

**2016** Annual Report

**CLOSE**  
TO REALITY.

**TOGETHER**  
BEYOND NUMBERS.

**UnipolSai**  
ASSICURAZIONI



UnipolSai Assicurazioni  
**Annual Report**  
 2016









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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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## Company bodies

<b>BOARD OF DIRECTORS</b>	<b>CHAIRMAN</b>	Carlo Cimbri		
	<b>VICE CHAIRMEN</b>	Fabio Cerchiai		
		Pierluigi Stefanini		
	<b>DIRECTORS</b>	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				
<b>SECRETARY OF THE BOARD OF DIRECTORS</b>	Roberto Giay			
<b>GENERAL MANAGER</b>	Matteo Laterza			
<b>BOARD OF STATUTORY AUDITORS</b>	<b>CHAIRMAN</b>	Paolo Fumagalli		
	<b>STATUTORY AUDITORS</b>	Giuseppe Angiolini		
		Silvia Bocci		
	<b>ALTERNATE AUDITORS</b>	Domenico Livio Trombone		
Luciana Ravicini				
Donatella Busso				
<b>INDEPENDENT AUDITORS</b>	PricewaterhouseCoopers SpA			
<b>MANAGER IN CHARGE OF FINANCIAL REPORTING</b>	Maurizio Castellina			

## 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 €60bn to €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 €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 €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 €51bn in the last twelve months, exceeding €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. Therefore, for comparative purposes, the company must adjust the opening balance of the shareholders' equity of the previous year and the comparative data of the previous year as 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 Regulation 22/2008, 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**:

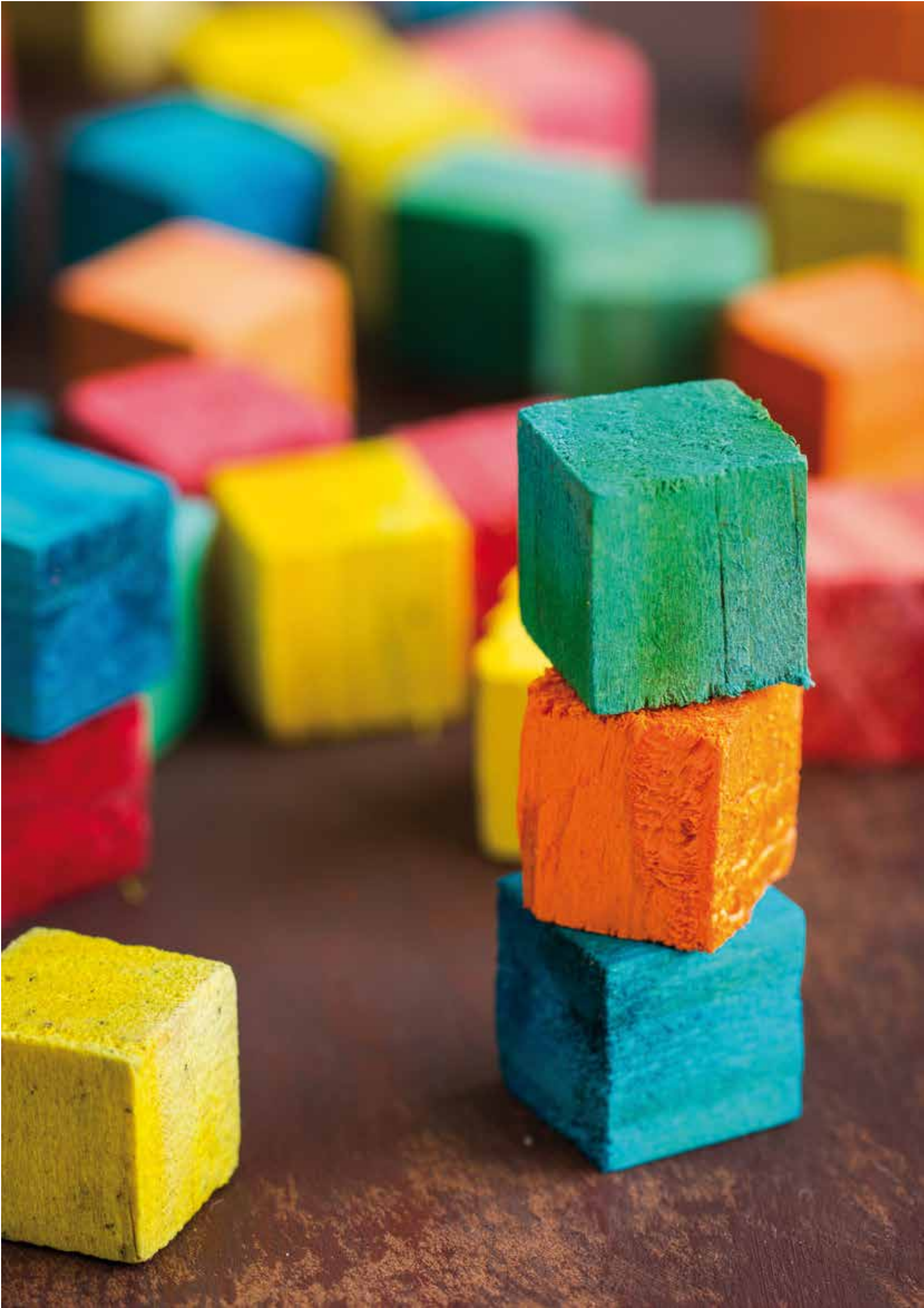
Decree Law 18 of 14 February 2016 converted with Law 49 of 8 April 2016 containing urgent measures regarding the reform of cooperative credit banks, the guarantee on the securitisation of bad and doubtful loans, the tax regime regarding crisis procedure and collective savings management.

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 assessment terms, the fiscal relevance of the exchange rates used in the financial statements according to 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 long-term 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.





# MANAGEMENT REPORT

## 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 on-line 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 €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 €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 €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 €39m in 2015 to around €300m in 2018.

Further more detailed information is available on the Group's institutional website, [www.unipol.it](http://www.unipol.it), 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 €8,991.71, in relation to 12,525 shares issued in service of the swap and the recognition of a merger deficit of €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 €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 €500k. The Group doubled the amount to reach €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 €29m), and the corresponding property portfolio held for hotel purposes (for €259m).

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

		2015	Changes due to merger	Other changes	2016
<b>ASSETS</b>					
<b>A. Subscribed capital, unpaid</b>	1				
<b>B. Intangible assets</b>					
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
<b>Total</b>	4	<b>849,123</b>	<b>51,475</b>	<b>(30,082)</b>	<b>870,516</b>
<b>C. Investments</b>					
I - Land and buildings	5	<b>2,726,037</b>	<b>9,627</b>	<b>(194,138)</b>	<b>2,541,526</b>
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
<b>Total investments in group companies and other investees</b>	9	<b>2,469,317</b>	<b>(138,550)</b>	<b>165,800</b>	<b>2,496,568</b>
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
<b>Total other financial investments</b>	15	<b>36,713,939</b>	<b>433,565</b>	<b>76,539</b>	<b>37,224,042</b>
IV - Deposits with ceding companies	16	<b>26,087</b>	<b>(3,062)</b>	<b>(3,917)</b>	<b>19,108</b>
<b>Total</b>	17	<b>41,935,380</b>	<b>301,580</b>	<b>44,284</b>	<b>42,281,244</b>
<b>D. Investments benefiting life business policyholders that bear the risk and investments arising from pension funds management</b>					
I - 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
<b>Total</b>	20	<b>3,924,830</b>		<b>611,421</b>	<b>4,536,251</b>
<b>D. bis Technical Provisions - reinsurers' share</b>					
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				
<b>Total</b>	24	<b>624,433</b>	<b>53,152</b>	<b>(33,134)</b>	<b>644,450</b>
<b>E. Receivables</b>					
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
<b>Total</b>	28	<b>2,982,284</b>	<b>61,724</b>	<b>48,076</b>	<b>3,092,084</b>
<b>F. Other assets</b>					
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
<b>Total</b>	32	<b>1,746,672</b>	<b>24,394</b>	<b>11,637</b>	<b>1,782,704</b>
<b>G. Accruals and deferrals</b>	33	<b>402,041</b>	<b>3,319</b>	<b>30,439</b>	<b>435,799</b>
<b>TOTAL ASSETS</b>	34	<b>52,464,763</b>	<b>495,643</b>	<b>682,641</b>	<b>53,643,047</b>

## Details of changes in statement of financial position items in 2016

Amounts in €k

	2015	Changes due to merger	Other changes	2016
<b>LIABILITIES</b>				
<b>A. Shareholders' equity</b>				
I - Subscribed capital or equivalent reserve	35 2,031,446	9	1	2,031,456
II - Share premium reserve	36 407,256			407,256
III - Legal reserve	37 399,226		7,063	406,289
IV - Other equity reserves	38 2,179,293		124,988	2,304,281
V - Retained profit (loss)	39			
VI - Profit (loss) for the year	40 555,722		(97,243)	458,479
VII - Negative reserve for treasury shares	41 (76,561)		(2,731)	(79,292)
<b>Total</b>	<b>42 5,496,382</b>	<b>9</b>	<b>32,079</b>	<b>5,528,469</b>
<b>B. Subordinated liabilities</b>				
43 <b>2,011,689</b>				<b>2,011,689</b>
<b>C. Technical provisions</b>				
I - Non-Life business				
1. Premium provision	44 2,651,229	36,570	(51,146)	2,636,654
2. Claims provision	45 12,433,917	266,494	(661,045)	12,039,366
3. Sundry technical provisions	46 15,131	49	2,034	17,214
4. Equalisation provisions	47 67,144	185	2,602	69,931
<b>Total non-life technical provisions</b>	<b>48 15,167,421</b>	<b>303,297</b>	<b>(707,554)</b>	<b>14,763,165</b>
II - Life business				
1. Mathematical provisions	49 23,106,134	128,822	761,107	23,996,063
2. Provision for amounts payable	50 401,258	2,703	(114,755)	289,206
3. Sundry technical provisions	51 102,353	1,202	(608)	102,947
Total life business technical provisions	52 <b>23,609,744</b>	<b>132,727</b>	<b>645,744</b>	<b>24,388,216</b>
<b>Total</b>	<b>53 38,777,166</b>	<b>436,025</b>	<b>(61,810)</b>	<b>39,151,380</b>
<b>D. Technical provisions where the investment risk is borne by policyholders and investments arising from pension fund management</b>				
I - Provisions relating to contracts connected to investments fund and market indices	54 348,971		4,946	353,917
II - Provisions arising from pension fund management	55 3,575,690		606,545	4,182,235
<b>Total</b>	<b>56 3,924,662</b>		<b>611,490</b>	<b>4,536,152</b>
<b>E. Provisions for risks and charges</b>				
57 <b>626,572</b>		<b>3,168</b>	<b>(75,904)</b>	<b>553,837</b>
<b>F. Deposits received from reinsurers</b>				
58 <b>174,112</b>		<b>37,322</b>	<b>13,334</b>	<b>224,767</b>
<b>G. Payables and other liabilities</b>				
I - Payables arising from direct insurance business	59 76,657	2,539	(2,855)	76,340
II - Payables arising from reinsurance business	60 78,938	26	(8,440)	70,523
III - Bond loans	61			
IV - Payables to banks and financial institutions	62 3,860		(490)	3,370
V - Sundry payables and loans	63 429,216	6,365	25,611	461,192
VI - Post-employment benefits	64 55,839	586	(1,850)	54,574
VII - Other liabilities	65 761,146	9,604	147,790	918,540
<b>Total</b>	<b>66 1,405,655</b>	<b>19,119</b>	<b>159,766</b>	<b>1,584,541</b>
<b>H. Accruals and deferrals</b>				
67 <b>48,526</b>			<b>3,686</b>	<b>52,212</b>
<b>TOTAL LIABILITIES</b>	<b>68 52,464,763</b>	<b>495,643</b>	<b>682,641</b>	<b>53,643,047</b>

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

<i>Amounts in €k</i>		2016	2015 Aggregated
<b>I. NON-LIFE BUSINESS TECHNICAL ACCOUNT</b>			
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
<b>Total</b>	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	<b>349,806</b>	<b>697,117</b>
<b>II. LIFE BUSINESS TECHNICAL ACCOUNT</b>			
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
<b>Total</b>	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			
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
<b>Total</b>	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
<b>Total</b>	27	154,010	155,914

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

<i>Amounts in €k</i>		2016	2015 Aggregated
<b>9. Asset and financial charges</b>			
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
<b>Total</b>	31	302,070	489,367
<b>10. Unrealised asset and financial charges relating to investments arising from pension fund management</b>	32	108,177	87,595
<b>11. Other technical charges, net of reinsurance</b>	33	36,710	29,971
<b>12. (-) Share of profits on investments transferred to the non-technical account (item III. 4)</b>	34	103,048	85,668
<b>13. Life business technical result</b>	35	<b>220,777</b>	<b>3,440</b>
<b>III. NON-TECHNICAL ACCOUNT</b>			
<b>1. Non-Life business technical result (item I. 10)</b>	36	349,806	697,117
<b>2. Life business technical result (item II. 13)</b>	37	220,777	3,440
<b>3. Gains on Non-Life business investments</b>			
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
<b>Total</b>	41	863,841	1,055,955
<b>4. (+) Share of profits on investments transferred from the Life business technical account (item II. 12)</b>	42	103,048	85,668
<b>5. Non-Life business asset and financial charges</b>			
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
<b>Total</b>	46	637,073	582,311
<b>6. (-) Share of profits on investments transferred to the Non-Life business technical account (item I. 2)</b>	47	170,378	355,328
<b>7. Other income</b>	48	179,385	196,215
<b>8. Other charges</b>	49	335,173	426,887
<b>9. Profit (loss) from ordinary operations</b>	50	<b>574,234</b>	<b>673,869</b>
<b>10. Extraordinary income</b>	51	96,051	257,219
<b>11. Extraordinary expenses</b>	52	35,962	52,162
<b>12. Profit (loss) from extraordinary operations</b>	53	<b>60,089</b>	<b>205,057</b>
<b>13. Pre-tax profit (loss)</b>	54	<b>634,322</b>	<b>878,926</b>
<b>14. Income tax on profit (loss) for the year</b>	55	175,843	308,782
<b>15. Profit (loss) for the period</b>	56	<b>458,479</b>	<b>570,143</b>

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

## Insurance business highlights

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

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

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



## Share performance

### *Information on share performance*

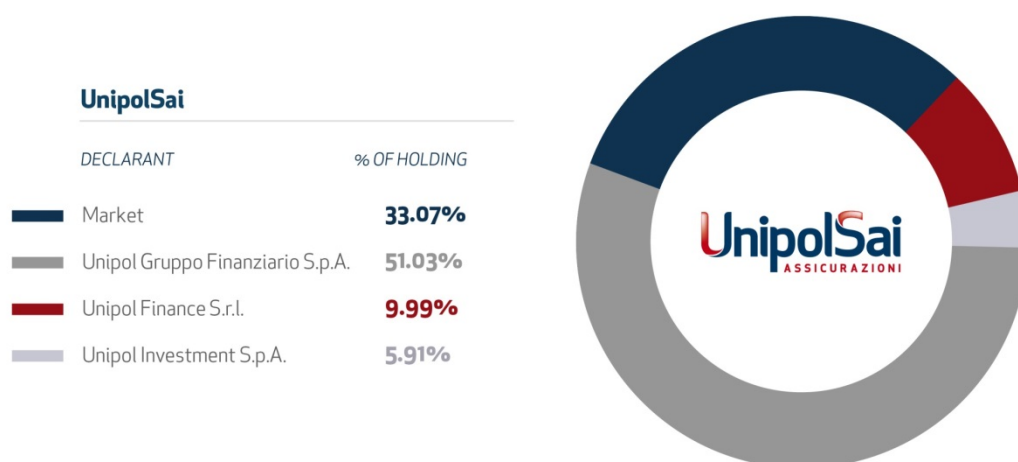
At the end of December 2016, the listed price of an ordinary UnipolSai share was €2.03, down 13.9% in the last 12 months, consequently to the decrease in the FTSE Italia All-share index (-9.9%), the FTSE MIB index (-10.2%) and the FTSE Italia All Share Insurance index (-16.3%).

### *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 2016<sup>1</sup>, 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 €6,960.2m (-1.7% considering in the data at 31 December 2015 the premiums of Liguria Assicurazioni, merged from 2016), €4,041.7m of which in the MV classes (-3.8%) and €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.

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<sup>1</sup>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*

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

The net retention of acquired premiums was 95.8%, down with 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 €570.6m (€700.6m in 2015) with the breakdown showing a positive €220.8m for the Life business and €349.8m for the Non-Life business.

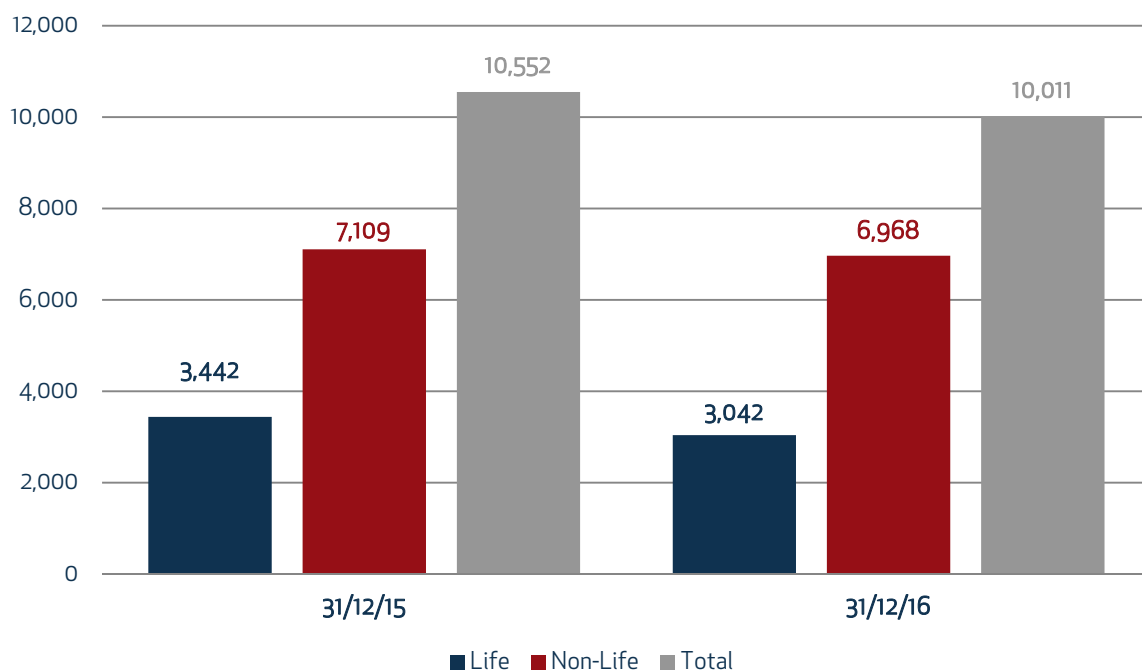
- B. Total operating expenses (including acquisition and collection commissions and other acquisition and administrative expenses) were €2,132.2m (-1.4%), with an incidence on (Life and Non-Life) premiums of 21.3% (20.5% in 2015). Net of reinsurers' commissions, total operating expenses were equal to €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).

- 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.

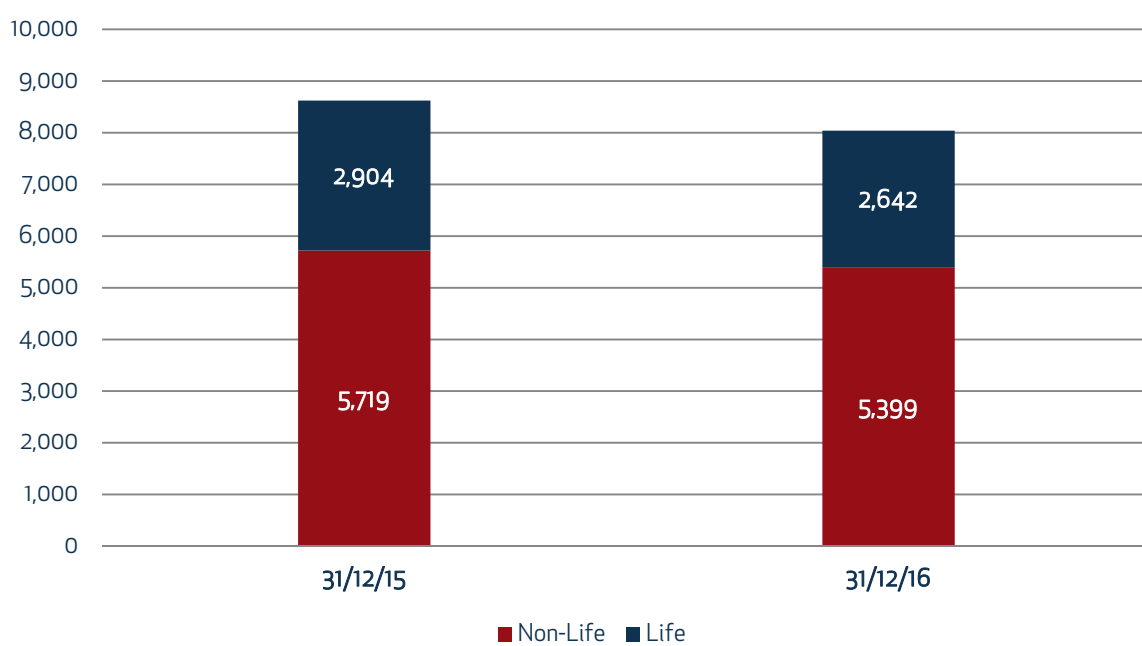
## Total premiums

Amounts in €m



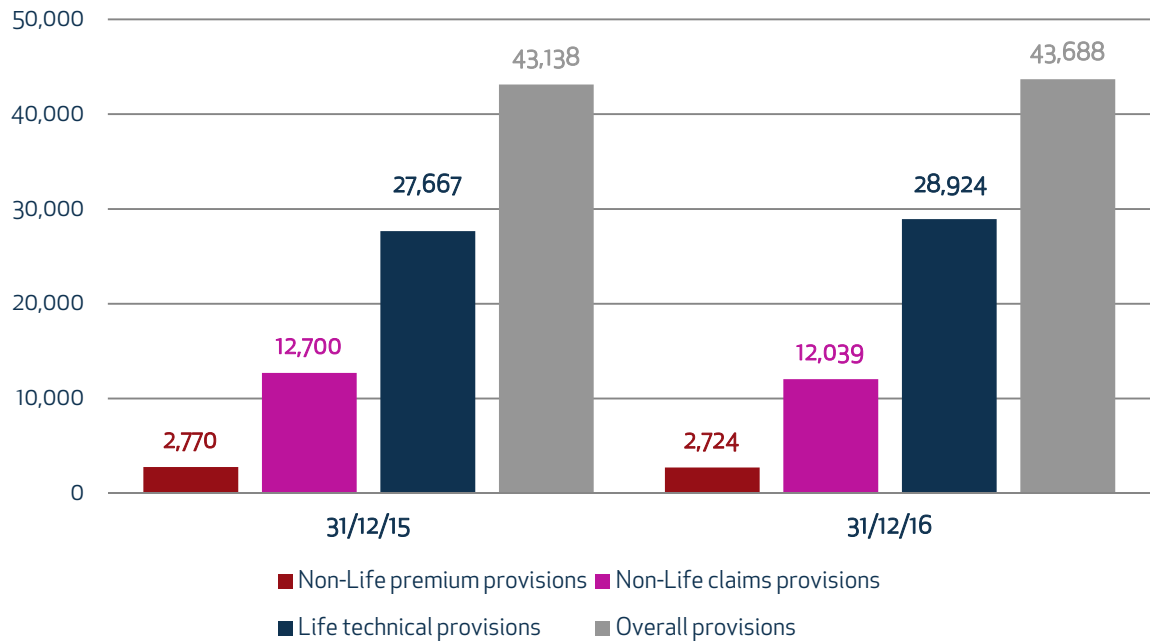
## Payments

Amounts in €m



## Technical provisions

Amounts in €m



## 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).



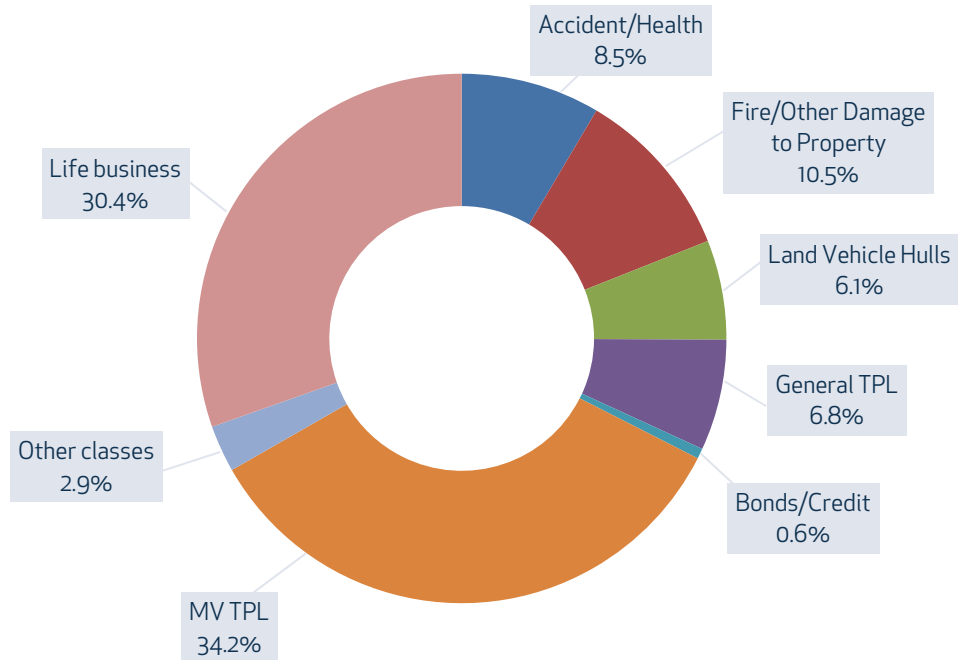
## Premiums by class

Amounts in €k

Code	Class	FY 2016	% comp.	FY 2015	% comp.	Variation amount	2016/2015 %
<b>ITALIAN DIRECT BUSINESS</b>							
<b>Non-Life business</b>							
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
<b>Total Non-Life business</b>		<b>6,960,233</b>	<b>69.6</b>	<b>7,083,592</b>	<b>67.3</b>	<b>(123,359)</b>	<b>(1.7)</b>
<b>Life business</b>							
I	Whole and term life insurance	2,195,362	21.9	2,364,348	22.5	(168,987)	(7.1)
II	Marriage, birth						
III	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
<b>Total Life business</b>		<b>3,041,710</b>	<b>30.4</b>	<b>3,441,199</b>	<b>32.7</b>	<b>(399,489)</b>	<b>(11.6)</b>
<b>Total Direct business</b>		<b>10,001,943</b>	<b>100.0</b>	<b>10,524,791</b>	<b>100.0</b>	<b>(522,848)</b>	<b>(5.0)</b>
<b>INDIRECT BUSINESS</b>							
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)
<b>Total Indirect business</b>		<b>8,573</b>	<b>100.0</b>	<b>26,933</b>	<b>100.0</b>	<b>(18,360)</b>	<b>(68.2)</b>
<b>TOTAL PREMIUMS</b>		<b>10,010,516</b>		<b>10,551,724</b>		<b>(522,026)</b>	<b>(5.1)</b>

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 €6,960.2m, a decrease of €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 €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).

*Percentage amounts*

Class	Current claims		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

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

# 1 Management Report

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Overall, charges relating to claims for the current and previous years came to €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 €4,938.9m, a decrease of €299.6m compared with 2015 (-5.7%).

Total premium provisions and claims provisions reached €14,763.2m at the end of the year, a decrease of €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 €1,977.8m (€1,835.1m net of commissions received from reinsurers), compared with €2,005.7m in 2015 (€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 €349.8m (€697.1m in the previous year). The transfer of the share of net gains on investments came to €170.4m, compared with €355.3m in the previous year.

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

CLASS	Italian Direct Business - Non-Life business	Claims Paid			Claims Reported		
		2016	2015	% Variation	2016	2015	% Variation
					Number	Number	
<i>Amounts in €k</i>							
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%
	<b>TOTAL NON-MV BUSINESS</b>	<b>1,744,156</b>	<b>1,855,507</b>	<b>(6.0)%</b>	<b>1,425,457</b>	<b>1,342,894</b>	<b>6.1%</b>
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%
	<b>TOTAL MV BUSINESS</b>	<b>3,194,765</b>	<b>3,383,039</b>	<b>(5.6)%</b>	<b>906,215</b>	<b>896,823</b>	<b>1.0%</b>
	<b>TOTAL NON-LIFE BUSINESS</b>	<b>4,938,920</b>	<b>5,238,546</b>	<b>(5.7)%</b>	<b>2,331,672</b>	<b>2,239,717</b>	<b>4.1%</b>

## Accident

*Direct premiums €626.9m (-0.7%)*

*Number of claims reported 106,976 (-1.4%)*

*Claims paid out €252.1m (-0.1%)*

*Charges relating to claims €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.

