries	139 366,12		70,522,959				
III - Bond loans		141	, ,, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
IV - Payables to banks and financial institutions		142					
V - Collateralised payables		143	3,370,006				
VI - Sundry loans and other financial payables		144	11,994,000				
VII - Post-employment benefits		145	54,574,407				
VIII - Other payables							
1. Policyholders' tax due	146 152,276,38	8					
2. Sundry tax payables	147 28,668,73						
3. Social security charges payable	148 31,194,06						
4. Sundry payables	149 237,059,30		449,198,491				
IX - Other liabilities							
1. Transitory reinsurance accounts	151						
2. Commissions for premiums under collection	152 92,894,5	7					
3. Sundry liabilities	153 825,645,81	-	918,540,333	155	1,584,540,50		
H. ACCRUALS AND DEFERRALS							
1. Interest		156	52,101,863				
2. Rental income		157	101,334				
3. Other accruals and deferrals		158	9,094	159	52,212,29		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				160	53,643,047,42		

AMO	JNTS FOR TI	HE PREVIOUS	YEAR	
amount carried forward				50,209,898,163
	308	2,879,838		
	309	137,519,589		
	310	486,173,018	311	626,572,445
				174,111,508
			312	1/4,111,500
- 0 - 0				
313 38,782,775				
314 21,941,758				
315 15,908,610		-0.0-0.0		
316 23,468	317	76,656,611		
-0				
318 78,575,395		-0		
319 362,162		78,937,557		
	321			
	322	2 050 727		
	323	3,859,737		
	324	14,943,882		
	325	55,838,675		
154 226 721				
326 154,226,731				
327 27,202,500				
328 30,438,619 329 202,404,713		414 272 562		
329 202,404,713	330	414,272,563		
331 332 89,937,776				
	334	761,146,196	225	1,405,655,221
333 671,208,420	334	701,140,190	335	1,400,000,221
		.0. 0 -		
	336	48,148,298		
	337	314,560		.0 0
	338	62,983	339	48,525,841
			340	52,464,763,178

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 2016 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

Income statement

		AMOUNTS FOR THE YEAR					
	I. NON-LIFE BUSINESS TECHNICAL ACCOUNT						
1.	EARNED PREMIUMS, NET OF REINSURANCE						
	a) Gross premiums written			1	6,968,227,142		
	b) (-) Premiums ceded to reinsurers			2	416,642,914		
	c) Change in the gross amount of the premium provision			3	(45,594,698)		
	d) Change in reinsurers' share of the premium provision			4	(10,908,656)	5	6,586,270,270
2.	(+) INVESTMENT INCOME TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III.6)					6	170,378,222
3.	OTHER TECHNICAL INCOME, NET OF REINSURANCE					7	45,219,030
4.	CHARGES RELATING TO CLAIMS, NET OF AMOUNTS RECOVERED AND REINSURANCE						
	a) Amounts paid						
	aa) Gross amount	8	5,398,808,900				
	bb) (-) reinsurers' share	9	180,024,354	10	5,218,784,546		
	b) Change in recoveries net of the reinsurers' share						
	aa) Gross amount	11	106,141,396				
	bb) (-) reinsurers' share	12	3,411,270	13	102,730,126		
	c) Change in claims provision						
	aa) Gross amount	14	(661,435,584)				
	bb) (-) reinsurers' share	15	8,671,162	16	(670,106,746)	17	4,445,947,674
5.	CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE					18	(2,240,281)
6.	REVERSALS AND PROFIT SHARING, NET OF REINSURANCE					19	10,200,149
7.	OPERATING EXPENSES:						
	a) Acquisition commissions			20	1,190,529,717		
	b) Other acquisition costs			21	292,484,041		
	c) Change in commissions and other acquisition costs						
	to be amortised			22	(4,379,854)		
	d) Collection commissions			23	157,976,859		
	e) Other administrative expenses			24	332,426,391		
	f) (-) Commissions and profit sharing from reinsurers			25	142,700,340	26	1,835,096,522
8.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE					27	160,454,574
9.	CHANGE IN EQUALISATION PROVISIONS					28	2,602,420
10.	NON-LIFE BUSINESS TECHNICAL RESULT (Item III.1)					29	349,806,464

	A	MOUNTS FOR 1	THE PREVIOUS YEA	R	
		111	7,025,509,309		
		112	396,689,836		
		113	(75,054,400)		
		114	11,505,259	115	6,715,379,132
				116	346,322,565
				117	42,923,989
118	5,606,369,659				
119	177,011,923	120	5,429,357,736		
121	116,640,211				
122		123	116,640,211		
 124	(921,529,929)				
125	(19,415,023)	126	(902,114,906)	127	4,410,602,619
				128	(2,306,737)
				129	10,675,896
		130	1,126,312,345		
		131	369,194,467		
		132	5,236,874		
		133	158,691,906		
		134	327,412,185		
		135	114,306,150	136	1,862,067,879
				137	123,717,271
				138	2,890,724
				139	696,978,034

Income Statement

		AMOUNTS FOR THE YEAR						
	II. LIFE BUSINESS TECHNICAL ACCOUNT							
1.	PREMIUMS FOR THE YEAR, NET OF REINSURANCE:							
	a) Gross premiums written			30	3,042,289,274			
	b) (-) Premiums ceded to reinsurers			31	8,274,133	32	3,034,015,141	
2.	GAINS ON INVESTMENTS:			5				
	a) Gains arising from shares and holdings			33	28,714,739			
	(of which: from group companies and other investees			34	17,987,315)		
	b) Gains on other investments:							
	aa) from land and buildings	35	205,958					
	bb) from other investments	36	1,091,689,458	37	1,091,895,416			
	, (of which: from group companies and other investees			38	10,790,490)		
	c) Reversals of value adjustments on investments			39	54,548,274			
	d) Gains on realisation of investments			40	140,691,607			
	of which: from group companies and other investees			41) 42	1,315,850,036	
3.	UNREALISED GAINS RELATING TO INVESTMENTS BENEFITING POLICYHOLDERS							
	THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT					43	177,791,182	
4.	OTHER TECHNICAL INCOME, NET OF REINSURANCE					44	21,685,973	
5.	CHARGES RELATING TO CLAIMS, NET OF REINSURANCE							
	a) Amounts paid							
	aa) Gross amount	45	2,641,508,776					
	bb) (-) Reinsurers' share	46	19,824,950	47	2,621,683,826			
	b) Change in provision for amounts payable							
	aa) Gross amount	48	(114,759,653)					
	bb) (-) Reinsurers' share	49	(3,364,191)	50	(111,395,462)	51	2,510,288,364	
6.	CHANGE IN MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE	15		5-	(
	a) Mathematical provisions							
	aa) Gross amount	52	790,194,048					
	bb) (-) Reinsurers' share	53	(11,265,277)	54	801,459,325			
	b) Premium provision from supplementary insurance:							
	aa) Gross amount	55	(260,803)					
	bb) (-) Reinsurers' share	56		57	(260,803)			
	c) Other technical provisions			5,	(, , , , , , , , , , , , , , , , , , ,			
	aa) Gross amount	58	(1,904,459)					
	bb) (-) Reinsurers' share	59		60	(1,904,459)			
	d) Technical provisions where the investment risk is borne							
	by the policyholders and arising from pension fund management							
	aa) Gross amount	61	313,409,994					
	bb) (-) Reinsurers' share	62		63	313,409,994	64	1,112,704,057	

	R	OR THE PREVIOUS YEA	MOUNTS FOI	A		
		3,419,906,116				
2 411 292 450			140			
3,411,383,459	142	8,522,657	141			
		12114640				
		43,114,640	143			
		19,134,419)	144			(of which: from group companies and other investees
				256,149	145	
		986,831,773	147	986,575,624	146	
		7,180,539)	148			(of which: from group companies and other investees
		17,475,542	149			
		257,989,199	150			
1,305,411,154	152)	151			(of which: from group companies and other investees
185,095,761	153					
20,223,510	154					
				2,885,055,175	155	
		2,867,317,193		17,737,982	156	
			15/	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	150	
				168,209,685	158	
3,038,949,212		171,632,019		(3,422,334)		
5,050,949,212	161	1/1,052,019	160	(5,422,554)	159	
				000 750 200		
		0-0 (-)0		860,750,368	162	
		876,471,558	164	(15,721,190)	163	
				423,652	165	
		423,653	167	(1)	166	
				(5,365,195)	168	
		(5,365,195)	170		169	
				162,520,423	171	
1,034,050,439	174	162,520,423	173		172	

Income Statement

2

		AMOUNTS FOR THE YEAR					
7.	REVERSALS AND PROFIT SHARING, NET OF REINSURANCE					65	1,557,373
8.	OPERATING EXPENSES:						
	a) Acquisition commissions			66	55,974,441		
	b) Other acquisition costs			67	41,256,435		
	c) Change in commissions and other acquisition costs						
	to be amortised			68	8,105,463		
	d) Collection commissions			69	8,115,137		
	e) Other administrative expenses			70	57,199,985		
	f) (-) Commissions and profit sharing from reinsurers			71	430,667	72	154,009,868
9.	ASSET AND FINANCIAL CHARGES:						
	a) Investment management expenses and interest expense			73	160,300,008		
	b) Value adjustments to investments			74	101,094,886		
	c) Losses on realisation of investments			75	40,674,871	76	302,069,765
10.	UNREALISED ASSET AND FINANCIAL CHARGES RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT					77	108,177,300
11.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE					78	36,710,368
12.	(-) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (item III.4)					79	103,048,437
13.	LIFE BUSINESS TECHNICAL RESULT (Item II.2)					80	220,776,800
	III. NON-TECHNICAL ACCOUNT						
1.	NON-LIFE BUSINESS TECHNICAL RESULT (Item I.10)					81	349,806,464
2.	LIFE BUSINESS TECHNICAL RESULT (item II.13)					82	220,776,800
3.	GAINS ON NON-LIFE BUSINESS INVESTMENTS:						
	a) Gains arising from shares and holdings			83	45,917,387		
	(of which: from group companies and other investees			84	21,252,187		
	b) Gains on other investments:						
	aa) from land and buildings	85	80,135,786				
	bb) from other investments	86	442,636,061	87	522,771,847		
	(of which: from group companies and other investees			88	23,880,659		
	c) Reversals of value adjustments on investments			89	51,647,295		
	d) Gains on realisation of investments			90	243,504,937		
	(of which: from group companies and other investees			91		92	863,841,466

		A	MOUNTS FO	R THE PREVIOUS YEA	R	
					175	1,287,926
			176	52,155,564		
			177	40,052,025		
			178	8,228,320		
			179	9,326,996		
			180	62,413,756		
			181	1,460,020	182	154,260,001
			183	95,727,828		
			184	87,566,619		
			185	305,318,994	186	488,613,441
						_
					187	87,590,349
					188	29,254,782
					189	85,668,229
					190	2,439,505
					5.	
					191	696,978,034
					192	2,439,505
			193	44,753,061		
(of which: from group companies and other investees			194	30,301,103		
	195	85,637,775				
	196	411,906,670	197	497,544,445		
(of which: from group companies and other investees			198	28,329,875)	
			199	21,519,727		
			200	478,188,012		
(of which: from group companies and other investees			201	23,685	202	1,042,005,245

Income Statement

		AMOUNTS FOR THE YEAR				
4.	(+) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED FROM					
	LIFE BUSINESS TECHNICAL ACCOUNT (item II.12)				93	103,048,437
5.	NON-LIFE BUSINESS ASSET AND FINANCIAL CHARGES:					
	a) Investment management expenses and interest expense		94	160,634,085		
	b) Value adjustments to investments		95	271,394,023		
	c) Losses on realisation of investments		96	205,045,114	97	637,073,222
6.	(-) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (item I.2)				98	170,378,222
7.	OTHER INCOME				99	179,384,521
8.	OTHER CHARGES				100	335,172,625
9.	PROFIT (LOSS) FROM ORDINARY OPERATIONS				101	574,233,619
10.	EXTRAORDINARY INCOME				102	96,050,753
11.	EXTRAORDINARY EXPENSES				103	35,962,077
12.	PROFIT (LOSS) FROM EXTRAORDINARY OPERATIONS				104	60,088,676
13.	PRE-TAX PROFIT (LOSS)				105	634,322,295
14.	INCOME TAX FOR THE YEAR				106	175,842,860
15.	PROFIT (LOSS) FOR THE YEAR				107	458,479,435

AMOUNTS FOR THE PREVIOUS YEAR					
				203	85,668,229
		204	126,497,912		
		205	277,425,827		
		206	175,877,491	207	579,801,230
				208	346,322,565
				209	201,071,694
				210	430,489,948
				211	671,548,964
				212	253,856,201
				213	50,724,991
				214	203,131,210
				215	874,680,174
				216	318,958,044
				217	555,722,130

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

(**)

Legal representatives of the Company (*)

The Chairman

Carlo Cimbri

 $(\ensuremath{^*})$ For foreign companies, a signature of the general representative for Italy is required.

(***) Specify the office of the party signing





Preamble

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 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 \in k, unless otherwise indicated.

In order to integrate 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.

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

The layout of the financial statements offers a comparison with the figures of the previous year. The figures of the previous year were restated consequently to the retrospective application of the new accounting standards issued by OIC in December 2016, after Legislative Decree 139/2015 came into force, which amended the Civil Code, adopting EU Directive 2013/34/EU (so-called "Accounting Directive"). For further information reference should be made to the paragraph below "Amendments to the accounting standards applied and restatement of figures of the previous year".

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 SpA (PwC) 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.

Accounting effects of the mergers

As mentioned in the paragraph "Information on significant events" of the Management Report on 31 January 2016 the merger by incorporation of Liguria Società di Assicurazioni S.p.A. and Liguria Vita S.p.A. into UnipolSai became effective.

Considering that the accounting and tax effect of the merger started on 1 January 2016, the accounting effects were determined as follows:

- regarding the opening balances, on the effective date of the merger:
 - the assets and liabilities included in the Statement of Financial Position of Liguria and Liguria Vita were recognised, as resulting from the 2015 relevant separate financial statements regularly approved by the Shareholders' Meeting of UnipoiSai, as merging company;

- the receivable/payable items existing between the companies participating in the Merger were eliminated;
- the value of investments held in Liguria and Liguria Vita, equalling €147,789k in total, was offset against the shareholders' equity of the same companies, equal to €96,314k in total, recognising at the same time:
 - an increase in the share capital of \notin 9k, in relation to 12,525 shares issued for the swap transaction;
 - a merger deficit of €51,475k allocated to goodwill.

The changes to the Income Statement occurred between the date of accounting effect and the date of effect for legal purposes of the merger were reported in detail in the accounts of the merging company.

The assets and liabilities of Liguria Vita were attributed to the Life business and those of Liguria to the Non-Life business consistently with the sectors of the companies of origin. Considering that the value of the investment in Liguria had been allocated to the purchase mainly of the Life business, to avoid the attribution to the Life business of a deficit regarding the Life business, an interest was transferred from the Life business to the Non-Life business for \notin 98,789k, corresponding to the excess of the investment posted in the Life business (\notin 110,883k) compared to the net assets acquired in the Life business consequently to the incorporation of Liguria Vita (\notin 12,095k).

To facilitate the comparative analysis of the data, which is affected by the merger, the following sections report also the changes occurred compared to the post merger aggregate data suitably re-determined on a like-for-like basis.

On 30 December 2016 the merger by incorporation of UnipolSai into the subsidiary Dialogo S.p.A. in liquidazione (the "Dialogo merger") became effective for legal purposes, with accounting and tax effects from 1 January 2016. The recognition of the merger transaction led to offset the value of the investment of UnipolSai in Dialogo for \leq 4,514k, the share capital increase of UnipolSai for \leq 1.3k in relation to the issue of 1,931 new UnipolSai shares serving

the merger and the recognition of a merger surplus of €5.4k.

The effects from the Dialogo Merger on the other items in the financial statements, entirely marginal due to the discontinued business of the merged company from 31 December 2015, are shown in the changes of the period 2016 without autonomous evidence.

Please also refer to the Management Report under the paragraph "Comparative analysis of figures with the previous year".

Amendment to the accounting standards applied and restatement of figures of the previous year

In August 2015 the Council of Ministers approved Legislative Decree 139/2015 (published in the Official Gazette of 4 September 2015) and Legislative Decree 136/2015, which adopted Directive 2013/34/EU (so-called "Accounting Directive"), introducing several new elements regarding the preparation of the individual and consolidated financial statements from 1 January 2016.

Legislative Decree 139/2015 also made some changes to the substance of the articles of the Civil Code that govern preparation of the separate financial statements, giving the OIC the explicit mandate to update the Italian accounting standards in order to present the data regarding the financial position in a more accurate and standardised manner, also to align more closely with the IAS/IFRS international accounting standards. On 22 December 2016, the OIC (Italian Accounting Standards Setter) issued the new set of Italian accounting standards that define the preparation and measurement criteria for separate financial statements and interim financial reporting.

The new accounting regulations partly also concern the financial statements of insurance companies which, as known, 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 case of application of the new elements to the insurance sector. For further details, reference is made to descriptions in the Introduction in the Management Report.

With Measure no. 53 on 6 December 2016, IVASS made changes to and supplemented ISVAP Regulation no. 22 of 4 April 2008 concerning the provisions and the layouts for the preparation of the financial statements of insurance companies, also adopting the amendments of accounting disclosure nature introduced by the Decree, in addition to the amendments requested by the Private Insurance Code for the harmonisation with Solvency II regulations.

The most significant changes introduced by the reform concern the general principles of preparation of the financial statements, the recognition of some items, the valuation methods and the information to be provided in the notes to the financial statements and in the Management Report. Listed below are the main changes brought about by the reform:

- changes to the formats of the Statement of Financial Position and the Income Statement;
- elimination of the memorandum accounts from the financial statements and inclusion of the related disclosure in the Notes to the Financial Statements;
- amendment to and integration of the disclosures presented in the Management Report and the Notes to the Financial Statements;
- changes in the following recognition/measurement criteria:
 - intangible assets: research and advertising costs cannot be capitalised, and must instead be recognised in the Income Statement in the year in which they are incurred.
 - Treasury shares in the portfolio: must be recognised at their purchase value as a direct decrease in shareholders' equity, in a special item "Negative reserve for treasury shares in the portfolio". As a consequence, a specific equity reserve must no longer be established, which contrasts with the investments in treasury shares previously recognised under assets. The gains or losses achieved from the disposal of treasury shares must not be recognised in the Income Statement, but instead in an item of shareholders' equity; the rules regarding the purchase of shares of the holding company remain unchanged and item A.VI of the Shareholders' equity, which before also included the reserve for treasury shares, is renamed "Reserve for the Holding company shares in the portfolio".
 - Dividends from subsidiaries: can no longer be recognised in the year in which they accrue, but must be recognised only at the time the legal entitlement to the dividend arises, which normally coincides with the date of the Shareholders' Meeting called to approve its distribution;

The new OIC 29 "Changes in accounting standards - Changes in accounting estimates, correction of errors, events after the end of the financial year", approved in December 2016, requires that changes in accounting standards must be applied retrospectively unless otherwise envisaged, deviating from the general rule, in specific transitional provisions related to the new standards.

With regard to dividend accounting in particular, OIC 21 offers the retrospective application option (not an obligation) to companies that previously recognised the dividends of subsidiaries in the year in which they accrued. UnipolSai decided to apply this standard retroactively in order to provide a truthful and accurate representation of the profit for the year and ensure full comparability of financial statements over time in terms of reporting.

The retroactive application of the accounting standards led to changes in the opening balances of 2016, and restatement of the 2015 financial statements, for comparison purposes, in accordance with the new accounting rules introduced by the reform. The layout of the 2016 financial statements offers a comparison only with reference to the figures of 2015 restated in consistency with the new accounting criteria.

For full disclosure, the pages below contain statements prepared for the purpose of reconciliation of the Statement of Financial Position and Income Statement, highlighting the adjustments made to the items in the 2015 financial statements originally approved, in order to obtain the values restated according to the new accounting standards applicable to the financial statements of UnipolSai. These adjustments refer to the accounting of the dividends and the recognition of treasury shares held in the portfolio. In particular:

- the first column shows the items in the financial statements at 31 December 2015 as originally approved;
- the second column shows the adjustments connected to the different criterion for the accounting of dividends;
- the third column shows the adjustments connected to the recognition of treasury shares held in the portfolio;
- the fourth column shows the values of the items in the financial statements at 31 December 2015 as restated.

The retroactive application had the following impact on the opening Shareholders' equity at 1 January 2016:

- recognition of higher net gains of previous years totalling €11,216k, attributed to the increase in the opening balance at 1 January 2016 of the extraordinary reserve included in the item "A:VII Other reserves"; the increased gains derive from:
 - net losses of €36,366k, due to the reversal of the dividends from subsidiaries accrued in previous years, net of the tax effect, shown for comparative purposes as a reduction of the "Other reserves" at 31 December 2015 for €35,879k and as a reduction of the profit 2015 for €487k;
 - net profits of €47,582k due to the reversal of the capital losses and the relevant reversals of impairment losses posted in previous years, net of the tax effect, shown for comparative purposes as an increase of the "Other reserves" at 31 December 2015 for €47,706k and as a reduction of the profit 2015 for €124k;
- reduction of shareholders' equity due to the recognition of the Negative reserve for treasury shares for €76,561k at 1 January 2016, corresponding to the cost incurred for the purchase.

Restatement of 2015 figures resulting from the change of accounting standards Statement of financial position

	acciment of Analicia position	Г	Marrian	a a standarda	
An	nounts in €k		New accountine offer		
		31/12/2015 Originally		Treasury	31/12/2015
AS	ISETS	approved	Dividends	shares	Restated
Α.	Subscribed capital, unpaid				
В.	Intangible assets				
	1. Acquisition expenses to be amortised	73,953			73,953
	2. Other assets	775,170			775,170
	Total	849,123			849,123
C.	Investments				
	I - Land and buildings	2,726,037			2,726,037
	II - Investments in group companies and other investees				
	1. Shares and holdings	2,118,317			2,118,317
	2. Bonds	22,796			22,796
	3. Loans	328,204			328,204
	Total investments in group companies and other investees	2,469,317			2,469,317
	III - Other financial investments				
	1. Shares and holdings	606,078			606,078
	2. Mutual investment fund units	1,732,029			1,732,029
	3. Bonds and other fixed-yield securities	33,977,193			33,977,193
	4. Loans	148,083			148,083
	5. Other	250,556			250,556
	Total other financial investments	36,713,939			36,713,939
	IV - Deposits with ceding companies	26,087			26,087
	Total	41,935,380			41,935,380
D.	Investments benefiting life business policyholders that bear the risk and investments arising from pension funds management				
	I - Investments relating to benefit linked to investment funds				
	and market indices	349,140			349,140
	II - Investments arising from pension fund management	3,575,690			3,575,690
	Total	3,924,830			3,924,830
<u> </u>	bis Technical Provisions - reinsurers' share	FF2 40F			FF2 40F
	 I - Non-life business technical provisions II - Life business technical provisions (excl. technical provisions under 	553,485			553,485
	point III)	70,948			70,948
	III - Life business technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management	70,940			70,540
	Total	624,433			624,433
E.	Receivables				
	I - Receivables relating to direct insurance business	1,736,312			1,736,312
	II - Receivables relating to reinsurance business	76,913			76,913
	III - Other receivables	1,206,554	(37,495)		1,169,059
	Total	3,019,779	(37,495)		2,982,284
F.	Other assets				
	I - Property, plant and equipment and inventories	79,193			79,193
	II - Cash and cash equivalents	388,983			388,983
	IV - Other assets	1,307,474		(28,979)	1,278,496
	Total	1,775,651		(28,979)	1,746,672
G.	Accruals and deferrals	402,041			402,041
	ITAL ASSETS	52,531,237	(37,495)	(28,979)	52,464,763

		New accounti		
Amounts in €k		effect		
	31/12/2015 Originally	Dividende	Treasury	31/12/2015
	approved	Dividends	shares	Restated
A. Shareholders' equity I - Subscribed capital or equivalent reserve	2 0 21 4 4 6			2 0 21 4 4 5
II - Share premium reserve	2,031,446 407,256			2,031,446
III - Legal reserve	399,226			407,256 399,226
IV - Other equity reserves	2,167,466	(35,879)	47,706	2,179,293
V - Retained profit (loss)	2,107,400	(50,079)	47,700	2,1/9,295
VI - Profit (loss) for the year	556,333	(487)	(124)	555,722
VII - Negative reserve for treasury shares	556,555	(407)	(76,561)	(76,561)
Total	5,561,727	(36,366)	(28,979)	5,496,382
B. Subordinated liabilities	2,011,689	(50,500)	(20,57,57	2,011,689
C. Technical provisions				
I - Non-Life business				
1. Premium provision	2,651,229			2,651,229
2. Claims provision	12,433,917			12,433,917
3. Sundry technical provisions	15,131			15,131
4. Equalisation provisions	67,144			67,144
Total non-life technical provisions	15,167,421			15,167,421
II - Life business				
1. Mathematical provisions	23,106,134			23,106,134
2. Provision for amounts payable	401,258			401,258
3. Sundry technical provisions	102,353			102,353
Total life business technical provisions	23,609,744			23,609,744
Total	38,777,166			38,777,166
D. Technical provisions where the investment risk is borne by policyholders and investments arising from pension fund management				
 Provisions relating to contracts connected to investments fund investment funds and market indices 	348,971			348,971
II - Provisions arising from pension fund management	3,575,690			3,575,690
Total	3,924,662			3,924,662
E. Provisions for risks and charges	627,701	(1,129)		626,572
F. Deposits received from reinsurers	174,112			174,112
G. Payables and other liabilities				
 Payables arising from direct insurance business 	76,657			76,657
II - Payables arising from reinsurance business	78,938			78,938
III - Bond loans				
IV - Payables to banks and financial institutions	3,860			3,860
V - Sundry payables and loans	429,216			429,216
VI - Post-employment benefits	55,839			55,839
VII - Other liabilities	761,146			761,146
Total	1,405,655			1,405,655
H. Accruals and deferrals	48,526			48,526
TOTAL LIABILITIES	52,531,237	(37,495)	(28,979)	52,464,763

Restatement of 2015 figures resulting from the change of accounting standards Statement of financial position

F

Restatement of 2015 figures resulting from the change of accounting standards Income Statement

Amo	ounts in €k		New accounting standards effect		
		31/12/2015 Originally approved	Dividends	Treasury shares	31/12/2015 Restated
	I. NON-LIFE BUSINESS TECHNICAL ACCOUNT				
	Earned premiums, net of reinsurance	6,715,379			6,715,379
2.	(+) Share of profits on investments transferred from	246 222			246 222
	the non-technical account (item III.6) Other technical income. net of reinsurance	346,323			346,323
	Charges relating to claims, net of amounts recovered	42,924			42,924
	and reinsurance	4,410,603			4,410,603
	Change in other technical provisions, net of reinsurance	(2,307)			(2,307)
6.	Reversals and profit sharing, net of reinsurance	10,676			10,676
7.	Operating expenses:				
	 a) Acquisition costs net of commissions and profit received from reinsurers 	1,375,964			1,375,964
	b) Administrative expenses	486,104			486,104
	Total	1,862,068			1,862,068
8.	Other technical charges, net of reinsurance	123,717			123,717
9.	Change in equalisation provisions	2,891			2,891
10	Non-Life business technical result	696,978			696,978
	II. LIFE BUSINESS TECHNICAL ACCOUNT				
1.	Premiums for the year, net of reinsurance	3,411,383			3,411,383
2.	Gains on investments				
	a) Gains arising from investments	1,034,900	(4,954)		1,029,946
	b) Reversals of value adjustments on investments	17,476			17,476
	c) Gains on realisation of investments	257,989			257,989
	Total	1,310,365	(4,954)		1,305,411
	Unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising				
-	from pension fund management	185,096			185,096
	Other technical income, net of reinsurance	20,224			20,224
-	Charges relating to claims, net of reinsurance	3,038,949			3,038,949
	Change in mathematical provisions and other technical provisions, net of reinsurance				
	 a) Mathematical provisions, premium provision from supplementary insurance and other technical provisions 	871,530			871,530
	b) Technical provisions where the investment risk is borne by				
	policyholders and arising from pension fund management Total	162,520 1,034,050			162,520 1,034,050
	Reversals and profit sharing, net of reinsurance	1,034,050			1,034,050
-	Operating expenses	1,200			1,200
	a) Acquisition costs net of commissions and				1
	profit sharing received from reinsurers	82,519			82,519
	b) Administrative expenses	71,741			71,741
	Total	154,260			154,260

An	nounts in €k		New accountin effe		
		31/12/2015 Originally approved	Dividends	Treasury shares	31/12/2015 Restated
9.	Asset and financial charges				
	a) Investment management expenses and interest expense	95,728			95,728
	b) Value adjustments on investments	87,567			87,567
	c) Losses on realisation of investments	305,319			305,319
	Total	488,613			488,613
10	Unrealised asset and financial charges relating to investments arising from pension fund management	87,590			87,590
11.		29,255			29,255
12	(-) Share of profits on investments transferred to the non-technical account (item III. 4)	85,668			85,668
13	Life business technical result	7,393	(4,954)		2,440
	III. NON-TECHNICAL ACCOUNT				
1.	Non-Life business technical result (item I. 10)	696,978			696,978
2.	Life business technical result (item II. 13)	7,393	(4,954)		2,440
3.	Gains on Non-Life business investments				
	a) Gains arising from investments	538,009	4,289		542,298
	b) Reversals of value adjustments on investments	21,520			21,520
	c) Gains on realisation of investments	478,188			478,188
	Total	1,037,716	4,289		1,042,005
4.	(+) Share of profits on investments transferred from the Life business technical account (item II. 12)	85,668			85,668
5.	Non-Life business asset and financial charges				
	 a) Investment management expenses and interest expense 	126,498			126,498
	b) Value adjustments on investments	277,426			277,426
	c) Losses on realisation of investments	175,877			175,877
	Total	579,801			579,801
6.	(-) Share of profits on investments transferred to the Non-Life business technical account (item I. 2)	346,323			346,323
7.	Other income	201,195		(124)	201,072
8.	Other charges	430,490			430,490
9.	Profit (loss) from ordinary operations	672,338	(665)	(124)	671,549
10	Extraordinary income	253,856			253,856
11.	Extraordinary expenses	50,725			50,725
12	·····(····) ···························	203,131			203,131
13	Pre-tax profit (loss)	875,469	(665)	(124)	874,680
14		319,136	(178)		318,958
15	Profit (loss) for the period	556,333	(487)	(124)	555,722

Restatement of 2015 figures resulting from the change of accounting standards Income Statement

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.

<u>Loans</u>

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.

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:

- a) for listed investments, it is the value of the last trading day of the year;
- b) for the investments traded in unregulated markets, it is an estimate of their realisable value on the same date;
- c) 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 provisions

The **premium provision** in the Italian direct portfolio broken down into its components is determined by applying Art. 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.

The provision for **profit participation 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 allocate 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 the provisions of Art. 36 of Legislative Decree 209 of 7 September 2005 (Insurance Code) and Annex no. 16 of ISVAP Regulation no. 22 of 4 April 2008 (former ISVAP Regulation no. 21 of 28 March 2008, as amended).

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, and by reference to the actuarial assumptions (technical interest rates, demographic models of death or disability) used to calculate the premiums on existing contracts. 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. In accordance with the provisions of Art. 38 of Legislative Decree 173/1997, technical provisions, which are set up to cover liabilities deriving from insurance policies where the yield is based on investments or indices for which the policyholder bears the risk, and provisions arising from pension fund management, are calculated by reference to commitments made under these policies and to the provisions of Art. 41 of Legislative Decree 209 of 7 September 2005.

Under Art. 38, paragraph 3, of Legislative Decree 173/1997, the mathematical provision includes provisions 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 the case of insurance contracts in Class III and VI the mathematical provision also includes the provisions 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). The mathematical provision also includes an additional provision for demographic risk. To this regard, it was decided to add to the provisions to be set up to cover commitments undertaken with the policyholders, in compliance with Annex 14, paragraph 36 of ISVAP Regulation no. 22 of 4 April 2008 after having verified a variance between the demographic bases used to calculate the principals forming the annuities and table A62 prepared by ANIA.

Furthermore, an additional provision was set up 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.

As laid down in Art. 36, paragraph 3, of Legislative Decree 209 of 7 September 2005, the provision for amounts payable 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.

Other technical provisions consist almost entirely of amounts set aside for operating expenses and are calculated on the basis of the provisions of paragraph 17 of Annex 14 of ISVAP Regulation no. 22 of 4 April 2008.

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

According to the provisions of paragraph 39 and following paragraphs, the mathematical provisions for Unit-Linked policies 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.

The mathematical provisions for Index-Linked policies were calculated on the basis of the market value of the corresponding covering assets, while the Class VI provisions concerning the Open Pension Funds were calculated on the basis of the number and value of the shares of the respective Managed Accounts (investment lines) in effect on the measurement date, i.e. at the market value of the corresponding covering assets.

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 Finanziario, 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 underly 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.

Inward 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	30/12/16	31/12/15
US Dollar	1.0541	1.0887
Pound Sterling	0.8562	0.7340
Swiss Franc	1.0739	1.0835
Canadian Dollar	1.4188	1.5116
YEN	123.4000	131.0700
Swedish Krona	9.5525	9.1895

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

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 organisation 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 2016 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.

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 €458,479k, €254,592k of which in the Non-Life business and €203,888k 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 2016 amounted to \in 870,516k, decreasing by \in 30,082k (-3.3%) compared to the post merger financial position. The main components are commented below.

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

Acquisition commissions to be amortised totalled \in 77,679k, \in 49,747k of which in the Life business and \in 27,932k in the Non-Life business. The item increased by \in 3,726k with respect to the post merger financial situation.

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

This item totalled €16,510k. 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.

1.3 Goodwill (item B.4)

Goodwill came to a total of €603,912k, €467,561 of which belonging to the Non-Life business and €136,352 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 €42,561k regarding Non-Life and €34,271k 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 €61,962k in the Non-Life business and €45,394k 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 €369,429k of which €312,876k related to the Non-Life business and €56,553k to Life.

- 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 €1,043k 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 €134k attributed entirely to the Life business.
- the deficit emerging from the merger of Liguria and Liguria Vita, which took place on 31 December 2016 with accounting effect on 1 January 2016 for a residual amount of €49,119k allocated entirely to the Non-Life business;

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

Other long-term costs, amounting to $\leq 172,415k$ (item B5), increased by $\leq 31,366k$ compared to the post merger aggregate figure. Of this item, $\leq 5,515k$ referred to the Life business and $\leq 166,900k$ to the Non-Life business; the most sizeable component concerned expense for third-party services for IT development and integration projects that totalled $\leq 83,135k$, for which direct acquisition in period are reported for $\leq 10,980k$. The most noteworthy projects in progress were the new claims platform ($\leq 4,113k$), the new Group MV System ($\leq 1,528k$), the project for the evolution of technological and applicative architectures ($\leq 1,654k$), the DWH integration project ($\leq 444k$), the IT- accounting system integration project totalling $\leq 511k$ and lastly the integration of the investments of the Solvency project for $\leq 2,312k$. Moreover, there was an increase of $\leq 14,558k$ attributable to capitalised invoices on properties owned by third parties for improvements made.

The Trademarks item totalled €110k.

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.I)

Class C.I asset accounts net of their amortisation/depreciation broke down as follows at 31 December 2016:

Amounts in €k	Assets	Accum. deprec.	Net assets
Property for own use	584,879	119,085	465,795
Property for use by third parties	2,254,822	262,254	1,992,568
Other property	23,590		23,590
Other rights	3,780	350	3,429
Fixed assets in progress	56,143		56,143
Total	2,923,214	381,689	2,541,526

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.

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 $\leq 58,751$ k to property investment as they are considered long-term.

The total current value of property at 31 December 2016 amounted to €2,740,794k, increasing by €199,269kcompared 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:

Amounts in €k

Movements during the period	2016
Gross property at 31/12/2015	3,079,158
Property from merger, gross amount	9,627
New investments/improvements	496
Sales and other reductions	165,244
Write-downs of property	58,751
Net other changes	59,058
Gross property at 31/12/2016	2,924,344
Accum. depreciation previous year	353,121
Amount of depreciation for the year	56,429
Decreases for disposals	26,732
Accumulated depreciation at 31 December	382,819
Net property at 31/12/2016	2,541,526

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.

At 31 December 2016 the lease agreements mostly covering machinery and IT equipment, such as the disaster recovery systems and data transmission network, were still active.

As established by Italian law, leasing 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 are summarised in the following table, with the lease agreements recognised according to the international accounting standards (IAS 17).

Amounts in €k	2016
STATEMENT OF FINANCIAL POSITION	
Assets under finance lease	3,100
Accumulated depreciation of leased assets	(2,967)
Total Assets	133
Residual debt of leased assets	(133)
Deferred tax assets/liabilities	(32)
Effect on shareholders' equity	(13)
Total Liabilities	(178)
INCOME STATEMENT	
Lower charges for rents	(849)
Higher charges for depreciation	672
Higher charges for financial expenses	29
Effect of lease closure on income	219
Gross tax effect	70
Tax delta	(26)
Net effect	45

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 2016 was \in 2,155,862k versus \notin 2,118,317k, with a net increase of \in 37,545k. The changes in the period were as follows:

Amounts in €k	
Movements during the period	2016
Opening balance	2,118,317
Elimination of investments in merged companies	(143,118)
Purchases and subscriptions	205,276
Sales	(8,398)
_Alignment of value	(15,421)
Repayments and other decreases	(794)
Balance at 31/12/16	2,155,862

Summarised below are the main changes in the period:

- A7 S.r.l. in liquidazione: on 4 January 2016, the company was cancelled from the Register of Companies.
- AcomeA SGR S.p.A.: following the resolution of the ordinary shareholders' meetings of 28 April 2016, the company partially repaid the share premium reserve and the warrant reserve. The share due to UnipolSai is equal to €49k.
- AlfaEvolution Technology S.p.A.: in the year payments were made for future capital increases for a total of €47,500k.
- Banco Fiorentino BCC di Mugello Impruneta Signa S.p.A.: on 1 July the merger of BCC di Impruneta, BCC di Signa
 and BCC del Mugello into a new vehicle company called Banco Fiorentino became effective. Consequently to the
 investments in the first two bodies, UnipolSai received 1,554 shares of Banco Fiorentino equal to 0.18% of the
 capital, posted for €51k.
- Borsetto S.r.l.: during the meeting called for the approval of the 2015 financial statements the shareholders forewent €500k regarding the non-interest bearing shareholders' loan to cover losses. UnipolSai Assicurazioni pro quota amounts to €225k.
- Centro Oncologico Fiorentino S.r.l. in liquidazione: on 10 November 2016 a payment of €16,200k into the equity account was made in order to provide the subsidiary with the resources needed to settle the trade payables and the transactions with the personnel.
- Dialogo S.p.A. in liquidazione: on 31 December 2016 the merger by incorporation of the subsidiary into UnipolSai Assicurazioni S.p.A. took effect, with the issue of 1,931 shares in favour of the minority shareholders of Dialogo.
- Euresa Holding S.A. en liquidation: on 6 December 2016 the company was cancelled from the Register of Commerce and Companies upon closing of the liquidation process. UnipolSai received as final allocation €55k in cash and 483,692 shares of Syneteristiki Insurance Company Inc. of zero value, obtaining an added value compared to the burden of €46k.
- International Media Holding S.p.A.: the company, established on 23 May 2016, was the vehicle designated for the execution of the RCS Mediagroup takeover bid and UnipolSai subscribed 6,875 shares for an outlay of €7k (percentage of interest 13.75%).
- On 3 November 2016 non-repayable contributions were made for €679k to cover pro quota the expenses incurred by the subsidiary to launch the takeover bid and for the subsequent appeal before the Regional Administrative Court (TAR). On 3 November 2016 an agreement was signed with International Acquisition Holdings S.r.l., a 40% shareholder of International Media Holding, for the purchase of an interest equal to 11.25% of the capital, subject to the condition precedent of the elapsing of the terms for the advance notification to IVASS.
- Leithà S.r.l.: on 22 December 2016 it was established with a capital of €100k. The company will handle product innovation.
- Liguria Società di Assicurazioni S.p.A.: on 31 January 2016 the merger by incorporation of Liguria Vita S.p.A. and Liguria Società di Assicurazioni S.p.A. into UnipolSai Assicurazioni S.p.A. took effect.
- Consequently to the exercise of the sale right reserved for the shareholders, 139 shares were acquired for a total of €0.5k.
- Marina di Loano S.p.A.: on 29 December 2016 a payment was made for €16,000k in order to provide the subsidiary with the necessary resources to settle the expired and expiring instalments of the loan received by the associate UnipolSai Finance S.p.A..
- Progetto Bicocca La Piazza S.r.l. in liquidazione: on 5 October 2016 a 74% share of the share capital was sold to Elda Immobilien AG for a price of €2,313k. The transaction led to a capital gain of €164k.
- Pronto Assistance S.p.A.: on 1 March 2016 a payment of €5,000k was made for future capital increases.
- Pronto Assistance Servizi S.c.r.l.: the stake rises from 65.75% to 95.34% consequently to an increase in the carrying amount of €39k linked to the incorporation of Liguria and of €734k related to the purchase of interests from Linear S.p.A. and Pronto Assistance S.p.A..
- Sainternational S.A. en liquidation: on 28 July the company was cancelled from the Register of Commerce and Companies upon closing of the liquidation process. UnipolSai, as sole shareholder, received as final allocation €1,319k, obtaining an added value compared to the burden of €298k.
- SCAI S.p.A.: on 22 April the third and last tranche of the interest (9.02%) was sold at the price of €541k, realising capitals gains of €386k.
- Syneteristiki Insurance Company Inc.: the investment rises to 18.73% after shares were assigned as final allocation of the assets of Euresa Holding S.A. en liquidation, without increasing the burden.

- Ufficio Centrale Italiano S.c.r.l.: the investment rises from 37.61% to 37.84% consequently to an increase in the carrying amount of €2k due to the incorporation of Liguria Assicurazioni.
- UnipolSai Finance S.p.A.: on 20 September 2016 a capital account payment of €10,000k was made in favour of the subsidiary in order to provide it with the financial resources needed for the granting of the loan to Atahotels.
- UnipolSai Investimenti SGR S.p.A.: on 9 September 2016, after exercising the Put granted to IGD at the time of the sale, 782,718 shares were repurchased, which account for 20% of the share capital of UnipolSai Investimenti, at a price of €4,466k. The total stakes equals 49%.
- UnipolSai Nederland BV: on 17 November a payment of €100,000k was made in order to provide the subsidiary with the liquidity needed to subscribe the capital increase for the same amount as resolved by UnipolRe.
- UnipolSai Servizi Consortili S.c.r.l.: the stake drops from 98.59% to 98.23% consequently to an increase in the carrying amount of €16k linked to the incorporation of Liguria and Liguria Vita and to a reduction of €134k deriving from the sale of two stakes of the nominal value of €10,400 to the associates UniSalute and Arca Vita at a price of €73k each, realising total capitals gains of €12k.
- Valore Immobiliare S.r.l. in liquidation: on 12 January 2016, the company was cancelled from the Register of Companies.

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 and their carrying amount equal €2,155,862k.

The amount of the value adjustments made, totalling $\leq 14,965k$, is detailed in the dedicated section of the Management Report.

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:

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	246,184	(259,216)
Nuove Iniziative Toscane Srl-Firenze- IT	100.00%	107,797	103,201	(4,596)
Villa Ragionieri Srl-Firenze- IT	100.00%	60,872	56,941	(3,931)
Marina Di Loano Spa-Milano- IT	100.00%	51,709	50,606	(1,103)
Meridiano Secondo Srl-Milano- IT	100.00%	15,182	12,953	(2,230)
Ital H&R Srl-Bologna- IT	100.00%	118	86	(32)
Casa Di Cura Villa Donatello-Firenze-IT	100.00%	24,210	23,775	(435)
Unipolsai Servizi Previdenziali Srl-Firenze- IT	100.00%	762	599	(163)
AlfaEvolution Technology Spa-Bologna- IT	100.00%	52,500	50,749	(1,751)
Ddor Novi Sad Ord Eur-Novi Sad-RS	100.00%	85,971	37,831	(48,140)
Unipolsai Nederland Bv-Amsterdam- NL	100.00%	190,988	148,797	(42,191)
Metropolis Spa In Liquidazione-Milano- IT	29.71%		(87)	(87)
Borsetto Srl-Torino- IT	44.93%	979	814	(165)
Uci - Ufficio Centrale Italiano-Milano- IT	37.84%	218	198	(20)
Hotel Villaggio Cdm Spa In Liquidazione-Modena- IT	49.00%		(1,807)	(1,807)
Garibaldi Sca-Lussemburg-LU	32.00%	660	(2,202)	(2,862)
Isola (Ex Hedf Isola)-Lussemburg- LU	29.56%	1,598	(1,189)	(2,787)

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

Popolare Vita: the higher carrying amount represents goodwill and is supported by its independent valuation and by the subsidiary The Lawrence Life, by a leading financial and actuarial advisor, who issued an appraisal document.

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.

Meridiano Secondo: the higher amount recognised in the financial statements relative to the corresponding portion of shareholders' equity is due to unrealised capital gains on properties and to entries pertaining to tax items.

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 \leq 4,089.1k 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 \in 576.2k 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 entries pertaining to tax items.

Casa di Cura Villa Donatello: has a higher carrying amount than the corresponding portion of shareholders' equity; no adjustment was made to the carrying amount because the company projects that it will reach the break-even point in 2017, subsequently generating profits in the following years.

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 Unipol Re.

AlfaEvolution Technology: the company started operations in March 2016; the greater value recognised compared to the corresponding portion of shareholders' equity is supported by the valuation of the company at 31 December 2016 made using the Dividend Discount Model (DDM).

