

UnipolSai Assicurazioni
Annual Report
 2019





EVOLVING. GOING BEYOND.

Financial year 2019 is the starting point for a new and ambitious mission: evolution.

In the current economic scenario, in which the entire insurance sector is undergoing extensive changes, we want to continue looking forward, backed by our role as market leader, which we have built over time alongside our stakeholders.

Evolving with a change in pace that enables the UnipolSai and the Unipol Group to become leader in three major ecosystems: Mobility-Welfare-Property.

The strength of our assets - people, technology and sustainability - will allow us to overcome the single concept of insurance in order to evolve together, continuing to create shared value.

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Company bodies

BOARD OF DIRECTORS	CHAIRMAN	Carlo Cimbri	
	VICE CHAIRMEN	Fabio Cerchiai	
		Pierluigi Stefanini	
	DIRECTORS	Fabrizio Chiodini	Nicla Picchi
		Lorenzo Cottignoli	Giuseppe Recchi
		Ernesto Dalle Rive	Elisabetta Righini
		Cristina De Benetti	Antonio Rizzi
Massimo Masotti		Barbara Tadolini	
Maria Rosaria Maugeri		Adriano Turrini	
Maria Lillà Montagnani		Francesco Vella	
	SECRETARY OF THE BOARD OF DIRECTORS	Alessandro Nardi	
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

In 2019, global growth came to around 2.5% (3.2% in 2018). The main economic areas experienced a slowdown in GDP growth, in particular in the second half, due to the reduction in trade triggered by US trade policies and continuing elements of uncertainty, such as Brexit and geopolitical risks in the Middle East.

The United States grew at a rate of 2.3% (2.9% in 2018). The growth was primarily supported by private consumption, whilst the contribution to growth from investments and public spending reduced. Against a moderate slowdown in economic activity and a job market that is remaining robust (unemployment rate of 3.5% in December) and despite the December inflation rate of 2.3%, the Federal Reserve cut the Fed Funds rate three times during the year (the rate reaching 1.75% in October), suspending the reduction in the amount of bonds held starting from the end of August. In addition, so as to overcome a strong liquidity draining in the Repo market, the Federal Reserve introduced a short-term bond buying programme with a view to bringing the level of bank reserves back to around \$1,500bn and maintaining them at that level. These moves did not change the tone of the monetary policy however.

China continues to slow, with GDP growth in 2019 coming in at 6.1% on an annual basis. This was the slowest growth rate recorded since 1992 (6.5% in 2018). The slowdown is in large part attributable to the slowdown in international trade and the trade war with the United States, which hit the manufacturing sector hard, causing a significant slip in production. The difficulties in that sector led to a drop in private demand, and in particular investments, only partially offset by the positive contribution of investments of public companies. In December, the inflation rate stood at 4.2%.

Emerging markets were also impacted by the global slowdown, as well as substantial stability in the price of commodities. In 2019, growth of roughly 4% was observed, against 4.7% in 2018.

Japan should achieve weak growth, estimated at +1.0%, thanks to the contribution of unconventional, highly expansionary monetary policies and domestic demand, which offset a considerable decline in exports. Despite higher tax on consumption and expansion of the assets held by the Bank of Japan, inflation remains modest (0.8% in December), although within a context of close to full employment (unemployment at 2.2% in December).

The Euro Area achieved GDP growth of +1.1% (+1.8% in 2018). The drop in growth can be attributed to multiple factors, such as slowing international trade, uncertainty with respect to Brexit developments and the slowdown in the manufacturing sector (which particularly impacted Germany and Italy). The unemployment rate continued to decline, reaching 7.4% in December 2019.

Given the economic slowdown and inflation significantly lower than the 2% target (1.3% in December), the ECB modified the tone of its monetary policy and adopted additional expansionary stimulus measures. In particular, as of September the following measures were adopted:

- launch of a new quantitative easing bond buying plan amounting to €20bn per month, plus the full reinvestment of the capital from maturing bonds;
- cut in the deposit rate to -0.5%, while at the same time introducing a tiering system to mitigate the effect of negative rates on bank profitability;
- adoption of a new plan of auctions for financing the banking system (TLTRO III).

In 2019, the Italian economy slowed further compared to the previous year, with a GDP growth rate of +0.2% on an annual basis (+0.7% in 2018), resulting from a number of factors: the reduced contribution of net exports due to the above-mentioned slowdown in international trade, the modest trend in investments and the slowdown in private consumption. Nonetheless, the job market remained solid, with an unemployment rate of 9.8% at year-end, down compared to 2018. The inflation rate in December was 0.6% (1.2% in 2018).

Financial markets

The monetary expansion manoeuvres announced by the ECB in September 2019, implemented starting last November, drove all European interest rate curves down. The 3-month Euribor rate closed 2019 down by 7 basis points versus the same figures at the end of 2018, while the 10-year Swap rate declined in the same period by 82 basis points. The German government yield curve showed modest volatility on maturities up to 3 years and a reduction in long-term rates in 2019. The 10-year Bund returned to negative values from May 2019 and amounted to -0.17% at the end of 2019, down by 45 basis points compared to the values at the end of 2018.

In Italy, the ECB expansion manoeuvres compressed the returns on government bonds. The 10-year spread between Italian and German rates was 157 basis points at the end of 2019, down by 95 basis points compared to the end of 2018.

2019 closed on a positive note for the European equity markets after the losses recorded in 2018. The Eurostoxx 50 index, referring to the Euro Area prices, achieved a 25% upturn in 2019 compared to the values at the end of 2018, whilst the FTSE Mib, referring to Italian listed companies, rose by 28% in the same period.

In the course of 2019, the Fed suspended the normalisation of its monetary policy, cutting the Fed Funds rate three times and injecting liquidity into the US interbank markets. Over 2019, the return to expansionary monetary policies allowed the S&P 500 index to rise by 29% compared to 2018 year-end values. The Fed's more expansionary monetary policies also benefited the emerging market prices: in 2019 the Morgan Stanley Emerging Markets index saw a 15% upturn.

Insurance sector

In 2019, due to the expected evolution of the last part of the year, taking into consideration the final data relating to the third quarter, Italian insurance premiums should reach €142.5bn, up 5.4% compared to 2018.

Total premiums of the Italian direct portfolio in the Non-Life business are expected to rise in 2019 by 3.3% compared to 2018. In the MV sector, consisting of MV TPL, Marine Vessels TPL and Land Vehicle Hulls, premiums are expected to rise slightly compared to 2018 (+1.0%). According to ANIA data for December 2019, the average premium in the MV TPL business fell by around 1% in 2019, from €352 to €349. The ISTAT index for MV TPL prices, the value of which reflects the price lists and not those actually applied by companies, instead recorded a 0.3% decline in 2019.

The positive trend in the Non-MV Non-Life business is confirmed, with premiums up by 5.5% compared to 2018. Particularly positive trends were recorded in the Healthcare segment (+8.3%), driven by positive performance in the Health (+12.3%) business, and in the Property segment (+4.5%), which benefited from the expected growth rate of +6.1% in the Pecuniary Losses business. Likewise, growth is also expected in premiums of other Non-Life classes (+5.3%) thanks to the increase in the Assistance business (+9.8%), while the General TPL business likely achieved more limited growth (+2.3%).

The negative trend in the MV segment agency channel is expected to continue, with a decline of 0.4% and an overall impact of 82.7% on total premiums, against an increase in the share of the Direct channel (+0.2%) and Brokers (+0.3%) and substantial stability in the banking channel, accounting for 3.1% of premiums. For the Non-MV classes, a decline is expected in the agency channel share (-0.5%) and in Brokers (-0.2%), against growth in the banking channel (+0.6%) and direct sales (+0.1%).

In the Life sector, the trend already observed in 2018 was confirmed in 2019 as well, with rates of increase close to 4%, deriving primarily from sustained growth in premiums relating to class I revaluable policies (+9.5%), against a further downturn in the sale of class III policies (-6%). In 2019, growth continued in classes IV (+36.2%) and VI (+33.9%), while class V closed 2019 with a reduction of roughly 32.9% in premiums.

The share of the agency channel in the Life business was up by 11.1% in 2019, accounting for 14.45% of total premiums, thus suspending the negative trend recorded in previous years. The Banks and Consultants channels were down, by a total of -5.8% compared to 2018, making up 74.3% of total premiums.

Pension funds

In 2019, net deposits of assets under management (mutual funds, individual asset management, collective and individual pension plans) amounted to around €73.5bn, of which 2.4% referring to pension management (+€1.8bn). Net deposits of pension funds remained positive again in 2019 (+€0.6bn in the first quarter, +€0.5bn in the second, +€0.3bn in the third and +€0.4bn in the fourth). Asset management referring to pension funds and individual pension plans at the end of 2019 totalled €98bn, equal to 4.3% of total assets under management, up 5.6% on 2018.

In 2019, pension fund positions increased by 4.5% compared to the end of 2018, reaching 393k positions in December, 72.5% relating to employees. An expansion was seen in 2019 both in open pension funds which recorded a 6.1% in existing positions, corresponding to a growth in assets under management of 15.6%, and in other pension plans such as the “new” PIPs, for which existing positions increased by 4.4% and assets under management by 10.5%. The occupational pension funds also recorded an increase in existing positions (+5.3%), but against a decline in assets under management (-1.2%). In fact, the higher number of positions depends solely on the contribution of ten funds for which contractual mechanisms are in operation (welfare funds) and whose assets increased by 24.3%, but which represent less than 10% of the total assets under management. Lastly, pre-existing pension funds remained stable in terms of the number of subscribers (+0.3%), but with assets under management expanding by 18.2% as a result of their revaluation.

The favourable equity market trends in 2019 led to average returns on supplementary pension plans being positive and much higher than the benchmark following the revaluation of post-employment benefits. The best performance was attributable to the “new” PIPs structured as Unit-Linked, with a net return of 12.2%, followed by open pension funds with a net return of 8.3% (particularly the balanced and equity-based funds with respective returns of 14.8% and 9.2%), occupational pension funds with a net return of 7.2%, and the “new” PIPs structured as segregated funds with a net return of 1.7%.

Real Estate market

According to the Real Estate Market Observatory of the Tax Authorities, in 2019 the sale of homes in the residential segment continued to post a positive growth trend (+5.5%), although it was slowing compared to 2018: Milan was confirmed as one of the most active markets in Italy (+7.8%).

Real estate agent expectations are still weak, and data relating to the first half of 2019 regarding the 13 major cities show a downturn in home prices by 0.3% (except in Milan and Florence, where prices rose significantly).

In 2019, sales in the non-residential sector were up by 4.7% over 2018, driven by the tertiary-residential sector (+6.1%), while the production sector declined (-0.8%). The expansion in the commercial tertiary sector reflected growth in sales of offices (+7.1%) as well as of stores (+5.9%), which benefitted from the particularly positive performance of hotels (+26.7%).

The prices of offices and stores continued to fall in 2019 as well, and has now lasted for 12 years. Prices of offices declined by -0.9%, while those of stores were down by -0.6%. Rents are also down, but at slightly lower rates than prices (-0.5% for offices and -0.4% for stores, respectively). In 2019, the cap rates remained stable at 5.1% for offices and 7.3% for stores.

Main regulatory developments

In 2019, the reference regulatory framework for the sectors in which the Group carries on business saw a number of developments and innovations.

Relevant regulations for the insurance sector

In June 2019, following a consultation process that started in the previous year, the Solvency II Delegated Acts (Reg. (EU) 2015/35) were subject to several amendments, including:

- Long-term investments - reduction of capital requirements for long-term investments in equity;
- look-through approach - possibility of a more extensive use of simplification relating to the application of the look-through approach in relation to collective investment undertakings and "packaged" investments like mutual funds;
- credit risk - coordination with standards in force in the banking sector as regards the classification of own funds, exposure to central counterparties (CCP) and the handling of exposures to regional administrations and local authorities;
- calculation of SCR - concession of simplifications in the calculation of SCR for several Life, Non-Life and health sub-modules, so as to guarantee adequate proportionality between the computational load and the real risks incurred by the insurer; and
- Deferred Tax Assets - introduction of additional principles for the calculation of the capacity to absorb deferred tax losses (LAC DT) in the standard formula in order to guarantee greater uniformity of application.

The Regulation entered into force on 8 July 2019, while the points relating to Deferred Tax Assets and the amendments of the method for calculating the risks of the Non-Life and health businesses came into force on 1 January 2020.

Furthermore, in this same area, the **Solvency II Directive** was subject to targeted amendments - aiming to improve several provisions that had encountered application difficulties - as well as an overall review process, the legislative procedure of which is still in the initial phases.

In relation to the first aspect, **Directive (EU) 2019/2177 of 18 December 2019** is particularly significant, as it introduces corrections to the functioning of the country component of the volatility adjustment.

Specifically, the rules call for a reduction in the intervention threshold (from 100 to 85 basis points in terms of the country spread and the currency spread with respect to the yields of baskets of financial assets) and the national volatility adjustment component such so as to make the effective application of that correction component more frequent, while in the past it was limited to cases of strong financial market turbulence.

Also with regard to the solvency regulations, on 11 February 2019 the European Commission officially started the process of reviewing the Solvency II Directive, asking EIOPA for an overall assessment of the legislative framework of Solvency II, without prejudice to the basic principles of the Directive, such as the model for calculating capital requirements based on the calibration of risks and the market-consistent valuation of assets and liabilities.

EIOPA responded to the European Commission's request by promoting two consultations relating to the reports and disclosure to the public. The first consultation was open from 12 July 2019 to 18 October 2019, while the second consultation was part of the Opinion of 15 October 2019 concluding on 15 January 2020 on the review of Solvency II.

The European Commission will take EIOPA's advice into account in the legislative proposal to amend Solvency II, which will be presented by 31 December 2020.

On the domestic front, regarding MV TPL, Italian Decree Law 124 of 26 October 2019 converted with Law 157 of 19 December 2019 (the "2020 Tax Decree") amended paragraph 4-bis of Art.134 of the Private Insurance Code, introducing the **single family premium**. The objective of that measure is to reduce the average premium paid by families, giving all members of the nuclear family the lowest merit category present within that family, irrespective of the type of vehicle owned. The measure entered into force on 16 February 2020.

With reference to primary legislation, please also note **Italian Legislative Decree 49 of 10 May 2019** issued in implementation of Directive (EU) 2017/828 as regards the **encouragement of long-term shareholder engagement (Shareholder Rights II)**, which introduced significant amendments to the Consolidated Law on Finance (TUF), including:

- attribution to issuers of the right to ask intermediaries and central depositories to identify the shareholders holding more than 0.5% of the share capital with voting rights;
- new transparency obligations for pension funds and insurance companies, now defined as institutional investors, when they invest in shares of companies listed in Italian or EU regulated markets (for insurance companies it is also necessary to report their investment strategies in the Solvency and Financial Conditions Report);
- complete voting on the Report on the remuneration policy and compensation paid by the shareholders' meeting, with both sections of the Report now being subject to shareholder vote; and
- more detailed regulations on transactions with related parties (with the resulting amendment of Art. 2391-bis of the Italian Civil Code), in part referred to Consob regulations.

In terms of secondary regulations, of particular importance are the **consultations on Consob and IVASS regulations on insurance distribution**, which will complete the **adoption of the Insurance Distribution Directive (IDD)** within the Italian legal system. The most significant new elements regard: obligatory consulting for complex products; the admissibility of incentive systems only if intended to boost service quality (as set forth in the MiFID II); the prohibition against sales outside the target market, except for Life products with considerable financial content (IBIPs), for which there is an exception, subject to meeting specific conditions.

Relevant regulations for the pension sector

With regard to **pensions**, the most significant new element at European level is the entry into force, on 14 July 2019, of **Regulation (EU) 2019/1238** on a **pan-European Personal Pension Product (PEPP)**, which will become applicable 12 months after the publication in the Official Journal of the European Union of the delegated acts set forth by the Regulation. The PEPP intends to offer consumers a new pan-European option for pension savings, complementary to existing government, professional or personal pension schemes. EIOPA is currently developing proposals to the European Commission on the regulatory technical standards (RTS), the implementing technical standards (ITS) and technical opinions. These proposals will be followed by the adoption by the European Commission of the delegated and implementing acts set forth in the Regulation.

Lastly, also with regard to pensions, on the domestic front, **Italian Legislative Decree 147 of 13 December 2018**, which entered into force on 1 February 2019, transposed in Italy Directive (EU) 2016/2341 ("**IORP II**") on the activities and supervision of **institutions for occupational retirement provision**, making significant amendments to the basic rules relating to supplementary pensions set forth by Italian Legislative Decree 252/2005 and granting the applicable regulatory power to COVIP. On the basis of the above-mentioned delegation, as of 2019 COVIP has promised some public consultations to adjust the reference regulations of the various types of Pension Funds to the new IORP II principles, introducing significant changes especially as regards transparency with respect to members, governance rules, the authorisation system and the penalty system. On conclusion of that regulatory adjustment process, still under way, important organisational revisions are expected for the various forms of supplementary pension schemes.

Tax regulations

The most significant new tax laws for the Group were introduced with the above-mentioned 2020 Tax Decree and with Italian Law no. 160 of 27 December 2019 ("**2020 Budget Law**").

The 2020 Tax Decree set forth, *inter alia*, the following provisions:

- the redefinition of rules regarding long-term individual savings plans (PIR) through the cancellation of the obligation of investment in funds for venture capital set forth in the 2019 Budget Law and the re-proposition of restrictions similar to those in force until 31 December 2018, also allowing for the adjustment of the underlying instruments (internal funds and/or UCIs) and making their marketing possible again;
- the tightening of the criminal tax offences pursuant to Italian Legislative Decree 74/2000 and the amendment of rules on the administrative liability of entities pursuant to Italian Legislative Decree 231/2001 through the introduction, within the group of offences presupposing the entity's liability, of several tax crimes concerning fraud/with particular severity.

The 2020 Budget Law contains the following provisions:

- the reintroduction effective as of the tax period subsequent to that under way on 31 December 2018 of the ACE (*Aiuto alla crescita economica* - Aid to Economic Growth) relief, with the establishment of a return on capital coefficient equal to 1.3%: the ACE relief therefore applies without interruption from 2018, with both the specific rules of the 2019 Budget Law and the Growth Decree remaining unimplemented;
- the postponement, for insurance companies and credit and financial institutions, of the deductibility contemplated in the 2019 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, as well as the postponement of the deductibility of the share relating to 2019 of the negative components recognised due to the application of IFRS 9;
- the remodulation of the deductibility of IMU paid on the company's property for business use, with the following rates: 50% for the 2019 period; 60% for the 2020 to 2021 period; 100% from the 2022 tax period;
- reopening of the terms for the revaluation of the corporate assets and for the realignment of the civil and fiscal values.

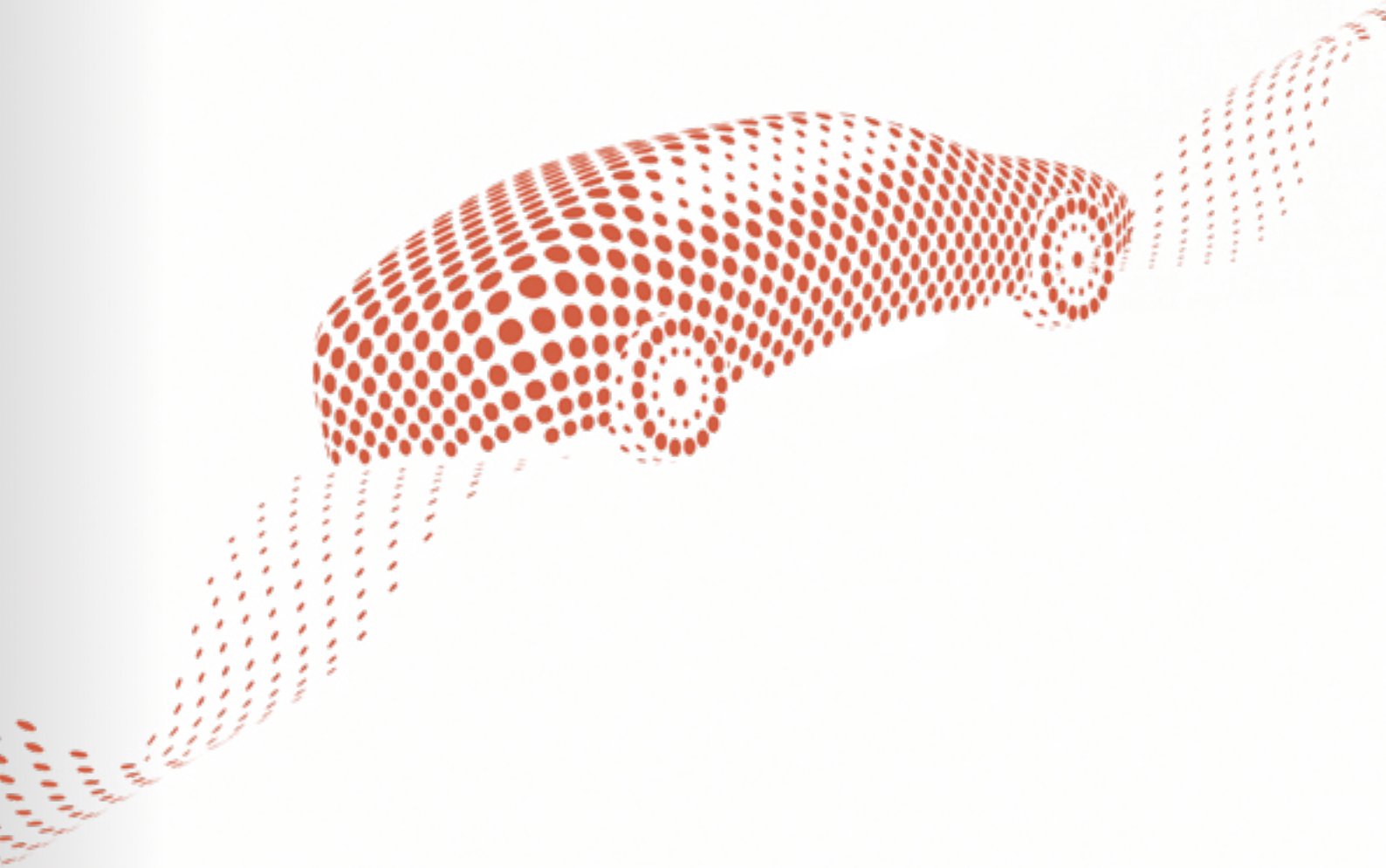
Other regulations

Another priority topic in the agenda of European policy-makers is that of **sustainability**. In the course of 2019, the European Commission presented a number of legislative proposals linked to sustainability, in implementation of its "Action plan on financing sustainable growth" presented in March 2018: these include in particular the entry into force of **Regulation (EU) 2019/2088 of 27 November 2019** on sustainability-related disclosures in the financial services sector. The Regulation establishes harmonised rules for financial market participants and financial advisors to promote transparent disclosures on the policies they adopt on sustainability risk, both in internal corporate governance processes and in risk management processes and in the phase of product engineering, reducing informational asymmetries with investors so they are able to choose investment products that take into account environmental, social or governance ("ESG") factors.

Also in the European realm, lastly, **Regulation (EU) 2019/2144 of 27 November 2019** was approved, on **type-approval requirements for motor vehicles** and their trailers, and systems, components and separate technical units intended for such vehicles, as regards their general safety and the protection of vehicle occupants. The Regulation requires all newly registered vehicles to be equipped with a series of advanced safety systems such as intelligent speed assistance, an advanced driver distraction warning and in particular an "event data recorder" (or EDR). The EDR will save only data relating to accidents and will make them available to the public authorities, which will need to use them to improve overall road safety. The data saved by the EDRs will be anonymous and it will not be possible to use them to identify the vehicle or its owner. The new type-approval requirements and the new safety systems are expected to contribute - in the intention of EU lawmakers - to reducing the frequency and average cost of claims, but the impact will not be immediate, as the new rules will apply only beginning from 6 July 2022, and will gradually take effect in line with the turnover rate in vehicles currently on the road.

