

*Innovating
today to mark
our future*

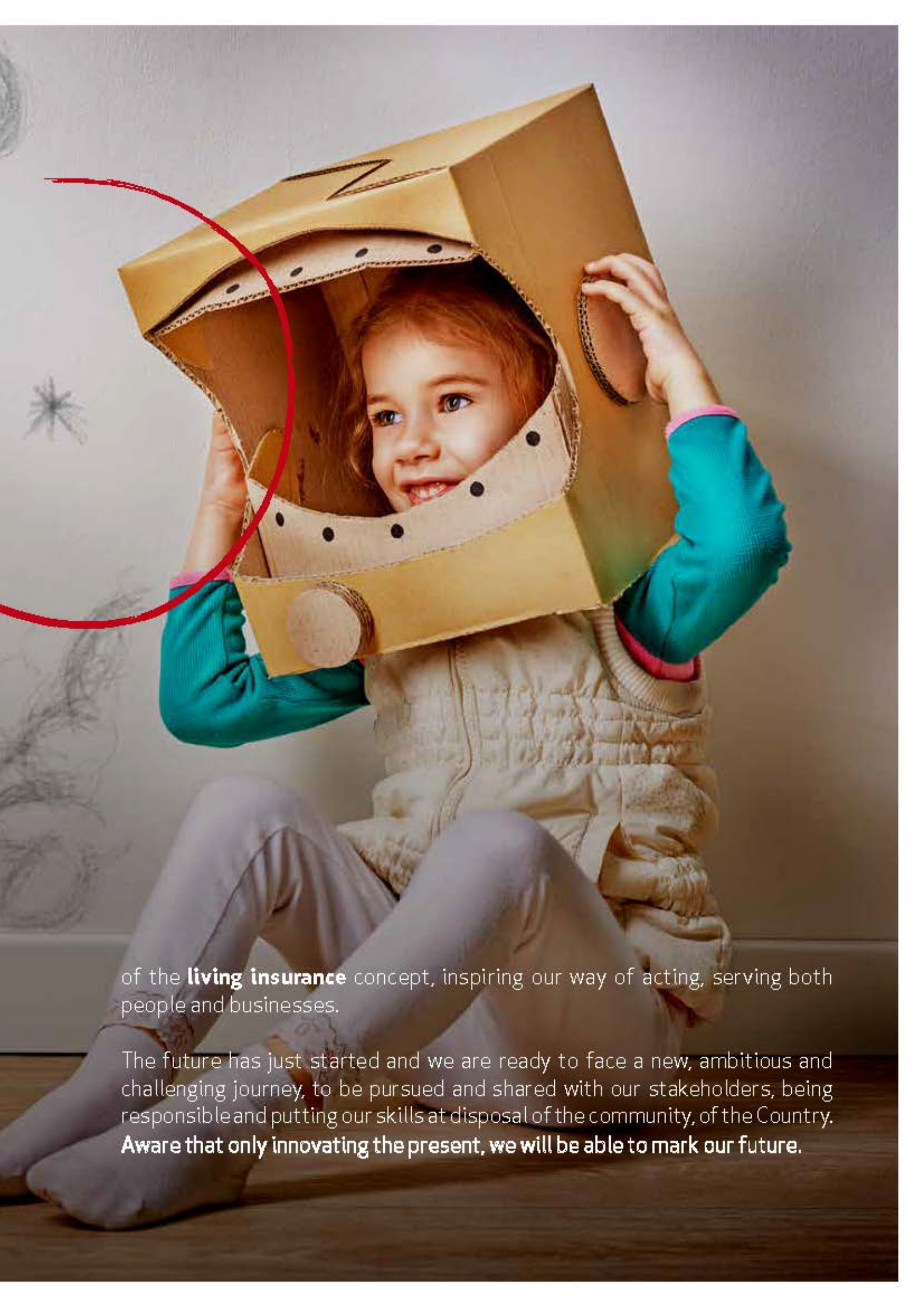
UnipolSai Assicurazioni
Annual Report
 2018



*Innovating
today to mark
our future*

The expansion of the **insurance and financial offer** is increasingly oriented towards **service, innovation** and the **excellence of the operating machine**. These are the objectives achieved by UnipolSai and Unipol Group in the last three years, a path made of commitment, professionalism and passion, in order to consolidate the role of market leader.

A **leader close to the people**, an **innovative leader**, able to listen constantly, who, by investing in telematics, knows how to become a better interpreter



of the **living insurance** concept, inspiring our way of acting, serving both people and businesses.

The future has just started and we are ready to face a new, ambitious and challenging journey, to be pursued and shared with our stakeholders, being responsible and putting our skills at disposal of the community, of the Country. **Aware that only innovating the present, we will be able to mark our future.**

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Company bodies

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

Introduction

Macroeconomic background and market performance

Macroeconomic background

The global economy has shown signs of a general slowdown. The world economy is facing several critical challenges: deceleration of international trade driven by tensions between the United States and China; fear of a disorderly exit of the United Kingdom from the European Union; normalisation of international monetary policies and uncertain results from upcoming European elections.

The Euro Area recorded GDP (Gross Domestic Product) growth of around 1.8%, roughly 0.7% lower than 2017. The fall in growth is attributable to various factors, such as: the downturn in international trade, the reduction in support from the European Central Bank (ECB), uncertainty relating to Brexit developments and the deceleration of the German automotive industry. The unemployment rate continued to fall, reaching around 8% in December 2018.

The ECB has progressively decreased its monetary stimulus, even if against a background of economic slowdown and with the presence of an inflation below the 2% objective (trend rate in December was 1.8%, with a forecast of a further downturn in 2019). The ECB has recently confirmed that the official discount rate will remain anchored at the current level until at least the summer of 2019. In October 2018, purchases related to the quantitative easing declined from €30bn to €15bn a month while subsequently falling to zero beginning with January 2019 (although capital at maturity continues to be reinvested).

In the United States, economic activity grew at a rate of close to 2.9% (2.2% in 2017), due to the good performance of domestic demand, also driven by the effects of the Trump Administration's tax reform. In an economic context of sustained growth characterised by full employment (3.8% unemployment rate in December) and with a change in consumer prices standing at 2.2% in December, the Federal Reserve (FED) hiked the rate on Fed funds four times during the year, reaching 2.5% in December and continuing with a progressive decrease in the total bonds held.

Thanks to the continuation of unconventional monetary policies and the contribution from exports in the first half, Japan registered weak growth (around 0.8%) within a context of full employment (in December, the unemployment rate was 2.4%). The trend inflation rate in December stood at 0.9%.

China showed signs of a slowdown in the second half of 2018, despite recorded growth of 6.5% on an annual basis. The slowdown is mostly to be attributed to a deceleration in international trade and to the trade war with the United States, as well as to slower internal demand. The trend inflation rate in December stood at 2.3%.

The year 2018 was essentially positive, from an economic perspective, for the emerging countries although the slowdown in international trade and the fall in oil prices and commodities are affecting future development prospects.

In 2018, the Italian economy showed a significant slowdown compared with the previous year, with a positive growth rate of about 0.8% on an annual basis, due to several factors: decline in net exports because of the slowdown in the global trade, a progressive decline in investments, the normalisation of the monetary policy and a deceleration in employment (with an unemployment rate standing at 10.6% at the end of the year). The effects of an uncertain budgetary policy and rising tensions have negatively impacted the internal demand and have caused an increase in borrowing costs as well as a deterioration of companies and households expectations. The trend inflation rate in December was 1.4%

In 2019, after two years of growth, the international economic cycle should confirm its expansionary trend, although at a more moderate pace than in 2018.

Financial markets

The conclusion of the bond purchase programme by the ECB (Quantitative Easing), eagerly awaited by the markets, did not translate, in 2018, into significant changes in the forward interest rate curve on the monetary and interbank markets. Euribor and Swap rates in the Euro Area remained in negative territory with maturity up to 3 years, whereas the 3-month Euribor increased less than 40 basis points versus the same figures at the end of 2017.

The ECB, based on a gradual normalisation of the monetary policy, could implement, in the first half of 2020, a 25 basis point increase on deposit rates and subsequently, at the end of 2020, on the main refinancing rate. The market rates should precede these actions with a gradual increase in the maturity structure, even if in the direction of values that would still be quite compressed.

In Italy, the curve of the maturity structure of interest rates has been substantially stable for over two years due, on the one hand, to the compression of the long term rates implemented by the ECB's Quantitative Easing and on the other hand to the anchoring of short term rates resulting from policy rate stability. The anticipation of an intervention that would raise both the rate on deposits and on the MRO should drive a gradual increase in government rates also on the shortest-term segment of the curve; at the same time, if the ECB maintains the security stock in the portfolio, the compression of long term rates should continue even if the uncertainties resulting from the presentation of the tax policy have contributed to maintaining the spread with the German Bund on values greater than 250 basis points, up by more than 60 basis points versus the spread at the end of 2017.

The year 2018 ended with significant losses in the global equity indexes. At the end of 2018, the Eurostoxx 50 index of the European stock markets was down by 15% compared with 2017. Some uncertainties about the Italian budgeting policy and the widening of the Btp-Bund spread have affected the Italian stock prices, in particular in the banking sector, showing an 18% drop in the FTSE MIB index compared with 2017.

The correction in the stock prices was more modest in the United States where the S&P 500 index was down by 6%. However, stock prices remained historically high with respect to corporate fundamentals. The drop in US equity valuation is to be partially attributed to the normalisation of the monetary policy adopted by the Fed, which is implementing a policy of gradual increases of the policy rate. Communication from the Fed has changed its tone many times during the year, appearing more restrictive in the last quarter of 2018 and more accommodating at the beginning of 2019, thus contributing to an increase in the implicit volatility of the option prices (the VIX index increased by 4 percentage points compared with the end of the 2017 values) The expected slowdown in the international economic cycle and the more restrictive monetary policy adopted in the United States have also caused a decline in the emerging stock markets, with the Morgan Stanley Emerging index showing an 18% downturn in the reference period.

Insurance sector

In 2018, total premiums of the Italian direct business will be €135bn (+2.4% compared with 2017). The market share of the top five companies was stable at around 60%

Premiums in the Life business are €102bn (+2.5%). The growth was driven by the Class I (+5.5%), while the Class III was down by 4.6%. As for the distribution, the banking channel showed an increase (+3%) as did the direct sales channel (+25%), while the agency channel (-1.8%) and the financial advisors channel (-3.3%) declined. The technical result of the Life business has worsened against last year above all due to the sharp fall in net gains on investments.

The Non-Life business showed a 2.1% growth. As for the distribution, the decline trend of the agency channel continued with a -60 basis points in the first three quarters of 2018. The broker share was also down from 9.3% to 8.4%. Conversely, the banking channel showed a 57 basis points increase and the direct business an almost 100 point increase. As regards the MV classes, the agency channel had an 83.2% impact in the first three quarters of 2018, although decreasing by 60 basis points compared with 2017. By contrast, the impact of direct business, the second top channel, is up standing at 8.9% (+17 basis points). Brokers and bank branches also rose by 21 and 31 basis points respectively. The average premium of MV TPL renewable contracts remained substantially unchanged between the third quarter of 2018 and the same period of 2017, while the average premium for vehicles declined by 0.6%¹. In the same period of time, the number of policies requiring the installation of a black box slightly increased (+0.3%) standing at 20.6%; the retention rate recorded a decline in all categories of transport means between one and two percentage points².

The decrease trend in claims continued. In the third quarter of 2018, the percentage of managed claims was down by 4% compared with the third quarter of 2017. The frequency of claims regarding vehicles decreased from 5.9% to 5.7% (-0.2%), while trucks recorded a 1% decline and the MV an 8% decline. The average cost of claims in the third quarter of 2018 was up by about 3.6% compared with the same period of 2017³.

In the first six months of 2018, the top five Italian groups reported a significantly higher ROE. The Combined ratio, although remaining on values above 90% for the companies of the same groups operating in the Non-Life business, showed a slight decrease (except for one group) while for the companies operating primarily in the Life sector, the decrease was significant.

Pension funds

In 2018, the existing positions increased by 448 thousand units while the number of members remained stable due to an increase in the number of those participating simultaneously in multiple pension schemes (about 17%).

The total supplementary pension schemes continued the declining trend of the last few years. As a result of the stability of a number of occupational pension funds, both closed and open, and of Personal Pension Funds (PIP), a reduction in open and pre-existing pension funds, especially the independent ones, still representing 62% of the total, should be noted. The recomposition of the market is confirmed by the performance of the memberships in 2018 with a greater increase in the occupational closed funds (+7%) and a drop in the pre-existing pension funds. The greater contribution came from the new closed fund "Previambiente" reserved for workers in the environmental health sector.

In 2018, due to the performance of the financial markets, aggregate net returns were, on average, negative: -2.5% for the occupational closed funds, -4.5% for the open funds and -6.5% for the Unit-Linked PIPs. Only the PIPs of Class I showed a positive performance (+1.7%).

The Individual Savings Plans (PIR), established in 2017 as long-term open asset management funds, were initially positioned as an alternative savings instrument. Conceived as an industrial policy instrument, they were subject to a tax credit. In 2017, 11 billion was collected in premiums, but only 20% of these were invested in Full Equity funds, allocating less than 1% to the Aim segment (mid- and small-sized capitalisation).

According to Assogestioni, the PIR premiums in 2018 amounted to only 4 billion. The drop, by approximately 70%, was the result of the negative performance of the Italian stock market which made the PIRs unattractive. In fact, the equity PIRs very often recorded returns lower than management costs, especially when the capital was invested, to a greater extent, in the Star segment with medium capitalisation. The new reform, providing incentives to investments in the Aim segment and in venture capital, could make these investments attractive again, thus restoring a growth in premiums.

¹ Adjusted data.

² Adjusted data.

³ The data on frequency and average cost of claims have been adjusted.

Real Estate market

The Real Estate Market Observatory (Tax Authorities and Bank of Italy) reported that in 2018 the sale of homes in the residential segment continued the growth that began in 2014, thus reabsorbing almost completely the losses of 2012. In the third quarter, a trend change of 6.7% was recorded, a percentage point above the same figure of the first and second quarters of 2018 (4.3% and 5.6% respectively). However, considering the top eight Italian cities, the average growth rate stood at 3.9%, significantly below the national figure, with better results from the real estate market of smaller towns.

A weaker recovery in the market of properties for non-residential use was noted. In the third quarter of 2018, sales in the commercial-tertiary sector recorded a slight decline (-0.3%) and those of the production sector, a more substantial decline (-6.5%) compared with the third quarter of 2017. This decline indicated a reversal in the positive trend of 2016. In fact, in the first and second quarters of 2018, the sale of properties intended for tertiary and commercial activities grew by 5.9% and 8.5% respectively, while the properties intended for production activities grew by 8.2% and 1.3% respectively.

In 2018, based on the Eurostat House Price Index, the inflation of home prices continued to show a decreasing trend: the change was respectively -0.5%, -0.4% and -0.8% in the first three quarters of 2018. This data is even more significant if compared with the consumer price index; in fact the decline in the third quarter of 2018 was actually -2.1%. Italy is the only European country still showing a deflation in home prices, with an European average change that in the third quarter of 2018, stood at 4.3% in nominal terms and 2.6% in real terms.

The prices of new homes continue to show a sustained growth, respectively by +1%, +1.2% and +1.4% in the first three quarters of 2018, in line with the other European countries. The growth in rents remained positive, equal to 0.4% in 2018. Conversely, indicators of the Italian residential real estate market still show some fragility. In fact the change in the Price-to Rent and the Price-to-Income ratios remained negative, respectively at -1.2% and -3.2% in the third quarter of 2018.

The economic survey carried out on the housing market, in October, by the Bank of Italy, has identified a growing number of operators expecting stability in property prices and showing lower expectations for a deflation. At the same time, the demand is perceived to be stable due to better loan conditions. In fact, the number of real estate agents reporting a difficulty in obtaining a mortgage as the main reason for suspending sales requests, remained quite contained.

Main regulatory developments

National accounting standards

In 2018, no significant changes occurred in the series of national accounting standards issued by the OIC (Italian Accounting Standards Authority) of interest to the insurance business.

Relevant primary regulations for the insurance sector

Legislative Decree 68 of 21 May 2018

Issued by way of implementation of the Directive (EU) 2016/97 by the European Parliament and the Council (Insurance Distribution Directive or also "IDD"), the Decree sets forth significant changes to the current regulations in the area of insurance distribution, introducing changes to the Private Insurance Code (Codice delle Assicurazioni Private or CAP) and to the Consolidated Law on Finance (Testo unico sull'intermediazione finanziaria or TUF).

The changes introduced by the Decree include:

- alignment, between CAP and TUF, of the definitions of "insurance investment product";
- inclusion of the companies carrying out direct distribution activities in the definition of "distribution" introduced by CAP;
- extension of the supplementary regulations introduced by the IDD, referring exclusively to insurance investment products (IBIPs), to all the other insurance products as regards conflicts of interest;
- introduction of the obligation of drawing up and delivering the Precontractual Information Document (Documento Informativo Precontrattuale or DIP) applicable to the insurance contracts for the non-life business;
- transposition of the regulations set forth in the IDD as regards the product oversight and governance (POG);
- addition of a new chapter to the CAP that sets out internal systems and procedures for reporting violations (whistleblowing);
- addition of IVASS to the authorities involved in ADR processes;
- changes to Title XVIII of the CAP related to disciplinary profile;
- introduction of the possibility, for IVASS and CONSOB, upon obtaining an opinion from the main associations representing insurance intermediaries, insurance companies and consumers, of defining the standard methods that guarantee a more reliable customer profiling.

Decree Law 119 of 23 October 2018, converted, as amended, with Law no. 136 of 17 December 2018

Upon the conversion of the Decree, Art. 20-quater was introduced, inter alia, setting forth provisions for the temporary suspension of capital losses from short-term securities.

As regards the turbulent situation of the financial markets in 2018, the article in question introduces a temporary exemption from the criteria adopted in the financial statements for the measurement of securities not intended to be retained in the long-term in the company's assets. This enables the companies that have not adopted the international accounting standards, to measure these securities based on the value recognised in the most recent and approved Financial Statements rather than the value resulting from the market performance, with the exception of impairment losses.

The companies that choose this option must allocate to an unavailable profit provision an amount corresponding to the unrecognised capital losses, net of their related tax effect.

For the companies in the insurance sector, IVASS has governed the implementation of said measures with Regulation no. 43 of 12 February 2019.

It should be noted that UnipolSai did not use the exemption under Art. 20-quater of the Decree in the preparation of the Financial Statements covering the period ended 31 December 2018.

Main Regulations, Measures and Letters to the market issued by IVASS

Following is a summary of the main regulatory documents issued by IVASS in 2018.

IVASS Measure no. 68 of 14 February 2018 and subsequent Letter to the market of 21 December 2018

The IVASS Measure 68/2018 has introduced new provisions in the area of segregated funds amending IVASS Regulation no. 38/2011 and, to a lesser extent, IVASS Regulations no. 14/2008 and no. 22/2008. In particular, the amendments to Regulation 38/2011 have introduced elements that ensure the necessary flexibility in the determination of the average rate of return from the aggregated funds, thus allowing the insurance companies to:

- set aside, for the new contracts only, the net realised capital gains in a specific “profit provision” that can be used to determine the average rate of return for a maximum period of eight years from the date when the net capital gains were realised;
- suspend the recognition of gains and losses resulting from the periodic trading (typically on an interim basis) of particular types of derivatives, contemplating the allocation of the net income to an item adjusting the financial results of each period of observation of the segregated funds until the closing date of the transaction.

With a Letter to the market dated 21 December 2018, IVASS has provided instructions for the electronic transmission of the Summary statements and the Report on segregated funds where the “Profit provision”, pursuant to this Measure, has been set up.

Letter to the market of 19 March 2018

IVASS has provided updated instructions on the transmission to the competent authorities of the information set forth in the Solvency II Directive and in the Regulations EU no. 1374/2014 and no. 2015/730 issued by the ECB (regarding the obligation of statistical reporting from the insurance companies), as well as the Regulations applicable to Financial Stability.

IVASS Regulation no. 37 of 27 March 2018

This Regulation sets forth the criteria and the methods to be used by the Insurance Companies to determine the mandatory discounts within the scope of TPL for motor vehicles under Art. 132-ter, paragraphs 2 and 4 of the Legislative Decree 209 of 7 September 2005 (Private Insurance Code), as amended by Legislative Decree 74 of 12 May 2015 and by Law 124 of 4 August 2017.

This Regulation provides for two types of mandatory discount:

- the first, upon proposal by the company and upon acceptance by the contracting party and if at least one of the following three conditions is met: i) preliminary inspection of the vehicle at the expense of the insurer; ii) installation or presence in the vehicle of electronic mechanisms that record its activity, such as a black box or equivalent mechanism; iii) installation or presence in the vehicle of electronic mechanisms that prevent the starting of the engine if the blood alcohol level of the driver exceeds the legal limits;
- the second, additional and applicable to the subjects who in the last four years have not caused any accident for which they were liable, insofar as they have installed or they are installing electronic mechanisms that record the activities of the vehicle, such as a black box or similar mechanism, and reside in provinces with a greater claim rate and greater average premiums, as identified by IVASS.

This Regulation intends to achieve the primary regulatory objective which, on the one hand, aims at guaranteeing to the policyholders the recognition of discounts based on a reduction of the risks to which the company is exposed, and, on the other hand, the progressive reduction of the differences in MV TPL premiums applied, within the national territory, for the same level of risk, to the virtuous policyholders residing in the provinces with a greater claim rate and greater average premiums.

IVASS Measure no. 72 of 16 April 2018

This Measure, issued in implementation of Art. 3, paragraph 3, of IVASS Regulation no. 9/2015 and governing the certified risk database and the certification on risk status, contains adjustments to the identification criteria and to the differential premium system of the universal conversion merit category for the MV TPL insurance.

IVASS Measure no. 74 of 8 May 2018

With this Measure, some amendments were made to the ISVAP Regulation no. 7/2007, regarding IAS/IFRS financial statements, following the entry into effect of IFRS 9, “Financial Instruments”, and related deferral options for the insurance sector, introduced through the amendments to the IFRS 4 “Insurance Contracts”. Following is a summary of the main changes:

- the preparation standards have been supplemented with the indication of the layout to be used by the companies that adopt different options permitted for the transition to IFRS 9 for the Consolidated Financial Statements and the Half-yearly Financial Report;
- for the companies that have adopted IFRS 9 (including the application of the so-called “overlay approach”), the following statements were added in order to include the new categories of financial instruments and the recognition of the related value adjustments: statement of financial position, income statement, comprehensive income statement, statement of cash flows and notes to the financial statements;
- for the companies that continue temporarily to apply IAS 39, due to the so-called “deferral approach”, the pre-existing tables remain valid;
- for the conglomerates that use the option of a joint application of IFRS 9 and IAS 39, thus not applying IFRS 9 to their companies operating in the insurance sector, no predefined financial statement layout is required, but it is still necessary to add to the Financial Statements and the related Notes all the different items included in the new tables created for the companies that have adopted IFRS 9.

Letter to the market of 5 June 2018

IVASS has provided instructions for the calculation of the best estimate of the technical provisions related to Life insurance contracts (Best Estimate of Liabilities) within the scope of the Solvency II prudential supervision. More specifically the document addresses first-pillar aspects (standards and rules related to the calculation of technical provisions) and second-pillar aspects (governance and risk management).

IVASS Regulation no. 38 of 3 July 2018

This Regulation applies to the corporate and Group governance system pursuant to the Guidelines issued by EIOPA on this matter and, at the same time, drawing from the ISVAP Regulation no. 20/2008 (on internal controls, risk management, compliance and outsourcing), to the ISVAP Regulation no. 39 of 9 June 2011 (on remuneration policies) as well as to the ISVAP Circular no. 574/2005 on outwards reinsurance, which have therefore been repealed. The set forth provisions should be read jointly with the Letter to the market issued by IVASS on 5 July 2018 (see below) with which IVASS analyses in depth the proportionality principle, in accordance with the provisions of Solvency II, where it is established that the prudential provisions are applicable based on the risk profile of the company determined by the nature, scope and complexity of the risks arising from the activity at issue.

Letter to the market of 5 July 2018

In this document, IVASS guidelines on the application of the principle of proportionality stated in the corporate governance system are defined along with the identification of three possible models - strengthened, ordinary and simplified - pursuant to a self-assessment process structured on a dimension analysis, based on qualitative/quantitative parameters that identify the risk and complexity level of the business and of the transactions carried out.

IVASS Regulation no. 40 of 2 August 2018

This Regulation governs, on a unified level, the insurance distribution activities pursuant to title IX (General provisions on distribution) of Legislative Decree no. 209 of 7 September 2005 – Private Insurance Code.

The revision and the rationalisation of the provisions applicable to the sector originate from the changes introduced by Directive (EU) no. 2016/97 – Insurance Distribution Directive (IDD). This Regulation takes the form of a comprehensive set of rules, broken down into the following macro areas:

- the requirements for accessing and exercising distribution activities, especially as regards the requirement for the registration of intermediaries, the performance of activities by the distribution operators, the employees of companies directly involved in the distribution and the operators of the call centres of companies and intermediaries;
- the training and professional refresher courses based on which the relevant topics are adjusted in compliance with the new minimum requirements of professional knowledge and expertise, as set forth in the Directive;
- the rules of conduct and pre-contractual disclosures;
- the promotion and placement of insurance contracts through remote communication techniques.

IVASS Regulation no. 41 of 2 August 2018

The Regulation updates the provisions governing reporting, advertising and development of the insurance products by transposing the principles of the IDD European Directive and the consequent reform of Legislative Decree 209 of 7 September 2005 – Private Insurance Code.

In particular, the Regulation provides for:

- a review of the contractual information of all the products through the preparation of new, simplified and standardised documents that replace the current information note and summary data sheet;
- an enhancement of the digitalisation to be implemented with both the so-called home insurance functionalities (reserved areas in the websites of the companies) and the replacement, upon request by the customer, of paper communications with digital communications and also the reduction of the current obligation to publish in newspapers.

A strengthening of the systems for the protection of the contracting party will be also carried out, in particular as regards the information during the contracting phase and the methods for drawing up the contractual documents, with provisions aimed at facilitating a contractual simplification, at guaranteeing comparability of the contract conditions and at reducing the phenomenon of dormant policies.

IVASS Regulation no. 42 of 2 August 2018

This Regulation, applicable beginning 2018, falls under the scope of the Solvency II framework and determines the content of the "Solvency and financial conditions report" ("SFCR") of the company and the group which is subject to audit by the independent auditor or auditing firm, as well as all related execution methods (external audit). In particular, with this Regulation, IVASS has broadened the scope of the auditing activity, with regard to the content in the Letter to the market of December 2016, extending it also to capital requirements, in order to increase the quality and reliability of the information disclosed to the public. Hence, starting from the SFCR for the year 2018, an audit, conducted by an external auditing firm, is required on the quantitative templates (Quantitative Templates – "QRT") and on the sections of SFCR providing information concerning:

- the financial position for solvency purposes and the related measurement criteria (QRT S.02.01.02 "Balance Sheet" for companies and groups, as well as Section D of the SFCR);
- the own funds (QRT S.23.01.01 and S.23.01.22 "Own Funds" respectively for companies and groups, as well as Section E.1 of the SFCR);
- the solvency capital requirement (SCR), regardless of the calculation method adopted for its determination (standard formula or internal model) and the minimum capital requirement (MCR) (QRT S.25.02.01 and S.25.02.22 "Solvency Capital Requirement" respectively for companies and groups that use the partial internal model, QRT S.28.02.01 "Minimum Capital requirement" for the companies and Section E.2 of the SFCR).

However, the determinations adopted by IVASS in carrying out its supervisory functions – with reference to the elements of the SFCR listed above, including those related to the solvency capital requirement calculated through the use of parameters specific of the company or the Group or through an internal model (partial or complete), in order to avoid duplications between the required audits and the process for the authorisation to be issued by the Authority of interest – are not subject to an assessment of compliance or to conclusions from a limited auditing.

The audit engagement may be entrusted to the same auditor who carries out the auditing of the annual and consolidated accounts.

It should also be noted that on 31 October 2018, IVASS has published an explanatory document containing clarifications on the methods used to apply the transitional measure on technical provisions (Misura transitoria sulle riserve tecniche or "MTRT"), as required by the Private Insurance Code, so as to allow for a gradual transition from the existing prudential framework (Solvency I) to the Solvency II framework. This document clarifies the methods for the calculation and submission of the request for authorisation as well as the corporate governance and risk control measures that are necessary for the application of the MTRT. The company did not use the MTRT regarding the calculation of the solvency ratio at 31 December 2018.

Main documents issued by the European Bodies within the Solvency II framework

On 28 February 2018, the public consultation on the second set of opinions for the revision of the Standard Formula by EIOPA, through the publication of the final Set of Advice, was completed. In particular, to be noted are: the treatment of Risk Margin (through any necessary revision of the methods and assumptions used for the related calculation), the capacity for absorption of the deferred tax losses and the Interest Rate Risk (not considering it adequate to address a context characterised by low interest rates).

On 28 March 2018, EIOPA started an additional consultation (concluded on 12 May) on possible changes to the Implementing Technical Standards (ITS) in the area of reporting and disclosure, concerning EU Regulations nos. 2015/2450 (about the submission of information to the supervisory authorities) and no. 2015/2452 (about the procedures, formats and templates of the solvency and financial condition report).

On 9 November 2018, the EU Commission issued, in public consultation (concluded on 7 December 2018), the draft of some proposals for the amendment of the Delegated Acts as regards several aspects of the Solvency II provisions, such as:

- some changes to and simplifications of the calculations of the SCR using the standard formula with reference to the counterparty risk and related mitigation techniques, to the market risk and to the underwriting Non-Life risk;
- classification of own funds;
- application of the “look through” approach, extended to the investees which carry out asset management activities on behalf of insurance companies.

The proposals for amendments also contain:

- further clarifications on the methods, the principles and the techniques for determining the structure of the risk-free curve;
- the criteria for the recognition of the guarantees issued by regional governments and local authorities;
- some additional principles for the calculation of the capacity to absorb deferred tax losses;
- a method for calculating the adjustment factor for the non-proportional reinsurance as a unit specific parameter (USP).

On 6 December 2018, the EU Parliament sent again a letter to the Commission with which, after acknowledging a delay in submitting the proposals for amendments to the Delegated Acts of Solvency II by the EU Commission (initially planned for no later than December 2018), restated, among several priorities, the necessity for less rigorous criteria regarding the application of the treatment of the new asset class of long-term equity investments and the necessity for improving the functioning of the Volatility Adjustment.

On 19 December 2018, EIOPA published a request for input on the reporting and disclosure requirements set forth in Solvency II, still taking into account the revision of the European solvency framework planned for 2020, with expiry date set on 19 February 2019.

Regulatory developments regarding taxation

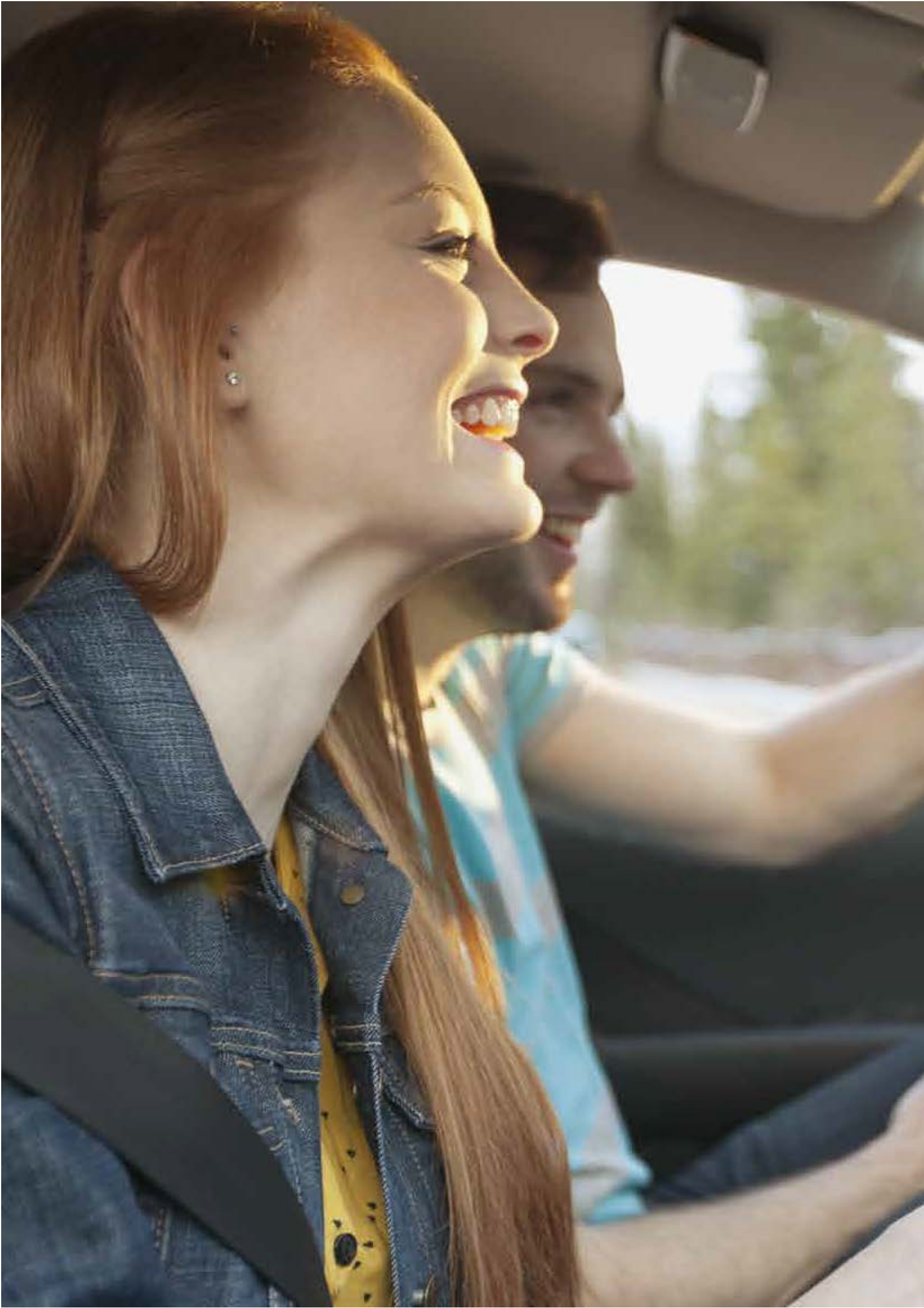
Decree Law 87 of 12 July 2018 converted by Law 96 of 9 August 2018 (so called Dignity Decree). Among the tax provisions, to be noted is the introduction of provisions on VAT which have provided for the postponement of the dispatch of a communication on invoices, both issued and received – “spesometro” (expense reporting system); the exemption from the regulations of Split Payment (operation for splitting payments entailing the payment of the VAT debited, in the invoice, directly to the Tax Authority rather than to the supplier) for contracted workers; and the exemption from the obligations of entering into the VAT register the invoices, both issued and received, coinciding with the application of the electronic invoicing mechanism.

Decree Law 119 of 23 October 2018 converted by Law 136 of 17 December 2018 (“Connected to the 2019 Budget Law”). Introduces VAT provisions on the issuing and entry of invoices receivable, the registration of purchase invoices and deductions applicable, in part, from the publication date, in addition to provisions on tax simplification for the implementation of an electronic invoicing system starting in 2019, anticipating the non-application of sanctions in the first six months of the entry into effect. The decree contains the implementing provisions of “fiscal pacification”, including the facilitated settlement of tax audit reports, of tax assessment deeds, of tax collection notices entrusted to the Tax Collection Agent, of tax disputes pending before the various levels of proceedings. The decree provides for the Italian Tax Police to be guaranteed free access to the registry of financial statements and for some changes made to the online tax process. Finally, the decree introduces an exemption to the criteria applied to the measurement, in the financial statements, of the securities recognised under total current assets which enables the subjects who prepare the financial statements in compliance with the provisions of the Civil Code (Articles 2423-2435-ter of the Civil Code) and the Italian accounting standards issued by the OIC (including the insurance companies in the individual financial statements) to retain, in the 2018 financial statements, the same figures of the previous statements.

Decree Law 142 of 29 November 2018 published in the Official Journal of 28 December 2018 and in effect since 12 January 2019. This decree implements the European Delegation Law for the period 2016-2017 (L. 163/2017) in order to transpose the Directive EU 2016/1164 which introduces provisions to counteract tax avoidance practices that affect the functioning of the internal market (so-called Atad 1), as amended by Directive EU 2017/952 (so-called Atad 2). In particular, the approved decree introduces new provisions on the deductibility of interest expense, exit taxation, non-resident subsidiaries, taxation of hybrid financial instruments, foreign subsidiaries, as well as dividends and capital gains.

Law 145 of 30 September 2018 (so-called "2019 Budget Law") sets forth, inter alia, the following:

- the repeal, effective from the 2019 tax period, of the Aid to Economic Growth (ACE) while the usability of the surplus amounts accrued at 31 December 2018 is maintained;
- the postponement, for insurance companies and credit and financial institutions, of the deductibility contemplated in the 2018 period of the non-deducted portion of write-downs and impairment losses on receivables, and of amortisation of the goodwill and of other intangible assets that have entailed the recognition of deferred tax assets in the financial statements;
- the introduction of new preferential taxation regulations regarding the reinvested profits, commensurate to investments in operating assets and new staff hired on permanent contracts;
- the splitting into instalments over 10 years, with respect to the planned full deduction in 2018, of the deductibility of impairment losses on loans calculated upon the first time application of the IFRS9 standard, for credit and financial institutions and insurance companies;
- amendments to the regulations concerning PIR, long-term individual savings plans, to provide an incentive to investments in venture capital funds and financial instruments issued by SMEs;
- the maintenance of blocking of any VAT rate increase also for 2019;
- the increase in rates for the payment of the tax advance on insurance borne by companies, to 85% as of 2019, to 90% as of 2020 and to 100% for subsequent years starting from 2021;
- the extension of deductions for energy and earthquake-proofing upgrades;
- the extension of the hyper-amortisation scheme (super amortisation is not being repropounded);
- reopening of the terms for the revaluation of the corporate assets and for the realignment of the civil and fiscal values.





MANAGEMENT
REPORT

Information on significant events

Positive conclusion of the three-year plan 2016-2018

The year 2018 was the last year covered in the 2016-2018 Business Plan during which the activities of the Unipol Group strongly focused on implementing the following directives:

- further development of the operating machine, following an increase in the size of the Group due to the merger with Fondiaria-SAI, through the intensification and simplification of the relationships with customers and agents, the extension of the offering of Health and Pension products, the innovation of products with a particular focus on the use of ICT and the consolidation of the operating and business processes;
- strengthening and relaunching of bancassurance partnerships with the Group BPER Banca and Banca Popolare di Sondrio (through Arca Vita, Arca Vita International and Arca Assicurazioni) and with Unicredit (through Incontra);
- completion of the corporate rationalisation of the Group with the concentration of all insurance assets under UnipolSai control;
- restructuring of the banking sector with a decisive strengthening of the hedging of the impaired loans of Unipol Banca and the separation of performing assets from the impaired assets through the establishment of UnipolReC. This operation has enabled the creation of conditions for the requalification of the strategy of the Group in the banking sector which will be completed in 2019, after obtaining the necessary authorisations, with the announced sale of Unipol Banca to BPER and the consequent exit from the direct business of a medium sized bank, in order to take on the role of a long-term stable investor of one of the main Italian banking groups.

The Group ends the three year Plan exceeding the objectives of profitability set in the 2016-2018 Business Plan, after reaching a cumulative net consolidated profit, both at the Unipol Group level and at the consolidated UnipolSai level, equal to more than €1.8bn, against the Plan's target of €1.5 – €1.7bn for Unipol Gruppo and €1.4 – €1.6bn for UnipolSai.

In addition to approximately €400m of cumulative dividends distributed over the three years, the remuneration objectives of the shareholders of Unipol Gruppo (hereafter also Unipol) were achieved and exceeded at the level of UnipolSai with cumulative distributed dividends of approximately €1.2bn against the Plan's objective of €1bn.

The adopted strategy, the achieved results and the compliance with the dividend policy indicated in the Plan have ensured to our shareholders, at the end of the reference three year period, a performance, in terms of Total Returns, that was positive and exceeding the performance recorded in the same period by the main market indexes.

The compliance, as on a number of previous occasions, with the targets stated in the Plan confirms the construction in these years of a sustainable profitability over time that creates a solid platform for the next 2019-2021 Business Plan which will be presented to the financial markets this coming May.

Banking sector restructuring plan

The first half of 2018 saw the completion of the banking sector restructuring plan, announced to the market at the end of June 2017, a full disclosure on which was provided in the 2017 Financial Statements. The final phases of this plan implemented in the first few months of 2018 can be summarised as follows:

- on 16 January 2018, the agreement was signed for the proportional partial spin-off of Unipol Banca S.p.A. ("Unipol Banca" or the "Company Divided") through the establishment of a new company, beneficiary of a corporate complex (the "Complex involved in the division"), amongst other things including the entire portfolio of bad and doubtful loans of Unipol Banca at the approval date of the Half-yearly Financial Report 2017, except for loans deriving from lease transactions and unsecured loans (the "Bad and Doubtful Loans"); On 31 January 2018, Unipol and UnipolSai disbursed a shareholder loan to Unipol Banca for €173m and €127m, respectively, for a total amount of €300m, intended to be included in the Complex involved in the division, as set out in the spin-off deed.

- on 1 February 2018 (the "Effective Date"), the proportional partial spin-off (the "Spin-Off") of Unipol Banca to UnipolReC S.p.A. ("UnipolReC" or the "Beneficiary Company"), an ancillary services undertaking, part of the Unipol Banking Group, operating pursuant to Article 115 of Italian Royal Decree no. 773 of 18 June 1931 (TULPS), took effect. The Complex involved in the division was transferred from Unipol Banca to UnipolReC for a shareholders' equity value of €313.2m, comprising €290.1m share capital and around €23m capital reserves. As a result of the spin-off, the share capital and capital reserves of Unipol Banca were reduced by the corresponding amounts. The share capital of UnipolReC (equal to €290,122,715) is divided in 290,122,715 shares without nominal value, 57.75% of which held by Unipol and 42.25% by UnipolSai. The amount of Bad and Doubtful Loans included in the Complex involved in the division at the Effective Date was €2,900.8m gross of value adjustments and €553.0m net of value adjustments.

On the Effective Date, UnipolSai recognised the investment in UnipolReC under the item "Investments in Group companies and other investees", for a total amount of €254m, of which €208m related to the shares under the put/call option with Unipol. Pursuant to the contractual agreements in force on said date, in fact, the put/call option, in place between Unipol and UnipolSai, involving Unipol Banca shares, was automatically extended to the UnipolReC shares acquired by UnipolSai, due to the Spin-Off, i.e. no. 79,766,325 UnipolReC shares, corresponding to 27.49% of the total of the UnipolReC shares, without applying any change to the total put exercise price.

The amount of the investment held by UnipolSai in Unipol Banca was reduced, on the spin-off date, by an amount equal to the initial recognised amount of the investment in UnipolReC, standing at €454m on the Effective Date.

For further information on the calculation of the value of the investees, refer to section 2.2 - Investments in Group companies and other investees in the Notes to the Financial Statements.

Strategic transactions relating to the banking sector

The sale of the entire investment in Unipol Banca has been approved, subject to the exercise by UnipolSai of the put option in place with Unipol

Following the restructuring of the banking sector, as illustrated above, in 2018, the Unipol Group began working on the preliminary activities to undertake strategic transactions in said business, entering into discussions with BPER Banca ("BPER") as a potential counterparty, with a view to verifying the feasibility of a project that would entail:

- transferring shares representing the entire share capital of Unipol Banca to BPER
- the acquisition by UnipolReC of a portfolio of bad and doubtful loans of BPER.

Given the importance of the transaction and taking into account the investments held in BPER by Unipol Group, at the end of 2018, both Unipol and UnipolSai, within their respective scopes of responsibility, voluntarily launched the preliminary analysis and decision-making process envisaged by the procedures adopted respectively to perform transactions with related parties.

Following the preliminary activities conducted and the negotiations held, on 7 February 2019, the Boards of Directors of Unipol and of UnipolSai, within their respective scopes, approved the transaction regarding the banking sector of the Unipol Group (the "Transaction"), to be carried out in a unique setting, which envisages:

- the transfer to BPER of the entire investment held by Unipol, also through UnipolSai, in Unipol Banca, corresponding to the entire share capital of the latter, for a cash consideration of €220m; and
- the purchase from the BPER Group, by UnipolReC, of two separate portfolios comprised of bad and doubtful loans, one owned by BPER and one by Banco di Sardegna (jointly the "Portfolio"), for a gross book value of €1.3bn, for a cash consideration of €130m, corresponding to around 10% of the gross value of the portfolio.

For the Unipol Group, the Transaction:

- completes the process of requalification of its strategy in the banking sector, by exiting from the direct business of a medium sized bank, in order to take on the role of a long-term stable investor of one of the main Italian banking groups;
- increases the scale of operations of UnipolReC, by enhancing its expertise in debt collection;
- emphasises the focus on the core insurance business;
- enhances the investment held in BPER.

On 7 February 2019, following approval also by the other companies involved, the contractual agreements governing the Transaction were signed. The implementation of these agreements, subject to the fulfilment of some conditions precedent of primarily a regulatory and authorisation nature, is expected to occur no later than the beginning of the second half of 2019.

Again on 7 February 2019, UnipolSai's Board of Directors resolved to exercise the put option relating to 27.49% of the share capital of Unipol Banca and UnipolReC, held by the holding company Unipol by virtue of the option contract signed on 31 December 2013 between the former Fondiaria-Sai S.p.A. and the Unipol Gruppo. As related-party transactions of Major Significance, the exercise of the put option was subject to the evaluation of the Related-Party Transactions Committee of UnipolSai, which expressed its favourable opinion.

Pursuant to the above, UnipolSai has undertaken to transfer to BPER, under the above-cited conditions, the residual investment (14.76%), which is held in the capital of Unipol Banca as a result of the exercise of the option, which was finalised on 1 March 2019.

Given the planned full sale, UnipolSai has reclassified the investment held in Unipol Banca under investments with short-term use at 31 December 2018, and recognised it at the expected sale value, recording a loss of €50,053k, referring only to the portion to be sold to BPER.

In fact, the sale to Unipol of the shares under option does not have any economic effect, insofar as the strike value of the option corresponds to the carrying amount of the shares.

For further information on the transactions, refer to the paragraph entitled "Significant events after the reporting period".

Sale of the equity investment in Popolare Vita

On 11 January 2018, the agreement was signed for disposal of the investment in Popolare Vita (21,960,001 shares, equal to 50%+1 share of the share capital) to the banking partner Banco BPM, following failure to renew the distribution agreements and subsequent exercise of the put option envisaged in the Shareholders' Agreement. On 29 March 2018, following fulfilment of the contractually envisaged conditions precedent, the shares were transferred and the price of €535,516k was collected, with subsequent realisation of a net capital gain of €30,116k.

Acquisition of Arca Vita from the holding company Unipol

On 22 March 2018, the Board of Directors approved the acquisition by UnipolSai Assicurazioni of the controlling interest held by Unipol Gruppo in Arca Vita S.p.A., equal to 63.39% of the share capital, for a price of €475m (the "Acquisition").

The Acquisition is part of a project, approved by the Board of Directors of Unipol Gruppo and UnipolSai Assicurazioni on 29 June 2017, meant to definitively streamline the Group's insurance sector under the control of UnipolSai Assicurazioni (the "Project").

As part of the Project, in addition to acquisition of the investments in UniSalute S.p.A. and Linear S.p.A., finalised on 16 November 2017, it was envisaged that if certain conditions and requirements were met the investment held by Unipol Gruppo in Arca Vita (and with it the subsidiaries, particularly the insurance companies Arca Vita International DAC and Arca Assicurazioni SpA) would also be transferred to UnipolSai Assicurazioni.

These requirements were satisfied on the early renewal of the strategic bancassurance partnership between Unipol Gruppo, BPER Banca S.p.A. and Banca Popolare di Sondrio S.c.p.A. in the Life and Non-Life segments and the signing on 8 November 2017 of a new five-year agreement, expiring on 31 December 2022 and renewable if agreed by the parties.

The Acquisition will help to strengthen the product mix of UnipolSai Assicurazioni in the bancassurance channel as a whole, particularly reconfirming UnipolSai's presence as a major operator in the bancassurance business as well as in the Life and Non-Life segments, also given the conclusion of the bancassurance partnership with Banco BPM S.p.A. for the Life business.

Specifically, the transfer of Arca Vita to UnipolSai Assicurazioni will facilitate the growth process to ensure constant adequacy of the product mix offered by Arca Vita and its insurance subsidiaries, also in view of the opportunities offered by technological innovation and considered developments of the reference market.

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

Considering that Unipol Gruppo controls UnipolSai Assicurazioni and also taking into account its organisation as a whole in relation to the Project, the Acquisition qualified for both parties as transactions with related parties "of major significance" pursuant to Consob Regulation no. 17221 of 12 March 2010 and the procedures for transactions with related parties adopted, respectively, by Unipol and UnipolSai.

The Project and the Acquisition were therefore submitted by UnipolSai Assicurazioni and by Unipol Gruppo (the latter on a voluntary basis) to the respective Committees for transactions with related parties for approval, which were respectively supported, for valuation aspects, by Deloitte Financial Advisory S.r.l. and by Towers Watson Italia S.r.l., and for legal aspects by BonelliErede and Chiomenti.

With respect to the valuation activities and the determination of the Acquisition consideration, UnipolSai Assicurazioni also obtained the independent opinion of Studio Laghi S.r.l., whereas Unipol Gruppo obtained the opinion of Colombo&Associati S.p.A..

The Related Party Transactions Committee of UnipolSai Assicurazioni expressed its favourable opinion on the Company's interest in carrying out the Acquisition, as well as on the cost effectiveness and substantial fairness of the relative conditions.

On 29 March 2018, the information document concerning the Acquisition, drawn up in compliance with Art. 5 of the Regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as amended, was published.

After obtaining the necessary authorisations from the competent authorities, the Acquisition became effective on 7 August 2018.

The project for streamlining the insurance sector of the Unipol Group, started in 2017 with the sale to UnipolSai of the investments held by Unipol in Linear S.p.A. and UniSalute S.p.A., was completed. At the end of 2018, all insurance activities of the Unipol Group are under the control of UnipolSai.

Bond loan issues and redemptions

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

Later, on 3 May 2018, two subordinated loans were repaid in full for a total of €300m, disbursed in the past by Mediobanca - Banca di Credito Finanziario S.p.A. and originally maturing in 2025 and 2026, both of which recognisable among Tier 2 own funds for the purpose of Solvency II regulations.

Rating assigned by Fitch and Moody's

On 9 May 2018, Fitch Ratings announced its upgrade of the Long-Term Issuer Default Rating (IDR) assigned to Unipol Gruppo S.p.A. and UnipolSai Assicurazioni S.p.A. to "BBB" from "BBB-", with stable outlook. Consequently, the ratings of the debt securities issued by the Unipol Group were also upgraded: the Unipol Gruppo S.p.A. senior loans to "BBB-" from "BB+", the subordinated loans with maturity of UnipolSai Assicurazioni S.p.A. to "BBB-" from "BB+" and the perpetual bond loan of UnipolSai Assicurazioni S.p.A. to "BB+" from "BB". At the same time, the rating agency confirmed the Insurer Financial Strength (IFS) rating of UnipolSai Assicurazioni S.p.A. as "BBB" with stable outlook.

On 31 May 2018, Moody's Investor Services announced the upgrade of the Long-Term Issuer Rating assigned to Unipol Gruppo S.p.A. (Unipol Gruppo) from Ba2 to Ba1.

Subsequently, on 23 October 2018, rating agency Moody's, as a result of the reduction in Italy's sovereign rating, revised UnipolSai Assicurazioni S.p.A.'s Insurer Financial Strength Rating from "Baa2" to "Baa3" and the Long-term Issuer Rating assigned to Unipol Gruppo S.p.A. from "Ba1" to "Ba2".

At the same time, the rating agency improved the outlook on said companies, changing it from "negative watch" to "stable".

2018 Loyalty Magazine Award

UnipolSai Assicurazioni and Advice Group, Italy's first progress marketing company, in June 2018, were winners of the Loyalty Magazine Award - the highest award in the sector at international level - in the "Loyalty without a name" category.

Specifically, the "Ghost Loyalty" campaign managed for UnipolSai Assicurazioni by Advice Group, was recognised for its ability of "having best known how to develop loyalty mechanisms, without a real programme in the traditional sense of the term".

UnipolSai adopted a customer-centric approach some time ago and intends to increasingly set up as an innovative operator in the market in favour of strengthening the brand-user combination.

MF Innovation Award 2018

As part of the "MF Innovation Award", the award promoted by the financial newspaper MF in partnership with Accenture for Innovation, Everyday customer service, Simplicity and usability, last December, the product "Condominio&Servizi" was awarded top price for innovation in the category "Protezione dell'abitazione" and the product "Albergo&Servizi" received a special mention in the category "Protezione del lavoro e delle attività imprenditoriali".

Unipol Group and UnipolSai in the Italian Top 10 of companies that create value

Between 2013 and 2017, the Unipol Group and UnipolSai guaranteed average profitability (TSR - Total Shareholders Return) of 27% and 23% respectively, surpassing the global industry average of 17.5%, sitting at 6th and 7th in the Italian Top 10.

The parameter, measured by Boston Consulting for the twentieth year in a row on 2,500 companies worldwide, is calculated using sophisticated financial methods, useful for investors in calculating the outcome of their allocations. It is based primarily on three elements: the dividend allocated to shareholders, company profits and the stock market price with reference to price/earnings in particular.

Insurance business highlights

| <i>(Amounts in €m)</i> | Financial Statements 2018 | Financial Statements 2017 |
|--|------------------------------|------------------------------|
| Gross premiums | 10,037.7 | 9,802.5 |
| <i>% variation (1)</i> | <i>2.4</i> | <i>(2.1)</i> |
| Direct premiums | 10,026.6 | 9,792.9 |
| <i>% variation (1)</i> | <i>2.4</i> | <i>(2.1)</i> |
| Payments (claims, expiries, surrenders and annuities) | 7,736.2 | 8,642.5 |
| <i>% variation (1)</i> | <i>(10.5)</i> | <i>7.5</i> |
| Operating expenses | 2,078.2 | 2,100.3 |
| <i>% variation (1)</i> | <i>(1.1)</i> | <i>(1.5)</i> |
| % Non-Life Operating Expenses/Premiums ratio | 27.9 | 28.2 |
| Loss ratio with OTI ratio (2) | 66.8 | 68.1 |
| Combined ratio direct business with OTI ratio (3) | 94.8 | 96.3 |
| Net gains on investments and realised gains | | |
| -excluding class 'D' and impairment | 1,453.6 | 1,556.2 |
| <i>% variation (1)</i> | <i>(6.6)</i> | <i>6.4</i> |
| -excluding class 'D' and including impairment | 975.9 | 1,396.4 |
| <i>% variation (1)</i> | <i>(30.1)</i> | <i>16.7</i> |
| Net profit (loss) | 412.8 | 577.2 |
| <i>% variation (1)</i> | <i>(28.5)</i> | <i>25.9</i> |
| No. of agencies | 2,591 | 2,766 |
| No. of agents | 4,268 | 4,480 |
| No. staff (4) | 7,512 | 7,480 |

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

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

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

(4) Full Time Equivalent - FTE: 7,270 (7,239 in 2017)

| <i>(Amounts in €m)</i> | Financial Statements 2018 | Financial Statements 2017 |
|--|------------------------------|------------------------------|
| Investments and cash and cash equivalents | 47,761.6 | 47,211.0 |
| <i>% variation (1)</i> | <i>1.2</i> | <i>0.1</i> |
| Technical provisions | 43,523.0 | 43,107.5 |
| <i>% variation (1)</i> | <i>1.0</i> | <i>(1.3)</i> |
| % Technical provisions/Premiums ratio | | |
| - Non-Life | 199.5 | 206.0 |
| - Life | 950.4 | 998.2 |
| - Non-Life + Life | 433.6 | 439.8 |
| Shareholders' equity | 5,765.9 | 5,752.8 |
| <i>% variation (1)</i> | <i>0.2</i> | <i>4.1</i> |

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

1 Management Report

Share performance

Information on share performance

At the end of December 2018, the listed price of an ordinary UnipolSai share was €1.98, recording a rise of 1.5% in the last 12 months, versus falls of 16.7% in the FTSE Italia All-share index, of 16.1% in the FTSE MIB index and of 4.1% in the FTSE Italia All Share Insurance index.

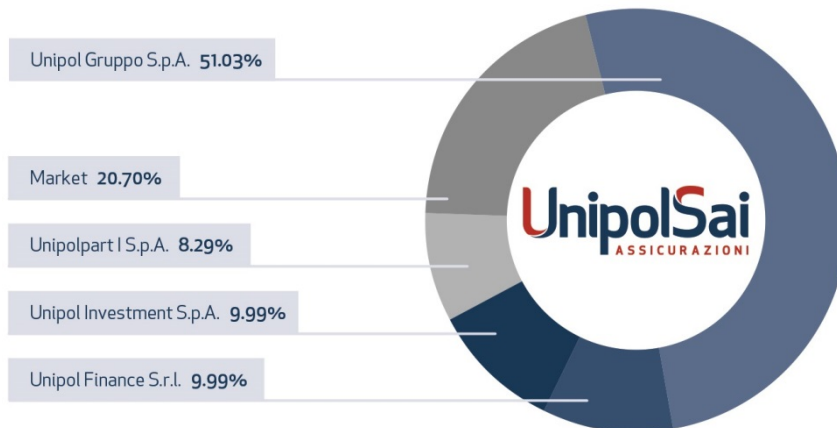
Capitalisation values

Capitalisation at 31 December 2018 amounted to €5,593m (€5,509m at 31/12/2017).

Shareholding structure

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

Main Shareholders of UnipolSai Assicurazioni



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

Operating performance

In 2018, as already illustrated above, UnipolSai S.p.A. acquired the investment held by Unipol Gruppo in Arca Vita S.p.A., corresponding to 63.39% of the share capital, thus completing the project to streamline the insurance sector of the Unipol Group, which started in 2017 with the sale to UnipolSai of the investments held by Unipol in Linear S.p.A. and UniSalute S.p.A.. To date, all insurance activities of the Unipol Group are under the control of UnipolSai, which therefore strengthens the range of products offered also in the bancassurance channel, both in Life and Non-Life insurance businesses.

As regards the Non-Life business, direct premiums at 31 December 2018 amounted to €6,897.5m (€6,901.1m at 31 December 2017, -0.1%). The MV segment recorded premiums of €3,939.9m, showing a slight increase (+0.1% against 2017) thanks to the uptrend recorded in accessory guarantees to MV TPL, with regard to which, instead, competitive pressure has not yet enabled higher volumes to be recorded. MV premiums amounted to €3,271.8m (-1.3%), while the Land Vehicle Hulls business recorded good growth with premiums amounting to €668.1m (+7.1%). In the Non-MV segment, premiums of €2,957.6m were recorded, substantially in line (-0.2%) compared to €2,963.7m at 31 December 2017, but up on the figures recorded for the previous quarters, characterised by the non-confirmation of several contracts for significant amounts.

In terms of claims, last year the MV TPL class recorded a further improvement in terms of frequency and cost control. Our leadership in the segment of black boxes installed in vehicles was confirmed, rising from 3.5 million in 2017 to 3.8 million in 2018, which represents better protection against fraud and an accurate quantification of damages. In the Non-MV segment, 2018 was characterised by a significant presence of claims from atmospheric events and by claims for significant amounts, recovered, to a greater extent than the previous year, by re-insurance cover.

The combined ratio for the Group's direct business stood at 94.8%, recording a significant improvement on the 96.3% achieved at 31 December 2017, thanks to a loss ratio of 66.8%, compared to 68.1% in the first half of 2017 and an expense ratio on direct business of 27.9% of premiums written, compared to 28.2% at 31 December 2017. The combined ratio net of reinsurance was 95.2%, compared to 97.7% in 2017.

In the Life segment, the Company recorded direct premiums of €3,129.1m (+8.2%), assisted by the positive contribution above all of Class V policies and pension funds (Class VI).

As regards financial investment management, 2018 was characterised by global financial market volatility arising from geopolitical tensions and, in Italy, by the tensions related to domestic government bonds, due initially to the political instability which preceded the new Government and later by the approval of the Budget Law. In this context, the gross profitability of the Company's insurance financial investments portfolio produced a return in the period in question, equal to 3.0% of invested assets (4.2% at 31 December 2017), impacted by significant value adjustments, while the coupons and dividends component achieved a return of 3.6%.

Real estate management continued to focus on the renovation of a number of properties, particularly in Milan, in order to seek out opportunities to increase value or generate income, as well as structures intended for business use.

UnipolSai closed 2018 with a net profit of €412.8m, positively influenced by the good technical performance of the insurance business and negatively impacted by losses on securities classified as current assets, triggered by the rise of the spread on Italian government bonds and by tension in the stock markets.

1 Management Report

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

- A. At the end of 2018, premiums were €10,037.7m, of which €10,026.6m in direct business, with breakdown as follows:

Amounts in €m

| Premiums | Non-Life | Life | Total 2018 | Total 2017 | % Var. | Var.on 2017 |
|-------------------|----------------|----------------|-----------------|----------------|------------|--------------|
| Direct business | 6,897.5 | 3,129.1 | 10,026.6 | 9,792.9 | 2.4 | 233.7 |
| Indirect business | 10.8 | 0.3 | 11.1 | 9.5 | 16.0 | 1.5 |
| | 6,908.3 | 3,129.4 | 10,037.7 | 9,802.5 | 2.4 | 235.2 |
| Premiums ceded | 427.9 | 6.1 | 434.0 | 418.0 | 3.8 | 16.0 |
| Premiums retained | 6,480.4 | 3,123.3 | 9,603.7 | 9,384.5 | 2.3 | 219.2 |
| % breakdown | 67.5 | 32.5 | 100.0 | | | |

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

The result from technical insurance management, which also includes operating expenses and allocation of the share of gains on investments, was overall positive for €516.6m (€705.9m in 2017) with the breakdown showing a positive €516.663.7m for the Life business and €452.9m for the Non-Life business.

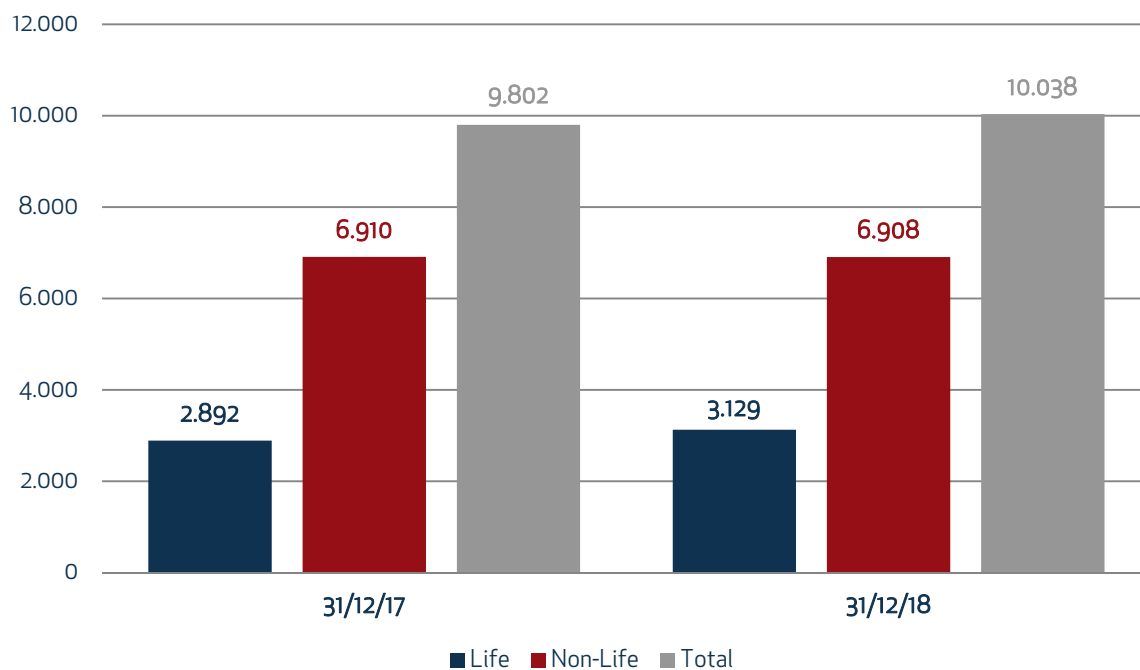
- B. Total operating expenses (including acquisition and collection commissions and other acquisition and administrative expenses) were €2,078.2m (-1.1%), with an incidence on (Life and Non-Life) premiums of 20.72,078.2% (21.4% in 2017). Net of reinsurers' commissions, total operating expenses were equal to €1,927.9m (-1.1%).
- C. Investments and cash and cash equivalents reached €47,761.6m (net of impairment), (€47,211.0m in 2017), of which €4,582.9m (€4,169.4m in 2017) 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 €1,248.2m down €67.4m (-5.1%) on 31 December 2017.
Ordinary and extraordinary gains on investments, including net realised capital gains and impairment and reversals of impairment losses, amounted to €974.8m, falling by €421.6m (-30.2%) compared with 31 December 2017.
- E. Technical provisions for the Life and Non-Life businesses reached a total amount, at the end of 2018, of €43,523.0m (+1.0%); net of the reinsurer's share, they amounted to €42,886.8m (+0.9%). The technical provisions-premiums ratio was 199.5% in the Non-Life business (206.0% in 2017) and 950.4% in the Life business (998.2% in 2017).
- F. Profit from ordinary operations amounted to €478.5m, while profit from extraordinary operations was also positive, and came to €70.2m, bringing pre-tax profit to €548.7m.
- G. Taxes for the period had a negative effect on the profit for the period of €135.9m.

Therefore, the net profit for the year amounted to €412.8m, a fall of €164.4m compared with the previous year, which had benefitted from a higher contribution of financial income.

The shareholders' equity of the Company, including the profit for the year, was €5,765.9m.

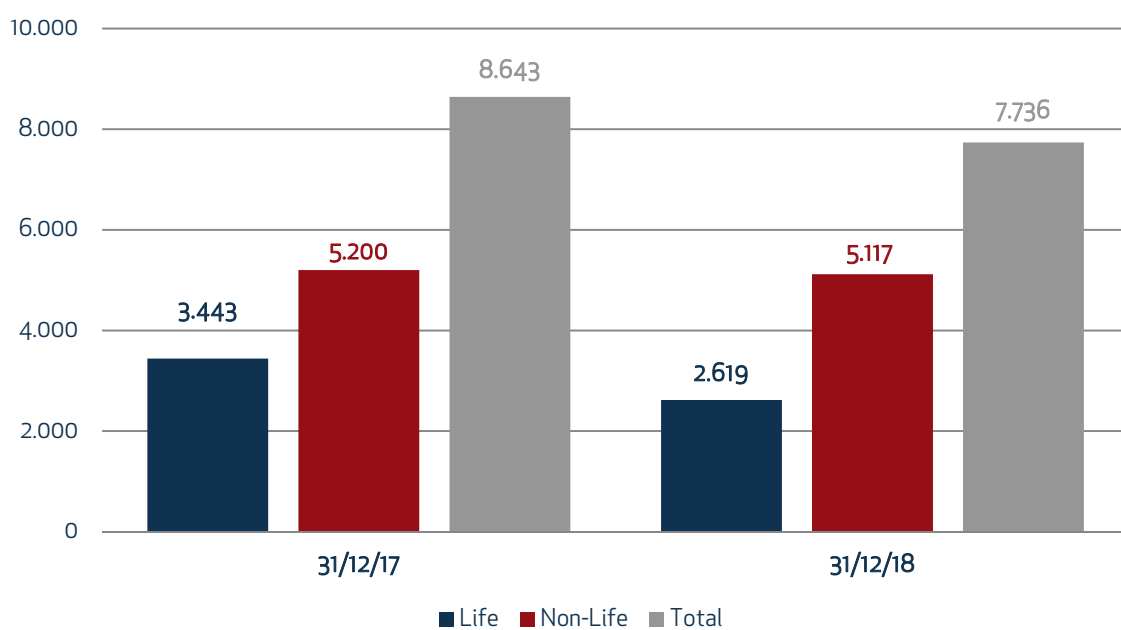
Total premiums

Amounts in €m



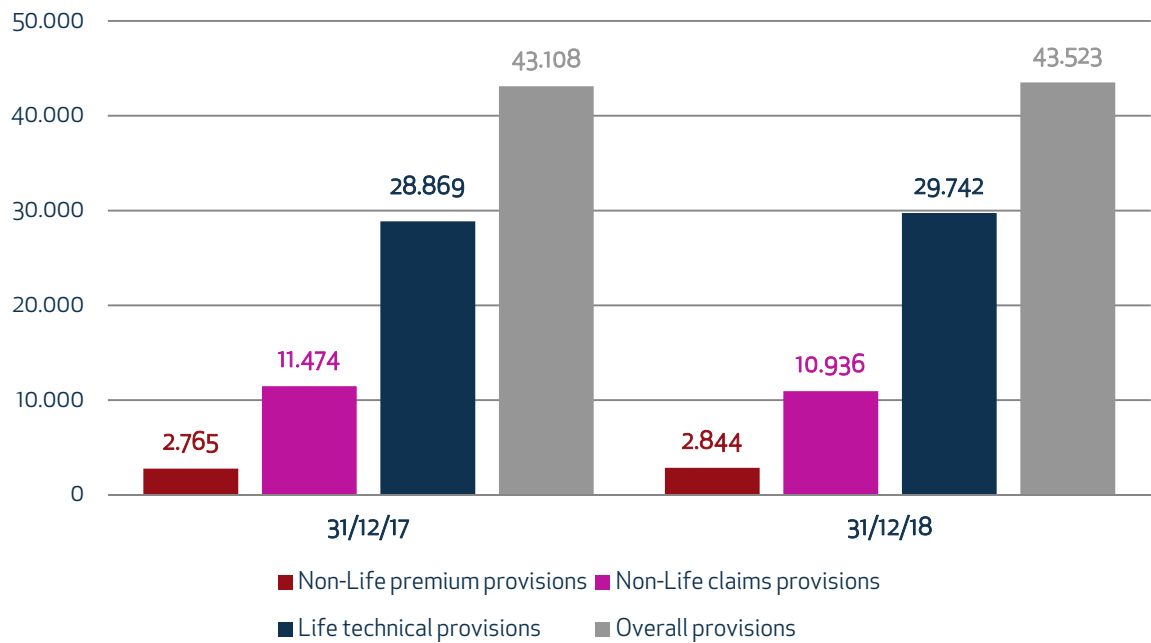
Payments

Amounts in €m



Technical provisions

Amounts in €m



Premiums

Premiums acquired at 31 December 2018 amounted to a total of €10,037.7m, an increase of 2.4%.

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).

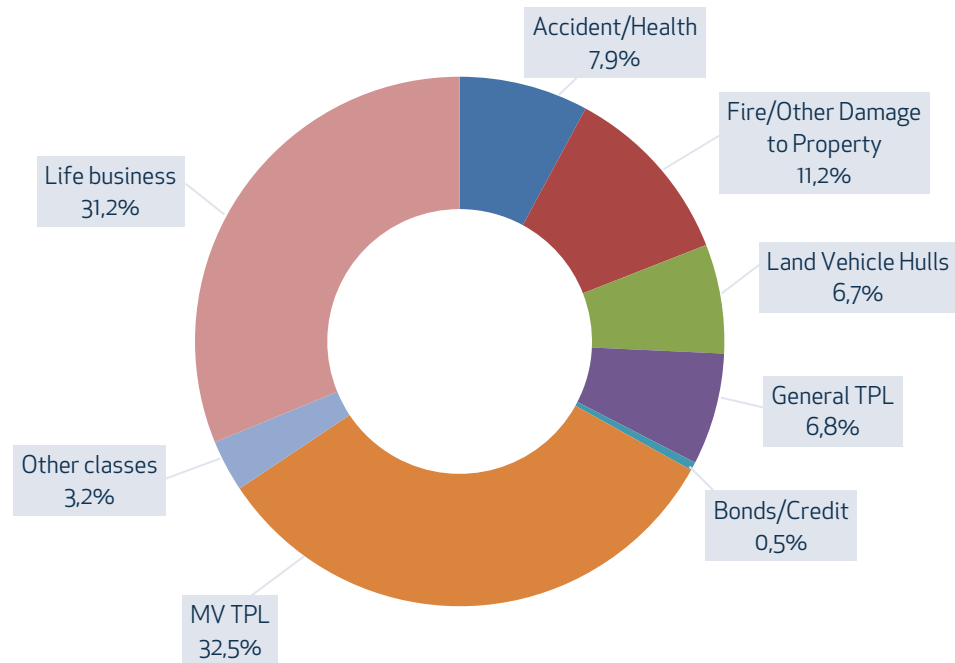
Premiums by class

Amounts in €k

| Code | Class | FY 2018 | % Comp. | FY 2017 | % Comp. | Variation 2018/2017 amount | % |
|--------------------------------|-----------------------------------|-------------------|--------------|------------------|--------------|----------------------------|--------------|
| ITALIAN DIRECT BUSINESS | | | | | | | |
| Non-Life business | | | | | | | |
| 1 | Accident | 613,357 | 6.1 | 616,901 | 6.3 | (3,545) | (0.6) |
| 2 | Health | 178,449 | 1.8 | 227,716 | 2.3 | (49,267) | (21.6) |
| 3 | Land Vehicle Hulls | 668,069 | 6.7 | 623,560 | 6.4 | 44,509 | 7.1 |
| 4 | Railway rolling stock | 1,608 | 0.0 | 228 | 0.0 | 1,380 | 604.3 |
| 5 | Aircraft | 641 | 0.0 | 626 | 0.0 | 15 | 2.3 |
| 6 | Sea, lake and river vessels | 5,214 | 0.1 | 5,145 | 0.1 | 69 | 1.3 |
| 7 | Goods in transit | 15,518 | 0.2 | 17,137 | 0.2 | (1,619) | (9.4) |
| 8 | Fire | 529,758 | 5.3 | 525,293 | 5.4 | 4,465 | 0.9 |
| 9 | Other damage to property | 589,975 | 5.9 | 562,544 | 5.7 | 27,431 | 4.9 |
| 10 | Land Vehicle TPL | 3,263,502 | 32.5 | 3,305,588 | 33.8 | (42,086) | (1.3) |
| 11 | Aircraft TPL | 732 | 0.0 | 570 | 0.0 | 163 | 28.5 |
| 12 | Sea, lake and river TPL | 8,312 | 0.1 | 8,246 | 0.1 | 66 | 0.8 |
| 13 | General TPL | 685,515 | 6.8 | 684,785 | 7.0 | 730 | 0.1 |
| 14 | Credit | 307 | 0.0 | 318 | 0.0 | (12) | (3.6) |
| 15 | Bonds | 51,035 | 0.5 | 53,568 | 0.5 | (2,533) | (4.7) |
| 16 | Pecuniary losses | 62,447 | 0.6 | 57,808 | 0.6 | 4,639 | 8.0 |
| 17 | Legal expenses | 63,602 | 0.6 | 63,431 | 0.6 | 171 | 0.3 |
| 18 | Assistance | 159,466 | 1.6 | 147,667 | 1.5 | 11,799 | 8.0 |
| Total Non-Life business | | 6,897,505 | 68.8 | 6,901,131 | 70.5 | (3,626) | (0.1) |
| Life business | | | | | | | |
| I | Whole and term life insurance | 1,851,526 | 18.5 | 1,832,176 | 18.7 | 19,350 | 1.1 |
| III | Unit-linked/index-linked policies | 219,505 | 2.2 | 194,576 | 2.0 | 24,929 | 12.8 |
| IV | Health | 4,229 | 0.0 | 2,423 | 0.0 | 1,806 | 74.5 |
| V | Capitalisation insurance | 396,295 | 4.0 | 267,432 | 2.7 | 128,863 | 48.2 |
| VI | Pension funds | 657,558 | 6.6 | 595,210 | 6.1 | 62,347 | 10.5 |
| Total Life business | | 3,129,112 | 31.2 | 2,891,818 | 29.5 | 237,295 | 8.2 |
| Total Direct business | | 10,026,618 | 100.0 | 9,792,949 | 100.0 | 233,669 | 2.4 |
| INDIRECT BUSINESS | | | | | | | |
| Non-Life business | | 10,774 | 97.3 | 9,175 | 96.1 | 1,599 | 17.4 |
| Life business | | 293 | 2.7 | 370 | 3.9 | (77) | (20.7) |
| Total Indirect business | | 11,068 | 100.0 | 9,545 | 100.0 | 1,522 | 16.0 |
| TOTAL PREMIUMS | | 10,037,686 | | 9,802,494 | | 235,192 | 2.4 |

In 2018, taxes (borne by policyholders) amounting to €1,040,354k were collected on premiums, along with contributions to the National Health Service amounting to €343,705k

Direct premiums



Non-Life insurance business

Direct business premiums at 31 December 2018 amounted to €10,037.7m, substantially in line with the premiums acquired in 2017 (-0.1%). Also considering indirect business, premiums acquired during the year amounted to €6,908.3m (€6,910.3m in 2017).

In the MV sector, premiums rose primarily as a result of the growth of the Land Vehicle Hulls segment, while the decrease of MV TPL continued due to lower average premiums.

The technical result improved in both the Land Vehicle Hulls and MV TPL classes, in which the fall in the frequency of claims and average cost control offset the lower premiums, leading to an improvement in the technical result for the class.

In the Non-MV classes, a fall in the Health class was recorded, due above all to the failure to renew a collective contract for a significant amount. Thanks to the increase in premiums recorded by the other classes, in particular Other damage to property, Assistance and Pecuniary losses, the set of Non-MV classes closed with a slight fall of 0.2%. The significant atmospheric and flood events that occurred in the last few days of October contributed to the slight deterioration of the general classes.

With regard to claims reported, during the year 2,273,168 claims were received for all Non-Life classes, an increase of 2.7% compared to those received in 2017.

In 2018, the Claims Department managed 1,381,241 claims reported during the year for the Company (of which nearly 80% have already been settled with payment) in addition to 480,957 claims from previous years existing at 1 January or reopened (of which 63.7% already settled with payment).

"Fault" claims (Non-Card, Debtor Card or Natural Card) totalled 599,820, down by 3.9% (624,251 in 2017).

Claims that present at least a Debtor Card claims handling, totalled 342,069, down by 4.1% compared to the same period in the previous year.

Handler Card claims totalled 453,715 (including 107,065 Natural Card claims, between policyholders at the same company), down by 4.5%. The settlement rate in 2018 was 82.9%, up compared to 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)⁴ out of total cases (Non-Card + Handler Card + Debtor Card) in 2018 came to 84.1% (84.5% in 2017).

The average cost (amount paid plus amount reserved) for claims reported (including claims reported late) declined by 2.0% in 2018 (-0.7% in 2017). The average cost of the amount paid out declined by 1.2% (+2.0% in 2017).

The table below, regarding Italian direct business and for the main classes concerned, illustrates the claims settlement rate at 31 December 2018 and the comparison with 31 December 2017, 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 amounts

| Class | Current claims | | Prior-year claims | |
|--------------------------------------|----------------|------|-------------------|------|
| | 2018 | 2017 | 2018 | 2017 |
| Accident | 59.6 | 60.6 | 63.1 | 64.8 |
| Health | 80.2 | 83.7 | 62.4 | 59.8 |
| Land Vehicle Hulls | 88.7 | 87.7 | 86.3 | 73.1 |
| Fire | 66.6 | 73.8 | 73.4 | 69.7 |
| Other damage to property | 79.2 | 80.3 | 78.4 | 77.2 |
| General TPL | 59.2 | 57.0 | 35.4 | 37.1 |
| Motor TPL under management (NC+HC) * | 78.8 | 77.4 | 59.4 | 59.3 |
| "Non-Card" Motor TPL | 61.5 | 58.3 | 48.0 | 47.5 |
| "Handler Card" Motor TPL | 83.0 | 82.1 | 71.4 | 71.6 |
| "Debtor Card" Motor TPL | 72.5 | 73.7 | 77.8 | 57.6 |

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

Overall, charges relating to claims for the current and previous years came to €4,213.1m, and dropped compared with 2017 (-3.6%).

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 €4,671.7m, a decrease of €83.2m compared with 2017 (-1.7%).