With regards to the associates, note that there is a provision for risks and charges set up for the company Hotel Villaggio Città del Mare for potential future charges, while on the basis of information currently available in connection with the expected repayment flows for Isola and Garibaldi, recoverability of the investment is not considered in jeopardy.

The other differences are not deemed significant.

Bonds

At 31 December 2016 bonds issued by Group companies and other investees amounting to $\in 12,603k$ had been booked, all classified under long-term investments with a net decrease of $\in 10,193k$ ($\in 22,796$ at 31 December 2015).

The item currently includes:

- profit Participating Bonds for residual €5,057k issued by the associate Garibaldi S.C.A;
- profit Participating Bonds for residual €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 associate Unipol Banca for €2,000k.
- bonds issued by the investee Syneristiki for €1,500k.

All bonds are classified as long-term investments.

Loans to Group companies and other investees

Loans to Group companies (item C.II.3) amounted to \in 328,103k at 31 December 2016, with a decrease of \in -101k compared to the post merger aggregate figure.

The item comprises two loans started in 2009 for $\leq 267,785$ k after the Company took over the role of issuer, replacing the holding company Unipol Gruppo Finanziario, of the Unipol Gruppo 7% and Unipol Gruppo Finanziario 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:

Amounts in €k		
LOANS	2016	2015
Casa di Cura Villa Donatello	5,400	5,400
Centro Oncologico Fiorentino	1,990	1,952
Auto Presto e Bene	1,300	1,300
Meridiano Secondo	36,813	36,813
Società Edilizia Immobiliare	5,086	4,639
Borsetto S.r.l.	6,271	8,401
Butterfly	129	129
Penta Domus	1,786	1,786
Total	58,775	60,419

The loan to the company Metropolis of the nominal amount of \leq 4,144k, entirely covered by a bad debt provision at 31 December 2015 was partially repaid for \leq 985k. The residual balance at December 2016 of \leq 3,160k was removed by recording a loss on loans for the entire amount. Also the amount of \leq 173k to the GPA Group was completely zeroed since no longer deemed recoverable.

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.

2.3 Other financial investments (item C.III)

The total balance of this item amounted to \in 37,224,042k, increasing by \in 76,539k (+0.2%) compared to the post merger aggregate figure. The main components can be summed up as follows:

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
C.III.1 Shares and holdings	554,866	606,078	(51,212)	606,087	(51,221)
C.III.2 Mutual investment fund units	1,886,623	1,732,029	154,594	1,739,209	147,414
C.III.3 Bonds and other fixed-yield securities	34,454,109	33,977,193	476,916	34,403,215	50,894
C.III.4 Loans	135,337	148,083	(12,746)	148,437	(13,100)
C.III.6 Bank deposits	106,582	167,408	(60,826)	167,408	(60,826)
C.III.7 Sundry financial investments	86,525	83,147	3,378	83,147	3,378
Total	37,224,042	36,713,939	510,103	37,147,504	76,539
					0.2%

The item "other financial investments" contains no investments in companies in which the Company owns at least onetenth 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.

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 6 October 2016, 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 2016, calculated as explained above, consists of the following, separately for the Non-Life and Life businesses:

Amounts in €k

Non Life- Business	2016
C.III.1 Shares and holdings	271,961
C.III.2 Mutual investment fund units	1,184,114
C.III.3 Bonds and other fixed-yield securities	10,234,983
Total	11,691,058

Total long-term investments in the Non-Life business at 31 December 2016 amounted to \in 3,479,142k, which is 29.76% of total financial investments.

No transfers were made from the long-term segment to the short-term segment and vice versa, while capitalised securities totalling $\leq 291,705$ k, equal to 7.94% of long-term investments at 31 December 2015, were disposed of during the first half of the year. Disposals regarded a bond sold in various tranches and took place close to the natural maturity of the security set for 1 July 2016.

During the second half additional disposals took place which concerned two bonds totalling €11,583K, while no transfers were made from the long-term segment to the short-term segment and vice versa.

Amounts in €k

Life-Business	2016
C.III.1 Shares and holdings	282,905
C.III.2 Mutual investment fund units	702,509
C.III.3 Bonds and other fixed-yield securities (*)	24,219,126
Total	25,204,540

(*) Except those covering defined benefit policies

Total long-term investments in the Life business at 31 December 2016 amounted to $\leq 11,976,695k$ (not including those covering defined benefit policies), which is 48.39% of total financial investments.

No transfers were made from the long-term segment to the short-term segment and vice versa, while a capitalised security totalling $\leq 42,793$ k, equal to 0.37% of long-term investments at 31 December 2015, were disposed of during the first half of the year. The transfer made is included in the simplification of the asset portfolio, the security concerned is actually structured and assigned to level 2 in the IFRS13 hierarchy.

In the second half disposals of long-term securities concerned three bonds for a value equal to \in 3,772K and resulted in net losses being posted for \in 1,190k.

No transfers are reported from the long-term segment to the short-term segment and vice versa.

In particular the prudential disposal of the Monte Paschi Siena subordinated security attributable to the extraordinary degree of uncertainty experienced by the bank, which could have led to a zeroing of the value of the security.

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 \in 554,866k, decreased by \in 51,221k compared to the post merger aggregate figure (-8.5%). Net value adjustments recognised at year end amounted to \notin 9,103k.

Item C.III.2 "mutual investment funds units" amounted to a balance of \in 1,886,623k at 31 December 2016, with an increase of \in 147,414k compared to the post merger aggregate figure. Net value adjustments recognised at year end amounted to \in 77,825k.

At the end of 2015, UnipolSai undertook to participate with a total investment of $\leq 100,000$ k in the Atlante Fund, a closed-end private investment fund, the objective of which is to support the share capital increases of several Italian banks and to intervene in any transactions regarding NPL (Non-Performing Loans). At the end of 2016 about $\leq 61,670$ k were restated, but note that on 3 January 2017, an additional payment of $\leq 21,573$ k was made.

The company adjusted the value by about €19,475k on this fund at 31 December 2016, i.e. 24% of the investment made, taking into account in prudential terms the information disclosed by Quaestio Capital Management SGR in the report on operation of the Atlante Fund at 31 December 2016.

UnipolSai also undertook to participate in Fondo Atlante 2 (a closed-end private investment fund, the objective of which is to intervene in any transactions regarding NPL - Non-Performing Loans of the banking sector), with a total investment of $\leq 100,000$ k, of which ≤ 698 k paid at 31 December 2016.

Amounts in €k	2016	% Comp.	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Securities issued by Gov., pub. entities						
listed	22,866,067	66.4	24,461,186	(1,595,119)	24,826,587	(1,960,520)
unlisted	32,963	0.1	32,980	(17)	32,980	(17)
Convertible bonds	1,630	0.0	3,918	(2,288)	3,918	(2,288)
Other listed securities	11,439,043	33.2	9,320,734	2,118,309	9,381,354	2,057,689
Other unlisted securities	114,406	0.3	158,376	(43,970)	158,376	(43,970)
Total	34,454,109	100.0	33,977,193	476,916	34,403,215	50,894
						0.1%

"Bonds and other fixed-yield securities" (item C.III.3) at 31 December 2016 broke down as follows:

As for the breakdown by currency, 100.0% of the bond portfolio consisted of Euro area securities.

The separation between long-term commitments and short-term commitments is €15,836,246k and €18,617,863k, respectively.

The government securities and other listed securities, for the nominal amount of \leq 36,856,039, are recorded in the financial statements for \leq 34,305,110k. If measured based on the average of the December 2016 prices, these securities would amount to a total of \leq 37,657,962k.

Of the bonds classified as financial assets, securities amounted to a total countervalue of \in 15,836,246k, with a fair value of \in 17,697,337k.

Net value adjustments recorded on the portion of bonds included in the current assets portfolio amounted to ϵ -26,189k.

The unlisted securities, for the nominal amount of $\leq 206,378k$, are recorded in the financial statements for $\leq 147,369k$. If measured based on the year end market values, these securities would amount to a total of $\leq 172,602k$.

The securities in portfolio are all deposited at 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 \in 130,000k) per issuer party is provided hereunder.

The exposures thus selected represent 75.0% of the entire portfolio.

Amounts in €k	
lssuer	Carrying amount
Tesoro Italia	19,891,611
Tesoro Spagna	1,763,614
Corsair Finance Ireland Ltd	475,203
Intesa Sanpaolo Spa	323,103
Tesoro Portogallo	316,746
Unicredit Spa	301,861
Jpmorgan Chase & Co	220,784
Royal Bank Of Scotland Group	213,402
Cooperatieve Rabobank Ua	177.492
Barclays Plc	174,403
Tesoro Francia	172,788
Societe Generale	169,769
Commerzbank Ag	169,453
Bnp Paribas Paris	162,473
Hsbc Holdings Plc	160,872
Generali Spa	158,948
Telecom Italia Spa	151,949
Nomura International Funding Pte Lt	150,000
Art Asset Repackaging Trust Five Bv	147,874
Deutsche Bank Ag	146,101
Bpce Sa	139,767
Enel Spa	134,116
Credit Agricole Assurances	133,630
Total	25,855,959

The securities portfolio includes €7,662,647k relating to subordinated bonds.

The main characteristics of these investments are provided in the statement that follows. The levels of subordination are:

- Tier 1: receivables subordinated to any other senior or subordinated debt instrument, with the possibility of non-payment of the coupon;
- Lower Tier2: receivables immediately subsequent to the main creditors (Senior);
- Upper Tier 2: creditors subordinated to the previous ones; the possibility to defer payment of coupons exists for these as well.

Amounts in €k	-	Comulan				
		Carrying amount			Early	Level of
lssuer	Currency	31/12/16	Interest rate	Maturity	repayment	subordination
ABN AMRO BANK NV	EUR	59,783	FIX TO FLOATER	18/01/2028	YES	LOWER TIER 2
ABN AMRO BANK NV	EUR	51,488	FIX TO FLOATER	PERPETUAL	YES	TIER1
ACHMEA B.V.	EUR	55,021	FIX TO FLOATER	PERPETUAL	YES	TIER1
AEGON NV	EUR	51,139	FIX TO FLOATER	25/04/2044	YES	LOWER TIER 2
AGEAS INSURANCE SA/NV	EUR	68,638	FIX TO FLOATER	30/06/2047	YES	LOWER TIER 2
ALLIANZ FINANCE II BV	EUR	2,092	FIX TO FLOATER	08/07/2041	YES	LOWER TIER 2
ALLIANZ FINANCE II BV	EUR	53,152	FIX TO FLOATER	PERPETUAL	YES	UPPER TIER 2
ALLIANZ SE	EUR	16,093	FIXED	PERPETUAL	YES	LOWER TIER 2
ALLIANZ SE	EUR	21,172	FIX TO FLOATER	07/07/2045	YES	LOWER TIER 2
ALLIANZ SE	EUR	47,906	FIX TO FLOATER	PERPETUAL	YES	TIER1
ALLIED IRISH BKS	EUR	34,832	FIX TO FLOATER	26/11/2025	YES	LOWER TIER 2
ALLIED IRISH BKS	EUR	31,583	FIX TO FLOATER	PERPETUAL	YES	TIER1
AMERICA MOVIL SAB DE CV	EUR	20,422	FIX TO FLOATER	06/09/2023	YES	TIER1
ASR NEDERLAND NV	EUR	11,078	FIX TO FLOATER	29/09/2045	YES	LOWER TIER 2
ASR NEDERLAND NV	EUR	45,167	FIX TO FLOATER	PERPETUAL	YES	LOWER TIER 2
AVIVA PLC	EUR	69,997	FIX TO FLOATER	03/07/2044	YES	LOWER TIER 2
AVIVATEC	EUR	41,861	FIX TO FLOATER	04/12/2045	YES	LOWER TIER 2
AVIVATEC	EUR	13,655	FIX TO FLOATER	12/09/2049	YES	LOWER TIER 2
AXA SA	EUR	35,744	FIX TO FLOATER	06/07/2049	YES	LOWER TIER 2
AXA SA	EUR	11,575	FIX TO FLOATER	16/04/2040	YES	LOWER TIER 2
AXA SA	EUR	80,002	FIX TO FLOATER	PERPETUAL	YES	TIER1
BANCA CARIGE SPA	EUR	19,170	FIXED	30/06/2017	NO	LOWER TIER 2
BANCA CARIGE SPA	EUR	56,519	INDEXED	19/06/2018	YES	LOWER TIER 2
BANCA POPOLARE DELL'EMILIA		0.00				
ROMAGNA	EUR	5,743	INDEXED	15/05/2017	YES	LOWER TIER 2
BANCA POPOLARE DI VICENZA	EUR	2,233	INDEXED	20/12/2017	YES	LOWER TIER 2
BANCO BILBAO VIZCAYA ARGENTARIA	EUR	4,011	FIX TO FLOATER	16/02/2022	YES	LOWER TIER 2
BANCO BILBAO VIZCAYA ARGENTARIA	EUR	86,783	FIX TO FLOATER	PERPETUAL	YES	TIER1
BANCO DE SABADELL SA	EUR	4,664	FIXED	06/05/2026	NO	LOWER TIER 2
BANCO POPOLARE SCARL	EUR	9,697	FIXED	28/04/2017	NO	LOWER TIER 2
BANCO POPOLARE SCARL	EUR	12,475	FIXED	31/05/2021	NO	LOWER TIER 2
BANCO POPULAR ESPANOL	EUR	32,710	FIX TO FLOATER	PERPETUAL	YES	TIER1
BANCO POPULAR ESPANOL	EUR	6,506	INDEXED	22/12/2019	YES	LOWER TIER 2
BANCO SANTANDER SA	EUR	79,173	FIX TO FLOATER	PERPETUAL	YES	TIER1
BANK OF AMERICA CORP	EUR	1,506	INDEXED	06/05/2019	NO	LOWER TIER 2
BANK OF AMERICA CORP	EUR	9,874	INDEXED	14/09/2018	NO	LOWER TIER 2
BANK OF AMERICA CORP	EUR	28,978	INDEXED	28/03/2018	YES	LOWER TIER 2
BANK OF IRELAND	EUR	51,697	FIX TO FLOATER	11/06/2024	YES	LOWER TIER 2
BANK OF IRELAND	EUR	31,330	FIX TO FLOATER	PERPETUAL	YES	TIER1
BANK OF NEW YORK	EUR	24,634	INDEXED	15/12/2050	NO	TIER1
BANK OF NEW YORK	EUR	1,603	INDEXED	PERPETUAL	NO	TIER1
BANKIA SA	EUR	36,222	FIX TO FLOATER	22/05/2024	YES	LOWER TIER 2
BANQUE FED. CREDIT MUTUEL	EUR	1,779	CMS/CMT	PERPETUAL	YES	UPPER TIER 2
BANQUE FED. CREDIT MUTUEL	EUR	14,871	FIXED	11/09/2025	NO	LOWER TIER 2
BARCLAYS BK PLC	EUR	12,921	FIXED	23/01/2018	NO	LOWER TIER 2
BARCLAYS BK PLC	EUR	2,889	FIXED	30/03/2022	NO	LOWER TIER 2
BARCLAYSPLC	EUR	82,758	FIX TO FLOATER	11/11/2025	YES	LOWER TIER 2
BARCLAYSPLC	EUR	82,621	FIX TO FLOATER	PERPETUAL	YES	TIER1
BAYERAG	EUR	72,992	FIX TO FLOATER	PERPETUAL	YES	TIER1
BBVA INTL PREF	EUR	39,444	FIX TO FLOATER	PERPETUAL	YES	TIER1
BBVA INTL PREF	EUR	4,475	INDEXED	PERPETUAL	YES	TIER1

Amounts in €k

Amounts in €k

lssuer	Currency	Carrying amount 31/12/16	Interest rate	Maturity	Early repayment	Level of subordination
BERTELSMANN SE & CO KGAA	EUR	33,406	FIX TO FLOATER	PERPETUAL	YES	TIER1
BHP BILLITON FIN	EUR	2,000	FIX TO FLOATER	PERPETUAL	YES	TIER1
BNP PARIBAS CARDIF SA	EUR	94,803	FIX TO FLOATER	PERPETUAL	YES	TIER1
BNP PARIBAS PARIS	EUR	10,084	FIXED	01/10/2026	NO	LOWER TIER 2
BNP PARIBAS PARIS	EUR	4,994	FIXED	07/09/2017	NO	LOWER TIER 2
BNP PARIBAS PARIS	EUR	1,898	FIXED	17/02/2025	NO	LOWER TIER 2
BNP PARIBAS PARIS	EUR	5,968	FIXED	27/01/2026	NO	LOWER TIER 2
BNP PARIBAS PARIS	EUR	39,725	FIX TO FLOATER	14/10/2027	YES	LOWER TIER 2
BNP PARIBAS PARIS	EUR	15,170	FIX TO FLOATER	20/03/2026	YES	LOWER TIER 2
BNP PARIBAS PARIS	EUR	74,421	FIX TO FLOATER	PERPETUAL	YES	TIER1
BPCE SA	EUR	35,268	FIXED	11/07/2024	NO	LOWER TIER 2
BPCE SA	EUR	22,916	FIXED	15/03/2025	NO	LOWER TIER 2
BPCE SA	EUR	13,866	FIXED	22/04/2026	NO	LOWER TIER 2
BPCE SA	EUR	18,732	FIX TO FLOATER	08/07/2026	YES	LOWER TIER 2
BPCE SA	EUR	48,986	FIX TO FLOATER	30/11/2027	YES	LOWER TIER 2
CAJA DE AHORROS Y MONTE	EUR	32,747	FIX TO FLOATER	28/07/2025	YES	LOWER TIER 2
CASINO GUICHARD PERRACHON	EUR	17,037	FIX TO FLOATER	PERPETUAL	YES	TIER1
CENTRICA PLC	EUR		FIX TO FLOATER	PERPETUAL	YES	TIER1
CITIGROUP INC	EUR	43,075				LOWER TIER 2
		28,351	FIXED	20/11/2026	NO VEC	
	EUR	1,600		10/02/2019	YES	LOWER TIER 2
CLOVERIE PLC VIA SWISS RE CORPSOL	EUR	31,999	FIX TO FLOATER	11/09/2044	YES	LOWER TIER 2
	EUR	16,454	FIXED	PERPETUAL	YES	TIER1
CNPASSURANCES	EUR	16,954	FIXED	20/10/2022	NO	TIER 3
CNPASSURANCES	EUR	42,404	FIX TO FLOATER	05/06/2045	YES	LOWER TIER 2
CNPASSURANCES	EUR	18,918	FIX TO FLOATER	10/06/2047	YES	LOWER TIER 2
CNPASSURANCES	EUR	4,446	FIX TO FLOATER	30/09/2041	YES	LOWER TIER 2
CNPASSURANCES	EUR	38,096	FIX TO FLOATER	PERPETUAL	YES	LOWER TIER 2
COMMERZBANK AG	EUR	41,808	FIXED	09/05/2018	NO	LOWER TIER 2
COMMERZBANK AG	EUR	13,340	FIXED	16/03/2021	NO	LOWER TIER 2
COMMERZBANK AG	EUR	51,749	FIXED	23/03/2026	NO	LOWER TIER 2
COOPERATIEVE RABOBANK UA	EUR	936	FIXED	09/11/2022	NO	LOWER TIER 2
COOPERATIEVE RABOBANK UA	EUR	46,034	FIXED	21/07/2026	NO	LOWER TIER 2
COOPERATIEVE RABOBANK UA	EUR	34,158	FIX TO FLOATER	26/05/2026	YES	LOWER TIER 2
COOPERATIEVE RABOBANK UA	EUR	79,449	FIX TO FLOATER	PERPETUAL	YES	TIER1
CORSAIR FINANCE IRELAND LTD	EUR	32,000	INDEXED	05/10/2020	NO	LOWER TIER 2
CREDIT AGRICOLE ASSURANCES	EUR	40,685	FIX TO FLOATER	27/09/2048	YES	LOWER TIER 2
CREDIT AGRICOLE ASSURANCES	EUR	92,945	FIX TO FLOATER	PERPETUAL	YES	TIER1
CREDIT AGRICOLE S.A.	EUR	1,113	FIXED	11/06/2019	NO	LOWER TIER 2
CREDIT AGRICOLE S.A.	EUR	18,585	FIXED	17/03/2025	NO	LOWER TIER 2
CREDIT AGRICOLE S.A.	EUR	27,511	FIXED	17/03/2027	NO	LOWER TIER 2
CREDIT AGRICOLE S.A.	EUR	444	FIXED	22/12/2020	YES	LOWER TIER 2
CREDIT AGRICOLE S.A.	EUR	472	FIXED	30/06/2020	NO	LOWER TIER 2
CREDIT AGRICOLE S.A.	EUR	79,020	FIX TO FLOATER	PERPETUAL	YES	TIER1
CREDIT LOGEMENT SA	EUR	23,730	INDEXED	PERPETUAL	YES	TIER 1
CREDIT MUTUEL ARKEA	EUR	4,994	FIXED	18/09/2018	NO	LOWER TIER 2
CREDIT SUISSE GROUP AG	EUR	73,172	FIX TO FLOATER	PERPETUAL	YES	TIER1
CREDITO EMILIANO SPA	EUR	48,397	FIX TO FLOATER	13/03/2025	YES	LOWER TIER 2
DANSKE BANK	EUR	36,118	FIX TO FLOATER	PERPETUAL	YES	TIER 1
DELTALLOYDNV	EUR	29,596	FIX TO FLOATER	PERPETUAL	YES	LOWER TIER 2
DEMETER (SWISS LIFE)	EUR	68,071	FIX TO FLOATER	PERPETUAL	YES	TIER 1
	EUR	30,984	FIX TO FLOATER	01/10/2046	YES	LOWER TIER 2

Issuer	Currency	Carrying amount 31/12/16	Interest rate	Maturity	Early repayment	Level of subordination
DEUTSCHE BANK AG	EUR	14,703	FIXED	01/04/2025	NO	LOWER TIER 2
DEUTSCHE BANK AG	EUR	65,592	FIXED	17/02/2025	NO VEC	LOWER TIER 2
DEUTSCHE BANK AG	EUR	19,011	FIX TO FLOATER	24/05/2028	YES	LOWER TIER 2
DEUTSCHE BANK AG	EUR	37,182	FIX TO FLOATER	PERPETUAL	YES	TIER1
DEUTSCHE BANK AG LONDON	EUR	7,981	FIXED	23/02/2035	YES	LOWER TIER 2
DEUTSCHE POST IV	EUR	4,234	FIX TO FLOATER	PERPETUAL	YES	TIER1
DNB NOR BANK ASA	EUR	2,996	FIX TO CMS	08/03/2022	YES	LOWER TIER 2
DNB NOR BANK ASA	EUR	61,440	FIX TO FLOATER	PERPETUAL	YES	TIER1
DONG A/S	EUR	27,256	FIX TO FLOATER	PERPETUAL	YES	TIER1
ELECTRICITE DE FRANCE SA	EUR	17,968	FIX TO CMS	PERPETUAL	YES	TIER1
ELECTRICITE DE FRANCE SA	EUR	81,527	FIX TO FLOATER	PERPETUAL	YES	TIER1
ELM BV (SWISS LIFE)	EUR	9,971	FIX TO FLOATER	PERPETUAL	YES	LOWER TIER 2
ELM BV (SWISS REIN CO)	EUR	9,061	FIX TO FLOATER	PERPETUAL	YES	LOWER TIER 2
ENBW ENERGIE BADEN-WUERTTEMBERG	EUR	24,773	FIX TO FLOATER	02/04/2021	YES	TIER1
ENBW ENERGIE BADEN-WUERTTEMBERG	EUR	16,305	FIX TO FLOATER	05/04/2022	YES	TIER1
ENEL SPA	EUR	48,855	FIX TO CMS	15/01/2020	YES	TIER1
ENEL SPA	EUR	16,521	FIX TO CMS	15/09/2021	YES	TIER1
ENERGIAS DE PORTUGAL	EUR	15,620	FIX TO FLOATER	16/03/2021	YES	TIER1
ENGIE (EX GDF SUEZ)	EUR	10,211	FIX TO FLOATER	PERPETUAL	YES	TIER1
ETHIAS SA	EUR	13,267	FIXED	14/01/2026	NO	LOWER TIER 2
FORTIS NV	EUR	4,279	FIXED	04/10/2017	NO	LOWER TIER 2
GAS NATURAL FENOSA FINANCE BV	EUR	59,580	FIX TO FLOATER	PERPETUAL	YES	TIER1
GENERAL ELECTRIC CO	EUR	34,133	FIX TO FLOATER	15/09/2017	YES	UPPER TIER 2
GENERALI FINANCE BV	EUR	98,461	FIX TO FLOATER	PERPETUAL	YES	TIER1
GENERALI SPA	EUR	23,921	FIXED	04/05/2026	NO	LOWER TIER 2
GENERALI SPA	EUR	42,803	FIX TO FLOATER	08/06/2048	YES	LOWER TIER 2
GENERALI SPA	EUR	26,882	FIX TO FLOATER	10/07/2042	YES	LOWER TIER 2
GENERALI SPA	EUR	16,362	FIX TO FLOATER	27/10/2047	YES	LOWER TIER 2
GENERALI SPA	EUR	45,010	FIX TO FLOATER	PERPETUAL	YES	TIER 1
GROUPAMA SA	EUR	12,695	FIX TO FLOATER	27/10/2039	YES	LOWER TIER 2
GROUPAMA SA	EUR	58,667	FIX TO FLOATER	PERPETUAL	YES	TIER1
HANNOVER FINANCE SA	EUR	860	FIX TO FLOATER	14/09/2040	YES	LOWER TIER 2
HANNOVER RUECKVERSICHERU-REG	EUR	49,028	FIX TO FLOATER	PERPETUAL	YES	LOWER TIER 2
HSBC HOLDINGS PLC	EUR	9,998	FIXED	19/03/2018	NO	LOWER TIER 2
HSBC HOLDINGS PLC	EUR	50,265	FIXED	30/06/2025	NO	LOWER TIER 2
HSBC HOLDINGS PLC	EUR	95,602	FIX TO FLOATER	PERPETUAL	YES	TIER1
HUTCHISON WHAMPOA KY	EUR	9,857	FIX TO FLOATER	PERPETUAL	YES	TIER1
ING BANK NV	EUR	15,996	FIX TO FLOATER	11/04/2028	YES	LOWER TIER 2
ING BANK NV	EUR	4,812	FIX TO FLOATER	21/11/2023	YES	LOWER TIER 2
ING BANK NV	EUR	13,038	FIX TO FLOATER	29/05/2023	YES	LOWER TIER 2
ING GROEP	EUR	88,865	FIX TO FLOATER	PERPETUAL	YES	TIER1
INTESA SANPAOLO SPA	EUR	11,691	FIXED	13/09/2023	NO	LOWER TIER 2
INTESA SANPAOLO SPA	EUR	44,600	FIXED	15/09/2026	NO	LOWER TIER 2
INTESA SANPAOLO SPA	EUR	30,230	FIXED	26/06/2024	NO	LOWER TIER 2
INTESA SANPAOLO SPA	EUR	83,337	FIX TO FLOATER	PERPETUAL	YES	TIER1
INTESA SANPAOLO SPA	EUR	10,877	INDEXED	20/02/2018	NO	LOWER TIER 2
INTESA SANPAOLO SPA	EUR	43,795	INDEXED	28/05/2018	NO	LOWER TIER 2
INTESA SANPAOLO SPA	EUR	26,239	FIX TO FLOATER	PERPETUAL	YES	TIER1
KBC GROEP NV	EUR	19,148	FIX TO FLOATER	11/03/2027	YES	LOWER TIER 2
			FIX TO FLOATER		YES	
KBC GROEP NV KBC GROEP NV	EUR	4,995 47,986	FIX TO FLOATER	25/11/2024 PERPETUAL	YES	LOWER TIER 2 TIER 1

Amounts	in	EL
Amounts	111	20

		Carrying amount			Early	Level of
lssuer	Currency	31/12/16	Interest rate	Maturity	repayment	subordination
LA BANQUE POSTALE SA	EUR	7,913	FIXED	09/06/2028	NO	LOWER TIER 2
LA BANQUE POSTALE SA	EUR	18,004	FIX TO FLOATER	19/11/2027	YES	LOWER TIER 2
LA MONDIALE SAM	EUR	58,582	FIX TO FLOATER	PERPETUAL	YES	LOWER TIER 2
LANDESBANK BADEN-WUERTTEMBERG	EUR	15,948	FIXED	28/09/2026	NO	LOWER TIER 2
LANDESBANK BERLIN AG	EUR	3,650	FIXED	25/11/2019	NO	LOWER TIER 2
LEGAL GENERAL GROUP	EUR	27,592	FIX TO FLOATER	27/06/2044	YES	LOWER TIER 2
LEGAL GENERAL GROUP	EUR	50,671	FIX TO FLOATER	27/10/2045	YES	LOWER TIER 2
LLOYDS BANK PLC	EUR	5,639	FIXED	24/03/2020	NO	LOWER TIER 2
LLOYDS BANKING GROUP PLC	EUR	70,456	FIX TO FLOATER	PERPETUAL	YES	TIER1
MACQUARIE BANK LTD	EUR	3,785	FIXED	21/09/2020	NO	LOWER TIER 2
MAPFRE SA	EUR	977	FIX TO FLOATER	24/07/2037	YES	LOWER TIER 2
MUFG CAP FIN 4	EUR	7,024	FIX TO FLOATER	PERPETUAL	YES	TIER1
MUNICH RE	EUR	6,963	FIX TO FLOATER	26/05/2042	YES	LOWER TIER 2
NATIONAL AUSTRALIA BANK	EUR	34,727	FIX TO FLOATER	12/11/2024	YES	LOWER TIER 2
NATIONWIDE BUILDING SOCIETY	EUR	15,214	FIXED	14/09/2026	NO	LOWER TIER 2
NATIONWIDE BUILDING SOCIETY	EUR	3,691	FIXED	22/07/2020	NO	LOWER TIER 2
NATIONWIDE BUILDING SOCIETY	EUR	46,495	FIX TO FLOATER	PERPETUAL	YES	TIER1
NATIXIS	EUR	12,000	CMS/CMT	PERPETUAL	YES	TIER1
NN GROUP NV	EUR	35,941	FIX TO FLOATER	08/04/2044	YES	LOWER TIER 2
NN GROUP NV	EUR	55,026	FIX TO FLOATER	PERPETUAL	YES	TIER1
NORDEA BANK AB	EUR	7,548	FIX TO CMS	15/02/2022	YES	LOWER TIER 2
NORDEA BANKAB	EUR	58,150	FIX TO FLOATER	PERPETUAL	YES	TIER1
NYKREDIT REALKREDIT AS	EUR	33,203	FIX TO FLOATER	03/06/2036	YES	LOWER TIER 2
NYKREDIT REALKREDIT AS	EUR	9,992	FIX TO FLOATER	17/11/2027	YES	LOWER TIER 2
OMV AG	EUR	4,996	FIX TO CMS	PERPETUAL	YES	TIER1
ORANGE SA (EX FRANCE TELECOM)	EUR		FIX TO FLOATER	PERPETUAL	YES	TIER1
ORIGIN ENERGY FINANCE LTD	EUR	57,017 52,456	FIX TO FLOATER	16/09/2019	YES	TIER1
	EUR			, _, _	NO	
POSTE VITA SPA PRUDENTIAL PLC	EUR	14,170 56,624	FIXED FIX TO FLOATER	30/05/2019 20/07/2035	YES	LOWER TIER 2
PRUDENTIAL PLC	EUR	19,194	FIX TO FLOATER	PERPETUAL	YES	LOWER TIER 2
RAIFF ZENTRALBK	EUR	8,840	FIX TO FLOATER	21/02/2025	YES	LOWER TIER 2
REPSOL INTERNATIONAL FINANCE BV	EUR	58,096	FIX TO FLOATER	PERPETUAL	YES	TIER1
ROYAL BANK OF SCOTLAND	EUR	20,000	FIXED	09/04/2018	NO	LOWER TIER 2
ROYAL BANK OF SCOTLAND GROUP	EUR	13,477	FIXED	19/12/2023	NO	LOWER TIER 2
ROYAL BANK OF SCOTLAND GROUP	EUR	18,663	FIXED			LOWER TIER 2
ROYAL BANK OF SCOTLAND GROUP	EUR		FIXED	28/05/2024 PERPETUAL	NO YES	TIER1
ROYAL BANK OF SCOTLAND GROUP	EUR	44,710	FIX TO FLOATER		YES	LOWER TIER 2
		61,013		25/03/2024		
ROYAL BANK OF SCOTLAND GROUP	EUR	68,582	FIX TO FLOATER	PERPETUAL	YES	TIER1
RSA INSURANCE GROUP PLC	EUR	9,442	FIX TO FLOATER	PERPETUAL	YES	TIER1
RWEAG	EUR	31,309	FIX TO FLOATER	21/10/2020	YES	TIER1
RWEAG	EUR	29,242	FIX TO FLOATER	PERPETUAL	YES	TIER1
SANTANDER ISSUANCES S.A	EUR	39,761	FIXED	04/04/2026	NO	LOWER TIER 2
SANTANDER ISSUANCES S.A	EUR	81,762	FIXED	18/03/2025	NO	LOWER TIER 2
SANTANDER UK GROUP HOLDINGS	EUR	18,498	FIXED	15/09/2025	NO	LOWER TIER 2
SANTOS FINANCE LTD	EUR	8,563	FIX TO FLOATER	PERPETUAL	YES	TIER 1
SCORSA	EUR	28,103	FIX TO FLOATER	08/06/2046	YES	LOWER TIER 2
SCOR SA	EUR	31,927	FIX TO FLOATER	PERPETUAL	YES	LOWER TIER 2
SERVIZI ASS. DEL COMMERCIO ESTERO	EUR	48,891	FIX TO FLOATER	PERPETUAL	YES	TIER1
SKANDINAVISKA ENSKILDA BANKEN	EUR	60,524	FIX TO FLOATER	PERPETUAL	YES	TIER1

Amounts in €k						
		Carrying			ſ	
lanuar	C	amount	laters starts	Maturity	Early	Level of
lssuer	Currency	31/12/16	Interest rate	Maturity	repayment	subordination
SNS BANK N.V.	EUR	510	FIXED	14/05/2049	NO	LOWER TIER 2
SNS BANK N.V.	EUR	225	FIXED	26/10/2049	NO	LOWER TIER 2
SOCIETE GENERALE	EUR	19,161	FIXED	14/04/2025	NO	LOWER TIER 2
SOCIETE GENERALE	EUR	13,614	FIXED	19/08/2026	NO	LOWER TIER 2
SOCIETE GENERALE	EUR	4,900	FIXED	27/02/2025	NO	LOWER TIER 2
SOCIETE GENERALE	EUR	39,741	FIX TO FLOATER	16/09/2026	YES	LOWER TIER 2
SOCIETE GENERALE	EUR	92,354	FIX TO FLOATER	PERPETUAL	YES	TIER1
SOCIETÈ EUROPEENNE SATELLITE	EUR	53,081	FIX TO FLOATER	PERPETUAL	YES	TIER1
SOGECAP SA	EUR	99,239	FIX TO FLOATER	PERPETUAL	YES	TIER1
SOLVAY FINANCE SA	EUR	5,000	FIX TO FLOATER	PERPETUAL	YES	TIER1
STANDARD CHARTERED BANK	EUR	24,750	FIXED	26/09/2017	NO	LOWER TIER 2
STANDARD CHARTERED PLC	EUR	10,081	FIXED	19/11/2024	NO	LOWER TIER 2
STANDARD CHARTERED PLC	EUR	28,181	FIXED	23/11/2022	NO	LOWER TIER 2
STANDARD CHARTERED PLC	EUR	15,910	FIX TO FLOATER	21/10/2025	YES	LOWER TIER 2
STANDARD CHARTERED PLC	EUR	44,570	FIX TO FLOATER	PERPETUAL	YES	TIER1
STANDARD LIFE PLC	EUR	36,190	FIX TO FLOATER	04/12/2042	YES	LOWER TIER 2
SVENSKA HANDELSBANKEN AB	EUR	46,749	FIX TO FLOATER	PERPETUAL	YES	TIER1
SWEDBANK AB	EUR	11,384	FIX TO FLOATER	PERPETUAL	YES	TIER1
SYNETERISTIKI INSURANCE CO. INC.	EUR	1,500	INDEXED	PERPETUAL	YES	TIER1
TDC A/S	EUR	14,333	FIX TO FLOATER	PERPETUAL	YES	TIER1
TELEFONICA EUROPE BV	EUR	41,664	FIXED	PERPETUAL	YES	TIER1
TELEFONICA EUROPE BV	EUR	29,454	FIX TO FLOATER	PERPETUAL	YES	TIER 1
TOTAL SA	EUR	62,685	FIX TO FLOATER	PERPETUAL	YES	TIER1
UBS AG	EUR	35,497	FIXED	15/05/2024	NO	LOWER TIER 2
UBS GROUP AG	EUR	94,124	FIX TO FLOATER	PERPETUAL	YES	TIER 1
UNICREDIT INTERNATIONAL BANK SA	EUR	200	FIX TO FLOATER	PERPETUAL	YES	TIER 1
UNICREDIT SPA	EUR	18,459	FIXED	05/06/2018	NO	UPPER TIER 2
UNICREDIT SPA	EUR	17,938	FIXED	26/09/2017	NO	LOWER TIER 2
UNICREDIT SPA	EUR	54,221	FIXED	31/10/2022	NO	LOWER TIER 2
UNICREDIT SPA	EUR	31,846	FIX TO FLOATER	03/01/2027	YES	LOWER TIER 2
UNICREDIT SPA	EUR	89,629	FIX TO FLOATER	PERPETUAL	YES	TIER1
UNICREDIT SPA	EUR	74,172	INDEXED	25/06/2018	NO	UPPER TIER 2
UNIONE DI BANCHE ITALIANE SCPA	EUR	66,902	FIX TO FLOATER	05/05/2026	YES	LOWER TIER 2
UNIONE DI BANCHE ITALIANE SCPA	EUR	7,862	INDEXED	30/10/2018	YES	LOWER TIER 2
UNIPOL ASSICURAZIONI SPA	EUR	4,756	INDEXED	28/07/2023	YES	LOWER TIER 2
VATTENFALL AB	EUR	55,294	FIX TO FLOATER	PERPETUAL	YES	TIER1
VENETO BANCA SPA	EUR	9,009	FIX TO FLOATER	01/12/2025	YES	LOWER TIER 2
VOLKSWAGEN INT.NAL FINANCE NV	EUR	57,972	FIX TO FLOATER	PERPETUAL	YES	TIER1
VONOVIABV	EUR	5,075	FIX TO FLOATER	PERPETUAL	YES	TIER1
WACHOVIA CORP.	EUR	1,492	FIXED	27/11/2018	NO	LOWER TIER 2
WILLOW NO.2 IE FOR ZURICH INSURANCE	EUR	47,079	FIX TO FLOATER	01/10/2025	YES	LOWER TIER 2
Total		7,662,647		, -,5		

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:

Amounts in €k	2016
Positive issue spreads	18,426
Negative issue spreads	(3,006)
Positive trading spreads	67,501
Negative trading spreads	(50,856)
Zero coupon adjustments	214,372

Item C.III.4 "loans", amounting to €135,337k, consists of €34,502k for loans on policies and €100,835k for other loans that comprise €873k for loans granted to Agents guaranteed by the portfolio indemnity and, in the event this is insufficient, by the special agent suretyship policy, €4,888k 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 \in 106,582k, refers to term "bank deposits" with a duration of more than 15 days, with a decrease by \in 60,826k compared to the post merger aggregate figure.

The deposits started on 31 December 2015 for a total nominal value of $\leq 150,000$ k expired in February 2016, while the deposit started at the associate Unipol Banca on 31 December 2015 in relation to the commitment to purchase a property from the Rho fund subject to the inscription in the Land Register was settled since the inscription was duly carried out and the property was thus purchased definitively.

On 23 December 2016 a deposit was also started with Banco Popolare for €100,000k attributed to the Life business due on 23 February 2017.

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

<u>Amounts in €k</u>	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Premiums for cap options	2,528	2,737	(209)	2,737	(209)
Value/Premiums of asset swaps	29,890	29,319	571	29,319	571
Premiums for call options	31,141	20,645	10,496	20,645	10,496
Premiums for put options	21,754	29,192	(7,438)	29,192	(7,438)
Value of cross currency swaps	1,212	1,254	(42)	1,254	(42)
Total	86,525	83,147	3,378	83,147	3,378
					4.1%

The change over the previous year is mainly due to the early closing of 4 put options purchased on indices and of 5 call options on indices, to the purchase of 2 swaptions, 6 put options on indices and of 5 call 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 2016 amounted to $\leq 19,108$ k, decreasing by $\leq 3,917$ k compared to the post merger aggregate figure (-17.0%).

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 depend 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 Class D.I amounted to \in 354,016k, which increased by \in 4,876k compared to the post merger aggregate figure (+1.4%).

During the period assets were transferred from Class D.I to Class C totalling \in 9,166k 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 16 occupational pension funds for which management backed by guarantee is carried out.

On 1 May 2016 the merger by incorporation of the Open Pension Funds "Fondiaria Previdente", "Sai", "Unipol Insieme", "Conto Previdenza" and "UnipolSai Assicurazioni" into the Open Pension Fund "Unipol Previdenza" took effect. The latter changed its name into "UnipolSai Previdenza FPA" on the date the merger took effect. With this operation, which took place in compliance with COVIP Resolution of 15 July 2010 as later amended and supplemented, the Company planned to rationalise the pension products in the Open Pension Fund sector by concentrating it in a single pension fund consisting of seven segments. The increase in average assets managed per segment will lead to a more efficient management of the assets, with greater diversification of the investments and a better expected risk/yield profile, a simplification of the management processes and a consequent reduction of the incidence of fixed costs.

These investments at the end of 2016 amounted to a total of €4,182,235k, increasing by €606,545k (+17.0%) 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 "Unipol Previdenza";

- no. 12/7 for "Cometa";

-no. 12/8 for "Arco";

- no. 12/9 for "Poste";

- no. 12/10 for "Alifond";
- no. 12/11 for "Byblos";
- no. 12/12 for "Priamo";
- 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";
- no. 12/22 for "Cometa Sicurezza 2015";
- no. 12/23 for "Previcooper Sicuro";
- no. 12/24 for "F.do Pens. Cooperlavoro Sicurezza Gar".

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-ended Pension Fund has been drawn up for the year ended at 31 December 2016, 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 2016 amounted to $\in 644,450$ k. The breakdown and change compared with the previous year are summarised in the following table:

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Life business technical provisions	65,719	65,162	557	76,980	(11,261)
Life business - amounts payable	3,527	5,786	(2,259)	6,892	(3,364)
Non-Life premium provision	102,895	116,755	(13,861)	122,928	(20,033)
Non-Life claims provision	472,309	436,729	35,580	470,785	1,524
Total	644,450	624,433	20,018	677,585	(33,134)
					(4.9)%

The amount, down compared to the post merger aggregate figure, 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 2016 is \in 3,092,084k. The breakdown and change compared with the previous year are summarised in the following table:

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
E.I.1 Due from policyholders for premiums	571,079	613,498	(42,419)	620,560	(49,481)
E.I.2 Receivables from ins. intermediaries	907,927	923,357	(15,430)	930,076	(22,148)
E.I.3 Insurance company current accounts	41,674	61,706	(20,032)	61,241	(19,567)
E.I.4 Policyholders and third parties for amounts to be recovered	126,472	137,751	(11,279)	146,397	(19,925)
E.II Receivables relating to reinsurance business	80,680	76,913	3,767	83,266	(2,586)
E.III Other receivables	1,364,251	1,169,059	195,192	1,202,469	161,782
Total	3,092,084	2,982,284	109,800	3,044,008	48,076
					1.6%

Receivables from policyholders (item E.I.1) accounted for 5.7% of direct premiums of the year (5.9% in 2015) and decreased compared to the previous year in relation to the contraction recorded in the premiums of the Non-Life business.

Receivables from policyholders for premiums included receivables of doubtful collection, against which a write-down of $\in 67,985$ k was made. The write-down was made taking into account the historic trend on the non-recoverability of the receivables in subsequent periods. Significant unit amounts in the receivables of doubtful collection are not reported. The movements of provisions for adjustments are as follows:

Amounts in €k	
Bad debt provision	2016
Opening balance	66,303
Merger effect	1,557
Provisions	125
Closing balance	67,985

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 \in 16,653k, was sufficient to cover the receivables of doubtful collection.

Receivables from policyholders and third parties for amounts to be collected amounted to $\leq 126,472k$, and are recorded at their estimated realisable value. The decrease compared to the post merger aggregate figure was $\leq 19,925k$.

Receivables from insurance and reinsurance companies and from reinsurance intermediaries (item E.II), for the most part short-term, derived from reinsurance relations receivable and payable, and amounted to €80,680k at 31 December 2016, decreasing by €2,586k compared to the post merger aggregate figure (-3.1%).

These amounts are net of the relevant bad debt provision that totalled $\in 26,736k$. The doubtful positions are measured individually.

"Other receivables" (item E.III) amounted to $\epsilon_{1,364,251k}$ ($\epsilon_{161,782k}$ compared to the post merger aggregate figure). The breakdown and change compared with the previous year are summarised in the following table:

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Tax authorities	577,080	602,516	(25,436)	614,524	(37,444)
Group companies	130,477	114,440	16,037	114,456	16,021
Mutuelle Du Mans	25,404	30,047	(4,643)	32,570	(7,167)
Roadway Accident Victims Fund	113,600	108,056	5,544	126,162	(12,562)
Derivative contract guarantees	352,551	119,721	232,830	119,820	232,731
Sundry receivables	165,140	194,279	(29,139)	194,937	(29,797)
Total	1,364,251	1,169,059	195,192	1,202,469	161,782
					13.5%

Additional details are provided for the most significant items, as follows:

- tax receivables for €577,080k (€614,524k the post merger aggregate figure), comprising mainly:
 - €209,092k relating to the advance payment of the insurance tax provided for by Decree Law 282/2004.
 - €168,605k 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;
 - €124,250k for withholdings;
 - €29,915k for IRAP receivable;
 - €3,450k for claims of reimbursement of foreign tax receivables.
- Receivables from group companies for €130,477k. Among them were €108,229k related to the Non-Life business as a receivable from the holding company Unipol Gruppo Finanziario by effect of participation in the tax consolidation. Life Business showed an amount payable of €93.882k, therefore the net receivable amount from the consolidating entity was €14.347k.
- Receivables from the Company Mutuelle du Mans amounted to €25,404k, compared to €30,047k at 31 December 2015. 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.