In 2019, no significant changes occurred in the series of national accounting standards issued by the OIC (Italian Accounting Standards Setter) of interest to the insurance business.





1

MANAGEMENT
REPORT

Information on significant events

Exercise of the put option on Unipol Banca and UnipolReC

On 7 February 2019, the Board of Directors of UnipolSai Assicurazioni (“**UnipolSai**” or the “**Company**”) resolved to exercise the put option relating to 27.49% of the share capital of Unipol Banca S.p.A. (“**Unipol Banca**”) and UnipolReC S.p.A. (“**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 Gruppo S.p.A. (“**Unipol**”). On 14 February 2019, UnipolSai notified Unipol of its exercise of the option right. 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. After the exercise of the put option, the direct investment held by UnipolSai in Unipol Banca and in UnipolReC stood at 14.76% of the respective share capital and the corresponding shares of these companies held by Unipol increased to 85.24%.

The Board of Directors of the Company also decided to grant to Unipol, within the scope of the aforementioned 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.

The loan was approved by UnipolSai in compliance with provisions of the Policy on intragroup transactions, adopted pursuant to IVASS Regulation no. 30 of 26 October 2016, and - as specified below - in compliance with the Procedure for related party transactions.

Sale of Unipol Banca to BPER Banca and acquisition of NPL portfolios

On 7 February 2019 UnipolSai, along with Unipol and UnipolReC, on one hand, and BPER Banca S.p.A. (“**BPER**”), along with the subsidiary Banco di Sardegna S.p.A. (“**Banco di Sardegna**”) on the other hand, entered into agreements concerning an extraordinary transaction on the banking sector of the Unipol Group, to be performed in a single context through the:

- transfer to BPER Banca S.p.A. of the entire investment held by Unipol and by UnipolSai in **Unipol Banca**, equal to the entire share capital of the latter, for a cash consideration of €220m;
- **UnipolReC**'s purchase of two separate portfolios composed of bad and doubtful loans, one owned by BPER Banca and one by Banco di Sardegna for a gross total of €1.3bn, for a consideration of €130m.

On 31 July 2019 - with all conditions precedent set forth in the contract being met and, in particular, with the necessary authorisations having been received from the competent Supervisory Authorities - the transaction, in execution of the agreements entered into by the parties, was completed.

In particular:

- Unipol and UnipolSai sold their holdings to BPER, representing the entire share capital of Unipol Banca, respectively 85.24% and 14.76% of the capital, at the total price of €220m, divided pro rata between the two sellers as approximately €187.5m and €32.5m, respectively;
- UnipolReC in turn acquired two separate non-performing loan portfolios, one owned by BPER and the other by Banco di Sardegna, for a gross carrying amount of around €1.2bn, against a final price of €102m which takes into account the effects of credit management activities from the assessment reference date up to 31 July 2019.

With this transaction, the Unipol Group completed 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 major investor of one of the main Italian banking groups.

It also increased the scale of operations of UnipolReC, which became a financial intermediary registered pursuant to Art. 106 of the Consolidated Law on Banking, enhancing its expertise in credit recovery.

On 25 September 2019, following the authorisation granted by the competent Supervisory Authority, BPER filed and entered in the Register of Companies the project for the merger of Unipol Banca into BPER. The deed of merger, signed on 15 November 2019, entered into effect on 25 November 2019, with continuity as part of BPER of all Unipol Banca accounts existing prior to the merger.

MISSION EVOLVE – Always one step ahead: the new 2019-2021 strategic plan

On 9 May, the Board of Directors of UnipolSai approved the 2019-2021 Strategic Plan “MISSION EVOLVE – Always one step ahead”. The Strategic Plan aims to reinforce the leadership of UnipolSai over the next three years, laying the foundations to confirm its primacy even beyond the horizon of the Plan.

The new Plan responds to a scenario of profound change in the insurance market as concerns customer expectations, the technological and digital evolution, new competitors and regulatory developments.

In this context, UnipolSai intends to strengthen its leadership in Italy:

- within Non-Life insurance, in terms of the customer portfolio, market share, distribution network and number of black boxes installed (leader in Europe);
- by extending its leadership to the Mobility, Welfare and Property ecosystems.

By leveraging on distinctive assets, the “MISSION EVOLVE – Always one step ahead” is structured based on five strategic guidelines:

- development of technical excellence, with the objective of reaching a combined ratio in the Non-Life business of 93%, in the Life segment the goal is to go beyond the traditional logics based on products by ensuring that the offerings are developing into a life and welfare integrated vision;
- development of distribution excellence, with the objective of reaching in 2021 a revenue at a consolidated level of €8.7bn in the Non-Life business and €5.0bn in the Life business, thus confirming its central role as the top Italian agency network and distinctively positioning itself in the process of developing bancassurance and partnerships;
- beyond insurance, by characterising itself as a reference point for the needs of the customers in the Mobility ecosystems (planning for the launch of new solutions such as long term leases and an online platform for the re-use), Welfare (with tele-medicine) and Property (planning for the development of an integration of insurance, home automation and service) offering integrated solutions;
- people and technology, by accelerating the development process complementing the staff professionalism with new digital skills and the use of technology and automation to simplify the operating model;
- shared value and sustainable development, by contributing to reaching the sustainable development goals of the UN 2030 Agenda.

Fitch raised UnipolSai’s rating to “BBB+”

On 29 May 2019, the Fitch Ratings rating agency announced its upgrade of the Insurer Financial Strength (IFS) rating of UnipolSai Assicurazioni to “BBB+”, with negative outlook, from “BBB”.

At the same time, the rating agency confirmed the Long-Term Issuer Default Rating (IDR) assigned to Unipol Gruppo and UnipolSai Assicurazioni as “BBB” with a negative outlook. Also the ratings of the debt securities issued by the Unipol Group were confirmed: the Unipol Gruppo senior loans were confirmed at “BBB-”, the subordinated loans with maturity of UnipolSai Assicurazioni were confirmed at “BBB-” and the perpetual bond loan of UnipolSai Assicurazioni was confirmed at “BB+”.

Unica obtains ISO 9001:2015 Quality Certification

On 2 July 2019, UnipolSai obtained ISO 9001:2015 Certification for its Unica (Unipol Corporate Academy) training processes, with definition of the Unica Quality Management System and training of Academy personnel.

Mergers and spin-offs within the Group

In June 2019 the Boards of Directors of UnipolSai and the subsidiaries concerned, insofar as they were respectively responsible, approved the following mergers and spin-offs (the "Transactions") involving UnipolSai and its wholly-owned subsidiaries:

- project for the merger by incorporation of Pronto Assistance into UnipolSai;
- project for the full spin-off of Ambra Property in favour of UnipolSai, UNA Group and MIDI;
- project for the partial spin-off of Casa di Cura Villa Donatello in favour of UnipolSai, as well as the full spin-off of Villa Ragionieri in favour of the Company itself and Casa di Cura Villa Donatello.

The Transactions are part of a project for streamlining and simplifying the structure of the Group which aims to:

- simplify and further boost the efficiency of the industrial management and administrative, capital and financial organisation of the companies within the Group, eliminating duplications of structures and skills, today placed in companies or company complexes for which the prerequisites for autonomous management and/or income generating capacity have progressively stopped being met;
- concentrate into UnipolSai, or under its direct control, assets or corporate structures functional to the pursuit of the strategic objectives set forth in the 2019-2021 Business Plan.

By communication dated 16 October 2019, pursuant to Art. 201 et seq., Italian Legislative Decree no. 209 of 7 September 2005 and Art. 23 et seq. of ISVAP Regulation no. 14/2008, IVASS granted authorisation to UnipolSai Assicurazioni for the merger by incorporation of Pronto Assistance into UnipolSai Assicurazioni and for the spin-offs, with partial transfer of the company complex to UnipolSai Assicurazioni, of Ambra Property, Villa Ragionieri and Casa di Cura Villa Donatello.

On 21 January 2020, after concluding the required corporate procedures, the deed of merger and the deeds relating to the spin-offs were signed. Following their registration in the respective Registers of Companies, these transactions became legally effective from 1 February 2020. They became effective for accounting and tax purposes as of 1 January 2020 as regards the merger and total spin-offs of Ambra Property and Villa Ragionieri, and as of 1 February 2020 as regards the partial spin-off of Casa di Cura Villa Donatello.

Again in June 2019, the Boards of Directors of the subsidiaries UniSalute S.p.A. ("**UniSalute**") and UniSalute Servizi S.r.l. ("**UniSalute Servizi**") approved, within their areas of competence, the proportional partial spin-off of UniSalute Servizi, with transfer to a NewCo of the business consisting in the provision of specialist medical-healthcare services. The proportional partial spin-off was completed on 1 October 2019, with the simultaneous setup of "Centri Medici Dyadea". On 20 December 2019, UnipolSai acquired 100% of the share capital of Centri Medici Dyadea from UniSalute at the price of €5.1m.

Following the spin-off, UniSalute Servizi focuses its activities on the marketing, promotion and management of social and healthcare assistance services, whilst Centri Medici Dyadea is a network of clinics that guarantees quality healthcare in the area of Bologna.

Acquisition of Car Server

On 1 August 2019, UnipolSai finalised the acquisition of 100% of the share capital of Car Server S.p.A. ("Car Server") at the price of €96m, approved by the Company's Board of Directors on 14 March 2019.

Car Server is one of the leading operators on the Italian market for long-term company fleet rental and business mobility management in general. With this transaction, the Group has laid the groundwork for implementation of the 2019-2021 Strategic Plan as regards the mobility ecosystem.

Trade Union agreement regarding Personnel

As part of the implementation of the 2019-2021 Business Plan, on 18 July 2019 a trade union agreement was signed regarding voluntary pre-retirement arrangements for UnipolSai Assicurazioni employees meeting pension requirements by the end of 2023.

The agreement of 18 July 2019 envisaged early retirement for a maximum of 760 individuals, but as over 800 subscribed to the option, on 20 November 2019 a further trade union agreement was signed that will allow all employees subscribing to access the arrangements envisaged in the previous agreement.

In February 2020, the agreement was also extended to the Group's other insurance companies, for which the number of potential applications is not expected to exceed 20. For further information, please refer to the section "Other Information".

Repayment of subordinated liabilities

On 24 July 2019, in application of the contractual repayment plan, UnipolSai arranged repayment of the first of five annual instalments in equal amounts of €80m of the Restricted Tier 1 subordinated loan disbursed on 24 July 2003 by Mediobanca - Banca di Credito Finanziario S.p.A. for a total nominal amount of €400m, maturing on 24 July 2023.

"Always one step ahead": the leadership and innovation of UnipolSai Assicurazioni at the heart of the multimedia advertising campaign

In 2019, UnipolSai Assicurazioni was back on air with the **new multimedia advertising campaign "Always one step ahead"**.

Through creativity that effectively combines corporate and product elements, at the same time the campaign emphasises the leadership, expertise and reliability of UnipolSai and its innovative vocation that is consolidated by the offer of insurance solutions combined with state-of-the-art technology services.

With an authoritative and reassuring mood and sophisticated cinematographic processing, the campaign advertises two products dedicated to the world of cars:

- **the Unibox digital device for cars**, the satellite device linked to the KM&Servizi MV policy, which offers a series of functions such as call-out when needed of tow trucks and emergency assistance, and which allows the premium to be modelled according to driving style;
- **the innovative UnipolSai App**, which offers direct management of car details via smartphone or tablet: from the km travelled to routes, and the most sophisticated high-value added services, all readily to hand, such as the option of tow truck call-out and real-time monitoring of its route.

A major advertising project for which Alessandro Gassmann was chosen as the key protagonist and which includes the scheduling of 30-second and 15-second TV advertisements on all the main national networks, in addition to a presence on digital channels, radio and press with creative integration over the various media.

UnipolSai and Sport Festival together again for the second year

For the second year, UnipolSai confirmed its support to the Sport Festival, a large national and international event dedicated to the world of sport to bring champions into contact with fans: debates and analyses along with Olympic and Paralympic athletes, trainers, institutional representatives, technical and other experts and fans. UnipolSai was a Premium Partner of this edition, planned from 10 to 13 October 2019 in Trento.

The support of UnipolSai is born from its conviction that the role of a large company, in addition to creating economic value and well-being, is to generate social value for a broad spectrum of stakeholders, from institutions to social enterprise, from associations to the general public. In this area, sport - experienced with passion, integrity, fairness and team spirit - therefore becomes an educational tool of primary importance and the preferred vehicle for all values necessary to individuals to grow in society.

With its Corporate Sponsorship Program, UnipolSai Assicurazioni strives to become closer to people and to communities by supporting projects that embrace various areas, including sports.

Car Server judged to be at the top for its long-term rental administrative management

On 27 September 2019, Fleet Magazine presented its "Rental&Quality" research during the Customer Centricity event, which analysed 100 large companies. Some of the aspects studied included: commercial relationships, customer service, information technology, consulting and telecommunications and administrative management, the section in which Car Server was awarded the best score, thanks to the management of the obligations laid out in Article 94 of the Highway Code and the clarity and comprehensibility of the documents sent.

Insurance Day 2019 - awards

On 17 October 2019, during the XVIII edition of Insurance Day 2019, the exclusive annual event for the top management of major insurance companies, the Group was awarded a number of recognitions. Amongst other awards, our Group received:

- the "Companies of Value" Award for the best stock exchange performance at 30 June 2019;
- the "Golden lion" for the best Creative IVASS capable of combining detailed service information with appropriate positioning in commercial advertising;
- the MF Innovazione Awards Award in the "Home protection" category for the UnipolSai product Condominio&Servizi;
- the "Best Company for direct premiums 2018" Awards in the Non-Life business;
- the "Elite Insurance and Pension Scheme" Award for the Auto segment service platform communication strategy.

Insurance business highlights

<i>(Amounts in €m)</i>	Financial Statements 2019	Financial Statements 2018
Gross premiums	11,080.8	10,037.7
<i>% variation (1)</i>	<i>10.4</i>	<i>2.4</i>
Direct premiums	11,069.8	10,026.6
<i>% variation (1)</i>	<i>10.4</i>	<i>2.4</i>
Payments (claims, expiries, surrenders and annuities)	9,016.1	7,736.2
<i>% variation (1)</i>	<i>16.5</i>	<i>(10.5)</i>
Operating expenses (net of reinsurance)	2,152.5	2,078.2
<i>% variation (1)</i>	<i>3.6</i>	<i>(1.1)</i>
Expense ratio Non-Life business (2)	28.5%	27.9%
Expense ratio Life business (2)	3.8%	4.8%
Loss ratio with OTI ratio (3)	66.2%	66.8%
Combined ratio direct business with OTI ratio (4)	94.7%	94.8%
Net gains on investments and realised gains		
-excluding class 'D' and impairment	1,426.1	1,453.6
<i>% variation (1)</i>	<i>(1.9)</i>	<i>(6.6)</i>
-excluding class 'D' and including impairment	1,497.0	975.9
<i>% variation (1)</i>	<i>53.4</i>	<i>(30.1)</i>
Net profit (loss)	701.2	412.8
<i>% variation (1)</i>	<i>69.9</i>	<i>(28.5)</i>
No. of agencies	2,434	2,591
No. of agents	4,180	4,268
No. staff (5)	7,527	7,512

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

(2) Percentage ratio of operating expenses to premiums written for the direct business

(3) 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

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

(5) Full Time Equivalent - FTE: 7,287 (7,270 in 2018)

<i>(Amounts in €m)</i>	Financial Statements 2019	Financial Statements 2018
Investments and cash and cash equivalents	48,768.8	47,761.6
<i>% variation (1)</i>	<i>2.1</i>	<i>1.2</i>
Technical provisions	44,029.9	43,523.0
<i>% variation (1)</i>	<i>1.2</i>	<i>1.0</i>
% Technical provisions/Premiums ratio		
- Non-Life	191.6	199.5
- Life	750.5	950.4
- Non-Life + Life	397.4	433.6
Shareholders' equity	6,057.8	5,765.9
<i>% variation (1)</i>	<i>5.1</i>	<i>0.2</i>

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

Share performance

Information on share performance

At the end of December 2019, the listed price of an ordinary UnipolSai share was €2.59, recording a rise of 31.0% in the last 12 months, versus increases of 27.2% in the FTSE Italia All-share index, of 28.3% in the FTSE MIB index and of 28.8% in the FTSE Italia All Share Insurance index.

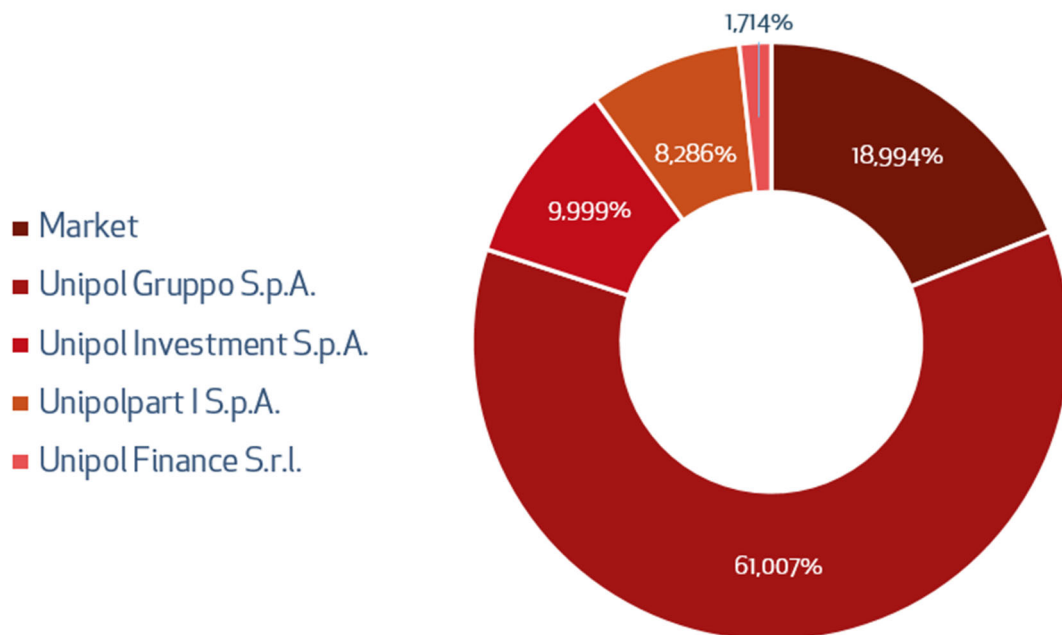
Capitalisation values

Capitalisation at 31 December 2019 amounted to €7,329m (€5,593m at 31/12/2018).

Shareholding structure

The company is controlled by Unipol Gruppo, 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, Unipol Investment and Unipolpart I are subsidiaries of Unipol Gruppo.

Operating performance

At 31 December 2019, direct insurance premiums of UnipolSai, gross of reinsurance, totalled €11,069.8m, a considerable increase on the previous year (€10,026.6m at 31/12/2018; +10.4%).

As regards the Non-Life business in 2019, direct premiums amounted to €6,990.0m (€6,897.5m at 31/12/2018), up by 1.3%. MV TPL premiums amounted to €3,209.3m (-1.9%), while the Land Vehicle Hulls business recorded growth with premiums amounting to €717.6m (+7.4%). In the Non-MV segment, premiums of €3,063.0m were recorded, with growth of 3.6% compared to the 2018 figure, distributed across the various classes.

In terms of the Non-Life loss ratio trend, in the MV TPL segment the technical performance continued to be characterised by compression in the average MV TPL premium due to market competition, counteracted by positive performances as concerns the frequency as well as the average cost of claims, due in particular to the benefits of digital (40% of vehicles insured by UnipolSai are fitted with the black box) and the cost savings obtained thanks to the network of authorised repair shops, managed by the subsidiary Auto Presto&Bene, to which a growing number of claims are routed.

After a 2018 affected by damage caused by storm "Vaia", 2019 was also characterised by a significant loss ratio due to weather-related events of considerable impact not only on the Fire and Other damage to property business, but also on Land Vehicle Hulls as a result of hail storms that hit numerous towns and cities in Italy. The economic effects of the loss ratio from weather-related events were in part reabsorbed by reinsurance, and consequently the combined ratio, net of reinsurance, stood at 94.6%, an improvement compared to 95.2% at 31 December 2018.

The combined ratio for direct business stood at 94.7%, recording a slight improvement on the 94.8% achieved in 2018, with a loss ratio, inclusive of the balance of other technical items, of 66.2%, compared to 66.8% in 2018, while the expense ratio of direct business on premiums written is 28.5%, compared to 27.9% at 31 December 2018.

In the Life segment, the Company recorded significant growth, with the contribution of the performance of Class V policies and payments of around €644m, linked to the entry of new closed pension funds. Direct premiums amounted to €4,079.8m at 31 December 2019 (+30.4% compared to 31/12/2018).

As regards the management of financial investments, 2019 was still characterised by geo-political tensions and, in Italy, by political instability which in August led to a new Government being formed. In September the ECB again dropped the cost of borrowing by 10 basis points and launched a package of measures that included the relaunch, until further notice, of securities purchases on the market. All of this led to keeping the interest rates and spreads on Italian government bonds low and an upward trend in the share markets. In this context, the Company's financial investments portfolio marked very high profitability, also thanks to €146m in net write-backs, standing at 4.4% of the invested assets (3.0% in 2018), of which 3.6% relating to the coupon and dividend component.

Real estate management, the results of which were continuously improving, continued to focus on the renovation of a number of properties, particularly in high-end areas of Milan, in order to seek out opportunities to increase value or generate income, as well as structures intended for business use.

UnipolSai closed 2019 with net profit of €701.2m, marking significant growth compared to €412.8m profit recorded in the previous year, linked primarily to higher financial profitability tied to market trends. Please note that the profit for 2019 was impacted by the provision of €95.5m for expenses in relation to agreements signed with the company's trade union representatives on pre-retirement arrangements for employees. Last year, the profit was instead impacted by the write-down of €50.1m referring to the equity investment in Unipol Banca.

1 Management Report

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

- A. At the end of 2019, premiums were €11,080.8m, of which €11,069.8m in direct business, with breakdown as follows:

Amounts in €m

Premiums	Non-Life	Life	Total 2019	Total 2018	% Var.	Var.on 2018
Direct business	6,990.0	4,079.8	11,069.8	10,026.6	10.4	1,043.2
Indirect business	10.9	0.1	11.0	11.1	(0.3)	(0.0)
	7,000.9	4,079.9	11,080.8	10,037.7	10.4	1,043.1
Premiums ceded	414.4	6.0	420.4	434.0	(3.1)	(13.6)
Premiums retained	6,586.5	4,073.9	10,660.4	9,603.7	11.0	1,056.7
% breakdown	61.8	38.2	100.0			

The net retention of acquired premiums was 96.2%, up compared to 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 €808.5m (€516.6m in 2018) with the breakdown showing €264.9m for the Life business and €543.6m for the Non-Life business.