⁴ "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.

1 Management Report

Total premium provisions and claims provisions reached €13,780.5m at the end of the year, a decrease of €458.1m (-3.2% compared with 31/12/2017), amounting to 199.5% of premiums acquired (206.0% at 31/12/2017).

The “combined ratio” (including OTI ratio), which also includes operating expenses, came to 94.8% of premiums for the year (96.3% as at 31/12/2017).

Operating expenses in the Non-Life business, including acquisition and collection commissions and other acquisition costs and administrative expenses, amounted to €1,928.1m (€1,779.1m net of commissions received from reinsurers), compared with €1,949.7m in 2017 (€1,799.7m net of commissions received from reinsurers). The impact on premiums came to 27.9% (28.2% in 2017).

The technical result showed a positive balance of €452.9m (€501.7m in the previous year). The transfer of the share of net gains on investments came to €151.5m, compared with €355.8m in the previous year.

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

| | | Claims Paid | | | Claims Reported | | |
|----------------------|--|------------------|------------------|---------------|------------------|------------------|---------------|
| | | 2018 | 2017 | % Variation | 2018 | 2017 | % Variation |
| <i>Amounts in €k</i> | | | | | <i>Number</i> | <i>Number</i> | |
| CLASS | Italian Direct Business - Non-Life business | | | | | | |
| 1 | Accident | 259,434 | 257,124 | 0.9% | 109,691 | 104,444 | 5.0% |
| 2 | Health | 137,962 | 139,773 | (1.3)% | 379,629 | 369,459 | 2.8% |
| 4 | Railway rolling stock | 2,032 | | | 1 | 1 | 0.0% |
| 5 | Aircraft | 550 | 967 | (43.2)% | 6 | 4 | 50.0% |
| 6 | Sea, lake and river vessels | 8,501 | 6,360 | 33.7% | 464 | 369 | 25.7% |
| 7 | Goods in transit | 3,349 | 3,803 | (12.0)% | 2,666 | 2,220 | 20.1% |
| 8 | Fire | 280,576 | 310,563 | (9.7)% | 61,214 | 56,333 | 8.7% |
| 9 | Other damage to property | 397,392 | 367,510 | 8.1% | 248,019 | 231,477 | 7.1% |
| 11 | Aircraft TPL | 355 | 995 | (64.3)% | 13 | 7 | 85.7% |
| 12 | Sea, lake and river TPL | 8,891 | 8,872 | 0.2% | 1,088 | 1,071 | 1.6% |
| 13 | General TPL | 489,578 | 546,000 | (10.3)% | 94,391 | 92,127 | 2.5% |
| 14 | Credit | 182 | 139 | 30.8% | | 1 | (100.0)% |
| 15 | Bonds | 28,998 | 45,294 | (36.0)% | 825 | 979 | (15.7)% |
| 16 | Pecuniary losses | 32,963 | 21,596 | 52.6% | 40,581 | 35,436 | 14.5% |
| 17 | Legal expenses | 13,580 | 14,375 | (5.5)% | 7,311 | 7,873 | (7.1)% |
| 18 | Assistance | 81,510 | 73,296 | 11.2% | 427,969 | 400,010 | 7.0% |
| | TOTAL NON-MV BUSINESS | 1,745,852 | 1,796,667 | (2.8)% | 1,373,868 | 1,301,811 | 5.5% |
| 10 | Land Vehicle TPL | 2,507,292 | 2,569,223 | (2.4)% | 599,820 | 624,251 | (3.9)% |
| 3 | Land Vehicle Hulls | 418,601 | 389,019 | 7.6% | 299,480 | 287,737 | 4.1% |
| | TOTAL MV BUSINESS | 2,925,893 | 2,958,242 | (1.1)% | 899,300 | 911,988 | (1.4)% |
| | TOTAL NON-LIFE BUSINESS | 4,671,744 | 4,754,909 | (1.7)% | 2,273,168 | 2,213,799 | 2.7% |

Accident

Direct premiums €613.4m (-0.6%)
Number of claims reported 109,691 (+5.0%)
Claims paid out €259.4m (+0.9%)
Charges relating to claims €275.1m (+10.0%)

Premiums of the Accident class closed substantially in line with 2017, showing a steady uptrend over the year. In retail terms, commercial initiatives and sales campaigns launched during the year provided real support to generating new premiums, even though an increase in the number of existing contracts did not rise. In the area of collective risks, in the latter part of the year, premiums of contracts for significant amounts were recorded, which offset the disposal of policies with unprofitable performance. The rise in the number of claims continues to be influenced by the presence of risks, concentrated in particular in the sports and hunting spheres, characterised by high frequency and contained average costs. Although there was a substantial rise in charges relating to claims, the result of this class was positive.

Health

Direct premiums €178.4m (-21.6%)
Number of claims reported 379,629 (+2.8%)
Claims paid out €138.0m (-1.3%)
Charges relating to claims €128.0m (-9.6%)

The Health class recorded a substantial decrease in premiums, mostly due to the transfer of a contract for a significant amount to UniSalute, following the strategic decision to transfer this type of business to Group Companies specialised in this area. In the sector of Small and Medium Enterprises, sales initiatives directed both at maintaining the contracts in the portfolio and at acquiring new customers, continued to be successful, while in the Households sector, the portfolio was slightly down. In terms of claims, the reduction of costs is due above all to the previously cited transfer of important contracts to the specialist company.

Land Vehicle Hulls

Direct premiums €668.1m (+7.1%)
Number of claims reported 299,480 (+4.1%)
Claims paid out €418.6m (+7.6%)
Charges relating to claims €428.3m (+1.2%)

Premiums recorded a significant increase, supported by both the single and cumulative policies sector. This result contributed to achieving a slightly positive balance for all premiums relating to the Company's MV business, after several years in which market conditions had not enabled this to happen. The number of claims and the relative cost showed an overall increase in line with the rise in the number of policies and relative premiums. In 2018, two tariff changes were made, which should lead to the gradual recovery of premiums and a greater personalisation of the products offered. The overall result for the class confirmed the positive profit margins and marks an improvement of that of 2017.

Fire

Direct premiums €529.8m (+0.9%)
Number of claims reported 61,214 (+8.7%)
Claims paid out €280.6m (-9.7%)
Charges relating to claims €339.1m (-11.7%)

The Fire business recorded a slight increase in premiums attributable primarily to the covers offered to households and partially to Small-and Medium-sized companies; the Corporate sector shows a decline due to heightened competitive tariffs within the market.

As regards claims, the number reported rose considerably, due mainly to the serious atmospheric events at the end of October which affected various areas of the country, despite which the class closed the year up against the previous year, which in turn had been affected by a large fire.

Other Damage to Property

Direct premiums €590.0m (+4.9%)
Number of claims reported 248,019 (+7.1%)
Claims paid out €397.4m (+8.1%)
Charges relating to claims €448.3m (+15.5%)

The Other Damage to Property class recorded an increase in premiums, with a significant contribution from the Hail sector, from home coverage and, albeit to a lesser extent, from the Theft sector.

The increase in premiums in the Hail class is due to the increase in average cover rates resulting from the negative trend of 2017, to increased insured amounts as well as the effects of a policy to increase the portfolio aimed at a better diversification of the risk from a territorial perspective.

The rise in claims, both reported and paid out, is mainly due to the accessory Fire guarantees in the Household and Apartments sector, for which the atmospheric events that occurred in the autumn generated considerable damage due to electrical issues.

Land Vehicle TPL

Direct premiums €3,263.5m (-1.3%)
Number of claims reported 599,820 (-3.9%)
Claims paid out €2,507.3m (-2.4%)
Charges relating to claims €2,350.5m (-3.3%)

During the year, the MV sector saw a modest contraction in premiums, essentially due to a reduction in the average premium, in a scenario in which this indicator is gradually stabilising, also for the Company as a whole.

The number of vehicles in the portfolio was slightly up, thanks to a positive development in the sector of the two-wheeled vehicles and the sector of company fleets.

In 2018, two tariff changes were made, with the introduction of innovative elements which will enable greater personalisation, with the aim of enhancing competitiveness in the high-profitability customer bracket, and of gradually regaining a satisfactory technical balance for the most critical risk profiles.

In September 2018, a new product called Km&Servizi Flotte was launched, addressed to the medium-sized enterprise and large corporate markets, as well as the local public transport and long-term lease markets. Consistently with the approach of the KM&Servizi line, the offer is characterised by innovative, exclusive guarantee and service contents, based on developing the potential of ICT.

Furthermore, significant investment to support our range of products and services continued, in particular the Interest-Free Loan and the installation of black boxes, a segment in which the Company has confirmed its leadership position, with more than 3.8m devices installed and circulating, a figure which is constantly rising, accounting for around 50% of the market.

On the claims front, the frequency and the overall cost declined, leading to the improvement of the technical result of the class.

To be noted are the contribution from the development of electronic settlements for the claims involving vehicles with black boxes, the improvement in the settlement rate and the use of various forms of direct repairs in associated facilities.

Other TPL

Direct premiums €685.5m (+0.1%)
Number of claims reported 94,391 (+2.5%)
Claims paid out €489.6m (-10.3%)
Charges relating to claims €326.5m (-6.9%)

Premiums in the Other TPL class were substantially stable, up towards the latter part of the year, compared to the downtrend recorded up to September, with mixed trends among the various segments: the Corporate sphere was unchanged, despite more marked tariff competition in the market, while the SME line rose, within which the Professional sector fell, while that of the Public Authorities was stable, even though tariff competition on the market continued to be strong, while the manufacturing and agricultural enterprises sector rose.

The increase in claims reported, relating to the risks linked to the coverage of the Individuals segment, was due to a substantial reduction of the cost, which confirmed the improvement of this class.

Credit and Bonds

Direct premiums €51.3m (-4.7%)
Number of claims reported 825 (-15.8%)
Claims paid out €29.2m (-35.8%)
Charges relating to claims €18.7m (-41.7%)

As regards the Bonds class, the issue of new contracts was recorded in the second half of 2018, which mitigated the trend of falling premiums. The downtrend continues to be affected by the efforts made to audit and clean the portfolio, in line with that already carried out in previous years. The risk underwriting policy was unchanged, whereby priority is given to granting surety support to clients operating with the Company in the other classes or with high commercial potential.

The downtrend of claims in terms of new claims reported continued, while a significant reduction of payments made was recorded. Provisioning continued to be based on very prudent criteria, while recourse activities made a positive contribution to the technical result of the Bonds Class.

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

Misc. pecuniary losses

Direct premiums €62.4m (+8.0%)
Number of claims reported 40,581 (+14.5%)
Claims paid out €33.0m (+52.6%)
Charges relating to claims €26.7m (+5.7%)

The increase in premiums was affected both by the increase in the accessory guarantees included in the MV product range, of which the class is mostly made up, and by the increase of company risks.

The increase in claims and of the related cost was in line with the increase in this segment, which enabled a positive profit margin to be confirmed.

Legal expenses

Direct premiums €63.6m (+0.3%)
Number of claims 7,311 reported (-7.1%)
Claims paid out €13.6m (-5.5%)
Charges relating to claims €17.8m (-3.1%)

The premiums of the class were substantially stable.
 The number and the cost of claims fell, while the profit margin of the class continued to be very positive.
 At the end of the year, the successful partnership with Arag was formally extended for a further three years.

Assistance

Direct premiums €159.5m (+8.0%)
Number of claims reported 427,969 (+7.0%)
Claims paid out €81.5m (+11.2%)
Charges relating to claims €86.0m (+17.4%)

The increase in claims is due to the rise in the number of guarantees linked to road traffic and to several tariff changes to bring the premium in line with the wealth and the completeness of the guarantees given.
 Claims recorded a rise in the number of claims reported and in cost terms. Due to this, an extensive programme was launched in June, with the objective of gradually bringing the class to a level of profitability in line with best market performance.

Goods in Transit

Direct premiums €15.5m (-9.4%)
Number of claims reported 2,666 (+20.1%)
Claims paid out €3.3m (-12.0%)
Charges relating to claims €2.8m (+202.5%)

The Goods class recorded lower premiums due to the failed renewal of several contracts, one of which was particularly important.
 The claims trend showed an increase in the number of claims reported and at the same time a fall in terms of the amounts paid out, which enabled the class to maintain a positive profit margin.

Marine Vessels

Direct premiums €5.2m (+1.3%)
Number of claims 464 reported (+25.7%)
Claims paid out €8.5m (+33.7%)
Charges relating to claims €6.2m (+39.1%)

The Marine vessels class ended the year with a slight increase in premiums, essentially due to the recovery of the Sportscraft market, which is consolidating a positive trend.
 Claims figures, both in terms of the number of claims and the amounts, were significantly influenced by the exceptional natural events that struck Italy at the end of October, particularly the tourist ports along the Ligurian coastline.

The new Non-Life Products

2018 saw tariff adjustments mostly relating to the MV TPL and Land Vehicle Hulls segments.

The Vehicle "Dynamic Pricing" project also continued for the KM&Servizi product, which from February 2018 envisages the application of differentiated discounts.

An new product, *KM&Servizi Flotte* was marketed in 2018, from 1 September, directed towards companies and entities, and which has numerous new features, such as:

- the new Technology Section which, in addition to the installation of the "Unibox", also envisages a further device "Unicam", which enables a "crash event" to be automatically recorded, or which can be manually activated by means of a "Panic button";
- the creation of new services, such as the glass replacement "on location" and the reimbursement of vehicle recovery and towing carried out by trusted professionals of the policyholder;
- the introduction of direct repair services for cars and trucks up to 35 hundredweight;
- the "blocked value" option, which enables the value of the vehicle to be maintained unchanged for 24 months;
- the introduction, also for the *Flotte* product, of the "Mechanical faults" and "Damages to transported goods" guarantees.

The product was launched in two steps, with issue from November 2018.

The main tariff aspects relating to MV TPL include:

- the new Bonus Malus system common to all vehicles, which together simplify and improve the systems present in the division's current products on the pricelist;
- the new CRF (Certified Risk Factor) based on the Customer's insurance history, which enabled greater detail to be obtained and to better assess virtuous policyholders.

Given the specific market segment to which it is addressed, the new *KM&Servizi Flotte* catalogue envisages a Land Vehicle Hulls tariff based on "per thousand" rates, which enables greater simplification when defining the offer and in comparing it with the competition, and which is then enhanced by considerable personalisation, also in terms of price, by means of an extensive set of various indemnity limits (excesses, uncovered items and minimum amounts that cannot be indemnified) and with different formulas, Base, Plus, Compact and Extra.

Furthermore, the following changes have also been made:

- the scope of the "Collision" guarantee has been extended to indirect damages;
- an option has been included in the "Assistance" guarantee, whereby the customer can choose whether to transport the broken down car to his home, if the repair shops are closed;
- for *Km&Servizi Autovetture* and *Km&Servizi City Autovetture* products only, the scope of the guarantee for driving under the influence of alcohol/use of drugs, for the first claim only and with the application of an excess.

The following changes were made to the Non-MV Non-Life price list in 2018:

- *UnipolSai Albergo&Servizi*, designed for meeting the insurance needs of a wide range of accommodation types, from traditional hotels to the more numerous non-hotel accommodation options, offers specific guarantee packages, diversified for specific facilities, hotel, non-hotel and beach facilities. A new cover called Income Protection aimed at protecting the activities from economic losses arising from a forced inactivity of the accommodation facility following a claim, eligible for compensation, covered by the policy. Indemnity for proven lack of income is envisaged, resulting from the cancellation of hotel bookings following earthquakes, acts of terrorism or excessive rain in the area in which the insured accommodation facilities are located.
- *Copertura Rivalsa Colpa Grave Esercenti Professioni Sanitarie (Italian Law 24 of 8 March 2017 - Gelli-Bianco Law)*: offers professional TPL coverage for the protection of health operators, pending completion of the regulations for the transposition of the Gelli Law.
More specifically, the main changes entail the guarantee given to health professionals, in relation to charges or subrogated action that could be taken against them by the healthcare facility or its insurer, claiming damages caused due to serious misconduct;
- *UnipolSai Condominio&Servizi*, which offers a simple and innovative response to the need for protection of different reference targets, combining insurance guarantees, services and assistance.

- *UnipolSai Commercio&Servizi Uffici+Studi*, designed for professional/commercial offices and firms. Its strong points include:
 - direct Repair services for the most common claims, through a network of authorised craftsmen;
 - a digital Protection (cyber risks) service, which provides technical assistance in addition to specific reimbursements in the event of a “cyber attack”;
 - a Quick recovery service which, in the event of a claim, envisages the rapid intervention of technicians, specialised in emergency response and rescue, with a view to avoiding or limiting the worsening of the damage.
 - Assistance Plus is the Unibox L@voro device, provided with a unique Easy kit, which envisages the delivery and first installation of Unibox L@voro by a professional technician and without any additional cost for Policyholders;
- *UnipolSai Casa&Servizi*, dedicated to the protection of families and homes includes the following improvements:
 - free professional installation of the “Unibox C@sa” device, which now envisages the Assistance Plus guarantee, for a small additional amount;
 - “Direct repair” extended to the Theft of doors and windows;
 - “Prompt Return”, which envisages the prompt work of specialised technicians to avoid or limit the worsening of the damage, and therefore to enable a faster return to the damaged Home;
 - Digital Protection Pack enriched with new cover (“Assistance for Cyber Bullying” and “Reputational Damage”): given the alarming social phenomenon of “Cyber Bullying”, the “Digital Protection Pack” has been enhanced with new covers (against a very modest increase of the premium):
 - Assistance for Cyber Bullying: the current telephone advisory services with professional for privacy, legal and medical aspects now have an innovative solution thanks to a new service, which entails sending a psychologist/psychoanalyst if the policyholder or a member of his/her family show any signs of post-traumatic stress, following acts of cyber bullying.
 - Reputational damage: the current scope of the guarantee, which envisages cancelling the harmful content in the personal sphere of the policyholder from the Internet, which is the work of third parties who have stolen personal information, has been extended to cover the possible dissemination of information disclosed by the policyholder or a family member of the same through the use of the Internet and of social media and media networks.

Life business and Pension Funds

Total premiums (direct and indirect business) for 2018 came to €3,129.4m, up compared with the previous year (+8.2%).

Direct premiums acquired during the year totalled €3,129.1m. The breakdown into individual and collective policies and between first year premiums, subsequent year premiums and single premiums are shown in the following tables:

| <i>Amounts in €m</i> | 2018 | 2017 | % Variation on 2017 |
|------------------------------|----------------|----------------|---------------------|
| Individual | | | |
| Class I | 1,411.6 | 1,385.2 | 1.9 |
| Class III | 219.5 | 194.6 | 12.8 |
| Class IV | 2.8 | 1.6 | 72.3 |
| Class V | 311.4 | 172.2 | 80.8 |
| Class VI | 28.5 | 28.9 | (1.5) |
| Total | 1,973.8 | 1,782.5 | 10.7 |
| Group | | | |
| Class I | 439.9 | 447.0 | (1.6) |
| Class IV | 1.4 | 0.8 | 78.9 |
| Class V | 84.9 | 95.2 | (10.9) |
| Class VI | 629.1 | 566.3 | 11.1 |
| Total | 1,155.4 | 1,109.3 | 4.1 |
| TOTAL DIRECT BUSINESS | 3,129.1 | 2,891.8 | 8.2 |

| <i>Amounts in €m</i> | 2018 | 2017 | % Variation on 2017 |
|---------------------------------|----------------|----------------|---------------------|
| First year premiums | | | |
| Class I | 110.8 | 123.7 | (10.5) |
| Class III | 41.3 | 40.1 | 3.0 |
| Class IV | 1.4 | 1.0 | 42.0 |
| Total | 153.5 | 164.8 | (6.9) |
| Subsequent year premiums | | | |
| Class I | 415.6 | 423.7 | (1.9) |
| Class III | 9.8 | 3.6 | 175.2 |
| Class IV | 1.4 | 0.6 | 119.9 |
| Class V | 1.1 | 1.3 | (13.1) |
| Total | 427.9 | 429.2 | (0.3) |
| Single premiums | | | |
| Class I | 1,325.1 | 1,284.7 | 3.1 |
| Class III | 168.5 | 151.0 | 11.6 |
| Class IV | 1.4 | 0.8 | 78.9 |
| Class V | 395.2 | 266.1 | 48.5 |
| Class VI | 657.6 | 595.2 | 10.5 |
| Total | 2,547.8 | 2,297.8 | 10.9 |
| TOTAL DIRECT BUSINESS | 3,129.1 | 2,891.8 | 8.2 |

The individual policy sector recorded a 10.7% growth compared to 31 December 2017, which is mainly due to the increase of Class V (+80.8%), to which the issue of capitalisation policies contributed around €95m. It is worth noting the substantial increase of Class III (+12.8%) to which the premiums earned on the Unit and Multisegment products contributed. Among the Multisegment products, note the excellent performance of the new Pip UnipolSai Previdenza Futura, marketed from 9 October 2017.

1 Management Report

The single premiums of Class I recorded also an increase (+3.1%) confirming the appeal of the UnipolSai Investimento Garantito Extra product.

Again in the individual sector, Class IV premiums continued to increase (+72.3%). This increase, albeit not significant in absolute terms, shows a growing interest in products with long-term care coverage.

Premiums on collective policies showed a slight increase compared with 31 December 2017 (+4.1%), due especially to Class VI (+11.1%).

Operating expenses, including acquisition and collection commissions and other acquisition and administrative expenses totalled €150.1m (€148.8m net of commissions received from reinsurers), with a 4.8% impact on premiums (5.2% in the previous year).

The amounts paid (direct and indirect business) came to a total of €2,618.8m, a decrease of 23.9% compared with the previous year, broken down as follows:

| <i>Amounts in €m</i> | 2018 | 2017 | % Variation on 2017 |
|----------------------|--------------|--------------|---------------------|
| Class I | 1,815 | 1,783 | 1.8 |
| Class II | | | n.s. |
| Class III | 43 | 108 | (60.5) |
| Class IV | | | n.s. |
| Class V | 472 | 464 | 1.6 |
| Class VI | 289 | 1,087 | (73.4) |
| Total | 2,619 | 3,443 | (23.9) |

The sharp decrease of Class VI compared to the previous year was mainly due to the payment made in 2017 of two conventions which expired due to the end of their mandates, for a total amount of around €810m. The following table shows the breakdown of the amounts paid according to the reason for payment, compared to the previous year.

| <i>Amounts in €m</i> | 2018 | 2017 | % Variation on 2017 |
|-------------------------------|--------------|--------------|---------------------|
| Capital and annuities accrued | 915 | 1,774 | (48.4) |
| Surrenders and advances | 1,524 | 1,514 | 0.6 |
| Claims | 173 | 147 | 17.9 |
| Settlement expenses | 5 | 5 | (3.7) |
| Indirect business | 2 | 3 | (35.0) |
| Total | 2,619 | 3,443 | (23.9) |

Among the reasons for exit, payments for claims recorded the greatest increase in percentage terms (+17.9%), although not in absolute terms, while payments for surrenders and advances showed substantial stability (+0.6%). Payments by maturity (capital and annuities) recorded a sharp decrease (-48.4%), due mainly to the end of the mandate of two Class VI conventions in 2017.

Technical provisions for the direct and indirect portfolios came to €29,742.4m, an increase of 3.0% compared with the previous year.

The technical result showed a positive balance of €63.7m, compared with €204.2m in the previous year.

Pension Funds

UnipolSai retained a leading position in the supplementary pension market in 2018, despite a difficult competitive context. The company managed a total of 23 occupational pension fund mandates at 31 December 2018 (17 of them for accounts "with guaranteed capital and/or minimum return").

On the same date, resources under management totalled €3,830.7m (€3,222.9m with guaranteed capital).

It should be noted that from July 2018, the Previcoper guaranteed Pension Funds, Cooperlavoro guaranteed and Filcoop guaranteed (all managed by UnipolSai), following the merger by incorporation, gave rise to a single pension fund called Fondo Pensione Previdenza Cooperativa.

In 2018, two management mandates were acquired concerning the Agrifondo pension fund (for agricultural companies) and the Prevedi pension fund (for construction companies).

The assets of the open pension fund "UnipolSai Previdenza FPA" amounted to €797.5m; the fund has 41,896 members.

The new Life Products

1 January 2018 saw the completion of the project to streamline the Individual Pension Plans in run off for incorporation into the PIP Unipol Futuro Presente.

In 2018, the Company updated its whole range of products with annual premiums, breaking it down into three products:

- "UnipolSai Risparmio Protetto", a savings plan with a high degree of protection and the option of adding complementary or accessory coverage;
- "UnipolSai Risparmio Bonus", a savings plan, the objective of which is to maximise the capital payable on maturity with the option of converting the capital into an annuity based on fixed, guaranteed ratios;
- "UnipolSai Risparmio Giovane", a savings plan that aims to guarantee children (or grandchildren) economic support to use at the end of their studies, which also envisages the option of paying additional amounts.

Along with the new products, a series of measures common to all types of products was carried out:

- the reduction of the level of financial guarantee offered, following continuing low interest rates;
- a change in the Segregated Funds of reference, in line with financial management logic and cash flow optimisation;
- the updating of demographic tables, to take lifespans into account;
- the reduction of fractioning costs to encourage the development of payment plans.

During the year, also the range of Unit-Linked and Multiclass individual products was updated.

The Unit-Linked products of the Energy line ("UnipolSai Investimento Energy" e "UnipolSai Risparmio Energy") have been enhanced with the introduction of a new Internal Fund called "MegaTrend UnipolSai", which enables investments linked to "Megatrends" can be made, namely financial assets that can be positively influenced by important long-term social, demographic, environmental and technological trends, not strictly linked to the economic cycle.

The Multisegment products of the Gestimix line ("UnipolSai Investimento Gestimix" and "UnipolSai Risparmio Gestimix") have been updated with the reduction of the financial guarantee, which now corresponds to a minimum guaranteed return of 0% best of the portion invested in Segregated Funds.

In the second half of the year, two important changes were made to collective policies, with the introduction of a new Long Term Care product and the update of the Term life insurance and Term life and permanent disability insurance products.

The range is organised into six yearly-premium products that meet different needs for collective protection:

- "UnipolSai TCM Dirigenti" - Term life insurance and Term life and permanent disability insurance - for executives of industrial companies and manufacturers of goods and services;
- "UnipolSai TCM Gruppi" - Term life insurance and Term life and permanent disability insurance - for employees other than executives of industrial companies;
- "UnipolSai TCM Gruppi" (unisex) - Term life insurance and Term life and permanent disability insurance - for specific groups other than employees and executives.

Sales and settlement organisation

Structure of the sales organisation

At 31 December 2018, the agency network comprised 2,591 agencies (2,766 at 31 December 2017 (2,586 private agencies and 5 corporate agencies)), employing 4,268 agents.

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

The rationalisation of the agency network throughout the country was consolidated, completing 291 reorganisation initiatives, 185 of which were groupings with transfer of portfolio or operations aimed at promoting the growth of the size of the involved agencies, 100 management changes and 81 agent replacements. 21 administrative initiatives were carried out, directed at changing the agency structures. In the same period, 3 new agencies were opened, while the liberalisation of 16 agencies was defined.

2018, the last year of the 2016-2018 Business Plan closed with overall good results:

- **MV:** the Other MV Risks segment increased, the MV TPL portfolio was down slightly, new business was positive, retention was stable, and above the market, average premiums were down slightly;
- **Non-Life Non-MV:** the Health class was down, due to the lack of renewal of an important contract, while the Individuals segment recorded an excellent result for the remaining coverage. The Corporate segment recorded good performance of target products, as well as the renewal/acquisition of important contracts;
- **Life:** very positive overall performance of premiums.

The main measures taken to support the business included:

- the recruitment of intermediaries, which enabled 191 sub-Agents to be hired, significantly contributing to premium results with around 122,300 MV TPL policies, 36,800 RE policies and 4,300 Life policies;
- the introduction of around 200 new Family Welfare specialists into Agencies, which brings this network to over 650 people, as well as Business Specialists (around 160 new ones), which brings this network to over 500 people. At the end of 2018, the Specialists' Network had a salesforce of over 1200 people;
- the use of the Individual Advisory Tool for Customers, which has been enhanced with modules relating to Individual General Classes;
- the developments of the website and of the APP, which have enabled the services provided to customers to be increased and improved; over one million customers have registered on the website, while 550,000 customers have downloaded the APP; in a single year over 8 million visits to the two platforms were recorded (around 2,500 claims were reported online, over 150,000 claims were tracked on-line with the tracking feature, which also enables contact with the appraiser and the adjuster, and approximately 3 million APP notifications related to MV online devices);

In 2018, the Large Scale Retail division continued with its placement of insurance products (Non-Life and Life), through the channels that make up its sales network. In order to monitor business activities in a more complete and functional manner, an internal reorganisation was set in motion, which led to the creation of three monitoring procedures: distribution channels, project coordination, legislative and after sales aspects.

Settlement structure

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

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

For specific types of claims (e.g. Bonds, Transport, Hail, Assistance), settlement is assigned to centralised structures reporting to the Insurance General Directorate or to external providers (mainly under specific brokered contracts), while in the Health class, settlement is assigned to UniSalute, a Unipol Group company that specialises in the Health department.

2018 was characterised by projects that sought to improve the settlement processes:

- **Black Box:** the process of “electronic settlement” continued, which innovatively uses the information provided by the black box for the claims of the MV Classes (in particular, by verifying the consistency between the statements rendered and the actual dynamics of the event). The (Single) dedicated portal, integrated with the “Liquido” claims application, has been further improved through the development of new features.
 - The “injuries model” with the release of the algorithm to calculate the probability of injury in the event of a claim was completed.
 - In August 2018, the new crash data feed architecture was launched through big data, which are made available almost in real time (machine learning applied to the big data originating from the Black Boxes); this led to more efficient performance of Unico.
 - The new version of the engine was designed, with an additional data reconstruction, which enables a more accurate vision of the dynamics of the claim to be obtained (e.g. side crashes).
 - In December 2018, the algorithm to estimate liability was launched, and the development of a new front-end for Unico integrated with maps (Here maps) was completed, with specific reference to the cinematic reconstruction of Natural Card claims and to the hazardous nature of the roads.

This generates numerous benefits, primarily the ability to combat fraud (strengthening prevention thereof), reducing claims management times and decreasing the number of disputes, with the consequent reduction of the average cost and an increase in the settlement rate to the advantage of the insured customers, as well as the rapid management of claims relating to the CARD agreement. In this regard, in 2018, a specific office was set up to monitor, by means of activities created in *Liquido*, the management of claims received from the other enterprise by analysing the data of the black box and the evidentiary value acquired by the same.

- **Antifraud Engine:** the current antifraud engine selects a sample of potentially fraudulent claims for them to be channelled to the dedicated settlement office. All of the steps of the project to optimise fraud management have been completed, resulting in the personalisation of a new antifraud engine (Rulex) and a new investigation platform (Indago). With specific reference to Rulex, the stage regarding the use of the predictive component of the engine has been launched.
- **CPM (Medical Report Centre):** a service offered to the claimant who has suffered modest injuries (MV, Accident or General TPL), which provides the option of a legal-medical visit directly at the offices of the Company in order to reach an immediate settlement. The process was optimised for the booking of the visits by enhancing the customer’s contract service and introducing the use of an electronic agenda for the booking of medical visits, which can be done directly by the agency. Medical Booking Services (SPM) have been set in place, where the service is performed directly at the doctor’s office of the trustee where the adjuster is also present, able to pay out the claim at the doctor’s office in question. At the end of December 2018, the CPM and SPM available were 69 and 99 respectively.
- **General Classes Direct Repair:** to offer an innovative service to customers, similarly to what has been done for the MV Classes for years, a process of “direct repair intervention” was established for General Classes (Piped Water, Research and Damage Repair, Weather and Plates) to repair the damage without the Customer having to pay anything, and with the consequent elimination of the excess, where present. To extend the Direct Repair channel, in 2018, a new feature was released, which enables it to be extended to the Fire and Theft guarantees of the main products.
- **APP and Customers Area:** in addition to the services already present (relating to own agency, to the status of own policies, to the identification of the closest body shop and to the direct call to public assistance numbers), the APP and the Customers Area was enhanced with a section dedicated to “Your claims” which, in addition to providing a set of information for consultation (with all data about the claim, including data and time of appraisal, indication and address of the adjuster), allows the Policyholders to interact with the Company’s claims system, by entering useful information for managing the claim. Moreover, the Customer will receive constant updates on the management of the claim (Claim Tracking) receiving notices about the status of the claim (opening of the claim/appraiser appointment/ return of the appraisal/ settlement of the position/ closure of the individual claim item). The service was improved by introducing the option for the customer to pre-register the claim; the registration will then be completed by the agency with the support of the call centre.

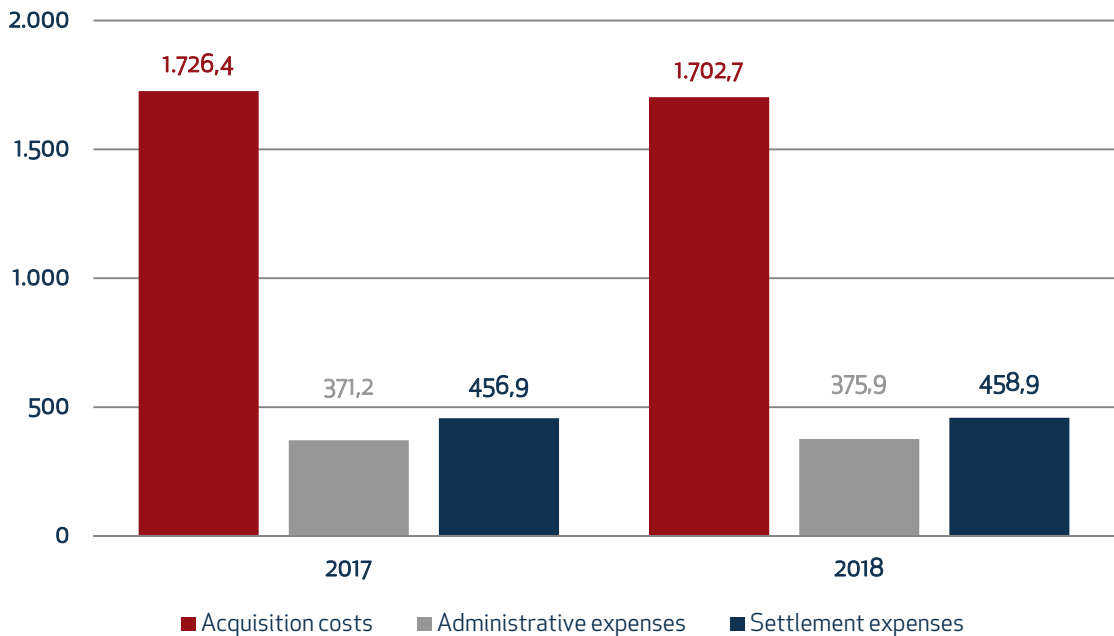
Operating and settlement expenses

Operating expenses, which include acquisition and collection commissions and other acquisition costs and administrative expenses, amounted to a total of €2,078.2m compared with €2,100.3m in 2017 (respectively €1,927.9m and €1,950.0m net of commissions received from reinsurers), a decrease of 1.1% compared with 31 December 2017. The relative impact on premiums fell from 21.4% to 20.7%.

Settlement expenses in the Non-Life and Life businesses came to €458.9m, slightly up on the figure recorded in 2017 (€456.9m).

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

Amounts in €m



Acquisition and collection commissions and other acquisition costs totalled €1,702.7m (€1,726.4m in 2017) and other administrative expenses came to €375.9m (+1.3%), with impacts on premiums of 17.0% and 3.7%, respectively (17.6% and 3.8% in 2017).

Reinsurance

Indirect business

Total premiums of inwards reinsurance acceptances reached a total of €11.1m at 31 December 2018 compared to €9.5m at 31 December 2017, of which €10.8m compared to €9.2m at 31 December 2017 in the Non-Life business and €0.3m compared to €0.4m at 31 December 2017 in the Life business.

Reinsurance ceded

With regard to the risks underwritten in the Non-Life business, the reinsurance strategy proposed the same cover structures in place in 2017, maximising the effectiveness of the main non-proportional treaties as well as the renewal for FY 2019 was made in line with the same, with the following improvements in terms of risk mitigation:

- extension of the capacity of the Property XL Treaty by Event, which rose to €1.7bn, with a view to optimising capital relief;
- acquisition of cover against natural events (atmospheric events, over-abundance of snow, flood) with XL Treaty in aggregate plus Cat Bond, Atmos Re. I;
- acquisition of "Bridge" cover, whilst waiting for the evaluation of a new issue of a Cat Bond Azzurro Re. II.

For this year the following operating cover is reported:

- excess of loss treaties for the protection of MV TPL, General TPL, Fire portfolios (by risk and by event, in the latter case partially also with the issue of a new "Azzurro Re" non parametric Cat Bond maturing on 31 December 2018), 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, "D & O" TPL and "Cyber".

To minimise counterparty risk, reinsurance coverage continued to be spread out and placed with the major professional reinsurers that have been given a high credit rating by major rating agencies, in order to provide a comprehensive and competitive service. With regard to the risks of: Assistance, Legal Expenses and part of Transport, they were instead ceded to specialised reinsurers and/or specialist Group companies.

In 2018, proportional cover generated a positive result for reinsurers, while non-proportional cover generated a loss due to claims from atmospheric events.

Premiums ceded in the direct Non-Life business in Italy amounted to €426.8m at 31 December 2018 compared with €410.5m of the previous year. The retention ratio in the Non-Life business came to 93.8% at 31 December 2018, compared with 94.1% in the previous year.

Also in the Life business, the renewal of covers relating to 2018 occurred fully in line with that already in place, therefore the risks underwritten in the Life business are mainly covered with two proportional treaties, one for individual risks and one for collective risks in excess of the risk premium. Retention is protected with a non-proportional cover in excess of loss by event that regards the Life and/or Accident classes.

Premiums ceded in the direct Life business amounted to €6.0m compared with €6.3m of the same period of the previous year.

The retention ratio in the Life business came to 99.8% at 31 December 2018, essentially unchanged compared with 2017.

Operations to combat fraud and claims management

Operations to combat fraud

With regard to combatting fraud, Italian Decree Law no. 1 of 24 January 2012, converted with amendments into Italian Law no. 27 of 24 March 2012, led to the issue by IVASS of Regulation No. 44 of 9 August 2012, which states that an annual report must be prepared and sent to the Authorities containing the information necessary to assess the efficiency of processes, systems and people in order to guarantee the adequacy of the company organisation in relation to the objective of preventing and combating fraud in the MV TPL class.

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

Pursuant to and in accordance with Art. 30, paragraph 2 of Italian Decree Law no. 1/2012, the estimate of the reduction of charges for claims arising from this activity for 2018 totals approximately €69m.

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 2018, regardless of the year when they are generated.

Register of complaints

From January to December 2018 the UnipolSai register (set up pursuant to the provisions of ISVAP Regulation no. 24 of 19 May 2008 and subsequent amendments) totalled 14,277 complaints, 13,451 relating to Non-Life business and 826 relating to Life business, with an impact on policies in the portfolio of 0.042%, in line with 31 December 2017.

13,536 replies had been sent by UnipolSai at 31 December 2018, while 741 complaints were in the assessment phase. The average response times were 20.5 days. 4,669 complaints were accepted, 6,621 were rejected and 2,246 were settled.

Disputes

Claims in the MV TPL class, with disputes pending at 31 December 2018, amounted to 51,372 (civil proceedings), down by around 4% against the same period of 2017.

Also in this area, during 2018, disputes relating to 28,496 claims were settled.

Asset and financial management

Investments and cash and cash equivalents

At 31 December 2018 the amount of investments and cash and cash equivalents, net of depreciation of property, plant and equipment and taking account of impairment, equalled €47,761.6m.

The breakdown of commitments is shown in the table below.

Investment cash and cash equivalent

| <i>Amounts in €k</i> | FY | % | FY | % | Variation 2018/2017 | |
|---|-------------------|--------------|-------------------|--------------|---------------------|---------------|
| | 2018 | Comp. | 2017 | Comp. | amount | % |
| Land and buildings | 2,166,135 | 4.5 | 2,376,041 | 5.0 | (209,905) | (8.8) |
| Investments in group companies and other investees | | | | | | |
| -Shares and holdings | 3,838,369 | 8.0 | 3,539,979 | 7.5 | 298,390 | 8.4 |
| -Bonds | 10,603 | 0.0 | 10,603 | 0.0 | | |
| -Loans | 438,395 | 0.9 | 323,651 | 0.7 | 114,744 | 35.5 |
| Total | 4,287,366 | 9.0 | 3,874,232 | 8.2 | 413,134 | 10.7 |
| Other financial investments | | | | | | |
| -Shares and holdings | 541,928 | 1.1 | 819,844 | 1.7 | (277,916) | (33.9) |
| -Mutual investment fund units | 3,191,157 | 6.7 | 2,716,676 | 5.8 | 474,482 | 17.5 |
| -Bonds and other fixed-yield securities | 32,265,543 | 67.6 | 32,109,474 | 68.0 | 156,069 | 0.5 |
| -Loans | 25,281 | 0.1 | 126,405 | 0.3 | (101,124) | (80.0) |
| -Bank deposits (1) | 6,065 | 0.0 | 6,582 | 0.0 | (516) | (7.8) |
| -Sundry financial investments (2) | 98,023 | 0.2 | 74,873 | 0.2 | 23,150 | 30.9 |
| Total | 36,127,998 | 75.6 | 35,853,854 | 75.9 | 274,144 | 0.8 |
| Deposits with ceding companies | 12,325 | 0.0 | 15,100 | 0.0 | (2,774) | (18.4) |
| Investments benefiting policyholders that bear the risk and investments arising from pension fund management | | | | | | |
| -Investment funds and market indices | 562,565 | 1.2 | 438,455 | 0.9 | 124,109 | 28.3 |
| -Pension funds | 4,020,374 | 8.4 | 3,730,955 | 7.9 | 289,419 | 7.8 |
| Total | 4,582,939 | 9.6 | 4,169,410 | 8.8 | 413,529 | 9.9 |
| Cash and cash equivalents | 584,850 | 1.2 | 922,340 | 2.0 | (337,490) | (36.6) |
| TOTAL INVESTMENTS AND CASH AND CASH EQUIVALENTS | 47,761,614 | 100.0 | 47,210,977 | 100.0 | 550,637 | 1.2 |

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

(2) Include premiums for transactions in derivative products.

75.6% 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 9.0%, while investments in directly held properties came to 4.5%. Investments relating to benefits linked to investment funds, market indices and assets from pension fund management accounted for 9.6%. Bank liquidity amounted to 1.2%.

Real Estate Management

The Company's property assets at the end of the year amounted to €2,166.1m, compared with €2,376.0m at 31 December 2017.

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

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

- continuation of works for the completion of a headquarters building in via De Castilia (Porta Nuova-Garibaldi area); works started in the previous year. The property, consisting of two buildings connected together, is characterised by a mirrored facade which, aside from recalling the stylistic features used for the tower that is being built in the nearby piazza Gae Aulenti by a Group company will actively contribute to reducing local atmospheric pollution thanks to the innovative materials that will be used for its construction;
- the continuation of the work for the refurbishment of Torre Galfa, Via Fara 41, a 31-storey building in a central location in Milan, unused for approximately 15 years, which, thanks to this initiative will become a multifunctional building with a hotel in the first 13 storeys and luxury residential apartments for temporary use in the remaining storeys. It must be noted that for the Torre Galfa portion, to be used for hotel and temporary accommodations, leasing agreements have already been executed. The top floor of the Tower will be occupied by a restaurant-bar; the lower level will be occupied by a fitness facility.

Other residential and office property renovation activities were also carried out in Florence and Milan in order to subsequently generate income through leasing, and in Turin on a property for business use.

As regards sales during the year, the transfer of ownership of some properties, already started in the previous year and regarding a broader transaction for the disposal of around 500 property units located in various parts of Italy, was completed.

Furthermore, to be noted are the sale, inter alia, of some properties for a significant amount, located in Bologna, (office use), and the disposal of residential units located in Rome, via Ciro Menotti and via Clitunno, and in Milan, via Monti and via Dei Missaglia (Le Terrazze complex) and via Castellanza. Overall, in the course of the year, properties were sold for a total amount of approximately €223m.

During the year, several plots for development, mostly located in the area of Milan, and buildings located there, totalling around €146.4m, were transferred to a newly-established fund called Fondo Landev, managed by UnipolSai Investimenti SGR S.p.A., the shareholding of which is wholly owned by the Company. The aim of the transaction was to develop property projects in these areas, with the opportunity of third-party investors being involved.

Porta Nuova Project

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

It is therefore estimated that the remaining collections, expected in two tranches in July 2023 and April 2025, will guarantee the recovery of the remaining investment, totalling €11.4m at 31 December 2018, 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 €4,287.4m (€3,874.2m at 31/12/2017), of which €3,838.4m refer to shares and holdings of investees, €10.6m consists of bonds issued by Group companies (€10.6m at 31/12/2017) and €438.4m in loans to Group companies (€323.7m at 31/12/2017).

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> | 2018 | 2017 |
|--|------------------|------------------|
| Insurance Companies | 1,567,571 | 1,544,199 |
| Banks | 631,294 | 708,217 |
| Financial companies | 913,994 | 542,497 |
| Real estate companies | 385,160 | 407,454 |
| Consortiums | 35,375 | 35,375 |
| Management companies distributing mutual funds | 6,440 | 6,440 |
| Other companies or entities | 298,534 | 295,798 |
| Total | 3,838,369 | 3,539,979 |

At 31 December 2018, investments rose from €3,540.0m to €3,838.4m, with an increase of €298.4m compared to 31 December 2017 (+8.4%).

This change was mainly due to:

- ✓ the purchase of the equity investment in Arca Vita Spa for €475m from the parent, already commented upon in the introduction to this Report;
- ✓ capitalisations for subsidiaries and associates totalling €156.5m, broken down as follows: UnipolSai Nederland (€100m), Unisalute (€30m), Linear (€20m) and Meridiano Secondo (€6.5m);
- ✓ sale of the subsidiary Popolare Vita for €505m;
- ✓ transfer to in-flows (BPER), from item C.III.1.a to Listed shares, for €227 million;
- ✓ net value adjustments totalling €41m.

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 2018 bonds issued by Group companies and other investees amounted to €10.6m, all classified under long-term investments with no change compared to last year, mainly comprising:

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

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

The item also includes the bonds issued by the investee Syneteristiki for €1.5m.

Loans to Group companies amounted to €438.4m (€323.7m at 31/12/2017). The item includes:

- two loans executed in favour of Unipol Gruppo for €267.8m after the former company Unipol Assicurazioni took over the role of issuer, replacing the holding company Unipol Gruppo, of the Unipol 7% and Unipol 5.66% bond loans. The balance was unchanged on the previous year;
- a loan to UnipolRec for a residual €106m;
- a loan to Meridiano Secondo for €36.8m;
- a loan to AlfaEvolution for €10m;
- a loan to Borsetto S.r.l. for €6.3m;
- a loan to Società Edilizia Immobiliare for €5.5m;
- a loan to Penta Domus for a nominal amount of €1.3m, wholly written off;
- a loan to Casa di Cura Villa Donatello for €5.4m;
- a loan to Butterfly for a nominal amount of €0.1m, wholly written off.

1 Management Report

The increase in this item was mostly due to a loan of €127m granted to Unipol Banca on 31 January 2018 as part of the restructuring plan for the banking sector, illustrated extensively in the section dedicated to "Significant events". This loan was later included in the Complex involved in the division in favour of UnipolReC, which repaid an amount of around €21m in 2018. The residual debt therefore amounts to €106m.

In addition, an amount of €10m was disbursed to the subsidiary company AlfaEvolution on 30 January 2018.

Other financial investments

Financial operations in 2018 were consistent with the Investment Policy guidelines adopted by the Company and with recommendations of the Group Investments Committee and Financial Investments Committee.

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

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

Structured Instruments

| <i>Amounts in €m</i> | 2018 | 2017 | Change |
|----------------------|--------------|--------------|----------------|
| Level 1 | 35.9 | 61.9 | (26.0) |
| Level 2 | 574.8 | 630.4 | (55.6) |
| Level 3 | 212.0 | 260.0 | (48.0) |
| Total | 822.7 | 952.2 | (129.6) |

2018 was characterised by operations focused on bonds and stocks. An increase in the weighting of investments in government bonds was recorded. The exposure to the bonds of non-government issuers was slightly higher, due to a reduction of financial corporate securities against a more than proportional increase of industrial corporate securities.

Trading in interest-rate derivatives, in particular on the Non-Life portfolio, enabled strategies to mitigate the risk of rising interest rates to be optimised.

"Other financial investments" at the end of 2018 amounted to €36,128.0m and mainly comprised bonds. In this regard, see the additional details in section 2.3 of the Notes to the Financial Statements.

At the end of 2018 the bond portfolio recorded a positive balance between unrealised capital gains and losses, which amounted to €1,313.3m, of which €682.1m for the long-term bond portfolio.

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

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

At the end of 2018 these investments amounted to €562.6m, of which €1.8m comprised of assets covering Index-Linked policies (bonds for €1.3m and net financial investments for €0.4m) and €560.8m in assets for Unit-Linked policies (mutual investment fund units for €418.8m, bonds for €107.8m, shares for €9.6m, cash and cash equivalents and other assets net of items to be settled for €24.7m).

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 €4,020.4m at 31 December 2018, comprised of shares for €155.5m, bonds for €3,331.5m, fund units for €218.0m, cash and cash equivalents for €290.9m and net other items for €24.5m.

Cash and cash equivalents

Bank deposits and cash at 31 December 2018 amounted to €584.9m, most of which is deposited at the affiliate Unipol Banca (€922.3m at 31/12/2017).

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 2018 | % Comp. | FY 2017 | % Comp. | Variation 2018/2017 | |
|--|------------------|--------------|------------------|--------------|---------------------|----------------|
| | | | | | amount | % |
| NET GAINS ON INVESTMENTS AND FINANCIAL INCOME | | | | | | |
| Land and buildings | (2,828) | (0.2) | (10,652) | (0.8) | 7,824 | 73.4 |
| Shares and holdings | 99,093 | 7.9 | 118,196 | 9.0 | (19,103) | (16.2) |
| <i>referred to group companies</i> | 66,316 | | 98,426 | | (32,110) | (32.6) |
| Bonds | 1,195,541 | 95.8 | 1,232,395 | 93.7 | (36,855) | (3.0) |
| Mutual investment fund units | 73,895 | 5.9 | 70,508 | 5.4 | 3,387 | 4.8 |
| Loans | 11,204 | 0.9 | 11,699 | 0.9 | (495) | (4.2) |
| Bank deposits | 80 | 0.0 | 73 | 0.0 | 7 | 9.3 |
| Bank and post office deposits | 1 | 0.0 | 133 | 0.0 | (132) | (99.2) |
| Sundry financial investments | (43,591) | (3.5) | (31,768) | (2.4) | (11,823) | (37.2) |
| Balance of reinsurance deposits | (2,110) | (0.2) | (2,685) | (0.2) | 575 | 21.4 |
| Interest on loans | (83,068) | (6.7) | (72,274) | (5.5) | (10,793) | (14.9) |
| TOTAL (a) | 1,248,217 | 100.0 | 1,315,625 | 100.0 | (67,408) | (5.1) |
| Gains (losses) on sale | | | | | | |
| Land and buildings | 13,732 | 6.7 | 16,306 | 6.8 | (2,575) | (15.8) |
| Shares and holdings | 15,712 | 7.6 | 56,918 | 23.7 | (41,206) | (72.4) |
| Bonds | 154,426 | 75.2 | 171,673 | 71.4 | (17,247) | (10.0) |
| Mutual investment fund units | 24,585 | 12.0 | 76,090 | 31.6 | (51,505) | (67.7) |
| Sundry financial investments | (3,043) | (1.5) | (80,385) | (33.4) | 77,342 | 96.2 |
| TOTAL (b) | 205,412 | 100.0 | 240,603 | 100.0 | (35,191) | (14.6) |
| Total (a+b) | 1,453,629 | | 1,556,228 | | (102,599) | (6.6) |
| Net reversals on investments | | | | | | |
| Land and buildings | (61,325) | 12.8 | (56,560) | 35.4 | (4,765) | (8.4) |
| Shares and holdings | (84,308) | 17.6 | (125,081) | 78.2 | 40,773 | 32.6 |
| <i>referred to group companies</i> | (79,552) | | (99,610) | | 20,058 | 20.1 |
| Bonds | (217,811) | 45.6 | 98,566 | (61.7) | (316,377) | (321.0) |
| Mutual investment fund units | (149,510) | 31.3 | (64,970) | 40.6 | (84,540) | (130.1) |
| Other financial investments | 35,263 | (7.4) | (11,807) | 7.4 | 47,071 | 398.7 |
| Total (c) | (477,690) | 100.0 | (159,853) | 100.0 | (317,837) | (198.8) |
| TOTAL (a+b+c) | 975,939 | | 1,396,375 | | (420,436) | (30.1) |
| Net investment income of Class D | | | | | | |
| -Investment funds and market indices | (46,117) | | 15,320 | | (61,436) | (401.0) |
| -Pension funds | (57,825) | | 43,235 | | (101,060) | (233.7) |
| Total Class D | (103,941) | | 58,555 | | (162,497) | (277.5) |
| GRAND TOTAL | 871,997 | | 1,454,930 | | (582,933) | (40.1) |

Gains on investments and cash commitments, net of losses on investments and financial charges, amounted to €1,248.2m.

Net capital gains totalled €204.3m. Trading in equities resulted in net gains of €15.7m.

In relation to long-term investments, net capital gains on disposals were realised amounting to €35.9m. In this regard, see the information provided in the dedicated comment section.

At 31 December 2018 net income and gains on asset and financial management amounted to a total of €1,452.5m.

Net impairment (including write-downs of property of €13.6m) came to a negative €477.7m.

Overall, net ordinary and extraordinary income, including impairment and reversals of impairment losses on investments amounted to a positive €974.8m.

Net gains (losses) on investments benefiting policyholders that bear the risk arising from pension fund management (Class D) amounted to a negative €103.9m.

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 5.98 years at 31 December 2018. With specific reference to the bond portfolio, the duration was 7.16 years.

| Risk Sector | Breakdown | Duration | Increase 10 bps | Increase 50 bps |
|--------------|----------------|-------------|----------------------|------------------------|
| Government | 68.96% | 8.51 | (201,588,055) | (1,007,940,275) |
| Financial | 23.82% | 4.21 | (34,441,381) | (172,206,903) |
| Corporate | 7.22% | 4.05 | (10,039,332) | (50,196,661) |
| Bonds | 100.00% | 7.16 | (246,068,768) | (1,230,343,840) |

Credit risk

Management of the securities portfolio primarily involves investing in investment grade securities (87.86% 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 | 0.20% | (15,041) | (150,409) | (752,047) |
| AA | 0.74% | (410,136) | (4,101,357) | (20,506,785) |
| A | 11.95% | (4,633,757) | (46,337,567) | (231,687,836) |
| BBB | 74.96% | (20,902,660) | (209,026,602) | (1,045,133,008) |
| NIG | 12.14% | (1,591,275) | (15,912,753) | (79,563,767) |
| Bonds | 100.00% | (27,552,869) | (275,528,688) | (1,377,643,442) |

Equity risk

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

| Risk Sector | Breakdown | Beta coefficient | Shock -10% |
|----------------|----------------|------------------|----------------------|
| Utilities | 3.66% | 1.00 | (8,774,411) |
| Funds | 76.16% | 1.00 | (182,445,116) |
| Raw materials | 1.17% | 0.77 | (2,790,947) |
| Industrial | 0.59% | 0.72 | (1,402,218) |
| Health | 1.10% | 1.01 | (2,631,844) |
| Finance | 13.42% | 1.13 | (32,150,687) |
| IT | 0.20% | 0.50 | (488,200) |
| Communications | 3.55% | 0.90 | (8,512,096) |
| Real Estate | 0.15% | 0.51 | (354,574) |
| Equity | 100.00% | 1.01 | (239,550,093) |

Liquidity risk

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

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

Treasury shares and shares of the holding company

At 31 December 2018, UnipolSai Assicurazioni held 1,800,000 treasury shares in its portfolio, for a total value of €2.7m, posted as a reduction of the shareholders' equity in the item Negative reserve for treasury shares (this value corresponds to the historic purchase cost as envisaged by current accounting standards).

The number of treasury shares at 31 December 2017 was 7,005,640, with a value of €79.3 million.

In February 2018, 5,205,640 shares were sold, which were not addressed to serving Compensation plans based on financial instruments (performance share type) intended for Company managers. The negative reserve for treasury shares in the portfolio fell by a total of €76.6m, €53.0m of which relating to Non-Life business and €23.6m to Life business. The negative difference between the sale price and the purchase value of the treasury shares was booked to a specific equity reserve included under "Other reserves" and totally €66.3m, €43.8m of which relating to Non-Life business and €22.5m to Life business; by virtue of the sale, shareholders' equity therefore increased by €10.3m, €9.2m of which relating to Non-Life business and €1.1m to Life business, corresponding to the disposal amount.

At 31 December 2018, 1,189,999 shares of the Holding company Unipol Gruppo were also held by UnipolSai, for a total of €3.3m, recognised under Assets in Other financial investments (2,374,398 at 31 December 2017 for a total of €7.3m). In this regard, note that on 2 July 2018, 1,184,399 shares of the Holding company were assigned to Managers of the Company in accordance with the compensation plans based on financial instruments for the period 2013-2015.

Performance of Group companies

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

Insurance Companies

Incontra Assicurazioni recorded a €3.3m profit at 31 December 2018 (profit of €6.9m at 31/12/2017), with rising premiums compared to the previous year of €136m (€107m in 2017), mainly concentrated in the Health and Pecuniary Losses classes. At 31 December 2018, the volume of total investments was €188m (€134m at 31/12/2017), while gross technical provisions reached €253m (€200m at 31/12/2017). The ratio between gross technical provisions and written premiums was approximately 186%.

Linear, a company specialised in direct sales (online and call centre) of MV products, achieved a profit of €6.9m in 2018 (€7.8m at 31/12/2017), with total gross premiums of €179.9m, recording an increase of 4.4% compared to 2017, despite the fact that the market environment is still not very favourable for the MV TPL class, which remains impacted by lively price competition and an ongoing trend of declining average premiums. The incidence of other guarantees remained good at 19.8% (19.1% at 31 December 2017).

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 2018 with a profit of €3.4m (€4.2m recorded in 2017). 2018 posted total premiums amounting to €143.1m (€131.9m at 31/12/2017), with an increase of approximately 8.5% mostly due to the indirect business taken by Group companies.

SIAT recorded a €0.3m profit in 2018 (€5.2m at 31/12/2017) with total gross premiums (direct and indirect) at €148.5m (€146.1m in 2017).

This change is attributable to the increase recorded by the Aviation sector (premiums at €2.6m in 2018 against €0.3m in 2017) and the Goods sector, with an increase in premiums of 6.1%; a 3% contraction in the "Hulls" sector.

UniSalute, the top health insurance company in Italy by number of customers managed, specialised in the Healthcare segment (Health and Assistance), continues to successfully expand its business model, with premiums totalling €501.9m (€430.1m at 31/12/2017), marking a rise of 16.7%. Among the main agreements that were executed by UniSalute over the period, to be noted are those with Fondo Sanimoda, EBM (Ente Bilaterale Metalmeccanici), Fondo Sanipro, Intesa Sanpaolo and Lidl.

The number of claims reported rose by 5.4%, from 3,170,939 in 2017 to 3,340,648 in the period under review. 2018 also posted profit of €36.8m, against €44.2m at the end of 2017, down by around 16.7%.

In the bancassurance channel, **Arca Vita** recorded premiums amounting to €1,027.2m (+37.6%). The volume of total investments reached the amount of €7,343.3m (€6,865.1m at 31/12/2017).

BIM Vita recorded a profit of €1.5m at the end of 2018, down against 31 December 2017 (€4.3m). Gross premiums written amounted to €71.5m (around €103.8m at 31/12/2017). The volume of total investments reached the amount of €594.8m (€641m at 31/12/2017).

DDOR Novi Sad recorded a €5.4m profit (Non-Life and Life business) at 31 December 2018 (up against €4.1m at 31/12/2017), with growing premiums (Non-Life and Life), which rose from €90.2m at the end of 2017 (of which €78.4m in the Non-Life sector) to €98.7m at 31 December 2018 (of which €83.9m in the Non-Life sector). The main macro-economic indicators showed the continuation of economic stability in Serbia, thanks also to the several reforms enacted in the previous years by the local government. Based on preliminary data published by the Serbian Chamber of Commerce and Industry, the Serbian insurance market also benefited from it, with total estimated domestic growth of approximately 7.6% in gross premiums: this enabled the company to continue to position itself among the leaders in the sector, with approximately 7% growth in Non-Life premiums (in line with the previous year) with an increase in the development of the retail sector, which exceeded 6%, and a significant growth in premiums in the Life business standing at approximately 25% (primarily attributable to bancassurance).

Other Companies

Diversified segment operations in 2018 were characterised by a focus on sales development as well as continuous improvement measures to making the various operating platforms more efficient.

As regards the hotel sector, during the year, a rebranding of the Una Group was carried out, by reorganising the structures into three different divisions, each with unique characteristics: Una Esperienze, UnaHotels and Unaway interpret the needs of different types of travellers while emphasising characteristics of design, art, culture, gastronomy and nature offered by the Una hotels and their locations.

The Una Group decreased revenues by 5.2% compared with 2017, down by €6.5m from approximately €127.1m in 2017 to about €120.6m at 31 December 2018. This decrease is mainly due to early termination, on 31 March 2018, of the contract in place with UnipolSai Investimenti Sgr S.p.A. for the Lodi facility and to temporary closure of Principi di Piemonte, as of 1 July 2018, due to renovation works. In addition, the Brescia facility and Golf Hotel Campiglio had contributed to the result for 2017.

As regards healthcare activities, in the summer of 2018, the activities of Villa Donatello were transferred to the Villa Ragionieri facility (former headquarters of the Centro Oncologico Fiorentino), combining the opportunity to use the now vacant healthcare facility of Sesto Fiorentino with the possibility to make Villa Donatello more modern, well-equipped and comfortable.

At 31 December 2018, the revenues of Villa Donatello rose from €20.4m to €22.6m, marking an improvement of approximately 10% against 2017. Revenue trends show a continuation of the positive performance in the core business, for hospitalisation (hospital stays and outpatient surgery) as well as clinic activities (visits and diagnostics). The company closed 2018 with a profit of €0.3m.

As regards agricultural activities, the sales of packaged wine by Tenute del Cerro rose by 10% against 31 December 2017 (from €6.2m to €6.8m). Total revenues recorded an increase against the same period of 2017 of around 6.4% (rising from €7.8m to €8.3m). Moreover, Tenute del Cerro recorded a net profit of €0.2m in 2018 (€0.1m at 31/12/2017).

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:

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

These services are charged to the Group companies using the allocated cost method, with the exception of Financial Management, whose consideration is calculated by applying a commission to the assets managed.

UniSalute performs the following services in favour of UnipolSai Assicurazioni:

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

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

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

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

Auto Presto&Bene provides car repair services for UnipolSai Assicurazioni, while APB Car Service provides claim settlement services;

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 owned by UnipolSai Assicurazioni.

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

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

- organisation, provision and 24/7 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:
 - 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);
 - after-sales services on policy statuses or on any transactions that can be made on existing policies;
 - customer services to measure the level of customer satisfaction for the services offered;
 - support services to the agency network in relations with customers and consortium members;
 - 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.

UnipolSai Servizi Previdenziali, performs administrative management of open pension funds on behalf of a number of Group companies.

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")

In 2018, as consolidating company, the Parent Unipol renewed the Group tax consolidation scheme, regulated by Title II, Chapter II, Section II of the Consolidated Income Tax Act (Articles 117-129) for the three-year period 2018-2020. This scheme has been in place since 2015. All companies in the Unipol Group that meet the regulatory requirements take part in this regime as UnipolSai consolidated companies.

Transactions with related parties

Consob, by issuing the Regulation introducing provisions pertaining to transactions with related parties (the "**Regulation**") with resolution no. 17221 of 12 March 2010 and subsequent amendments 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 carried out by the Company, either directly or through Subsidiaries.

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

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

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

In 2018, the following transaction with related parties of "major relevance" was carried out:

- ✓ on 22 March 2018, the Board of Directors of UnipolSai Assicurazioni S.p.A. ("**UnipolSai**" or the "**Company**") approved the Transaction with Related Parties of Major Significance regarding the purchase of the equity investment held in Arca Vita S.p.A. by the holding company Unipol Gruppo S.p.A., equal to 63.39% of the related share capital, as well as, indirectly, the investment held by the latter in the share capital of Arca Assicurazioni S.p.A., Arca Vita International DAC and a number of auxiliary companies. The Transaction was reviewed in advance by the Related Party Transactions Committee (the "**Committee**"), which issued its favourable opinion for its execution. On 29 March 2018, the Information Document in accordance with Art. 5 of Consob Regulation no. 17221/2010 was published. After obtaining the necessary legal authorisations, the purchase of the investment became effective on 7 August 2018.

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Transactions of “minor significance” included the following:

- ✓ in accordance with the Procedure for transactions with Related Parties:
 - on 8 February 2018, the Board of Directors of UnipolSai approved the Transaction with Related Parties of Minor Relevance regarding the release, by the Company to Unipol Banca S.p.A. (“**Unipol Banca**”) and in the interests of UnipolSai and of Tikal R.E. Fund, the majority shareholdings of which are held by UnipolSai, of two collateral guarantees to mitigate the risk of Unipol Banca’s exposure to the Company, as the “Associated Party”, identified pursuant to Bank of Italy Circular no. 263/2006, 9th update. The Transaction was reviewed in advance by the Committee, which issued its favourable opinion;
 - on 19 March 2018, a Transaction with Related Parties of Minor Relevance” was submitted to the Committee regarding the execution of a lease agreement between the subsidiary Midi S.r.l. (“**Midi**”) and UnipolReC S.p.A., a company in which Unipol holds the majority of its share capital, relating to a portion of the property owned by Midi located at via Stalingrado 37, Bologna; As this is a transaction performed by a subsidiary of UnipolSai, the Committee issued a favourable opinion as regards the execution of the lease agreement to the Delegated Body of the Company, identified - under the Procedure - as the General Manager. Subsequently, the Board of Directors of Midi approved the execution of the lease agreement.
 - On 9 May 2018, the execution of a lease agreement with the holding company Unipol was submitted to the Committee by UnipolSai, regarding office space situated on the sixth floor of a building owned by the Company, located in Milan at Corso di Porta Romana 19. The Committee issued its favourable opinion to the Joint General Managers of Real Estate and Diversified Companies, as the Corporate Function proposing the Transaction.

The following table shows transactions with related parties carried out during 2018. Please note that the scope of application of the Procedure for related party transactions, adopted pursuant to Consob Regulation n. 17221 of 12 March 2010 and subsequent amendments, also includes some counterparties included, on a voluntary basis, pursuant to art. 4 of the same Regulation. This case includes the CIU in which the Company, or a related party, holds more than 20% of the capital rights.

Information on transactions with related parties at 31 December 2018

| <i>Amounts in €k</i> | Holding company | Subsidiaries | Affiliates | Associates | Other related parties | Total | Incidence | | | | |
|--|------------------|----------------|-------------------|---------------|-----------------------|-------------------|--------------|------|--------------|-------|-----|
| Assets | | | | | | | | | | | |
| Bonds | | | | 6,863 | 3,740 | 10,603 | 0.02 | (1) | 0.59 | (3) | |
| Loans | 267,785 | 58,079 | 106,259 | 6,271 | | 438,395 | 0.82 | (1) | 24.32 | (3) | |
| Bank deposits | | | 9 | | | 9 | 0.00 | (1) | 0.00 | (3) | |
| Deposits with ceding companies | | 2 | | | | 2 | 0.00 | (1) | 0.00 | (3) | |
| Receivables arising from direct insurance/reinsurance business | | 12,196 | | 11 | 48,697 | (4) | 60,904 | 0.11 | (1) | 3.38 | (3) |
| Other receivables | 162,859 | 32,845 | 34,943 | 124 | 247 | 231,017 | 0.43 | (1) | 12.82 | (3) | |
| Bank deposits and post office | | | 554,164 | | | 554,164 | 1.03 | (1) | 30.74 | (3) | |
| Sundry assets | | 1,536 | 55,438 | | | 56,974 | 0.11 | (1) | 3.16 | (3) | |
| Technical provisions – Reinsurers' share | | 139,991 | | | | 139,991 | 0.26 | (1) | 7.77 | (3) | |
| Total | 430,644 | 244,650 | 750,812 | 13,269 | 52,683 | 1,492,058 | 2.78 | (1) | 82.77 | (3) | |
| Liabilities | | | | | | | | | | | |
| Deposits received from reinsurers | | 29,260 | | | | 29,260 | 0.05 | (1) | 1.62 | (3) | |
| Payables arising from insurance/reinsurance | | 21,879 | 40 | | | 21,919 | 0.04 | (1) | 1.22 | (3) | |
| Collateralised payables/other loans | | | 2,346 | | | 2,346 | 0.00 | (1) | 0.13 | (3) | |
| Sundry payables | 99,886 | 64,980 | 3,391 | 55 | 518 | 168,830 | 0.32 | (1) | 9.37 | (3) | |
| Sundry liabilities | 9,657 | 4,716 | 21,731 | | 120 | 36,225 | 0.07 | (1) | 2.01 | (3) | |
| Total | 109,542 | 120,835 | 27,509 | 55 | 639 | 258,579 | 0.48 | (1) | 14.34 | (3) | |
| Memorandum accounts | 1,140,762 | 739,634 | 35,798,416 | 28,431 | 42,126 | 37,749,369 | 70.44 | (1) | 71.37 | (5) | |
| Income from: | | | | | | | | | | | |
| Land and buildings | 209 | 9,916 | 5,324 | | 1,168 | 16,618 | 0.70 | (6) | 4.03 | (2) | |
| Shares, units and dividends | 427 | 62,095 | 1,726 | 1,934 | 134 | 66,316 | 2.79 | (6) | 16.07 | (2) | |
| Other investments | 1,833 | 426 | 3,733 | | 14 | 6,006 | 0.25 | (6) | 1.46 | (2) | |
| Other income - Extraordinary income | 5,913 | 31,252 | 14,753 | 103 | 356 | 52,377 | 2.20 | (6) | 12.69 | (2) | |
| Total | 8,382 | 103,688 | 25,536 | 2,037 | 1,673 | 141,317 | 5.94 | (6) | 34.24 | (2) | |
| Charges | | | | | | | | | | | |
| Investment management expenses | | 789 | 31,517 | | | 32,306 | 0.06 | (6) | 7.83 | (2) | |
| Other charges - Extraordinary | 4,126 | 26,666 | 8,532 | 139 | 765 | 40,228 | 0.08 | (6) | 9.75 | (2) | |
| Total | 4,126 | 27,456 | 40,049 | 139 | 765 | 72,535 | 0.14 | (6) | 17.57 | (2) | |
| Other technical charges | | | | | | | | | | | |
| Acquisition costs | | 15,704 | 62,942 | | 110,640 | (4) | 189,287 | 7.96 | (6) | 45.86 | (2) |
| Administrative expenses | 13,882 | 18,559 | 1,677 | | 69 | 34,188 | 1.44 | (6) | 8.28 | (2) | |
| Total | 13,882 | 34,264 | 64,620 | | 110,709 | 223,475 | 9.40 | (6) | 54.14 | (2) | |
| Non-Life and Life technical account | | | | | | | | | | | |
| Balance of outwards reinsurance * | | 44,657 | | | | 44,657 | 8.64 | (7) | 10.82 | (2) | |
| Balance of inward reinsurance net of retroceded amounts * | | 2,009 | | | | 2,009 | 0.39 | (7) | 0.49 | (2) | |
| Total | | 46,666 | | | | 46,666 | 1.96 | (7) | 11.31 | (2) | |

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

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

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

(4) Amounts relating to transactions with investee agencies.

(5) The percentage on total memorandum accounts.

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

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

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

Comments on the main items

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

At 31 December 2018 the item Loans to holding companies, amounting to €267.8m and unchanged compared to the previous year, refers to two loans executed in 2009 in favour of the holding company Unipol Gruppo, after UnipolSai Assicurazioni took over the role of issuer of the Unipol 7% and Unipol 5.66% bond loans. The total interest for the year was €1.8m.

Loans to subsidiaries were €58m and refer to the following companies: Meridiano Secondo (€36.8m), Casa di Cura Villa Donatello (€5.6m), Società Edilizia Immobiliare Sarda (€5.6m) and AlfaEvolution (€10m). Loans to associated companies were €6.3m relate to Borsetto S.r.l., Penta Domus S.p.A. in liquidazione (nominal amount of €1.3m - wholly written off), Butterfly AM S.a.r.l. (nominal amount of €0.1m - wholly written off). The total interest for the year was €0.4m.

The item loans to affiliated companies, corresponding to €106.3m, refers entirely to a loan to UnipolReC. The total interest for the year was €2.6m.

The item Receivables arising from direct insurance and reinsurance business in terms of transactions with subsidiaries refers to the following: €2.3m to receivables from the agency Sogeint, €1.8m to receivables from SIAT and approximately €6.5m in reinsurance receivables from UnipolRe DAC; in terms of transactions with other investees, the item entirely refers to receivables from corporate agencies.

Other receivables from the holding company refer mainly to the receivable from Unipol Gruppo S.p.A. as a result of participation in the tax consolidation regime; with respect to the subsidiaries it comprises non-insurance receivables, mainly referred to the performance of services, of €8.7m from UniSalute (€5m as a deposit established on the basis of a reinsurance treaty), €2.1m from Linear, €1.1m from Casa di Cura Villa Donatello, €1.1m from Incontra and €3.4m from Arca Vita.

The item also includes a receivable of €9.6m from Pronto Assistance Servizi S.p.A., of which €8.6m for advances on services and €1m for service and secondment of personnel.

Other receivables from affiliates includes receivables from Finitalia amounting to €27.6m 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 UnipolSai Investimenti (€1m) and from Unipol Banca (€1m); there is an additional receivable of €2.8m from the associate Unipol Banca S.p.A. for commissions on the placement of banking products.

The entire amount (€554m) of bank deposits with affiliates refers to current accounts held with Unipol Banca, whereas the sundry assets with affiliates includes amounts secured for claims (€14.4m) with the same counterparty.

Technical provisions - Reinsurers' share refer to reinsurance relations with the subsidiaries UnipolRe DAC for €113m and SIAT - Società Italiana di Assicurazione for €27m.

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

Payables arising from direct insurance and reinsurance business refer mainly to reinsurance transactions with the following subsidiaries: UniSalute for €15.4m and Pronto Assistance for €6.4m.

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

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

Those due to subsidiaries are referred mainly to payables for services received from UnipolSai Servizi Consortili (€30.5m), Pronto Assistance Servizi (€7.9m), Unisalute (€5.9m), Linear (€2.7m), Auto Presto e Bene (€2.1m) and AlfaEvolution (€13.3m). In relation to affiliates, sundry payables are mainly comprised of payables due to Unipol Banca (€2.7m).

Sundry liabilities to holding companies are referred to the allocation of the costs to be recognised to the employees of UnipolSai seconded to Unipol Gruppo; with respect to the subsidiaries, it refers mainly to payables to Auto Presto e Bene for services received (€2.8m); with respect to the affiliates, lastly, the amount refers to payables to Finitalia for €7.9m and to Unipol Banca for €13.8m.

Income from land and buildings refers to leases with the subsidiaries UnipolSai Servizi Consortili (€1.8m), UNA Group (€1.4m), UniSalute (€3.3m) and Linear (€2.1m) and with the associate Unipol Banca (€4.2m).

Dividend income from subsidiaries refers for €34.5m to UniSalute, €7.5m to UnipolSai Finance, €6.3m to Linear, €3.2m to Incontra, €3.4m to Pronto Assistance, €4m to SIAT – Società Italiana di Assicurazione.

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

Other income - extraordinary income essentially refers to recoveries for services provided and secondment of personnel. With regard to transactions with affiliates it also includes income from commissions for the placement of banking products due by Unipol Banca (€6.2m).

Investment management expenses mainly relate to the expense on the securities dossier due to the affiliate Unipol Banca for €31.4m.

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 (€55.9m); with the other related parties instead these regard commissions paid to investee agencies.

As regards administrative expenses, the amounts refer almost exclusively to costs for services and in particular, with respect not only to the holding company Unipol Gruppo, but also to the following subsidiaries: SIAT - Società Italiana di Assicurazione (€1.7m), UnipolRe DAC (€1m), UnipolSai Servizi Consortili (€9m) and to real estate costs with respect to Midi (€4.2m).

The balance of outwards reinsurance mainly derives from transactions with the subsidiaries Pronto Assistance (income of €6.4m), UnipolRe DAC (income of €9.9m), SIAT (income of €13.5m) and UniSalute (income of €14.8m).

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

Remuneration payable for 2018 to Directors, Statutory Auditors, the General Manager and Key Managers for carrying out their duties amounted to €13.0m, details of which are as follows:

| <i>Amounts in €k</i> | 2018 |
|-------------------------------|-------------|
| Directors and General Manager | 3,357 |
| Statutory Auditors | 227 |
| Other Key Managers | 9,448 (*) |

* *The amount mainly comprises compensation of employees and it includes the amount paid to Unipol Gruppo as 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 2018 the companies in the Group paid UnipolSai the sum of €0.2m as remuneration for the activities carried out by the General Manager and the Key Managers.

Disclosure about Solvency II prudential supervision

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

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

Solvency capital requirements and relevant coverage ratios

The Company has equity admissible to cover the capital requirements equal to 2.53 times the Solvency Capital Requirement (SCR), (at 31 December 2017 2.41), and 4.73 times the Minimum Capital Requirement (MCR) (at 31 December 2017 4.93).

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 | 7,057.1 | 4,544.4 | 1,230.4 | 1,114.6 | 167.7 |
| Available own funds to meet the Minimum Capital Requirement | 6,889.4 | 4,544.4 | 1,230.4 | 1,114.6 | |
| Eligible own funds to meet the Solvency Capital Requirement | 7,057.1 | 4,544.4 | 1,136.1 | 1,208.9 | 167.7 |
| Eligible own funds to meet the Minimum Capital Requirement | 5,931.5 | 4,544.4 | 1,136.1 | 251.0 | |
| Solvency Capital Requirement | 2,788.5 | | | | |
| Minimum Capital Requirement | 1,254.8 | | | | |
| Ratio of Eligible own funds to Solvency Capital Requirement | 2.53 | | | | |
| Ratio of Eligible own funds to Minimum Capital Requirement | 4.73 | | | | |

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All the figures above are calculated on the basis of the information available on the date of this Report. The solvency situation of the Company will be subject to a specific disclosure to the market and to the Supervisory Authority by 22 April 2019, in accordance with EU Regulation 2015/35 (Delegated Acts).

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

Partial Internal Model

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

The Partial Internal Model is used to assess the following risk factors:

- Non-Life and Health technical Insurance risks relating to the catastrophe component referring to earthquakes;
- Life technical insurance risks;
- Market risk;
- Credit risk;
- the risk aggregation process.

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), by the use of Group specific parameters and by Formula Standard components. In particular, the use of the Specific Parameters concerns the tariff-setting and provisions risks of the company UnipolSai, 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.

Life underwriting risk (mortality/longevity risk, surrender risk and expense risk) is measured using the Partial Internal Model based on the Least Square Monte Carlo approach, consistent with the principles indicated in Solvency II regulations, which allow calculation of the Probability Distribution Forecast in relation to Life risk factors. In addition to the Life underwriting risks relating to Unit-Linked and Pension Fund products, catastrophe risk is assessed using the Standard Formula approach.

Market risk of the portfolio of securities, for which investment risk is not borne by policyholders, 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 run-off of Life provisions for the guaranteed component and polynomial functions (the Least Square Monte Carlo approach) to represent the Future Discretionary Benefits component. Market risk of the securities portfolio for which investment risk is borne by the policyholders and 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, as well as the insurance and reinsurance exposures. 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.

Other Information

Human resource management and development

The Company's workforce at 31 December 2018 consists of 7,512 employees. In 2018 116 employees terminated their employment with the Company, of which 11 due to intragroup transfers and 105 due to actual termination and there were 148 new entries, of which 133 new hires and 15 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 7,270.

Personnel costs for remuneration, social security charges and post-employment benefits amounted to €545.7m.