## Health

*Direct premiums €223.3m (-1.8%)*  
*Number of claims reported 522,257 (+3.4%)*  
*Claims paid out €155.4m (-4.7%)*  
*Charges relating to claims €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 €607.4m (+2.8%)*  
*Number of claims reported 268,051 (+1.6%)*  
*Claims paid out €366.2m (+6.7%)*  
*Charges relating to claims €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 €502.4m (+3.3%)*  
*Number of claims reported 49,458 (-24.8%)*  
*Claims paid out €247.7m (-15.9%)*  
*Charges relating to claims €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 €547.8m (+2.6%)*  
*Number of claims reported 225,856 (+5.2%)*  
*Claims paid out €338.6m (-2.9%)*  
*Charges relating to claims €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 €3,425.5m (-4.9%)*  
*Number of claims reported 638,164 (+0.8%)*  
*Claims paid out €2,828.6m (-6.9%)*  
*Charges relating to claims €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 €677.7m (+0.2%)*  
*Number of claims reported 91,935 (-7.5%)*  
*Claims paid out €594.5m (-7.8%)*  
*Charges relating to claims €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 €62.8m (+3.5%)*  
*Number of claims reported 1,278 (-31.7%)*  
*Claims paid out €41.0m (-25.2%)*  
*Charges relating to claims €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 €54.5m (+5.9%)*  
*Number of claims reported 32,856 (+6.2%)*  
*Claims paid out €23.8m (+11.4%)*  
*Charges relating to claims €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 €60.2m (-3.4%)  
 Number of claims 7,323 reported (+0.2%)  
 Claims paid out €13.6m (-1.7%)  
 Charges relating to claims €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 €138.6m (+8.0%)  
 Number of claims reported 383,764 (+25.5%)  
 Claims paid out €57.6m (+37.2%)  
 Charges relating to claims €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 €18.5m (+0.8%)  
 Number of claims reported 2,347 (-0.8%)  
 Claims paid out €4.3m (-29.6%)  
 Charges relating to claims €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 €5.0m (-17.5%)  
 Number of claims 333 reported (-17.4%)  
 Claims paid out €6.5m (+51.0%)  
 Charges relating to claims €-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&SERVIZI* 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 series 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 €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:

<i>Amounts in €m</i>	2016	2015	% Variation on 2015
<b>Individual</b>			
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)
<b>Total</b>	<b>2,039.2</b>	<b>2,423.5</b>	<b>(15.9)</b>
<b>Group</b>			
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
<b>Total</b>	<b>1,002.5</b>	<b>1,017.7</b>	<b>(1.5)</b>
<b>TOTAL DIRECT BUSINESS</b>	<b>3,041.7</b>	<b>3,441.2</b>	<b>(11.6)</b>

<i>Amounts in €m</i>	2016	2015	% Variation on 2015
<b>First year premiums</b>			
Class I	122.3	97.3	25.6
Class III	5.4		
Class IV	0.3	0.2	65.9
<b>Total</b>	<b>128.0</b>	<b>97.5</b>	<b>31.3</b>
<b>Subsequent year premiums</b>			
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)
<b>Total</b>	<b>406.4</b>	<b>405.1</b>	<b>0.3</b>
<b>Single premiums</b>			
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
<b>Total</b>	<b>2,507.3</b>	<b>2,938.5</b>	<b>(14.7)</b>
<b>TOTAL DIRECT BUSINESS</b>	<b>3,041.7</b>	<b>3,441.2</b>	<b>(11.6)</b>

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 €154.4m (€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 €2,641.5m, a decrease by 9.0% compared with the previous year, broken down as follows:

<i>Amounts in €m</i>	2016	2015	% Variation on 2015
Class I	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)
<b>Total</b>	<b>2,642</b>	<b>2,904</b>	<b>(9.0)</b>

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

<i>Amounts in €m</i>	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)
<b>Total</b>	<b>2,642</b>	<b>2,904</b>	<b>(9.0)</b>

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 €28,924.4m, an increase of 4.5% compared with the previous year.

The technical result showed a positive balance of €220.8m, compared with €3.4m 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 "Fondiarria 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.

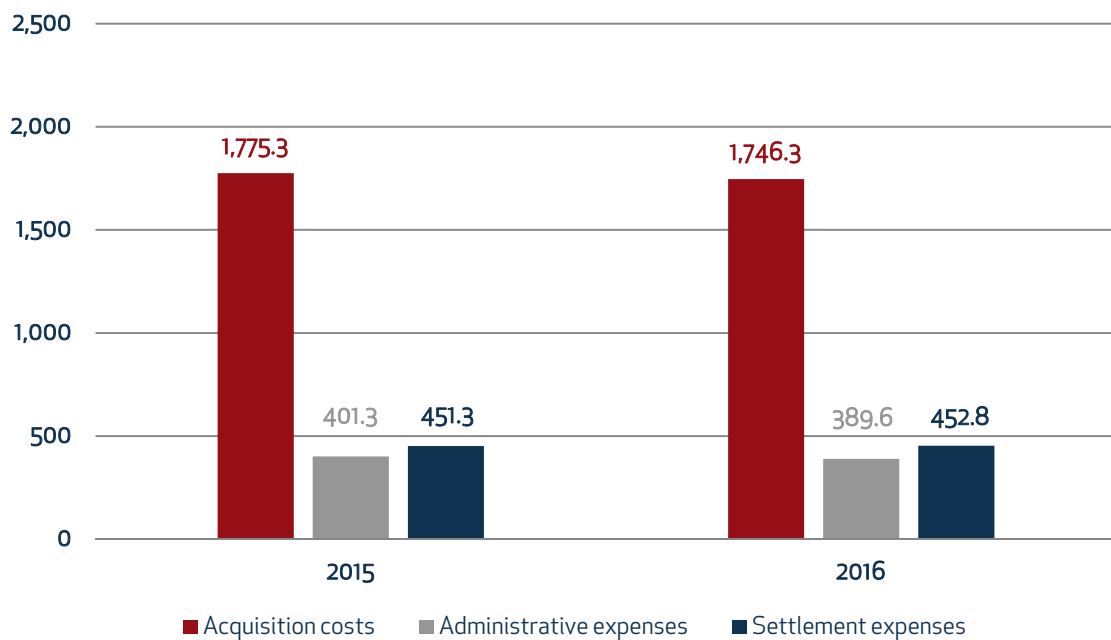
## *Operating and settlement expenses*

Operating expenses, which include acquisition and collection commissions and other acquisition costs and administrative expenses, amounted to a total of €2,132.2m compared with €2,163.1m in 2015 (respectively €1,989.1m and €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 €452.8m, up on the figure recorded in 2015 (€451.3m).

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

Amounts in €m



Acquisition and collection commissions and other acquisition costs totalled €1,746.3m (€1,775.3m in 2015) and other administrative expenses came to €389.6m (-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 €416.0m at 31 December 2016 compared with €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 €8.1 compared with €9.3m 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 €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

<i>Amounts in €k</i>	FY	%	FY	%	Variation 2016/2015	
	2016	Comp.	2015	Comp.	amount	%
<b>Land and buildings</b>	<b>2,541,526</b>	<b>5.4</b>	<b>2,735,664</b>	<b>5.9</b>	<b>(194,138)</b>	<b>(7.1)</b>
<b>Investments in group companies and other investees</b>						
-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)
<b>Total</b>	<b>2,496,568</b>	<b>5.3</b>	<b>2,330,768</b>	<b>5.0</b>	<b>165,800</b>	<b>7.1</b>
<b>Other financial investments</b>						
-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
<b>Total</b>	<b>37,224,042</b>	<b>78.9</b>	<b>37,147,504</b>	<b>79.8</b>	<b>76,539</b>	<b>0.2</b>
<b>Deposits with ceding companies</b>	<b>19,108</b>	<b>0.0</b>	<b>23,025</b>	<b>0.0</b>	<b>(3,917)</b>	<b>(17.0)</b>
<b>Investments benefiting policyholders that bear the risk and investments arising from pension fund management</b>						
-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
<b>Total</b>	<b>4,536,251</b>	<b>9.6</b>	<b>3,924,830</b>	<b>8.4</b>	<b>611,421</b>	<b>15.6</b>
<b>Cash and cash equivalents</b>	<b>349,155</b>	<b>0.7</b>	<b>413,002</b>	<b>0.9</b>	<b>(63,846)</b>	<b>(15.5)</b>
<b>TOTAL INVESTMENTS AND CASH AND CASH EQUIVALENTS</b>	<b>47,166,650</b>	<b>100.0</b>	<b>46,574,791</b>	<b>100.0</b>	<b>591,859</b>	<b>1.3</b>

(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 €2,541.5m, compared with €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, Frascini, 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.

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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 €259m ("UNA Properties"), together with the debt referred to the same properties. The acquisition of UNA Properties was settled through a bank loan of €170m, the issue in favour of UNA, for €39m, of subordinated units of the Fund ("B" units) and the issue, for €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 €20.8m from loans disbursed in the form of profit participating bonds, of which €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 €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 €2,496.6m (€2,330.8m at 31 December 2015), of which €2,155.9m refer to shares and holdings of investees, €12.6m consists of bonds issued by Group companies (€22.8m at 31 December 2015) and €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:

<i>Amounts in €k</i>	<b>2016</b>
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
<b>Total</b>	<b>2,155,858</b>

At 31 December 2016, equity investments rose from €2,118.3m to €2,155.9m, with an increase of €37.5m compared to 31 December 2015 (+1.8%). The Merger with Liguria and Liguria Vita determined a reduction in investments of €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 €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 €15m as referred to losses deemed to be permanent, there are €7.5m relating to Centro Oncologico Fiorentino, €4m relating to Nuove Iniziative Toscane, €1m to Penta Domus, €0.7m to Butterfly and International Media Holding, €0.5m to Villa Ragionieri and €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 €12.6m, all classified under long-term investments with a net decrease compared to last year (€22.8m the balance at 31/12/2015), mainly comprising:

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

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

The item also includes the 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;

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- 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 €4.1m in place at 31 December 2015 and hedged entirely through the allowance for bad debt, was partially repaid for approximately €1m and the remaining €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.

## Structured Instruments

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

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 €6,325.2m) was therefore recalculated as €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 €3,378.1m.

### ***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 €354.0m, of which €108.4m comprised of assets covering Index-Linked policies (bonds for €119.2m and net financial investments for €-12.1m) and €245.7m in assets for Unit-Linked policies (mutual investment fund units for €157.5m, bonds for €53.5m, shares for €20.6m, cash and cash equivalents and other assets net of items to be settled for €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 €4,182.2m at 31 December 2016, comprised of shares for €161.5m, bonds for €3,345.7m, fund units for €233.1m, cash and cash equivalents for €434.5m and net other items for €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).

<i>Amounts in €k</i>	FY 2016	% comp.	FY 2015	% comp.	Variation 2016/2015	
					amount	%
<b>NET GAINS ON INVESTMENTS AND FINANCIAL INCOME</b>						
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
<b>TOTAL (a)</b>	<b>1,295,057</b>	<b>100.0</b>	<b>1,269,063</b>	<b>100.0</b>	<b>25,995</b>	<b>2.0</b>
<b>Gains (losses) on sale</b>						
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
<b>TOTAL (b)</b>	<b>167,836</b>	<b>100.0</b>	<b>479,888</b>	<b>100.0</b>	<b>(312,051)</b>	<b>(65.0)</b>
<b>Total (a+b)</b>	<b>1,462,894</b>		<b>1,748,951</b>		<b>(286,056)</b>	<b>(16.4)</b>
<b>Net reversals on investments</b>						
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)
<b>Total (c)</b>	<b>(266,293)</b>	<b>100.0</b>	<b>(326,314)</b>	<b>100.0</b>	<b>60,020</b>	<b>18.4</b>
<b>TOTAL (a+b+c)</b>	<b>1,196,600</b>		<b>1,422,637</b>		<b>(226,036)</b>	<b>(15.9)</b>
<b>Net investment income of Class D</b>						
-Investment funds and market indices	11,295		18,557		(7,262)	(39.1)
-Pension funds	58,319		78,949		(20,631)	(26.1)
<b>Total Class D</b>	<b>69,614</b>		<b>97,506</b>		<b>(27,893)</b>	<b>(28.6)</b>
<b>GRAND TOTAL</b>	<b>1,266,214</b>		<b>1,520,143</b>		<b>(253,928)</b>	<b>(16.7)</b>

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 €1,462m and a sales value of €1,688m, realising net capital gain of €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 €1,462.9m.

Net impairment (including write-downs of property of €58.8m) came to a negative €266.3m.

Overall, net ordinary and extraordinary income, including impairment and reversals of impairment losses on investments amounted to a positive €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)
<b>Bonds</b>	<b>100.00%</b>	<b>6.53</b>	<b>(249,137,921)</b>	<b>(1,245,689,605)</b>

### 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.

Rating	Breakdown	Increase 1 bps	Increase 10 bps	Increase 50 bps
AAA	0.33%	(55,115)	(551,154)	(2,755,770)
AA	0.69%	(205,900)	(2,058,996)	(10,294,978)
A	4.28%	(1,246,709)	(12,467,085)	(62,335,426)
BBB	81.91%	(25,419,222)	(254,192,224)	(1,270,961,118)
NIG	12.80%	(2,167,581)	(21,675,815)	(108,379,074)
<b>Bonds</b>	<b>100.00%</b>	<b>(29,094,527)</b>	<b>(290,945,273)</b>	<b>(1,454,726,365)</b>

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## 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)
<b>Equity</b>	<b>100.00%</b>	<b>1.02</b>	<b>(155,056,209)</b>

## 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 €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 €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 €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 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 €0.6m, slightly down compared with the corresponding figure of 2015 (+€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 (-€0.2m). However, pre-tax result improved by about €0.6m (from -€0.9m to -€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 €1.3m (-€0.9m in 2015), it improved significantly in terms of business profitability, as reflected in the pre-tax result (from -€2.5m to -€2.1m).

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

**Incontra Assicurazioni** recorded a €13.7m profit at 31 December 2016 (a sharp improvement compared to €2.3m at 31/12/2015), with rising premiums compared to the previous year, from €63.8m in 2015 to €69.4m 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 €135.4m (€119m at 31/12/2015), while gross technical provisions reached €161.9m (€142.3m 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 €4.8m (profit of €3.8m recorded in 2015). The year 2016 posted total premiums amounting to €124.7m (€73.8m at 31/12/2015).

**SIAT** recorded a €6.2m profit in 2016 (€5.4m at 31/12/2015) with total gross premiums (direct and indirect) at €132.9m (€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 €47.8m at the end of 2016 (€55.3m at 31/12/2015). Gross premiums written amounted to €1,493.6m (€2,517.2m at 31/12/2015). The volume of total investments (Non-Life and Life sectors) reached the amount of €8,646.2m, (€8,113.6m at 31/12/2015), of which €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 €2.9m at the end of 2016 (essentially unchanged compared to 31/12/2015). Gross premiums written amounted to €98.6m (€157.5m at 31/12/2015). The volume of total investments reached the amount of €708.2m (€782.8m at 31/12/2015), of which €454.4m refer to class D (€524m 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;
- 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 UnipolSai resolved on the Transaction - carried out through the subsidiary MIDI S.r.l. ("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

<i>Amounts in €k</i>	Holding company	Subsidiaries	Affiliates	Associates	Other related parties	Total	Incidence		
<b>Assets</b>									
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 (3)
Deposits with ceding companies			46			46	0.00	(1)	0.00 (3)
Receivables arising from 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	186,753	0.35	(1)	13.28 (3)
Bank deposits and post office			318,482			318,482	0.59	(1)	22.64 (3)
Sundry assets		2,992	52,930			55,922	0.10	(1)	3.98 (3)
Technical provisions - Reinsurers' share		197,020				197,020	0.37	(1)	14.01 (3)
<b>Total</b>	<b>375,836</b>	<b>345,512</b>	<b>426,485</b>	<b>15,257</b>	<b>56,391</b>	<b>1,219,482</b>	<b>2.27</b>	<b>(1)</b>	<b>86.70</b> (3)
<b>Liabilities</b>									
Deposits received from reinsurers		43,943				43,943	0.08	(1)	3.12 (3)
Payables arising from 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)
<b>Total</b>	<b>105,141</b>	<b>106,703</b>	<b>44,313</b>	<b>55</b>	<b>801</b>	<b>257,013</b>	<b>0.48</b>	<b>(1)</b>	<b>18.27</b> (3)
<b>Memorandum accounts</b>	<b>893,316</b>	<b>575,967</b>	<b>36,956,669</b>	<b>30,988</b>		<b>38,456,940</b>	<b>71.69</b>	<b>(1)</b>	<b>72.00</b> (5)
<b>Income from:</b>									
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 income	5,056	29,015	41,634	4,702	449	80,856	3.29	(6)	17.64 (2)
<b>Total</b>	<b>7,775</b>	<b>76,722</b>	<b>52,329</b>	<b>16,212</b>	<b>2,038</b>	<b>155,076</b>	<b>6.32</b>	<b>(6)</b>	<b>33.82</b> (2)
<b>Charges</b>									
Investment management expenses	102	1,051	39,264			40,417	0.08	(6)	8.82 (2)
Losses on realisation of 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 (2)
<b>Total</b>	<b>6,701</b>	<b>24,211</b>	<b>59,403</b>	<b>62</b>	<b>194</b>	<b>90,571</b>	<b>0.17</b>	<b>(6)</b>	<b>19.75</b> (2)
<b>Other technical charges</b>									
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			33,189	1.35	(6)	7.24 (2)
<b>Total</b>	<b>11,658</b>	<b>30,256</b>	<b>51,862</b>		<b>89,576</b>	<b>183,352</b>	<b>7.47</b>	<b>(6)</b>	<b>39.99</b> (2)
<b>Non-Life and Life technical</b>									
Balance of outwards reinsurance *		13,048	12,175			25,223	4.42	(7)	5.50 (2)
Balance of inward reinsurance net of retroceded amounts *		835	(109)			725	0.13	(7)	0.16 (2)
<b>Total</b>		<b>13,883</b>	<b>12,066</b>			<b>25,949</b>	<b>1.06</b>	<b>(7)</b>	<b>5.66</b> (2)

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

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

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

(4) Amounts relating to transactions with investee agencies.

(5) The percentage on total memorandum accounts.

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

(\*) 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, €2m in bonds by the affiliate Unipol Banca, €5m by the associate Garibaldi, €1.8m by the associate Isola and €3.7m of bonds by the other investees Syneteristiki (€1.5m) and Ex Var S.c.A. (€2.2m).

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

Loans to group companies equalled €60.3m and refer to loans granted to the following companies: Meridiano Secondo for €36.8m, Casa di Cura Villa Donatello for €5.4m, Società Edilizia Immobiliare for €5.1m, Centro Oncologico Fiorentino for €2m, Auto Presto e Bene for €1.3m, Borsetto S.rl. for €6.3m, Penta Domus S.p.A. for €1.8m, International Media Holding for €1.5m and Butterfly AM S.a.r.l. for €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: €50.6m to receivables from the agency Sogeint, €2m, to receivables from Incontra Assicurazioni and approximately €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 €3.4m, €1.4m from Casa di Cura Villa Donatello, €0.9m from Tenute del Cerro, €0.8 from SIAT – Società Italiana di Assicurazione, €0.8m from Incontra and another €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 €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 €2.2m, from Linear for €2.1m, from the Arca Group for €3.8m and from Unipol Banca for €1m; there is another receivable from Unipol Banca of €3.1m for commissions on the placement of banking products.

The item also includes a receivable of €5m from UniSalute as a deposit set up on the basis of a reinsurance treaty signed during the year. Fund equal to €1.7m.

The entire amount (€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 (€50.8m) with the same counterparty.

Technical provisions - Reinsurers' share refer to reinsurance relations with the subsidiaries UnipolRe DAC for €154.9m and SIAT - Società Italiana di Assicurazione for €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 €7.3m and SIAT - Società Italiana di Assicurazione for €2m. In relation to affiliates, the item is mainly composed of payables to: UniSalute for €3.6m deriving from coinsurance transactions and €13.2m deriving from reinsurance transactions, and Linear for €6.3m deriving from coinsurance transactions.

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

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 (€22.6m) and payables to AlfaEvolution (€8m). In relation to affiliates, sundry payables are mainly comprised of payables due to UniSalute for the claims settlement service for €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 €1.5m.

Income from land and buildings refers to leases with the subsidiaries UnipolSai Servizi Consortili (€1.8m) and Atahotels (€7.9m) and with the affiliates UniSalute (€3.3m), Linear (€2.9m) and Unipol Banca (€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 (€6.2m) plus the capital gains on the sale of properties to the Athens Fund for €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 (€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 (€7m) and property expenses due to Midi (€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 €12.7m, details of which are as follows:

<i>Amounts in €k</i>	<b>2016</b>
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 €0.5m 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.

<i>Amounts in €m</i>	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Available own funds to meet the Solvency Capital Requirement	7,285.6	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*

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 technical-insurance 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.

## 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](http://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**  
FOR THE YEAR  
2016



## Financial statements

### Statement of Financial Position Year 2016

Amounts in €

Annex I

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#### Company

UnipolSai Assicurazioni S.p.A.

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#### Share capital

Subscribed € 2,031,456,338

Paid-up € 2,031,456,338

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#### Registered Office at

BOLOGNA - Via Stalingrado 45

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#### Bologna Register of Companies

N° 00818570012

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## 2 Financial Statements for the year 2016

### Statement of financial position ASSETS

		AMOUNTS FOR THE YEAR			
A.	SUBSCRIBED CAPITAL, UNPAID				1
	of which called		2		
B.	INTANGIBLE ASSETS				
	1. Acquisition commissions to be amortised				
	a) Life business	3	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				
	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 2,541,525,522
	II - Investments in group companies and other investees				
	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 2,496,567,623
					to be carried forward
					870,516,268

AMOUNTS FOR THE PREVIOUS YEAR					
					181
		182			
	183	41,641,104			
	184	32,312,125	185	73,953,229	
			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
	197	12,814,947			
	198	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



## 2 Financial Statements for the year 2016

### Statement of financial position

#### ASSETS

	AMOUNTS FOR THE YEAR				
			amount carried 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		
6. Bank deposits			50	106,581,750	
7. Sundry financial investments			51	86,525,074	
IV - Deposits with ceding companies			52	37,224,042,392	
			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					
I - Investments linked to investment funds and market indices			55	354,016,130	
II - Investments arising from pension fund management			56	4,182,234,951	
				57	4,536,251,081
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		
4. Other technical provisions			61	62	575,203,994
II - LIFE BUSINESS					
1. Mathematical provisions			63	65,718,972	
2. Premium provision from supplementary insurance			64		
3. Provision for amounts payable			65	3,527,428	
4. Provision for profit sharing and reversals			66		
5. Other technical provisions			67		
6. Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management			68	69	69,246,400
				70	644,450,394
			to be carried forward		48,332,461,298

AMOUNTS FOR THE PREVIOUS YEAR				
		amount carried forward	849,123,270	
	216	453,443,021		
	217	152,634,806		
	218			
		219	606,077,827	
		220	1,732,029,287	
	221	33,781,919,596		
	222	191,355,364		
	223	3,918,463		
		224	33,977,193,423	
	225			
	226	45,160,220		
	227	102,922,670		
		228	148,082,890	
		229		
		230	167,408,168	
		231	83,147,365	
			232	36,713,938,960
			233	26,086,978
			234	41,935,379,957
			235	349,139,798
			236	3,575,690,144
			237	3,924,829,942
		238	116,755,475	
		239	436,729,094	
		240		
		241		
			242	553,484,569
		243	65,161,630	
		244		
		245	5,786,364	
		246		
		247		
		248		
			249	70,947,994
			250	624,432,563
		to be carried forward	47,333,765,732	

## 2 Financial Statements for the year 2016

### Statement of financial position

#### ASSETS

	AMOUNTS FOR 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
II - Receivables relating to reinsurance business, from:			77	1,647,152,133
1. Insurance and reinsurance companies			78	80,663,233
2. Reinsurance intermediaries			79	17,004
III - Other receivables			80	80,680,237
F. OTHER ASSETS			81	1,364,251,265
82				3,092,083,635
I - Property, plant and equipment and inventories:				
1. 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
<b>TOTAL ASSETS</b>			100	<b>53,643,047,426</b>

AMOUNTS FOR THE PREVIOUS YEAR				
		amount carried forward		47,333,765,732
	251	596,276,918		
	252	17,221,129	253	613,498,047
			254	923,357,046
			255	61,706,000
			256	137,751,060
			257	1,736,312,153
			258	76,894,893
			259	17,965
			260	76,912,858
			261	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
			272	
			273	1,278,495,703
			274	1,278,495,703
			275	1,746,672,209
			276	384,248,398
			277	2,876,170
			278	14,916,741
			279	402,041,309
			280	52,464,763,178

## 2 Financial Statements for the year 2016

### Statement of financial position

#### LIABILITIES AND SHAREHOLDERS' EQUITY

	AMOUNTS FOR THE YEAR			
A. SHAREHOLDERS' EQUITY				
I - Subscribed capital or equivalent provision		101	2,031,456,338	
II - Share premium reserve		102	407,255,806	
III - Revaluation reserves		103	96,559,196	
IV - Legal reserve		104	406,289,192	
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)	110 552,846,929
B. SUBORDINATED LIABILITIES				111 2,011,689,000
C. TECHNICAL PROVISIONS				
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	117 14,763,164,503	
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	123 24,388,215,576	124 39,151,380,079
D. TECHNICAL PROVISIONS WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND ARISING FROM PENSION FUND MANAGEMENT				
I - Provisions relating to contracts connected to investment funds and market indices			125 353,917,050	
II - Provisions arising from pension fund management			126 4,182,234,951	127 4,536,152,001
		to be carried forward		51,227,690,375

AMOUNTS FOR THE PREVIOUS YEAR				
		281	2,031,445,960	
		282	407,255,806	
		283	96,559,196	
		284	399,225,890	
		285		
		500	12,814,947	
		287	2,069,918,902	
		288		
		289	555,722,131	
		501	(76,561,166)	290 5496381666
				291 2,011,689,000
	292	2,651,229,407		
	293	12,433,917,046		
	294	9,627,491		
	295	5,503,511		
	296	67,143,991	297 15,167,421,446	
	298	23,106,133,597		
	299	1,072,264		
	300	401,258,127		
	301	6,042,897		
	302	95,237,559	303 23,609,744,444	304 38,777,165,890
			305 348,971,463	
			306 3,575,690,144	307 3,924,661,607
	to be carried forward			50,209,898,163

## 2 Financial Statements for the year 2016

### Statement of financial position

#### LIABILITIES AND SHAREHOLDERS' EQUITY

	AMOUNTS FOR THE YEAR			
	amount carried forward			
				51,227,690,375
E. PROVISIONS FOR RISKS AND CHARGES				
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	553,837,193
F. DEPOSITS RECEIVED FROM REINSURERS				224,767,060
G. PAYABLES AND OTHER LIABILITIES				
I -Payables arising from direct insurance business, to:				
1. Insurance intermediaries	133	41,918,411		
2. Insurance company current accounts	134	18,509,748		
3. Policyholders for guarantee deposits and premiums	135	15,831,947		
4. Guarantee funds in favour of the policyholders	136	80,205	137	76,340,311
II -Payables arising from reinsurance business, to:				
1. Insurance and reinsurance companies	138	70,156,832		
2. Reinsurance intermediaries	139	366,127	140	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	152,276,388		
2. Sundry tax payables	147	28,668,737		
3. Social security charges payable	148	31,194,061		
4. Sundry payables	149	237,059,305	150	449,198,491
IX -Other liabilities				
1. Transitory reinsurance accounts	151			
2. Commissions for premiums under collection	152	92,894,517		
3. Sundry liabilities	153	825,645,816	154	918,540,333
155				1,584,540,507
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				52,212,291
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>				<b>53,643,047,426</b>
			160	

AMOUNTS FOR THE 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
			312 174,111,508
	313	38,782,775	
	314	21,941,758	
	315	15,908,610	
	316	23,468	317 76,656,611
	318	78,575,395	
	319	362,162	320 78,937,557
			321
			322
			323 3,859,737
			324 14,943,882
			325 55,838,675
	326	154,226,731	
	327	27,202,500	
	328	30,438,619	
	329	202,404,713	330 414,272,563
	331		
	332	89,937,776	
	333	671,208,420	334 761,146,196
			335 1,405,655,221
		336	48,148,298
		337	314,560
		338	62,983
			339 48,525,841
			340 52,464,763,178



## 2 Financial Statements for the year 2016

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

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### Legal representatives of the Company (\*)

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#### The Chairman

Carlo Cimbri

(\*\*\*)

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

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

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## Financial statements

### Income statement Year 2016

Amounts in €

Annex II

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#### Company

UnipolSai Assicurazioni S.p.A.