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 3November 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 amount of ϵ 29,823,750 that 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 2016 in particular ϵ 4,643k were collected;

- Receivables from Fondo Vittime della Strada that amounted to €113,600k, €21,702k of which derived from the excess contribution advance paid in January 2016 over the amount actually due and €91,898k from the claims settlement activity.
- Payments made as cash collateral to safeguard derivatives totalling €352,551k.

The noteworthy receivables are:

- Receivables from customers for €111,919k. The amount includes the receivables from Avvenimenti e Sviluppo Alberghiero S.r.l. (a wholly-owned subsidiary of Im.Co.) that amounted to €101,665k as advances paid by Milano Assicurazioni to Im.Co. pursuant to a contract for the purchase of future property pertaining to a property complex in Rome, Via Fiorentini. As a result of the write-downs carried out, the net value of this receivable today totals €27,865k.
- Items awaiting settlement for €42,537k, of which receivables from Finitalia for €29,816k for lending to agents and policyholders for the underwriting of instalment policies.
- Receivables for rents amounting to €16,148k.

Considering the existing exposures, a total write-down for $\in 178,547$ k was made. Of it, $\in 73,800$ k were for the above-mentioned receivables from Avvenimenti e Sviluppo Alberghiero and $\in 62,223$ k for disputes with agents.

Section 6 - Other assets (item F)

The balance of this item at 31 December 2016 is €1,782,704k. The breakdown and change compared with the previous year are summarised in the following table:

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
F.I Property, plant and equipment and inventories	85,487	79,193	6,294	79,193	6,294
F.II Cash and cash equivalents	349,155	388,983	(39,828)	413,002	(63,846)
F.IV Other assets	1,348,061	1,278,496	69,565	1,278,872	69,190
Total	1,782,704	1,746,672	36,031	1,771,067	11,637
					0.7%

Property, plant and equipment and inventories recorded in item F.I are considered long-term assets. The balance at 31 December 2016, which totalled $\in 85,487$ k, is net of the relevant accumulated depreciation as per the following table:

Amounts in €k	2016	2015	Other changes
Office furniture and machines and internal means of transport	55,207	47,962	7,245
Movable assets entered in public registers		0	0
Plant and equipment	26,023	26,990	(967)
Inventories and sundry goods	4,257	4,241	17
Total	85,487	79,193	6,294

Cash and cash equivalents (item F.II) amounted to €349,155k, €349,080k of which refer to current account deposits (€412,914k the post merger aggregate figure) and €76k to cash and revenue stamps (the change compared to the post merger aggregate figure totalled €-63,846k).

Bank deposits include accounts in non-euro currencies (US dollars, Swiss francs, British sterling and Japanese yen) for a value of \in 11,490k, credit balances in postal current accounts totalling \in 2,234k and the net fees accrued in the period. Sundry assets (item F.IV.2) amounted to \in 1,348,061k at year end (\in 1,278,872k was the post merger figure, showing a 5.4% increase).

The breakdown and change compared with the previous year are summarised in the following table:

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Technical entries on claims	163,974	178,141	(14,168)	178,464	(14,490)
Attachments for claims	104,979	95,519	9,460	95,519	9,460
Non-Life/Life connection account	62,836	5,495	57,341	5,495	57,341
Advances on portfolio indemnities	67,246	48,930	18,316	48,930	18,316
Real estate expense to recover	19,418	19,017	401	19,017	401
Valuation of financial instruments	7,667	17,653	(9,985)	17,653	(9,985)
Deferred tax assets	919,251	908,428	10,823	908,428	10,823
Sundry assets	2,690	5,312	(2,622)	5,365	(2,675)
Total	1,348,061	1,278,496	69,565	1,278,872	69,190
					5.4%

Among the technical inward entries on claims, of note is the amount of the "handler lump-sum" to recover, amounting to €124,688k

The contra-item for the measurement of derivatives equals \in 7,667k and refers to the measurement of forward currencies for \in 5,645k and asset swaps for \in 2,022k.

Deferred tax assets amount to €919,251k.

The movements of the receivable for deferred tax assets that took place in the period are summarised in the following table:

Amounts in €k	
Deferred tax assets	2016
Aggregate opening balance	925,825
Other changes	36,122
Increases during the period	53,940
Uses during the period	(96,636)
Total	919,251

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 2016 of €435,799k, with an increase of €30,439k compared to the post merger aggregate figure (+7.5%).

The breakdown into accruals and deferrals follows:

Amounts in €k	Accruals	Deferrals	Total
G.1 Interest	414,740		414,740
G.2 Rental income		2,403	2,403
G.3 Other accruals and deferrals	2,045	16,611	18,656
Total	416,785	19,014	435,799

Item G.1 "Interest", which amounted to \leq 414,740k (\leq 387,561k the post merger aggregate figure), is mostly made up of accruals on securities for \leq 395,261k, accruals on derivatives totalling \leq 19,418k and accruals on other loans for \leq 56k. Accrued income on rental fees totalled \leq 2,403k.

Item G.3 "other accruals and deferrals", which amounted to €18,656k (€14,917k the post merger aggregate figure), breaks down as follows:

- expense deferrals on long-term loans expiring in 2018 totalling €5,596k;
- overhead deferral for €5,311k;
- other deferrals individually insignificant for €3,376k.
- accrued income on technical items for €4,372k.

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 2016 totalled €5,069,990k.

The Shareholders' Meeting on 27 April 2016 approved the individual financial statements for 2015 of UnipolSai Assicurazioni SpA and, in accordance with the priority and majority privileges set out in the by-laws, the allocation of the profit for the year according to the following procedure:

- distribution to all the Shareholders of UnipolSai Assicurazioni S.p.A. of total dividends amounting to €423,676k (of which €318,671k pertaining to the Non-Life business and €105,005k to the Life business);
- allocation to Legal Reserve for €7,063k referring entirely to the Non-life business;
- allocation to "Extraordinary Reserve" of the remaining part of the profit for the year, totalling €125,593k (of which €95,330k pertaining to the Non-Life business and €30.263k to the Life business).

As a result of the coming into force, on 31 January 2016, of the merger by incorporation in Società di Liguria - Società di Assicurazioni - S.p.A. and of Liguria Vita S.p.A. - 12,525 new UnipolSai ordinary shares, having the same characteristics as the outstanding ordinary shares, were issued in favour of Liguria shareholders other than the Merging Company.

On 31 December 2016 the merger by incorporation of the subsidiary Dialogo S.p.A. in liquidation led to a capital increase for 1,931 new shares corresponding to a value of \in 1,386.27.

At 31 December 2016, the share capital amounted to $\leq 2,031,456$ k, 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.VII), which at 31 December 2016 totalled \in 3,106,821k, are provided in the following table:

Amounts in €k		-	
Item	2016	2015	Change. on 2015
A.II Share premium reserve	407,256	407,256	
A.III Property revaluation reserve	96,559	96,559	
A.IV Legal reserve	406,289	399,226	7,063
A.VI Reserve for shares of the holding company	11,005	12,815	(1,810)
A.VII Other reserves	2,196,717	2,069,919	126,798
Reserve for holding company shares to be purchased	38,995	37,185	1,810
Merger reserve	1,638,569	1,647,414	(8,845)
Extraordinary reserve	16,156	16,156	
Other extraordinary reserves	404,897	279,915	124,982
Reserve for treasury shares to be purchased	97,269	88,418	8,851
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)	(76,561)	(2,731)
Total	3,038,534	2,909,214	129,320
			4.4%

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 post merger aggregate 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% accrues 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 can be included in the equity available at Tier I restricted level consequently to the transitional provisions of Solvency II. The total interest for the year was €43,188k.

- €300,000k (former Unipol Assicurazioni S.p.A.) subordinated bond loan issued in June 2001 by the holding company Unipol Gruppo Finanziario 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 7% until 15 June 2011, was 2.184% at 31 December 2016 (three-month Euribor increased by 250 basis points). The loan, listed on the Luxembourg Stock, can be included in the equity available at Tier II level consequently to the transitional provisions of Solvency II. The total interest for the year was €6,902k.
- €300,000k (former Unipol Assicurazioni S.p.A.) subordinated bond loan issued in July 2003 by the holding company Unipol Gruppo Finanziario 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 5.66% until 28 July 2013, was 2.187% at 31 December 2016 (three-month Euribor increased by 250 basis points). The loan, listed on the Luxembourg Stock, can be included in the equity available at Tier II level consequently to the transitional provisions of Solvency II. The total interest for the year was €6,904k. The Company holds part of this loan included in the portfolio assets for a nominal value of €38,311k, purchased at the end of 2009 by the holding company Unipol Gruppo Finanziario. Therefore, the actual debt of this loan amounted to € 261,689k and the net interest income for the year amounted to €6,022k.
- €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 2016 is equal to the six-month Euribor increased by 251.5 basis points, to pay each half-year (of which 71.5 basis points as additional spread defined between the parties in 2014 based on the "Additional Costs Clauses" ^(*). The loan can be included in the equity available at Tier I restricted level consequently to the transitional provisions of Solvency II. The total interest for the year was €9,723k (including the interest relating to 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 2016 is equal to the six-month Euribor increased by 251.5 basis points, to pay each half-year (of which 71.5 basis points as additional spread defined between the parties in 2014 based on the "Additional Costs Clauses" ^(*). The loan can be included in the equity available at Tier II level consequently to the transitional provisions of Solvency II. The total interest for the year was €2,433k (including the interest relating to 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 2016 is equal to the six-month Euribor increased by 251.5 basis points, to pay each half-year (of which 71.5 basis points as additional spread defined between the parties in 2014 based on the "Additional Costs Clauses" ^(*)). A contract hedging interest rate risk was entered into in 2008 and it generated its effects starting from January 2009, expired in July 2016. The loan can be included in the equity available at Tier II level consequently to the transitional provisions of Solvency II. The total interest for the year was €3,643k (including the interest relating to the additional spread but not the interest of the hedging instrument).

^(*) 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.

• €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 2016 is equal to the six-month Euribor increased by 251.5 basis points, to pay each half-year (of which 71.5 basis points as additional spread defined between the parties in 2014 based on the "Additional Costs Clauses" ^(*). A contract hedging interest rate risk was entered into in 2008 and it generated its effects starting from January 2009, expired in July 2016. The loan can be included in the equity available at Tier II level consequently to the transitional provisions of Solvency II. The total interest for the year was €1,214k (including the interest relating to the additional spread but not the interest of the hedging instrument).

The total interest for the year was \notin 74,008k. Considering the portion of own subordinated liabilities held by the Company, net interest amounted to \notin 73,126k.

Section 10 - Technical provisions (items C.I - Non-Life business and C.II - Life business)

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Non-Life premium provision	2,636,654	2,651,229	(14,576)	2,687,799	(51,146)
Non-Life claims provision	12,039,366	12,433,917	(394,552)	12,700,411	(661,045)
Other Non-Life business provisions	87,145	82,275	4,870	82,508	4,637
Life business technical provisions	24,099,010	23,208,486	890,523	23,338,510	760,499
Life business - amounts payable	289,206	401,258	(112,052)	403,961	(114,755)
Total	39,151,380	38,777,166	374,214	39,213,190	(61,810)
					(0.2)%

Their breakdown and changes are provided on the following statement:

Non-Life business technical provisions

The Non-Life business technical provisions at 31 December 2016 totalled $\leq 14,763,165k$ ($\leq -707,554k$ compared to the post merger aggregate figure) and were formed in observance of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations (hereafter defined "Regulation"), prepared in implementation of Art. 37, paragraph 1 of Decree Law 209/2005.

Premium provisions

The premium provision amounted to €2,636,654k (-1.9% compared to the post merger aggregate figure) and broken down as follows:

- €2,634,187k for premium provision for unearned premiums and supplementary provisions;
- €215k for premium provision for unexpired risks;
- €2,252k for indirect insurance premium provision.

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

	Unearned premiums		
Class	and supplementary provisions	Unexpired risks	Total
1- Accident	249,016		249,016
2-Health	52,251		52,251
3- Land Vehicle Hulls	236,880		236,880
4- Railway rolling stock	71		71
5- Aircraft	42	146	188
6-Marine Vessels	1,893	20	1,913
7- Goods in transit	5,636		5,636
8-Fire	286,846		286,846
9- Other damage to property	242,518		242,518
10- Land Vehicle TPL	1,120,408		1,120,408
11- Aircraft TPL	160		160
12- Marine TPL	3,863		3,863
13- General TPL	253,480		253,480
14- Credit	125	50	175
15- Bonds	95,759		95,759
16- Pecuniary losses	21,096		21,096
17- Legal expenses	20,623		20,623
18- Assistance	43,520		43,520
Total direct business	2,634,187	215	2,634,402
Indirect business	2,252		2,252
Total	2,636,438	215	2,636,654

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 €56,880k, was calculated on the basis of Art. 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 €145,196k 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 Art. 12 and 13 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations and amounts to €0.1k.
- The allocation regarding the provision for unexpired risks, which totalled €215k, 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.

• The supplementary provision in the Credit segment amounted to €76k.

Other provisions

- The provision for profit sharing and reversals (item C.I.3) amounted to €13,902k. The increase compared to
 the post merger aggregate figure was €4,275k (+44.4%) 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 €3,312k (€5,552k the post merger aggregate figure). They are entirely made up of the ageing provision pursuant to Art. 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
 2016 relating to the remaining portfolio amounted to €33,121k.

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 €69,931k (€67,329k the amount of the post merger aggregate provisions), refer for €69,920k to 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, and for the remaining €11k, to other technical provisions of indirect business.

The checks made reveal that it is not necessary to recognise provisions to the netting reserve of the credit insurance; the existing amount of \in 28k was thus zeroed.

The breakdown by class of the direct business equalisation provisions is provided in the following table:

Amounts in €k	2016
1- Accident	3,820
2-Health	10
3- Land Vehicle Hulls	25,745
4- Railway rollingstock	26
5- Aircraft	204
6- Marine Vessels	777
7- Goods in transit	2,332
8-Fire	34,015
9- Other damage to property	2,355
16- Pecuniary losses	287
18-Assistance	350
Total	69,920
Indirect business	11
Total	69,931

Claims provision:

The claims provision (direct and indirect business) amounted to $\leq 12,039,366$ k, a substantial drop compared to the post merger aggregate figure of $\leq 12,700,411$ k. With regard to direct business, it consists of:

- €10,427,097k for compensations and direct expenses;
- €925,817k of provision for claims incurred but not reported;
- €572,826k 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 disposal in 2014 of part of the agency network (former Milano Assicurazioni) to honour the commitments assumed with the Antitrust Authority.

The provision in indirect business totalled €113,625k.

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 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.

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 technical provisions at 31 December 2016 amounted to a total of $\leq 24,388,216k$ ($\leq 23,742,472k$ the post merger aggregate figure). The increase was $\leq 645,744k$.

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:

- €23,984,828k relating to the mathematical provision of direct business;
- €288,518k for direct business amounts payable;
- 102,086k relating to the sundry technical provisions, which almost entirely refer to allocations for operating expenses;
- €12,095k relating to the mathematical provision of indirect business;
- €688k for indirect business amounts payable;

The mathematical provisions included in the technical provisions of Class I were determined with reference to the following most significant technical bases:

- annual compound technical interest rates or minimum guarantee interest rate of 4%, 3%, 2.5%, 2% and 1.5% for most of the coverage in progress;
- demographic assumption based on the mortality tables of the varied Italian male population 1951, 1961, 1971, 1981 and 1992, on the mortality table of the Italian female population 1992, on the RG48 table, which shows details of both sexes separately, and on the IPS55 table, which shows details of both sexes separately.

The mathematical provisions included in the technical provisions of Class V were determined with reference to the following most significant technical bases: annual compound technical interest rates or minimum guarantee interest rates of 4%, 3%, 2.5% and 2% for most of the contracts in force.

The provision for direct business amounts payable at the end of the year amounted to $\leq 288,518k$ ($\leq 403,220k$ at 31 December 2015), $\leq 83,746k$ 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 $\leq 94,486$ k at 31 December 2016 ($\leq 96,390$ k the post merger aggregate figure) almost entirely referred to allocations for operating expenses and are broken down by class as follows:

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Class I	73,425	72,520	905	73,435	(10)
Class III	1,311	1,899	(587)	1,899	(587)
Class IV	56	57	(1)	57	(1)
Class V	19,693	20,762	(1,069)	21,000	(1,307)
Total	94,486	95,238	(752)	96,390	(1,904)

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)

The technical provisions in accordance with Art. 38 of Legislative Decree 173/97, which are set up to cover liabilities deriving from life insurance policies where the yield is based on investments or indices for which the policyholder bears the risk, and provisions arising from pension fund management (Class III and Class VI as defined by Art. 2, paragraph 1 of Legislative Decree no. 209 of 7 September 2005), were calculated by reference to commitments made under these policies and are represented with as much approximation as possible by the assets of reference.

The total balance at 31 December 2016 amounted to \leq 4,536,152k, increasing by \leq 611,490k (+15.6%) compared to the post merger aggregate figure. With reference to the product types in the portfolio, the amount of the technical provisions breaks down as follows:

Amounts in €k	
Sub - Funds	2016
Index-Linked Policies	108,358
Unit-Linked Policies	245,560
Unipol Previdenza FPA	807,601
Cometa	883,234
Arco	60,951
Poste	481,202
Alifond	81,791
Byblos	165,871
Priamo	296,481
Telemaco	78,994
Filcoop	30,775
Fondapi	97,146
Previmoda	109,079
Fonte	613,297
Fondinps	74,441
Perseo Sirio gar.	48,465
Cometa Sicurezza 2015 gar.	28,991
Previcooper Sicuro gar.	142,360
F.do Pens. Cooperlavoro Sicurezza Gar	181,555
Total	4,536,152

For Class III policies, additional technical provisions hedging mortality risks were set up (recognised in item C.II.1), calculated with reference to a demographic assumption based on the varied 1992 Italian male population table, which amounted to \in 9k.

Section 12 - Provisions for risks and charges (item E)

Item E states the balances of the provisions specified hereunder:

					(12.1)%
Total	553,837	626,572	(72,735)	629,741	(75,904)
Provision for tax risks	28,662	21,748	6,914	21,748	6,914
Provision for donations		400	(400)	400	(400)
Provision for property charges	6,960	6,072	888	6,072	888
Income tax provision	121,825	137,520	(15,695)	138,135	(16,310)
Solidarity and employee leaving provision	47,219	74,917	(27,698)	74,917	(27,698)
Provision for IVASS penalties	3,791	6,297	(2,506)	6,307	(2,517)
Provision for future risk and charges	342,787	376,739	(33,952)	379,282	(36,495)
Post employment benefits and similar obligations	2,593	2,880	(286)	2,880	(286)
Amounts in €k	2016	2015	Change on 2015	2015 Aggregate	Change on Aggregate 2015

The breakdown of changes over the year is provided in the following table:

Amounts in €k				
Provisions for risks and charges	Aggregated at 31/12/2015	Uses/ Excess	Provisions	31/12/16
Post employment benefits and similar obligations	2,880	287		2,593
Provision for future risks and charges	379,282	71,428	34,933	342,787
Provision for IVASS penalties	6,307	2,523	7	3,791
Solidarity and employee leaving provision	74,917	27,698		47,219
Income tax provision	138,135	39,641	23,331	121,825
Provision for property charges	6,072		888	6,960
Provision for donations	400	400		
Provision for tax risks	21,748	5,574	12,488	28,662
Total	629,741	147,551	71,647	553,837

The provision for future charges, which amounted to \leq 342,787k, decreased by \leq 36,495k compared to the post merger aggregate figure, and mainly consists of:

- €117,047k for allocations for charges arising from relations with the intermediaries both for items in litigation and for estimated losses on portfolio indemnities to assign;
- €117,588k for cases in litigation given to lawyers;
- €37,164k for disputes with insurance and reinsurance companies, including €16,065k which refer to the previously mentioned amount due from the company Mutuelle Du Mans;
- €16,255k for real estate litigation;
- €9,995k for personnel disputes;

The provision was adjusted to meet all liabilities deemed probable at 31 December 2016.

€27,698k of the employee leaving provision were used for the disbursements incurred during the year.

The income tax provisions amounted to €121,825k 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 Italian 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, \in 28,662k, include items pertaining to current and potential tax disputes, of which \in 12,848k for disputes and \in 15,813k 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 2015, the Tax Squad of the Tax Police of Piedmont carried out a comprehensive audit of the former Fondiaria-SAI, pertaining to the examination of some typical items of the insurance financial statements in relation to the years from 2010 to 2013, which subsequently ended in 2016 with the notification of the report on findings. In 2015, the year 2010 was defined; in 2016, the years from 2011 to 2013 were defined (respectively, 2011 and 2012 with the Piedmont DRE and 2013 with the Emilia Romagna DRE). The provisions for risk specifically allocated in the 2015 financial statements was found sufficient with respect to the amounts actually paid.

In June 2016 two reports on findings were notified at completion of the audits performed by the Province Direction I of Turin on the former real estate company Fondiaria-SAI (now merged in UnipolSai). The taxable periods involved were 2011 and 2012, although the year 2011 had been the object of only a partial assessment directed at auditing the following year without any evidence of the request for additional taxes. The comments substantially concern some transactions carried out at that time with related parties (IM.CO and ICEIN). In December 2016, an assessment notice was issued for the year 2011, promptly challenged before the Provincial Tax Commission of Turin. In view of the findings resulting from the aforesaid reports, a special provision for tax disputes was allocated.

At the end of 2016, the assessment notices were notified as a result of the audits conducted by the Regional Tax Authority of Piedmont on the company Immobiliare Milano Assicurazioni (today merged in UnipolSai). The years involved are 2010 and 2011 and the findings substantially concern intercompany services pertaining to the previous management and other less relevant objections. Settlement proposals were submitted for the purpose of a possible settlement of the assessments while benefiting from the reductions of the penalties prescribed by the measures to avoid tax disputes. In view of the estimated liabilities, a special provision for tax disputes was allocated.

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 Aurora Assicurazioni, already started for the years 2005, 2006 and part of 2007 toward Unipol Gruppo, then also extended to 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;
- 3. 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 yet exists at the reporting date.

As regards the assessment notices regarding VAT on active and passive coinsurance contracts entered into with other companies in the insurance sector, notified until 31 December 2016, all duly challenged with the competent tax commissions, taking into account the prevalent favourable jurisprudence on these matters, no provisions have been allocated. On this point, reference is made to the very recent decision of the Court of Cassation no. 22429/16 in a case pertaining to another company, for which, while ordering that the dispute be referred back to the competent Regional Tax Commission, the Court of Cassation expressed principles indicating that the case will probably have a positive outcome.

Proceedings in progress with the Antitrust Authority

With Measure dated 14 November 2012, the Antitrust Authority started preliminary proceedings no. I/744 against Unipol Assicurazioni and Fondiaria-SAI (now UnipolSai), Assicurazioni Generali and INA Assitalia, to ascertain the existence of alleged violations of Art. 2 of Law 287/1990 and/or Art. 101 of the Treaty on the Functioning of the European Union, in the assumption of coordination between said insurance companies aimed at limiting competition between said parties in participation in tenders called by certain Local Public Transport Companies regarding MV TPL insurance coverage services for vehicles that are used to provide said transportation service. UnipolSai, deeming that it acted in full compliance with legality and correctness, retained its lawyers for the protection of its rights. The preliminary investigation stage ended on 28 January 2015 with the final hearing of the parties.

On 26 March 2015 the Antitrust Authority notified a penalty provision with which UnipolSai Assicurazioni was ordered to pay an administrative penalty of €16,958k.

At the end of the hearing of 2 December 2015, the Regional Administrative Court accepted the appeal filed by UnipolSai and entirely repealed the measure of the Antitrust Authority, indicating that it shares nearly all the substantial remarks raised by the Company.

With appeal served to UnipolSai on 21 March 2016, AGCM challenged the ruling issued by the Regional Administrative Court before the Council of State, which, with judgement dated 1 December 2016, published on 7 March 2017, rejected the appeal, confirming the cancelation of the penalty imposed at the time. The Company has already started an 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 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 for 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 Mrs. 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 class. The imposed penalty amounted to \notin 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 209 of 7 September 2005.

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 SpA 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 SpA and its subsidiaries, suitable, in relation to the disputed transactions, to safeguard and reintegrate the assets of Fondiaria-SAI SpA and its subsidiaries; (iv) exercising the powers held by Fondiaria-SAI SpA 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.

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 administrators on the internal control committees of Fondiaria-SAI and Milano Assicurazioni, who would have also 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. At present, two hearings were conducted, during which preliminary matters were discussed.

Bankruptcy of Im.Co. SpA in liquidazione and Sinergia Holding di Partecipazioni S.p.A. in liquidazione

On 18 February 2016, the agreement with Visconti Srl, in charge of the arrangements with creditors of Im.Co. and Sinergia, was fully implemented.

It should be noted that, on 17 November 2014, the Court of Milan approved the bankruptcy agreement regarding Im.Co. that had been put forward by Visconti. The main effects of the relevant decree included transfer of the real estate complex in Milan at Via De Castillia to UnipolSai, and the real estate complex in Parma, Località San Pancrazio Parmense, to UnipolSai Real Estate (now UnipolSai).

As a result of the closure of the Bankruptcy proceeding of Im.Co, stated by the Court of Milan on 5 February 2015, all challenge proceedings recognised in liabilities in due time, were declared interrupted by the Judge. Pending judgements before the Supreme Cassation Court (Gen. Criminal Records Reg. 19245/14 and Gen. Criminal Records Reg. 1686/14) - following the endorsement of the composition with creditors and the acquisition of the property by Visconti - were subject to discontinuation.

UnipolSai currently has a residual receivable of \pounds 101,665k from ASA S.r.l. deriving from a contract for future purchases (at the time signed by Milano Assicurazioni) and regarding a real estate 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 \pounds 73,800k. Therefore, the net receivable to date amounts to approximately \pounds 27,865k.

Castello Area

On 27 October 2015 the Florence Court of Appeal, partly amending the judgement issued on 6 March 2013 by the Court of Florence, convicted all the defendants in the criminal proceeding regarding the urbanisation of the Castello Area (Florence). The Court of Appeal, on the contrary, confirmed the absolving ruling of the Court with regard to UnipolSai as it deemed the appeal filed by the Prosecutor's Office of Florence inadmissible for the part regarding the Company. In this regard, it should be noted that the Company was accused, in the criminal proceedings launched in 2008 by the Public Prosecutor's Office of Florence, of the crime of corruption, which involved other defendants that included some representatives of Fondiaria-SAI, certain professionals and some public administrators.

Fondiaria-SAI was accused of unlawful administration set forth in Art. 5 and Art. 25 of Legislative Decree 231/2001 in relation to the offence set out in Art. 319 and Art. 321 of the Criminal Code, which punishes the crime of corruption of a public official.

The judgement of the Court of Appeal sentenced for corruption the public administrators, the professionals and the representatives of Fondiaria-SAI who were the defendants in the case.

The sentence was objected by the defendants before the Court of Cassation. On 6 May 2016, with final judgement the Court rejected the sentence of the Florence Court of Appeal and all defendants were acquitted. The Company, discharged in the first and second instance, was not a party in the case before the Court of Cassation as the Public Prosecutor's Office of Florence did not object the ruling of the Court of Appeal that confirmed the first instance acquittal judgement.

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. At 31 December 2016, four proceedings were still pending, one of which before the Supreme Cassation Court and three before the Milan Court of Appeal after the resumption following the decision of the Cassation.

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 SpA and Reconta Ernst & Young SpA, 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 SpA and Reconta Ernst & Young SpA, 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 Article 530, Paragraph 2 of the Italian 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 €200,000.00, in addition to the payment of the legal expenses borne by the civil claimants.

- 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) and, for Fulvio Gismondi only, 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. On 16 December 2015, the preliminary hearing judge also delivered a decision not to proceed against UnipolSai Assicurazioni SpA, as the administrative liable party pursuant to Legislative Decree 231/2001,
- which became definitive during 2016.
 (c) Criminal Case (Gen. Criminal Records Reg. 24630/2013) against 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.

Moreover, it should be pointed out that 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. 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 \in 211,434k (the post merger aggregate figure) to \in 224,767k at the end of 2016, marking a \in 13,334k increase (+6.3%).

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 2016 was €1,584,541k, which increased by €159,766k with respect to the post merger aggregate figure (+11.2%). The breakdown is summarised in the following table:

G.IX	Other liabilities	918,540	761,146	157,394	770,750	147,790
G.VIII	Other payables	449,198	414,273	34,926	420,637	28,561
G.VII	Post-employment benefits	54,574	55,839	(1,264)	56,425	(1,850)
G.VI	Sundry loans and other financial payables	11,994	14,944	(2,950)	14,944	(2,950)
G.V	Collateralised payables	3,370	3,860	(490)	3,860	(490)
G.II	Payables arising from reinsurance	70,523	78,938	(8,415)	78,963	(8,440)
G.I	Payables arising from direct insurance business	76,340	76,657	(316)	79,195	(2,855)
ltems		2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate

Payables arising from direct insurance business (item G.I) included payables to companies for \in 18,510k, to agents for \in 41,918k and to policyholders for advance premiums for \in 15,832k.

Payables arising from reinsurance business (item G.II) referred to reinsurance companies for \in 70,157k and to reinsurance intermediaries for \in 366k.

Item G.V "collateralised payables", at 31 December 2016 amounted to \in 3,370k. The item refers to mortgage loans Unipol Banca disbursed to corporate agencies regarding four properties Unipol Assicurazioni purchased in 2011 and 2014, as broken down below:

Amounts in €k	residual amount at 31/12/2016
Mortgage 6023128 Building 4378 Parma	1,191
Mortgage 6174396 Building 4379 Fidenza	308
Mortgage 6174397 Building 4379 Fidenza	142
Mortgage 8150029 Building 4380 Forli'	1,730
	3,370

Item G.VI "sundry loans and other financial payables", which amounted to \notin 11,994k, at 31 December 2016 referred entirely to financial payables: In particular, the item comprises \notin 6,534k for premiums collected in relation to the put options on equities and \notin 5,460k for premiums collected in relation to 3 swaptions sold.

The changes that took place in the period regarding post-employment benefits (item G.VII), which amounted to \in 54,574k, are detailed in Annex 15.

The uses regarding this fund are mainly represented by settlements made totalling €33,045k.

Of the other payables (item G.VIII), which amounted to \leq 449,198k, up by \leq 28,561k compared to the post merger aggregate figure, note:

- item G.VIII.1 "Payables for policyholders' tax due", which at 31 December 2016 presented a balance of €152,276k and consisted of the amounts due for insurance tax (€118,882k) and the payable to the National Health Service (€33,395k);
- item G.VIII.2 "Sundry tax payables", which at 31 December 2016 presented a balance of €28,669k and consisted primarily of personnel tax payables equal to €13,058k and payables for other withholding taxes, totalling €11,851k;

- item G.VIII.3 "Other social security charges payable", whose balance was €31,194k, comprised the national insurance fund for agents payables that amounted to €11,404k;
- Item G.VIII.4, "Sundry payables", whose breakdown and major changes follow:

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Trade payables	71,412	86,648	(15,237)	93,225	(21,814)
Claims management	13,128	12,997	131	12,997	131
Group companies	95,122	24,060	71,063	21,101	74,022
Policyholders for Unibox	6,068	7,041	(7,020)	7,424	(7,403)
Financial intermediaries	3,370	25,310	(21,940)	25,310	(21,940)
Guarantee deposits and advances paid	23,500	17,032	6,467	17,032	6,467
Other	24,459	29,316	1,190	29,607	898
Total	237,059	202,405	34,655	206,697	30,362
					14.7%

These are mainly short-term payables; the changes that took place during the year pertain to normal development of the Company's business.

Other payables include payables to leaseholders against guarantee deposits and advances paid totalling €23,500k.

Item G.IX, "other liabilities", amounted to €918,540k at 31 December 2016 (€+147,790k compared to the post merger aggregate figure).

The breakdown and change compared with the previous year are summarised in the following table:

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Commissions for premiums under collection	92,895	89,938	2,957	91,149	1,746
Financial liabilities	252,571	191,136	61,435	191,136	61,435
Provisions for personnel costs	150,033	151,117	(1,083)	152,007	(1,974)
Incentives and contributions to the agency network	158,732	130,591	28,141	132,125	26,607
Invoices receivable	62,758	68,245	(5,487)	68,245	(5,487)
Non-Life/Life connection account	62,836	5,495	57,341	5,495	57,341
Technical reinsurance entries	10,760	14,112	(3,352)	14,886	(4,126)
Liabilities pertaining to the technical accounts	105,219	79,611	25,608	84,761	20,458
Sundry liabilities	22,737	30,902	(8,166)	30,946	(8,210)
Total	918,540	761,146	157,394	770,750	147,790
					19.2%

Financial liabilities for €252,571k are broken down as follows:

- contra-item of forward currencies for €79,944k;
- contra-item of interest rate swaps for €2k;
- contra-item of asset swaps for €172,626k;

Section 14 - Accruals and deferrals

Item H "accruals and deferrals" showed a total balance at 31 December 2016 of \in 52,212k, with an increase of \in 3,686k compared to the post merger aggregate figure (+7.6%). The breakdown of the item follows:

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Financial derivatives	22,872	18,051	4,821	18,051	4,821
Interest on Life policy loans	344	494	(150)	494	(150)
Rents/sub-rentals	101	315	(213)	315	(213)
Interest on subordinated loans	28,885	29,602	(717)	29,602	(717)
Other accruals and deferrals	9	63	(54)	63	(54)
Total	52,212	48,526	3,686	48,526	3,686
					7.6%

The breakdown into accruals and deferrals is shown in the following table:

Amounts in €k	Accruals	Deferrals	Total
H.1 Interest	52,102		52,102
H.2 Rental income		101	101
H.3 Other accruals and deferrals		9	9
Total	52,102	110	52,212

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.

Amounts in €k	Balance at 31/12/2016	Amount due beyond 31/12/2017	Amount due beyond 31/12/2021
Loans			
Loans to holding companies	267,785		
Loans to subsidiaries	50,588	43,564	43,564
Loans to associates	8,186	8,057	1,786
Loans to other companies	1,544		
Loans on policies	34,502	21,893	5,193
Other loans	100,835	98,030	95,333
Total	463,439	171,544	145,876
Receivables			
Receivables from policyholders	571,079		
Insurance intermediaries	907,927	266,139	153,280
Insurance company current accounts	41,674		
Policyholders and third parties for amounts to be recovered	126,472		
Companies and insurance and reinsurance intermediaries	80,680		
Other receivables	1,364,251	271,368	11,859
Total	3,092,084	537,507	165,139
Deposits received from reinsurers	224,767		
Payables			
Payables arising from direct insurance business	76,340	(5)	
Payables arising from reinsurance	70,523		
Collateralised payables	3,370	2,749	563
Sundry loans and other financial payables	11,994		
Other payables	449,198	6,303	4,895
Total	611,426	9,047	5,458

Other receivables include receivables already due at 31 December 2016, with indefinite actual residual duration as these refer to disputed receivables for \leq 51,262k and tax receivables and receivables from other foreign countries with refund claimed for a net value of \leq 567,057k.

Section 16 bis - Individual pension schemes

UnipolSai Assicurazioni has the following existing individual pension schemes pursuant to Art.13, paragraph1 of Legislative Decree 252/05 established in 2007: 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 separately managed accounts called Previattiva UnipolSai. The relevant resources 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 2016, which amounted to $\leq 53,482,284k$ ($\leq +1,842,870k$ compared to the post merger aggregate figure), is mostly made up of securities deposited with third parties ($\leq 42,420,451k$) and of the commitments account ($\leq 8,659,311k$).

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Guarantees given: Sureties	27,801	26,358	1,443	28,746	(945)
Guarantees given: Other guarantees	581	581		581	
Guarantees given: Collateral	64,707	72,446	(7,738)	72,446	(7,738)
Guarantees received: Sureties	60,477	66,769	(6,292)	66,769	(6,292)
Guarantees received: Other guarantees		260	(260)	260	(260)
Guarantees received: Collateral	24,914	29,544	(4,630)	29,631	(4,718)
Guarantees given by third parties in the interest of the company	1,224,534	1,243,461	(18,928)	1,243,461	(18,928)
Commitments	8,659,311	7,292,962	1,366,349	7,292,962	1,366,349
Third party assets	17,183	20,340	(3,157)	20,340	(3,157)
Assets attributable to pension funds managed in the name and on behalf of third parties	965,159	892,865	72,294	892,865	72,294
Securities deposited with third parties	42,420,451	41,520,164	900,287	41,967,114	453,337
Other memorandum accounts	17,166	24,237	(7,072)	24,237	(7,072)
Total	53,482,284	51,189,988	2,292,296	51,639,414	1,842,870

The guarantees provided included \in 10,030k for surety policies in favour of municipal Authorities in relation to the Via Larga complex in Bologna and \in 14,672k relating to tax entries pertaining to the group.

The decrease in collateral given, which comprises mainly securities given as guarantee, is primarily due to the formation of cash deposits standing surety for transactions in derivatives, in replacement of the pledge on securities present at the end of the previous year.

With regard to the sureties received, the following were the main ones:

- ✓ guarantee deposits on leases through sureties amounting to €6,739k;
- ✓ 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 €4,208k;
- ✓ the amount of €29,824k, as guarantee 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;
- ✓ the guarantees given by the Agents individually through insurance or banking sureties for €15,464k. 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.

Note that of the guarantees given by third parties in the interest of the company, \leq 561,689k were for the guarantees given by the holding company Unipol Gruppo Finanziario in favour of the bondholders of the subordinated loans that Unipol Assicurazioni took over as issuer in 2009 and \leq 331.627k of the guarantees provided by the holding company UGF by granting a sale option on 246,726,761 Unipol Banca shares representing 27.49% of the share capital of the investee.

The item also comprises \in 116,088k of sureties for participation in tenders, \in 85,990k of a surety issued to CONSAP and \in 70,000k as UBI Banca surety for Telespazio.

The detail of the commitments is shown in the following table:

Amounts in €k

Commitments	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Financial derivatives	8,146,957	7,067,050	1,079,907	7,067,050	1,079,907
Capital subscribed	403,438	106,554	296,884	106,554	296,884
Taxes to be paid on Life technical provisions	69,755	68,678	1,077	68,678	1,077
Other commitments	39,160	50,679	(11,519)	50,679	(11,519)
Total	8,659,311	7,292,962	1,366,349	7,292,962	1,366,349

The commitments recorded for transactions on derivatives at year end amounted to a total of $\in 8,146,957$ k and are connected with Class C investments for $\in 8,050,549$ k and Class D investments for $\in 96,408$ k. 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 2016 on the mathematical provisions, pursuant to Decree Law 209/2002, to be paid in 2017.

The other commitments comprise mainly \in 39,026k for commitments to purchase properties under construction and \in 133k for leased assets. For the latter item, please refer to Section 2. Investments.

The item also includes €177k corresponding to the value of the securities under guarantee 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	2016
Arco Senza Garanzia	128,532
Cooperlavoro	141,247
Filcoop	42,217
Prevedi	169,425
Previcooper	357,979
Solidarieta' Veneto	122,412
Agrifondo	3,346
Total	965,159

The breakdown by type follows:

Amounts in €k	
Types	2016
Bonds	643,971
Equities	260,350
Liquidity	55,151
Other net assets	5,688
Total	965,159

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 2016 was €42,420,451k.

Total	42,419,665	41,520,164	899,501	41,967,114	452,550
Others	787		787		787
lssuers	1,183,828	874,539	309,289	875,590	308,239
Banks	3,711,670	3,631,367	80,303	3,631,367	80,303
Group companies	37,524,166	37,014,258	509,909	37,460,158	64,009
Depositary entity	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Amounts in €k					-

Other memorandum accounts, whose balance at 31 December 2016 amounted to $\leq 17,166k$, consisted mainly of deposits for books on claims almost entirely established at the associate Unipol Banca.

€787k in the table refers to the value of securities at third parties under guarantee for the inward reinsurance business.

At 31 December 2016 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.

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 2016, 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 2016, 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 2016 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 2016, set up with 16 counterparties and with a portion of the reference capital up to a maximum of $\leq 250,000$ k, are shown in the following table:

AMOUNTS IN EK	أمما	-t	Effe etters an		Т		
	Hedg	ging	Effective m	anagement	To	נמו	Overall
Transaction description	No.	Fair value	No.	Fair value	No.	Fair value	exposure
Forward purchases of currency	5	913			5	913	52,697
Forward sales of currency	139	(87,352)			139	(87,352)	2,127,255
Purchase of call options			7	35,266	7	35,266	627,384
Purchase of put options	6	19,899			6	19,899	675,000
Sale of put options	6	(6,534)			6	(6,534)	513,000
Purchase of Swaptions	4	11,654			4	11,654	675,000
Sale of Swaptions	3	(107)			3	(107)	475,000
Total contracts with							
equity swaps	163	(61,527)	7	35,266	170	(26,261)	5,145,336
Purchase of Interest Rate Caps	1	390			1	390	50,000
Purchase of Interest Rate Swaps	18	(49,597)	1	(53)	19	(49,651)	1,451,000
Purchase of Equity Swaps			1	(27)	1	(27)	25,000
Purchase of Asset Swaps	22	(225,104)	3	(2,982)	25	(228,086)	1,330,547
Purchase of Cross Currency	2	1,212			2	1,212	48,666
Total contracts without equity swaps	43	(273,100)	5	(3,062)	48	(276,162)	2,905,213
Grand total	206	(334,626)	12	32,203	218	(302,423)	8,050,549

Amounts in €k

The company's overall exposure in derivatives also includes two Asset Swaps for €20,000k.

The forward purchases and sales of currency made in the year refer to the following currencies: Euro, Swedish Krona, US Dollar, Canadian Dollar, New Zealand Dollar, Pound Sterling, Swiss Franc and Japanese Yen.

Income Statement

The results achieved in 2016 are summarised in the reclassification statement of the income statement, the most salient aspects of which are recalled below:

Amounts in €k	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Technical balance: Life	220,777	2,440	218,337	3,440	217,337
Non-life	349,806	696,978	(347,172)	697,117	(347,310)
Total	570,583	699,418	(128,834)	700,556	(129,973)
Income from investments, other gains and losses	3,650	(27,869)	31,519	(26,688)	30,338
Profit (loss) from ordinary operations	574,234	671,549	(97,315)	673,869	(99,635)
Extraordinary components	60,089	203,131	(143,043)	205,057	(144,968)
Pre-tax profit (loss)	634,322	874,680	(240,358)	878,926	(244,603)
Net profit (loss)	458,479	555,722	(97,243)	570,143	(111,664)

Section 18 - Information on Non-Life business technical account (I)

The gross premiums at 31 December 2016 amounted to $\leq 6,968,227$ k, decreasing by $\leq 141,026$ k (-2.0%) compared to the aggregate figure 2015. The premiums regarding indirect business amounted to $\leq 7,994$ k and account for 0.1% of the total.

Net of reinsurance, the premiums earned amounted to $\in 6,586,270$ k compared to the figure 2015 of $\in 6,810,175$ k. 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 $\leq 45,219k$ ($\leq 46,757k$ the figure 2015) at 31 December 2016, and included $\leq 9,875k$ regarding the Land vehicle TPL class, mainly consisting of recovered expenses for managing claims on behalf of foreign companies, $\leq 2,965k$ of recovered commissions following the introduction of the Bersani Decree and $\leq 16,421k$ as commissions on premiums of previous years cancelled. Indirect business included $\leq 547k$ as reinstated premiums estimated on claims provision.

The charge of the claims for the Non-Life business (item 1.4) amounted to \notin 4,445,948k, against \notin 4,483,192k (aggregate figure 2015) 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 8,959,807k at the end of the period.

The changes, referred to Italian direct business, are summarised in the table below:

Amounts in €k	2016
Opening claims provision	12,306,358
Merger effect	269,651
Payments in the year for prior year claims	3,438,595
Closing claims provision	8,959,807
Breakdown of claims provision	177,607
% impact on opening provision	1.44%

When considering the amounts to be recovered and the recoveries made, the positive breakdown was as follows:

Amounts in €k	2016
Amounts to be collected at the end of the previous year	137.751
Merger effect	8,646
Amounts collected in the year	111,517
Amounts to be collected at the end of the year	112,081
Changes in the amounts to be collected	77,201
Total effect	254,807

The breakdown of the provisions for claims of previous years was positive on nearly all classes. The savings realised on 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 used mostly to revalue cases still in reserve, whilst in the other Non-Life classes they enabled the realisation of positive run-offs.

The positive overall result of the breakdown of the claims provisions also benefited from a significant positive differential relating to the recoveries (ϵ 77.201k).

The amount of the reversals and profit sharing (item 1.6) recognised to the policyholders or other beneficiaries represented a net balance of $\leq 10,200k$ ($\leq 10,676k$ the aggregate figure 2015) and referred almost entirely to technical profit sharing.

Operating expenses amounted to $\[mathcal{e}1,835,097k$, already net of the commissions received from reinsurers ($\[mathcal{e}1,2,700k$), and included acquisition and collection expenses for $\[mathcal{e}1,636,611k$ (down by 2.5%% compared to the aggregate figure 2015) and other administrative expenses for $\[mathcal{e}332,426k$ (-1.5% compared to the aggregate figure 2015) with a 4.8% impact on premiums.