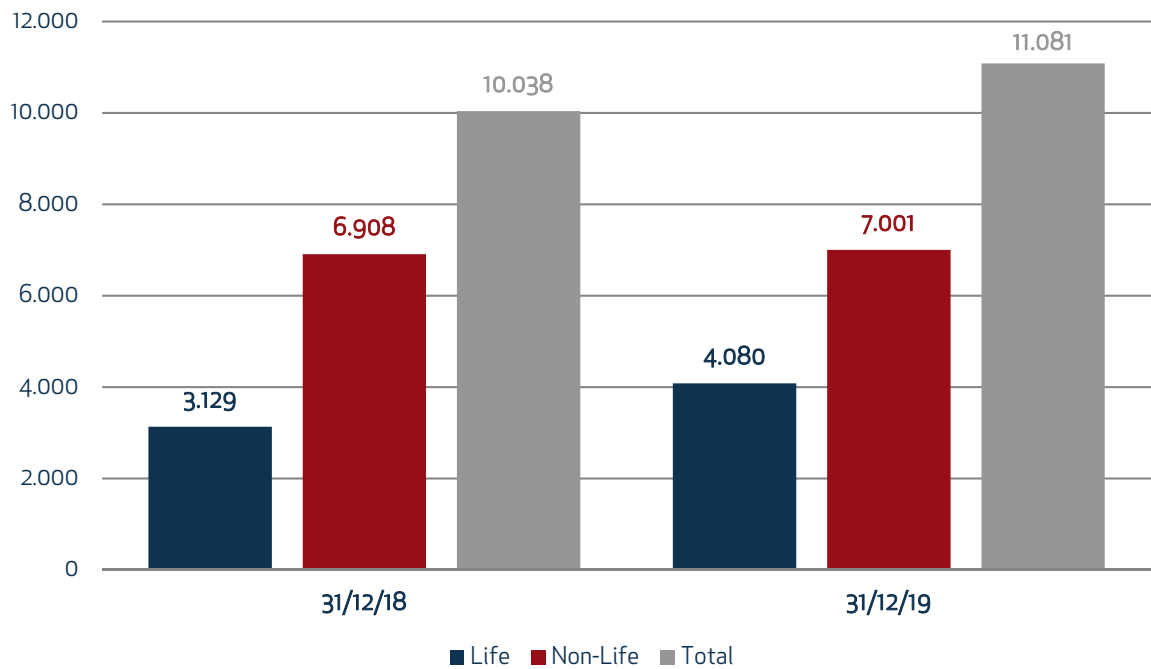
- B. Total operating expenses (including acquisition and collection commissions and other acquisition and administrative expenses) were €2,152.5m (+3.6% compared to 2018), with an incidence on (Life and Non-Life) premiums of 19.4% (20.7% in 2018). Net of reinsurers' commissions, total operating expenses were equal to €1,997.2m (+3.6% compared to 2018).
- C. Investments and cash and cash equivalents reached €48,768.8m (net of impairment), (€47,761.6m in 2018), of which €5,625.8m (€4,582.9m in 2018) 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 €1,248.5m up €0.3m on 31 December 2018.
- E. Ordinary and extraordinary gains on investments, including net realised capital gains and impairment and reversals of impairment losses, amounted to €1,497.0m, increasing by €521.1m (+53.4%) compared with 31 December 2018.
- F. Technical provisions for the Life and Non-Life businesses reached a total amount, at the end of 2019, of €44,029.9m (+1.2%); net of the reinsurer's share, they amounted to €43,389.9m (+1.2%). The technical provisions-premiums ratio was 191.6% in the Non-Life business (199.5% in 2018) and 750.5% in the Life business (950.4% in 2018).
- G. Profit from ordinary operations amounted to €790.7m, while profit from extraordinary operations was also positive, and came to €157.2m, bringing pre-tax profit to €947.9m.
- H. Taxes for the period had a negative effect on the profit for the period of €246.7m.

Therefore, the net profit for the year amounted to €701.2m, an increase of €288.5m compared with the previous year.

The shareholders' equity of the Company, including the profit for the year, was €6,057.8m.

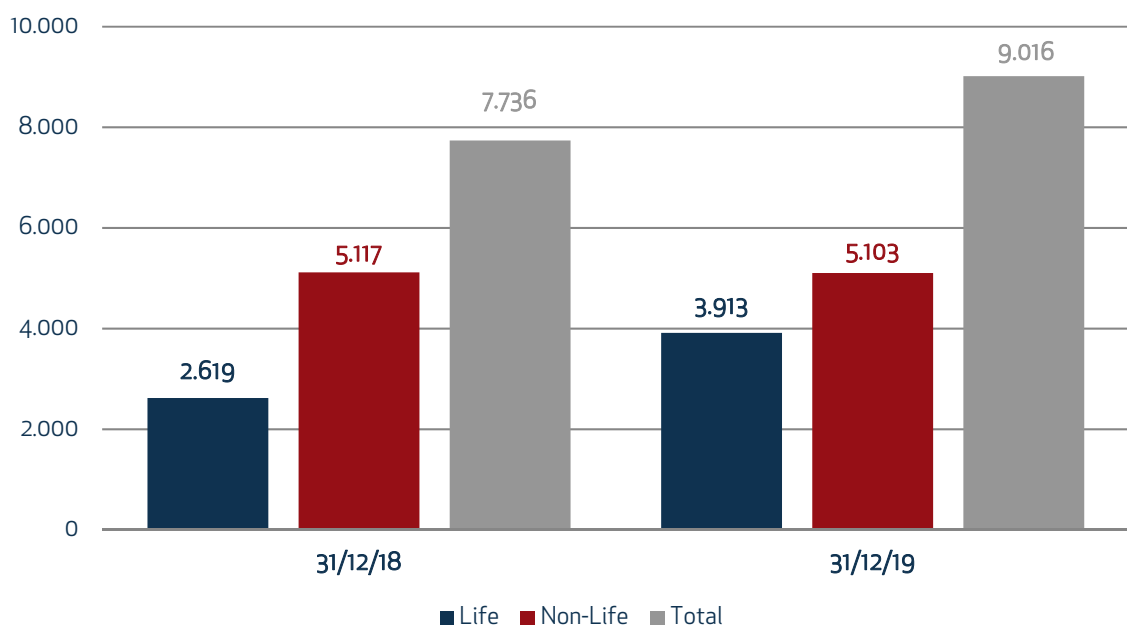
Total premiums

Amounts in €m



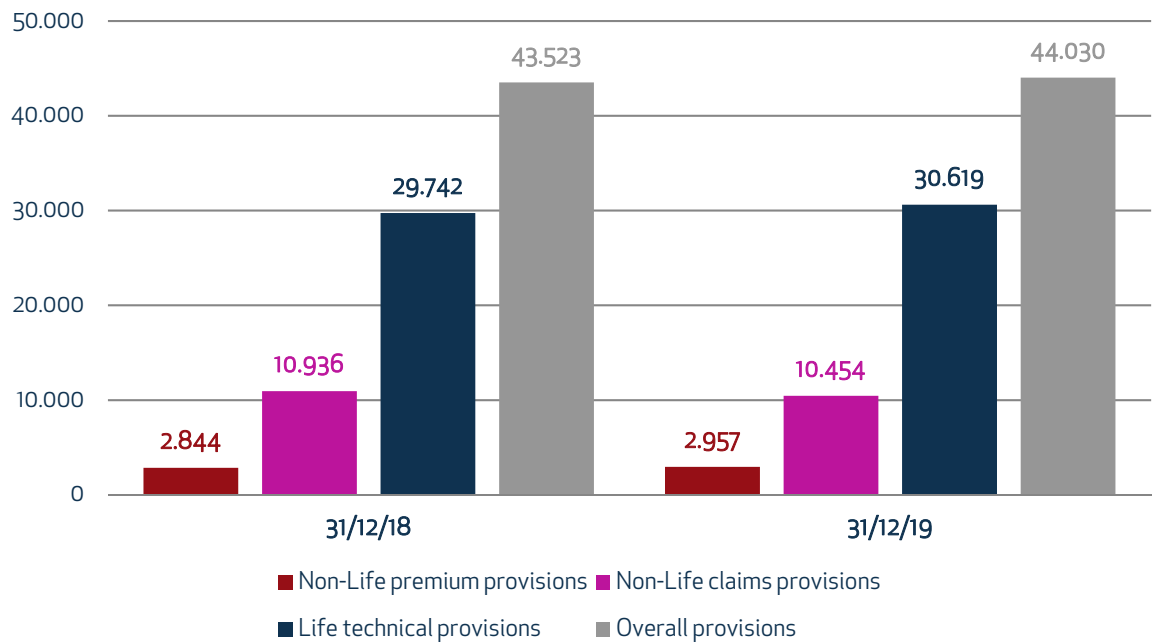
Payments

Amounts in €m



Technical provisions

Amounts in €m



Premiums

Premiums acquired at 31 December 2019 amounted to a total of €11,080.8m, an increase of 10.4%.

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).

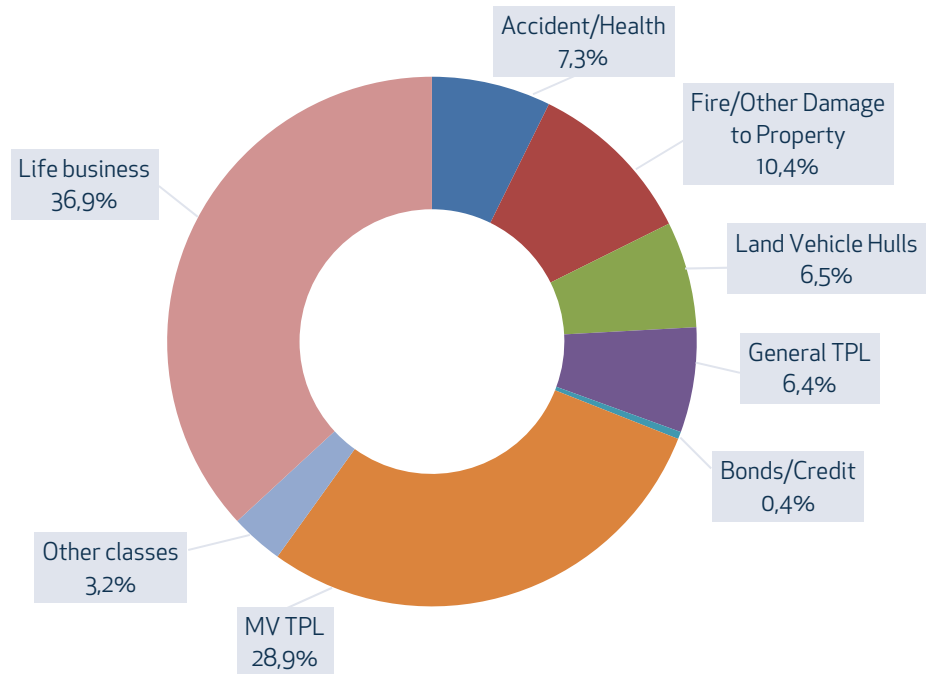
Premiums by class

Amounts in €k

Code	Class	FY 2019	% Comp.	FY 2018	% Comp.	Variation 2019/2018	
						amount	%
ITALIAN DIRECT BUSINESS							
Non-Life business							
1	Accident	628,352	5.7	613,357	6.1	14,995	2.4
2	Health	177,638	1.6	178,449	1.8	(811)	(0.5)
3	Land Vehicle Hulls	717,643	6.5	668,069	6.7	49,574	7.4
4	Railway rolling stock	1,912	0.0	1,608	0.0	304	18.9
5	Aircraft	779	0.0	641	0.0	138	21.5
6	Sea, lake and river vessels	5,701	0.1	5,214	0.1	487	9.3
7	Goods in transit	15,823	0.1	15,518	0.2	305	2.0
8	Fire	544,650	4.9	529,758	5.3	14,891	2.8
9	Other damage to property	603,542	5.5	589,975	5.9	13,567	2.3
10	Land Vehicle TPL	3,200,768	28.9	3,263,502	32.5	(62,734)	(1.9)
11	Aircraft TPL	757	0.0	732	0.0	24	3.3
12	Sea, lake and river TPL	8,517	0.1	8,312	0.1	205	2.5
13	General TPL	710,171	6.4	685,515	6.8	24,656	3.6
14	Credit	210	0.0	307	0.0	(97)	(31.6)
15	Bonds	49,435	0.4	51,035	0.5	(1,600)	(3.1)
16	Pecuniary losses	68,522	0.6	62,447	0.6	6,076	9.7
17	Legal expenses	70,647	0.6	63,602	0.6	7,045	11.1
18	Assistance	184,912	1.7	159,466	1.6	25,446	16.0
Total Non-Life business		6,989,978	63.1	6,897,505	68.8	92,472	1.3
Life business							
I	Whole and term life insurance	2,199,689	19.9	1,851,526	18.5	348,163	18.8
III	Unit-linked/index-linked policies	129,449	1.2	219,505	2.2	(90,056)	(41.0)
IV	Health	5,820	0.1	4,229	0.0	1,592	37.6
V	Capitalisation insurance	480,905	4.3	396,295	4.0	84,610	21.4
VI	Pension funds	1,263,953	11.4	657,558	6.6	606,395	92.2
Total Life business		4,079,816	36.9	3,129,112	31.2	950,704	30.4
Total Direct business		11,069,794	100.0	10,026,618	100.0	1,043,176	10.4
INDIRECT BUSINESS							
Non-Life business		10,926	99.0	10,774	97.3	152	1.4
Life business		106	1.0	293	2.7	(188)	(63.9)
Total Indirect business		11,032	100.0	11,068	100.0	(36)	(0.3)
TOTAL PREMIUMS		11,080,826		10,037,686		1,043,140	10.4

In 2019, taxes (borne by policyholders) amounting to €1.051.104k were collected on premiums, along with contributions to the National Health Service amounting to €337.864k

Direct premiums



Non-Life insurance business

Direct business premiums at 31 December 2019 amounted to €6,990.0m, up compared to the premiums acquired in 2018 (+1.3%). Also considering indirect business, premiums acquired during the year amounted to €7,000.9m (€6,908.3m in 2018).

In the MV sector, premiums continued to decrease for MV TPL substantially due to lower average premium, most of which offset by the increase in Land Vehicle Hulls premiums.

The deterioration in the technical result was caused by weather events taking place in the summer, which impacted the Land Vehicle Hulls segment, the effects of which were in large part offset by the improvement in MV TPL, due to the decline in the claims frequency and the limitation of average costs.

In the Non-MV business, the growth in premiums is spread across the various segments and classes. The segment closed the year with a technical result marking an improvement on the previous year, with major contributions from General TPL and Assistance business.

With regard to claims reported, during the year 2,338,254 claims were received for all Non-Life classes, an increase of 2.9% compared to those received in 2018.

In 2019, the Claims Department managed 1,414,791 claims reported during the year for the Company (of which roughly 78% have already been settled with payment) in addition to 447,830 claims from previous years existing at 1 January or reopened (of which nearly 64% already settled with payment).

"Fault" claims (Non-Card, Debtor Card or Natural Card) totalled 595,455, down by 0.7% (599,820 in 2018).

Claims that present at least a Debtor Card claims handling, totalled 339,897, down by 0.6% compared to the same period in the previous year.

Handler Card claims totalled 447,850 (including 107,495 Natural Card claims, claims between policyholders at the same company), down by 1.3%. The settlement rate in 2019 was 82.5%, down from the same period of last year (82.9%).

The weight of cases to which the Card agreement may be applied (both Handler Card and Debtor Card claims)¹ out of total cases (Non-Card + Handler Card + Debtor Card) in 2019 came to 84.2% (84.1% in 2018).

The average cost (amount paid plus amount reserved) for claims reported and handled (including claims reported late) declined by 0.8% in 2019 (-2% in 2018).

The table below, regarding Italian direct business and for the main classes concerned, illustrates the claims settlement rate at 31 December 2019 and the comparison with 31 December 2018, 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	
	2019	2018	2019	2018
Accident	60.6	59.6	54.0	63.1
Health	79.5	80.2	67.8	62.4
Land Vehicle Hulls	83.6	88.7	86.9	86.3
Fire	67.3	66.6	77.0	73.4
Other damage to property	75.1	79.2	80.1	78.4
General TPL	60.3	59.2	39.8	35.4
Motor TPL under management (NC+HC)*	78.8	78.8	59.2	59.4
"Non-Card" Motor TPL	62.8	61.5	47.9	48.0
"Handler Card" Motor TPL	82.6	83.0	70.6	71.4
"Debtor Card" Motor TPL	75.8	72.5	80.2	77.8

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

Overall, charges relating to claims for the current and previous years came to €4,185.5m, and dropped compared with 2018 (-0.7%).

With regard to Italian direct business, claims paid from the current and previous years resulted in an outlay (net of coinsurers' share and recoveries, including appraisal costs) of €4,641.3m, a decrease of €30.4m compared with 2018 (-0.7%).

¹ "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.

Total premium provisions and claims provisions reached €13,411.0m at the end of the year, a decrease of €369.5m (-2.7% compared with 31 December 2018), amounting to 191.6% of premiums acquired (199.5% at 31/12/2018).

The "combined ratio" (including OTI ratio), which also includes operating expenses, came to 94.7% of premiums for the year (94.8% at 31/12/2018).

Operating expenses in the Non-Life business, including acquisition and collection commissions and other acquisition costs and administrative expenses, amounted to €1,842.0m compared with €1,779.1m in 2018. The impact on premiums written - direct business came to 28.5% (27.9% in 2018). This increase can be attributed primarily to the increase in personnel costs resulting from contractual trends under way, and higher commercial and marketing costs to support the development actions laid out in the 2019-2021 Business Plan.

The technical result showed a positive balance of €543.6m (€452.9m in the previous year). The transfer of the share of net gains on investments came to €200.5m, compared with €151.5m in the previous year.

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

CLASS	Italian Direct Business - Non-Life business	Claims Paid			Claims Reported		
		2019	2018	% Variation	2019	2018	% Variation
					Number	Number	
<i>Amounts in €k</i>							
1	Accident	267,734	259,434	3.2%	112,683	109,691	2.7%
2	Health	132,883	137,962	(3.7%)	384,913	379,629	1.4%
4	Railway rolling stock	(1)	2,032	(100.1%)	2	1	100.0%
5	Aircraft	560	550	1.9%	12	6	100.0%
6	Sea, lake and river vessels	8,912	8,501	4.8%	444	464	(4.3%)
7	Goods in transit	3,826	3,349	14.2%	2,713	2,666	1.8%
8	Fire	334,611	280,576	19.3%	76,129	61,214	24.4%
9	Other damage to property	400,519	397,392	0.8%	237,468	248,019	(4.3%)
11	Aircraft TPL	263	355	(26.1%)	13	13	0.0%
12	Sea, lake and river TPL	13,314	8,891	49.8%	1,117	1,088	2.7%
13	General TPL	445,665	489,578	(9.0%)	91,179	94,391	(3.4%)
14	Credit	(8)	182	(104.4%)			0.0%
15	Bonds	18,824	28,998	(35.1%)	669	825	(18.9%)
16	Pecuniary losses	31,111	32,963	(5.6%)	42,194	40,581	4.0%
17	Legal expenses	12,829	13,580	(5.5%)	7,676	7,311	5.0%
18	Assistance	83,320	81,510	2.2%	446,428	427,969	4.3%
	TOTAL NON-MV BUSINESS	1,754,360	1,745,852	0.5%	1,403,640	1,373,868	2.2%
10	Land Vehicle TPL	2,426,431	2,507,292	(3.2%)	595,455	599,820	(0.7%)
3	Land Vehicle Hulls	460,509	418,601	10.0%	339,159	299,480	13.2%
	TOTAL MV BUSINESS	2,886,940	2,925,893	(1.3%)	934,614	899,300	3.9%
	TOTAL NON-LIFE BUSINESS	4,641,300	4,671,744	(0.7%)	2,338,254	2,273,168	2.9%

Accident

Direct premiums €628.4m (+2.4%)
Number of claims reported 112,683 (+2.7%)
Claims paid out €267.7m (+3.2%)
Charges relating to claims €300.1m (+9.1%)

The Accidents class closed the year with premium growth. The retail segment benefitted from higher portfolio retention and the effects of a number of initiatives and commercial campaigns successfully activated on the most distributed products in the catalogue.

In the segment of collective risk cover, several contracts of significant amounts were renewed. Other unprofitable policies were not renewed and were offset by new higher margin acquisitions.

The growth in the number of claims and the overall cost of claims was due to the presence of specific collective cover characterised by high frequency, primarily in the area of sports risks, and a higher level of insurance cover provided by more recently introduced individual products.

The technical balance for this class was largely positive.

Health

Direct premiums €177.6m (-0.5%)
Number of claims reported 384,913 (+1.4%)
Claims paid out €132.9m (-3.7%)
Charges relating to claims €124.3m (-3.0%)

The Health class closed the year with premiums down slightly compared to the previous year. In the Households and Small and Medium Enterprises sectors both premiums and policyholders were on the rise, while in the Large Companies segment the portfolio is naturally down, following the strategic decision to direct new business towards the subsidiary UniSalute, the Group company specialised in this type of risk.

The Households and Small and Medium Enterprises sectors, which were particularly profitable, benefitted from commercial initiatives aiming to maintain contracts in the portfolio and acquire new customers. On the claims front, the trend under way in previous years was confirmed, in the presence of claims reported referring to high-frequency guarantees of limited average amounts, resulting in a significant reduction in the amount of total expenses, contributing to the improvement in the result for this class.

Land Vehicle Hulls

Direct premiums €717.6m (+7.4%)
Number of claims reported 339,159 (+13.2%)
Claims paid out €460.5m (+10.0%)
Charges relating to claims €534.5m (+24.8%)

Premiums recorded a significant increase, supported by both the single and cumulative policies sector. The average premium rose relating to the main guarantees given, as did the incidence of those guarantees on the number of MV policies in the portfolio.

The number of claims and the relative cost rose significantly, in large part due to strong hail in the summer months and, to a lesser extent, in line with the development recorded by the class.

The overall result of this class deteriorated exclusively due to the highly negative result of the Natural Disasters guarantee.

In the course of the year, tariff-related and regulatory interventions began, particularly in Natural Disasters, which will be further refined and reinforced in the course of 2020 in order to gradually rebalance this class's technical result.

Fire

Direct premiums €544.6m (+2.8%)
Number of claims reported 76,129 (+24.4%)
Claims paid out €334.6m (+19.3%)
Charges relating to claims €376.1m (+10.9%)

In the Fire class, there was a slight increase in premiums, due to cover for the Individuals line, while in the Corporate segment premiums were down slightly due to continuing tariff competition in the market. Only for larger risks, an upward trend is beginning to be seen in premiums.

As regards claims, there was a consistent deterioration both in the number of claims reported as well as the total cost, owing mainly to weather events that struck a significant portion of the country with increasing frequency and intensity.

Cost trends caused the result of this class to worsen compared to the previous year.

Other Damage to Property

Direct premiums €603.5m (+2.3%)
Number of claims reported 237,468 (-4.3%)
Claims paid out €400.5m (+0.8%)
Charges relating to claims €413.7m (-7.7%)

Other Damage to Property premiums posted a good general increase despite the reduction in the Hail class due to a specific decision made by the Company to reduce its overall exposure. There was also a satisfactory increase in 2019 in Fire accessory guarantees, primarily due to Individual cover on homes. Furthermore, there was a modest recovery in the contribution from the public and private works contracting sector.

The decline in claims reported can be attributed primarily to the Hail and Property sectors, while those reported in the homes segment remained stable. The cost of the claims paid out was also basically stable, due to lower payments for claims referring to the current year, against an increase in the amount paid out deriving from the weather events taking place at the end of the previous year.

The decline in the total cost, together with increasing premiums, led to the improvement in the technical result of the class compared to 2018.