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#### Share capital

Subscribed € 2,031,456,338

Paid-up € 2,031,456,338

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#### Registered Office at

BOLOGNA - Via Stalingrado 45

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#### Bologna Register of Companies

N° 00818570012

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## 2 Financial Statements for the year 2016

### 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

AMOUNTS FOR THE PREVIOUS YEAR			
		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

## 2 Financial Statements for the year 2016

### Income Statement

	AMOUNTS FOR THE YEAR			
<b>II. LIFE BUSINESS TECHNICAL ACCOUNT</b>				
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:				
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				
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				
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

AMOUNTS FOR THE PREVIOUS YEAR			
		140	3,419,906,116
		141	8,522,657
			142 3,411,383,459
		143	43,114,640
(of which: from group companies and other investees		144	19,134,419 )
	145	256,149	
	146	986,575,624	147 986,831,773
(of which: from group companies and other investees			148 7,180,539 )
			149 17,475,542
		150	257,989,199
(of which: from group companies and other investees			151 )
			152 1,305,411,154
			153 185,095,761
			154 20,223,510
	155	2,885,055,175	
	156	17,737,982	157 2,867,317,193
	158	168,209,685	
	159	(3,422,334)	160 171,632,019
			161 3,038,949,212
	162	860,750,368	
	163	(15,721,190)	164 876,471,558
	165	423,652	
	166	(1)	167 423,653
	168	(5,365,195)	
	169		170 (5,365,195)
	171	162,520,423	
	172		173 162,520,423
			174 1,034,050,439

## 2 Financial Statements for the year 2016

### Income Statement

	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
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
10. UNREALISED ASSET AND FINANCIAL CHARGES RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT				77
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE				78
12. (-) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (item III.4)				79
13. LIFE BUSINESS TECHNICAL RESULT (Item II.2)				80
III. NON-TECHNICAL ACCOUNT				
1. NON-LIFE BUSINESS TECHNICAL RESULT (Item I.10)				81
2. LIFE BUSINESS TECHNICAL RESULT (item II.13)				82
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

AMOUNTS FOR THE PREVIOUS YEAR				
			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
				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



## 2 Financial Statements for the year 2016

### 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

## 2 Financial Statements for the year 2016

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

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**Legal representatives of the Company (\*)**

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**The Chairman**

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Carlo Cimbri

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(\*\*\*)

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

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

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**NOTES  
TO THE FINANCIAL  
STATEMENTS**

## 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 €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 UnipolSai, 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 €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 €98,789k, corresponding to the excess of the investment posted in the Life business (€110,883k) compared to the net assets acquired in the Life business consequently to the incorporation of Liguria Vita (€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 €4,514k, the share capital increase of UnipolSai for €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.



### 3 Notes to the Financial Statements

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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

Amounts in €k	31/12/2015 Originally approved	New accounting standards effect		31/12/2015 Restated
		Dividends	Treasury shares	
<b>ASSETS</b>				
<b>A. Subscribed capital, unpaid</b>				
<b>B. Intangible assets</b>				
1. Acquisition expenses to be amortised	73,953			73,953
2. Other assets	775,170			775,170
<b>Total</b>	<b>849,123</b>			<b>849,123</b>
<b>C. Investments</b>				
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
<b>Total investments in group companies and other investees</b>	<b>2,469,317</b>			<b>2,469,317</b>
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
<b>Total other financial investments</b>	<b>36,713,939</b>			<b>36,713,939</b>
IV - Deposits with ceding companies	26,087			26,087
<b>Total</b>	<b>41,935,380</b>			<b>41,935,380</b>
<b>D. Investments benefiting life business policyholders that bear the risk and investments arising from pension funds management</b>				
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
<b>Total</b>	<b>3,924,830</b>			<b>3,924,830</b>
<b>D. bis Technical Provisions - reinsurers' share</b>				
I - Non-life business technical provisions	553,485			553,485
II - Life business technical provisions (excl. technical provisions under 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				
<b>Total</b>	<b>624,433</b>			<b>624,433</b>
<b>E. Receivables</b>				
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
<b>Total</b>	<b>3,019,779</b>	<b>(37,495)</b>		<b>2,982,284</b>
<b>F. Other assets</b>				
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
<b>Total</b>	<b>1,775,651</b>		<b>(28,979)</b>	<b>1,746,672</b>
<b>G. Accruals and deferrals</b>	<b>402,041</b>			<b>402,041</b>
<b>TOTAL ASSETS</b>	<b>52,531,237</b>	<b>(37,495)</b>	<b>(28,979)</b>	<b>52,464,763</b>

## Restatement of 2015 figures resulting from the change of accounting standards

### Statement of financial position

Amounts in €k	31/12/2015 Originally approved	New accounting standards effect		31/12/2015 Restated
		Dividends	Treasury shares	
<b>LIABILITIES</b>				
<b>A. Shareholders' equity</b>				
I - Subscribed capital or equivalent reserve	2,031,446			2,031,446
II - Share premium reserve	407,256			407,256
III - Legal reserve	399,226			399,226
IV - Other equity reserves	2,167,466	(35,879)	47,706	2,179,293
V - Retained profit (loss)				
VI - Profit (loss) for the year	556,333	(487)	(124)	555,722
VII - Negative reserve for treasury shares			(76,561)	(76,561)
<b>Total</b>	<b>5,561,727</b>	<b>(36,366)</b>	<b>(28,979)</b>	<b>5,496,382</b>
<b>B. Subordinated liabilities</b>	<b>2,011,689</b>			<b>2,011,689</b>
<b>C. Technical provisions</b>				
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
<b>Total non-life technical provisions</b>	<b>15,167,421</b>			<b>15,167,421</b>
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
<b>Total life business technical provisions</b>	<b>23,609,744</b>			<b>23,609,744</b>
<b>Total</b>	<b>38,777,166</b>			<b>38,777,166</b>
<b>D. Technical provisions where the investment risk is borne by policyholders and investments arising from pension fund management</b>				
I - 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
<b>Total</b>	<b>3,924,662</b>			<b>3,924,662</b>
<b>E. Provisions for risks and charges</b>	<b>627,701</b>	<b>(1,129)</b>		<b>626,572</b>
<b>F. Deposits received from reinsurers</b>	<b>174,112</b>			<b>174,112</b>
<b>G. Payables and other liabilities</b>				
I - 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
<b>Total</b>	<b>1,405,655</b>			<b>1,405,655</b>
<b>H. Accruals and deferrals</b>	<b>48,526</b>			<b>48,526</b>
<b>TOTAL LIABILITIES</b>	<b>52,531,237</b>	<b>(37,495)</b>	<b>(28,979)</b>	<b>52,464,763</b>

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

Amounts in €k	31/12/2015 Originally approved	New accounting standards effect		31/12/2015 Restated
		Dividends	Treasury shares	
<b>I. NON-LIFE BUSINESS TECHNICAL ACCOUNT</b>				
1. Earned premiums, net of reinsurance	6,715,379			6,715,379
2. (+) Share of profits on investments transferred from the non-technical account (item III.6)	346,323			346,323
3. Other technical income, net of reinsurance	42,924			42,924
4. Charges relating to claims, net of amounts recovered and reinsurance	4,410,603			4,410,603
5. 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
<b>Total</b>	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	<b>696,978</b>			<b>696,978</b>
<b>II. LIFE BUSINESS TECHNICAL ACCOUNT</b>				
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
<b>Total</b>	1,310,365	(4,954)		1,305,411
3. Unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management	185,096			185,096
4. Other technical income, net of reinsurance	20,224			20,224
5. Charges relating to claims, net of reinsurance	3,038,949			3,038,949
6. 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	162,520			162,520
<b>Total</b>	1,034,050			1,034,050
7. Reversals and profit sharing, net of reinsurance	1,288			1,288
8. Operating expenses				
a) Acquisition costs net of commissions and profit sharing received from reinsurers	82,519			82,519
b) Administrative expenses	71,741			71,741
<b>Total</b>	154,260			154,260

## Restatement of 2015 figures resulting from the change of accounting standards

### Income Statement

Amounts in €k	31/12/2015 Originally approved	New accounting standards effect		31/12/2015 Restated
		Dividends	Treasury shares	
<b>9. Asset and financial charges</b>				
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
<b>Total</b>	<b>488,613</b>			<b>488,613</b>
<b>10 Unrealised asset and financial charges relating to investments arising from pension fund management</b>	<b>87,590</b>			<b>87,590</b>
<b>11. Other technical charges, net of reinsurance</b>	<b>29,255</b>			<b>29,255</b>
<b>12 (-) Share of profits on investments transferred to the non-technical account (item III. 4)</b>	<b>85,668</b>			<b>85,668</b>
<b>13 Life business technical result</b>	<b>7,393</b>	<b>(4,954)</b>		<b>2,440</b>
<b>III. NON-TECHNICAL ACCOUNT</b>				
<b>1. Non-Life business technical result (item I. 10)</b>	<b>696,978</b>			<b>696,978</b>
<b>2. Life business technical result (item II. 13)</b>	<b>7,393</b>	<b>(4,954)</b>		<b>2,440</b>
<b>3. Gains on Non-Life business investments</b>				
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
<b>Total</b>	<b>1,037,716</b>	<b>4,289</b>		<b>1,042,005</b>
<b>4. (+) Share of profits on investments transferred from the Life business technical account (item II. 12)</b>	<b>85,668</b>			<b>85,668</b>
<b>5. Non-Life business asset and financial charges</b>				
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
<b>Total</b>	<b>579,801</b>			<b>579,801</b>
<b>6. (-) Share of profits on investments transferred to the Non-Life business technical account (item I. 2)</b>	<b>346,323</b>			<b>346,323</b>
<b>7. Other income</b>	<b>201,195</b>		<b>(124)</b>	<b>201,072</b>
<b>8. Other charges</b>	<b>430,490</b>			<b>430,490</b>
<b>9. Profit (loss) from ordinary operations</b>	<b>672,338</b>	<b>(665)</b>	<b>(124)</b>	<b>671,549</b>
<b>10 Extraordinary income</b>	<b>253,856</b>			<b>253,856</b>
<b>11. Extraordinary expenses</b>	<b>50,725</b>			<b>50,725</b>
<b>12 Profit (loss) from extraordinary operations</b>	<b>203,131</b>			<b>203,131</b>
<b>13 Pre-tax profit (loss)</b>	<b>875,469</b>	<b>(665)</b>	<b>(124)</b>	<b>874,680</b>
<b>14 Income tax on profit (loss) for the year</b>	<b>319,136</b>	<b>(178)</b>		<b>318,958</b>
<b>15 Profit (loss) for the period</b>	<b>556,333</b>	<b>(487)</b>	<b>(124)</b>	<b>555,722</b>

### 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)).



### 3 Notes to the Financial Statements

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

#### for the Non-Life business

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

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

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

#### Shares and mutual fund units

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

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

#### Bonds and other fixed-yield securities

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

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

#### Loans

They are recognised at their estimated realisable value.

#### Financial derivatives

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

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

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.

## 3 Notes to the Financial Statements

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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.

## 3 Notes to the Financial Statements

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### *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.



## 3 Notes to the Financial Statements

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### *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 €870,516k, decreasing by €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 €77,679k, €49,747k of which in the Life business and €27,932k in the Non-Life business. The item increased by €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.

### 3 Notes to the Financial Statements

- the deficit emerging from the merger by incorporation of UnipolSai Real Estate, Europa Tutela Giudiziaria, Sai Holding, Systema and UnipolSai Servizi Tecnologici into UnipolSai, which took place on 31 December 2015 with accounting effect on 1 January 2015 for a residual amount of €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 €172,415k (item B5), increased by €31,366k compared to the post merger aggregate figure. Of this item, €5,515k referred to the Life business and €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 €83,135k, for which direct acquisition in period are reported for €10,980k. The most noteworthy projects in progress were the new claims platform (€4,113k), the new Group MV System (€1,528k), the project for the evolution of technological and applicative architectures (€1,654k), the DWH integration project (€444k), the IT- accounting system integration project totalling €511k and lastly the integration of the investments of the Solvency project for €2,312k. Moreover, there was an increase of €14,558k attributable to capitalised invoices on properties owned by third parties for improvements made.

The Trademarks item totalled €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:

<i>Amounts in €k</i>	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
<b>Total</b>	<b>2,923,214</b>	<b>381,689</b>	<b>2,541,526</b>

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 €58,751k 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 €199,269k compared to the relevant carrying amount.

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

<i>Amounts in €k</i>	
<b>Movements during the period</b>	<b>2016</b>
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
<b>Gross property at 31/12/2016</b>	<b>2,924,344</b>
Accum. depreciation previous year	353,121
Amount of depreciation for the year	56,429
Decreases for disposals	26,732
<b>Accumulated depreciation at 31 December</b>	<b>382,819</b>
<b>Net property at 31/12/2016</b>	<b>2,541,526</b>

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.

### 3 Notes to the Financial Statements

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).

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

#### *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 €2,155,862k versus €2,118,317k, with a net increase of €37,545k. The changes in the period were as follows:

<i>Amounts in €k</i>	<b>2016</b>
<b>Movements during the period</b>	
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)
<b>Balance at 31/12/16</b>	<b>2,155,862</b>

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..
- Sainernational 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.

### 3 Notes to the Financial Statements

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- 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 €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-Novu 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 €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 €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.



## 3 Notes to the Financial Statements

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**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 €12,603k had been booked, all classified under long-term investments with a net decrease of €10,193k (€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 €328,103k at 31 December 2016, with a decrease of €-101k compared to the post merger aggregate figure.

The item comprises two loans started in 2009 for €267,785k after the Company took over the role of issuer, replacing the holding company Unipol Gruppo 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:

<i>Amounts in €k</i>		
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
<b>Total</b>	<b>58,775</b>	<b>60,419</b>

The loan to the company Metropolis of the nominal amount of €4,144k, entirely covered by a bad debt provision at 31 December 2015 was partially repaid for €985k. The residual balance at December 2016 of €3,160k was removed by recording a loss on loans for the entire amount. Also the amount of €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 €37,224,042k, increasing by €76,539k (+0.2%) compared to the post merger aggregate figure. The main components can be summed up as follows:

<i>Amounts in €k</i>	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
<b>Total</b>	<b>37,224,042</b>	<b>36,713,939</b>	<b>510,103</b>	<b>37,147,504</b>	<b>76,539</b>
					<b>0.2%</b>

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

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

### 3 Notes to the Financial Statements

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:

<i>Amounts in €k</i>	
<b>Non Life- Business</b>	<b>2016</b>
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
<b>Total</b>	<b>11,691,058</b>

Total long-term investments in the Non-Life business at 31 December 2016 amounted to €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 €291,705k, 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.

<i>Amounts in €k</i>	
<b>Life- Business</b>	<b>2016</b>
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
<b>Total</b>	<b>25,204,540</b>

(\*) Except those covering defined benefit policies

Total long-term investments in the Life business at 31 December 2016 amounted to €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 €42,793k, 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 €3,772K and resulted in net losses being posted for €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 €554,866k, decreased by €51,221k compared to the post merger aggregate figure (-8.5%). Net value adjustments recognised at year end amounted to €9,103k.

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

At the end of 2015, UnipolSai undertook to participate with a total investment of €100,000k 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 €61,670k were restated, but note that on 3 January 2017, an additional payment of €21,573k 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 €100,000k, of which €698k paid at 31 December 2016.

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

<i>Amounts in €k</i>	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)
<b>Total</b>	<b>34,454,109</b>	<b>100.0</b>	<b>33,977,193</b>	<b>476,916</b>	<b>34,403,215</b>	<b>50,894</b>
						<b>0.1%</b>

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 €36,856,039, are recorded in the financial statements for €34,305,110k. If measured based on the average of the December 2016 prices, these securities would amount to a total of €37,657,962k.

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

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

### 3 Notes to the Financial Statements

The unlisted securities, for the nominal amount of €206,378k, are recorded in the financial statements for €147,369k. If measured based on the year end market values, these securities would amount to a total of €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 €130,000k) per issuer party is provided hereunder.

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

*Amounts in €k*

Issuer	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
<b>Total</b>	<b>25,855,959</b>

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 Tier 2: 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

Issuer	Currency	Carrying amount 31/12/16	Interest rate	Maturity	Early repayment	Level of 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	TIER 1
ACHMEA B.V.	EUR	55,021	FIX TO FLOATER	PERPETUAL	YES	TIER 1
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	TIER 1
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	TIER 1
AMERICA MOVIL SAB DE CV	EUR	20,422	FIX TO FLOATER	06/09/2023	YES	TIER 1
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
AVIVA PLC	EUR	41,861	FIX TO FLOATER	04/12/2045	YES	LOWER TIER 2
AVIVA PLC	EUR	13,655	FIX TO FLOATER	12/09/2049	YES	LOWER TIER 2
AXA SA	EUR	35,744	FIX TO FLOATER	06/07/2047	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	TIER 1
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 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	TIER 1
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	TIER 1
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	TIER 1
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	TIER 1
BANK OF NEW YORK	EUR	24,634	INDEXED	15/12/2050	NO	TIER 1
BANK OF NEW YORK	EUR	1,603	INDEXED	PERPETUAL	NO	TIER 1
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
BARCLAYS PLC	EUR	82,758	FIX TO FLOATER	11/11/2025	YES	LOWER TIER 2
BARCLAYS PLC	EUR	82,621	FIX TO FLOATER	PERPETUAL	YES	TIER 1
BAYER AG	EUR	72,992	FIX TO FLOATER	PERPETUAL	YES	TIER 1
BBVA INTL PREF	EUR	39,444	FIX TO FLOATER	PERPETUAL	YES	TIER 1
BBVA INTL PREF	EUR	4,475	INDEXED	PERPETUAL	YES	TIER 1

### 3 Notes to the Financial Statements

Amounts in €k

Issuer	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	TIER 1
BHP BILLITON FIN	EUR	2,000	FIX TO FLOATER	PERPETUAL	YES	TIER 1
BNP PARIBAS CARDIF SA	EUR	94,803	FIX TO FLOATER	PERPETUAL	YES	TIER 1
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	TIER 1
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	TIER 1
CENTRICA PLC	EUR	43,075	FIX TO FLOATER	PERPETUAL	YES	TIER 1
CITIGROUP INC	EUR	28,351	FIXED	20/11/2026	NO	LOWER TIER 2
CITIGROUP INC	EUR	1,600	INDEXED	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
CLOVERIE PLC ZURICH INS	EUR	16,454	FIXED	PERPETUAL	YES	TIER 1
CNP ASSURANCES	EUR	16,954	FIXED	20/10/2022	NO	TIER 3
CNP ASSURANCES	EUR	42,404	FIX TO FLOATER	05/06/2045	YES	LOWER TIER 2
CNP ASSURANCES	EUR	18,918	FIX TO FLOATER	10/06/2047	YES	LOWER TIER 2
CNP ASSURANCES	EUR	4,446	FIX TO FLOATER	30/09/2041	YES	LOWER TIER 2
CNP ASSURANCES	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	TIER 1
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	TIER 1
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	TIER 1
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	TIER 1
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
DELTA LLOYD NV	EUR	29,596	FIX TO FLOATER	PERPETUAL	YES	LOWER TIER 2
DEMETER (SWISS LIFE)	EUR	68,071	FIX TO FLOATER	PERPETUAL	YES	TIER 1
DEMETER (ZURICH INS)	EUR	30,984	FIX TO FLOATER	01/10/2046	YES	LOWER TIER 2

## Amounts in €k

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	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	TIER 1
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	TIER 1
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	TIER 1
DONG A/S	EUR	27,256	FIX TO FLOATER	PERPETUAL	YES	TIER 1
ELECTRICITE DE FRANCE SA	EUR	17,968	FIX TO CMS	PERPETUAL	YES	TIER 1
ELECTRICITE DE FRANCE SA	EUR	81,527	FIX TO FLOATER	PERPETUAL	YES	TIER 1
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-WUERTEMBERG	EUR	24,773	FIX TO FLOATER	02/04/2021	YES	TIER 1
ENBW ENERGIE BADEN-WUERTEMBERG	EUR	16,305	FIX TO FLOATER	05/04/2022	YES	TIER 1
ENEL SPA	EUR	48,855	FIX TO CMS	15/01/2020	YES	TIER 1
ENEL SPA	EUR	16,521	FIX TO CMS	15/09/2021	YES	TIER 1
ENERGIAS DE PORTUGAL	EUR	15,620	FIX TO FLOATER	16/03/2021	YES	TIER 1
ENGIE (EX GDF SUEZ)	EUR	10,211	FIX TO FLOATER	PERPETUAL	YES	TIER 1
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	TIER 1
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	TIER 1
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	TIER 1
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	TIER 1
HUTCHISON WHAMPOA KY	EUR	9,857	FIX TO FLOATER	PERPETUAL	YES	TIER 1
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	TIER 1
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	TIER 1
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 VITA SPA	EUR	26,239	FIX TO FLOATER	PERPETUAL	YES	TIER 1
KBC GROEP NV	EUR	19,148	FIX TO FLOATER	11/03/2027	YES	LOWER TIER 2
KBC GROEP NV	EUR	4,995	FIX TO FLOATER	25/11/2024	YES	LOWER TIER 2
KBC GROEP NV	EUR	47,986	FIX TO FLOATER	PERPETUAL	YES	TIER 1



*Amounts in €k*

Issuer	Currency	Carrying amount 31/12/16	Interest rate	Maturity	Early repayment	Level of 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	TIER 1
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	TIER 1
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	TIER 1
NATIXIS	EUR	12,000	CMS/CMT	PERPETUAL	YES	TIER 1
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	TIER 1
NORDEA BANK AB	EUR	7,548	FIX TO CMS	15/02/2022	YES	LOWER TIER 2
NORDEA BANK AB	EUR	58,150	FIX TO FLOATER	PERPETUAL	YES	TIER 1
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	TIER 1
ORANGE SA (EX FRANCE TELECOM)	EUR	57,017	FIX TO FLOATER	PERPETUAL	YES	TIER 1
ORIGIN ENERGY FINANCE LTD	EUR	52,456	FIX TO FLOATER	16/09/2019	YES	TIER 1
POSTE VITA SPA	EUR	14,170	FIXED	30/05/2019	NO	LOWER TIER 2
PRUDENTIAL PLC	EUR	56,624	FIX TO FLOATER	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	TIER 1
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	28/05/2024	NO	LOWER TIER 2
ROYAL BANK OF SCOTLAND GROUP	EUR	44,710	FIXED	PERPETUAL	YES	TIER 1
ROYAL BANK OF SCOTLAND GROUP	EUR	61,013	FIX TO FLOATER	25/03/2024	YES	LOWER TIER 2
ROYAL BANK OF SCOTLAND GROUP	EUR	68,582	FIX TO FLOATER	PERPETUAL	YES	TIER 1
RSA INSURANCE GROUP PLC	EUR	9,442	FIX TO FLOATER	PERPETUAL	YES	TIER 1
RWE AG	EUR	31,309	FIX TO FLOATER	21/10/2020	YES	TIER 1
RWE AG	EUR	29,242	FIX TO FLOATER	PERPETUAL	YES	TIER 1
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
SCOR SA	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	TIER 1
SKANDINAVISKA ENSKILDA BANKEN	EUR	60,524	FIX TO FLOATER	PERPETUAL	YES	TIER 1

*Amounts in €k*

Issuer	Currency	Carrying amount 31/12/16	Interest rate	Maturity	Early repayment	Level of 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	TIER 1
SOCIÉTÉ EUROPEENNE SATELLITE	EUR	53,081	FIX TO FLOATER	PERPETUAL	YES	TIER 1
SOGECAP SA	EUR	99,239	FIX TO FLOATER	PERPETUAL	YES	TIER 1
SOLVAY FINANCE SA	EUR	5,000	FIX TO FLOATER	PERPETUAL	YES	TIER 1
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	TIER 1
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	TIER 1
SWEDBANK AB	EUR	11,384	FIX TO FLOATER	PERPETUAL	YES	TIER 1
SYNETERISTIKI INSURANCE CO. INC.	EUR	1,500	INDEXED	PERPETUAL	YES	TIER 1
TDC A/S	EUR	14,333	FIX TO FLOATER	PERPETUAL	YES	TIER 1
TELEFONICA EUROPE BV	EUR	41,664	FIXED	PERPETUAL	YES	TIER 1
TELEFONICA EUROPE BV	EUR	29,454	FIX TO FLOATER	PERPETUAL	YES	TIER 1
TOTAL SA	EUR	62,685	FIX TO FLOATER	PERPETUAL	YES	TIER 1
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	TIER 1
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	TIER 1
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	TIER 1
VONOVIA BV	EUR	5,075	FIX TO FLOATER	PERPETUAL	YES	TIER 1
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
<b>Total</b>		<b>7,662,647</b>				

### 3 Notes to the Financial Statements

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

<i>Amounts in €k</i>	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 €106,582k, refers to term "bank deposits" with a duration of more than 15 days, with a decrease by €60,826k compared to the post merger aggregate figure.

The deposits started on 31 December 2015 for a total nominal value of €150,000k 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:

<i>Amounts in €k</i>	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)
<b>Total</b>	<b>86,525</b>	<b>83,147</b>	<b>3,378</b>	<b>83,147</b>	<b>3,378</b>
					<b>4.1%</b>

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 €19,108k, decreasing by €3,917k 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 €354,016k, which increased by €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 €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 "Fondiarria 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";

### 3 Notes to the Financial Statements

- 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 €644,450k. The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	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
<b>Total</b>	<b>644,450</b>	<b>624,433</b>	<b>20,018</b>	<b>677,585</b>	<b>(33,134)</b>
					<b>(4.9)%</b>

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 €3,092,084k. The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	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
<b>Total</b>	<b>3,092,084</b>	<b>2,982,284</b>	<b>109,800</b>	<b>3,044,008</b>	<b>48,076</b>
					<b>1.6%</b>

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 €67,985k was made. The write-down was made taking into account the historic trend on the non-recoverability of the receivables in subsequent periods. Significant unit amounts in the receivables of doubtful collection are not reported. The movements of provisions for adjustments are as follows:

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

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

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

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

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

<i>Amounts in €k</i>	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)
<b>Total</b>	<b>1,364,251</b>	<b>1,169,059</b>	<b>195,192</b>	<b>1,202,469</b>	<b>161,782</b>
					<b>13,5%</b>

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 3 November 2014, of a settlement agreement whereby MMA undertook to pay to UnipolSai the differential between the net amount paid and the value of the provisions at 31 December 2004 (the net amount paid being the algebraic sum of claims paid, direct expenses, direct liquidation expenses, indirect liquidation expenses, amounts recovered from policyholders and reinsurers' shares), determined by an independent Auditor (KPMG).

The agreement also prescribes periodic checks on the net incremental amount paid accrued at 30 June and at 31 December of each year.

As agreed in the settlement, UnipolSai, following the payment of the first differential on the Net amount paid, delivered to MMA the bank guarantees issued on 3 April 2008 and consent for their release, in view of the delivery by MMA of a new first demand bank guarantee of the amount of €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 €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 €178,547k was made. Of it, €73,800k were for the above-mentioned receivables from Avvenimenti e Sviluppo Alberghiero and €62,223k 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:

<i>Amounts in €k</i>	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
<b>Total</b>	<b>1,782,704</b>	<b>1,746,672</b>	<b>36,031</b>	<b>1,771,067</b>	<b>11,637</b>
					<b>0.7%</b>

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

<i>Amounts in €k</i>	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
<b>Total</b>	<b>85,487</b>	<b>79,193</b>	<b>6,294</b>

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).



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

<i>Amounts in €k</i>	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)
<b>Total</b>	<b>1,348,061</b>	<b>1,278,496</b>	<b>69,565</b>	<b>1,278,872</b>	<b>69,190</b>
					<b>5.4%</b>

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 €7,667k and refers to the measurement of forward currencies for €5,645k and asset swaps for €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:

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

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:

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

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

### 3 Notes to the Financial Statements

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 €1,386.27.

At 31 December 2016, the share capital amounted to €2,031,456k, subscribed and fully paid-up, consisting of 2,829,717,372 ordinary shares, all with no nominal value.

Details of the equity reserves (items from A.II to A.VII), which at 31 December 2016 totalled €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)
<b>Total</b>	<b>3,038,534</b>	<b>2,909,214</b>	<b>129,320</b>
			<b>4.4%</b>

#### 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"<sup>(\*)</sup>). *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"<sup>(\*)</sup>). 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"<sup>(\*)</sup>). 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.

### 3 Notes to the Financial Statements

- €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"<sup>(\*)</sup>). 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 €74,008k. Considering the portion of own subordinated liabilities held by the Company, net interest amounted to €73,126k.

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

Their breakdown and changes are provided on the following statement:

<i>Amounts in €k</i>	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)
<b>Total</b>	<b>39,151,380</b>	<b>38,777,166</b>	<b>374,214</b>	<b>39,213,190</b>	<b>(61,810)</b>
					<b>(0.2)%</b>

#### *Non-Life business technical provisions*

The Non-Life business technical provisions at 31 December 2016 totalled €14,763,165k (€-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*

Class	Unearned premiums 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
<b>Total direct business</b>	<b>2,634,187</b>	<b>215</b>	<b>2,634,402</b>
Indirect business	2,252		2,252
<b>Total</b>	<b>2,636,438</b>	<b>215</b>	<b>2,636,654</b>

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:

### 3 Notes to the Financial Statements

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- 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 €28k was thus zeroed.