The balance of item I.7.f "commissions and profit sharing from reinsurers", equal to $\leq 142,700k$ (+23.4% compared to the aggregate figure 2015), referred to commissions for $\leq 109,825k$ and to profit sharing for $\leq 32,875k$.

Other technical charges, net of reinsurance (item I.8), which at 31 December 2016 amounted to $\leq 160,455k$ ($\leq 130,618k$ the aggregate figure 2015), included the cancelled premiums of previous years for $\leq 107,693k$, the management rights of the CARD room for $\leq 5,852k$, contributions for $\leq 26,936k$.

Indirect business amounted to $\in 1,646k$, while the reinsurers' shares equalled $\in 9,098k$. The latter amount included the estimate of the reinstated premiums on claims provisions for $\in 8,621k$.

Item I.9 "change in equalisation provisions", which was negativa by $\leq 2,602$ k, 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 ≤ 3 k 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 I.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.

The share to be assigned to the technical account, pursuant to ISVAP Regulation no. 22 of 4 April 2008, 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.

On 31 December 2016 profits from investments were transferred from the non-technical account to the technical account for €170,378k (€355,328k the aggregate figure 2015).

Section 19 - Information on Life business technical account (II)

The gross premiums at year end amounted to 3,042,289k (decreasing by 11.6% compared to the 2015 aggregate figure); the premiums regarding indirect business equalled $\leq 579k$. Summarised information on premiums and the reinsurance balance is contained in Annex 20.

The detail of the gains on investments (item II.2), which at 31 December 2016 amounted to \in 1,315,850k (\in 1,310,205k the aggregate figure 2015) 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 2016 amounted to \leq 177,791k (\leq 185,102k the aggregate figure 2015).

The other technical income, net of reinsurance (item II.4), amounted to $\leq 21,686k$ ($\leq 20,292k$ the aggregate figure 2015) and included $\leq 18,236k$ 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 $\in 2,641,509k$ (-9.0% compared to the aggregate figure 2015) and included:

Amounts in €k Capital and annuities accrued	2016 1,097,300	2015 1,284,542	Change on 2015 (187,242)	Aggregate2015 1,289,805	Aggregate 2015 (192,505)
Surrenders and advances	1,394,252	1,464,515	(70,263)	1,476,694	(82,442)
Claims	140,991	123,473	17,518	124,705	16,286
Settlement expenses	5,341	6,929	(1,588)	6,929	(1,588)
Indirect business	3,625	5,596	(1,971)	5,596	(1,971)
Total	2,641,509	2,885,055	(243,546)	2,903,729	(262,220)

The change in provision for amounts payable, net of the reinsurers' shares, equalled €-111,395k (-€171,198k the aggregate figure 2015).

The change in technical provisions, net of reinsurance (item II.6), amounted to €1,112,704k (€1,040,378k the aggregate figure 2015).

Item II.7 "reversals and profit sharing, net of reinsurance" amounted to $\leq 1,557$ k at 31 December 2016 ($\leq 1,288$ k the aggregate figure 2015) and consisted entirely of reversals.

Operating expenses (item II.8) amounted to \leq 154,010k (-1.2% compared to the aggregate figure 2015), already net of the commissions received from reinsurers (\leq 431k), and included acquisition and collection expenses for \leq 113,451k (+2.9% compared to the aggregate figure 2015) and other administrative expenses for \leq 57,200k (-10.2% compared to the aggregate figure 2015, with a 1.9% impact on premiums).

The item II.8.f "commissions and profit sharing from reinsurers", which at 31 December 2016 equalled \leq 431k (-71.6% compared to the aggregate figure 2015), referred entirely to commissions.

The detail of asset and financial charges (item II.9), which at 31 December 2016 amounted to \leq 302,070k, against \leq 489,367k as the aggregate figure 2015, is shown in Annex 23.

These charges included write-downs regarding bonds, shares and fund units for €88,870k and write-downs regarding derivative financial instruments for €10,944k.

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 $\leq 108,177k$ ($\leq 87,595k$ the aggregate figure 2015).

Other technical charges, net of reinsurance (item II.11), equal to \in 36,710k (+22.5% compared to the aggregate figure 2015), mainly comprised:

- management fees for €17,036k;
- cancelled premiums of previous years for €16,962k;
- commissions on investments related to Unit-Linked Policies and pension funds for €891k.

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, 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 possibly 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, $\leq 103,048k$ ($\leq 85,668k$ the aggregate figure 2015) 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 €863,841k (-18.2% compared to the aggregate figure 2015) as detailed in Annex 21.

The Non-Life business asset and financial charges (item III.5) amounted to $\leq 637,073$ k and were essentially in line with the aggregate figure 2015 of $\leq 582,311$ k, are detailed in Annex 23.

Investment management expenses and interest expense (item C.III.5.a), with a balance of €160,634k (€127,746k the aggregate figure 2015), included:

- administrative expenses attributed to the management of investments for €69,691k;
- financial charges linked to derivative financial instruments for €33,205k;
- taxes on investments for €25,078k, €19,322k of which for IMU and €1,090k for other taxes on financial investments;
- issue/trading spreads for €19,189k;
- expenses on securities dossier for €11,382k;
- interest on deposits received from reinsurers for €1,523k.

Value adjustments to investments (item III.5.b) amounted to $\in 271,394k$ (-2.3% compared to the aggregate figure 2015) and consisted of alignments of shares, interests and fund units for $\in 67,293k$, of bonds for $\in 68,217k$ and adjustments of other financial investments for $\in 21,985k$.

This item also included the write-downs of properties totalling \in 113,899k, \in 55,638k of which referred to the portions of amortisation and \in 58,260k referred to write-downs for value adjustments.

The item III.7 "other income" equalled \in 179,385k at 31 December 2016, versus \in 196,215k (aggregate figure 2015), with a -8.6% change, broken down as follows:

AIIIUUIIISIIIEK					
Other income	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Interest income	7,662	8,168	(506)	8,185	(523)
Recovery of expenses	55,806	71,758	(15,952)	71,861	(16,055)
Positive exchange rate differences	847	4,051	(3,204)	4,051	(3,204)
Withdrawals from provisions	77,863	75,093	2,770	75,093	2,770
Commission on placement of bank products	7,756	7,838	(82)	7,838	(82)
Other income	18,148	18,166	(17)	34,255	(16,106)
Recovery of expenses for management of Roadway Accident Victims Fund (FVS)	11,303	15,999	(4,696)		11,303
Total	179,385	201,072	(21,687)	201,282	(21,898)

Amounts in €k

Interest income included €245k as interest on deposits and €7,417k as interest of other receivables.

The income from recovered administrative costs from services provided equalled €55,112k.

Withdrawals from provisions, of which \leq 35,252k from the bad debt provision and \leq 42,611k from the provision for sundry risks and charges, referred to liabilities set aside in previous years and occurred in the current year.

Other income includes $\leq 2,923$ k which represent the compensation for the management of real estate assets both from Group companies and from third parties.

Amounts in €k					
Other charges	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Interest expense	76,653	97,717	(21,064)	97,717	(21,064)
Allocations to provisions	33,031	58,936	(25,905)	59,978	(26,947)
IVASS penalties	2,517	1,601	916	1,601	916
Charges for man./plac. pens. funds/banking prod.	7,413	7,015	398	7,015	398
Negative exchange rate differences	6,816	2,509	4,307	2,509	4,307
Sundry taxes	2,874	1,698	1,176	1,977	897
Charges on behalf of third parties	38,436	43,274	(4,838)	43,274	(4,838)
Sundry charges	167,433	217,740	(50,307)	217,882	(50,449)
Total	335,173	430,490	(95,317)	431,954	(96,781)

The item III.8 "other charges" equalled \in 335,173k at 31 December 2016 (\in 426,887k the aggregate figure 2015), broken down as follows:

Interest expense included mainly €73,877k regarding interest on subordinated loans and €2,776k of interest on other payables.

For the allocations to provisions see Section 12 of the Statement of Financial Position.

Amounts in €k

Sundry charges included \leq 53.245k as amortisation of intangible assets, 54,853k as amortisation of goodwill and insurance portfolios acquired in previous years, \leq 33,366k of impairment losses on receivables and \leq 5,921k 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 €96,051k versus €257,219k (aggregate figure 2015), broken down as follows:

Extraordinary income	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Gains on disposals of property	24,669	7,531	17,138	7,531	17,138
Gains on trading of securities	4,975	138,834	(133,859)	138,834	(133,859)
Gains on trading of shares and investments	906	77,634	(76,728)	77,634	(76,728)
Gains on trading of other assets	51	9	43	9	43
Extraordinary gains	65,449	29,823	35,626	33,186	32,264
Other income		26	(26)	26	(26)
Total	96,051	253,856	(157,805)	257,219	(161,168)

Regarding gains from properties, securities and interests trading, reference is made to the content of the specific sections of the Management Report and the Notes to the Financial Statements - Section 22.

Extraordinary gains included €50,032k of taxes of previous years.

In 2016 in particular deferred tax assets were recognised for \leq 35,951k on the past tax losses of the merged company Premafin, having received a favourable response to the private letter ruling filed by the Company in 2015. As a matter of fact the Tax Authorities accepted UnipolSai's request, recognising that in the case under review the conditions are met not to apply the anti-evasion rule under Art. 172, paragraph 7 of Presidential Decree 917/86 of the Consolidated Income Tax Act, which limits the use of tax losses by the merging company or the company resulting from a merger transaction.

Extraordinary expenses (item III.11) equalled €35,962k (€52,162k the aggregate figure 2015), broken down as follows:

Amounts in €k					
Extraordinary expenses	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Losses on disposals of property					
Losses on long-lived securities	1,190	4,042	(2,852)	4,042	(2,852)
Losses on trading of long-lived mutual investment funds					
Losses on trading of investments		147	(147)	147	(147)
Extraordinary losses	21,630	20,259	1,371	21,415	215
Settlements	12,573	22,387	(9,814)	22,387	(9,814)
Other charges	545	3,811	(3,266)	4,088	(3,543)
Losses on other financial instruments					
Losses on disposals of other assets	24	79	(55)	83	(59)
Total	35,962	50,725	(14,763)	52,162	(16,200)

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 8,340k relating to taxes referred to previous years.

Item III 14 "Income tax for the year" represented a total charge of 175,843k (\in 308,782k the aggregate figure 2015), \in 168,480k of which regarding current IRES and IRAP taxes of the year, \in 4,344k relating to substitute taxes under Art. 1, paragraphs 137-140 of Law no. 296/2006 in addition to the net balance of the deferred tax assets and liabilities for \in 3,020k.

The table below reports the changes occurred:

IRES	IRAP	Total
(147,996)	(24,827)	(172,823)
(91,159)	(5,477)	(96,636)
44,618	1,185	45,803
53,865	75	53,940
(6,127)		(6,127)
1,197	(4,217)	(3,020)
(146,799)	(29,044)	(175,843)
	(147.996) (91.159) 44.618 53.865 (6.127) 1,197	(147.996) (24,827) (91,159) (5.477) 44,618 1,185 53,865 75 (6,127) (4,217)

The statement of reconciliation between theoretical and effective IRES and IRAP tax charges is provided below, showing the changes compared to the previous year.

			F	
Amounts in €k	20	16	2015	Change
Pre-tax profit (loss)	634,3	22	874,680	(240,358)
Theoretical IRES - (Expenses)/Income	(174,43	9)	(240,754)	66,315
Tax effect deriving from taxable income permanent changes				
Increases:	(42,40	6)	(58,220)	15,815
- PEX investments - write-downs	(3,808)	(23,178)		19,370
- Dividend Washing	(4,148)	(1,497)		(2,651)
- Interest expense	(867)	(3,451)		2,583
- Taxes and other non-deductible costs	(7,820)	(6,325)		(1,495)
- Goodwill	(7,552)	(6,904)		(648)
- Allocations to provisions for risks	(3,357)	(3,591)		234
- Extraordinary losses	(5,785)	(5,518)		(267)
- Recalculation of IRAP tax exemption	(1,635)	(1,901)		266
- property not for own use	(2,013)	(1,322)		(691)
- Impairment losses on receivables	(1,285)	(565)		(721)
- Other changes	(4,135)	(3,969)		(166)
Decreases:	74,3	39	94,240	(19,851)
- PEX investments - gains exempt	2,183	17,829		(15,646)
- Dividends excluded	19,386	22,780		(3,394)
- IRAP deduction	666	918		(252)
- ACE relief	28,911	24,707		4,204
- Extraordinary gains	13,773	5,205		8,568
- Withdrawals from provisions for risks	4,228	16,920		(12,691)
- Other changes	5,242	5,882		(640)
IRES pertaining to the year - (Expenses)/Income	(142,45	5)	(204,734)	62,279
IRES Deferred Tax Assets Adjustment			(91,320)	91,320
- Theoretical IRAP on the technical result	(38,91	4)	(48,045)	9,131
- Personnel costs				
- Dividends and overheads	6,392	7,860		(1,467)
- Deductible amortisation/depreciation	2,445	2,456		(11)
- Gains on transfers of property not for own use	(1,399)	(513)		(887)
- Other changes	2,431	15,998		(13,567)
IRAP	(29,04	4)	(22,244)	(6,800)
Substitute taxes	(4,34	4)	(838)	(3,506)
Total Income Tax	(175,84	3)	(319,137)	143,294

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.

Notes to the Financial Statements

Amounts in €k	201 Fiscal ef	-	Change		20 Fiscal ef	
DEFERRED TAX ASSETS	Taxable amount	Tax effect	Taxable amount	Tax effect	Amount	Tax effect
IRES						
Valuation of Outstanding Equity Portfolio	111,767	26,824	(55,876)	(13,410)	55,891	13,414
Write-downs of securities (Art. 9 of the Consolidated Income Tax Act)	12,606	3,025	2,408	578	15,014	3,603
Change in Life Business technical provisions	47,143	11,314	11,989	2,877	59,132	14,191
Change in Non-Life Business claims provision	704,652	171,166	(7,029)	(3,736)	697,623	167,430
Write-downs of Property	527,469	126,593	75,580	18,139	603,049	144,732
Depreciation of property and other assets	37,922	9,101	(9,678)	(2,322)	28,244	6,779
Goodwill amortisation	754,374	181,297	(6,967)	(1,919)	747,407	179,378
Provisions for personnel expenses	207,418	49,780	(36,326)	(8,719)	171,092	41,061
Provision for risks and charges	552,289	132,549	(53,609)	(12,866)	498,680	119,683
Write-downs of receivables from policyholders	467,936	112,484	45,400	10,717	513,336	123,201
Other changes	5,532	1,415	(83)	(107)	5,449	1,308
Substitute tax realignment		3,351		(838)		2,513
TOTAL IRES	3,429,108	828,899	(34,191)	(11,606)	3,394,917	817,293
IRAP						
Unrealised losses on outstanding investments up to 2007	4,780	326	(4,117)	(281)	663	45
Write-down of Property	496,608	33,869	72,302	4,931	568,910	38,800
Depreciation of property and other assets	30,622	2,088	(22,648)	(1,545)	7,974	543
Goodwill amortisation	751,790	51,272	(6,184)	(422)	745,606	50,850
Write-downs of receivables from policyholders	122,027	8,322	34,421	2,348	156,448	10,670
Property Fund capital gain and other changes	15,375	1,049			15,375	1,049
TOTAL IRAP	1,421,202	96,926	73,774	5,031	1,494,976	101,957
TOTAL DEFERRED TAX ASSETS	4,850,310	925,825	39,583	(6,575)	4,889,893	919,250

(*) Rate: 24% IRES (27,5 on amounts carried forward in 2016); 6,82% IRAP (**) Rate: 24% IRES; 6.82% IRAP

The deferred taxes are detailed below:

Amounts in €k	20 [.] Fiscal ef	-	Change		20 Fiscal et	
DEFERRED TAX LIABILITIES	Taxable amount	Tax effect	Taxable amount	Tax effect	Amount	Tax effect
IRES						
Tax gains on property	140,600	33,744	40,301	9,672	180,901	43,416
Capital gains on property for own use, applied in instalments	398,843	100,142	(106,388)	(29,953)	292,455	70,189
Other changes	2,095	569	(2,095)	(569)		
TOTAL IRES	541,538	134,455	(68,182)	(20,850)	473,356	113,605
IRAP						
Tax gains on property	61,482	4,193	59,041	4,027	120,523	8,220
TOTAL IRAP	61,482	4,193	59,041	4,027	120,523	8,220
TOTAL DEFERRED TAX LIABILITIES	603,020	138,648	(9,141)	(16,823)	593,879	121,825

(*) Rate: 24% IRES (27,5 on amounts carried forward in 2016); 6,82% IRAP

(**) Rate: 24% IRES; 6.82% IRAP

The items excluded from the calculation of deferred tax liabilities included the write-downs, and the correlated writebacks, 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 written premiums 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 2016, broken down by category, is as follows:

	2016
Executives	164
Officers	1,539
Office workers	5,733
Other	14
Total	7,450

Considering the number of employees as FTE (Full Time Equivalent), the total equalled 7,211 resources.

Results on the sale of capitalised securities

In the Non-Life business, the disposals made in 2016 concerned three bonds and entailed recording gains of \in 1,012k. In the Life business, the disposals concerned four bonds and resulted in net capital gains being posted for \in 2,767k.

The sales made for both company businesses, relating to bonds, 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

Concerning the results for the year on transactions in financial derivatives, the following points are highlighted:

- losses on trading totalling €384k, linked to the renouncement of put options on bonds purchased in the year and capital gains on trading equal to €32k in total, linked to the renouncement of put options by the counterparty on bonds sold in the year;
- net gains on trading totalling €573k, linked to the early closure of put options on baskets of shares/funds purchased previously and net losses on trading equal to €2,350k in total, linked to the early closure of call options renouncement of put options on baskets of shares/funds purchased previously;
- net gains on trading totalling €998k, linked to the early closure of put options on baskets of shares/funds sold previously and €1,215k linked to the closure of 2 swaptions purchased in the year;
- losses on trading totalling €485k, linked to the closure of 2 swaptions sold in the year, and gains on trading equalling €1k in total, linked to the closure of 1 Future contract opened in the year;
- for foreign exchange hedge transactions, net charges were recorded for €21,433k, of which net charges for €7,923k deriving from ongoing transactions and net charges for €13,510k deriving from closed transactions; in addition, the closed transactions generated net trading gains of €19,923k;
- gains on trading for €142k regarding the termination upon expiry of 1 IRS contract acquired previously, capital gains on trading for €11.470k regarding the early termination of 3 IRS contracts stipulated in the year, capital losses on trading for €6.977k regarding the partial early termination of 4 IRS contracts stipulated in the year;
- losses on trading for €502k regarding the termination of 1 IRS contract acquired previously;
- capital gains on trading totalling €1,166k relating to the sale deriving from call options exercised on shares and bonds;
- net charges arising from interest rate swap transactions for €3,147k, €261k of which attributable to income deriving from ongoing transactions and €3,408k attributable to charges deriving from closed transactions;
- net income arising from interest rate swap transactions for €19,390k, €19,080k of which attributable to income deriving from ongoing transactions and €310k attributable to income deriving from closed transactions;
- charges arising from cross currency swap transactions for €964k attributable to charges deriving from ongoing transactions;
- charges arising from cap options for €209k attributable to ongoing transactions;
- charges arising from credit default swap transactions for €631k attributable to closed transactions;
- charges arising from equity swap transaction for €715k attributable to ongoing transactions;

With regard to existing positions at 31 December 2016, net negative value adjustments amounting to \leq 96,875k were made, \leq 74,299k of which refer to the forward purchase of currencies and \leq 22,576k referring to the other derivatives.

Part C: Other Information

Statement summarising the key figures of the financial statements of Unipol Gruppo Finanziario at 31 December 2015 and 31 December 2014

In accordance with Art. 2497 et seq. of the Civil Code, the company Unipol Gruppo Finanziario carries out management and coordination activities

Αποι	ints in €m		
State	ment of financial position	31.12.2015	31.12.2014
ASSE	TS		
A)	SUBSCRIBED CAPITAL, UNPAID		
B)	FIXED ASSETS		
	I Intangible assets	6.1	43.5
	II Property, plant and equipment	1.7	1.9
	III Financial assets	6,116.9	5,958.5
	TOTAL FIXED ASSETS	6,124.7	6,003.9
C)	CURRENT ASSETS		
	l Inventories		
	II Receivables	1,088.6	825.4
	III Current financial assets	337.1	153.7
	IV Cash and cash equivalents	875.2	541.1
T	DTAL CURRENT ASSETS	2,300.9	1,520.1
D)	ACCRUALS AND DEFERRALS	67.6	33.5
т	OTAL ASSET	8,493.2	7,557.5
LIAB	LITIES		
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	529.1	512.4
	V Statutory reserve		
	VI Reserve for treasury shares in portfolio	21.2	21.9
	VII Other reserves	240.0	215.0
	VIII Retained profit (loss)		
	IX Profit (loss) for the year	165.5	167.4
	TOTAL SHAREHOLDERS' EQUITY	5,751.8	5,712.7
B)	PROVISIONS FOR RISKS AND CHARGES	684.8	596.8
<u>C)</u>	POST-EMPLOYMENT BENEFITS	0.2	0.3
D)	PAYABLES	2,006.7	1,210.3
E)	ACCRUALS AND DEFERRALS	49.6	37.4
T	OTAL LIABILITIES	8,493.2	7,557.5

INCO	ME STATEMENT	31.12.2015	31.12.2014
A)	VALUE OF PRODUCTION	49.6	39.8
B)	COSTS OF PRODUCTION	200.0	291.0
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	(150.4)	(251.2)
C)	FINANCIAL INCOME AND CHARGES	225.4	336.6
D)	VALUE ADJUSTMENTS TO FINANCIAL ASSETS	(56.5)	1.7
E)	EXTRAORDINARY INCOME AND EXPENSES	4.8	6.4
	PRE-TAX PROFIT (LOSS)	23.3	93.6
	PROFIT (LOSS) FOR THE YEAR	165.5	167.4

The key figures about the holding company Unipol Gruppo Finanziario, 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 2015 and 31 December 2014.

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 (TUF) and of ISVAP Regulation no. 7 of 13 July 2007 and subsequent amendments and supplements. They conform to the IAS/IFRS standards issued by the IASB and endorsed by the European Union. A copy of the Consolidated Financial Statements at 31 December 2016 of UnipolSai is available from the company's registered office and on the web site (www.unipolsai.com).

UnipolSai is a subsidiary of the mixed financial holding company Unipol Gruppo Finanziario S.p.A, a listed company on the Milan Stock Exchange with registered office in Bologna, via Stalingrado 45. UnipolSai prepares the Consolidated Financial Statements in accordance with Art. 154-*ter* of Legislative Decree 58/1998 (TUF) and of ISVAP Regulation no. 7 of 13 July 2007 and subsequent amendments and supplements, in compliance with IAS/IFRS international accounting standards issued by IASB and approved by the European Union. Unipol Gruppo Finanziario carries out management and coordination activities in relation to its subsidiaries (direct and indirect). It is moreover the Parent of the Unipol Insurance Group, entered in the Register od Insurance Groups – No. 046. A copy of the Consolidated Financial Statements at 31 December 2016 of Unipol Gruppo Finanziario is available from the company's registered office and on the web site (www.unipol.it).

Unipol Gruppo Finanziario is in turn a subsidiary of the mixed financial holding company Finsoe S.p.A., an unlisted company head of the Unipol financial conglomerate that holds 31.404% of the Unipol Gruppo Finanziario share capital. This represents a de facto controlling interest pursuant to Art. 2359, paragraph 1.2 of the Civil Code. Finsoe does not exercise powers of management or coordination, either technical or financial, in relation to Unipol Gruppo Finanziario. Finsoe, with registered office at Piazza Costituzione 2/2, Bologna, prepares the Consolidated Financial Statements pursuant to ISVAP Regulation 7 of 13 July 2007, and subsequent amendments and additions, in compliance with IAS/IFRS international accounting standards issued by IASB and approved by the European Union. A copy of the Consolidated Financial Statements at 31 December 2016 of Finsoe is available from the company's registered office.

Fees for audit and non-audit services

Pursuant to Art.149-duodecies of Consob's 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 SpA	UnipolSai Assicurazioni SpA	2,276
Attestation services	PricewaterhouseCoopers SpA	UnipolSai Assicurazioni SpA	519
Other services	PricewaterhouseCoopers SpA	UnipolSai Assicurazioni SpA	250
Other services	PricewaterhouseCoopers Advisory SpA	UnipolSai Assicurazioni SpA	136
Other services	TLS Professional Association of Lawyers and Accountants	UnipolSai Assicurazioni SpA	98
Total			3,279

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 SpA	Subsidiaries	457
Legally-required audit	PricewaterhouseCoopers d.o.o.	Subsidiaries	77
Legally-required audit	PricewaterhouseCoopers Dublino	Subsidiaries	189
Attestation services	PricewaterhouseCoopers SpA	Subsidiaries	6
Other services	TLS Professional Association of Lawyers and Accountants	Subsidiaries	42
Total			770

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.,

- having examined the draft financial statements at 31 December 2016, 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 of UnipolSai and the report prepared by the company PricewaterhouseCoopers S.p.A.;
- having examined the results of said draft financial statements, which
 - i) reflects the effects of the retroactive application of the change to the accounting standards with regard to the accounting of dividends from subsidiaries and treasury shares, consequently to Legislative Decree 139/2015 coming into force (which adopted the so-called Accounting Directive) and the issue of the new accounting standards by the OIC (Italian Accounting Standards Setter); these affects namely imply (a) the adjustment of the opening balances at 1 January 2016 for a total value of €11,216,186.57 (of which profits for €12,031,263.32 referring to the Non-Life business and losses for €815,076.75 referring to the Life business) attributed to the Extraordinary reserve included under "Other provisions" of the Shareholders' equity and (b) the recognition in the "Negative reserve for treasury shares in the portfolio", equal to €76,561,166.14 at 1 January 2016 (of which €52,967,695.13 referring to the Non-Life business and €23,593,471.01 referring to the Life business) as a direct decrease in shareholders' equity; and
 - ii) recorded profit for the year totalling €458,479,434.73, of which €254,591,872.71 relating to the Non-Life business and €203,887,562.02 relating to the Life business;
- having acknowledged that at today's date, the Company owns 7,005,640 treasury shares,

hereby resolves

- to approve the financial statements of UnipolSai at 31 December 2016, accompanied by the Management Report, recording (i) a net increase in the opening balance at 1 January 2016 of the item "Other provisions" of the shareholders' equity of €11,216,186.57 (of which profits for €12,031,263.32 referring to the Non-life business and losses for €815,076.75 referring to the Life business) consequently to the retroactive application of the new accounting standards mentioned above issued by the OIC and come into force from 2016, and (ii) a profit for the year totalling €458,479,434.73 of which €254,591,872.71 relating to the Non-Life business and €203,887,562.02 relating to the Life business ("Profit for the year");
- to approve the proposed allocation of the Profit for the year at 31 December 2016, in compliance with Art. 27 of the By-Laws, as follows:
 - provisions for €2,075.59 to the Legal Reserve, entirely allocated to the Non-Life business, so as to reach the limit of 20% of the share capital;
 - distribution to shareholders of UnipolSai of a total of €352,838,966.50, of which €254,589,797.12 relating to the Non-Life business and €98,249,169.38 relating to the Life business, and this distribution of a unit dividend, also in consideration of the redistribution pertaining to treasury shares, equal to €0.125 for each entitled ordinary share;
 - allocation of the Profit for the year totalling €105,638,392.64 to the Extraordinary reserve posted in the item of Other provisions of the shareholders' equity 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 24 May 2017 (ex-dividend date of 22 May 2017 and record date of 23 May 2017).

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

Amount	ts in €k	Balances at 31 December 2016	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	305,701	2	305,703
V	Statutory reserve			
VI	Reserve for shares of the holding company	11,005		11,005
VII	Other reserves	1,149,911		1,149,911
VIII	Retained profit (loss)			
IX	Profit (loss) for the year	254,592	(254,592)	
Х	Negative reserve for treasury shares	(55,699)		(55,699)
	Dividend distribution		254,590	
	Total	3,438,470		3,183,880

Breakdown of Life Shareholders' Equity

Amount	ts in €k	Balances at 31 December 2016	Allocation of profit and dividend distribution	Post-resolution balances
I	Share capital	502,943		502,943
II	Share premium reserve	259,368		259,368
	Revaluation reserves			
IV	Legal reserve	100,589		100,589
V	Statutory reserve			
VI	Reserve for shares of the holding company			
VII	Other reserves	1,046,806	105,638	1,152,444
VIII	Retained profit (loss)			
IX	Profit (loss) for the year	203,888	(203,888)	
Х	Negative reserve for treasury shares	(23,593)		(23,593)
	Dividend distribution		98,249	
	Total	2,089,999		1,991,750

Bologna, 23 March 2017

The Board of Directors





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-Lif	e *Life	*Non-Life and Life
1	Statement of Financial Position - Non-Life business	1	011012110
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)	22	
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.

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

4

		Amounts for the year							
A. SUBSCRIBED CAPITAL, UNPAID					1				
of which called			2						
B. INTANGIBLE ASSETS									
1. Acquisition commissions to be amortised			4 27,93	2					
2. Other acquisition costs			6						
3. Start-up and expansion costs			7 14,758	3					
4. Goodwill			8 467,56						
5. Other long-term costs			9 166,900		10 677,151				
C. INVESTMENTS									
I - Land and buildings									
1. Property for corporate business			11 438,304	4					
2. Property for use by third parties			12 1,986,619						
3. Other property			13 23,590						
4. Other property rights			14 3,429						
5. Fixed assets in progress and payments on account			15 56,14						
II - Investments in group companies and other investees									
1. Shares and holdings in:									
a) holding companies	17	11,005							
b) subsidiaries	18	1,105,741							
c) affiliates	19	277,732							
d) associates	20	33,684							
e) other	21	20,734	22 1,448,896	5					
2. Bonds issued by									
a) holding companies	23								
b) subsidiaries	24								
c) affiliates	25	2,000							
d) associates	26	·							
e) other	27	3,740	28 5,740)					
3. Loans to:	_,								
a) holding companies	29	214,785							
b) subsidiaries	30	50,588							
c) affiliates	31	5-10							
d) associates	32	8,186							
e) other	33	1,544	34 275,103	3 35 1,729,738					
		1011	to be carried forward		677,151				

Annex1

	Amounts	for the previous year	
			181
	182		
	184 32,312		
	186		
	187 23,684		
	188 454,266		
	189 133,906		190 644,169
	191 550,857		
	192 2,056,457		
	193 23,765		
	194 3,429		
	195 57,297	196 2,691,805	
197 12,628			
198 1,033,121			
199 277,732			
200 35,282			
201 20,910	202 1,379,673		
203			
204			
205 2,000			
206			
207 13,174	208 15,174		
209 214,785			
210 50,104			
211			
212 10,315			
213	214 275,204	215 1,670,051	
	to be carried forward		644,169

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

4

		Amounts for the year								
			amount car	ried forward				677,151		
C. INVESTMENTS (continued)										
III - Other financial investments										
1. Shares and holdings										
a) Listed shares	36	219,341								
b) Unlisted shares	37	52,620								
c) Holdings	38		39	271,961						
2. Mutual investment fund units			40	1,184,114						
3. Bonds and other fixed-yield securities			1-							
a) listed	41	10,205,989								
b) unlisted	42	27,390								
c) convertible bonds	43	1,603	44	10,234,983						
4. Loans	15									
a) collateralised loans	45									
b) loans on policies	46									
c) other loans	47	100,835	48	100,835						
5. Mutual investment units			49							
6. Bank deposits			50	6,582						
7. Sundry financial investments			51	74,690	52	11,873,165				
IV - Deposits with ceding companies			<u>J</u> .		53	8,371	54	16,119,359		
D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE					55		51			
I - NON-LIFE BUSINESS										
1. Premium provision			58	102,895						
2. Claims provision			59	472,309						
3. Provision for profit sharing and reversals			60							
4. Other technical provisions			61				62	575,204		
			to be carrie	d forward				17,371,714		

Annex1

	Amounts	for the previous year	
	amount carried forward		644,169
216 186,370			
217 52,635			
218	219 239,005	5	
	220 1,162,17,	7	
221 10,469,048			
222 67,546			
223 3,918	224 10,540,512	2	
225			
226			
227 102,923	228 102,92	3	
	229		
	230 137,408		
	231 62,68;		
		233 11,880	234 16,618,448
	-		
	238 116,755		
	239 436,729)	
	240		
	241		242 553,485
	to be carried forward		17,816,102

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

4

				amount ca	rried forward				17,371,714
E.	RECEIVABLES								
	 Receivables relating to direct insurance business from: 								
	1. Policyholders								
	a) for premiums for the year	71	461,623						
	b) for premiums for previous years	72	12,279	73	473,901				
	2. Insurance intermediaries			74	787,925				
	3. Insurance company current accounts			75	30,735				
	4. Policyholders and third parties for amounts to be collected			76	126,472	77	1,419,033		
	II - Receivables relating to reinsurance business, from:								
	1. Insurance and reinsurance companies			78	79,020				
	2. Reinsurance intermediaries			79	17	80	79,037		
	III - Other receivables			,,,		81	1,058,647	82	2,556,717
F.	OTHER ASSETS								
	I - Property, plant and equipment and inventories:								
	 Office furniture and machines and internal means of transport 			83	55,207				
	2. Movable assets entered in public registers			84	5,297				
	3. Plant and equipment			85	26,023				
	4. Inventories and sundry goods			86	4,257	87	85,487		
	II - Cash and cash equivalents			00	11-37	0/	- 3/1-/		
	1. Bank deposits and post office accounts			88	77,322				
	2. Cheques and cash in hand			89	76	90	77,397		
	IV - Other assets			-5		5-	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
	1. Transitory reinsurance accounts			92					
	2. Sundry assets			93	1,171,546	94	1,171,546	95	1,334,431
	of which Account connecting the Life business			901	62,836	57	, , ,514		100 11 10
G.	ACCRUALS AND DEFERRALS			5					
	1. Interest					96	135,033		
	2. Rental income					97	2,403		
	3. Other accruals and deferrals					98	16,201	99	153,638
TO	TAL ASSETS					50	.,	100	21,416,500

Annex1

	Amounts	for the previous year	
	amount carried forward		17,816,102
251 475,996			
252 16,968	253 492,964		
	254 777,656		
	255 52,634		
	256 137,751	257 1,461,006	
	258 75,245		
	259 18	260 75,263	
		261 937,781	262 2,474,051
	263 47,962		
	264		
	265 26,990		
	266 4,241	267 79,193	
	268 235,733		
	269 88	270 235,821	
	272		
	273 1,096,703	274 1,096,703	275 1,411,717
	903		
		276 117,030	
		277 2,876	
		278 12,130	
			280 21,833,906

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

4

		Amounts for the year						
Α.	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	305,701			
	V - Statutory reserve			105				
	VI - Reserve for shares of the holding company			400	11,005			
	VII - Other reserves			107	1,149,911			
	VIII - Retained profit (loss)			108				
	IX - Gains (losses) in the year			109	254,592			
	X - Negative reserve for treasury shares			401	(55,699)	110	3,438,470	
B.	SUBORDINATED LIABILITIES					111	1,337,939	
C.	TECHNICAL PROVISIONS							
	I - NON-LIFE BUSINESS							
	1. Premium provision	112	2,636,654					
	2. Claims provision	113	12,039,366					
	3. Provision for profit sharing and reversals	114	13,902					
	4. Other technical provisions	115	3,312					
	5. Equalisation provisions	116	69,931			117	14,763,165	
			ried forward				19,539,574	

Annex1

Amoun	s for the previous year	
	281 1,528,503	
	282 147,888	
	283 96,559	
	284 298,637	
	285	
	500 12,628	
	287 1,048,824	
	288	
	289 425,192	
	501 (52,968)	290 3,505,265
		291 1,337,939
292 2,651,22	9	
293 12,433,9		
294 9,6	7	
295 5,50		
296 67,14	4	297 15,167,421
to be carried forward		20,010,625

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

4

		Amounts for the year					
		amount carried	forward				19,539,574
E.	PROVISIONS FOR RISKS AND CHARGES						
	1. Post-employment benefits and similar obligations			128	2,593		
	2. Provisions for taxes			129	96,671		
	3. Other provisions			130	407,411	131	506,676
F.	DEPOSITS RECEIVED FROM REINSURERS					132	162,45
G.	PAYABLES AND OTHER LIABILITIES						
	 Payables arising from direct insurance business, to: 						
	1. Insurance intermediaries	133	40,296				
	2. Insurance company current accounts	134	17,851				
	3. Policyholders for guarantee deposits and premiums	135	13,421				
	4. Guarantee funds in favour of the policyholders	136	80	137	71,648		
	II - Payables arising from reinsurance business, to:						
	1. Insurance and reinsurance companies	138	63,387				
	2. Reinsurance intermediaries	139	366	140	63,753		
	III - Bond loans			141			
	IV - Payables to banks and financial institutions			142			
	V - Collateralised payables			143	3,370		
	VI - Sundry loans and other financial payables			144	10,179		
	VII - Post-employment benefits			145	50,427		
	VIII - Other payables						
	1. Policyholders' tax due	146	149,906				
	2. Sundry tax payables	147	22,325				
	3. Social security charges payable	148	31,194				
	4. Sundry payables	149	136,093	150	339,518		
	IX - Other liabilities						
	1. Transitory reinsurance accounts	151					
	2. Commissions for premiums under collection	152	90,404				
	3. Sundry liabilities	153	552,868	154	643,272	155	1,182,16
	of which Liaison account wtih Life business	902					
H.	ACCRUALS AND DEFERRALS						
	1. Interest			156	25,519		
	2. Rental income			157	99		
	3. Other accruals and deferrals			158	9	159	25,62
TOT	AL LIABILITIES AND SHAREHOLDERS' EQUITY					160	21,416,500

		Amounts for	the previous ye	ar	
amount carried forward					20,010,625
		308	2,880		
		309	102,548		
		310	457,394		562,822
				312	108,570
313	37,424				
314	21,325				
315	15,582				
316	23	317	74,354		
318	68,474				
319	362	320	68,836		
		321			
		322			
		323	3,860		
		324	11,257		
		325	51,734		
326	152,063				
327	21,133				
328	30,439				
329	161,653	330	365,288		
331					
332	86,952				
333	466,368	334	553,320	335	1,128,649
904	5,495				
		336	22,865		
		337	313		
		338	63	339	23,241
				340	21,833,906

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

				Amounts	for the year	-
Α.	SUBSCRIBED CAPITAL, UNPAID					1
	of which called			2		
B.	INTANGIBLE ASSETS					
	1. Acquisition commissions to be amortised			3 49,747		
	2. Other acquisition costs			6		
	3. Start-up and expansion costs			7 1,752		
	4. Goodwill			8 136,352		
	5. Other long-term costs			9 5,515		10 193,366
C.	INVESTMENTS					
	I - Land and buildings					
	1. Property for corporate business			11 27,491		
	2. Property for use by third parties			12 5,950		
	3. Other property			13		
	4. Other property rights			14		
	5. Fixed assets in progress and payments on account			15	16 33,441	
	II - Investments in group companies and other investees					
	1. Shares and holdings in:					
	a) holding companies	17				
	b) subsidiaries	18	555,822			
	c) affiliates	19	148,589			
	d) associates	20	2,259			
	e) other	21	297	22 706,966		
	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	35 766,829	
				to be carried forward		193,366

	Amount	s for the previous year	
			181
	182		
	183 41,64		
	186		
	187 3,147	,	
	188 153,024		
	189 7,143		190 204,954
	191 27,556		
	192 6,676		
	193		
	194		
	195	196 34,232	
197 1	37		
198 591,7	57		
199 144,1	24		
200 2,2	9		
201	8 202 738,644		
203			
204			
205			
206 7,6	22		
207	208 7,622		
209 53,0	0		
210			
211			
212			
213	214 53,000	215 799,266	
	to be carried forward		204,954

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

		Amounts for the year							
				amount carried forward					193,366
C.	INVESTMENTS (continued)								
	III - Other financial investments								
	1. Shares and holdings								
	a) Listed shares	36	182,905						
	b) Unlisted shares	37	100,000						
	c) Holdings	38		39 28	32,905				
	2. Mutual investment fund units			40 70	02,509				
	3. Bonds and other fixed-yield securities:								
	a) listed	41	24,099,121						
	b) unlisted	42	119,978						
	c) convertible bonds	43	27	44 24,2	219,126				
	4. Loans								
	a) collateralised loans	45							
	b) loans on policies	46	34,502						
	c) other loans	47		48	34,502				
	5. Mutual investment units			49					
	6. Bank deposits				00,000				
	7. Sundry financial investments				11,835	52	25,350,877		
	IV - Deposits with ceding companies					53	10,737	54	26,161,884
D.	INVESTMENTS BENEFITING LIFE BUSINESS POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT								
	 I - Investments relating to benefits linked to investment funds and market indices 					55	354,016		
	II - Investments arising from pension fund management					56	4,182,235	57	4,536,251
D.	bis TECHNICAL PROVISIONS - REINSURERS' SHARE II - LIFE BUSINESS								
	1. Mathematical provisions			63	65,719				
	2. Premium provision from supplementary insurance			64	0., 0				
	3. Provision for amounts payable			65	3,527				
	4. Provision for profit sharing and reversals			66	5,5-1				
	5. Other technical provisions			67					
	6. Technical provisions where the investment risk			5,					
	is borne by policyholders and provisions arising from								
	pension fund management			68				69	69,246
				to be carried forward					30,960,747

	for the previous year	Amounts	
204,954		amount carried forward	
			216 267,073
			217 100,000
		219 367,073	
		220 569,852	
			221 23,312,872
			222 123,810
		224 23,436,682	223
			225
			226 45,160
		228 45,160	
		229	
		230 30,000	
27	232 24,469,227	231 20,461	
07 234 25,316,932	233 14,207		
10	235 349,140		
3,924,830	236 3,575,690		
		243 65,162	
		244	
		245 5,786	
		246	
		247	
249 70,948		248	
29,517,664		to be carried forward	

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

			_	Amounts f	or the y	/ear	-	
			amo	ount carried forward				30,960,747
E.	RECEIVABLES							
	 Receivables relating to direct insurance business from: 							
	1. Policyholders							
	a) for premiums for the year	71 97,16	61					
	b) for premiums for previous years	72	17 ₇₃	97,178				
	2. Insurance intermediaries		74	120,002				
	3. Insurance company current accounts		75	10,939				
	4. Policyholders and third parties for amounts to be collected		76		77	228,119		
	II - Receivables relating to reinsurance business, from:							
	1. Insurance and reinsurance companies		78	1,643				
	2. Reinsurance intermediaries		79		80	1,643		
	III - Other receivables				81	305,604	82	535,366
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	271,758				
	2. Cheques and cash in hand		89		90	271,758		
	IV - Other assets							
	1. Transitory reinsurance accounts		92					
	2. Sundry assets		93	176,515	94	176,515	95	448,273
	of which Liaison account with Non-Life business		901	1				
G.	ACCRUALS AND DEFERRALS							
	1. Interest				96	279,707		
	2. Rental income				97			
	3. Other accruals and deferrals				98	2,455	99	282,161
TO	TAL ASSETS						100	32,226,548

	Amounts	for the previous year	
	amount carried forward		29,517,664
251 120,281			
252 253	253 120,534		
	254 145,701		
	255 9,072		
	256	257 275,306	
	258 1,649		
	259	260 1,649	
		261 231,278	262 508,233
	263		
	264		
	265		
	266	267	
	268 153,163		
	269	270 153,163	
	272		
	273 181,793	274 181,793	275 334,955
	903 5,495		
		276 267,218	
		277	
		278 2,786	279 270,005
			280 30,630,857

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

		-		Amou	nts for the year		
A.	SHAREHOLDERS' EQUITY						
	 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	1,046,806		
	VIII - Retained profit (loss)			108			
	IX - Profit (loss) for the year			109	203,888		
	X - Negative reserve for treasury shares			401	(23,593)	110	2,089,999
B.	SUBORDINATED LIABILITIES					111	673,750
C.	TECHNICAL PROVISIONS						
	II - LIFE BUSINESS						
	1. Mathematical provisions	118	23,996,063				
	2. Premium provision from supplementary insurance	119	861				
	3. Provision for amounts payable	120	289,206				
	4. Provision for profit sharing and reversals	121	7,600				
	5. Other technical provisions	122	94,486			123	24,388,216
D.	TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT						
	 Provisions relating to contracts connected to investment funds and market indices 			125	353,917		
	II - Provisions arising from pension fund management			126	4,182,235	127	4,536,152
		to be carri	ed forward				31,688,117

		Amounts fo	or the previous yea	ar	
		281	502,943		
		282			
		283			
		284	100,589		
		285			
		500	187		
		287	1,021,095		
		288			
		289	130,530		
		501	(23,593)	290	1,991,117
				291	673,750
298	23,106,134				
299	1,072				
300	401,258				
301	6,043				
302	95,238			303	23,609,744
		305	348,971		
				307	3,924,662
to be carried forward		-	0.0.0.0		30,199,273
	299 300 301	299 1,072 300 401,258 301 6,043 302 95,238	281 281 282 283 284 285 286 287 288 289 501 298 298 298 200 401,258 301 6,043 302 95,238 305 305 305	281 502.943 282 259.368 283 283 284 100.589 285 287 287 1,021,095 288 289 289 130,530 501 (23,593) 298 23,106,134 299 1,072 300 401,258 301 6,043 302 95,238 305 348,971 306 3,575,690	282 259,368 283 284 284 100,589 285 285 287 1,021,095 288 281 289 130,530 289 130,530 289 130,530 290 291 291 291 292 23,106,134 293 23,106,134 293 23,106,134 293 23,106,134 293 1,021 293 23,106,134 293 1,021 293 2,3106,134 293 1,021 293 1,021 293 1,021 301 6,043 302 95,238 303 303 304 303 305 348,971 306 3,575,690