Training

In its third year of business activities, Unica has worked on the basis of four main pillars:

- the completion of new specialised courses needed to support the implementation of the Unipol Group's Business Plan. These include in particular the "Management and Employee Development" course, the course in Risk management for SME Tutors and the Family Welfare and Business Specialist courses dedicated to the agency network;
- the extension of its range of courses (current 266 courses available), provided in different ways according to the depth of the same;
- the implementation of the selection/training/certification process for teachers with regard to the Unipol List of Teachers, with a further 250 teachers trained over the year, in addition to the 284 trained since the start of the project, totalling 534 resources trained for Academy Trainer activities.
- the use and implementation of the UNICA Portal, which enables each user, agent and employee to find their training course and to receive all training activities in a single environment that maintains all of the knowledge available over time.

Some of the main training projects addressed to employees were:

- **Unipol Innovation Laboratory:** which involved 84 young colleagues that are part of the Next Generation Programme. The course combined the development of individual and team abilities, a boost towards cross-functionality, a focus on market changes, the incentives and the experiences of other Companies to create cross-functional teams able to apply the content in the field and to use them to develop innovative business proposals.
- **Unipol Executive Master (MEU):** 17 Group resources completed classroom activities regarding the Master training programme, the objective of which is to provide an overall vision of company operations by understanding the company's economic scenario, analysing organisational processes, understanding the tools for financial evaluation, accounting and advanced budgeting.
- **Management and Development Master for Partners:** an initiative launched in July 2016 and dedicated to developing the managerial skills of around 1,800 Managers of partners of the different Group companies, which will be concluded in 2019. The total number of Managers that completed the course was 1,094.
- **Master in Business Insurance:** addressed to a group of assignees and adjustors, with a view to enhancing technical-legal knowledge and of pooling the various areas of expertise.
- **Master in SME Risk Management addressed to SME Tutors:** directed towards the individuals in the sales force that sustain the development of the insurance business of Small and Medium Enterprises.
- **Family Welfare Tutor Course:** this involved a total of 53 employees from the Sales Department, with a view to stimulating the gradual engagement towards performing advisory services in the family segment.
- **European Regulation - GDPR - 2016/679 on the protection of personal data - The main impacts on the operations of Employees:** this involved all employees on-line, confirming the Group's focus on correctness and security in the processing of personal data. Between March and December, numerous classroom courses were held addressed to specific individuals/company departments most impacted by the new Regulations.

- **Workplace Safety:** continuation of the mandatory courses for Employees, Managers and Executives for Emergency Representatives for Fire, First Aid and the use of defibrillators.

Some of the main training projects addressed to the sales network were:

- **IMA - Agency Innovation Manager Master**, the second edition of the Master's course was launched, involving a group of 24 high-potential agents for the development of an innovative business model.
- **Master in SME Risk Management:** the purpose is to develop the skills of Business Specialists who work in private SME agencies, with a two-year duration. The course has involved 536 Agencies since the beginning of the project.
- **Family Welfare to be Course:** addressed to around 500 intermediaries, it involves 3 different training areas, Professional, Senior and Top Performer, intended to enhance advisory expertise and consolidate the relationship of trust with the "family" customer.
- **IDD (Insurance Distribution Directive):** classroom course regarding the operational impact of IDD legislation on the sale and advisory services for IBIPs (Life) products for 1,250 agencies.
- **European Regulation - GDPR - 2016/679 on the protection of personal data - The main impacts on the operations of Agencies:** on-line course addressed to the entire network.

Protection of Privacy

In order to guarantee that personal data processing (data of customers, policyholders, beneficiaries and employees) complies with relative laws, the Company has established dedicated organisational controls, in particular with regard to information security, access to data by third parties, generation of documents required by law, and targeted training for employees and agents.

With reference to Regulation (EU) 2016/679 on the protection of personal data (the "GDPR"), - which entered into force on 25 May 2018 - the Company launched a project in 2017 to adapt to the regulatory provisions of the GDPR. The project led to a substantial revision of the privacy architecture, by appointing a single Group Data Protection Officer - who carries out the tasks relating to the Parent and to the companies controlled by the same whose registered office is in Italy - (i) the establishment of Registers of data processed envisaged by article 30 of GDPR, (ii) the revision of all privacy forms, adapting the consensus and disclosure formulas, (iii) the revision of service supply agreements, both between Group companies, and between the latter and external suppliers and (iv) the issue of numerous company communication documents, aimed at setting out guidelines and procedures for the correct management of personal data and to ensure that processing complies with the law.

IT Management

The Information & Communication Technology (ICT) Plan, as outlined in the 2016-2018 Business Plan, focuses in particular on business innovation and support activities, with the progressive growth of technological innovation initiatives linked to the re-design and creation of new IT architectures, processes and methods for interacting with Agencies, Customers and the ecosystem of external Partners and improving operational efficiency and service quality.

The main activities carried out over the course of the year regarding new technologies and services may be grouped according to the following action areas:

- Digitalisation of Processes and Mobility
 - The extension to the entire agency network of the new versions of the applications that enable the use of the Company's systems on the go and through devices owned by the agents (BYOD), in addition to new features for an Advanced Digital Signature (Firma Elettronica Avanzata or FEA) and payment, was completed: about 8,000 POS and m.POS have been distributed, in support of electronic payment systems and sales on the go and the use of FEA has been extended to the Life products and to obtain privacy consents.

- Extension to the accidents, home and health areas of the functionalities of the Consulenza Persone (Personal Advisory) tool, already available in the areas of pension, savings, protection and investment.
 - Launch, in 2018, of the enhancement of the lines, on fibre optics, made available by the Company for connecting agencies and sub-agencies.
 - Launch, at the beginning of the year, of a project for the migration of the agents' Electronic Mail and Office to the Cloud platform of Google, in order to improve on the go operations and make available to the agents advanced collaboration features.
- New IT architectures
- Continuation of the development of new engines for automating management and agency business processes, and of the new interface for the interaction of the agents with the system aiming at an optimised management of agency trading and operating activities. Within this scope, the new Motore Clausatorio (Clauses Engine) was released to the entire network in September and the new agent interface (Workspace), integrated with the new authorisation process for General Classes, was made available to a group of test agencies.
- New "Digital Touch Points"
- Upgrade of the UnipolSai APP with new telematic, claim assistance and management features, such as:
 - "vehicle assistance", which allows, thanks to an interaction with the new information system developed in Pronto Assistance, to request assistance directly from the APP, viewing on a map the position and the arrival time of the tow track to the location of the accident or vehicle failure;
 - "tracking and pre-opening of claims" for the General Classes.
 - Development of new on-line calculators for the Condominio&Servizi and Commercio&Servizi products available on the websites.
- Business Process Management
- Introduction of new technologies for the orchestration of multichannel processes used for the development of:
 - new multichannel services integrated with external Contact Centres in support of the agency network for the management of the "proactive care" and "recovery of lost customers" commercial initiatives;
 - new PAS Information System for Customer Service management which has enabled a more efficient management of requests for assistance by integrating the communication process used by customers, call centres and suppliers.
- Artificial Intelligence and Robotics
- Development of the new anti-fraud engine and the new investigation platform ("Indago"), integrated with the claims system (Liquido) and based on new Artificial Intelligence technologies and advanced data analyses.
 - Launch of projects for the automatic analysis of documents and images based on new Artificial Intelligence technologies.
 - Completion of the new system for the automation of the process for assistance to the agents ("UNO") which, using new technologies for natural language comprehension and a new search engine, allows for a simplified and integrated access to different databases of corporate knowledge and information (FAQ, Ticket and Online Documentation) so as to provide an immediate response to requests for support submitted by agents, without the initial contact with back-office operators.
- Telematics and Data
- Launch, with an initial number of test agencies, of the new TSP system, (project started in 2017) which will allow Alfaevolution to manage directly its own fleet of Black Boxes.
 - Continuation of the enhancement of the Big Data Hub contents, with information coming from different systems of the Company, and introduction of a new visual reporting and analysis technology for the drawing up of new reports and data analysis made available to the Business.

- Business development support

- Implementation of a number of activities that ensure the regulatory compliance of the systems, especially as regards electronic invoicing, the new European General Data Protection Regulation (GDPR), the IFRS 17 standards and the Insurance Distribution Directive (IDD).
- Continuation of the project for the enhancement of Cyber Security, structured on a number of different actions aimed at the strengthening of measures for the prevention of and fight against cyber attacks through the introduction of new defence technologies and the automation of security management and control processes also thanks to the cooperation with international partners.

Communications

In 2018, activities related to the Digital sphere saw the progressive integration between the web and social areas, to harmonise them and to create reciprocal synergies in the group's communications.

The institutional content of the Unipol.it and UnipolSai.com websites has been continuously updated and the supervision of the shared information on these channels is increasingly based on a wider brand awareness.

In January, the UnipolSai.com website went online, totally renewed in terms of graphics and features.

With regard to the Corporate Sponsorship Program, projects continued that seek to enhance the company's image by associating it with high-level partners and events, participating in events that have seen Unipol and UnipolSai alongside personalities of the sports, cultural and social spheres, with a view to long-term continuity. The most intense times of communication were the Winter Olympics in PyeongChang in South Korea to support the partnership with CONI, the support of the Ducati Team in the 2018 Motorcycle GP season and the sponsorship of the main exhibition of the year of the Palazzo Strozzi foundation "Marina Abramović. The Cleaner".

In the latter part of the year, the Group had an important presence in Milan. With the Waiting for Magic scheme, through its Urban Up brand - which distinguishes the Group's real estate business - Unipol boasted a significant presence within the series of events promoted by Milan's Town Council in two important areas of the city: Piazza del Duomo, with a Christmas Tree and a video installation of the Christmas Calendar and Torre Galfa, which was lit up for the entire month of December. These initiatives were publicised specifically on both the websites and through the various social channels.

The originality and the variety of the integrated communications activities set in motion guaranteed a strong impact both in terms of visibility and of constant dialogue with the company. The branded content (posts and videos) - created specifically for these special projects - was visualised over 45 million times, reaching a very wide and diversified target audience throughout the country. These figures make the Unipol Group one of the key players in the national media panorama and make it a benchmark with regard to the consistency and integration of all contemporary communication channels, thus boosting the Group's social reputation.

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

In addition, in 2018 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 2018

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

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

Communication of non-financial information

With respect to the obligations laid out by Legislative Decree 254 of 30 December 2016, on the communication of non-financial and diversity information by certain large undertakings and groups, please note that UnipolSai is not subject to this obligation as one of the cases of exemption and equivalence laid out in Art. 6, paragraph 2 applies to it, given that it is a subsidiary company included within the Consolidated Non-Financial Statement prepared by Unipol Gruppo.

Significant events after the reporting period.

Renewed the partnership between UnipolSai and Ducati Corse for the MotoGP World Championship 2019 and 2020

On 18 January 2019, UnipolSai formalised and consolidated, for a further two years, the partnership that will see the company as the official sponsor of Ducati Corse in the next MotoGP 2019 World Championship and in the subsequent 2020 edition. The partnership with the Ducati team will entail the UnipolSai brand appearing on the tail of the red sport bikes of Borgo Panigale of two Italian racers.

Exercise of the put option on Unipol Banca and UnipolReC

The Board of Directors of UnipolSai, in the meeting of 7 February 2019, resolved to exercise the put option relating to 27.49% of the share capital of Unipol Banca and UnipolReC, held by the holding company Unipol by virtue of the option agreement signed on 31 December 2013 by the former Fondiaria-Sai SpA. and Unipol Gruppo. On 14 February 2019, UnipolSai notified Unipol that it had exercised the option right; the transfer of the shares was made on 1 March 2019 against payment by Unipol of a total consideration of €579.1m, determined upon the put option contract. Following the exercise of the put option, UnipolSai holds a direct investment in Unipol Banca and in UnipolReC, corresponding to 14.76% of the respective share capital. The remaining shares of these companies are held by Unipol.

The Board of Directors has also resolved to grant to Unipol, within the scope of the afore-mentioned put option, a 5-year loan of €300m, also repayable early, at an interest rate of the 3-month Euribor plus a spread of 260 basis points. For UnipolSai, the granting of the afore-mentioned loan represents a form of investment of liquid assets that meets the investment principles compliant with the adopted policy for medium-long term investments as well as the risk profile. The loan was disbursed on 1 March 2019.

Given its relationship with the Unipol Gruppo, both as regards the exercise of the put option and as regards the granting of the loan, UnipolSai has applied the procedural and decision-making controls for transactions "of major significance", established by the Procedure for related party transactions adopted pursuant to Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments. Both of the transactions have, therefore, been submitted to UnipolSai's Related Party Transactions Committee, which, on 6 February 2019, issued its justified favourable opinion. With regard to the above transactions, on 14 February 2019 UnipolSai published the Information Document in accordance with Art. 5 of Consob Regulation no. 17221/2010 and subsequent amendments.

Sale of Unipol Banca to BPER Banca and acquisition of the NPL portfolio

Again on 7 February 2019, the Board of Directors of UnipolSai approved the sale to BPER Banca of the entire equity investment held by the same in Unipol Banca, corresponding - in consideration of the exercise of the aforementioned put option - to 14.76% of the share capital. The sale to BPER Banca of the remaining shares of the capital of Unipol Banca, held by Unipol, was approved, on the same date, by the Board of Directors of the latter. The total consideration for the sale to BPER Banca of the entire share capital of Unipol Banca, to be paid in cash, amounts to €220m; therefore, the portion pertaining to UnipolSai amounts to about €32.5m.

Together with the afore-described sale (the "Unipol Banca Disposal"), the Boards of Directors of UnipolSai and Unipol have approved, within the area of their respective competence, also the purchase from the BPER Group, by UnipolReC - a subsidiary of Unipol, of which UnipolSai holds, in consideration of the exercise of the afore-mentioned put option, 14.76% of the share capital - of two separate portfolios composed of bad and doubtful loans, one belonging to BPER Banca and one to Banco di Sardegna (jointly the "Portfolio), for a gross book value of €1.3bn, against a cash payment of €130m, equal to 10% of the gross value of the Portfolio (the "Purchase of the Portfolio" and jointly with the Unipol Banca Sale, the "Transaction").

On the same date, the Transaction was approved, within the area of their respective competence, also by the Boards of Directors of the other companies involved in the Transaction and in particular (i) as regards the Unipol Banca Disposal, by BPER Banca; (ii) as regards the Purchase of the Portfolio, by the same BPER Banca, its subsidiary Banco di Sardegna and UnipolReC.

Following the above-mentioned Board Meetings, the parties signed the agreements that regulate the Transaction. The finalisation of the latter, subject to the fulfilment of some conditions precedent of primarily a regulatory and authorisation nature, is expected to occur no later than the beginning of the second half of 2019.

With regard to the Transaction, UnipolSai has voluntarily applied the procedural and decision-making controls for transactions "of major significance", established by the Procedure for related party transactions adopted pursuant to Consob Regulation no. 17221/2010 and subsequent amendments.

The Transaction was therefore submitted to UnipolSai's Related Party Transactions Committee, which, on 6 February 2019, issued its justified favourable opinion.

Also Unipol and UnipolReC, again on a voluntary basis and within their scopes, submitted the Transaction to the Unipol's Committee for transactions with Unipol Related parties, for its approval, which also acted in the capacity of the reference Committee for the management of transactions with associated parties of UnipolReC and issued its own favourable opinion again on 6 February 2019.

Business outlook

The global economy is showing signs of a slowdown across the board. Already starting in the first few weeks of 2019, as the main macroeconomic data from the last part of 2018 were being posted, many economic observers cut the 2019 growth estimates for the Eurozone. Particularly for Italy, which showed to be in a recession in the second part of 2018, considerable doubts were expressed, by different sides, about the possibility of achieving the targets set by the Italian government, i.e. a +1% growth of the economy for this year.

The external economic situation, together with numerous critical issues that characterise Italy risks the stoking of new tensions in the financial markets with the consequent resumption of the volatility of the spread of Italian government bonds relative to the German Bund. The main stock markets in the first two months of 2019 have shown positive performances, although within a framework of high volatility.

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 Company operates, there are no particularly significant events to report. As already mentioned, the new 2019-2021 Business Plan, that will focus on the core insurance business, is currently being defined and will be presented to the financial markets in May.

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

Bologna, 14 March 2019

The Board of Directors





FINANCIAL
STATEMENTS
FOR THE YEAR 2018

Financial statements

Statement of Financial Position Year 2018

Amounts in €

Annex I

Company

UnipolSai Assicurazioni S.p.A.

Share capital

Subscribed € 2,031,456,338

Paid-up € 2,031,456,338

Registered Office at

BOLOGNA - Via Stalingrado 45

2 Financial Statements for the year 2018

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 | 54,933,931 | | | |
| b) Non-Life business | 4 | 20,495,751 | 5 | 75,429,682 | |
| 2. Other acquisition costs | | | 6 | | |
| 3. Start-up and expansion costs | | | 7 | 183,038 | |
| 4. Goodwill | | | 8 | 493,770,323 | |
| 5. Other long-term costs | | | 9 | 204,868,501 | |
| | | | | 10 | 774,251,544 |
| C. INVESTMENTS | | | | | |
| I - Land and buildings | | | | | |
| 1. Property for corporate business | | | 11 | 474,973,014 | |
| 2. Property for use by third parties | | | 12 | 1,602,633,579 | |
| 3. Other property | | | 13 | 16,298,581 | |
| 4. Other property rights | | | 14 | 2,279,472 | |
| 5. Fixed assets in progress and payments on account | | | 15 | 69,950,845 | |
| | | | 16 | 2,166,135,491 | |
| II - Investments in group companies and other investees | | | | | |
| 1. Shares and holdings in: | | | | | |
| a) holding companies | 17 | 3,284,192 | | | |
| b) subsidiaries | 18 | 2,889,779,027 | | | |
| c) affiliates | 19 | 663,683,871 | | | |
| d) associates | 20 | 33,405,094 | | | |
| e) other | 21 | 248,216,681 | 22 | 3,838,368,865 | |
| 2. Bonds issued by | | | | | |
| a) holding companies | 23 | | | | |
| b) subsidiaries | 24 | | | | |
| c) affiliates | 25 | | | | |
| d) associates | 26 | 6,862,800 | | | |
| e) other | 27 | 3,740,000 | 28 | 10,602,800 | |
| 3. Loans to: | | | | | |
| a) holding companies | 29 | 267,785,217 | | | |
| b) subsidiaries | 30 | 58,079,340 | | | |
| c) affiliates | 31 | 106,258,750 | | | |
| d) associates | 32 | 6,271,490 | | | |
| e) other | 33 | | 34 | 438,394,797 | |
| | | | 35 | 4,287,366,462 | |
| | | | to be carried forward | | |
| | | | | 774,251,544 | |

| AMOUNTS FOR THE PREVIOUS YEAR | | | | |
|-------------------------------|-----|---------------|-----------------------|---------------|
| | | | | 181 |
| | | 182 | | |
| | | | | |
| | 183 | 53,562,434 | | |
| | 184 | 21,432,330 | 185 | 74,994,764 |
| | | | 186 | |
| | | | 187 | 6,240,216 |
| | | | 188 | 548,841,192 |
| | | | 189 | 188,088,152 |
| | | | | 190 |
| | | | | 818,164,324 |
| | | | | |
| | | | 191 | 442,319,090 |
| | | | 192 | 1,855,680,749 |
| | | | 193 | 16,207,124 |
| | | | 194 | 2,279,472 |
| | | | 195 | 59,554,449 |
| | | | 196 | 2,376,040,884 |
| | | | | |
| | 197 | 7,326,925 | | |
| | 198 | 2,764,485,204 | | |
| | 199 | 713,737,240 | | |
| | 200 | 33,405,094 | | |
| | 201 | 21,024,181 | 202 | 3,539,978,644 |
| | | | | |
| | 203 | | | |
| | 204 | | | |
| | 205 | | | |
| | 206 | 6,862,800 | | |
| | 207 | 3,740,000 | 208 | 10,602,800 |
| | | | | |
| | 209 | 267,785,217 | | |
| | 210 | 49,158,557 | | |
| | 211 | | | |
| | 212 | 6,706,990 | | |
| | 213 | | 214 | 323,650,764 |
| | | | 215 | 3,874,232,208 |
| | | | to be carried forward | |
| | | | | 818,164,324 |

2 Financial Statements for the year 2018

Statement of financial position

ASSETS

| | AMOUNTS FOR THE YEAR | | | | |
|---|----------------------|----------------|------------------------|----------------|----------------|
| | | | amount carried forward | | |
| | | | | 774,251,544 | |
| C. INVESTMENTS (continued) | | | | | |
| III - Other financial investments | | | | | |
| 1. Shares and holdings | | | | | |
| a) Listed shares | 36 | 389,926,866 | | | |
| b) Unlisted shares | 37 | 152,001,071 | | | |
| c) Holdings | 38 | | 39 | 541,927,937 | |
| 2. Mutual investment fund units | | | 40 | 3,191,157,400 | |
| 3. Bonds and other fixed-yield securities | | | | | |
| a) listed | 41 | 31,841,145,735 | | | |
| b) unlisted | 42 | 423,346,533 | | | |
| c) convertible bonds | 43 | 1,051,109 | 44 | 32,265,543,377 | |
| 4. Loans | | | | | |
| a) collateralised loans | 45 | | | | |
| b) loans on policies | 46 | 23,151,265 | | | |
| c) other loans | 47 | 2,129,822 | 48 | 25,281,087 | |
| 5. Mutual investment units | | | 49 | | |
| 6. Bank deposits | | | 50 | 6,065,163 | |
| 7. Sundry financial investments | | | 51 | 98,022,794 | |
| IV - Deposits with ceding companies | | | 52 | 36,127,997,758 | |
| | | | 53 | 12,325,422 | |
| | | | | 54 | 42,593,825,133 |
| 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 | 562,564,591 | |
| II - Investments arising from pension fund management | | | 56 | 4,020,373,974 | |
| | | | | 57 | 4,582,938,565 |
| D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE | | | | | |
| I - NON-LIFE BUSINESS | | | | | |
| 1. Premium provision | | | 58 | 88,845,933 | |
| 2. Claims provision | | | 59 | 506,950,378 | |
| 3. Provision for profit sharing and reversals | | | 60 | | |
| 4. Other technical provisions | | | 61 | 62 | 595,796,311 |
| II - LIFE BUSINESS | | | | | |
| 1. Mathematical provisions | | | 63 | 38,516,891 | |
| 2. Premium provision from supplementary insurance | | | 64 | | |
| 3. Provision for amounts payable | | | 65 | 1,896,346 | |
| 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 | 40,413,237 |
| | | | | 70 | 636,209,548 |
| | | | to be carried forward | | 48,587,224,790 |

| AMOUNTS FOR THE PREVIOUS YEAR | | | |
|-------------------------------|-----|------------------------|--------------------|
| | | amount carried forward | 818,164,324 |
| | | | |
| | | | |
| | | | |
| | 216 | 667,557,316 | |
| | 217 | 152,286,949 | |
| | 218 | | 219 819,844,265 |
| | | | 220 2,716,675,880 |
| | | | |
| | 221 | 31,734,185,734 | |
| | 222 | 374,437,142 | |
| | 223 | 851,316 | 224 32,109,474,192 |
| | | | |
| | 225 | | |
| | 226 | 28,403,793 | |
| | 227 | 98,001,595 | 228 126,405,388 |
| | | | 229 |
| | | | 230 6,581,502 |
| | | | 231 74,872,794 |
| | | | 232 35,853,854,021 |
| | | | 233 15,099,618 |
| | | | 234 42,119,226,731 |
| | | | |
| | | | 235 438,455,104 |
| | | | 236 3,730,954,699 |
| | | | 237 4,169,409,803 |
| | | | |
| | | | 238 101,266,452 |
| | | | 239 439,673,829 |
| | | | 240 |
| | | | 241 |
| | | | 242 540,940,281 |
| | | | |
| | | | 243 48,326,683 |
| | | | 244 |
| | | | 245 3,182,429 |
| | | | 246 |
| | | | 247 |
| | | | |
| | | | 248 |
| | | | 249 51,509,112 |
| | | | 250 592,449,393 |
| | | to be carried forward | 47,699,250,251 |

2 Financial Statements for the year 2018

Statement of financial position

ASSETS

| | AMOUNTS FOR THE YEAR | | | | | | | |
|--|----------------------|-------------|------------------------|----------------|----|---------------|-----|----------------|
| | | | amount carried forward | | | | | |
| | | | | 48,587,224,790 | | | | |
| E. RECEIVABLES | | | | | | | | |
| I - Receivables relating to direct insurance business from: | | | | | | | | |
| 1. Policyholders | | | | | | | | |
| a) for premiums for the year | 71 | 609,873,965 | | | | | | |
| b) for premiums for previous years | 72 | 3,467,424 | 73 | 613,341,389 | | | | |
| 2. Insurance intermediaries | | | 74 | 850,867,162 | | | | |
| 3. Insurance company current accounts | | | 75 | 23,486,358 | | | | |
| 4. Policyholders and third parties for amounts to be collected | | | 76 | 95,429,807 | 77 | 1,583,124,716 | | |
| II - Receivables relating to reinsurance business, from: | | | | | | | | |
| 1. Insurance and reinsurance companies | | | 78 | 44,476,548 | | | | |
| 2. Reinsurance intermediaries | | | 79 | | 80 | 44,476,548 | | |
| III - Other receivables | | | | | 81 | 1,166,563,254 | 82 | 2,794,164,518 |
| F. OTHER ASSETS | | | | | | | | |
| I - Property, plant and equipment and inventories: | | | | | | | | |
| 1. Office furniture and machines and internal means of transport | | | 83 | 45,100,308 | | | | |
| 2. Movable assets entered in public registers | | | 84 | | | | | |
| 3. Plant and equipment | | | 85 | 23,103,155 | | | | |
| 4. Inventories and sundry goods | | | 86 | 4,276,456 | 87 | 72,479,919 | | |
| II - Cash and cash equivalents | | | | | | | | |
| 1. Bank deposits and post office accounts | | | 88 | 584,816,861 | | | | |
| 2. Cheques and cash in hand | | | 89 | 33,556 | 90 | 584,850,417 | | |
| IV - Other assets | | | | | | | | |
| 1. Transitory reinsurance accounts | | | 92 | | | | | |
| 2. Sundry assets | | | 93 | 1,132,588,867 | 94 | 1,132,588,867 | 95 | 1,789,919,203 |
| G. ACCRUALS AND DEFERRALS | | | | | | | | |
| 1. Interest | | | | | 96 | 390,869,245 | | |
| 2. Rental income | | | | | 97 | 2,006,238 | | |
| 3. Other accruals and deferrals | | | | | 98 | 27,380,922 | 99 | 420,256,405 |
| TOTAL ASSETS | | | | | | | 100 | 53,591,564,916 |

| AMOUNTS FOR THE PREVIOUS YEAR | | | | |
|-------------------------------|-----|------------------------|-----|----------------|
| | | amount carried forward | | 47,699,250,251 |
| | | | | |
| | | | | |
| | 251 | 568,319,731 | | |
| | 252 | 5,093,214 | 253 | 573,412,945 |
| | | | 254 | 880,231,069 |
| | | | 255 | 28,707,369 |
| | | | 256 | 109,593,294 |
| | | | 257 | 1,591,944,677 |
| | | | 258 | 65,617,058 |
| | | | 259 | 22,594 |
| | | | 260 | 65,639,652 |
| | | | 261 | 1,046,313,327 |
| | | | 262 | 2,703,897,656 |
| | | | | |
| | | | 263 | 51,388,558 |
| | | | 264 | |
| | | | 265 | 27,482,889 |
| | | | 266 | 4,272,456 |
| | | | 267 | 83,143,903 |
| | | | | |
| | | | 268 | 922,314,438 |
| | | | 269 | 25,767 |
| | | | 270 | 922,340,205 |
| | | | | |
| | | | 272 | |
| | | | 273 | 1,256,749,581 |
| | | | 274 | 1,256,749,581 |
| | | | 275 | 2,262,233,689 |
| | | | | |
| | | | 276 | 393,690,047 |
| | | | 277 | 1,904,046 |
| | | | 278 | 22,550,386 |
| | | | 279 | 418,144,479 |
| | | | 280 | 53,083,526,075 |

2 Financial Statements for the year 2018

Statement of financial position

LIABILITIES AND SHAREHOLDERS' EQUITY

| | AMOUNTS FOR THE YEAR | | | |
|--|----------------------|-----------------------|--------------------|--------------------|
| | | | | |
| A. SHAREHOLDERS' EQUITY | | | | |
| I - Subscribed capital or equivalent provision | | 101 | 2,031,456,338 | |
| II - Share premium reserve | | 102 | 407,255,806 | |
| III - Revaluation reserves | | 103 | 96,559,196 | |
| IV - Legal reserve | | 104 | 406,291,268 | |
| V - Statutory reserve | | 105 | | |
| VI - Reserve for shares of the holding company | | 400 | 3,284,192 | |
| VII - Other reserves | | 107 | 2,410,951,657 | |
| VIII - Retained profit (loss) | | 108 | | |
| IX - Profit (loss) for the year | | 109 | 412,785,224 | |
| X - Negative reserve for treasury shares | | 401 | (2,731,108) | 110 5,765,852,573 |
| B. SUBORDINATED LIABILITIES | | | | 111 2,211,689,000 |
| C. TECHNICAL PROVISIONS | | | | |
| I - NON-LIFE BUSINESS | | | | |
| 1. Premium provision | 112 | 2,757,124,656 | | |
| 2. Claims provision | 113 | 10,936,430,891 | | |
| 3. Provision for profit sharing and reversals | 114 | 9,446,544 | | |
| 4. Other technical provisions | 115 | 1,396,628 | | |
| 5. Equalisation provisions | 116 | 76,127,785 | 117 13,780,526,504 | |
| II - LIFE BUSINESS | | | | |
| 1. Mathematical provisions | 118 | 24,716,104,047 | | |
| 2. Premium provision from supplementary insurance | 119 | 757,852 | | |
| 3. Provision for amounts payable | 120 | 340,183,622 | | |
| 4. Provision for profit sharing and reversals | 121 | 5,508,744 | | |
| 5. Other technical provisions | 122 | 96,953,657 | 123 25,159,507,922 | 124 38,940,034,426 |
| 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 | 562,564,590 | |
| II - Provisions arising from pension fund management | | 126 | 4,020,373,974 | 127 4,582,938,564 |
| | | to be carried forward | | 51,500,514,563 |

| AMOUNTS FOR THE PREVIOUS YEAR | | | |
|-------------------------------|-----------------------|----------------|----------------|
| | | 281 | 2,031,456,338 |
| | | 282 | 407,255,806 |
| | | 283 | 96,559,196 |
| | | 284 | 406,291,268 |
| | | 285 | |
| | | 500 | 7,326,925 |
| | | 287 | 2,306,033,070 |
| | | 288 | |
| | | 289 | 577,198,962 |
| | | 501 | (79,292,274) |
| | | 290 | 5,752,829,291 |
| | | 291 | 2,011,689,000 |
| | | | |
| | | | |
| | 292 | 2,677,436,596 | |
| | 293 | 11,473,647,908 | |
| | 294 | 12,089,877 | |
| | 295 | 2,388,237 | |
| | 296 | 73,021,430 | 297 |
| | | | 14,238,584,048 |
| | | | |
| | 298 | 24,264,246,224 | |
| | 299 | 850,996 | |
| | 300 | 332,604,624 | |
| | 301 | 7,364,987 | |
| | 302 | 94,456,837 | 303 |
| | | | 24,699,523,668 |
| | | | 304 |
| | | | 38,938,107,716 |
| | | | |
| | | | |
| | | 305 | 438,455,105 |
| | | 306 | 3,730,954,699 |
| | | 307 | 4,169,409,804 |
| | to be carried forward | | 50,872,035,811 |

2 Financial Statements for the year 2018

Statement of financial position

LIABILITIES AND SHAREHOLDERS' EQUITY

| | AMOUNTS FOR THE YEAR | | | |
|---|------------------------|-------------|-----------------|--------------------|
| | amount carried forward | | | |
| | | | | 51,500,514,563 |
| E. PROVISIONS FOR RISKS AND CHARGES | | | | |
| 1. Post-employment benefits and similar obligations | | 128 | 2,037,078 | |
| 2. Provisions for taxes | | 129 | 96,884,599 | |
| 3. Other provisions | | 130 | 304,844,336 | 131 403,766,013 |
| F. DEPOSITS RECEIVED FROM REINSURERS | | | | 132 163,800,185 |
| G. PAYABLES AND OTHER LIABILITIES | | | | |
| I -Payables arising from direct insurance business, to: | | | | |
| 1. Insurance intermediaries | 133 | 40,778,630 | | |
| 2. Insurance company current accounts | 134 | 5,526,512 | | |
| 3. Policyholders for guarantee deposits and premiums | 135 | 15,903,705 | | |
| 4. Guarantee funds in favour of the policyholders | 136 | 206,518 | 137 62,415,365 | |
| II -Payables arising from reinsurance business, to: | | | | |
| 1. Insurance and reinsurance companies | 138 | 61,163,621 | | |
| 2. Reinsurance intermediaries | 139 | 346,019 | 140 61,509,640 | |
| III -Bond loans | | | 141 | |
| IV -Payables to banks and financial institutions | | | 142 | |
| V -Collateralised payables | | | 143 2,345,909 | |
| VI -Sundry loans and other financial payables | | | 144 16,412,500 | |
| VII -Post-employment benefits | | | 145 52,924,659 | |
| VIII -Other payables | | | | |
| 1. Policyholders' tax due | 146 | 151,546,817 | | |
| 2. Sundry tax payables | 147 | 26,971,221 | | |
| 3. Social security charges payable | 148 | 31,424,205 | | |
| 4. Sundry payables | 149 | 287,305,139 | 150 497,247,382 | |
| IX -Other liabilities | | | | |
| 1. Transitory reinsurance accounts | 151 | | | |
| 2. Commissions for premiums under collection | 152 | 98,881,104 | | |
| 3. Sundry liabilities | 153 | 671,093,068 | 154 769,974,172 | 155 1,462,829,627 |
| H. ACCRUALS AND DEFERRALS | | | | |
| 1. Interest | | | 156 60,398,225 | |
| 2. Rental income | | | 157 70,306 | |
| 3. Other accruals and deferrals | | | 158 185,997 | 159 60,654,528 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | | | 160 53,591,564,916 |

| AMOUNTS FOR THE PREVIOUS YEAR | | | | |
|-------------------------------|------------------------|-------------|-----------------|--------------------|
| | amount carried forward | | | 50,872,035,811 |
| | | 308 | 2,366,701 | |
| | | 309 | 88,976,985 | |
| | | 310 | 370,620,943 | 311 461,964,629 |
| | | | | 312 168,962,441 |
| | | | | |
| | | | | |
| | 313 | 50,480,857 | | |
| | 314 | 10,052,939 | | |
| | 315 | 13,903,989 | | |
| | 316 | 100,161 | 317 74,537,946 | |
| | | | | |
| | 318 | 68,979,878 | | |
| | 319 | 354,468 | 320 69,334,346 | |
| | | | 321 | |
| | | | 322 | |
| | | | 323 | 2,865,553 |
| | | | 324 | 13,006,420 |
| | | | 325 | 53,561,328 |
| | | | | |
| | 326 | 152,771,109 | | |
| | 327 | 30,171,881 | | |
| | 328 | 31,092,287 | | |
| | 329 | 310,646,511 | 330 524,681,788 | |
| | | | | |
| | 331 | | | |
| | 332 | 93,798,137 | | |
| | 333 | 711,018,181 | 334 804,816,318 | 335 1,542,803,699 |
| | | | | |
| | | | 336 | 37,685,004 |
| | | | 337 | 71,664 |
| | | | 338 | 2,827 |
| | | | | 339 37,759,495 |
| | | | | 340 53,083,526,075 |

2 Financial Statements for the year 2018

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

Legal representatives of the Company (*)

The Chairman

Carlo Cimbri

(**)

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

(**) Specify the office of the party signing

Financial statements

Income statement

Year 2018

Amounts in €

Annex II

Company

UnipolSai Assicurazioni S.p.A.

Share capital

Subscribed € 2,031,456,338

Paid-up € 2,031,456,338

Registered Office at

BOLOGNA - Via Stalingrado 45

2 Financial Statements for the year 2018

Income statement

| | AMOUNTS FOR THE YEAR | | | |
|--|----------------------|---------------|---------------|---------------|
| I. NON-LIFE BUSINESS TECHNICAL ACCOUNT | | | | |
| 1. EARNED PREMIUMS, NET OF REINSURANCE | | | | |
| a) Gross premiums written | | 1 | 6,908,279,866 | |
| b) (-) Premiums ceded to reinsurers | | 2 | 427,896,233 | |
| c) Change in the gross amount of the premium provision | | 3 | 79,658,456 | |
| d) Change in reinsurers' share of the premium provision | | 4 | (7,346,706) | 5 |
| | | | | 6,393,378,471 |
| 2. (+) INVESTMENT INCOME TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III.6) | | | | 6 |
| | | | | 151,498,635 |
| 3. OTHER TECHNICAL INCOME, NET OF REINSURANCE | | | | 7 |
| | | | | 62,558,871 |
| 4. CHARGES RELATING TO CLAIMS, NET OF AMOUNTS RECOVERED AND REINSURANCE | | | | |
| a) Amounts paid | | | | |
| aa) Gross amount | 8 | 5,117,351,262 | | |
| bb) (-) reinsurers' share | 9 | 194,612,150 | 10 | 4,922,739,112 |
| b) Change in recoveries net of the reinsurers' share | | | | |
| aa) Gross amount | 11 | 113,491,726 | | |
| bb) (-) reinsurers' share | 12 | 7,800,774 | 13 | 105,690,952 |
| c) Change in claims provision | | | | |
| aa) Gross amount | 14 | (537,473,989) | | |
| bb) (-) reinsurers' share | 15 | 66,472,808 | 16 | (603,946,797) |
| | | | | 17 |
| | | | | 4,213,101,363 |
| 5. CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE | | | | 18 |
| | | | | (991,610) |
| 6. REVERSALS AND PROFIT SHARING, NET OF REINSURANCE | | | | 19 |
| | | | | 5,999,149 |
| 7. OPERATING EXPENSES: | | | | |
| a) Acquisition commissions | | | 20 | 1,132,976,181 |
| b) Other acquisition costs | | | 21 | 319,859,233 |
| c) Change in commissions and other acquisition costs to be amortised | | | 22 | (936,579) |
| d) Collection commissions | | | 23 | 155,434,626 |
| e) Other administrative expenses | | | 24 | 318,905,835 |
| f) (-) Commissions and profit sharing from reinsurers | | | 25 | 149,023,946 |
| | | | | 26 |
| | | | | 1,779,088,508 |
| 8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE | | | | 27 |
| | | | | 154,236,706 |
| 9. CHANGE IN EQUALISATION PROVISIONS | | | | 28 |
| | | | | 3,106,354 |
| 10. NON-LIFE BUSINESS TECHNICAL RESULT (Item III.1) | | | | 29 |
| | | | | 452,895,507 |

| AMOUNTS FOR THE PREVIOUS YEAR | | | |
|-------------------------------|-----|---------------|-------------------|
| | | | |
| | | 111 | 6,910,306,364 |
| | | 112 | 411,635,809 |
| | | 113 | 40,336,998 |
| | | 114 | (1,988,996) |
| | | 115 | 6,456,344,561 |
| | | 116 | 355,755,825 |
| | | 117 | 44,465,858 |
| | | | |
| | | | |
| | 118 | 5,199,609,027 | |
| | 119 | 199,395,175 | 120 5,000,213,852 |
| | | | |
| | 121 | 107,689,970 | |
| | 122 | 5,699,393 | 123 101,990,577 |
| | | | |
| | 124 | (553,100,691) | |
| | 125 | (24,288,098) | 126 (528,812,593) |
| | | | 127 4,369,410,682 |
| | | | 128 (923,893) |
| | | | 129 7,873,879 |
| | | | |
| | | 130 | 1,169,351,132 |
| | | 131 | 307,431,175 |
| | | 132 | (6,499,942) |
| | | 133 | 151,369,218 |
| | | 134 | 315,002,580 |
| | | 135 | 149,913,386 |
| | | 136 | 1,799,740,661 |
| | | 137 | 175,656,728 |
| | | 138 | 3,090,434 |
| | | 139 | 501,717,753 |

2 Financial Statements for the year 2018

Income Statement

| | AMOUNTS FOR THE YEAR | | | |
|---|----------------------|---------------|------------------|------------------|
| II. LIFE BUSINESS TECHNICAL ACCOUNT | | | | |
| 1. PREMIUMS FOR THE YEAR, NET OF REINSURANCE: | | | | |
| a) Gross premiums written | | 30 | 3,129,405,686 | |
| b) (-) Premiums ceded to reinsurers | | 31 | 6,087,596 | 32 3,123,318,090 |
| 2. GAINS ON INVESTMENTS: | | | | |
| a) Gains arising from shares and holdings | | 33 | 27,581,342 | |
| (of which: from group companies and other investees | | 34 | 7,251,163) | |
| b) Gains on other investments: | | | | |
| aa) from land and buildings | 35 | 168,522 | | |
| bb) from other investments | 36 | 1,013,084,928 | 37 1,013,253,450 | |
| (of which: from group companies and other investees | | | 38 1,610,811) | |
| c) Reversals of value adjustments on investments | | 39 | 44,315,511 | |
| d) Gains on realisation of investments | | 40 | 169,572,067 | |
| (of which: from group companies and other investees | | 41 | 1,880,472) | 42 1,254,722,370 |
| 3. UNREALISED GAINS RELATING TO INVESTMENTS BENEFITING POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND | | | | 43 114,586,583 |
| 4. OTHER TECHNICAL INCOME, NET OF REINSURANCE | | | | 44 26,544,324 |
| 5. CHARGES RELATING TO CLAIMS, NET OF REINSURANCE | | | | |
| a) Amounts paid | | | | |
| aa) Gross amount | 45 | 2,618,841,968 | | |
| bb) (-) Reinsurers' share | 46 | 11,096,598 | 47 2,607,745,370 | |
| b) Change in provision for amounts payable | | | | |
| aa) Gross amount | 48 | 7,578,594 | | |
| bb) (-) Reinsurers' share | 49 | (1,286,083) | 50 8,864,677 | 51 2,616,610,047 |
| 6. CHANGE IN MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE | | | | |
| a) Mathematical provisions | | | | |
| aa) Gross amount | 52 | 461,266,928 | | |
| bb) (-) Reinsurers' share | 53 | (9,820,908) | 54 471,087,836 | |
| b) Premium provision from supplementary insurance: | | | | |
| aa) Gross amount | 55 | (93,144) | | |
| bb) (-) Reinsurers' share | 56 | | 57 (93,144) | |
| c) Other technical provisions | | | | |
| aa) Gross amount | 58 | 2,496,820 | | |
| bb) (-) Reinsurers' share | 59 | | 60 2,496,820 | |
| d) Technical provisions where the investment risk is borne by the policyholders and arising from pension fund management | | | | |
| aa) Gross amount | 61 | 432,434,038 | | |
| bb) (-) Reinsurers' share | 62 | | 63 432,434,038 | 64 905,925,550 |

| AMOUNTS FOR THE PREVIOUS YEAR | | | |
|---|-----|---------------|---------------|
| | | | |
| | | 140 | 2,892,187,546 |
| | | 141 | 6,356,284 |
| | | 142 | 2,885,831,262 |
| | | | |
| | | 143 | 57,463,436 |
| (of which: from group companies and other investees | | 144 | 49,315,703) |
| | | | |
| | 145 | 146,536 | |
| | 146 | 1,051,559,693 | 147 |
| | | | 1,051,706,229 |
| (of which: from group companies and other investees | | 148 | 430,187) |
| | | 149 | 49,298,022 |
| | | 150 | 128,061,063 |
| (of which: from group companies and other investees | | 151 | 1,168,235) |
| | | 152 | 1,286,528,750 |
| | | | 153 |
| | | | 170,971,502 |
| | | | 154 |
| | | | 23,321,374 |
| | | | |
| | 155 | 3,442,894,594 | |
| | 156 | 10,872,815 | 157 |
| | | | 3,432,021,779 |
| | | | |
| | 158 | 43,409,056 | |
| | 159 | 145,787 | 160 |
| | | | 43,263,269 |
| | | | 161 |
| | | | 3,475,285,048 |
| | | | |
| | 162 | 328,823,826 | |
| | 163 | (7,579,591) | 164 |
| | | | 336,403,417 |
| | | | |
| | 165 | (9,705) | |
| | 166 | | 167 |
| | | | (9,705) |
| | | | |
| | 168 | (28,702) | |
| | 169 | | 170 |
| | | | (28,702) |
| | | | |
| | 171 | (359,808,507) | |
| | 172 | | 173 |
| | | | (359,808,507) |
| | | | 174 |
| | | | (23,443,497) |

2 Financial Statements for the year 2018

Income Statement

| | AMOUNTS FOR THE YEAR | | | | | |
|--|----------------------|----|-------------|----|-------------|-------------|
| 7. REVERSALS AND PROFIT SHARING, NET OF REINSURANCE | | | | 65 | 1,119,045 | |
| 8. OPERATING EXPENSES: | | | | | | |
| a) Acquisition commissions | | 66 | 52,019,547 | | | |
| b) Other acquisition costs | | 67 | 35,777,430 | | | |
| c) Change in commissions and other acquisition costs to be amortised | | 68 | 1,371,497 | | | |
| d) Collection commissions | | 69 | 6,682,097 | | | |
| e) Other administrative expenses | | 70 | 57,020,232 | | | |
| f) (-) Commissions and profit sharing from reinsurers | | 71 | 1,345,823 | 72 | 148,781,986 | |
| 9. ASSET AND FINANCIAL CHARGES: | | | | | | |
| a) Investment management expenses and interest expense | | 73 | 142,076,578 | | | |
| b) Value adjustments to investments | | 74 | 214,778,131 | | | |
| c) Losses on realisation of investments | | 75 | 78,882,370 | 76 | 435,737,079 | |
| 10. UNREALISED ASSET AND FINANCIAL CHARGES RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT | | | | 77 | 218,528,036 | |
| 11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE | | | | 78 | 40,855,730 | |
| 12. (-) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (item III.4) | | | | 79 | 87,877,912 | |
| 13. LIFE BUSINESS TECHNICAL RESULT (item III.2) | | | | 80 | 63,735,982 | |
| III. NON-TECHNICAL ACCOUNT | | | | | | |
| 1. NON-LIFE BUSINESS TECHNICAL RESULT (item I.10) | | | | 81 | 452,895,507 | |
| 2. LIFE BUSINESS TECHNICAL RESULT (item II.13) | | | | 82 | 63,735,982 | |
| 3. GAINS ON NON-LIFE BUSINESS INVESTMENTS: | | | | | | |
| a) Gains arising from shares and holdings | | 83 | 76,708,174 | | | |
| (of which: from group companies and other investees | | 84 | 59,064,945 |) | | |
| b) Gains on other investments: | | | | | | |
| aa) from land and buildings | 85 | | 69,009,532 | | | |
| bb) from other investments | 86 | | 433,034,662 | 87 | 502,044,194 | |
| (of which: from group companies and other investees | | 88 | 21,026,625 |) | | |
| c) Reversals of value adjustments on investments | | 89 | 69,469,897 | | | |
| d) Gains on realisation of investments | | 90 | 135,356,521 | | | |
| (of which: from group companies and other investees | | 91 | 151,223 |) | 92 | 783,578,786 |

| AMOUNTS FOR THE PREVIOUS YEAR | | | |
|---|-----|--------------|-----------------|
| | | | 175 (235,282) |
| | 176 | 51,514,999 | |
| | 177 | 39,559,771 | |
| | 178 | 3,815,868 | |
| | 179 | 7,195,266 | |
| | 180 | 56,196,598 | |
| | 181 | 374,088 | 182 150,276,678 |
| | 183 | 144,587,882 | |
| | 184 | 107,331,643 | |
| | 185 | 57,997,823 | 186 309,917,348 |
| | | | 187 112,416,186 |
| | | | 188 37,598,233 |
| | | | 189 100,675,932 |
| | | | 190 204,162,242 |
| | | | 191 501,717,753 |
| | | | 192 204,162,242 |
| | 193 | 65,223,018 | |
| (of which: from group companies and other investees | 194 | 49,110,222) | |
| | 195 | 68,913,135 | |
| | 196 | 449,863,160 | 197 518,776,295 |
| (of which: from group companies and other investees | 198 | 17,437,333) | |
| | 199 | 93,048,677 | |
| | 200 | 263,804,649 | |
| (of which: from group companies and other investees | 201 | 472,500) | 202 940,852,639 |

2 Financial Statements for the year 2018

Income Statement

| | AMOUNTS FOR THE YEAR | | |
|--|----------------------|-------------|-----------------|
| 4. (+) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (item II.12) | | | 93 87,877,912 |
| 5. NON-LIFE BUSINESS ASSET AND FINANCIAL CHARGES: | | | |
| a) Investment management expenses and interest expense | 94 | 142,681,057 | |
| b) Value adjustments to investments | 95 | 376,697,638 | |
| c) Losses on realisation of investments | 96 | 57,697,122 | 97 577,075,817 |
| 6. (-) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (item I.2) | | | 98 151,498,635 |
| 7. OTHER INCOME | | | 99 160,687,860 |
| 8. OTHER CHARGES | | | 100 341,676,646 |
| 9. PROFIT (LOSS) FROM ORDINARY OPERATIONS | | | 101 478,524,949 |
| 10. EXTRAORDINARY INCOME | | | 102 178,765,405 |
| 11. EXTRAORDINARY EXPENSES | | | 103 108,583,729 |
| 12. PROFIT (LOSS) FROM EXTRAORDINARY OPERATIONS | | | 104 70,181,676 |
| 13. PRE-TAX PROFIT (LOSS) | | | 105 548,706,625 |
| 14. INCOME TAX FOR THE YEAR | | | 106 135,921,401 |
| 15. PROFIT (LOSS) FOR THE YEAR | | | 107 412,785,224 |

| AMOUNTS FOR THE PREVIOUS YEAR | | | |
|-------------------------------|-----|-------------|-----------------|
| | | | 203 100,675,932 |
| | | | |
| | 204 | 155,188,111 | |
| | 205 | 194,868,218 | |
| | 206 | 111,589,281 | 207 461,645,610 |
| | | | 208 355,755,825 |
| | | | 209 176,974,179 |
| | | | 210 306,224,372 |
| | | | 211 800,756,938 |
| | | | 212 71,289,981 |
| | | | 213 55,295,951 |
| | | | 214 15,994,030 |
| | | | 215 816,750,968 |
| | | | 216 239,552,006 |
| | | | 217 577,198,962 |

2 Financial Statements for the year 2018

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

Legal representatives of the Company (*)

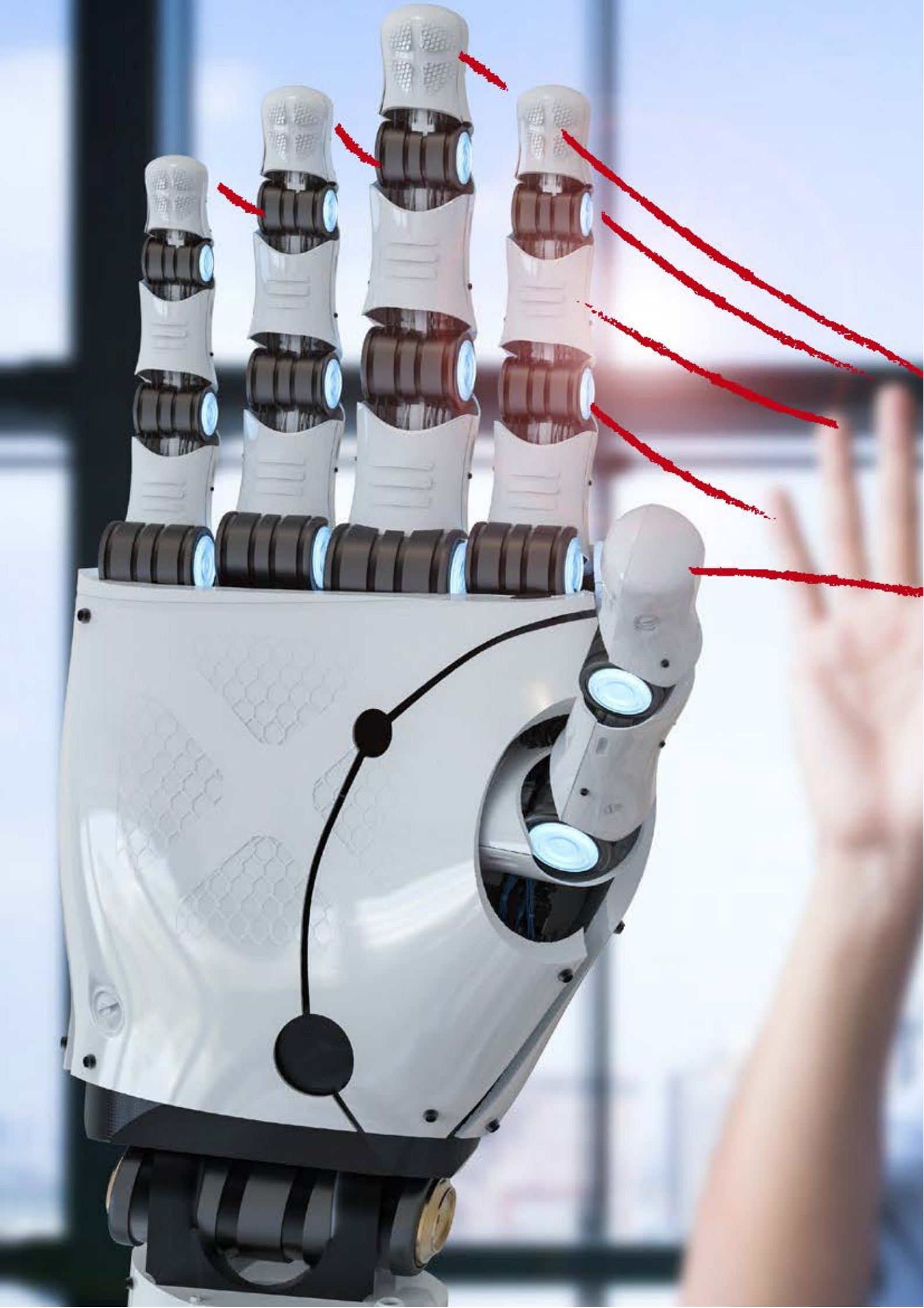
The Chairman

Carlo Cimbri

(**)

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

(**) Specify the office of the party signing





3

NOTES TO THE
FINANCIAL
STATEMENTS

3 Notes to the Financial Statements

Foreword

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

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

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

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

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

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

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

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

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

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

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

Part A: Measurement criteria

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

Intangible assets

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

Acquisition commissions to be amortised

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

Start-up and expansion costs

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

Goodwill

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

Other long-term costs

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

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

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

Trademarks are amortised in ten years.

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

Investments

Land and buildings

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

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

Assets that suffer impairment losses are written down.

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

Investments in group companies and other investees

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

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

Other financial investments

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

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

for the Life business

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

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

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

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

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

for the Non-Life business

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

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

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

Shares and mutual fund units

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

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

Bonds and other fixed-yield securities

The securities held long term among the Company's assets are measured at the average purchase or subscription cost, adjusted or integrated by an amount equal to the accrued portion for the year of the negative or positive difference between the repayment value and the purchase price, with separate recognition of the portion for the year relating to any issue spreads. Write-downs are made only in the event of confirmed impairment. For implied rate securities (zero coupon bonds, etc.) the capital adjustment already accrued during the year is taken into account.

Securities used for current commitments are aligned to the lower between the average cost, increased or adjusted for issue spreads matured and the return accrued on implied rate securities, and that of the market (for listed securities) formed from the arithmetic mean of prices recorded in December and (for unlisted securities) from the estimated realisable value at the end of the year, determined on the current value of securities traded on regulated markets and with similar characteristics.

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

Loans

They are recognised at their estimated realisable value.

Financial derivatives

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

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

3 Notes to the Financial Statements

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

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

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

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

On expiry of the option:

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

Gains on securities

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

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

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

Deposits with ceding companies

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

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

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

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

Receivables

They are recognised at their estimated realisable value.

In particular:

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

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

Other assets

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

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

Subordinated liabilities

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

Accruals and deferrals

Accruals and deferrals are calculated on an accrual basis.

Non-Life business technical provisions

Premium provision

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

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

3 Notes to the Financial Statements

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

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

Other technical provisions

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

Equalisation provisions

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

Claims provision

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

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

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

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

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

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

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

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

Some examples of what affects the trends could be:

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

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

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

Life Business Technical Provisions

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

1. Mathematical Provisions:

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

2. Additional Provisions:

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

3 Notes to the Financial Statements

3. Provision for amounts payable:

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

4. Technical provisions for supplementary insurance:

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

5. Provision for profit sharing and reversals:

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

6. Other Technical Provisions:

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

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

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

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

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

Provisions for risks and charges

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

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

In particular:

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

Income tax for the year

Starting from the 2015 tax year, and subsequently renewed for the three-year period 2018-2020, UnipolSai has opted for the Group tax regime regulated by Art.117 et seq. of Italian Presidential Decree no. 917/86, under the tax consolidating company Unipol Gruppo, together with its own subsidiaries that meet the regulatory requirements. An agreement was signed with the consolidating company, regulating the financial and procedural aspects governing the option in question.

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

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

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

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

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

Payables and other liabilities

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

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

Treasury shares

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

Earned premiums

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

Profit from investments in the income statement

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

3 Notes to the Financial Statements

Inwards reinsurance

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

Translation of balances in foreign currencies

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

Exchange rates used

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

| Currencies | 31/12/2018 | 29/12/2017 |
|-----------------|------------|------------|
| US Dollar | 1.1450 | 1.1993 |
| Pound Sterling | 0.8945 | 0.8872 |
| Swiss Franc | 1.1269 | 1.1702 |
| Canadian Dollar | 1.5605 | 1.5039 |
| YEN | 125.8500 | 135.0100 |
| Swedish Krona | 10.2548 | 9.8438 |

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

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

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

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

Acquisition costs

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

Settlement expenses

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

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

Administrative expenses

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

Gains on investments

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

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

Asset and financial charges

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

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

Other gains and other losses

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

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

Extraordinary income and expenses

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

Income tax

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

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

Uncertainty in the use of estimates

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

As regards the 2018 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.

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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 equity 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 €412,785k, €227,689k of which in the Non-Life business and €185,096k 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 2018 amounted to €774,252k, decreasing by €43,913k (-5.4%) compared to the financial position of the previous year. The main components are commented below.

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

Acquisition commissions to be amortised totalled €75,430k, €54,934k of which in the Life business and €20,496k in the Non-Life business. The change is positive by 435k compared to the financial position of the previous year.

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

The item amounts to €183k and it consists of expenses pertaining to the planned integration between Unipol Assicurazioni and the companies of the former Fondiaria-SAI Group amortised starting from 2014 in line with commencement of the legal effects of the merger. The change from the previous year amounts to -€6,057k and it corresponds to the portion amortised in the period.

1.3 Goodwill (item B.4)

Goodwill came to a total of €493,770k, €390,764 of which belonging to the Non-Life business and €103,006 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 €25,536k regarding Non-Life and €20,563k 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 €44,258k in the Non-Life business and €32,424k 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 €325,970k of which €276,071k related to the Non-Life business and €49,899k to Life;

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- 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 €928k 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 €120k attributed entirely to the Life business.
- the deficit emerging from the merger of Liguria and Liguria Vita, which took place on 31 January 2016 with accounting effect on 1 January 2016 for a residual amount of €43,971k allocated entirely to the Non-Life business.

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

Other long-term costs, amounting to €204,869k (item B5), recorded a net increase of €16,780k compared to the 2017 figure. Of this item, €7,904k referred to the Life business and €196,964k to the Non-Life business.

The changes during the year are listed and summarised in the following table:

| <i>Valori in migliaia di euro</i> | 31/12/2017 | Purchases | Amortisation/ depreciation | 31/12/2018 |
|--------------------------------------|----------------|---------------|-------------------------------|----------------|
| Development and integration projects | 120,410 | 50,522 | 27,415 | 143,518 |
| Software and Licences | 42,504 | 8,584 | 10,697 | 40,391 |
| Improvements to third party assets | 23,368 | 4,357 | 8,053 | 19,672 |
| Other long-term expenses | 1,874 | 42 | 628 | 1,287 |
| Total | 188,156 | 63,505 | 46,793 | 204,869 |

The largest component regards the expenses for third party services relating to IT development and integration projects amounting to €143,518k, the increases in which are mainly due to the following most noteworthy projects: the new claims platform "Liquido" (€3,852k), the new Group MV System (€2,004k), the project for the evolution of technological and applicative architectures (€3,428k), the project for the development of the Essig platform (€7,268k), the multi-channel project (€5,569k), the DWH integration project (€520k), the IT- accounting system integration project totalling €947k (€610k Non-Life and €337k Life), the Solvency II project (€2,200k), the IFRS 17 project (€5,663k), the project to develop the platform for insurance advice (€431k) and lastly, the electronic invoice implementation project totalling €1,361k.

Other long-term expenses included trademarks for €90k.

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 summarised in Annex 4.

Section 2 - Investments (item C)

2.1 Land and buildings (item C.I)

Class C.I asset accounts net of their depreciation broke down as follows at 31 December 2018:

| <i>Amounts in €k</i> | Assets | Accum. deprec. | Net assets |
|-----------------------------------|------------------|----------------|------------------|
| Property for own use | 616,945 | 141,972 | 474,973 |
| Property for use by third parties | 1,886,048 | 283,414 | 1,602,634 |
| Other property | 16,299 | | 16,299 |
| Other rights | 2,630 | 350 | 2,279 |
| Fixed assets in progress | 69,951 | | 69,951 |
| Total | 2,591,872 | 425,736 | 2,166,135 |

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

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 €13,580k to property investment as they are considered long-term.

The total current value of property at 31 December 2018 amounted to €2,404,845k, increasing by approximately €238,710k 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> | 2018 |
|--|------------------|
| Movements during the period | |
| Gross property at 31/12/2017 | 2,766,615 |
| New investments/improvements | 72,898 |
| Sales and other reductions | 234,061 |
| Write-downs of property | 13,580 |
| Gross property at 31/12/2018 | 2,591,872 |
| Accum. depreciation previous year | 390,574 |
| Amount of depreciation for the year | 47,745 |
| Decreases for disposals | 12,583 |
| Accumulated depreciation at 31 December | 425,736 |
| Net property at 31/12/2018 | 2,166,135 |

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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.

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 2018 was €3,838,369k versus €3,539,979k in the previous year, with a net increase of €298,390k. The changes in the period were as follows:

| <i>Amounts in €k</i> | |
|---|------------------|
| Movements during the period | 2018 |
| Opening balance | 3,539,979 |
| Purchases and subscriptions | 631,500 |
| (Impairment) and reversals of impairment losses | (41,396) |
| Other increases | 227,193 |
| Other decreases | (13,506) |
| Sales | (505,400) |
| Balance at 31/12/18 | 3,838,369 |

Purchases refer to:

- ✓ Arca Vita S.p.A. (€475,000k).

The subscriptions refer to:

- ✓ Linear S.p.A. (€20,000k);
- ✓ Meridiano Secondo S.r.l. (€6,500k).
- ✓ UnipolSai Nederland B.V. (€100,000k);
- ✓ UniSalute S.p.A. (€30,000k);

Impairment refers to the following equity investments:

- ✓ Unipol Banca S.p.A. (€50,053k);
- ✓ Nuove Iniziative Toscane S.r.l. (€26,888k);
- ✓ Villa Ragionieri (€1,905k);
- ✓ Ambra Property (€705k).

In addition, reversals of impairment losses relating to the following investments should be noted:

- ✓ UnipolSai Finance (€30,942k);
- ✓ Incontra Assicurazioni (€3,772k);
- ✓ Auto Presto & Bene (€3,441k).

The other increases are exclusively due to the transfer into item C.II.1.e) Investments in shares of other investees, of BPER shares recognised at the end of the previous year under C.III.1.a) Other financial investments - listed shares. In fact, at the same time as the purchase by Unipol Gruppo of a direct incremental investment in BPER Banca S.p.A., after authorisation obtained from the competent authorities, to increase to 19.90% of the Bank's share capital, given the purpose of the investment, which is to sustain the medium-long term development plans of the investee with which the Unipol Group has a business partnership in the Non-Life and Life bancassurance business, on 22 June 2018, UnipolSai reclassified it in the long-term investment segment and qualified the entire portfolio of BPER shares held (47.5 million shares, corresponding to 9.87% of share capital) as equity investment, pursuant to IVASS Regulation no. 22/2008, previously classified under short-term investments. The transfer was made for a total amount of €227,193k, corresponding to the market value of the BPER shares on the transfer date, in application of the valuation criteria for the segment in question.

Sales refer exclusively to the disposal of the subsidiary Popolare Vita.

The other decreases were due by €4,041k to the assignment of shares of the Unipol holding company to executive personnel, under the compensation plans based on financial instruments, and €9,464 to the liquidation of Sai Mercati Mobiliari.

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

- Arca Vita S.p.A.: implementing the resolutions of the Boards of Directors of Unipol and UnipolSai of 22 March 2018, on 23 March 2018, the Sale Agreement between Unipol Gruppo S.p.A. and UnipolSai Assicurazioni S.p.A. was signed regarding 63.39% of Arca Vita S.p.A. After obtaining the appropriate authorisations, on 7 August 2018, UnipolSai acquired 22,005,690 ordinary Arca Vita shares from Unipol, against a payment of €475,000k.
- Butterfly AM S.a.r.l.: on 17 October 2018, following a resolution of the Board of Directors of 1 October 2018 and a disclosure to the shareholders' meeting on 10 October 2018, the start of bankruptcy proceedings was requested.
- Emittenti Titoli S.p.A. in liquidazione: on 13 September 2018, the company was cancelled from the Register of Companies.
- Linear S.p.A.: on 21 December, a capital account payment of €20,000k was made, eligible as Tier 1 Own Funds. This payment enabled the subsidiary to improve its solvency ratios at 31 December 2018.
- Meridiano Secondo S.r.l.: on 14 March, a capital account payment of €6,500k was made, to pay the costs relating to the design and construction of the Unipol Tower in Milan.
- Popolare Vita S.p.A.: on 11 January 2018, the agreement was signed for disposal of the investment held (21,960,001 shares, equal to 50%+1 of the share capital) to the banking partner Banco BPM, following failure to renew the distribution agreements and subsequent exercise of the put option envisaged in the Shareholders' Agreement. On 29 March, following fulfilment of the contractually envisaged conditions precedent, the shares were transferred and the price of €535,516k was collected, with subsequent realisation of a net capital gain of €30,116k.
- Sai Mercati Mobiliari S.p.A. in liquidazione: on 13 March, the final liquidation statements at 28 February 2018 were approved. On the same date, as envisaged by the final liquidation allocation plan, €9,879k was disbursed following the closure of the current bank account of Sai Mercati Mobiliari and receivables totalling €220k were transferred. On 5 April the company was removed from the Register of Companies of Milan.
- Taverna International S.r.l. in liquidazione: the company was cancelled from the Register of Companies of Genoa on 16 May 2018 following the bankruptcy procedure.
- UnipolReC S.p.A.: on 1 February 2018, the proportional spin-off of Unipol Banca S.p.A. took effect in favour of the newco UnipolReC S.p.A.. The spin-off agreement was signed on 16 January 2018. The share capital of UnipolReC (equal to €290,122,715) is divided in 290,122,715 shares without nominal value, 57.75% of which held by Unipol and 42.25% by UnipolSai.

Pursuant to the contractual agreements in force on the spin-off date, the put/call option, in place between Unipol and UnipolSai and involving Unipol Banca shares, was also automatically extended to 79,766,325 UnipolRec shares issued at the time of the spin-off for a share corresponding to 27.49%, without triggering any changes on the total put exercise price. The investment in UnipolReC, corresponding to 42.25% of share capital, was recognised at a value of €254,061k, €207,856k of which related to the shares under the put option. This value was calculated by allocating, to the company divided and the beneficiary company, proportionally to their respective shareholders' equity on the date of the spin-off, the value of the investment already held in Unipol Banca and recognised at 31 December 2017 for €707,797k, €579,073k of which referred to shares under the put option.

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- Unipol Banca S.p.A.: further to the spin-off cited above, the share capital of Unipol Banca was reduced to €290,122,715, without cancellation of shares as they were without nominal value. The value of the investment held by UnipolSai in Unipol Banca was reduced by an amount equal to the initial recognised amount of the investment in UnipolReC, standing at €453,736k on the spin-off date, €371,217k of which referred to the shares under the put/call option in place with Unipol.
As better illustrated in the Management Report, in 2018, in agreement with the holding company Unipol, activities began to prepare for the disposal of the investment, which led to the signature on 7 February 2019 of agreements with BPER for the sale to the latter of all of the Unipol Banca shares held by UnipolSai and by the holding company Unipol, for a total value of €220m. With regard to this, UnipolSai reclassified the entire investment held in Unipol Banca under current assets at 31 December 2018 and recorded a value adjustment of €50,053k, in order to align the value of the shares not covered by the put option to the sale value of those sold to BPER.
- UnipolSai Nederland B.V.: on 10 December, a payment of €100,000k was made to the parent's Share Premium reserve, as provided by the Capital Contribution Agreement executed on the same date. The purpose of the payment was to provide the subsidiary with the liquidity needed to subscribe the capital increase for the same amount as resolved by UnipolRe.
- UniSalute S.p.A.: on 21 December, a payment of €30,000k was made for future capital increases. This payment enabled UniSalute to improve its solvency ratios at 31 December 2018. On 27 December, the shareholders' meeting of UniSalute resolved on a divisible share capital increase against payment, to be offered under option to Shareholders, to a maximum of €60,894,301, and notified IVASS. In January 2019, UnipolSai released its portion of the share capital increase, corresponding to a total of €60,000k, using the above-mentioned payment for future share capital increases together with payments for future share capital increases already made in the past for a further €30,000k.

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

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

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

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

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

The current amount of investments is €3,777,800k, whilst their carrying amount comes to €3,838,369k.

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 |
|--|-------------------------------------|---------------------|-------------------------------------|------------|
| Ddor Novi Sad Ord Eur-Novu Sad- RS | 100.00% | 85,971 | 48,816 | (37,155) |
| UnipolSai Nederland Bv-Amsterdam- NL | 100.00% | 390,988 | 350,453 | (40,536) |
| Nuove Iniziative Toscane Srl-Firenze- IT | 100.00% | 79,523 | 79,462 | (62) |
| UnipolSai Servizi Previdenziali Srl-Firenze- IT | 100.00% | 762 | 650 | (113) |
| Villa Ragionieri Srl-Firenze- IT | 100.00% | 56,380 | 51,763 | (4,617) |
| Linear Assicurazioni Spa-Bologna- IT | 100.00% | 180,000 | 118,713 | (61,287) |
| UniSalute Spa-Bologna- IT | 98.53% | 745,000 | 181,611 | (563,389) |
| Arca Vita Spa-Verona- IT | 63.39% | 475,000 | 217,727 | (257,273) |
| Marina Di Loano Spa-Loano- IT | 100.00% | 81,709 | 78,953 | (2,756) |
| Meridiano Secondo Srl-Milano- IT | 100.00% | 25,182 | 22,399 | (2,783) |
| AlfaEvolution Technology Spa-Bologna- IT | 100.00% | 90,000 | 84,819 | (5,181) |
| Ambra Property Srl-Bologna- IT | 100.00% | 55,445 | 53,629 | (1,816) |
| Penta Domus Spa In Liquidazione-Torino- IT | 24.66% | | (1,494) | (1,494) |
| Hotel Villaggio Cdm Spa In Liquidazione-Modena- IT | 49.00% | | (1,924) | (1,924) |
| Garibaldi Sca-Lussemburgo- LU | 32.00% | 660 | (2,237) | (2,897) |
| Isola (Ex Hedf Isola)-Lussemburgo- LU | 29.56% | 1,598 | (1,216) | (2,815) |
| Butterfly Am Sarl-Lussemburgo- LU | 28.57% | | (3,678) | (3,678) |

With regard to investments held in insurance companies, note that any carrying amount in excess of the corresponding portion of the carrying amount of shareholders' equity, refers to the equity, economic and strategic value of the company together with its future profitability. In particular, the following should be noted:

UniSalute: to calculate the value in use of the investment, an excess capital version of a Dividend Discount Model (DDM) was used.

Linear: to calculate the value in use of the investments, an excess capital version of a Dividend Discount Model (DDM) was used.

DDOR Novi Sad: to calculate the value in use of the investment, an excess capital version of a Dividend Discount Model (DDM) was used.

Arca Vita: Arca Vita which in turn holds equity investments in Arca Vita International DAC ("Arca Vita International") and in Arca Assicurazioni S.p.A. ("Arca Assicurazioni") was recognised in the Company's financial statements at the acquisition value. Note that in consideration of the controlling relationship between Unipol and UnipolSai, the above-cited acquisition transaction constituted, for UnipolSai, a related party transaction in accordance with Consob Regulation no. 17221/2010 and with the procedure for carrying out related party transactions adopted by the Company. To this end, the Board of Directors of the Company was supported in its evaluations by leading independent experts who issued appropriate fairness opinions on the final price that was identified.

With regard to impairment testing at 31 December 2018, merely to verify the same, the value in use of the investment was calculated using the Sum of Parts ("SoP") method, using an Appraisal type method for Arca Vita and Arca Vita International, and the excess capital version of the Dividend Discount Model (DDM) for Arca Assicurazioni. These analyses showed that the carrying amount of the investment in UnipolSai's financial statements at 31 December 2018 was confirmed as the value obtained using the above-mentioned methods.

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As regards the investments held in companies other than insurance ones, the following are of note:

Meridiano Secondo: the higher amount recognised in the financial statements relative to the corresponding portion of shareholders' equity is due 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 €26,888k 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 €1,905k 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 and to entries pertaining to tax items.

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

AlfaEvolution Technology: the greater value recognised compared to the corresponding portion of shareholders' equity is supported by the valuation of the company at 31 December 2018 made using the Discounted Cash Flow (DCF) method.

Ambra Property: a €705k 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.

UnipolSai Servizi Previdenziali: the recognised value in excess of the corresponding portion of shareholders' equity is justified by the profitability expected from that investment, following the redefinition of the company's business activities as the "insourcing" of services for the administrative management of the Group's open pension funds.

With regards to the associates, note that a provision for risks and charges has been 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 2018, bonds issued by Group companies and other investees amounting to €10,603k had been booked, all classified under long-term investments and unchanged with respect to last year's figure.

Currently, the item includes the following bonds:

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

Loans to Group companies and other investees

Loans to Group companies (item C.II.3) amounted to €438,395k at 31 December 2018, with an increase of €114,744k compared to the previous year's figure.

The item includes the following loans:

| <i>Amounts in €k</i> | | |
|------------------------------|----------------|----------------|
| Loans | 2018 | 2017 |
| Unipol Gruppo | 267,835 | 267,785 |
| UnipolReC | 106,258 | - |
| Meridiano Secondo | 36,812 | 36,813 |
| AlfaEvolution Technology | 10,000 | - |
| Borsetto S.r.l. | 6,271 | 6,271 |
| Società Edilizia Immobiliare | 5,619 | 4,994 |
| Casa di Cura Villa Donatello | 5,600 | 5,400 |
| Centro Oncologico Fiorentino | - | 1,952 |
| Penta Domus | - | 436 |
| Total | 438,395 | 323,651 |

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.

As already extensively illustrated in the Management Report, the increase was substantially due to the loan disbursed to Unipol Banca as part of the spin-off and transferred to the beneficiary UnipolReC for the original amount of €126,750k, partially repaid in 2018 (€20,492k). In 2018, a loan was also disbursed to AlfaEvolution Technology of €10,000k. The loan in place with Penta Domus was also partially repaid, the residual debt of which of €1,344k is entirely covered by the value adjustments recognised last year. There is also a loan in place with Butterfly for €129k, the entire amount of which has been written off. On 31 January 2018, the Centro Oncologico Fiorentino fully repaid its outstanding loan at the end of 2017.

2.3 Other financial investments (item C.III)

The total balance of this item amounted to €36,127,998k, increasing by €274,144k compared to 31 December 2017 (+0.8%). The main components can be summed up as follows:

| <i>Amounts in €k</i> | | | |
|--|-------------------|-------------------|----------------|
| | 2018 | 2017 | Change on 2017 |
| C.III.1 Shares and holdings | 541,928 | 819,844 | (277,916) |
| C.III.2 Mutual investment fund units | 3,191,157 | 2,716,676 | 474,482 |
| C.III.3 Bonds and other fixed-yield securities | 32,265,543 | 32,109,474 | 156,069 |
| C.III.4 Loans | 25,281 | 126,405 | (101,124) |
| C.III.6 Bank deposits | 6,065 | 6,582 | (516) |
| C.III.7 Sundry financial investments | 98,023 | 74,873 | 23,150 |
| Total | 36,127,998 | 35,853,854 | 274,144 |
| | | | 0.8% |

3 Notes to the Financial Statements

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

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

Transactions involving bonds attributed to the long-term segment

To ensure the availability of freely negotiable investments, the Company has adopted an Investment Policy that was approved with a board of directors' resolution on 9 February 2018 (revised on 14 March 2019), 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 2018, calculated as explained above, consists of the following, separately for the Non-Life and Life businesses:

Amounts in €k

| | |
|--|-------------------|
| Non Life- Business | 2018 |
| C.III.1 Shares and holdings | 176,639 |
| C.III.2 Mutual investment fund units | 1,821,706 |
| C.III.3 Bonds and other fixed-yield securities | 8,220,416 |
| Total | 10,218,761 |

Total long-term investments in the Non-Life business at 31 December 2018 amounted to €3,691,744k, which is 36.13% of total financial investments.

In 2018, no transfers were made from the long-term segment to the short-term segment and vice versa, with the exception of that relating to the BPER Banca S.p.A. shares transferred on 22 June 2018 to investments belonging to financial statement item C.II. "Investments in group companies and other investees-other". In this regard, refer to Section 2.2 of these Notes to the Financial Statements.

During the period, the units of a mutual investment fund were sold in two tranches for a total of €9,305k, recognising a loss of €8,857k.

Amounts in €k

| | |
|--|-------------------|
| Life- Business | 2018 |
| C.III.1 Shares and holdings | 365,289 |
| C.III.2 Mutual investment fund units | 1,369,451 |
| C.III.3 Bonds and other fixed-yield securities (*) | 23,926,238 |
| Total | 25,660,978 |

(*) Except those covering defined benefit policies

Total long-term investments in the Life business at 31 December 2018 amounted to €16,006,045k (not including those covering defined benefit policies), which is 62.38% of total financial investments.

In the first half of the year, no transfers were made from the long-term segment to the short-term segment and vice versa. The disposals concerned a single bond of a nominal €5,000k, recognising a capital gain of €201k.

For more information on the sale of long-term securities 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 €541,928k, down by €277,916k compared to 31 December 2017 (-33.9%). Net value adjustments recognised at year end amounted to €62,130k.

Item C.III.2 "mutual investment fund units" amounted to a balance of €3,191,157k at 31 December 2018, with an increase of €474,482k compared to 31 December 2017. Net value adjustments recognised at year end amounted to €149,510k.

"Bonds and other fixed-yield securities" (item C.III.3) at 31 December 2018 broke down as follows:

| <i>Amounts in €k</i> | 2018 | % Comp. | 2017 | Change on 2017 |
|--|-------------------|--------------|-------------------|-------------------|
| Securities issued by Gov., pub. entities | | | | |
| listed | 21,627,782 | 67.0 | 21,129,189 | 498,592 |
| unlisted | 292,314 | 0.9 | 255,476 | 36,839 |
| Convertible bonds | 1,051 | 0.0 | 851 | 200 |
| Other listed securities | 10,213,364 | 31.7 | 10,604,996 | (391,632) |
| Other unlisted securities | 131,032 | 0.4 | 118,962 | 12,071 |
| Total | 32,265,543 | 100.0 | 32,109,474 | 156,069 |
| | | | | 0.5% |

The separation between long-term commitments and short-term commitments is €19,776,152k and €12,489,392k, respectively.

The government securities and other listed securities, for the nominal amount of €34,207,879, are recorded in the financial statements for €31,841,146k. If measured based on the average of the December 2018 prices, these securities would amount to a total of €33,123,238k.

Of the bonds classified as financial assets, securities amounted to a total countervalue of €19,776,152k, with a fair value of €20,458,256k.

Net value adjustments recorded on the portion of bonds included in the current assets portfolio amounted to -€217,811k.