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

<i>Amounts in €k</i>	<b>2016</b>
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
<b>Total</b>	<b>69,920</b>
Indirect business	11
<b>Total</b>	<b>69,931</b>

#### ***Claims provision:***

The claims provision (direct and indirect business) amounted to €12,039,366k, a substantial drop compared to the post merger aggregate figure of €12,700,411k. 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.



### 3 Notes to the Financial Statements

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Attribution to the single classes (for the not directly allocated expenses) and to generation for the year is done according to the claims paid.

The provision for direct and indirect settlement expenses was measured by applying, per year of occurrence of the claims, the percentage obtained from the historic analysis of the incidence of the expenses paid on the indemnities to the amount of the provisions estimated at final cost.

The provision for claims incurred but not reported is calculated based on the provisions of Art. 29 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations, with the frequency of the claims and average cost measured separately.

The final figures recorded in the year with regard to what is forecast at the end of the previous year are also considered for the allocations. For more details on the methods used to calculate the claims provision, please refer to section A of these notes.

The changes in the year in the premium provision components (item C.I.1) and the Non-Life claims provision (item C.I.2) are indicated in Annex 13.

#### *Life Business Technical Provisions*

The Life business technical provisions at 31 December 2016 amounted to a total of €24,388,216k (€23,742,472k the post merger aggregate figure). The increase was €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 €288,518k (€403,220k at 31 December 2015), €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 €94,486k at 31 December 2016 (€96,390k the post merger aggregate figure) almost entirely referred to allocations for operating expenses and are broken down by class as follows:

<i>Amounts in €k</i>	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)
<b>Total</b>	<b>94,486</b>	<b>95,238</b>	<b>(752)</b>	<b>96,390</b>	<b>(1,904)</b>

### 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 €4,536,152k, increasing by €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:

<i>Amounts in €k</i>	2016
Sub - Funds	
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
Previcoper Sicuro gar.	142,360
F.do Pens. Cooperlavoro Sicurezza Gar	181,555
<b>Total</b>	<b>4,536,152</b>

### 3 Notes to the Financial Statements

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 €9k.

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

Item E states the balances of the provisions specified hereunder:

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

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

<i>Amounts in €k</i>	Aggregated at 31/12/2015	Uses/ Excess	Provisions	31/12/16
<b>Provisions for risks and charges</b>				
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
<b>Total</b>	<b>629,741</b>	<b>147,551</b>	<b>71,647</b>	<b>553,837</b>

The provision for future charges, which amounted to €342,787k, decreased by €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, €28,662k, include items pertaining to current and potential tax disputes, of which €12,848k for disputes and €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:

1. 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;

## 3 Notes to the Financial Statements

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2. 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. 1/744 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 by Ms. Jonella Ligresti and Mr. Emanuele Erbetta, acting in the above mentioned capacities.

Consob also made the same charge against Milano Assicurazioni. In this regard, pursuant to Art.187-septies, paragraph 1 of the Consolidated Law on Finance, the Commission charged Mr. Emanuele Erbetta, for the role he held in the subsidiary at the time of the events, with the violation established in Art.187-ter, paragraph 1, of the Consolidated Law on Finance. Milano Assicurazioni is also charged with this violation as a party bearing joint and several liability. It is also charged with the offence set forth in Art.187-quinquies, paragraph 1, letter a), of the Consolidated Law on Finance for the aforementioned violation of Art. 187-ter, paragraph 1 of the Consolidated Law on Finance by Mr. Emanuele Erbetta, acting in the above mentioned capacity.

Fondiarria-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 €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 Fondiarria-SAI and Milano Assicurazioni**

On 17 October 2011, Amber Capital LP, fund manager of Amber Global Opportunities Master Fund Ltd, a Fondiarria-SAI shareholder, in accordance with Art. 2408 of the Civil Code, informed the Board of Statutory Auditors of Fondiarria-SAI of various transactions carried out by companies in the Fondiarria-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 Fondiarria-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 Fondiarria-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 Fondiarria-SAI with significant irregularities pursuant to Art.229 of the Private Insurance Code, with particular reference to a number of transactions implemented by Fondiarria-SAI and its subsidiaries with counterparties qualifying as related parties of Fondiarria-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 Fondiarria-SAI to remedy the violations and the relative effects.

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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 also have been responsible for the violation of said regulations and procedures; (iii) the statutory auditors who would have also been responsible for the damages suffered by the companies in the Fondiaria-SAI Group due to the violation of Articles 2403 and 2407 of the Civil Code and Art. 149 of the Consolidated Law on Finance.

The liability of members of the Ligresti family in relation to the transaction in question (as with the transactions already involved in the liability actions of the Commissioner) would derive not only from the violation of their duties of the offices of director formally held in Fondiaria-SAI and Milano Assicurazioni but also (aa) from the “unitary management” they would have illegitimately exercised over companies in the Fondiaria-SAI Group by helping to approve and implement the transactions constituting a “conflict of interests” and “in violation of the principles of correct corporate and business management” (pursuant to Art. 2497 of the Civil Code); (bb) the de facto interference (in particular from Mr. Salvatore Ligresti) in the administration of the companies in the Fondiaria-SAI Group (in accordance with Art. 2392 of the Civil Code).

Consequently, on 30 July 2013 the ordinary shareholders’ meetings of Fondiaria-SAI and Milano Assicurazioni resolved to promote corporate liability action pursuant to Articles 2392 and 2393 of the Civil Code and, to the extent they may apply, Articles 2043 and 2497 of the Civil Code, against certain former de facto and official directors of Fondiaria-SAI and Milano Assicurazioni, regardless of their particular offices held and even if no formal office was held; certain former directors of Fondiaria-SAI and Milano Assicurazioni and, pursuant to Art. 2407 of the Civil Code, against certain members of the Board of Statutory Auditors of Fondiaria-SAI and Milano Assicurazioni. In connection with the resolutions mentioned above, UnipolSai (formerly Fondiaria-SAI) served the writ of summons. 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 Castilia 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 €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 €73,800k. Therefore, the net receivable to date amounts to approximately €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.



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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 €211,434k (the post merger aggregate figure) to €224,767k at the end of 2016, marking a €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:

### 3 Notes to the Financial Statements

*Amounts in €k*

Items	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
G.I Payables arising from direct insurance business	76,340	76,657	(316)	79,195	(2,855)
G.II Payables arising from reinsurance	70,523	78,938	(8,415)	78,963	(8,440)
G.V Collateralised payables	3,370	3,860	(490)	3,860	(490)
G.VI Sundry loans and other financial payables	11,994	14,944	(2,950)	14,944	(2,950)
G.VII Post-employment benefits	54,574	55,839	(1,264)	56,425	(1,850)
G.VIII Other payables	449,198	414,273	34,926	420,637	28,561
G.IX Other liabilities	918,540	761,146	157,394	770,750	147,790
<b>Total</b>	<b>1,584,541</b>	<b>1,405,655</b>	<b>178,885</b>	<b>1,424,774</b>	<b>159,766</b>
					<b>11.2%</b>

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

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

Item G.V "collateralised payables", at 31 December 2016 amounted to €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 Forlì	1,730
	<b>3,370</b>

Item G.VI "sundry loans and other financial payables", which amounted to €11,994k, at 31 December 2016 referred entirely to financial payables: In particular, the item comprises €6,534k for premiums collected in relation to the put options on equities and €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 €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 €449,198k, up by €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:

<i>Amounts in €k</i>	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
<b>Total</b>	<b>237,059</b>	<b>202,405</b>	<b>34,655</b>	<b>206,697</b>	<b>30,362</b>
					<b>14.7%</b>

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:

<i>Amounts in €k</i>	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)
<b>Total</b>	<b>918,540</b>	<b>761,146</b>	<b>157,394</b>	<b>770,750</b>	<b>147,790</b>
					<b>19.2%</b>

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;

### 3 Notes to the Financial Statements

#### Section 14 - Accruals and deferrals

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

The breakdown of the item follows:

<i>Amounts in €k</i>	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)
<b>Total</b>	<b>52,212</b>	<b>48,526</b>	<b>3,686</b>	<b>48,526</b>	<b>3,686</b>
					<b>7.6%</b>

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

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

No long-term accruals and deferrals are reported.

#### Section 15 - Assets and liabilities relating to Group companies and other investees

The details of the assets and liabilities relating to Group companies and other investees are provided in Annex 16. Please refer to the Management Report as well.

#### Section 16 - Receivables and payables

The balances of the receivables and payables recorded under items C and E of the assets and item G of the liabilities are shown in the following table, with those due after the next year and those due after five years separated for each category.

With regard to item F of the liabilities (Deposits received from reinsurers) and referring to what is stated in the relevant paragraph, the payables recorded therein are considered all due within the following year.

<i>Amounts in €k</i>	<b>Balance at 31/12/2016</b>	<b>Amount due beyond 31/12/2017</b>	<b>Amount due beyond 31/12/2021</b>
<b>Loans</b>			
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
<b>Total</b>	<b>463,439</b>	<b>171,544</b>	<b>145,876</b>
<b>Receivables</b>			
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
<b>Total</b>	<b>3,092,084</b>	<b>537,507</b>	<b>165,139</b>
<b>Deposits received from reinsurers</b>	<b>224,767</b>		
<b>Payables</b>			
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
<b>Total</b>	<b>611,426</b>	<b>9,047</b>	<b>5,458</b>

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

## Section 16 bis - Individual pension schemes

UnipolSai Assicurazioni has the following existing individual pension schemes pursuant to Art.13, paragraph 1 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.

### 3 Notes to the Financial Statements

#### Section 17 - Guarantees, commitments, potential liabilities and other memorandum accounts

The total balance at 31 December 2016, which amounted to €53,482,284k (€+1,842,870k compared to the post merger aggregate figure), is mostly made up of securities deposited with third parties (€42,420,451k) and of the commitments account (€8,659,311k).

<i>Amounts in €k</i>	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)
<b>Total</b>	<b>53,482,284</b>	<b>51,189,988</b>	<b>2,292,296</b>	<b>51,639,414</b>	<b>1,842,870</b>

The guarantees provided included €10,030k for surety policies in favour of municipal Authorities in relation to the Via Larga complex in Bologna and €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, €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 €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 €116,088k of sureties for participation in tenders, €85,990k of a surety issued to CONSAP and €70,000k as UBI Banca surety for Telespazio.

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

*Amounts in €k*

<i>Commitments</i>	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)
<b>Total</b>	<b>8,659,311</b>	<b>7,292,962</b>	<b>1,366,349</b>	<b>7,292,962</b>	<b>1,366,349</b>

The commitments recorded for transactions on derivatives at year end amounted to a total of €8,146,957k and are connected with Class C investments for €8,050,549k and Class D investments for €96,408k. 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 €39,026k for commitments to purchase properties under construction and €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
Previcoper	357,979
Solidarieta' Veneto	122,412
Agrifondo	3,346
<b>Total</b>	<b>965,159</b>



### 3 Notes to the Financial Statements

The breakdown by type follows:

*Amounts in €k*

<i>Types</i>	<b>2016</b>
Bonds	643,971
Equities	260,350
Liquidity	55,151
Other net assets	5,688
<b>Total</b>	<b>965,159</b>

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.

*Amounts in €k*

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

Other memorandum accounts, whose balance at 31 December 2016 amounted to €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.

### 3 Notes to the Financial Statements

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 €250,000k, are shown in the following table:

*Amounts in €k*

Transaction description	Hedging		Effective management		Total		Overall exposure
	No.	Fair value	No.	Fair value	No.	Fair value	
Forward purchases of currency	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
<b>Total contracts with equity swaps</b>	<b>163</b>	<b>(61,527)</b>	<b>7</b>	<b>35,266</b>	<b>170</b>	<b>(26,261)</b>	<b>5,145,336</b>
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
<b>Total contracts without equity swaps</b>	<b>43</b>	<b>(273,100)</b>	<b>5</b>	<b>(3,062)</b>	<b>48</b>	<b>(276,162)</b>	<b>2,905,213</b>
<b>Grand total</b>	<b>206</b>	<b>(334,626)</b>	<b>12</b>	<b>32,203</b>	<b>218</b>	<b>(302,423)</b>	<b>8,050,549</b>

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:

<i>Amounts in €k</i>	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
<b>Technical balance: Life</b>	220,777	2,440	218,337	3,440	217,337
<b>Non-life</b>	349,806	696,978	(347,172)	697,117	(347,310)
<b>Total</b>	<b>570,583</b>	<b>699,418</b>	<b>(128,834)</b>	<b>700,556</b>	<b>(129,973)</b>
Income from investments, other gains and losses	3,650	(27,869)	31,519	(26,688)	30,338
<b>Profit (loss) from ordinary operations</b>	<b>574,234</b>	<b>671,549</b>	<b>(97,315)</b>	<b>673,869</b>	<b>(99,635)</b>
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)
<b>Net profit (loss)</b>	<b>458,479</b>	<b>555,722</b>	<b>(97,243)</b>	<b>570,143</b>	<b>(111,664)</b>

### Section 18 - Information on Non-Life business technical account (I)

The gross premiums at 31 December 2016 amounted to €6,968,227k, decreasing by €141,026k (-2.0%) compared to the aggregate figure 2015. The premiums regarding indirect business amounted to € 7,994k and account for 0.1% of the total.

Net of reinsurance, the premiums earned amounted to €6,586,270k compared to the figure 2015 of €6,810,175k.

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 €45,219k (€46,757k the figure 2015) at 31 December 2016, and included €9,875k regarding the Land vehicle TPL class, mainly consisting of recovered expenses for managing claims on behalf of foreign companies, €2,965k of recovered commissions following the introduction of the Bersani Decree and €16,421k as commissions on premiums of previous years cancelled. Indirect business included €547k as reinstated premiums estimated on claims provision.

The charge of the claims for the Non-Life business (item I.4) amounted to €4,445,948k, against €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.

### 3 Notes to the Financial Statements

The changes, referred to Italian direct business, are summarised in the table below:

<i>Amounts in €k</i>	<b>2016</b>
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
<b>Breakdown of claims provision</b>	<b>177,607</b>
% impact on opening provision	1.44%

When considering the amounts to be recovered and the recoveries made, the positive breakdown was as follows:

<i>Amounts in €k</i>	<b>2016</b>
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
<b>Changes in the amounts to be collected</b>	<b>77,201</b>
<b>Total effect</b>	<b>254,807</b>

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 (€77.201k).

The amount of the reversals and profit sharing (item I.6) recognised to the policyholders or other beneficiaries represented a net balance of €10,200k (€10,676k the aggregate figure 2015) and referred almost entirely to technical profit sharing.

Operating expenses amounted to €1,835,097k, already net of the commissions received from reinsurers (€142,700k), and included acquisition and collection expenses for €1,636,611k (down by 2.5%% compared to the aggregate figure 2015) and other administrative expenses for €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 €142,700k (+23.4% compared to the aggregate figure 2015), referred to commissions for €109,825k and to profit sharing for €32,875k.

Other technical charges, net of reinsurance (item I.8), which at 31 December 2016 amounted to €160,455k (€130,618k the aggregate figure 2015), included the cancelled premiums of previous years for €107,693k, the management rights of the CARD room for €5,852k, contributions for €26,936k.

Indirect business amounted to €1,646k, while the reinsurers' shares equalled €9,098k. The latter amount included the estimate of the reinstated premiums on claims provisions for €8,621k.

Item I.9 "change in equalisation provisions", which was negativa by €2,602k, 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 €3k 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 €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 €1,315,850k (€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 €177,791k (€185,102k the aggregate figure 2015).

The other technical income, net of reinsurance (item II.4), amounted to €21,686k (€20,292k the aggregate figure 2015) and included €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 €2,641,509k (-9.0% compared to the aggregate figure 2015) and included:

### 3 Notes to the Financial Statements

<i>Amounts in €k</i>	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
Capital and annuities accrued	1,097,300	1,284,542	(187,242)	1,289,805	(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)
<b>Total</b>	<b>2,641,509</b>	<b>2,885,055</b>	<b>(243,546)</b>	<b>2,903,729</b>	<b>(262,220)</b>

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 €1,557k at 31 December 2016 (€1,288k the aggregate figure 2015) and consisted entirely of reversals.

Operating expenses (item II.8) amounted to €154,010k (-1.2% compared to the aggregate figure 2015), already net of the commissions received from reinsurers (€431k), and included acquisition and collection expenses for €113,451k (+2.9% compared to the aggregate figure 2015) and other administrative expenses for €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 €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 €302,070k, against €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 €108,177k (€87,595k the aggregate figure 2015).

Other technical charges, net of reinsurance (item II.11), equal to €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, €103,048k (€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.



### 3 Notes to the Financial Statements

#### 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 €637,073k and were essentially in line with the aggregate figure 2015 of €582,311k, 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 €271,394k (-2.3% compared to the aggregate figure 2015) and consisted of alignments of shares, interests and fund units for €67,293k, of bonds for €68,217k and adjustments of other financial investments for €21,985k.

This item also included the write-downs of properties totalling €113,899k, €55,638k of which referred to the portions of amortisation and €58,260k referred to write-downs for value adjustments.

The item III.7 "other income" equalled €179,385k at 31 December 2016, versus €196,215k (aggregate figure 2015), with a -8.6% change, broken down as follows:

*Amounts in €k*

	2016	2015	Change on 2015	Aggregate 2015	Change on Aggregate 2015
<b>Other income</b>					
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
<b>Total</b>	<b>179,385</b>	<b>201,072</b>	<b>(21,687)</b>	<b>201,282</b>	<b>(21,898)</b>

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 €35,252k from the bad debt provision and €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 €2,923k which represent the compensation for the management of real estate assets both from Group companies and from third parties.

The item III.8 "other charges" equalled €335,173k at 31 December 2016 (€426,887k the aggregate figure 2015), broken down as follows:

*Amounts in €k*

<i>Other charges</i>	<b>2016</b>	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)
<b>Total</b>	<b>335,173</b>	<b>430,490</b>	<b>(95,317)</b>	<b>431,954</b>	<b>(96,781)</b>

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.

Sundry charges included €53,245k as amortisation of intangible assets, 54,853k as amortisation of goodwill and insurance portfolios acquired in previous years, €33,366k of impairment losses on receivables and €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:

*Amounts in €k*

<i>Extraordinary income</i>	<b>2016</b>	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)
<b>Total</b>	<b>96,051</b>	<b>253,856</b>	<b>(157,805)</b>	<b>257,219</b>	<b>(161,168)</b>

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.

### 3 Notes to the Financial Statements

Extraordinary gains included €50,032k of taxes of previous years.

In 2016 in particular deferred tax assets were recognised for €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)
<b>Total</b>	<b>35,962</b>	<b>50,725</b>	<b>(14,763)</b>	<b>52,162</b>	<b>(16,200)</b>

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 (€308,782k the aggregate figure 2015), €168,480k of which regarding current IRES and IRAP taxes of the year, €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 €3,020k.

The table below reports the changes occurred:

*Amounts in €k*

	IRES	IRAP	Total
<b>Current and substitute taxes</b>	<b>(147,996)</b>	<b>(24,827)</b>	<b>(172,823)</b>
<b>Deferred tax assets and liabilities:</b>			
- use of deferred tax assets	(91,159)	(5,477)	<b>(96,636)</b>
- use of deferred tax liabilities	44,618	1,185	<b>45,803</b>
- recognition of deferred tax assets	53,865	75	<b>53,940</b>
- recognition of deferred tax liabilities	(6,127)		<b>(6,127)</b>
<b>Balance on deferred tax assets/liabilities</b>	<b>1,197</b>	<b>(4,217)</b>	<b>(3,020)</b>
<b>TOTAL</b>	<b>(146,799)</b>	<b>(29,044)</b>	<b>(175,843)</b>

The statement of reconciliation between theoretical and effective IRES and IRAP tax charges is provided below, showing the changes compared to the previous year.

<i>Amounts in €k</i>	2016	2015	Change
<b>Pre-tax profit (loss)</b>	<b>634,322</b>	<b>874,680</b>	<b>(240,358)</b>
<b>Theoretical IRES - (Expenses)/Income</b>	<b>(174,439)</b>	<b>(240,754)</b>	<b>66,315</b>
<b>Tax effect deriving from taxable income permanent changes</b>			
<b>Increases:</b>	<b>(42,406)</b>	<b>(58,220)</b>	<b>15,815</b>
- 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)
<b>Decreases:</b>	<b>74,389</b>	<b>94,240</b>	<b>(19,851)</b>
- 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)
<b>IRES pertaining to the year - (Expenses)/Income</b>	<b>(142,455)</b>	<b>(204,734)</b>	<b>62,279</b>
<b>IRES Deferred Tax Assets Adjustment</b>		<b>(91,320)</b>	<b>91,320</b>
<b>- Theoretical IRAP on the technical result</b>	<b>(38,914)</b>	<b>(48,045)</b>	<b>9,131</b>
- 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)
<b>IRAP</b>	<b>(29,044)</b>	<b>(22,244)</b>	<b>(6,800)</b>
<b>Substitute taxes</b>	<b>(4,344)</b>	<b>(838)</b>	<b>(3,506)</b>
<b>Total Income Tax</b>	<b>(175,843)</b>	<b>(319,137)</b>	<b>143,294</b>

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.

<i>Amounts in €k</i>	2015 Fiscal effect (*)		Change		2016 Fiscal effect (**)	
	Taxable amount	Tax effect	Taxable amount	Tax effect	Amount	Tax effect
<b>DEFERRED TAX ASSETS</b>						
<b>IRES</b>						
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
<b>TOTAL IRES</b>	<b>3,429,108</b>	<b>828,899</b>	<b>(34,191)</b>	<b>(11,606)</b>	<b>3,394,917</b>	<b>817,293</b>
<b>IRAP</b>						
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
<b>TOTAL IRAP</b>	<b>1,421,202</b>	<b>96,926</b>	<b>73,774</b>	<b>5,031</b>	<b>1,494,976</b>	<b>101,957</b>
<b>TOTAL DEFERRED TAX ASSETS</b>	<b>4,850,310</b>	<b>925,825</b>	<b>39,583</b>	<b>(6,575)</b>	<b>4,889,893</b>	<b>919,250</b>

(\*) 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:

<i>Amounts in €k</i>	2015 Fiscal effect (*)		Change		2016 Fiscal effect (**)	
	Taxable amount	Tax effect	Taxable amount	Tax effect	Amount	Tax effect
<b>DEFERRED TAX LIABILITIES</b>						
<b>IRES</b>						
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)		
<b>TOTAL IRES</b>	<b>541,538</b>	<b>134,455</b>	<b>(68,182)</b>	<b>(20,850)</b>	<b>473,356</b>	<b>113,605</b>
<b>IRAP</b>						
Tax gains on property	61,482	4,193	59,041	4,027	120,523	8,220
<b>TOTAL IRAP</b>	<b>61,482</b>	<b>4,193</b>	<b>59,041</b>	<b>4,027</b>	<b>120,523</b>	<b>8,220</b>
<b>TOTAL DEFERRED TAX LIABILITIES</b>	<b>603,020</b>	<b>138,648</b>	<b>(9,141)</b>	<b>(16,823)</b>	<b>593,879</b>	<b>121,825</b>

(\*) 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 write-backs, on interests that meet the requirements of Art. 87 of Presidential Decree 917/1986 which, although the part of the capital gain that became taxable after the amendments made to the Pex regulations can be theoretically brought forward, do not present the elements of objective determinability required for their correct valuation.

## Section 22 - Information on the income statement

Relations with group companies and other investees are detailed in Annex 30.

The main items are commented on in the special Section of the Management Report.

The statement summarising the 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:

	<b>2016</b>
Executives	164
Officers	1,539
Office workers	5,733
Other	14
<b>Total</b>	<b>7,450</b>

Considering the number of employees as FTE (Full Time Equivalent), the total equalled 7,211 resources.

### 3 Notes to the Financial Statements

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#### *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 €1,012k. In the Life business, the disposals concerned four bonds and resulted in net capital gains being posted for €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 €96,875k were made, €74,299k of which refer to the forward purchase of currencies and €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

*Amounts in €m*

Statement of financial position	31.12.2015	31.12.2014
<b>ASSETS</b>		
<b>A) SUBSCRIBED CAPITAL, UNPAID</b>		
<b>B) FIXED ASSETS</b>		
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
<b>TOTAL FIXED ASSETS</b>	<b>6,124.7</b>	<b>6,003.9</b>
<b>C) CURRENT ASSETS</b>		
I 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
<b>TOTAL CURRENT ASSETS</b>	<b>2,300.9</b>	<b>1,520.1</b>
<b>D) ACCRUALS AND DEFERRALS</b>	<b>67.6</b>	<b>33.5</b>
<b>TOTAL ASSET</b>	<b>8,493.2</b>	<b>7,557.5</b>
<b>LIABILITIES</b>		
<b>A) SHAREHOLDERS' EQUITY</b>		
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
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>5,751.8</b>	<b>5,712.7</b>
<b>B) PROVISIONS FOR RISKS AND CHARGES</b>	<b>684.8</b>	<b>596.8</b>
<b>C) POST-EMPLOYMENT BENEFITS</b>	<b>0.2</b>	<b>0.3</b>
<b>D) PAYABLES</b>	<b>2,006.7</b>	<b>1,210.3</b>
<b>E) ACCRUALS AND DEFERRALS</b>	<b>49.6</b>	<b>37.4</b>
<b>TOTAL LIABILITIES</b>	<b>8,493.2</b>	<b>7,557.5</b>



### 3 Notes to the Financial Statements

INCOME 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](http://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](http://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 of 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](http://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
<b>Total</b>			<b>3,279</b>

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
<b>Total</b>			<b>770</b>

## 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

<i>Amounts in €k</i>		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)	
X	Negative reserve for treasury shares	(55,699)		(55,699)
	Dividend distribution		254,590	
	<b>Total</b>	<b>3,438,470</b>		<b>3,183,880</b>

### Breakdown of Life Shareholders' Equity

<i>Amounts in €k</i>		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
III	Revaluation reserves			
IV	Legal reserve	100,589		100,589
V	Statutory reserve			
VI	Reserve for shares of the holding company			
VII	Other reserves	1,046,806	105,638	1,152,444
VIII	Retained profit (loss)			
IX	Profit (loss) for the year	203,888	(203,888)	
X	Negative reserve for treasury shares	(23,593)		(23,593)
	Dividend distribution		98,249	
	<b>Total</b>	<b>2,089,999</b>		<b>1,991,750</b>

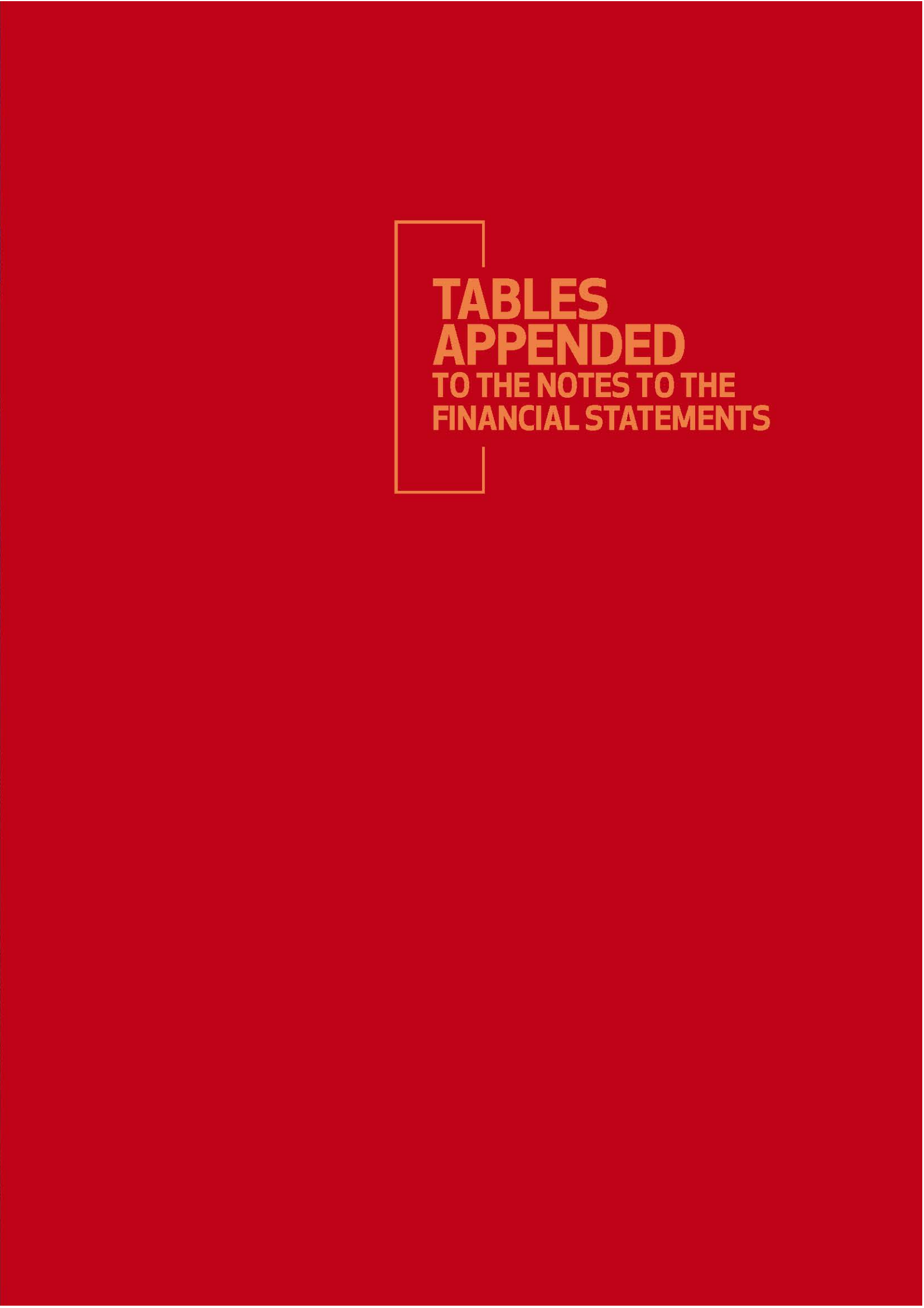
Bologna, 23 March 2017

The Board of Directors









**TABLES  
APPENDED  
TO THE NOTES TO THE  
FINANCIAL STATEMENTS**

## 4 Tables appended to the Notes to the Financial Statements

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### Tables appended to the Notes to the Financial Statements

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**Company**

UnipolSai Assicurazioni S.p.A

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**Share capital**

Subscribed € 2,031,456,338

Paid-up € 2,031,456,338

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**Registered Office at**

BOLOGNA - Via Stalingrado 45

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## Annexes to the Notes to the Financial Statements

Amounts in K€

N.	DESCRIPTION	*Non-Life	*Life	*Non-Life and Life
1	Statement of Financial Position - Non-Life business	1		
2	Statement of Financial Position - Life business		1	
3	Statement of breakdown of the profit (loss) for the year between the Non-Life business and the Life business			1
4	Assets - Changes in the year in intangible assets (item B) and land and buildings (item C.I)			1
5	Assets - Changes in the year in investments in group companies and other investees: shares and holdings (item C.II.1), bonds (item C.II.2) and loans (item C.II.3)			1
6	Assets - Statement with information relating to investees			1
7	Assets - Statement of changes in investments in group companies and other investees: shares and holdings			1
8	Assets - Breakdown based on the use of other financial investments: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7)			1
9	Assets - Changes in the year in other financial investments with long-lived use: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7)			1
10	Assets - Changes in the year in loans and bank deposits (items C.III.4, 6)			1
11	Assets - Statement of assets relating to benefits linked to investment funds and market indices (item D.I)		3	
12	Assets - Statement of assets arising from pension fund management (item D.II)		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.