Land Vehicle TPL

Direct premiums €3,200.8m (-1.9%)
Number of claims reported 595,455 (-0.7%)
Claims paid out €2,426.4m (-3.2%)
Charges relating to claims €2,279.2m (-3.0%)

The year 2019 saw a decline in premiums due to the reduction in the average premium, similar to what was taking place in the market.

The number of vehicles in the portfolio grew slightly thanks to the contribution of policies for company fleets, which offset a slight reduction in the single policies sector.

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 4m devices installed and circulating, a figure which is constantly rising.

On the claims front, the frequency and the cost improved.

The search for continuous performance improvement also generated excellent operational, management and economic results for the current year, improving the technical result for the class.

Other TPL

Direct premiums €710.2m (+3.6%)
Number of claims reported 91,179 (-3.4%)
Claims paid out €445.7m (-9.0%)
Charges relating to claims €248.9m (-23.8%)

In the Other TPL class, there was a small increase in premiums, with basically similar trends amongst the various sectors.

The careful risk selection policy during the underwriting phase and the activities undertaken on the portfolio intending to improve the claims/premiums ratio led to a further decline in the number of claims reported and a significant reduction in costs, confirming the improvement already observed in the prior year and a significant improvement in this class's technical result for 2019.

Credit and Bonds

Direct premiums €49.6m (-3.3%)
Number of claims reported 669 (-18.9%)
Claims paid out €18.8m (-35.5%)
Charges relating to claims €19.8m (+5.5%)

In the Bonds class, the year closed with a reduction in premiums due to portfolio restructuring activities, while new issues reached volumes significantly higher than those of the previous year. These are the first concrete results of initiatives enacted to re-launch the activities of the agency network and consolidate relationships with the main brokers operating in this segment.

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

The downtrend of claims continued in terms of new claims reported, which marked a consistent decline compared to 2018. The drop in payments made over the year was even more significant, falling by more than one third compared to the previous year. Provisioning criteria were unchanged, continuing 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 only at the clients' request. Premiums stayed marginal as a result, on the basis of modest absolute values of little significance.

Misc. pecuniary losses

Direct premiums €68.5m (+9.7%)
Number of claims reported 42,194 (+4.0%)
Claims paid out €31.1m (-5.6%)
Charges relating to claims €29.4m (+10.0%)

The increase in premiums was affected both by the upward trend 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 positive result of the class was not jeopardised by growth in claims reported and the total cost.

Legal expenses

Direct premiums €70.6m (+11.1%)
Number of claims 7,676 reported (+5.0%)
Claims paid out €12.8m (-5.5%)
Charges relating to claims €11.8m (-33.6%)

The premiums of the class were up significantly.
 The number of claims was on the rise, but in quantity proportionately lower than the development in premiums; the cost reduction improved the already positive result of this class.

Assistance

Direct premiums €184.9m (+16.0%)
Number of claims reported 446,428 (+4.3%)
Claims paid out €83.3m (+2.2%)
Charges relating to claims €87.4m (+1.7%)

The significant increase in premiums was caused by growth in the number of guarantees given linked to road traffic as well as the increase in the average premium.
 Both claims reported and overall costs reported a limited increase.
 The intense programme launched in 2018 with a view to gradually bringing class margins into line with the best market performance, through tariff-related, regulatory, organisational and cost limitation initiatives, already triggered a satisfactory improvement in the technical result of the class in 2019.

Goods in Transit

Direct premiums €15.8m (+2.0%)
Number of claims reported 2,713 (+1.8%)
Claims paid out €3.8m (+14.2%)
Charges relating to claims €2.4m (-13.0%)

The Goods class experienced premium growth in part caused by the slight economic recovery which generated an increase in insured amounts.
 Claims reported were up slightly, while there was a significant reduction in the cost of claims. The technical result of this class was confirmed as very positive.

Marine Vessels

Direct premiums €5.7m (+9.3%)
Number of claims 444 reported (-4.3%)
Claims paid out €8.9m (+4.8%)
Charges relating to claims €3.9m (-37.9%)

The Marine vessels class ended the year with an increase in premiums due to the recovery of the Sportscraft market, which consolidated a positive trend, as well as the launch of a new specific product in 2019 for the boats sector.
 The number of claims reported and the cost of claims were both down compared to 2018, when exceptional natural disasters struck the Ligurian coasts in late October, which also led to an increase in payments in the course of 2019.
 The technical result of this class did improve in any case.

The new Non-Life Products

2019 saw tariff adjustments mostly relating to the MV TPL and Land Vehicle Hulls segments, in addition to updates to incorporate IVASS instructions on the simplification of insurance contracts. The Vehicle “Dynamic Pricing” project also continued for the Km&Servizi product, which envisages the application of differentiated discounts, also by province, to personalise premiums based on technical results both at new issue and renewal stages. In addition, during 2019 the mass offer on this portfolio was structured in a more complete and comprehensive manner, on a portion of the “High Value” portfolio integrating - at renewal stage - guarantees considered more suited to a customer target selected as potentially requiring more extensive and complete insurance coverage.

An increasing number of drivers are now satisfied users of the black boxes of UnipolSai which, in addition to a discount on the Motor, Theft and Fire policy, provide other high value-added services such as:

- data collection and processing based on engine-running time of the vehicle, the kilometres travelled and the detection of any crashes or mini-crashes;
- alarms sent directly to the assistance company appointed by UnipolSai Assicurazioni in the event of crashes detected of a certain severity;
- Speed Limit, Car Finder, Target Area;
- a Voice device, including hands-free usage, that offers access to travel information and electronic bodyguard services as well as the ability to contact the assistance company appointed by the Company with immediate GPS location of the vehicle.

With 100k new devices installed every month, at the end of 2019 UnipolSai reached the milestone of over 4m black boxes installed in vehicles and integrated with the MV TPL policy. This significant result bears witness to the leadership of UnipolSai not only in Italy, but also at European level.

As regards the Non-MV price list, note the following action taken in 2019:

- new *UnipolSai Agricoltura&Servizi* product, targeting agricultural and agri-tourism companies, that has the following strengths:
 - Damage to property insurance, also in All Risks format;
 - coverage for Earthquake and Flood;
 - protection of agricultural revenue, if activities are interrupted following an indemnifiable claim of damage to property, theft, electrical/electronic phenomena and breakdowns, catastrophe events and digital protection;
 - supervaluation of 20% of the indemnity - granted without additional premiums - for claims relating to damage to property, theft and catastrophe events affecting agricultural products certified as organic, recognising the added value of such businesses in terms of sustainability;
 - Digital protection (cyber risks), which provides an assistance service in addition to specific reimbursements in case of “cyber attack”;
 - a Quick recovery service which, in the event of a damage to property claim, envisages the rapid intervention of technicians specialised in emergency response and rescue, and in clean-up and restoration of damaged property, with a view to avoiding or limiting the worsening of the damage;
 - a Direct repair service which, if the estimated amount of the damage is not more than €5,000, envisages action by a network of authorised repair specialists which will arrange direct repair of the damage;
- new *UnipolSai Terzo Settore* product, designed and created for associations and organisations that pursue the third sector’s typical objectives of solidarity and social utility. The product is broken down into five Macro Areas, or uniform groups of activities aggregated based on related social purposes: volunteerism, amateur sport, social relationships and culture, childhood and, lastly, other temporary duration events/demonstrations. The key strengths and innovative qualities of the product include:
 - streamlining of the insurance product mix for the reference target market, through a single standardised multi-risk product;
 - granular offer suited to fully and flexibly satisfy Third Sector insurance requirements;
 - simplification and speeding up, for the agencies, of the preventive and issuing process;
 - coverage dedicated to temporary risks.

Furthermore, during the second half of 2019 a review was undertaken of the regulatory and tariff characteristics of certain products for IDD (Insurance Distribution Directive) purposes, without significant changes being made to the text of the legal provisions.

Life business and Pension Funds

Total premiums (direct and indirect business) for 2019 came to €4,079.9m, up considerably compared with the previous year (+30.4%).

Direct premiums acquired during the year totalled €4,079.8m. 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>	2019	2018	% Variation on 2018
<i>Individual</i>			
Class I	1,747	1,412	23.8
Class III	121	220	(45.0)
Class IV	4	3	51.8
Class V	403	311	29.3
Class VI	27	28	(4.3)
Total	2,302	1,974	16.6
<i>Group</i>			
Class I	452	440	2.8
Class III	9		n.s.
Class IV	2	1	10.3
Class V	78	85	(7.8)
Class VI	1,237	629	96.6
Total	1,778	1,155	53.9
TOTAL DIRECT BUSINESS	4,080	3,129	30.4

<i>Amounts in €m</i>	2019	2018	% Variation on 2018
First year premiums			
Class I	107	111	(3.0)
Class III	24	41	(42.1)
Class IV	2	1	32.0
Total	133	153	(13.2)
Subsequent year premiums			
Class I	418	416	0.6
Class III	12	10	18.4
Class IV	2	1	71.7
Class V	1	1	(30.4)
Total	433	428	1.1
Single premiums			
Class I	1,674	1,325	26.3
Class III	94	168	(44.2)
Class IV	2	1	10.3
Class V	480	395	21.5
Class VI	1,264	658	92.2
Total	3,514	2,548	37.9
TOTAL DIRECT BUSINESS	4,080	3,129	30.4

The individual policy sector recorded 16.6% growth compared to 31 December 2018. The increase was caused by Class I single premiums, confirming the appeal of the UnipolSai Investimento Garantito product, as well as Class V, thanks to the issue of capitalisation policies totalling roughly €160m.

In 2019, detrimentally affected by largely unfavourable financial markets, new Class III business was down (-45.0%). Among the Multisegment products, the excellent performance of the Pip UnipolSai Previdenza Futura continued.

Again in the individual sector, Class IV premiums continued to increase (+51.8%), showing a growing interest in products that guarantee coverage for risks other than death, such as those with long-term care coverage and coverage against the onset of serious illnesses, an additional cover that can be combined with the term life product.

The decline in first year premium compared with the previous year (-13.2%) can be attributed primarily to the drop in premiums from Class III products (-42.1%).

Premiums on collective policies showed an increase compared with the same period of the previous year (+53.9%), due to the extraordinary growth of Class VI (+96.6%). Two new agreements executed with Fondo Pensione Gruppo Banco Popolare for roughly €431.6m and Fondo Espero for €212.4m brought Class VI income (excluding the Open Pension Fund) to €1,236.7m.

Operating expenses, including acquisition and collection commissions and other acquisition and administrative expenses totalled €155.3m (up by 4.4% compared to 31/12/2018), with a 3.8% impact on premiums written - direct business (4.8% in the previous year). The decline in the impact was due primarily to the increase in the volume of premiums.

The amounts paid (direct and indirect business) came to a total of €3,913.4m, an increase by 49.4% compared with the previous year, broken down as follows:

1 Management Report

<i>Amounts in €m</i>	2019	2018	% Variation on 2018
Class I	1,874	1,815	3.2
Class II			n.s.
Class III	97	43	127.9
Class IV			n.s.
Class V	1,484	472	214.6
Class VI	458	289	58.4
Total	3,913	2,619	49.4

The significant increase posted in Class V compared to the prior year (+214.6%) was due primarily to the settlement of two significant agreements that expired.

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>	2019	2018	% Variation on 2018
Capital and annuities accrued	1,857	915	102.9
Surrenders and advances	1,822	1,524	19.5
Claims	228	173	32.0
Settlement expenses	5	5	1.2
Indirect business	2	2	(13.4)
Total	3,913	2,619	49.4

Among the reasons for exit, payments by maturity (capital and annuities) recorded the most significant growth as a percentage (+102.9%) and also in value due primarily to the exit of two contracts of significant amounts (€718m). Payments for surrenders and advances were also up (+19.5%), as were those for claims (+32.0%), although the latter for limited amounts in absolute terms.

Technical provisions for the direct and indirect portfolios came to €30,618.9m, an increase of 2.9% compared with the previous year.

The technical result showed a positive balance of €264.9m, compared with €63.7m in the previous year.

Pension Funds

UnipolSai retained a leading position in the supplementary pension market again in 2019. The company managed a total of 25 occupational pension fund mandates at 31 December 2019 (19 of them for accounts "with guaranteed capital and/or minimum return").

Resources under management totalled €4,777.4m (€4,093.1m with guaranteed capital).

The assets of the open pension fund "UnipolSai Previdenza FPA" amounted to €853.5m; the fund has 41,026 members.

The new Life Products

In 2019, the Company, continuing with its allocation of new investments in order to optimise flows and returns, updated the offers of the main revaluable products managed as segregated funds.

In particular, since April 2019, the Class I Investment product with single premium, UnipolSai Investimento Garantito, has been available on the market. It features the possibility of making additional payments, to remodel surrender penalties, to introduce a new overhead bracket and a new variable management fee according to Active Premium Accumulation (Cumulo Premi Attivi - CPA).

The update and expand the Protection offer, from October 2019 the UnipolSai Vita product was replaced with the new term life insurance UnipolSai Vita Premium. The new product is more competitive and offers greater flexibility due to the updating of demographic bases and expansion of the underwriting limits. In addition, the range of accessory guarantees available was completed by introducing the option to add insurance coverage for serious illnesses.

To complete the offer dedicated to Protection, at the end of November 2019 the new UnipolSai Vita Serena product was launched, specifically dedicated to coverage for cases of disease-related death. This product has a structure similar to that of the product covering death for any reason, but is dedicated to guaranteed capital of a lower amount.

Sales and settlement organisation

Structure of the sales organisation

At 31 December 2019, the agency network comprised 2,434 agencies, 2,591 at 31 December 2018 (2,429 private agencies and 5 corporate agencies), employing 4,180 agents.

Again in the course of 2019, UnipolSai placed Life products through the branches of Unipol Banca, now incorporated within BPER Banca.

The sales force's activity was concentrated on the rationalisation of the agency network throughout the country, completing 381 reorganisation initiatives, 170 of which were groupings with transfer of portfolio or operations aimed at promoting the growth of the size of the involved agencies, 104 management changes and 107 agent replacements. 106 administrative initiatives were carried out, directed at changing the agency structures. In the same period, 14 new agencies were opened, and the liberalisation of 3 of these was defined.

The main measures taken to support the business included:

- the hiring of 263 sub-agents who contributed significantly to income results, 227 new specialists and 157 new Business Specialists. At 31 December 2019, the specialists' network had a salesforce of over 1,400 people, of which 772 in the Family Welfare segment;
- the launch of a change management programme in the agency network and the introduction of a new professional role, the Change Manager, with a view to developing suitable behaviours and practices for the adoption of new infrastructure created to support digitalisation, multichannelling and sales on the go processes;
- additional initiatives to accelerate agency use of new digital instruments such as the advanced electronic signature, with more than 2.4m digital transactions at 31 December 2019 (11.2% of the total, compared to 4.5% in 2018) and the use of the Personal Advisory Tool to provide advisory services to customers;
- the UnipolSai website and App have evolved to expand and improve the services they offer. At 31 December 2019, more than 2m customers had registered in the customers area, and around 1.1m had downloaded the UnipolSai app. In 2019, more than 17m visits were recorded on both platforms, around 3,000 claims were reported online and there were roughly 695,000 accesses to online tracking, which makes it possible to enter into contact with the appraiser and the adjuster. Lastly, nearly 4m notifications were issued on the App relating to electronic MV devices.

In 2019, 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.

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).

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 Group company that specialises in the Healthcare sector.

The following actions were carried out in 2019 to boost the efficiency of settlement processes:

- **Black Box:** the project launched in partnership with AlfaEvolution continued, aiming to improve the effectiveness of the boxes and increase the available dataset.
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 new Real Time 2.0 pilot process was implemented in 2019, which envisages the opening of a claim from the moment of a crash detected in black box data, at the same time triggering initial contact with the policyholder and anticipating the information collection stage. This process was later extended to all the agencies in Lazio, Apulia, Sicily, Campania, Tuscany, Emilia-Romagna, Veneto, Piedmont and Lombardy, plus a number of agencies in Umbria, Marche and Abruzzo, sensitised through dedicated meetings. In the case of an accident, a request for assistance can be made through a digital channel and the customer can provide a series of information to facilitate the successful opening and investigation of the claim and to favour the channelling of the claim to Auto Presto&Bene. A few hours after the claim is opened, customers have the opportunity to monitor the claim settlement status through the dedicated App.
All of 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, in addition to the punctual management of claims relating to the CARD agreement.
- **Anti-Fraud Engine:** in 2019, the improvement in the criteria adopted to identify fraud continued, to guarantee the Company an adequate and constantly growing system to combat fraudulent phenomena, through:
 - the evolution of the new anti-fraud engine adopted;
 - the evolution of the platform created to manage relational graphics, which makes it possible to identify the relationship between events and parties and perform advanced research easily, in order to support investigations.
- **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. In order to improve the customer experience by offering innovative services, it is now possible to make direct CPM and SPM bookings from the UnipolSai App. At the end of 2019, geographical coverage was guaranteed by 76 CPMs and 149 SPMs.

- **Prompt Definition:** control over the appraiser network was enhanced in order to streamline the register and reduce settlement costs and times. The job assignment algorithm was extended throughout the country, which attributes more weight to performance in the distribution of jobs.
- **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, Plates and Electrical) to repair the damage without the Customer having to pay anything, and with consequent elimination of the excess, where present. Direct Repairs in Electrical claims, launched in 2019, are carried out through specialist companies which offer an estimate of the damage, also through the use of the repurchase values of any assets damaged as indicated by external databases.
- **APP and Customers Area:** in addition to existing services and those released in past years (personal agency information, personal policy status, identification of the nearest workshop and direct calls to public assistance numbers, section dedicated to “Your claims”, claim tracking), in 2019 the App was enhanced with the option of booking a medical check-up at CPMs and SPMs and to activate the recovery process for policyholder reports on debtor Card claims.

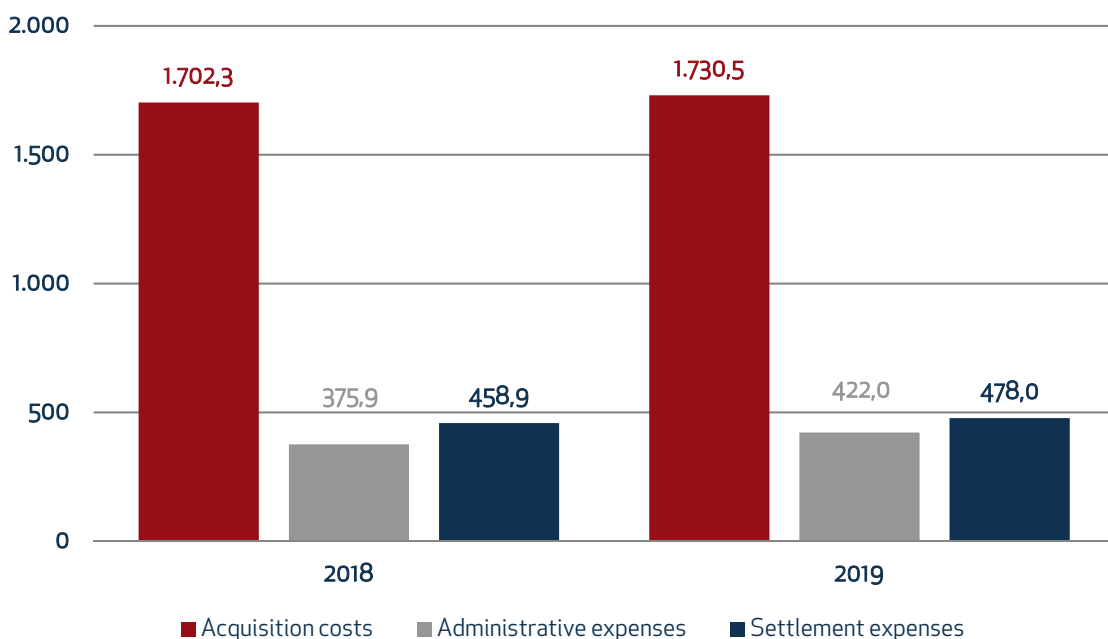
Operating and settlement expenses

Operating expenses, which include acquisition and collection commissions and other acquisition costs and administrative expenses, amounted to a total of €2,152.5m compared with €2,078.2m in 2018 (respectively €1,997.2m and €1,927.9m net of commissions received from reinsurers), an increase of 3.6% compared with 31 December 2018. The relative impact on premiums fell from 20.7% to 19.4%.

Settlement expenses in the Non-Life and Life businesses came to €478.0m, slightly up on the figure recorded in 2018 (€458.9m).

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

Amounts in €m



Acquisition and collection commissions and other acquisition costs totalled €1,730.5m (€1,702.3m in 2018) and other administrative expenses came to €422.0m (+12.3%), with impacts on premiums of 15.6% and 3.8%, respectively (17.0% and 3.7% in 2018).

Reinsurance

Indirect business

Total premiums of inwards reinsurance acceptances reached a total of €11.0m at 31 December 2019 (€11.1m at 31/12/2018), of which €10.9m (€10.8m at 31/12/2018) in the Non-Life business and €0.1m (€0.3m at 31/12/2018) 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 2018, maximising the effectiveness of the main non-proportional treaties as well as calling for improvements in terms of risk mitigation, particularly with regard to the Property portfolio and the cover of risks from natural disasters.

In this regard, in 2019 a CAT-bond type Insurance-Linked Securities (ILS) transaction was executed: in particular, a reinsurance agreement was signed with "Atmos Re I Dac", an Irish special purpose reinsurance vehicle, which in turn arranged the issue of CAT-bonds, fully subscribed by institutional investors.

The purpose of this instrument is annual protection against anomalies in the frequency of small and medium-sized catastrophe events (Flood, Weather, Excessive Snow).

The following cover was also acquired:

- excess of loss treaties for the protection of MV TPL, General TPL, Fire (by risk and by event), Land Vehicle Hull Atmospheric Events, 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" and "Cyber" TPL.

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. As regards Assistance, Legal Expenses and part of Transport risks, these were instead ceded to specialised reinsurers and/or specialist Group companies.

In 2019, proportional cover generated a positive result for reinsurers, while non-proportional cover absorbed the effect of the increase in the cost generated by various claims linked to atmospheric events.

Premiums ceded in the direct Non-Life business amounted to €412.9m at 31 December 2019 compared with €426.8m of the previous year. The retention ratio in the Non-Life business came to 94.1% at 31 December 2019, compared with 93.8% in the previous year.

Also in the Life business, the renewal of covers relating to 2019 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 at 31 December 2019, unchanged compared with the same period of the previous year (€6.0m).

The retention ratio in the Life business came to 99.9% at 31 December 2019, essentially in line with 2018 (99.8%).

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 ISVAP 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 2019 totals approximately €74m.

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 2019, regardless of the year when they are generated.

Register of complaints

From January to December 2019 there were a total (pursuant to the provisions of ISVAP Regulation no. 24 of 19 May 2008 and subsequent amendments) of 13,450 complaints, 12,845 relating to Non-Life business and 605 relating to Life business, with an impact on policies in the portfolio of 0.04%, down by 4.8% compared with 31 December 2018.

12,812 replies had been sent by UnipolSai at 31 December 2019, while 638 complaints were in the assessment phase. The average response times were 21 days. 3,889 complaints were accepted, 6,554 were rejected and 2,369 were settled.

Disputes

Claims in the MV TPL class, with disputes pending at 31 December 2019, amounted to 47,816 (civil proceedings), down by around 10% against 2018.

Also in this area, during 2019, disputes relating to 24,015 claims were settled.

Asset and financial management

Investments and cash and cash equivalents

At 31 December 2019 the amount of investments and cash and cash equivalents, net of depreciation of property, plant and equipment and taking account of impairment, equalled €48,768.8m.

The breakdown of commitments is shown in the table below.