The unlisted securities, for the nominal amount of €454,132k, are recorded in the financial statements for €423,347k, with respect to the market value of €454,503k measured at the end of the period.

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

3 Notes to the Financial Statements

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 76.4% of the entire portfolio.

Amounts in €k

| Issuer | Carrying amount |
|-----------------------------|-------------------|
| Tesoro Italia | 18,089,724 |
| Tesoro Spagna | 2,021,876 |
| Corsair Finance Ireland Ltd | 421,756 |
| Tesoro Portogallo | 391,596 |
| Comunitad De Catalunya | 278,851 |
| Generali Spa | 234,990 |
| Unicredit Spa | 231,416 |
| Comunidad De Madrid | 229,856 |
| Jpmorgan Chase & Co | 221,544 |
| Banco Santander Sa | 220,964 |
| Banco Bpm Spa | 199,840 |
| Intesa Sanpaolo Spa | 190,299 |
| Deutsche Bank Ag | 185,401 |
| Axa Sa | 183,327 |
| Tesoro Irlanda | 179,951 |
| Barclays Plc | 179,402 |
| Goldman Sachs Group Inc | 174,149 |
| Hsbc Holdings Plc | 165,318 |
| Commerzbank Ag | 145,140 |
| Credit Agricole Assurances | 142,016 |
| Bnp Paribas Sa | 139,954 |
| Cnp Assurances | 139,179 |
| Enel Spa | 137,877 |
| Abn Amro Bank Nv | 132,466 |
| Total | 24,636,891 |

The securities portfolio includes €6,891,093k relating to subordinated bonds; the details are provided in the chapter "Additional tables appended to the Notes to the Financial Statements", which shows the main characteristics of these investments.

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

| <i>Amounts in €k</i> | 2018 |
|--------------------------|----------|
| Positive issue spreads | 21,938 |
| Negative issue spreads | (665) |
| Positive trading spreads | 74,715 |
| Negative trading spreads | (38,862) |
| Zero coupon adjustments | 182,395 |

Item C.III.4 "loans", amounting to €25,281k, recording a decrease of €101,124k against the 2017 figure, consists of €23,151k for loans on policies and €2,130k for other loans that comprise €1,360k for loans granted to Agents guaranteed by the portfolio indemnity and, in the event this is insufficient, by the special agent suretyship policy, €744k for loans granted to employees. The change against 31 December 2017 is substantially due to the repayment made on 13 July 2018 of the subordinated loan corresponding to a nominal amount of €95,000k disbursed to P&V Assurance. For this loan, originally underwritten by Unipol Gruppo and then transferred to UnipolSai, an offer to convert the same into newly-issued Bonds was made, which the Company decided to accept.

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

Item C.III.6, totalling €6,065k, refers to term "bank deposits" with a duration of more than 15 days, with a decrease by €516k compared to 31 December 2017 due to the closure of a deposit at Monte Paschi Siena.

Several transactions were carried out during the year with reference to the Life business, as summarised below.

| <i>Amounts in €</i> | | | |
|------------------------------------|----------------|------------------|---------------|
| Credit institution | Nominal value | Transaction date | Maturity date |
| Banca Popolare dell'Emilia Romagna | 150,000,000.00 | 08/02/2018 | 05/03/2018 |
| Banca Popolare dell'Emilia Romagna | 200,000,000.00 | 06/03/2018 | 06/04/2018 |
| Banca Popolare dell'Emilia Romagna | 50,000,000.00 | 06/04/2018 | 05/06/2018 |
| Banco Popolare | 45,000,000.00 | 27/09/2018 | 15/11/2018 |

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

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|----------------------------|---------------|---------------|----------------|
| Premiums for call options | 18,730 | 25,250 | (6,520) |
| Premiums for put options | 66,593 | 36,923 | 29,670 |
| Premiums for other options | 12,700 | 12,700 | |
| Total | 98,023 | 74,873 | 23,150 |
| | | | 30.9% |

The change over the previous year is mainly due to the end-of-period valuations of the put and call options, to the early termination of 2 call options purchased on indices, to the purchase of 10 put options on indices, and to the early termination of 10 put options on indices.

2.4 Deposits with ceding companies (item C.IV)

These receivables at 31 December 2018 amounted to €12,325k, decreasing by €2,774k compared to the 2017 figure (-18.4%).

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

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

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

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

The balance of Class D.I amounted to €562,565k, which increased by €124,109k compared to the previous year (+28.3%).

During the period assets were transferred from Class D.I to Class C totalling €25k in the cases of portions of excess assets no longer representative of the technical commitments, which were therefore released from the particular hedging destination that characterises the assets entered in Class D.I (as explained in Art. 21 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent integrations and amendments).

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

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

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

At the end of 2018, these investments amounted to a total of €4,020,374 k, increasing by €289,419k (+7.8%) compared to the previous year.

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

- no. 12 (Total);
- no. 12/4 for "UnipolSai Previdenza FPA";
- no. 12/7 for "Cometa";
- no. 12/8 for "Arco";
- no. 12/10 for "Alifond";
- no. 12/11 for "Byblos";
- no. 12/13 for "Telemaco";
- no. 12/16 for "Fondapi";
- no. 12/18 for "Previmoda";
- no. 12/19 for "Fonte";
- no. 12/20 for "Fondinps"
- no. 12/21 for "Perseo Sirio Gar.";
- no. 12/22 for "Cometa Sicurezza 2015 Gar.";
- no. 12/23 for "F.do Pens. Prev. Cooperativa Gar.";
- no. 12/25 for "F.do Pens. Cariplo Gar.";
- no. 12/26 for "F.do Pens. Mediafond Gar.";
- no. 12/27 for "F.do Pens. Eurofer Gar.";
- no. 12/28 for "F.do Pens. Prevedi Sicurezza Gar.";
- no. 12/29 for "F.do Pens. Agrifondo 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 Pension Fund has been drawn up for the year ended at 31 December 2018, 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 2018 amounted to €636,210k. The breakdown and change compared with the previous year are summarised in the following table:

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|------------------------------------|----------------|----------------|----------------|
| Life business technical provisions | 38,517 | 48,327 | (9,810) |
| Life business - amounts payable | 1,896 | 3,182 | (1,286) |
| Non-Life premium provision | 88,846 | 101,266 | (12,421) |
| Non-Life claims provision | 506,950 | 439,674 | 67,277 |
| Total | 636,210 | 592,449 | 43,760 |
| | | | 7.4% |

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

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

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

Section 5 - Receivables (item E)

The balance of this item at 31 December 2018 is €2,794,165k. The breakdown and change compared with the previous year are summarised in the following table:

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|---|------------------|------------------|----------------|
| E.I.1 Due from policyholders for premiums | 613,341 | 573,413 | 39,928 |
| E.I.2 Receivables from ins. intermediaries | 850,867 | 880,231 | (29,364) |
| E.I.3 Insurance company current accounts | 23,486 | 28,707 | (5,221) |
| E.I.4 Policyholders and third parties for amounts to be recovered | 95,430 | 109,593 | (14,163) |
| E.II Receivables relating to reinsurance business | 44,477 | 65,640 | (21,163) |
| E.III Other receivables | 1,166,563 | 1,046,313 | 120,250 |
| Total | 2,794,165 | 2,703,898 | 90,267 |
| | | | 3.3% |

3 Notes to the Financial Statements

Receivables from policyholders (item E.I.1) accounted for 6.1% of direct premiums of the year (5.9% in 2017). These receivables included receivables of doubtful collection, against which a write-down of €48,852k was made, compared to €67,985k at 31 December 2017. The write-down of the bad debt provision was made taking into account the historic trend on the non-recoverability of the receivables in subsequent periods. The change in provisions against that of the previous period led to the recognition of technical income of €19,133k. Significant unit amounts in the receivables of doubtful collection are not reported.

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 €19,480k, was sufficient to cover the receivables of doubtful collection.

Receivables from policyholders and third parties for amounts to be collected amounted to €95,430k, and are recorded at their estimated realisable value. The balance of this item at 31 December 2017 decreased by €14,163k.

Receivables from insurance and reinsurance companies and from reinsurance intermediaries (item E.II), for the most part short-term, derived from inwards and outwards reinsurance relations, and amounted to €44,477k at 31 December 2018, decreasing by €21,163k compared to 2017 (-32.2%). These amounts are net of the relevant bad debt provision that totalled €24,427k. The doubtful positions are measured individually.

"Other receivables" (item E.III) amounted to €1,166,563k (up by €120,250k compared to 31/12/2017). The breakdown and change compared with the previous year are summarised in the following table:

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|--------------------------------|------------------|------------------|----------------|
| Tax authorities | 616,172 | 539,124 | 77,048 |
| Group companies | 184,204 | 35,098 | 149,106 |
| Mutuelle Du Mans | 20,643 | 23,287 | (2,644) |
| Roadway Accident Victims Fund | 32,696 | 66,836 | (34,140) |
| Derivative contract guarantees | 195,231 | 206,621 | (11,390) |
| Sundry receivables | 117,617 | 175,348 | (57,730) |
| Total | 1,166,563 | 1,046,313 | 120,250 |
| | | | 11.5% |

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

- tax receivables for €616,172k (€539,124k at 31/12/2017), comprising mainly:
 - €311,769k relating to the advance payment of the insurance tax provided for by Decree Law 282/2004, as amended by Law 205 of 27 December 2017;
 - €173,961k 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;
 - €72,147k for withholdings;
 - €21,450k for IRAP receivable;
 - €3,475k for claims of reimbursement of foreign tax receivables.
- Receivables from group companies for €184,204k. Among them were €143,567k as a receivable from the holding company Unipol Gruppo by effect of participation in the tax consolidation. The Life business has a payable of €75,116k and therefore the net receivable from the consolidating company amounts to €68,487k.

- Receivables from the Company Mutuelle du Mans amounted to €20,643k. This receivable regards the guarantee on the adequacy of the technical provisions at 31 December 2004 of the companies MMI Danni and MMI Assicurazioni, acquired in 2005, issued at the time of their purchase from Mutuelle du Mans. Based on the agreements currently in force, as amended by the settlement agreement signed on 3 November 2017, MMA had undertaken to pay to UnipolSai the difference 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 settlement expenses, indirect settlement expenses, amounts recovered from policyholders and reinsurers' shares), validated by an independent Auditor (KPMG).
The receivable is secured by a bank guarantee on first request for the initial amount of €29,823,750 then reduced - following the payments made in the meantime - to €25,966,500. The guarantee covers MMA's commitment to the obligation for periodic settlement of the additional differential that may be noted by the Auditor, no later than 3 months from the end of each half, with respect to the net amount paid after 30 June 2014, net of the relative periodic payments received.
At 31 December 2018, given the higher amounts paid up until the entire first half of the year, a total of €32,517k had been collected, €2,644k of which in 2018.
Given the regularity of the payments made in accordance with the agreements currently in force, as well as the above-cited bank guarantee, at 31 December 2018, the risk provision, prudentially allocated in the past with regard to the objections raised by the counterparty, was cancelled.
- Receivables from Fondo Vittime della Strada that amounted to €32,696k, €7,388k of which derived from the excess contribution advance paid in January 2018 over the amount actually due and €25,308k from the claims settlement activity.
- Payments made as cash collateral to safeguard derivatives totalling €195,231k.

Sundry receivables, which amounted to €117,617k net of total write-downs of €187,895k, include:

- Receivable from Avvenimenti e Sviluppo Alberghiero S.r.l. (a wholly-owned subsidiary of Im.Co.) that amounted to €103,158k (before the value adjustments), of which €101,665k as advances paid by Milano Assicurazioni pursuant to a contract for the purchase of future property pertaining to a property complex in Rome, Via Fiorentini. The most suitable recovery initiatives are being assessed and value adjustments related to this receivable were recognised for a total amount of €91,800k, of which €18,000k for 2018. As a result of the write-downs carried out, the net value of this receivable recognised in the financial statements at 31 December 2018 amounted to €11,358k.
- Items awaiting settlement for €43,162k, of which receivables from Finitalia for €27,278k for lending to agents and policyholders for the underwriting of instalment policies.
- Receivables for rents amounting to €18,535k.
- Receivables relating to disputes with agents corresponding to €57,463k against which value adjustments totalling €56,545k have been recognised.

Section 6 - Other assets (item F)

The balance of this item at 31 December 2018 was €1,789,919k. The breakdown and change compared with the previous year are summarised in the following table:

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|---|------------------|------------------|------------------|
| F.I Property, plant and equipment and inventories | 72,480 | 83,144 | (10,664) |
| F.II Cash and cash equivalents | 584,850 | 922,340 | (337,490) |
| F.IV Other assets | 1,132,589 | 1,256,750 | (124,161) |
| Total | 1,789,919 | 2,262,234 | (472,314) |
| | | | (20.9)% |

3 Notes to the Financial Statements

Property, plant and equipment and inventories recorded in item F.I are considered long-term assets. The balance at 31 December 2018, which totalled €72,480k, is net of the relevant accumulated depreciation as per the following table:

| <i>Amounts in €k</i> | 2018 | 2017 | Other changes |
|---|---------------|---------------|-----------------|
| Office furniture and machines and internal means of transport | 45,100 | 51,389 | (6,288) |
| Movable assets entered in public registers | | | 0 |
| Plant and equipment | 23,103 | 27,483 | (4,380) |
| Inventories and sundry goods | 4,276 | 4,272 | 4 |
| Total | 72,480 | 83,144 | (10,664) |

Cash and cash equivalents (item F.II) amounted to €584,850k, €584,817k of which refer to current account deposits (€922,314k in 2017) and €34k to cash and revenue stamps (the change compared to 31/12/2017 totalled -€337,490k). Bank deposits include accounts in non-euro currencies (mainly US dollars, Swiss francs, British sterling and Japanese YEN) for a value of €9,355k, credit balances in postal current accounts totalling €4,199k and the net fees accrued in the period.

Sundry assets (item F.IV.2) amounted to €1,132,589k at year end (€1,256,750k in 2017, showing a 9.9% decrease).

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

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|---|------------------|------------------|------------------|
| Technical entries on claims | 98,186 | 144,187 | (46,000) |
| Attachments for claims | 44,712 | 77,150 | (32,437) |
| Non-Life/Life connection account | 20,098 | 22,767 | (2,669) |
| Advances on portfolio indemnities | 39,156 | 53,411 | (14,254) |
| Real estate expense to recover | 20,185 | 26,120 | (5,936) |
| Valuation of financial instruments | 17,716 | 23,053 | (5,337) |
| Items to be settled and transitional accounts | 55,779 | 21,411 | 34,368 |
| Deferred tax assets | 817,677 | 867,754 | (50,076) |
| Sundry assets | 19,078 | 20,898 | (1,819) |
| Total | 1,132,589 | 1,256,750 | (124,161) |
| | | | (9.9)% |

Note that technical items on claims include the amount of the “handler lump-sum” to recover, amounting to €90,418k (€126,354k in 2017).

The item “Measurement of financial instruments”, corresponding to €17,716k, includes the contra-item for the measurement of transactions in financial derivatives in place at 31 December 2018 of €2,388k, which refer to:

- contra-item of asset swaps for €2,088k;
- contra-item of interest rate swaps for €300k.

This item also includes €15,328k relating to the margins paid to JPMorgan as clearing broker for Interest Rate Swaps netted at the London Clearing House Clearnet, broken down as follows:

- variation margins paid of €1,628k;
- initial margins paid as a guarantee deposit of €13,700k;

Deferred tax assets amounted to €817,677k.

The changes in deferred tax assets that took place in the period are summarised in the following table:

| <i>Amounts in €k</i> | |
|-----------------------------|----------------|
| Deferred tax assets | 2018 |
| Aggregate opening balance | 867,754 |
| Increases during the period | 51,931 |
| Uses during the period | (99,215) |
| Other changes | (2,792) |
| Total | 817,677 |

The additional information on 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 2018 of €420,256k with an increase of €2,112k compared to the previous year (+0.5%).

The breakdown into accruals and deferrals follows:

| <i>Amounts in €k</i> | Accruals | Deferrals | Total |
|----------------------------------|----------------|---------------|----------------|
| G.1 Interest | 390,869 | | 390,869 |
| G.2 Rental income | | 2,006 | 2,006 |
| G.3 Other accruals and deferrals | 585 | 26,795 | 27,381 |
| Total | 391,455 | 28,802 | 420,256 |

Item G.1 "Interest", which amounted to €390,869k (€393,690k at 31 /12/2017), is mostly made up of accruals on securities for €368,826k, accruals on derivatives totalling €18,833k and accruals on intercompany loans for €3,210k. Prepayments on rental fees totalled €2,006k.

Item G.3 "other accruals and deferrals", which amounted to €27,381k (€22,550k at 31/12/2017), breaks down as follows:

- expense deferrals on long-term loans expiring in 2018 totalling €7,807k;
- overhead deferral for €7,976k;
- other deferrals individually insignificant for €1,623k;
- prepayments on technical items for €9,975k.

3 Notes to the Financial Statements

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, included in the section entitled "Additional tables appended to the Notes to the Financial Statements".

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 2018 totalled €5,353,067k.

The Shareholders' Meeting on 23 April 2018 approved the individual financial statements for 2017 of UnipolSai Assicurazioni and, in accordance with the provisions of the by-laws, the allocation of the profit for the year according to the following procedure:

- distribution of a total of €410,048k, of which €308,465k relating to the Non-Life business and €101,583k relating to the Life business, and this distribution of a unit dividend, also in consideration of the redistribution pertaining to treasury shares, equal to €0.145 for each entitled ordinary share;
- allocation of the residual profit for the year, totalling €167,151k, to the Extraordinary reserve posted in the item of Other Provisions of the shareholders' equity, of which €69,939k attributed to Non-Life business and €97,212k to Life business.

At 31 December 2018, the share capital amounted to €2,031,456k, (unchanged against last year) subscribed and fully paid-up, consisting of 2,829,717,372 ordinary shares, all with no nominal value.

Details of the equity reserves (items from A.II to A.X), which at 31 December 2018 totalled €3,321,611k, are provided in the following table:

Amounts in €k

| Item | 2018 | 2017 | Change on 2017 |
|---|------------------|------------------|----------------|
| A.II Share premium reserve | 407,256 | 407,256 | |
| A.III Property revaluation reserve | 96,559 | 96,559 | |
| A.IV Legal reserve | 406,291 | 406,291 | |
| A.VI Reserve for shares of the holding company | 3,284 | 7,327 | (4,043) |
| A.VII Other reserves | 2,410,952 | 2,306,033 | 104,919 |
| Merger reserve | 1,782,553 | 1,778,510 | 4,043 |
| Extraordinary reserves | 693,843 | 526,692 | 167,151 |
| Dividend equalisation reserve | 826 | 826 | |
| Premium reserve for disposal of option rights that were not exercised | 5 | 5 | |
| Reserve for difference on sale of treasury shares | (66,275) | | (66,275) |
| A.X Negative reserve for treasury shares | (2,731) | (79,292) | 76,561 |
| Total | 3,321,611 | 3,144,174 | 177,437 |
| | | | 5.6% |

The increase in the extraordinary reserve is due to the allocation of the result of the previous year.

The reserve for shares of the holding company was adjusted to the value of the securities held in the portfolio at the end of the period, with the excess amount allocated to the merger surplus reserve from which it had originally been drawn. The negative reserve for treasury shares in portfolio was adjusted following the sale made in February 2018, which was illustrated in the appropriate section of the Management Report.

Section 9 - Subordinated liabilities (item B)

The subordinated liabilities issued by UnipolSai Assicurazioni S.p.A. amounted to €2,211,689k, with an increase of €200,000k compared to the figure of the previous year, and relate to:

- €750,000k for hybrid bond loan;
- €1,061,689k for subordinated bond loans;
- €400,000k for subordinated loans.

On 1 March 2018, a 10-year non-convertible, subordinated and non-guaranteed bond loan with a 3.875% coupon was issued, exclusively targeted to qualified investors, for €500m.

On 3 May 2018, UnipolSai Assicurazioni S.p.A. repaid the Tier 2 loans in advance, for a total principal of €300m maturing 2025 and 2026, disbursed to the Company by Mediobanca - Banca di Credito Finanziario SpA.

The main characteristics of the subordinated liabilities are given below:

- €750,000k - 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 has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier I and is subject to the interim measures prescribed by the Solvency II regulations. The total interest for the year at 31 December 2018 was €43,125k.
- €300,000k (former Unipol Assicurazioni S.p.A.) - subordinated bond loan issued in June 2001 by the holding company Unipol Gruppo S.p.A. 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 2.189% at 31 December 2018 (three-month Euribor increased by 250 basis points). The loan, which is listed on the Luxembourg Stock Exchange, has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier II and is subject to the interim measures prescribed by the Solvency II regulations. The total interest for the year at 31 December 2018 was €6,621k.
- €300,000k (former Unipol Assicurazioni S.p.A.) - subordinated bond loan issued in July 2003 by the holding company Unipol Gruppo S.p.A. 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 2.183% at 31 December 2018 (three-month Euribor increased by 250 basis points). The loan, which is listed on the Luxembourg Stock Exchange, has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier II and is subject to the interim measures prescribed by the Solvency II regulations. The total interest for the year at 31 December 2018 was €6,619k. 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 S.p.A.. Therefore, the actual debt of this loan amounts to €261,689k and the net interest income for the year amounts to €5,773k.
- €500,000k - subordinated 10-year bond loan issued on 1 March 2018 and listed on the Luxembourg Stock Exchange. Interest at a fixed rate of 3.875% accrues on this loan. The loan has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier II. The total interest for the year at 31 December 2018 was €16,190k.

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- €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 2018 is equal to the six-month Euribor increased by 251.5 basis points (of which 71.5 basis points as additional spread defined between the parties in 2014 based on the "Additional Costs Clauses"^(*)). The loan has characteristics such that it can be calculated amongst the elements forming the Solvency margin, has a comparable subordination level to Tier I and is subject to the interim measures prescribed by the Solvency II regulations. The total interest for the year at 31 December 2018 was €9,076k (including the interest relating to the additional spread).

The total interest for the year at 31 December 2018, also taking into account the subordinated loans terminated early, totals €83,068k.

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

The breakdown of technical provisions and their changes are summarised in the following table:

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|------------------------------------|-------------------|-------------------|----------------|
| Non-Life premium provision | 2,757,125 | 2,677,437 | 79,688 |
| Non-Life claims provision | 10,936,431 | 11,473,648 | (537,217) |
| Other Non-Life business provisions | 86,971 | 87,500 | (529) |
| Life business technical provisions | 24,819,324 | 24,366,919 | 452,405 |
| Life business - amounts payable | 340,184 | 332,605 | 7,579 |
| Total | 38,940,034 | 38,938,108 | 1,927 |
| | | | n.s. |

Non-Life business technical provisions

The Non-Life business technical provisions at 31 December 2018 totalled €13,780,527k (-€458,058k compared to 31/12/2017) and were formed in observance of ISVAP Regulation no. 22 of 4 April 2008 as amended (hereafter defined "Regulation"), prepared in implementation of Art. 37, paragraph 1 of Decree Law 209/2005.

Premium provision

The premium provision amounts to €2,757,125k (+3.0% compared to 31/12/2017) and breaks down as follows:

- €2,755,438k for premium provision for unearned premiums and supplementary provisions;
- €408k for premium provision for unexpired risks;
- €1,279k for indirect insurance premium provision.

Details of the premium provision for unearned premiums and of supplementary provisions broken down by class are given in the following statement:

(*) 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.

Amounts in €k

| Class | Unearned premiums and supplementary provisions | Current risks | Total |
|------------------------------|--|---------------|------------------|
| 1- Accident | 253,018 | | 253,018 |
| 2- Health | 62,997 | | 62,997 |
| 3- Land Vehicle Hulls | 271,904 | | 271,904 |
| 4- Railway rolling stock | 419 | | 419 |
| 5- Aircraft | 316 | | 316 |
| 6- Marine Vessels | 1,970 | 408 | 2,378 |
| 7- Goods in transit | 5,555 | | 5,555 |
| 8- Fire | 356,071 | | 356,071 |
| 9- Other damage to property | 254,386 | | 254,386 |
| 10- Land Vehicle TPL | 1,113,221 | | 1,113,221 |
| 11- Aircraft TPL | 311 | | 311 |
| 12- Marine TPL | 3,497 | | 3,497 |
| 13- General TPL | 260,946 | | 260,946 |
| 14- Credit | 112 | | 112 |
| 15- Bonds | 78,266 | | 78,266 |
| 16- Pecuniary losses | 20,457 | | 20,457 |
| 17- Legal expenses | 21,610 | | 21,610 |
| 18- Assistance | 50,384 | | 50,384 |
| Total direct business | 2,755,438 | 408 | 2,755,846 |
| Indirect business | 1,279 | | 1,279 |
| Total | 2,756,717 | 408 | 2,757,125 |

The premium provision for unearned premiums was calculated for each risk according to the “pro rata temporis” method, which involves deferring a portion of premium proportionate to the hedge time lacking until the receipt expires.

Then the directly chargeable acquisition costs are separated in order to calculate the premium provision. They are calculated by applying the percentage obtained by comparing the acquisition commissions, overcommissions and other items incurred during the year directly chargeable to the gross premiums written.

As for the supplementary provisions of the premium provision:

- ✓ the bonds supplementary provision, which amounted to €43,088k, was calculated on the basis of Articles 10 and 11 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations;
- ✓ the supplementary provision for insurance covering damages caused by natural disasters consisting of earthquake, seaquake and volcanic eruption amounted to €201,762k and was calculated on the basis of Art.16 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations;
- ✓ the supplementary provision for insurance covering damages caused by hail was calculated on the basis of Articles 12 and 13 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations and amounts to €5k;

3 Notes to the Financial Statements

- the allocation regarding the provision for unexpired risks, corresponding to €408k, was calculated on the basis of Art. 8 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations (empirical method), based on the ratio of claims to premiums pertaining the current generation recorded in the reporting year and measured also taking into account values gathered from the ratio in previous years. The instalments falling due are calculated by adding up all the portions of premium still unissued until the year is completed. To measure the claims to premium ratio, the Company considered the average of the values recorded in the last three financial statements. Only in the case in which this result was higher than 100% was a provision for unexpired risks set aside. The provision is equal to the sum that allows the balance between premium provisions plus instalments falling due and the expected costs to be re-established. Based on these calculations, the provision was made to the Marine vessels class, the only class where the expected claims exceeds the value of the premium provision plus the instalments due;
- the supplementary provision in the credit class amounted to €54k (€69k at 31/12/2017).

Other provisions

- The provision for profit sharing and reversals (item C.I.3) amounted to €9,447k. The decrease compared to 31 December 2017 was €2,643k (-21.9%) 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 €1,397k (€2,388k at 31/12/2017). They are entirely made up of the ageing provision pursuant to Articles 42, 43 and 44 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations.
All health insurance contracts part of the Italian portfolio not having the characteristics set forth in Art. 43 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations were selected, and left out, of the calculation when determining the ageing provision. The gross premiums of 2018 relating to the remaining portfolio amounted to €13,966k.
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 €76,128k (€73,021 k was the amount of the provisions at 31/12/2017) included €75,883k of the equilibrium provision for risks of natural disasters aimed at compensating the trend of claims over time and formed based on Art. 37 of Decree Law 209/2005 and, for the remaining €245k for the 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 €24k was thus zeroed.

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

| <i>Amounts in €k</i> | 2018 |
|-----------------------------|---------------|
| 1- Accident | 3,928 |
| 2- Health | 10 |
| 3- Land Vehicle Hulls | 27,718 |
| 4- Railway rollingstock | 26 |
| 5- Aircraft | 204 |
| 6- Marine Vessels | 782 |
| 7- Goods in transit | 2,429 |
| 8- Fire | 37,716 |
| 9- Other damage to property | 2,432 |
| 16- Pecuniary losses | 288 |
| 18- Assistance | 350 |
| Total | 75,883 |
| Indirect business | 245 |
| Total | 76,128 |

Claims provision:

The claims provision (direct and indirect business) amounted to €10,936,431k, a substantial drop compared to last year's figure of €11,473,648k. As far as direct business is concerned, it consists of:

- €9,364,283k for compensations and direct expenses;
- €886,470k of provision for claims incurred but not reported;
- €586,625k of provision for settlement expenses.

The decrease in claims provisions is due mainly to the lower incidence of claims of the previous generations, which in recent years have experienced the introduction of generations of lower and lower claims characterised by the decrease in claims reported, due to both the improvements made in terms of claims and the concession in 2014 from the agency network (former Milano Assicurazioni) to honour the commitments assumed with the Antitrust Authority.

The provision in indirect business totalled €99,053k.

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 adjuster must update the valuation of the provision.

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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 trend of the property/persons mix, the settlement rate and the average cost of the previous year are used for the MV TPL claims for the year.

The indirect settlement expense quantification and attribution procedure involves an analysis by cost centre of the personnel expenses and overheads that catalogues what is attributable to the settlement expenses beforehand.

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

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

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

Life Business Technical Provisions

The Life business (Class C.II) technical provisions at 31 December 2018 amounted to a total of €25,159,508k (€24,699,524k at 31/12/2017). The increase was €459,984k.

The amount of the technical provisions is adequate for the Company's commitments with the contracting parties, the policyholders and the beneficiaries, and are broken down as follows:

- €24,711,100k relating to the mathematical provision of direct business and the supplementary insurance provisions;
- €339,361k for direct business amounts payable;
- €96,954k relating to the sundry technical provisions, which entirely refer to allocations for future operating expenses;
- €5,509k relating to the provision for profit sharing and reversals;
- €5,762k relating to the mathematical provision of indirect business;
- €823k for indirect business amounts payable.

The provision for direct business amounts payable at the end of the year amounted to €339,361k (€331,538k at 31/12/2017), €133,291k 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 €96,954k at 31 December 2018 (€94,457k the figure at 31/12/2017) entirely refer to allocations for future operating expenses and are broken down by class as follows:

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|----------------------|---------------|---------------|----------------|
| Class I | 76,867 | 74,186 | 2,682 |
| Class III | 1,301 | 1,076 | 224 |
| Class IV | 101 | 78 | 24 |
| Class V | 18,684 | 19,117 | (433) |
| Total | 96,954 | 94,457 | 2,497 |

Section 11 - Technical provisions where the investment risk is borne by policyholders (item D.I) and provisions arising from Pension Fund management (item D.II)

This category includes the Life insurance policies where the yield is based on investments or indices for which the policyholder bears the risk. The related mathematical provisions are calculated with reference to the obligations provided by the agreements and are represented with the best possible approximation by the reference assets.

The total amount at 31 December 2018 amounted to €4,582,939k, increasing against the previous year by €413,529k (+9.9%) compared to the previous year. With reference to the product types in the portfolio, the amount of the technical provisions breaks down as follows:

| <i>Amounts in €k</i> | 2018 |
|-----------------------------------|------------------|
| Sub - Funds | |
| Index-Linked Policies | 1,764 |
| Unit-Linked Policies | 560,800 |
| Unipol Previdenza FPA | 797,522 |
| Cometa | 893,357 |
| Arco | 67,075 |
| Alifond | 94,201 |
| Byblos | 178,782 |
| Telemaco | 83,682 |
| Fondapi | 105,505 |
| Previmoda | 154,351 |
| Fonte | 699,661 |
| Fondinps | 81,985 |
| Perseo Sirio gar. | 108,503 |
| Cometa Sicurezza 2015 gar. | 100,410 |
| F.do Pens. Prev. Cooperativa Gar. | 383,826 |
| F.do Pens. Cariplo Gar. | 5,052 |
| F.do Pens. Mediafond Gar. | 3,826 |
| F.do Pens. Eurofer Gar. | 103,783 |
| F.do Pens. Prevedi Sicurezza Gar. | 76,937 |
| F.do Pens. Agrifondo Gar. | 81,917 |
| Total | 4,582,939 |

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

Item E states the balances of the provisions specified hereunder:

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|--|----------------|----------------|-----------------|
| Post employment benefits and similar obligations | 2,037 | 2,367 | (330) |
| Deferred tax provision | 63,481 | 88,977 | (25,496) |
| Provision for tax risks | 33,404 | 28,334 | 5,070 |
| Provision for future risk and charges | 258,155 | 298,278 | (40,123) |
| Provision for property charges | 22,814 | 6,960 | 15,855 |
| Solidarity and employee leaving provision | 21,177 | 33,108 | (11,931) |
| Provision for IVASS penalties | 2,697 | 3,940 | (1,243) |
| Total | 403,766 | 461,965 | (58,199) |
| | | | (12.6)% |

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

| <i>Amounts in €k</i> | 31/12/2017 | Uses/ Excess | Provisions | 31/12/2018 |
|--|----------------|-----------------|---------------|----------------|
| Provisions for risks and charges | | | | |
| Post employment benefits and similar obligations | 2,367 | 330 | | 2,037 |
| Deferred tax provision | 88,977 | 45,195 | 19,699 | 63,481 |
| Provision for tax risks | 28,334 | 336 | 5,405 | 33,404 |
| Provision for future risks and charges | 298,278 | 48,316 | 8,193 | 258,155 |
| Provision for property charges | 6,960 | | 15,855 | 22,814 |
| Solidarity and employee leaving provision | 33,108 | 11,931 | | 21,177 |
| Provision for IVASS penalties | 3,940 | 1,243 | | 2,697 |
| Total | 461,965 | 107,350 | 49,152 | 403,766 |

The provision for deferred taxes amounted to €63,481k and refers to the charge expected for tax liabilities that will become due in future years.

Additional information on deferred tax liabilities is provided in the statement (drawn up pursuant to Art. 2427, paragraph 1, point 14 of the Civil Code) provided in section 21 of the Income Statement.

Provisions for tax risks, €33,404k, include items pertaining to current and potential tax disputes, of which €21,000k for disputes (also considering the costs of a facilitated settlement) and €12,404k for other estimated risks.

The provision for future charges, which amounted to €258,155k, decreased by €40,123k compared to the previous year, and mainly consists of:

- €109,815k for allocations for charges arising from relations with the intermediaries both for items in litigation and for estimated losses on portfolio indemnities to assign (€116,834k at 31/12/2017);
- €74,139k for cases in litigation given to lawyers (€84,496k at 31/12/2017);
- €4,815k for cases in litigation with insurance and reinsurance companies (€32,706k at 31/12/2017);
- €9,092k for personnel disputes (€8,291k at 31/12/2017).

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, as well as any other provision relating to potential estimated disputes/liabilities.

€48,316k of the solidarity fund and the employee leaving provision were used for the disbursements incurred during the year and are adequate to make future payments.

The provisions were adjusted to meet all liabilities deemed probable at 31 December 2018.

The movements of the provisions for risks and charges during the period are summarised in Annex 15. The allocations to provision for risks and charges are offset in the income statement mainly under the items Other Charges and Income Taxes for the year.

Ongoing disputes and contingent liabilities

Relations with the Tax Authorities

In the 2018 financial statements, allocations to tax provisions were carried out in amounts deemed appropriate to address the following:

- the risks arising from developments in the dispute regarding the treatment of technical outwards reinsurance items of the former Aurora Assicurazioni, already started against the parent Unipol, and also extended to the merged entity Unipol Assicurazioni for the tax periods 2007-2009;
- the risks deriving from an assessment notice regarding IRPEG and ILOR for the year 1991 concerning the merged Fondiaria Assicurazioni, still pending at the Supreme Cassation Court as a result of the appeal filed by the Company;
- the risks deriving from an assessment notice for abuse of rights with reference to IRPEG and IRAP for the year 2004 on share purchases and collections of the related dividends.
- additional amounts to cover the potential estimated liabilities deriving from already formalised, or not yet formalised charges, for which no tax dispute has yet been brought. The provision was increased to take into account the Report on Findings notified on 20 November 2018 by the Italian Tax Police of Bologna following a general audit undertaken in February 2018 in relation to 2015, later extended, due to the findings described herein, to the tax periods from 2013 to 2017. The auditing body disputed the tax treatment applied by the Company as regards the disposal of an equity investment in the real estate sector and the deduction of costs related to the transactions underwritten by the Company in civil proceedings, brought by some former shareholders of Fondazione Assicurazioni for the failed takeover bid of 2002. Although believing it had acted correctly, the Company decided on a prudential provision to cover expenses potentially arising from the first grievance, assessing instead as incorrect the reasons underlying the second grievance.

VAT disputes related to coinsurance relations

In 2018, notices of assessment and VAT demands were notified for 2013 to all Group companies which in that period had collected or paid delegation fees against co-insurance relations with other companies in the insurance sector, including therein UnipolSai. These are the same types of findings as those already found in previous years. All these tax claims were challenged before the competent tax commissions. Following these findings and those potentially upcoming in subsequent years, the Companies believe they have valid reasons to appeal the objections raised by the Tax Authority and to succeed in obtaining a judgement of the correctness of their behaviour which, at present, has been confirmed by numerous rulings, mostly favourable to the Group.

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However, as regards the pending dispute pertaining to the years from 2003 to 2012, the Group is evaluating the option of availing itself of the provisions set forth in the Decree Law 119 of 23 October 2018, converted from the Law 136 of 18 December 2018, for the conclusion of current specific tax disputes, in view of the economic convenience of a settlement where amounts significantly lower will be paid in place of the disputed ones. The acceptance of a settlement does not, in any case, imply that the Companies of the Group will be waiving their claims filed in the appropriate courts of law. The claim must be filed by 31 May 2019 along with the payment of the due amounts, after deducting the payments already made for any reason, pending court judgment, waiving the right of restitution of the greater amounts that may have been already paid during the proceedings. In this regard, UnipolSai made a specific provision in the financial statements for the estimated cost of the settlement of these tax disputes to which the facilitated settlement rule is applicable.

Consob sanction proceedings

By means of communications dated 19 April 2013, Consob commenced two separate sanction proceedings against Fondiaria-SAI and Milano Assicurazioni for charges relating to their respective 2010 consolidated financial statements.

Pursuant to Art. 187-septies, paragraph 1 of the Consolidated Law on Finance, Consob notified Ms. Jonella Ligresti and Mr. Emanuele Erbetta, for the offices held in Fondiaria-SAI at the time of the events, of the violation set forth in Art. 187-ter, paragraph 1, of the Consolidated Law on Finance. Fondiaria-SAI is also charged with this violation as a party bearing joint and several liability. It is also charged with the offence set forth in Art. 187-quinquies, paragraph 1, letter a), of the Consolidated Law on Finance for the aforementioned violation of Art. 187-ter, paragraph 1 of the Consolidated Law on Finance by Ms. Jonella Ligresti and Mr. Emanuele Erbetta, acting in the above mentioned capacities.

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

Fondiaria-SAI and Milano Assicurazioni (currently UnipolSai), assisted by their lawyers, presented their conclusions, asking that the administrative penalties set out in Articles 187-ter, 187-quinquies and 187-septies of the Consolidated Law on Finance not be imposed on the companies. On 20 March 2014 the Consob issued a resolution whereby, not deeming that the parties' defences deserved to be accepted, it ordered:

- Jonella Ligresti to pay €250k and to be disqualified from office for four months;
- Emanuele Erbetta to pay €400k and to be disqualified from office for eight months;
- UnipolSai to pay €650k.

UnipolSai provided for the payment of the fines, and also filed an appeal against Ms. Ligresti. Mr. Erbetta directly paid the penalty imposed on him. In any case, UnipolSai challenged the decision before the Court of Appeal of Bologna, which rejected the appeal on 6 March 2015. The Company, assisted by its lawyers, challenged the decision before the Court of Cassation which, on 6 December 2018, rejected the appeal and confirmed the CONSOB sanctions.

IVASS assessments

On 2 July 2014, IVASS sent to UnipolSai the order of sanctions at the end of the proceeding started in 2012 against Unipol Assicurazioni on the matter of the measurement of the claims provisions of the MV and Boats TPL classes. The sanction imposed was €27,500. Since UnipolSai does not deem the conclusions of IVASS to be acceptable in any way, it appealed against this decision before the Regional Administrative Court (TAR). On 9 September 2015 the Regional Administrative Court rejected the appeal of the Company, which challenged the ruling before the Council of State, which has not set a date for the hearing for the discussion yet.

Corporate liability action against certain former directors and statutory auditors decided by the Shareholders' Meetings of Fondiaria-SAI and Milano Assicurazioni

On 17 October 2011, Amber Capital LP, fund manager of Amber Global Opportunities Master Fund Ltd, a Fondiaria-SAI shareholder, in accordance with Art. 2408 of the Civil Code, informed the Board of Statutory Auditors of Fondiaria-SAI of various transactions carried out by companies in the Fondiaria-SAI Group with "related" companies attributable to the Ligresti family, criticising the "non-market" conditions and "anomalies" of said transactions.

On 16 March 2012 the Board of Statutory Auditors of Fondiaria-SAI issued an initial response in its "Report pursuant to Art. 2408, paragraph 2 of the Civil Code", after which by letter dated 26 March 2012 the shareholder Amber Capital requested further investigation.

The Board of Statutory Auditors therefore performed further controls and investigations. On 15 June 2012 IVASS served Measure no. 2985 upon Fondiaria-SAI by which the Authority defined the proceedings launched pursuant to Art. 238 of the Private Insurance Code, and through IVASS Communication prot. no. 32-12-000057 of the same date charged Fondiaria-SAI with significant irregularities pursuant to Art. 229 of the Private Insurance Code, with particular reference to a number of transactions implemented by Fondiaria-SAI and its subsidiaries with counterparties qualifying as related parties of Fondiaria-SAI, and assigning a fifteen-day deadline for the effects of these transactions to be permanently removed.

IVASS considered that the actions proposed or implemented by the Company were not suitable to correct the situation which led to the charges cited in the notice of 15 June 2012, prolonging – according to IVASS – the inability of Fondiaria-SAI to remedy the violations and the relative effects.

Therefore by Measure no. 3001 of 12 September 2012 (the "IVASS Measure"), IVASS appointed Prof. Matteo Caratozzolo as *ad acta* commissioner of Fondiaria-SAI (the "Commissioner"), also as Parent, considering the requirements of Art. 229, Legislative Decree no. 209 of 7 September 2005 to be met.

In particular, with regard to the disputed transactions considered not only on an individual basis but as a whole, IVASS tasked the Commissioner with (i) specifically identifying the individuals responsible for the transactions carried out to the detriment of Fondiaria-SAI S.p.A. and its subsidiaries; (ii) determining the damage suffered by the same; (iii) promoting or encouraging the promotion of all necessary initiatives, including judicial, at Fondiaria-SAI S.p.A. and its subsidiaries, suitable, in relation to the disputed transactions, to safeguard and reintegrate the assets of Fondiaria-SAI S.p.A. and its subsidiaries; (iv) exercising the powers held by Fondiaria-SAI S.p.A. as Parent and as a shareholder in the shareholders' meetings of the subsidiaries.

Following the in-depth examinations conducted regarding the above-mentioned transactions, entered into by the Fondiaria-SAI Group primarily in the real estate segment in the 2003-2011 period, which directly involved members of the Ligresti family and certain SPVs attributable to said family, the Commissioner asked the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni to call the respective shareholders' meetings, placing on the agenda the proposed corporate liability action, pursuant to Articles 2392 and 2393 of the Civil Code, against some directors and statutory auditors of the companies (jointly with other parties).

On 5 February 2013, the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni, having examined the respective reports drafted by the Commissioner in accordance with Art. 125-ter of the Consolidated Law on Finance, resolved, following the aforementioned request, to call the Shareholders' Meetings of the two companies for 13 and 14 March 2013, on first and second call respectively.

The Shareholders' Meetings, held on second call on 14 March 2013, resolved to promote corporate liability action against the persons indicated in the reports prepared for the Meetings by the Commissioner and made these resolutions public in accordance with law.

As a result of the aforementioned resolutions, the *ad acta* Commissioner appointed his own lawyers who arranged for civil proceedings to be brought before the Court of Milan against the parties identified as responsible for the transactions described above. The proceedings are currently at preliminary investigation stage during which the court has, amongst other things, ordered a technical court expert's report.

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.

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The attachment was challenged by the counterparties and on 24 March 2014 the Court of Milan, sitting en banc, confirmed the precautionary provision, rejecting all complaints filed by the counterparties.

Furthermore, with reference to the other transactions involved in the complaint from Amber Capital LP, not included in the Commissioner's mandate ("Minor Transactions"), on the invitation of the Board of Statutory Auditors of Fondiaria-SAI pursuant to Art. 2408 of the Civil Code, the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni conducted investigations and checks, which showed that Minor Transactions were also carried out by companies in the Fondiaria-SAI Group with "related" companies attributable to the Ligresti family with various breaches of directors' and statutory auditors' duties. In particular, the investigations and checks highlighted both breaches of directors' and statutory auditors' duties and damages to the company assets of the Fondiaria-SAI Group. The persons who, as a result of the checks performed by the Boards of Directors, were deemed responsible for the Minor Transactions are (i) members of the Ligresti family, who exercised control over the Fondiaria-SAI Group companies involved, and who would have pursued their own personal interests to the detriment of said companies in violation of Articles 2391 and 2391-bis of the Civil Code and the procedure governing "related party" transactions; (ii) the former "executive" directors, who would have proposed and implemented the transactions in question, and the directors of the internal control committees of Fondiaria-SAI and Milano Assicurazioni, who would also have been responsible for the violation of said regulations and procedures; (iii) the statutory auditors who would have also been responsible for the damages suffered by the companies in the Fondiaria-SAI Group due to the violation of Articles 2403 and 2407 of the Civil Code and Art. 149 of the Consolidated Law on Finance.

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

Consequently, on 30 July 2013 the ordinary shareholders' meetings of Fondiaria-SAI and Milano Assicurazioni resolved to promote corporate liability action pursuant to Articles 2392 and 2393 of the Civil Code and, to the extent they may apply, Articles 2043 and 2497 of the Civil Code, against certain former de facto and official directors of Fondiaria-SAI and Milano Assicurazioni, regardless of their particular offices held and even if no formal office was held; certain former directors of Fondiaria-SAI and Milano Assicurazioni and, pursuant to Art. 2407 of the Civil Code, against certain members of the Board of Statutory Auditors of Fondiaria-SAI and Milano Assicurazioni.

In connection with the resolutions mentioned above, UnipolSai (formerly Fondiaria-SAI) served the writ of summons. The proceedings are currently in the preliminary investigation stage and, in this case as well, the Court ordered a technical expert's report.

Ongoing disputes with investors

Writs of summons by shareholders of La Fondiaria Assicurazioni (takeover bid legal cases)

From 2003 onwards, a number of La Fondiaria Assicurazioni ("Fondiaria") shareholders have initiated a series of legal proceedings claiming, albeit on different legal grounds and justifications, compensation for damages allegedly suffered due to failure to launch the takeover bid on Fondiaria shares by SAI Società Assicuratrice Industriale SpA ("SAI") in 2002.

On the whole, 16 proceedings were brought against the Company; 14 of these were settled at various degrees and stages of the proceeding, while one was extinguished when the first court's decision handed down in favour of the Company became definitive, as the opposing party failed to appeal it.

At 31 December 2018, only one case is still pending before the Milan Court of Appeal, resumed following the decision of the Court of Cassation. An appropriate provision has been allocated to cover this pending dispute.

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, 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 Art. 530, paragraph 2 of the Code of Criminal Procedure;
- it rejected the compensation requests of some civil claimants;
- it set the term for filing the grounds for the decision at ninety days.

The Court of Turin did not order payment of any interim award on the damage claimed by the civil claimants. Moreover, with its decision of 25 October 2016, the Court of Turin allowed the plea bargain request filed by Mr. Emanuele Erbetta and sentenced the defendant to 3 years of incarceration and a fine of €200,000.00, in addition to the payment of the legal expenses borne by the civil claimants.

The conviction decided by the Turin Court on 11 October 2016 was challenged before the Turin Court of Appeal which on 12 March 2019 annulled the decision due to lack of jurisdiction and ordered the transfer of the acts to the Milan Court.

(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, in which UnipolSai was cited for civil liability, false official statement in certificates (Art. 481 of the Criminal Code), ended in the first instance, at the end of the shortened and simplified proceedings, with the decision of 16 December 2015 acquitting the defendants because the fact does not exist. The decision was appealed by the General Prosecutor's Office at the Court of Appeal of Milan and by the civil claimant Consob. On 10 July 2018, the Milan Court of Appeal confirmed the acquittal ruling. The ruling was appealed before the Supreme Court of Cassation by CONSOB. A hearing has not yet been scheduled.

(c) Criminal Case (Gen. Criminal Records Reg. 24630/2013) against Messrs. Benito Giovanni Marino, Marco Spadacini and Antonio D'Ambrosio, acquitted on 10 November 2014 at the end of the shortened and simplified proceeding before the Court of Turin, is awaiting the setting of the appeal trial following the Prosecutor's filing of an appeal.

Based on the status of the criminal proceedings, on the information acquired hitherto by the Company and on the legal opinions acquired on the matters, the risk of loss is deemed unlikely.

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Moreover, as reported in the Financial Statements ended 31 December 2017, 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, 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. Two civil proceedings before the Court of Turin ended with rulings that rejected the merits of the Plaintiff's requests, acquitting UnipolSai from all compensation claims. The two rulings have become res judicata since they were not appealed by the counterparties. On May 2017, the Milan Court has instead partially upheld the compensation claims of another shareholder. The Company appealed against the sentence before the Milan Court of Appeal. Of the remaining proceedings, some are in the decision stage and some in the introductory/preliminary stage.

Provisions deemed suitable were made in relation to the disputes with investors described above.

Deposits received from reinsurers (item F)

The item comprised the deposits set up as guarantee at the Company in connection with the risks ceded and retroceded, which fell from €168,962k (the figure at 31/12/2017) to €163,800k at the end of 2018, marking a €5,162k decrease (-3.1%).

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 2018 was €1,462,830k, which decreased by €79,974 compared to 31 December 2017 (-5.2%). The breakdown is summarised in the following table:

Amounts in €k

| Items | 2018 | 2017 | Change on 2017 |
|---|------------------|------------------|-----------------|
| G.I Payables arising from direct insurance business | 62,415 | 74,538 | (12,123) |
| G.II Payables arising from reinsurance | 61,510 | 69,334 | (7,825) |
| G.V Collateralised payables | 2,346 | 2,866 | (520) |
| G.VI Sundry loans and other financial payables | 16,413 | 13,006 | 3,406 |
| G.VII Post-employment benefits | 52,925 | 53,561 | (637) |
| G.VIII Other payables | 497,247 | 524,682 | (27,434) |
| G.IX Other liabilities | 769,974 | 804,816 | (34,842) |
| Total | 1,462,830 | 1,542,804 | (79,974) |
| | | | (5.2)% |

Payables arising from direct insurance business (item G.I) included payables to companies for €5,527k, to agents for €40,779k and to policyholders for advance premiums for €15,904k.

Payables arising from reinsurance business (item G.II) referred to reinsurance companies for €61,164k and to reinsurance intermediaries for €346k.

Item G.V "collateralised payables", at 31 December 2018 amounted to €2,346k. The item refers to mortgage loans Unipol Banca disbursed to corporate agencies regarding four properties Unipol Assicurazioni purchased in 2011 and 2012, as broken down below:

| <i>Amounts in €k</i> | Residual amount at 31/12/2018 |
|--|----------------------------------|
| Mortgage 6023128 Building 4378 Parma | 841 |
| Mortgage 6174396 Building 4379 Fidenza | 280 |
| Mortgage 6174397 Building 4379 Fidenza | 128 |
| Mortgage 8150029 Building 4380 Forlì | 1,097 |
| | 2,346 |

Item G.VI “sundry loans and other financial payables”, which amounted to €16,413k, at 31 December 2018 referred entirely to financial payables. In particular, the item comprises €16,413k for premiums collected in relation to the sold put options on equities.

The changes that took place in the period regarding post-employment benefits (item G.VII), which amounted to €52,925k, are detailed in Annex 15.

The uses regarding this fund are mainly represented by settlements made totalling €439k.

Of the other payables (item G.VIII), which amounted to €497,247k, down by €27,434k compared to the previous year’s figure, note:

- item G.VIII.1 “Payables for policyholders’ tax due”, which at 31 December 2018 presented a balance of €151,547k and consisted of the amounts due for insurance tax (€120,963k) and the payable to the National Health Service (€30,584k);
- item G.VIII.2 “Sundry tax payables”, which at 31 December 2018 presented a balance of €26,971k and consisted primarily of personnel tax payables equal to €15,490k and payables for other withholding taxes, totalling €11,415k;
- item G.VIII.3 “Other social security charges payable”, whose balance was €31,424k, comprised the national insurance fund for agents payables that amounted to €8,375k and payables to INPS amounting to €19,656k;
- Item G.VIII.4, “Sundry payables”, whose breakdown and major changes follow:

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|--------------------------------------|----------------|----------------|-------------------|
| Trade payables | 75,479 | 82,088 | (6,609) |
| Claims management | 12,261 | 5,673 | 6,589 |
| Group companies | 106,613 | 107,867 | (1,254) |
| Financial intermediaries | 45,430 | 46,920 | (1,490) |
| Guarantee deposits and advances paid | 23,135 | 24,993 | (1,858) |
| Other | 24,386 | 43,106 | (18,720) |
| Total | 287,305 | 310,647 | (23,341) |
| | | | (7.5)% |

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

Item G.IX, “other liabilities”, amounted to €769,974k at 31 December 2018 (-€34,842k compared to 31/12/2017).

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

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| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|--|----------------|----------------|-----------------|
| Commissions for premiums under collection | 98,881 | 93,798 | 5,083 |
| Financial liabilities | 213,652 | 191,297 | 22,356 |
| Provisions for personnel costs | 113,241 | 128,304 | (15,063) |
| Incentives and contributions to the agency network | 153,616 | 181,325 | (27,709) |
| Invoices receivable | 70,264 | 74,003 | (3,739) |
| Non-Life/Life connection account | 20,098 | 22,767 | (2,669) |
| Technical reinsurance entries | 13,274 | 11,095 | 2,179 |
| Liabilities pertaining to the technical accounts | 45,395 | 48,974 | (3,580) |
| Sundry liabilities | 41,553 | 53,254 | (11,701) |
| Total | 769,974 | 804,816 | (34,842) |
| | | | (4.3)% |

Financial liabilities for €213,652k are broken down as follows:

- contra-item of interest rate swaps for €33k;
- contra-item of asset swaps for €204,258k;
- contra-item of forward currencies for €9,362k.

Section 14 - Accruals and deferrals

Item H "Accruals and deferrals" showed a total balance at 31 December 2018 of €60,655k with an increase of €22,895k compared to the previous year (+60.6%).

The breakdown of the item follows:

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|--------------------------------|---------------|---------------|----------------|
| Financial derivatives | 16,787 | 8,631 | 8,156 |
| Interest on Life policy loans | 254 | 347 | (93) |
| Rents/sub-rentals | 70 | 72 | (1) |
| Interest on subordinated loans | 43,357 | 28,707 | 14,650 |
| Other accruals and deferrals | 186 | 3 | 183 |
| Total | 60,655 | 37,759 | 22,895 |
| | | | 60.6% |

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

| <i>Amounts in €k</i> | Accruals | Deferrals | Total |
|----------------------------------|---------------|------------|---------------|
| H.1 Interest | 60,398 | | 60,398 |
| H.2 Rental income | | 70 | 70 |
| H.3 Other accruals and deferrals | | 186 | 186 |
| Total | 60,398 | 256 | 60,655 |

No long-term accruals and deferrals are reported.

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

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

Section 16 - Receivables and payables

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

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

| <i>Amounts in €k</i> | Balance at 31/12/2018 | Amount due beyond 31/12/2019 | Amount due beyond 31/12/2023 |
|---|-----------------------|------------------------------|------------------------------|
| Loans | | | |
| Loans to holding companies | 267,785 | | |
| Loans to subsidiaries | 58,079 | 47,899 | 37,899 |
| Loans to affiliates | 106,259 | 106,259 | 66,412 |
| Loans to associates | 6,271 | 6,271 | |
| Loans on policies | 23,151 | 13,620 | 3,929 |
| Other loans | 2,130 | 1,102 | 217 |
| Total | 463,676 | 175,152 | 108,457 |
| Receivables | | | |
| Receivables from policyholders | 613,341 | | |
| Insurance intermediaries | 850,867 | 334,731 | 203,388 |
| Insurance company current accounts | 23,486 | | |
| Policyholders and third parties for amounts to be recovered | 95,430 | | |
| Companies and insurance and reinsurance intermediaries | 44,477 | | |
| Other receivables | 1,166,563 | 205,437 | 15,491 |
| Total | 2,794,165 | 540,168 | 218,879 |
| Deposits received from reinsurers | 163,800 | | |
| Payables | | | |
| Payables arising from direct insurance business | 62,415 | 15 | |
| Payables arising from reinsurance | 61,510 | | |
| Collateralised payables | 2,346 | 1,811 | 293 |
| Sundry loans and other financial payables | 16,413 | | |
| Other payables | 497,247 | 4,373 | 4,373 |
| Total | 639,931 | 6,198 | 4,666 |

Section 16 bis - Individual pension schemes

At 31 December 2018, UnipolSai Assicurazioni has an individual pension scheme in place, as set forth in Art.13, paragraph 1 of Legislative Decree 252/05 called "UnipolSai Previdenza Futura", of the multisegment type with performance connected with the segregated fund Previattiva UnipolSai and/or with the PreviGlobale internal fund.

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The resources relating to the individual pension schemes form an independent and separate equity within the Company.

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

The total balance at 31 December 2018, which amounted to €52,893,187k (+€346,666k compared to 31/12/2017), is mostly made up of securities deposited with third parties (€42,514,435k) and of the commitments account (€8,034,067k).

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|---|-------------------|-------------------|----------------|
| Guarantees given: Sureties | 15,222 | 30,930 | (15,708) |
| Guarantees given: Other guarantees | 581 | 581 | |
| Guarantees given: Collateral | 121,068 | 64,060 | 57,008 |
| Guarantees received: Sureties | 102,778 | 98,967 | 3,811 |
| Guarantees received: Collateral | 27,180 | 24,316 | 2,864 |
| Guarantees given by third parties in the interest of the company | 862,327 | 871,527 | (9,201) |
| Other guarantees received | 579,073 | 579,073 | |
| Commitments | 8,034,067 | 8,805,222 | (771,155) |
| Third party assets | 19,006 | 22,859 | (3,853) |
| Assets attributable to pension funds managed in the name and on behalf of third parties | 607,890 | 611,767 | (3,878) |
| Securities deposited with third parties | 42,514,435 | 41,425,716 | 1,088,719 |
| Other memorandum accounts | 9,559 | 11,502 | (1,943) |
| Total | 52,893,187 | 52,546,521 | 346,666 |

The guarantees given included €10,030k for surety policies in favour of municipal Authorities in relation to the Via Larga complex in Bologna and €2,093k relating to tax entries pertaining to the group.

The collateral given item comprises mainly securities set as collateral on transactions in derivatives.

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

- ✓ guarantee deposits on leases through sureties amounting to €7,057k;
- ✓ guarantee of €25,967k, issued by the company Mutuelle du Mans with reference to the adequacy of the technical provisions of the companies MMI Danni and MMI Assicurazioni purchased in 2005 by Navale Assicurazioni merged into Unipol Assicurazioni in 2010;
- ✓ guarantees given by the Agents individually through insurance or banking sureties for €3,852k. The amount also includes the guarantees given by preceding Agents established to benefit, earlier than indicated by the National Agreement, from the liquidation relating to the accrued portfolio indemnities.
- ✓ guarantees given by the Agents in collective form through the agent suretyship fund or through surety policies in compliance with the provisions of the National Agents Agreement for €19,826k;
- ✓ sureties against insurance contracts issued amounted to €42,587k.

Note that of the guarantees given by third parties in the interest of the company, of note were the guarantees of €561,689k given by the holding company Unipol Gruppo in favour of the bondholders of the subordinated loans that Unipol Assicurazioni took over as issuer in 2009.

The item also comprises €105,620k of sureties for participation in tenders, €72,008k of a surety issued to CONSAP and €70,000k as UBI Banca surety for Telespazio.

The amount of the other guarantees received refers exclusively to the guarantee issued by the holding company Unipol Gruppo by granting a put option on 246,726,761 Unipol Banca shares, corresponding to 27.49% of the investee's share capital extended at the time of the spin-off to 79,766,325 UnipolReC shares, without any change to the strike price which totalled €579,073k at 31 December 2018.

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

Amounts in €k

| Commitments | 2018 | 2017 | Change on 2017 |
|---|------------------|------------------|------------------|
| Financial derivatives | 7,172,031 | 7,930,875 | (758,844) |
| Capital subscribed | 718,003 | 594,148 | 123,854 |
| Taxes to be paid on Life technical provisions | 70,006 | 69,422 | 585 |
| Other commitments | 74,027 | 210,777 | (136,750) |
| Total | 8,034,067 | 8,805,222 | (771,155) |

The commitments recorded for transactions on derivatives at year end amounted to a total of €7,172,031k and are fully connected with Class C investments.

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 2018 on the mathematical provisions, pursuant to Decree Law 209/2002, to be paid in 2019.

The other commitments consist of commitments to purchase properties under construction (€39,027k), and the commitment to disburse a loan of €35,000k to AlfaEvolution Technology.

Third party assets comprise mainly office equipment as well as €177k corresponding to the value of the securities obtained as collateral for the reinsurance business.

Assets attributable to pension funds managed in name and on behalf of third parties refer to the following Pension Funds:

Amounts in €k

| Fund | 2018 |
|---------------------|----------------|
| Arco Senza Garanzia | 134,558 |
| Cooperlavoro | 141,679 |
| Filcoop | 44,201 |
| Previcooper | 145,792 |
| Solidarieta' Veneto | 135,438 |
| Agrifondo | 6,222 |
| Total | 607,890 |

3 Notes to the Financial Statements

The breakdown by type follows:

Amounts in €k

| Types | 2018 |
|------------------|----------------|
| Bonds | 383,313 |
| Equities | 190,262 |
| Liquidity | 29,679 |
| Other net assets | 4,636 |
| Total | 607,890 |

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 2018 was €42,514,435k.

Amounts in €k

| Depositary entity | 2018 | 2017 | Change on 2017 |
|-------------------|-------------------|-------------------|------------------|
| Group companies | 36,463,960 | 36,171,303 | 292,657 |
| Banks | 4,210,590 | 3,509,336 | 701,254 |
| Issuers | 1,839,289 | 1,744,463 | 94,826 |
| Others | 596 | 614 | (19) |
| Total | 42,514,435 | 41,425,716 | 1,088,737 |

Other memorandum accounts, whose balance at 31 December 2018 amounted to €9,559k, consisted mainly of deposits for books on claims almost entirely established at the associate Unipol Banca.

€596k in the table refers to the value of securities at third parties under guarantee for the inwards reinsurance business.

At 31 December 2018 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 uses 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 in place between the company 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 2018, 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 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 2018, almost all derivative positions represent contracts for which the measurement is of the internal Mark to Model type and the market parameters used for the measurement are exclusively of the observable type.

In the termsheets of the derivatives in the portfolio of the company at 31 December 2018 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.

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The open positions in derivatives at 31 December 2018, 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 | 29 | 581 | | | 29 | 581 | 252,953 |
| Forward sales of currency | 67 | (17,244) | | | 67 | (17,244) | 1,380,281 |
| Purchase of call options | | | 12 | 18,966 | 12 | 18,966 | 423,047 |
| Purchase of put options | 10 | 66,593 | | | 10 | 66,593 | 926,250 |
| Sale of put options | 10 | (16,413) | | | 10 | (16,413) | 715,000 |
| Purchase of Swaptions | 1 | 414 | | | 1 | 414 | 200,000 |
| Total contracts with equity swaps | 117 | 33,931 | 12 | 18,966 | 129 | 52,897 | 3,897,531 |
| Purchase of Interest Rate Swaps | 22 | 5,248 | | | 22 | 5,248 | 1,911,000 |
| Purchase of Asset Swaps | 21 | (194,035) | | | 21 | (194,035) | 1,363,500 |
| Total contracts without equity swaps | 43 | (188,787) | | | 43 | (188,787) | 3,274,500 |
| Grand total | 160 | (154,856) | 12 | 18,966 | 172 | (135,890) | 7,172,031 |

The forward purchases and sales of currency made in the year refer to the following currencies: Euro, US Dollar, Pound Sterling, Swiss Franc and Japanese YEN.

Income Statement

The results achieved in 2018 are summarised in the reclassification statement of the income statement, the most salient aspects of which are recalled below:

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|---|----------------|----------------|------------------|
| Technical balance: Life | 63,736 | 204,162 | (140,426) |
| Non-life | 452,896 | 501,718 | (48,822) |
| Total | 516,631 | 705,880 | (189,248) |
| Income from investments, other gains and losses | (38,107) | 94,877 | (132,983) |
| Profit (loss) from ordinary operations | 478,525 | 800,757 | (322,232) |
| Extraordinary components | 70,182 | 15,994 | 54,188 |
| Pre-tax profit (loss) | 548,707 | 816,751 | (268,044) |
| Net profit (loss) | 412,785 | 577,199 | (164,414) |

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

The gross premiums at 31 December 2018 amounted to €6,908,280k, 797.5 decreasing by €2,026k compared to 31 December 2017. Indirect business premiums amounted to € 10,774k and account for 0.2% of the total. Net of reinsurance, the premiums earned amounted to €6,393,378k (€6,456,345k at 31/12/2017). 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 €62,559k at 31 December 2018 (€44,466k at 31/12/2017) and included €31,696k regarding the Land Vehicle TPL class, mostly consisting of recovered expenses for managing claims on behalf of foreign companies, €2,186k of recovered commissions and €31,360k for the reversal of commissions on premiums of previous years cancelled. Indirect business included €9,786k as reinstated premiums envisaged contractually by reinsurance treaties and estimated on the basis of the claims provisions at year end.

The charge of the claims for the Non-Life business (item I.4) amounted to €4,213,101k, (€4,369,411k at 31/12/2017) 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 €7,981,829k at the end of the period.

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

| <i>Amounts in €k</i> | 2018 |
|--|----------------|
| Opening claims provision | 11,372,937 |
| Payments in the year for prior year claims | 3,066,706 |
| Closing claims provision | 7,981,829 |
| Breakdown of claims provision | 324,402 |
| % impact on opening provision | 2.85% |

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

| <i>Amounts in €k</i> | 2018 |
|---|----------------|
| Amounts to be collected at the end of the previous year | 109,593 |
| Amounts collected in the year | 113,025 |
| Amounts to be collected at the end of the year | 82,344 |
| Changes in the amounts to be collected | 85,776 |
| Total effect | 410,177 |

The run-off of 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 mostly used, to revalue cases still in reserve, whilst in the other Non-Life classes they enabled the realisation of positive run-offs.

As shown in the table, the positive overall result of the run-off of claims provisions also benefited from a significant positive differential relating to the recoveries (€85,776k).

The amount of the reversals and profit sharing (item I.6) recognised to the policyholders or other beneficiaries had a net balance of €5,999k (€7,874k at 31/12/2017) and referred almost entirely to technical profit sharing.

Operating expenses amounted to €1,779,089k, already net of the commissions received from reinsurers (€149,024k), and included acquisition and collection expenses for €1,607,333k (down by 0.9% compared to the 2017 figure) and other administrative expenses for €318,906k (%), respectively (compared to the 2017 figure) with a % and 4.6% impact on premiums.

The balance of item I.7.f "commissions and profit sharing from reinsurers", equal to €149,024k (-0.6% compared to the 2017 figure), referred to commissions for €121,498k and to profit sharing for €27,526k.

Other technical charges, net of reinsurance (item I.8), which at 31 December 2018 amounted to €154,237k (€175,657k the aggregate figure 2017), of which:

- €142,462k relating to direct business,
- €1,503k relating to indirect business and,
- €10,272k relating to premiums ceded.

In direct business, the most important items regard cancellations of premiums of previous years for €73,714k, the management rights of the CARD room for €11,589k and contributions for €46,705k.

Premiums ceded mostly include the estimate of reinstated premiums envisaged contractually by reinsurance treaties and estimated as €9,733 on the basis of the claims provisions at 31 December 2018.

Item I.9 "change in equalisation provisions", which was negativa by €3,106k, 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 €12k 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 as amended, is obtained by applying to the aforementioned gains on investments the ratio between the semisum of the technical provisions net of the reinsurance at the end of the current year and at the end of the previous one and the same

semisum increased by the value of the semisum of the shareholders' equity also resulting at the end of the current year and at the end of the previous one.

The breakdown in the individual portfolios and classes of the share of the profit assigned to the technical account was also made on the basis of the provisions of the aforementioned ISVAP Regulation.

At 31 December 2018 profits from investments were transferred from the non-technical account to the technical account for €151,499k (€355,756k the 2017 figure).

Section 19 - Information on Life business technical account (II)

The gross premiums at year end amounted to €3,129,406k (increasing by 8.2% compared to the 2017 figure); the premiums regarding indirect business equalled €293k.

Summarised information on premiums and the reinsurance balance is contained in Annex 20.

The details of the gains on investments (item II.2), which at 31 December 2018 amounted to €1,254,722k (€1,286,529k the figure at 31/12/2017) 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 2018 amounted to €114,587k (€170,972k the 2017 figure).

The other technical income, net of reinsurance (item II.4), amounted to €26,544k (€23,321k the 2017 figure) and included €24,003k 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 €2,618,842k (-23.9% compared to 31/12/2017) which had recorded €3,442,895k and included:

| <i>Amounts in €k</i> | 2018 | 2017 | Change on 2017 |
|-------------------------------|------------------|------------------|------------------|
| Capital and annuities accrued | 915,223 | 1,773,950 | (858,727) |
| Surrenders and advances | 1,524,261 | 1,514,497 | 9,764 |
| Claims | 172,754 | 146,587 | 26,167 |
| Settlement expenses | 4,594 | 4,770 | (175) |
| Indirect business | 2,010 | 3,091 | (1,081) |
| Total | 2,618,842 | 3,442,895 | (824,053) |

The change in provision for amounts payable, net of the reinsurers' share, equalled €8,865k (€43,263k the 2017 figure). The change in technical provisions, net of reinsurance (item II.6), amounted to €905,926k (-€23,443k the 2017 figure).

Item II.7 "reversals and profit sharing, net of reinsurance" amounted to €1,119k at 31 December 2018 (-€235k the 2017 figure) and consisted entirely of reversals.

Operating expenses (item II.8) amounted to €148,782k (-1.0% compared to the 2017 figure), already net of the commissions received from reinsurers (€1,346k), and included acquisition and collection expenses for €95,851k (-6.1% compared to the 2017 figure) and other administrative expenses for €57,020k (1.5% compared to the 2017 figure, with a 1.8% impact on premiums).

The item II.8.f "commissions and profit sharing from reinsurers", which at 31 December 2018 equalled €1,346k (+259.8% compared to the 2017 figure), referred entirely to commissions.

The detail of asset and financial charges (item II.9), which at 31 December 2018 amounted to €435,737k, versus €309,917k in 2017, is shown in Annex 23.

3 Notes to the Financial Statements

These charges included write-downs regarding bonds, shares and fund units for €208,567k and write-downs regarding financial derivatives for €5,430k. With reference to investments, write-downs of €9,388k were made relating to the associate Unipol Banca S.p.A..

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 €218,528k (€112,416k the 2017 figure).

Other technical charges, net of reinsurance (item II.11), equal to €40,856k (8.7% compared to the 2017 figure), mainly comprised:

- management fees for €26,978k;
- cancelled premiums of previous years for €11,800k;
- commissions on investments related to Unit-Linked Policies and pension funds for €889k.

Transfer of shares of the profit from investments to the non-technical account and indication of the base applied for the calculation - Item II.12

The profit from investments assumed to determine the share to be transferred to the non-technical account derives from the sum of the amounts, posted in the technical account, the gains on investments and the relevant asset and financial charges. Excluded for the purposes above are unrealised gains as well as unrealised asset and financial charges relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management, which remain as entirely attributed to the technical account.

The share to be assigned to the non-technical account, pursuant to ISVAP Regulation no. 22 of 4 April 2008, as amended, is obtained by applying to the aforementioned profit from investments the ratio resulting between:

- the semisum of the shareholders' equity resulting at the end of the current year and at the end of the previous one;
- this amount, increased by the semisum of the technical provisions (net of reinsurance) also resulting at the end of the year and at the end of the previous one.

However, if the profit from investments that remains assigned to the Life business technical account is lower than the amount of the profits from investments contractually recognised to the policyholders in the year, the portion to transfer to the non-technical account must be adequately reduced by an amount equal to this lower value, until it is entirely cancelled.

The breakdown of the individual portfolios and classes of the portion of the profit from investments regarding the technical account was based on their actual origin until reaching the portion of the income equal to the profits from investments contractually recognised to the policyholders; the propositional method envisaged by the aforementioned ISVAP Regulation was applied to the remaining difference.

Based on the results of the calculation made according to these criteria, €87,878k (€100,676k the 2017 figure) were transferred from the Life technical account to the non-technical account of profits from investments.

Section 20 - Development of the technical items for the class

20.1 Non-Life insurance

The summary of technical accounts by individual class (Italian portfolio) is shown in Annex 25.

The accounting entries pertaining to the technical accounts are posted in the accounts mainly broken down by class. The accounting entries that are common to more classes pertain to the overheads.

To attribute the overheads to the individual classes, direct attributions were partly made. Different parameters were also partly applied, based on the nature of the expense to break down. The main parameters used were determined on the basis of the premiums, the number of policies and the compensations paid.

On this point reference is made to section A - Measurement criteria.

The summary of the technical account summarising all Non-Life classes (Italian portfolio) is shown in Annex 26.

20.2 Life insurance

The summary of technical accounts by individual class (Italian portfolio) is shown in Annex 27.

The accounting entries pertaining to the technical accounts are posted in the accounts mostly broken down by class. The accounting entries that are common to more classes pertain to the overheads and income from investments.

As regards the latter, net of any portion transferred to the non-technical account, this was allocated to the classes proportionally to the technical provisions according to the already mentioned ISVAP Regulation no. 22 of 4 April 2008 as amended or integrated.

Overheads were assigned to the individual classes through various parameters, such as payments, parties insured and commissions paid.

On this point reference is made to section A - Measurement criteria.

The summary of the technical account summarising all Life classes (Italian portfolio) is shown in Annex 28.

20.3 Non-Life and Life insurance

The summary of the technical accounts summarising all Non-Life and Life classes regarding foreign business constitutes Annex 29.

Section 21 - Information on the non-technical account (III)

The gains on Non-Life business investments (item III.3) amounted to €783,579k (-16.7% compared to the 2017 figure) as detailed in Annex 21.

The Non-Life business asset and financial charges (item III.5) amounted to €577,076k, (€461,646k at 31/12/2017), are detailed in Annex 23.

Investment management expenses and interest expense (item C.III.5.a), with a balance of €142,681k (€155,188k the 2017 figure), included:

- administrative expenses attributed to the management of investments for €55,931k;
- financial charges linked to derivative financial instruments for €46,547k;
- taxes on investments for €19,919k, €14,975k of which for IMU, €4,140k for other indirect taxes and duties relating to property investments and €804k for other taxes on financial investments;
- issue/trading spreads for €10,190k;
- expenses on securities dossier for €8,709k;
- interest on deposits received from reinsurers for €939k.

Value adjustments to investments (item III.5.b) amounted to €376,698k (93.3% compared to the 2017 figure) and consisted of alignments of shares, interests and fund units for €171,023k, of bonds for €137,607k and on other financial investments for €7,525k. With reference to investments, note the following write-downs: €40,665k relating to the associate Unipol Banca S.p.A., €26,888k to the subsidiary Nuove Iniziative Toscane, €1,905k to the subsidiary Villa Ragionieri and €705k to the subsidiary Ambra Property.

This item also included the write-downs of properties totalling €60,543k, €46,963k of which referred to the portions of amortisation and €13,580k referred to write-downs for value adjustments.

The item III.7 "other income" equalled €160,688k at 31 December 2018, versus €176,974k (2017 figure), with a -9.2% change, broken down as follows:

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Amounts in €k

| | 2018 | 2017 | Change on 2017 |
|--|----------------|----------------|-----------------|
| Other income | | | |
| Interest income | 9,929 | 8,349 | 1,580 |
| Recovery of expenses | 68,126 | 53,680 | 14,446 |
| Positive exchange rate differences | | 16,150 | (16,150) |
| Withdrawals from provisions | 58,117 | 73,650 | (15,533) |
| Commission on placement of bank products | 6,938 | 7,228 | (290) |
| Other income | 7,998 | 9,623 | (1,625) |
| Recovery of expenses for management of Roadway Accident Victims Fund (FVS) | 9,579 | 8,294 | 1,285 |
| Total | 160,688 | 176,974 | (16,286) |

Interest income included €1,410k as interest on deposits and €8,519k as interest on other receivables. Income from recovered administrative expenses was €47,638k, for the provision of services and €17,952k for expenses borne for third parties.

Withdrawals from provisions, of which €43,831k from the provision for risks and charges, €16,770k referred to liabilities set aside in previous years and occurred in the current year and €27,061k to surpluses, and €14,286k to bad debt provisions, of which €9,568k related to losses recorded during the period and €4,718k to surpluses.

Other income includes €783k which represent fees for the management of real estate assets both by group companies and by third parties, €2,269k in recoveries of legal expenses and €1,281k in fees of directors paid by other group companies.

The item III.8 "other charges" equalled €341,677k at 31 December 2018 (€306,224k the 2017 figure), broken down as follows:

Amounts in €k

| | 2018 | 2017 | Change on 2017 |
|---|----------------|----------------|----------------|
| Other charges | | | |
| Amortisation on goodwill and other intangible assets | 116,956 | 114,827 | 2,129 |
| Impairment losses on receivables | 12,893 | 13,451 | (559) |
| Expenses for managing claims of Roadway Accident Victims Fund | 9,717 | 8,784 | 933 |
| Interest expense | 87,250 | 75,236 | 12,014 |
| Allocations to provisions | 48,229 | 23,202 | 25,026 |
| IVASS penalties | 845 | 1,416 | (571) |
| Commission on placement of bank products | 6,207 | 6,634 | (427) |
| Negative exchange rate differences | 2,604 | | 2,604 |
| Sundry taxes | 2,195 | 2,020 | 176 |
| Charges on behalf of third parties | 39,461 | 39,283 | 178 |
| Sundry charges | 15,320 | 21,371 | (6,050) |
| Total | 341,677 | 306,224 | 35,452 |

Amortisation of goodwill and other intangible assets include €61,885k of intangible assets and €55,071k of goodwill and insurance portfolios acquired in previous years.

Interest expense included mainly €83,068k regarding interest on subordinated loans and €4,182k of interest on other payables.

Charges on behalf of third parties included costs and other administrative charges for services provided to third parties for seconded personnel at other companies.

Sundry charges included €8,896k of other charges regarding portfolio indemnities paid in previous years and not recovered.

Allocations to provisions refer for €27,681k to bad debts provision and for €20,548k to provisions for risks and charges.

“Extraordinary income” (item III.10) equalled €178,765k versus €71,290k (2017 figure), broken down as follows:

Amounts in €k

| | 2018 | 2017 | Change on 2017 |
|---|----------------|---------------|----------------|
| Extraordinary income | | | |
| Gains on disposals of property | 42,654 | 23,125 | 19,530 |
| Gains on trading of long-term securities | 201 | 4,317 | (4,115) |
| Gains on trading of mutual investment funds | 1,143 | | 1,143 |
| Gains on trading of shares and investments | 95,252 | 17 | 95,234 |
| Gains on trading of other assets | 4 | 271 | (267) |
| Extraordinary gains | 39,223 | 43,507 | (4,284) |
| Other income | 289 | 54 | 235 |
| Total | 178,765 | 71,290 | 107,475 |

This item includes gains realised on securities and other financial instruments classified under long-term investments. For information on transactions in this segment, refer to the specific sections of the Management Report and the Notes to the Financial Statements.

The sale of the subsidiary Popolare Vita led to a net gain of €30,116k, causing the opposite impact on Non-Life business, which recorded a loss of €64,351k, and Life business, which recorded a gain of €94,467k, due to the different unit value of recognition of the investee.

There was also an extraordinary gain of €23,469k relating to lower taxes of previous years, mostly originating from a more favourable recalculation of the ACE benefit, also due to positive responses received regarding appeals made.