## 4 Tables appended to the Notes to the Financial Statements

### STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

#### ASSETS

	Amounts for the year			
A. SUBSCRIBED CAPITAL, UNPAID				1
of which called	2			
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised	4	27,932		
2. Other acquisition costs	6			
3. Start-up and expansion costs	7	14,758		
4. Goodwill	8	467,561		
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		
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	56,143	16	2,508,085
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
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			
d) associates	32	8,186		
e) other	33	1,544	34	275,103
			35	1,729,738
			to be carried forward	677,151

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

## 4 Tables appended to the Notes to the Financial Statements

### STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

#### ASSETS

		Amounts for the year			
		amount carried forward			
					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				
	a) listed	41	10,205,989		
	b) unlisted	42	27,390		
	c) convertible bonds	43	1,603	44	10,234,983
	4. Loans				
	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
	IV - Deposits with ceding companies			52	11,873,165
				53	8,371
				54	16,119,359
D.	bis TECHNICAL PROVISIONS - REINSURERS' SHARE				
	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 carried forward
					17,371,714

Amounts for the previous year			
		amount carried forward	644,169
216	186,370		
217	52,635		
218		219	239,005
		220	1,162,177
221	10,469,048		
222	67,546		
223	3,918	224	10,540,512
225			
226			
227	102,923	228	102,923
		229	
		230	137,408
		231	62,687
		232	12,244,712
		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

## 4 Tables appended to the Notes to the Financial Statements

### STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

#### ASSETS

		Amounts for the year			
		amount carried forward			
				17,371,714	
E.	RECEIVABLES				
I	- 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			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			80	79,037
III	- Other receivables			81	1,058,647
	82			82	2,556,717
F.	OTHER ASSETS				
I	- Property, plant and equipment and inventories:				
	1. Office furniture and machines and internal means of transport			83	55,207
	2. Movable assets entered in public registers			84	
	3. Plant and equipment			85	26,023
	4. Inventories and sundry goods			86	4,257
	87			87	85,487
II	- Cash and cash equivalents				
	1. Bank deposits and post office accounts			88	77,322
	2. Cheques and cash in hand			89	76
	90			90	77,397
IV	- Other assets				
	1. Transitory reinsurance accounts			92	
	2. Sundry assets			93	1,171,546
	94			94	1,171,546
	95			95	1,334,431
	of which Account connecting the Life business			901	62,836
G.	ACCRUALS AND DEFERRALS				
	1. Interest			96	135,033
	2. Rental income			97	2,403
	3. Other accruals and deferrals			98	16,201
	99			99	153,638
<b>TOTAL ASSETS</b>				100	21,416,500

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
			903		275
					1,411,717
				276	117,030
				277	2,876
				278	12,130
					279
					132,036
					280
					21,833,906

## 4 Tables appended to the Notes to the Financial Statements

### STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

#### LIABILITIES AND SHAREHOLDERS' EQUITY

	Amounts for the year			
A. SHAREHOLDERS' EQUITY				
I - Subscribed capital or equivalent provision		101	1,528,514	
II - Share premium reserve		102	147,888	
III - Revaluation reserves		103	96,559	
IV - Legal reserve		104	305,701	
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
		to be carried forward		19,539,574

Amounts 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	2,651,229	
	293	12,433,917	
	294	9,627	
	295	5,504	
	296	67,144	297 15,167,421
	to be carried forward		20,010,625



## 4 Tables appended to the Notes to the Financial Statements

### STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

#### LIABILITIES AND SHAREHOLDERS' EQUITY

	Amounts for the year			
	amount carried forward			
				19,539,574
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				132 162,455
G. PAYABLES AND OTHER LIABILITIES				
I - 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 1,182,168
of which Liaison account with 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 25,627
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>				160 21,416,500

Amounts for the previous year				
	amount carried forward			20,010,625
		308	2,880	
		309	102,548	
		310	457,394	311 562,822
				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

## 4 Tables appended to the Notes to the Financial Statements

### STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

#### ASSETS

	Amounts for the year			
A. SUBSCRIBED CAPITAL, UNPAID				1
of which called	2			
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised	3	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
				193,366
				to be carried forward

Amounts for the previous year			
			181
	182		
	183	41,641	
	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	187		
198	591,757		
199	144,124		
200	2,259		
201	318	202 738,644	
203			
204			
205			
206	7,622		
207		208 7,622	
209	53,000		
210			
211			
212			
213		214 53,000	215 799,266
		to be carried forward	204,954



Amounts for the previous year			
	amount carried forward		204,954
216	267,073		
217	100,000		
218		219	367,073
		220	569,852
221	23,312,872		
222	123,810		
223		224	23,436,682
225			
226	45,160		
227		228	45,160
		229	
		230	30,000
		231	20,461
		232	24,469,227
		233	14,207
		234	25,316,932
		235	349,140
		236	3,575,690
		237	3,924,830
		243	65,162
		244	
		245	5,786
		246	
		247	
		248	
		249	70,948
	to be carried forward		29,517,664

## 4 Tables appended to the Notes to the Financial Statements

### STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

#### ASSETS

	Amounts for the year			
		amount carried forward		30,960,747
<b>E. RECEIVABLES</b>				
I - Receivables relating to direct insurance business from:				
1. Policyholders				
a) for premiums for the year	71	97,161		
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	
II - Receivables relating to reinsurance business, from:			77	228,119
1. Insurance and reinsurance companies			78	1,643
2. Reinsurance intermediaries			79	
III - Other receivables			80	1,643
			81	305,604
			82	535,366
<b>F. OTHER ASSETS</b>				
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	
II - Cash and cash equivalents			87	
1. Bank deposits and post office accounts			88	271,758
2. Cheques and cash in hand			89	
IV - Other assets			90	271,758
1. Transitory reinsurance accounts			92	
2. Sundry assets			93	176,515
of which Liaison account with Non-Life business			94	176,515
			95	448,273
			901	
<b>G. ACCRUALS AND DEFERRALS</b>				
1. Interest			96	279,707
2. Rental income			97	
3. Other accruals and deferrals			98	2,455
			99	282,161
<b>TOTAL ASSETS</b>			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



## 4 Tables appended to the Notes to the Financial Statements

### STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

#### LIABILITIES AND SHAREHOLDERS' EQUITY

	Amounts for the year		
A. SHAREHOLDERS' EQUITY			
I -Subscribed capital or equivalent provision	101	502,943	
II -Share premium reserve	102	259,368	
III -Revaluation reserves	103		
IV - Legal reserve	104	100,589	
V -Statutory reserve	105		
VI -Reserve for shares of the holding company	400		
VII -Other reserves	107	1,046,806	
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			
I -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 carried forward		31,688,117

Amounts for the previous year			
	281	502,943	
	282	259,368	
	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	
	306	3,575,690	307 3,924,662
	to be carried forward		30,199,273

## 4 Tables appended to the Notes to the Financial Statements

### STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

#### LIABILITIES AND SHAREHOLDERS' EQUITY

	Amounts for the year			
	amount carried forward			31,688,117
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 47,161
F. DEPOSITS RECEIVED FROM REINSURERS				132 62,312
G. PAYABLES AND OTHER LIABILITIES				
I - 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	155 402,372
of which Account connecting the Non-Life business	902	62,836		
H. ACCRUALS AND DEFERRALS				
1. Interest			156 26,583	
2. Rental income			157 2	
3. Other accruals and deferrals			158	159 26,585
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			160	<b>32,226,548</b>

Amounts for the previous year			
amount carried forward			30,199,273
		308	
		309	34,972
		310	28,779
			311 63,751
			312 65,542
313	1,359		
314	617		
315	327		
316		317	2,302
318	10,101		
319		320	10,102
		321	
		322	
		323	
		324	3,687
		325	4,105
326	2,164		
327	6,069		
328			
329	40,752	330	48,984
331			
332	2,985		
333	204,841	334	207,826
904			335 277,006
		336	25,283
		337	2
		338	
			339 25,285
			340 30,630,857

## 4 Tables appended to the Notes to the Financial Statements

Annex 3

### Statement of breakdown of the profit (loss) for the year between the Non-Life business and the Life business

		Non-Life business		Life business		Total	
<b>Technical result</b>		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
<b>Interim operating result</b>		6	<b>406,196</b>	26	<b>323,825</b>	46	<b>730,022</b>
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
<b>Pre-tax profit (loss)</b>		11	<b>345,455</b>	31	<b>288,868</b>	51	<b>634,322</b>
Income tax for the year	-	12	90,863	32	84,980	52	175,843
<b>Profit (loss) for the year</b>		13	<b>254,592</b>	33	<b>203,888</b>	53	<b>458,479</b>

Annex 4

### Assets - Changes in the year in intangible assets (item B) and land and buildings (item C.I)

			Intangible assets B		Land and buildings C.I
Gross opening balance	+	1	2,109,702	31	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	
<b>Gross closing balance (a)</b>		11	<b>2,226,898</b>	41	<b>2,924,344</b>
Amortisation/depreciation:					
Opening balance	+	12	1,260,579	42	353,121
Increases in the year	+	13	95,803	43	56,429
for: amount of amortisation for the year		14	95,803	44	56,429
other changes		15		45	
Decreases in the year	-	16		46	26,732
for: decreases for disposals		17		47	26,732
other changes		18		48	
<b>Closing balance amortisation/depreciation (b)</b>		19	<b>1,356,382</b>	49	<b>382,819</b>
<b>Carrying amount (a - b)</b>		20	<b>870,516</b>	50	<b>2,541,526</b>
Current value				51	2,740,794
Total write-backs		22		52	158,358
Total write-downs		23		53	694,904

### Assets - Changes in the year in investments in group companies and other investees: shares and holdings (item C.II.1), bonds (item C.II.2) and loans (item C.II.3)

		Shares and holdings C.II.1		Bonds C.II.2		Loans C.II.3
Opening balance	+	1 2,118,317	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
<b>Carrying amount</b>		11 <b>2,155,862</b>	31	<b>12,603</b>	51	<b>328,103</b>
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
<b>Carrying amount</b>	63 <b>12,603</b>
of which convertible bonds	64

## 4 Tables appended to the Notes to the Financial Statements

### Assets - Statement with information relating to investees (\*)

Ord.	Type (1)	Listed unlisted (2)	Business conducted	Name and registered office	Currency
2	a	L	2	Unipol Gruppo Finanziario-Bologna-IT	242
3	b	NL	9	Atahotels Spa-Milano-IT	242
4	b	NL	9	Auto Presto & Bene Spa (Ex Sai Sistemi Ass.Vi)-Torino-IT	242
6	b	NL	1	Bim Vita Spa (Ex Vitasi)-Torino-IT	242
7	b	NL	9	Casa Di Cura Villa Donatello-Firenze-IT	242
8	b	NL	9	Centro Oncologico F.No - Casa Di Cura Villanova In Liquidazione-Sesto Fior-IT	242
9	b	NL	1	Ddor Novi Sad Ord Eur-Novu 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 Srl-Firenze-IT	242
22	b	NL	1	Popolare Vita Spa (Ex Bpv Vita)-Novara-IT	242
23	b	NL	7	Pronto Assistance Servizi Scrl-Torino-IT	242
24	b	NL	1	Pronto Assistance Spa-Torino-IT	242
26	c	NL	6	Unipolsai Investimenti Sgr (Ex Sai Investimenti)-Torino-IT	242
27	b	NL	2	Sai Mercati Mobiliari In Liquidazione-Milano-IT	242
28	b	NL	9	Tenute Del Cerro S.P.A. (Ex Saiagricola)-Bologna-IT	242
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. Priv.-Milano-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 Scrl-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

- a = Holding companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(2) Enter L for securities traded on regulated markets and NL for the others

(3) Business conducted

- 1 = Insurance company
- 2 = Financial company
- 3 = Bank
- 4 = Real Estate company
- 5 = Trust company
- 6 = Management company distributing mutual investment funds
- 7 = Consortium
- 8 = Industrial company
- 9 = Other company or entity

(4) Amounts in original

(5) Specify the entire stake held

Share capital		Shareholders' equity (***)	Profit or loss of the year (***) (4)	Portion held (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
3,365,292,407	717,473,508			0.50		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			10.00		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

(\*\*\*) To be filled in only for subsidiaries and associates



## 4 Tables appended to the Notes to the Financial Statements

### Assets - Statement with information relating to investees (\*)

Ord.	Type (1)	Listed unlisted (2)	Business 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	c	NL	3	Unipol Banca Spa-BOLOGNA-IT	242
75	e	NL	1	Inter Mutuelles Assistance Sa - Ima Sa-Niort-FR	242
76	e	NL	3	Bancapulia Ord-San Severo-IT	242
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 Srl-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 Immobiliari 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

- a = Holding companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(3) Business conducted

- 1 = Insurance company
- 2 = Financial company
- 3 = Bank
- 4 = Real Estate company
- 5 = Trust company
- 6 = Management company distributing mutual investment funds
- 7 = Consortium
- 8 = Industrial company
- 9 = Other company or entity

(4) Amounts in original

(5) Specify the entire stake held

(2) Enter L for securities traded on regulated markets and NL for the others

Annex 6 (continued)

Share capital		Shareholders' equity (***)	Profit or loss of the year (***) (4)	Portion held (5)		
Amount (4)	Number of shares			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

## 4 Tables appended to the Notes to the Financial Statements

### Assets - Statement with information relating to investees (\*)

Ord.	Type (1)	Listed unlisted (2)	Business conducted	Name and registered office	Currency
107	e	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 "0"

(1) Type

- a = Holding companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(3) Business conducted

- 1 = Insurance company
- 2 = Financial company
- 3 = Bank
- 4 = Real Estate company
- 5 = Trust company
- 6 = Management company distributing mutual investment funds
- 7 = Consortium
- 8 = Industrial company
- 9 = Other company or entity

(4) Amounts in original

(5) Specify the entire stake held

(2) Enter L for securities traded on regulated markets and NL for the others

Annex 6 (continued)

Share capital		Shareholders' equity (***)	Profit or loss of the year (***) (4)	Portion held (5)		
Amount (4)	Number of shares			Direct %	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

## 4 Tables appended to the Notes to the Financial Statements

### Assets - Statement of changes in investments in group companies and other investees: shares and holdings

Ord.	Type (2)	(3)	Name	Increases in the year		
				For purchases		Other increases
				Quantity	Value	
2	a	D	Unipol Gruppo Finanziario	1,900,000	4,539	
2	a	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			16,200
9	b	D	Ddor Novi Sad Ord Eur			
9	b	V	Ddor Novi Sad Ord Eur			
12	b	D	Finsai International Sa			
12	b	V	Finsai International Sa			
13	b	D	Unipolsai Nederland Bv			29,628
13	b	V	Unipolsai Nederland Bv			70,372
14	b	D	Unipolsai Servizi Consortili Scrl			8
14	b	V	Unipolsai Servizi Consortili Scrl			8
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	39
24	b	D	Pronto Assistance Spa			5,000
26	c	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)			
			<b>Totals C.II.1</b>		10,525	195,035
	a		Holding companies		4,539	
	b		Subsidiaries		834	194,809
	c		Affiliates		4,466	
	d		Associates			226
	e		Others		686	
			<b>Total D.I</b>			
			<b>Total D.II</b>			

(1) It must match the one stated in Annex 6

(2) Type  
a = Holding companies  
b = Subsidiaries  
c = Affiliates  
d = Associates  
e = Others

(3) State:  
D for the investments allocated to the Non-Life business (item C.II.1)  
V for the investments allocated to the Life business (item C.II.1)  
V1 for the investments allocated to the Life business (item D.1)  
V2 for the investments allocated to the Life business (item D.2)  
The interest, also when split, must be assigned the same order number

Decreases in the year		Other decreases	Carrying amount (4)		Cost	Current value
For sales			Quantity	Value		
Quantity	Value					
1,403,356	5,775	388	3,565,504	11,005	11,393	11,651
40,000	187					
			18,530,624	13,713	97,322	13,713
			19,286,975	14,273	101,385	14,273
			2,619,061	2,313	22,990	2,313
			5,750,000	9,923	9,923	9,923
			70,000	24,210	30,934	24,210
		7,490	350,000	8,900	84,365	8,900
			422,912	17,195	53,474	17,195
			1,691,512	68,776	213,878	68,776
			181,679			
			74,704			
			565	56,585	136,608	56,585
			1,342	134,403	324,474	134,403
40,000	134		7,355,382	24,575	45,475	24,575
			2,468,090	8,244	15,350	8,244
			2,652,000	8,012	56,000	8,012
		4,089	50,000,000	107,797	233,113	107,797
			9,210,849	288,967	518,911	288,967
			12,749,152	216,433	289,173	216,433
			491,949	2,337	2,337	2,337
			2,500,000	8,566	8,577	8,566
			1,917,658	5,940	5,947	5,940
		382	13,326,395	9,464	71,958	9,464
			60,722,765	65,672	75,533	65,672
			4,490,641	4,900	6,126	4,900
	8,398	159,617		2,155,862	4,193,533	2,156,509
	5,961	388		11,005	11,393	11,651
	2,282	156,676		1,661,563	3,218,367	1,661,563
				426,321	782,299	426,321
		1,825		35,942	55,449	35,942
	155	729		21,031	126,024	21,031

(4) Highlight with a (\*) if measured using the equity method (for Type b and D only)

## 4 Tables appended to the Notes to the Financial Statements

### Assets - Statement of changes in investments in group companies and other investees: shares and holdings

Ord.	Type (2)	(3)	Name	Increases in the year		
				For purchases		Other increases
				Quantity	Value	
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	e	V	Acomea Sgr (Ex Sai Asset Management Sgr)			
40	e	D	Compagnia Aerea Italiana Spa Ex Alitalia			
41	e	D	Banca Popolare Etica Scarl			
42	e	D	Città Studi Spa			
45	e	D	Downall Srl In Liquidazione			
46	e	D	Ex Var Scs			
48	e	D	Isola D'Elba Banca Di Credito Cooperativo			
49	e	D	Istituto Europeo Di Oncologia			
50	e	D	Mediorischi Srl			
52	d	D	Uci - Ufficio Centrale Italiano			2
53	e	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	e	D	Syneteristiki Insurance Sa	483,692		
61	e	D	The Co-Operators Group Sa			
62	e	D	Banca Di Bologna Spa			
64	e	D	Cooptecnital Scarl			
65	e	D	Fondazione Unipolis			
66	e	D	Inforcoop Scarl			
68	e	D	Consorzio Energia Fiera District			
69	b	D	Unipolsai Finance 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	c	D	Unipol Banca Spa			
73	c	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  
a = Holding companies  
b = Subsidiaries  
c = Affiliates  
d = Associates  
e = Others

(3) State:

D for the investments allocated to the Non-Life business (item C.II.1)  
V for the investments allocated to the Life business (item C.II.1)  
V1 for the investments allocated to the Life business (item D.1)  
V2 for the investments allocated to the Life business (item D.2)  
The interest, also when split, must be assigned the same order number

Decreases in the year		Other decreases	Carrying amount (4)		Cost	Current value
For sales			Quantity	Value		
Quantity	Value					
		589				
		432				
			200,000	762	2,046	762
		576	150,000	60,872	92,172	60,872
			5,714	27,446	29,552	27,446
180,420	155					
		21	21,007	210	265	210
		28	28,993	290	436	290
			29,589,882		50,000	
			2,600	138	138	138
			5,825	5	18	5
			9,999		1,020	
			7,060	7	271	7
			800	41	41	41
			11,581,062	11,881	19,170	11,881
			12,035	31	500	31
			392,351	218	301	218
			1,639,980		8,500	
			112,000,000	129,373	129,373	129,373
			3,429,933		3,275	
		9				
			4,935,943	2,124	2,124	2,124
			20,000	1,232	1,232	1,232
			1,072	57	57	57
			5	3	3	3
			1	258	258	258
			21,730		22	
			1	2	2	2
			16,000,000	104,912	141,864	104,912
			16,000,000	98,870	135,822	98,870
			13,000	200	15,562	200
			260,572,219	277,732	531,962	277,732
			118,583,120	142,650	244,390	142,650
			81,470	4,363	4,363	4,363
			30,000	155	155	155

(4) Highlight with a (\*) if measured using the equity method (for Type b and D only)



## 4 Tables appended to the Notes to the Financial Statements

### Assets - Statement of changes in investments in group companies and other investees: shares and holdings

Ord.	Type (1)	(3)	Name	Increases in the year		
				For purchases		Other increases
				Quantity	Value	
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 Srl			
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 Immobiliari 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  
a = Holding companies  
b = Subsidiaries  
c = Affiliates  
d = Associates  
e = Others

(3) State:  
D for the investments allocated to the Non-Life business (item C.II.1)  
V for the investments allocated to the Life business (item C.II.1)  
V1 for the investments allocated to the Life business (item D.1)  
V2 for the investments allocated to the Life business (item D.2)  
The interest, also when split, must be assigned the same order number

Decreases in the year		Carrying amount (4)		Cost	Current value
For sales		Other decreases			
Quantity	Value		Quantity	Value	
		4,514			
			100,000	100	980
			3,900,000		21,175
			9,920	660	660
		27,721			
		110,883			
			9,164	1,598	1,598
			5,950	28	28
40,000					
			5,000,000	52,500	52,500
			1,335,149	979	3,612
		754	6,666	2,325	7,508
			1,441,691	2,695	4,225
			13,312	118	118
			5,536	51,709	177,139
			10,000	15,182	36,541
			332,976		517
		1,062	1,052,366		4,181
2,332,332	2,149				
			200	20	20
			35,983,610	39,809	39,809
			387,500	11,999	11,999
		679	6,875	7	686
			100,000	100	100

(4) Highlight with a (\*) if measured using the equity method (for Type b and D only)

## 4 Tables appended to the Notes to the Financial Statements

Annex 8

### Assets - Breakdown based on the use of other financial investments: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7)

I - Non-Life business	Long-term use portfolio		Short-term use portfolio		Total							
	Carrying amount	Current value	Carrying 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

II - Life business	Long-term use portfolio		Short-term use portfolio		Total							
	Carrying amount	Current value	Carrying 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 9

### Assets - Changes in the year in other financial investments with long-lived use: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7)

		Shares and holdings C.III.1	Mutual investment fund units C.III.2	Bonds and other fixed- yield securities C.III.3	Mutual investment units C.III.5	Sundry financial investments C.III.7
Opening balance	+	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
<b>Carrying amount</b>		12 <b>2,469</b>	32 <b>69,865</b>	52 <b>15,836,246</b>	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	
<b>Carrying amount</b>		10 <b>135,337</b>	30 <b>106,582</b>

## 4 Tables appended to the Notes to the Financial Statements

Annex 11

### Assets - Statement of assets relating to benefits linked to investment funds and market indices (item D.I)

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Land and buildings	1	21	41	61
II. Investments in group companies and other investees:				
1. Shares and holdings	2	22	42	62
2. Bonds	3	23	43	63
3. Loans	4	24	44	64
III. Mutual investment fund units	5	157,516	25	137,110
IV. Other financial investments:				
1. Shares and holdings	6	20,559	26	15,816
2. Bonds and other fixed-yield securities	7	172,676	27	193,710
3. Bank deposits	8		28	
4. Sundry financial investments	9	(12,137)	29	(11,206)
V. Other assets	10	1,640	30	2,749
VI. Cash and cash equivalents	11	12,659	31	12,214
Payables and expenses	12	1,104	32	(1,252)
	13		33	
<b>Total</b>	14	<b>354,016</b>	34	<b>349,140</b>
			54	<b>339,367</b>
			74	<b>374,243</b>

## INDEX LINKED

		Current value		Acquisition cost	
		Year	Previous year	Year	Previous year
I. Land and buildings	1		21	41	61
II. Investments in group companies and other investees:					
1. Shares and holdings	2		22	42	62
2. Bonds	3		23	43	63
3. Loans	4		24	44	64
III. Mutual investment fund units	5		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
<b>Total</b>	14	<b>108,358</b>	34 <b>130,943</b>	54 <b>118,277</b>	74 <b>184,442</b>

## UNIT LINKED

		Current value		Acquisition cost	
		Year	Previous year	Year	Previous year
I. Land and buildings	1		21	41	61
II. Investments in group companies and other investees:					
1. Shares and holdings	2		22	42	62
2. Bonds	3		23	43	63
3. Loans	4		24	44	64
III. Mutual investment fund units	5	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	53,480	27 52,967	47 53,560	67 52,832
3. Bank deposits	8		28	48	68
4. Sundry financial investments	9		29	49	69
V. Other assets	10	341	30 1,343	50 341	70 1,343
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
<b>Total</b>	14	<b>245,659</b>	34 <b>218,197</b>	54 <b>221,089</b>	74 <b>189,801</b>

## 4 Tables appended to the Notes to the Financial Statements

Annex 12

### Assets - Statement of assets arising from pension fund management (item D.II)

	Current value		Acquisition cost					
	Year	Previous year	Year	Previous year				
I. Investments in group companies and other investees:								
1. Shares and holdings	1	21	41	61				
2. Bonds	2	22	42	62				
II. Other financial investments:								
1. Shares and holdings	3	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	
<b>Total</b>	<b>12</b>	<b>4,182,235</b>	<b>32</b>	<b>3,575,690</b>	<b>52</b>	<b>4,089,078</b>	<b>72</b>	<b>3,448,290</b>

Annex 12/04

UNIPOLSAI PREVIDENZA FPA

	Current value		Acquisition cost					
	Year	Previous year	Year	Previous year				
I. Investments in group companies and other investees:								
1. Shares and holdings	1	21	41	61				
2. Bonds	2	22	42	62				
II. Other financial investments:								
1. Shares and holdings	3	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	
<b>Total</b>	<b>12</b>	<b>807,601</b>	<b>32</b>	<b>769,138</b>	<b>52</b>	<b>786,620</b>	<b>72</b>	<b>732,392</b>

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	44	807,011
3. Mutual investment fund units	5	27,343	45	18,226
4. Bank deposits	6		46	66
5. Sundry financial investments	7		47	67
III. Other assets	8	5,801	48	5,801
IV. Cash and cash equivalents	9	8,082	49	8,082
Securities to be settled, payables and sundry liabilities	10	(2,494)	50	(2,494)
	11		51	71
<b>Total</b>	<b>12</b>	<b>883,234</b>	<b>32</b>	<b>851,294</b>
			<b>52</b>	<b>836,626</b>
			<b>72</b>	<b>795,573</b>