Investment cash and cash equivalent

<i>Amounts in €k</i>	FY	%	FY	%	Variation 2019/2018	
	2019	Comp.	2018	Comp.	amount	%
Land and buildings	2,010,116	4.1	2,166,135	4.5	(156,019)	(7.2)
Investments in group companies and other investees						
-Shares and holdings	3,499,451	7.2	3,838,369	8.0	(338,918)	(8.8)
-Bonds	10,603	0.0	10,603	0.0	-	-
-Loans	924,576	1.9	438,395	0.9	486,182	110.9
Total	4,434,630	9.1	4,287,366	9.0	147,264	3.4
Other financial investments						
-Shares and holdings	627,725	1.3	541,928	1.1	85,798	15.8
-Mutual investment fund units	3,421,579	7.0	3,191,157	6.7	230,422	7.2
-Bonds and other fixed-yield securities	32,177,333	66.0	32,265,543	67.6	(88,210)	(0.3)
-Loans	22,174	0.0	25,281	0.1	(3,107)	(12.3)
-Mutual investment units	-	-	-	-	-	-
-Bank deposits (1)	25,521	0.1	6,065	0.0	19,456	320.8
-Sundry financial investments (2)	20,367	0.0	98,023	0.2	(77,655)	(79.2)
Total	36,294,700	74.4	36,127,998	75.6	166,702	0.5
Deposits with ceding companies	10,334	0.0	12,325	0.0	(1,992)	(16.2)
Investments benefiting policyholders that bear the risk and investments arising from pension fund management						
-Investment funds and market indices	679,163	1.4	562,565	1.2	116,598	20.7
-Pension funds	4,946,603	10.1	4,020,374	8.4	926,229	23.0
Total	5,625,766	11.5	4,582,939	9.6	1,042,827	22.8
Cash and cash equivalents	393,270	0.8	584,850	1.2	(191,580)	(32.8)
TOTAL INVESTMENTS AND CASH AND CASH EQUIVALENTS	48,768,816	100.0	47,761,614	100.0	1,007,202	2.1

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

(2) Include premiums for transactions in derivative products.

74.4% 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 9.1%, while investments in properties came to 4.1%. Investments relating to benefits linked to investment funds, market indices and assets from pension fund management accounted for 11.5%. Bank liquidity amounted to 0.8%.

Real Estate Management

The Company's property assets at the end of the year amounted to €2,010.1m, down compared with €2,166.1m at 31 December 2018.

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 project developed during the year regards the completion of the interiors of Torre Galfa, Via Fara 41, a building in Milan which will house a hotel in the first 13 storeys and luxury residential apartments for temporary use in the remaining storeys, in addition to a restaurant/bar and a fitness centre. Lease agreements have already been entered into for nearly all of the leasable surface area. In September, at the 27th Real Estate Scenarios Forum, Torre Galfa received an award in the "Design excellence in real estate" category. This award is dedicated to companies which, through innovative projects, enhance Italian cities by improving the quality of life.

Other residential and office property requalification activities were developed in various Italian cities in order to subsequently generate income through leasing.

As regards sales, of note during the year was the sale of a number of properties and land for a significant amount, located respectively in Milan (offices and land in Trenno), Sesto San Giovanni (healthcare facility), Florence (hotel and residential properties), Genoa (various uses), as well as the sales of properties located in Via Ciro Menotti and Via In Arcione in Rome, Via Pantano, Via Monti, Via De Missaglia (the Le Terrazze complex) and Via Castellanza in Milan, and Via Grossi/Vinci/Cellini in Turin.

Furthermore, the property on via De Castillia in Milan was transferred to the subsidiary Meridiano Secondo, which includes all real estate initiatives of the Group in the Porta Nuova area of Milan.

Overall, in the course of the year, properties were sold for a total reduction in assets of €170m, for a value of €219.2m, thus realising net capital gains of €49.2m.

A preliminary sale agreement was also signed in December for the property in Piazza Velasca, Milan ("Torre Velasca"), finalisation of which is expected in the second half of 2020.

In the course of the year, procedures were initiated for a further corporate reorganisation and simplification, after which time the Company will be the direct owner of two accommodations located in Bologna and the surrounding area and two hospitals located in Florence. In this regard, please refer to the section dedicated to the Significant events during the period - Mergers and spin-offs within the Group.

Investments in Group companies and other investees

The total amount of the investments in Group companies and other investees totalled €4,434.6m (€4,287.4m at 31/12/2018), of which €3,499.5m refers to shares and holdings of investees, €10.6m consists of bonds issued by Group companies (€10.6m at 31/12/2018) and €924.6m in loans to Group companies (€438.4m at 31/12/2018).

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

1 Management Report

The breakdown of investments by business segment was as follows:

<i>Amounts in €k</i>	2019	2018
Insurance Companies	1,564,409	1,567,571
Banks	238,587	631,294
Financial companies	716,124	913,994
Real estate companies	541,753	385,160
Consortiums	31,675	35,375
Management companies distributing mutual funds	6,440	6,440
Other companies or entities	400,463	298,534
Total	3,499,451	3,838,369

At 31 December 2019, investments rose from €3,838.4m to €3,499.5m, with a decrease of €338.9m compared to 31 December 2018 (-8.8%).

This change was mainly due to:

- the sale, following the exercise of the put option, to the holding company Unipol Gruppo of UnipolReC shares, corresponding to 27.49% of the share capital, for €207.9m
- the sale, following the exercise of the put option, to the holding company Unipol Gruppo of Unipol Banca shares, corresponding to 27.49% of the share capital, for €371.2m
- the sale to BPER Banca of the remaining equity investment in Unipol Banca for €32.5m
- the acquisition from Unipol Banca, as part of the disposal of Unipol Banca in implementation of the agreements entered into with BPER Banca, of the equity investment in Visconti for €0.8m
- the acquisition from third parties of the controlling interest (100%) in Car Server for €96.1m
- the acquisition in the market of 3,259,832 BPER Banca shares for €11.2m; in order to restore the interest previously held (9.87%), which declined due to the share capital transactions of the investee which took place in July 2019
- the acquisition from the subsidiary UniSalute of the controlling interest (100%) in Centri Medici Dyadea for €5.1m
- equity account payments for a total of €180m, of which €164.9m in favour of Meridiano Secondo and €15.1m in favour of UnipolReC
- the sale of Inter Mutuelles Assistance S.A. for €4.4m
- net value adjustments totalling €14.6m.

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 2019 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 a residual value of €6.9m, issued by the associates Garibaldi S.C.A. (€5.1m) and Isola S.C.A. (€1.8m), as part of the Porta Nuova real estate project
- Profit Participating Bonds for a residual value of €2.2m, linked to loans to the company Ex Var as part of the Porta Nuova real estate project

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

With reference to the investments connected to the Porta Nuova real estate project, note that, following the collections made in 2015 and 2016 for a total of roughly €145m, residual investments in the financial statements at 31 December 2019 amounted to €11.4m, consisting for €9.1m of the Profit Participating Bonds mentioned above and for €2.3m of investments in the associates Garibaldi S.C.A. (€0.7m) and Isola S.C.A. (€1.6m). It is estimated that the future collections, expected in two tranches in July 2023 and April 2025, will guarantee the recovery of the remaining investment, plus additional proceeds, the quantification of which is currently uncertain as it relates to the outcome of the guarantees issued to the purchaser.

Loans to Group companies amounted to €924.6m (€438.4m at 31/12/2018). The item includes:

- three loans executed in favour of the holding company Unipol Gruppo for €567.8m, referring for €267.8m to the takeover by the former company Unipol Assicurazioni of the role of issuer, replacing the holding company Unipol Gruppo, of the Unipol 7% and Unipol 5.66% bond loans and, for the remaining €300m, to the disbursement of an additional loan, as part of the disposal to Unipol of the Unipol Banca equity investment, as described in the "Information on significant events" section;
- a loan to Car Server for €223.9m;
- a loan to UnipolReC for a residual €65.3m;
- a loan to Meridiano Secondo for €36.8m;
- a loan to AlfaEvolution for €13.0m;
- a loan to Borsetto for €6.1m;
- a loan to Società Edilizia Immobiliare for €6m;
- a loan to Casa di Cura Villa Donatello for €5.7m;
- a loan to Butterfly for a nominal amount of €0.1m, wholly written off.

The net increase in this item, totalling €486.2m, was primarily due to the following transactions:

- the disbursement on 1 March 2019 of a loan to the holding company Unipol Gruppo for €300m;
- the disbursement on 1 August 2019 of a loan to the subsidiary Car Server for €223.9m;
- the disbursement on 26 February 2019 of an additional tranche of €3m of the loan to the subsidiary AlfaEvolution;
- early repayment by UnipolReC of part of the loan for a total of roughly €40m.

Other financial investments

Financial operations in 2019 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>	2019	2018	Change
Level 1	25.5	35.9	(10.4)
Level 2	492.4	574.8	(82.4)
Level 3	142.4	212.0	(69.6)
Total	660.3	822.7	(162.4)

2019 was characterised by operations focused on bonds and stocks. The weighting of investments in government bonds was basically unchanged. The exposure to the bonds of non-government issuers was down, due to a reduction of financial corporate securities against a less 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 2019 amounted to €36,294.7m 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 2019 the bond portfolio recorded a positive balance between unrealised capital gains and losses, which amounted to €4,726.6m, of which €3,507.0m 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 2019 these investments amounted to €679.2m, of which €1.0m comprised of assets covering Index-Linked policies (bonds for €0.6m and net financial investments for €0.4m) and €678.1m in assets for Unit-Linked policies (mutual investment fund units for €519.0m, bonds for €106.9m, shares for €5.8m, cash and cash equivalents and other assets net of items to be settled for €46.5m).

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 €4,946.6m at 31 December 2019, comprised of shares for €142.9m, bonds for €4,211.3m, fund units for €299.3m, cash and cash equivalents for €288.1m and net other items for €4.9m.

Cash and cash equivalents

Bank deposits and cash at 31 December 2019 amounted to €393.3m (€584.9m at 31/12/2018).

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 2019	% Comp.	FY 2018	% Comp.	Variation 2019/2018	
					amount	%
NET GAINS ON INVESTMENTS AND FINANCIAL INCOME						
Land and buildings	(9,256)	(0.7)	(2,828)	(0.2)	(6,428)	(227.3)
Shares and holdings	105,243	8.4	99,093	7.9	6,149	6.2
<i>referred to group companies</i>	76,185		66,316		9,869	14.9
Bonds	1,138,700	91.2	1,195,541	95.8	(56,841)	(4.8)
Mutual investment fund units	101,273	8.1	73,895	5.9	27,378	37.0
Loans	12,198	1.0	11,204	0.9	994	8.9
Bank deposits		0.0	80	0.0	(80)	n.s.
Bank and post office deposits	6	0.0	1	0.0	5	n.s.
Sundry financial investments	(14,925)	(1.2)	(43,591)	(3.5)	28,667	65.8
Balance of reinsurance deposits	(1,750)	(0.1)	(2,110)	(0.2)	360	17.1
Interest on loans	(82,959)	(6.6)	(83,068)	(6.7)	109	0.1
TOTAL (a)	1,248,530	100.0	1,248,217	100.0	312	0.0
Gains (losses) on sale						
Land and buildings	49,228	27.7	13,732	6.7	35,496	258.5
Shares and holdings	18,206	10.3	15,712	7.6	2,494	15.9
Bonds	381,486	214.8	154,426	75.2	227,061	147.0
Mutual investment fund units	69,428	39.1	24,585	12.0	44,843	182.4
Sundry financial investments	(340,733)	(191.8)	(3,043)	(1.5)	(337,690)	(11,098.9)
TOTAL (b)	177,616	100.0	205,412	100.0	(27,796)	(13.5)
Total (a+b)	1,426,145		1,453,629		(27,484)	(1.9)
Net reversals on investments						
Land and buildings	(60,478)	(85.3)	(61,325)	12.8	847	1.4
Shares and holdings	(10,517)	(14.8)	(84,308)	17.6	73,791	87.5
<i>referred to group companies</i>	(14,613)		(79,552)		64,939	81.6
Bonds	153,272	216.2	(217,811)	45.6	371,082	170.4
Mutual investment fund units	(5,703)	(8.0)	(149,510)	31.3	143,806	96.2
Other financial investments	(5,679)	(8.0)	35,263	(7.4)	(40,943)	(116.1)
Total (c)	70,894	100.0	(477,690)	100.0	548,584	114.8
TOTAL (a+b+c)	1,497,040		975,939		521,101	53.4
Net investment income of Class D						
-Investment funds and market indices	93,958		(46,117)		140,075	303.7
-Pension funds	139,645		(57,825)		197,470	341.5
Total Class D	233,603		(103,941)		337,545	324.7
GRAND TOTAL	1,730,643		871,997		858,646	98.5

Gains on investments and cash commitments, net of losses on investments and financial charges, amounted to €1,248.5m.

Net profit on sales totalled €177.6m. This amount includes net gains realised on sales of long-term investments for a value of €241.4m, of which €49.2m referring to buildings, €187.5m relating to long-term bonds and €4.7m relating to equities and mutual funds.

The segment of short-term financial investments, which was impacted by negative derivative performance, recorded net capital losses of €63.8m.

For further details on long-term security transactions, please refer to the dedicated section of the Notes.

At 31 December 2019 net income and gains on asset and financial management before end-of-period valuations amounted to a total of €1,426.1m.

Write-backs and net value adjustments were positive in the amount of €70.9m and consisted of net write-backs on short-term financial investments for €146m, net adjustments on real estate of €60.5m, of which €47m for depreciation for the period, and value adjustments on equity investments in group companies of €14.6m (the main ones relate to Nuove Iniziative Toscane for €9.1m, Villa Ragionieri for €2.4m, Ambra Property for €1.6m and UnipolSai Servizi Consortili for €1.4m).

Overall, net ordinary and extraordinary income, including impairment and reversals of impairment losses on investments amounted to a positive €1,497.0m.

Net gains (losses) on investments benefiting policyholders that bear the risk arising from pension fund management (Class D) amounted to a positive €233.6m.

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

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

Interest rate risk

The duration of the class C investment portfolio, an indicator of the Company's interest rate risk exposure, was 6.64 years at 31 December 2019. With specific reference to the bond portfolio, the duration was 7.95 years.

Risk Sector	Breakdown	Duration	Increase 10 bps	Increase 50 bps
Government	70.24%	9.48	(249,208,677)	(1,246,043,384)
Financial	22.39%	4.41	(36,926,373)	(184,631,867)
Corporate	7.36%	4.09	(11,260,617)	(56,303,087)
Bonds	100.00%	7.95	(297,395,668)	(1,486,978,338)

Credit risk

Management of the securities portfolio primarily involves investing in investment grade securities (87.70% 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	0.27%	(7,054)	(70,543)	(352,716)
AA	1.97%	(1,004,129)	(10,041,290)	(50,206,451)
A	10.38%	(4,255,262)	(42,552,622)	(212,763,111)
BBB	75.08%	(25,380,392)	(253,803,921)	(1,269,019,603)
NIG	12.30%	(1,617,211)	(16,172,106)	(80,860,528)
Bonds	100.00%	(32,264,048)	(322,640,482)	(1,613,202,409)

Equity risk

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

Risk Sector	Breakdown	Beta coefficient	Shock -10%
Utilities	1.91%	0.90	(5,293,815)
Funds	73.88%	0.99	(204,738,327)
Raw materials	0.34%	1.02	(936,845)
Industrial	0.44%	0.72	(1,228,863)
Luxury goods	0.06%	1.10	(168,720)
Health	0.73%	0.91	(2,019,994)
Finance	19.28%	1.09	(53,439,303)
IT	0.20%	0.56	(557,468)
Communications	2.97%	0.80	(8,242,487)
Real Estate	0.18%	0.52	(508,271)
Equity	100.00%	1.00	(277,134,092)

Liquidity risk

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

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

Treasury shares and shares of the holding company

At 31 December 2019, UnipolSai Assicurazioni held 1,004,643 treasury shares in its portfolio, for a total value of €1.8m, 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 2018 was 1,800,000, with a value of €2.7 million.

In March 2019, 1,200,000 shares were acquired as part of the compensation plan based on financial instruments (performance share type), intended for the Company executives for the 2016-2018 three-year period; on 25 April 2019, 1,995,357 UnipolSai shares were assigned in execution of the first tranche of the compensation plan based on financial instruments for the 2016-2018 period.

At 31 December 2019, 540,221 shares of the Holding company Unipol Gruppo were also held by UnipolSai, for a total of €1.7m, recognised under Assets in Other financial investments (1,189,999 at 31 December 2018 for a total of €3.3m). In this regard, please note that on 15 March 2019, 440,000 shares of the Holding Company Unipol were acquired as part of the compensation plan based on financial instruments (performance share type), intended for the Company executives for the 2016-2018 three-year period; on 25 April 2019, 1,079,553 Unipol shares were assigned in execution of the compensation plans based on financial instruments for the 2016-2018 period. On 1 July 2019, a further 10,225 shares of the Holding company were assigned 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 €12.8m profit at 31 December 2019 (profit of €3.3m at 31/12/2018), with rising premiums compared to the previous year of €184.7m (€136m), mainly concentrated in the Health and Pecuniary Losses classes.

Linear, a company specialised in direct sales (online and call centre) of MV products, achieved a profit of €12.4m in 2019 (€6.9m at 31/12/2018), with gross premiums of €184.2m, recording an increase of 2.4% compared to 2018, thanks in particular to the Land Vehicle Hulls class (+5.7%). The partnership for the sale of Home Assistance insurance with Hera, an Italian multiutility based in Bologna, generated premiums written for €1.9m in 2019. Contracts in the portfolio at the end of 2019 were close to 628k units (+5.4%), an all-time high for the Company.

Pronto Assistance, active in placing assistance services insurance policies in the home, health, MV and business segments, closed 2019 with a profit of €1.5m (€3.4m in 2018). The year 2019 posted total premiums amounting to €168.6m (€143.1m at 31/12/2018), with an increase of approximately 17.8% mostly due to the indirect business taken by Group companies. As mentioned previously, the company was merged into UnipolSai Assicurazioni with effect from 1 February 2020.

SIAT recorded a €0.1m profit in 2019 (€0.3m at 31/12/2018) with gross premiums (direct and indirect) at €159.8m (€148.5m in 2018). The increase is mainly due to the Hulls segment, which saw a major growth in business relating to sportscraft, particularly medium-large sized craft, and in foreign business, as well as increased insurance coverage relating to boatyards which recorded a recovery in new constructions.

UniSalute, the top health insurance company in Italy by number of customers managed, specialised in the Healthcare segment (Health and Assistance), successfully continued its activity based on its business model, with premiums totalling €489.2m (€501.9m at 31/12/2018). 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 year 2019 also posted profit of €36.2m, basically in line with 2018 (€36.8m).

Arca Assicurazioni recorded direct premiums of €136m (+13.1%), with a significant increase in the Non-MV classes (+18.1%), and more limited growth in the MV segment (+2.3%). The breakdown of the portfolio among the distribution channels is almost totally focused on the banking channel which, at 31 December 2019, recorded 98.3% of the total Non-Life premiums. Overall, the banking channel recorded a 13.9% increase in premiums compared to the previous year, with premiums written totalling approximately €134m.

In the bancassurance channel, **Arca Vita** recorded premiums amounting to €1,655.3m (+37.9%). The volume of total investments reached the amount of €8,539.3m (€7,343.3m at 31/12/2018). Arca Vita recorded a profit of €64.8m, compared to €37.2m in 2018.

BIM Vita recorded a profit of around €2m at the end of 2019, up against 31 December 2018 (€1.5m). Gross premiums written amounted to €75.9m (around €71.5m at 31/12/2018). The volume of total investments reached the amount of €601.8m (€594.8m at 31/12/2018).

DDOR Novi Sad recorded an €8.7m profit (Non-Life and Life business) at 31 December 2019 (up against €5.4m at 31/12/2018), with growing premiums (Non-Life and Life), which rose from €98.7m at the end of 2018 (of which €83.9m in the Non-Life sector) to €104m at 31 December 2019 (of which €88.2m 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.

Other Companies

As regards the **hotel sector**, revenue of the subsidiary UNA Group increased by 2.7% since 2018, from approximately €120.6m to about €123.8m, due to improvements in terms of occupancy and average daily rate. The company closed the year with a profit of around €4m compared to a loss of €3.8m in 2018.

Casa di Cura Villa Donatello closed 2019 with revenue of €25.6m, up by around 13.2% compared to 2018 (€22.6m). 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 recorded a profit of €0.4m, up slightly compared to 2018.

As regards **agricultural activities**, the sales of packaged wine by Tenute del Cerro rose by 12.9% against 31 December 2018 (from €6.8m to €7.7m). Total revenue showed an approximate 6.1% increase compared to 2018, from €8.3m to €8.8m.

In 2019, Car Server's revenues reached around €344m (+14% compared to 2018), with 10,627 new vehicles registered, bringing the managed vehicle fleet to 49,620 units. The net profit for the year 2019 was €15m.

Transactions with Group companies and transactions with related parties

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

UnipolSai Assicurazioni provides the following most economically significant services to Group companies:

- Governance (services supporting internal control, risk management and compliance);
- Finance;
- Innovation;
- Communications and Media Relations;
- Anti-money laundering and Anti-terrorism;
- 231 support;
- Institutional Relations;
- Assessment of investments;
- Human resources and industrial relations (personnel administration, external selection, development and remuneration systems, welfare initiatives, personnel management, trade union relations, employee disputes, employee welfare, safety);
- Organisation;
- Training;
- Legal and corporate (corporate affairs, group legal register management, anti-fraud, institutional response, legal insurance consulting, privacy consulting and support, general legal and disputes, corporate legal, complaints, management of investments);
- Claims settlement;
- Insurance (distribution network regulations, MV portfolio management, reinsurance, product marketing, MV tariff setting, development and maintenance of MV products, general class tariff setting, development and maintenance of general class products, technical actuarial coordination, Life bancassurance);
- IT services;
- Actuarial Function Validation;
- Actuarial Function Calculation;
- Administration (accounting, tax, administrative and financial statements services, management control, purchases and general services);
- Real estate (coordination of urban planning processes, strategic real estate asset management, operational management of property sales and purchases, property leasing services, project 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 with reference to treaties in run-off.

UnipolSai Investimenti SGR administers on behalf of UnipolSai the units of real estate funds owned by UnipolSai Assicurazioni.

Leithà 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 commissioned research projects, and, possibly the development of operating system software, operating systems and applications and database management pertaining and functional to such projects.

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 Policy 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;
- long-term vehicle rental.

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”)

The Parent Unipol exercised the Group tax consolidation option governed by Title II, Chapter II, Section II of Italian Presidential Decree 917/86 (the Consolidated Income Tax Act, Articles 117 et seq.) as consolidating entity, jointly with the companies belonging to the Unipol Group meeting the established regulatory requirements over time. The option has a three-year duration and is renewed automatically unless cancelled.

Exercise of the option for the establishment of the Unipol VAT Group

On 14 November 2018, Unipol Gruppo and the subsidiaries for which there are the economic, financial and organisational restrictions set forth by regulations in force exercised the joint option for the establishment of the Unipol VAT Group for the 2019-2021 three-year period, with automatic renewal until cancelled, pursuant to Arts. 70-bis et seq. of Italian Presidential Decree no. 633/1972 and Ministerial Decree of 6 April 2018.