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

		-		Amoun	ts for the year		
		amount carrie	ed forward				31,688,117
E.	PROVISIONS FOR RISKS AND CHARGES						
	1. Post-employment benefits and similar obligations			128			
	2. Provisions for taxes			129	25,153		
	3. Other provisions			130	22,008	131	47,16
F.	DEPOSITS RECEIVED FROM REINSURERS					132	62,312
G.	PAYABLES AND OTHER LIABILITIES						
	 Payables arising from direct insurance business, to: 						
	1. Insurance intermediaries	133	1,622				
	2. Insurance company current accounts	134	659				
	3. Policyholders for guarantee deposits and premiums	135	2,411				
	4. Guarantee funds in favour of the policyholders	136		137	4,692		
	II - Payables arising from reinsurance business, to:						
	1. Insurance and reinsurance companies	138	6,770				
	2. Reinsurance intermediaries	139		140	6,770		
	III - Bond loans			141			
	IV - Payables to banks and financial institutions			142			
	V - Collateralised payables			143			
	VI - Sundry loans and other financial payables			144	1,815		
	VII - Post-employment benefits			145	4,147		
	VIII - Other payables						
	1. Policyholders' tax due	146	2,371				
	2. Sundry tax payables	147	6,344				
	3. Social security charges payable	148					
	4. Sundry payables	149	100,966	150	109,680		
	IX - Other liabilities						
	1. Transitory reinsurance accounts	151					
	2. Commissions for premiums under collection	152	2,490				
	3. Sundry liabilities	153	272,778	154	275,268	155	402,37
	of which Account connecting the Non-Life business	902	62,836	.51		.55	
H.	ACCRUALS AND DEFERRALS	5					
	1. Interest			156	26,583		
	2. Rental income			157	2		
	3. Other accruals and deferrals			158		159	26,58
тο	TAL LIABILITIES AND SHAREHOLDERS' EQUITY					160	32,226,548

		Amounts for the previous y	'ear	
amount carried forward				99,273
			5.45	<u>, , , , , , , , , , , , , , , , , , , </u>
		308		
		309 34,97	2	
		310 28,77		63,751
				55,542
313	1,359			
314	617			
315	327			
316		317 2,30	2	
318	10,101			
319		320 10,10	2	
		321		
		322		
		323		
		324 3,68	7	
		325 4,10	5	
326	2,164			
327	6,069			
328				
329	40,752	330 48,98	4	
331				
332	2,985			
333	204,841	334 207,82	6 ₃₃₅ 27	77,006
904				
		336 25,28	3	
		337	2	
		338		25,285
		<u> </u>	30,63	30,857

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	349,806	21	220,777	41	570,583
Gains on investments	+	2	863,841			42	863,841
Assets and financial charges	-	3	637,073			43	637,073
Share of profits on investments transferred							
from the Life business technical account	+			24	103,048	44	103,048
Share of profits on investments transferred							
to the Non-Life business technical account	-	5	170,378			45	170,378
Interim operating result		6	406,196	26	323,825	46	730,022
Other income	+	7	156,306	27	23,078	47	179,385
Other charges		8	274,429	28	60,743	48	335,173
Extraordinary income	+	9	90,993	29	5,058	49	96,051
Extraordinary expenses		10	33,611	30	2,351	50	35,962
Pre-tax profit (loss)		11	345,455	31	288,868	51	634,322
Income tax for the year	-	12	90,863	32	84,980	52	175,843
Profit (loss) for the year		13	254,592	33	203,888	53	458,479

Annex 4

Assets - Changes in the year in intangible assets (item B) and land and buildings (item C.I)

Constant in the large		. [Intangible assets B		Land and buildings C.I
Gross opening balance	+	H	1 2,109,702		3,079,158
Increases in the year	+	-	2 117,196	32	69,182
for: purchases or increases		_	3 113,471	33	10,123
reversals of impairment losses		_	4	34	
write backs			5	35	
other changes			6 3,726	36	59,058
Decreases in the year	-	-	7	37	223,995
for: sales or decreases			8	38	165,244
write-downs			9	39	58,751
other changes			10	40	
Gross closing balance (a)			11 2,226,898	41	2,924,344
Amortisation/depreciation:					
Opening balance	+	÷	1,260,579	42	353,121
Increases in the year	+	÷	13 95,803	43	56,429
for: amount of amortisation for the year		Γ	14 95,803	44	56,429
other changes		Γ	15	45	
Decreases in the year	-	- [16	46	26,732
for: decreases for disposals		Γ	17	47	26,732
other changes		Ī	18	48	
Closing balance amortisation/depreciation (b)		Ī	¹⁹ 1,356,382	49	382,819
Carrying amount (a - b)		Γ	20 870,516	50	2,541,526
Current value		Γ		51	2,740,794
Total write-backs		ſ	22	52	158,358
Total write-downs			23	53	694,904

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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)

		Share	es and holdings C.II.1		Bonds C.II.2		Loans C.II.3
Opening balance	+	1	2,118,317	21	22,796	41	328,204
Increases in the year:	+	2	205,561	22		42	2,028
for: purchases, subscriptions or lending		3	205,276	23		43	1,544
reversals of impairment losses		4		24		44	
write-backs		5					
other changes		6	285	26		46	484
Decreases in the year	-	7	168,016	27	10,193	47	2,129
for: sales or repayments		8	8,398	28	10,193	48	1,764
write-downs		9	15,421	29		49	225
other changes		10	144,196	30		50	140
Carrying amount		11	2,155,862	31	12,603	51	328,103
Current value		12	2,156,509	32	11,742	52	328,103
Total write-backs		13	8,145				
Total write-downs		14	2,037,671	34		54	

Item C.II.2 includes		
Listed bonds	61	
Unlisted bonds	62	12,603
Carrying amount	63	12,603
of which convertible bonds	64	

Assets - Statement with information relating to investees (*)

		Listed	Business			
Ord.	Type (1)	unlisted (2)	conducted	Name and registered office	Currency	
2	a	L	2	Unipol Gruppo Finanziario-Bologna-IT	242	
3	b	NL	9	Unipol Gruppo Finanziario-Bologna-II Atahotels Spa-Milano-IT		
4	b	NL	9	Atanotels Spa-Milano-I I Auto Presto & Bene Spa (Ex Sai Sistemi Ass.Vi)-Torino-IT		
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 Oncologico F.No - Casa Di Cura Villanova In Liquidazione-Sesto Fior-IT	242	
9	b	NL	1	Ddor Novi Sad Ord Eur-Novi Sad-RS	242	
12	b	NL	2	Finsai International Sa-Lussemburg-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 SrI-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	С	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	
30	b	NL	2	Sainternational En Liquidation-Lussemburg-LU	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. PrivMilano-IT	242	
37	e	NL	9	Scai - Consulenza Per L'Informatica-Torino-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	
45	e	NL	1	Downall Srl In Liquidazione-Milano-IT	242	
46	e	NL	4	Ex Var Scs-Luxembourg-LU	242	
48	e	NL	3	Isola D'Elba Banca Di Credito Cooperativo-Portoferra-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	

(*) 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

4

a = Holding companies

b = Subsidiaries

c = Affiliates

d = Associates

e = Others

markets and NL for the others

(2) Enter L for securities traded on regulated

(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 o	capital				Portion held (5)	
A	March and Cale	Chanabaldana' a suitu (###)	Profit or loss	Discology	La d'acatat	Tabler
Amount (4)	Number of shares	Shareholders' equity (***)	of the year (***) (4)	Direct %	Indirect %	Total %
3,365,292,407	717,473,508			0.50		0.50
37,817,599	37,817,599	31,744,937	571,095	100.00		100.00
2,619,061	2,619,061	5,344,047	1,285,648	100.00		100.00
11,500,000	11,500,000	24,246,798	2,861,593	50.00		50.00
361,200	70,000	23,774,819	(225,794)	100.00		100.00
182,000	350,000	8,903,896	(7,486,457)	100.00		100.00
2,579,597,280	2,114,424	37,831,026	2,741,325	100.00		100.00
100,000	401,566	350,606	(94,140)	63.85	36.15	100.00
19,070	1,907	148,796,558	(1,918,914)	100.00		100.00
5,200,000	10,000,000	36,264,408	(46,495)	98.23	1.11	99.34
5,200,000	5,200,000	34,789,943	13,734,488	51.00		51.00
26,000,000	50,000,000	103,201,175	(1,223,396)	100.00		100.00
219,600,005	43,920,001	492,368,294	47,741,184	50.00		50.00
516,000	516,000	2,744,691	64,179	95.34	1.31	96.65
2,500,000	2,500,000	35,883,792	4,799,742	100.00		100.00
3,913,588	3,913,588			49.00		49.00
13,326,395	13,326,395	9,463,704	(295,134)	100.00		100.00
66,000,000	66,000,000	75,270,599	(1,358,161)	98.81	1.19	100.00
154,000,000	15,400,000					
104,000	200,000	598,828	(152,021)	100.00		100.00
78,000	150,000	56,941,254	(75,510)	100.00		100.00
20,000	20,000	98,863,106	3,710,004	28.57		28.57
1,040,000	2,000,000					
5,775,000	577,500			8.66		8.66
359,885,310	60,771,325,476			0.05		0.05
56,131,688	1,069,175			0.28		0.28
100,000	100,000			10.00		10.00
37,221	37,221			18.97		18.97
2,934,195	48,830			1.64		1.64
80,579,007	80,579,007			14.37		14.37
120,360	120,360			10.00		10.00
528,870	1,037,000	523,081	(232,814)	37.84	0.09	37.93
3,772,000	16,400,000	,001	(252,014)	10.00	0.09	10.00
112,000,000	112,000,000	132,747,213	391,603	100.00		100.00
2,030,000	7,000,000	(3,687,330)	(614,701)	49.00		49.00
2,030,000	7,000,000	(3,007,330)	(014,/01)	49.00		49.00

(****) To be filled in only for subsidiaries and associates

Assets - Statement with information relating to investees (*)

		Listed	Business		
Ord.	Type (1)	unlisted (2)	conducted	Name and registered office	Currency
58	d	NL	2	Euresa Holding Sa En Liquidation-Lussemburg-LU	242
60	e	NL	1	Syneteristiki Insurance Sa-ATENE-GR	242
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 S.P.A. (Ex Smallpart Spa)-BOLOGNA-IT	242
70	e	NL	4	Euromilano Spa-Milano-IT	242
73	с	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
78	b	NL	1	Dialogo Spa In Liquidazione-Bologna-IT	242
81	b	NL	9	Sogeint Srl-San Donato M.Se-IT	242
82	e	NL	1	Tirrena Assicurazioni Spa-Roma-IT	242
83	d	NL	2	Garibaldi Sca-Lussemburg-LU	242
85	b	NL	1	Liguria Società Di Assicurazioni Spa-Milano-IT	242
86	d	NL	4	Valore Immobiliare Srl-Milano-IT	242
87	d	NL	2	Isola (Ex Hedf Isola)-Lussemburg-LU	242
91	e	NL	3	Bancapulia Priv-San Severo-IT	242
93	d	NL	4	A7 Srl-o-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-Lussemburg-LU	242
97	d	NL	9	Funivie Del Piccolo San Bernardo Spa-La Thuile-IT	242
98	b	NL	8	Ital H&R SrI-Bologna-IT	242
99	b	NL	4	Marina Di Loano Spa-Milano-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 Srl-Torino-IT	242
103	b	NL	4	Progetto Bicocca La Piazza Srl In Liquidazione-Milano-IT	242
104	d	NL	4	Servizi Immobilari Martinelli Spa-Cinisello Balsamo-IT	242
105	b	NL	1	Siat-Genova-IT	242
106	b	NL	4	Società Edilizia Immobiliare Sarda - Seis 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

4

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

Annex 6 (continued)

Share ca	apital				Portion held (5)	
			Profit or loss			
Amount (4)	Number of shares	Shareholders' equity (***)	of the year (***) (4)	Direct %	Indirect %	Total %
50,000	2,000					
7,907,924	26,359,747			18.73		18.73
26,793,000	345,772			5.78		5.78
43,411,063	840,648			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	242,327,688	9,088,476	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
8,831,774	8,831,774					
100,000	100,000	309,498	27,038	100.00		100.00
17,850,000	35,000,000			11.14		11.14
31,000	31,000	(6,879,890)	(43,060)	32.00		32.00
36,800,000	36,800,000					
10,000	10,000					
31,000	31,000	(4,021,011)	(3,285,725)	29.56		29.56
39,943,987	39,943,987			0.01		0.01
200,000	200,000					
5,000,000	5,000,000	50,749,257	(1,749,101)	100.00		100.00
2,971,782	2,971,782	1,811,630	132,266	44.93		44.93
29,165	23,332	8,139,473	(2,639,874)	28.57		28.57
10,713,416	6,121,952	11,682,701	236,905	23.55		23.55
13,312	13,312	86,083	(23,313)	100.00		100.00
5,536,000	5,536	50,605,639	(1,697,172)	100.00		100.00
10,000	10,000	12,952,625	(3,442)	100.00		100.00
1,120,720	1,120,720	(291,514)	86,785	29.71		29.71
4,267,786	4,267,786	1,021,305	(3,284,061)	24.66		24.66
3,151,800	3,151,800					
100,000	1,000	1,124,128	231,901	20.00		20.00
38,000,000	38,000,000	62,671,760	6,164,003	94.69		94.69
3,877,500	750,000	26,228,334	(631,018)	51.67		51.67

(****) To be filled in only for subsidiaries and associates

Assets - Statement with information relating to investees (*)

		Listed	Business		
Ord.	Type (1)	unlisted (2)	conducted	Name and registered office	Currency
107	е	NL	2	International Media Holding Spa-Milano-IT	242
108	b	NL	8	Leithà Srl-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 "O"

> 8 = Industrial company 9 = Other company or entity

() The order hamber masc be nigher than o	
(1) Туре	(3) Business conducted
a = Holding companies	1 = Insurance company
b = Subsidiaries	2 = Financial company
c = Affiliates	3 = Bank
d = Associates	4 = Real Estate company
e = Others	5 = Trust company
	6 = Management company distributing mutual investment funds
(2) Enter L for securities traded on regulated	7=Consortium

(2) Enter L for securities traded on regulated markets and NL for the others

4

(4) Amounts in original

(5) Specify the entire stake held

Annex 6 (continued)

Share	capital				Portion held (5)	
Amount (4)	Number of shares	Shareholders' equity (***)	Profit or loss of the year (***) (4)		Indirect %	Total %
50,000	50,000			13.75		13.75
100,000	100,000			100.00		100.00

(****) To be filled in only for subsidiaries and associates

Assets - Statement of changes in investments in group companies and other investees: shares and holdings

					Increases in the year	
				Forp	ourchases	Value Other increases 4.539
Ord.	Type (2)	(3)	Name	Quantity	Value	
2	а	D	Unipol Gruppo Finanziario	1,900,000	4,539	
2	а	V	Unipol Gruppo Finanziario			
3	b	D	Atahotels Spa			
3	b	V	Atahotels 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 Oncologico F.No - Casa Di Cura Villanova In Liquidazione			16,20
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			29,6
13	b	V	Unipolsai Nederland Bv			70,3
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	141,327	734	
24	b	D	Pronto Assistance Spa			5,0
26	С	V	Unipolsai Investimenti Sgr (Ex Sai Investimenti)	782,718	4,466	
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)			
			Totals C.II.1		10,525	195,C
	а		Holding companies		4,539	
	b		Subsidiaries		834	194,8
	с		Affiliates		4,466	
	d		Associates			2
	e		Others		686	
			Total D.I			
			Total D.II			

(1) It must match the one stated in Annex 6

(2) Type

4

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)

 $V_{\rm -}$ for the investments allocated to the Life business (item C.II.1)

V1 for the investments allocated to the Life business (item D.)

V2 for the investments allocated to the Life business (item D.2) The interest, also when split, must be

assigned the same order number

		t (4)	Carrying amount		ases in the year	Decrea
						For sales
Current value	Cost	Value	Quantity	Other decreases	Value	Quantity
11,651	11,393	11,005	3,565,504	388	5,775	1,403,356
					187	40,000
13,713	97,322	13,713	18,530,624			
14,273	101,385	14,273	19,286,975			
2,313	22,990	2,313	2,619,061			
9,923	9,923	9,923	5,750,000			
24,210	30,934	24,210	70,000			
8,900	84,365	8,900	350,000	7,490		
17,195	53,474	17,195	422,912			
68,776	213,878	68,776	1,691,512			
			181,679			
			74,704			
56,585	136,608	56,585	565			
134,403	324,474	134,403	1,342			
24,575	45,475	24,575	7,355,382		134	40,000
8,244	15,350	8,244	2,468,090			
8,012	56,000	8,012	2,652,000			
107,797	233,113	107,797	50,000,000	4,089		
288,967	518,911	288,967	9,210,849			
216,433	289,173	216,433	12,749,152			
2,337	2,337	2,337	491,949			
8,566	8,577	8,566	2,500,000			
5,940	5,947	5,940	1,917,658			
9,464	71,958	9,464	13,326,395	382		
65,672	75,533	65,672	60,722,765			
4,900	6,126	4,900	4,490,641			
2,156,509	4,193,533	2,155,862		159,617	8,398	
11,651	11,393	11,005		388	5,961	
1,661,563	3,218,367	1,661,563		156,676	2,282	
426,321	782,299	426,321				
35,942	55,449	35,942		1,825		
21,031	126,024	21,031		729	155	

(4) Highlight with a (*) if measured using the equity method (for Type b and D only)

Assets - Statement of changes in investments in group companies and other investees: shares and holdings

				Increases in the year	
			For	purchases	
Ord.	Type (2)	(3)	Name Quantity	Value	Other increases
30	b	D	Sainternational En Liquidation		
30	b	V	Sainternational En Liquidation		
31	b	D	Unipolsai Servizi Previdenziali Srl		
34	b	D	Villa Ragionieri Srl		
35	d	D	Fin. Priv.		
37	e	D	Scai - Consulenza Per L'Informatica		
39	e	D	Acomea Sgr (Ex Sai Asset Management Sgr)		
39	е	V	Acomea Sgr (Ex Sai Asset Management Sgr)		
40	e	D	Compagnia Aerea Italiana Spa Ex Alitalia		
41	е	D	Banca Popolare Etica Scarl		
42	е	D	Città Studi Spa		
45	e	D	Downall Srl In Liquidazione		
46	е	D	Ex Var Scs		
48	e	D	Isola D'Elba Banca Di Credito Cooperativo		
49	е	D	Istituto Europeo Di Oncologia		
50	e	D	Mediorischi Srl		
52	d	D	Uci - Ufficio Centrale Italiano		2
53	е	D	Gruppo Gpa In Liquidazione		
55	b	D	Midi Srl		
57	d	D	Hotel Villaggio Cdm Spa In Liquidazione		
58	d	D	Euresa Holding Sa En Liquidation		
60	е	D	Syneteristiki Insurance Sa 483,692		
61	e	D	The Co-Operators Group Sa		
62	e	D	Banca Di Bologna Spa		
64	е	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 S.P.A. (Ex Smallpart Spa)		5,000
69	b	V	Unipolsai Finance S.P.A. (Ex Smallpart Spa)		5,000
70	e	D	Euromilano Spa		
73	с	D	Unipol Banca Spa		
73	с	V	Unipol Banca Spa		
75	e	D	Inter Mutuelles Assistance Sa - Ima Sa		
76	e	D	Bancapulia Ord		

(1) It must match the one stated in Annex 6

(2) Type

4

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)

 $V_{\rm -}$ 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 $% \label{eq:v2}$

assigned the same order number

assigned the same of der humbe

		ount (4)	Carrying amour		ases in the year	Decrea
						For sales
Current value	Cost	Value	Quantity	Other decreases	Value	Quantity
				589		
				432		
762	2,046	762	200,000			
60,872	92,172	60,872	150,000	576		
27,446	29,552	27,446	5,714			
					155	180,420
210	265	210	21,007	21		
290	436	290	28,993	28		
	50,000		29,589,882			
138	138	138	2,600			
5	18	5	5,825			
	1,020		9,999			
7	271	7	7,060			
41	41	41	800			
11,881	19,170	11,881	11,581,062			
31	500	31	12,035			
218	301	218	392,351			
	8,500		1,639,980			
129,373	129,373	129,373	112,000,000			
	3,275		3,429,933			
				9		
2,124	2,124	2,124	4,935,943			
1,232	1,232	1,232	20,000			
57	57	57	1,072			
3	3	3	5			
258	258	258	1			
	22		21,730			
2	2	2	1			
104,912	141,864	104,912	16,000,000			
98,870	135,822	98,870	16,000,000			
200	15,562	200	13,000			
277,732	531,962	277,732	260,572,219			
142,650	244,390	142,650	118,583,120			
4,363	4,363	4,363	81,470			
155	155	155	30,000			

(4) Highlight with a (*) if measured using the equity method (for Type b and D only)

Assets - Statement of changes in investments in group companies and other investees: shares and holdings

				Increases in the yea	r
			For	purchases	
Ord.	Type (1)	(3)	Name Quantity	Value	Other increases
78	b	D	Dialogo Spa In Liquidazione		
81	b	D	Sogeint Srl		
82	e	D	Tirrena Assicurazioni Spa		
83	d	V	Garibaldi Sca		
85	b	D	Liguria Società Di Assicurazioni Spa		
85	b	V	Liguria Società Di Assicurazioni Spa		
86	d	D	Valore Immobiliare Srl		
87	d	V	Isola (Ex Hedf Isola)		
91	e	D	Bancapulia Priv		
93	d	D	A7 Srl		
94	b	D	Alfaevolution Technology Spa		47,500
95	d	D	Borsetto Srl		225
96	d	D	Butterfly Am Sarl		
97	d	D	Funivie Del Piccolo San Bernardo Spa		
98	b	D	Ital H&R Srl		54
99	b	D	Marina Di Loano Spa		16,000
100	b	D	Meridiano Secondo Srl		
101	d	D	Metropolis Spa In Liquidazione		
102	d	D	Penta Domus Srl		
103	b	D	Progetto Bicocca La Piazza Srl In Liquidazione		
104	d	D	Servizi Immobilari Martinelli Spa		
105	b	D	Siat		
106	b	D	Società Edilizia Immobiliare Sarda - Seis Spa		
107	e	V	International Media Holding Spa 6,875	686	
108	b	D	Leithà Srl 100,000	100	

(1) It must match the one stated in Annex 6

(2) Type

4

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)

 $V_{\rm -}$ 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

		nount (4)	Carrying am		Decreases in the year	[
					ales	For sal
Current value	Cost	Value	Quantity	Other decreases	Value	Quantity
				4,514		
100	980	100	100,000			
	21,175		3,900,000			
660	660	660	9,920			
				27,721		
				110,883		
1,598	1,598	1,598	9,164			
28	28	28	5,950			
						40,000
52,500	52,500	52,500	5,000,000			
979	3,612	979	1,335,149			
2,325	7,508	2,325	6,666	754		
2,695	4,225	2,695	1,441,691			
118	118	118	13,312			
51,709	177,139	51,709	5,536			
15,182	36,541	15,182	10,000			
	517		332,976			
	4,181		1,052,366	1,062		
					2,149	2,332,332
20	20	20	200			
39,809	39,809	39,809	35,983,610			
11,999	11,999	11,999	387,500			
7	686	7	6,875	679		
100	100	100	100,000			

(4) Highlight with a (*) if measured using the equity method (for Type b and D only)

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 u	ortfolio	Total				
I - Non-Life business	Car	rying amount	Current value		Ca	arrying amount	(Current value	Carrying amount		Current value	
1. Shares and holdings in:	1	2,469	21	2,469	41	269,492	61	281,478	81	271,961	101	283,948
a) listed shares	2		22		42	219,341	62	231,301	82	219,341	102	231,301
b) unlisted shares	3	2,469	23	2,469	43	50,151	63	50,177	83	52,620	103	52,647
c) holdings	4		24		44		64		84		104	
2. Mutual investment fund units .	5	69,865	25	59,201	45	1,114,249	65	1,135,879	85	1,184,114	105	1,195,080
3. Bonds and other fixed-yield securities	6	3,406,807	26	3,651,691	46	6,828,176	66	7,148,422	86	10,234,983	106	10,800,113
a1) Listed government securities	7	2,789,964	27	3,023,287	47	2,112,168	67	2,383,736	87	4,902,133	107	5,407,022
a2) other listed securities	8	595,176	28	605,157	48	4,708,680	68	4,757,042	88	5,303,857	108	5,362,200
b1) unlisted government securities	9		29		49		69		89		109	
b2) other unlisted securities	10	21,666	30	23,247	50	5,724	70	6,041	90	27,390	110	29,288
c) convertible bonds	11		31		51	1,603	71	1,603	91	1,603	111	1,603
5. Mutual investment units	12		32		52		72		92		112	
7. Sundry financial investments	13		33		53	74,690	73	60,348	93	74,690	113	60,348

		Long-term u	se por	rtfolio	Short-term use portfolio					Total		
II - Life business	Car	rying amount	C	Current value		rrying amount	Current value		Carrying amount		Current value	
1. Shares and holdings in:	121		141		161	282,905	181	283,016	201	282,905	221	283,016
a) listed shares	122		142		162	182,905	182	182,997	202	182,905	222	182,997
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	702,509	185	715,108	205	702,509	225	715,108
3. Bonds and other fixed-yield securities	126	12,429,439	146	14,045,646	166	11,789,687	186	12,986,439	206	24,219,126	226	27,032,084
a1) Listed government securities	127	9,728,986	147	11,278,562	167	8,234,948	187	9,292,616	207	17,963,934	227	20,571,178
a2) other listed securities	128	2,603,775	148	2,647,092	168	3,531,412	188	3,670,471	208	6,135,186	228	6,317,562
b1) unlisted government securities	129	32,963	149	53,481	169		189		209	32,963	229	53,481
b2) other unlisted securities	130	63,715	150	66,511	170	23,300	190	23,322	210	87,015	230	89,833
c) convertible bonds	131		151		171	27	191	30	211	27	231	30
5. Mutual investment units	132		152		172		192		212		232	
7. Sundry financial investments	133		153		173	11,835	193	28,713	213	11,835	233	28,713

Annex 8

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)

						Г					
			Shares and				Bonds and other fixed-		Mutual investment		Sundry financial
			holdings		Mutual investment		yield securities		units		investments
			C.III.1		fund units C.III.2		C.III.3		C.III.5		C.III.7
Opening balance	+	1	2,484	21	69,891	41	15,427,782	81		101	
Increases in the year:	+	2	59	22	5,853	42	2,070,795	82		102	
for: purchases		3		23	5,853	43	1,665,143	83		103	
reversals of impairment losses		4		24		44		84		104	
transfers from the short-term portfolio		5	59	25		45		85		105	
other changes		6		26		46	405,651	86		106	
Decreases in the year:		7	73	27	5,878	47	1,662,330	87		107	
for: sales		8		28		48	1,497,574	88		108	
write-downs		9	22	29		49		89		109	
transfers to the short-term portfolio		10	51	30		50		90		110	
other changes		11		31	5,878	51	164,757	91		111	
Carrying amount		12	2,469	32	69,865	52	15,836,246	92		112	
Current value		13	2,469	33	59,201	53	17,697,337	93		113	

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	+	1	148,083	21 167,408
Increases in the year:	+	2	4,843	22 819,014
_for: lending		3	4,689	
reversals of impairment losses		4		
other changes		5	155	
Decreases in the year:	-	6	17,589	26 879,840
_for: repayments		7	17,232	
write-downs		8	357	
other changes		9		
Carrying amount		10	135,337	30 106,582

Assets - Statement of assets relating to benefits linked to investment funds and market indices (item D.I)

		Curr		Acqu	isition	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	157,516	25	137,110	45 133,896	65	115,787
IV. Other financial investments:							
1. Shares and holdings	6	20,559	26	15,816	46 19,530	66	8,877
2. Bonds and other fixed-yield securities	7	172,676	27	193,710	47 169,793	67	234,852
3. Bank deposits	8		28		48	68	
4. Sundry financial investments	9	(12,137)	29	(11,206)	49 745	69	1,016
V. Other assets	10	1,640	30	2,749	50 1,640	70	2,749
VI. Cash and cash equivalents	11	12,659	31	12,214	51 12,659	71	12,214
Payables and expenses	12	1,104	32	(1,252)	52 1,104	72	(1,252)
	13		33		53	73	
Total	14	354,016	34	349,140	⁵⁴ 339,367	74	374,243

Annex 11/1

INDEX LINKED

		Curr	ent valu	le	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	119,195	27	140,744	47	116,233	67	182,021		
3. Bank deposits	8		28		48		68			
4. Sundry financial investments	9	(12,137)	29	(11,206)	49	745	69	1,016		
V. Other assets	10	1,299	30	1,406	50	1,299	70	1,406		
VI. Cash and cash equivalents	11		31		51		71			
	12		32		52		72			
	13		33		53		73			
Total	14	108,358	34	130,943	54	118,277	74	184,442		

UNIT LINKED

1,104 ₃₂ (1,252) ₅₂ 1,104 ₇₂ (1,252)		13	
1,104 32 (1,252) 52 1,104 72 (1,252)	1,104	12	Payables and expenses
12,659 ₃₁ 12,214 ₅₁ 12,659 ₇₁ 12,214	12,659	11	VI. Cash and cash equivalents
<u>341</u> 30 1.343 50 341 70 1.343	341	10	V. Other assets
29 49 69		nts 9	4. Sundry financial investments
28 48 68		8	3. Bank deposits
53,480 27 52,967 47 53,560 67 52,832	53,480	d securities 7	2. Bonds and other fixed-yield securit
20,559 ₂₆ 15,816 ₄₆ 19,530 ₆₆ 8,877	20,559	6	1. Shares and holdings
		:	IV. Other financial investments:
157,516 ₂₅ 137,110 ₄₅ 133,896 ₆₅ 115,787	157,516	S 5	III. Mutual investment fund units
24 44 64		4	3. Loans
23 43 63		3	2. Bonds
22 42 62		2	1. Shares and holdings
		nies and other investees:	II. Investments in group companies and
21 41 61		1	I. Land and buildings
Year Previous year Year Previous year	Year		
Current value Acquisition cost	Curre		
Current value Acquisition cost	Curre	—	

Annex11/2

Assets - Statement of assets arising from pension fund management (item D.II)

			Acquisit	tion co	st			
		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	161,524	23	123,827	43	151,551	63	118,584
2. Bonds and other fixed-yield securities	4	3,345,702	24	3,042,445	44	3,314,365	64	2,975,162
3. Mutual investment fund units	5	233,135	25	241,463	45	181,289	65	186,589
4. Bank deposits	6		26		46		66	
5. Sundry financial investments	7		27		47		67	
III. Other assets	8	20,867	28	24,170	48	20,867	68	24,170
IV. Cash and cash equivalents	9	434,458	29	161,419	49	434,458	69	161,419
Securities to be settled, payables and sundry liabilities	10	(13,451)	30	(17,634)	50	(13,451)	70	(17,634)
	11		31		51		71	
Total	12	4,182,235	32	3,575,690	52	4,089,078	72	3,448,290

UNIPOLSAI PREVIDENZA FPA

		Curren	t 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	161,524	²³ 123,827	43	151,551	63	118,584	
2. Bonds and other fixed-yield securities	4	406,013	²⁴ 479,848	44	405,815	64	468,925	
3. Mutual investment fund units	5	92,976	²⁵ 122,942	45	82,167	65	102,362	
4. Bank deposits	6		26	46		66		
5. Sundry financial investments	7		27	47		67		
III. Other assets	8	3,077	²⁸ 4,828	48	3,077	68	4,828	
IV. Cash and cash equivalents	9	148,673	²⁹ 44,953	49	148,673	69	44,953	
Securities to be settled, payables and sundry liabilities	10	(4,663)	³⁰ (7,259)	50	(4,663)	70	(7,259)	
	11		31	51		71		
Total	12	807,601	³² 769,138	52	786,620	72	732,392	

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Annex 12/04

Annex 12

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	844,501	24	810,594	44	807,011	64	763,112	
3. Mutual investment fund units	5	27,343	25	26,465	45	18,226	65	18,226	
4. Bank deposits	6		26		46		66		
5. Sundry financial investments	7		27		47		67		
III. Other assets	8	5,801	28	5,711	48	5,801	68	5,711	
IV. Cash and cash equivalents	9	8,082	29	12,712	49	8,082	69	12,712	
Securities to be settled, payables and sundry liabilities	10	(2,494)	30	(4,188)	50	(2,494)	70	(4,188)	
	11		31		51		71		
Total	12	883,234	32	851,294	52	836,626	72	795,573	

ARCO

		Curren	Auglus		Accuia	Alen er	
		Curren	t value		Acquis	tion co	IST
		Year	Pr	evious 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	49,834	24	50,479	44 50,335	64	51,269
3. Mutual investment fund units	5	3,448	25	3,111	45 2,816	65	2,145
4. Bank deposits	6		26		46	66	
5. Sundry financial investments	7		27		47	67	
III. Other assets	8	323	28	614	48 323	68	614
IV. Cash and cash equivalents	9	7,442	29	3,384	49 7,442	69	3,384
Securities to be settled, payables and sundry liabilities	10	(97)	30	(188)	50 (97)	70	(188)
	11		31		51	71	
Total	12	60,951	32	57,400	⁵² 60,820	72	57,224

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Tables appended to the Notes to the Financial Statements

Annex 12/09

POSTE

		Curren	it value			Acquisit	tion co:	st
		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	24	384,618	44	450,224	64	386,263
3. Mutual investment fund units	5	27,539	25	23,222	45	19,490	65	16,762
4. Bank deposits	6		26		46		66	
5. Sundry financial investments	7		27		47		67	
III. Other assets	8	2,223	28	3,692	48	2,223	68	3,692
IV. Cash and cash equivalents	9	4,592	29	22,657	49	4,592	69	22,657
Securities to be settled, payables and sundry liabilities	10	(1,255)	30	(946)	50	(1,255)	70	(946)
	11		31		51		71	
Total	12	481,202	32	433,243	52	475,274	72	428,428

ALIFOND

		Curren	tvalue	Acquicit	ion cost
		Curren	r value	Acquisit	ton 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	65,816	²⁴ 69,329	44 66,212	⁶⁴ 69,512
3. Mutual investment fund units	5	3,977	25 3,629	45 3,497	⁶⁵ 3,380
4. Bank deposits	6		26	46	66
5. Sundry financial investments	7		27	47	67
III. Other assets	8	589	²⁸ 851	⁴⁸ 589	⁶⁸ 851
IV. Cash and cash equivalents	9	11,652	29 255	49 11,652	⁶⁹ 255
Securities to be settled, payables and sundry liabilities	10	(242)	³⁰ (199)	50 (242)	70 (199)
	11		31	51	71
Total	12	81,791	³² 73,865	⁵² 81,708	72 73,798

Annex 12/11

BYBLOS

	Current value			Acquisition cost			st	
		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	158,335	24	149,317	44	158,899	64	146,962
3. Mutual investment fund units	5	6,679	25	5,349	45	5,294	65	3,704
4. Bank deposits	6		26		46		66	
5. Sundry financial investments	7		27		47		67	
III. Other assets	8	1,038	28	1,642	48	1,038	68	1,642
IV. Cash and cash equivalents	9	352	29	728	49	352	69	728
Securities to be settled, payables and sundry liabilities	10	(534)	30	(877)	50	(534)	70	(877)
	11		31		51		71	
Total	12	165,871	32	156,159	52	165,050	72	152,159

PRIAMO

Current value Acquisition cost Previous year Year Year Previous year Investments in group companies and other investees: I. 1 21 41 61 1. Shares and holdings 22 42 62 2 2. Bonds II. Other financial investments: 63 1. Shares and holdings 3 23 43 44 4 24 64 2. Bonds and other fixed-yield securities 240,690 248,539 239,890 241,631 45 5 6,799 25 5,338 6,386 65 3. Mutual investment fund units 5,126 6 26 46 66 4. Bank deposits 5. Sundry financial investments 7 27 47 67 48 68 8 28 III. Other assets 1,051 1,087 1,051 1,087 9 49 69 IV. Cash and cash equivalents 48,312 29 22,632 48,312 22,632 10 50 70 Securities to be settled, payables and sundry liabilities (372) 30 (827) (372) (827) 11 31 51 71 12 296,481 32 52 295,268 72 Total 276,770 269,648

Tables appended to the Notes to the Financial Statements

TELEMACO

		Curren	t value	Acquisi	tion 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	67,750	24 66,799	44 67,114	64 66,260				
3. Mutual investment fund units	5	4,611	²⁵ 3,949	45 3,031	⁶⁵ 2,314				
4. Bank deposits	6		26	46	66				
5. Sundry financial investments	7		27	47	67				
III. Other assets	8	292	²⁸ 387	48 292	⁶⁸ 387				
IV. Cash and cash equivalents	9	6,543	²⁹ 1,049	49 6,543	⁶⁹ 1,049				
Securities to be settled, payables and sundry liabilities	10	(201)	30 (236)	50 (201)	70 (236)				
	11		31	51	71				
Total	12	78,994	³² 71,948	⁵² 76,778	72 69,774				

FILCOOP

Current value Acquisition cost Year Previous year Year Previous year ١. Investments in group companies and other investees: 1. Shares and holdings 2. Bonds II. Other financial investments: 1. Shares and holdings 2. Bonds and other fixed-yield securities 18,868 27,130 18,933 27,287 3. Mutual investment fund units 4. Bank deposits 5. Sundry financial investments III. Other assets IV. Cash and cash equivalents 11,806 11,806 28,0<u>35</u> 52 30,840 72 Total 30,775 28,193

Annex 12/13

Annex 12/16

Annex 12/18

FONDAPI

		Curren	t value		Acquisition cost		
		Year	Previo	us 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	83,192	24	81,092	44 83,309	64	81,178
3. Mutual investment fund units	5	8,529	25	7,827	45 4,867	65	4,758
4. Bank deposits	6		26		46	66	
5. Sundry financial investments	7		27		47	67	
III. Other assets	8	614	28	498	48 614	68	498
IV. Cash and cash equivalents	9	5,200	29	2,396	49 5,200	69	2,396
Securities to be settled, payables and sundry liabilities	10	(389)	30	(316)	50 (389)	70	(316)
	11		31		51	71	
Total	12	97,146	32	91,497	⁵² 93,600	72	88,514

PREVIMODA

		Curren	t value	Acquisit	ion 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	76,720	24 97,619	44 75,746	64 96,035
3. Mutual investment fund units	5	4,379	25 3,780	45 4,052	65 3,523
4. Bank deposits	6		26	46	66
5. Sundry financial investments	7		27	47	67
III. Other assets	8	276	28 511	48 276	68 511
IV. Cash and cash equivalents	9	27,876	29 257	49 27,876	69 257
Securities to be settled, payables and sundry liabilities	10	(172)	30 (288)	50 (172)	70 (288)
	11		31	51	71
Total	12	109,079	32 101,879	₅₂ 107,778	72 100,039

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Tables appended to the Notes to the Financial Statements

FONTE

		Curren	nt value			Acquisit	tion co:	st
		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	493,196	24	487,495	44	496,276	64	487,024
3. Mutual investment fund units	5	34,362	25	31,037	45	20,800	65	20,076
4. Bank deposits	6		26		46		66	
5. Sundry financial investments	7		27		47		67	
III. Other assets	8	2,995	28	3,660	48	2,995	68	3,660
IV. Cash and cash equivalents	9	84,686	29	46,560	49	84,686	69	46,560
Securities to be settled, payables and sundry liabilities	10	(1,942)	30	(1,879)	50	(1,942)	70	(1,879)
	11		31		51		71	
Total	12	613,297	32	566,874	52	602,815	72	555,441

FONDINPS

		Curren	t 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	65,897	24 65,756	44 65,929	64 65,792		
3. Mutual investment fund units	5	4,070	25 3,648	45 3,202	65 3,093		
4. Bank deposits	6		26	46	66		
5. Sundry financial investments	7		27	47	67		
III. Other assets	8	251	28 265	48 251	68 265		
IV. Cash and cash equivalents	9	4,617	29 567	49 4,617	69 567		
Securities to be settled, payables and sundry liabilities	10	(395)	30 (409)	50 (395)	70 (409)		
	11		31	51	71		
Total	12	74,441	32 69,829	₅₂ 73,605	72 69,308		

Annex 12/19

PERSEO SIRIO GAR.

		Curren	t value	Acquisi	ion cost	
		Year	Previous year	Year	P	revious 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	45,502	24 21,275	44 45,841	64	21,345
3. Mutual investment fund units	5	1,363	25 1,043	45 1,192	65	1,000
4. Bank deposits	6		26	46	66	
5. Sundry financial investments	7		27	47	67	
III. Other assets	8	376	28 234	48 376	68	234
IV. Cash and cash equivalents	9	1,272	29 2,416	49 1,272	69	2,416
Securities to be settled, payables and sundry liabilities	10	(48)	30 (19)	50 (48)	70	(19)
	11		31	51	71	
Total	12	48,465	32 24,949	52 48,633	72	24,977

COMETA SICUREZZA 2015 GAR.

		Curren	t value	Acquisit	ion 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	27,422	24 2,554	44 27,553	64 2,566
3. Mutual investment fund units	5	560	25 123	45 519	65 121
4. Bank deposits	6		26	46	66
5. Sundry financial investments	7		27	47	67
III. Other assets	8	104	28 15	48 104	68 15
IV. Cash and cash equivalents	9	940	29 122	49 940	69 122
Securities to be settled, payables and sundry liabilities	10	(36)	30 (2)	50 (36)	70 (2)
	11		31	51	71
Total	12	28,991	32 2,812	₅₂ 29,082	72 2,821

Annex	12/21

Annex 12/22

PREVICOOPER SICURO GAR

4

Annex 12/23

Annex 12/24

		Curren	t value	Acquisit	ion 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	94,325	24	44 94,886	64
3. Mutual investment fund units	5		25	45	65
4. Bank deposits	6		26	46	66
5. Sundry financial investments	7		27	47	67
III. Other assets	8	396	28	48 396	68
IV. Cash and cash equivalents	9	47,735	29	49 47.735	69
Securities to be settled, payables and sundry liabilities	10	(95)	30	50 (95)	70
	11		31	51	71
Total	12	142,360	32	52 142,921	72

F.DO PENS.COOPERLAVORO SICUREZZA GAR.