Annex 12/08

## ARCO

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	49,834	44	50,335
3. Mutual investment fund units	5	3,448	45	2,816
4. Bank deposits	6		46	66
5. Sundry financial investments	7		47	67
III. Other assets	8	323	48	323
IV. Cash and cash equivalents	9	7,442	49	7,442
Securities to be settled, payables and sundry liabilities	10	(97)	50	(97)
	11		51	71
<b>Total</b>	<b>12</b>	<b>60,951</b>	<b>32</b>	<b>57,400</b>
			<b>52</b>	<b>60,820</b>
			<b>72</b>	<b>57,224</b>



## 4 Tables appended to the Notes to the Financial Statements

Annex 12/09

POSTE

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	448,104	44	384,618
3. Mutual investment fund units	5	27,539	45	23,222
4. Bank deposits	6		46	19,490
5. Sundry financial investments	7		47	65
III. Other assets	8	2,223	48	3,692
IV. Cash and cash equivalents	9	4,592	49	22,657
Securities to be settled, payables and sundry liabilities	10	(1,255)	50	(946)
	11		51	(946)
<b>Total</b>	<b>12</b>	<b>481,202</b>	<b>32</b>	<b>433,243</b>
			<b>52</b>	<b>475,274</b>
			<b>72</b>	<b>428,428</b>

Annex 12/10

ALIFOND

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	65,816	44	69,329
3. Mutual investment fund units	5	3,977	45	3,497
4. Bank deposits	6		46	66
5. Sundry financial investments	7		47	67
III. Other assets	8	589	48	851
IV. Cash and cash equivalents	9	11,652	49	255
Securities to be settled, payables and sundry liabilities	10	(242)	50	(199)
	11		51	(199)
<b>Total</b>	<b>12</b>	<b>81,791</b>	<b>32</b>	<b>73,865</b>
			<b>52</b>	<b>81,708</b>
			<b>72</b>	<b>73,798</b>

Annex 12/11

## BYBLOS

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	158,335	44	158,899
3. Mutual investment fund units	5	6,679	45	5,294
4. Bank deposits	6		46	66
5. Sundry financial investments	7		47	67
III. Other assets	8	1,038	48	1,038
IV. Cash and cash equivalents	9	352	49	352
Securities to be settled, payables and sundry liabilities	10	(534)	50	(534)
	11		51	71
<b>Total</b>	<b>12</b>	<b>165,871</b>	<b>32</b>	<b>156,159</b>
			<b>52</b>	<b>165,050</b>
			<b>72</b>	<b>152,159</b>

Annex 12/12

## PRIAMO

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	240,690	44	239,890
3. Mutual investment fund units	5	6,799	45	6,386
4. Bank deposits	6		46	66
5. Sundry financial investments	7		47	67
III. Other assets	8	1,051	48	1,051
IV. Cash and cash equivalents	9	48,312	49	48,312
Securities to be settled, payables and sundry liabilities	10	(372)	50	(372)
	11		51	71
<b>Total</b>	<b>12</b>	<b>296,481</b>	<b>32</b>	<b>276,770</b>
			<b>52</b>	<b>295,268</b>
			<b>72</b>	<b>269,648</b>

## 4 Tables appended to the Notes to the Financial Statements

Annex 12/13

TELEMACO

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	67,750	44	67,114
3. Mutual investment fund units	5	4,611	45	3,031
4. Bank deposits	6		46	66
5. Sundry financial investments	7		47	67
III. Other assets	8	292	48	292
IV. Cash and cash equivalents	9	6,543	49	6,543
Securities to be settled, payables and sundry liabilities	10	(201)	50	(201)
	11		51	71
<b>Total</b>	<b>12</b>	<b>78,994</b>	<b>52</b>	<b>76,778</b>
		<b>32</b>	<b>71,948</b>	<b>72</b>
			<b>69,774</b>	

Annex 12/15

FILCOOP

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	18,868	44	18,933
3. Mutual investment fund units	5		45	65
4. Bank deposits	6		46	66
5. Sundry financial investments	7		47	67
III. Other assets	8	101	48	101
IV. Cash and cash equivalents	9	11,806	49	11,806
	10		50	70
	11		51	71
<b>Total</b>	<b>12</b>	<b>30,775</b>	<b>52</b>	<b>30,840</b>
		<b>32</b>	<b>28,035</b>	<b>72</b>
			<b>28,193</b>	

Annex 12/16

## FONDAPI

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	83,192	44	83,309
3. Mutual investment fund units	5	8,529	45	4,867
4. Bank deposits	6		46	66
5. Sundry financial investments	7		47	67
III. Other assets	8	614	48	614
IV. Cash and cash equivalents	9	5,200	49	5,200
Securities to be settled, payables and sundry liabilities	10	(389)	50	(389)
	11		51	
<b>Total</b>	<b>12</b>	<b>97,146</b>	<b>52</b>	<b>93,600</b>
		<b>32</b>	<b>91,497</b>	<b>72</b>
			<b>88,514</b>	

Annex 12/18

## PREVIMODA

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	76,720	44	75,746
3. Mutual investment fund units	5	4,379	45	4,052
4. Bank deposits	6		46	66
5. Sundry financial investments	7		47	67
III. Other assets	8	276	48	276
IV. Cash and cash equivalents	9	27,876	49	27,876
Securities to be settled, payables and sundry liabilities	10	(172)	50	(172)
	11		51	
<b>Total</b>	<b>12</b>	<b>109,079</b>	<b>52</b>	<b>107,778</b>
		<b>32</b>	<b>101,879</b>	<b>72</b>
			<b>100,039</b>	

## 4 Tables appended to the Notes to the Financial Statements

Annex 12/19

FONTE

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	493,196	44	487,495
3. Mutual investment fund units	5	34,362	45	31,037
4. Bank deposits	6		46	
5. Sundry financial investments	7		47	
III. Other assets	8	2,995	48	3,660
IV. Cash and cash equivalents	9	84,686	49	46,560
Securities to be settled, payables and sundry liabilities	10	(1,942)	50	(1,879)
	11		51	
<b>Total</b>	<b>12</b>	<b>613,297</b>	<b>32</b>	<b>566,874</b>
			<b>52</b>	<b>602,815</b>
			<b>72</b>	<b>555,441</b>

Annex 12/20

FONDINPS

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	65,897	44	65,756
3. Mutual investment fund units	5	4,070	45	3,648
4. Bank deposits	6		46	
5. Sundry financial investments	7		47	
III. Other assets	8	251	48	265
IV. Cash and cash equivalents	9	4,617	49	567
Securities to be settled, payables and sundry liabilities	10	(395)	50	(409)
	11		51	
<b>Total</b>	<b>12</b>	<b>74,441</b>	<b>32</b>	<b>69,829</b>
			<b>52</b>	<b>73,605</b>
			<b>72</b>	<b>69,308</b>

Annex 12/21

## PERSEO SIRIO GAR.

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	45,502	24	21,275
3. Mutual investment fund units	5	1,363	25	1,043
4. Bank deposits	6		26	46
5. Sundry financial investments	7		27	47
III. Other assets	8	376	28	234
IV. Cash and cash equivalents	9	1,272	29	2,416
Securities to be settled, payables and sundry liabilities	10	(48)	30	(19)
	11		31	51
<b>Total</b>	<b>12</b>	<b>48,465</b>	<b>32</b>	<b>24,949</b>
			<b>52</b>	<b>48,633</b>
			<b>72</b>	<b>24,977</b>

Annex 12/22

## COMETA SICUREZZA 2015 GAR.

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	27,422	24	2,554
3. Mutual investment fund units	5	560	25	123
4. Bank deposits	6		26	46
5. Sundry financial investments	7		27	47
III. Other assets	8	104	28	15
IV. Cash and cash equivalents	9	940	29	122
Securities to be settled, payables and sundry liabilities	10	(36)	30	(2)
	11		31	51
<b>Total</b>	<b>12</b>	<b>28,991</b>	<b>32</b>	<b>2,812</b>
			<b>52</b>	<b>29,082</b>
			<b>72</b>	<b>2,821</b>

## 4 Tables appended to the Notes to the Financial Statements

Annex 12/23

PREVICOOPER SICURO GAR

		Current value		Acquisition cost	
		Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:					
1. Shares and holdings	1	21	41	61	
2. Bonds	2	22	42	62	
II. Other financial investments:					
1. Shares and holdings	3	23	43	63	
2. Bonds and other fixed-yield securities	4	94,325	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	48	396	68
IV. Cash and cash equivalents	9	47,735	29	47,735	69
Securities to be settled, payables and sundry liabilities	10	(95)	30	(95)	70
	11		51		71
<b>Total</b>	<b>12</b>	<b>142,360</b>	<b>32</b>	<b>142,921</b>	<b>72</b>

Annex 12/24

F.DO PENS.COOPERLAVORO SICUREZZA GAR.

		Current value		Acquisition cost	
		Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:					
1. Shares and holdings	1	21	41	61	
2. Bonds	2	22	42	62	
II. Other financial investments:					
1. Shares and holdings	3	23	43	63	
2. Bonds and other fixed-yield securities	4	159,535	24	160,390	64
3. Mutual investment fund units	5	6,499	25	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	1,359	68
IV. Cash and cash equivalents	9	14,678	29	14,678	69
Securities to be settled, payables and sundry liabilities	10	(516)	30	(516)	70
	11		51		71
<b>Total</b>	<b>12</b>	<b>181,555</b>	<b>32</b>	<b>181,660</b>	<b>72</b>

Annex 13

### Liabilities - Non-Life business - Changes in the year in premium provision (item C.I.1) and claims provision (item C.I.2)

Type		Year		Previous year		Change
<b>Premium provision:</b>						
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)
<b>Carrying amount</b>	<b>3</b>	<b>2,636,654</b>	<b>13</b>	<b>2,651,229</b>	<b>23</b>	<b>(14,576)</b>
<b>Claims provision:</b>						
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
<b>Carrying amount</b>	<b>7</b>	<b>12,039,366</b>	<b>17</b>	<b>12,433,917</b>	<b>27</b>	<b>(394,552)</b>

Annex 14

### Liabilities - Changes in the year in mathematical provision (item C.II.1) and provision for profit sharing and reversals (item C.II.4)

Type		Year		Previous year		Change
Mathematical provision for pure premiums	1	23,694,680	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
<b>Carrying amount</b>	<b>5</b>	<b>23,996,063</b>	<b>15</b>	<b>23,106,134</b>	<b>25</b>	<b>889,929</b>
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 and similar obligations	Provisions for taxes	Other provisions	Post-employment 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
<b>Carrying amount</b>		<b>6 2,593</b>	<b>16 121,825</b>	<b>26 429,419</b>	<b>36 54,574</b>



## 4 Tables appended to the Notes to the Financial Statements

Annex 16

### Details of assets and liabilities relating to Group companies and other investees

#### I: Assets

	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
Shares and holdings	1 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
<b>Total</b>	<b>85 386,841</b>	<b>86 1,810,055</b>	<b>87 852,806</b>	<b>88 51,200</b>	<b>89 77,423</b>	<b>90 3,178,325</b>
of which subordinated assets	91	92	93	94	95	96

#### II: Liabilities

	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
Subordinated liabilities	97	98	99	100	101	102
Deposits received from reinsurers	103	104 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
<b>Total</b>	<b>151 105,141</b>	<b>152 106,703</b>	<b>153 44,313</b>	<b>154 55</b>	<b>155 801</b>	<b>156 257,013</b>

## 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
<b>Total</b>	12	<b>93,090</b>	42	<b>99,385</b>
II. Guarantees received:				
a) group companies, associates and other investees	13		43	249
b) third parties	14	85,391	44	96,325
<b>Total</b>	15	<b>85,391</b>	45	<b>96,573</b>
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
<b>Total</b>	18	<b>1,224,534</b>	48	<b>1,243,461</b>
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
<b>Total</b>	22	<b>8,592,423</b>	52	<b>7,292,962</b>
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
<b>Total</b>	25	<b>43,385,610</b>	55	<b>42,413,029</b>

## 4 Tables appended to the Notes to the Financial Statements

Annex 18

### Statement of commitments for transactions on derivative contracts

Derivative contracts	Year				Previous year											
	Purchase		Sale		Purchase		Sale									
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)								
Futures: on shares	1	101	21	121	41	141	61	161								
on bonds	2	102	22	122	42	142	62	162								
on currencies	3	103	23	123	43	143	63	163								
on rates	4	104	24	124	44	144	64	164								
other	5	105	25	125	45	145	65	165								
Options: on shares	6	1,302,384	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 transactions	14		114		34		134		54		154		74		174	
<b>Total</b>	15	<b>5,031,702</b>	115	<b>(221,312)</b>	35	<b>3,115,255</b>	135	<b>(93,993)</b>	55	<b>4,840,142</b>	155	<b>(49,298)</b>	75	<b>2,226,908</b>	175	<b>(31,261)</b>

Only the transactions on derivative contracts in place at the time of preparation of the financial statements that imply commitments for the company must be entered.

If the contract does not exactly match the figures described or if the typical elements of more than one case merge, this contract must be included in the most similar contractual category.

Netting is not allowed, unless this refers to purchase/sale transactions referred to the same contract type (same content, maturity, underlying assets, etc.)

The contracts that require the swap of two currencies must be posted once, conventionally referring to the currency to be purchased. The contracts that require the swap of both interest rates and currencies must be posted only under the contracts on currencies.

The derivative contracts that require the swap of interest rates are conventionally classified as "purchases" or "sales" depending on whether they imply the purchase or sale of the fixed rate for the insurance company.

(1) For the derivative contracts that imply or may imply forward equity swaps, their settlement price must be stated; in all the other cases, the nominal value of the reference capital must be specified

(2) Enter the fair value of the derivative contracts

## Summarised information on Non-Life business technical account

		Gross premiums written		Gross premiums earned		Gross charges relating to claims		Operating expenses		Reinsurance balance
<b>Direct insurance business:</b>										
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)
<b>Total direct insurance business</b>	<b>51</b>	<b>6,960,233</b>	<b>52</b>	<b>7,005,119</b>	<b>53</b>	<b>4,629,554</b>	<b>54</b>	<b>1,975,866</b>	<b>55</b>	<b>(91,820)</b>
<b>Indirect insurance business</b>	<b>56</b>	<b>6,503</b>	<b>57</b>	<b>6,368</b>	<b>58</b>	<b>1,852</b>	<b>59</b>	<b>1,435</b>	<b>60</b>	<b>(1,736)</b>
<b>Total Italian portfolio</b>	<b>61</b>	<b>6,966,736</b>	<b>62</b>	<b>7,011,487</b>	<b>63</b>	<b>4,631,406</b>	<b>64</b>	<b>1,977,301</b>	<b>65</b>	<b>(93,557)</b>
<b>Foreign portfolio</b>	<b>66</b>	<b>1,491</b>	<b>67</b>	<b>2,334</b>	<b>68</b>	<b>(174)</b>	<b>69</b>	<b>496</b>	<b>70</b>	<b>55</b>
<b>Grand total</b>	<b>71</b>	<b>6,968,227</b>	<b>72</b>	<b>7,013,822</b>	<b>73</b>	<b>4,631,232</b>	<b>74</b>	<b>1,977,797</b>	<b>75</b>	<b>(93,501)</b>

## 4 Tables appended to the Notes to the Financial Statements

Annex 20

### Summarised information on Life business regarding premiums and the reinsurance balance

		Direct business	Indirect business	Total
Gross premiums:	1	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
<b>Gains arising from shares and holdings:</b>						
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
<b>Total</b>	<b>3</b>	<b>45,917</b>	<b>43</b>	<b>28,715</b>	<b>83</b>	<b>74,632</b>
<b>Gains arising from investments in land and buildings</b>						
	<b>4</b>	<b>80,136</b>	<b>44</b>	<b>206</b>	<b>84</b>	<b>80,342</b>
<b>Gains on other investments:</b>						
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
<b>Total</b>	<b>14</b>	<b>442,636</b>	<b>54</b>	<b>1,091,689</b>	<b>94</b>	<b>1,534,326</b>
<b>Reversals of value adjustments on investments regarding:</b>						
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
<b>Total</b>	<b>21</b>	<b>51,647</b>	<b>61</b>	<b>54,548</b>	<b>101</b>	<b>106,196</b>
<b>Gains on realisation of investments:</b>						
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
<b>Total</b>	<b>28</b>	<b>243,505</b>	<b>68</b>	<b>140,692</b>	<b>108</b>	<b>384,197</b>
<b>GRAND TOTAL</b>	<b>29</b>	<b>863,841</b>	<b>69</b>	<b>1,315,850</b>	<b>109</b>	<b>2,179,692</b>

## 4 Tables appended to the Notes to the Financial Statements

Annex 22

### Income and unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.3)

I. Investments relating to benefits linked to investment funds and market indices		Amounts
<b>Income from:</b>		
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
<b>Total</b>	7	<b>6,577</b>
<b>Gains on realisation of investments</b>		
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
<b>Total</b>	14	<b>3,189</b>
<b>Unrealised gains</b>	15	<b>14,967</b>
<b>GRAND TOTAL</b>	16	<b>24,733</b>

II. Investments arising from pension fund management		Amounts
<b>Income from:</b>		
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
<b>Total</b>	25	<b>75,786</b>
<b>Gains on realisation of investments</b>		
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	
<b>Total</b>	30	<b>30,453</b>
<b>Unrealised gains</b>	31	<b>46,819</b>
<b>GRAND TOTAL</b>	32	<b>153,058</b>

## Asset and financial charges (items II.9 and III.5)

		Non-Life business		Life business		Total
<b>Investment management expenses and other expenses</b>						
Expenses regarding shares and holdings	1	1,768	31	1,017	61	2,785
Expenses regarding investments in land and buildings	2	88,415	32	894	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
<b>Total</b>	8	<b>160,634</b>	38	<b>160,300</b>	68	<b>320,934</b>
<b>Value adjustments to investments regarding:</b>						
Land and buildings	9	113,899	39	1,281	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
<b>Total</b>	15	<b>271,394</b>	45	<b>101,095</b>	75	<b>372,489</b>
<b>Losses on realisation of investments</b>						
Capital losses on the disposal of land and buildings	16	197	46		76	197
Losses on shares and holdings	17	168,271	47	14,648	77	182,919
Losses on bonds	18	12,640	48	9,831	78	22,471
Losses on other financial investments	19	23,937	49	16,196	79	40,133
<b>Total</b>	20	<b>205,045</b>	50	<b>40,675</b>	80	<b>245,720</b>
<b>GRAND TOTAL</b>	21	<b>637,073</b>	51	<b>302,070</b>	81	<b>939,143</b>



## 4 Tables appended to the Notes to the Financial Statements

Annex 24

### Charges and unrealised losses relating to investments benefitting policyholders that bear the risk and investments arising from pension fund management (item II.10)

I. Investments relating to benefits linked to investment funds and market indices		Amounts
<b>Operating expenses arising from:</b>		
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
<b>Total</b>	<b>6</b>	<b>2,349</b>
<b>Losses on realisation of investments</b>		
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	
<b>Total</b>	<b>12</b>	<b>3,036</b>
<b>Unrealised losses</b>	<b>13</b>	<b>8,053</b>
<b>GRAND TOTAL</b>	<b>14</b>	<b>13,438</b>
II. Investments arising from pension fund management		Importi
<b>Operating expenses arising from:</b>		
Investments in group companies and investees	21	
Other financial investments	22	2,943
Other assets	23	26,574
<b>Total</b>	<b>24</b>	<b>29,516</b>
<b>Losses on realisation of investments</b>		
Losses on investments in group companies and investees	25	
Losses on other financial investments	26	24,129
Other charges	27	
<b>Total</b>	<b>28</b>	<b>24,129</b>
<b>Unrealised losses</b>	<b>29</b>	<b>41,094</b>
<b>GRAND TOTAL</b>	<b>30</b>	<b>94,739</b>



## 4 Tables appended to the Notes to the Financial Statements

### Non-Life business - Summary of technical accounts by individual class - Italian portfolio

			Class code 1		Class code 2	
			Accident (name)		Health (name)	
<b>Direct business gross of reinsurance</b>						
Written premiums	+	1	626,883	1	223,269	
Change in premium provision (+ or -)	-	2	(9,004)	2	(13,377)	
Charges relating to claims	-	3	236,636	3	152,107	
Change in sundry technical provisions (+ or -)	-	4	(41)	4	2,075	
Balance of other technical items (+ or -)	+	5	(17,839)	5	(8,200)	
Operating expenses	-	6	241,375	6	60,746	
<b>Technical balance of direct business (+ or -)</b>	<b>A</b>	7	140,078	7	13,517	
<b>Outwards reinsurance (+ or -)</b>	<b>B</b>	8	(7,901)	8	(8,037)	
<b>Indirect business net result (+ or -)</b>	<b>C</b>	9	(527)	9	15	
Change in equalisation provisions (+ or -)	D	10	59	10		
Investment income transferred from the non-technical account	E	11	6,897	11	2,849	
<b>Technical result (+ or -)</b>	<b>(A + B + C - D + E)</b>	12	<b>138,487</b>	12	<b>8,344</b>	

			Class code 7		Class code 8	
			Goods in transit (name)		Fire (name)	
<b>Direct business gross of reinsurance</b>						
Written premiums	+	1	18,515	1	502,410	
Change in premium provision (+ or -)	-	2	248	2	20,529	
Charges relating to claims	-	3	2,345	3	287,760	
Change in sundry technical provisions (+ or -)	-	4		4		
Balance of other technical items (+ or -)	+	5	(931)	5	(14,049)	
Operating expenses	-	6	9,043	6	162,034	
<b>Technical balance of direct business (+ or -)</b>	<b>A</b>	7	5,948	7	18,038	
<b>Outwards reinsurance (+ or -)</b>	<b>B</b>	8	(10,308)	8	(20,632)	
<b>Indirect business net result (+ or -)</b>	<b>C</b>	9	3	9	248	
Change in equalisation provisions (+ or -)	D	10	53	10	1,520	
Investment income transferred from the non-technical account	E	11	201	11	9,264	
<b>Technical result (+ or -)</b>	<b>(A + B + C - D + E)</b>	12	<b>(4,209)</b>	12	<b>5,398</b>	

			Class code 13		Class code 14	
			General TPL (name)		Credit (name)	
<b>Direct business gross of reinsurance</b>						
Written premiums	+	1	677,740	1	75	
Change in premium provision (+ or -)	-	2	(12,973)	2	40	
Charges relating to claims	-	3	443,981	3	321	
Change in sundry technical provisions (+ or -)	-	4		4		
Balance of other technical items (+ or -)	+	5	(19,271)	5	(2)	
Operating expenses	-	6	240,393	6	18	
<b>Technical balance of direct business (+ or -)</b>	<b>A</b>	7	(12,930)	7	(306)	
<b>Outwards reinsurance (+ or -)</b>	<b>B</b>	8	(5,511)	8	(264)	
<b>Indirect business net result (+ or -)</b>	<b>C</b>	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	
<b>Technical result (+ or -)</b>	<b>(A + B + C - D + E)</b>	12	<b>29,192</b>	12	<b>(484)</b>	

Class code 3		Class code 4		Class code 5		Class code 6	
Land Vehicle Hulls (name)		Railway rolling stock (name)		Aircraft (name)		Marine vessels (name)	
1	607,429	1	72	1	330	1	4,978
2	10,335	2	(22)	2	23	2	(132)
3	390,567	3	2,348	3	83	3	(1,896)
4		4		4		4	
5	(3,588)	5	(59)	5	(3)	5	(180)
6	157,824	6	6	6	526	6	2,421
7	45,114	7	(2,319)	7	(305)	7	4,404
8	(1,312)	8	2,284	8	337	8	(4,690)
9	364	9		9	7	9	214
10	955	10		10		10	3
11	4,830	11	1	11	8	11	134
12	<b>48,041</b>	12	<b>(34)</b>	12	<b>48</b>	12	<b>59</b>
Class code 9		Class code 10		Class code 11		Class code 12	
Other damage to property (name)		Land Vehicle TPL (name)		Aircraft TPL (name)		Marine TPL (name)	
1	547,826	1	3,425,458	1	463	1	8,807
2	47	2	(25,476)	2	13	2	(63)
3	336,414	3	2,614,883	3	115	3	6,108
4		4		4		4	
5	(10,716)	5	(48,121)	5	(1)	5	(37)
6	207,537	6	777,732	6	70	6	3,359
7	(6,888)	7	10,198	7	264	7	(633)
8	(11,986)	8	(4,244)	8	(630)	8	(1,038)
9	(126)	9	561	9	(5)	9	
10	38	10		10		10	
11	6,368	11	86,987	11	10	11	327
12	<b>(12,670)</b>	12	<b>93,502</b>	12	<b>(361)</b>	12	<b>(1,344)</b>
Class code 15		Class code 16		Class code 17		Class code 18	
Bonds (name)		Pecuniary losses (name)		Legal expenses (name)		Assistance (name)	
1	62,678	1	54,472	1	60,231	1	138,598
2	(15,961)	2	(1,279)	2	(398)	2	2,564
3	52,747	3	22,769	3	18,937	3	63,331
4		4		4		4	
5	(2,320)	5	(653)	5	(466)	5	(952)
6	25,101	6	19,956	6	21,749	6	45,978
7	(1,528)	7	12,373	7	19,477	7	25,775
8	(3,025)	8	259	8	(4,760)	8	(10,363)
9	164	9	72	9		9	
10		10		10		10	
11	2,915	11	707	11	813	11	788
12	<b>(1,474)</b>	12	<b>13,409</b>	12	<b>15,531</b>	12	<b>16,200</b>

## 4 Tables appended to the Notes to the Financial Statements

Annex 26

### Summary of the condensed technical account of all Non-Life classes - Italian portfolio

		Direct insurance risks		Indirect insurance risks		Retained risks		Total 5=1-2+3-4			
		Direct risks	Ceded risks	Accepted risks	Retroceded risks						
		1	2	3	4						
Written premiums	+	1	6,960,233	11	415,980	21	6,503	31	40	41	6,550,716
Change in premium provision (+ or -)	-	2	(44,886)	12	(9,995)	22	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
<b>Technical result (+ or -)</b>		7	<b>270,276</b>	17	<b>91,820</b>	27	<b>3,940</b>	37	<b>1,736</b>	47	<b>180,659</b>
Change in equalisation provisions (+ or -)	-									48	2,600
Investment income transferred from the non-technical account	+	9	169,063			29	512			49	169,575
<b>Technical result (+ or -)</b>		10	<b>439,340</b>	20	<b>91,820</b>	30	<b>4,452</b>	40	<b>1,736</b>	50	<b>347,635</b>

## Life business - Summary of technical accounts by individual class - Italian portfolio

		Class code I	Class code II	Class code III
		Whole and term life (name)	Marriage-birth (name)	Invest. funds (name)
<b>Direct business gross of reinsurance</b>				
Written premiums	+	1 2,195,362	1	1 63,549
Charges relating to claims	-	2 1,760,672	2	2 37,157
Change in mathematical provisions and sundry technical provisions (+ or -)	-	3 785,382	3	3 35,372
Balance of other technical items (+ or -)	+	4 (23,678)	4	4 2,087
Operating expenses	-	5 138,004	5	5 3,347
Income from investments net of the share transferred to the non-technical account (*)	+	6 696,974	6	6 11,915
<b>Direct business result, gross of reinsurance (+ or -)</b>	<b>A</b>	<b>7 184,599</b>	<b>7</b>	<b>7 1,675</b>
<b>Outwards reinsurance result (+ or -)</b>	<b>B</b>	<b>8 (1,574)</b>	<b>8</b>	<b>8</b>
<b>Indirect business net result (+ or -)</b>	<b>C</b>	<b>9 230</b>	<b>9</b>	<b>9</b>
<b>Technical result (+ or -)</b>	<b>(A + B + C)</b>	<b>10 183,255</b>	<b>10</b>	<b>10 1,675</b>

		Class code IV	Class code V	Class code VI
		Health (name)	Capitalisation (name)	Pension funds (name)
<b>Direct business gross of reinsurance</b>				
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
<b>Direct business result, gross of reinsurance (+ or -)</b>	<b>A</b>	<b>7 388</b>	<b>7 34,474</b>	<b>7 2,139</b>
<b>Outwards reinsurance result (+ or -)</b>	<b>B</b>	<b>8 (1,241)</b>	<b>8</b>	<b>8</b>
<b>Indirect business net result (+ or -)</b>	<b>C</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>Technical result (+ or -)</b>	<b>(A + B + C)</b>	<b>10 (853)</b>	<b>10 34,474</b>	<b>10 2,139</b>

(\*) Algebraic sum of the entries regarding class and Italian portfolio included in the items II.2, II.3, II.9, II.10 and II.12 of the Income Statement.

## 4 Tables appended to the Notes to the Financial Statements

Annex 28

### Summary of the condensed technical account of all Life classes Italian portfolio

		Direct insurance risks				Indirect insurance risks				Retained risks	
		Direct risks		Ceded risks		Accepted risks		Retroceded risks		Total	
		1	2	3	4	5 = 1 - 2 + 3 - 4					
Written premiums	+	1	3,041,710	11	8,139	21	515	31	124	41	3,033,963
Charges relating to claims	-	2	2,523,181	12	15,060	22	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
<b>Technical result (+ or -)</b>		7	<b>223,276</b>	17	<b>2,815</b>	27	<b>335</b>	37	<b>106</b>	47	<b>220,691</b>

(\*) Algebraic sum of the entries regarding the Italian portfolio included in the items II.2, II.3, II.9, II.10 and II.12 of the Income Statement.