Transactions with related parties

Consob, by issuing the Regulation introducing provisions pertaining to transactions with related parties, with resolution no. 17221 of 12 March 2010, as subsequently amended (the “**Consob Regulation**”), 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 Consob Regulation and amended, most recently, by the Board of Directors of UnipolSai, with the favourable opinion of the Related Party Transactions Committee (the “**Committee**”) assigned for this purpose, which met on 7 November 2019, as of the same date – contains measures for implementing the aforementioned regulatory provisions, to define the rules, methods and principles for ensuring transparency and substantive fairness in the investigation phase, negotiations and the approval of Transactions with Related Parties. In turn, the Board of Statutory Auditors of the Company expressed its opinion in favour on the compliance of the Procedure with the principles indicated in the Consob Regulation.

The Company is subject to management and coordination by Unipol Gruppo S.p.A. (“**Unipol**” or the “**Parent**”); therefore, in addition to being obligated to comply with the provisions of the Consob 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 Policy on intragroup transactions adopted pursuant to IVASS Regulation no. 30 of 26 October 2016 remains in place, since applicable.

In 2019, with respect to transactions with related parties of "Major Significance", the UnipolSai Board of Directors, in compliance with the Procedure, on 7 February 2019 approved:

- (i) the exercise of the put option with respect to Unipol of the equity investments held by the Company in Unipol Banca S.p.A. ("**Unipol Banca**") and in UnipolReC S.p.A. ("**UnipolReC**"), for a share equal to 27.49% of the respective share capitals (the "**Disposal of Equity Investments**"), in compliance with the Put/Call Option agreement signed between Unipol and the former Fondiaria-Sai on 31 December 2013;
- (ii) the granting by UnipolSai in favour of Unipol of an unsecured €300m loan at an interest rate equal to the 3-month Euribor plus 260 basis points (the "**Loan**").

The above-mentioned transactions were reviewed in advance by the Committee of the Company, which issued its favourable opinion for their execution. On 14 February 2019 UnipolSai published the Information Document in accordance with Art.5 of the Consob Regulation available on the website www.unipolsai.com in the *Governance/Related Party Transactions* section. The Disposal of Equity Investments and the disbursement of the Loan took place on 1 March 2019.

For the sake of complete disclosure, it should be emphasised that the Transaction illustrated in the paragraph on "Significant events during the year", involving: (i) the sale to BPER Banca S.p.A. ("**BPER**") by Unipol and, to the extent of its responsibility, by UnipolSai, of the investments held in Unipol Banca and, indirectly, in Finitalia and (ii) the purchase by UnipolReC of two separate portfolios of bad and doubtful loans, one owned by BPER and one by its subsidiary Banco di Sardegna, was subject on a voluntary basis to the procedural and decision-making processes established in the Procedure for transactions of "minor significance". The Transaction was therefore submitted for the review to the UnipolSai Committee, which, on 6 February 2019, issued its reasoned opinion in favour.

Unipol and UnipolReC, on a voluntary basis and within their areas of competence, also submitted the Transaction for approval to the Unipol's Related Party Transactions Committee, which also acted as the Committee for the management of transactions with associated parties of UnipolReC, and issued its own favourable opinion again on 6 February 2019.

The following table shows transactions with related parties carried out during 2019. It should be noted that the application scope of the Procedure for related party transactions, adopted pursuant to Consob Regulation no. 17221 of 12 March 2010, as amended, also includes some counterparties that are included, on a voluntary basis, pursuant to Art. 4 thereof. The above also includes UCIs, in which the Company, or one of its related parties, holds more than 20% of the equity rights.

Please also note that the economic relations with Unipol Banca and its subsidiaries have been reported on the basis of the type of relationship existing at the time they took place, while the equity balances were requalified following the merger taking place on 25 November 2019 into BPER Banca and are listed in the "Other related parties" column.

Information on transactions with related parties at 31 December 2019

Amounts in €k	Holding company	Subsidiaries	Affiliates	Associates	Other related parties (**)	Total	Incidence				
							(1)	(2)	(3)		
Assets											
Bonds				6,863	3,740	10,603	0.02	(1)	0.53	(3)	
Loans	567,785	285,423	65,276	6,092		924,576	1.69	(1)	46.43	(3)	
Bank deposits					19,465	19,465	0.04	(1)	0.98	(3)	
Deposits with ceding		2				2	0.00	(1)	0.00	(3)	
Receivables arising from direct insurance/reinsurance business		7,237	7,391	11	46,978	(4)	61,617	0.11	(1)	3.09	(3)
Other receivables	17,630	35,210	1,717	182	30,012		84,751	0.15	(1)	4.26	(3)
Bank deposits and post office					327,225		327,225	0.60	(1)	16.43	(3)
Sundry assets		416			35,006		35,423	0.06	(1)	1.78	(3)
Technical provisions -		124,550					124,550	0.23	(1)	6.26	(3)
Total	585,415	452,837	74,384	13,147	462,427	1,588,211	2.90	(1)	79.76	(3)	
Liabilities											
Deposits received from		22,362					22,362	0.04	(1)	1.12	(3)
Payables arising from insurance/reinsurance		5,597			1,269		6,866	0.01	(1)	0.34	(3)
Collateralised payables/other loans					1,811		1,811	0.00	(1)	0.09	(3)
Sundry payables	90,574	78,987	73	55	5,418		175,108	0.32	(1)	8.79	(3)
Sundry liabilities	10,658	2,114			9,322		22,094	0.04	(1)	1.11	(3)
Total	101,232	109,061	73	55	17,820	228,242	0.42	(1)	11.46	(3)	
Memorandum accounts	561,689	1,573,884		28,587	9,379,602	11,543,761	21.08	(1)	22.54	(5)	
Income from:											
Land and buildings	262	8,918	2,422		3,697		15,299	0.58	(6)	2.18	(2)
Shares, units and dividends	99	66,204	1,764	1,914	6,204		76,185	2.88	(6)	10.86	(2)
Other investments	7,484	731	3,088		15		11,318	0.43	(6)	1.61	(2)
Other income - Extraordinary	4,593	36,664	7,449	115	2,618		51,439	1.94	(6)	7.34	(2)
Total	12,437	112,517	14,725	2,030	12,534	154,241	5.83	(6)	22.00	(2)	
Charges											
Investment management		495	14,161		18,185		32,840	0.06	(6)	4.68	(2)
Other charges - Extraordinary expenses	4,290	32,701	3,040	4,318	4,310		48,659	0.09	(6)	6.94	(2)
Total	4,290	33,196	17,201	4,318	22,495	81,500	0.15	(6)	11.62	(2)	
Technical charges											
Acquisition costs	296	23,952	37,113		130,245	(4)	191,605	7.24	(6)	27.32	(2)
Administrative expenses	18,159	28,633	494		1,195		48,481	1.83	(6)	6.91	(2)
Total	18,455	52,585	37,607		131,440	240,086	9.07	(6)	34.24	(2)	
Non-Life and Life technical											
Balance of outwards reinsurance *		16,053					16,053	1.99	(7)	2.29	(2)
Balance of inward reinsurance net of retroceded amounts *		1,030					1,030	0.13	(7)	0.15	(2)
Total		17,083				17,083	0.65	(7)	2.44	(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.

(**) The column breaks down information on relations with direct investees and other related parties.

Comments on the main items

The item bonds represents the bonds issued by Group companies and refers to the associate Garibaldi (€5.1m), to the associate Isola S.c.A. (€1.8m) and to other investees (€3.7m): Syneteristiki (€1.5m) and Ex Var S.c.A. (€2.2m);

At 31 December 2019, the item loans to the holding company, amounting to €567.8m, referred to

- two loans executed in 2009 (for a total of €267.8m) in favour of Unipol Gruppo after Unipol Assicurazioni - subsequently merged into UnipolSai Assicurazioni - took over the role of issuer of the Unipol 7% and Unipol 5.66% bond loans. The total interest for the year at 31 December 2019 was €1.8m;
- a loan for €300m granted by UnipolSai Assicurazioni on 1 March 2019, indexed to the 3M Euribor plus a spread of 260 basis points, with bullet repayment at 5 years (with the possibility of full or partial early repayment), and the payment of interest on a quarterly deferred basis, as part of the sale to Unipol of the equity investment in Unipol Banca after the exercise of the put option. The total interest for the year at 31 December 2019 was €5.7m.

At 31 December 2019, loans outstanding to subsidiaries amounted to €285m and included €223.8m for the loan to Car Server disbursed in August 2019 following the completion of the acquisition of the equity investment in that company. The total interest for the year at 31 December 2019 was €0.7m. The remainder refers to: Meridiano Secondo for €36.8m inclusive of interest accrued, Casa di Cura Villa Donatello for €5.7m inclusive of interest accrued, Società Edilizia Immobiliare Sarda for €6m inclusive of interest accrued, AlfaEvolution Technology for €13m (of which €3m disbursed on 28 February 2019).

As regards the affiliates, the amount refers solely to UnipolReC which in the course of 2019 repaid principal equal to €41m early, and therefore the remaining loan amounted to €65m; the interest for the year totalled €2m.

Loans to associates equalled €6m and referred exclusively to Borsetto. Please note that the loan granted to Butterfly (€128m) was written off.

The item Receivables arising from insurance and reinsurance business in terms of transactions with subsidiaries refers to the following: €4.7m to receivables from Sogeint and €1.3m to receivables from Incontra Assicurazioni; and 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 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 €5.5m from UniSalute (€5m as a deposit established on the basis of a reinsurance treaty), €1.6m from Linear, €1.0m from Casa di Cura Villa Donatello, €1.6m from Incontra Assicurazioni and €4.1m from Arca Vita.

The item also includes a receivable of €11.8m from Pronto Assistance Servizi, of which €8.4m for advances on services and €3.2m for service and secondment of personnel.

Receivables from other investees includes receivables from Finitalia amounting to €27.9m for premiums advanced by the latter as part of the service relating to the split payment of policies, and from BPER Banca for €1.9m.

The entire amount (€327.2m) of bank deposits with other investees refers to the balance of current accounts held with BPER Banca, whereas the sundry assets included amounts secured for claims (€20.9m) with the same counterparty.

Technical provisions - Reinsurers' share refer to reinsurance relations with the subsidiaries UnipolRe DAC for €99.6m and SIAT - Società Italiana di Assicurazione for €25m.

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

Collateralised payables/other loans is entirely referred to loans obtained from BPER 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 UniSalute (€15.4m), UnipolSai Servizi Consortili (€31.0m), Pronto Assistance Servizi (€8.9m), UNA Group (€2m), Auto Presto e Bene (€2.8m) and AlfaEvolution (€14.2m). In relation to other investees, sundry payables are mainly comprised of payables due to BPER Banca (€5m).

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Sundry liabilities to holding companies are entirely referred to the allocation of the costs to be recognised to the employees of UnipolSai seconded to Unipol Gruppo; with respect to the other investees, it refers to payables to Finitalia amounting to €8.4m.

Income from land and buildings refers to leases with the subsidiaries UNA Group (€1.6m), UniSalute (€3m) and Linear (€2m). With respect to affiliates and other investees, it refers to lease agreements with BPER Banca.

Dividend income from subsidiaries refers for €28.6m to UniSalute, €7.2m to UnipolSai Finance, €5.6m to Linear and €19.0m to Arca Vita; with respect to other investees, it refers entirely to BPER Banca.

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

Other income - extraordinary income essentially refers to recoveries for services provided and secondment of personnel. With regard to transactions with affiliates and other investees it also includes income from commissions for the placement of banking products recognised by Unipol Banca and subsequently by BPER Banca for a total of €3.5m.

Investment management expenses mainly relate to the expense on the securities dossier.

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 subsidiaries include €2.5m to Midi, €11.0m to Sogint and €5.1m to Leithà. With respect to affiliates and other related parties, they refer in part to the cost for fees due to Finitalia for the loan granted to the contracting parties for the purchase of policies (totalling €61.0m) and 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 (€18.2m), but also to the following subsidiaries: UniSalute (€6.1m), SIAT – Società Italiana di Assicurazione (€1.6m), UnipolRe DAC (€1.1m), UnipolSai Servizi Consortili (€13.2m) and real estate costs with respect to Midi (€3.9m).

The balance of outwards reinsurance mainly derives from transactions with the subsidiaries UnipolRe DAC (€7.8m) and SIAT (€7.4m).

Please also note that the contributions payable by the Company paid in the course of 2019 to Company employee and executive pension funds amounted to €16.1m.

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

Remuneration payable for 2019 to the Directors, Statutory Auditors, the General Manager and Key Managers for carrying out their duties amounted to €13.6m, details of which are as follows:

<i>Amounts in €k</i>	2019
Directors and General Manager	3,621
Statutory Auditors	258
Other Key Managers	9,679 ^(*)

** 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 share-based compensation 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 2019 the companies in the Group paid UnipolSai the sum of €0.4m 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 Italian 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 2.84 times the Solvency Capital Requirement (SCR), (at 31 December 2018 2.53), and 5.65 times the Minimum Capital Requirement (MCR) (at 31 December 2018 4.73).

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	8,258.6	5,989.1	1,152.1	1,117.5	
Available own funds to meet the Minimum Capital Requirement	8,258.6	5,989.1	1,152.1	1,117.5	
Eligible own funds to meet the Solvency Capital Requirement	8,258.6	5,989.1	1,152.1	1,117.5	
Eligible own funds to meet the Minimum Capital Requirement	7,403.2	5,989.1	1,152.1	262.0	
Solvency Capital Requirement	2,911.3				
Minimum Capital Requirement	1,310.1				
Ratio of Eligible own funds to Solvency Capital Requirement	2.84				
Ratio of Eligible own funds to Minimum Capital Requirement	5.65				

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 pursuant to regulations in force.

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 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, as well as in the aggregation process:

- Non-Life and Health Technical Insurance risks relating to the earthquake catastrophe component;
- Life Technical Insurance risks;
- Market risk;
- Credit risk.

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

Non-Life and Health technical insurance risk is represented by the following risk sub-modules: tariff-setting risk, provisions risk, catastrophe risk and surrender risk. A Partial Internal Model (for Earthquake catastrophe risk), Specific Company Parameters and the Standard Formula are used to calculate the solvency capital requirement. The Supervisory Authority, by Measure of 2 February 2016, authorised the use from 1 January 2016 of the specific parameters of the Undertaking for the calculation of the solvency capital requirement for the tariff-setting and provision risks in the following segments:

- 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.

In addition, except with regard to Earthquake risk, the catastrophe risks and surrender risk are assessed using the Standard Formula.

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. Catastrophe risk, in addition to the Life underwriting risks relating to Unit-Linked and Pension Fund products, are assessed using the Standard Formula.

The **market risk** of the securities portfolio, for which the investment risk is not borne by the policyholders, is measured using the Partial Internal Model that adopts a Monte Carlo VaR approach. As part of the Internal Market Model, Life liabilities are replicated through cash flows with a maturity equivalent to the breakdown of Life provisions 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 policyholders and concentration risk are assessed 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 to the insurance and reinsurance exposures. Furthermore, the model allows the risk of default deriving from exposures to intermediaries and policyholders to be measured.

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 2019 consisted of 7,527 employees. In 2019 160 employees terminated their employment with the Company, of which 7 due to intragroup transfers and 153 due to actual termination and there were 175 new entries, of which 158 new hires and 17 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 7,287.

Personnel costs for remuneration, social security charges and post-employment benefits amounted to €584.6m.

As part of the implementation of the 2019-2021 Business Plan, on 18 July 2019 a trade union agreement was signed regarding voluntary pre-retirement arrangements for employees meeting pension requirements by the end of 2023. This agreement is divided into three types of case:

- ✓ employees who have met or will meet early retirement requirements pursuant to the "Fornero Reform" by 1 August 2020: jointly agreed termination of the employment contract was set for 31 October 2019 for those already meeting the requirements or will gradually be set as the last day prior to meeting the requirements for the aforementioned pension treatment.
- ✓ employees who will meet the early retirement or normal retirement requirements pursuant to the "Fornero Reform" in the period between 1 September 2020 and 1 January 2024, as well as those who will meet the "Fornero Reform" early retirement requirements in the last quarter of 2023 and consequently accruing the related pension by 1 April 2024. Access to the extraordinary section of the Solidarity Fund with all charges borne by the Company, which envisages payment to the interested party of a pay cheque equal to the future pension and payment of the related contributions for as long as the individual accesses the Fund.
- ✓ Jointly agreed termination of the employment contract was established with effect from:
 - 1 March 2020 (termination on 29 February 2020) for those due to meet the pension requirements between 1 September 2020 and 1 December 2022;
 - 1 February 2021 (termination on 31 January 2021) for those due to meet the pension requirements between 1 January 2023 and 1 January 2024, as well as those who will meet the early retirement requirements pursuant to the "Fornero Reform" in the last quarter of 2023 and consequently accruing the related pension by 1 April 2024.
- ✓ employees who have met or will meet early retirement requirements through the "Quota 100" formula: jointly agreed termination of the employment contract was set for 30 November 2019 for those already meeting the requirements or will gradually be set as the last day prior to meeting the requirements for this form of pension treatment.

The agreement of 18 July 2019 envisaged early retirement for a maximum of 760 individuals, but as over 800 subscribed to the option, on 20 November 2019 a further trade union agreement was signed that will allow all employees subscribing to access the arrangements envisaged in the previous agreement.

Training

Training activities during 2019 focused on implementing courses, through the Unica Faculties, with *mandatory and regulatory, technical, commercial, managerial and behavioural* content.

Among these were the hours provided to meet obligatory requirements and those provided in compliance with IVASS Regulation no. 40/2018, necessary to spread knowledge on insurance products and revised industry regulations.

1 Management Report

Training provided to employees

The training activities that mostly concerned the employees were those of a regulatory, technical-insurance and managerial nature. A good deal of the projects were carried out with training financed by the **Bank Insurance Fund (FBA)**.

Some of the main projects were:

- The **Change Manager** course, designed to provide the tools, skills and mindset to effectively take on the new role of Change Manager (established in the Sales Department) in the Company or in an Agency. Recipients: 15 Change Managers from the Sales Department. It began in October and envisages a Kick-off Day, technical classroom training and three business/soft skills modules.
- The **Sales Tutor** course, designed to restyle the agencies with an unbalanced MV portfolio and without a specialist figure to give them a new Managerial figure to provide sales support in the Agency, starting from the counter staff. Recipients: 8 Sales Tutors from the Sales Department. It began in December and envisages 12 classroom training days.
- The **“Welfare and Life”** course: a course dedicated to the first 11 **Welfare Consultants** (a new professional role that will provide support to local Agencies in developing the sales of products associated with corporate welfare). The course envisaged: self-training via online courses on the Unica portal, classroom training and project work for the practical application of skills and sharing of experiences.

Some of the regulatory/mandatory initiatives included:

- **Privacy-GDPR**: training courses targeting employees involved with particularly sensitive activities continued to be held.
- **Market Abuse**: through classroom sessions dedicated to Executives of the functions affected by projects that offer access - even if occasional - to privileged information (“Insider List”).
- **Workplace Safety**, with the provision of mandatory courses for Employees, Managers and Executives for Fire and First Aid Emergency Officers.

Added to these were other initiatives of a regulatory nature, designed to comply with European law and IVASS regulations.

Again to comply with IVASS provisions, coordination and planning took place throughout 2019 for the training targeting UnipolSai **Distributors**, subject to professional updating obligations, with the creation of a kit dedicated to opening courses in the FAD catalogue.

Main Training Projects for the Sales Network

The training intended for the Sales Network referred to building courses useful in further increasing skills, also in compliance with training obligations envisaged in the IVASS Regulation.

Along with the standard training programme associated with regulatory updating on new products, with related restyling action, for the new **UnipolSai Navigare** product the webinar training format was successfully tested, with the benefit of effectively transferring technical content through interaction with the tutor, reducing travelling time and costs to zero.

Some of the main projects were:

- The **BPR4 Project - Assessment for independent transfer from A1 to A2**. In line with the Business Plan and in close partnership with the Non-Life and Claims Technical Division, this highly complex project aimed to review and automate the underwriting process in reference to the new autonomous agencies Model. Quarterly assessment sessions were implemented, ending on 31 December with the final mass phase of extension to the entire network (**4,200 agents**) in relation to 4 business classes: Accident, Theft, TPL and Fire, with the aim of transfer from autonomous level A1 to level A2. The project will continue with classroom planning in 2020.

- The **IMA Master Course - Agency Innovation Manager**, the third edition of which (from October 2019 to February 2021) will involve a further 24 high-potential agents. The project aims to develop an innovative business model regarding Agencies in the near future, associated with topics also presented in the Group Business Plan.

Other initiatives

The roll-out for the **Leonardo Digital Workspace project and development of the Non-Life Underwriting Model** was completed, for which classroom training was held targeting the Network, and an online course was published.

The **"Le ali ai piedi"** ("Wings on our heels") communication campaign continued, as did the related **"Unica per tutti"** ("Unica for everyone") initiative, which include all of Unica's transversal projects dedicated to the continuous education of everyone working within the Group (smart training, office training, digital library and training events).

As regards **Office Automation**, 7 online courses were made available to employees and 6 to the Network in relation to the Office 2016 Suite, valid for IVASS purposes. In addition, given the gradual adoption of Windows 10 (and at the same time the Office 2016 suite), an online course on this operating system has been enabled for employees.

In 2019, as part of the implementation process for the **Register of Unipol Corporate Academy Trainers**, 188 employees received training to become Trainers. At 31 December 2019, **291 employees, 79 agents and 25 Assicoop employees had passed the examination and were entered in the register.**

During 2019 **Unica received various awards** for the projects "Laboratorio Unipol Innovation" (Unipol Innovation Lab) and "Il Patentino Creditizio" (The Lending Licence), at the IV Edition of the Olivetti Awards (promoted by the Italian Training Association - AIF), for "Scrivere bene è pensare bene" (To write well is to think well) and "Sin@psi" at the V Edition of the same Awards, and for "Unipol Insurance Master Program" at the V Edition of the Responsible Innovators Awards in Emilia Romagna. Lastly, Unica won the HR Community - HRC award as Academy, in the HRC Best Practice Awards - Digital Learning category.

Protection of Privacy

Regulation (EU) 2016/679 on the protection of personal data (the "GDPR"), which became directly applicable in all European Union Member States as of 25 May 2018, introduced significant new elements in the protection of personal data, requiring continuous training on the topic and strong substantial accountability of the company, which must be capable of demonstrating its compliance with the GDPR provisions.

To that end, in the course of 2019, the Company, with the support of the Group's Data Protection Officer ("DPO") – who performs the activities under his responsibility for the Parent and for its subsidiaries with registered office in Italy – provided training to the employees who work for it through 6 classroom courses and 3 e-learning courses, in addition to evaluating the effectiveness and efficiency of the oversight mechanisms, processes and organisational system implemented in order to guarantee that its personal data management complies with regulations in force and is transparent with respect to data subjects, through:

- monitoring of the record of processing activities required under Art. 30 of the GDPR;
- updating of service agreements between Group companies and between them and external suppliers;
- updating of company communication documents to outline guidelines and procedures for the proper management of personal data and to ensure the regulatory compliance of processing;
- assessment on the compliance of processes and procedures with regulatory provisions;
- impact assessments on data protection, in keeping with the privacy by design and by default principles.

Research and development activities

In response to a market scenario undergoing constant technological evolution, UnipolSai makes investments to develop and accelerate innovation and meet the new needs of customers.

1 Management Report

In 2019, investments in data and telematics generated concrete returns in the business, such as: the improvement of the capacity to identify fraud, through the automatic and “predictive” flagging of suspicious claims; a reduction in the cost of claims; the expansion of knowledge of real customer needs, the creation of new services and products offered to customers in a range of segments.