Extraordinary expenses (item III.11) equalled €108,584k (€55,296k the 2017 figure), broken down as follows:

Amounts in €k

| | 2018 | 2017 | Change on 2017 |
|---|----------------|---------------|----------------|
| Extraordinary expenses | | | |
| Losses on disposals of property | 28,923 | 6,818 | 22,104 |
| Losses on long-lived securities | | 2,297 | (2,297) |
| Losses on trading of long-lived mutual investment funds | 8,895 | | 8,895 |
| Losses on trading of investments | 64,370 | 20 | 64,350 |
| Extraordinary losses | 4,703 | 9,533 | (4,831) |
| Settlements | 1,218 | 31,409 | (30,191) |
| Other charges | 475 | 5,214 | (4,739) |
| Losses on disposals of other assets | 1 | 5 | (4) |
| Total | 108,584 | 55,296 | 53,288 |

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Losses on disposals concern the long-term investments segment.

Transaction expenses mostly result from the definition of legal proceedings initiated during the period, which are covered by provisions set aside in previous years.

Extraordinary losses include tax expenses relating to previous years amounting to €403k.

Item III 14 "Income tax for the year" represented a total charge of €135,921k (€239,552k the 2017 figure), €111,649k of which regarding current IRES and IRAP taxes of the year, €2,485k relating to substitute taxes under Art. 15, paragraph 10 of Decree Law 185/2008 in addition to the net balance of the deferred tax assets and liabilities for €21,787k.

The table below reports the changes occurred:

| <i>Amounts in €k</i> | IRES | IRAP | Total |
|---|------------------|-----------------|------------------|
| Current and substitute taxes | (96,970) | (17,164) | (114,134) |
| Deferred tax assets and liabilities: | | | |
| - use of deferred tax assets | (90,263) | (8,952) | (99,215) |
| - use of deferred tax liabilities | 42,585 | 2,611 | 45,195 |
| - recognition of deferred tax assets | 51,830 | 101 | 51,931 |
| - recognition of deferred tax liabilities | (19,699) | | (19,699) |
| Balance on deferred tax assets/liabilities | (15,546) | (6,241) | (21,787) |
| TOTAL | (112,517) | (23,405) | (135,921) |

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> | 2018 | 2017 | Change |
|--|------------------|------------------|------------------|
| Pre-tax profit (loss) | 548,707 | 816,751 | (268,044) |
| Theoretical IRES - (Expenses)/Income | (131,690) | (196,020) | 64,331 |
| Tax effect deriving from taxable income permanent changes | | | |
| Increases: | (54,105) | (45,420) | (8,685) |
| - PEX investments - write-downs | (34,079) | (23,348) | (10,731) |
| - Dividend Washing | (771) | (479) | (292) |
| - Interest expense | (836) | (712) | (124) |
| - Taxes and other non-deductible costs | (4,485) | (5,140) | 655 |
| - Non-deductible goodwill | (6,025) | (6,025) | |
| - Higher Tax Capital Gain on transfer of business unit | | | |
| - Allocations to provisions for risks | (3,165) | (1,634) | (1,530) |
| - Extraordinary losses | (855) | (2,279) | 1,424 |
| - Recalculation of IRAP tax exemption | (201) | (319) | 119 |
| - Property not for own use | (1,678) | (1,621) | (57) |
| - Impairment losses on receivables | (790) | (600) | (190) |
| - Other changes | (1,220) | (3,261) | 2,041 |
| Decreases: | 75,763 | 40,758 | 35,005 |
| - PEX investments - gains exempt | 21,717 | 4 | 21,713 |
| - Dividends excluded | 23,400 | 27,595 | (4,196) |
| - IRAP deduction | 412 | 805 | (393) |
| - ACE relief | 4,231 | 4,166 | 65 |
| - Extraordinary gains | 5,764 | 7 | 5,757 |
| - Withdrawals from provisions for risks | 6,463 | 1,849 | 4,614 |
| - Redeemed goodwill | 2,261 | 2,261 | |
| - Super-amortisation/depreciation | 958 | 660 | 298 |
| - Recovery of value of long-term investments | 9,157 | | 9,157 |
| - Other changes | 1,400 | 3,410 | (2,010) |
| IRES pertaining to the year - (Expenses)/Income | (110,032) | (200,682) | 90,651 |
| - Theoretical IRAP on the technical result | (35,234) | (48,141) | 12,907 |
| - Dividends and overheads | 5,982 | 6,872 | (889) |
| - Deductible amortisation/depreciation | 2,693 | 3,147 | (454) |
| - Gains on transfers of property not for own use | (2,909) | (1,367) | (1,542) |
| - Other changes | 6,063 | 3,104 | 2,959 |
| IRAP | (23,405) | (36,385) | 12,980 |
| Substitute taxes | (2,485) | (2,485) | |
| Total Income Tax | (135,921) | (239,552) | 103,631 |

3 Notes to the Financial Statements

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> | 2018 Fiscal effect (*) | | 2017 Fiscal effect (*) | | Change | |
|---|---------------------------|----------------|---------------------------|----------------|------------------|-----------------|
| | Amount | Tax effect | Taxable amount | Tax effect | Taxable amount | Tax effect |
| DEFERRED TAX ASSETS | | | | | | |
| IRES | | | | | | |
| Valuation of Outstanding Equity Portfolio | 76,491 | 18,358 | 52,330 | 12,559 | 24,161 | 5,799 |
| Write-downs of securities (Art. 9 of the Consolidated Income Tax Act) | 29,955 | 7,189 | 18,454 | 4,429 | 11,501 | 2,760 |
| Change in Life Business technical provisions | 71,624 | 17,189 | 64,522 | 15,485 | 7,102 | 1,704 |
| Change in Non-Life Business claims provision | 572,482 | 137,395 | 636,685 | 152,804 | (64,203) | (15,409) |
| Write-downs of Property | 465,650 | 111,755 | 576,468 | 138,352 | (110,818) | (26,597) |
| Depreciation of property and other assets | 27,534 | 6,608 | 28,021 | 6,725 | (487) | (117) |
| Goodwill amortisation | 733,798 | 176,112 | 740,753 | 177,781 | (6,955) | (1,669) |
| Provisions for personnel expenses | 106,848 | 25,644 | 134,207 | 32,210 | (27,359) | (6,566) |
| Provision for risks and charges | 455,513 | 109,322 | 448,718 | 107,692 | 6,795 | 1,630 |
| Write-downs of receivables from policyholders | 452,895 | 108,695 | 452,895 | 108,695 | | |
| Other changes | 1,519 | 364 | 2,365 | 568 | (846) | (204) |
| Substitute tax realignment | | 5,779 | | 8,264 | | (2,485) |
| TOTAL IRES | 2,994,309 | 724,410 | 3,155,418 | 765,564 | (161,109) | (41,154) |
| IRAP | | | | | | |
| Write-down of Property | 468,592 | 31,958 | 592,990 | 40,442 | (124,398) | (8,484) |
| Depreciation of property and other assets | 7,370 | 503 | 8,263 | 564 | (893) | (61) |
| Goodwill amortisation | 733,237 | 50,007 | 739,421 | 50,429 | (6,184) | (422) |
| Write-downs of receivables from policyholders | 142,325 | 9,707 | 142,325 | 9,707 | | |
| Property Fund capital gain and other changes | 15,982 | 1,090 | 15,375 | 1,049 | 607 | 41 |
| TOTAL IRAP | 1,367,506 | 93,265 | 1,498,374 | 102,191 | (130,868) | (8,926) |
| TOTAL DEFERRED TAX ASSETS | 4,361,815 | 817,675 | 4,653,792 | 867,755 | (291,977) | (50,080) |

(*) Rate: 24% IRES; 6.82% IRAP

The deferred tax liabilities accrued are detailed below:

| <i>Amounts in €k</i> | 2018 Fiscal effect (*) | | 2017 Fiscal effect (*) | | Change | |
|---|---------------------------|---------------|---------------------------|---------------|------------------|-----------------|
| | Amount | Tax effect | Taxable amount | Tax effect | Taxable amount | Tax effect |
| DEFERRED TAX LIABILITIES | | | | | | |
| IRES | | | | | | |
| Tax gains on property | 116,191 | 27,886 | 155,576 | 37,338 | (39,385) | (9,452) |
| Capital gains on property for own use, applied in instalments | 89,880 | 21,572 | 185,115 | 44,428 | (95,235) | (22,856) |
| Other changes | 39,263 | 9,423 | | | 39,263 | 9,423 |
| TOTAL IRES | 245,334 | 58,881 | 340,691 | 81,766 | (95,357) | (22,885) |
| IRAP | | | | | | |
| Tax gains on property | 67,453 | 4,600 | 105,734 | 7,211 | (38,281) | (2,611) |
| TOTAL IRAP | 67,453 | 4,600 | 105,734 | 7,211 | (38,281) | (2,611) |
| TOTAL DEFERRED TAX LIABILITIES | 312,787 | 63,481 | 446,425 | 88,977 | (133,638) | (25,496) |

(*) Rate: 24% IRES; 6.82% IRAP

Section 22 - Information on the income statement

Relations with group companies and other investees are detailed in Annex 30.
The main items are commented on in the special Section of the Management Report.

The statement summarising the premiums written for direct business by geographical area is shown in Annex 31.

The charges regarding human resources, directors and statutory auditors are detailed in Annex 32.
The number of employees at 31 December 2018, broken down by category, is as follows:

| | 2018 | 2017 |
|----------------|--------------|--------------|
| Executives | 174 | 175 |
| Officers | 1,669 | 1,600 |
| Office workers | 5,662 | 5,696 |
| Other | 7 | 9 |
| Total | 7,512 | 7,480 |

Considering the number of employees as FTE (Full Time Equivalent), the total equalled 7,270 resources.

Results on sales of capitalised securities

In the Non-Life business, the early disposals of two tranches of units of a mutual investment fund led to gains of €8,857k, while in the Life business the sales made in 2018 concerned a bond and entailed recording gains of €201k.

3 Notes to the Financial Statements

Results on transactions in financial derivatives

Derivative trading led to total net charges of €10,067k, which included net charges of €22,047k on transactions concluded in the period and net income of €11,980k on transactions still in place at year end. The following table shows the details of charges and income recognised in 2018 by type of derivative and transaction.

Amounts in €k

| | Closed transactions | Ongoing transactions at year-end | Impact on Comprehensive Income Statement |
|---|---------------------|----------------------------------|--|
| Hedging derivatives | | | |
| - options on share | (20,869) | 26,521 | 5,652 |
| - options on rates | (790) | | (790) |
| - swaps other | 783 | | 783 |
| - swaps on rates | 1,788 | 6,456 | 8,244 |
| - Other transactions | (21,185) | (16,664) | (37,849) |
| Total hedging derivatives | (40,273) | 16,313 | (23,960) |
| Other derivatives transactions | | | |
| - options on share | 13,756 | (4,333) | 9,423 |
| - swaps on rates | 4,470 | | 4,470 |
| Total other derivatives transactions | 18,226 | (4,333) | 13,893 |
| Grand total | (22,047) | 11,980 | (10,067) |

Part C: Other Information

Statement summarising the key figures of the financial statements of Unipol Gruppo at 31 December 2017 and 31 December 2016

In accordance with Art. 2497 et seq. of the Civil Code, the company Unipol Gruppo carries out management and coordination activities.

Amounts in €m

| STATEMENT OF FINANCIAL POSITION | 31.12.2017 | 31.12.2016 |
|---|----------------|----------------|
| ASSETS | | |
| A) SUBSCRIBED CAPITAL, UNPAID | | |
| B) FIXED ASSETS | | |
| I Intangible assets | 3.2 | 4.7 |
| II Property, plant and equipment | 1.0 | 1.3 |
| III Financial assets | 6,421.8 | 6,420.2 |
| TOTAL FIXED ASSETS | 6,425.9 | 6,426.2 |
| C) CURRENT ASSETS | | |
| I Inventories | | |
| II Receivables | 731.9 | 553.6 |
| III Current financial assets | 164.7 | 105.3 |
| IV Cash and cash equivalents | 1,421.0 | 1,064.8 |
| TOTAL CURRENT ASSETS | 2,317.6 | 1,723.7 |
| D) ACCRUALS AND DEFERRALS | 0.7 | 0.8 |
| TOTAL ASSET | 8,744.3 | 8,150.6 |
| LIABILITIES | | |
| A) SHAREHOLDERS' EQUITY | | |
| I Share capital | 3,365.3 | 3,365.3 |
| II Share premium reserve | 1,435.7 | 1,410.0 |
| III Revaluation reserves | | 20.7 |
| IV Legal reserve | 561.7 | 545.7 |
| V Statutory reserve | | |
| VI Reserve for treasury shares in portfolio | | 282.2 |
| VII Other reserves | | |
| VIII Retained profit (loss) | | (292.7) |
| IX Profit (loss) for the year | 213.4 | 159.9 |
| X Negative reserve for treasury shares | (8.8) | (15.5) |
| TOTAL SHAREHOLDERS' EQUITY | 5,567.3 | 5,475.5 |
| B) PROVISIONS FOR RISKS AND CHARGES | 342.6 | 737.2 |
| C) POST-EMPLOYMENT BENEFITS | 0.0 | 0.0 |
| D) PAYABLES | 2,834.4 | 1,937.9 |
| TOTAL LIABILITIES | 8,744.3 | 8,150.6 |

3 Notes to the Financial Statements

Amounts in €m

| INCOME STATEMENT | 31.12.2017 | 31.12.2016 |
|--|------------|------------|
| A) VALUE OF PRODUCTION | 31.1 | 44.3 |
| B) COSTS OF PRODUCTION | 158.1 | 77.7 |
| DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B) | (127.0) | (33.4) |
| C) FINANCIAL INCOME AND CHARGES | 965.0 | 227.2 |
| D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS | (655.8) | (55.6) |
| PRE-TAX PROFIT (LOSS) | 182.1 | 138.2 |
| PROFIT (LOSS) FOR THE YEAR | 213.4 | 159.9 |

The key figures about the holding company Unipol Gruppo, shown in the previous summarised statement required by Art.2497-bis of the Civil Code, were taken from the relevant financial statements for the years ended 31 December 2017 and 31 December 2016.

For a suitable and comprehensive understanding of the equity-financial position of the Holding company and the economic result obtained by the company in the years ended on these dates, reference is made to the financial statements that, together with the reports by the Independent Auditors and the Board of Statutory Auditors, are available at the Company's registered office, Via Stalingrado 45, Bologna or on the website www.unipol.it.

Consolidated Financial Statements

UnipolSai prepares the Consolidated Financial Statements in accordance with Art.154-ter of Legislative Decree 58/1998 (Consolidated Law on Finance) and of ISVAP Regulation no. 7 of 13 July 2007, as amended, in accordance with the IAS/IFRS standards issued by the IASB and endorsed by the European Union. A copy of the Consolidated Financial Statements at 31 December 2018 is on the company's website (www.unipolsai.com).

UnipolSai is directly controlled by the mixed financial holding company Unipol Gruppo S.p.A., a company listed on the Italian Stock Market in Milan, with its registered office in Bologna - Via Stalingrado, 45, which prepares the Consolidated Financial Statements in accordance with Art. 154-ter of Legislative Decree no. 58/1998 (Consolidated Law on Finance) and of ISVAP Regulation no. 7 of 13 July 2007, as amended, in accordance with the IAS/IFRS standards issued by the IASB and endorsed by the European Union. Unipol Gruppo carries out management and coordination activities with respect to the (direct and indirect) subsidiaries. It is also the parent of the Unipol Insurance Group enrolled in the Register of Insurance Groups - no.046 and parent of the Unipol Banking Group and, on 15 December 2017, following the total spin-off of Finsoe S.p.A., it took on the role of mixed financial holding company leading the Unipol financial conglomerate.

Information on public funds received

With reference to the regulation on the transparency of public funds introduced by Art.1, paragraph 125 of Law 124/2017 and subsequent amendments and supplements, note that in 2018 the company did not benefit from subsidies, contributions, paid positions and any economic advantages subject to the disclosure obligation in the financial statements pursuant to the above-cited regulation.

Even though the regulation in question is not considered applicable to contributions received from interprofessional funds, whilst awaiting the appropriate clarification on its interpretation, note that, in 2018, through Unipol Gruppo in its capacity as the party submitting the relative petition, the company collected contributions from the Banks and Insurance Fund for the amount of €1,339k, with regard to training carried out to its employees in 2016 and 2017.

Furthermore, in 2018 the company collected contributions from FONDIR for €13k, with relation to training provided to its managers in 2015.

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 S.p.A. | UnipolSai Assicurazioni S.p.A. | 1,966 |
| Attestation services | PricewaterhouseCoopers S.p.A. | UnipolSai Assicurazioni S.p.A. | 504 |
| Other services | PricewaterhouseCoopers S.p.A. | UnipolSai Assicurazioni S.p.A. | 377 |
| Other services | PricewaterhouseCoopers Advisory S.p.A. | UnipolSai Assicurazioni S.p.A. | 277 |
| Total | | | 3,124 |

Proposed allocation of profit for the period and relevant effects on the shareholders' equity

Proposed allocation of the profit for the period

Dear Shareholders,

The Board of Directors submits to the Ordinary Shareholders' Meeting the following resolution proposal.

“The Ordinary Shareholders' Meeting of UnipolSai Assicurazioni S.p.A. (“UnipolSai” or the “Company”),

- having examined the draft financial statements at 31 December 2018, accompanied by the annexes and documentation required by Legislative Decree 209 of 7 September 2005, as well as the annexes and additional documents drawn up pursuant to ISVAP Regulation no. 22 of 4 April 2008, as subsequently amended, having read the Management Report and having accepted the Board of Statutory Auditors' Report and the report prepared by the company PricewaterhouseCoopers S.p.A. appointed to serve as the independent auditor;
- having examined the results of said draft financial statements, which close with profit for the year totalling €412,785,223.89, of which €227,689,013.20 relating to the Non-Life business and €185,096,210.69 relating to the Life business;
- having acknowledged that the legal reserve existing in the financial statements at 31 December 2018 unchanged at the current date, has already reached the limit of 20% of the share capital,
- having acknowledged that, at today's date, the Company owns 1,800,000 treasury shares,

hereby resolves

- to approve the financial statements of UnipolSai at 31 December 2018, accompanied by the Management Report, recording profit for the year of €412,785,223.89, of which €227,689,013.20 relating to the Non-Life business and €185,096,210.69 relating to the Life business (the “Profit for the Year”);
- to approve the proposed allocation of the Profit for the year at 31 December 2018, in compliance with Art. 27 of the By-Laws, as follows:
 - distribution of a total of €410,048,018.94, of which €227,689,013.20 relating to the Non-Life business and €182,359,005.74 relating to the Life business, and thus distribution of a unit dividend, also in consideration of the redistribution pertaining to treasury shares, equal to €0.145 for each entitled ordinary share;
 - allocation of the residual Profit for the year – totalling €2,737,204.95 – 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 22 May 2019 (ex-dividend date of 20 May 2019 and record date of 21 May 2019).”

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 2018 | Allocation of profit and dividend distribution | Post-resolution balances |
|----------------------|---|---------------------------------|---|-----------------------------|
| I | Share capital | 1,528,514 | | 1,528,514 |
| II | Share premium reserve | 147,888 | | 147,888 |
| III | Revaluation reserves | 96,559 | | 96,559 |
| IV | Legal reserve | 305,703 | | 305,703 |
| V | Statutory reserve | | | |
| VI | Reserve for shares of the holding company | 3,284 | | 3,284 |
| VII | Other reserves | 1,183,817 | | 1,183,817 |
| VIII | Retained profit (loss) | | | |
| IX | Profit (loss) for the year | 227,689 | | |
| X | Negative reserve for treasury shares | (2,731) | | (2,731) |
| | Dividend distribution | | 227,689 | |
| | Total | 3,490,723 | 227,689 | 3,263,034 |

Breakdown of Life Shareholders' Equity

| <i>Amounts in €k</i> | | Balances at 31 December 2018 | 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 | 1,227,134 | 2,737 | 1,229,871 |
| VIII | Retained profit (loss) | | | |
| IX | Profit (loss) for the year | 185,096 | | |
| X | Negative reserve for treasury shares | | | |
| | Dividend distribution | | 182,359 | |
| | Total | 2,275,130 | 185,096 | 2,092,771 |

Bologna, 14 March 2019

The Board of Directors
ard of Directors





4

TABLES APPENDED
TO THE NOTES TO
THE FINANCIAL
STATEMENTS

4 Tables appended to the Notes to the Financial Statements

Tables appended to the Notes to the Financial Statements

Company

UnipolSai Assicurazioni S.p.A.

Share capital

Subscribed € 2,031,456,338

Paid-up € 2,031,456,338

Registered Office at

BOLOGNA - Via Stalingrado 45

Annexes to the Notes to the Financial Statements

Amounts in K€

| N. | DESCRIPTION | *Non-Life | *Life | *Non-Life and Life |
|----|--|-----------|-------|--------------------|
| 1 | Statement of Financial Position - Non-Life business | 1 | | |
| 2 | Statement of Financial Position - Life business | | 1 | |
| 3 | Statement of breakdown of the profit (loss) for the year between the Non-Life business and the Life business | | | 1 |
| 4 | Assets - Changes in the year in intangible assets (item B) and land and buildings (item C.I) | | | 1 |
| 5 | Assets - Changes in the year in investments in group companies and other investees: shares and holdings (item C.II.1), bonds (item C.II.2) and loans (item C.II.3) | | | 1 |
| 6 | Assets - Statement with information relating to investees | | | 1 |
| 7 | Assets - Statement of changes in investments in group companies and other investees: shares and holdings | | | 1 |
| 8 | Assets - Breakdown based on the use of other financial investments: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7) | | | 1 |
| 9 | Assets - Changes in the year in other financial investments with long-lived use: shares and holdings, mutual investment fund units, bonds and other fixed-yield securities, mutual investment units and sundry financial investments (items C.III.1, 2, 3, 5, 7) | | | 1 |
| 10 | Assets - Changes in the year in loans and bank deposits (items C.III.4, 6) | | | 1 |
| 11 | Assets - Statement of assets relating to benefits linked to investment funds and market indices (item D.I) | | 3 | |
| 12 | Assets - Statement of assets arising from pension fund management (item D.II) | | 21 | |
| 13 | Liabilities - Non-Life business - Changes in the year in premium provision (item C.I.1) and claims provision (item C.I.2) | 1 | | |
| 14 | Liabilities - Changes in the year in mathematical provision (item C.II.1) and provision for profit sharing and reversals (item C.II.4) | | 1 | |
| 15 | Liabilities - Changes in the year in provisions for risks and charges (item E) and post-employment benefits (item G.VII) | | | 1 |
| 16 | Details of assets and liabilities relating to Group companies and other investees | | | 1 |
| 17 | Information on 'guarantees, commitments and other memorandum accounts' | | | 1 |
| 18 | Statement of commitments for transactions on derivative contracts | | | 1 |
| 19 | Summarised information on Non-Life business technical account | 1 | | |
| 20 | Summarised information on Life business regarding premiums and the reinsurance balance | | 1 | |
| 21 | Gains on investments (items II.2 and III.3) | | | 1 |
| 22 | Income and unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.3) | | 1 | |
| 23 | Asset and financial charges (items II.9 and III.5) | | | 1 |
| 24 | Charges and unrealised losses relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.10) | | 1 | |
| 25 | Non-Life business - Summary of technical accounts by individual class - Italian portfolio | 1 | | |
| 26 | Summary of the condensed technical account of all Non-Life classes - Italian portfolio | 1 | | |
| 27 | Life business - Summary of technical accounts by individual class - Italian portfolio | | 1 | |
| 28 | Summary of the condensed technical account of all Life classes - Italian portfolio | | 1 | |
| 29 | Summary of the Non-Life and Life technical accounts - Foreign portfolio | | | 1 |
| 30 | Relations with group companies and other investees | | | 1 |
| 31 | Summary of direct business written premiums | | | 1 |
| 32 | Statement of charges regarding human resources, directors and statutory auditors | | | 1 |

* State the number of forms and annexes actually filled in. Put 0 if the annex, though required, was not filled in as the items are null. Put n.a. if the company is not obliged to fill in the annex.

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

| | Amounts for the year | | | |
|---|----------------------|-----------------------|----|-----------|
| | | | | |
| A. SUBSCRIBED CAPITAL, UNPAID | | | | 1 |
| of which called | 2 | | | |
| B. INTANGIBLE ASSETS | | | | |
| 1. Acquisition commissions to be amortised | 4 | 20,496 | | |
| 2. Other acquisition costs | 6 | | | |
| 3. Start-up and expansion costs | 7 | 183 | | |
| 4. Goodwill | 8 | 390,764 | | |
| 5. Other long-term costs | 9 | 196,964 | 10 | 608,407 |
| C. INVESTMENTS | | | | |
| I - Land and buildings | | | | |
| 1. Property for corporate business | 11 | 447,475 | | |
| 2. Property for use by third parties | 12 | 1,598,109 | | |
| 3. Other property | 13 | 16,299 | | |
| 4. Other property rights | 14 | 2,279 | | |
| 5. Fixed assets in progress and payments on account | 15 | 69,951 | 16 | 2,134,113 |
| II - Investments in group companies and other investees | | | | |
| 1. Shares and holdings in: | | | | |
| a) holding companies | 17 | 3,284 | | |
| b) subsidiaries | 18 | 1,916,154 | | |
| c) affiliates | 19 | 422,968 | | |
| d) associates | 20 | 31,147 | | |
| e) other | 21 | 247,927 | 22 | 2,621,479 |
| 2. Bonds issued by | | | | |
| a) holding companies | 23 | | | |
| b) subsidiaries | 24 | | | |
| c) affiliates | 25 | | | |
| d) associates | 26 | | | |
| e) other | 27 | 3,740 | 28 | 3,740 |
| 3. Loans to: | | | | |
| a) holding companies | 29 | 214,785 | | |
| b) subsidiaries | 30 | 58,079 | | |
| c) affiliates | 31 | 73,019 | | |
| d) associates | 32 | 6,271 | | |
| e) other | 33 | | 34 | 352,155 |
| | | | 35 | 2,977,374 |
| | | to be carried forward | | 608,407 |

| Amounts for the previous year | | | | | |
|-------------------------------|--|-----|-----------|-----------------------|---------------|
| | | | | | 181 |
| | | | 182 | | |
| | | | | | |
| | | | 184 | 21,432 | |
| | | | 186 | | |
| | | | 187 | 5,864 | |
| | | | 188 | 429,162 | |
| | | | 189 | 180,614 | 190 637,072 |
| | | | | | |
| | | | 191 | 416,194 | |
| | | | 192 | 1,851,168 | |
| | | | 193 | 16,207 | |
| | | | 194 | 2,279 | |
| | | | 195 | 59,554 | 196 2,345,403 |
| | | | | | |
| | | | | | |
| | | 197 | 7,327 | | |
| | | 198 | 2,138,291 | | |
| | | 199 | 463,633 | | |
| | | 200 | 31,147 | | |
| | | 201 | 20,734 | 202 2,661,132 | |
| | | | | | |
| | | 203 | | | |
| | | 204 | | | |
| | | 205 | | | |
| | | 206 | | | |
| | | 207 | 3,740 | 208 3,740 | |
| | | | | | |
| | | 209 | 214,785 | | |
| | | 210 | 49,159 | | |
| | | 211 | | | |
| | | 212 | 6,707 | | |
| | | 213 | | 214 270,651 | 215 2,935,523 |
| | | | | to be carried forward | 637,072 |

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 | | | |
| | | | | | 608,407 |
| C. | INVESTMENTS (continued) | | | | |
| | III - Other financial investments | | | | |
| | 1. Shares and holdings | | | | |
| | a) Listed shares | 36 | 124,638 | | |
| | b) Unlisted shares | 37 | 52,001 | | |
| | c) Holdings | 38 | | 39 | 176,639 |
| | 2. Mutual investment fund units | | | 40 | 1,821,706 |
| | 3. Bonds and other fixed-yield securities | | | | |
| | a) listed | 41 | 8,107,925 | | |
| | b) unlisted | 42 | 111,444 | | |
| | c) convertible bonds | 43 | 1,046 | 44 | 8,220,416 |
| | 4. Loans | | | | |
| | a) collateralised loans | 45 | | | |
| | b) loans on policies | 46 | | | |
| | c) other loans | 47 | 2,056 | 48 | 2,056 |
| | 5. Mutual investment units | | | 49 | |
| | 6. Bank deposits | | | 50 | 6,065 |
| | 7. Sundry financial investments | | | 51 | 71,368 |
| | IV - Deposits with ceding companies | | | 52 | 10,298,250 |
| | | | | 53 | 7,350 |
| | | | | 54 | 15,417,087 |
| D. | bis TECHNICAL PROVISIONS - REINSURERS' SHARE | | | | |
| | I - NON-LIFE BUSINESS | | | | |
| | 1. Premium provision | | | 58 | 88,846 |
| | 2. Claims provision | | | 59 | 506,950 |
| | 3. Provision for profit sharing and reversals | | | 60 | |
| | 4. Other technical provisions | | | 61 | |
| | | | | 62 | 595,796 |
| | | | | | 16,621,290 |
| | | | | | to be carried forward |

| Amounts for the previous year | | | |
|-------------------------------|-----|------------------------|----------------|
| | | amount carried forward | 637,072 |
| | | | |
| | | | |
| | 216 | 463,427 | |
| | 217 | 52,287 | |
| | 218 | | 219 515,714 |
| | | | 220 1,587,558 |
| | | | |
| | 221 | 8,402,697 | |
| | 222 | 118,351 | |
| | 223 | 842 | 224 8,521,890 |
| | | | |
| | 225 | | |
| | 226 | | |
| | 227 | 98,002 | 228 98,002 |
| | | | 229 |
| | | | 230 6,582 |
| | | | 231 58,327 |
| | | | 232 10,788,072 |
| | | | 233 7,656 |
| | | | 234 16,076,654 |
| | | | |
| | | | |
| | | | 238 101,266 |
| | | | 239 439,674 |
| | | | 240 |
| | | | 241 |
| | | | 242 540,940 |
| | | to be carried forward | 17,254,666 |

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 | | | |
| | | | | 16,621,290 | |
| E. | RECEIVABLES | | | | |
| | I - Receivables relating to direct insurance business from: | | | | |
| | 1. Policyholders | | | | |
| | a) for premiums for the year | 71 | 510,898 | | |
| | b) for premiums for previous years | 72 | 3,430 | 73 | 514,327 |
| | 2. Insurance intermediaries | | | 74 | 747,697 |
| | 3. Insurance company current accounts | | | 75 | 18,874 |
| | 4. Policyholders and third parties for amounts to be collected | | | 76 | 95,430 |
| | II - Receivables relating to reinsurance business, from: | | | | |
| | 1. Insurance and reinsurance companies | | | 78 | 44,069 |
| | 2. Reinsurance intermediaries | | | 79 | |
| | III - Other receivables | | | 80 | 44,069 |
| | | | | 81 | 929,312 |
| | | | | 82 | 2,349,709 |
| F. | OTHER ASSETS | | | | |
| | I - Property, plant and equipment and inventories: | | | | |
| | 1. Office furniture and machines and internal means of transport | | | 83 | 45,100 |
| | 2. Movable assets entered in public registers | | | 84 | |
| | 3. Plant and equipment | | | 85 | 23,103 |
| | 4. Inventories and sundry goods | | | 86 | 4,276 |
| | II - Cash and cash equivalents | | | 87 | 72,480 |
| | 1. Bank deposits and post office accounts | | | 88 | 189,591 |
| | 2. Cheques and cash in hand | | | 89 | 34 |
| | 90 | | | 189,624 | |
| | IV - Other assets | | | | |
| | 1. Transitory reinsurance accounts | | | 92 | |
| | 2. Sundry assets | | | 93 | 902,219 |
| | of which Account connecting the Life business | | | 94 | 902,219 |
| | | | | 95 | 1,164,324 |
| | | | | 901 | |
| G. | ACCRUALS AND DEFERRALS | | | | |
| | 1. Interest | | | 96 | 116,285 |
| | 2. Rental income | | | 97 | 2,006 |
| | 3. Other accruals and deferrals | | | 98 | 23,737 |
| | | | | 99 | 142,028 |
| | TOTAL ASSETS | | | 100 | 20,277,351 |

| Amounts for the previous year | | | | |
|-------------------------------|-----|------------------------|-----|------------|
| | | amount carried forward | | 17,254,666 |
| | | | | |
| | | | | |
| | 251 | 470,620 | | |
| | 252 | 5,071 | 253 | 475,690 |
| | | | 254 | 771,452 |
| | | | 255 | 23,658 |
| | | | 256 | 109,593 |
| | | | 257 | 1,380,394 |
| | | | 258 | 63,738 |
| | | | 259 | 23 |
| | | | 260 | 63,760 |
| | | | 261 | 808,728 |
| | | | 262 | 2,252,882 |
| | | | | |
| | | | 263 | 51,389 |
| | | | 264 | |
| | | | 265 | 27,483 |
| | | | 266 | 4,272 |
| | | | 267 | 83,144 |
| | | | 268 | 114,009 |
| | | | 269 | 26 |
| | | | 270 | 114,035 |
| | | | 272 | |
| | | | 273 | 1,075,725 |
| | | | 274 | 1,075,725 |
| | | | 275 | 1,272,904 |
| | | | 903 | |
| | | | 276 | 121,770 |
| | | | 277 | 1,904 |
| | | | 278 | 20,434 |
| | | | 279 | 144,107 |
| | | | 280 | 20,924,559 |

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

LIABILITIES AND SHAREHOLDERS' EQUITY

| | Amounts for the year | | | |
|--|----------------------|-----------------------|-----------|----------------|
| | | | | |
| A. SHAREHOLDERS' EQUITY | | | | |
| I - Subscribed capital or equivalent provision | | 101 | 1,528,514 | |
| II - Share premium reserve | | 102 | 147,888 | |
| III - Revaluation reserves | | 103 | 96,559 | |
| IV - Legal reserve | | 104 | 305,703 | |
| V - Statutory reserve | | 105 | | |
| VI - Reserve for shares of the holding company | | 400 | 3,284 | |
| VII - Other reserves | | 107 | 1,183,817 | |
| VIII - Retained profit (loss) | | 108 | | |
| IX - Gains (losses) in the year | | 109 | 227,689 | |
| X - Negative reserve for treasury shares | | 401 | (2,731) | 110 3,490,723 |
| B. SUBORDINATED LIABILITIES | | | | 111 1,369,189 |
| C. TECHNICAL PROVISIONS | | | | |
| I - NON-LIFE BUSINESS | | | | |
| 1. Premium provision | 112 | 2,757,125 | | |
| 2. Claims provision | 113 | 10,936,431 | | |
| 3. Provision for profit sharing and reversals | 114 | 9,447 | | |
| 4. Other technical provisions | 115 | 1,397 | | |
| 5. Equalisation provisions | 116 | 76,128 | | 117 13,780,527 |
| | | to be carried forward | | 18,640,438 |

| Amounts for the previous year | | | |
|-------------------------------|-----------------------|------------|----------------|
| | | | |
| | 281 | 1,528,514 | |
| | 282 | 147,888 | |
| | 283 | 96,559 | |
| | 284 | 305,703 | |
| | 285 | | |
| | 500 | 7,327 | |
| | 287 | 1,153,589 | |
| | 288 | | |
| | 289 | 378,404 | |
| | 501 | (55,699) | 290 3,562,284 |
| | | | 291 1,337,939 |
| | | | |
| | | | |
| | 292 | 2,677,437 | |
| | 293 | 11,473,648 | |
| | 294 | 12,090 | |
| | 295 | 2,388 | |
| | 296 | 73,021 | 297 14,238,584 |
| | to be carried forward | | 19,138,807 |

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 | | | |
| | | | | 18,640,438 |
| E. PROVISIONS FOR RISKS AND CHARGES | | | | |
| 1. Post-employment benefits and similar obligations | | 128 | 2,037 | |
| 2. Provisions for taxes | | 129 | 84,513 | |
| 3. Other provisions | | 130 | 288,201 | 131 374,751 |
| F. DEPOSITS RECEIVED FROM REINSURERS | | | | 132 126,110 |
| G. PAYABLES AND OTHER LIABILITIES | | | | |
| I - Payables arising from direct insurance business, to: | | | | |
| 1. Insurance intermediaries | 133 | 38,891 | | |
| 2. Insurance company current accounts | 134 | 4,072 | | |
| 3. Policyholders for guarantee deposits and premiums | 135 | 14,924 | | |
| 4. Guarantee funds in favour of the policyholders | 136 | 207 | 137 58,094 | |
| II - Payables arising from reinsurance business, to: | | | | |
| 1. Insurance and reinsurance companies | 138 | 55,541 | | |
| 2. Reinsurance intermediaries | 139 | 346 | 140 55,887 | |
| III - Bond loans | | | 141 | |
| IV - Payables to banks and financial institutions | | | 142 | |
| V - Collateralised payables | | | 143 2,346 | |
| VI - Sundry loans and other financial payables | | | 144 9,848 | |
| VII - Post-employment benefits | | | 145 48,979 | |
| VIII - Other payables | | | | |
| 1. Policyholders' tax due | 146 | 150,974 | | |
| 2. Sundry tax payables | 147 | 20,900 | | |
| 3. Social security charges payable | 148 | 31,424 | | |
| 4. Sundry payables | 149 | 207,793 | 150 411,090 | |
| IX - Other liabilities | | | | |
| 1. Transitory reinsurance accounts | 151 | | | |
| 2. Commissions for premiums under collection | 152 | 96,601 | | |
| 3. Sundry liabilities | 153 | 420,938 | 154 517,540 | 155 1,103,782 |
| of which Liaison account with Life business | 902 | 20,098 | | |
| H. ACCRUALS AND DEFERRALS | | | | |
| 1. Interest | | | 156 32,015 | |
| 2. Rental income | | | 157 68 | |
| 3. Other accruals and deferrals | | | 158 186 | 159 32,269 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | | | 160 20,277,351 |

| Amounts for the previous year | | | | |
|-------------------------------|------------------------|---------|-------------|---------------|
| | amount carried forward | | | 19,138,807 |
| | | 308 | 2,367 | |
| | | 309 | 72,527 | |
| | | 310 | 352,429 | 311 427,324 |
| | | | | 312 121,867 |
| | | | | |
| | 313 | 47,786 | | |
| | 314 | 8,989 | | |
| | 315 | 13,417 | | |
| | 316 | 100 | 317 70,292 | |
| | | | | |
| | 318 | 62,801 | | |
| | 319 | 354 | 320 63,155 | |
| | | | 321 | |
| | | | 322 | |
| | | | 323 | 2,866 |
| | | | 324 | 9,205 |
| | | | 325 | 49,201 |
| | | | | |
| | 326 | 152,182 | | |
| | 327 | 23,265 | | |
| | 328 | 31,092 | | |
| | 329 | 251,684 | 330 458,223 | |
| | | | | |
| | 331 | | | |
| | 332 | 91,586 | | |
| | 333 | 473,843 | 334 565,429 | 335 1,218,371 |
| | 904 | 22,767 | | |
| | | | | |
| | | | 336 | 18,119 |
| | | | 337 | 70 |
| | | | 338 | 3 |
| | | | 339 | 18,192 |
| | | | 340 | 20,924,559 |

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 | 54,934 | | |
| 2. Other acquisition costs | 6 | | | |
| 3. Start-up and expansion costs | 7 | | | |
| 4. Goodwill | 8 | 103,006 | | |
| 5. Other long-term costs | 9 | 7,904 | 10 | 165,845 |
| C. INVESTMENTS | | | | |
| I - Land and buildings | | | | |
| 1. Property for corporate business | 11 | 27,498 | | |
| 2. Property for use by third parties | 12 | 4,525 | | |
| 3. Other property | 13 | | | |
| 4. Other property rights | 14 | | | |
| 5. Fixed assets in progress and payments on account | 15 | | 16 | 32,023 |
| II - Investments in group companies and other investees | | | | |
| 1. Shares and holdings in: | | | | |
| a) holding companies | 17 | | | |
| b) subsidiaries | 18 | 973,625 | | |
| c) affiliates | 19 | 240,716 | | |
| d) associates | 20 | 2,259 | | |
| e) other | 21 | 290 | 22 | 1,216,890 |
| 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 | 33,240 | | |
| d) associates | 32 | | | |
| e) other | 33 | | 34 | 86,240 |
| | | | 35 | 1,309,993 |
| | | | to be carried forward | 165,845 |

| Amounts for the previous year | | | |
|-------------------------------|---------|-----------------------|-------------|
| | | | 181 |
| | 182 | | |
| | 183 | 53,562 | |
| | 186 | | |
| | 187 | 377 | |
| | 188 | 119,679 | |
| | 189 | 7,474 | 190 181,092 |
| | | | |
| | 191 | 26,126 | |
| | 192 | 4,512 | |
| | 193 | | |
| | 194 | | |
| | 195 | | 196 30,638 |
| | | | |
| 197 | | | |
| 198 | 626,194 | | |
| 199 | 250,104 | | |
| 200 | 2,259 | | |
| 201 | 290 | 202 878,847 | |
| | | | |
| 203 | | | |
| 204 | | | |
| 205 | | | |
| 206 | 6,863 | | |
| 207 | | 208 6,863 | |
| | | | |
| 209 | 53,000 | | |
| 210 | | | |
| 211 | | | |
| 212 | | | |
| 213 | | 214 53,000 | 215 938,709 |
| | | to be carried forward | 181,092 |

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

| | | Amounts for the year | | |
|---|----|------------------------|-----------------------|---------------|
| | | amount carried forward | | 165,845 |
| C. INVESTMENTS (continued) | | | | |
| III - Other financial investments | | | | |
| 1. Shares and holdings | | | | |
| a) Listed shares | 36 | 265,289 | | |
| b) Unlisted shares | 37 | 100,000 | | |
| c) Holdings | 38 | | 39 365,289 | |
| 2. Mutual investment fund units | | | 40 1,369,451 | |
| 3. Bonds and other fixed-yield securities: | | | | |
| a) listed | 41 | 23,733,220 | | |
| b) unlisted | 42 | 311,902 | | |
| c) convertible bonds | 43 | 5 | 44 24,045,128 | |
| 4. Loans | | | | |
| a) collateralised loans | 45 | | | |
| b) loans on policies | 46 | 23,151 | | |
| c) other loans | 47 | 74 | 48 23,225 | |
| 5. Mutual investment units | | | 49 | |
| 6. Bank deposits | | | 50 | |
| 7. Sundry financial investments | | | 51 26,655 | |
| IV - Deposits with ceding companies | | | 52 25,829,747 | 53 4,976 |
| D. INVESTMENTS BENEFITING LIFE BUSINESS POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT | | | | 54 27,176,739 |
| I - Investments relating to benefits linked to investment funds and market indices | | | 55 562,565 | |
| II - Investments arising from pension fund management | | | 56 4,020,374 | 57 4,582,939 |
| D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE | | | | |
| II - LIFE BUSINESS | | | | |
| 1. Mathematical provisions | | | 63 38,517 | |
| 2. Premium provision from supplementary insurance | | | 64 | |
| 3. Provision for amounts payable | | | 65 1,896 | |
| 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 40,413 |
| | | | to be carried forward | 31,965,935 |

| Amounts for the previous year | | | |
|-------------------------------|-----|------------------------|-----------------------------|
| | | amount carried forward | 181,092 |
| | | | |
| | | | |
| | 216 | 204,130 | |
| | 217 | 100,000 | |
| | 218 | | 219 304,130 |
| | | | 220 1,129,118 |
| | | | |
| | 221 | 23,331,489 | |
| | 222 | 256,086 | |
| | 223 | 9 | 224 23,587,584 |
| | | | |
| | 225 | | |
| | 226 | 28,404 | |
| | 227 | | 228 28,404 |
| | | | 229 |
| | | | 230 |
| | | | 231 16,545 232 25,065,782 |
| | | | 233 7,444 234 26,042,573 |
| | | | |
| | | | 235 438,455 |
| | | | 236 3,730,955 237 4,169,410 |
| | | | |
| | | | |
| | | | |
| | | 243 48,327 | |
| | | 244 | |
| | | 245 3,182 | |
| | | 246 | |
| | | 247 | |
| | | | |
| | | 248 | 249 51,509 |
| | | to be carried forward | 30,444,584 |

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

| | | Amounts for the year | | | |
|---------------------|--|------------------------|--------|------------|------------|
| | | amount carried forward | | | |
| | | | | 31,965,935 | |
| E. | RECEIVABLES | | | | |
| I | - Receivables relating to direct insurance business from: | | | | |
| | 1. Policyholders | | | | |
| | a) for premiums for the year | 71 | 98,976 | | |
| | b) for premiums for previous years | 72 | 38 | 73 | 99,014 |
| | 2. Insurance intermediaries | | | 74 | 103,170 |
| | 3. Insurance company current accounts | | | 75 | 4,612 |
| | 4. Policyholders and third parties for amounts to be collected | | | 76 | |
| | | | | 77 | 206,796 |
| II | - Receivables relating to reinsurance business, from: | | | | |
| | 1. Insurance and reinsurance companies | | | 78 | 407 |
| | 2. Reinsurance intermediaries | | | 79 | |
| | | | | 80 | 407 |
| III | - Other receivables | | | 81 | 237,252 |
| | | | | 82 | 444,455 |
| F. | OTHER ASSETS | | | | |
| I | - Property, plant and equipment and inventories: | | | | |
| | 1. Office furniture and machines and internal means of transport | | | 83 | |
| | 2. Movable assets entered in public registers | | | 84 | |
| | 3. Plant and equipment | | | 85 | |
| | 4. Inventories and sundry goods | | | 86 | |
| | | | | 87 | |
| II | - Cash and cash equivalents | | | | |
| | 1. Bank deposits and post office accounts | | | 88 | 395,226 |
| | 2. Cheques and cash in hand | | | 89 | |
| | | | | 90 | 395,226 |
| IV | - Other assets | | | | |
| | 1. Transitory reinsurance accounts | | | 92 | |
| | 2. Sundry assets | | | 93 | 230,370 |
| | of which Liaison account with Non-Life business | | | 901 | 20,098 |
| | | | | 94 | 230,370 |
| | | | | 95 | 625,596 |
| G. | ACCRUALS AND DEFERRALS | | | | |
| | 1. Interest | | | 96 | 274,584 |
| | 2. Rental income | | | 97 | |
| | 3. Other accruals and deferrals | | | 98 | 3,644 |
| | | | | 99 | 278,228 |
| TOTAL ASSETS | | | | 100 | 33,314,214 |

| Amounts for the previous year | | | |
|-------------------------------|-----|------------------------|-------------------------|
| | | amount carried forward | 30,444,584 |
| | | | |
| | | | |
| | 251 | 97,700 | |
| | 252 | 23 | |
| | 253 | 97,723 | |
| | 254 | 108,779 | |
| | 255 | 5,049 | |
| | 256 | | 257 211,551 |
| | 258 | 1,879 | |
| | 259 | | 260 1,879 |
| | | | 261 237,586 262 451,016 |
| | | | |
| | 263 | | |
| | 264 | | |
| | 265 | | |
| | 266 | | 267 |
| | 268 | 808,306 | |
| | 269 | | 270 808,306 |
| | 272 | | |
| | 273 | 181,024 | 274 181,024 275 989,330 |
| | 903 | 22,767 | |
| | | | 276 271,920 |
| | | | 277 |
| | | | 278 2,117 279 274,037 |
| | | | 280 32,158,967 |

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 | 1,227,134 | |
| VIII -Retained profit (loss) | | 108 | | |
| IX -Profit (loss) for the year | | 109 | 185,096 | |
| X - Negative reserve for treasury shares | | 401 | | 110 2,275,130 |
| B. SUBORDINATED LIABILITIES | | | | 111 842,500 |
| C. TECHNICAL PROVISIONS | | | | |
| II -LIFE BUSINESS | | | | |
| 1.Mathematical provisions | 118 | 24,716,104 | | |
| 2.Premium provision from supplementary insurance | 119 | 758 | | |
| 3.Provision for amounts payable | 120 | 340,184 | | |
| 4.Provision for profit sharing and reversals | 121 | 5,509 | | |
| 5.Other technical provisions | 122 | 96,954 | | 123 25,159,508 |
| 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 | 562,565 | |
| II -Provisions arising from pension fund management | | 126 | 4,020,374 | 127 4,582,939 |
| | | to be carried forward | | 32,860,076 |

| Amounts for the previous year | | | |
|-------------------------------|-----------------------|------------|----------------|
| | | | |
| | 281 | 502,943 | |
| | 282 | 259,368 | |
| | 283 | | |
| | 284 | 100,589 | |
| | 285 | | |
| | 500 | | |
| | 287 | 1,152,444 | |
| | 288 | | |
| | 289 | 198,795 | |
| | 501 | (23,593) | 290 2,190,545 |
| | | | 291 673,750 |
| | | | |
| | | | |
| | 298 | 24,264,246 | |
| | 299 | 851 | |
| | 300 | 332,605 | |
| | 301 | 7,365 | |
| | 302 | 94,457 | 303 24,699,524 |
| | | | |
| | | | |
| | 305 | 438,455 | |
| | 306 | 3,730,955 | 307 4,169,410 |
| | to be carried forward | | 31,733,229 |

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 | | | 32,860,076 |
| E. PROVISIONS FOR RISKS AND CHARGES | | | | |
| 1. Post-employment benefits and similar obligations | | 128 | | |
| 2. Provisions for taxes | | 129 | 12,372 | |
| 3. Other provisions | | 130 | 16,643 | 131 29,015 |
| F. DEPOSITS RECEIVED FROM REINSURERS | | | | 132 37,691 |
| G. PAYABLES AND OTHER LIABILITIES | | | | |
| I - Payables arising from direct insurance business, to: | | | | |
| 1. Insurance intermediaries | 133 | 1,887 | | |
| 2. Insurance company current accounts | 134 | 1,455 | | |
| 3. Policyholders for guarantee deposits and premiums | 135 | 979 | | |
| 4. Guarantee funds in favour of the policyholders | 136 | | 137 4,321 | |
| II - Payables arising from reinsurance business, to: | | | | |
| 1. Insurance and reinsurance companies | 138 | 5,623 | | |
| 2. Reinsurance intermediaries | 139 | | 140 5,623 | |
| III - Bond loans | | | 141 | |
| IV - Payables to banks and financial institutions | | | 142 | |
| V - Collateralised payables | | | 143 | |
| VI - Sundry loans and other financial payables | | | 144 6,565 | |
| VII - Post-employment benefits | | | 145 3,946 | |
| VIII - Other payables | | | | |
| 1. Policyholders' tax due | 146 | 573 | | |
| 2. Sundry tax payables | 147 | 6,072 | | |
| 3. Social security charges payable | 148 | | | |
| 4. Sundry payables | 149 | 79,512 | 150 86,157 | |
| IX - Other liabilities | | | | |
| 1. Transitory reinsurance accounts | 151 | | | |
| 2. Commissions for premiums under collection | 152 | 2,280 | | |
| 3. Sundry liabilities | 153 | 250,155 | 154 252,434 | 155 359,047 |
| of which Account connecting the Non-Life business | 902 | | | |
| H. ACCRUALS AND DEFERRALS | | | | |
| 1. Interest | | | 156 28,383 | |
| 2. Rental income | | | 157 2 | |
| 3. Other accruals and deferrals | | | 158 | 159 28,385 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | | 160 | 33,314,214 |

| Amounts for the previous year | | | |
|-------------------------------|-----|---------|----------------|
| amount carried forward | | | 31,733,229 |
| | | 308 | |
| | | 309 | 16,450 |
| | | 310 | 18,192 |
| | | | 311 34,641 |
| | | | 312 47,096 |
| | | | |
| | | | |
| | 313 | 2,695 | |
| | 314 | 1,064 | |
| | 315 | 487 | |
| | 316 | | 317 4,246 |
| | | | |
| | 318 | 6,179 | |
| | 319 | | 320 6,179 |
| | | | 321 |
| | | | 322 |
| | | | 323 |
| | | | 324 3,801 |
| | | | 325 4,360 |
| | | | |
| | 326 | 590 | |
| | 327 | 6,906 | |
| | 328 | | |
| | 329 | 58,963 | 330 66,459 |
| | | | |
| | 331 | | |
| | 332 | 2,212 | |
| | 333 | 237,176 | 334 239,388 |
| | 904 | | 335 324,433 |
| | | | |
| | | | 336 19,566 |
| | | | 337 2 |
| | | | 338 |
| | | | 339 19,568 |
| | | | 340 32,158,967 |

4 Tables appended to the Notes to the Financial Statements

Annex 3

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

| | | Non-Life business | Life business | Total |
|--|---|-------------------|---------------|---------|
| Technical result | | | | |
| | 1 | 452,896 | 63,736 | 516,631 |
| Gains on investments | + | 2 | | 783,579 |
| Assets and financial charges | - | 3 | | 577,076 |
| Share of profits on investments transferred from the Life business technical account | + | | 24 | 87,878 |
| Share of profits on investments transferred to the Non-Life business technical account | - | 5 | | 151,499 |
| Interim operating result | | 6 | 26 | 659,514 |
| | | 507,900 | 151,614 | |
| Other income | + | 7 | 27 | 160,688 |
| | | 132,429 | 28,259 | |
| Other charges | - | 8 | 28 | 341,677 |
| | | 273,731 | 67,946 | |
| Extraordinary income | + | 9 | 29 | 178,765 |
| | | 81,251 | 97,514 | |
| Extraordinary expenses | - | 10 | 30 | 108,584 |
| | | 108,450 | 134 | |
| Pre-tax profit (loss) | | 11 | 31 | 548,707 |
| | | 339,399 | 209,307 | |
| Income tax for the year | - | 12 | 52 | 135,921 |
| | | 111,710 | 24,211 | |
| Profit (loss) for the year | | 13 | 53 | 412,785 |
| | | 227,689 | 185,096 | |

Annex 4

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

| | | Intangible assets B | Land and buildings C.I |
|--|---|---------------------|------------------------|
| Gross opening balance | + | 1 | 31 |
| | | 2,280,696 | 2,766,615 |
| Increases in the year | + | 2 | 32 |
| | | 92,093 | 72,898 |
| for: purchases or increases | | 3 | 33 |
| | | 63,505 | 72,898 |
| reversals of impairment losses | | 4 | 34 |
| write backs | | 5 | 35 |
| other changes | | 6 | 36 |
| | | 28,588 | |
| Decreases in the year | - | 7 | 37 |
| | | | 247,642 |
| for: sales or decreases | | 8 | 38 |
| | | | 234,061 |
| write-downs | | 9 | 39 |
| | | | 13,580 |
| other changes | | 10 | 40 |
| | | | |
| Gross closing balance (a) | | 11 | 41 |
| | | 2,372,789 | 2,591,872 |
| Amortisation/depreciation: | | | |
| Opening balance | + | 12 | 42 |
| | | 1,462,532 | 390,574 |
| Increases in the year | + | 13 | 43 |
| | | 136,044 | 47,745 |
| for: amount of amortisation for the year | | 14 | 44 |
| | | 136,044 | 47,745 |
| other changes | | 15 | 45 |
| | | | |
| Decreases in the year | - | 16 | 46 |
| | | 38 | 12,583 |
| for: decreases for disposals | | 17 | 47 |
| | | | 12,583 |
| other changes | | 18 | 48 |
| | | 38 | |
| Closing balance amortisation/depreciation (b) | | 19 | 49 |
| | | 1,598,537 | 425,736 |
| Carrying amount (a - b) | | 20 | 50 |
| | | 774,252 | 2,166,135 |
| Current value | | | 51 |
| | | | 2,404,845 |
| Total write-backs | | 22 | 52 |
| | | | 99,805 |
| Total write-downs | | 23 | 53 |
| | | | 495,467 |

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 | 3,539,979 | 21 | 10,603 | 41 | 323,651 |
| Increases in the year: | + | 2 | 896,848 | 22 | | 42 | 137,628 |
| for: purchases, subscriptions or lending | | 3 | 631,500 | 23 | | 43 | 137,370 |
| reversals of impairment losses | | 4 | 38,156 | 24 | | 44 | |
| write-backs | | 5 | | | | | |
| other changes | | 6 | 227,193 | 26 | | 46 | 258 |
| Decreases in the year | - | 7 | 598,458 | 27 | | 47 | 22,884 |
| for: sales or repayments | | 8 | 505,400 | 28 | | 48 | 22,884 |
| write-downs | | 9 | 79,552 | 29 | | 49 | |
| other changes | | 10 | 13,506 | 30 | | 50 | |
| Carrying amount | | 11 | 3,838,369 | 31 | 10,603 | 51 | 438,395 |
| Current value | | 12 | 3,777,800 | 32 | 9,769 | 52 | 438,395 |
| Total write-backs | | 13 | 46,301 | | | | |
| Total write-downs | | 14 | 1,820,919 | 34 | | 54 | 1,479 |

Item C.II.2 includes

| | | |
|----------------------------|----|---------------|
| Listed bonds | 61 | |
| Unlisted bonds | 62 | 10,603 |
| Carrying amount | 63 | 10,603 |
| of which convertible bonds | 64 | |

4 Tables appended to the Notes to the Financial Statements

Assets - Statement with information relating to investees (*)

| Ord. No. (**) | Type (1) | Listed unlisted (2) | Business conducted | Name and registered office | Currency |
|---------------|----------|---------------------|--------------------|---|----------|
| 2 | a | L | 2 | Unipol Gruppo Spa-Bologna-IT | 242 |
| 3 | b | NL | 9 | Gruppo Una Spa-Milano-IT | 242 |
| 4 | b | NL | 9 | Auto Presto & Bene Spa (Ex Sai Sistemi Ass.Vi)-Torino-IT | 242 |
| 6 | b | NL | 1 | Bim Vita Spa (Ex Vitasi)-Torino-IT | 242 |
| 7 | b | NL | 9 | Casa Di Cura Villa Donatello-Firenze-IT | 242 |
| 8 | b | NL | 9 | Centro Oncol. F.No Casa Di Cura In Liquidazione-Sesto Fiorentino-IT | 242 |
| 9 | b | NL | 1 | Ddor Novi Sad Ord Eur-Novu Sad-RS | 242 |
| 12 | b | NL | 2 | Finsai International Sa-Lussemburgo-LU | 242 |
| 13 | b | NL | 2 | Unipolsai Nederland Bv-Amsterdam-NL | 242 |
| 14 | b | NL | 7 | Unipolsai Servizi Consortili Scrl-Bologna-IT | 242 |
| 17 | b | NL | 1 | Incontra Assicurazioni Spa (Ex Capitalia Ass.)-Milano-IT | 242 |
| 21 | b | NL | 4 | Nuove Iniziative Toscane Srl-Firenze-IT | 242 |
| 22 | b | NL | 1 | Vera Vita Spa (Ex Popolare 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)-Montepulciano (SI)-IT | 242 |
| 31 | b | NL | 9 | Unipolsai Servizi Previdenziali Srl-Firenze-IT | 242 |
| 34 | b | NL | 4 | Villa Ragionieri Srl-Firenze-IT | 242 |
| 35 | d | NL | 2 | Fin. Priv.-Milano-IT | 242 |
| 39 | e | NL | 6 | Acomea Sgr (Ex Sai Asset Management Sgr)-Milano-IT | 242 |
| 40 | e | NL | 9 | Compagnia Aerea Italiana Spa Ex Alitalia-Fiumicino-IT | 242 |
| 41 | e | NL | 3 | Banca Popolare Etica Scarl-Padova-IT | 242 |
| 42 | e | NL | 9 | Città Studi Spa-Biella-IT | 242 |
| 45 | e | NL | 1 | Downall Srl In Liquidazione-Milano-IT | 242 |
| 46 | e | NL | 4 | Ex Var Scs-Lussemburgo-LU | 242 |
| 48 | e | NL | 3 | Isola D'Elba Banca Di Credito Cooperativo-Portoferraio-IT | 242 |
| 49 | e | NL | 9 | Istituto Europeo Di Oncologia-Milano-IT | 242 |
| 50 | e | NL | 1 | Mediorischi Srl-Milano-IT | 242 |
| 52 | d | NL | 7 | Uci - Ufficio Centrale Italiano-Milano-IT | 242 |
| 53 | e | NL | 1 | Gruppo Gpa In Liquidazione-Milano-IT | 242 |
| 55 | b | NL | 4 | Midi Srl-Bologna-IT | 242 |
| 57 | d | NL | 9 | Hotel Villaggio Cdm Spa In Liquidazione-Modena-IT | 242 |
| 60 | e | NL | 1 | Syneteristiki Insurance Sa-Atene-GR | 242 |

(*) The group companies and the other companies in which an interest is held directly, also via a trust company or a third party, must be listed.

(**) The order number must be higher than "0"

(1) Type

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

(3) Business conducted

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

(4) Amounts in original

(5) Specify the entire stake held

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

| Share capital | | Shareholders' equity (***) | Profit or loss of the year (***) (4) | Portion held (5) | | |
|---------------|------------------|----------------------------|--------------------------------------|------------------|------------|---------|
| Amount (4) | Number of shares | | | Direct % | Indirect % | Total % |
| 3,365,292,407 | 717,473,508 | | | 0.17 | | 0.17 |
| 37,817,599 | 37,817,599 | 28,202,201 | (3,843,905) | 100.00 | | 100.00 |
| 2,619,061 | 2,619,061 | 6,936,535 | 1,183,230 | 100.00 | | 100.00 |
| 11,500,000 | 11,500,000 | 24,328,507 | 1,536,288 | 50.00 | | 50.00 |
| 361,200 | 70,000 | 24,264,833 | 309,579 | 100.00 | | 100.00 |
| 182,000 | 350,000 | 9,345,819 | 13,709 | 100.00 | | 100.00 |
| 2,579,597,280 | 2,114,424 | 48,816,229 | 5,396,832 | 100.00 | | 100.00 |
| 100,000 | 401,566 | 234,698 | (20,755) | 63.85 | 36.15 | 100.00 |
| 19,070 | 1,907 | 350,452,521 | 1,424,838 | 100.00 | | 100.00 |
| 5,200,000 | 10,000,000 | 36,105,698 | (43,852) | 98.23 | 1.71 | 99.94 |
| 5,200,000 | 5,200,000 | 26,451,572 | 3,346,185 | 51.00 | | 51.00 |
| 26,000,000 | 50,000,000 | 79,461,605 | (22,282,602) | 100.00 | | 100.00 |
| | | | | | | |
| 516,000 | 516,000 | 2,603,473 | (56,000) | 95.34 | 4.66 | 100.00 |
| 2,500,000 | 2,500,000 | 45,063,110 | 3,351,419 | 100.00 | | 100.00 |
| 3,913,588 | 3,913,588 | | | 49.00 | | 49.00 |
| | | | | | | |
| 66,000,000 | 66,000,000 | 75,555,225 | 213,293 | 98.81 | 1.19 | 100.00 |
| 104,000 | 200,000 | 649,536 | 195,149 | 100.00 | | 100.00 |
| 78,000 | 150,000 | 51,763,088 | (2,602,300) | 100.00 | | 100.00 |
| 20,000 | 20,000 | 101,218,632 | 6,461,860 | 28.57 | | 28.57 |
| 4,600,000 | 577,500 | | | 8.66 | | 8.66 |
| 3,526,838 | 82,769,806,291 | | | 0.04 | | 0.04 |
| 69,946,538 | 1,332,315 | | | 0.21 | | 0.21 |
| 26,891,947 | 26,891,947 | | | 0.02 | | 0.02 |
| 100,000 | 100,000 | | | 10.00 | | 10.00 |
| 37,221 | 37,221 | | | 18.97 | | 18.97 |
| 2,884,921 | 48,010 | | | 1.65 | | 1.65 |
| 80,579,007 | 80,579,007 | | | 14.37 | | 14.37 |
| 120,360 | 120,360 | | | 10.00 | | 10.00 |
| 532,950 | 1,045,000 | 1,255,065 | 380,658 | 37.55 | | 37.55 |
| 3,772,000 | 16,400,000 | | | 10.00 | | 10.00 |
| 112,000,000 | 112,000,000 | 132,808,341 | 171,654 | 100.00 | | 100.00 |
| 2,030,000 | 7,000,000 | (3,926,655) | (284,508) | 49.00 | | 49.00 |
| 7,907,924 | 26,359,747 | | | 18.73 | | 18.73 |

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

4 Tables appended to the Notes to the Financial Statements

Assets - Statement with information relating to investees (*)

| Ord. No. (**) | Type (1) | Listed unlisted (2) | Business conducted | Name and registered office | Currency |
|---------------|----------|---------------------|--------------------|--|----------|
| 61 | e | NL | 2 | The Co-Operators Group Sa-Guelph-CA | 242 |
| 62 | e | NL | 3 | Banca Di Bologna Spa-Bologna-IT | 242 |
| 64 | e | NL | 9 | Cooptecnital Scarl-Roma-IT | 242 |
| 65 | e | NL | 9 | Fondazione Unipolis-Bologna-IT | 242 |
| 66 | e | NL | 9 | Inforcoop Scarl-Roma-IT | 242 |
| 68 | e | NL | 7 | Consorzio Energia Fiera District-Bologna-IT | 242 |
| 69 | b | NL | 2 | Unipolsai Finance Spa-Bologna-IT | 242 |
| 70 | e | NL | 4 | Euromilano Spa-Milano-IT | 242 |
| 73 | c | NL | 3 | Unipol Banca Spa-Bologna-IT | 242 |
| 75 | e | NL | 1 | Inter Mutuelles Assistance Sa - Ima Sa-Niort-FR | 242 |
| 76 | e | NL | 3 | Bancapulia Ord-San Severo-IT | 242 |
| 81 | b | NL | 9 | Sogeint Srl-S.Donato Mi-IT | 242 |
| 82 | e | NL | 1 | Tirrena Assicurazioni Spa-Roma-IT | 242 |
| 83 | d | NL | 2 | Garibaldi Sca-Lussemburgo-LU | 242 |
| 87 | d | NL | 2 | Isola (Ex Hedf Isola)-Lussemburgo-LU | 242 |
| 91 | e | NL | 3 | Bancapulia Priv-San Severo-IT | 242 |
| 94 | b | NL | 9 | AlfaEvolution Technology Spa-Bologna-IT | 242 |
| 95 | d | NL | 4 | Borsetto Srl-Torino-IT | 242 |
| 96 | d | NL | 2 | Butterfly Am Sarl En Liquidation-Lussemburgo-LU | 242 |
| 97 | d | NL | 9 | Funivie Del Piccolo San Bernardo Spa-La Thuile-IT | 242 |
| 98 | b | NL | 8 | Ital H&R Srl-Bologna-IT | 242 |
| 99 | b | NL | 4 | Marina Di Loano Spa-Loano-IT | 242 |
| 100 | b | NL | 4 | Meridiano Secondo Srl-Milano-IT | 242 |
| 102 | d | NL | 2 | Penta Domus Spa In Liquidazione-Torino-IT | 242 |
| 104 | d | NL | 4 | Servizi Immobiliari Martinelli Spa-Cinisello-IT | 242 |
| 105 | b | NL | 1 | Siat-Genova-IT | 242 |
| 106 | b | NL | 4 | Società Edilizia Immobiliare Sarda - Seis Spa-Bologna-IT | 242 |
| 108 | b | NL | 8 | Leithà Srl-Bologna-IT | 242 |
| 109 | b | NL | 9 | Ambra Property Srl-Bologna-IT | 242 |
| 110 | b | NL | 1 | Linear Assicurazioni Spa-Bologna-IT | 242 |
| 111 | b | NL | 1 | Unisalute Spa-Bologna-IT | 242 |
| 112 | b | NL | 1 | Arca Vita Spa-Verona-IT | 242 |
| 113 | e | L | 3 | Bper Banca-Modena-IT | 242 |
| 114 | c | NL | 2 | UnipolReC Spa-Bologna-IT | 242 |

(*) The group companies and the other companies in which an interest is held directly, also via a trust company or a third party, must be listed.

(**) The order number must be higher than "0"

(1) Type

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

(3) Business conducted

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

(4) Amounts in original

(5) Specify the entire stake held

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

| Share capital | | Shareholders' equity (***) | Profit or loss of the year (***) (4) | Portion held (5) | | |
|---------------|------------------|----------------------------|--------------------------------------|------------------|------------|---------|
| Amount (4) | Number of shares | | | Direct % | Indirect % | Total % |
| 26,793,000 | 345,772 | | | 5.78 | 5.78 | |
| 44,008,383 | 852,215 | | | 0.13 | 0.13 | |
| 52,116 | 101 | | | 4.95 | 4.95 | |
| 258,230 | 1 | | | 100.00 | 100.00 | |
| 889,550 | 889,550 | | | 2.44 | 2.44 | |
| 33,000 | 18 | | | 6.67 | 6.67 | |
| 32,000,000 | 32,000,000 | 242,346,098 | 7,622,004 | 100.00 | 100.00 | |
| 1,356,582 | 87,493 | | | 14.86 | 14.86 | |
| 607,261,466 | 897,384,181 | | | 42.25 | 42.25 | |
| 34,718,854 | 2,278,140 | | | 3.58 | 3.58 | |
| 39,943,987 | 39,943,987 | | | 0.08 | 0.08 | |
| 100,000 | 100,000 | 1,632,371 | 1,151,689 | 100.00 | 100.00 | |
| 17,850,000 | 35,000,000 | | | 11.14 | 11.14 | |
| 31,000 | 31,000 | (6,990,004) | (48,029) | 32.00 | 32.00 | |
| 31,000 | 31,000 | (4,114,760) | (44,807) | 29.56 | 29.56 | |
| 39,943,987 | 39,943,987 | | | 0.01 | 0.01 | |
| 5,000,000 | 5,000,000 | 84,819,406 | (2,854,059) | 100.00 | 100.00 | |
| 2,971,782 | 2,971,782 | 1,800,550 | (183,150) | 44.93 | 44.93 | |
| 29,165 | 23,332 | (12,874,180) | (7,128,950) | 28.57 | 28.57 | |
| 10,713,416 | 6,121,952 | 12,483,988 | 187,248 | 23.55 | 23.55 | |
| 13,312 | 13,312 | 166,427 | 100 | 100.00 | 100.00 | |
| 5,536,000 | 5,536 | 78,952,604 | (571,584) | 100.00 | 100.00 | |
| 10,000 | 10,000 | 22,399,488 | (308,578) | 100.00 | 100.00 | |
| 4,267,786 | 4,267,786 | (6,059,433) | (88,602) | 24.66 | 24.66 | |
| 100,000 | 1,000 | 1,143,480 | 121,636 | 20.00 | 20.00 | |
| 38,000,000 | 38,000,000 | 59,063,391 | 325,319 | 94.69 | 94.69 | |
| 3,877,500 | 750,000 | 24,871,733 | (671,285) | 51.67 | 51.67 | |
| 100,000 | 100,000 | 291,096 | 127,739 | 100.00 | 100.00 | |
| 25,100,000 | 1 | 53,628,599 | (641,370) | 100.00 | 100.00 | |
| 19,300,000 | 19,300,000 | 118,713,274 | 6,937,739 | 100.00 | 100.00 | |
| 17,500,000 | 17,500,000 | 184,317,606 | 36,812,567 | 98.53 | 98.53 | |
| 208,279,080 | 34,713,180 | 343,457,076 | 37,166,816 | 63.39 | 63.39 | |
| 1,443,925,200 | 481,308,400 | | | 9.87 | 9.87 | |
| 290,122,715 | 290,122,715 | | | 42.25 | 42.25 | |

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

4 Tables appended to the Notes to the Financial Statements

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

| Ord. No(1) | Type (2) | (3) | Name | Increases in the year | | |
|---------------|----------|-----|--|-----------------------|---------|-----------------|
| | | | | For purchases | | Other increases |
| | | | | Quantity | Value | |
| 2 | a | D | Unipol Gruppo Spa | | | |
| 3 | b | D | Gruppo Una Spa | | | |
| 3 | b | V | Gruppo Una Spa | | | |
| 4 | b | D | Auto Presto & Bene Spa (Ex Sai Sistemi Ass.Vi) | | | 3,441 |
| 6 | b | V | Bim Vita Spa (Ex Vitasi) | | | |
| 7 | b | D | Casa Di Cura Villa Donatello | | | |
| 8 | b | D | Centro Oncol. F.No Casa Di Cura In Liquidazione | | | |
| 9 | b | D | Ddor Novi Sad Ord Eur | | | |
| 9 | b | V | Ddor Novi Sad Ord Eur | | | |
| 12 | b | D | Finsai International Sa | | | |
| 12 | b | V | Finsai International Sa | | | |
| 13 | b | D | Unipolsai Nederland Bv | | | 29,628 |
| 13 | b | V | Unipolsai Nederland Bv | | | 70,372 |
| 14 | b | D | Unipolsai Servizi Consortili Scrl | | | |
| 14 | b | V | Unipolsai Servizi Consortili Scrl | | | |
| 17 | b | D | Incontra Assicurazioni Spa (Ex Capitalia Ass.) | | | 3,772 |
| 21 | b | D | Nuove Iniziative Toscane Srl | | | |
| 22 | b | D | Vera Vita Spa (Ex Popolare Vita) | | | |
| 22 | b | V | Vera Vita Spa (Ex Popolare Vita) | | | |
| 23 | b | D | Pronto Assistance Servizi Scrl | | | |
| 24 | b | D | Pronto Assistance Spa | | | |
| 26 | c | V | Unipolsai Investimenti Sgr (Ex Sai Investimenti) | | | |
| 27 | b | D | Sai Mercati Mobiliari In Liquidazione | | | |
| 28 | b | D | Tenute Del Cerro S.P.A. (Ex Saiagricola) | | | |
| 28 | b | V | Tenute Del Cerro S.P.A. (Ex Saiagricola) | | | |
| 31 | b | D | Unipolsai Servizi Previdenziali Srl | | | |
| | | | Totals C.II.1 | | 475,000 | 675,910 |
| | a | | Holding companies | | | |
| | b | | Subsidiaries | | 475,000 | 194,656 |
| | c | | Affiliates | | | 254,061 |
| | d | | Associates | | | |
| | e | | Others | | | 227,193 |
| | | | Total D.I | | | |
| | | | Total D.II | | | |

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

(2) Type

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

(3) State:

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

| Decreases in the year | | Carrying amount (4) | | Cost | Current value |
|-----------------------|---------|---------------------|------------|-----------|---------------|
| For sales | | Other decreases | | | |
| Quantity | Value | | Quantity | Value | |
| | | 4,043 | 1,189,999 | 3,284 | 4,183 |
| | | | 18,530,624 | 13,713 | 13,713 |
| | | | 19,286,975 | 14,273 | 14,273 |
| | | | 2,619,061 | 5,754 | 5,754 |
| | | | 5,750,000 | 9,923 | 9,923 |
| | | | 70,000 | 23,955 | 23,955 |
| | | | 350,000 | 8,900 | 8,900 |
| | | | 422,912 | 17,195 | 17,195 |
| | | | 1,691,512 | 68,776 | 68,776 |
| | | | 181,679 | | |
| | | | 74,704 | | |
| | | | 565 | 115,841 | 115,841 |
| | | | 1,342 | 275,147 | 275,147 |
| | | | 7,355,382 | 24,575 | 24,575 |
| | | | 2,468,090 | 8,244 | 8,244 |
| | | | 2,652,000 | 11,784 | 11,784 |
| | | 26,888 | 50,000,000 | 79,523 | 79,523 |
| 9,210,849 | 288,967 | | | | |
| 12,749,152 | 216,433 | | | | |
| | | | 491,949 | 2,337 | 2,337 |
| | | | 2,500,000 | 13,566 | 13,566 |
| | | | 1,917,658 | 5,940 | 5,940 |
| | | 9,464 | | | |
| | | | 60,722,765 | 65,672 | 65,672 |
| | | | 4,490,641 | 4,900 | 4,900 |
| | | | 200,000 | 762 | 762 |
| | 505,400 | 347,119 | | 3,838,369 | 3,777,800 |
| | | 4,043 | | 3,284 | 4,183 |
| | 505,400 | 38,962 | | 2,889,779 | 2,889,779 |
| | | 304,115 | | 663,684 | 663,684 |
| | | | | 33,405 | 33,405 |
| | | | | 248,217 | 186,749 |
| | | | | | |
| | | | | | |

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

4 Tables appended to the Notes to the Financial Statements

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

| Ord. No(1) | Type (2) | (3) | Name | Increases in the year | | |
|---------------|----------|-----|---|-----------------------|-------|-----------------|
| | | | | For purchases | | Other increases |
| | | | | Quantity | Value | |
| 34 | b | D | Villa Ragionieri Srl | | | |
| 35 | d | D | Fin. Priv. | | | |
| 39 | e | D | Acomea Sgr (Ex Sai Asset Management Sgr) | | | |
| 39 | e | V | Acomea Sgr (Ex Sai Asset Management Sgr) | | | |
| 40 | e | D | Compagnia Aerea Italiana Spa Ex Alitalia | | | |
| 41 | e | D | Banca Popolare Etica Scarl | | | |
| 42 | e | D | Città Studi Spa | | | |
| 45 | e | D | Downall Srl In Liquidazione | | | |
| 46 | e | D | Ex Var Scs | | | |
| 48 | e | D | Isola D'Elba Banca Di Credito Cooperativo | | | |
| 49 | e | D | Istituto Europeo Di Oncologia | | | |
| 50 | e | D | Mediorischi Srl | | | |
| 52 | d | D | Uci - Ufficio Centrale Italiano | | | |
| 53 | e | D | Gruppo Gpa In Liquidazione | | | |
| 55 | b | D | Midi Srl | | | |
| 57 | d | D | Hotel Villaggio Cdm Spa In Liquidazione | | | |
| 60 | e | D | Syneteristiki Insurance Sa | | | |
| 61 | e | D | The Co-Operators Group Sa | | | |
| 62 | e | D | Banca Di Bologna Spa | | | |
| 64 | e | D | Cooptecnital Scarl | | | |
| 65 | e | D | Fondazione Unipolis | | | |
| 66 | e | D | Inforcoop Scarl | | | |
| 68 | e | D | Consorzio Energia Fiera District | | | |
| 69 | b | D | Unipolsai Finance Spa | | | 12,450 |
| 69 | b | V | Unipolsai Finance Spa | | | 18,492 |
| 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 | | | |
| 81 | b | D | Sogeint Srl | | | |
| 82 | e | D | Tirrena Assicurazioni Spa | | | |
| 83 | d | V | Garibaldi Sca | | | |
| 87 | d | V | Isola (Ex Hedf Isola) | | | |
| 91 | e | D | Bancapulia Priv | | | |

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

(2) Type

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

(3) State:

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

| Decreases in the year | | Other decreases | Carrying amount (4) | | Cost | Current value |
|-----------------------|-------|-----------------|---------------------|---------|---------|---------------|
| For sales | | | Quantity | Value | | |
| Quantity | Value | | | | | |
| | | 1,905 | 150,000 | 56,380 | 92,172 | 56,380 |
| | | | 5,714 | 27,446 | 29,552 | 27,446 |
| | | | 21,007 | 210 | 265 | 210 |
| | | | 28,993 | 290 | 436 | 290 |
| | | | 29,589,882 | | 50,000 | |
| | | | 2,600 | 138 | 138 | 138 |
| | | | 5,825 | 4 | 18 | 4 |
| | | | 9,999 | | 1,020 | |
| | | | 7,060 | 7 | 271 | 7 |
| | | | 800 | 41 | 41 | 41 |
| | | | 11,581,062 | 11,881 | 19,170 | 11,881 |
| | | | 12,035 | 31 | 500 | 31 |
| | | | 392,351 | 218 | 301 | 218 |
| | | | 1,639,980 | | 8,500 | |
| | | | 112,000,000 | 129,373 | 129,373 | 129,373 |
| | | | 3,429,933 | | 3,275 | |
| | | | 4,935,943 | 2,124 | 2,124 | 2,124 |
| | | | 20,000 | 1,232 | 1,232 | 1,232 |
| | | | 1,072 | 57 | 57 | 57 |
| | | | 5 | 3 | 3 | 3 |
| | | | 1 | 258 | 258 | 258 |
| | | | 21,730 | | 22 | |
| | | | 1 | 2 | 2 | 2 |
| | | | 16,000,000 | 117,362 | 141,864 | 117,362 |
| | | | 16,000,000 | 117,362 | 135,822 | 117,362 |
| | | | 13,000 | 200 | 15,562 | 200 |
| | | 207,085 | 260,572,219 | 256,548 | 508,544 | 256,548 |
| | | 97,030 | 118,583,120 | 147,134 | 232,907 | 147,134 |
| | | | 81,470 | 4,363 | 4,363 | 4,363 |
| | | | 30,000 | 155 | 155 | 155 |
| | | | 100,000 | 100 | 980 | 100 |
| | | | 3,900,000 | | 21,175 | |
| | | | 9,920 | 660 | 660 | 660 |
| | | | 9,164 | 1,598 | 1,598 | 1,598 |
| | | | 5,950 | 28 | 28 | 28 |