		Curren	t value	Acquisit	ion 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	159,535	24	44 160,390	64
3. Mutual investment fund units	5	6,499	25	45 5,749	65
4. Bank deposits	6		26	46	66
5. Sundry financial investments	7		27	47	67
III. Other assets	8	1,359	28	48 1,359	68
IV. Cash and cash equivalents	9	14,678	29	49 14,678	69
Securities to be settled, payables and sundry liabilities	10	(516)	30	50 (516)	70
	11		31	51	71
Total	12	181,555	32	₅₂ 181,660	72

Liabilities - Non-Life business - Changes in the year in premium provision (item C.I.1) and claims provision (item C.I.2)

Туре		Year		Previous year		Change
Premium provision:						
Provision for unearned premiums	1	2,636,438	11	2,645,450	21	(9,012)
Provision for unexpired risks	2	215	12	5,779	22	(5,564)
Carrying amount	3	2,636,654	13	2,651,229	23	(14,576)
Claims provision:						
Provision for compensations and direct expenses	4	10,540,722	14	10,964,887	24	(424,165)
Provision for settlement expenses	5	572,826	15	586,520	25	(13,694)
Provision for claims incurred but not reported	6	925,817	16	882,510	26	43,307
Carrying amount	7	12,039,366	17	12,433,917	27	(394,552)

Annex14

Liabilities - Changes in the year in mathematical provision (item C.II.1) and provision for profit sharing and reversals (item C.II.4)

Туре		Year		Previous year		Change
Mathematical provision for pure premiums	1	23,694,680	11	22,800,507	21	894,173
Premiums carried forward	2	103,660	12	112,590	22	(8,930)
Mortality risk provision .	3	9	13	7	23	1
Supplementing provisions	4	197,714	14	193,029	24	4,685
Carrying amount	5	23,996,063	15	23,106,134	25	889,929
Provision for profit sharing and reversals	6	7,600	16	6,043	26	1,557

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			Post-employment
		and similar obligations	Provisions for taxes	Other provisions	benefits
Opening balance	+ 1	2,880	11 138,648	21 486,173	31 55,839
Provisions in the year	+ 2		12	22 24,530	32 30,817
Other increases	+ 3		13 23,075	23 11,948	33 964
Uses in the year	- 4	286	14 12	24 78,488	34 33,045
Other decreases	- 5		15 39,886	25 14,744	35
Carrying amount	6	2,593	16 121,825	26 429,419	36 54,574

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	11,005	2	1,661,563	3	426,321	4	35,942	5	21,031	6	2,155,862
Bonds	7		8		9	2,000	10	6,863	11	3,740	12	12,603
Loans	13	267,785	14	50,588	15		16	8,186	17	1,544	18	328,103
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		39	46	40		41		42	46
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	52,373	57	11	58	2	59	50,738	60	103,124
Receivables relating to reinsurance business	61		62	17,421	63		64		65		66	17,421
Other receivables	67	108,051	68	25,119	69	53,006	70	207	71	369	72	186,753
Bank deposits and post office accounts	73		74		75	318,482	76		77		78	318,482
Sundry assets	79		80	2,992	81	52,930	82		83		84	55,922
Total	85	386,841	86	1,810,055	87	852,806	88	51,200	89	77,423	90	3,178,325
of which subordinated assets	91		92		93		94		95		96	

II: Liabilities

		Holding		Cubaidiarian		Affiliates	Accesiates		Others		Total
		companies		Subsidiaries		Attillates	Associates		Uthers		Total
Subordinated liabilities	97		98		99		100	101		102	
Deposits received from reinsurers	103		104	43,943	105		106	107		108	43,943
Payables arising from											
direct insurance business	109		110	1,430	111	3,627	112	113		114	5,057
Payables arising from											
reinsurance business	115		116	9,337	117	19,451	118	119		120	28,788
Payables to banks and financial institutions	121		122		123		124	125		126	
Collateralised payables	127		128		129	3,370	130	131		132	3,370
Other loans and other financial payables	133		134		135		136	137		138	
Sundry payables	139	94,057	140	48,427	141	13,541	142 55	143	447	144	156,527
Sundry liabilities	145	11,084	146	3,567	147	4,324	148	149	353	150	19,328
Total	151	105,141	152	106,703	153	44,313	154 55	155	801	156	257,013

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	14,672	31	13,229
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	
f) other personal guarantees given in the interest of third parties	6	281	36	581
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	11,140	39	17,661
l) guarantees given for company bonds	10	48,318	40	50,636
m) assets deposited for inwards reinsurance operations	11	5,249	41	4,148
Total	12	93,090	42	99,385
II. Guarantees received:				
a) group companies, associates and other investees	13		43	249
_b) third parties	14	85,391	44	96,325
Total	15	85,391	45	96,573
III. Guarantees given by third parties in the interest of the company:				
a) group companies, associates and other investees	16	898,796	46	901,854
b) third parties	17	325,737	47	341,607
Total	18	1,224,534	48	1,243,461
IV. Commitments:				
a) commitments for purchases with resale obligation	19		49	
b) commitments for sales with repurchase obligation	20		50	
_c) other commitments	21	8,592,423	51	7,292,962
Total	22	8,592,423	52	7,292,962
V. Assets attributable to pension funds managed in the name and on behalf of third parties	23	965,159	53	892,865
VI. Securities deposited with third parties	24	42,420,451	54	41,520,164
Total	25	43,385,610	55	42,413,029

Statement of commitments for transactions on derivative contracts

					Year	r							Previou	is yea	ar			
			Purch	ase			Sale			Purchase					Sale			
Deriva	tive contracts		(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	1,302,384	106	55,165	26	513,000	126	(6,534)	46	1,318,550	146	52,277	66	483,000	166	(11,306)	
	on bonds	7		107		27		127		47		147		67		167		
	on currencies	8	52,697	108	913	28	2,127,255	128	(87,352)	48	128,975	148	1,992	68	1,518,908	168	(12,949)	
	on rates	9	725,000	109	12,044	29	475,000	129	(107)	49	50,000	149	414	69		169		
	other	10		110		30		130		50	425,000	150	35,735	70	225,000	170	(7,005)	
Swaps:	on currencies	11	48,666	111	1,212	31		131		51	48,662	151	1,254	71		171		
	on rates	12	2,902,955	112	(290,646)	32		132		52	2,868,955	152	(140,971)	72		172		
	other	13		113		33		133		53		153		73		173		
Other tra	nsactions	14		114		34		134		54		154		74		174		
Total		15	5,031,702	115	(221,312)	35	3,115,255	135	(93.993)	55	4,840,142	155	(49,298)	75	2,226,908	175	(31,261)	

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

4

Summarised information on Non-Life business technical account

									-	
		Gross premiums written		Gross premiums earned		Gross charges relating to claims	Op	perating expenses		Reinsurance balance
Direct insurance business:										
Accident and Health (classes 1 and 2)	1	850,152	2	872,533	3	388,743	4	302,121	5	(15,939)
Land Vehicle TPL (class 10)	6	3,425,458	7	3,450,934	8	2,614,883	9	777,732	10	(4,244)
Land Vehicle Hulls (class 3)	11	607,429	12	597,094	13	390,567	14	157,824	15	(1,312)
Sea, air and transport insurance										
(classes 4, 5, 6, 7, 11 and 12)	16	33,165	17	33,098	18	9,103	19	15,425	20	(14,044)
Fire and Other damage to property (classes 8 and 9)	21	1,050,237	22	1,029,661	23	624,174	24	369,571	25	(32,618)
General TPL (class 13)	26	677,740	27	690,713	28	443,981	29	240,393	30	(5,511)
Credit and bonds (classes 14 and 15)	31	62,753	32	78,674	33	53,067	34	25,118	35	(3,289)
Misc pecuniary losses (class 16)	36	54,472	37	55,750	38	22,769	39	19,956	40	259
Legal expenses (class 17)	41	60,231	42	60,629	43	18,937	44	21,749	45	(4,760)
Assistance (class 18)	46	138,598	47	136,035	48	63,331	49	45,978	50	(10,363)
Total direct insurance business	51	6,960,233	52	7,005,119	53	4,629,554	54	1,975,866	55	(91,820)
Indirect insurance business	56	6,503	57	6,368	58	1,852	59	1,435	60	(1,736)
Total Italian portfolio	61	6,966,736	62	7,011,487	63	4,631,406	64	1,977,301	65	(93,557)
Foreign portfolio	66	1,491	67	2,334	68	(174)	69	496	70	55
Grand total	71	6,968,227	72	7,013,822	73	4,631,232	74	1,977,797	75	(93,501)

Annex 19

Summarised information on Life business regarding premiums and the reinsurance balance

		Direct business	Indirect business		Total
Gross premiums:	1	3,041,710	11 579	21	3,042,289
a) 1. for individual policies	2	2,039,171	12 536	22	2,039,707
2. for collective policies	3	1,002,539	13 43	23	1,002,582
b) 1. periodic premiums	4	534,407	14 579	24	534,986
2. single premiums	5	2,507,303	15	25	2,507,303
c) 1. for contracts with no profit sharing	6	2,468,128	16 397	26	2,468,526
2. for contracts with profit sharing	7	5,263	17 182	27	5,445
3. for contracts when the investment risk is borne by policyholders and for pension funds	8	568,319	18	28	568,319
Reinsurance balance	9	(2,815)	19 315	29	(2,500)

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	21,383	41	18,167	81	39,550
Dividends and other income from shares and holdings of other companies	2	24,535	42	10,547	82	35,082
Total	3	45,917	43	28,715	83	74,632
Gains arising from investments in land and buildings	4	80,136	44	206	84	80,342
Gains on other investments:						
Gains on bonds of group companies and investees	5	364	45	10,381	85	10,746
Interests on loans to group companies and investees	6	1,866	46	409	86	2,275
Gains arising from mutual investment fund units	7	13,925	47	22,568	87	36,493
Gains on bonds and other fixed-yield securities	8	406,829	48	975,345	88	1,382,174
Interest on loans	9	8,700	49	1,243	89	9,942
Gains on mutual investment units	10		50		90	
Interest on bank deposits	11	350	51	224	91	574
Gains on sundry financial investments	12	10,528	52	81,065	92	91,593
Interest on deposits with ceding companies	13	74	53	455	93	528
Total	14	442,636	54	1,091,689	94	1,534,326
Reversals of value adjustments on investments regarding:						
Land and buildings	15		55		95	
Shares and holdings in group companies and investees	16		56		96	
Bonds issued by group companies and investees	17		57		97	
Other shares and holdings	18	1,749	58	8,888	98	10,637
Other bonds	19	37,612	59	40,592	99	78,204
Other financial investments	20	12,286	60	5,068	100	17,354
Total	21	51,647	61	54,548	101	106,196
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		63		103	
Gains on bonds issued by group companies and investees	24		64		104	
Gains on other shares and holdings	25	17,094	65	9,295	105	26,389
Gains on other bonds	26	178,622	66	112,495	106	291,117
Gains on other financial investments	27	47,789	67	18,902	107	66,691
Total	28	243,505	68	140,692	108	384,197
GRAND TOTAL	29	863,841	69	1,315,850	109	2,179,692

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 indice	S			Amounts
Income from:				
Land and buildings			1	
Investments in group companies and other investees			2	
Mutual investment fund units			3	456
Other financial investments			4	6,119
- of which income from bonds	5	5,741		
Other assets			6	3
Total			7	6,577
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	1,003
Gains on other financial investments			11	1,973
- of which bonds	12	1,973		
Other income			13	213
Total			14	3,189
Unrealised gains			15	14,967
GRAND TOTAL			16	24,733

II. Investments arising from pension fund management				Amounts
Income from:				
Investments in group companies and other investees			21	
Other financial investments			22	74,297
- of which income from bonds	23	66,970		
Other assets			24	1,489
Total			25	75,786
Gains on realisation of investments				
Gains on investments in group companies and investees			26	
Gains on other financial investments			27	30,453
- of which bonds	28	18,079		
Other income			29	
Total			30	30,453
Unrealised gains			31	46,819
GRAND TOTAL			32	153,058

Asset and financial charges (items II.9 and III.5)

		Non-Life business	Life busir	ess	Total
Investment management expenses and other expenses					
Expenses regarding shares and holdings	1	1,768	31	,017 61	2,785
Expenses regarding investments in land and buildings	2	88,415	32	3 94 ₆₂	89,309
Expenses regarding bonds	3	34,603	33 89	336 ₆₃	123,939
Expenses regarding mutual investment fund units	4	474	34	403 64	877
Expenses regarding mutual investment units	5		35	65	
Expenses regarding sundry financial investments	6	33,852	36 66	,715 66	100,567
Interest on deposits received from reinsurers	7	1,523	37 1	935 67	3,458
Total	8	160,634	₃₈ 160,	300 68	320,934
Value adjustments to investments regarding:					
Land and buildings	9	113,899	39	,281 69	115,180
Shares and holdings in group companies and investees	10	14,741	40	679 70	15,421
Bonds issued by group companies and investees	11		41	71	
Other shares and holdings	12	7,787	42 11	953 72	19,740
Other bonds	13	68,217	43 36	,176 ₇₃	104,393
Other financial investments	14	66,750	44 51	005 74	117,756
Total	15	271,394	45 101,	095 75	372,489
Losses on realisation of investments					
Capital losses on the disposal of land					
and buildings	16	197	46	76	197
Losses on shares and holdings	17	168,271	47 14,	548 77	182,919
Losses on bonds	18	12,640	48 C	.831 78	22,471
Losses on other financial investments	19	23,937	49 16	196 ₇₉	40,133
Total	20	205,045	50 40	675 80	245,720
GRAND TOTAL	21	637,073	51 302	070 81	939,143

Charges and unrealised losses relating to investments benefitting policyholders that bear the risk and investments arising from pension fund management (item II.10)

l. 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	40
Other assets	5	2,309
Total	6	2,349
Losses on realisation of investments		
Capital losses on the disposal of land and buildings	7	
Losses on investments in group companies and investees	8	5
Losses on mutual investment funds	9	2,682
Losses on other financial investments	10	349
Other charges	11	
Total	12	3,036
Unrealised losses	13	8,053
GRAND TOTAL	14	13,438
II. Investments arising from pension fund management		Importi
Operating expenses arising from:		
Investments in group companies and investees	21	
Other financial investments	22	2,943
Other assets	23	26,574
Total	24	29,516
Losses on realisation of investments		
Losses on investments in group companies and investees	25	
Losses on other financial investments	26	24,129
Other charges	27	
Total	28	24,129
Unrealised losses	29	41,094
GRAND TOTAL	30	94,739

Non-Life business - Summary of technical accounts by individual class - Italian portfolio

			Class code 1		Class code 2
			Accid	ent	Health
			(n	ame)	(name)
Direct business gross of reinsurance					
Written premiums		+	1 626,	383 1	223,269
Change in premium provision (+ or -)		-	2 (9,0	04) 2	2 (13,377)
Charges relating to claims		I	з 236,	536 g	3 152,107
Change in sundry technical provisions (+ or -)		I	4	(41)	4 2,075
Balance of other technical items (+ or -)		+	5 (17,8	39) 5	5 (8,200)
Operating expenses		-	6 241	375 e	60,746
Technical balance of direct business (+ or -)	Α		7 140,	078 7	7 13,517
Outwards reinsurance (+ or -)	В		8 (7,9	901) a	в (8,037)
Indirect business net result (+ or -)	С		9 (!	527)	9 15
Change in equalisation provisions (+ or -)	D		10	59 ı	10
Investment income transferred from the non-technical account	E		11 6,	897 1	2,849
Technical result (+ or -)	(A + B + C - D + E)		12 138 ,	487 1	12 8,344
			Class code 7		Class code 8
			Goods in tra	nsit	Fire
			(n	ame)	(name)
Direct business gross of reinsurance					
Written premiums		+	1 18	,515 1	502,410
Change in premium provision (+ or -)		-	2	248 2	20,529
Charges relating to claims		-	з 2,	345 3	3 287,760
Change in sundry technical provisions (+ or -)		-	4	4	4
Balance of other technical items (+ or -)		+	5 (9	931) 5	5 (14,049)
Operating expenses		-	6 9,	043 e	6 162,034
Technical balance of direct business (+ or -)	Α		7 5,9	948 7	18,038
Outwards reinsurance (+ or -)	В		8 (10,3	.08) 8	в (20,632)
Indirect business net result (+ or -)	C		9	3 9	9 248
Change in equalisation provisions (+ or -)	D		10	53 1	1,520
Investment income transferred from the non-technical account	E		11	201 1	9,264
Technical result (+ or -)	(A + B + C - D + E)		12 (4,2	09) 1	¹² 5,398
				-	
			Class code 13		Class code 14
			General		Credit
			(n	ame)	(name)
Direct business gross of reinsurance			1		
Written premiums		+	1 677,	740 1	1 75
Change in premium provision (+ or -)		-	2 (12,9	973) 2	2 40
Charges relating to claims		-	з 443.	981 :	321
Change in sundry technical provisions (+ or -)		-	4	4	4
Balance of other technical items (+ or -)		+	5 (19,	271) 5	5 (2)
Operating expenses		-	6 240,	393 e	5 18

Balance of other technical items (+ or -)		+	5	(19,271)	5	(2)
Operating expenses		-	6	240,393	6	18
Technical balance of direct business (+ or -)	Α		7	(12,930)	7	(306)
Outwards reinsurance (+ or -)	В		8	(5,511)	8	(264)
Indirect business net result (+ or -)	с		9	1,210	9	4
Change in equalisation provisions (+ or -)	D		10		10	(29)
Investment income transferred from the non-technical account	E		11	46,423	11	53
Technical result (+ or -)	(A+B+C-D+F)		12	20 102	12	(484)

4

Class code 6		Class code 5	Class code 4	Class code 3	
Marine vessels		Aircraft	Railway rolling stock	Land Vehicle Hulls	
(name)		(name)	(name)	(name)	
4,978	1	1 330	72 1	607,429	1
(132)	2	2 23	(22) 2	10,335	2
(1,896)	3	3 83	2,348	390,567	3
	4	4	4		4
(180)	5	5 (3)	(59)	(3,588)	5
2,421	6	6 526	6 e	157,824	6
4,404	7	7 (305)	(2,319) 7	45,114	7
(4,690)	8	8 337	2,284 8	(1,312)	
214	9	9 7	g	364	9
3	10	10	1	955	10
134	11	11 8		4,830	11
59	12	12 48	(34)	48,041	12
Class code 12		Class code 11	Class code 10	Class code 9	-
Marine TPL		Aircraft TPL	Land Vehicle TPL	er damage to property	Oth
(name)		(name)	(name)	(name)	
8,807	1	1 463	3,425,458 1	547,826	1
(63)	2		(25,476) 2	47	2
6,108	3	3 115	6 99	336,414	3
	4	4			3
(37)	5	5 (1)		(10,716)	5
3,359	6	6 70		207,537	6
(633)	7	7 264	10,198 7	(6,888)	7
(1,038)	8	8 (630)	(4,244) 8	(11,986)	8
	9	9 (5)		(126)	9
	10	10	1	38	10
327	11	11 10	86,987 1	6,368	11
(1,344)	12	12 (361)	93,502 1	(12,670)	12
Class code 18 Assistance		Class code 17 Legal expenses	Class code 16	Class code 15 Bonds	
(name)		Legal expenses (name)	Pecuniary losses (name)	(name)	
(nume)		(nume)	(name)	(name)	
138,598	1	1 60,231	54,472 1	62,678	1
2,564	2		(1,279) 2	(15,961)	2
63,331	3		22,769	52,747	3
	4	4			4
(952)	5	5 (466)	(653)	(2,320)	5
45,978	6		19,956 e	25,101	6
25,775	7		12,373 7	(1,528)	7
(10,363)	8		259 a	(3,025)	
	9		72 g	164	9
	10	10			10
788	11	11 813	707 1	2,915	11
16,200	12	12 15,531	1 3,409 1	(1,474)	12

Summary of the condensed technical account of all Non-Life classes - Italian portfolio

			Di	irec	t insurance risks	Ind	irect 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	6,960,233	11	415,980	21 6,503	31 40	41	6,550,716
Change in premium provision (+ or -)	-	2	(44,886)	12	(9,995)	135	32 (792)	42	(33,964)
Charges relating to claims	-	3	4,629,554	13	185,679	23 1,852	33 (892)	43	4,446,619
Change in sundry technical provisions (+ or -)	-	4	2,034	14		24	34	44	2,034
Balance of other technical items (+ or -)	+	5	(127,388)	15	(5,922)	25 858	35 16	45	(120,624)
Operating expenses	-	6	1,975,866	16	142,553	26 1,435	36 4	46	1,834,744
Technical result (+ or -)		7	270,276	17	91,820	27 3,940	₃₇ 1,736	47	180,659
Change in equalisation provisions (+ or -)	-							48	2,600
Investment income transferred from the non-technical account	+	9	169,063			29 512		49	169,575
Technical result (+ or -)		10	439,340	20	91,820	30 4,452	40 1,736	50	347,635

Life business - Summary of technical accounts by individual class - Italian portfolio

		Class code		Class code		Class code	111
		Whole an	id term life	Marriage	-birth	Inv	est. fund
			(name)		(name)		(name
Direct business gross of reinsurance							
Written premiums	+	1	2,195,362	1		1	63,549
Charges relating to claims	-	2	1,760,672	2		2	37,15
Change in mathematical provisions and sundry technical provisions (+ or -)	-	3	785,382	3		3	35,37
Balance of other technical items (+ or -)	+	4	(23,678)	4		4	2,08
Operating expenses	-	5	138,004	5		5	3,34
Income from investments net of the share transferred to the non-technical account (*)	+	6	696,974	6		6	11,91
Direct business result, gross of reinsurance (+ or -) A		7	184,599	7		7	1,67
Outwards reinsurance result (+ or -) B		8	(1,574)	8		8	
Indirect business net result (+ or -) C		9	230	9		9	
Technical result (+ or -) (A + B + C)		10	183,255	10		10	1,67

		Class code	IV	Class code V	Class cod	e VI
			Health	Capitalisation		Pension funds
			(name)	(name)		(name)
Direct business gross of reinsurance						
Written premiums	+	1	1,511	1 276,518	1	504,770
Charges relating to claims	-	2	1	2 466,105	2	259,246
Change in mathematical provisions and sundry technical provisions (+ or -)	-	3	910	3 (27,641)	3	311,975
Balance of other technical items (+ or -)	+	4	35	4 (6,746)	4	13,264
Operating expenses	-	5	391	5 8,505	5	4,097
Income from investments net of the share transferred to the non-technical account (*)	+	6	145	6 211,672	6	59,422
Direct business result, gross of reinsurance (+ or -) A		7	388	7 34.474	7	2,139
Outwards reinsurance result (+ or -) B		8	(1,241)	8	8	
Indirect business net result (+ or -) C		9		9	9	
Technical result (+ or -) (A + B + C)		10	(853)	¹⁰ 34,474	10	2,139

(*) 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.

Summary of the condensed technical account of all Life classes Italian portfolio

		Di	rect insurance risk:	s In	direct 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 3,041,710	11 8,139	21 515	i ₃₁ 124	41	3,033,963
Charges relating to claims	-	2 2,523,181	12 15,060	3,255	32 1,229	42	2,510,147
Change in mathematical provisions and other technical provisions (+ or -)	-	₃ 1,105,998	13 (10,150) 23 (2,680)	33 (965)	43	1,114,433
Balance of other technical items (+ or -)	+	4 (15,039)	14	24 272	34 262	44	(15,029)
Operating expenses	-	5 154,344	15 414	25 74	35 17	45	153,987
Investment income transferred to the non-technical account (*)	+	₆ 980,128		26 196		46	980,325
Technical result (+ or -)		7 223,276	17 2,81	335	37 106	47	220,691

(*) 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

86

(A + B + C) 10

Annex 28

Summary of the Non-Life and Life technical accounts - foreign portfolio

Section I: Non-Life				
Direct business gross of reinsurance				Total Non-Life
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 -)	В		8	
Indirect business net result (+ or -)	С		9	1,371
Change in equalisation provisions (+ or -)	D		10	3
Investment income transferred from the non-technical account	E		11	803
Technical result (+ or -)	(A + B + C - D + E)		12	2,172
Section II: Life			-	
Direct business gross of reinsurance				Total Non-Life
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 -)	В		8	

Technical result (+ or -)

(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.

4

Relations with group companies and other investees

					1							
l: Income		Holding		Subsidiaries		Affiliates		Associates		Others		Total
Income from investments		companies		Substatalites		Antilates		Associates		O the S		Totat
Income from land and buildings	1	93	2	10,004	3	10,616	4		5	937	6	21,650
Dividends and other income from shares and holdings	7	560	8	37,495	9		10	1,129	11	367	12	39,550
Gains on bonds	13		14		15	80	16	10,381	17	284	18	10,746
Interest on loans	19	2,066	20	208	21		22		23	1	24	2,275
Gains on other financial investments	25		26		27		28		29		30	
Interest on deposits with ceding companies	31		32		33		34		35		36	
Total	37	2,719	38	47,706	39	10,696	40	11,510	41	1,590	42	74,221
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		51	9	52		53		54	9
Recovery of expenses and administrative charges	55	5,056	56	27,492	57	22,190	58	22	59	11	60	54,772
Other gains and amounts recovered	61		62	1,443	63	8,924	64	4,248	65	437	66	15,052
Total	67	5,056	68	28,935	69	31,123	70	4,269	71	448	72	69,832
Gains on realisation of investments (*)	73		74		75		76		77		78	
Extraordinary income	79		80	80	81	10,510	82	432	83		84	11,023
GRAND TOTAL	85	7,775	86	76,722	87	52,329	88	16,212	89	2,038	90	155,076

	_											
II: Charges		Holding companies		Subsidiaries		Affiliates		Associates		Others		Total
Investment management expenses and		companies		Substataries		71111111111111		705000000		others		Totat
interest expense:												
Investment charges	91	102	92	1,051	93	39,264	94		95		96	40,417
Interest on subordinated liabilities	97		98		99		100		101		102	
Interest on deposits received from reinsurers	103		104	460	105		106		107		108	460
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	4	124		125		126	4
Interest on collateralised payables	127		128	9	129	107	130		131		132	116
Interest on other payables	133		134		135		136		137		138	
Impairment losses on receivables	139		140		141		142		143	173	144	173
Administrative charges and third-party expenses	145	4,654	146	20,801	147	18,619	148	22	149	11	150	44,107
Sundry charges	151		152	1,891	153	1,410	154		155		156	3,301
Total	157	4,756	158	24,211	159	59,403	160	22	161	184	162	88,576
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	1,945	170		171		172		173		174	1,945
Extraordinary expenses	175		176		177		178	40	179	10	180	50
GRAND TOTAL	181	6,701	182	24,211	183	59,403	184	62	185	194	186	90,571

(*) With reference to the counterparty in the transaction

Annex 30

Summary of direct business written premiums

4

	Non-Life	business	Life bi	ısiness	Total			
	Establishment	F.o.S	Establishment	F.o.S	Establishment	F.o.S		
Written premiums:								
in Italy	1 6,942,026	5	11 3,040,181	15	21 9,982,207	25		
in other Member States of the European Union	2	6 4,699	12	16 542	22	26 5,241		
in other countries	3	7 13,509	13	17 986	23	27 14,495		
Total	4 6,942,026	8 18,207	14 3,040,181	18 1,529	24 9,982,207	28 19,736		

Annex 31

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	351,223	31	46,963	61	398,186
- Social security contributions	2	93,647	32	12,602	62	106,250
- Allocation to the post-employment benefits						
and similar obligations	3	25,426	33	3,437	63	28,864
- Sundry personnel expenses	4	53,507	34	6,810	64	60,317
Total	5	523,804	35	69,812	65	593,616
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	523,804		69,812	70	593,616
Self-employment expenses:			1-		7-	
Italian portfolio	11	474,154	41	1,894	71	476,049
Foreign portfolio	12	17 17:51	42		72	1/ -1/- 13
Total	13	474,154		1,894	73	476,049
Total self-employment expenses	14	997,958		71,707	74	1,069,665
II: Breakdown of personnel expenses		Non-Life business		Life business		Total
Investment management expenses	15	18,243	45	6,343	75	24,586
Charges relating to claims	16	622,168		3,485		625,654
Other acquisition costs	17	136,398		23,091	77	159,490
Other administrative expenses	18	187,694		33,780	78	221,474
Administrative charges and third-party expenses	19	33,454		5,007	79	38,461
Other charges	20		50		80	
Total	21	997,958		71,707	81	1,069,665
III: Average headcount in the year						Number
Executives					91	164
Office workers					92	7,272
Wage earning					93	
Others					94	14
Total					95	7,450
N/ Disesters and Catalyters Audit				hl		F J
IV: Directors and Statutory Auditors				Number		Fees due
Directors			96	21	98	2,263
Statutory Auditors			97	3	99	175

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

(**)

Legal representatives of the Company (*)

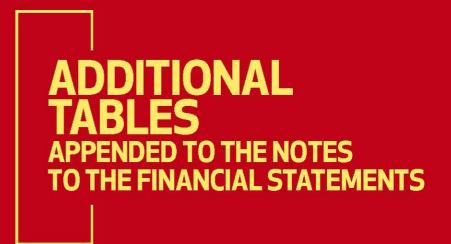
The Chairman

Carlo Cimbri

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

(**) Specify the office of the party signing





5 Additional tables appended to the Notes to the Financial Statements

Reclassification statement of financial position at 31 December 2016 and at 31 December 2015

	iounts in €k SETS	2016	2015
		2016	2015
	oscribed capital, unpaid angible assets		
mu	Acquisition costs being amortised	77.670	72.052
	Start-up costs, goodwill and other long-term costs	77,679 792,837	73,953
	Total intangible assets	870,516	775,170 840,122
Inv	estments and cash and cash equivalents	870,510	849,123
1	Land and buildings	2,541,526	2,726,037
II	Investments in group companies and other investees	2,341,320	2,/20,05/
11	Shares and holdings	2,155,862	2,118,317
	Bonds	12,603	
	Loans		22,796
	Other financial investments	328,103	328,204
	Shares and holdings	554.866	606,078
	Mutual investment fund units	1,886,623	
			1,732,029
	Bonds	34,454,109	33,977,193
	Loans Mutual investment units	135,337	148,083
	Sundry financial investments	102.107	250,556
IV	Deposits with ceding companies	193,107	26,087
V	Cash and cash equivalents		388,983
v	Total investments and cash and cash equivalents	349.155 42,630,399	42,324,363
Inv	estments benefiting life business policyholders that bear	42,050,555	42,524,505
	risk arising from pension fund management		
	Linked to investment funds and market indices	354,016	349,140
	Arising from pension fund management	4,182,235	3,575,690
	Total	4,536,251	3,924,830
Re	ceivables		
I	Arising from direct insurance and reassurance business		
	Policyholders for premiums	571,079	613,498
	Intermediaries	907,944	923,375
	Insurance and reinsurance companies	122,337	138,601
	Policyholders and third parties for amounts to be collected	126,472	137,751
	Other receivables	1,364,251	1,169,059
	Total receivables	3,092,084	2,982,284
Ot	ner assets		
	Tangible assets and inventories	85,487	79,193
	Other assets	1,783,860	1,680,537
	Total other assets	1,869,347	1,759,730
	TOTAL ASSETS	52,998,597	51,840,331

Statement A

LIA	BILITIES AND SHAREHOLDERS' EQUITY	2016	2015
Sha	reholders' equity		
	Share capital	2,031,456	2,031,446
	Equity reserves and unallocated profit	3,117,826	2,985,775
	Retained profit (loss)		
	Profit (loss) for the year	458,479	555,722
	Negative reserve for treasury shares	(79,292)	(76,561)
	Total shareholders' equity	5,528,469	5,496,382
Sub	oordinated liabilities	2,011,689	2,011,689
Tec	hnical provisions, net of the quotas ceded and retroceded		
	Non-Life premium provision	2,533,759	2,534,474
	Non-Life claims provision	11,567,056	11,997,188
	Other Non-Life business provisions	87,145	82,27
	Life business mathematical provisions	23,930,344	23,040,972
	Life business provision for amounts payable	285,679	395,472
	Other Life business provisions	102,947	102,353
	Total technical provisions	38,506,930	38,152,733
Net	technical provisions when investment risk is borne by		
poli	icyholders and provisions arising from pension fund management		
	Contracts linked to investment funds and market indices	353,917	348,97
	Arising from pension fund management	4,182,235	3,575,690
	Total	4,536,152	3,924,662
Pro	visions for risks and charges		
	Post-employment benefits and similar obligations	2,593	2,880
	Provisions for taxes	121,825	137,520
	Other provisions	429,419	486,17
	Total provisions for risks and charges	553,837	626,572
Pay	rables and other liabilities		
	Arising from direct insurance and reinsurance business		
	Intermediaries	42,285	39,145
	Insurance and reinsurance company current accounts	88,667	100,51
	Insurance and reinsurance company deposit accounts	224,767	174,112
	Sundry payables	15,912	15,932
	Sundry loans and other financial payables	15,364	18,804
	Post-employment benefits	54,574	55,839
IV	Other payables		
	Policyholders' tax due	152,276	154,22
	Sundry tax payables	28,669	27,203
	Sundry payables	268,253	232,843
V	Other liabilities	970,753	809,672
	Total payables and other liabilities	1,861,520	1,628,293
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	52,998,597	51,840,331

5 Additional tables appended to the Notes to the Financial Statements

Statement B

Reclassified income statement

Amounts in €k

		2016		2015				
TECHNICAL ACCOUNT	Life	Non-Life	Total	Life	Non-Life	Total		
Direct business gross of reinsurance								
(+) Written premiums	3,041,710	6,960,233	10,001,943	3,418,260	6,997,699	10,415,959		
(-) Change in technical provisions and premium provision	1,105,998	(34,327)	1,071,671	1,022,938	(62,043)	960,895		
(-) Charges relating to claims	2,523,181	4,629,554	7,152,736	3,047,928	4,547,384	7,595,312		
(+) Balance of other technical items	(15,039)	(121,462)	(136,501)	(9,191)	(85,460)	(94,651)		
(-) Operating expenses	154,344	1,975,866	2,130,210	155,395	1,967,073	2,122,468		
(+) Net income from investments (1)	980,346	170,378	1,150,724	828,635	346,323	1,174,957		
Direct business gross result	223,494	438,055	661,549	11,443	806,148	817,591		
Outwards reinsurance result	(2,815)	(91,820)	(94,635)	(9,041)	(101,481)	(110,521)		
Indirect business net result	98	3,572	3,670	37	(7,689)	(7,652)		
Technical account result	220,777	349,806	570,583	2,440	696,978	699,418		
NON-TECHNICAL ACCOUNT								
(+) Income from investments (1)	103,048	56,390	159,438	85,668	115,881	201,550		
(+) Other income	23,078	156,306	179,385	22,853	178,219	201,072		
(-) Other charges	60,743	274,429	335,173	77,903	352,587	430,490		
Profit (loss) from ordinary operations	286,160	288,073	574,234	33,058	638,491	671,549		
(+) Extraordinary income	5,058	90,993	96,051	147,952	105,904	253,856		
(-) Extraordinary expenses	2,351	33,611	35,962	5,395	45,330	50,725		
Pre-tax profit (loss)	288,868	345,455	634,322	175,615	699,065	874,680		
(-) Taxes	84,980	90,863	175,843	45,085	273,873	318,958		
NET PROFIT (LOSS)	203,888	254,592	458,479	130,530	425,192	555,722		

(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.

Statement C

Statement of changes in shareholders' equity occurred during the years ended 31 December 2016 and 31 December 2015

			Ec	uity reserv	ves and unall	ocated prof	it	I		I	
Amounts in €k	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	Total
Balances at 31 december 2014	1,996,130	308,272	96,559	399,226		1,622	13,070	1,774,048	751,587		5,340,514
Effects of the merger								14,079			14,079
Allocation profit 2014											
- Legal reserve											
- Extraordinary reserve								268,088	(268,088)		
- Shareholders' dividend									(483,499)		(483,499)
Change in the opening balances for restatement on dividends and treasury shares								11,827			11,827
Reclassification of treasury shares						(1,622)		1,622		(66,725)	(66,725)
Effect of Convertible bond											
conversion	35,316	98,984									134,300
Operations involving treasury shares										(9,836)	(9,836)
Adjustment of the Reserve for										(9,030)	(9,030)
holding company shares							(255)	255			
Profit for 2015									555,722		555,722
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

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

				Summary of uses made
Nature/Description	Amount	Possibility of use	Available portion	in the three preceding years (*)
Capital	2,031,456			
Capital reserves:	1,672,012		1,661,007	720,977
Share premium reserve	407,256	A,B	407,256 ⁽¹⁾	470,711
Revaluation reserves Legislative Decree 185/2008	96,559	A,B,C	96,559	
Merger surplus reserve from cancellation - ex Fondiaria	44,148	A,B,C	44,148	248,232
Merger surplus reserve from cancellation - ex Fondiaria - suspended	38,697	A,B,C	38,697	
Merger surplus reserve from swap transaction/cancellation	921,786	A,B,C	921,786	
Share premium reserve for disposal of option rights that were not exercised	5	A,B,C	5	8
Dividend equalisation reserve	826	A,B,C	826	2,026
Reserve for holding company shares	11,005	-		
Reserve for treasury shares to be purchased	97,269	A,B,C	97,269	
Reserve for holding company shares to be purchased	38,822	A,B,C	38,822	
Extraordinary reserve	15,640	A,B,C	15,640	
Income-related reserves:	1,445,814		1,039,525	1,747
Legal reserve	406,289	В		
Extraordinary reserve	405,413	A,B,C	405,413	1,226
Merger surplus reserve from swap transaction/cancellation	633,844	A,B,C	633,844	
Merger surplus reserve from cancellation - Europa 2015 - suspended	94	A,B,C	94	
Reserve for treasury shares to be purchased		A,B,C		326
Reserve for holding company shares to be purchased	174	A,B,C	174	195
Negative reserve for treasury shares	(79,292)		(79,292)	
Total	5,149,282		2,700,532	722,724
Non-distributable portion (2)			94,191	
Residual distributable portion			2,606,341	

Key:

A: for share capital increase

B: to cover losses C: for distribution to shareholders

(1): Distributable only if the legal reserve meets the limit imposed by art. 2430 of the Civil Code $% \mathcal{A}$

(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

(*): To cover losses of the FY 2013

Statement E

Statement of cash flows at 31 December 2016

	31/12/2016		31/12/2015	
SOURCES OF FINANCING				
CASH FLOWS GENERATED BY OPERATIONS				
Profit (loss) for the year		458,479		555,722
Increase (decrease) in reserves		582,814		251,134
premium reserves and other Non-Life technical provisions	(26,476)		(69,284)	
Non-Life claims provisions	(662,569)		(854,445)	
Life technical provisions	1,271,859		1,174,863	
Increase (decrease) in funds		68,878		111,349
Accumulated amortisation/depreciation	146,632		203,200	
Provisions for risks and charges	(77,754)		(91,851)	
Investments		177,642		284,96
Write-down of securities				
Write-down of investments				
Decrease in investments in securities				
Decrease in investments in shares and participating interests			272,142	
Decrease in investments in property	164,441			
Decrease in class D investments				
Decrease in loans	13,201		12,818	
(Increase) decrease in the change in receivables and other assets net of payables and other liabilities		20,555		771,160
Increase (decrease) in subordinated liabilities				(134,300)
Increase (decrease) in deposits received from reinsurers		13,334		(39,860)
Decrease in bank deposits		60,826		
Decrease in other commitments				
OTHER SOURCES OF FINANCING				
Liquidity from merged company		24,019		60,801
TOTAL SOURCES		1,406,548		1,860,967
USES OF CASH				
Investments:		924,410		850,363
Increase in investments in securities	40,701		471,940	
Increase in investments in shares and participating interests	272,288			
Increase in investments in property			239,506	
Reversal of impairment losses in securities				
Reversal of impairment losses in participating interests				
Increase in class D investments	611,421		138,916	
Increase in loans				
Increase in bank deposits				14,380
Other cash commitments		98,289		321,309
Dividends distributed		423,676		483,499
TOTAL USES		1,446,376		1,669,550
Increase (decrease) in cash and cash equivalents		(39,828)		191,540
TOTAL		1,406,548		1,861,090
Bank accounts/cash available at the start of the year		388,983		197,443
Bank accounts/cash available at the end of the year		349,155		388,983

5 Additional tables appended to the Notes to the Financial Statements

Statement F

Statement summarising write-backs

Law 413/91	7.755	21,022		28,777
Law 72/83	2,888	6,004		8,892
Law 295/78	1,473	3,320	2	4.795
Law 576/75	340	2,091		2,431
Law 823/73	192	4,102		4,294
Law 74/1952	6,168	3,409		9,577
	Property for corporate business	Property for use by third parties	Other property	Total

Statement of changes in property, plant and equipment and intangible assets

-					
TANGIBLE ASSETS	2015	Increases	Decreases	Net merger effect	2016
Office furniture and machines	47,962	23,342	16,097		55,207
Motor vehicles					
Plant and equipment	26,990	4,666	5,633		26,023
Inventories and sundry goods	4,241	16			4,257
Total tangible assets	79,193	28,024	21,730		85,487
INTANGIBLE ASSETS					
Acquisition commissions	73,953	56,892	53,166		77,679
Other acquisition costs					
Start-up and expansion costs	26,831		10,321		16,510
Goodwill	607,290		54,853	51,475	603,912
Other multiannual costs	141,049	31,366			172,415
Total intangible assets	849,123	88,258	118,340	51,475	870,516

5 Additional tables appended to the Notes to the Financial Statements

List of properties

		ſ	-		
					Write-backs an
Property	Property		Net Carrying amount	Purchases and	reversals o
type		Address	31/12/2015	other Increases	impairment losse
2	0282	To - Airasca - Via Roma 187 - 189	252		
2	0345	To - Chieri - Vicolo S.Antonio-Via V.Emanuele li Snc	196		
2	2035	To - Collegno - Viale Gramsci 24	49		
2	0247	To - Grugliasco - Via Echirolles 6/8 To - Ivrea - P.Zza Lamarmora 7	187		
2	0414		76		
2	· · · ·	To - Morcalieri - P.Za V.Emanuele 8	519		
2			197 116		
2	0434	To - Moncalieri - Prazza Caddi Per La Liberta 7			
2	1050 0008	To - Moncalieri - Sti ada Perfeto Di Cambiano, 20 To - Moncalieri - Via F. Postiglione 18	3,474		
-	0008		1,165		
2	0008	To - Nichelino - Via Giusti 10	725 81		
2		To - Rivarolo Canavese - V.Gallo Pecca 22			
	0251		231		
2	0131	To - Rivoli - C.So Susa 40-42 To - Torino - C.So Francia 151	114		
		To - Torino - C.So Grosseto 269	151		
2	0107	To - Torino - C.So Sebastopoli 310/1	<u>99</u> 109		
2	0171	To - Torino - C.So Siracusa 92	287		
2	01/2	To - Torino - C.So Svizzera 185	1,651		
2		To - Torino - C.So Turati 74	72		
2		To - Torino - C.So Vittorio Emanuele 48/V. Carlo Alberto 65	22,540	892	
2		To - Torino - Corso Dante 119	1,055	092	
2	0493	To - Torino - Corso Francia 204	131		
2	0019		22,858	1,225	
2	0231	To - Torino - Corso Lecce 50	124	1,225	
2	2189	To - Torino - Corso Re Umberto 131	1,964		
1	2219		2,003		
2		To - Torino - Corso Trapani 7/D	47		
1	7560	To - Torino - Corso Vittorio Emanuele 8, 3	447		
2	7560		518		
2	0161		191		
2	0194		7,140	94	
1		To - Torino - Lungo Dora Firenze 71	26,624	303	
2	0022	=	73	5.5	
2		To - Torino - Piazza Guala 143	8,199		
2		To - Torino - Strada Del Drosso, 25	5,548		
1		To - Torino - V. S. Da Padova 2/Matteotti 51	1,864	103	
2	0168		3,139	139	
2	0303	To - Torino - Via Arsenale 5	8,612		
1	3510	To - Torino - Via Berthollet 46	9,030	1,299	
2	3510		72	8	
2		To - Torino - Via Breglio 61	335		
1	0284		6,113		
2	0253	To - Torino - Via Dei Quartieri 10	88		

Total write-downs	Total write-backs	Total depreciation	Current value 31/12/2016	Net Carrying amount 31/12/2016	Depreciation for the year	Transfers to other usage classes	Value adjustments	Sales and other decreases	Transfers from other usage classes
3		43	241	241	9		3		
-		50	200	189	7				
	7	8	121	48	2				
	9	32	370	181	6				
	6	16	84	73	3				
		54	560	508	11				
2	12	33	188	188	7		2		
	41	22	142	112	4				
2,950		1,373	3,000	3,000			474		
	912	3,707	2,910	1,041	124				
	155	105	1,011	704	21				
	79	14	180	78	3				
		39	300	223	8				
	101	19	350	110	4				
2	147	39	144	144	6		2		
1	94	17	94	94	3		1		
2	34	19	190	106	4		2		
<u>3</u> 1,318	250	49	274	274	10 60		3 17		
1,310	65	<u>434</u> 15	1,574 260	1,574 70	3		1/		
2,692	05	2,335	22,694	22,919	513				
2,092	755	128	2,460	1,035	20				
	1.55	120	2,400	,,000	4			151	
	8,718	15,292	47,104	23,107	976				
1	20	21	119	119	4		1		
			_		1			1,984	
496		259	1,900	1,953	50				
12		6		46	1				
	53	53	81	45	23	823			
	940	913	1,469	864	33				823
2	200	61	182	182	7		2		
	4,580	20	19,156	7,230	4				
		695	23,594	26,281	646				
1	92	38	69	69	3		1		
		2,185	8,062	7,967	232				
3,781		763	4,763	4,763	151		634		
					35			2,644	
			-	0.5	10			3,481	
459		1,694	8,521	8,408	204	-			
		9	417	378	232	9,958			
		241	8,843	9,797	2				9,958
3	225	57	320	320	11		3		
1		4,961 15	6,600 84	5,790 84	323 3		1		

5 Additional tables appended to the Notes to the Financial Statements

List of properties

			<u>-</u>		
Property	Property		Net Carrying amount	Purchases and	Write-backs and reversals of
type		Address	31/12/2015	other Increases	impairment losses
2	0193	To - Torino - Via Gobetti 15	18,612		
2		To - Torino - Via Guarini 4	173		
1	3511	To - Torino - Via Marenco 15	20,627		
2	2188	To - Torino - Via Mazzini 12	168		
2	0290	To - Torino - Via Millefonti 22/24	247		
2	0492	To - Torino - Via Millio 41	716		
2	0197	To - Torino - Via Monginevro 61	70		
2	0199	To - Torino - Via S.Pio Vii 84	119		
2	0200	To - Torino - Via Valperga Caluso 30	142		
2	0206	To - Venaria - Via Tripoli 17	64		
2	0328	Vc - Borgosesia - Via G. Ferrari 15	114		
2	3003	Vc - Gattinara - Piazza Giuseppe Mazzini 3	3,183		
2	2204	Vc - Vercelli - Corso Garibaldi 44	44		
2	2205	Vc - Vercelli - Via Duchessa Jolanda 20	32		
2	2206	Vc - Vercelli - Via Xx Settembre 2	164		
2	1043	No - Borgomanero - Viale A. Marazza 30	154		
2	1021	No - Novara - C.So Della Vittoria 2	37		
1	2247	No - Novara - Via Baluardo Lamarmora 19	48		
2	2247	No - Novara - Via Baluardo Lamarmora 19	163		
1	0313	Cn - Alba - Corso Langhe 7	70		
2	0313	Cn - Alba - Corso Langhe 7	111		
2	2261	Cn - Cuneo - Piazza Boves 2	224		
2	0314	Al - Alessandria - Corso Crimea 25	223		
2	2002	Al - Alessandria - Via Faa' Di Bruno N. 49	81		
1	4200	Al - Alessandria - Via Spalto Marengo 11	106		
2		Al - Alessandria - Via Trotti 44/46	148		
2	0266	Al - Novi Ligure - Via Garibaldi 91/D	160		
2	0201	Al - Tortona - Via Carducci 25	82		
2	0323		265		
2	0033	Bi - Biella - Via Cova 10/A	104		
2	7380	Bi - Biella - Via Gramsci 21	117		
2	2013	Bi - Biella - Via Nazario Sauro 4	46		
2	0351		114		
2	-	Bi - Trivero - Località Ponzone / Via Provinciale 195	95		
3		Im - San Remo - Monte Bignone S.N.C.	22		
2		Sv - Savona - Via Servettaz 1	114		
2	0538	Ge - Camogli - Fabbricati Non Abitativi Camogli Viale Gaggini 1	86		
3	0543		58		
2	0540		8,610	201	
2	0334		359		
2	0541		209		
2	0061		63		
2	0409		19,660	629	
2	2218	Ge - Genova - Via B. Bosco N. 15/31	1,794		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2016	Current value 31/12/2016	Total depreciation	Total write-backs	Total write-downs
	24,294			715					
				6	167	162	30		14
				498	20,129	20,565	537		
	200			2					
		3		10	235	235	83		3
		7		25	683	683	152		7
				2	67	200	12	65	
				4	115	190	20	33	
		1		5	135	135	24	92	1
				2	62	220	11	57	
				4	110	138 3,138	21 706		2 290
				77 2	3,106 42	<u>3,130</u> 42	10	4.4	2,380
				1	31	42 31	6	44 33	
		2		6	157	157	28		2
	178	2		1		1,01	20		2
	.,			1	35	35	6	28	
				4	44	70	77		
		2		6	155	129	28		2
				3	67	88	18		
				4	107	130	28		
		2		8	214	214	38		107
				8	215	265	57		
		1		3	77	77	14		1
				5	101	114	81	83	16
				5	143	140	25		
		2		5	152	152	27		2
		1		3	78	78	14	74	1
		3		9	253	253	54	9	20
				4	100	300	18	99	
				5	113	136	39	52	
ļ				2	43 108	43	8	48	2
		2		4	91	105 93	22 33	6	2
l				4	22	93 41	55	0	11
<u> </u>				4	109	41	19	78	
				+	86	84	4	,0	9
					58	187	тт		y
				256	8,555	8,447	3,124		1,853
					359	715			
					209	209			70
		1		2	60	60	11	57	1
				477	19,812	26,338	9,111	1,648	4,364
		18		61	1,715	1,715	306		18