Several of the Group’s internal structures and companies make a particularly impactful contribution to innovation processes, including:

- the **Innovation Division**, which has the company mission of identifying and proposing new operating solutions, startups and/or emerging technologies to the various business areas and Group companies. These opportunities are identified through continuous research and monitoring, by relying on scouting activities as well as the close collaboration with the main international players in the sector, both in Italy and worldwide. The Division also supports the business areas/companies in defining and implementing business cases for the validation of the opportunities identified;
- the **Telematics and Insurance Services Division** which, through its constant commitment to scouting (including internationally), identifies new insurance and other business ideas, to pinpoint interesting services for the Company which are useful to support customers in their daily lives, with a particular focus on event prevention; the experimentation and, if applicable, industrialisation phases are activated with the involvement of other innovation players in the Group;
- the **IT Services Division**, which ensures digital innovation to make it possible to create new technological and process solutions to support new business models, by identifying and trying out IT technologies, architectures and solutions, defining Group guidelines and coordinating the evolution and management of IT solutions for the Group companies and the Agency network, guaranteeing their reliability, support and proper functioning (ICT Governance);
- **AlfaEvolution Technology**, which provides, manages and analyses the data in the black boxes linked to MV TPL Policies, the telematic kits connected to property insurance policies, the telematic devices associated with pet protection insurance policies; it also develops and manages the new mobile payment services.
- **Leithà**, a factory that develops applications and components of data-intensive applications in agile mode with the goal of protecting, leveraging and enhancing the group’s informational assets, to support the development of new products and processes and the evolution of the business.

IT services

The Information & Communication Technology (ICT) Plan was prepared in a manner consistent with the guidelines of the 2019-2021 Business Plan and with the process of strategic development of the Group IT Services. The new Business Plan envisages the significant introduction of new technologies in all Group companies with the aim of:

- operating more effectively, as part of the core insurance business, in a competitive scenario characterised by new technologies and new competitors, also originating from other sectors; and
- modifying the vision of the reference context, taking into account that the profound changes in progress will lead to consideration for ecosystems, which will involve the adoption and integration of solutions and technologies different from those used in the core insurance business sphere.

In this context, the activities carried out in 2019 targeted the **completion and enhancement of digitalisation initiatives for the Agency network** undertaken last year, the **identification and introduction of new technologies** necessary to start new planning and the implementation of activities to **develop the core systems and insurance product mix**, in addition to **development of the Mobility ecosystem**.

As part of the **digitalisation, process optimisation and development of core systems**, the new “Leonardo” digital workspace and the new Non-Life Underwriting Model have been rolled out to all the private agencies. New agency processes integrated with external contact centres for multi-channel marketing campaign management have been created using new technology (PEGA).

The integrated use with the claims system of new Artificial Intelligence technology led to the automation of recognition and management of around 300,000 documents, significantly reducing costs and processing times (-17%), whilst the release of the new anti-fraud platform based on the combined use of new deterministic and predictive rules engines and new advanced data analysis technologies led to improved data management.

The project received the best Antifraud Project award at the Insurance Club's "Insurance Italy Forum Awards". In relation to Robotic Process Automation, the new "Robo-farm" has been installed and the first 14 processes have been automated.

As regards **Multi-channelling, Mobility, Telematics and Payments**, the App and the UnipolSai Customers Area have been enhanced with new support functions, before-you-buy car insurance quotes and new In-Vehicle Payment services for the Mobility ecosystem. The UnipolSai App received the OF Financial Observatory award for the best Insurance App for the second consecutive year.

With reference to the **New Technological Architectures & Solutions**, enhancement of the agency network links was completed, migrating over 5,300 points of sale to fibre optics and migration to the Google Cloud of around 20,000 agency user accounts, thereby making available all the Mail, Office and Collaboration services of the Google Suite and the Company services, also in mobile format and on agent-owned devices.

A new digital behavioural monitoring platform (CU.IN.DI) has been created, used to analyse Leonardo Workspace operations and to measure the digital effects of the advertising campaign.

As regards **Cybersecurity Data Governance & Data Strategy**, action continued to introduce new technologies in support of security monitoring and the protection of personal data, and a new platform for Data Governance and Data Quality management has been introduced in compliance with IVASS Regulation no. 38 of 2018.

Communications

In 2019, 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.

On the institutional front, during the presentation of the three-year Strategic Plan Mission Evolve 2019-2021 on 10 May in Milan, specific editorial and graphic content was created to describe the new business path undertaken by the Group to the financial market.

Furthermore, at the end of September the new UnipolSai advertising campaign "Always one step ahead" was launched across all offline and online means of communication, reaching a broad target.

As concerns 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 UnipolSai alongside personalities of the sports, cultural and social spheres, with a view to long-term continuity. In particular, the sponsorship with Ducati Corse was renewed for two years (until 2020) for the Moto GP and the new athletes of the Young Italy Team UnipolSai were presented, young hopefuls along with the great champions of the Italian sport.

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 - reached over 42 million people, representing 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 2019 there were no atypical and/or unusual transactions, in addition to those reported among the main events of the period, that, because of their significance, importance, nature of the counterparties involved in the transaction, transfer pricing procedures, or occurrence close to the end of the year, could give rise to doubts relating to: the accuracy and completeness of the information in the present documentation, a conflict of interest, the safeguarding of the company's assets or the protection of non-controlling shareholders.

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

Pursuant to the requirements set forth in Art. 2.6.2, paragraph 8 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. 16 of Consob Regulation no. 20249/2017 exist for UnipolSai.

Report on corporate governance and ownership structures for 2019

The information required by Art. 123-bis, Italian 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 Report on Corporate Governance is available in the "Governance/Corporate Governance System/Annual Report" Section on the Company's website (www.unipolsai.com).

Communication of non-financial information

With respect to the obligations laid out by Italian 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.

Extraordinary transactions

On 17 February 2020, UnipolSai and Unipol Gruppo, in a joint communication, announced two extraordinary transactions, specifically in relation:

- (i) to the promotion by Intesa Sanpaolo S.p.A. ("**Intesa**") of a surprise voluntary public exchange offer on all shares of UBI Banca S.p.A. (the "**PEO**") and
- (ii) to the acquisition by BPER Banca S.p.A. ("**BPER**" or the "**Bank**"), having positively concluded the PEO, of a business unit consisting of bank branches and the assets, liabilities and legal relationships connected to them (the "**Banking Business**").

Please note that UnipolSai Assicurazioni had entered into an agreement with Intesa for the subsequent acquisition, either directly or through a subsidiary, of business units linked to one or more current investee insurance companies of UBI Banca (BancAssurance Popolari S.p.A., Lombarda Vita S.p.A. and Aviva Vita S.p.A.), consisting of Life insurance policies taken out by customers in the Banking Business and the relative assets, liabilities and legal relationships (the "**Insurance Businesses**"). UnipolSai Assicurazioni and Intesa will proceed with the definition of the Insurance Businesses and their subsequent transfer as soon as it is possible to have access to the data and information of BancAssurance Popolari, Lombarda Vita and Aviva Vita, also pursuant to regulations in force, subject to the fulfilment of specific conditions, including the completion of the transactions pursuant to points (i) and (ii) above and the assumption of control of Lombarda Vita and Aviva Vita by UBI Banca. The Insurance Business of BancAssurance Popolari, already wholly owned by UBI Banca, may in any event be transferred even independent of the transfer of the other Insurance Businesses.

The consideration for the transfer of the Insurance Businesses will be determined on the basis of the same valuation criteria as those adopted for the determination of the price paid by UBI Banca for the possible acquisition of control of Lombarda Vita and Aviva Vita as well as, as concerns the Insurance Business of BancAssurance Popolari, by making reference to its asset value.

Furthermore, with respect to the resolutions passed by the BPER Board of Directors regarding the acquisition of the Banking Business and the resulting share capital increase of the Bank for a maximum of €1bn (the "**Share Capital Increase**"), in order to provide it with the resources necessary to perform the transaction and maintain capital ratios in line with those recorded at 31 December 2019, note that Unipol Gruppo and UnipolSai Assicurazioni, positively evaluating such acquisition for the BPER Group, notified the competent bodies of the Bank of their favourable orientation and their willingness to subscribe their applicable shares of the Share Capital Increase.

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

On 27 January 2020, UnipolSai confirmed its partnership that will once again see the company as the official sponsor of Ducati Corse in the MotoGP 2020 World Championship. The partnership with the Ducati Team will entail the UnipolSai brand appearing on the tail of the two red sport bikes of Borgo Panigale and on the team uniforms.

Establishment of UNICA LAB S.r.l.

On 26 February 2020, the sole member company UNICA LAB S.r.l. a socio unico (100% UnipolSai Assicurazioni) was registered with the Register of Companies, in order to leverage the skills developed over the years by Unica by offering training courses and services to customers outside the Group.

Business outlook

The global economy is continuing to show signs of a general slowdown, even if certain unknowns relating to the US-China "tariffs war" and Brexit appear to have stabilised or are in the process of doing so. On the other hand, the first part of 2020 was characterised by negative repercussions on growth of the global economy generated for the most part by the worldwide extension of the COVID-19 (Coronavirus) epidemic. The infection from Coronavirus, recently qualified as a pandemic by the World Health Organisation, indeed led to precautionary measures being adopted in China, which were then extended to many other countries, including Italy, to combat the spread of the epidemic. The size of the pandemic, in terms of duration and extent, is currently difficult to estimate, as well as the quantifications of the negative effects that it may have on the world economic cycle, which are difficult to predict.

In our Country GDP figures below expectations recorded in the fourth quarter of 2019, confirming the vulnerability of Italy's economy in a context of weak growth in the international economy and the spread of the health emergency from the end of February on, led many observers to a considerable downwards review of the 2020 growth forecasts, previously expected to be around +0.5% and now estimated by many in negative growth.

As regards the financial markets, the Central Banks continue to implement easing policies, without fear of serious risk of inflation, that keep interest rates low, whilst the main stock markets have been strongly volatile due to worries that the measures launched in many countries, including Italy, with the aim of combating the spread of the pandemic, will halt the global economy. Indeed, this public health emergency is unleashing highly negative trends in the stock indexes at the end of February 2020, along with an increase in the spread between Italian government bonds and the German Bund.

All this may reflect on our financial investments and on the financial management, which continues to be aimed at the consistency of assets and liabilities, with a view to maintaining a proper risk return profile of the portfolio and pursuing selectively an adequate diversification of the risks.

With regard to the trends of the insurance business, starting from the last week of February, due to the increasingly stringent government provisions on the movement of people, there has been a reduction in the signing of new contracts and, with reference to the Non-Life classes, a reduction in claims as well.

In the hotel business, this public health emergency is likely to have a more significant impact, although this will depend on its duration, which currently cannot be predicted.

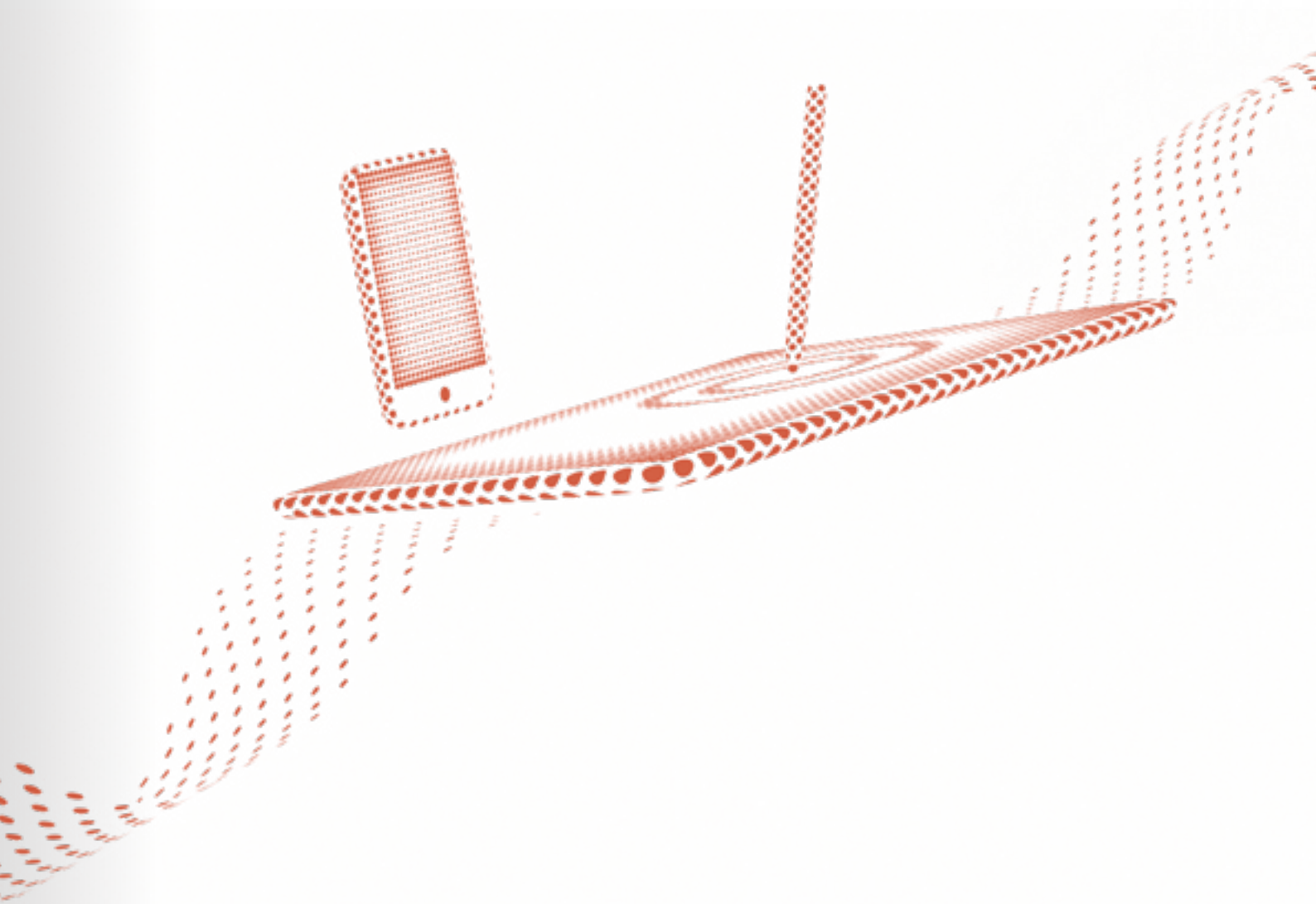
In any event, the Group has initiated several specific actions to support our customers and agents residing in the areas hardest hit most by the ongoing epidemic, as well as to protect our employees throughout the country.

Excluding unforeseeable events also connected with the worsening reference context, the operating result for the current year is expected to remain positive and in line with the objectives defined in the Business Plan.

Bologna, 19 March 2020

The Board of Directors





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FINANCIAL STATEMENTS
FOR THE YEAR 2019

Financial statements

Statement of Financial Position Year 2019

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 2019

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	58,891,845			
b) Non-Life business	4	18,616,802	5	77,508,647	
2. Other acquisition costs			6		
3. Start-up and expansion costs			7	2,050	
4. Goodwill			8	438,699,454	
5. Other long-term costs			9	239,653,261	10 755,863,412
C. INVESTMENTS					
I - Land and buildings					
1. Property for corporate business			11	512,189,046	
2. Property for use by third parties			12	1,481,987,918	
3. Other property			13	9,560,055	
4. Other property rights			14	2,279,472	
5. Fixed assets in progress and payments on account			15	4,100,000	16 2,010,116,491
II - Investments in group companies and other investees					
1. Shares and holdings in:					
a) holding companies	17	1,708,128			
b) subsidiaries	18	3,141,338,123			
c) affiliates	19	67,197,468			
d) associates	20	33,541,110			
e) other	21	255,665,932	22	3,499,450,761	
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	567,785,217			
b) subsidiaries	30	285,423,184			
c) affiliates	31	65,276,250			
d) associates	32	6,091,780			
e) other	33		34	924,576,431	35 4,434,629,992
			to be carried forward		755,863,412

AMOUNTS FOR THE PREVIOUS YEAR					
					181
		182			
	183	54,933,931			
	184	20,495,751	185	75,429,682	
			186		
			187	183,038	
			188	493,770,323	
			189	204,868,501	190 774,251,544
			191	474,973,014	
			192	1,602,633,579	
			193	16,298,581	
			194	2,279,472	
			195	69,950,845	196 2,166,135,491
	197	3,284,192			
	198	2,889,779,027			
	199	663,683,871			
	200	33,405,094			
	201	248,216,681	202	3,838,368,865	
	203				
	204				
	205				
	206	6,862,800			
	207	3,740,000	208	10,602,800	
	209	267,785,217			
	210	58,079,340			
	211	106,258,750			
	212	6,271,490			
	213		214	438,394,797	215 4,287,366,462
			to be carried forward		774,251,544

2 Financial Statements for the year 2019

Statement of financial position

ASSETS

	AMOUNTS FOR THE YEAR			
			amount carried forward	
				755,863,412
C. INVESTMENTS (continued)				
III - Other financial investments				
1. Shares and holdings				
a) Listed shares	36	475,883,452		
b) Unlisted shares	37	151,842,006		
c) Holdings	38		39	627,725,458
2. Mutual investment fund units			40	3,421,579,097
3. Bonds and other fixed-yield securities				
a) listed	41	31,652,996,569		
b) unlisted	42	516,522,516		
c) convertible bonds	43	7,814,111	44	32,177,333,196
4. Loans				
a) collateralised loans	45			
b) loans on policies	46	19,411,438		
c) other loans	47	2,762,157	48	22,173,595
5. Mutual investment units			49	
6. Bank deposits			50	25,521,022
7. Sundry financial investments			51	20,367,482
IV - Deposits with ceding companies			52	36,294,699,850
			53	10,333,618
			54	42,749,779,951
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	679,162,780
II - Investments arising from pension fund management			56	4,946,603,072
			57	5,625,765,852
D. bis TECHNICAL PROVISIONS - REINSURERS' SHARE				
I - NON-LIFE BUSINESS				
1. Premium provision			58	83,819,770
2. Claims provision			59	525,501,816
3. Provision for profit sharing and reversals			60	
4. Other technical provisions			61	609,321,586
II - LIFE BUSINESS				
1. Mathematical provisions			63	28,551,776
2. Premium provision from supplementary insurance			64	
3. Provision for amounts payable			65	2,123,959
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	30,675,735
			69	639,997,321
			70	
		to be carried forward		49,771,406,536

AMOUNTS FOR THE PREVIOUS YEAR			
		amount carried forward	774,251,544
	216	389,926,866	
	217	152,001,071	
	218		219 541,927,937
			220 3,191,157,400
	221	31,841,145,735	
	222	423,346,533	
	223	1,051,109	224 32,265,543,377
	225		
	226	23,151,265	
	227	2,129,822	228 25,281,087
			229
			230 6,065,163
			231 98,022,794
			232 36,127,997,758
			233 12,325,422
			234 42,593,825,133
			235 562,564,591
			236 4,020,373,974
			237 4,582,938,565
			238 88,845,933
			239 506,950,378
			240
			241
			242 595,796,311
			243 38,516,891
			244
			245 1,896,346
			246
			247
			248
			249 40,413,237
			250 636,209,548
		to be carried forward	48,587,224,790

2 Financial Statements for the year 2019

Statement of financial position

ASSETS

	AMOUNTS FOR THE YEAR			
			amount carried forward	
E. RECEIVABLES				49,771,406,536
I - Receivables relating to direct insurance business from:				
1. Policyholders				
a) for premiums for the year	71	644,704,445		
b) for premiums for previous years	72	3,818,652	73	648,523,097
2. Insurance intermediaries			74	875,235,618
3. Insurance company current accounts			75	27,730,142
4. Policyholders and third parties for amounts to be collected			76	125,685,831
77				1,677,174,688
II - Receivables relating to reinsurance business, from:				
1. Insurance and reinsurance companies			78	127,461,660
2. Reinsurance intermediaries			79	11,100
80				127,472,760
III - Other receivables			81	1,096,423,766
82				2,901,071,214
F. OTHER ASSETS				
I - Property, plant and equipment and inventories:				
1. Office furniture and machines and internal means of transport			83	45,980,374
2. Movable assets entered in public registers			84	
3. Plant and equipment			85	20,170,523
4. Inventories and sundry goods			86	4,292,956
87				70,443,853
II - Cash and cash equivalents				
1. Bank deposits and post office accounts			88	393,257,183
2. Cheques and cash in hand			89	12,958
90				393,270,141
IV - Other assets				
1. Transitory reinsurance accounts			92	
2. Sundry assets			93	1,208,809,538
94				1,208,809,538
95				1,672,523,532
G. ACCRUALS AND DEFERRALS				
1. Interest			96	373,557,104
2. Rental income			97	1,702,647
3. Other accruals and deferrals			98	33,121,816
99				408,381,567
TOTAL ASSETS			100	54,753,382,849

AMOUNTS FOR THE PREVIOUS YEAR			
		amount carried forward	48,587,224,790
	251	609,873,965	
	252	3,467,424	
	253	613,341,389	
	254	850,867,162	
	255	23,486,358	
	256	95,429,807	257 1,583,124,716
	258	44,476,548	
	259		260 44,476,548
			261 1,166,563,254 262 2,794,164,518
	263	45,100,308	
	264		
	265	23,103,155	
	266	4,276,456	267 72,479,919
	268	584,816,861	
	269	33,556	270 584,850,417
	272		
	273	1,132,588,867	274 1,132,588,867 275 1,789,919,203
			276 390,869,245
			277 2,006,238
			278 27,380,922 279 420,256,405
			280 53,591,564,916

2 Financial Statements for the year 2019

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	1,708,128	
VII - Other reserves		107	2,415,149,599	
VIII - Retained profit (loss)		108		
IX - Profit (loss) for the year		109	701,237,390	
X - Negative reserve for treasury shares		401	(1,847,266)	110 6,057,810,459
B. SUBORDINATED LIABILITIES				111 2,131,689,000
C. TECHNICAL PROVISIONS				
I - NON-LIFE BUSINESS				
1. Premium provision	112	2,870,244,048		
2. Claims provision	113	10,454,121,941		
3. Provision for profit sharing and reversals	114	6,003,755		
4. Other technical provisions	115	862,809		
5. Equalisation provisions	116	79,749,154	117 13,410,981,707	
II - LIFE BUSINESS				
1. Mathematical provisions	118	24,549,266,966		
2. Premium provision from supplementary insurance	119	749,893		
3. Provision for amounts payable	120	339,107,366		
4. Provision for profit sharing and reversals	121	6,226,327		
5. Other technical provisions	122	97,758,854	123 24,993,109,406	124 38,404,091,113
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			125 679,162,781	
II - Provisions arising from pension fund management			126 4,946,603,072	127 5,625,765,853
		to be carried forward		52,219,356,425

AMOUNTS FOR THE PREVIOUS YEAR			
		281	2,031,456,338
		282	407,255,806
		283	96,559,196
		284	406,291,268
		285	
		500	3,284,192
		287	2,410,951,657
		288	
		289	412,785,224
		501	(2,731,108)
		290	5,765,852,573
		291	2,211,689,000
	292		2,757,124,656
	293		10,936,430,891
	294		9,446,544
	295		1,396,628
	296		76,127,785
		297	13,780,526,504
	298		24,716,104,047
	299		757,852
	300		340,183,622
	301		5,508,744
	302		96,953,657
		303	25,159,507,922
		304	38,940,034,426
		305	562,564,590
		306	4,020,373,974
		307	4,582,938,564
	to be carried forward		51,500,514,563