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

4 Tables appended to the Notes to the Financial Statements

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

| Ord. No(1) | Type (2) | (3) | Name | Increases in the year | | |
|---------------|----------|-----|---|-----------------------|---------|-----------------|
| | | | | For purchases | | Other increases |
| | | | | Quantity | Value | |
| 94 | b | D | AlfaEvolution Technology Spa | | | |
| 95 | d | D | Borsetto Srl | | | |
| 96 | d | D | Butterfly Am Srl En Liquidation | | | |
| 97 | d | D | Funivie Del Piccolo San Bernardo Spa | | | |
| 98 | b | D | Ital H&R Srl | | | |
| 99 | b | D | Marina Di Loano Spa | | | |
| 100 | b | D | Meridiano Secondo Srl | | | 6,500 |
| 102 | d | D | Penta Domus Spa In Liquidazione | | | |
| 104 | d | D | Servizi Immobiliari Martinelli Spa | | | |
| 105 | b | D | Siat | | | |
| 106 | b | D | Società Edilizia Immobiliare Sarda - Seis Spa | | | |
| 108 | b | D | Leithà Srl | | | |
| 109 | b | D | Ambra Property Srl | | | |
| 110 | b | D | Linear Assicurazioni Spa | | | 20,000 |
| 111 | b | D | Unisalute Spa | | | 30,000 |
| 112 | b | V | Arca Vita Spa | 22,005,690 | 475,000 | |
| 113 | e | D | Bper Banca | | | 227,193 |
| 114 | c | D | UnipolReC Spa | | | 166,419 |
| 114 | c | V | UnipolReC Spa | | | 87,642 |

(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 | | | | | |
| | | | 5,000,000 | 90,000 | 90,000 | 90,000 |
| | | | 1,335,149 | 767 | 3,612 | 767 |
| | | | 6,666 | | 7,508 | |
| | | | 1,441,691 | 2,695 | 4,225 | 2,695 |
| | | | 13,312 | 118 | 118 | 118 |
| | | | 5,536 | 81,709 | 207,139 | 81,709 |
| | | | 10,000 | 25,182 | 46,541 | 25,182 |
| | | | 1,052,366 | | 4,181 | |
| | | | 200 | 20 | 20 | 20 |
| | | | 35,983,610 | 39,809 | 39,809 | 39,809 |
| | | | 387,500 | 11,999 | 11,999 | 11,999 |
| | | | 100,000 | 100 | 100 | 100 |
| | | 705 | 1 | 55,445 | 56,150 | 55,445 |
| | | | 19,300,000 | 180,000 | 180,000 | 180,000 |
| | | | 17,242,993 | 745,000 | 745,000 | 745,000 |
| | | | 22,005,690 | 475,000 | 475,000 | 475,000 |
| | | | 47,500,000 | 227,193 | 236,198 | 165,725 |
| | | | 84,239,772 | 166,419 | 284,750 | 166,419 |
| | | | 38,337,075 | 87,642 | 130,412 | 87,642 |

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

4 Tables appended to the Notes to the Financial Statements

Annex 8

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

| | Long-term use portfolio | | Short-term use portfolio | | Total | | | | | | | |
|---|-------------------------|---------------|--------------------------|---------------|-----------------|---------------|----|-----------|----|-----------|-----|-----------|
| | Carrying amount | Current value | Carrying amount | Current value | Carrying amount | Current value | | | | | | |
| I - Non-Life business | | | | | | | | | | | | |
| 1. Shares and holdings in: | 1 | 1,497 | 21 | 1,497 | 41 | 175,143 | 61 | 183,081 | 81 | 176,639 | 101 | 184,578 |
| a) listed shares | 2 | | 22 | | 42 | 124,638 | 62 | 132,551 | 82 | 124,638 | 102 | 132,551 |
| b) unlisted shares | 3 | 1,497 | 23 | 1,497 | 43 | 50,504 | 63 | 50,531 | 83 | 52,001 | 103 | 52,027 |
| c) holdings | 4 | | 24 | | 44 | | 64 | | 84 | | 104 | |
| 2. Mutual investment fund units | 5 | 39,031 | 25 | 34,208 | 45 | 1,782,675 | 65 | 1,795,429 | 85 | 1,821,706 | 105 | 1,829,638 |
| 3. Bonds and other fixed-yield securities | 6 | 3,651,217 | 26 | 3,744,777 | 46 | 4,569,199 | 66 | 4,676,429 | 86 | 8,220,416 | 106 | 8,421,206 |
| a) Listed government securities | 7 | 2,624,451 | 27 | 2,708,226 | 47 | 1,122,698 | 67 | 1,191,485 | 87 | 3,747,149 | 107 | 3,899,711 |
| a2) other listed securities | 8 | 932,972 | 28 | 934,164 | 48 | 3,427,804 | 68 | 3,466,107 | 88 | 4,360,776 | 108 | 4,400,271 |
| b) unlisted government securities | 9 | 81,022 | 29 | 88,865 | 49 | | 69 | | 89 | 81,022 | 109 | 88,865 |
| b2) other unlisted securities | 10 | 12,771 | 30 | 13,523 | 50 | 17,651 | 70 | 17,790 | 90 | 30,422 | 110 | 31,313 |
| c) convertible bonds | 11 | | 31 | | 51 | 1,046 | 71 | 1,046 | 91 | 1,046 | 111 | 1,046 |
| 5. Mutual investment units | 12 | | 32 | | 52 | | 72 | | 92 | | 112 | |
| 7. Sundry financial investments | 13 | | 33 | | 53 | 71,368 | 73 | 59,308 | 93 | 71,368 | 113 | 59,308 |

| | Long-term use portfolio | | Short-term use portfolio | | Total | | | | | | | |
|---|-------------------------|---------------|--------------------------|---------------|-----------------|---------------|-----|-----------|-----|------------|-----|------------|
| | Carrying amount | Current value | Carrying amount | Current value | Carrying amount | Current value | | | | | | |
| II - Life business | | | | | | | | | | | | |
| 1. Shares and holdings in: | 121 | | 141 | | 161 | 365,289 | 181 | 389,510 | 201 | 365,289 | 221 | 389,510 |
| a) listed shares | 122 | | 142 | | 162 | 265,289 | 182 | 289,490 | 202 | 265,289 | 222 | 289,490 |
| b) unlisted shares | 123 | | 143 | | 163 | 100,000 | 183 | 100,019 | 203 | 100,000 | 223 | 100,019 |
| c) holdings | 124 | | 144 | | 164 | | 184 | | 204 | | 224 | |
| 2. Mutual investment fund units | 125 | | 145 | | 165 | 1,369,451 | 185 | 1,381,237 | 205 | 1,369,451 | 225 | 1,381,237 |
| 3. Bonds and other fixed-yield securities | 126 | 16,124,935 | 146 | 16,713,478 | 166 | 7,920,193 | 186 | 8,444,110 | 206 | 24,045,128 | 226 | 25,157,588 |
| a) Listed government securities | 127 | 12,724,132 | 147 | 13,359,754 | 167 | 5,156,501 | 187 | 5,596,727 | 207 | 17,880,633 | 227 | 18,956,481 |
| a2) other listed securities | 128 | 3,110,548 | 148 | 3,041,052 | 168 | 2,742,040 | 188 | 2,825,723 | 208 | 5,852,588 | 228 | 5,866,775 |
| b) unlisted government securities | 129 | 211,292 | 149 | 235,679 | 169 | | 189 | | 209 | 211,292 | 229 | 235,679 |
| b2) other unlisted securities | 130 | 78,963 | 150 | 76,994 | 170 | 21,647 | 190 | 21,652 | 210 | 100,610 | 230 | 98,646 |
| c) convertible bonds | 131 | | 151 | | 171 | 5 | 191 | 7 | 211 | 5 | 231 | 7 |
| 5. Mutual investment units | 132 | | 152 | | 172 | | 192 | | 212 | | 232 | |
| 7. Sundry financial investments | 133 | | 153 | | 173 | 26,655 | 193 | 26,664 | 213 | 26,655 | 233 | 26,664 |

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

| | | Shares and holdings C.III.1 | Mutual investment fund units C.III.2 | Bonds and other fixed- yield securities C.III.3 | Mutual investment units C.III.5 | Sundry financial investments C.III.7 |
|---|---|--------------------------------|---|---|---------------------------------------|--|
| Opening balance | + | 2,136 | 40,641 | 16,075,120 | | |
| Increases in the year: | + | | 8,726 | 4,801,295 | | |
| for: purchases | | | 8,726 | 4,591,771 | | |
| reversals of impairment losses | | | | | | |
| transfers from the short-term portfolio | | | | | | |
| other changes | | | | 209,525 | | |
| Decreases in the year: | - | 639 | 10,337 | 1,100,264 | | |
| for: sales | | 639 | 9,305 | 4,799 | | |
| write-downs | | | | | | |
| transfers to the short-term portfolio | | | | | | |
| other changes | | | 1,032 | 1,095,465 | | |
| Carrying amount | | 1,497 | 39,031 | 19,776,152 | | |
| Current value | | 1,497 | 34,208 | 20,458,256 | | |

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 | + | 126,405 | 6,582 |
| Increases in the year: | + | 3,450 | 1,245,118 |
| for: lending | | 2,596 | |
| reversals of impairment losses | | | |
| other changes | | 855 | |
| Decreases in the year: | - | 104,575 | 1,245,634 |
| for: repayments | | 104,521 | |
| write-downs | | | |
| other changes | | 54 | |
| Carrying amount | | 25,281 | 6,065 |

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 | 418,757 | 25 | 314,057 |
| IV. Other financial investments: | | | | |
| 1. Shares and holdings | 6 | 9,564 | 26 | 7,166 |
| 2. Bonds and other fixed-yield securities | 7 | 109,149 | 27 | 85,151 |
| 3. Bank deposits | 8 | | 28 | |
| 4. Sundry financial investments | 9 | 437 | 29 | 4,046 |
| V. Other assets | 10 | 913 | 30 | 947 |
| VI. Cash and cash equivalents | 11 | 29,056 | 31 | 35,177 |
| Payables and expenses | 12 | (5,312) | 32 | (8,089) |
| | 13 | | 33 | |
| Total | 14 | 562,565 | 34 | 438,455 |
| | | | 54 | 583,020 |
| | | | 74 | 406,374 |

Annex 11/1

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 | 1,327 | 27 | 10,746 |
| 3. Bank deposits | 8 | 28 | 48 | 68 |
| 4. Sundry financial investments | 9 | 437 | 29 | 4,046 |
| V. Other assets | 10 | 30 | 50 | 183 |
| VI. Cash and cash equivalents | 11 | 31 | 51 | 71 |
| | 12 | 32 | 52 | 72 |
| | 13 | 33 | 53 | 73 |
| Total | 14 | 1,764 | 34 | 14,976 |
| | | | 54 | 2,544 |
| | | | 74 | 12,353 |

Annex 11/2

UNIT LINKED

| | Current value | | Acquisition cost | |
|---|---------------|----------------|------------------|----------------|
| | Year | Previous year | Year | Previous year |
| I. Land and buildings | 1 | 21 | 41 | 61 |
| II. Investments in group companies and other investees: | | | | |
| 1. Shares and holdings | 2 | 22 | 42 | 62 |
| 2. Bonds | 3 | 23 | 43 | 63 |
| 3. Loans | 4 | 24 | 44 | 64 |
| III. Mutual investment fund units | 5 | 418,757 | 25 | 314,057 |
| 45 | | | 436,040 | 284,818 |
| IV. Other financial investments: | | | | |
| 1. Shares and holdings | 6 | 9,564 | 26 | 7,166 |
| 2. Bonds and other fixed-yield securities | 7 | 107,822 | 27 | 74,405 |
| 3. Bank deposits | 8 | 28 | 48 | 68 |
| 4. Sundry financial investments | 9 | 29 | 49 | 69 |
| V. Other assets | 10 | 913 | 30 | 764 |
| 50 | | | 913 | 764 |
| VI. Cash and cash equivalents | 11 | 29,056 | 31 | 35,177 |
| 51 | | | 29,056 | 35,177 |
| Payables and expenses | 12 | (5,312) | 32 | (8,089) |
| 52 | | | (5,312) | (8,089) |
| | 13 | 33 | 53 | 73 |
| Total | 14 | 560,800 | 34 | 423,479 |
| | | | 54 | 580,476 |
| | | | 74 | 394,021 |

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 | 155,458 | 23 | 156,756 | 43 | 168,108 | 63 | 143,056 |
| 2. Bonds and other fixed-yield securities | 4 | 3,331,526 | 24 | 2,861,180 | 44 | 3,377,834 | 64 | 2,860,455 |
| 3. Mutual investment fund units | 5 | 218,011 | 25 | 242,373 | 45 | 195,636 | 65 | 192,018 |
| 4. Bank deposits | 6 | | 26 | | 46 | | 66 | |
| 5. Sundry financial investments | 7 | | 27 | | 47 | | 67 | |
| III. Other assets | 8 | 29,222 | 28 | 16,374 | 48 | 29,222 | 68 | 16,374 |
| IV. Cash and cash equivalents | 9 | 290,893 | 29 | 465,557 | 49 | 290,893 | 69 | 465,557 |
| Securities to be settled, payables and sundry liabilities | 10 | (4,737) | 30 | (11,286) | 50 | (4,737) | 70 | (11,286) |
| | 11 | | 31 | | 51 | | 71 | |
| Total | 12 | 4,020,374 | 32 | 3,730,955 | 52 | 4,056,957 | 72 | 3,666,175 |

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 | 155,458 | 23 | 156,756 | 43 | 168,108 | 63 | 143,056 |
| 2. Bonds and other fixed-yield securities | 4 | 499,879 | 24 | 435,623 | 44 | 507,922 | 64 | 440,475 |
| 3. Mutual investment fund units | 5 | 105,662 | 25 | 114,299 | 45 | 107,868 | 65 | 104,076 |
| 4. Bank deposits | 6 | | 26 | | 46 | | 66 | |
| 5. Sundry financial investments | 7 | | 27 | | 47 | | 67 | |
| III. Other assets | 8 | 9,991 | 28 | 3,459 | 48 | 9,991 | 68 | 3,459 |
| IV. Cash and cash equivalents | 9 | 27,075 | 29 | 128,512 | 49 | 27,075 | 69 | 128,512 |
| Securities to be settled, payables and sundry liabilities | 10 | (543) | 30 | (4,785) | 50 | (543) | 70 | (4,785) |
| | 11 | | 31 | | 51 | | 71 | |
| Total | 12 | 797,522 | 32 | 833,865 | 52 | 820,421 | 72 | 814,793 |

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 | 852,296 | 44 | 860,219 |
| 3. Mutual investment fund units | 5 | 23,070 | 45 | 18,028 |
| 4. Bank deposits | 6 | 26 | 46 | 66 |
| 5. Sundry financial investments | 7 | 27 | 47 | 67 |
| III. Other assets | 8 | 5,803 | 48 | 5,803 |
| IV. Cash and cash equivalents | 9 | 12,743 | 49 | 12,743 |
| Securities to be settled, payables and sundry liabilities | 10 | (555) | 50 | (555) |
| | 11 | 31 | 51 | 71 |
| Total | 12 | 893,357 | 52 | 896,238 |
| | | 32 | 897,272 | 72 |
| | | | 896,238 | 874,318 |

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 | 52,028 | 44 | 52,730 |
| 3. Mutual investment fund units | 5 | 3,408 | 45 | 2,888 |
| 4. Bank deposits | 6 | 26 | 46 | 66 |
| 5. Sundry financial investments | 7 | 27 | 47 | 67 |
| III. Other assets | 8 | 569 | 48 | 569 |
| IV. Cash and cash equivalents | 9 | 10,564 | 49 | 10,564 |
| Securities to be settled, payables and sundry liabilities | 10 | 506 | 50 | 506 |
| | 11 | 31 | 51 | 71 |
| Total | 12 | 67,075 | 52 | 67,257 |
| | | 32 | 64,473 | 72 |
| | | | 67,257 | 64,028 |

4 Tables appended to the Notes to the Financial Statements

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 | 54,204 | 44 | 46,253 |
| 3. Mutual investment fund units | 5 | 3,487 | 45 | 3,764 |
| 4. Bank deposits | 6 | | 46 | |
| 5. Sundry financial investments | 7 | | 47 | |
| III. Other assets | 8 | 328 | 48 | 270 |
| IV. Cash and cash equivalents | 9 | 36,235 | 49 | 38,492 |
| Securities to be settled, payables and sundry liabilities | 10 | (54) | 50 | (143) |
| | 11 | | 51 | |
| Total | 12 | 94,201 | 52 | 88,636 |
| | | | 72 | 88,421 |

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 | 168,174 | 44 | 164,603 |
| 3. Mutual investment fund units | 5 | 6,248 | 45 | 7,304 |
| 4. Bank deposits | 6 | | 46 | |
| 5. Sundry financial investments | 7 | | 47 | |
| III. Other assets | 8 | 1,331 | 48 | 894 |
| IV. Cash and cash equivalents | 9 | 3,157 | 49 | 2,480 |
| Securities to be settled, payables and sundry liabilities | 10 | (129) | 50 | (60) |
| | 11 | | 51 | |
| Total | 12 | 178,782 | 52 | 175,221 |
| | | | 72 | 180,565 |
| | | | | 174,312 |

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 | 62,198 | 44 | 59,447 |
| 3. Mutual investment fund units | 5 | 4,246 | 45 | 5,276 |
| 4. Bank deposits | 6 | | 46 | |
| 5. Sundry financial investments | 7 | | 47 | |
| III. Other assets | 8 | 333 | 48 | 269 |
| IV. Cash and cash equivalents | 9 | 16,946 | 49 | 15,856 |
| Securities to be settled, payables and sundry liabilities | 10 | (42) | 50 | (42) |
| | 11 | | 51 | |
| Total | 12 | 83,682 | 52 | 82,088 |
| | | 32 | 80,645 | 72 |
| | | | 82,088 | 78,408 |

Annex 12/15

FILCOOP

| | Current value | | Acquisition cost | |
|--|---------------|---------------|------------------|---------------|
| | Year | Previous year | Year | Previous year |
| I. Investments in group companies and other investees: | | | | |
| 1. Shares and holdings | 1 | 21 | 41 | 61 |
| 2. Bonds | 2 | 22 | 42 | 62 |
| II. Other financial investments: | | | | |
| 1. Shares and holdings | 3 | 23 | 43 | 63 |
| 2. Bonds and other fixed-yield securities | 4 | 12,724 | 44 | 12,705 |
| 3. Mutual investment fund units | 5 | | 45 | |
| 4. Bank deposits | 6 | | 46 | |
| 5. Sundry financial investments | 7 | | 47 | |
| III. Other assets | 8 | 24 | 48 | 24 |
| IV. Cash and cash equivalents | 9 | 19,849 | 49 | 19,849 |
| | 10 | | 50 | |
| | 11 | | 51 | |
| Total | 12 | 32,597 | 52 | 32,578 |
| | | 32 | 32,597 | 72 |
| | | | 32,578 | 32,578 |

4 Tables appended to the Notes to the Financial Statements

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 | 85,240 | 24 | 77,463 |
| 3. Mutual investment fund units | 5 | 8,206 | 25 | 8,192 |
| 4. Bank deposits | 6 | | 46 | |
| 5. Sundry financial investments | 7 | | 47 | |
| III. Other assets | 8 | 454 | 28 | 303 |
| IV. Cash and cash equivalents | 9 | 11,694 | 29 | 16,279 |
| Securities to be settled, payables and sundry liabilities | 10 | (89) | 30 | (266) |
| | 11 | | 31 | |
| Total | 12 | 105,505 | 32 | 101,971 |
| | | | 52 | 103,176 |
| | | | 72 | 98,256 |

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 | 139,263 | 24 | 88,182 |
| 3. Mutual investment fund units | 5 | 3,553 | 25 | 4,759 |
| 4. Bank deposits | 6 | | 46 | |
| 5. Sundry financial investments | 7 | | 47 | |
| III. Other assets | 8 | 807 | 28 | 193 |
| IV. Cash and cash equivalents | 9 | 15,712 | 29 | 28,682 |
| Securities to be settled, payables and sundry liabilities | 10 | (4,985) | 30 | (330) |
| | 11 | | 31 | |
| Total | 12 | 154,351 | 32 | 121,486 |
| | | | 52 | 156,941 |
| | | | 72 | 120,084 |

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 | 558,812 | 44 | 503,725 |
| 3. Mutual investment fund units | 5 | 35,858 | 45 | 37,589 |
| 4. Bank deposits | 6 | | 46 | 20,800 |
| 5. Sundry financial investments | 7 | | 47 | 66 |
| III. Other assets | 8 | 4,861 | 48 | 4,861 |
| IV. Cash and cash equivalents | 9 | 100,608 | 49 | 118,045 |
| Securities to be settled, payables and sundry liabilities | 10 | (478) | 50 | (1,302) |
| | 11 | | 51 | 71 |
| Total | 12 | 699,661 | 52 | 661,594 |
| | | | 52 | 695,289 |
| | | | 72 | 650,483 |

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 | 76,725 | 44 | 74,444 |
| 3. Mutual investment fund units | 5 | 2,913 | 45 | 4,179 |
| 4. Bank deposits | 6 | | 46 | 2,246 |
| 5. Sundry financial investments | 7 | | 47 | 66 |
| III. Other assets | 8 | 369 | 48 | 369 |
| IV. Cash and cash equivalents | 9 | 2,214 | 49 | 804 |
| Securities to be settled, payables and sundry liabilities | 10 | (236) | 50 | (461) |
| | 11 | | 51 | (236) |
| Total | 12 | 81,985 | 52 | 79,118 |
| | | | 52 | 81,939 |
| | | | 72 | 77,535 |

4 Tables appended to the Notes to the Financial Statements

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 | 102,736 | 24 | 60,309 |
| 3. Mutual investment fund units | 5 | 3,886 | 25 | 3,300 |
| 4. Bank deposits | 6 | | 46 | |
| 5. Sundry financial investments | 7 | | 47 | |
| III. Other assets | 8 | 863 | 28 | 302 |
| IV. Cash and cash equivalents | 9 | 1,101 | 29 | 13,824 |
| Securities to be settled, payables and sundry liabilities | 10 | (83) | 30 | (60) |
| | 11 | | 31 | |
| Total | 12 | 108,503 | 32 | 77,675 |
| | | | 52 | 110,337 |
| | | | 72 | 77,480 |

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 | 96,380 | 24 | 74,858 |
| 3. Mutual investment fund units | 5 | 2,227 | 25 | 2,801 |
| 4. Bank deposits | 6 | | 46 | |
| 5. Sundry financial investments | 7 | | 47 | |
| III. Other assets | 8 | 310 | 28 | 169 |
| IV. Cash and cash equivalents | 9 | 1,567 | 29 | 639 |
| Securities to be settled, payables and sundry liabilities | 10 | (74) | 30 | (189) |
| | 11 | | 31 | |
| Total | 12 | 100,410 | 32 | 78,278 |
| | | | 52 | 101,520 |
| | | | 72 | 78,087 |

Annex 12/23

F.DO PENS. PREV. COOPERATIVA 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 | 359,341 | 44 | 135,730 |
| 3. Mutual investment fund units | 5 | 6,114 | 45 | 2,746 |
| 4. Bank deposits | 6 | 26 | 46 | 66 |
| 5. Sundry financial investments | 7 | 27 | 47 | 67 |
| III. Other assets | 8 | 1,863 | 48 | 316 |
| IV. Cash and cash equivalents | 9 | 14,331 | 49 | 12,142 |
| Securities to be settled, payables and sundry liabilities | 10 | 2,178 | 50 | (444) |
| | 11 | 31 | 51 | 71 |
| Total | 12 | 383,826 | 52 | 150,489 |
| | | | 72 | 391,835 |
| | | | | 150,218 |

Annex 12/24

F.DO PENS.COOPERLAVORO SICUREZZA GAR.

| | Current value | | Acquisition cost | |
|---|---------------|----------------|------------------|----------------|
| | Year | Previous year | Year | Previous year |
| I. Investments in group companies and other investees: | | | | |
| 1. Shares and holdings | 1 | 21 | 41 | 61 |
| 2. Bonds | 2 | 22 | 42 | 62 |
| II. Other financial investments: | | | | |
| 1. Shares and holdings | 3 | 23 | 43 | 63 |
| 2. Bonds and other fixed-yield securities | 4 | 157,162 | 44 | 157,823 |
| 3. Mutual investment fund units | 5 | 9,538 | 45 | 8,411 |
| 4. Bank deposits | 6 | 26 | 46 | 66 |
| 5. Sundry financial investments | 7 | 27 | 47 | 67 |
| III. Other assets | 8 | 1,137 | 48 | 1,137 |
| IV. Cash and cash equivalents | 9 | 21,498 | 49 | 21,498 |
| Securities to be settled, payables and sundry liabilities | 10 | (950) | 50 | (950) |
| | 11 | 31 | 51 | 71 |
| Total | 12 | 188,384 | 52 | 187,918 |
| | | | 72 | 187,918 |

4 Tables appended to the Notes to the Financial Statements

Annex 12/25

F.DO PENS CARIPL0 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 | 4,526 | 24 | 3,728 |
| 3. Mutual investment fund units | 5 | 115 | 25 | 112 |
| 4. Bank deposits | 6 | 26 | 46 | 66 |
| 5. Sundry financial investments | 7 | 27 | 47 | 67 |
| III. Other assets | 8 | 27 | 28 | 9 |
| IV. Cash and cash equivalents | 9 | 388 | 29 | 857 |
| Securities to be settled, payables and sundry liabilities | 10 | (5) | 30 | (7) |
| | 11 | 31 | 51 | 71 |
| Total | 12 | 5,052 | 32 | 4,698 |
| | | | 52 | 5,105 |
| | | | 72 | 4,685 |

Annex 12/26

F.DO PENS. MEDIAFOND GAR.

| | Current value | | Acquisition cost | |
|---|---------------|---------------|------------------|---------------|
| | Year | Previous year | Year | Previous year |
| I. Investments in group companies and other investees: | | | | |
| 1. Shares and holdings | 1 | 21 | 41 | 61 |
| 2. Bonds | 2 | 22 | 42 | 62 |
| II. Other financial investments: | | | | |
| 1. Shares and holdings | 3 | 23 | 43 | 63 |
| 2. Bonds and other fixed-yield securities | 4 | 3,070 | 24 | 2,576 |
| 3. Mutual investment fund units | 5 | 137 | 25 | 92 |
| 4. Bank deposits | 6 | 26 | 46 | 66 |
| 5. Sundry financial investments | 7 | 27 | 47 | 67 |
| III. Other assets | 8 | 20 | 28 | 8 |
| IV. Cash and cash equivalents | 9 | 603 | 29 | 1,088 |
| Securities to be settled, payables and sundry liabilities | 10 | (4) | 30 | (7) |
| | 11 | 31 | 51 | 71 |
| Total | 12 | 3,826 | 32 | 3,757 |
| | | | 52 | 3,898 |
| | | | 72 | 3,745 |

Annex 12/27

F.DO PENS. EUROFER GAR.

| | Current value | | Acquisition cost | |
|---|---------------|----------------|------------------|----------------|
| | Year | Previous year | Year | Previous year |
| I. Investments in group companies and other investees: | | | | |
| 1. Shares and holdings | 1 | 21 | 41 | 61 |
| 2. Bonds | 2 | 22 | 42 | 62 |
| II. Other financial investments: | | | | |
| 1. Shares and holdings | 3 | 23 | 43 | 63 |
| 2. Bonds and other fixed-yield securities | 4 | 97,347 | 24 | 56,189 |
| 3. Mutual investment fund units | 5 | 1,695 | 25 | 1,821 |
| 4. Bank deposits | 6 | | 26 | 46 |
| 5. Sundry financial investments | 7 | | 27 | 47 |
| III. Other assets | 8 | 476 | 28 | 128 |
| IV. Cash and cash equivalents | 9 | 4,322 | 29 | 32,737 |
| Securities to be settled, payables and sundry liabilities | 10 | (57) | 30 | (80) |
| | 11 | | 31 | 51 |
| Total | 12 | 103,783 | 32 | 90,795 |
| | | | 52 | 105,350 |
| | | | 72 | 90,826 |

Annex 12/28

F.DO PENS. PREVEDI 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 | 65,050 | 24 | 44 |
| 3. Mutual investment fund units | 5 | 3,583 | 25 | 45 |
| 4. Bank deposits | 6 | | 26 | 46 |
| 5. Sundry financial investments | 7 | | 27 | 47 |
| III. Other assets | 8 | 418 | 28 | 48 |
| IV. Cash and cash equivalents | 9 | 7,924 | 29 | 49 |
| Securities to be settled, payables and sundry liabilities | 10 | (37) | 30 | 50 |
| | 11 | | 31 | 51 |
| Total | 12 | 76,937 | 32 | 78,498 |
| | | | 52 | 72 |

4 Tables appended to the Notes to the Financial Statements

Annex 12/29

F.DO PENS. AGRIFONDO 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 | 54,256 | 24 | 44 | 53,873 |
| 3. Mutual investment fund units | 5 | 3,604 | 25 | 45 | 4,003 |
| 4. Bank deposits | 6 | | 26 | 46 | 66 |
| 5. Sundry financial investments | 7 | | 27 | 47 | 67 |
| III. Other assets | 8 | 398 | 28 | 48 | 398 |
| IV. Cash and cash equivalents | 9 | 23,709 | 29 | 49 | 23,709 |
| Securities to be settled, payables and sundry liabilities | 10 | (51) | 30 | 50 | (51) |
| | 11 | | 31 | 51 | 71 |
| Total | 12 | 81,917 | 32 | 52 | 81,933 |
| | | | | 72 | |

Annex 13

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

| Type | | Year | | Previous year | | Change |
|---|----------|-------------------|-----------|-------------------|-----------|------------------|
| Premium provision: | | | | | | |
| Provision for unearned premiums | 1 | 2,756,717 | 11 | 2,677,437 | 21 | 79,280 |
| Provision for unexpired risks | 2 | 408 | 12 | | 22 | 408 |
| Carrying amount | 3 | 2,757,125 | 13 | 2,677,437 | 23 | 79,688 |
| Claims provision: | | | | | | |
| Provision for compensations and direct expenses | 4 | 9,463,336 | 14 | 9,991,412 | 24 | (528,076) |
| Provision for settlement expenses | 5 | 586,625 | 15 | 577,832 | 25 | 8,793 |
| Provision for claims incurred but not reported | 6 | 886,470 | 16 | 904,404 | 26 | (17,934) |
| Carrying amount | 7 | 10,936,431 | 17 | 11,473,648 | 27 | (537,217) |

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 | 24,427,002 | 11 | 23,973,548 | 21 | 453,454 |
| Premiums carried forward | 2 | 94,116 | 12 | 99,325 | 22 | (5,209) |
| Mortality risk provision | 3 | 8 | 13 | 8 | 23 | |
| Supplementing provisions | 4 | 194,978 | 14 | 191,365 | 24 | 3,614 |
| Carrying amount | 5 | 24,716,104 | 15 | 24,264,246 | 25 | 451,858 |
| Provision for profit sharing and reversals | 6 | 5,509 | 16 | 7,365 | 26 | (1,856) |

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 | 2,367 | 11 | 88,977 | 21 | 370,621 | 31 | 53,561 |
| Provisions in the year | + | 2 | | 12 | 25,104 | 22 | 24,048 | 32 | 12,804 |
| Other increases | + | 3 | | 13 | 28,334 | 23 | | 33 | 608 |
| Uses in the year | - | 4 | 190 | 14 | 45,530 | 24 | 27,425 | 34 | 439 |
| Other decreases | - | 5 | 140 | 15 | | 25 | 62,399 | 35 | 13,609 |
| Carrying amount | | 6 | 2,037 | 16 | 96,885 | 26 | 304,844 | 36 | 52,925 |

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 3,284 | 2 2,889,779 | 3 663,684 | 4 33,405 | 5 248,217 | 6 3,838,369 |
| Bonds | 7 | 8 | 9 | 10 6,863 | 11 3,740 | 12 10,603 |
| Loans | 13 267,785 | 14 58,079 | 15 106,259 | 16 6,271 | 17 | 18 438,395 |
| Mutual investment units | 19 | 20 | 21 | 22 | 23 | 24 |
| Bank deposits | 25 | 26 | 27 9 | 28 | 29 | 30 9 |
| Sundry financial investments | 31 | 32 | 33 | 34 | 35 | 36 |
| Deposits with ceding companies | 37 | 38 2 | 39 | 40 | 41 | 42 2 |
| Investments relating to benefits linked to investment funds and market indices | 43 | 44 | 45 | 46 | 47 | 48 |
| Investments arising from pension fund management | 49 | 50 | 51 | 52 | 53 | 54 |
| Receivables relating to direct insurance business | 55 | 56 3,441 | 57 | 58 11 | 59 48,697 | 60 52,149 |
| Receivables relating to reinsurance business | 61 | 62 8,755 | 63 | 64 | 65 | 66 8,755 |
| Other receivables | 67 162,859 | 68 32,845 | 69 34,943 | 70 124 | 71 247 | 72 231,017 |
| Bank deposits and post office accounts | 73 | 74 | 75 554,164 | 76 | 77 | 78 554,164 |
| Sundry assets | 79 | 80 1,536 | 81 55,438 | 82 | 83 | 84 56,974 |
| Total | 85 433,928 | 86 2,994,438 | 87 1,414,496 | 88 46,674 | 89 300,900 | 90 5,190,436 |
| 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 29,260 | 105 | 106 | 107 | 108 29,260 |
| Payables arising from direct insurance business | 109 | 110 76 | 111 40 | 112 | 113 | 114 116 |
| Payables arising from reinsurance business | 115 | 116 21,803 | 117 | 118 | 119 | 120 21,803 |
| Payables to banks and financial institutions | 121 | 122 | 123 | 124 | 125 | 126 |
| Collateralised payables | 127 | 128 | 129 2,346 | 130 | 131 | 132 2,346 |
| Other loans and other financial payables | 133 | 134 | 135 | 136 | 137 | 138 |
| Sundry payables | 139 99,886 | 140 64,980 | 141 3,391 | 142 55 | 143 518 | 144 168,830 |
| Sundry liabilities | 145 9,657 | 146 4,716 | 147 21,731 | 148 | 149 120 | 150 36,225 |
| Total | 151 109,542 | 152 120,835 | 153 27,509 | 154 55 | 155 639 | 156 258,579 |

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 | 2,093 | 17,801 |
| b) sureties and endorsements given in the interest of associates and other investees | 2 | | |
| c) sureties and endorsements given in the interest of third parties | 3 | 13,129 | 13,129 |
| d) other personal guarantee given in the interest of holding companies, subsidiaries and affiliates | 4 | | |
| e) other personal guarantee given in the interest of associates and other investees | 5 | 300 | 300 |
| f) other personal guarantees given in the interest of third parties | 6 | 281 | 281 |
| g) collateral for bonds of holding companies, subsidiaries and affiliates | 7 | | |
| h) collateral for bonds of associates and other investees | 8 | | |
| i) collateral for bonds of third parties | 9 | 10,761 | 11,923 |
| l) guarantees given for company bonds | 10 | 106,083 | 47,455 |
| m) assets deposited for inwards reinsurance operations | 11 | 4,224 | 4,682 |
| Total | 12 | 136,871 | 95,571 |
| II. Guarantees received: | | | |
| a) group companies, associates and other investees | 13 | | |
| b) third parties | 14 | 129,959 | 123,283 |
| Total | 15 | 129,959 | 123,283 |
| III. Guarantees given by third parties in the interest of the company: | | | |
| a) group companies, associates and other investees | 16 | 1,146,664 | 1,145,409 |
| b) third parties | 17 | 294,736 | 305,192 |
| Total | 18 | 1,441,400 | 1,450,601 |
| IV. Commitments: | | | |
| a) commitments for purchases with resale obligation | 19 | | |
| b) commitments for sales with repurchase obligation | 20 | | |
| c) other commitments | 21 | 8,034,067 | 8,805,222 |
| Total | 22 | 8,034,067 | 8,805,222 |
| V. Assets attributable to pension funds managed in the name and on behalf of third parties | 23 | 607,890 | 611,757 |
| VI. Securities deposited with third parties | 24 | 42,514,435 | 41,425,716 |
| Total | 25 | 43,122,324 | 42,037,483 |

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 | 1,349,297 | 106 | 85,559 | 26 | 715,000 | 126 | (16,413) | 46 | 1,571,950 | 146 | 56,955 | 66 | 715,000 | 166 | (6,607) |
| on bonds | 7 | | 107 | | 27 | | 127 | | 47 | | 147 | | 67 | | 167 | |
| on currencies | 8 | | 108 | | 28 | | 128 | | 48 | | 148 | | 68 | | 168 | |
| on rates | 9 | 200,000 | 109 | 414 | 29 | | 129 | | 49 | 200,000 | 149 | 4,063 | 69 | | 169 | |
| other | 10 | | 110 | | 30 | | 130 | | 50 | | 150 | | 70 | | 170 | |
| Swaps: on currencies | 11 | | 111 | | 31 | | 131 | | 51 | | 151 | | 71 | | 171 | |
| on rates | 12 | 3,274,500 | 112 | (188,787) | 32 | | 132 | | 52 | 3,237,699 | 152 | (200,622) | 72 | | 172 | |
| other | 13 | | 113 | | 33 | | 133 | | 53 | 200,000 | 153 | (5,460) | 73 | | 173 | |
| Other transactions | 14 | 252,953 | 114 | 580 | 34 | 1,380,281 | 134 | (17,244) | 54 | 129,337 | 154 | (2,147) | 74 | 1,876,888 | 174 | 23,332 |
| Total | 15 | 5,076,750 | 115 | (102,234) | 35 | 2,095,281 | 135 | (33,657) | 55 | 5,338,987 | 155 | (147,211) | 75 | 2,591,888 | 175 | 16,726 |

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

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

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

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

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

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

(2) Enter the fair value of the derivative contracts

Summarised information on Non-Life business technical account

| | | Gross premiums written | | Gross premiums earned | | Gross charges relating to claims | | Operating expenses | | Reinsurance balance |
|--|-----------|------------------------|-----------|-----------------------|-----------|----------------------------------|-----------|--------------------|-----------|---------------------|
| Direct insurance business: | | | | | | | | | | |
| Accident and Health (classes 1 and 2) | 1 | 791,806 | 2 | 788,408 | 3 | 403,184 | 4 | 293,011 | 5 | (11,490) |
| Land Vehicle TPL (class 10) | 6 | 3,263,502 | 7 | 3,255,158 | 8 | 2,350,544 | 9 | 708,487 | 10 | (18,555) |
| Land Vehicle Hulls (class 3) | 11 | 668,069 | 12 | 644,859 | 13 | 428,321 | 14 | 168,848 | 15 | 3,014 |
| Sea, air and transport insurance (classes 4, 5, 6, 7, 11 and 12) | 16 | 32,025 | 17 | 31,317 | 18 | 16,852 | 19 | 15,478 | 20 | (7,915) |
| Fire and Other damage to property (classes 8 and 9) | 21 | 1,119,733 | 22 | 1,080,280 | 23 | 787,489 | 24 | 373,543 | 25 | 16,312 |
| General TPL (class 13) | 26 | 685,515 | 27 | 680,242 | 28 | 326,530 | 29 | 233,773 | 30 | 10,419 |
| Credit and bonds (classes 14 and 15) | 31 | 51,342 | 32 | 56,486 | 33 | 18,724 | 34 | 21,861 | 35 | (14,495) |
| Misc pecuniary losses (class 16) | 36 | 62,447 | 37 | 61,734 | 38 | 26,722 | 39 | 22,834 | 40 | (611) |
| Legal expenses (class 17) | 41 | 63,602 | 42 | 63,747 | 43 | 17,794 | 44 | 24,405 | 45 | (1,222) |
| Assistance (class 18) | 46 | 159,466 | 47 | 154,873 | 48 | 85,970 | 49 | 63,565 | 50 | (8,254) |
| Total direct insurance business | 51 | 6,897,505 | 52 | 6,817,104 | 53 | 4,462,131 | 54 | 1,925,805 | 55 | (32,797) |
| Indirect insurance business | 56 | 8,201 | 57 | 8,459 | 58 | 2,935 | 59 | 1,712 | 60 | (209) |
| Total Italian portfolio | 61 | 6,905,707 | 62 | 6,825,563 | 63 | 4,465,066 | 64 | 1,927,517 | 65 | (33,006) |
| Foreign portfolio | 66 | 2,573 | 67 | 3,059 | 68 | 1,320 | 69 | 596 | 70 | 200 |
| Grand total | 71 | 6,908,280 | 72 | 6,828,621 | 73 | 4,466,386 | 74 | 1,928,112 | 75 | (32,806) |

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 | 3,129,112 | 11 | 293 | 21 | 3,129,406 |
| a) 1. for individual policies | 2 | 1,973,752 | 12 | 266 | 22 | 1,974,018 |
| 2. for collective policies | 3 | 1,155,360 | 13 | 27 | 23 | 1,155,387 |
| b) 1. periodic premiums | 4 | 581,360 | 14 | 293 | 24 | 581,653 |
| 2. single premiums | 5 | 2,547,752 | 15 | | 25 | 2,547,752 |
| c) 1. for contracts with no profit sharing | 6 | 2,247,340 | 16 | 214 | 26 | 2,247,553 |
| 2. for contracts with profit sharing | 7 | 4,710 | 17 | 80 | 27 | 4,790 |
| 3. for contracts when the investment risk is borne by policyholders and for pension funds | 8 | 877,062 | 18 | | 28 | 877,062 |
| Reinsurance balance | 9 | (3,956) | 19 | 141 | 29 | (3,815) |

Gains on investments (item II.2 and III.3)

| | | Non-Life business | | Life business | | Total |
|--|-----------|-------------------|-----------|------------------|------------|------------------|
| Gains arising from shares and holdings: | | | | | | |
| Dividends and other income from shares and holdings of group companies and investees | 1 | 59,065 | 41 | 7,251 | 81 | 66,316 |
| Dividends and other income from shares and holdings of other companies | 2 | 17,643 | 42 | 20,330 | 82 | 37,973 |
| Total | 3 | 76,708 | 43 | 27,581 | 83 | 104,290 |
| Gains arising from investments in land and buildings | | | | | | |
| | 4 | 69,010 | 44 | 169 | 84 | 69,178 |
| Gains on other investments: | | | | | | |
| Gains on bonds of group companies and investees | 5 | 14 | 45 | | 85 | 14 |
| Interests on loans to group companies and investees | 6 | 4,461 | 46 | 1,531 | 86 | 5,992 |
| Gains arising from mutual investment fund units | 7 | 41,364 | 47 | 33,968 | 87 | 75,333 |
| Gains on bonds and other fixed-yield securities | 8 | 371,918 | 48 | 910,478 | 88 | 1,282,396 |
| Interest on loans | 9 | 4,608 | 49 | 604 | 89 | 5,212 |
| Gains on mutual investment units | 10 | | 50 | | 90 | |
| Interest on bank deposits | 11 | | 51 | 80 | 91 | 80 |
| Gains on sundry financial investments | 12 | 10,602 | 52 | 66,182 | 92 | 76,784 |
| Interest on deposits with ceding companies | 13 | 66 | 53 | 242 | 93 | 309 |
| Total | 14 | 433,035 | 54 | 1,013,085 | 94 | 1,446,120 |
| Reversals of value adjustments on investments regarding: | | | | | | |
| Land and buildings | 15 | | 55 | | 95 | |
| Shares and holdings in group companies and investees | 16 | 38,881 | 56 | 18,492 | 96 | 57,373 |
| Bonds issued by group companies and investees | 17 | | 57 | | 97 | |
| Other shares and holdings | 18 | 294 | 58 | 1,119 | 98 | 1,413 |
| Other bonds | 19 | 204 | 59 | 2 | 99 | 206 |
| Other financial investments | 20 | 30,091 | 60 | 24,702 | 100 | 54,793 |
| Total | 21 | 69,470 | 61 | 44,316 | 101 | 113,785 |
| Gains on realisation of investments: | | | | | | |
| Capital gains on the disposal of land and buildings | 22 | | 62 | | 102 | |
| Gains on shares and holdings in group companies and investees | 23 | 151 | 63 | | 103 | 151 |
| Gains on bonds issued by group companies and investees | 24 | | 64 | | 104 | |
| Gains on other shares and holdings | 25 | 12,478 | 65 | 11,205 | 105 | 23,683 |
| Gains on other bonds | 26 | 78,779 | 66 | 120,238 | 106 | 199,018 |
| Gains on other financial investments | 27 | 43,948 | 67 | 38,128 | 107 | 82,077 |
| Total | 28 | 135,357 | 68 | 169,572 | 108 | 304,929 |
| GRAND TOTAL | 29 | 783,579 | 69 | 1,254,722 | 109 | 2,038,301 |

4 Tables appended to the Notes to the Financial Statements

Annex 22

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

| I. Investments relating to benefits linked to investment funds and market indices | | Amounts |
|---|----|------------------|
| Income from: | | |
| Land and buildings | | 1 |
| Investments in group companies and other investees | | 2 |
| Mutual investment fund units | | 3 1,539 |
| Other financial investments | | 4 4,761 |
| - of which income from bonds | 5 | 4,752 |
| Other assets | | 6 70 |
| Total | | 7 6,371 |
| Gains on realisation of investments | | |
| Capital gains on the disposal of land and buildings | | 8 |
| Gains on investments in group companies and investees | | 9 |
| Gains on mutual investment funds | | 10 2,292 |
| Gains on other financial investments | | 11 228 |
| - of which bonds | 12 | 228 |
| Other income | | 13 598 |
| Total | | 14 3,118 |
| Unrealised gains | | 15 2,824 |
| GRAND TOTAL | | 16 12,313 |

| II. Investments arising from pension fund management | | Amounts |
|---|----|-------------------|
| Income from: | | |
| Investments in group companies and other investees | | 21 |
| Other financial investments | | 22 62,742 |
| - of which income from bonds | 23 | 56,811 |
| Other assets | | 24 15,333 |
| Total | | 25 78,074 |
| Gains on realisation of investments | | |
| Gains on investments in group companies and investees | | 26 |
| Gains on other financial investments | | 27 10,839 |
| - of which bonds | 28 | 3,975 |
| Other income | | 29 |
| Total | | 30 10,839 |
| Unrealised gains | | 31 13,360 |
| GRAND TOTAL | | 32 102,274 |

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

| | | Non-Life business | | Life business | | Total |
|--|-----------|-------------------|-----------|----------------|-----------|------------------|
| Investment management expenses and other expenses | | | | | | |
| Expenses regarding shares and holdings | 1 | 2,498 | 31 | 2,698 | 61 | 5,196 |
| Expenses regarding investments in land and buildings | 2 | 69,192 | 32 | 2,814 | 62 | 72,006 |
| Expenses regarding bonds | 3 | 22,572 | 33 | 64,298 | 63 | 86,869 |
| Expenses regarding mutual investment fund units | 4 | 881 | 34 | 557 | 64 | 1,438 |
| Expenses regarding mutual investment units | 5 | | 35 | | 65 | |
| Expenses regarding sundry financial investments | 6 | 46,599 | 36 | 70,230 | 66 | 116,829 |
| Interest on deposits received from reinsurers | 7 | 939 | 37 | 1,479 | 67 | 2,419 |
| Total | 8 | 142,681 | 38 | 142,077 | 68 | 284,758 |
| Value adjustments to investments regarding: | | | | | | |
| Land and buildings | 9 | 60,543 | 39 | 782 | 69 | 61,325 |
| Shares and holdings in group companies and investees | 10 | 70,164 | 40 | 9,388 | 70 | 79,552 |
| Bonds issued by group companies and investees | 11 | | 41 | | 71 | |
| Other shares and holdings | 12 | 21,769 | 42 | 41,774 | 72 | 63,543 |
| Other bonds | 13 | 137,607 | 43 | 80,410 | 73 | 218,017 |
| Other financial investments | 14 | 86,615 | 44 | 82,425 | 74 | 169,039 |
| Total | 15 | 376,698 | 45 | 214,778 | 75 | 591,476 |
| Losses on realisation of investments | | | | | | |
| Capital losses on the disposal of land and buildings | 16 | | 46 | | 76 | |
| Losses on shares and holdings | 17 | 12,490 | 47 | 26,515 | 77 | 39,004 |
| Losses on bonds | 18 | 18,097 | 48 | 26,696 | 78 | 44,793 |
| Losses on other financial investments | 19 | 27,110 | 49 | 25,672 | 79 | 52,782 |
| Total | 20 | 57,697 | 50 | 78,882 | 80 | 136,579 |
| GRAND TOTAL | 21 | 577,076 | 51 | 435,737 | 81 | 1,012,813 |

4 Tables appended to the Notes to the Financial Statements

Annex 24

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

| I. Investments relating to benefits linked to investment funds and market indices | | Amounts |
|---|-----------|----------------|
| Operating expenses arising from: | | |
| Land and buildings | 1 | |
| Investments in group companies and investees | 2 | |
| Mutual investment fund units | 3 | |
| Other financial investments | 4 | 91 |
| Other assets | 5 | 7,739 |
| Total | 6 | 7,831 |
| Losses on realisation of investments | | |
| Capital losses on the disposal of land and buildings | 7 | |
| Losses on investments in group companies and investees | 8 | 13 |
| Losses on mutual investment funds | 9 | 3,676 |
| Losses on other financial investments | 10 | 3,463 |
| Other charges | 11 | |
| Total | 12 | 7,151 |
| Unrealised losses | 13 | 43,448 |
| GRAND TOTAL | 14 | 58,430 |
| II. Investments arising from pension fund management | | Amounts |
| Operating expenses arising from: | | |
| Investments in group companies and investees | 21 | |
| Other financial investments | 22 | 4,059 |
| Other assets | 23 | 16,599 |
| Total | 24 | 20,657 |
| Losses on realisation of investments | | |
| Losses on investments in group companies and investees | 25 | |
| Losses on other financial investments | 26 | 29,304 |
| Other charges | 27 | |
| Total | 28 | 29,304 |
| Unrealised losses | 29 | 110,137 |
| GRAND TOTAL | 30 | 160,098 |

4 Tables appended to the Notes to the Financial Statements

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

| | | | Class code 1 | | Class code 2 | |
|--|----------------------------|----|--------------------|----|------------------|--|
| | | | Accident (name) | | Health (name) | |
| Direct business gross of reinsurance | | | | | | |
| Written premiums | + | 1 | 613,357 | 1 | 178,449 | |
| Change in premium provision (+ or -) | - | 2 | 3,831 | 2 | (434) | |
| Charges relating to claims | - | 3 | 275,135 | 3 | 128,049 | |
| Change in sundry technical provisions (+ or -) | - | 4 | 165 | 4 | (3,773) | |
| Balance of other technical items (+ or -) | + | 5 | (8,190) | 5 | (7,233) | |
| Operating expenses | - | 6 | 244,004 | 6 | 49,008 | |
| Technical balance of direct business (+ or -) | A | 7 | 82,032 | 7 | (1,634) | |
| Outwards reinsurance (+ or -) | B | 8 | (6,977) | 8 | (4,513) | |
| Indirect business net result (+ or -) | C | 9 | (1) | 9 | (2) | |
| Change in equalisation provisions (+ or -) | D | 10 | 52 | 10 | | |
| Investment income transferred from the non-technical account | E | 11 | 6,345 | 11 | 2,543 | |
| Technical result (+ or -) | (A + B + C - D + E) | 12 | 81,347 | 12 | (3,606) | |

| | | | Class code 7 | | Class code 8 | |
|--|----------------------------|----|----------------------------|----|----------------|--|
| | | | Goods in transit (name) | | Fire (name) | |
| Direct business gross of reinsurance | | | | | | |
| Written premiums | + | 1 | 15,518 | 1 | 529,758 | |
| Change in premium provision (+ or -) | - | 2 | (332) | 2 | 35,413 | |
| Charges relating to claims | - | 3 | 2,796 | 3 | 339,146 | |
| Change in sundry technical provisions (+ or -) | - | 4 | | 4 | (27) | |
| Balance of other technical items (+ or -) | + | 5 | 95 | 5 | (6,666) | |
| Operating expenses | - | 6 | 8,859 | 6 | 175,763 | |
| Technical balance of direct business (+ or -) | A | 7 | 4,290 | 7 | (27,203) | |
| Outwards reinsurance (+ or -) | B | 8 | (7,060) | 8 | 32,003 | |
| Indirect business net result (+ or -) | C | 9 | | 9 | 791 | |
| Change in equalisation provisions (+ or -) | D | 10 | 46 | 10 | 1,966 | |
| Investment income transferred from the non-technical account | E | 11 | 208 | 11 | 10,270 | |
| Technical result (+ or -) | (A + B + C - D + E) | 12 | (2,608) | 12 | 13,895 | |

| | | | Class code 13 | | Class code 14 | |
|--|----------------------------|----|-----------------------|----|------------------|--|
| | | | General TPL (name) | | Credit (name) | |
| Direct business gross of reinsurance | | | | | | |
| Written premiums | + | 1 | 685,515 | 1 | 307 | |
| Change in premium provision (+ or -) | - | 2 | 5,273 | 2 | 26 | |
| Charges relating to claims | - | 3 | 326,530 | 3 | (289) | |
| Change in sundry technical provisions (+ or -) | - | 4 | | 4 | | |
| Balance of other technical items (+ or -) | + | 5 | (11,952) | 5 | (3) | |
| Operating expenses | - | 6 | 233,773 | 6 | 37 | |
| Technical balance of direct business (+ or -) | A | 7 | 107,986 | 7 | 530 | |
| Outwards reinsurance (+ or -) | B | 8 | 10,419 | 8 | (196) | |
| Indirect business net result (+ or -) | C | 9 | 1,523 | 9 | (596) | |
| Change in equalisation provisions (+ or -) | D | 10 | | 10 | (24) | |
| Investment income transferred from the non-technical account | E | 11 | 39,509 | 11 | 52 | |
| Technical result (+ or -) | (A + B + C - D + E) | 12 | 159,436 | 12 | (186) | |

| 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 | 668,069 | 1 | 1,608 | 1 | 641 | 1 | 5,214 |
| 2 | 23,210 | 2 | 375 | 2 | 52 | 2 | 505 |
| 3 | 428,321 | 3 | (402) | 3 | (21) | 3 | 6,210 |
| 4 | | 4 | | 4 | | 4 | |
| 5 | (2,862) | 5 | 1 | 5 | (4) | 5 | 51 |
| 6 | 168,848 | 6 | 382 | 6 | 197 | 6 | 2,563 |
| 7 | 44,827 | 7 | 1,254 | 7 | 408 | 7 | (4,013) |
| 8 | 3,014 | 8 | (120) | 8 | (624) | 8 | 14 |
| 9 | | 9 | | 9 | 3 | 9 | 8 |
| 10 | 1,013 | 10 | | 10 | | 10 | 3 |
| 11 | 4,929 | 11 | 3 | 11 | 12 | 11 | 142 |
| 12 | 51,757 | 12 | 1,137 | 12 | (201) | 12 | (3,852) |
| | | | | | | | |
| 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 | 589,975 | 1 | 3,263,502 | 1 | 732 | 1 | 8,312 |
| 2 | 4,040 | 2 | 8,344 | 2 | 62 | 2 | 46 |
| 3 | 448,343 | 3 | 2,350,544 | 3 | 485 | 3 | 7,784 |
| 4 | | 4 | | 4 | | 4 | |
| 5 | (7,121) | 5 | (46,286) | 5 | | 5 | (25) |
| 6 | 197,780 | 6 | 708,487 | 6 | 284 | 6 | 3,193 |
| 7 | (67,308) | 7 | 149,841 | 7 | (99) | 7 | (2,736) |
| 8 | (15,691) | 8 | (18,555) | 8 | (106) | 8 | (18) |
| 9 | 101 | 9 | 580 | 9 | 5 | 9 | 2 |
| 10 | 39 | 10 | | 10 | | 10 | |
| 11 | 6,636 | 11 | 75,034 | 11 | 11 | 11 | 296 |
| 12 | (76,301) | 12 | 206,900 | 12 | (190) | 12 | (2,456) |
| | | | | | | | |
| Class code 15 | | Class code 16 | | Class code 17 | | Class code 18 | |
| Bonds (name) | | Pecuniary losses (name) | | Legal expenses (name) | | Assistance (name) | |
| | | | | | | | |
| 1 | 51,035 | 1 | 62,447 | 1 | 63,602 | 1 | 159,466 |
| 2 | (5,170) | 2 | 713 | 2 | (145) | 2 | 4,593 |
| 3 | 19,013 | 3 | 26,722 | 3 | 17,794 | 3 | 85,970 |
| 4 | | 4 | | 4 | | 4 | |
| 5 | (5,377) | 5 | (416) | 5 | (330) | 5 | (2,342) |
| 6 | 21,824 | 6 | 22,834 | 6 | 24,405 | 6 | 63,565 |
| 7 | 9,992 | 7 | 11,762 | 7 | 21,218 | 7 | 2,996 |
| 8 | (14,299) | 8 | (611) | 8 | (1,222) | 8 | (8,254) |
| 9 | 219 | 9 | 107 | 9 | | 9 | |
| 10 | | 10 | | 10 | | 10 | |
| 11 | 2,555 | 11 | 602 | 11 | 739 | 11 | 885 |
| 12 | (1,533) | 12 | 11,858 | 12 | 20,736 | 12 | (4,373) |

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 | 6,897,505 | 11 | 426,850 | 21 | 8,201 | 31 | 27 | 41 | 6,478,831 |
| Change in premium provision (+ or -) | - | 2 | 80,402 | 12 | (7,287) | 22 | (258) | 32 | (12) | 42 | 87,443 |
| Charges relating to claims | - | 3 | 4,462,131 | 13 | 252,820 | 23 | 2,935 | 33 | (170) | 43 | 4,212,416 |
| Change in sundry technical provisions (+ or -) | - | 4 | (3,635) | 14 | | 24 | | 34 | | 44 | (3,635) |
| Balance of other technical items (+ or -) | + | 5 | (98,660) | 15 | 270 | 25 | (863) | 35 | 2 | 45 | (99,794) |
| Operating expenses | - | 6 | 1,925,805 | 16 | 148,790 | 26 | 1,712 | 36 | 1 | 46 | 1,778,726 |
| Technical result (+ or -) | | 7 | 334,143 | 17 | 32,797 | 27 | 2,949 | 37 | 209 | 47 | 304,086 |
| Change in equalisation provisions (+ or -) | - | | | | | | | | | 48 | 3,095 |
| Investment income transferred from the non-technical account | + | 9 | 150,413 | | | 29 | 356 | | | 49 | 150,769 |
| Technical result (+ or -) | | 10 | 484,556 | 20 | 32,797 | 30 | 3,305 | 40 | 209 | 50 | 451,761 |

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

| | | Class code I | Class code II | Class code III |
|---|--------------------|-------------------------------|--------------------------|-------------------------|
| | | Whole and term life (name) | Marriage-birth (name) | Invest. funds (name) |
| Direct business gross of reinsurance | | | | |
| Written premiums | + | 1,851,526 | | 219,505 |
| Charges relating to claims | - | 1,817,240 | | 37,230 |
| Change in mathematical provisions and sundry technical provisions (+ or -) | - | 393,676 | | 132,329 |
| Balance of other technical items (+ or -) | + | (28,222) | | 5,423 |
| Operating expenses | - | 123,943 | | 14,168 |
| Income from investments net of the share transferred to the non-technical account (*) | + | 569,076 | | (45,152) |
| Direct business result, gross of reinsurance (+ or -) | A | 57,521 | | (3,951) |
| Outwards reinsurance result (+ or -) | B | (3,570) | | |
| Indirect business net result (+ or -) | C | 139 | | |
| Technical result (+ or -) | (A + B + C) | 54,090 | | (3,951) |

| | | Class code IV | Class code V | Class code VI |
|---|--------------------|------------------|--------------------------|-------------------------|
| | | Health (name) | Capitalisation (name) | Pension funds (name) |
| Direct business gross of reinsurance | | | | |
| Written premiums | + | 4,229 | 396,295 | 657,558 |
| Charges relating to claims | - | 48 | 478,792 | 291,344 |
| Change in mathematical provisions and sundry technical provisions (+ or -) | - | (132) | 58,001 | 312,937 |
| Balance of other technical items (+ or -) | + | (1,322) | (6,442) | 13,431 |
| Operating expenses | - | 1,195 | 8,174 | 2,578 |
| Income from investments net of the share transferred to the non-technical account (*) | + | 53 | 160,044 | (56,927) |
| Direct business result, gross of reinsurance (+ or -) | A | 1,849 | 4,930 | 7,202 |
| Outwards reinsurance result (+ or -) | B | (386) | | |
| Indirect business net result (+ or -) | C | | | |
| Technical result (+ or -) | (A + B + C) | 1,463 | 4,930 | 7,202 |

(*) 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 | 3,129,112 | 11 | 6,027 | 21 | 221 | 31 | 53 | 41 | 3,123,253 |
| Charges relating to claims | - | 2 | 2,624,654 | 12 | 9,041 | 22 | 1,621 | 32 | 706 | 42 | 2,616,528 |
| Change in mathematical provisions and other technical provisions (+ or -) | - | 3 | 896,811 | 13 | (8,441) | 23 | (2,455) | 33 | (1,294) | 43 | 904,090 |
| Balance of other technical items (+ or -) | + | 4 | (17,133) | 14 | (131) | 24 | (292) | 34 | 10 | 44 | (17,303) |
| Operating expenses | - | 5 | 150,057 | 15 | 1,339 | 25 | 45 | 35 | 6 | 45 | 148,757 |
| Investment income transferred to the non-technical account (*) | + | 6 | 627,094 | | | 26 | 65 | | | 46 | 627,159 |
| Technical result (+ or -) | | 7 | 67,551 | 17 | 3,956 | 27 | 783 | 37 | 644 | 47 | 63,734 |

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

Annex 29

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

Section I: Non-Life

| | | | Total Non-Life |
|--|---|----------------------------|----------------|
| Direct business gross of reinsurance | | | |
| Written premiums | + | 1 | |
| Change in premium provision (+ or -) | - | 2 | |
| Charges relating to claims | - | 3 | |
| Change in sundry technical provisions (+ or -) | - | 4 | |
| Balance of other technical items (+ or -) | + | 5 | |
| Operating expenses | - | 6 | |
| Technical balance of direct business (+ or -) | | A | 7 |
| Outwards reinsurance result (+ or -) | | B | 8 |
| Indirect business net result (+ or -) | | C | 9 |
| Change in equalisation provisions (+ or -) | | D | 10 |
| Investment income transferred from the non-technical account | | E | 11 |
| Technical result (+ or -) | | (A + B + C - D + E) | 12 |
| | | | 1,135 |

Section II: Life

| | | | Total Non-Life |
|--|---|--------------------|----------------|
| Direct business gross of reinsurance | | | |
| Written premiums | + | 1 | |
| Charges relating to claims | - | 2 | |
| Change in mathematical provisions and sundry technical provisions (+ or -) | - | 3 | |
| Balance of other technical items (+ or -) | + | 4 | |
| Operating expenses | - | 5 | |
| Investment income transferred to the non-technical account (1) | + | 6 | |
| Direct business result, gross of reinsurance (+ or -) | | A | 7 |
| Outwards reinsurance result (+ or -) | | B | 8 |
| Indirect business net result (+ or -) | | C | 9 |
| Technical result (+ or -) | | (A + B + C) | 10 |
| | | | 2 |

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

Relations with group companies and other investees

| I: Income | Holding companies | Subsidiaries | Affiliates | Associates | Others | Total |
|--|-------------------|-------------------|------------------|-----------------|-----------------|-------------------|
| Income from investments | | | | | | |
| Income from land and buildings | 1 209 | 2 9,916 | 3 5,324 | 4 | 5 1,168 | 6 16,618 |
| Dividends and other income from shares and holdings | 7 427 | 8 62,095 | 9 1,726 | 10 1,934 | 11 134 | 12 66,316 |
| Gains on bonds | 13 | 14 | 15 | 16 | 17 14 | 18 14 |
| Interest on loans | 19 1,833 | 20 426 | 21 3,733 | 22 | 23 | 24 5,992 |
| Gains on other financial investments | 25 | 26 | 27 | 28 | 29 13 | 30 13 |
| Interest on deposits with ceding companies | 31 | 32 | 33 | 34 | 35 | 36 |
| Total | 37 2,470 | 38 72,436 | 39 10,783 | 40 1,934 | 41 1,330 | 42 88,954 |
| Income and unrealised gains on investments benefiting policyholders that bear the risk and arising from pension fund management | 43 | 44 | 45 | 46 | 47 | 48 |
| Other income | | | | | | |
| Interest on loans | 49 | 50 | 51 10 | 52 | 53 | 54 11 |
| Recovery of expenses and administrative charges | 55 4,566 | 56 28,993 | 57 7,567 | 58 | 59 15 | 60 41,140 |
| Other gains and amounts recovered | 61 1,347 | 62 1,624 | 63 7,139 | 64 103 | 65 328 | 66 10,542 |
| Total | 67 5,913 | 68 30,617 | 69 14,716 | 70 103 | 71 343 | 72 51,692 |
| Gains on realisation of investments (*) | 73 151 | 74 | 75 | 76 | 77 1,880 | 78 2,032 |
| Extraordinary income | 79 | 80 634 | 81 37 | 82 | 83 | 84 671 |
| GRAND TOTAL | 85 8,534 | 86 103,688 | 87 25,536 | 88 2,037 | 89 3,554 | 90 143,349 |

| II: Charges | Holding companies | Subsidiaries | Affiliates | Associates | Others | Total |
|--|-------------------|-------------------|-------------------|----------------|----------------|-------------------|
| Investment management expenses and interest expense: | | | | | | |
| Investment charges | 91 | 92 789 | 93 31,517 | 94 | 95 | 96 32,306 |
| Interest on subordinated liabilities | 97 | 98 | 99 | 100 | 101 | 102 |
| Interest on deposits received from reinsurers | 103 | 104 356 | 105 | 106 | 107 | 108 356 |
| 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 | 124 | 125 | 126 |
| Interest on collateralised payables | 127 | 128 | 129 77 | 130 | 131 | 132 77 |
| Interest on other payables | 133 | 134 | 135 | 136 | 137 | 138 |
| Impairment losses on receivables | 139 | 140 | 141 | 142 | 143 | 144 |
| Administrative charges and third-party expenses | 145 4,126 | 146 26,298 | 147 6,697 | 148 | 149 15 | 150 37,135 |
| Sundry charges | 151 | 152 13 | 153 1,513 | 154 | 155 750 | 156 2,276 |
| Total | 157 4,126 | 158 27,456 | 159 39,804 | 160 | 161 765 | 162 72,150 |
| Charges and unrealised losses on investments benefiting policyholders that bear the risk and arising from pension fund management | 163 | 164 | 165 13 | 166 | 167 | 168 13 |
| Losses on realisation of investments (*) | 169 | 170 | 171 | 172 | 173 | 174 |
| Extraordinary expenses | 175 | 176 | 177 245 | 178 139 | 179 | 180 384 |
| GRAND TOTAL | 181 4,126 | 182 27,456 | 183 40,062 | 184 139 | 185 765 | 186 72,548 |

(*) 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 6,879,124 | 5 | 11 3,127,851 | 15 | 21 10,006,976 | 25 |
| in other Member States of the European Union | 2 | 6 4,681 | 12 | 16 588 | 22 | 26 5,269 |
| in other countries | 3 | 7 13,700 | 13 | 17 673 | 23 | 27 14,373 |
| Total | 4 6,879,124 | 8 18,381 | 14 3,127,851 | 18 1,261 | 24 10,006,976 | 28 19,642 |

Statement of charges regarding human resources, directors and statutory auditors

| I: Personnel expenses | | Non-Life business | | Life business | | Total |
|--|----|-------------------|----|---------------|----|----------------|
| Employment expenses: | | | | | | |
| Italian portfolio: | | | | | | |
| - Remuneration | 1 | 360,820 | 31 | 45,764 | 61 | 406,584 |
| - Social security contributions | 2 | 96,505 | 32 | 12,323 | 62 | 108,827 |
| - Allocation to the post-employment benefits and similar obligations | 3 | 26,798 | 33 | 3,448 | 63 | 30,247 |
| - Sundry personnel expenses | 4 | 59,403 | 34 | 6,370 | 64 | 65,772 |
| Total | 5 | 543,526 | 35 | 67,905 | 65 | 611,431 |
| Foreign portfolio: | | | | | | |
| - Remuneration | 6 | | 36 | | 66 | |
| - Social security contributions | 7 | | 37 | | 67 | |
| - Sundry personnel expenses | 8 | | 38 | | 68 | |
| Total | 9 | | 39 | | 69 | |
| Comprehensive total | 10 | 543,526 | 40 | 67,905 | 70 | 611,431 |
| Self-employment expenses: | | | | | | |
| Italian portfolio | 11 | 364,290 | 41 | 1,128 | 71 | 365,418 |
| Foreign portfolio | 12 | | 42 | | 72 | |
| Total | 13 | 364,290 | 43 | 1,128 | 73 | 365,418 |
| Total self-employment expenses | 14 | 907,816 | 44 | 69,033 | 74 | 976,849 |
| II: Breakdown of personnel expenses | | | | | | |
| | | Non-Life business | | Life business | | Total |
| Investment management expenses | 15 | 17,820 | 45 | 6,183 | 75 | 24,003 |
| Charges relating to claims | 16 | 520,935 | 46 | 3,523 | 76 | 524,458 |
| Other acquisition costs | 17 | 148,396 | 47 | 19,568 | 77 | 167,963 |
| Other administrative expenses | 18 | 185,860 | 48 | 35,028 | 78 | 220,889 |
| Administrative charges and third-party expenses | 19 | 34,805 | 49 | 4,731 | 79 | 39,536 |
| Other charges | 20 | | 50 | | 80 | |
| Total | 21 | 907,816 | 51 | 69,033 | 81 | 976,849 |
| III: Average headcount in the year | | | | | | Number |
| Executives | | | | | 91 | 174 |
| Office workers | | | | | 92 | 7,331 |
| Wage earning | | | | | 93 | |
| Others | | | | | 94 | 7 |
| Total | | | | | 95 | 7,512 |
| IV: Directors and Statutory Auditors | | | | | | |
| | | | | Number | | Fees due |
| Directors | | | 96 | 18 | 98 | 2,297 |
| Statutory Auditors | | | 97 | 3 | 99 | 227 |

4 Tables appended to the Notes to the Financial Statements

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

Legal representatives of the Company (*)

The Chairman

Carlo Cimbri

(**)

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

(**) Specify the office of the party signing





5

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 2018 and at 31 December 2017

Amounts in €k

| ASSETS | 2018 | 2017 |
|---|-------------------|-------------------|
| Subscribed capital, unpaid | | |
| Intangible assets | | |
| Acquisition costs being amortised | 75,430 | 74,995 |
| Start-up costs, goodwill and other long-term costs | 698,822 | 743,170 |
| Total intangible assets | 774,252 | 818,164 |
| Investments and cash and cash equivalents | | |
| I Land and buildings | 2,166,135 | 2,376,041 |
| II Investments in group companies and other investees | | |
| Shares and holdings | 3,838,369 | 3,539,979 |
| Bonds | 10,603 | 10,603 |
| Loans | 438,395 | 323,651 |
| III Other financial investments | | |
| Shares and holdings | 541,928 | 819,844 |
| Mutual investment fund units | 3,191,157 | 2,716,676 |
| Bonds | 32,265,543 | 32,109,474 |
| Loans | 25,281 | 126,405 |
| Mutual investment units | | |
| Sundry financial investments | 104,088 | 81,454 |
| IV Deposits with ceding companies | 12,325 | 15,100 |
| V Cash and cash equivalents | 584,850 | 922,340 |
| Total investments and cash and cash equivalents | 43,178,676 | 43,041,567 |
| Investments benefiting life business policyholders that bear the risk arising from pension fund management | | |
| Linked to investment funds and market indices | 562,565 | 438,455 |
| Arising from pension fund management | 4,020,374 | 3,730,955 |
| Total | 4,582,939 | 4,169,410 |
| Receivables | | |
| I Arising from direct insurance and reinsurance business | | |
| Policyholders for premiums | 613,341 | 573,413 |
| Intermediaries | 850,867 | 880,254 |
| Insurance and reinsurance companies | 67,963 | 94,324 |
| Policyholders and third parties for amounts to be collected | 95,430 | 109,593 |
| II Other receivables | 1,166,563 | 1,046,313 |
| Total receivables | 2,794,165 | 2,703,898 |
| Other assets | | |
| Tangible assets and inventories | 72,480 | 83,144 |
| Other assets | 1,552,845 | 1,674,894 |
| Total other assets | 1,625,325 | 1,758,038 |
| TOTAL ASSETS | 52,955,355 | 52,491,077 |

| LIABILITIES AND SHAREHOLDERS' EQUITY | 2018 | 2017 |
|--|-------------------|-------------------|
| Shareholders' equity | | |
| Share capital | 2,031,456 | 2,031,456 |
| Equity reserves and unallocated profit | 3,324,342 | 3,223,466 |
| Retained profit (loss) | | |
| Profit (loss) for the year | 412,785 | 577,199 |
| Negative reserve for treasury shares | (2,731) | (79,292) |
| Total shareholders' equity | 5,765,853 | 5,752,829 |
| Subordinated liabilities | 2,211,689 | 2,011,689 |
| Technical provisions, net of the quotas ceded and retroceded | | |
| Non-Life premium provision | 2,668,279 | 2,576,170 |
| Non-Life claims provision | 10,429,481 | 11,033,974 |
| Other Non-Life business provisions | 86,971 | 87,500 |
| Life business mathematical provisions | 24,677,587 | 24,215,920 |
| Life business provision for amounts payable | 338,287 | 329,422 |
| Other Life business provisions | 103,220 | 102,673 |
| Total technical provisions | 38,303,825 | 38,345,658 |
| Net technical provisions when investment risk is borne by policyholders and provisions arising from pension fund management | | |
| Contracts linked to investment funds and market indices | 562,565 | 438,455 |
| Arising from pension fund management | 4,020,374 | 3,730,955 |
| Total | 4,582,939 | 4,169,410 |
| Provisions for risks and charges | | |
| Post-employment benefits and similar obligations | 2,037 | 2,367 |
| Provisions for taxes | 96,885 | 88,977 |
| Other provisions | 304,844 | 370,621 |
| Total provisions for risks and charges | 403,766 | 461,965 |
| Payables and other liabilities | | |
| Arising from direct insurance and reinsurance business | | |
| Intermediaries | 41,125 | 50,835 |
| Insurance and reinsurance company current accounts | 66,690 | 79,033 |
| Insurance and reinsurance company deposit accounts | 163,800 | 168,962 |
| Sundry payables | 16,110 | 14,004 |
| II Sundry loans and other financial payables | 18,758 | 15,872 |
| III Post-employment benefits | 52,925 | 53,561 |
| IV Other payables | | |
| Policyholders' tax due | 151,547 | 152,771 |
| Sundry tax payables | 26,971 | 30,172 |
| Sundry payables | 318,729 | 341,739 |
| V Other liabilities | 830,629 | 842,576 |
| Total payables and other liabilities | 1,687,284 | 1,749,526 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 52,955,355 | 52,491,077 |

5 Additional tables appended to the Notes to the Financial Statements

Statement B

Reclassified income statement

Amounts in €k

| TECHNICAL ACCOUNT | 2018 | | | 2017 | | |
|--|----------------|-----------------|-----------------|----------------|-----------------|-----------------|
| | Life | Non-Life | Total | Life | Non-Life | Total |
| Direct business gross of reinsurance | | | | | | |
| (+) Written premiums | 3,129,112 | 6,897,505 | 10,026,618 | 2,891,818 | 6,901,131 | 9,792,949 |
| (-) Change in technical provisions and premium provision | 899,786 | 88,504 | 988,290 | (27,872) | 50,860 | 22,988 |
| (-) Charges relating to claims | 2,624,654 | 4,462,131 | 7,086,785 | 3,482,824 | 4,532,511 | 8,015,335 |
| (+) Balance of other technical items | (14,157) | (90,017) | (104,174) | (14,231) | (130,650) | (144,881) |
| (-) Operating expenses | 150,057 | 1,925,805 | 2,075,862 | 150,574 | 1,947,835 | 2,098,410 |
| (+) Net income from investments (1) | 627,166 | 151,499 | 778,665 | 934,491 | 355,756 | 1,290,247 |
| Direct business gross result | 67,623 | 482,547 | 550,171 | 206,551 | 595,031 | 801,582 |
| Outwards reinsurance result | (3,956) | (32,797) | (36,753) | (2,252) | (95,367) | (97,619) |
| Indirect business net result | 69 | 3,145 | 3,214 | (137) | 2,054 | 1,917 |
| Technical account result | 63,736 | 452,896 | 516,631 | 204,162 | 501,718 | 705,880 |
| NON-TECHNICAL ACCOUNT | | | | | | |
| (+) Income from investments (2) | 87,878 | 55,004 | 142,882 | 100,676 | 123,451 | 224,127 |
| (+) Other income | 28,259 | 132,429 | 160,688 | 17,668 | 159,307 | 176,974 |
| (-) Other charges | 67,946 | 273,731 | 341,677 | 62,056 | 244,168 | 306,224 |
| Profit (loss) from ordinary operations | 111,927 | 366,598 | 478,525 | 260,449 | 540,308 | 800,757 |
| (+) Extraordinary income | 97,514 | 81,251 | 178,765 | 8,702 | 62,588 | 71,290 |
| (-) Extraordinary expenses | 134 | 108,450 | 108,584 | 3,470 | 51,826 | 55,296 |
| Pre-tax profit (loss) | 209,307 | 339,399 | 548,707 | 265,682 | 551,069 | 816,751 |
| (-) Taxes | 24,211 | 111,710 | 135,921 | 66,886 | 172,666 | 239,552 |
| NET PROFIT (LOSS) | 185,096 | 227,689 | 412,785 | 198,795 | 378,404 | 577,199 |

(1) Included for the Life business is the income net of the share transferred to the non-technical account.

Included for the Non-Life business is the income transferred from the non-technical account.

(2) Included for the Life business is the income transferred from the technical account.

Included for the Non-Life business is the income net of the share transferred to the technical account.