Annex 29

### Summary of the Non-Life and Life technical accounts - foreign portfolio

#### Section I: Non-Life

			Total Non-Life
<b>Direct business gross of reinsurance</b>			
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	
<b>Technical balance of direct business (+ or -)</b>	<b>A</b>	7	
<b>Outwards reinsurance result (+ or -)</b>	<b>B</b>	8	
<b>Indirect business net result (+ or -)</b>	<b>C</b>	9	1,371
Change in equalisation provisions (+ or -)	<b>D</b>	10	3
Investment income transferred from the non-technical account	<b>E</b>	11	803
<b>Technical result (+ or -)</b>	<b>(A + B + C - D + E)</b>	12	<b>2,172</b>

#### Section II: Life

			Total Non-Life
<b>Direct business gross of reinsurance</b>			
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	
<b>Direct business result, gross of reinsurance (+ or -)</b>	<b>A</b>	7	
<b>Outwards reinsurance result (+ or -)</b>	<b>B</b>	8	
<b>Indirect business net result (+ or -)</b>	<b>C</b>	9	86
<b>Technical result (+ or -)</b>	<b>(A + B + C)</b>	10	<b>86</b>

(1) Algebraic sum of the entries regarding the foreign portfolio included in the items II.2, II.3, II.9, II.10 and II.12 of the Income Statement.

## Relations with group companies and other investees

I: Income	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
<b>Income from investments</b>						
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
<b>Total</b>	37 <b>2,719</b>	38 <b>47,706</b>	39 <b>10,696</b>	40 <b>11,510</b>	41 <b>1,590</b>	42 <b>74,221</b>
<b>Income and unrealised gains on investments benefiting policyholders that bear the risk and arising from pension fund management</b>	43	44	45	46	47	48
<b>Other income</b>						
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
<b>Total</b>	67 <b>5,056</b>	68 <b>28,935</b>	69 <b>31,123</b>	70 <b>4,269</b>	71 <b>448</b>	72 <b>69,832</b>
<b>Gains on realisation of investments (*)</b>	73	74	75	76	77	78
<b>Extraordinary income</b>	79	80 <b>80</b>	81 <b>10,510</b>	82 <b>432</b>	83	84 <b>11,023</b>
<b>GRAND TOTAL</b>	85 <b>7,775</b>	86 <b>76,722</b>	87 <b>52,329</b>	88 <b>16,212</b>	89 <b>2,038</b>	90 <b>155,076</b>

II: Charges	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
<b>Investment management expenses and interest expense:</b>						
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
<b>Total</b>	157 <b>4,756</b>	158 <b>24,211</b>	159 <b>59,403</b>	160 <b>22</b>	161 <b>184</b>	162 <b>88,576</b>
<b>Charges and unrealised losses on investments benefiting policyholders that bear the risk and arising from pension fund management</b>	163	164	165	166	167	168
<b>Losses on realisation of investments (*)</b>	169 1,945	170	171	172	173	174 1,945
<b>Extraordinary expenses</b>	175	176	177	178 40	179 10	180 50
<b>GRAND TOTAL</b>	181 <b>6,701</b>	182 <b>24,211</b>	183 <b>59,403</b>	184 <b>62</b>	185 <b>194</b>	186 <b>90,571</b>

(\*) With reference to the counterparty in the transaction



## 4 Tables appended to the Notes to the Financial Statements

Annex 31

### Summary of direct business written premiums

	Non-Life business		Life business		Total	
	Establishment	F.o.S	Establishment	F.o.S	Establishment	F.o.S
Written premiums:						
in Italy	1 6,942,026	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
<b>Total</b>	4 <b>6,942,026</b>	8 <b>18,207</b>	14 <b>3,040,181</b>	18 <b>1,529</b>	24 <b>9,982,207</b>	28 <b>19,736</b>

## Statement of charges regarding human resources, directors and statutory auditors

I: Personnel expenses		Non-Life business		Life business		Total
<b>Employment expenses:</b>						
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
<b>Total</b>	5	<b>523,804</b>	35	<b>69,812</b>	65	<b>593,616</b>
Foreign portfolio:						
- Remuneration	6		36		66	
- Social security contributions	7		37		67	
- Sundry personnel expenses	8		38		68	
<b>Total</b>	9		39		69	
<b>Comprehensive total</b>	10	<b>523,804</b>	40	<b>69,812</b>	70	<b>593,616</b>
<b>Self-employment expenses:</b>						
Italian portfolio	11	474,154	41	1,894	71	476,049
Foreign portfolio	12		42		72	
<b>Total</b>	13	<b>474,154</b>	43	<b>1,894</b>	73	<b>476,049</b>
<b>Total self-employment expenses</b>	14	<b>997,958</b>	44	<b>71,707</b>	74	<b>1,069,665</b>
<b>II: Breakdown of personnel expenses</b>						
		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	46	3,485	76	625,654
Other acquisition costs	17	136,398	47	23,091	77	159,490
Other administrative expenses	18	187,694	48	33,780	78	221,474
Administrative charges and third-party expenses	19	33,454	49	5,007	79	38,461
Other charges	20		50		80	
<b>Total</b>	21	<b>997,958</b>	51	<b>71,707</b>	81	<b>1,069,665</b>
<b>III: Average headcount in the year</b>						Number
Executives					91	164
Office workers					92	7,272
Wage earning					93	
Others					94	14
<b>Total</b>					95	<b>7,450</b>
<b>IV: Directors and Statutory Auditors</b>						Number
Directors			96	21	98	2,263
Statutory Auditors			97	3	99	175
						Fees due

## 4 Tables appended to the Notes to the Financial Statements

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

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### Legal representatives of the Company (\*)

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#### The Chairman

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Carlo Cimbri

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(\*\*)

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


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

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**ADDITIONAL  
TABLES**  
APPENDED TO THE NOTES  
TO THE FINANCIAL STATEMENTS

## 5 Additional tables appended to the Notes to the Financial Statements

### Reclassification statement of financial position at 31 December 2016 and at 31 December 2015

Amounts in €k

ASSETS	2016	2015
<b>Subscribed capital, unpaid</b>		
<b>Intangible assets</b>		
Acquisition costs being amortised	77,679	73,953
Start-up costs, goodwill and other long-term costs	792,837	775,170
<b>Total intangible assets</b>	<b>870,516</b>	<b>849,123</b>
<b>Investments and cash and cash equivalents</b>		
I Land and buildings	2,541,526	2,726,037
II Investments in group companies and other investees		
Shares and holdings	2,155,862	2,118,317
Bonds	12,603	22,796
Loans	328,103	328,204
III Other financial investments		
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	135,337	148,083
Mutual investment units		
Sundry financial investments	193,107	250,556
IV Deposits with ceding companies	19,108	26,087
V Cash and cash equivalents	349,155	388,983
<b>Total investments and cash and cash equivalents</b>	<b>42,630,399</b>	<b>42,324,363</b>
<b>Investments benefiting life business policyholders that bear the risk arising from pension fund management</b>		
Linked to investment funds and market indices	354,016	349,140
Arising from pension fund management	4,182,235	3,575,690
<b>Total</b>	<b>4,536,251</b>	<b>3,924,830</b>
<b>Receivables</b>		
I Arising from direct insurance and reinsurance 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
II Other receivables	1,364,251	1,169,059
<b>Total receivables</b>	<b>3,092,084</b>	<b>2,982,284</b>
<b>Other assets</b>		
Tangible assets and inventories	85,487	79,193
Other assets	1,783,860	1,680,537
<b>Total other assets</b>	<b>1,869,347</b>	<b>1,759,730</b>
<b>TOTAL ASSETS</b>	<b>52,998,597</b>	<b>51,840,331</b>

LIABILITIES AND SHAREHOLDERS' EQUITY	2016	2015
<b>Shareholders' equity</b>		
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)
<b>Total shareholders' equity</b>	<b>5,528,469</b>	<b>5,496,382</b>
<b>Subordinated liabilities</b>	<b>2,011,689</b>	<b>2,011,689</b>
<b>Technical provisions, net of the quotas ceded and retroceded</b>		
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	82,275
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
<b>Total technical provisions</b>	<b>38,506,930</b>	<b>38,152,733</b>
<b>Net technical provisions when investment risk is borne by policyholders and provisions arising from pension fund management</b>		
Contracts linked to investment funds and market indices	353,917	348,971
Arising from pension fund management	4,182,235	3,575,690
<b>Total</b>	<b>4,536,152</b>	<b>3,924,662</b>
<b>Provisions for risks and charges</b>		
Post-employment benefits and similar obligations	2,593	2,880
Provisions for taxes	121,825	137,520
Other provisions	429,419	486,173
<b>Total provisions for risks and charges</b>	<b>553,837</b>	<b>626,572</b>
<b>Payables and other liabilities</b>		
Arising from direct insurance and reinsurance business		
Intermediaries	42,285	39,145
Insurance and reinsurance company current accounts	88,667	100,517
Insurance and reinsurance company deposit accounts	224,767	174,112
Sundry payables	15,912	15,932
II Sundry loans and other financial payables	15,364	18,804
III Post-employment benefits	54,574	55,839
IV Other payables		
Policyholders' tax due	152,276	154,227
Sundry tax payables	28,669	27,203
Sundry payables	268,253	232,843
V Other liabilities	970,753	809,672
<b>Total payables and other liabilities</b>	<b>1,861,520</b>	<b>1,628,293</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>52,998,597</b>	<b>51,840,331</b>



## 5 Additional tables appended to the Notes to the Financial Statements

Statement B

### Reclassified income statement

Amounts in €k

TECHNICAL ACCOUNT	2016			2015		
	Life	Non-Life	Total	Life	Non-Life	Total
<b>Direct business gross of reinsurance</b>						
(+) 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
<b>Direct business gross result</b>	<b>223,494</b>	<b>438,055</b>	<b>661,549</b>	<b>11,443</b>	<b>806,148</b>	<b>817,591</b>
<b>Outwards reinsurance result</b>	<b>(2,815)</b>	<b>(91,820)</b>	<b>(94,635)</b>	<b>(9,041)</b>	<b>(101,481)</b>	<b>(110,521)</b>
<b>Indirect business net result</b>	<b>98</b>	<b>3,572</b>	<b>3,670</b>	<b>37</b>	<b>(7,689)</b>	<b>(7,652)</b>
<b>Technical account result</b>	<b>220,777</b>	<b>349,806</b>	<b>570,583</b>	<b>2,440</b>	<b>696,978</b>	<b>699,418</b>
<b>NON-TECHNICAL ACCOUNT</b>						
(+) 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
<b>Profit (loss) from ordinary operations</b>	<b>286,160</b>	<b>288,073</b>	<b>574,234</b>	<b>33,058</b>	<b>638,491</b>	<b>671,549</b>
(+) 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
<b>Pre-tax profit (loss)</b>	<b>288,868</b>	<b>345,455</b>	<b>634,322</b>	<b>175,615</b>	<b>699,065</b>	<b>874,680</b>
(-) Taxes	84,980	90,863	175,843	45,085	273,873	318,958
<b>NET PROFIT (LOSS)</b>	<b>203,888</b>	<b>254,592</b>	<b>458,479</b>	<b>130,530</b>	<b>425,192</b>	<b>555,722</b>

(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 of changes in shareholders' equity occurred during the years ended 31 December 2016 and 31 December 2015

<i>Amounts in €k</i>	Equity reserves and unallocated profit										Total
	Share Capital	Share premium reserve	Revaluation reserve	Legal reserve	Statutory reserve	Reserve for treasury shares	Reserve for holding company shares	Other reserve	Profit for the year	Negative reserve for treasury shares	
<b>Balances at 31 december 2014</b>	<b>1,996,130</b>	<b>308,272</b>	<b>96,559</b>	<b>399,226</b>		<b>1,622</b>	<b>13,070</b>	<b>1,774,048</b>	<b>751,587</b>		<b>5,340,514</b>
Effects of the merger								14,079			<b>14,079</b>
Allocation profit 2014											
- Legal reserve											
- Extraordinary reserve								268,088	(268,088)		
- Shareholders' dividend									(483,499)		<b>(483,499)</b>
Change in the opening balances for restatement on dividends and treasury shares								11,827			<b>11,827</b>
Reclassification of treasury shares						(1,622)		1,622		(66,725)	<b>(66,725)</b>
Effect of Convertible bond conversion	35,316	98,984									<b>134,300</b>
Operations involving treasury shares										(9,836)	<b>(9,836)</b>
Adjustment of the Reserve for holding company shares							(255)	255			
Profit for 2015									555,722		<b>555,722</b>
<b>Balances at 31 december 2015</b>	<b>2,031,446</b>	<b>407,256</b>	<b>96,559</b>	<b>399,226</b>			<b>12,815</b>	<b>2,069,919</b>	<b>555,722</b>	<b>(76,561)</b>	<b>5,496,382</b>
Effects after the merger of Liguria and Dialogo	10							5			<b>16</b>
Allocation profit 2015											
- Legal reserve				7,063					(7,063)		
- Extraordinary reserve								125,593	(125,593)		
- Shareholders' dividend									(423,677)		<b>(423,677)</b>
Allocation of profit delta resulting from 2015 restatement								(611)	611		
Operations involving treasury shares										(2,731)	<b>(2,731)</b>
Operations involving shares of the Holding company							(1,810)	1,810			
Profit for 2016									458,479		<b>458,479</b>
<b>Balances at 31 december 2016</b>	<b>2,031,456</b>	<b>407,256</b>	<b>96,559</b>	<b>406,289</b>			<b>11,005</b>	<b>2,196,716</b>	<b>458,479</b>	<b>(79,292)</b>	<b>5,528,469</b>

## 5 Additional tables appended to the Notes to the Financial Statements

Statement D

### Analysis of the shareholders' equity pursuant to Art. 2427, number 7 bis of the Civil Code

Amounts in €k

Nature/Description	Amount	Possibility of use	Available portion	Summary of uses made in the three preceding years (*)
<b>Capital</b>	<b>2,031,456</b>			
<b>Capital reserves:</b>	<b>1,672,012</b>		<b>1,661,007</b>	<b>720,977</b>
Share premium reserve	407,256	A,B	407,256 <sup>(1)</sup>	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	
<b>Income-related reserves:</b>	<b>1,445,814</b>		<b>1,039,525</b>	<b>1,747</b>
Legal reserve	406,289	B		
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
<b>Negative reserve for treasury shares</b>	<b>(79,292)</b>		<b>(79,292)</b>	
<b>Total</b>	<b>5,149,282</b>		<b>2,700,532</b>	<b>722,724</b>
Non-distributable portion (2)			94,191	
<b>Residual distributable portion</b>			<b>2,606,341</b>	

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

(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 of cash flows at 31 December 2016

Amounts in €k

	31/12/2016	31/12/2015
<b>SOURCES OF FINANCING</b>		
<b>CASH FLOWS GENERATED BY OPERATIONS</b>		
Profit (loss) for the year	458,479	555,722
Increase (decrease) in reserves	582,814	251,134
<i>premium reserves and other Non-Life technical provisions</i>	(26,476)	(69,284)
<i>Non-Life claims provisions</i>	(662,569)	(854,445)
<i>Life technical provisions</i>	1,271,859	1,174,863
Increase (decrease) in funds	68,878	111,349
<i>Accumulated amortisation/depreciation</i>	146,632	203,200
<i>Provisions for risks and charges</i>	(77,754)	(91,851)
Investments	177,642	284,961
<i>Write-down of securities</i>		
<i>Write-down of investments</i>		
<i>Decrease in investments in securities</i>		
<i>Decrease in investments in shares and participating interests</i>		272,142
<i>Decrease in investments in property</i>	164,441	
<i>Decrease in class D investments</i>		
<i>Decrease in loans</i>	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		
<b>OTHER SOURCES OF FINANCING</b>		
Liquidity from merged company	24,019	60,801
<b>TOTAL SOURCES</b>	<b>1,406,548</b>	<b>1,860,957</b>
<b>USES OF CASH</b>		
Investments:	924,410	850,363
<i>Increase in investments in securities</i>	40,701	471,940
<i>Increase in investments in shares and participating interests</i>	272,288	
<i>Increase in investments in property</i>		239,506
<i>Reversal of impairment losses in securities</i>		
<i>Reversal of impairment losses in participating interests</i>		
<i>Increase in class D investments</i>	611,421	138,916
<i>Increase in loans</i>		
Increase in bank deposits		14,380
Other cash commitments	98,289	321,309
Dividends distributed	423,676	483,499
<b>TOTAL USES</b>	<b>1,446,376</b>	<b>1,669,550</b>
Increase (decrease) in cash and cash equivalents	(39,828)	191,540
<b>TOTAL</b>	<b>1,406,548</b>	<b>1,861,090</b>
<b>Bank accounts/cash available at the start of the year</b>	<b>388,983</b>	<b>197,443</b>
<b>Bank accounts/cash available at the end of the year</b>	<b>349,155</b>	<b>388,983</b>

## 5 Additional tables appended to the Notes to the Financial Statements

Statement F

### Statement summarising write-backs

Amounts in €k

	Property for corporate business	Property for use by third parties	Other property	Total
Law 74/1952	6,168	3,409		9,577
Law 823/73	192	4,102		4,294
Law 576/75	340	2,091		2,431
Law 295/78	1,473	3,320	2	4,795
Law 72/83	2,888	6,004		8,892
Law 413/91	7,755	21,022		28,777
DECREE LAW 185/08	58,716	40,874		99,590
<b>Total</b>	<b>77,532</b>	<b>80,822</b>	<b>2</b>	<b>158,356</b>

## Statement of changes in property, plant and equipment and intangible assets

Amounts in €k

	2015	Increases	Decreases	Net merger effect	2016
<b>TANGIBLE ASSETS</b>					
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	<b>79,193</b>	<b>28,024</b>	<b>21,730</b>		<b>85,487</b>
<b>INTANGIBLE ASSETS</b>					
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	<b>849,123</b>	<b>88,258</b>	<b>118,340</b>	<b>51,475</b>	<b>870,516</b>

## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs and reversals of impairment losses
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	187		
2	0414	To - Ivrea - P.Zza Lamarmora 7	76		
2	0248	To - Ivrea - Via Monte Stella 6	519		
2	0105	To - Moncalieri - P.Za V. Emanuele 8	197		
2	0434	To - Moncalieri - Piazza Caduti Per La Liberta' 7	116		
2	1050	To - Moncalieri - Strada Ferrero Di Cambiano, 20	3,474		
1	0008	To - Moncalieri - Via F. Postiglione 18	1,165		
2	0008	To - Moncalieri - Via F. Postiglione 18	725		
2	0112	To - Nichelino - Via Giusti 10	81		
2	0251	To - Rivarolo Canavese - V. Gallo Pecca 22	231		
2	0131	To - Rivoli - C. So Susa 40-42	114		
2	0163	To - Torino - C. So Francia 151	151		
2	0167	To - Torino - C. So Grosseto 269	99		
2	0171	To - Torino - C. So Sebastopoli 310/1	109		
2	0172	To - Torino - C. So Siracusa 92	287		
2	0544	To - Torino - C. So Svizzera 185	1,651		
2	0178	To - Torino - C. So Turati 74	72		
2	1049	To - Torino - C. So Vittorio Emanuele 48/V. Carlo Alberto 65	22,540	892	
2	0162	To - Torino - Corso Dante 119	1,055		
2	0493	To - Torino - Corso Francia 204	131		
2	0019	To - Torino - Corso Galileo Galilei 12/14	22,858	1,225	
2	0231	To - Torino - Corso Lecce 50	124		
2	2189	To - Torino - Corso Re Umberto 131	1,964		
1	2219	To - Torino - Corso Trapani 7/D	2,003		
2	2219	To - Torino - Corso Trapani 7/D	47		
1	7560	To - Torino - Corso Vittorio Emanuele 8, 3	447		
2	7560	To - Torino - Corso Vittorio Emanuele 8, 3	518		
2	0161	To - Torino - Cosenza 101/Pitagora 9	191		
2	0194	To - Torino - Grossi 29/Vinci 21/Cellini 6	7,140	94	
1	1109	To - Torino - Lungo Dora Firenze 71	26,624	303	
2	0022	To - Torino - Piazza Derna 207	73		
2	0494	To - Torino - Piazza Guala 143	8,199		
2	2303	To - Torino - Strada Del Drosso, 25	5,548		
1	0168	To - Torino - V. S. Da Padova 2/Matteotti 51	1,864	103	
2	0168	To - Torino - V. S. Da Padova 2/Matteotti 51	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	To - Torino - Via Berthollet 46	72	8	
2	0187	To - Torino - Via Breglio 61	335		
1	0284	To - Torino - Via Carlo Alberto 59	6,113		
2	0253	To - Torino - Via Dei Quartieri 10	88		

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
		3		9	241	241	43		3
				7	189	200	50		
				2	48	121	8	7	
				6	181	370	32	9	
				3	73	84	16	6	
				11	508	560	54		
		2		7	188	188	33	12	2
				4	112	142	22	41	
		474			3,000	3,000	1,373		2,950
				124	1,041	2,910	3,707	912	
				21	704	1,011	105	155	
				3	78	180	14	79	
				8	223	300	39		
				4	110	350	19	101	
		2		6	144	144	39	147	2
		1		3	94	94	17	94	1
				4	106	190	19	34	
		3		10	274	274	49	250	3
		17		60	1,574	1,574	434		1,318
				3	70	260	15	65	
				513	22,919	22,694	2,335		2,692
				20	1,035	2,460	128	755	
	151			4					
				976	23,107	47,104	15,292	8,718	
		1		4	119	119	21	20	1
	1,984			1					
				50	1,953	1,900	259		496
				1	46		6		12
			823	23	45	81	53	53	
823				33	864	1,469	913	940	
		2		7	182	182	61	200	2
				4	7,230	19,156	20	4,580	
				646	26,281	23,594	695		
		1		3	69	69	38	92	1
				232	7,967	8,062	2,185		
		634		151	4,763	4,763	763		3,781
	2,644			35					
	3,481			10					
				204	8,408	8,521	1,694		459
			9,958	232	378	417	9		
9,958				2	9,797	8,843	241		
		3		11	320	320	57	225	3
				323	5,790	6,600	4,961		
		1		3	84	84	15		1



## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other increases	Write-backs and reversals of impairment losses
2	0193	To - Torino - Via Gobetti 15	18,612		
2	2284	To - Torino - Via Guarini 4	173		
1	3511	To - Torino - Via Marengo 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	2254	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	Bi - Biella - Piazza 1 Maggio 10	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	Bi - Cossato - Via Paietta 8	114		
2	0501	Bi - Trivero - Località Ponzzone / Via Provinciale 195	95		
3	0525	Im - San Remo - Monte Bignone S.N.C.	22		
2	0153	Sv - Savona - Via Servettaz 1	114		
2	0538	Ge - Camogli - Fabbricati Non Abitativi Camogli Viale Gaggini 1	86		
3	0543	Ge - Camogli - Terreni Agr. In Com. Camogli Viale Gaggini 1	58		
2	0540	Ge - Camogli - Via Gaggini 1	8,610	201	
2	0334	Ge - Camogli - Via Gaggini, 1	359		
2	0541	Ge - Camogli - Via Romana 215	209		
2	0061	Ge - Genova - C. So De Stefanis 1/5	63		
2	0409	Ge - Genova - P. Zza De Ferrari 1	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	21		
				77	3,106	3,138	706		2,380
				2	42	42	10	44	
				1	31	31	6	33	
		2		6	157	157	28		2
	178			1					
				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	
				2	43	43	8	48	
		2		4	108	105	22		2
				4	91	93	33	6	11
					22	41			
				4	109	418	19	78	
					86	84	4		9
					58	187			
				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

## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs and reversals of 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	Co - Como - Via Innocenzo Xi, 13	1,643	42	
2	8110	Co - Como - Via Innocenzo Xi, 13	3,232	103	
2	2183	So - Sondrio - Galleria Xxv Aprile 5	73		
2	0482	So - Sondrio - Largo Pedrini 3	258		
2	0023	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	2076	Mi - Legnano - Corso Sempione 119	49		
2	0265	Mi - Legnano - Via Porta / Corso Sempione 164	248		

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
				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
		1			1	1			1
					37	40			99
					1,913	1,850			700
		2		7	205	205	37	178	2
		3		9	260	260	51	51	3
		2		7	197	197	35		2
				9	143	310	156		
		1		3	89	89	16		1
				5	143	150	25		
				8	212	302	42		
		182		38	1,500	1,500	376		1,955
		24		9	220	220	45		44
				2	46	46	8	25	
				2	44	180	8	39	
				4	118	122	22		
				214	11,646	11,362	1,643		51,826
					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		

## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs and reversals of 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	Mi - Milano - Localita Trenno Snc	5,562		
2	3032	Mi - Milano - Localita Vaiano Valle Nord - Valle Sud - Macconago	60,058	129	
2	0086	Mi - Milano - P.Za Garibaldi 8	63		
2	0087	Mi - Milano - P.Za Napoli 38	185		
1	2238	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	215		
2	4367	Mi - Milano - Piazza Castello 13	10,887		
1	7701	Mi - Milano - Piazza Missori 2	1,382		
2	3075	Mi - Milano - Piazza Missori 2	34		
2	7701	Mi - Milano - Piazza Missori 2	2,042		
2	0310	Mi - Milano - Piazza Velasca 5	80,294	1,099	
2	0100	Mi - Milano - V.Le Lombardia 34	77		
2	0254	Mi - Milano - V.Lussu 4-6/V.La Malfa 7-9-11/V.Adriano100-102-104	1,220		
2	2302	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	3018	Mi - Milano - Via Brugnatelli / Via Ettore Ponti Snc	21		
2	3007	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	3008	Mi - Milano - Via Bugatti 7/9/11 - Lotto M15	562		
2	0554	Mi - Milano - Via Cardano 6	1,780		
2	2097	Mi - Milano - Via Casati, 39	1,736		
2	0304	Mi - Milano - Via Castellanza 6/8/10	12,412		
2	2289	Mi - Milano - Via Castellanza, 6	230		
2	0239	Mi - Milano - Via Cechov 48	136		
2	3036	Mi - Milano - Via Cesare Musatti Torre 2	4,112		
2	3037	Mi - Milano - Via Cesare Musatti Torre 3	3,974		
2	3004	Mi - Milano - Via Cesare Musatti Torre 4	3,001		
2	3005	Mi - Milano - Via Cesare Musatti Torre 5	3,013		
2	2222	Mi - Milano - Via Conservatorio 15	15,872	421	

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
				4	124	150	23		
		58		46	1,233	1,233	237		183
				393	8,890	18,700	4,361	1,789	
				54	1,537	1,600	200		
				1	11	12	13		
					7,358	12,250			4,554
					4,732	162			1,297
					5,562	5,713			927
					60,187	60,820			85
				2	61	190	11	58	
	1			7	176	426	70	198	1
	9			68	818	818	1,451		9
	4				391	391	10		4
	2				213	213	1	108	2
				376	10,511	11,100	2,026		5,119
				56	1,326	3,067	526	589	
				1	33	40	1		
				82	1,960	4,533	778	871	
				1,124	80,269	96,589	8,588		
	1			4	73	73	44	101	1
	21			36	1,163	1,163	234		78
				983	40,030	39,930	5,026		15,528
	28			30	859	859	147		28
					663	660			10
	287			12	2,100	2,100	542		10,018
				14	1,475	1,500	374		5,542
				18	2,413	2,500	562		9,651
				17	2,413	2,600	580		9,782
	3,272				39,750	39,750			3,492
	1			4	108	108	20	107	1
					21	71			
	7			22	678	678	164		78
450				1	6,030	6,331	1		310
	6			16	540	540	93		6
				61	1,720	1,780	303		
				27	1,709	4,268	133	603	
				36	12,375	15,000	296		
				1	229	230	5		226
				5	131	230	23		
				44	4,068	3,900	744		12,424
				44	3,930	4,000	780		11,963
	295			6	2,700	2,700	397		13,367
	308			5	2,700	2,700	384		13,641
				242	16,051	23,793	1,193		

## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other increases	Write-backs and 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 Castilla 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 Madonna 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	0095	Mi - Milano - Via Palmanova 189	79		
2	2120	Mi - Milano - Via Pantano 26	37,300	4,242	
2	3057	Mi - Milano - Via Patecchio 1 - Lotto A5 Ed.6	980		