List of properties

					Write-backs and
Property	Property		Net Carrying amount	Purchases and	reversals of
type	code	Address	31/12/2015	other Increases	impairment losses
2	0065	Ge - Genova - Via Cantore 35	125		
1	2236	Ge - Genova - Via Roccatagliata Ceccardi 1	458		
2	2236	Ge - Genova - Via Roccatagliata Ceccardi 1	428		
2	2063	Ge - Genova - Via Roccatagliata Ceccardi 1/2	552		
1	7356	Ge - Genova - Via Sottoripa 1/A	923		
2	7356	Ge - Genova - Via Sottoripa 1/A	502		
2	0067	Ge - Genova - Via Timavo 3	88		
1	4069	Ge - Genova - Via Xx Settembre 1	1,282		
2	2264	Ge - Genova - Via Xx Settembre 19/1	336		
3	0542	Ge - Santa Margherita Ligure - Terreni S.Margherita Ligure Snc	2		
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	215		
2	1045	Sp - La Spezia - Via Fazio 50	272		
2	2071	Sp - La Spezia - Viale Italia 162	206		
1	7365	Sp - La Spezia - Viale Italia 210/6	152		
2	0245	Va - Arcisate - C.So Matteotti 24	93		
2	2259	Va - Busto Arsizio - Piazza Garibaldi 1	148		
2	1044	Va - Busto Arsizio - Via Xx Settembre 8	220		
2	3002	Va - Laveno Mombello - Via Buozzi, 1	1,587	133	
2	0297	Va - Malnate - Piazza Della Repubblica Snc	253		
2	2179	Va - Saronno - Piazza De Gasperi 15	48		
2	0151	Va - Saronno - Via Diaz / Via Bossi 2	45		
2	0498	Va - Tradate - Via Montegrappa 17-Via Baracca 2	122		
2	0551	Va - Varese - Via Albani, 41	11,860		
1	2200	Va - Varese - Via Carcano, 2	141		
2	0205	Va - Varese - Via Foscolo 10	175		
2	2203	Va - Varese - Via Piave 3	95		
2	0504	Va - Varese - Via Rovereto 15	74		
2	5205	Co - Como - Piazza Del Popolo 14	209		
2	0350	Co - Como - Via Borgovico, 126	244		
2	4121	Co - Como - Via F.Lli Rosselli 13	295		
2	2037	Co - Como - Via Innocenzo Xi 13	182	18	
1	8110		1,643	42	
2	8110	Co - Como - Via Innocenzo Xi, 13	3,232	103	
2		So - Sondrio - Galleria Xxv Aprile 5	73		
2	0482	So - Sondrio - Largo Pedrini 3	258		
2		Mi - Abbiategrasso - Via Serafino Dell'Uomo 34	104		
2	0312	Mi - Abbiategrasso - Via Ticino 1	182		
2	2298	Mi - Assago - Palazzo A - Strada 6	39,300	289	
2	0289	Mi - Bresso - Via Xxv Aprile 41 / Via Patellani 42	188		
2	0264	Mi - Corsico - Via Vittorio Emanuele 10	209		
2	2075	Mi - Legnano - Corso Italia 54	122		
2		Mi - Legnano - Corso Sempione 119	49		
2	0265	Mi - Legnano - Via Porta / Corso Sempione 164	248		

Transfers from other usage	Sales and other	Value	Transfers to other usage	Depreciation for	Net Carrying amount	Current value		Total	Total
classes	decreases	adjustments	classes	the year	31/12/2016	31/12/2016	Total depreciation	write-backs	write-downs
				4	120	230	23	106	
		5		25	429	390	410		5
		4		22	401	440	342		4
				21	531	1,800	174	155	
				48	875	1,384	734		
				21	481	516	235		
				3	85	300	27	79	
				62	1,220	1,590	848	1,228	
		3		12	321	321	61		3
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					1,913	1,850			700
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				2	40	180	8	39	
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				214	11,646	11,362	1,643		51,826
				214	141	410	24	97	
				6	169	780	30	144	
				3	92	190	16		·
		3		3	68	68	18		47
				7	202	320	36	125	
		2		9	232	232	62		2
				11	284	340	99	279	78
				7	193	425	29	132	
				64	1,622	1,885	529		
				122	3,213	3,115	896		
		1		3	70	70	13	41	1
	297			7					
				4	100	230	18	14	
		2		6	173	173	35		23
				1,069	38,519	38,061	4,491		8,923
				7	181	250	54		
				8	201	220	52		
				4	118	380	21	81	
				2	47	160	8	18	
				8	239	390	42		

List of properties

			_		Write-backs and
Property	Property		Net Carrying amount	Purchases and	reversals of
type		Address	31/12/2015	other Increases	impairment losses
2	0425	Mi - Magenta - Via Mazenta 19/23	128		
2	0555	Mi - Milano - C.So B. Aires 77-79-Via Doria 56	1,337		
1	5425	Mi - Milano - Corso Di Porta Vigentina 9	9,055	228	
2	3023	Mi - Milano - Galleria Del Corso 4	1,592		
1	7207	Mi - Milano - Galleria Unione 3	11		
3	0537	Mi - Milano - Localita Bruzzano - Aree Edificabili	7,350	8	
2	0537	Mi - Milano - Localita Bruzzano - Aree Edificabili	4,700	32	
3	3072		5,562		
2	3032	0	60,058	129	
2		Mi - Milano - P.Za Garibaldi 8	63		
2		Mi - Milano - P.Za Napoli 38	185		
1		Mi - Milano - P.Zza De Angeli 7-9/Trivulzio 3/V.Frua 22	895		
2	0250	Mi - Milano - P.Zza De Angeli 9	395		
2	2090	Mi - Milano - Piazza Caneva 4 Mi - Milano - Piazza Castello 13	215 10,887		
1		Mi - Milano - Piazza Castello 15 Mi - Milano - Piazza Missori 2	1,382		
2		Mi - Milano - Piazza Missori 2	34		
2		Mi - Milano - Piazza Missori 2	2,042		
2		Mi - Milano - Piazza Velasca 5	80,294	1,099	
2		Mi - Milano - V.Le Lombardia 34	77	.,255	
2	0254		1,220		
2		Mi - Milano - Via Benigno Crespi, 57	40,400	613	
2	3001	Mi - Milano - Via Adriano 98	916		
2	3028	Mi - Milano - Via Adriano/Via Nenni Snc	663		
2	3056	Mi - Milano - Via Amidani 15 Edificio 3A	2,399		
2	3055	Mi - Milano - Via Amidani 17 Edificio 3B	1,489		
2	3054	Mi - Milano - Via Amidani 19 (Ex. 15) Edificio 2	2,431		
2	3053	Mi - Milano - Via Amidani Ed1/Via Gabussi 1	2,430		
2	3063	Mi - Milano - Via Bellarmino Snc - Area Edificabile	42,901	121	
2	2095	Mi - Milano - Via Boccaccio 32	113		
3		Mi - Milano - Via Brugnatelli / Via Ettore Ponti Snc	21		
2		Mi - Milano - Via Bugatti 1/3/5 - Lotto M13	708		
2	3039	Mi - Milano - Via Bugatti 13 - Lotto M14_Edificio P1	6,462	19	
2		Mi - Milano - Via Bugatti 7/9/11 - Lotto M15	562		
2	0554		1,780		
2		Mi - Milano - Via Casati, 39	1,736		
2		Mi - Milano - Via Castellanza 6/8/10	12,412		
2	0239	Mi - Milano - Via Castellanza, 6 Mi - Milano - Via Cochoy 48	230		
2	3036	Mi - Milano - Via Cechov 48 Mi - Milano - Via Cesare Musatti Torre 2	136 4,112		
2	3030	Mi - Milano - Via Cesare Musatti Torre 3	3,974		
2	303/		3,001		
2	3004	Mi - Milano - Via Cesare Musatti Torre 5	3,013		
2		Mi - Milano - Via Conservatorio 15	15,872	421	

Image: space of the system of the	Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2016	Current value 31/12/2016	Total depreciation	Total write-backs	Total write-downs
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						5,562	5,713			927
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List of properties

	D .				Write-backs and
Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	reversals of impairment losses
2	2223	Mi - Milano - Via Conservatorio 17	11,598	8	
2	2294	Mi - Milano - Via Corridoni 1	304		
5	0072	Mi - Milano - Via De Castillia 23	48,542	713	
2	3043	Mi - Milano - Via Dei Missaglia 97 - Edificio A1	11,271	118	
1	3046	Mi - Milano - Via Dei Missaglia 97 - Edificio A2 (Ex B1)	3,928	438	
2	3046	Mi - Milano - Via Dei Missaglia 97 - Edificio A2 (Ex B1)	9,877	882	
1	3047	Mi - Milano - Via Dei Missaglia 97 - Edificio B1 (Ex B4)	1,081	61	
2	3047	Mi - Milano - Via Dei Missaglia 97 - Edificio B1 (Ex B4)	14,297	463	
2	3045	Mi - Milano - Via Dei Missaglia 97 - Edificio B2 (Ex A4)	13,759	79	
2	3044	Mi - Milano - Via Dei Missaglia 97 - Edificio B3 (Ex A3)	11,062	2,048	
2	3067	Mi - Milano - Via Dei Missaglia 97 - Edificio B4 (Ex B3)	16,365	239	
2	3048	Mi - Milano - Via Dei Missaglia 97 - Edificio C1	8,490	8	
2	3049	Mi - Milano - Via Dei Missaglia 97 - Edificio C2	8,425		
2	3050	Mi - Milano - Via Dei Missaglia 97 - Edificio C3	8,187		
2	3068	Mi - Milano - Via Dei Missaglia 97 - Edificio C4	8,671	43	
2	3069	Mi - Milano - Via Dei Missaglia 97 - Edificio E	1,180	37	
2	3070	Mi - Milano - Via Dei Missaglia 97 - Edificio F	6,135	74	
2	0552	Mi - Milano - Via Fara, 39	4,004		
2	0553	Mi - Milano - Via Fara, 41	32,567	3,227	
2	0520	Mi - Milano - Via Fiori Chiari Madonnina 9 - 24/A	7,101		
2	3041	Mi - Milano - Via Fraschini 22 - Lotto M14_Edificio O	14,273	5	
2	3042	Mi - Milano - Via G. Sanv Rosselli 1 - Lotto M14_Edificio Q3	6,511	1	
1	1006	Mi - Milano - Via Isonzo 2 / C.So Lodi 38	10		
2	1006	Mi - Milano - Via Isonzo 2 / C.So Lodi 38	123		
2	4278	Mi - Milano - Via L. Della Pila 61	1,419		
2	2290	Mi - Milano - Via Lancetti, 43-Via Maloja, 1-Via Dell'Aprica, 28	46,730	1,268	
2	0545	Mi - Milano - Via Larga 26	10,204	30	
2	2269	Mi - Milano - Via Lentasio 1	527		
2	3022	Mi - Milano - Via Locatelli 1	11,688		
2	0092	Mi - Milano - Via Locatelli 4	230		
1	3060	Mi - Milano - Via Manin 37	2,401		
2	3006	Mi - Milano - Via Manin 37	2,329		
2	3060	Mi - Milano - Via Manin 37			
1	0300	Mi - Milano - Via Manin 37	1,820		
2	3059	Mi - Milano - Via Medici Del Vascello 40	3,782		
2	3038	Mi - Milano - Via Medici Del Vascello 40/E	1,000		
2	0549	Mi - Milano - Via Melzi D'Eril, 34	13,580	76	
2	0094	Mi - Milano - Via Mussi 4-6	275		
2	1018	Mi - Milano - Via Oldofredi 51	678		
2		Mi - Milano - Via Palmanova 189	79		
2	2120		37,300	4,242	
2	3057	Mi - Milano - Via Patecchio 1 - Lotto A5 Ed.6	980		

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List of properties

Property	Property	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs an reversals o impairment losse
type 2	0432	Mi - Milano - Via Perotti 2		other increases	unpaument tosse
2	2123		2,346 8,644	23	
1	2244		2	25	
2		Mi - Milano - Via Ripamonti-Missaglia Snc	6		
3	3031		750		
2	3031	Mi - Milano - Via Romano'_Cascina Malghera 42	384		
2	0006		11		
2	3010	Mi - Milano - Via S.Sofia 29	753		
1	3503	Mi - Milano - Via Senigallia 18/2_Ed. Aefg	21,685		
2	3503	Mi - Milano - Via Senigallia 18/2_Ed. Aefg	9,624		
1	3505	Mi - Milano - Via Senigallia 18/2_Ed. B	26,441		
2	3505	Mi - Milano - Via Senigallia 18/2_Ed. B	294		
1	3513	Mi - Milano - Via Senigallia 18/2_Ed. C	26,769		
2	3513	Mi - Milano - Via Senigallia 18/2 <u>-</u> Ed. C			
1	3504	Mi - Milano - Via Senigallia 18/2_Ed. D	27,725		
2	3504	Mi - Milano - Via Senigallia 18/2_Ed. D			
2	3013	Mi - Milano - Via Stephenson 77-80-82	2,448		
2	4279	Mi - Milano - Via Suzzani 273	1,175		
2	3014	Mi - Milano - Via Tesio 25	720		
2	0097		207		
2	3040	Mi - Milano - Via Tomaselli 1 - Lotto M14_Edificio N2	16,940	98	
2	2265	Mi - Milano - Via Tonale 22	231		
2	0547	Mi - Milano - Via Torino 66/68-Via S.Sisto 4	22,580	74	
2		Mi - Milano - Via Treccani Degli Alfieri 16-18-20-22-24-26	18,678		
3		Mi - Milano - Via Trenno-Lampugnano Snc	13		
1		Mi - Milano - Via Unione 1	16		
2	0277	Mi - Milano - Via Vincenzo Monti 21	9,739		
2	3035		2,081		
2	3024	í í literatura de la construcción de	4,617	8	
2	0101		18,355	582	
2		Mi - Milano - Viale Restelli, 3	1,832		
2		Mi - Milano - Viale Richard-Morimondo-Viale Famagosta Snc	1		
2	2227	Mi - Milano - Viale Umbria, 76	10,840		
2	0445	Mi - Paderno Dugnano - Via Cadorna Ang.Via Pepe,2 (Via Piaggio 2)	258		
4	0536		1,150		
2		Mi - Pieve Emanuele - Localita' Viquarterio - Via Dei Pini Snc	13,140		
2		Mi - Pieve Emanuele - Via Dei Platani Snc Mi - Pieve Emanuele - Via Delle Rose 6	243 8 2 5 2	316	
			8,352	310	
2	0230	Mi - Rozzano - Via Torino 85 Mi - San Donato Milanese - Via Dell'Unione Europea 3	194	1.20.2	
	4357	Mi - San Donato Milanese - Via Dell'Unione Europea 3 Mi - San Donato Milanese - Via Dell'Unione Europea 3	101,090	1,393	
2	4357 3027		59,633	635	
2		Mi - Segrate - Via Delle Regioni 40	19,857	2,091	

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2016	Current value 31/12/2016	Total depreciation	Total write-backs	Total write-downs
		1		55	2,291	3,100	305	132	
				51	8,616	14,000	209	5	217
					2	7	3		· .
					6	6			26
					750	1,142			130
					384	206			49
					11	100	5	9	
		8		22	723	723	137		9
		3,901	17,824	464					
17,824		1,732		206	25,006	24,233	728		5,633
		7,836	18,653	519					
18,653		87		6	18,287	18,503	574		7,923
		8,208	18,611	521					
18,611					18,041	18,344	571		8,208
		8,272	19,505	543					
19,505					18,910	18,565	595		8,272
	611	345		51	1,600	1,600	694		4,045
		13			1,162	1,162			13
		8			712	712		150	8
	2.449	2		7	198	198	39	159	2
	2,448	2		1	14,588	15,046 229	1		526 2
		2 880		820	229	-			
		000		16	20,954 18,662	21,000 29,148	<u>5,573</u> 79		5,934
				10	13	29,140	/9		<u> </u>
				1	15	22	24	3	
				80	9,660	13,974	1,440		
		31		63	1,987	1,987	155		31
		49			4,576	4,576			115
	21,044	15		526	1107	1107			
	1,305	7		43	677	677	139		52
					1	1			<u>_</u>
				36	10,804	10,500	182		1,279
				9	249	281	48		
					1,150	1,144			1,535
					13,140	13,010			15,856
		23			220	220			150
				3	8,664	11,906	14		
				7	187	320	33	36	
			150	2,942	99,421	105,419	25,950	1,498	
150				1,599	58,791	58,781	9,582	823	
ļ	23,405			530					
		22		10	2,059	2,059	10		22

List of properties

		· · · · · · · · · · · · · · · · · · ·			
					Write-backs and
Property	Property	Net Carrying a	amount	Purchases and	reversals of
type	code		2/2015	other Increases	impairment losses
1	3201	Mi - Segrate - Via Milano 2		5,504	
2	3201	Mi - Segrate - Via Milano 2		108	
2	3202	Mi - Segrate - Via Milano 4/1		340	
2	0521	Mi - Sesto San Giovanni - Via Milanese 300	37,710	849	
2	0225	Mi - Sesto San Giovanni - Via Rovani 59	111		
2	2009	Bg - Bergamo - Via Angelo Maj, 14/D	244		
2	0423	Bg - Lovere - Via S. Maria 35	95		
2	0267	Bg - Seriate - Via Paderno / Via Italia 83	214		
2	0507	Bg - Verdellino - App.To A - P.Zza Degli Affari,20	107		
2		Bs - Brescia - C.So Bazoli 45 - Via Aldrighi	982		
1	7715	Bs - Brescia - Piazzale Della Stazione 63	185		
2	7715	Bs - Brescia - Piazzale Della Stazione 63	162		
2	2022	Bs - Brescia - Via Foppa 6	319		
2	0329		447		
1	2233	Bs - Brescia - Via Solferino 11	256		
2	2258	Bs - Brescia - Via Xx Settembre 32	824		
2	0344		213		
2	2014		64		
2	0527		3		
2	0427		207		
2		Pv - Mortara - C.So Cavour 74	108		
2		Pv - Vigevano - Corso Garibaldi 41	38		
2		Pv - Voghera - Via S. Lorenzo 14	144		
2		Cr - Casalmaggiore - Via Marconi 1	108		
2	0050	,	52		
2	-	Cr - Cremona - Corso Dante 39	136		
2	0353		265		
1	2043		336		
2	2043		435		
2		Cr - Cremona - Via Della Cooperazione 6	133		
2	2044		74		
2	7393		49		
2	7776		98		
2		Mn - Mantova - Piazza San Francesco 6 Mn - Mantova - Via Mazzini 16	370		
2			237		
2		Mn - Mantova - Via Mazzini 16	307		
2		Mn - Mantova - Via V.Da Feltre 58	113		
2		Mn - Ostiglia - Via Xx Settembre 63/65/67	410		
2	4130		834		
2		Lo - Codogno - Via A.Diaz 30 Mb - Docio - Via Mago Cattagog 8	126		
2		Mb - Desio - Via Mons.Cattaneo 8	45		
2	7520		230		
1	2246	Mb - Monza - Via Camperio 8	134	L	

Transfers from other usage	Sales and other	Value	Transfers to other usage	Depreciation for	Net Carrying amount	Current value		Total	Total
classes	decreases		classes	the year	31/12/2016	31/12/2016	Total depreciation	write-backs	write-downs
		588		131	4,784	4,784	131		705
		12		3	94	94	3		14
		44		10	286 37,633	286	10	1622	114 584
				925 4	37,033	37,620 270	5,249 19	1,632 11	504
		2		9	232	232	68		2
				3	92	127	17	6	
-		2		7	204	204	36		2
		1		4	102	102	22		12
				33	949	1,000	167		
				8	177	261	99	56	
				6	156	199	52	42	
		3		11	305	305	55	61	3
	513			14					
				11	244	400	138		
		12		28	784	784	141		23
		2		7	204 61	204 61	40 16	50	2
	4	l		2	01	01	01	59	1
	252			7					
	202			4	104	116	20	1	
				1	36	36	7	34	
		11		5	128	128	30	4	49
				4	104	151	20		
				2	50	280	9	43	
	155			4					
		3		9	254	254	49		3
				7	329	855	38	52	
				10	426	945	49	67	
		1		5	127	127	23	1	1
				3	71	240	13	54	
		1		2	47	47	32	69	1
		1		5	92 357	92 415	79 68	139	1
				8	357 229	360	44		
		3		13	229	291	144	164	3
<u> </u>		1	<u> </u>	4	108	108	144	104	1
		2		10	398	383	53	7	36
		399		28	407	407	146	556	455
		1		4	120	120	27		31
				2	43	43	8	43	
				12	218	525	179	349	
		1		10	123	123	218		1

List of properties

Amounts in e					
Property	Property		Net Carrying amount	Purchases and	Write-backs and reversals of
type		Address	31/12/2015	other Increases	impairment losses
2	2137	Mb - Monza - Via Passerini 6	139		
2	0,	Mb - Monza - Via S.Martino 2	147		
2	0154	Mb - Seregno - Via Raffaello Sanzio 10	84		
2		Mb - Seregno - Via Trabattoni 20	120		
2	0326	Bz - Bolzano - Via Manci 25 Via Diaz 22	21		
2		Bz - Bolzano - Via Perathoner 5	100		
2	2083	Bz - Merano - Via Mainardo 52	98		
2	0316	Tn - Arco - Via Santa Caterina 4/B	133		
5	3030	Tn - Campo Carlo Magno - Via Cima Tosa	244		
2	3030	Tn - Campo Carlo Magno - Via Cima Tosa	16,470	474	
2	8020	Vr - Affi Vr - Via Pascoli 31/A	165		
2	0421	Vr - Legnago - Viale Dei Caduti 72	148		
2	0252	Vr - San Giovanni Lupatot - Via Ca' Dei Sordi 31	79		
2	0519	Vr - Venezia - Via Antonio Da Mestre 19	202		
2	0508	Vr - Verona - Corso Cavour 35	453		
1	2249	Vr - Verona - Corso Porta Nuova 60	300		
2	0207	Vr - Verona - Via Dei Mutilati 3/D	279		
2	2207	Vr - Verona - Via Locatelli, 20	46		
2	0244	Vr - Verona - Via S.Alessio 2	175		
2	0322	Vi - Bassano Del Grappa - Via Marinali 52	229		
2	0321		181		
2		Vi - Camisano Vicentino - Via Roma / Via Stadio 7	167		
2		Vi - Schio - Via Romana Rompato 19	68		
2	0204	Vi - Valdagno - P.Za Dante 4	68		
2	2199	Vi - Valdagno - Via Cristoforo Colombo 8	63		
2	0510	Vi - Vicenza - App.Ti A/B - Piazzale De Gasperi 13	689		
2	4375	Vi - Vicenza - C.So Felice E Fortunato 300	865		
1		Vi - Vicenza - Via Firenze 7-13	28		
2		Vi - Vicenza - Via Firenze 7-13	64		
2		Bl - Belluno - Via Feltre 244	51		
2		Tv - Castelfranco Veneto - Via M. Podgora / Borgo Vicenza 42	253		
2		Tv - Conegliano - Via P.F. Calvi 106	50		
2		Tv - Pieve Di Soligo - Via Zanzotto 23	118	-	
1	3204			365	
2		Tv - Treviso - Via Pennacchi 1		1,514	
2		Tv - Treviso - Viale De Gasperi 8	149		
2		Tv - Treviso - Vicolo Bianchetti 1	84		
2		Tv - Vittorio Veneto - L.Go Med.D'Oro Bortolotto, 1	275		
1		Ve - Mestre - Corso Del Popolo 125	382		
2		Ve - Mestre - Corso Del Popolo 146C	337		
2	2287	-	162		
2		Ve - Musile Di Piave - Via Triestina 9	3,917		
2		Ve - Venezia - Via Mestrina 6	62		
2		Pd - Padova - Via Marchetto Da Padova 2	283 85		
2	0358	Ro - Ficarolo - Via Giglioli 5/1 - P.Zza Marconi 25	85		

Transfers from other usage	Sales and other	Value	Transfers to other usage	Depreciation for	Net Carrying amount	Current value		Total	Total
classes	decreases	adjustments	classes	the year	31/12/2016	31/12/2016	Total depreciation	write-backs	write-downs
		1		5	133	133	24	119	1
				5	142	720	25	131	
				3	81	260 161	14 22	78	
				4	115 20	20	4	14 3	
				3	96	320	17		20
	111			2	50	520	''		20
		1		5	127	127	25	22	1
					244	,			
	19,095			762	3,045	3,758	818	624	
				6	159	200	28		
				5	143	178	28		
				3	76	150	13		
		2		7	193	193	38		2
				16	437	540	82		
				15	285	590	202		
		3		10	267	267	53	263	3
				2	44	160	10	48	
		2		6	167	167	30		2
				8	221	254	42		
		3		7	171	171	55		3
				6	161	250	28		
		1		2	65	65	12	41	1
				2	65	280	12	61	
		1		2	60	60	11	4	1
				28	661	848	283		
				30	835 26	960	163	(7	228
				2	26 60	160	52 65	67 107	
				2	49	255 120	9	107	
				9	244	294	65		
		1		2	47	294 47	8	13	1
		1		4	47	47	22	2	1
		77		9	280	270	9	2	165
		317		36	1,160	1,170	36		700
		22		5	122	122	25	38	22
				3		275	14	9	
				10	265	272	76		
				15	366	560	145	96	
		249		16	72	72	215	309	249
		2		6	155	155	28		2
				101	3,816	3,760	868		2,088
				2	60	140	11	68	
		3		10	270	270	48	178	51
				3	83	103	16	10	

List of properties

		F			-
					Write-backs an
Property	Property		Net Carrying amount	Purchases and	reversals o
type	code		31/12/2015	other Increases	impairment losse
2	0149	Ro - Rovigo - Via Maneo 3	79		
2	0472	Ro - Rovigo - Via X Luglio Ang.Vic.Ponchielli 1	138		
2	0516	Ud - Cividale Del Friuli - Stretta B. M. Dei Rubeis N.38 - Corte 2	175		
2	0349	Ud - Codroipo - Via Osterman Ang.Via Friuli 5	101		
2	0419	Ud - Latisana - V.Le Stazione 26	86		
2	0485	Ud - Tarvisio - Via Roma 35	60		
2	8102	Ud - Tavagnacco - Via Palladio	1,483		
2	0258	Ud - Tolmezzo - Via Divisione Garibaldi 1/12	91		
2		Ud - Tolmezzo - Via Roma 9/A	235		
2	7564	Ud - Udine - Via Aquileia 53	65		
1		Ud - Udine - Via Poscolle,71 - M.Volpe,5	455	23	
2	4216	Ud - Udine - Via Pradamano 4	227		
2	0071	Go - Gorizia - C.So Italia 90	82		
2	0410	Go - Gorizia - Via Xxiv Maggio 19	164		
2	3514	Ts - Trieste - Riva Tommaso Gulli		9,568	
1	0533	Ts - Trieste - Via Carducci 29	1,421	48	
2	0533	Ts - Trieste - Via Carducci 29	3,560	250	
2	0556	Ts - Trieste - Via De Amicis 1/17	1,094		
2	7731	Ts - Trieste - Via Marconi 6/8	145		
2	2295	Ts - Trieste - Via Martiri Della Liberta' 13	146		
2	2296	Ts - Trieste - Via Mazzini 27	463		
2	0203	Ts - Trieste - Via Miramare 9	154		
2	0532	Ts - Trieste - Via Xx Settembre 89	1,711		
2	2155	Pc - Piacenza - Galleria Santa Maria 6	221		
2	4128	Pc - Piacenza - Largo Erfuat 7	648		
1	2154	Pc - Piacenza - Piazza Cavalli, 7	94		
2	0241	Pc - Piacenza - Via Stradella 2	267		
2	4379	Pr - Fidenza - Piazza Ettore Ponzi	305		
1	2148	Pr - Parma - Borgo Goldoni 1	176		
2	2148	Pr - Parma - Borgo Goldoni 1	50		
2		Pr - Parma - Via Collegio Nobili 4	101		
1		Pr - Parma - Via Saffi 82/B	920		
2	4378	Pr - Parma - Via Saffi 82/B	2,280		
5	3074	Pr - San Pancrazio Parma - Via Emilia Ovest Snc	7,540		
2	0285	Re - Reggio Emilia - V. Emilia Ospizio 118	265		
2		Re - Reggio Emilia - Via Premuda 42	2,543		
2	0291	Re - Reggio Emilia - Viale Isonzo 72	133		
2	4328	Mo - Carpi - Via Peruzzi- Via Febbraio	3,055	41	
2	4233		266	34	
2	0249	Mo - Maranello - Via Gioia / Via Magellano 15	112		
2	2133	Mo - Modena - Piazza Medaglie D'Oro, 1	81		
2	0558	Mo - Modena - V.Stanguellini 65-120-140/V.Lamborghini	1,449		
2	2134	Mo - Modena - Via Giardini 10/1	126		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2016	Current value 31/12/2016	Total depreciation	Total write-backs	Total write-downs
00000	accreases	1	00000	3	76	76	13	60	1
		1		5	132	132	26		1
		2		6	166	166	32		2
		1		4	96	96	26		1
		3		3	80	80	16	3	3
				2	58	74	11		
		14		173	1,296	1,296	4,454		14
	104			1					
				8	227	344	44		
		1		3	61	61	52	96	1
		-0		16	462	448	80	11.4	
		98		8	121 79	121 210	<u> </u>	114 73	98
		8		6	151	151	31	/5	8
		1,503		223	7,842	7,842	223		1,503
		1,505		36	1,433	1,023	173		1,505
				55	3,754	4,377	255		
				3	1,091	1,880	15		
				7	139	360	84	2	
		2		3	141	141	83		2
		5		11	447	447	55		5
		2		5	148	148	26	72	2
		18		49	1,644	1,644	452		421
		2		8	211	211	38	43	2
		493		22	132	132	123	829	686
				_	94	160	9		37
				9	258	460	46 69		260
				10 6	294 170	340 490	32	121	200
				2	48	130	<u>32</u> 9	34	
				3	97	560	17		
				17	904	743	93	,0	210
				30	2,250	2,357	182		667
		1,897			5,643	5,643			17,587
				9	256	300	45		
				87	2,456	2,530	517	3,205	1,196
		1		6	126	126	77		1
		247		105	2,744	2,744	554	803	761
		113		10	177	177	54	257	232
				4	108	220	19		
				3	78	379	18	78	
	166				1,282	1,785			
		1		4	120	120	22	80	1

List of properties

			-		Write-backs and
Property	Property		Net Carrying amount	Purchases and	reversals of
type	code	Address	31/12/2015	other Increases	impairment losses
3	0523	Mo - Modena - Via M.Buonarroti Snc	20		
2	2272	Mo - Modena - Via Rainusso 130	266		
2	4085	Mo - Modena - Via S. Faustino 45-53	333		
2	8025		56		
2	0103	Mo - Modena - Via Tabboni 9-11-13 / Viale Fabrizi 21	149		
2	4171	Mo - Modena - Via Venceslao Santi 14	1,503		
2	5212	Mo - Modena - Viale Trento E Trieste 13	406		
2	8101	Bo - Baricella - Piazza Carducci 5	102		
1	4359		14,326	212	
2	4359	Bo - Bologna - Piazza Della Costituzione 2	62,960	717	
2	4239		473		
1	4351	Bo - Bologna - Via Calzoni 8	10,934	332	
1	3517		9,049		
2	3517	Bo - Bologna - Via Dei Fornacia 27 E 31	163		
1	4349		8,206	36	
2	4349		6,365	91	
1	4358		14,272	2,523	
2	3104		108	857	
2	8100		495		
2	7381		416		
2	4338		13		
2	4365		19,173	91	
2		Bo - Bologna - Via Guinizelli 17	13,758	88	
2		Bo - Bologna - Via Larga 8 - Hotel	19,684	161	
2	3109		18,771 19,685	46	
2	3105	Bo - Bologna - Via Larga 8 - Piastra Commerciale Bo - Bologna - Via Larga 8 - Torre	109,532	23	
				72	
2	3107 3103		<u>9,489</u> 971	72 30	
2	4374		1,559	50	
2	4374		1,654		
2	4253		2,495	43	
2	0218		120	75	
2	1042		1,292	/5	
2	0324		616		
2		Bo - Bologna - Via Rolli 7-9	787		
2		Bo - Bologna - Via Savigno 1	256		
1	4081		71,944	3,113	
2	4081	Bo - Bologna - Via Stalingrado 45-53	7,304	251	
2	2300	Bo - Bologna - Via Ugo Bassi 4-V. Terribilia 4-V. Della Zecca 2	31,200	959	
2	4294		726		
2	4257	Bo - Bologna - Via Zago 2/2	654		
2	4356		2,277		
2	4355		6,589		

Image Image <t< th=""><th>Transfers from other usage</th><th>Sales and other</th><th>Value</th><th>Transfers to other usage</th><th>Depreciation for</th><th>Net Carrying amount</th><th>Current value</th><th></th><th>Total</th><th>Total</th></t<>	Transfers from other usage	Sales and other	Value	Transfers to other usage	Depreciation for	Net Carrying amount	Current value		Total	Total
Image Image <t< th=""><th>classes</th><th>decreases</th><th>adjustments</th><th>classes</th><th>the year</th><th>31/12/2016</th><th>31/12/2016</th><th>Total depreciation</th><th>write-backs</th><th>write-downs</th></t<>	classes	decreases	adjustments	classes	the year	31/12/2016	31/12/2016	Total depreciation	write-backs	write-downs
1 123 123 57 291 193 1 2 33 3 3 3 1 5 144 660 25 133 1 643 55 804 804 298 1.265 1.07 1 1 1 101 101 10 101 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>										
Image: state of the										
										192
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Image: space of the system of the			6.12							1.115
Image Image <t< td=""><td></td><td></td><td>043</td><td></td><td></td><td></td><td></td><td></td><td></td><td>1,115</td></t<>			043							1,115
Image: state of the			1		14			/0	130	1
Image: space of the system of the			1		408			2 264	22	1
254 16 203 203 83 328 284 4 4 386 0.880 0.895 3.450 953 4 4 219 883 6.83 229 4.50 4 4 220 8.03 0.798 0.281 1103 4 4 220 8.03 0.798 0.282 795 866 4 4 200 6.66 5.422 795 866 11.85 4 4 4 6.97 16.098 15.540 1.880 6.88 11.85 4 4 4 223 3472 614 408 226 4 4 4 4 220 17.372 27.49 604 4 4 4 250 19.375 17.372 22.49 633 4 1491 401 13.326 19.375 17.372 22.49 3333 4										
Image: space of the system of the			254							284
Image Image <t< td=""><td></td><td></td><td>204</td><td></td><td></td><td></td><td>-</td><td></td><td></td><td>207</td></t<>			204				-			207
								5		
					220			1,028	1,103	
					170			795		
ImageI					697	16,098	15,540		688	11,853
1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 + 1 +						965				
					23	472	614	408		220
1.491 1.491 401 17.372 17.372 2.294 1.604 1.083 262 12.502 12.502 2.220 5.236 13.556 1.014 1.083 1.625 19.325 19.375 2.163 3.33 1.014 1.014 1.014 1.8326 18.235 19.630 2.242 3.34 1.014 1.014 1.014 1.8326 18.235 19.630 2.242 3.34 1.126 1.014 2.832 10.574 98.048 11.856 3.34 1.126 1.014 1.029 9.312 10.02 1.104 1.856 1.126 1.014 1.029 9.312 10.02 1.014 1.018 1.126 1.014 1.029 1.010 1.104 1.189 1.126 1.014 1.029 1.020 1.014 1.019 1.126 1.014 1.029 1.020 1.014 1.199 1.127 1.014 1.029 1.018 1.018 3.066 1.117 1.014 1.018 1.018 3.016 1.119 1.117 1.014 1.019 1.020 1.119 1.019 1.119 1.019 1.019 1.019 1.019 1.019 1.019 1.119 1.019 1.019 1.019 1.019 1.019 1.019 1.119 1.019 1.019 1.019 1.019 1.019 1.019 1.1111 1.019 <td></td> <td></td> <td></td> <td></td> <td>26</td> <td>390</td> <td>645</td> <td>465</td> <td>216</td> <td></td>					26	390	645	465	216	
Index108326211250125022220523613556Index <tdi< td=""><td></td><td></td><td>4</td><td></td><td></td><td>9</td><td>9</td><td>3</td><td>9</td><td>8</td></tdi<>			4			9	9	3	9	8
Image: state s			1,491		401	17,372	17,372	2,294		6,041
Image: space of the symbol s			1,083		262	12,502	12,502	2,220	5,236	13,556
Image: series of the series					521	19,325	19,375	2,163		3,331
1,126 $2,832$ $105,574$ $98,048$ $11,856$ $18,510$ $1,104$ $1,04$ $1,04$ $1,04$ $1,089$ $1,010$ $1,104$ $1,189$ $1,014$ $1,010$ $1,520$ $1,010$ $1,520$ $1,010$ $1,100$ $1,520$ $1,010$ $1,017$ $1,487$ $1,000$ $1,520$ $1,018$ $3,066$ $1,119$ $1,119$ $1,117$ $1,119$ $1,118$ $3,066$ $1,119$ $1,119$ $1,119$ $1,119$ $1,117$ $1,119$ $1,118$ $1,234$ $2,305$ $1,119$ $1,119$ $1,119$ $1,117$ $1,119$ $1,118$ $1,128$ $2,305$ $1,119$ $1,11$					491	18,326	18,235	1,969		3,166
Image: series of the series					520	19,188	19,660	2,242		3,341
Image: series of the series		1,126			2,832	105,574	98,048	11,856		18,510
487 53 $1,018$ $1,018$ 306 $1,119$ 172 160 $1,482$ $2,305$ 160 110 172 160 855 $2,452$ $2,749$ 425 808 110 110 855 $2,452$ $2,749$ 425 808 110 113 144 191 280 211 9 110 113 145 $1,234$ $1,234$ 238 115 110 166 211 588 588 115 166 110 169 169 1787 $1,284$ 108 110 169 169 247 334 488 108 110 169 166 $2,568$ $72,238$ $80,187$ $34,174$ $48,010$ 110 1692 331 $30,136$ $30,136$ $2,055$ $18,74$ 110 1692 110 1726 $11,31$ 2 $18,74$ 1100 110 110 110 1100 1100 1100 <					249	9,312	10,102	1,104		1,893
172172173174174823051749174917491741741749174917491749174917491749174917417417491749174917491749174917491749174174174917491749174917491749174917491741744174917491749174917491749174917491741749174917491749174917491849174918491741649164916491649174917491849184918491741649164916491749174917491849184917416491649164916491749164918491849174164916491649164916541502164918491741649164916491654150216491649164917416491649164916541502164916491649174164916491649165415021649164916491741649164916491654150216491649164917416491649164916541502164916491649174164916491649164916491649 </td <td></td>										
1 1			487		53			306		1,119
1 1		172								
13 145 $1,234$ $1,234$ 238 238 115 12 6 12 588 588 115 6 12 128 1284 115 116 116 12 1284 116 118 118 118 12 116 116 116 118 118 118 116 116 116 116 116 116 118 118 116 1169 116 11										
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Image: Marking State Image: Ma										13
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1,692 331 30,136 30,136 2,055 18,74 1 1 1 1 1 2 1 1 1 1 1 1 2 1 1 1 1 1 1 1 1				366						
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654 1,502			1,692		331					18,741
								2		
/0 2,199 2,04/ 421 551 48					70			4-51	FF1	ر ۵۸
6,589 6,490					/8			421	551	48/

List of properties

Property	Property		Net Carrying amount	Purchases and	Write-backs and reversals of
type	code	Address	31/12/2015	other Increases	impairment losses
2	0263	Bo - Castel Maggiore - Via Gramsci 192	183		
1	4297	Bo - Crespellano - Via 2 Agosto 1980	3,413	12	
2	0413	Bo - Imola - Via Cavour 37	116		
2	2185	Bo - San Lazzaro Di Savena - Via Jussi 8	90		
2	8103	Fe - Cento - Via Piemonte 8/10	736		
1	0357	Fe - Ferrara - C.So Ercole D'Este 6/A	368	3	
2		Fe - Ferrara - C.So Ercole D'Este 6/A	872		
1		Fe - Ferrara - P.Tta Toti 10-12/Via Piave 14	209	6	
2		Fe - Ferrara - P.Tta Toti 10-12/Via Piave 14	775	17	
2		Fe - Ferrara - Via Boccaleone 8	91		
2	-	Fe - Ferrara - Via Cavour 150	148		
2		Fe - Ferrara - Via Previati, 11	44		
2	0342	Ra - Cervia - Via Savonarola 5-7	134		
2	0052	Ra - Faenza - Corso Mazzini 54/2	84		
2	4381	Ra - Faenza - Via Baccarini 29/31	1,345		
2	2279	Ra - Ravenna - Piazza Mameli 5	182		
2	0278	Ra - Ravenna - Via Bramante 81	149		
2	2165	Ra - Ravenna - Via Cesarea 11	114		
1	4377	Ra - Ravenna - Via Faentina 106	403	7	
2	4377	Ra - Ravenna - Via Faentina 106	2,041	37	
2	0462	Ra - Ravenna - Via Porta Aurea 14	480		
2	2033	Fc - Cesena - Vicolo Cesuola 14	103		
2	0406	Fc - Forli' - Via Merenda 6-8	169		
1	4380	Fc - Forli' - Via Pietro Maroncelli 10	1,025	20	
2	4380	Fc - Forli' - Via Pietro Maroncelli 10	5,620	108	
2	0463	Rn - Riccione - Via Missori 2 Ang.Via Dei Mille 13	201		
1	0130	Rn - Rimini - Via Roma 102	46		
2	0130	Rn - Rimini - Via Roma 102	98		
2	0407	Pu - Fossombrone - Corso Garibaldi 149	81		
2	2153	Pu - Pesaro - Via Ardizi 14	67		
2	0120	Pu - Pesaro - Via M.Del Monaco 16	106		
2	4372	An - Ancona - Centro Direzionale Baraccola	997		
2	0315	An - Ancona - Corso Garibaldi 101	947		
1	4138	An - Ancona - Via 29 Settembre 2	321		
1	7771	An - Ancona - Via De Gasperi 78/A	22		
2	7771	An - Ancona - Via De Gasperi 78/A	68		
2	4382	An - Ancona - Via Mamiani 4-6	1,349	268	
2	2003	An - Ancona - Via Marsala, 21	36		
2	4337	An - Ancona - Via Pizzecolli 60	303		
2	0027	An - Ancona - Via Rismondo 14	96		
2	0415	An - Jesi - Via Dell' Asilo 1	170		
2	2027	Mc - Carrara - Via Don Minzoni 10 (Gia' 27)	29		
2	0347	Mc - Civitanova Marche - Via Dante Alighieri N. 15	91		
2	0080	Mc - Macerata - C.So Cairoli 177	82		
2	0424	Mc - Macerata - Via Galleria Del Commercio 6-1	302		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2016	Current value 31/12/2016	Total depreciation	Total write-backs	Total write-downs
Classes	uecreases	aujustinents	Classes	6		310		WILLE-DACKS	write-downs
				85	177 3,340	3,830	31 2,180	197	
				4	112	137	2,100	197	
				3	87	200	15	14	
		8		5	728	728		• •	8
		35		8	329	297	51		58
		81		19	771	803	120		137
		77		8	130	140	65	95	77
		286		21	485	475	148	325	286
				5	86	254	66		
		2		5	142	142	25	62	2
				2	42	42	17	52	6
				5	130	190	25		
				3	82	270	14	68	
				45	1,300	1,452	191		132
		2		6	174	174	31		2
		2		5	142	142	31		2
				4	110	250	19		7
			414	12	44	43	8		
414				73	2,360	2,675	410		
				17	463	466	90		18
				4	100	220	18		
		6		6	157	157	32		6
				26	1,019	898	137		206
				140	5,588	6,022	757		1,381
				7	194	268	38	45	
				2	45	247	8	42	
				3	95	523	17	89	
				3	78	90	33		
				2	65	210	11		
				4	103	260	18	6	-
				35	962	1,060	210		576
		10		35	903	903	261		96
				16	305	370	225	359	
				1	21	24	25	38	-
		1		3	64	60	48	94	1
		17		39	1,561	1,561	79		406
				1	34	34	9	15	47
		3		3	297	297	16 16	0-	47
				3	92 162	670 162		<u>87</u> 5	2
		2		6	28	28	<u>32</u> 5	5 22	2
					28 88			16	
				3	88 79	143 300	17 16	16 58	
		3		3		288	85	50	41