Statement of changes in shareholders' equity occurred during the years ended 31 December 2018 and 31 December 2017

| <i>Amounts in €k</i> | Equity reserves and unallocated profit | | | | | | | | | Total |
|--|--|-----------------------|---------------------|----------------|-------------------|------------------------------------|------------------|---------------------|--------------------------------------|------------------|
| | Share Capital | Share premium reserve | Revaluation reserve | Legal reserve | Statutory reserve | Reserve for holding company shares | Other reserve | Profit for the year | Negative reserve for treasury shares | |
| Balances at 31 december 2016 | 2,031,456 | 407,256 | 96,559 | 406,289 | | 11,005 | 2,196,716 | 458,479 | (79,292) | 5,528,468 |
| Effects after the merger of Liguria and Dialogo | | | | | | | | | | |
| Allocation profit 2016 | | | | | | | | | | |
| - Legal reserve | | | | 2 | | | | (2) | | |
| - Extraordinary reserve | | | | | | | 105,638 | (105,638) | | |
| - Shareholders' dividend | | | | | | | | (352,839) | | (352,839) |
| Operations involving treasury shares | | | | | | | | | | |
| Operations involving shares of the Holding company | | | | | | (3,678) | 3,678 | | | |
| Profit for 2017 | | | | | | | | 577,199 | | 577,199 |
| Balances at 31 december 2017 | 2,031,456 | 407,256 | 96,559 | 406,291 | | 7,327 | 2,306,032 | 577,199 | (79,292) | 5,752,828 |
| Allocation profit 2017 | | | | | | | | | | |
| - Legal reserve | | | | | | | | | | |
| - Extraordinary reserve | | | | | | | 167,151 | (167,151) | | |
| - Shareholders' dividend | | | | | | | | (410,048) | | (410,048) |
| Operations involving treasury shares | | | | | | | (66,275) | | 76,561 | 10,286 |
| Operations involving shares of the Holding company | | | | | | (4,043) | 4,043 | | | |
| Profit for 2018 | | | | | | | | 412,785 | | 412,785 |
| Balances at 31 december 2018 | 2,031,456 | 407,256 | 96,559 | 406,291 | | 3,284 | 2,410,951 | 412,785 | (2,731) | 5,765,851 |

5 Additional tables appended to the Notes to the Financial Statements

Statement D

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

Amounts in €k

| Nature/Description | Amount | Possibility of use | Available portion |
|---|------------------|--------------------|-------------------|
| Capital | 2,031,456 | | |
| Capital reserves: | 1,672,012 | | 1,664,685 |
| Share premium reserve | 407,256 | A,B,C | 407,256 |
| Revaluation reserves Legislative Decree 185/2008 | 96,559 | A,B,C | 96,559 |
| Merger by incorporation surplus reserve - La Fondiaria (cancellation) | 71,773 | A,B,C | 71,773 |
| Merger by incorporation surplus reserve - La Fondiaria (cancellation) suspended | 38,697 | A,B,C | 38,697 |
| Merger surplus reserve - Fonsai (swap transaction/cancellation) | 1,033,924 | A,B,C | 1,033,924 |
| 2015 Merger surplus reserve | 5 | A,B,C | 5 |
| Share premium reserve for disposal of option rights that were not exercised | 5 | A,B,C | 5 |
| Dividend equalisation reserve | 826 | A,B,C | 826 |
| Reserve for holding company shares | 7,327 | - | |
| Extraordinary reserve | 15,640 | A,B,C | 15,640 |
| Income-related reserves: | 1,718,606 | | 1,312,314 |
| Legal reserve | 406,291 | B | |
| Extraordinary reserve | 678,203 | A,B,C | 678,203 |
| Merger surplus - Fonsai (from swap transaction/cancellation) | 619,860 | A,B,C | 619,860 |
| 2015 Merger surplus reserve | 13,984 | A,B,C | 13,984 |
| 2015 Merger surplus reserve - suspended | 94 | A,B,C | 94 |
| Merger by incorporation surplus reserve - La Fondiaria (cancellation) | 174 | A,B,C | 174 |
| Reserve for difference on sale of treasury shares | (66,275) | | (66,275) |
| Negative reserve for treasury shares | (2,731) | | (2,731) |
| Total | 5,353,067 | | 2,907,993 |
| Non-distributable portion (2) | | | 75,613 |
| Residual distributable portion | | | 2,832,380 |

Key:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

(2): Includes the portion intended to cover multiannual costs not amortised, as provided for by Art. 16, paragraph 11 of Legislative Decree 173/1997

Statement of cash flows at 31 December 2018

Amounts in €k

| | 31/12/2018 | 31/12/2017 |
|---|------------------|------------------|
| SOURCES OF FINANCING | | |
| CASH FLOWS GENERATED BY OPERATIONS | | |
| Profit (loss) for the year | 412,785 | 577,199 |
| Increase (decrease) in reserves | 371,695 | (528,014) |
| <i>premium reserves and other Non-Life technical provisions</i> | 91,580 | 42,766 |
| <i>Non-Life claims provisions</i> | (604,494) | (533,082) |
| <i>Life technical provisions</i> | 884,609 | (37,697) |
| Increase (decrease) in funds | 135,641 | 38,990 |
| <i>Accumulated amortisation/depreciation</i> | 194,476 | 131,875 |
| <i>Provisions for risks and charges</i> | (58,835) | (92,886) |
| Investments | 704,894 | 3,216,987 |
| <i>Write-down of securities</i> | 230,971 | 27,061 |
| <i>Write-down of investments</i> | 299,179 | 218,578 |
| <i>Decrease in investments in securities</i> | | 2,433,393 |
| <i>Decrease in investments in shares and participating interests</i> | | |
| <i>Decrease in investments in property</i> | 174,743 | 157,729 |
| <i>Decrease in class D investments</i> | | 366,841 |
| <i>Decrease in loans</i> | | 13,383 |
| (Increase) decrease in the change in receivables and other assets net of payables and other liabilities | (28,067) | 440,963 |
| Increase (decrease) in subordinated liabilities | 200,000 | |
| Increase (decrease) in deposits received from reinsurers | (5,162) | (55,805) |
| Decrease in bank deposits | 516 | 100,000 |
| Decrease in other commitments | | |
| OTHER SOURCES OF FINANCING | | |
| Effect of disposal of treasury shares | 10,286 | |
| TOTAL SOURCES | 1,802,589 | 3,790,321 |
| USES OF CASH | | |
| Investments: | 1,608,324 | 2,811,545 |
| <i>Increase in investments in securities</i> | 338,616 | |
| <i>Increase in investments in shares and participating interests</i> | 728,773 | 2,669,198 |
| <i>Increase in investments in property</i> | | |
| <i>Reversal of impairment losses in securities</i> | 48,424 | 113,820 |
| <i>Reversal of impairment losses in participating interests</i> | 65,361 | 28,527 |
| <i>Increase in class D investments</i> | 413,529 | |
| <i>Increase in loans</i> | 13,620 | |
| Increase in bank deposits | | |
| Other cash commitments | 121,707 | 52,752 |
| Dividends distributed | 410,048 | 352,839 |
| TOTAL USES | 2,140,079 | 3,217,136 |
| Increase (decrease) in cash and cash equivalents | (337,490) | 573,185 |
| TOTAL | 1,802,589 | 3,790,321 |
| Bank accounts/cash available at the start of the year | 922,340 | 349,155 |
| Bank accounts/cash available at the end of the year | 584,850 | 922,340 |

5 Additional tables appended to the Notes to the Financial Statements

Statement F

Statement summarising write-backs

Amounts in €k

| | Property for corporate business | Property for use by third parties | Other property | Total |
|------------------------------|---------------------------------|-----------------------------------|----------------|-------------------|
| Law 74/1952 | 3,041 | 1,458 | | 4,499 |
| Law 823/73 | 110 | 2,753 | | 2,863 |
| Law 576/75 | 150 | 1,128 | | 1,278 |
| Law 295/178 and subs. Amend. | 804 | 1,801 | 2 | 2,607 |
| Law 72/83 | 1,419 | 2,867 | | 4,286 |
| Law 413/91 | 3,774 | 10,574 | | 14,348 |
| DECREE LAW 185/08 | 45,626 | 24,300 | | 69,926 |
| Total | 54,924 | 44,881 | 2 | 99,807 (*) |

(*) net of accumulated depreciation.

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

Amounts in €k

| | 2017 | Increases | Decreases | 2018 |
|--------------------------------|----------------|---------------|----------------|----------------|
| TANGIBLE ASSETS | | | | |
| Office furniture and machines | 51,389 | 10,634 | 16,918 | 45,105 |
| Motor vehicles | | | | |
| Plant and equipment | 27,483 | 3,348 | 7,728 | 23,103 |
| Inventories and sundry goods | 4,272 | | | 4,272 |
| Total tangible assets | 83,144 | 13,982 | 24,646 | 72,480 |
| INTANGIBLE ASSETS | | | | |
| Acquisition commissions | 74,995 | 1,371 | 936 | 75,430 |
| Other acquisition costs | | | | |
| Start-up and expansion costs | 6,240 | | 6,057 | 183 |
| Goodwill | 548,841 | | 55,071 | 493,770 |
| Other multiannual costs | 188,838 | 84,194 | 68,163 | 204,869 |
| Total intangible assets | 818,914 | 85,565 | 130,227 | 774,252 |

5 Additional tables appended to the Notes to the Financial Statements

Subordinated Bonds

Assets that have subordination clauses are listed according to the level of subordination at international level with reference to the sector in which the issuer operates.

Amounts in €k

| Issuer | Currency | Carrying amount 31/12/18 | Interest rate | Maturity | Early repayment | Level of subordination |
|------------------------------------|----------|-----------------------------|----------------|------------|--------------------|---------------------------|
| ABN AMRO BANK NV | EUR | 59,822 | FIX TO FLOATER | 18/01/2028 | YES | TIER 2 |
| ABN AMRO BANK NV | EUR | 72,644 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| ACHMEA B.V. | EUR | 65,208 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| AEGON NV | EUR | 51,317 | FIX TO FLOATER | 25/04/2044 | YES | TIER 2 |
| AGEAS INSURANCE SA/NV | EUR | 69,101 | FIX TO FLOATER | 30/06/2047 | YES | TIER 2 |
| AKELIUS RESIDENTIAL AB | EUR | 27,186 | FIX TO CMS | 05/10/2078 | YES | OTHER CLAUSES |
| ALLIANZ FINANCE II BV | EUR | 2,093 | FIX TO FLOATER | 08/07/2041 | YES | TIER 2 |
| ALLIANZ SE | EUR | 14,292 | FIXED | PERPETUAL | YES | TIER 2 |
| ALLIANZ SE | EUR | 45,325 | FIX TO FLOATER | 06/07/2047 | YES | TIER 2 |
| ALLIANZ SE | EUR | 46,133 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| ALLIED IRISH BKS | EUR | 7,032 | FIX TO FLOATER | 26/11/2025 | YES | TIER 2 |
| ALLIED IRISH BKS | EUR | 32,047 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| AMERICA MOVIL SAB DE CV | EUR | 20,443 | FIX TO FLOATER | 06/09/2073 | YES | OTHER CLAUSES |
| ARGENTUM (ZURICH INS) | EUR | 9,982 | FIX TO FLOATER | 01/10/2046 | YES | TIER 2 |
| ARGENTUM NETHERLANDS BV SWISS LIFE | EUR | 58,320 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| AROUNDTOWN SA | EUR | 23,588 | FIX TO CMS | PERPETUAL | YES | OTHER CLAUSES |
| ASR NEDERLAND NV | EUR | 6,136 | FIX TO FLOATER | 29/09/2045 | YES | OTHER CLAUSES |
| ASR NEDERLAND NV | EUR | 25,048 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| ASR NEDERLAND NV | EUR | 25,472 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| AT SECURITIES BV | EUR | 6,199 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| ATF NETHERLANDS BV | EUR | 19,625 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| AVIVA PLC | EUR | 61,573 | FIX TO FLOATER | 03/07/2044 | YES | TIER 2 |
| AVIVA PLC | EUR | 35,896 | FIX TO FLOATER | 04/12/2045 | YES | TIER 2 |
| AXA SA | EUR | 43,091 | FIX TO FLOATER | 06/07/2047 | YES | TIER 2 |
| AXA SA | EUR | 11,579 | FIX TO FLOATER | 16/04/2040 | YES | TIER 2 |
| AXA SA | EUR | 48,599 | FIX TO FLOATER | 28/05/2049 | YES | TIER 2 |
| AXA SA | EUR | 80,057 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| BANCO BILBAO VIZCAYA ARGENTARIA SA | EUR | 39,997 | FIXED | 10/02/2027 | NO | TIER 2 |
| BANCO BILBAO VIZCAYA ARGENTARIA SA | EUR | 32,497 | FIX TO CMS | PERPETUAL | YES | TIER 1 |
| BANCO BILBAO VIZCAYA ARGENTARIA SA | EUR | 51,737 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| BANCO BPM SPA | EUR | 2,102 | FIXED | 05/11/2020 | NO | TIER 2 |
| BANCO BPM SPA | EUR | 12,494 | FIXED | 31/05/2021 | NO | TIER 2 |
| BANCO BPM SPA | EUR | 11,728 | FIX TO FLOATER | 21/09/2027 | YES | TIER 2 |
| BANCO COMERCIAL PORTUGUES SA | EUR | 460 | FIX TO FLOATER | 07/12/2027 | YES | TIER 2 |
| BANCO DE SABADELL SA | EUR | 4,651 | FIXED | 06/05/2026 | NO | TIER 2 |
| BANCO DE SABADELL SA | EUR | 544 | FIX TO CMS | PERPETUAL | YES | TIER 1 |
| BANCO DE SABADELL SA | EUR | 9,609 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| BANCO SANTANDER SA | EUR | 27,371 | FIXED | 04/04/2026 | NO | TIER 2 |
| BANCO SANTANDER SA | EUR | 18,425 | FIXED | 08/02/2028 | NO | TIER 2 |
| BANCO SANTANDER SA | EUR | 41,666 | FIXED | 18/03/2025 | NO | TIER 2 |
| BANCO SANTANDER SA | EUR | 41,636 | FIX TO CMS | PERPETUAL | YES | TIER 1 |
| BANCO SANTANDER SA | EUR | 91,866 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| BANK OF IRELAND | EUR | 50,360 | FIX TO FLOATER | 11/06/2024 | YES | TIER 2 |
| BANK OF IRELAND | EUR | 21,417 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| BANKIA SA | EUR | 14,243 | FIX TO CMS | PERPETUAL | YES | TIER 1 |
| BANKIA SA | EUR | 12,574 | FIX TO FLOATER | 22/05/2024 | YES | TIER 2 |
| BANKIA SA | EUR | 10,439 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| BANQUE FED. CREDIT MUTUEL | EUR | 1,779 | CMS/CMT | PERPETUAL | YES | OTHER CLAUSES |
| BANQUE FED. CREDIT MUTUEL | EUR | 14,901 | FIXED | 11/09/2025 | NO | TIER 2 |
| BANQUE FED. CREDIT MUTUEL | EUR | 19,837 | FIXED | 15/11/2027 | NO | OTHER CLAUSES |

Amounts in €k

| Issuer | Currency | Carrying amount 31/12/18 | Interest rate | Maturity | Early repayment | Level of subordination |
|-----------------------------------|----------|-----------------------------|----------------|------------|--------------------|---------------------------|
| BARCLAYS BANK PLC | EUR | 2,893 | FIXED | 30/03/2022 | NO | OTHER CLAUSES |
| BARCLAYS PLC | EUR | 4,149 | FIX TO CMS | PERPETUAL | YES | TIER 1 |
| BARCLAYS PLC | EUR | 9,951 | FIX TO FLOATER | 07/02/2028 | YES | TIER 2 |
| BARCLAYS PLC | EUR | 78,100 | FIX TO FLOATER | 11/11/2025 | YES | TIER 2 |
| BARCLAYS PLC | EUR | 78,189 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| BAYER AG | EUR | 29,573 | FIX TO FLOATER | 01/07/2074 | YES | OTHER CLAUSES |
| BAYER AG | EUR | 31,308 | FIX TO FLOATER | 02/04/2075 | YES | OTHER CLAUSES |
| BELFIUS BANK SA | EUR | 40,118 | FIXED | 11/05/2026 | NO | TIER 2 |
| BELFIUS BANK SA | EUR | 25,377 | FIX TO CMS | PERPETUAL | YES | TIER 1 |
| BERTELSMANN SE & CO KGAA | EUR | 33,783 | FIX TO FLOATER | 23/04/2075 | YES | OTHER CLAUSES |
| BHP BILLITON FIN | EUR | 1,200 | FIX TO FLOATER | 22/10/2079 | YES | OTHER CLAUSES |
| BNP PARIBAS CARDIF SA | EUR | 92,562 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| BNP PARIBAS SA | EUR | 10,066 | FIXED | 01/10/2026 | NO | TIER 2 |
| BNP PARIBAS SA | EUR | 14,575 | FIXED | 11/01/2027 | NO | TIER 2 |
| BNP PARIBAS SA | EUR | 1,923 | FIXED | 17/02/2025 | NO | OTHER CLAUSES |
| BNP PARIBAS SA | EUR | 5,975 | FIXED | 27/01/2026 | NO | TIER 2 |
| BNP PARIBAS SA | EUR | 35,291 | FIX TO FLOATER | 14/10/2027 | YES | OTHER CLAUSES |
| BNP PARIBAS SA | EUR | 15,133 | FIX TO FLOATER | 20/03/2026 | YES | TIER 2 |
| BNP PARIBAS SA | EUR | 56,989 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| BPCE SA | EUR | 16,821 | FIXED | 15/03/2025 | NO | TIER 2 |
| BPCE SA | EUR | 11,666 | FIX TO FLOATER | 08/07/2026 | YES | TIER 2 |
| BPCE SA | EUR | 49,080 | FIX TO FLOATER | 30/11/2027 | YES | TIER 2 |
| CAIXABANK SA | EUR | 13,912 | FIX TO CMS | 17/04/2030 | YES | TIER 2 |
| CAIXABANK SA | EUR | 19,699 | FIX TO CMS | PERPETUAL | YES | TIER 1 |
| CAIXABANK SA | EUR | 35,992 | FIX TO FLOATER | 15/02/2027 | YES | TIER 2 |
| CAJA DE AHORROS Y MONTE | EUR | 33,106 | FIX TO FLOATER | 28/07/2025 | YES | TIER 2 |
| CASINO GUICHARD PERRACHON | EUR | 7,620 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| CATTOLICA ASSICURAZIONI | EUR | 39,086 | FIX TO FLOATER | 14/12/2047 | YES | TIER 2 |
| CENTRICA PLC | EUR | 13,828 | FIX TO FLOATER | 10/04/2076 | YES | OTHER CLAUSES |
| CLOVERIE PLC VIA SWISS RE CORPSOL | EUR | 24,076 | FIX TO FLOATER | 11/09/2044 | YES | TIER 2 |
| CLOVERIE PLC ZURICH INS | EUR | 35,056 | FIXED | PERPETUAL | YES | TIER 2 |
| CNP ASSURANCES | EUR | 14,973 | FIXED | 20/10/2022 | NO | TIER 3 |
| CNP ASSURANCES | EUR | 24,063 | FIX TO CMS | PERPETUAL | YES | TIER 1 |
| CNP ASSURANCES | EUR | 28,351 | FIX TO FLOATER | 05/06/2045 | YES | TIER 2 |
| CNP ASSURANCES | EUR | 29,055 | FIX TO FLOATER | 10/06/2047 | YES | TIER 2 |
| CNP ASSURANCES | EUR | 4,451 | FIX TO FLOATER | 30/09/2041 | YES | TIER 2 |
| CNP ASSURANCES | EUR | 38,286 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| COMMERZBANK AG | EUR | 12,465 | FIXED | 16/03/2021 | NO | TIER 2 |
| COMMERZBANK AG | EUR | 51,500 | FIXED | 23/03/2026 | NO | TIER 2 |
| COMMERZBANK AG | EUR | 13,090 | FIXED | 30/03/2027 | NO | TIER 2 |
| COOPERATIEVE RABOBANK UA | EUR | 431 | FIXED | 09/11/2022 | NO | TIER 2 |
| COOPERATIEVE RABOBANK UA | EUR | 22,243 | FIX TO CMS | PERPETUAL | YES | TIER 1 |
| COOPERATIEVE RABOBANK UA | EUR | 9,046 | FIX TO FLOATER | 26/05/2026 | YES | TIER 2 |
| COOPERATIEVE RABOBANK UA | EUR | 79,449 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| CORSAIR FINANCE IRELAND LTD | EUR | 32,000 | INDEXED | 05/10/2020 | NO | TIER 2 |
| CREDIT AGRICOLE ASSURANCES | EUR | 20,326 | FIX TO FLOATER | 27/09/2048 | YES | TIER 2 |
| CREDIT AGRICOLE ASSURANCES | EUR | 26,642 | FIX TO FLOATER | 29/01/2048 | YES | TIER 2 |
| CREDIT AGRICOLE ASSURANCES | EUR | 95,047 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| CREDIT AGRICOLE S.A. | EUR | 1,113 | FIXED | 11/06/2019 | NO | TIER 2 |
| CREDIT AGRICOLE S.A. | EUR | 27,800 | FIXED | 17/03/2027 | NO | TIER 2 |
| CREDIT AGRICOLE S.A. | EUR | 471 | FIXED | 30/06/2020 | NO | TIER 2 |

5 Additional tables appended to the Notes to the Financial Statements

Amounts in €k

| Issuer | Currency | Carrying amount 31/12/18 | Interest rate | Maturity | Early repayment | Level of subordination |
|------------------------------------|----------|-----------------------------|----------------|------------|--------------------|---------------------------|
| CREDIT AGRICOLE S.A. | EUR | 54,170 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| CREDIT LOGEMENT SA | EUR | 25,343 | INDEXED | PERPETUAL | YES | TIER 1 |
| CREDIT MUTUEL ARKEA | EUR | 29,836 | FIXED | 09/02/2029 | NO | TIER 2 |
| CREDIT SUISSE GROUP AG | EUR | 61,798 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| CREDITO EMILIANO SPA | EUR | 48,024 | FIX TO FLOATER | 13/03/2025 | YES | TIER 2 |
| DANSKE BANK | EUR | 12,000 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| DEUTSCHE BANK AG | EUR | 12,729 | FIXED | 01/04/2025 | NO | OTHER CLAUSES |
| DEUTSCHE BANK AG | EUR | 70,244 | FIXED | 17/02/2025 | NO | OTHER CLAUSES |
| DEUTSCHE BANK AG | EUR | 16,659 | FIX TO FLOATER | 24/05/2028 | YES | TIER 2 |
| DEUTSCHE BANK AG | EUR | 42,081 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| DEUTSCHE PFANDBRIEFBANK AG | EUR | 9,764 | FIX TO FLOATER | 28/06/2027 | YES | OTHER CLAUSES |
| DIRECT LINE INSURANCE GROUP PLC | EUR | 7,330 | FIX TO CMS | PERPETUAL | YES | OTHER CLAUSES |
| DNB NOR BANK ASA | EUR | 38,585 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| ELECTRICITE DE FRANCE SA | EUR | 93,881 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| ELIA SYSTEM OPERATOR SA/NV | EUR | 17,709 | FIX TO CMS | PERPETUAL | YES | OTHER CLAUSES |
| ELM BV (HELVETIA SCHWEIZ) | EUR | 9,900 | FIX TO FLOATER | 29/09/2047 | YES | TIER 2 |
| ELM BV (SWISS LIFE) | EUR | 9,976 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| ENBW ENERGIE BADEN-WUERTTEMBERG AG | EUR | 24,823 | FIX TO FLOATER | 02/04/2076 | YES | OTHER CLAUSES |
| ENBW ENERGIE BADEN-WUERTTEMBERG AG | EUR | 4,067 | FIX TO FLOATER | 05/04/2077 | YES | OTHER CLAUSES |
| ENEL SPA | EUR | 48,550 | FIX TO CMS | 15/01/2075 | YES | OTHER CLAUSES |
| ENEL SPA | EUR | 15,838 | FIX TO CMS | 15/09/2076 | YES | OTHER CLAUSES |
| ENEL SPA | EUR | 23,336 | FIX TO CMS | 24/11/2081 | YES | OTHER CLAUSES |
| ENGIE SA (EX GDF SUEZ) | EUR | 10,082 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| GAS NATURAL FENOSA FINANCE BV | EUR | 55,011 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| GENERALI SPA | EUR | 23,767 | FIXED | 04/05/2026 | NO | TIER 2 |
| GENERALI SPA | EUR | 32,781 | FIX TO FLOATER | 08/06/2048 | YES | TIER 2 |
| GENERALI SPA | EUR | 26,891 | FIX TO FLOATER | 10/07/2042 | YES | TIER 2 |
| GENERALI SPA | EUR | 16,364 | FIX TO FLOATER | 27/10/2047 | YES | TIER 2 |
| GENERALI SPA | EUR | 131,209 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| GROUPAMA SA | EUR | 43,300 | FIXED | 23/01/2027 | NO | OTHER CLAUSES |
| GROUPAMA SA | EUR | 32,590 | FIXED | 24/09/2028 | NO | TIER 2 |
| GROUPAMA SA | EUR | 3,613 | FIX TO FLOATER | 27/10/2039 | YES | TIER 2 |
| GROUPAMA SA | EUR | 6,454 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| HANNOVER FINANCE SA | EUR | 602 | FIX TO FLOATER | 14/09/2040 | YES | TIER 2 |
| HANNOVER RUECKVERSICHERU-REG | EUR | 49,092 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| HSBC HOLDINGS PLC | EUR | 50,245 | FIXED | 30/06/2025 | NO | TIER 2 |
| HSBC HOLDINGS PLC | EUR | 110,069 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| IBERDROLA INTERNATIONAL BV | EUR | 19,834 | FIX TO CMS | PERPETUAL | YES | OTHER CLAUSES |
| ING GROEP NV | EUR | 37,959 | FIX TO FLOATER | 15/02/2029 | YES | TIER 2 |
| ING GROEP NV | EUR | 45,320 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| INTESA SANPAOLO SPA | EUR | 11,711 | FIXED | 13/09/2023 | NO | TIER 2 |
| INTESA SANPAOLO SPA | EUR | 19,036 | FIXED | 15/09/2026 | NO | TIER 2 |
| INTESA SANPAOLO SPA | EUR | 57,070 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| INTESA SANPAOLO VITA SPA | EUR | 25,436 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| KBC GROEP NV | EUR | 7,754 | FIX TO CMS | PERPETUAL | YES | TIER 1 |
| KBC GROEP NV | EUR | 19,315 | FIX TO FLOATER | 11/03/2027 | YES | TIER 2 |
| KBC GROEP NV | EUR | 4,996 | FIX TO FLOATER | 25/11/2024 | YES | TIER 2 |
| KBC GROEP NV | EUR | 34,266 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| LA BANQUE POSTALE SA | EUR | 12,935 | FIXED | 09/06/2028 | NO | TIER 2 |
| LA BANQUE POSTALE SA | EUR | 18,004 | FIX TO FLOATER | 19/11/2027 | YES | TIER 2 |
| LA MONDIALE SAM | EUR | 57,507 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |

Amounts in €k

| Issuer | Currency | Carrying amount 31/12/18 | Interest rate | Maturity | Early repayment | Level of subordination |
|------------------------------------|----------|-----------------------------|----------------|------------|--------------------|---------------------------|
| LA POSTE SA | EUR | 34,190 | FIX TO CMS | PERPETUAL | YES | OTHER CLAUSES |
| LANDESBANK BADEN-WUERTTEMBERG | EUR | 15,959 | FIXED | 28/09/2026 | NO | TIER 2 |
| LANDESBANK BERLIN AG | EUR | 3,651 | FIXED | 25/11/2019 | NO | TIER 2 |
| LEGAL & GENERAL GROUP | EUR | 9,815 | FIX TO FLOATER | 21/03/2047 | YES | TIER 2 |
| LEGAL & GENERAL GROUP | EUR | 20,483 | FIX TO FLOATER | 27/10/2045 | YES | TIER 2 |
| LLOYDS BANK PLC | EUR | 5,642 | FIXED | 24/03/2020 | NO | TIER 2 |
| LLOYDS BANKING GROUP PLC | EUR | 58,902 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| MACQUARIE BANK LTD | EUR | 3,787 | FIXED | 21/09/2020 | NO | TIER 2 |
| MAPFRE SA | EUR | 63,394 | FIX TO FLOATER | 07/09/2048 | YES | TIER 2 |
| MAPFRE SA | EUR | 29,803 | FIX TO FLOATER | 31/03/2047 | YES | TIER 2 |
| MITSUBISHI UFJ INVESTOR S&B LUX SA | EUR | 36,754 | INDEXED | 15/12/2050 | NO | TIER 1 |
| MITSUBISHI UFJ INVESTOR S&B LUX SA | EUR | 1,046 | INDEXED | 30/12/2099 | NO | TIER 1 |
| MONTE PASCHI SIENA | EUR | 26,407 | FIX TO FLOATER | 18/01/2028 | YES | TIER 2 |
| MUNICH RE | EUR | 6,966 | FIX TO FLOATER | 26/05/2042 | YES | TIER 2 |
| MUNICH RE | EUR | 21,802 | FIX TO FLOATER | 26/05/2049 | YES | TIER 2 |
| NATIONAL AUSTRALIA BANK | EUR | 34,752 | FIX TO FLOATER | 12/11/2024 | YES | TIER 2 |
| NATIONWIDE BUILDING SOCIETY | EUR | 3,097 | FIXED | 22/07/2020 | NO | TIER 2 |
| NATIONWIDE BUILDING SOCIETY | EUR | 33,550 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| NATIXIS | EUR | 12,000 | CMS/CMT | PERPETUAL | YES | OTHER CLAUSES |
| NN GROUP NV | EUR | 15,452 | FIX TO FLOATER | 08/04/2044 | YES | OTHER CLAUSES |
| NN GROUP NV | EUR | 36,883 | FIX TO FLOATER | 13/01/2048 | YES | OTHER CLAUSES |
| NN GROUP NV | EUR | 45,189 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| NORDEA BANK ABP | EUR | 49,562 | FIX TO CMS | PERPETUAL | YES | OTHER CLAUSES |
| NORDEA BANK ABP | EUR | 12,867 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| NYKREDIT REALKREDIT AS | EUR | 23,141 | FIX TO FLOATER | 03/06/2036 | YES | TIER 2 |
| NYKREDIT REALKREDIT AS | EUR | 9,993 | FIX TO FLOATER | 17/11/2027 | YES | TIER 2 |
| OMV AG | EUR | 27,092 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| ORANGE SA (EX FRANCE TELECOM) | EUR | 36,231 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| ORIGIN ENERGY FINANCE LTD | EUR | 47,631 | FIX TO FLOATER | 16/09/2074 | YES | OTHER CLAUSES |
| ORSTED A/S (EX DONG ENERGY) | EUR | 7,981 | FIX TO CMS | 24/11/2150 | YES | OTHER CLAUSES |
| ORSTED A/S (EX DONG ENERGY) | EUR | 11,480 | FIX TO FLOATER | 06/11/2150 | YES | OTHER CLAUSES |
| P&V ASSURANCES SCRL | EUR | 95,000 | FIXED | 13/07/2028 | NO | TIER 2 |
| PHOENIX GROUP HOLDINGS PLC | EUR | 23,319 | FIXED | 24/01/2029 | NO | TIER 2 |
| PRUDENTIAL FINANCIAL INC. | EUR | 20,124 | FIX TO FLOATER | 15/09/2047 | YES | TIER 2 |
| PRUDENTIAL PLC | EUR | 36,479 | FIX TO FLOATER | 20/07/2055 | YES | TIER 2 |
| RAIFFEISEN BANK INTERNATIONAL AG | EUR | 14,280 | FIX TO CMS | PERPETUAL | YES | OTHER CLAUSES |
| RAIFFEISEN BANK INTERNATIONAL AG | EUR | 8,999 | FIX TO FLOATER | 21/02/2025 | YES | TIER 2 |
| REPSOL INTERNATIONAL FINANCE BV | EUR | 28,340 | FIX TO FLOATER | 25/03/2075 | YES | OTHER CLAUSES |
| REPSOL INTERNATIONAL FINANCE BV | EUR | 19,963 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| ROYAL BANK OF SCOTLAND GROUP | EUR | | FIXED | PERPETUAL | YES | TIER 1 |
| ROYAL BANK OF SCOTLAND GROUP | EUR | 39,949 | FIX TO FLOATER | 25/03/2024 | YES | OTHER CLAUSES |
| ROYAL BANK OF SCOTLAND GROUP | EUR | 45,046 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| RWE AG | EUR | 3,160 | FIX TO FLOATER | 21/04/2075 | YES | OTHER CLAUSES |
| SCOR SA | EUR | 28,145 | FIX TO FLOATER | 08/06/2046 | YES | TIER 2 |
| SCOR SA | EUR | 14,393 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| SCOR SA | EUR | 9,941 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| SERVIZI ASS. DEL COMMERCIO ESTERO | EUR | 53,071 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| SKANDINAVISKA ENSKILDA BANKEN | EUR | 38,271 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| SOCIETE GENERALE | EUR | 12,346 | FIXED | 19/08/2026 | NO | TIER 2 |

5 Additional tables appended to the Notes to the Financial Statements

Amounts in €k

| Issuer | Currency | Carrying amount 31/12/18 | Interest rate | Maturity | Early repayment | Level of subordination |
|----------------------------------|----------|-----------------------------|----------------|------------|--------------------|---------------------------|
| SOCIETE GENERALE | EUR | 20,009 | FIXED | 27/02/2025 | NO | OTHER CLAUSES |
| SOCIETE GENERALE | EUR | 35,809 | FIX TO FLOATER | 16/09/2026 | YES | TIER 2 |
| SOCIETE GENERALE | EUR | 40,681 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| SOCIÉTÉ EUROPEENNE SATELLITE | EUR | 34,078 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| SOGECAP SA | EUR | 109,791 | FIX TO FLOATER | PERPETUAL | YES | TIER 2 |
| SOLVAY SA | EUR | 19,300 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| STANDARD CHARTERED PLC | EUR | 10,093 | FIXED | 19/11/2024 | NO | TIER 2 |
| STANDARD CHARTERED PLC | EUR | 28,119 | FIXED | 23/11/2022 | NO | TIER 2 |
| STANDARD CHARTERED PLC | EUR | 15,817 | FIX TO FLOATER | 21/10/2025 | YES | TIER 2 |
| STANDARD CHARTERED PLC | EUR | 4,186 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| SUEZ | EUR | 4,428 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| SUPERSTRADA PEDEMONTANA VENETA | EUR | 14,100 | STEP UP | 30/06/2027 | NO | OTHER CLAUSES |
| SVENSKA HANDELSBANKEN AB | EUR | 21,128 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| SWEDBANK AB | EUR | 10,035 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| SWISS LIFE AG | EUR | 35,205 | FIX TO CMS | 25/09/2048 | YES | TIER 2 |
| SYNETERISTIKI INSURANCE CO. INC. | EUR | 1,500 | INDEXED | PERPETUAL | YES | OTHER CLAUSES |
| TALANX AG | EUR | 53,890 | FIX TO FLOATER | 05/12/2047 | YES | TIER 2 |
| TELEFONICA EUROPE BV | EUR | 11,326 | FIX TO CMS | PERPETUAL | YES | OTHER CLAUSES |
| TELEFONICA EUROPE BV | EUR | 28,562 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| TOTAL SA | EUR | 21,360 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| UBS GROUP FUNDING SWITZERLAND | EUR | 55,131 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| UNIBAIL-RODAMCO SE | EUR | 31,052 | FIX TO CMS | PERPETUAL | YES | OTHER CLAUSES |
| UNICREDIT INTERNATIONAL BANK SA | EUR | 200 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| UNICREDIT SPA | EUR | 74,115 | FIXED | 31/10/2022 | NO | TIER 2 |
| UNICREDIT SPA | EUR | 38,352 | FIX TO CMS | PERPETUAL | YES | TIER 1 |
| UNICREDIT SPA | EUR | 30,332 | FIX TO FLOATER | 03/01/2027 | YES | TIER 2 |
| UNICREDIT SPA | EUR | 88,516 | FIX TO FLOATER | PERPETUAL | YES | TIER 1 |
| UNIONE DI BANCHE ITALIANE SCPA | EUR | 60,013 | FIX TO FLOATER | 05/05/2026 | YES | TIER 2 |
| UNIONE DI BANCHE ITALIANE SCPA | EUR | 1,210 | FIX TO FLOATER | 15/09/2027 | YES | TIER 2 |
| VATTENFALL AB | EUR | 57,409 | FIX TO FLOATER | 19/03/2077 | YES | OTHER CLAUSES |
| VENETO BANCA SPA | EUR | 64 | FIX TO FLOATER | 01/12/2025 | YES | TIER 2 |
| VITTORIA ASSICURAZIONI SPA | EUR | 30,000 | FIXED | 11/07/2028 | NO | OTHER CLAUSES |
| VODAFONE GROUP PLC | EUR | 32,460 | FIX TO CMS | 03/01/2079 | YES | OTHER CLAUSES |
| VOLKSWAGEN INT.NAL FINANCE NV | EUR | 50,836 | FIX TO FLOATER | PERPETUAL | YES | OTHER CLAUSES |
| Total | | 6,891,093 | | | | |

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 31/12/2017 | Purchases and other Increases | Write-backs and reversals of impairment losses |
|-------------------|---------------|--|-----------------------------------|----------------------------------|--|
| 2 | 0345 | To - Chieri - Vicolo S. Antonio - Via V. Emanuele li Snc | 182 | | |
| 2 | 2035 | To - Collegno - Viale Gramsci 24 | 46 | | |
| 2 | 0414 | To - Ivrea - P. Zza Lamarmora 7 | 71 | | |
| 2 | 0248 | To - Ivrea - Via Monte Stella 6 | 497 | | |
| 2 | 0105 | To - Moncalieri - P. Za V. Emanuele 8 | 188 | | |
| 2 | 0434 | To - Moncalieri - Piazza Caduti Per La Libertà 7 | 108 | | |
| 2 | 1050 | To - Moncalieri - Strada Ferrero Di Cambiano, 20 | 3,000 | | |
| 1 | 0008 | To - Moncalieri - Via F. Postiglione 18 | 917 | | |
| 2 | 0008 | To - Moncalieri - Via F. Postiglione 18 | 683 | | |
| 2 | 0251 | To - Rivarolo Canavese - V. Gallo Pecca 22 | 215 | | |
| 2 | 0171 | To - Torino - C. So Sebastopoli 310/1 | 102 | | |
| 2 | 0178 | To - Torino - C. So Turati 74 | 67 | | |
| 2 | 1049 | To - Torino - C. So Vittorio Emanuele 48/V. Carlo Alberto 65 | 23,362 | 1,322 | |
| 2 | 0162 | To - Torino - Corso Dante 119 | 1,014 | | |
| 2 | 0019 | To - Torino - Corso Galileo Galilei 12/14 | 24,436 | 2,348 | |
| 1 | 2219 | To - Torino - Corso Trapani 7/D | 1,758 | | |
| 2 | 2219 | To - Torino - Corso Trapani 7/D | 42 | | |
| 2 | 7560 | To - Torino - Corso Vittorio Emanuele 8, 3 | 852 | | |
| 2 | 0194 | To - Torino - Grossi 29/Vinci 21/Cellini 6 | 6,290 | 77 | |
| 1 | 1109 | To - Torino - Lungo Dora Firenze 71 | 24,600 | 1,403 | |
| 2 | 1109 | To - Torino - Lungo Dora Firenze 71 | 1,194 | 56 | |
| 2 | 0494 | To - Torino - Piazza Guala 143 | 7,735 | 121 | |
| 2 | 2303 | To - Torino - Strada Del Drosso, 25 | 4,635 | 58 | |
| 2 | 0303 | To - Torino - Via Arsenale 5 | 8,205 | 23 | |
| 2 | 3510 | To - Torino - Via Berthollet 46 | 10,185 | 374 | |
| 1 | 0284 | To - Torino - Via Carlo Alberto 59 | 5,467 | 158 | |
| 2 | 0284 | To - Torino - Via Carlo Alberto 59 | | 170 | |
| 2 | 2284 | To - Torino - Via Guarini 4 | 162 | | |
| 1 | 3511 | To - Torino - Via Marengo 15 | 19,630 | | |
| 2 | 3511 | To - Torino - Via Marengo 15 | | | |
| 2 | 0197 | To - Torino - Via Monginevro 61 | 65 | | |
| 2 | 0206 | To - Venaria - Via Tripoli 17 | 60 | | |
| 2 | 0328 | Vc - Borgosesia - Via G. Ferrari 15 | 106 | | |
| 2 | 3003 | Vc - Gattinara - Piazza Giuseppe Mazzini 3 | 3,070 | 944 | |
| 1 | 0313 | Cn - Alba - Corso Langhe 7 | 65 | | |
| 2 | 0313 | Cn - Alba - Corso Langhe 7 | 103 | | |
| 2 | 0314 | Al - Alessandria - Corso Crimea 25 | 206 | | |
| 1 | 4200 | Al - Alessandria - Via Spalto Marengo 11 | 96 | | |
| 2 | 2254 | Al - Alessandria - Via Trotti 44/46 | 130 | | |
| 2 | 0033 | Bi - Biella - Via Cova 10/A | 97 | | |

| Transfers between usage classes | Sales and other decreases | Value adjustments | Depreciation for the year | Net Carrying amount 31/12/2018 | Current value 31/12/2018 | Total depreciation | Total write-backs | Total write-downs |
|---------------------------------|---------------------------|-------------------|---------------------------|--------------------------------|--------------------------|--------------------|-------------------|-------------------|
| | | | 7 | 174 | 196 | 64 | | |
| | | | 2 | 44 | 100 | 12 | 6 | |
| | 69 | | 2 | | | | | |
| | | | 11 | 486 | 550 | 76 | | |
| | | | | 188 | 400 | 33 | 10 | 2 |
| | | | 4 | 104 | 145 | 30 | 32 | |
| | | | | 3,000 | 3,000 | 1,373 | | 2,891 |
| | | | 124 | 794 | 3,013 | 3,954 | 152 | |
| | | | 21 | 662 | 1,047 | 148 | 127 | |
| | | | 8 | 207 | 290 | 55 | | |
| | | | 4 | 98 | 190 | 26 | 27 | |
| | | | 3 | 65 | 230 | 20 | 49 | |
| | | | 583 | 24,102 | 24,897 | 3,460 | | 2,377 |
| | | | 20 | 994 | 2,330 | 168 | 619 | |
| | | | 1,111 | 25,673 | 46,588 | 17,445 | 4,427 | |
| (1,753) | | | 6 | | | | | |
| 1,753 | | | 41 | 1,753 | 1,800 | 363 | | 575 |
| | | | 56 | 796 | 1,660 | 1,079 | 421 | |
| | 116 | | 4 | 6,247 | 16,790 | 29 | 3,803 | |
| | | | 649 | 25,354 | 21,991 | 1,937 | | |
| | | | 31 | 1,218 | 1,067 | 94 | | |
| | | 701 | 233 | 6,922 | 6,922 | 2,649 | | 701 |
| | | | 129 | 4,564 | 4,809 | 1,020 | | 3,108 |
| | | | 204 | 8,023 | 7,845 | 2,102 | | 404 |
| | | | 269 | 10,290 | 5,955 | 786 | | |
| (1,916) | | | 294 | 3,416 | 4,126 | 3,587 | | |
| 1,916 | | | 30 | 2,056 | 2,324 | 2,021 | | |
| | 160 | | 2 | | | | | |
| (56) | | | 498 | 19,076 | 19,140 | 1,529 | | |
| 56 | | | 1 | 56 | 56 | 4 | | |
| | | | 2 | 62 | 200 | 17 | 51 | |
| | | | 2 | 58 | 200 | 15 | 45 | |
| | | | 4 | 102 | 134 | 29 | | |
| | | | 95 | 3,919 | 3,830 | 879 | | 1,885 |
| | | | 3 | 62 | 87 | 23 | | |
| | | | 4 | 99 | 129 | 37 | | |
| | | | 8 | 198 | 258 | 73 | | |
| | | | 5 | 91 | 90 | 91 | 58 | 12 |
| | | | 5 | 125 | 140 | 35 | | 8 |
| | | | 4 | 93 | 300 | 25 | 79 | |

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 31/12/2017 | Purchases and other Increases | Write-backs and reversals of impairment losses |
|-------------------|---------------|---|-----------------------------------|----------------------------------|--|
| 2 | 7380 | Bi - Biella - Via Gramsci 21 | 108 | | |
| 2 | 0351 | Bi - Cossato - Via Paietta 8 | 66 | | |
| 2 | 0501 | Bi - Trivero - Località Ponzone / Via Provinciale 195 | 88 | | |
| 3 | 0525 | Im - San Remo - Monte Bignone S.N.C. | 22 | | |
| 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 | 8,564 | 66 | |
| 2 | 0334 | Ge - Camogli - Via Gaggini, 1 | 359 | | |
| 2 | 0541 | Ge - Camogli - Via Romana 215 | 209 | | |
| 2 | 0409 | Ge - Genova - P.Zza De Ferrari 1 | 1,208 | | |
| 2 | 2063 | Ge - Genova - Via Roccatagliata Ceccardi 1/2 | 510 | | |
| 1 | 7356 | Ge - Genova - Via Sottoripa 1/A | 827 | | |
| 2 | 7356 | Ge - Genova - Via Sottoripa 1/A | 459 | | |
| 2 | 0067 | Ge - Genova - Via Timavo 3 | 82 | | |
| 1 | 4069 | Ge - Genova - Via Xx Settembre 1 | 1,157 | | |
| 2 | 2264 | Ge - Genova - Via Xx Settembre 19/1 | 321 | | |
| 3 | 0542 | Ge - Santa Margherita Ligure - Terreni S.Margherita Ligure Snc | 1 | | |
| 2 | 3009 | Ge - Sestri Levante - Localita Riva Trigoso Snc | 37 | | |
| 2 | 3019 | Ge - Zoagli - Localita Rovara - Strada Del Castellaro S.N.C. | 1,913 | | |
| 1 | 7365 | Sp - La Spezia - Viale Italia 210/6 | 134 | | |
| 2 | 2259 | Va - Busto Arsizio - Piazza Garibaldi 1 | 138 | | |
| 2 | 1044 | Va - Busto Arsizio - Via Xx Settembre 8 | 204 | | |
| 2 | 3002 | Va - Laveno Mombello - Via Buozzi, 1 | 1,483 | | |
| 2 | 0297 | Va - Malnate - Piazza Della Repubblica Snc | 212 | | |
| 2 | 0151 | Va - Saronno - Via Diaz / Via Bossi 2 | 42 | | |
| 2 | 0498 | Va - Tradate - Via Montegrappa 17-Via Baracca 2 | 114 | | |
| 2 | 0551 | Va - Varese - Via Albani, 41 | 11,279 | 273 | |
| 1 | 2200 | Va - Varese - Via Carcano, 2 | 141 | | |
| 2 | 0205 | Va - Varese - Via Foscolo 10 | 163 | | |
| 2 | 5205 | Co - Como - Piazza Del Popolo 14 | 195 | | |
| 2 | 4121 | Co - Como - Via F.Lli Rosselli 13 | 274 | | |
| 2 | 2037 | Co - Como - Via Innocenzo Xi 13 | 186 | | |
| 1 | 8110 | Co - Como - Via Innocenzo Xi, 13 | 1,557 | | |
| 2 | 8110 | Co - Como - Via Innocenzo Xi, 13 | 3,090 | | |
| 2 | 0023 | Mi - Abbiategrasso - Via Serafino Dell'Uomo 34 | 97 | | |
| 2 | 2298 | Mi - Assago - Palazzo A - Strada 6 | 37,523 | 105 | |
| 2 | 0289 | Mi - Bresso - Via Xxv Aprile 41 / Via Patellani 42 | 174 | | |
| 2 | 0264 | Mi - Corsico - Via Vittorio Emanuele 10 | 194 | | |
| 2 | 2075 | Mi - Legnano - Corso Italia 54 | 113 | | |
| 2 | 0265 | Mi - Legnano - Via Porta / Corso Sempione 164 | 231 | | |
| 2 | 0555 | Mi - Milano - C.So B. Aires 77-79-Via Doria 56 | | | |

| Transfers between usage classes | Sales and other decreases | Value adjustments | Depreciation for the year | Net Carrying amount 31/12/2018 | Current value 31/12/2018 | Total depreciation | Total write-backs | Total write-downs |
|---------------------------------|---------------------------|-------------------|---------------------------|--------------------------------|--------------------------|--------------------|-------------------|-------------------|
| | | | 5 | 104 | 130 | 48 | 27 | |
| | | | | 66 | 65 | 13 | | 1 |
| | | | 4 | 84 | 92 | 40 | 4 | 9 |
| | | | | 22 | 41 | | | |
| | | | | 85 | 84 | 4 | | 9 |
| | | | | 58 | 262 | | | |
| | | | 268 | 8,362 | 8,407 | 3,656 | | 1,640 |
| | | | | 359 | 692 | | | |
| | | | | 209 | 206 | | | 70 |
| | | | 33 | 1,175 | 1,350 | 434 | 46 | 159 |
| | | | 21 | 489 | 1,800 | 216 | 129 | |
| | | | 48 | 778 | 1,341 | 831 | | |
| | | | 21 | 438 | 499 | 278 | | |
| | | | 3 | 78 | 300 | 34 | 55 | |
| | | | 62 | 1,095 | 1,570 | 972 | 846 | |
| | 321 | | | | | | | |
| | | | | 1 | 1 | | | 1 |
| | | | | 37 | 40 | | | 99 |
| | 1,913 | | | | | | | |
| | | | 9 | 125 | 310 | 174 | | |
| | | | 5 | 133 | 140 | 35 | | |
| | | | 8 | 197 | 318 | 57 | | |
| | | | 33 | 1,450 | 1,420 | 442 | | 1,575 |
| | 208 | | 4 | | | | | |
| | | | 2 | 41 | 170 | 11 | 31 | |
| | | | 4 | 110 | 122 | 31 | | |
| | | | 214 | 11,338 | 10,804 | 2,086 | | 45,131 |
| | | | | 141 | 400 | 24 | 83 | |
| | | | 6 | 157 | 860 | 42 | 114 | |
| | | | 7 | 188 | 370 | 50 | 99 | |
| | 271 | | 3 | | | | | |
| | | | 7 | 180 | 435 | 43 | 107 | |
| | | | 65 | 1,493 | 1,885 | 658 | | |
| | | | 123 | 2,967 | 3,115 | 1,142 | | |
| | | | 4 | 93 | 230 | 25 | 11 | |
| | | | 1,077 | 36,551 | 36,669 | 6,643 | | 7,889 |
| | | | 7 | 167 | 250 | 68 | | |
| | | | 8 | 186 | 220 | 67 | | |
| | | | 4 | 109 | 400 | 29 | 66 | |
| | | | 8 | 222 | 370 | 59 | | |
| | | | | | 20 | | | |

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 31/12/2017 | Purchases and other Increases | Write-backs and reversals of impairment losses |
|-------------------|---------------|--|-----------------------------------|----------------------------------|--|
| 1 | 2122 | Mi - Milano - Corso Di Porta Romana 19 | | 2,541 | |
| 2 | 2122 | Mi - Milano - Corso Di Porta Romana 19 | 36,803 | 3,895 | |
| 1 | 5425 | Mi - Milano - Corso Di Porta Vigentina 9 | 8,821 | 105 | |
| 2 | 3023 | Mi - Milano - Galleria Del Corso 4 | 1,483 | | |
| 1 | 7207 | Mi - Milano - Galleria Unione 3 | 10 | | |
| 2 | 0537 | Mi - Milano - Localita Bruzzano - Aree Edificabili | 12,306 | 81 | |
| 3 | 3072 | Mi - Milano - Localita Trenno Snc | 5,562 | | |
| 2 | 3032 | Mi - Milano - Localita Vaiano Valle Nord - Valle Sud - Macconago | 60,446 | 147 | |
| 2 | 0086 | Mi - Milano - P.Za Garibaldi 8 | 59 | | |
| 2 | 0087 | Mi - Milano - P.Za Napoli 38 | 79 | | |
| 2 | 4367 | Mi - Milano - Piazza Castello 13 | 10,139 | | |
| 1 | 7701 | Mi - Milano - Piazza Missori 2 | 1,271 | | |
| 2 | 3075 | Mi - Milano - Piazza Missori 2 | 32 | | |
| 2 | 7701 | Mi - Milano - Piazza Missori 2 | 1,878 | | |
| 2 | 0310 | Mi - Milano - Piazza Velasca 5 | 79,536 | 1,718 | |
| 2 | 2302 | Mi - Milano - Via Benigno Crespi, 57 | 40,898 | 1,355 | |
| 2 | 3028 | Mi - Milano - Via Adriano/Via Nenni Snc | 663 | | |
| 2 | 3056 | Mi - Milano - Via Amidani 15 Edificio 3A | 2,081 | | |
| 2 | 3055 | Mi - Milano - Via Amidani 17 Edificio 3B | 1,380 | | |
| 2 | 3054 | Mi - Milano - Via Amidani 19 (Ex. 15) Edificio 2 | 2,396 | | |
| 2 | 3053 | Mi - Milano - Via Amidani Ed1/Via Gabussi 1 | 2,395 | | |
| 2 | 3063 | Mi - Milano - Via Bellarmino Snc - Area Edificabile | 40,007 | 79 | |
| 2 | 3018 | Mi - Milano - Via Brugnatelli / Via Ettore Ponti Snc | 21 | | |
| 2 | 3007 | Mi - Milano - Via Bugatti 1/3/5 - Lotto M13 | 177 | | |
| 2 | 3039 | Mi - Milano - Via Bugatti 13 - Lotto M14, Edificio P1 | 4,407 | | |
| 2 | 0554 | Mi - Milano - Via Cardano 6 | 1,659 | | |
| 2 | 2097 | Mi - Milano - Via Casati, 39 | 1,711 | | |
| 2 | 0304 | Mi - Milano - Via Castellanza 6/8/10 | 7,141 | | |
| 2 | 2289 | Mi - Milano - Via Castellanza, 6 | 200 | | |
| 2 | 0239 | Mi - Milano - Via Cechov 48 | 127 | | |
| 2 | 3036 | Mi - Milano - Via Cesare Musatti Torre 2 | 4,025 | | |
| 2 | 3037 | Mi - Milano - Via Cesare Musatti Torre 3 | 3,887 | | |
| 2 | 3004 | Mi - Milano - Via Cesare Musatti Torre 4 | 2,786 | 42 | |
| 2 | 3005 | Mi - Milano - Via Cesare Musatti Torre 5 | 2,684 | | |
| 2 | 2222 | Mi - Milano - Via Conservatorio 15 | 16,029 | 58 | |
| 2 | 2223 | Mi - Milano - Via Conservatorio 17 | 11,373 | | |
| 5 | 0072 | Mi - Milano - Via De Castilla 23 | 52,899 | 10,387 | |
| 2 | 3043 | Mi - Milano - Via Dei Missaglia 97 - Edificio A1 | 10,906 | | |
| 1 | 3046 | Mi - Milano - Via Dei Missaglia 97 - Edificio A2 (Ex B1) | 3,879 | 18 | |
| 2 | 3046 | Mi - Milano - Via Dei Missaglia 97 - Edificio A2 (Ex B1) | 9,527 | 35 | |
| 1 | 3047 | Mi - Milano - Via Dei Missaglia 97 - Edificio B1 (Ex B4) | 3,127 | 1,006 | |
| 2 | 3047 | Mi - Milano - Via Dei Missaglia 97 - Edificio B1 (Ex B4) | 11,980 | 1,146 | |
| 2 | 3045 | Mi - Milano - Via Dei Missaglia 97 - Edificio B2 (Ex A4) | 13,468 | 132 | |
| 2 | 3044 | Mi - Milano - Via Dei Missaglia 97 - Edificio B3 (Ex A3) | 14,902 | 250 | |

| Transfers between usage classes | Sales and other decreases | Value adjustments | Depreciation for the year | Net Carrying amount 31/12/2018 | Current value 31/12/2018 | Total depreciation | Total write-backs | Total write-downs |
|---------------------------------|---------------------------|-------------------|---------------------------|--------------------------------|--------------------------|--------------------|-------------------|-------------------|
| 34,255 | | | 578 | 36,217 | 40,917 | 3,075 | | 4,228 |
| (34,255) | | | 308 | 6,135 | 5,799 | 468 | | 599 |
| | | | 410 | 8,515 | 19,800 | 5,177 | 1,039 | |
| | | | 54 | 1,429 | 1,500 | 309 | | |
| | | | 1 | 9 | 12 | 15 | | |
| | 12,387 | | | 5,562 | 5,713 | | | 927 |
| | 60,593 | | | | | | | |
| | | | 2 | 56 | 150 | 15 | 46 | |
| | | | | 79 | 250 | 31 | 64 | |
| | | | 371 | 9,768 | 10,400 | 2,770 | | 4,182 |
| | | | 56 | 1,215 | 3,067 | 637 | 386 | |
| | | | 1 | 31 | 40 | 4 | | |
| | | | 82 | 1,796 | 4,533 | 942 | 571 | |
| | | | 1,159 | 80,096 | 94,831 | 10,882 | | |
| | | | 1,070 | 41,183 | 41,740 | 7,103 | | 13,104 |
| | 663 | | | | | | | |
| | | | 19 | 2,063 | 2,430 | 579 | | 7,789 |
| | | | 28 | 1,352 | 1,550 | 417 | | 4,377 |
| | | | 18 | 2,378 | 2,800 | 598 | | 7,444 |
| | | | 74 | 2,321 | 2,360 | 671 | | 7,559 |
| | 40,086 | | | | | | | |
| | | | | 21 | 71 | | | |
| | | | | 177 | 200 | 43 | | 18 |
| | 1,714 | | 1 | 2,692 | 2,800 | 4 | | 251 |
| | | | 61 | 1,598 | 1,650 | 425 | | |
| | | | 27 | 1,684 | 4,055 | 187 | 551 | |
| | 2,131 | | 35 | 4,975 | 5,970 | 346 | | |
| | 200 | | | | | | | |
| | | | 5 | 122 | 230 | 32 | | |
| | 3,998 | | 26 | | | | | |
| | 3,861 | | 26 | | | | | |
| | 2,820 | | 8 | | | | | |
| | 2,674 | | 10 | | | | | |
| | | | 250 | 15,836 | 23,546 | 1,690 | | |
| | | | 170 | 11,203 | 17,964 | 1,176 | | |
| | | | | 63,286 | 78,600 | | | 29,040 |
| | | | 288 | 10,619 | 11,100 | 2,872 | | 7,927 |
| | | | 105 | 3,793 | 3,841 | 940 | | 2,619 |
| | | | 255 | 9,307 | 8,959 | 2,363 | | 6,653 |
| | | | 97 | 4,037 | 5,419 | 738 | | 1,567 |
| | | | 344 | 12,782 | 10,681 | 2,805 | | 5,982 |
| | | | 395 | 13,206 | 14,600 | 3,627 | | 9,600 |
| | | | 407 | 14,746 | 15,300 | 2,983 | | 10,250 |

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 31/12/2017 | Purchases and other Increases | Write-backs and reversals of impairment losses |
|-------------------|---------------|--|-----------------------------------|----------------------------------|--|
| 2 | 3067 | Mi - Milano - Via Dei Missaglia 97 - Edificio B4 (Ex B3) | 16,549 | 71 | |
| 2 | 3048 | Mi - Milano - Via Dei Missaglia 97 - Edificio C1 | 8,192 | | |
| 2 | 3049 | Mi - Milano - Via Dei Missaglia 97 - Edificio C2 | 8,090 | | |
| 2 | 3050 | Mi - Milano - Via Dei Missaglia 97 - Edificio C3 | 7,863 | | |
| 2 | 3068 | Mi - Milano - Via Dei Missaglia 97 - Edificio C4 | 8,402 | 118 | |
| 2 | 3069 | Mi - Milano - Via Dei Missaglia 97 - Edificio E | 885 | | |
| 2 | 3070 | Mi - Milano - Via Dei Missaglia 97 - Edificio F | 6,045 | | |
| 2 | 0552 | Mi - Milano - Via Fara, 39 | 3,727 | 35 | |
| 2 | 0553 | Mi - Milano - Via Fara, 41 | 48,143 | 20,871 | |
| 2 | 0520 | Mi - Milano - Via Fiori Chiari Madonnina 9 - 24/A | 887 | | |
| 2 | 3041 | Mi - Milano - Via Frascini 22 - Lotto M14, Edificio O | 9,141 | | |
| 2 | 3042 | Mi - Milano - Via G. Sanv Rosselli 1 - Lotto M14, Edificio Q3 | 3,848 | | |
| 1 | 1006 | Mi - Milano - Via Isonzo 2 / C. So Lodi 38 | 7 | | |
| 2 | 1006 | Mi - Milano - Via Isonzo 2 / C. So Lodi 38 | 114 | | |
| 2 | 2290 | Mi - Milano - Via Lancetti, 43 - Via Maloja, 1 - Via Dell'Aprica, 28 | 45,862 | 400 | |
| 2 | 0545 | Mi - Milano - Via Larga 26 | 9,677 | 1,086 | |
| 2 | 3006 | Mi - Milano - Via Manin 37 | 1,850 | | |
| 2 | 3060 | Mi - Milano - Via Manin 37 | 440 | | |
| 2 | 3059 | Mi - Milano - Via Medici Del Vascello 40 | 3,415 | 172 | |
| 2 | 3038 | Mi - Milano - Via Medici Del Vascello 40/E | 975 | | |
| 2 | 0549 | Mi - Milano - Via Melzi D'Eril, 34 | 12,321 | | |
| 2 | 0094 | Mi - Milano - Via Mussi 4-6 | 256 | | |
| 2 | 0095 | Mi - Milano - Via Palmanova 189 | 73 | | |
| 1 | 2121 | Mi - Milano - Via Pantano 26 | | 81 | |
| 2 | 2121 | Mi - Milano - Via Pantano 26 | 13,977 | 1,067 | |
| 2 | 3057 | Mi - Milano - Via Patecchio 1 - Lotto A5 Ed.6 | 972 | | |
| 2 | 0432 | Mi - Milano - Via Perotti 2 | 2,244 | | |
| 2 | 2123 | Mi - Milano - Via Pontaccio 15 | 8,777 | 18 | |
| 1 | 2244 | Mi - Milano - Via Rasori 2 | 1 | | |
| 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 | 10 | | |
| 2 | 3503 | Mi - Milano - Via Senigallia 18/2 _Ed. Aefg | 24,421 | 97 | |
| 2 | 3505 | Mi - Milano - Via Senigallia 18/2 _Ed. B | 17,882 | | |
| 2 | 3513 | Mi - Milano - Via Senigallia 18/2 _Ed. C | 17,644 | | |
| 2 | 3504 | Mi - Milano - Via Senigallia 18/2 _Ed. D | 18,492 | | |
| 2 | 3013 | Mi - Milano - Via Stephenson 77-80-82 | 1,600 | 31 | |

| Transfers between usage classes | Sales and other decreases | Value adjustments | Depreciation for the year | Net Carrying amount 31/12/2018 | Current value 31/12/2018 | Total depreciation | Total write-backs | Total write-downs |
|---------------------------------|---------------------------|-------------------|---------------------------|--------------------------------|--------------------------|--------------------|-------------------|-------------------|
| | | | 448 | 16,172 | 17,100 | 1,919 | | 10,776 |
| | | | 171 | 8,021 | 8,600 | 1,776 | | 8,345 |
| | | | 168 | 7,922 | 8,730 | 1,760 | | 8,389 |
| | | | 162 | 7,701 | 9,160 | 1,782 | | 8,739 |
| | | | 171 | 8,349 | 9,030 | 757 | | 7,298 |
| | | | 15 | 869 | 900 | 89 | | 1,166 |
| | | | 123 | 5,921 | 6,000 | 542 | | 4,746 |
| | | | 139 | 3,623 | 4,033 | 1,019 | | 861 |
| | | | | 69,014 | 72,898 | 3,714 | | 23,217 |
| | | | 13 | 875 | 900 | 107 | | 235 |
| | 3,410 | | 1 | 5,730 | 6,000 | 2 | | 615 |
| | 1,482 | | | 2,366 | 2,457 | 1 | | 332 |
| | | | 1 | 6 | 8 | 31 | 4 | |
| | | | 4 | 110 | 280 | 29 | 65 | |
| | | | 1,328 | 44,934 | 48,626 | 12,080 | | 20,865 |
| | | | 299 | 10,464 | 10,955 | 2,981 | | 561 |
| | | | | 1,850 | 1,850 | | | 508 |
| | | | 16 | 424 | 440 | 287 | | 287 |
| | | | 85 | 3,502 | 3,400 | 1,282 | | 3,327 |
| | | | 15 | 960 | 1,000 | 410 | | 3,088 |
| | 12,321 | | | | | | | |
| | 253 | | 3 | | | | | |
| | | | 3 | 71 | 155 | 19 | 61 | |
| 451 | | | 5 | 527 | 494 | 43 | | 60 |
| (451) | 10,337 | | 55 | 4,202 | 4,424 | 280 | | 492 |
| | | | 11 | 961 | 960 | 332 | | 3,824 |
| | | | 55 | 2,189 | 3,240 | 414 | 111 | |
| | | | 51 | 8,744 | 14,500 | 312 | | 211 |
| | | | | 1 | 7 | 3 | | |
| | | | | 6 | 6 | | | 26 |
| | | | | 750 | 1,142 | | | 130 |
| | | | | 384 | 206 | | | 49 |
| | | | | 10 | 100 | 6 | 5 | |
| | | | 587 | 23,931 | 23,459 | 1,900 | | 5,204 |
| | | | 405 | 17,477 | 18,003 | 1,383 | | 7,319 |
| | | | 397 | 17,247 | 17,866 | 1,364 | | 7,582 |
| | | | 418 | 18,074 | 18,082 | 1,431 | | 7,642 |
| | 1,613 | | 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 31/12/2017 | Purchases and other Increases | Write-backs and reversals of impairment losses |
|-------------------|---------------|---|-----------------------------------|----------------------------------|--|
| 2 | 3040 | Mi - Milano - Via Tomaselli 1 - Lotto M14 Edificio N2 | 10,293 | | |
| 2 | 0298 | Mi - Milano - Via Treccani Degli Alfieri 16-18-20-22-24-26 | 19,289 | 512 | |
| 2 | 3016 | Mi - Milano - Via Trenno-Lampugnano Snc | 13 | | |
| 1 | 7734 | Mi - Milano - Via Unione 1 | 14 | | |
| 2 | 0277 | Mi - Milano - Via Vincenzo Monti 21 | 9,637 | 5 | |
| 2 | 3017 | Mi - Milano - Viale Richard-Morimondo-Viale Famagosta Snc | 1 | | |
| 2 | 2227 | Mi - Milano - Viale Umbria, 76 | 10,200 | | |
| 2 | 0445 | Mi - Paderno Dugnano - Via Cadorna Ang.Via Pepe,2 (Via Piaggio 2) | 241 | | |
| 2 | 3051 | Mi - Pieve Emanuele - Localita' Viquarterio - Via Dei Pini Snc | 14,290 | | |
| 2 | 3052 | Mi - Pieve Emanuele - Via Dei Platani Snc | 220 | | |
| 2 | 0216 | Mi - Pieve Emanuele - Via Delle Rose 6 | 9,457 | 125 | |
| 2 | 0230 | Mi - Rozzano - Via Torino 85 | 180 | | |
| 1 | 4357 | Mi - San Donato Milanese - Via Dell'Unione Europea 3 | 96,926 | 1,316 | |
| 2 | 4357 | Mi - San Donato Milanese - Via Dell'Unione Europea 3 | 57,395 | 603 | |
| 2 | 0521 | Mi - Sesto San Giovanni - Via Milanese 300 | 37,329 | 211 | |
| 2 | 0423 | Bg - Lovere - Via S. Maria 35 | 88 | | |
| 2 | 4370 | Bs - Brescia - C.So Bazoli 45 - Via Aldrighi | 915 | | |
| 1 | 7715 | Bs - Brescia - Piazzale Della Stazione 63 | 169 | | |
| 2 | 7715 | Bs - Brescia - Piazzale Della Stazione 63 | 150 | | |
| 1 | 2233 | Bs - Brescia - Via Solferino 11 | 233 | | |
| 2 | 0439 | Pv - Mortara - C.So Cavour 74 | 101 | | |
| 2 | 0336 | Cr - Casalmaggiore - Via Marconi 1 | 101 | | |
| 2 | 0050 | Cr - Crema - Via Mazzini 78 | 48 | | |
| 1 | 2043 | Cr - Cremona - Piazza S. Antonio Maria Zaccaria 7 | 325 | | |
| 2 | 2043 | Cr - Cremona - Piazza S. Antonio Maria Zaccaria 7 | 419 | | |
| 2 | 2044 | Cr - Cremona - Via Ingegneri 5 | 69 | | |
| 2 | 2081 | Mn - Mantova - Via Mazzini 16 | 221 | | |
| 2 | 2143 | Mn - Ostiglia - Via Xx Settembre 63/65/67 | 190 | | |
| 2 | 7520 | Mb - Monza - Piazza Diaz 1 | 206 | | |
| 2 | 0104 | Mb - Monza - Via S. Martino 2 | 137 | | |
| 2 | 0154 | Mb - Seregno - Via Raffaello Sanzio 10 | 78 | | |
| 2 | 2018 | Bz - Bolzano - Via Perathoner 5 | 93 | | |
| 2 | 3030 | Tn - Campo Carlo Magno - Via Cima Tosa | 3,248 | | |
| 2 | 8020 | Vr - Affi Vr - Via Pascoli 31/A | 153 | | |
| 2 | 0421 | Vr - Legnago - Viale Dei Caduti 72 | 138 | | |
| 2 | 0508 | Vr - Verona - Corso Cavour 35 | 421 | | |
| 1 | 2249 | Vr - Verona - Corso Porta Nuova 60 | 270 | | |
| 2 | 2207 | Vr - Verona - Via Locatelli, 20 | 42 | | |
| 2 | 0322 | Vi - Bassano Del Grappa - Via Marinali 52 | 213 | | |
| 2 | 0262 | Vi - Camisano Vicentino - Via Roma / Via Stadio 7 | 155 | | |
| 2 | 0204 | Vi - Valdagno - P.Za Dante 4 | 63 | | |
| 2 | 4375 | Vi - Vicenza - C.So Felice E Fortunato 300 | 923 | 6 | |
| 1 | 7568 | Vi - Vicenza - Via Firenze 7-13 | 20 | | |

| Transfers between usage classes | Sales and other decreases | Value adjustments | Depreciation for the year | Net Carrying amount 31/12/2018 | Current value 31/12/2018 | Total depreciation | Total write-backs | Total write-downs |
|---------------------------------|---------------------------|-------------------|---------------------------|--------------------------------|--------------------------|--------------------|-------------------|-------------------|
| | 3,305 | | 1 | 6,987 | 7,100 | 4 | | 1,087 |
| | | | 17 | 19,784 | 29,721 | 112 | | |
| | | | | 13 | 17 | | | |
| | | | 1 | 12 | 22 | 26 | 1 | |
| | 4,346 | | 80 | 5,217 | 7,293 | 1,579 | | |
| | | | | 1 | 1 | | | |
| | | | 34 | 10,166 | 10,300 | 252 | | 1,824 |
| | | | 9 | 232 | 290 | 65 | | |
| | 14,290 | | | | | | | |
| | | | | 220 | 220 | | | 150 |
| | | | 5 | 9,577 | 12,430 | 24 | | |
| | | | 7 | 174 | 350 | 46 | 29 | |
| (105) | | | 2,987 | 95,149 | 100,746 | 31,871 | 1,134 | |
| 105 | | | 1,624 | 56,479 | 56,354 | 12,851 | 684 | |
| | | 3,897 | 963 | 32,680 | 32,680 | 7,164 | 1,358 | 4,420 |
| | | | 3 | 85 | 127 | 24 | 5 | |
| | | | 33 | 882 | 1,000 | 234 | | |
| | | | 8 | 160 | 261 | 116 | 28 | |
| | | | 6 | 143 | 199 | 64 | 28 | |
| | | | 11 | 221 | 400 | 161 | | |
| | | | 4 | 97 | 116 | 27 | 1 | |
| | 98 | | 3 | | | | | |
| | | | 2 | 47 | 270 | 12 | 34 | |
| | 324 | | 1 | | | | | |
| | 418 | | 1 | | | | | |
| | | | 3 | 66 | 176 | 18 | 44 | |
| | | | 8 | 212 | 350 | 61 | | |
| | | | | 190 | 190 | 38 | | 28 |
| | | | 12 | 194 | 530 | 203 | 171 | |
| | | | 5 | 132 | 710 | 35 | 103 | |
| | | | 3 | 75 | 260 | 20 | 62 | |
| | | | 3 | 89 | 320 | 24 | 79 | 16 |
| | | | 123 | 3,125 | 3,849 | 983 | 593 | |
| | | | 6 | 148 | 190 | 39 | | |
| | | | 5 | 133 | 170 | 38 | | |
| | | | 16 | 406 | 540 | 114 | | |
| | | | 15 | 256 | 590 | 231 | | |
| | | | 2 | 41 | 160 | 13 | 36 | |
| | | | 8 | 205 | 258 | 58 | | |
| | | | 6 | 150 | 240 | 40 | | |
| | | | 2 | 61 | 280 | 16 | 48 | |
| | | | 34 | 895 | 910 | 229 | | 193 |
| | | | | 20 | 140 | 40 | 17 | |

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 31/12/2017 | Purchases and other Increases | Write-backs and reversals of impairment losses |
|-------------------|---------------|--|-----------------------------------|----------------------------------|--|
| 2 | 7568 | Vi - Vicenza - Via Firenze 7-13 | 60 | | |
| 2 | 2257 | Bl - Belluno - Via Feltre 244 | 47 | | |
| 2 | 0337 | Tv - Castelfranco Veneto - Via M. Podgora / Borgo Vicenza 42 | 234 | | |
| 1 | 3204 | Tv - Treviso - Via Pennacchi 1 | 319 | 3 | |
| 2 | 3204 | Tv - Treviso - Via Pennacchi 1 | 1,296 | 12 | |
| 2 | 2197 | Tv - Treviso - Vicolo Bianchetti 1 | 78 | | |
| 2 | 0512 | Tv - Vittorio Veneto - L.Go Med.D'Oro Bortolotto, 1 | 254 | | |
| 1 | 5448 | Ve - Mestre - Corso Del Popolo 125 | 351 | | |
| 2 | 3025 | Ve - Musile Di Piave - Via Triestina 9 | 3,715 | | |
| 2 | 2084 | Ve - Venezia - Via Mestrina 6 | 57 | | |
| 2 | 0358 | Ro - Ficarolo - Via Giglioli 5/1 - P.Zza Marconi 25 | 80 | | |
| 2 | 0485 | Ud - Tarvisio - Via Roma 35 | 56 | | |
| 2 | 8102 | Ud - Tavagnacco - Via Palladio | 926 | | |
| 2 | 0490 | Ud - Tolmezzo - Via Roma 9/A | 219 | | |
| 1 | 0502 | Ud - Udine - Via Poscolle,71 - M.Volpe,5 | 446 | | |
| 2 | 0071 | Go - Gorizia - C.So Italia 90 | 76 | | |
| 2 | 3514 | Ts - Trieste - Riva Tommaso Gulli | 7,658 | | |
| 1 | 0533 | Ts - Trieste - Via Carducci 29 | 1,401 | | |
| 2 | 0533 | Ts - Trieste - Via Carducci 29 | 3,713 | | |
| 2 | 0556 | Ts - Trieste - Via De Amicis 1/17 | 1,088 | | |
| 2 | 7731 | Ts - Trieste - Via Marconi 6/8 | 132 | | |
| 1 | 2154 | Pc - Piacenza - Piazza Cavalli, 7 | 94 | | |
| 2 | 4379 | Pr - Fidenza - Piazza Ettore Ponzi | 284 | | |
| 1 | 2148 | Pr - Parma - Borgo Goldoni 1 | 164 | | |
| 2 | 2148 | Pr - Parma - Borgo Goldoni 1 | 47 | | |
| 2 | 0119 | Pr - Parma - Via Collegio Nobili 4 | 94 | 4 | |
| 1 | 4378 | Pr - Parma - Via Saffi 82/B | 887 | | |
| 2 | 4378 | Pr - Parma - Via Saffi 82/B | 2,220 | | |
| 5 | 3074 | Pr - San Pancrazio Parma - Via Emilia Ovest Snc | 5,640 | 497 | |
| 2 | 0285 | Re - Reggio Emilia - V. Emilia Ospizio 118 | 247 | | |
| 2 | 4270 | Re - Reggio Emilia - Via Premuda 42 | 2,369 | 18 | |
| 2 | 0249 | Mo - Maranello - Via Gioia / Via Magellano 15 | 104 | | |
| 2 | 2133 | Mo - Modena - Piazza Medaglie D'Oro, 1 | 75 | | |
| 2 | 0558 | Mo - Modena - V.Stanguellini 65-120-140/V.Lamborghini | 790 | | |
| 3 | 0523 | Mo - Modena - Via M.Buonarroti Snc | 20 | | |
| 2 | 2272 | Mo - Modena - Via Rainusso 130 | 247 | | |
| 2 | 0103 | Mo - Modena - Via Tabboni 9-11-13 / Viale Fabrizi 21 | 234 | | |
| 2 | 5212 | Mo - Modena - Viale Trento E Trieste 13 | 378 | | |
| 1 | 4359 | Bo - Bologna - Piazza Della Costituzione 2 | 13,824 | 174 | |
| 2 | 4359 | Bo - Bologna - Piazza Della Costituzione 2 | 60,735 | 530 | |
| 1 | 4351 | Bo - Bologna - Via Calzoni 8 | 10,255 | 816 | |

| Transfers between usage classes | Sales and other decreases | Value adjustments | Depreciation for the year | Net Carrying amount 31/12/2018 | Current value 31/12/2018 | Total depreciation | Total write-backs | Total write-downs |
|---------------------------------|---------------------------|-------------------|---------------------------|--------------------------------|--------------------------|--------------------|-------------------|-------------------|
| | | | | 60 | 260 | 65 | 52 | |
| | | | 2 | 45 | 120 | 12 | | |
| | | 15 | 9 | 210 | 210 | 83 | | 15 |
| | | | 8 | 315 | 300 | 24 | | 152 |
| | | | 31 | 1,277 | 1,300 | 97 | | 646 |
| | 77 | | 1 | | | | | |
| | | | 10 | 244 | 250 | 96 | | |
| | | | 15 | 336 | 560 | 176 | 63 | |
| | | | 101 | 3,613 | 3,640 | 1,070 | | 1,682 |
| | | | 2 | 55 | 140 | 15 | 54 | |
| | | | 3 | 77 | 103 | 22 | 8 | |
| | | | 2 | 54 | 75 | 16 | | |
| | 926 | | | | | | | |
| | | | 8 | 211 | 290 | 60 | | |
| | | | 16 | 430 | 448 | 112 | | |
| | | | 3 | 73 | 210 | 19 | 58 | |
| | | 3,882 | 184 | 3,591 | 3,591 | 592 | | 5,292 |
| | | | 37 | 1,364 | 935 | 246 | | |
| | | | 57 | 3,657 | 4,005 | 368 | | |
| | | | 3 | 1,085 | 1,880 | 21 | | |
| | | | 7 | 125 | 360 | 97 | 1 | |
| | | | | 94 | 160 | 9 | | 34 |
| | | | 10 | 273 | 390 | 89 | | 218 |
| | | | 6 | 158 | 490 | 44 | 95 | |
| | | | 2 | 45 | 130 | 13 | 27 | |
| | | | 3 | 94 | 560 | 24 | 60 | |
| (880) | | | 7 | | | | | |
| 880 | | | 40 | 3,060 | 3,090 | 368 | | 764 |
| | | 497 | | 5,640 | 5,640 | | | 18,445 |
| | 240 | | 6 | | | | | |
| | | | 87 | 2,300 | 2,432 | 691 | 2,532 | 1,019 |
| | | | 4 | 100 | 220 | 27 | | |
| | | | 3 | 72 | 370 | 24 | 59 | |
| | 663 | | | 127 | 210 | | | |
| | | | | 20 | 70 | | | |
| | | | 10 | 237 | 360 | 84 | | |
| | | | 8 | 226 | 680 | 39 | 105 | |
| | | | 14 | 364 | 414 | 104 | 101 | |
| | | | 418 | 13,581 | 13,722 | 4,196 | 24 | |
| | | | 1,663 | 59,601 | 55,468 | 11,321 | 109 | |
| | | | 392 | 10,679 | 10,298 | 4,029 | 648 | |