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
				168	11,438	17,743	838		
		3		10	291	291	52		3
					49,255	49,700			29,040
				282	11,107	11,100	2,297		10,467
		332		108	3,926	4,081	731		3,407
		818		268	9,674	9,519	1,854		8,663
2,405				36	3,161	4,295	547		719
			2,405	380	12,326	10,705	2,133		9,380
				381	13,456	14,200	2,846		12,777
		826		283	12,000	12,000	2,218		13,456
				418	16,186	17,200	1,034		12,458
				170	8,327	8,750	1,434		11,185
				168	8,257	8,740	1,424		11,237
				162	8,025	9,170	1,458		11,609
				167	8,547	9,040	417		8,437
		293		24	900	900	58		1,325
				119	6,090	6,000	297		5,487
				138	3,865	3,975	743		1,080
				756	35,038	33,596	3,714		25,407
	5,991	252		20	900	900	81		252
	2,924			1	11,353	12,001	1		835
	1,858				4,654	4,942			454
				1	8	10	29	22	
				4	118	370	21	82	
		15			1,404	1,404			15
				1,290	46,708	47,773	9,439		25,013
				332	9,902	10,100	2,399		647
	527								
		373		344	10,971	10,971	1,874		714
		2		8	220	220	39	3	2
			3,294						703
		289			2,040	2,040			319
3,294				79	2,322	2,500	972		
		19		62	1,739	1,739	310		19
		190		92	3,500	3,500	1,112		3,912
				10	990	1,000	381		3,746
		1,029		306	12,321	12,321	1,688		14,632
				9	266	680	50	134	
					678	2,040	42	179	
				3	76	230	13	78	
				549	40,993	38,118	3,405		7,076
				2	978	970	310		4,857



## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0432	Mi - Milano - Via Perotti 2	2,346		
2	2123	Mi - Milano - Via Pontaccio 15	8,644	23	
1	2244	Mi - Milano - Via Rasori 2	2		
2	3058	Mi - Milano - Via Ripamonti-Missaglia Snc	6		
3	3031	Mi - Milano - Via Romano' _Cascina Malghera 42	750		
2	3031	Mi - Milano - Via Romano' _Cascina Malghera 42	384		
2	0006	Mi - Milano - Via Roncaglia 14	11		
2	3010	Mi - Milano - Via S.Sofia 29	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_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	Mi - Milano - Via Tibaldi 5	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	0298	Mi - Milano - Via Treccani Degli Alfieri 16-18-20-22-24-26	18,678		
3	3016	Mi - Milano - Via Trenno-Lampugnano Snc	13		
1	7734	Mi - Milano - Via Unione 1	16		
2	0277	Mi - Milano - Via Vincenzo Monti 21	9,739		
2	3035	Mi - Milano - Via Viviani, 2	2,081		
2	3024	Mi - Milano - Viale Majno 42	4,617	8	
2	0101	Mi - Milano - Viale Monza 137-139	18,355	582	
2	0546	Mi - Milano - Viale Restelli, 3	1,832		
2	3017	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	Mi - Pieve Emanuele - Loc.Viquarterio-Diritti Edificatori-V.Dei Pini Snc	1,150		
2	3051	Mi - Pieve Emanuele - Localita' Viquarterio - Via Dei Pini Snc	13,140		
2	3052	Mi - Pieve Emanuele - Via Dei Platani Snc	243		
2	0216	Mi - Pieve Emanuele - Via Delle Rose 6	8,352	316	
2	0230	Mi - Rozzano - Via Torino 85	194		
1	4357	Mi - San Donato Milanese - Via Dell'Unione Europea 3	101,090	1,393	
2	4357	Mi - San Donato Milanese - Via Dell'Unione Europea 3	59,633	635	
2	3027	Mi - San Donato Milanese (Mi) - Via Maastricht	19,857		
2	3203	Mi - Segrate - Via Delle Regioni 40		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
				55	2,291	3,100	305	132	
				51	8,616	14,000	209		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			8
		2		7	198	198	39	159	2
	2,448			1	14,588	15,046	1		526
		2			229	229	8		2
		880		820	20,954	21,000	5,573		5,934
				16	18,662	29,148	79		
					13	17			
				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			526					
	1,305	7		43	677	677	139		52
					1	1			
				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	
	23,405			530					
		22		10	2,059	2,059	10		22

## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs and reversals of 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	4370	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	Bs - Brescia - Via Iv Novembre 1	447		
1	2233	Bs - Brescia - Via Solferino 11	256		
2	2258	Bs - Brescia - Via Xx Settembre 32	824		
2	0344	Bs - Chiari - Via Maffoni 15	213		
2	2014	Bs - Darfo Boario Terme - Viale Repubblica, 27	64		
2	0527	Bs - Manerbio - Via Luzzago 34	3		
2	0427	Bs - Manerbio - Via S. Rocco 34	207		
2	0439	Pv - Mortara - C.So Cavour 74	108		
2	2214	Pv - Vigevano - Corso Garibaldi 41	38		
2	0513	Pv - Voghera - Via S. Lorenzo 14	144		
2	0336	Cr - Casalmaggiore - Via Marconi 1	108		
2	0050	Cr - Crema - Via Mazzini 78	52		
2	0051	Cr - Cremona - Corso Dante 39	136		
2	0353	Cr - Cremona - Corso Garibaldi 8-10	265		
1	2043	Cr - Cremona - Piazza S. Antonio Maria Zaccaria 7	336		
2	2043	Cr - Cremona - Piazza S. Antonio Maria Zaccaria 7	435		
2	5206	Cr - Cremona - Via Della Cooperazione 6	133		
2	2044	Cr - Cremona - Via Ingegneri 5	74		
2	7393	Cr - Cremona - Via Manzoni 19	49		
2	7776	Mn - Mantova - Piazza 80 Fanteria 6	98		
2	0428	Mn - Mantova - Piazza San Francesco 6	370		
2	2081	Mn - Mantova - Via Mazzini 16	237		
2	7368	Mn - Mantova - Via Mazzini 16	307		
2	0081	Mn - Mantova - Via V. Da Feltre 58	113		
2	2143	Mn - Ostiglia - Via Xx Settembre 63/65/67	410		
2	4130	Lc - Lecco - Via Besonda 11	834		
2	0348	Lo - Codogno - Via A. Diaz 30	126		
2	2045	Mb - Desio - Via Mons. Cattaneo 8	45		
2	7520	Mb - Monza - Piazza Diaz 1	230		
1	2246	Mb - Monza - Via Camperio 8	134		

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
		588		131	4,784	4,784	131		705
		12		3	94	94	3		14
		44		10	286	286	10		114
				925	37,633	37,620	5,249	1,632	584
				4	107	270	19	11	
		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	204	40		2
		1		2	61	61	16	59	1
	4								
	252			7					
				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	92	79	139	1
				13	357	415	68		
				8	229	360	44		
		3		13	291	291	144	164	3
		1		4	108	108	19	104	1
		2		10	398	383	53		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

## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs and reversals of impairment losses
2	2137	Mb - Monza - Via Passerini 6	139		
2	0104	Mb - Monza - Via S.Martino 2	147		
2	0154	Mb - Seregno - Via Raffaello Sanzio 10	84		
2	0479	Mb - Seregno - Via Trabattoni 20	120		
2	0326	Bz - Bolzano - Via Mancini 25 Via Diaz 22	21		
2	2018	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 Lupatoto - 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	Vi - Bassano Del Grappa - Via Parolini 108	181		
2	0262	Vi - Camisano Vicentino - Via Roma / Via Stadio 7	167		
2	2181	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	7568	Vi - Vicenza - Via Firenze 7-13	28		
2	7568	Vi - Vicenza - Via Firenze 7-13	64		
2	2257	Bl - Belluno - Via Feltre 244	51		
2	0337	Tv - Castelfranco Veneto - Via M. Podgora / Borgo Vicenza 42	253		
2	2038	Tv - Conegliano - Via P.F. Calvi 106	50		
2	0450	Tv - Pieve Di Soligo - Via Zanzotto 23	118		
1	3204	Tv - Treviso - Via Pennacchi 1		365	
2	3204	Tv - Treviso - Via Pennacchi 1		1,514	
2	5220	Tv - Treviso - Viale De Gasperi 8	149		
2	2197	Tv - Treviso - Vicolo Bianchetti 1	84		
2	0512	Tv - Vittorio Veneto - L.Go Med.D'Oro Bortolotto, 1	275		
1	5448	Ve - Mestre - Corso Del Popolo 125	382		
2	4165	Ve - Mestre - Corso Del Popolo 146C	337		
2	2287	Ve - Mestre - Via Carducci 38	162		
2	3025	Ve - Musile Di Piave - Via Triestina 9	3,917		
2	2084	Ve - Venezia - Via Mestrina 6	62		
2	2144	Pd - Padova - Via Marchetto Da Padova 2	283		
2	0358	Ro - Ficarolo - Via Giglioli 5/1 - P.Zza Marconi 25	85		

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		5	133	133	24	119	1
				5	142	720	25	131	
				3	81	260	14	78	
				4	115	161	22	14	
				1	20	20	4	3	
				3	96	320	17	96	20
	111			2					
		1		5	127	127	25	22	1
					244	91			
	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	960	163		228
				2	26	160	52	67	
				4	60	255	65	107	
				2	49	120	9		
				9	244	294	65		
		1		2	47	47	8	13	1
		1		4	112	112	22	2	1
		77		9	280	270	9		165
		317		36	1,160	1,170	36		700
		22		5	122	122	25	38	22
				3	81	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	

## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs and reversals of impairment losses
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	0490	Ud - Tolmezzo - Via Roma 9/A	235		
2	7564	Ud - Udine - Via Aquileia 53	65		
1	0502	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 Libertà' 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	0119	Pr - Parma - Via Collegio Nobili 4	101		
1	4378	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	4270	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	Mo - Carpi - Viale Manzoni 62/D	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
		1		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
				16	462	448	80		
		98		8	121	121	39	114	98
				3	79	210	14	73	
		8		6	151	151	31		8
		1,503		223	7,842	7,842	223		1,503
				36	1,433	1,023	173		
				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		
				10	294	340	69		260
				6	170	490	32	121	
				2	48	130	9	34	
				3	97	560	17	76	
				17	904	743	93		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



## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other increases	Write-backs and reversals of 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	Mo - Modena - Via San Faustino 155	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	Bo - Bologna - Piazza Della Costituzione 2	14,326	212	
2	4359	Bo - Bologna - Piazza Della Costituzione 2	62,960	717	
2	4239	Bo - Bologna - Via Bigari 5	473		
1	4351	Bo - Bologna - Via Calzoni 8	10,934	332	
1	3517	Bo - Bologna - Via Dei Fornacia 27 E 31	9,049		
2	3517	Bo - Bologna - Via Dei Fornacia 27 E 31	163		
1	4349	Bo - Bologna - Via Del Gomito 1	8,206	36	
2	4349	Bo - Bologna - Via Del Gomito 1	6,365	91	
1	4358	Bo - Bologna - Via Del Pilastro 52	14,272	2,523	
2	3104	Bo - Bologna - Via Del Terrapieno	108	857	
2	8100	Bo - Bologna - Via Delle Lame 112	495		
2	7381	Bo - Bologna - Via Delle Lame 114	416		
2	4338	Bo - Bologna - Via Don Bedetti/Roncaglio	13		
2	4365	Bo - Bologna - Via Farini 12	19,173	91	
2	4366	Bo - Bologna - Via Guinizelli 17	13,758	88	
2	3106	Bo - Bologna - Via Larga 8 - Hotel	19,684	161	
2	3109	Bo - Bologna - Via Larga 8 - Parcheggio	18,771	46	
2	3108	Bo - Bologna - Via Larga 8 - Piastra Commerciale	19,685	23	
2	3105	Bo - Bologna - Via Larga 8 - Torre	109,532		
2	3107	Bo - Bologna - Via Larga 8 - Uffici	9,489	72	
5	3103	Bo - Bologna - Via Larga Fronte Strada	971	30	
2	4374	Bo - Bologna - Via Marconi 1	1,559		
2	4298	Bo - Bologna - Via Marziale 17-19-23-31	1,654		
2	4253	Bo - Bologna - Via Mentana 2	2,495	43	
2	0218	Bo - Bologna - Via Procaccini 17/G	120	75	
2	1042	Bo - Bologna - Via Rizzoli 1 - Via Orefici 2	1,292		
2	0324	Bo - Bologna - Via Rizzoli 3	616		
2	4310	Bo - Bologna - Via Rolli 7-9	787		
2	0325	Bo - Bologna - Via Savigno 1	256		
1	4081	Bo - Bologna - Via Stalingrado 45-53	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	Bo - Bologna - Via Zacchi 1-3	726		
2	4257	Bo - Bologna - Via Zago 2/2	654		
2	4356	Bo - Bologna - Viale Majani 2	2,277		
2	4355	Bo - Bologna - Viale Masini 26-56	6,589		

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
					20	70			
				10	257	360	65		
		192		11	129	129	57	291	192
		1		2	53	53	9	33	1
				5	144	680	25	133	
		643		56	804	804	298	1,265	1,115
				14	392	511	76	130	
		1			101	101			1
				408	14,130	14,121	3,364	32	
				1,632	62,045	57,059	8,007	131	
		254		16	203	203	83	328	284
				386	10,880	9,850	3,450	953	
				219	8,830	6,883	229		
					163	63			
				220	8,023	7,038	1,028	1,103	
				170	6,286	5,422	795	866	
				697	16,098	15,540	1,880	688	11,853
					965	50			
				23	472	614	408		220
				26	390	645	465	216	
		4			9	9	3	9	8
		1,491		401	17,372	17,372	2,294		6,041
		1,083		262	12,502	12,502	2,220	5,236	13,556
				521	19,325	19,375	2,163		3,331
				491	18,326	18,235	1,969		3,166
				520	19,188	19,660	2,242		3,341
	1,126			2,832	105,574	98,048	11,856		18,510
				249	9,312	10,102	1,104		1,893
					1,000	1,520			
		487		53	1,018	1,018	306		1,119
	172				1,482	2,305			
				85	2,452	2,749	425	808	
				4	191	280	21	9	
		13		45	1,234	1,234	238		13
		6		21	588	588	115		6
					787	1,284			
				9	247	334	48	108	
			366	2,568	72,238	80,187	34,174	48,010	
366				251	7,556	8,593	3,009	4,778	
		1,692		331	30,136	30,136	2,055		18,741
					726	1,131	2		
					654	1,502			
				78	2,199	2,847	421	551	487
					6,589	6,490			

## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other increases	Write-backs and reversals of 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	0357	Fe - Ferrara - C.So Ercole D'Este 6/A	872		
1	4185	Fe - Ferrara - P.Tta Toti 10-12/Via Piave 14	209	6	
2	4185	Fe - Ferrara - P.Tta Toti 10-12/Via Piave 14	775	17	
2	7364	Fe - Ferrara - Via Boccaleone 8	91		
2	2051	Fe - Ferrara - Via Cavour 150	148		
2	2050	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 Baccharini 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 - Forlì - Via Merenda 6-8	169		
1	4380	Fc - Forlì - Via Pietro Maroncelli 10	1,025	20	
2	4380	Fc - Forlì - 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
				6	177	310	31		
				85	3,340	3,830	2,180	197	
				4	112	137	22		
				3	87	200	15	14	
		8			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	
		3		3	297	297	16		47
				3	92	670	16	87	
		2		6	162	162	32	5	2
				1	28	28	5	22	
				3	88	143	17	16	
				3	79	300	16	58	
		3		11	288	288	85		41

## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0082	Mc - Massa - P.Za De Gasperi 6	92		
2	0317	Ap - Ascoli Piceno - Via Vidacilio 17	213		
2	7555	Ap - San Benedetto Del Tronto - Via De Gasperi 51	32		
2	0356	Fm - Fermo - P.Zza Del Popolo 37	147		
2	2048	Fm - Fermo - Via Xx Giugno, 23	95		
2	0437	Fm - Montegranaro - Viale Zaccagnini 21	171		
2	0335	Lu - Capannori - Via Delle Poste Snc	211		
2	2078	Lu - Lucca - Piazza Del Giglio, 4	74		
2	0509	Lu - Viareggio - Viale Manin,12	6,131		
2	0436	Pt - Montecatini Terme - Via Garibaldi 33	212		
2	0449	Pt - Pescia - Via Galeotti 59/61	135		
2	0452	Pt - Pistoia - Via B.Buozzi 18	285		
1	2248	Pt - Pistoia - Via S.Andrea 49	54		
2	2248	Pt - Pistoia - Via S.Andrea 49	460		
2	0123	Pt - Pistoia - Via Stadio 6/A	124		
2	0242	Pt - San Marcello Pistoie - Piazza Matteotti 141	200		
2	0411	Fi - Bagno A Ripoli - Via Chiantigiana, 139	152		
2	0327	Fi - Borgo San Lorenzo - Via Pecori Giraldi 10	164		
2	0331	Fi - Calenzano - Via Degli Olmi,7	7,230		
2	0332	Fi - Campi Bisenzio - Via Dei Tintori 11	258		
2	0038	Fi - Campi Bisenzio - Via Tesi 123	82		
2	2046	Fi - Empoli - Via Villani 4	96		
2	0360	Fi - Firenze - P.Zza Della Liberta' 1	1,890		
2	2053	Fi - Firenze - Piazza Beccaria 3	626		
2	0398	Fi - Firenze - Piazza Della Liberta' 2-Via S. Gallo 123	9,840		
1	3502	Fi - Firenze - Piazza Della Liberta' 6	68,541	1,400	
2	3502	Fi - Firenze - Piazza Della Liberta' 6	3,155	60	
2	0365	Fi - Firenze - Piazza Della Repubblica N. 6	57,859	348	
4	0526	Fi - Firenze - Posti Auto Parterre Via Madonna Della Tosse 9	2,279		
2	0363	Fi - Firenze - V. Don Minzoni / V. M.Della Tosse /P.Za Libertà 13	11,010	994	
2	0399	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	7744	Fi - Firenze - Via Benedetto Marcello 2	75		
2	0366	Fi - Firenze - Via Benivieni 1/3	1,164		
2	2262	Fi - Firenze - Via Cavour 112	435		
2	0382	Fi - Firenze - Via Cavour 82/84	9,032		
2	0381	Fi - Firenze - Via Del Bobolino 1-3-5 Viale Machiavelli 14	1,159		
3	3071	Fi - Firenze - Via Di Careggi 38	290		
2	0383	Fi - Firenze - Via L.Il Magnifico 2-Via Toscanelli 1-3	6,716		

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	88	88	16	83	1
		2		8	203	203	55		2
				2	31	180	24	48	
		2		5	140	140	29		15
				3	92	204	21	90	
		4		6	162	162	33		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	48		
				3	79	220	14	8	
				3	93	260	16	7	
		145		4	1,741	1,741	53		145
	712			12					
		752		88	9,001	9,001	1,439	34	1,031
			781	1,657	67,515	60,077	1,772		
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
	303			4					
		1		8	138	138	111	17	1
				92	3,653	4,404	1,285	2,184	1,111
				58	2,313	2,116	521	1,201	627
	553			2	553	661	22	41	
		314		35	1,200	1,200	196		743
				3	72	320	41	96	
	277			17	873	1,093	87		
		4		15	416	416	76		4
				169	8,863	8,535	935		121
					1,159	1,668			
					290	290			770
		548		134	6,034	6,034	1,927		548

## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other increases	Write-backs and reversals of 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 Il Magnifico 80	195		
1	3501	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	2054	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
				40	1,780	2,000	549	33	955
				4	127	480	22		
		87		17	90	90	562	216	87
				180	7,266	5,076	194		
				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			
				93	4,127	4,252	475		191
				25	5,058	6,228	114		
		193			1,400	1,400			343
					1,683	1,722	43		207
					4,456	4,414	4		380
		2		6	153	153	34		30
				1	38	38	7		
				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	



## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs and reversals of 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. Biccocchi 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 Perugia 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	Tr - Orvieto - Piazza 29 Marzo, 23	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	Rm - Roma - Via Aladino Govoni, 24/43	57,506	1,296	

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	71	180	12	15	
				2	61	175	11	57	
				5	147	165	29	22	
		2		7	187	187	40	5	17
				7	268	440	35		37
		1		3	95	95	20	10	14
				5	152	242	30	4	
		3		10	284	284	51		111
		4		10	366	366	32	146	4
				3	76	220	13		
				3	70	106	13	1	
	211			3					
		939		108	4,087	4,087	595	627	2,427
				8	225	660	40	170	
					7	7	1		
		3		10	256	256	73	20	3
				3	87	330	15	68	
	205			6					
		2		7	202	202	38		2
		1		3	95	95	17	79	1
	141			2					
		1		10	282	353	58		1
				5	128	450	23	41	
				4	113	590	20	83	
				23	401	515	358	153	
				5	151	175	29		
		1		4	99	99	42		101
				1	29	29	6	31	
	85			1					
		1		4	99	99	18	78	1
				3	84	220	15	67	
				4	113	430	20	16	
					4,392	4,370			
				3	93	370	16	29	
				11	301	790	59	265	
				785	29,471	31,459	6,745	3,948	
				308	12,719	12,391	1,523	1,558	
				456	17,418	21,551	5,027	11,191	
				760	30,402	33,849	6,486	18,588	
				53	13,071	19,800	783		
				8	214	560	38	35	
		4		1	380	380	4	32	4
					58,802	65,242			

## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	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	Rm - Roma - Viale Caduti Per La Resistenza	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	2213	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

## 5 Additional tables appended to the Notes to the Financial Statements

### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0487	Te - Teramo - Via Paolucci 30	175		
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	Ct - Catania - Piazza Risorgimento 24	71		
2	0338	Ct - Catania - Sicilia 48/56 - Rizzo 29 - Puccini 28	845		
1	7387	Ct - Catania - Via Castiglione 5	262		
1	0042	Ct - Catania - Via Del Bosco 298/A	2		
2	0042	Ct - Catania - Via Del Bosco 298/A	71		
1	0233	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
				3	92	460	16	81	
		1		5	135	135	24		1
		9		3	86	86	18	24	9
		2		7	198	198	40		2
				9	243	370	43		
				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	2,219	592		4,097
				2	54	390	9	27	
				39	875	2,090	486	372	
		1		3	67	67	22	42	1
		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

## 5 Additional tables appended to the Notes to the Financial Statements

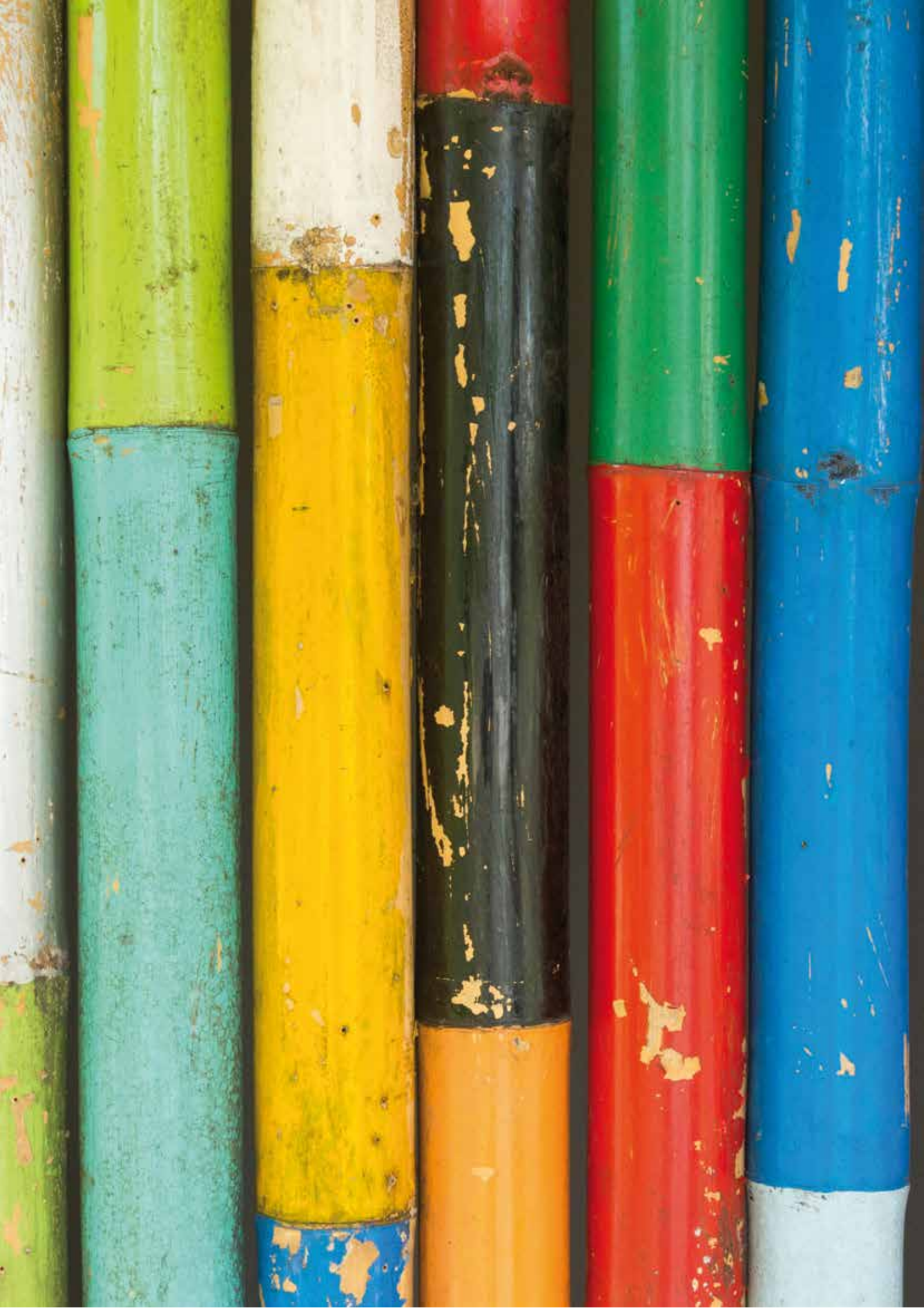
### List of properties

Amounts in €k

Property type	Property code	Address	Net Carrying amount 31/12/2015	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 - Località Campulongu Snc	8,383		
2	4211	Or - Oristano - Piazza Roma Pal. Sotico	161		
2	2255	Ot - Arzachena - Località 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			
		<b>GRAND TOTAL</b>	<b>2,726,037</b>	<b>69,182</b>	
		<b>TOTAL PROPERTY FOR CORPORATE BUSINESS</b>	<b>578,412</b>	<b>19,787</b>	
		<b>TOTAL PROPERTY FOR USE BY THIRD PARTIES</b>	<b>2,063,133</b>	<b>48,643</b>	
		<b>TOTAL OTHER PROPERTY</b>	<b>23,765</b>	<b>8</b>	
		<b>TOTAL OTHER PROPERTY RIGHTS</b>	<b>3,429</b>		
		<b>FIXED ASSETS IN PROGRESS AND PAYMENTS ON ACCOUNT</b>	<b>57,297</b>	<b>743</b>	

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
<b>92,784</b>	<b>165,244</b>	<b>58,751</b>	<b>92,784</b>	<b>56,429</b>	<b>2,541,526</b>	<b>2,740,794</b>	<b>382,819</b>	<b>158,358</b>	<b>694,904</b>
<b>2,405</b>	<b>2,644</b>	<b>29,511</b>	<b>90,379</b>	<b>16,666</b>	<b>465,795</b>	<b>495,784</b>	<b>119,085</b>	<b>77,533</b>	<b>21,262</b>
<b>90,379</b>	<b>162,601</b>	<b>27,160</b>	<b>2,405</b>	<b>39,764</b>	<b>1,992,568</b>	<b>2,154,408</b>	<b>263,384</b>	<b>80,823</b>	<b>618,404</b>
		<b>183</b>			<b>23,590</b>	<b>30,424</b>		<b>2</b>	<b>7,077</b>
					<b>3,429</b>	<b>3,224</b>	<b>350</b>		<b>1,535</b>
		<b>1,897</b>			<b>56,143</b>	<b>56,954</b>			<b>46,627</b>







# **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**

1. 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**





## 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 Company’s senior management organisational structure, 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:

- authorisation to use the Partial Internal Model: 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 intra-group 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**





**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**



**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***

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: Ancona 60131 Via Sandro Totti 1 Tel. 0712132311 - Bari 70122 Via Abate Gimma 72 Tel. 0805640211 - Bologna 40126 Via Angelo Finelli 8 Tel. 0516186211 - Brescia 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - Catania 95129 Corso Italia 302 Tel. 0957532311 - Firenze 50121 Viale Gramsci 15 Tel. 0552482811 - Genova 16121 Piazza Piccapietra 9 Tel. 01029041 - Napoli 80121 Via dei Mille 16 Tel. 08136181 - Padova 35138 Via Vicenza 4 Tel. 049873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091349737 - Parma 43121 Viale Tanara 20/A Tel. 0521275911 - Pescara 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - Roma 00154 Largo Fochetti 29 Tel. 06570251 - Torino 10122 Corso Palestro 10 Tel. 011556771 - Trento 38122 Viale della Costituzione 33 Tel. 0461237004 - Treviso 31100 Viale Felissent 90 Tel. 0422696911 - Trieste 34125 Via Cesare Battisti 18 Tel. 0403480781 - Udine 33100 Via Poscolle 43 Tel. 043225789 - Varese 21100 Via Albuzzi 43 Tel. 0332285039 - Verona 37135 Via Francia 21/C Tel. 0458263001 - Vicenza 36100 Piazza Pontelanello 9 Tel. 0444393311

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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.



***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.**

Registered office  
Via Stalingrado, 45  
40128 Bologna (Italy)  
unipolsaiassicurazioni@pec.unipol.it  
Tel.: +39 051 507711  
Fax: +39 051 7096584

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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40128 Bologna (Italy)