List of properties

Property	Property	Address	Net Carrying amount	Purchases and other Increases	Write-backs an reversals o
type	code		31/12/2015	other increases	impairment losse
2	0082		92		
2	0317		213		
2	7555	Ap - San Benedetto Dei Tronto - Via De Gasperi Si Fm - Fermo - P.Zza Del Popolo 37	32		
		Fm - Fermo - Via Xx Giugno, 23	147		
2			95		
2	0437 0335		171 211		
2		Lu-Capainion - Via Delle riste Sile Lu - Lucca - Piazza Del Giglio, 4	74		
2		Lu-Lucca-riazza bei Ggito, 4 Lu-Viareggio - Viale Manin,12	6,131		
2		Pt - Montecatini Terme - Via Garibaldi 33	212		
2		Pt - Pescia - Via Galeotti 59/61	135		
2	0449		285		
2		Pt - Pistoia - Via S.Andrea 49	54		
2		Pt - Pistoia - Via S.Andrea 49	460		
2		Pt - Pistoia - Via Stadio 6/A	124		
2	0242		200		
2		Fi - Bagno A Ripoli - Via Chiantigiana, 139	152		
2		Fi - Borgo San Lorenzo - Via Pecori Giraldi 10	164		
2		Fi - Calenzano - Via Degli Olmi,7	7,230		
2		Fi - Campi Bisenzio - Via Dei Tintori 11	258		
2		Fi - Campi Bisenzio - Via Tesi 123	82		
2	-	Fi - Empoli - Via Villani 4	96		
2		Fi - Firenze - P.Zza Della Liberta' 1	1,890		
2		Fi - Firenze - Piazza Beccaria 3	626		
2		Fi - Firenze - Piazza Della Liberta' 2-Via S. Gallo 123	9,840		
1		Fi - Firenze - Piazza Della Liberta' 6	68,541	1,400	
2		Fi - Firenze - Piazza Della Liberta' 6	3,155	60	
2		Fi - Firenze - Piazza Della Repubblica N. 6	57,859	348	
4		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	11,010	994	
2		Fi - Firenze - V.Le Europa N. 135	259		
2	0004	Fi - Firenze - V.Le F.Lli Rosselli 53-55	147		
1	4332	Fi - Firenze - Via Alemanni 41	3,745		
2	4332	Fi - Firenze - Via Alemanni 41	2,371		
2	0393	Fi - Firenze - Via Atto Vannucci 23	1,106		
2	0380	Fi - Firenze - Via Baracca 18	1,330	219	
2		Fi - Firenze - Via Benedetto Marcello 2	75		
2		Fi - Firenze - Via Benivieni 1/3	1,164		
2	2262	Fi - Firenze - Via Cavour 112	435		
2		Fi - Firenze - Via Cavour 82/84	9,032		
2	0381	Fi - Firenze - Via Del Bobolino 1-3-5 Viale Machiavelli 14	1,159		
3		Fi - Firenze - Via Di Careggi 38	290		
2		Fi - Firenze - Via L.II Magnifico 2-Via Toscanelli 1-3	6,716		

Transfers from other usage	Sales and other	Value	Transfers to other usage	Depreciation for	Net Carrying amount	Current value	T	Total	Total
classes	decreases	adjustments	classes	the year	31/12/2016	31/12/2016	Total depreciation	write-backs	write-downs
		1		3	88	88	16	83	1
		2		8	203 31	203 180	55 24	48	2
		2		5	140	140	24	40	15
		2		3	92	204	29	90	
		4		6	162	162	33	50	4
				8	203	204	57		15
				3	71	250	13	14	
				11	6,120	6,034	77		89
		2		7	203	203	40		2
				5	131	149	26	9	
				10	275	486	52		
		1		4	49	83	96		1
		5		16	440	406	78		5
				4	120	490	21	110	
		2		7	191	191	34	66	2
	174			3					
		2		6	157	157	31		2
				241	6,989	7,084	3,214		5,747
				9	249	270 220	48 14	8	
				3	79 93	220	14	7	
		145		4	1,741	1,741	53	/	145
	712	145		12	1,/41	1,/41			145
	7.2	752		88	9,001	9,001	1,439	34	1,031
		/ 5-	781	1,657	67,515	60,077	1,772	51	.,-3.
781				84	3,900	3,472	102		
				1,129	57,078	59,613	6,249		
					2,279	2,080	350		
				220	11,784	11,288	2,110	885	891
ļ	303			4					
ļ		1		8	138	138	111	17	1
				92	3,653	4,404	1,285	2,184	1,111
ļ				58	2,313	2,116	521	1,201	627
	553			2	553	661	22	41	
		314		35	1,200	1,200	196		743
				3		320	41	96	
	277			17	873	1,093	87 76		
		4		15 169	416	416 8 535			4
				109	8,863 1,159	8,535 1,668	935		121
					290	290			770
		548		134		6,034	1,927		548

List of properties

			-		Write backs and
Property	Property		Net Carrying amount	Purchases and	Write-backs and reversals of
type		Address	31/12/2015	other Increases	impairment losses
2	0368	Fi - Firenze - Via Landini - Via Catalani 8	1,820		
2	0235	Fi - Firenze - Via Lanza 73	131		
1	5411	Fi - Firenze - Via Lorenzo II Magnifico 80	195		
1		Fi - Firenze - Via Monaco 6 /Via Ghiacciaie 3	7,446		
2	3501	Fi - Firenze - Via Monaco 6 /Via Ghiacciaie 3	2,615		
2	0385	Fi - Firenze - Via Pian Dei Giullari 69/71	3,136		
2	0386	Fi - Firenze - Via Ricasoli, 48	3,552		
2	0395	Fi - Firenze - Via S. Pellico / Viale Gramsci 63	3,127		
2	0387	Fi - Firenze - Via S. Reparata N. 97	3,615	117	
2	0548	Fi - Firenze - Via Salvagnoli, 4	7,400	185	
2	0390	Fi - Firenze - Via San Leonardo 32-34-36A	3,642		
3	0522	Fi - Firenze - Via San Leonardo 38-40-42	487		
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	676	11	
2	0397	Fi - Firenze - Via Toscanelli / P.Za Della Liberta' 9/11	8,688	138	
2		Fi - Firenze - Viale Belfiore 42	68		
2	0374	Fi - Firenze - Viale G. Matteotti 54	4,194	59	
2	0402	Fi - Firenze - Viale G. Matteotti 60	8,830	212	
2	0378	Fi - Firenze - Viale G. Matteotti N. 14-16-18	16,285		
2	0373	Fi - Firenze - Viale G. Matteotti N. 52	4,260		
2	0375	Fi - Firenze - Viale G. Matteotti N. 56	2,337	17	
2	0372	Fi - Firenze - Viale Matteotti 50-50/A	4,220		
2	0376	Fi - Firenze - Viale Matteotti 64 - Via Fra' Bartolomeo 64	4,566	516	
2	3516	Fi - Firenze - Viale Matteotti, 12	1,593		
2	0369	Fi - Firenze - Viale S. Lavagnini N. 3-5	1,683		
2	0377	Fi - Firenze - Viale S. Lavagnini N. 7	4,440	16	
2	0455	Fi - Pelago - Via Forlivese 1/E 1/F 1/G	160		
2	2159	Fi - Pontassieve - Via Montanelli 43	40		
2	2160	Fi - Pontassieve - Via Roma 10	65		
2	0155	Fi - Sesto Fiorentino - Via Dante 44-46	124		
2	0340	Li - Cecina - Corso Matteotti 197	140		
1	2077	Li - Livorno - Via E.Mayer 7	84		
2	0422	Li - Livorno - Via Grande 110 - P.Za Grande 3	295		
2	2156	Li - Piombino - Corso Italia 92	39		
2	4158	Li - Portoferraio - Via Cacciò 112	73		
2	0125	Li - Portoferraio - Viale Elba / Calata Italia 26	120		
2	0470	Li - Rosignano Marittimo - P.Zza Della Repubblica 1	94		
2	2028	Pi - Cascina - Via Tosco Romagnola 248/E	87		
1	0122	Pi - Pisa - Via Manzoni 11	883	435	
1	7532	Pi - Pisa - Via Puccini 14	18		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2016	Current value 31/12/2016	Total depreciation	Total write-backs	Total write-downs
classes	acciedaea	aajastinentis	classes	40	1,780	2,000	549	33	955
				40	1,700	480	22		900
		87		17	90	90	562	216	87
		,		180	7,266	5,076	194		<u> </u>
				33	2,582	1,949	35		
					3,136	5,920			
				12	3,540	3,747	147		1,339
				18	3,109	3,863	199		
				68	3,664	4,000	319	903	
		690		133	6,761	6,761	669		2,199
					3,642	3,600	1		
					487	875			
					2,911	3,450			
					3,332	4,700			
				13	674	739	92		
				169	8,657	8,722	1,196		
		1		2	65	65	12	3	1
	1,159			20	3,090	3,578	74		
				114	8,928	8,881	653		533
				433	15,852	16,461	2,641		4,312
				119	4,141	4,191	847		2,445
					2,354	3,059	(75		101
				93	4,127	4,252 6,228	475		191
		102		25	5,058 1,400		114		2.42
		193			1,400	1,400 1,722	43		<u> </u>
					4,456	4,414	43		380
		2		6	153	153	34		30
		2		1	38	38	7		30
				2	63	130	11	8	
				4	120	490	21	118	
				5	135	171	27	10	
				3	81	300	17	51	
				12	283	275	125		11
				1	38	38	7	29	
		39		2	32	32	12	45	39
				4	116	330	21	110	
	129			3					
				3	84	170	15		22
				37	1,280	1,920	148	33	
				1	17	165	25	32	

List of properties

ninounto in c		r			-
					Write-backs and
Property	Property		Net Carrying amount	Purchases and	reversals o
type	code	Address	31/12/2015	other Increases	impairment losses
2	0124	Pi - Ponsacco - Via Valdera 29	73		
2	2162	Pi - Pontedera - Via Aurelio Saffi 4	63		
2	0456	Pi - Pontedera - Via Della Misericordia 22	152		
2	0474	Pi - Santa Croce Sull'Arno - Viale A. Gramsci 10	196		
2	2004	Ar - Arezzo - Via Xxv Aprile 18/34	202	73	
2	0438	Ar - Montevarchi - Via Roma 26	99		
2	0453	Si - Poggibonsi - Via Xx Settembre 58	157		
2	2182	Si - Siena - Via Delle Terme 37	298		
2	0156	Si - Siena - Via Pian D'Ovile 70	214	165	
2	0236	Gr - Follonica - V. Bicocchi 90	79		
2	0405	Gr - Follonica - Via Santini N. 7/C	73		
2	0442	Gr - Orbetello - Via Volontari Del Sangue 3/B	184		
2	0457	Po - Prato - Via Simintendi 20	3,980	1,154	
2	0126	Po - Prato - Via Tacca 8	233		
2	0458	Po - Prato - Via Valentini 10/B	7		
2	0459	Po - Prato - Via Valentini 8/D	269		
2	0030	Pg - Assisi - Via Los Angeles 185	91		
2	0346	Pg - Citta' Di Castello - Via Raffaele De Cesare,4	177		
2	0404	Pg - Foligno - Via Garibaldi N. 87	212		
2	0058	Pg - Foligno - Via Umberto I 92	99		
2	0412	Pg - Gubbio - Via Matteotti Ang.Via Perugina 4	116		
2	0446	Pg - Perugia - Via Cortonese Ang. Via Romeo Gallenga 120	293		
2	2151	Pg - Perugia - Via Cortonese Pal.Sit / Via Briganti 93	133		
2	1023	Pg - Perugia - Via Fonti Coperte 38/H	117		
1	4326	Pg - Perugia - Via Palermo 21/A	424		
2	0483	Pg - Spoleto - Via Flaminia, 3	156		
2	0444		104		
2	2186	Tr - Terni - Corso Tacito 101	30		
2	0488	Tr - Terni - Via C. Beccaria, 7	73		
2	0210	Vt - Viterbo - Via Polidori 3	103		
2	0129	Ri - Rieti - Via Delle Orchidee 9	87		
2	0059	Rm - Frascati - Via D.Seghetti 42	117		
3	3029	Rm - Roma - Castelnuovo Di Porto	4,392		
2	0133	Rm - Roma - P.Za Meucci 23	96		
2	0134	Rm - Roma - P.Za Monte Gennaro 16-16/A	312		
1	4361	Rm - Roma - Piazza Esquilino 12 /Via Farini 17	30,134	121	
2	4361	Rm - Roma - Piazza Esquilino 12 /Via Farini 17	12,988	39	
1	4272	Rm - Roma - Piazza Esquilino 5/Via Farini 5	17,069	805	
2	4272	Rm - Roma - Piazza Esquilino 5/Via Farini 5	30,044	1,118	
2	0293	Rm - Roma - Roma - Via Ciro Menotti 24	13,124		
2	0228	Rm - Roma - V.Delle Fornaci 175	221		
2	0143	Rm - Roma - V.Franzoi 20	385		
2	0469		57,506	1,296	

Total Total	Total		Current value	Net Carrying amount	Depreciation for	Transfers to other usage	Value	Sales and other	Transfers from other usage
-backs write-downs	write-backs	Total depreciation	31/12/2016	31/12/2016	the year	classes	adjustments	decreases	classes
15		12	180	71	2				
57		11	175	61	2				
22		29	165	147	5				
5 17	5	40	187	187	7		2		
37	10	35	440	268	7		1		
10 14		20 30	95 242	95 152	3		1		
4	4	51	242	284	5		3		
146 4	146	32	366	366	10		4		
	140	13	220	76	3				
1	1	13	106	70	3				
		-			3			211	
627 2,427	627	595	4,087	4,087	108		939		
170	170	40	660	225	8				
		1	7	7					
20 3		73	256	256	10		3		
68	68	15	330	87	3				
					6			205	
2		38	202	202	7		2		
79 1	79	17	95	95	3		1		
		-0	252	202	2		1	141	
1	41	<u>58</u> 23	353	282 128	10		1		
41 83		23	450 590	113	5				
153		358	515	401	23				
	.55	29	175	151	5				
101		42	99	99	4		1		
31	31	6	29	29	1				
					1			85	
78 1		18	99	99	4		1		
67		15	220	84	3				
16	16	20	430	113	4				
			4,370	4,392					
29		16	370	93	3				
265		59	790	301	11				
3,948		6,745	31,459	29,471	785				
1,558		1,523	12,391	12,719	308				
11,191 18 588	18,588	5,027 6,486	21,551 33,849	17,418 30,402	456 760				
0,00	10,300	783	19,800	13,071	53				
35	25	38	560	214	8				
32 4		4	380	380	1		4		
			65,242	58,802					

List of properties

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0135	Rm - Roma - Via Aosta 6-8-10	77		
2	0136	Rm - Roma - Via C.Emanuele I N. 7	446		
2	0137	Rm - Roma - Via Casella 51	170		
2	3021	Rm - Roma - Via Casilina 209	178		
2	2172	Rm - Roma - Via Castellini, 13	1,281		
2	3062	Rm - Roma - Via Clitunno, 34-36	3,550		
2	0142	Rm - Roma - Via De Viti De Marco 50	295		
3	3061	Rm - Roma - Via Della Cesarina 3	3,192		
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	234		
2	2169	Rm - Roma - Via Gregorio Vii, 44	96		
2	2301	Rm - Roma - Via In Arcione, 98/107	9,768	36	
2	0229	Rm - Roma - Via L.Da Vinci 273	156		
2	0140	Rm - Roma - Via Lazzari 26	254		
2	0014	Rm - Roma - Via Modestino 5-7	170		
2	2228	Rm - Roma - Via Pio Foa, 12	47		
2	4342	Rm - Roma - Via Pio Iv 6	23,305		
2	0145	Rm - Roma - Via R.Da Forli' 4	106		
2	0465	Rm - Roma - Via Sicilia, 42	2,884		
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	65,498	283	
2	0292	Rm - Roma - Viale Beethoven 63	1,971		
2	3012		86		
1	0147	Rm - Roma - Viale Umanesimo 304-308	32		
2	7505	Lt - Latina - Via Eroi Del Lavoro 5	65		
2	0060	Fr - Frosinone - Via Firenze 71	75	119	
2	0108	Na - Napoli - C.So Lucci 96	93		
1	0440	Na - Napoli - Centro Direzionale Lotto C2	5,831	365	
2	7521	Na - Napoli - Piazza Municipio 4	711		
2	2141	Na - Napoli - Via Monte Oliveto 79	83		
2	8028	Na - Napoli - Via Schilizzi 16	201		
2	3506	Na - Napoli - Via Tommaseo 4	12,101		
3		Sa - Vietri Sul Mare - Via Vietri Snc	1		
2	0417	Aq - L'Aquila - C.So Federico li 60	176		
2	0160	Te - Teramo - V.Le Bovio 111-113-115	62		

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2016	Current value 31/12/2016	Total depreciation	Total write-backs	Total write-downs
		1		3	73	73	13	73	1
	485			2					
	213			5					
		2			176	176			2
		13		29	1,239	1,239	210		387
					3,550	3,400			4,757
				10	285	1,180	54	273	
		182			3,010	3,010			182
					674	670			191
					495	490			311
		2		8	224	224	40	3	2
		1		3	92	92	19	38	1
				88	9,716	9,656	858		7,870
		2		5	149	149	27		2
		3			251	251	1	144	3
		2		7	162	162	55	195	2
				2	45	45	8		
				623	22,682	23,000	21,418	41	9,742
				4	102	290	18	38	
				103	2,781	4,751	655	205	
					8	18			
					421	1,192			
				26	65,756	71,230	124		
	1,326				645	1,058			
				3	83	91	13		
				2	30	66	29	32	
		1		3	61	61	48	93	1
		2		3	189	189	13	71	2
		1		3	89	89	16	87	1
				206	5,990	5,600	1,106		
		279		31	401	401	346	461	279
		1		3	79	79	14	89	1
				7	195	400	34		
				251	11,850	11,880	270		
		2		6	168	168	37	6	63
		1		2	60	60	11	57	1

List of properties

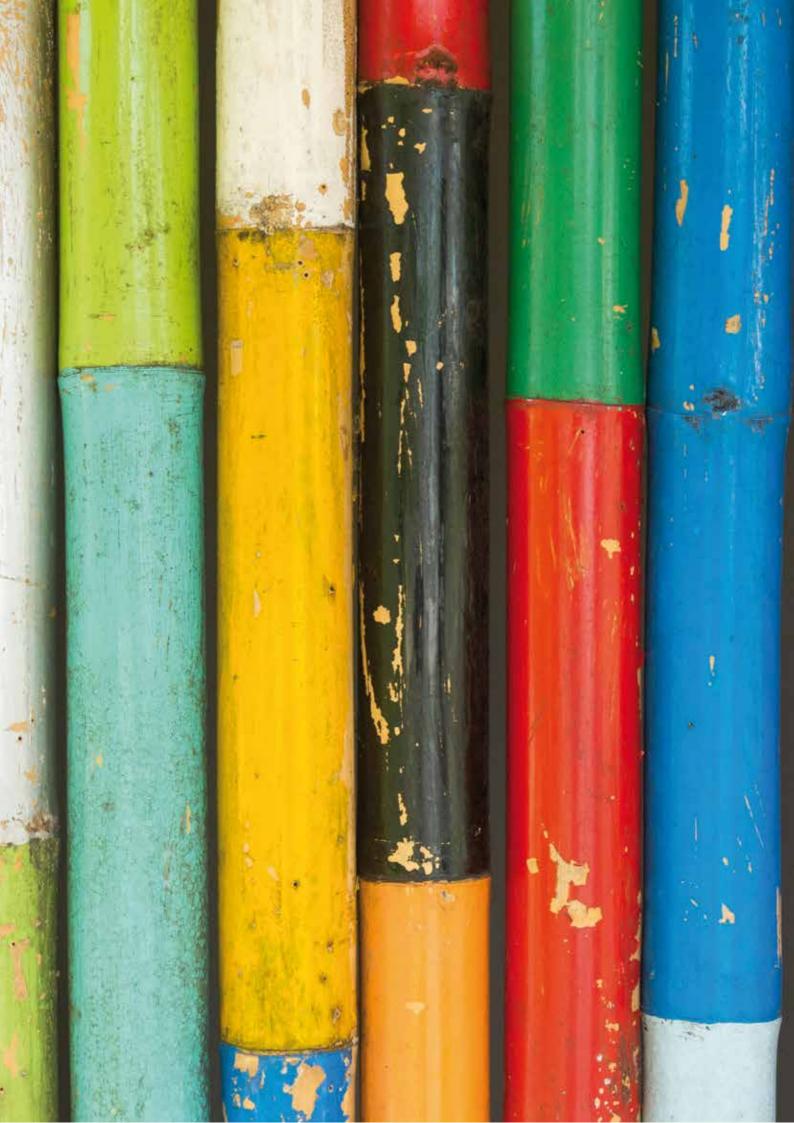
D (Write-backs and
Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	reversals of impairment losses
2	0487	Te - Teramo - Via Paolucci 30	175		1
2	0047	Ch - Chieti - Viale Europa 43	86		
2	0416	Ch - Lanciano - C.So Trento E Trieste 60	151		
2	4376	Ba - Bari - C.So Cavour	30		
2	1041	Ba - Bari - Via A. Da Bari 27	309		
2	2007	Ba - Bari - Via Abate Gimma 171	78		
1	0001	Ba - Bari - Via Carulli 14/20	186		
1	4360	Ba - Bari - Via Sparano Da Bari	3,412		
2	0159	Ta - Taranto - V.Le P.Amedeo 26	88		
1	7383	Br - Brindisi - Via Amena 16	72		
2	4196	Br - Brindisi - Via Tor Pisana 182	143		
2	0077	Le - Lecce - Via Cesare Battisti 28	95		
2	5208	Le - Lecce - Via Cesare Battisti 36	141		
2	0426	Le - Maglie - Via Conciliazione 4	98		
2	0339	Cz - Catanzaro - Corso Mazzini 27	208		
2	0045	Cz - Catanzaro - Largo Serravalle 9	251		
1	0012	Rc - Reggio Calabria - Via Ibico 1	126	98	
2	0012	Rc - Reggio Calabria - Via Ibico 1	36	10	
2	0429	Tp - Marsala - Via Curatolo 22	122		
2	4363	Tp - Marsala - Via Mothia 2-4-6-	136		
2	4369	Tp - Marsala - Via Salemi 15	257		
2	0118	Pa - Palermo - C.So Tukori 8	99		
2	2145	Pa - Palermo - P.Za Castelnuovo, 26	60		
2	2277	Pa - Palermo - Via Ricasoli 59	241		
2	0070	Me - Giardini Naxos - Via Recanati 26	39,885	1,429	
2	0083	Me - Messina - Via La Farina Isolato R	218		
1	4362	Me - Messina - Via Xxvii Luglio 195	495		
2	4362	Me - Messina - Via Xxvii Luglio 195	2,119		
2	0025	Ct - Acireale - Piazza Europa 25	56		
1	1004	Ct - Catania - Corso Italia 72	630	284	
2	0041		71		
2	0338		845		
1	,	Ct - Catania - Via Castiglione 5	262		
1		Ct - Catania - Via Del Bosco 298/A	2		
2	0042	Ct - Catania - Via Del Bosco 298/A	71		
1		Ct - Catania - Via G. Castorina 43	136		
1	0002	Ct - Catania - Via Torino 73	547	139	
2	2285	Ct - Trecastagni - Corso Italia 2	67		
3	2216	Ct - Vizzini - Podere Maguli Snc	8		
2	0127	Rg - Ragusa - Via Di Vittorio 1	41		
2	0481	Sr - Siracusa - Largo 2 Giugno 6	166		
2	2283	Sr - Siracusa - Via San Sebastiano 34	118		
2	3207	Sr - Siracusa - Via Teracati 23		118	

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2016	Current value 31/12/2016	Total depreciation	Total write-backs	Total write-downs
	202			, ,					
				3	83	300	15	72	
				5	146	190	28		
				1	28	28	5		
				11	299	356	57	55	
		1		3	74	74	13	78	1
		2		17	168	168	386	299	2
		50		137	3,225	3,225	1,279	21	50
				3	85	210	15	83	
		1			71	71	62	129	1
		65		5	73	73	24	76	65
		1		3	92 135	460	16 24	81	1
		9		5	86	135 86	18	24	<u> </u>
		2		7	198	198	40	24	2
		2		9	243	370	43		2
				10	214	415	147	74	
				2	44	125	42	21	
-		1		4	116	116	25	22	26
		35		5	97	97	23	2	35
		3		9	244	243	52		103
		1		4	94	94	30	93	1
				2	58	240	15	56	
				8	233	350	41		
	43,581			1,127	2,142	2,150	312	205	1,287
				7	210	670	37	82	
				19	476	711	368		1,313
				77	2,042 54	2,219	592		4,097
				39	54 875	390 2,090	9 486	27 372	
<u> </u>	<u> </u>	1	<u> </u>	39	67	2,090	22	42	1
<u> </u>		2		29	813	830	153	214	2
		3		16	243	243	279	208	3
					2	8	9	5	
				2	68	162	12	40	
				12	125	560	265	134	
				66	620	1,770	1,659	20	
		1		2	64	64	11		1
					8	17		2	
				1	39	160	7	34	
				6	160	207	31		
		1		4	113	113	20		1
		1		4	113	113	4		1

List of properties

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs and reversals of impairment losses
1	7556	Ss - Sassari - Piazza Castello 13	26		
1	0152	Ss - Sassari - Via Roma 172-176	190		
2	0441	Nu - Nuoro - Via Deffenu 123	116		
2	2024	Ca - Cagliari - Piazza Salento 9/10	283		
2	0330	Ca - Cagliari - Via Cima 8	333		
2	0037	Ca - Cagliari - Viale Campania 27	71		
1	1003	Ca - Cagliari - Viale Diaz 29	281	56	
1	0294	Ca - Selargius - Località Planu - Via Peretti S.N.C.	682		
2	0294	Ca - Selargius - Località Planu - Via Peretti S.N.C.	49		
2	3020	Ca - Villasimius - Localita' Campulongu Snc	8,383		
2	4211	Or - Oristano - Piazza Roma Pal. Sotico	161		
2	2255	Ot - Arzachena - Localita' Liscia Di Vacca Snc	47		
2	0486	Ot - Tempio Pausania - Via S. Lorenzo 21	54		
2	0074	Og - Lanusei - Via Roma 5	49		
3	0557	Es - Estero - Lago Esperanza De Alicudia			
		GRAND TOTAL	2,726,037	69,182	
		TOTAL PROPERTY FOR CORPORATE BUSINESS	578,412	19,787	
		TOTAL PROPERTY FOR USE BY THIRD PARTIES	2,063,133	48,643	
		TOTAL OTHER PROPERTY	23,765	8	
		TOTAL OTHER PROPERTY RIGHTS	3,429		
		FIXED ASSETS IN PROGRESS AND PAYMENTS ON ACCOUNT	57,297	743	

Transfers from other usage classes	Sales and other decreases	Value adjustments	Transfers to other usage classes	Depreciation for the year	Net Carrying amount 31/12/2016	Current value 31/12/2016	Total depreciation	Total write-backs	Total write-downs
				2	24	120	36	5	
				6	184	370	32	46	
		1		4	111	111	26	1	52
		1		10	272	444	64		97
				13	320	320	102		59
				2	68	220	12	18	
				21	316	2,520	412	194	
		7		39	636	656	922		7
		1		1	47	27	7		1
					8,383	8,150			17,363
		121		5	34	34	27	142	121
		1			47	47			1
				2	52	70	10		
		1		2	47	47	8	12	1
									11
92,784	165,244	58,751	92,784	56,429	2,541,526	2,740,794	382,819	158,358	694,904
2,405	2,644	29,511	90,379	16,666	465,795	495,784	119,085	77,533	21,262
90,379	162,601	27,160	2,405	39,764	1,992,568	2,154,408	263,384	80,823	618,404
		183			23,590	30,424		2	7,077
					3,429	3,224	350		1,535
		1,897			56,143	56,954			46,627



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 OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

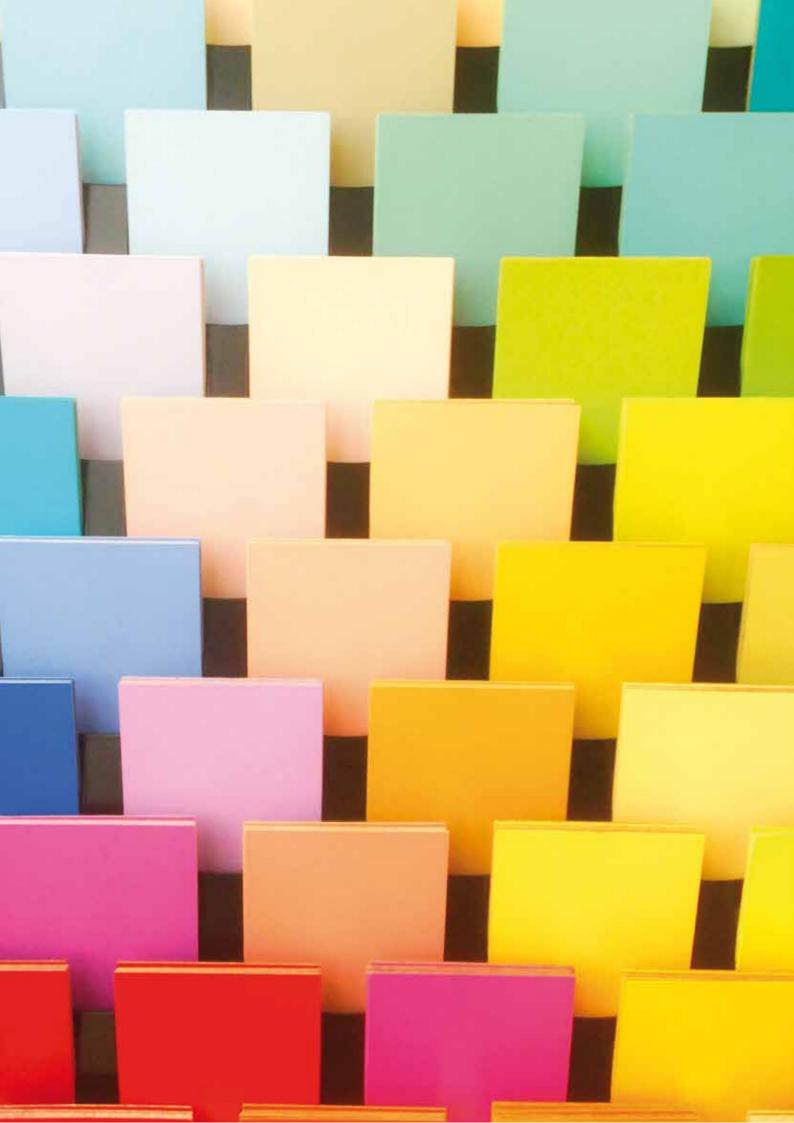
- The undersigned, Carlo Cimbri, as Chairman, appointed for the purpose, and Maurizio Castellina, as Manager in charge of financial reporting of UnipolSai Assicurazioni S.p.A., hereby certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:
 - the adequacy in relation to the characteristics of the company and
 - the effective application,

of the administrative and accounting procedures for the preparation of the financial statements for the period 1 January 2016 – 31 December 2016.

- 2. The assessment of the adequacy of the administrative and accounting procedures for preparing the financial statements for the year ended 31 December 2016 is based on a process defined by Unipol Gruppo Finanziario S.p.A., inspired by the COSO Framework (Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission and, as regards the IT component, by the COBIT Framework (Control Objectives for IT and related technology), unanimously recognized 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 2016:
 - were prepared in compliance with provisions of the Civil Code and the accounting standards 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, 23 March 2017

The Chairman Carlo Cimbri The Manager in charge of financial reporting *Maurizio Castellina*





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 2016 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 2016, the Board of Statutory Auditors carried out the monitoring activity required by law, according to 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 DAC/RM 97001574 of 20 February 1997 and 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 2016.

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 2016:

- 2016-2018 Business Plan approved: on 12 May 2016, the Board of Directors of UnipolSai approved the 2016-2018 Business Plan. The Plan is based on four key areas - (i) innovative and distinctive offer, (ii) simplified customer and agent experience, (iii) more effective physical distribution and (iv) excellence of the business operating mechanism - which highlight, amongst other things, the distinctive characters of the Company and of the Group in the provision of insurance services and in the application of on-line services to insurance products, leveraging the fact that it has the largest agent distribution network in the insurance business in Italy, which will be reorganised in order to increase productivity by optimising territorial coverage and the economic sustainability of the agencies;
- extraordinary company mergers, establishments and acquisitions completed during the year:
 - merger by incorporation of Liguria Assicurazioni S.p.A. and Liguria Vita S.p.A. into UnipolSai: following the granting of the prescribed authorisations by IVASS, on 25 January 2016 the deed of merger by incorporation of Liguria Assicurazioni S.p.A. and Liguria Vita S.p.A. into UnipolSai was executed (the "**Liguria Merger**"), with legal effect on 31 January 2016 and accounting and tax effects as of 1 January 2016. The Liguria Merger was carried out at carrying amounts, resulting in an increase in the share capital of the merging company, in relation to the shares issued in service of the swap and the recognition of a merger deficit allocated to goodwill. The UnipolSai shares issued in service of the swap of the Liguria Merger, traded on the MTA market, have regular dividend entitlement and entitle their respective owners to the same rights as the owners of outstanding UnipolSai shares at the time of their issue;

merger by incorporation of Dialogo S.p.A. in liquidation into UnipolSai: following the granting of the prescribed authorisations by IVASS, as well as the satisfaction of all legal requirements, on 28 December 2016 the deed of merger by incorporation of Dialogo S.p.A. in liquidation into UnipolSai was executed (the "Dialogo Merger"), with legal effect on 31 December 2016 and accounting and tax effects as of 1 January 2016. With the merging company holding more than 90% of the share capital of the merged company, the Dialogo Merger was performed according to the simplified procedure pursuant Art. 2505-bis of the Civil Code, and resulted in an increase in the share capital of the merging company, in relation to the shares issued in service of the swap. These shares, traded on the MTA market, have regular dividend entitlement and entitle their respective owners to the same rights as the owners of outstanding UnipolSai shares at the time of their issue;

- acquisition of the "Una Hotels & Resorts" hotel and property management business finalised: on 29 December 2016, the subsidiary Atahotels S.p.A. and the associate UnipolSai Investimenti SGR S.p.A. (the latter on behalf of Real Estate Investment Fund Athens R.E. Fund) began execution of the agreements signed with Una Hotels S.p.A. ("Una") on 25 May 2015 regarding the acquisition, through two separate transactions, respectively of the hotel management unit of Una and the corresponding property portfolio held for hotel purposes. The execution of the two transactions began after obtaining the necessary approval from the competent authorities and after endorsement of Una's debt rescheduling agreement. Through the aforementioned acquisition, Atahotels S.p.A. became the new national leader in the Italian hotel sector;
- the company Leithà S.r.l. established: on 22 December 2016, Leithà S.r.l., a single-member company, was established with the purpose of providing support in the construction of software prototypes and of testing new technologies and the predictive analysis of data to aid development of the Group's businesses and IT systems.

The Board of Statutory Auditors also highlights the changes made during the year in the <u>Company's senior</u> <u>management organisational structure</u>, and therefore reports the following:

taking into account that the ordinary Shareholders' Meeting of 27 April 2016 appointed the new board of directors for the years 2016-2018, on the same date the Board of Directors resolved: (i) to proceed with a review of the Company's governance structure, delaying the appointment of an Executive Committee and a Chief Executive Officer; (ii) to appoint, in compliance with the provisions of the by-laws, a General Manager, responsible for the operational management of the Company, who performs his functions in line with the general programmatic and strategic policies defined by the Board of Directors.

With reference to the significant events after the reporting period, the Board of Statutory Auditors reports as follows:

- <u>authorisation to use the Partial Internal Model</u>: following the application for authorisation submitted by UnipolSai, on 7 February 2017 IVASS authorised the Company to use the Partial Internal Model for calculating the individual Solvency Capital Requirement with effect from 31 December 2016;
- UnipolSai included within FTSE4Good recognition for environmental, social and governance practices: on 30 January 2017, FTSE Russell (a partnership brand of FTSE International Limited and Frank Russell Company) confirmed that UnipolSai satisfies the requirements to be included in the FTSE4Good Index Series, which measures the performance of companies that apply rigorous environmental, social and governance (ESG) practices and, therefore, their conduct in areas such as the fight against climate change, governance, respect for human rights and the fight against corruption. A company's presence within the sustainability indexes is of increasing interest in the assessments of investors which ever more frequently consider non-financial parameters in their portfolio decisions, as sustainable businesses are considered less risky in the medium/long term.

With reference to the disputes which concerned the Company during 2016, 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 2016.

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 2016.

The financial statements for the year ending on 31 December 2016 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**"), Legislative Decree 173 of 26 May 1997 ("**Legislative Decree 173/1997**") and ISVAP Regulation no. 22 of 4 April 2008 ("**Regulation 22/2008**") as amended, 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").

In this regard, please note that on 1 January 2016, the new regulatory provisions on separate financial statements came into effect, as introduced by Legislative Decree 139 of 18 August 2015 ("Legislative Decree 139/2015"), which adopted Directive 2013/34/EU (the "Accounting Directive"). The most significant changes concern the general principles of preparation of the financial statements, the initial recognition of some items, the valuation methods and the information to be provided in the notes to the financial statements and in the Management Report. Legislative Decree 139/2015 also explicitly refers to OIC national accounting standards for the practical application, including possible regulations on specific cases. In this context, on 22 December 2016 the OIC published a set of updated accounting standards regarding the provisions that have a greater innovative impact with respect to the legislation previously in force.

The new accounting regulations partly also concern the financial statements of insurance companies, which are governed by specific industry legislation. Indeed, 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, however limiting the case of application of the new elements to the insurance sector. 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 are thus not applicable to insurance companies.

With Measure no. 53 of 6 December 2016, IVASS made changes to and supplemented the mentioned Regulation 22/2008 concerning the provisions and the layouts for the preparation of the financial statements of insurance companies, also adopting the amendments of accounting disclosure nature introduced by Legislative Decree 139/2015, in addition to the amendments requested by the Private Insurance Code for the harmonisation with Solvency II regulations.

The most significant amendments for the company refer to the accounting of dividends from subsidiaries, which can no longer be recognised in the year in which they accrue, and the recognition of treasury shares, which must be posted as a reduction of shareholders' equity in a specific item called "Negative reserve for treasury shares" and valued at purchase cost.

The new provisions were applied retroactively in the 2016 financial statements of the Company, leading to a change in the opening balances of 2016, and the restatement, for comparative purposes, of the values of the previous year.

The comparative analysis of the economic/financial data for the year 2016 was also affected by the Liguria Merger. The Notes to the Financial Statements report also the changes that occurred with respect to the post merger aggregate data suitably re-determined on a like-for-like basis.

The effects from the Dialogo Merger, entirely marginal due to the discontinued business of the merged company from 31 December 2015, are instead shown in the changes of the period 2016 without autonomous evidence.

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 2016.

In 2016, the Board of Statutory Auditors held 18 meetings, with an average duration of around two hours each.

In addition, the Board of Statutory Auditors participated in the 9 meetings of the Board of Directors, the meeting of the Executive Committee, the 3 meetings of the Remuneration Committee, the 5 meetings of the Committee for Transactions with Related Parties (the "**Related Parties Committee**") and the 8 meetings of the Control and Risk 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 and the Heads and/or representatives of the company departments concerned by the supervisory activity of the control body from time to time;
- the Chairman of the Supervisory Board established pursuant to Legislative Decree 231 of 8 June 2001 ("Legislative Decree 231/2001");
- 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**"), 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;
- obtained information from the Directors 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, in compliance with the principles of proper administration, and the adequacy of 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 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 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 Board highlights no elements to be reported in relation to the internal control system. The Board also believes that the Audit, Compliance and Anti-Money Laundering and Risk Management Departments, 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;
- acknowledged the update of the Organisational, Management and Control Model prepared pursuant to Legislative Decree 231/2001, Art. 6, letter a). 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. In this regard, please note that in the course of the year, no transactions of major relevance were submitted to the Related Parties Committee for examination. With regard to intragroup transactions, the activity performed brought to light that they were carried out in compliance with the Guidelines adopted by the Company pursuant to IVASS Regulation no. 25 of 27 May 2008 and the Policy prepared in observance of the new IVASS Regulation no. 30 of 26 October 2016; the relevant transactions were carried out under market conditions. The Management Report shows the relations of an equity, financial and economic nature with the Group companies and the other related parties. Relating to the overall context of the above mentioned transactions performed in 2016, 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;
- agreed with the justifications which resulted in the amendments of the "Procedure for the performance of related party transactions" (the "**Procedure**") adopted by UnipolSai and prepared pursuant to Art. 4 of the Regulation introducing provisions pertaining to transactions with related parties adopted by Consob with resolution no. 17221 of 12 March 2010 as amended (the "**Consob Regulation**"), to adjust to the organisational changes that took place, as well as to exclude from its subjective scope of application the company IGD Immobiliare Grande Distribuzione SIIQ S.p.A. ("IGD"), which was previously included on a voluntary basis in light of the framework agreement between Unipol Gruppo Finanziario S.p.A., UnipolSai and IGD, now terminated. The Board of Statutory Auditors participated in meetings of the Related Parties Committee called to express its justified opinion with respect to the cited amendments to the Procedure, verifying its compliance with the Consob Regulation, and therefore, in turn, expressed its favourable opinion in this regard;
- acknowledged that the Company is subject to management and coordination in accordance with Art. 2497 et seq. of the Civil Code by the parent Unipol Gruppo Finanziario S.p.A.;

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 2016 - no significant data or information came to light. The Report to the Financial Statements for the year ended 31 December 2016, issued today by the independent auditors, did not contain any remarks or information requests. Considering that as of today PricewaterhouseCoopers S.p.A. has not yet issued the report on the fundamental issues emerged during the audit and particularly on the significant defects found in the internal control system in relation to the financial disclosure process pursuant to Art. 19, paragraph 3 of Legislative Decree 39 of 27 January 2010 (the "**Decree 39/2010**"), in the event that findings emerge from it, the Board reserves the right to integrate this Report;

monitored, based on the provision contained in Art. 19, paragraph 1 of Decree 39/2010, the independence of the company charged with the audit of the accounts. In particular, the Board of Statutory Auditors examined the further engagements and/or services other than auditing assigned in the course of 2016 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 therefore made. Taking into account the annual declaration confirming its independence, issued by PricewaterhouseCoopers S.p.A. pursuant to Art. 17 of Decree 39/2010, amended by Legislative Decree 135 of 17 July 2016, and the nature of the engagements assigned to it and the companies in its network, no evidence or situations emerged such so as to believe that there are any risks for the independence of the company responsible for auditing the accounts;

evaluated, insofar as it is responsible - taking into account that the Company complies with the Corporate Governance Code issued by Borsa Italiana S.p.A. - 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 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, in particular, issued:

- a favourable opinion pursuant to Art. 2389, paragraph 3 of the Civil Code on the determination of annual gross remuneration due to the Chairman and Vice Chairmen of the Board of Directors, as well as the members of the board committees;
- a favourable opinion on the appointment of the Manager in charge of financial reporting and the update of the Guidelines with respect to that person's activity;
 - 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. 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 nonexistence of constraints and the compliance with the criteria defined in the investment policy, amended in order to adopt the provisions pursuant to the new 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 2.43 times the Solvency Capital Requirement (SCR) and 4.84 times the Minimum Capital Requirement (MCR), (pointing out that these figures are calculated on the basis of the information available at 23 March 2017, the date of the Board of Directors approving 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 20 May 2017, 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.
- 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;
- 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 carried out 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, 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;
- examined 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 2016, 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 the Regulation. 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 issued today.

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 2016, 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.

Bologna, 5 April 2017

On behalf of the Board of Statutory Auditors

Paolo FUMAGALLI, Chairman







INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010 AND WITH ARTICLE 102 OF LEGISLATIVE DECREE N° 209 OF 7 SEPTEMBER 2005

UNIPOLSAI ASSICURAZIONI SPA

REPORT ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016 pwc

INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010 AND WITH ARTICLE 102 OF LEGISLATIVE DECREE N° 209 OF 7 SEPTEMBER 2005

To the Shareholders of UnipolSai Assicurazioni SpA

REPORT ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

We have audited the accompanying financial statements of UnipolSai Assicurazioni SpA, which comprise the balance sheet as at 31 December 2016, the income statement for the year then ended and related notes.

Directors' responsibility for the financial statements

The directors of UnipolSai Assicurazioni SpA are responsible for the preparation of financial statements that give a true and fair view in compliance with the Italian laws governing the criteria for their preparation.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11 of Legislative Decree N° 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

PricewaterhouseCoopers SpA

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of UnipolSai Assicurazioni SpA as at 31 December 2016 and of the result of its operations for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

REPORT ON COMPLIANCE WITH OTHER LAWS AND REGULATIONS

Opinion on the consistency with the financial statements of the management report and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) 720B in order to express an opinion, as required by law, on the consistency of the management report and of the information set out in the report on corporate governance and ownership structure, available in UnipolSai Assicurazioni SpA web-site section "*Governance*", referred to in article 123-bis, paragraph 4, of Legislative Decree N° 58/1998, which are the responsibility of the directors of UnipolSai Assicurazioni SpA, with the financial statements of UnipolSai Assicurazioni SpA as at 31 December 2016. In our opinion, the management report and the information in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of UnipolSai Assicurazioni SpA as at 31 December 2016.

Opinion drawn up pursuant to article 102, paragraph 2, of Legislative Decree No. 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 No. 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 2016. 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 2016, 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.

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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 2016. 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 2016, 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, 5 April 2017

PricewaterhouseCoopers SpA

Signed by

Angelo Giudici (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.

UnipolSai Assicurazioni S.p.A.

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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 Finanziario 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 Insurance Groups – No. 046

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