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 31/12/2017 | Purchases and other increases | Write-backs and reversals of impairment losses |
|-------------------|---------------|---|-----------------------------------|----------------------------------|--|
| 2 | 4351 | Bo - Bologna - Via Calzoni 8 | 600 | 40 | |
| 1 | 3517 | Bo - Bologna - Via Dei Fornacia 27 E 31 | 8,610 | 33 | |
| 2 | 3517 | Bo - Bologna - Via Dei Fornacia 27 E 31 | 163 | | |
| 1 | 4349 | Bo - Bologna - Via Del Gomito 1 | 7,116 | 122 | |
| 2 | 4349 | Bo - Bologna - Via Del Gomito 1 | 5,574 | 85 | |
| 1 | 4358 | Bo - Bologna - Via Del Pilastro 52 | 16,120 | 445 | |
| 2 | 3104 | Bo - Bologna - Via Del Terrapieno | 50 | 113 | |
| 2 | 8100 | Bo - Bologna - Via Delle Lame 112 | 448 | | |
| 2 | 7381 | Bo - Bologna - Via Delle Lame 114 | 364 | | |
| 2 | 4365 | Bo - Bologna - Via Farini 12 | 17,372 | 16 | |
| 2 | 4366 | Bo - Bologna - Via Guinizelli 17 | 12,480 | 1,402 | |
| 2 | 3106 | Bo - Bologna - Via Larga 8 - Hotel | 18,802 | | |
| 2 | 3109 | Bo - Bologna - Via Larga 8 - Parcheggio | 17,833 | | |
| 2 | 3108 | Bo - Bologna - Via Larga 8 - Piastra Commerciale | 18,668 | 123 | |
| 2 | 3105 | Bo - Bologna - Via Larga 8 - Torre | 103,106 | 459 | |
| 1 | 3107 | Bo - Bologna - Via Larga 8 - Uffici | | 196 | |
| 2 | 3107 | Bo - Bologna - Via Larga 8 - Uffici | 9,144 | 396 | |
| 5 | 3103 | Bo - Bologna - Via Larga Fronte Strada | 1,015 | 9 | |
| 2 | 4298 | Bo - Bologna - Via Marziale 17-19-23-31 | 1,482 | | |
| 2 | 4253 | Bo - Bologna - Via Mentana 2 | 2,386 | | |
| 2 | 0218 | Bo - Bologna - Via Procaccini 17/G | 207 | | |
| 2 | 4310 | Bo - Bologna - Via Rolli 7-9 | 814 | | |
| 2 | 0325 | Bo - Bologna - Via Savigno 1 | 238 | | |
| 1 | 4081 | Bo - Bologna - Via Stalingrado 45-53 | 70,712 | 874 | |
| 2 | 4081 | Bo - Bologna - Via Stalingrado 45-53 | 8,098 | 86 | |
| 2 | 2300 | Bo - Bologna - Via Ugo Bassi 4-V. Terribilia 4-V. Della Zecca 2 | 30,162 | 819 | |
| 2 | 4294 | Bo - Bologna - Via Zacchi 1-3 | 725 | | |
| 2 | 4257 | Bo - Bologna - Via Zago 2/2 | 654 | | |
| 2 | 4356 | Bo - Bologna - Viale Majani 2 | 2,293 | 490 | |
| 2 | 4355 | Bo - Bologna - Viale Masini 26-56 | 6,589 | | |
| 2 | 0263 | Bo - Castel Maggiore - Via Gramsci 192 | 170 | | |
| 1 | 4297 | Bo - Crespellano - Via 2 Agosto 1980 | 3,315 | 160 | |
| 2 | 0413 | Bo - Imola - Via Cavour 37 | 108 | | |
| 2 | 2185 | Bo - San Lazzaro Di Savena - Via Jussi 8 | 84 | | |
| 1 | 0357 | Fe - Ferrara - C.So Ercole D'Este 6/A | 325 | 2 | |
| 2 | 0357 | Fe - Ferrara - C.So Ercole D'Este 6/A | 761 | 5 | |
| 2 | 7364 | Fe - Ferrara - Via Boccaleone 8 | 82 | | |
| 2 | 0052 | Ra - Faenza - Corso Mazzini 54/2 | 79 | | |
| 2 | 4381 | Ra - Faenza - Via Baccharini 29/31 | 1,256 | 9 | |

| Transfers between usage classes | Sales and other decreases | Value adjustments | Depreciation for the year | Net Carrying amount 31/12/2018 | Current value 31/12/2018 | Total depreciation | Total write-backs | Total write-downs |
|---------------------------------|---------------------------|-------------------|---------------------------|--------------------------------|--------------------------|--------------------|-------------------|-------------------|
| | | | 23 | 617 | 602 | 236 | 38 | |
| | | | 220 | 8,424 | 6,692 | 668 | | |
| | | | | 163 | 61 | | | |
| (310) | | | 191 | 6,738 | 6,893 | 1,385 | 897 | 654 |
| 310 | | | 181 | 5,787 | 5,867 | 1,203 | 777 | 582 |
| | | | 773 | 15,792 | 15,720 | 3,412 | 628 | 11,107 |
| | | | | 163 | 50 | | | 978 |
| | | | 23 | 425 | 614 | 455 | | 173 |
| | | | 26 | 339 | 657 | 517 | 71 | |
| | | | | 17,388 | 19,500 | 2,294 | | 5,605 |
| | 13,665 | | 218 | | | | | |
| | | | 522 | 18,280 | 19,726 | 3,208 | | 2,931 |
| | | | 493 | 17,341 | 18,773 | 2,954 | | 2,786 |
| | | | 521 | 18,270 | 18,540 | 3,284 | | 2,940 |
| | | | 2,859 | 100,706 | 97,540 | 17,561 | | 16,289 |
| 3,461 | | | 9 | 3,648 | 3,557 | 623 | | 646 |
| (3,461) | | | 246 | 5,833 | 6,112 | 989 | | 1,026 |
| | | | | 1,024 | 1,510 | | | |
| | 222 | | | 1,260 | 1,957 | 1 | | |
| | | | 87 | 2,299 | 2,790 | 599 | 638 | |
| | | | 7 | 200 | 330 | 35 | 7 | |
| | | | | 814 | 1,284 | | | |
| | | | 9 | 229 | 331 | 65 | 83 | |
| (230) | | | 2,651 | 68,706 | 81,825 | 38,922 | 33,530 | |
| 230 | | | 296 | 8,118 | 9,895 | 4,107 | 3,996 | |
| | | | 314 | 30,667 | 30,142 | 2,675 | | 16,900 |
| | | | | 725 | 1,090 | 3 | | |
| | | | | 654 | 1,368 | | | |
| | | | 95 | 2,689 | 2,821 | 594 | 436 | 412 |
| | | | | 6,589 | 6,090 | | | |
| | | | 6 | 164 | 300 | 44 | | |
| | | | 89 | 3,386 | 3,800 | 2,355 | 153 | |
| | | | 4 | 104 | 132 | 30 | | |
| | | | 3 | 81 | 200 | 21 | 11 | |
| | | | 7 | 320 | 305 | 65 | | 53 |
| | | | 17 | 748 | 825 | 154 | | 127 |
| | | | 5 | 77 | 240 | 75 | | |
| | | | 3 | 76 | 270 | 20 | 54 | |
| | | | 45 | 1,220 | 1,420 | 280 | | 112 |

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 31/12/2017 | Purchases and other Increases | Write-backs and reversals of impairment losses |
|-------------------|---------------|--|-----------------------------------|----------------------------------|--|
| 2 | 2165 | Ra - Ravenna - Via Cesarea 11 | 106 | | |
| 1 | 4377 | Ra - Ravenna - Via Faentina 106 | 38 | | |
| 2 | 4377 | Ra - Ravenna - Via Faentina 106 | 2,238 | 1 | |
| 2 | 0462 | Ra - Ravenna - Via Porta Aurea 14 | 447 | | |
| 2 | 2033 | Fc - Cesena - Vicolo Cesuola 14 | 96 | | |
| 1 | 4380 | Fc - Forlì - Via Pietro Maroncelli 10 | 992 | | |
| 2 | 4380 | Fc - Forlì - Via Pietro Maroncelli 10 | 5,447 | | |
| 2 | 0463 | Rn - Riccione - Via Missori 2 Ang. Via Dei Mille 13 | 187 | | |
| 1 | 0130 | Rn - Rimini - Via Roma 102 | 43 | | |
| 2 | 0130 | Rn - Rimini - Via Roma 102 | 92 | | |
| 2 | 0407 | Pu - Fossombrone - Corso Garibaldi 149 | 74 | | |
| 2 | 2153 | Pu - Pesaro - Via Ardizi 14 | 63 | | |
| 2 | 0120 | Pu - Pesaro - Via M. Del Monaco 16 | 99 | | |
| 2 | 4372 | An - Ancona - Centro Direzionale Baraccola | 927 | | |
| 1 | 4138 | An - Ancona - Via 29 Settembre 2 | 289 | | |
| 2 | 4382 | An - Ancona - Via Mamiani 4-6 | 1,350 | 26 | |
| 2 | 0027 | An - Ancona - Via Rismondo 14 | 89 | | |
| 2 | 0347 | Mc - Civitanova Marche - Via Dante Alighieri N. 15 | 85 | | |
| 2 | 0080 | Mc - Macerata - C. So Cairoli 177 | 76 | | |
| 2 | 7555 | Ap - San Benedetto Del Tronto - Via De Gasperi 51 | 29 | | |
| 2 | 0356 | Fm - Fermo - P. Zza Del Popolo 37 | 140 | | |
| 2 | 0335 | Lu - Capannori - Via Delle Poste Snc | 196 | | |
| 2 | 0509 | Lu - Viareggio - Viale Manin, 12 | 6,109 | | |
| 2 | 0449 | Pt - Pescia - Via Galeotti 59/61 | 120 | | |
| 2 | 0452 | Pt - Pistoia - Via B. Buozzi 18 | 265 | | |
| 2 | 0123 | Pt - Pistoia - Via Stadio 6/A | 116 | | |
| 2 | 0242 | Pt - San Marcello Pistoie - Piazza Matteotti 141 | 191 | | |
| 2 | 0331 | Fi - Calenzano - Via Degli Olmi, 7 | 6,748 | | |
| 2 | 0332 | Fi - Campi Bisenzio - Via Dei Tintori 11 | 240 | | |
| 2 | 2046 | Fi - Empoli - Via Villani 4 | 89 | | |
| 1 | 3502 | Fi - Firenze - Piazza Della Libertà' 6 | 66,858 | 793 | |
| 2 | 3502 | Fi - Firenze - Piazza Della Libertà' 6 | 3,850 | 38 | |
| 2 | 0365 | Fi - Firenze - Piazza Della Repubblica N. 6 | 56,211 | 21 | |
| 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 | 11,611 | 286 | |
| 1 | 4332 | Fi - Firenze - Via Alemanni 41 | 3,561 | | |
| 2 | 4332 | Fi - Firenze - Via Alemanni 41 | 2,255 | | |
| 2 | 0393 | Fi - Firenze - Via Atto Vannucci 23 | 131 | | |
| 2 | 0380 | Fi - Firenze - Via Baracca 18 | 1,174 | | |
| 2 | 7744 | Fi - Firenze - Via Benedetto Marcello 2 | 68 | | |
| 2 | 0366 | Fi - Firenze - Via Benivieni 1/3 | 827 | | |
| 2 | 0382 | Fi - Firenze - Via Cavour 82/84 | 8,694 | | |
| 2 | 0381 | Fi - Firenze - Via Del Bobolino 1-3-5 Viale Machiavelli 14 | 1,159 | | |
| 3 | 3071 | Fi - Firenze - Via Di Careggi 38 | 290 | | |

| Transfers between usage classes | Sales and other decreases | Value adjustments | Depreciation for the year | Net Carrying amount 31/12/2018 | Current value 31/12/2018 | Total depreciation | Total write-backs | Total write-downs |
|---------------------------------|---------------------------|-------------------|---------------------------|--------------------------------|--------------------------|--------------------|-------------------|-------------------|
| | | | 4 | 102 | 250 | 27 | | 6 |
| | | | 1 | 37 | 44 | 10 | | |
| | | | 82 | 2,157 | 2,716 | 574 | | |
| | | | 17 | 430 | 450 | 123 | | 15 |
| | | | 4 | 93 | 200 | 25 | | |
| | | | 26 | 966 | 877 | 190 | | 173 |
| | | | 141 | 5,306 | 5,883 | 1,040 | | 1,161 |
| | | | 7 | 180 | 276 | 52 | 35 | |
| | | | 2 | 42 | 243 | 11 | 33 | |
| | | | 3 | 88 | 517 | 23 | 70 | |
| | | | 3 | 71 | 100 | 40 | | |
| | | | 2 | 60 | 210 | 16 | | |
| | | | 4 | 96 | 260 | 25 | 5 | |
| | | | 35 | 892 | 1,020 | 280 | | 489 |
| | | | 16 | 273 | 355 | 256 | 229 | |
| | | | 35 | 1,341 | 1,330 | 154 | | 535 |
| | | | 3 | 86 | 650 | 23 | 69 | |
| | | | 3 | 82 | 146 | 24 | 12 | |
| | | | 3 | 74 | 300 | 21 | 45 | |
| | | | 2 | 27 | 185 | 27 | 24 | |
| | | | | 140 | 146 | 29 | | 14 |
| | | | 8 | 188 | 204 | 73 | | 13 |
| | | | 11 | 6,098 | 6,034 | 99 | | 89 |
| | | | 5 | 115 | 129 | 35 | 7 | 6 |
| | | | 10 | 255 | 488 | 72 | | |
| | | | 4 | 111 | 480 | 30 | 87 | |
| | 191 | | | | | | | |
| | | | 241 | 6,507 | 6,936 | 3,696 | | 4,857 |
| | | | 9 | 232 | 268 | 66 | | |
| | | | 3 | 86 | 250 | 23 | 6 | |
| | | | 1,719 | 65,932 | 61,403 | 5,189 | | |
| | | | 99 | 3,789 | 3,548 | 299 | | |
| | | | 1,145 | 55,088 | 66,181 | 8,534 | | |
| | | | | 2,279 | 2,070 | 350 | | |
| | | | 259 | 11,638 | 11,500 | 2,622 | 739 | 1,844 |
| 2,247 | | | 139 | 5,669 | 6,570 | 2,104 | 2,690 | 1,430 |
| (2,247) | | | 8 | | | | | |
| | 29 | | 2 | 100 | 130 | 20 | 7 | |
| | | | 26 | 1,147 | 1,170 | 248 | | 671 |
| | | | 3 | 65 | 300 | 48 | 55 | |
| | | | 16 | 811 | 895 | 115 | | |
| | | | 169 | 8,525 | 12,000 | 1,273 | | 111 |
| | | | | 1,159 | 1,513 | | | |
| | | | | 290 | 280 | | | 770 |

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 31/12/2017 | Purchases and other increases | Write-backs and reversals of impairment losses |
|-------------------|---------------|--|-----------------------------------|----------------------------------|--|
| 2 | 0383 | Fi - Firenze - Via L. Il Magnifico 2-Via Toscanelli 1-3 | 5,923 | | |
| 2 | 0368 | Fi - Firenze - Via Landini - Via Catalani 8 | 1,740 | | |
| 2 | 0235 | Fi - Firenze - Via Lanza 73 | 122 | | |
| 1 | 3501 | Fi - Firenze - Via Monaco 6 /Via Ghiacciaie 3 | 7,162 | 633 | |
| 2 | 3501 | Fi - Firenze - Via Monaco 6 /Via Ghiacciaie 3 | 2,576 | 283 | |
| 2 | 0386 | Fi - Firenze - Via Ricasoli, 48 | 3,528 | | |
| 2 | 0395 | Fi - Firenze - Via S. Pellico / Viale Gramsci 63 | 1,605 | | |
| 2 | 0387 | Fi - Firenze - Via S. Reparata N. 97 | 3,672 | 10 | |
| 2 | 0548 | Fi - Firenze - Via Salvagnoli, 4 | 6,905 | 119 | |
| 2 | 0390 | Fi - Firenze - Via San Leonardo 32-34-36A | 3,642 | | |
| 3 | 0522 | Fi - Firenze - Via San Leonardo 38-40-42 | 496 | 92 | |
| 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 | 700 | 6 | |
| 2 | 0397 | Fi - Firenze - Via Toscanelli / P.Za Della Liberta' 9/11 | 8,864 | 55 | |
| 2 | 0374 | Fi - Firenze - Viale G. Matteotti 54 | 2,086 | | |
| 2 | 0402 | Fi - Firenze - Viale G. Matteotti 60 | 8,925 | 91 | |
| 2 | 0378 | Fi - Firenze - Viale G. Matteotti N. 14-16-18 | 15,420 | | |
| 2 | 0373 | Fi - Firenze - Viale G. Matteotti N. 52 | 4,022 | | |
| 2 | 0375 | Fi - Firenze - Viale G. Matteotti N. 56 | 3,420 | 231 | |
| 2 | 0400 | Fi - Firenze - Viale Matteotti 50/A | 1,598 | | |
| 2 | 0372 | Fi - Firenze - Viale Matteotti 50-50/A | 2,391 | 13 | |
| 2 | 0376 | Fi - Firenze - Viale Matteotti 64 - Via Fra' Bartolomeo 64 | 6,220 | 371 | |
| 2 | 3516 | Fi - Firenze - Viale Matteotti, 12 | 1,400 | | |
| 2 | 0369 | Fi - Firenze - Viale S. Lavagnini N. 3-5 | 1,683 | 18 | |
| 2 | 0377 | Fi - Firenze - Viale S. Lavagnini N. 7 | 5,285 | 2,473 | |
| 2 | 2160 | Fi - Pontassieve - Via Roma 10 | 60 | | |
| 2 | 0155 | Fi - Sesto Fiorentino - Via Dante 44-46 | 116 | | |
| 1 | 2077 | Li - Livorno - Via E. Mayer 7 | 78 | | |
| 2 | 0422 | Li - Livorno - Via Grande 110 - P.Za Grande 3 | 270 | | |
| 2 | 0125 | Li - Portoferraio - Viale Elba / Calata Italia 26 | 112 | | |
| 2 | 2028 | Pi - Cascina - Via Tosco Romagnola 248/E | 81 | | |
| 1 | 0122 | Pi - Pisa - Via Manzoni 11 | 1,259 | 98 | |
| 1 | 7532 | Pi - Pisa - Via Puccini 14 | 186 | 2 | |
| 2 | 0124 | Pi - Ponsacco - Via Valdera 29 | 68 | | |
| 2 | 2162 | Pi - Pontedera - Via Aurelio Saffi 4 | 59 | | |
| 2 | 0456 | Pi - Pontedera - Via Della Misericordia 22 | 141 | | |
| 1 | 2004 | Ar - Arezzo - Via Xxv Aprile 18/34 | | 2 | |
| 2 | 2004 | Ar - Arezzo - Via Xxv Aprile 18/34 | 387 | | |
| 2 | 0453 | Si - Poggibonsi - Via Xx Settembre 58 | 146 | | |
| 2 | 0405 | Gr - Follonica - Via Santini N. 7/C | 68 | | |
| 2 | 0457 | Po - Prato - Via Simintendi 20 | 4,075 | 94 | |

| Transfers between usage classes | Sales and other decreases | Value adjustments | Depreciation for the year | Net Carrying amount 31/12/2018 | Current value 31/12/2018 | Total depreciation | Total write-backs | Total write-downs |
|---------------------------------|---------------------------|-------------------|---------------------------|--------------------------------|--------------------------|--------------------|-------------------|-------------------|
| | | | 111 | 5,813 | 6,119 | 2,149 | | 501 |
| | | | 40 | 1,700 | 1,750 | 629 | 22 | 875 |
| | | | 4 | 118 | 350 | 31 | | |
| | | | 189 | 7,606 | 5,425 | 563 | | |
| | | | 34 | 2,825 | 2,082 | 103 | | |
| | | | 12 | 3,516 | 3,747 | 171 | | 1,337 |
| | 1,605 | | | | | | | |
| | | | 71 | 3,611 | 4,100 | 459 | 787 | |
| | | 822 | 121 | 6,081 | 6,081 | 903 | | 2,744 |
| | | | | 3,642 | 3,050 | 1 | | |
| | | | | 588 | 800 | | | |
| | | 1,054 | | 1,858 | 2,450 | | | 1,054 |
| | | | | 3,332 | 4,000 | | | |
| | | | 15 | 691 | 740 | 121 | | |
| | | | 184 | 8,734 | 8,741 | 1,558 | | |
| | 1,574 | | | 512 | 540 | 12 | | |
| | | | 121 | 8,896 | 9,888 | 893 | | 518 |
| | | | 433 | 14,987 | 17,389 | 3,506 | | 3,777 |
| | | | 120 | 3,902 | 4,388 | 1,086 | | 2,121 |
| | | 471 | | 3,180 | 3,180 | | | 1,071 |
| | 162 | | 32 | 1,404 | 1,442 | 214 | | 141 |
| | | | 58 | 2,346 | 2,334 | 412 | | 39 |
| | | 588 | 40 | 5,963 | 5,963 | 182 | | 588 |
| | 1,400 | | | | | | | |
| | | | | 1,701 | 1,660 | 43 | | 207 |
| | | 1,654 | | 6,103 | 6,103 | 4 | | 2,033 |
| | | | 2 | 58 | 130 | 15 | 7 | |
| | | | 4 | 112 | 480 | 30 | 93 | |
| | | | 3 | 75 | 300 | 23 | 39 | |
| | | | 12 | 258 | 267 | 149 | | 10 |
| | | | 4 | 108 | 320 | 29 | 87 | |
| | | | 3 | 78 | 160 | 21 | | 18 |
| | | | 44 | 1,313 | 1,890 | 236 | 26 | |
| | | | 6 | 181 | 200 | 36 | 11 | |
| | | | 2 | 66 | 180 | 17 | 12 | |
| | | | 2 | 57 | 150 | 15 | 46 | |
| | | | 5 | 136 | 152 | 39 | 17 | |
| | 386 | | 12 | 376 | 590 | 60 | | 29 |
| | (386) | | 1 | | | | | |
| | | | 5 | 141 | 242 | 40 | 3 | |
| | | | 3 | 65 | 98 | 18 | 1 | |
| | | | 99 | 4,070 | 4,246 | 797 | 492 | 2,467 |

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 31/12/2017 | Purchases and other Increases | Write-backs and reversals of impairment losses |
|-------------------|---------------|--|-----------------------------------|----------------------------------|--|
| 2 | 0126 | Po - Prato - Via Tacca 8 | 217 | | |
| 2 | 0446 | Pg - Perugia - Via Cortonese Ang. Via Romeo Gallenga 120 | 202 | | |
| 2 | 2151 | Pg - Perugia - Via Cortonese Pal.Sit / Via Briganti 93 | 124 | | |
| 1 | 4326 | Pg - Perugia - Via Palermo 21/A | 378 | | |
| 2 | 0483 | Pg - Spoleto - Via Flaminia, 3 | 146 | | |
| 2 | 0129 | Ri - Rieti - Via Delle Orchidee 9 | 81 | | |
| 2 | 0059 | Rm - Frascati - Via D.Seghetti 42 | 109 | | |
| 3 | 3029 | Rm - Roma - Castelnuovo Di Porto | 4,392 | | |
| 2 | 0133 | Rm - Roma - P.Za Meucci 23 | 90 | | |
| 2 | 0134 | Rm - Roma - P.Za Monte Gennaro 16-16/A | 291 | | |
| 1 | 4361 | Rm - Roma - Piazza Esquilino 12 / Via Farini 17 | 28,835 | 236 | |
| 2 | 4361 | Rm - Roma - Piazza Esquilino 12 / Via Farini 17 | 12,459 | 76 | |
| 1 | 4272 | Rm - Roma - Piazza Esquilino 5 / Via Farini 5 | 17,337 | 98 | |
| 2 | 4272 | Rm - Roma - Piazza Esquilino 5 / Via Farini 5 | 30,212 | 126 | |
| 2 | 0293 | Rm - Roma - Roma - Via Ciro Menotti 24 | 13,018 | | |
| 2 | 0228 | Rm - Roma - V.Delle Fornaci 175 | 206 | | |
| 2 | 0469 | Rm - Roma - Via Aladino Govoni, 24/43 | 58,864 | 99 | |
| 2 | 2172 | Rm - Roma - Via Castellini, 13 | 1,239 | | |
| 2 | 3062 | Rm - Roma - Via Clitunno, 34-36 | 3,550 | | |
| 2 | 0142 | Rm - Roma - Via De Viti De Marco 50 | 274 | | |
| 3 | 3061 | Rm - Roma - Via Della Cesarina 3 | 4,179 | | |
| 2 | 2169 | Rm - Roma - Via Gregorio VII, 44 | 92 | | |
| 2 | 2301 | Rm - Roma - Via In Arcione, 98/107 | 9,627 | | |
| 2 | 0140 | Rm - Roma - Via Lazzari 26 | 118 | | |
| 2 | 4342 | Rm - Roma - Via Pio IV 6 | 22,059 | | |
| 2 | 0145 | Rm - Roma - Via R.Da Forlì 4 | 99 | | |
| 2 | 0465 | Rm - Roma - Via Sicilia, 42 | 2,781 | | |
| 3 | 0524 | Rm - Roma - Via Tor Carbone - Parco Appia Antica Snc | 8 | | |
| 3 | 2171 | Rm - Roma - Via Tor Di Quinto Snc | 421 | | |
| 2 | 2230 | Rm - Roma - Via Tre Madonne, 14-16-18 | 66,195 | 297 | |
| 2 | 3012 | Rm - Roma - Viale Caduti Per La Resistenza | 81 | | |
| 1 | 0147 | Rm - Roma - Viale Umanesimo 304-308 | 29 | | |
| 1 | 0440 | Na - Napoli - Centro Direzionale Lotto C2 | 5,909 | 155 | |
| 2 | 0440 | Na - Napoli - Centro Direzionale Lotto C2 | 359 | 8 | |
| 2 | 8028 | Na - Napoli - Via Schilizzi 16 | 188 | | |
| 3 | 2213 | Sa - Vietri Sul Mare - Via Vietri Snc | | | |
| 2 | 0047 | Ch - Chieti - Viale Europa 43 | 80 | | |
| 2 | 2007 | Ba - Bari - Via Abate Gimma 171 | 74 | | |
| 2 | 0159 | Ta - Taranto - V.Le P.Amedeo 26 | 82 | | |
| 2 | 4196 | Br - Brindisi - Via Tor Pisana 182 | 73 | | |
| 2 | 0077 | Le - Lecce - Via Cesare Battisti 28 | 89 | | |
| 1 | 0012 | Rc - Reggio Calabria - Via Ibico 1 | 439 | 14 | |
| 2 | 0012 | Rc - Reggio Calabria - Via Ibico 1 | 168 | 6 | |
| 2 | 4369 | Tp - Marsala - Via Salemi 15 | 90 | | |
| 2 | 2145 | Pa - Palermo - P.Za Castelnuovo, 26 | 56 | | |

| Transfers between usage classes | Sales and other decreases | Value adjustments | Depreciation for the year | Net Carrying amount 31/12/2018 | Current value 31/12/2018 | Total depreciation | Total write-backs | Total write-downs |
|---------------------------------|---------------------------|-------------------|---------------------------|--------------------------------|--------------------------|--------------------|-------------------|-------------------|
| | | | 8 | 209 | 590 | 56 | 134 | |
| | | | | 202 | 248 | 42 | | 1 |
| | | | 5 | 119 | 440 | 32 | 33 | |
| | | | 23 | 356 | 510 | 404 | 107 | |
| | | | 5 | 140 | 175 | 40 | | |
| | | | 3 | 78 | 160 | 21 | 53 | |
| | | | 4 | 105 | 430 | 28 | 13 | |
| | | | | 4,392 | 4,370 | | | |
| | | | 3 | 86 | 285 | 23 | 23 | |
| | | | 11 | 280 | 770 | 81 | 206 | |
| | | | 793 | 28,278 | 32,348 | 8,327 | 3,033 | |
| | | | 311 | 12,224 | 12,742 | 2,144 | 1,323 | |
| | | | 478 | 16,957 | 21,909 | 5,975 | 8,671 | |
| | | | 792 | 29,546 | 34,411 | 8,057 | 15,350 | |
| | 8,002 | | 53 | 4,963 | 6,995 | 807 | | |
| | | | 8 | 199 | 445 | 53 | 28 | |
| | | | | 58,963 | 64,464 | | | |
| | | | | 1,239 | 2,175 | 210 | | 351 |
| | 3,550 | | | | | | | |
| | 268 | | 6 | | | | | |
| | | | | 4,179 | 4,180 | | | 684 |
| | | | | 92 | 240 | 19 | 32 | 1 |
| | | | 89 | 9,539 | 9,700 | 1,035 | | 6,823 |
| | | | | 118 | 300 | | 68 | 1 |
| | | | 623 | 21,437 | 23,010 | 22,664 | 31 | 7,141 |
| | | | 4 | 95 | 220 | 25 | 30 | |
| | | | | 2,781 | 4,500 | 655 | 165 | |
| | | | | 8 | 18 | | | |
| | | | | 421 | 1,192 | | | |
| | | | 26 | 66,465 | 70,920 | 176 | | |
| | | | 3 | 78 | 84 | 18 | | |
| | | | 2 | 27 | 66 | 32 | 15 | |
| | | | 218 | 5,846 | 5,390 | 1,465 | | |
| | | | 13 | 353 | 335 | 91 | | |
| | | | 7 | 181 | 320 | 48 | | |
| | | | | | | | | |
| | | | 3 | 77 | 300 | 20 | 57 | |
| | 74 | | | | | | | |
| | | | 3 | 79 | 190 | 21 | 65 | |
| | 73 | | | | | | | |
| | | | 3 | 86 | 440 | 23 | 64 | |
| | | | 18 | 435 | 650 | 182 | 28 | |
| | 169 | | 5 | | | | | |
| | | | | 90 | 100 | 19 | | 35 |
| | 56 | | | | | | | |

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 31/12/2017 | Purchases and other Increases | Write-backs and reversals of impairment losses |
|-------------------|---------------|---|-----------------------------------|----------------------------------|--|
| 2 | 2277 | Pa - Palermo - Via Ricasoli 59 | 225 | | |
| 2 | 0070 | Me - Giardini Naxos - Via Recanati 26 | 2,150 | | |
| 1 | 4362 | Me - Messina - Via Xxvii Luglio 195 | 457 | | |
| 2 | 4362 | Me - Messina - Via Xxvii Luglio 195 | 1,964 | | |
| 2 | 0025 | Ct - Acireale - Piazza Europa 25 | 52 | | |
| 1 | 1004 | Ct - Catania - Corso Italia 72 | 835 | 14 | |
| 2 | 0338 | Ct - Catania - Sicilia 48/56 - Rizzo 29 - Puccini 28 | 3 | | |
| 1 | 0042 | Ct - Catania - Via Del Bosco 298/A | 2 | | |
| 2 | 0042 | Ct - Catania - Via Del Bosco 298/A | 66 | | |
| 1 | 0233 | Ct - Catania - Via G. Castorina 43 | 115 | | |
| 1 | 0002 | Ct - Catania - Via Torino 73 | 583 | 5 | |
| 3 | 2216 | Ct - Vizzini - Podere Maguli Snc | 8 | | |
| 2 | 0481 | Sr - Siracusa - Largo 2 Giugno 6 | 155 | | |
| 1 | 7556 | Ss - Sassari - Piazza Castello 13 | 22 | | |
| 1 | 0152 | Ss - Sassari - Via Roma 172-176 | 177 | | |
| 2 | 0330 | Ca - Cagliari - Via Cima 8 | 307 | | |
| 2 | 0037 | Ca - Cagliari - Viale Campania 27 | 66 | | |
| 1 | 1003 | Ca - Cagliari - Viale Diaz 29 | 673 | 695 | |
| 2 | 3020 | Ca - Villasimius - Localita' Campulongu Snc | 8,192 | 56 | |
| 2 | 0486 | Ot - Tempio Pausania - Via S. Lorenzo 21 | 50 | | |
| 3 | 0557 | Es - Estero - Lago Speranza De Alicudia | | | |
| | | GRAND TOTAL | 2,376,041 | 72,898 | |
| | | TOTAL PROPERTY FOR CORPORATE BUSINESS | 442,319 | 12,204 | |
| | | TOTAL PROPERTY FOR USE BY THIRD PARTIES | 1,855,681 | 49,709 | |
| | | TOTAL OTHER PROPERTY | 16,207 | 92 | |
| | | TOTAL OTHER PROPERTY RIGHTS | 2,279 | | |
| | | FIXED ASSETS IN PROGRESS AND PAYMENTS ON ACCOUNT | 59,554 | 10,893 | |

(*) Property type

1 = Property for corporate business

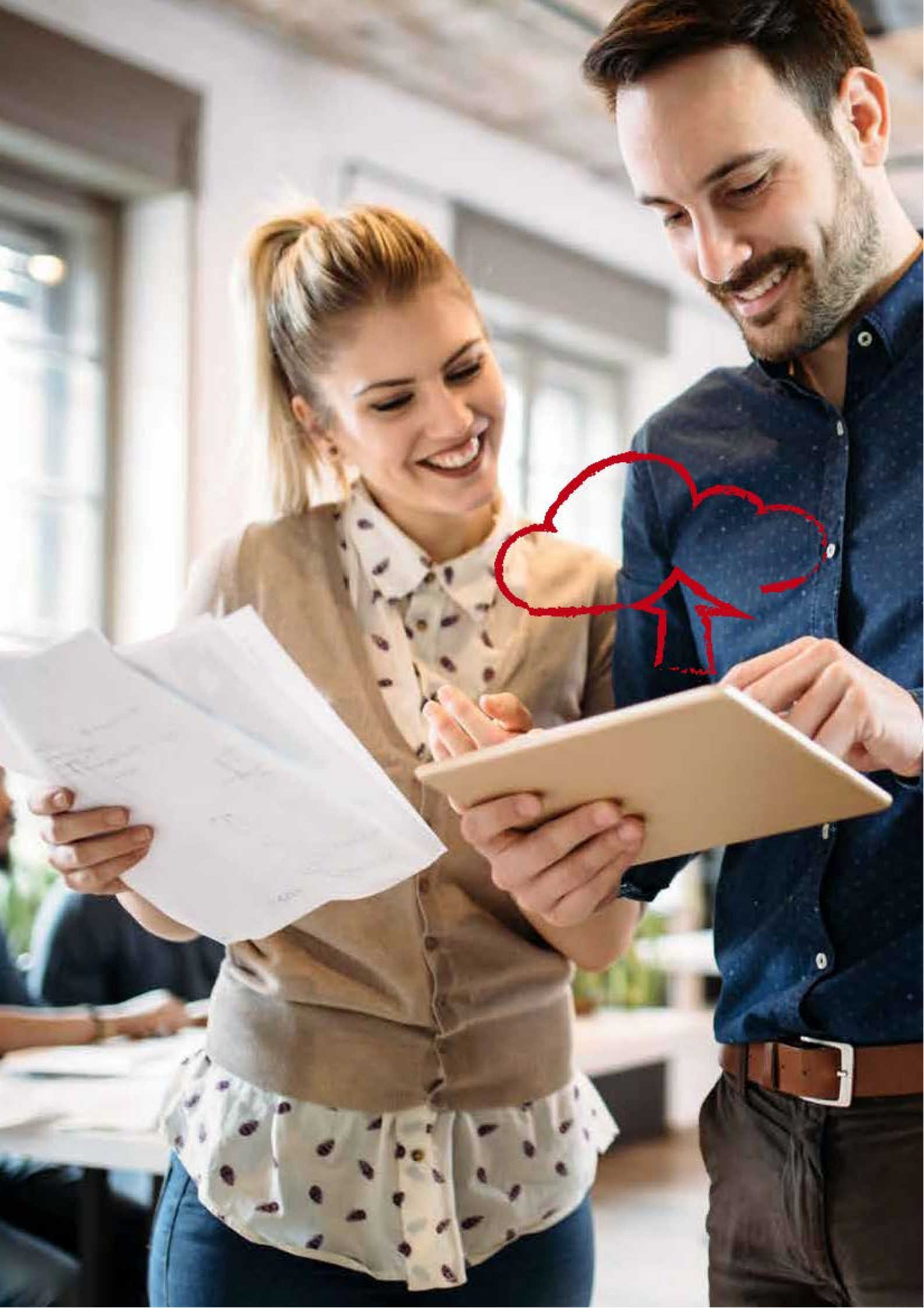
2 = Property for use by third parties

3 = Other property

4 = Other property rights

5 = Fixed assets in progress and payments on account

| Transfers between usage classes | Sales and other decreases | Value adjustments | Depreciation for the year | Net Carrying amount 31/12/2018 | Current value 31/12/2018 | Total depreciation | Total write-backs | Total write-downs |
|---------------------------------|---------------------------|-------------------|---------------------------|--------------------------------|--------------------------|--------------------|-------------------|-------------------|
| | | | 8 | 216 | 330 | 58 | | |
| | 2,150 | | | | | | | |
| | | | 19 | 437 | 652 | 406 | | 1,040 |
| | | | 77 | 1,887 | 2,038 | 747 | | 3,344 |
| | | | 2 | 50 | 360 | 13 | 21 | |
| | | | 41 | 808 | 2,130 | 567 | 116 | |
| | | | | 3 | 5 | 1 | 1 | |
| | | | | 2 | 8 | 9 | 1 | |
| | | | 2 | 63 | 162 | 17 | 31 | |
| | | | 12 | 103 | 520 | 289 | 34 | |
| | | | 69 | 519 | 1,820 | 1,798 | 3 | |
| | | | | 8 | 14 | | 2 | |
| | | | 6 | 149 | 189 | 42 | | |
| | | | 2 | 20 | 120 | 39 | 2 | |
| | | | 6 | 171 | 350 | 45 | 37 | |
| | | | 13 | 295 | 300 | 127 | | 50 |
| | | | 2 | 63 | 230 | 17 | 14 | |
| | | | 47 | 1,321 | 2,660 | 482 | 61 | |
| | | | 241 | 8,006 | 7,960 | 442 | | 16,405 |
| | | | 2 | 48 | 64 | 14 | | |
| | | | | | 2 | | | 11 |
| | 221,478 | 13,580 | 47,746 | 2,166,134 | 2,404,845 | 425,737 | 99,805 | 495,467 |
| 35,551 | 324 | | 14,778 | 474,973 | 523,151 | 141,972 | 54,924 | 23,804 |
| (35,551) | 221,154 | 13,083 | 32,968 | 1,602,633 | 1,775,788 | 283,415 | 44,879 | 421,656 |
| | | | | 16,299 | 18,086 | | 2 | 2,523 |
| | | | | 2,279 | 2,070 | 350 | | |
| | | 497 | | 69,951 | 85,750 | | | 47,485 |





6

STATEMENT ON THE FINANCIAL STATEMENTS

In accordance with art. 81-ter
of CONSOB Regulation No. 11971
of 14 May 1999 and subsequent
amendments and additions



**STATEMENT ON THE FINANCIAL STATEMENTS
IN ACCORDANCE WITH ART. 81-ter, CONSOB REGULATION No.
11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND
ADDITIONS**

1. The undersigned, Carlo Cimbri, as designated Chairman, and Maurizio Castellina, as Manager in charge of financial reporting of UnipolSai Assicurazioni S.p.A., hereby certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998:
 - the adequacy in relation to the characteristics of the company and
 - the effective application,
 of the administrative and accounting procedures for preparation of the financial statements for the period 1 January 2018-31 December 2018.
2. The assessment of the adequacy of the administrative and accounting procedures for preparing the financial statements for the year ended 31 December 2018 is based on a process defined by Unipol Gruppo S.p.A., inspired by the COSO Framework (Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organisations of the Treadway Commission and, as regards the IT component, by the COBIT Framework (Control Objectives for IT and related technology), unanimously recognised as the reference standards for the implementation and evaluation of internal control systems.
3. It is also certified that:
 - 3.1. The financial statements at 31 December 2018:
 - were prepared in compliance with provisions of the Civil Code and the national accounting principles approved by the OIC (Italian Accounting Standards Setter);
 - correspond to the book results and accounting records;
 - are suitable to provide a true and fair view of the equity, economic and financial situation of the issuer;
 - 3.2. the management report includes a reliable analysis of the performance and of the operating result, and of the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Bologna, 14 March 2019

The Chairman
Carlo Cimbri

Manager in charge
of financial reporting
Maurizio Castellina





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BOARD OF STATUTORY
AUDITORS' REPORT

Board of Statutory Auditors' Report to the Shareholders' Meeting of UnipolSai Assicurazioni S.p.A. prepared in accordance with Art. 153 of Legislative Decree 58/1998 and Art. 2429, paragraph 2 of the Civil Code

Dear Shareholders,

In the year ended on 31 December 2018, the Board of Statutory Auditors carried out the activities for which it is responsible, also as Internal Control and Auditing Committee, laid out in the applicable legislative and regulatory provisions, taking into account the principles of conduct recommended by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants), the recommendations issued by CONSOB (in particular communications no. DAC/RM 97001574 of 20 February 1997 and no. DEM/1025564 of 6 April 2001 as amended), as well as the instructions laid out in the Corporate Governance Code for listed companies (the "**Corporate Governance Code**").

In this regard, it should be noted that, on 23 April 2018, the Shareholders' Meeting renewed the Board of Statutory Auditors, in view of the end of its three-year term of office, appointing the same standing members previously in office for the 2018-2020 period.

In compliance with the provisions of Art. 153 of Legislative Decree 58/1998 ("**Consolidated Law on Finance**" or "**TUF**") and Art. 2429, paragraph 2 of the Civil Code, the Board of Statutory Auditors therefore reports on the supervisory activities carried out.

1. Activities of the Board of Statutory Auditors in the year ended 31 December 2018.

During 2018, the Board carried out its supervisory activities, holding 20 meetings with an average duration of around one hour and forty minutes.

The Board of Statutory Auditors also took part in:

- 9 meetings of the Board of Directors;
- 9 meetings of the Control and Risk Committee;
- 10 meetings of the Committee for transactions with related parties ("**Related Party Transactions Committee**");
- 2 meetings of the Remuneration Committee,

and was informed of the matters addressed in the 5 meetings of the Appointments and Corporate Governance Committee.

As part of its duties and for the mutual exchange of information between the bodies and departments involved in the internal control and company 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 (jointly the "**Control Functions**"), the Manager in charge of financial reporting (the "**Manager in charge of financial reporting**") and the Heads and/or representatives of the company departments concerned by the supervisory activity of the control body from time to time;
- the Supervisory Board established pursuant to Legislative Decree 231 of 8 June 2001 ("**Legislative Decree 231/2001**"), Art. 6, paragraph 1, letter b);
- the representatives of the company charged to audit the accounts, PricewaterhouseCoopers S.p.A., within the framework of relationships between the control body and the auditor required by regulations in force.

Pursuant to Art. 151 of the Consolidated Law on Finance, the Board of Statutory Auditors also exchanged information with the control bodies of the subsidiaries.

2. Transactions of greatest economic, financial and equity significance. Other notable events

2.1 Activity performed by the Board

In observance of the reference legal and regulatory provisions in force, the Board acknowledges the outcome of its supervisory activities and verifications and therefore acknowledges that it has:

- monitored observance of the law and the by-laws and compliance with the principles of proper administration, particularly with reference to the transactions mentioned herein of greatest economic, financial and equity significance;
- obtained information from the Directors - including by participating in the meetings of the Board of Directors and the Board Committees - on the activity carried out and on the transactions of greatest economic, financial and equity significance performed by UnipolSai S.p.A. ("**UnipolSai**" or 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, regulations and the codes of conduct adopted.

2.2 Main significant events

With reference to the transactions of greatest economic, financial and equity significance performed by the Company in 2018, the Board of Statutory Auditors reports as follows:

Project for streamlining the Group's insurance sector - acquisition of Arca Vita S.p.A. from the holding company Unipol

To complete the project for the streamlining of the Unipol Group's insurance sector launched in 2017, the Company's Board of Directors approved, on 22 March 2018, the acquisition of the equity investment held by Unipol Gruppo S.p.A. ("**Unipol**") in Arca Vita S.p.A., equal to 63.39% of the share capital, for a price of €475m (the "**Acquisition of Arca Vita**"). On 7 August 2018, the acquisition of Arca Vita was finalised after obtaining the necessary authorisations from the competent Supervisory Authorities.

Disposal of the subsidiary Popolare Vita S.p.A.

On 11 January 2018, as a result of the non-renewal of the distribution agreements and the subsequent exercise of the put option set out in the Shareholders Agreement, UnipolSai signed a contract with banking partner Banco BPM S.p.A. for the sale of the investment held in Popolare Vita S.p.A.. On 29 March 2018, following fulfilment of the contractually envisaged conditions precedent, the shares were transferred and the price of €535.5m was collected.

Banking sector restructuring plan

The banking sector restructuring plan, launched in 2017, was completed in 2018. In particular:

- on 16 January 2018, the agreement was signed for the proportional partial spin-off (the "**Spin-Off**") of Unipol Banca S.p.A. ("**Unipol Banca**" or the "**Bank**") through the establishment of a new company, beneficiary of a corporate complex, including, amongst other things, the entire portfolio of bad and doubtful loans of the Bank at the date of approval of the Half-yearly Financial Report 2017, except for loans deriving from lease transactions and unsecured loans;

- On 31 January 2018, Unipol and UnipolSai disbursed a shareholder loan to Unipol Banca for €173m and €127m, respectively, for a total amount of €300m, intended to be included in the Complex involved in the division;
- On 1 February 2018, the proportional spin-off took effect of Unipol Banca to UnipolReC S.p.A. ("**UnipolReC**"), a credit recovery company operating pursuant to Art. 115 of Italian Royal Decree 773 of 18 June 1931 (TULPS), 57.75% owned by Unipol and 42.25% by UnipolSai.

Resolutions regarding the sale of the entire investment in Unipol Banca S.p.A., subject to the exercise by UnipolSai of the put option in place with Unipol

In 2018, the Unipol Group began working on the preliminary activities to undertake strategic transactions relating to the banking sector, entering into discussions with BPER Banca S.p.A. ("**BPER**") as a potential counterparty, with a view to verifying the feasibility of a project that would entail:

- the transfer of shares, representing the entire share capital of Unipol Banca, to BPER
- the acquisition by UnipolReC of a portfolio of bad and doubtful loans of BPER.

Given the importance of the transaction and of the investments held in BPER, at the end of 2018, both Unipol and UnipolSai, within their respective scopes of responsibility, voluntarily launched the preliminary analysis and decision-making process envisaged by the procedures adopted respectively to perform transactions with related parties. Following the preliminary activities conducted and the negotiations held, on 7 February 2019, the Boards of Directors of Unipol and of UnipolSai, within their respective scopes, approved the transaction regarding the banking sector of the Unipol Group (the "**Transaction**"), to be carried out in a unique setting, which envisages:

- the transfer to BPER of the entire equity investment held by Unipol, also through UnipolSai, in Unipol Banca, equal to the entire share capital of the latter, for a cash consideration of €220m (the "**Unipol Banca Disposal**"); and
- the purchase from the BPER Group, by UnipolReC, of two separate portfolios comprised of bad and doubtful loans, one owned by BPER and one by Banco di Sardegna S.p.A. for a gross book value of around €1.3bn against a consideration in cash of €130m, equal to approximately 10% of the portfolio's gross value (the "**NPL Portfolio**").

On 7 February 2019, following approval also by the other companies involved, the contractual agreements governing the Transaction were signed. The implementation of these agreements, subject to the fulfilment of some conditions precedent of primarily a regulatory and authorisation nature, is expected to occur no later than the beginning of the second half of 2019.

Again on 7 February 2019, UnipolSai's Board of Directors resolved to exercise the put option relating to 27.49% of the share capital of Unipol Banca and UnipolReC, held by the holding company Unipol by virtue of the option contract signed on 31 December 2013 between the former Fondiaria-Sai S.p.A. and Unipol (the "**Option**").

Pursuant to the above, UnipolSai has undertaken to transfer to BPER, under the above-cited conditions, the residual investment (14.76%), which is held in the capital of Unipol Banca as a result of the exercise of the option, which took place on 1 March 2019.

Given the planned full sale, UnipolSai has reclassified the investment held in Unipol Banca under investments with short-term use at 31 December 2018, and recognised it at the expected sale value, recording a loss of €50.053m, referring only to the portion to be sold to BPER.

Bond loan issues and redemptions

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

Later, on 3 May 2018, two subordinated loans were repaid in full for a total of €300m, disbursed in the past by Mediobanca - Banca di Credito Finanziario S.p.A. and originally maturing in 2025 and 2026, both of which recognisable among Tier 2 own funds for the purpose of Solvency II regulations.

More information in relation to the aforementioned transactions and additional events are reported in the Management Report and in the Notes to the Financial Statements.

2.3 Main significant events after the reporting period

With reference to the significant events after the reporting period, the Board of Statutory Auditors reports as follows:

Exercise of the put option on Unipol Banca S.p.A. and UnipolReC S.p.A. shares

On 7 February 2019, the Board of Directors resolved to exercise the Option. The transfer of the shares was completed on 1 March 2019 against payment by Unipol of a total consideration of €579.1m, calculated on the basis of the option contract. Following the exercise of the Option, UnipolSai holds a direct investment in Unipol Banca and in UnipolReC, corresponding to 14.76% of the respective share capital. The remaining shares in these companies are held by Unipol.

UnipolSai also granted to Unipol, within the scope of the aforementioned Option, a 5-year loan of €300m, also repayable early, at an interest rate of the 3-month Euribor plus a spread of 260 basis points. For UnipolSai, the granting of the afore-mentioned loan represents a form of investment of liquid assets that meets the investment principles compliant with the adopted policy for medium-long term investments as well as the risk profile.

Sale of Unipol Banca S.p.A. to BPER S.p.A. and acquisition of the NPL portfolio

On 7 February 2019, the Board of Directors of UnipolSai approved, for aspects within its competence, the Disposal of Unipol Banca and purchase by UnipolReC of the NPL portfolio.

On the same date, the relevant contractual agreements were signed between the parties involved, whose completion is subject to some conditions precedent, firstly of a regulatory and authorisation nature.

2.4 Dispute proceedings

With reference to the disputes which concerned the Company during 2018, 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.

2.5 Transactions with related parties and intercompany transactions. Atypical and/or unusual transactions

In compliance with the provisions of the Regulation containing provisions governing transactions with related parties, adopted by CONSOB by means of resolution no. 1722 of 12 March 2010 and subsequent amendments, the company has adopted a procedure for the performance of transactions with related parties and an operating guide for the application of said procedure.

The Board of Statutory Auditors monitored the transactions with related parties to ensure these met the substantive and procedural correctness criteria, pursuant to the aforementioned reference legislation and the internal procedure adopted, and to ensure that they were not in conflict with the Company's interest. The Board of Statutory Auditors spent time in particular on the most significant transactions included within the insurance sector streamlining project and the banking sector restructuring plan, verifying the fairness of the preliminary analysis and decision-making process adopted as well as compliance with regulations in force and internal regulations, by analysing available documentation as well as participating in meetings of the Related Parties Committee and the Board of Directors. These transactions, reported under the main significant events of this Report, were adequately described in the Management Report and in the Notes to the Financial Statements.

The Board of Statutory Auditors also examined the transactions exempt from the application of the above-mentioned internal procedure.

The Company's Management Report outlines the financial and equity impact of transactions with related parties as well as a description of the most significant relations. Further information is also provided in the Management Report and the Notes to the Consolidated Financial Statements.

With reference to the provision issued by IVASS on 26 October 2016 by means of Regulation no. 30 regarding intercompany transactions and concentrations of risks, the Board verified the compliance with the same of the Policy adopted by the company governing intercompany transactions ("**Intercompany Policy**") and the relevant annual update, as well as of the operating guide for the application of the same. The supervisory activities carried out by the Board also highlighted that the transactions concluded with intercompany counterparties were entered into in compliance with the provisions of the aforementioned Intercompany Policy and regulated under market conditions. In particular, the Board of Statutory Auditors believes that the outsourcing agreements in place between UnipolSai and the Parent Unipol, as well as with the other Group companies, conform to the applicable industry regulatory provisions.

As regard the relations established between UnipolSai and the Group companies as well as with other related parties, the control body evaluates the disclosure provided in the Management Report and in the Notes to the Financial Statements as adequate.

In relation to the overall context of the intercompany transactions and/or the transactions with related parties carried out in 2018, the Board ascertained the absence 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 safeguarding of the company's assets.

3. Company organisational structure

UnipolSai is subject to management and coordination, in accordance with Articles 2497 et seq. of the Italian Civil Code, by the Parent Unipol.

In fact, as outlined in the Annual report on corporate governance and ownership structures (the "**Governance Report**"):

- UnipolSai chose to adopt a "traditional" type administration and control system, which provides for the presence of a Board of Directors (that operates with the support of the Internal board committees, with advisory and proposal-making functions) and a Board of Statutory Auditors with control functions, both appointed by the shareholders' meeting;
- legally-required audit is assigned to PricewaterhouseCoopers S.p.A. for the 2013-2021 nine-year term;

- the new Board of Directors, appointed by the Ordinary Shareholders' Meeting of 27 April 2016 and met on that same date, sharing the vision of reviewing the governance structure, resolved:
 - not to appoint an Executive Committee and a Chief Executive Officer, believing that these appointments are currently not necessary;
 - to appoint a General Manager, with appropriate functions and powers, in charge of the operating management of the Company;
- a few internal company committees have been established by the Board of Directors, or by the General Manager, mainly consisting of the Heads of the Joint Local Departments of the company, with functions of support to the General Manager in the implementation and supervision of the policies of direction, coordination and operational strategy specified by the Board of Directors;
- the role and powers of the above bodies are illustrated in detail in the aforementioned Governance Report,

the Board of Statutory Auditors acknowledged the organisational structure adopted and acquired knowledge of the changes that took place from time to time to the company's internal organisational structure, monitoring its adequacy, as regards matters within its competence.

In particular, based on the information acquired, the Board considers the size, structure and positioning of the Company Control Departments to be adequate for the purpose of guaranteeing the effective functioning of the risk control and management system as a whole.

The Board of Statutory Auditors also acknowledged the instructions handed down to its 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 through meetings with the managers of the competent company departments as well as with the Independent Auditors. No particular elements worth reporting emerged from these activities.

The Board of Statutory Auditors 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 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.

4. Internal control and risk management system, administrative-accounting system and financial disclosure process

4.1 Internal Control and Risk Management System

The internal control and risk management system is a key element in the overall corporate governance system. It consists of a set of rules, procedures and organisational structures aimed to ensure:

- effectiveness and efficiency of corporate processes;
- suitable limits on current and future risks;
- preventing the company's involvement, even involuntary, in illegal activities, particularly those associated with money laundering, and terrorism financing;
- the prevention and correct management of the potential conflicts of interest with Related Parties, as identified by legal and regulatory provisions of reference;
- verification that corporate strategies and policies are implemented;
- safeguarding of company asset values, also in the medium to long term;

- reliability and integrity of information provided to corporate bodies and the market and of IT procedures;
- adequacy and promptness of the corporate data reporting system;
- compliance of business activities with the law, supervisory regulations, corporate governance regulations and the company's internal measures.

The Internal Control and Risk Management System is defined in the related Directives (the "**ICS Directives**") adopted by the UnipolSai Board of Directors on 20 March 2014 and periodically updated thereafter. The ICS Directives define the roles and responsibilities of the parties involved in the internal control and risk management system, as well as the coordination methods and information flows between the different parties involved in this system.

The Internal Control and Risk Management System also includes an internal system for the reporting by personnel of acts or events which may constitute a violation of the rules governing the activity performed, which guarantees a specific and confidential information channel, as well as the anonymity of the reporting entity. This system is formalised in the Whistleblowing Procedure approved by the Board of Directors at the meeting on 9 August 2018.

The principles and processes of the risk management system as a whole are governed by the following Group policies: "Risk Management Policy", "Current and Forward-looking Risk Assessment Policy", "Operational Risk Management Policy" and "Group-level Risk Concentration Policy". Also an integral part of the risk management system are the policies that outline the principles and guidelines on: (i) management of specific risk factors (e.g. the Group Investment Policy for market risk and Credit Policy for credit risk), (ii) management of a risk within a specific process, and (iii) mitigation of a risk and (iv) management of risk measurement models.

The risk management system is the set of processes and tools used in support of the risk management strategy of the Unipol Group; it provides adequate understanding of the nature and significance of risks to which the Group and individual companies, including UnipolSai, are exposed. The risk management system allows the Group to have a single point of view and a holistic approach to risk management, and is an integral part of the management of the business.

Within the risk management system, the risk management process, applied also by UnipolSai, is structured into the following phases:

- identification of risks, consisting in the identification of risks believed to be significant i.e. those whose consequences can endanger the solvency or reputation of UnipolSai or be a serious obstacle to the achievement of strategic objectives;
- current and forward-looking assessment of risk exposure, the current assessment of risks identified is performed through methods envisaged in regulations and best practices as regards risks for which measurement is not regulated or defined by high-level principles. With regard to the forward-looking assessment, the Own Risk and Solvency Assessment (ORSA) is used to support the strategic decisions of the Company;
- monitoring of the risk exposure and reporting, a system implemented – on the basis of the principles of completeness, timeliness and effectiveness of the disclosure – to ensure timely and constant monitoring of the evolution of the Risk Profile and the compliance with the specified Risk Appetite. This system guarantees that the quality and quantity of information provided is commensurate with the needs of the different recipients and with the complexity of the business managed, in order for it to be used as a strategic and operating tool in assessing the potential impact of decisions on the Company's risk profile and solvency;
- mitigation of risks, which consists in identifying and proposing action required and/or useful in mitigating existing or prospective levels of risk not in line with the related objectives defined at corporate level.

The identification, evaluation and monitoring of the risks are carried out on ongoing basis to take into account the changes occurred both in the nature and size of the business and in the market context, and whether new risks arise or the existing ones change.

These processes are carried out using methods that guarantee an integrated approach at Group level. The Parent ensures that the risk management policy is implemented consistently and continuously within the entire Group, taking into account the risks of each company included the scope of supervision of the group and their mutual interdependencies.

For more details on the main features of the internal control and risk management system adopted by the Company, please refer to the Governance Report.

In said context, the Board of Statutory Auditors constantly monitored - using (i) the information collected from the managers of the respective departments, (ii) the examination of the company documents, (iii) the analysis of the work plans and the results of the work carried out by the Independent Auditors and the bodies and departments responsible for internal control - the adequacy of the internal control system and the administrative-accounting system, and the latter's reliability in correctly representing operating events.

In addition - through direct verification of the activities carried out by the Control Functions and by the Manager in charge of financial reporting, and by taking part in the meetings of the Control and Risk Committee - the activities performed by the aforementioned control functions were examined to verify their adequacy and to obtain an evaluation of the actual functioning of the overall internal control system. Based on the checks carried out in fulfilment of the monitoring obligations imposed, the control body highlights no elements to be reported in this regard. The Board also believes that the Control Functions, just like the Manager in charge of financial reporting, are able to ensure suitable control of the internal control system.

The Board of Statutory Auditors also verified the activities carried out by the Company as regards the adjustment into line with Regulation no. 2016/679 of 27 April 2016 regarding personal data protection, which involved a substantial revision of the privacy architecture adopted, assessing the compliance of the organisational controls adopted with the regulation governing personal data protection.

4.2 Administrative-accounting system and financial disclosure process

The Governance Report describes the main characteristics of the control model adopted in support of the Manager in charge of financial reporting for verifying the adequacy and actual application of the administrative procedures relating to accounting and financial disclosures, which is based on a process defined in accordance with the following reference frameworks, generally recognised and accepted internationally:

- I. CoSo Framework (Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission), widely recognised as the standard of reference for the implementation and evaluation of internal control systems;
- II. COBIT (Control Objective for IT and Related Technology), outline of best practices developed by ISACA (Information Systems Audit and Control Association) and ITGI (IT Governance Institute) which is the standard benchmark for IT Governance.

With reference to the elements of internal control on financial information set out in the CoSo Report, the Company has adopted the following guidelines:

- control environment: it is monitored through the documentation and control assessments at Group level (Entity Level Control);
- risk assessment: risk analysis methods at the process level have been defined and implemented, through a preliminary Top-Down analysis, both qualitative and quantitative, which leads to the definition of the relevant processes (Scoping). For these processes an identification and analytical assessment is then carried out of the risks of failure to achieve control objectives, in respect of truthfulness, accuracy, reliability and timeliness of the financial reporting;
- control activities: the activities for proper management and mitigation of risks described earlier have been identified, documented and evaluated;

- **information and communication:** a process of assessment of the proper management of information flows between the different departments of the Company and the Top Management has been implemented in order to ensure that all parties belonging to the structure properly execute the tasks attributed to them. This evaluation is formalised within the analysis of the components "Control Environment" and "Control Activities";
- **monitoring:** the Company has implemented a process of regular monitoring of the long-term reliability of the internal control and risk management system.

Based on the Report on the internal control and risk management system required by the applicable legislation (the "**262/2005 Report**"), which reflects the characteristics of the control system implemented and the results of the data control and monitoring activities carried out by the competent company departments, the Chairman of the Board of Directors, appointed for the purpose, and the Manager in charge of financial reporting, signed the certifications set forth in Art. 154-bis of the Consolidated Law on Finance.

The Board of Statutory Auditors examined the contents of Report 262/2005 and monitored, by having meetings with the Manager in charge of financial reporting and the Independent Auditors, the process of developing and distributing financial disclosures. In particular, the Additional Report drafted by PricewaterhouseCoopers S.p.A. pursuant to Art. 11 of Regulation (EU) no. 537/2014 (the "**Additional Report**") did not bring to light any significant gaps as such to negatively impact the opinion on the adequacy and effective application of the administrative-accounting procedures for the purpose of providing an accurate economic, equity and financial representation of operating events in compliance with the applicable accounting standards.

The Board also monitored, for matters within its competence, the observance of the legal provisions as regards the process of preparing the Financial Statements and the contents of the Management Report, which are believed to be exhaustive. Taking into account that - pursuant to Art. 14 of Legislative Decree 39 of 27 January 2010, as amended by Legislative Decree 135 of 17 July 2016 ("**Legislative Decree 39/2010**") - the Independent Auditors provide in their report, inter alia, a judgment of consistency of the Management Report with the Financial Statements and its compliance with legal standards, the Board of Statutory Auditors verified that there are no findings in this respect in the report issued by PricewaterhouseCoopers S.p.A..

4.3 Communication of non-financial information

With respect to the obligations laid out by Legislative Decree 254 of 30 December 2016, on the communication of non-financial and diversity information by certain large undertakings and groups, please note that UnipolSai is not subject to this obligation as one of the cases of exemption and equivalence laid out in Art. 6, paragraph 2 applies to it, given that it is a subsidiary company included within the Consolidated Non-Financial Statement prepared by Unipol.

5. Additional activities carried out by the Board of Statutory Auditors

Taking into account that the Company complies with the Corporate Governance Code, the Board of Statutory Auditors evaluated, for matters within its competence, the contents of the Governance Report, 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 Governance Report, the Board of Statutory Auditors highlights that the Independent Auditors' Report issued by PricewaterhouseCoopers S.p.A. ("**Audit Report**") has no findings in this regard.

The Board acknowledged that the Board of Directors evaluated its functioning, size and composition, also in relation to the internal board committees, relying on the support of a major consulting firm.

The control body also acknowledges that the Board of Directors resolved, at its meeting on 7 February 2019 to adopt, pursuant to Art. 123-bis of the Consolidated Law on Finance and the recommendations contained in the Corporate Governance Code in this regard, the "Diversity policy with regards to the composition of the Board of Directors and the Board of Statutory Auditors of UnipolSai S.p.A.". Please refer to the Governance Report for the contents. In expressing its position in view of the shareholders' meeting of 17 April 2019, the outgoing administrative body took account of the guidelines contained in the aforementioned policy.

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, and in accordance with Art. 147-ter, paragraph 4 of the Consolidated Law on Finance;

The Board 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 adopted by CONSOB by means of resolution no. 11971 of 14 May 1999 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.

The Board also verified, by taking part in the meetings of the Remuneration Committee, the company processes that led to the definition of the remuneration policies adopted, without making any observations in relation to their consistency with the recommendations of the Corporate Governance Code and compliance with the industry regulatory provisions in force.

In addition to the above, the Board of Statutory Auditors, also through participation in the meetings of the Control and Risk Committee, conducted additional specific checks regarding the consistency with the legal and regulatory provisions in force for the insurance sector. In particular, the Board verified:

- through the information acquired periodically, also during meetings with the Manager and/or representatives of the Anti-money laundering Department, the fulfilment of the anti-money laundering obligations pursuant to Legislative Decree 231 of 21 November 2007 as amended. No remarks need to be made with regard to the organisational structure set up to guarantee the prompt update of the archives and the identification of suspicious transactions;
- the compliance with the rules that govern the coverage of the technical provisions, with special reference, as regards financial instruments, to their full and free ownership and availability and the non-existence of constraints and the compliance with the criteria defined in the investment policy adopted. 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;
- through the information acquired periodically in the course of meetings with the Manager and/or representatives of the Finance Department, 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;
- through the information acquired periodically in the course of meetings with the Manager and/or representatives of the Finance Department, 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;
- through the information acquired periodically, that the register of complaints is kept and fed correctly, in accordance with pertinent IVASS provisions;
- 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.

The control body also verified that, at the date of year-end close, the Company has equity admissible to cover the capital requirements equal to 2.53 times the Solvency Capital Requirement (SCR) and 4.73 times the Minimum Capital Requirement (MCR), (pointing out that these figures are calculated on the basis of the information available at 14 March 2019, the date on which the Board of Directors approved the Financial Statements, and that the solvency position of the Company will be subject to a specific disclosure to the market and to IVASS by 22 April 2019, in accordance with EU Regulation 2015/35 (Delegated Acts). The individual 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. For the purposes of determining equity, the volatility adjustment prescribed by Art. 36-septies of the Insurance Code is applied.

6. Organisation and management model pursuant to Legislative Decree no. 231/2001

The Board viewed and examined the reflections of the Supervisory Board with respect to any update of the Organisational, Management and Control Model prepared pursuant to Legislative Decree 231/2001, Art. 6, letter a), taking into account the entry into the scope of the above-mentioned decree of new types of offence or changes therein.

The Board of Statutory Auditors also acquired the required information on the organisational and procedural activities carried out in compliance with the aforementioned Decree, by attending periodic meetings with the Supervisory Board in relation to the audit and control activities performed respectively. No facts and/or circumstances worth noting emerged from the disclosure provided by the Supervisory Board, including through its Annual Report.

7. Audit of the accounts

Taking into account that, pursuant to Art. 19 of Legislative Decree 39/2010, the Board of Statutory Auditors, as the Internal Control and Auditing Committee, is tasked with:

- informing the administrative body of the entity subject to audit of the outcome of the audit and sending to said body the Additional Report pursuant to Art. 11 of Regulation (EU) no. 537/2014 of the European Parliament and Council ("**Regulation (EU) 537/2014**"), accompanied by any observations;
- monitoring the process of financial reporting and submitting recommendations or proposals aimed at ensuring its integrity;
- monitoring the effectiveness of the company internal quality control and risk management systems and, if applicable, of the internal audit, with regard to the financial reporting of the entity subject to audit, without breaching its independence;
- monitoring the audit of the financial statements and of the consolidated financial statements, also taking into account any results and conclusions of the quality controls performed by CONSOB pursuant to Art. 26, paragraph 6, of Regulation (EU) no. 537/2014, where available;
- verifying and monitoring the independence of the auditors or the independent audit firm pursuant to articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of Legislative Decree 39/2010 and Art. 6 of Regulation (EU) no. 537/2014, in particular as regards the adequacy of the provision of non-audit services to the entity subject to audit, in compliance with Art. 5 of said Regulation;
- being responsible for the procedure targeted at the selection of the auditors or the independent audit firm and recommending auditors or the independent audit firm to be appointed pursuant to Art. 16 of Regulation (EU) no. 537/2014,

the Board of Statutory Auditors took part in the preparation of the procedure for the assignment of the Group audit, drawn up in accordance with Regulation (EU) no. 537/2014 and Legislative Decree 39/2010, which aims to govern the process for the assignment of the legally-required or voluntary audit (the **"Engagement"**) by Unipol and its subsidiaries falling within the scope of application of said procedure, by pursuing, in compliance with the applicable legal provisions and in accordance with the reference international accounting standards, the priority objective of identifying a principal auditor for the Group, identified as the auditor to whom Unipol and UnipolSai confer the engagement, except for the case in which, in compliance with the applicable provisions on independence and situations of incompatibility, it is necessary for some Group companies to identify a different auditor. The Engagement is assigned on the basis of a selection procedure conducted based on agreement between Unipol and UnipolSai, in its role as the main Group subsidiary and listed company, whose outcomes are then presented to the competent company bodies of the other companies within the scope of the Group for the purposes of the decisions within their respective competence. The aforementioned procedure was approved by the Board of Directors, based on the prior issuing of a favourable opinion by the Board of Statutory Auditors.

The Board of Statutory Auditors, as the Internal Control and Auditing Committee, also carried out - as part of the process of selection of the principal Group auditor to whom to assign the Engagement for the years 2021 to 2029 - the activities within its competence, jointly with the control body of the Parent Unipol, following which it prepared, in compliance with the applicable legislation and according to the objectives of the same, as well as in compliance with the specific procedure adopted by the Company, its justified recommendation for the assignment of said Engagement.

In addition, the Board of Statutory Auditors 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 2018 - no significant data or information worth reporting came to light.

The Board of Statutory Auditors was also informed by the independent auditors on the regular updating of the company accounts and the proper recognition of operating events in the accounting entries.

The Audit Report, prepared in accordance with the instructions pursuant to Art. 10 of Regulation (EU) no. 537/2014, as well as Art. 14 of Legislative Decree 39/2010, and Art. 102 of the Insurance Code, contains no remarks or information requests. In addition, it does not bring to light any significant errors with reference to the Management Report, or significant uncertainties relating to facts and circumstances that could give rise to doubts as to the Company's capacity to continue to operate on a going concern basis.

The Board examined, as the Internal Control and Auditing Committee, the Additional Report, which brings to light no information worth reporting.

The Board also evaluated, along with the Independent Auditors, the proper use of the accounting standards and the uniformity of their use for the purpose of preparing the consolidated financial statements.

Taking into account that - pursuant to Art. 14 of Legislative Decree 39/2010 and Art. 41 of Legislative Decree 127 of 9 April 1991 - the Independent Auditors provide an opinion on coherence between the Management Report and the Consolidated Financial Statements, as well as its compliance with legal standards, the Board of Statutory Auditors - in performing its monitoring activities - exchanged information with the independent auditors regarding the outcomes of the work performed in relation to the Consolidated Financial Statements; it did not register any anomalies worthy of mention in this Report.

The Audit Report issued by PricewaterhouseCoopers S.p.A. on the Consolidated Financial Statements for the year ended 31 December 2018 does not contain any remarks or information requests. In addition, it does not bring to light any significant errors with reference to the Management Report, or significant uncertainties relating to facts and circumstances that could give rise to significant doubts as to the Company's capacity to continue to operate on a going concern basis.

Based on the provision contained in Art.19, paragraph 1 of Legislative Decree 39/2010, the Board verified and monitored the independence of the company charged with the audit of the accounts. In particular, the Board of Statutory Auditors examined and approved the further engagements assigned in the course of 2018 to PricewaterhouseCoopers S.p.A. and companies in its network, the consideration for which is reported in detail in the Notes to the Financial Statements, to which reference is made. The control body issued, in particular, its opinion in relation to the proposed engagements concerning:

- the audit of the Solvency and Financial Condition Report for the year ended 31 December 2017, set forth in Art. 47-septies, paragraph 7 of the Insurance Code;
- the audit of the Solvency and Financial Condition Report as well as the limited audit of the solvency capital requirement (SCR) and the minimum capital requirement (MCR) for the years 2018, 2019 and 2020, set forth in accordance with Regulation no. 42 issued by IVASS on 2 August 2018;
- the performance, by PricewaterhouseCoopers Actual Services S.r.l., of professional assistance activities targeted at methodological support regarding the most widely used internal market models for the Solvency II evaluation of Non-Life tariff-setting and provisions risks.

From an examination of the annual declaration confirming its independence, provided by PricewaterhouseCoopers S.p.A., as well as detailed analyses conducted with the collaboration of the competent corporate structures and the independent auditors, taking into account the nature of the engagements assigned to the latter and/or the companies in its network, no evidence or situations emerged such so as to lead one to believe that there are any risks for the independence of the company responsible for auditing the accounts or grounds for incompatibility pursuant to applicable regulations.

8. Opinions issued by the Board of Statutory Auditors during the year

During the year, the Board of Statutory Auditors issued the opinions, observations and/or certifications required by law and/or by regulations in force and the internal procedures.

9. Complaints, reports in accordance with Art. 2408 of the Italian Civil Code. Any omissions, censurable events or irregularities identified

In 2018, the Board of Statutory Auditors received no complaints in accordance with Art. 2408 of the Civil Code or reports from third parties.

During the course of the supervisory activity performed by the Board of Statutory Auditors and based on the information obtained from the Independent Auditors, no omissions and/or censurable events and/or irregularities were recorded or, in any case, any significant events occurred that needed to be mentioned in this Report.

10. Conclusions and indications of any proposals to be presented to the shareholders' meeting

The Board of Statutory Auditors examined the Company's financial statements and consolidated financial statements, subject to separate reports.

The Financial Statements show the management activity carried out during the year and the equity, financial and economic position of UnipolSai at 31 December 2018 and were prepared in compliance with the applicable statutory regulations and the specific provisions of the insurance sector. More specifically, they have been drawn up in compliance with the provisions set forth under Title VIII of the Insurance Code, of Legislative Decree 173 of 26 May 1997 and ISVAP Regulation no. 22 of 4 April 2008 ("**Regulation no. 22/2008**") as amended, and implementing the instructions issued on the subject by the Supervisory Authority. For matters not expressly governed by the regulations of the sector, please refer to the general rules regarding financial statements in the Italian Civil Code and the accounting standards issued by the Italian Accounting Standards Setter (OIC).

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

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 layouts set forth in Regulation no. 22/2008. 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 Audit Report. The Notes to the Financial Statements illustrate the measurement criteria adopted, which are in line with the activity and transactions performed by the Company, and the other information required by law.

The Board verified that the Financial Statements correspond to the events and information it is aware of and has no remarks to make on the subject.

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

Based on the information acquired through its monitoring activities conducted during the year, the Board of Statutory Auditors did not become aware of operations not based on compliance with the principles of proper administration, decided and implemented in conflict with the law and/or the by-laws, that did not fulfil the interests of the Company, conflicted with the resolutions passed by the Shareholders' Meeting, manifestly imprudent or hazardous, lacking the necessary information in the case of interests of Directors or which could compromise the integrity of the company capital.

Taking account of the information set out above, the Board of Statutory Auditors, having acknowledged the content of the Audit Report and the certifications issued by the Chairman of the Board of Directors and the Manager in charge of financial reporting, does not note any reasons preventing, for matters within its competence, approval of the financial statements for the year ended 31 December 2018, as presented by the Board of Directors, and has no observations to make regarding the proposed allocation of profit and the distribution of the dividend put forward by the same Board of Directors.

Bologna, 26 March 2019

On behalf of the Board of Statutory Auditors

Chairman Paolo Fumagalli



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INDEPENDENT
AUDITORS' REPORT



UnipolSai Assicurazioni SpA

Independent auditor's report

in accordance with article 14 of Legislative Decree n° 39 of 27 January 2010, article 10 of Regulation (EU) n° 537/2014 and article 102 of Legislative Decree n° 209 of 7 September 2005

Financial Statements as of 31 December 2018



Independent auditor's report

in accordance with article 14 of Legislative Decree n. 39 of 27 January 2010 and article 10 of Regulation (EU) n. 537/2014 and article 102 of Legislative Decree n. 209 of 7 September 2005

To the Shareholders of
UnipolSai Assicurazioni SpA

Report on the Audit of the Financial Statements as of 31 December 2018

Opinion

We have audited the financial statements of UnipolSai Assicurazioni SpA (the "Company"), which comprise the balance sheet as of 31 December 2018, the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2018, and of the result of its operations for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters
Auditing procedures performed in response to key audit matters

Actuarial estimates of Non-life claims provisions

Notes to the Financial Statements, Part A: Measurement criteria
Notes to the Financial Statements, Section 10 – Technical provisions

Technical provisions include Euro 10,936 million of Non-Life claims provisions representing the 20 per cent of “Total Liabilities and Shareholders’ Equity”.

Non-Life claims provisions is posted to face the amounts incurred by the Company to settle the claims incurred in the current and in previous years and not yet defined at year end. Granted that the valuation of outstanding claims relies on the quality of the underlying data, a range of methods, underlying a number of implicit or explicit assumptions relating to the expected settlement amount and number of claims, may be used to determine these provisions. Change in these assumptions can modify the estimate of the final provisions. Professional judgement is involved, for instance, in estimating the period over which claims are expected to settle.

The valuation of Non-Life claims provisions involves the use of significant estimates and relies on a significant professional judgement based on the actuarial assumption adopted.

In order to challenge the quality of the data utilized to value the Non-Life claims provisions, we understood and tested the governance process in place to determine the insurance contract liabilities and validated, on a sample basis, the controls in place. In addition we verified the accuracy and completeness of the data base testing a sample of claims and matching the information included in the IT system with those of the related dossiers.

Our audit procedures applied to verify the actuarial valuation include the following:

- analysis of the methodologies, hypothesis and assumptions adopted by management;
- challenge these methodologies and assumptions by comparing them with those used in the industry and in prior periods;
- performed a risk based assessment to determine the more relevant classes of business. For these classes, assisted by our own actuarial experts, we performed a sensitivity analysis on assumptions and estimates utilized by the Company and performed our own independent actuarial projections and compared the results with management’s estimates.



Key Audit Matters
Auditing procedures performed in response to key audit matters

Valuation of financial instruments structured securities portfolio

*Management Report, paragraph Asset and financial management
Notes to the financial statement, Section 2 – Investments, paragraph 2.3 Other financial investments*

Structured securities amount to some Euro 823 million representing 2 per cent of total assets.

The complexity of the valuation process is not uniform for all financial instruments types and it is harder for illiquid structured securities because quoted prices are not readily available.

The valuation of financial instruments held at fair value is based on a wide range of inputs, many of which not observable in the market. Where observable market data is not available, for example when determining the valuation of certain complex structures, fair value estimates are influenced by input data utilized in the internal valuation models and is consequently subject to a higher level of judgement.

Valuation of financial structured securities is therefore complex and subject to judgement, especially when observable market data are not available.

Our audit procedures concerning valuation of structured securities include the following:

- we performed an understanding and an assessment of the valuation process along with the effectiveness of key controls on a sample basis;
 - we analysed along with Company's Directors the methodologies and assumptions utilized;
 - we challenged these methodologies and assumptions by comparing them with those used in the industry and in prior periods;
 - we verified, on a sample basis, input data readily observable in the market;
 - we performed on a sample basis, with the support of our valuation experts, an independent valuation on some structured securities.
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Key Audit Matters

Auditing procedures performed in response to key audit matters

Valuation of acquired investment

Management Report, paragraph Information on significant events, Acquisition of Arca Vita from the holding company Unipol
Notes to the financial statement, Section 2 – Investments, paragraph 2.2 Investments in Group companies and other investees

As part of the project for streamlining the group's insurance sector of the Unipol Group, on 7 August 2018, obtained the authorisation from the competent authorities, the Company acquired from Unipol Gruppo SpA the investment in Arca Vita SpA (63,39 per cent of shareholders' equity).

The consideration paid for the acquisition of this investment has been determined in Euro 475 million, utilizing estimation methodologies with the support of financial advisors.

The methodologies and the valuation assumptions adopted by Company and financial advisors in the determination of the value of investment required a considerable professional judgement dependent also on the assumptions.

The valuation of such investment required significant estimates and, among other matters, the professional judgement is, for example, used in the future projections which have been utilised to develop discounted cash flow models and discount rates.

Our audit procedures on the valuation of the acquired investment included a critical review of the following documents:

- minutes of the Board of Directors' meetings where the decision of the acquisition was approved;
- appraisal documents and *fairness opinion* of financial advisors on the fairness of the total consideration paid and addressed to the Board of Directors and the Committee for transactions with related parties;
- external appraisal on the reasonableness of the estimate methodology and computations developed by the external advisors and issued by another financial advisor addressed to the Board of Directors and the Committee for transactions with related parties;
- *legal opinion* of the external advisor addressed to the Board of Directors and the Committee for transactions with related parties;
- info document "*Documento informativo relativo ad operazioni di maggiore rilevanza con parti correlate*" issued by the Committee for transactions with related parties.

We read the communication of the Insurance Authority with reference to the change of the main shareholder of Arca Vita SpA. We further evaluated, with the support of PwC experts, the reasonableness of the assumptions and the methodologies used by management and financial advisors; we reperformed the calculation of the valuation of investment and, finally, we compared our results to the conclusions reached by management and external financial advisors.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, management uses the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



- we concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with *governance*, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with *governance* with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with *governance*, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by article 10 of Regulation (EU) n° 537/2014

On 30 July 2013, the Shareholders of UnipolSai Assicurazioni SpA in general meeting engaged us to perform the statutory audit of the Company and the consolidated financial statements audit for the years ending 31 December 2013 to 31 December 2021.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) n° 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to those charged with *governance*, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.



Report on Compliance with other Laws and Regulations

Opinion in accordance with article 14, paragraph 2, letter e), of Legislative Decree n° 39/2010 and article 123-bis, paragraph 4, of Legislative Decree n° 58/1998

Management of UnipolSai Assicurazioni SpA is responsible for preparing a report on operations and a report on the corporate governance and ownership structure of UnipolSai Assicurazioni SpA as of 31 December 2018, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) n° 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree n° 58/1998, with the financial statements of UnipolSai Assicurazioni SpA as of 31 December 2018 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of UnipolSai Assicurazioni SpA as of 31 December 2018 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree n° 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Opinion drawn up pursuant to article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, Non – Life technical provisions

In execution of the assignment received from UnipolSai Assicurazioni SpA, we have performed procedures, in accordance with article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, on the items relating to the Non – Life technical provisions, included in the liabilities section of the balance sheet of UnipolSai Assicurazioni SpA as at 31 December 2018. 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 2018, 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 2018. 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 2018, 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, 26 March 2019

PricewaterhouseCoopers SpA

Signed by

Antonio Dogliotti
(Partner)

This report has been translated into the English language from the original, which was issued in Italian and in accordance with Italian law, solely for the convenience of international readers.

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at No. 1.00006
and a member of the
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entered in the Register of
the parent companies – No. 046

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