2 Financial Statements for the year 2019

Statement of financial position

LIABILITIES AND SHAREHOLDERS' EQUITY

	AMOUNTS FOR THE YEAR			
	amount carried forward			
				52,219,356,425
E. PROVISIONS FOR RISKS AND CHARGES				
1. Post-employment benefits and similar obligations		128	2,031,783	
2. Provisions for taxes		129	95,842,854	
3. Other provisions		130	390,665,209	488,539,846
F. DEPOSITS RECEIVED FROM REINSURERS				145,201,329
G. PAYABLES AND OTHER LIABILITIES				
I -Payables arising from direct insurance business, to:				
1. Insurance intermediaries	133	44,450,285		
2. Insurance company current accounts	134	7,265,699		
3. Policyholders for guarantee deposits and premiums	135	20,231,404		
4. Guarantee funds in favour of the policyholders	136	97,107	137	72,044,495
II -Payables arising from reinsurance business, to:				
1. Insurance and reinsurance companies	138	53,877,988		
2. Reinsurance intermediaries	139	357,977	140	54,235,965
III -Bond loans			141	
IV -Payables to banks and financial institutions			142	208,341,957
V -Collateralised payables			143	1,810,589
VI -Sundry loans and other financial payables			144	2,885,702
VII -Post-employment benefits			145	50,974,053
VIII -Other payables				
1. Policyholders' tax due	146	155,930,090		
2. Sundry tax payables	147	47,319,755		
3. Social security charges payable	148	31,748,419		
4. Sundry payables	149	341,822,121	150	576,820,385
IX -Other liabilities				
1. Transitory reinsurance accounts	151			
2. Commissions for premiums under collection	152	99,607,835		
3. Sundry liabilities	153	779,716,929	154	879,324,764
			155	1,846,437,910
H. ACCRUALS AND DEFERRALS				
1. Interest			156	53,737,145
2. Rental income			157	16,959
3. Other accruals and deferrals			158	93,235
			159	53,847,339
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160	54,753,382,849

AMOUNTS FOR THE PREVIOUS YEAR			
amount carried forward			51,500,514,563
	308	2,037,078	
	309	96,884,599	
	310	304,844,336	311 403,766,013
			312 163,800,185
313	40,778,630		
314	5,526,512		
315	15,903,705		
316	206,518	317 62,415,365	
318	61,163,621		
319	346,019	320 61,509,640	
		321	
		322	
		323 2,345,909	
		324 16,412,500	
		325 52,924,659	
326	151,546,817		
327	26,971,221		
328	31,424,205		
329	287,305,139	330 497,247,382	
331			
332	98,881,104		
333	671,093,068	334 769,974,172	335 1,462,829,627
		336 60,398,225	
		337 70,306	
		338 185,997	339 60,654,528
			340 53,591,564,916

2 Financial Statements for the year 2019

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 2019

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 2019

Income statement

	AMOUNTS FOR THE YEAR			
I. NON-LIFE BUSINESS TECHNICAL ACCOUNT				
1. EARNED PREMIUMS, NET OF REINSURANCE				
a) Gross premiums written		1	7,000,904,122	
b) (-) Premiums ceded to reinsurers		2	414,365,746	
c) Change in the gross amount of the premium provision		3	112,744,634	
d) Change in reinsurers' share of the premium provision		4	5,884,353	5
				6,479,678,095
2. (+) INVESTMENT INCOME TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III.6)				6
				200,520,145
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE				7
				38,513,289
4. CHARGES RELATING TO CLAIMS, NET OF AMOUNTS RECOVERED AND REINSURANCE				
a) Amounts paid				
aa) Gross amount	8	5,102,685,970		
bb) (-) reinsurers' share	9	250,248,711	10	4,852,437,259
b) Change in recoveries net of the reinsurers' share				
aa) Gross amount	11	169,241,171		
bb) (-) reinsurers' share	12	8,474,274	13	160,766,897
c) Change in claims provision				
aa) Gross amount	14	(482,649,430)		
bb) (-) reinsurers' share	15	23,560,001	16	(506,209,431)
				17
				4,185,460,931
5. CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE				18
				(533,818)
6. REVERSALS AND PROFIT SHARING, NET OF REINSURANCE				19
				4,659,772
7. OPERATING EXPENSES:				
a) Acquisition commissions		20	1,139,304,803	
b) Other acquisition costs		21	337,273,705	
c) Change in commissions and other acquisition costs to be amortised		22	(1,878,949)	
d) Collection commissions		23	158,565,084	
e) Other administrative expenses		24	359,571,450	
f) (-) Commissions and profit sharing from reinsurers		25	154,635,541	26
				1,841,958,450
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE				27
				139,942,335
9. CHANGE IN EQUALISATION PROVISIONS				28
				3,621,370
10. NON-LIFE BUSINESS TECHNICAL RESULT (Item III.1)				29
				543,602,489

AMOUNTS FOR THE PREVIOUS YEAR			
		111	6,908,279,866
		112	427,896,233
		113	79,658,456
		114	(7,346,706)
		115	6,393,378,471
		116	151,498,635
		117	62,558,871
	118	5,117,351,262	
	119	194,612,150	120
			4,922,739,112
	121	113,491,726	
	122	7,800,774	123
			105,690,952
	124	(537,473,989)	
	125	66,472,808	126
			(603,946,797)
			127
			4,213,101,363
			128
			(991,610)
			129
			5,999,149
		130	1,132,976,181
		131	319,859,233
		132	(936,579)
		133	155,434,626
		134	318,905,835
		135	149,023,946
		136	1,779,088,508
		137	154,236,706
		138	3,106,354
		139	452,895,507

2 Financial Statements for the year 2019

Income Statement

	AMOUNTS FOR THE YEAR			
II. LIFE BUSINESS TECHNICAL ACCOUNT				
1. PREMIUMS FOR THE YEAR, NET OF REINSURANCE:				
a) Gross premiums written		30	4,079,921,732	
b) (-) Premiums ceded to reinsurers		31	6,013,137	32 4,073,908,595
2. GAINS ON INVESTMENTS:				
a) Gains arising from shares and holdings		33	46,985,379	
(of which: from group companies and other investees		34	24,941,959)	
b) Gains on other investments:				
aa) from land and buildings	35	164,346		
bb) from other investments	36	1,032,211,786	37 1,032,376,132	
(of which: from group companies and other investees			38 1,386,399)	
c) Reversals of value adjustments on investments		39	74,827,900	
d) Gains on realisation of investments		40	147,334,260	
(of which: from group companies and other investees		41		42 1,301,523,671
3. UNREALISED GAINS RELATING TO INVESTMENTS BENEFITING POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND				43 329,102,293
4. OTHER TECHNICAL INCOME, NET OF REINSURANCE				44 30,160,393
5. CHARGES RELATING TO CLAIMS, NET OF REINSURANCE				
a) Amounts paid				
aa) Gross amount	45	3,913,409,694		
bb) (-) Reinsurers' share	46	10,005,319	47 3,903,404,375	
b) Change in provision for amounts payable				
aa) Gross amount	48	(1,076,627)		
bb) (-) Reinsurers' share	49	227,612	50 (1,304,239)	51 3,902,100,136
6. CHANGE IN MATHEMATICAL PROVISIONS AND OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE				
a) Mathematical provisions				
aa) Gross amount	52	(168,376,992)		
bb) (-) Reinsurers' share	53	(8,118,242)	54 (160,258,750)	
b) Premium provision from supplementary insurance:				
aa) Gross amount	55	(7,958)		
bb) (-) Reinsurers' share	56		57 (7,958)	
c) Other technical provisions				
aa) Gross amount	58	805,197		
bb) (-) Reinsurers' share	59		60 805,197	
d) Technical provisions where the investment risk is borne by the policyholders and arising from pension fund management				
aa) Gross amount	61	1,075,526,709		
bb) (-) Reinsurers' share	62		63 1,075,526,709	64 916,065,198

AMOUNTS FOR THE PREVIOUS YEAR				
		140	3,129,405,686	
		141	6,087,596	
		142	3,123,318,090	
		143	27,581,342	
(of which: from group companies and other investees		144	7,251,163)	
	145	168,522		
	146	1,013,084,928	147	1,013,253,450
(of which: from group companies and other investees		148	1,610,811)	
		149	44,315,511	
		150	169,572,067	
(of which: from group companies and other investees		151	1,880,472)	
		152	1,254,722,370	
		153	114,586,583	
		154	26,544,324	
	155	2,618,841,968		
	156	11,096,598	157	2,607,745,370
	158	7,578,594		
	159	(1,286,083)	160	8,864,677
			161	2,616,610,047
	162	461,266,928		
	163	(9,820,908)	164	471,087,836
	165	(93,144)		
	166		167	(93,144)
	168	2,496,820		
	169		170	2,496,820
	171	432,434,038		
	172		173	432,434,038
			174	905,925,550

2 Financial Statements for the year 2019

Income Statement

	AMOUNTS FOR THE YEAR			
7. REVERSALS AND PROFIT SHARING, NET OF REINSURANCE			65	1,275,303
8. OPERATING EXPENSES:				
a) Acquisition commissions		66	54,424,351	
b) Other acquisition costs		67	36,717,358	
c) Change in commissions and other acquisition costs to be amortised		68	3,957,914	
d) Collection commissions		69	6,320,535	
e) Other administrative expenses		70	62,415,776	
f) (-) Commissions and profit sharing from reinsurers		71	664,344	72 155,255,762
9. ASSET AND FINANCIAL CHARGES:				
a) Investment management expenses and interest expense		73	146,268,208	
b) Value adjustments to investments		74	24,779,906	
c) Losses on realisation of investments		75	68,466,036	76 239,514,150
10. UNREALISED ASSET AND FINANCIAL CHARGES RELATING TO INVESTMENTS BENEFITTING POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT				77 95,499,074
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE				78 41,970,414
12. (-) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED TO NON-TECHNICAL ACCOUNT (item III.4)				79 118,157,610
13. LIFE BUSINESS TECHNICAL RESULT (item III.2)				80 264,857,305
III. NON-TECHNICAL ACCOUNT				
1. NON-LIFE BUSINESS TECHNICAL RESULT (item I.10)				81 543,602,489
2. LIFE BUSINESS TECHNICAL RESULT (item II.13)				82 264,857,305
3. GAINS ON NON-LIFE BUSINESS INVESTMENTS:				
a) Gains arising from shares and holdings		83	62,760,290	
(of which: from group companies and other investees		84	51,243,428)	
b) Gains on other investments:				
aa) from land and buildings	85	62,092,136		
bb) from other investments	86	419,004,768	87	481,096,904
(of which: from group companies and other investees			88	25,231,148)
c) Reversals of value adjustments on investments		89	162,939,683	
d) Gains on realisation of investments		90	184,815,570	
(of which: from group companies and other investees		91	624,433)	92 891,612,447

AMOUNTS FOR THE PREVIOUS YEAR			
			175 1,119,045
	176	52,019,547	
	177	35,777,430	
	178	1,371,497	
	179	6,682,097	
	180	57,020,232	
	181	1,345,823	182 148,781,986
	183	142,076,578	
	184	214,778,131	
	185	78,882,370	186 435,737,079
			187 218,528,036
			188 40,855,730
			189 87,877,912
			190 63,735,982
			191 452,895,507
			192 63,735,982
	193	76,708,174	
(of which: from group companies and other investees	194	59,064,945)	
	195	69,009,532	
	196	433,034,662	197 502,044,194
(of which: from group companies and other investees	198	21,026,625)	
	199	69,469,897	
	200	135,356,521	
(of which: from group companies and other investees	201	151,223)	202 783,578,786

2 Financial Statements for the year 2019

Income Statement

	AMOUNTS FOR THE YEAR		
4. (+) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED FROM LIFE BUSINESS TECHNICAL ACCOUNT (item II.12)			93 118,157,610
5. NON-LIFE BUSINESS ASSET AND FINANCIAL CHARGES:			
a) Investment management expenses and interest expense	94	145,144,065	
b) Value adjustments to investments	95	142,093,544	
c) Losses on realisation of investments	96	327,482,057	97 614,719,666
6. (-) SHARE OF PROFITS ON INVESTMENTS TRANSFERRED TO NON-LIFE BUSINESS TECHNICAL ACCOUNT (item I.2)			98 200,520,145
7. OTHER INCOME			99 169,179,572
8. OTHER CHARGES			100 381,512,068
9. PROFIT (LOSS) FROM ORDINARY OPERATIONS			101 790,657,544
10. EXTRAORDINARY INCOME			102 284,025,694
11. EXTRAORDINARY EXPENSES			103 126,779,624
12. PROFIT (LOSS) FROM EXTRAORDINARY OPERATIONS			104 157,246,070
13. PRE-TAX PROFIT (LOSS)			105 947,903,614
14. INCOME TAX FOR THE YEAR			106 246,666,224
15. PROFIT (LOSS) FOR THE YEAR			107 701,237,390

AMOUNTS FOR THE PREVIOUS YEAR			
		203	87,877,912
	204	142,681,057	
	205	376,697,638	
	206	57,697,122	207 577,075,817
			208 151,498,635
			209 160,687,860
			210 341,676,646
			211 478,524,949
			212 178,765,405
			213 108,583,729
			214 70,181,676
			215 548,706,625
			216 135,921,401
			217 412,785,224

2 Financial Statements for the year 2019

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

Legal representatives of the Company (*)

The Chairman

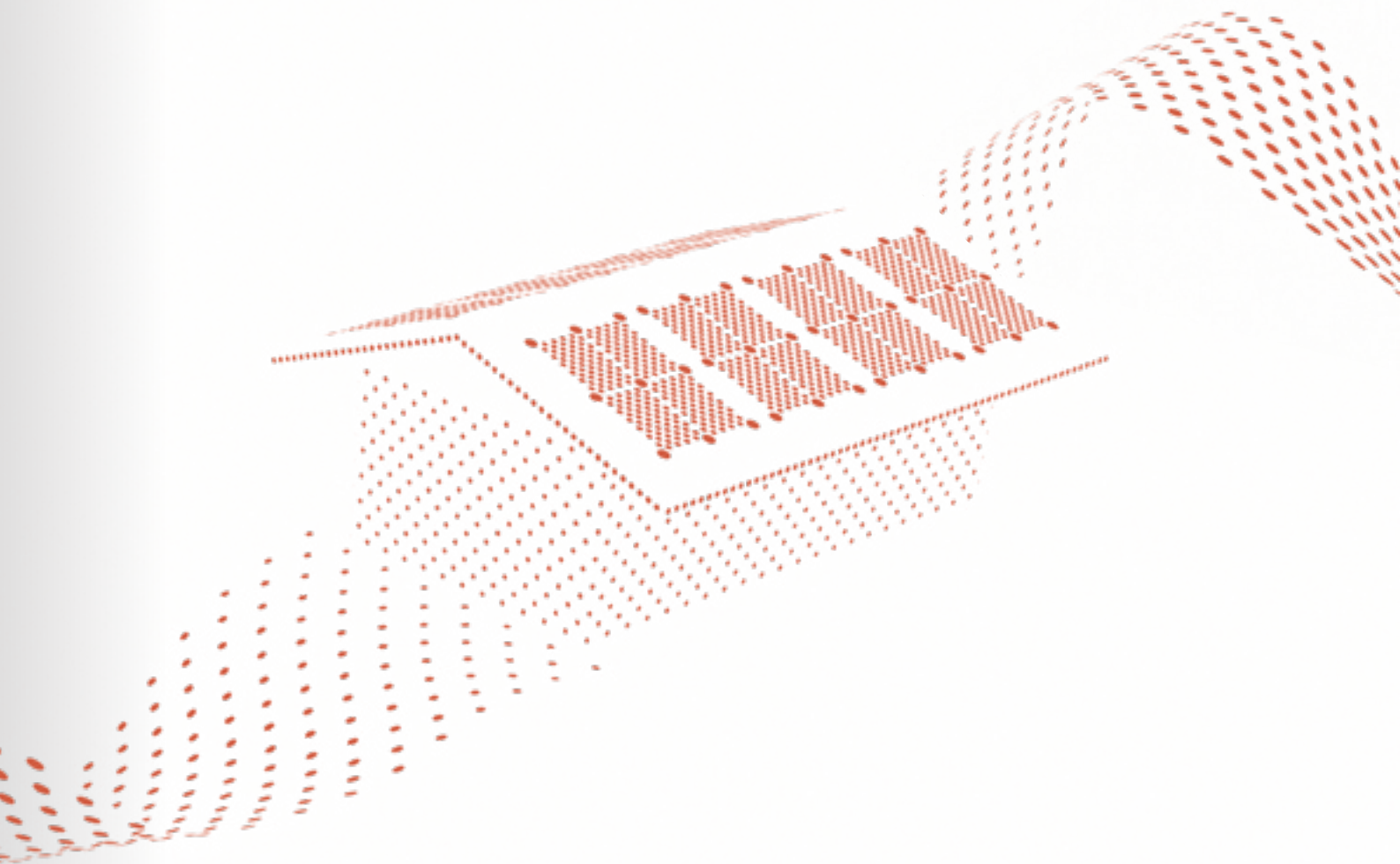
Carlo Cimbri

(***)

(*) 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 Italian Legislative Decree 209 of 7 September 2005 (Insurance Code), of Italian 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 audited by the independent auditors PricewaterhouseCoopers, which has been appointed to audit the financial statements of the Company for the 2013-2020 period. The duration of the assignment is one year less than originally agreed, following the waiver for 2021 submitted by PwC on 4 April 2019 at the request of UnipolSai, in relation to appointment of the independent auditors for the Parent Unipol for 2021-2029, to allow alignment between the duration of the UnipolSai audit engagement with that of the Parent.

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.

3 Notes to the Financial Statements

Investments

Land and buildings

Properties are classified as fixed assets.

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 Italian 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) 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 Italian 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 Italian Legislative Decree 173/1997 and C.III.2 (Mutual investment fund units) of the Assets accounts of the Statement of Financial Position pursuant to Italian 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 Italian 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 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 Italian Legislative Decree 173/97, particularly:

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

Receivables

They are recognised at their estimated realisable value.

In particular:

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

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

Other assets

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

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

Subordinated liabilities

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

Accruals and deferrals

Accruals and deferrals are calculated on an accrual basis.

Non-Life business technical provisions

Premium provision

The **premium provision** in the Italian direct portfolio broken down into its components is determined by applying Articles 37 and 37-bis of Italian 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 reported 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 "paid" and "loading" factors. 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 Italian 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 Italian 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 paragraph 39 of Annex no. 14 to ISVAP Regulation no. 22/2008, for Unit-Linked policies and class VI contracts pursuant to Art. 2, paragraph 1, of Italian 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 Italian 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 UnipolSai opted, and subsequently renewed for the 2018-2020 three-year period, 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 underly them are expected to be reabsorbed.

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

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

Payables and other liabilities

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

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

Treasury shares

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

Earned premiums

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

Profit from investments in the income statement

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

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	31/12/2019	31/12/2018
US Dollar	1.1234	1.1450
Pound Sterling	0.8508	0.8945
Swiss Franc	1.0854	1.1269
Canadian Dollar	1.4598	1.5605
YEN	121.9400	125.8500
Swedish Krona	10.4468	10.2548

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 Italian 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 2019 financial statements, it is believed that the assumptions made are appropriate and, therefore, that the financial statements have been drafted clearly and give a true and fair view of the statement of financial position, income statement and statement of cash flows. The relevant paragraphs of the notes to the financial statements provide full details of the reasons underlying the decisions made and the measurements performed. In order to formulate reliable estimates and assumptions, reference has been made to past experience, and to other factors considered reasonable for the case in question, based on all available information.

3 Notes to the Financial Statements

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

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

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

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

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

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

The financial statements for the year 2019 closed with a profit of €701,237k, €458,486k of which in the Non-Life business and €242,751k 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 2019 amounted to €755,863k, decreasing by €18,388k compared to the financial position of the previous year (-2.4%). The main components are commented below.

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

Acquisition commissions to be amortised totalled €77,509k, €58,892k of which in the Life business and €18,617k in the Non-Life business. The change is positive by 2,079k compared to the financial position of the previous year.

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

The item amounts to €2k 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 -€181k and it corresponds to the portion amortised in the period.

1.3 Goodwill (item B.4)

Goodwill came to a total of €438,699k, €352,366 of which belonging to the Non-Life business and €86,334 to the Life business, and it is amortised in 20 years. The change is negative by €55,071k compared to the financial position of the previous year, due to amortisation for the period.

The item includes:

- the deficit arising from the merger by incorporation of La Fondiaria into Fondiaria-SAI that took place in 2002 for a residual value of €17,024k regarding Non-Life and €13,708k 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 €35,407k in the Non-Life business and €25,939k 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 €304,242k of which €257,669k related to the Non-Life business and €46,573k to the Life business;

3 Notes to the Financial Statements

- the deficit emerging from the merger by incorporation of UnipolSai Real Estate, Europa Tutela Giudiziaria, Sai Holding, Systema and UnipolSai Servizi Tecnologici into UnipolSai, which took place on 31 December 2015 with accounting effect on 1 January 2015 for a residual amount of €870k 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 €113k 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 €41,397k allocated entirely to the Non-Life business.

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

Other long-term costs, amounting to €239,653k (item B5), recorded a net increase of €34,785k compared to the 2018 figure. Of this item, €7,641k referred to the Life business and €232,013k 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>	31/12/2018	Purchases	Amortisation/ depreciation	31/12/2019
Development and integration projects	143,350	63,972	30,538	176,784
Software and Licences	41,738	16,323	10,132	47,929
Improvements to third party assets	19,672	3,727	8,542	14,856
Other long-term expenses	108	12	37	84
Total	204,869	84,034	49,249	239,653

The largest component regards the expenses for third party services relating to IT development and integration projects amounting to €176,784k, the increases in which are mainly due to the following projects: the claims platform "Liquido" (€4,272k), the new Group MV System (€1,260k), the evolution of technological, applicative and multi-channelling architectures (€8,689k), the development of the Essig platform (€2,409k), Essig Vita (€854k), the DWH integration (€192k), the IT-accounting system integration totalling €1,424k (€796k Non-Life and €628k Life), Solvency II (€756k), IFRS 17 (€8,514k), electronic invoice implementation for a total of €1,078k, creation of the frontend for MV multi-offer management (€1,743k) and lastly the application development of the CRM workspace and GDPR area (€2,880k).

Other long-term expenses included trademarks for €80k.

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 2019:

<i>Amounts in €k</i>	Assets	Accum. deprec.	Net assets
Property for own use	679,951	167,762	512,189
Property for use by third parties	1,768,248	286,260	1,481,988
Other property	9,560		9,560
Other rights	2,630	350	2,279
Fixed assets in progress	4,100		4,100
Total	2,464,488	454,372	2,010,116

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 €24,071k to property investments as they are considered long-term and reversals of impairment of €10,557k.

The total current value of property at 31 December 2019 amounted to €2,266,828k, increasing by approximately €256,711k compared to the relevant carrying amount.

The main real estate transactions are described in the dedicated section of the Management Report, while changes during the year are listed in Annex 4 to these Notes to the Financial Statements, and are summarised in the following table:

<i>Amounts in €k</i>	
Movements during the period	2019
Gross property at 31/12/2018	2,591,872
New investments/improvements	74,465
Write backs	10,557
Sales and other reductions	188,334
Write-downs of property	24,071
Gross property at 31/12/2019	2,464,488
Accum. depreciation previous year	425,736
Amount of depreciation for the year	46,964
Decreases for disposals	18,328
Accumulated depreciation at 31 December	454,372
Net property at 31/12/2019	2,010,116

3 Notes to the Financial Statements

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 2019 was €3,499,451k versus €3,838,369k in the previous year, with a net decrease of €338,918k. The changes in the period were as follows:

<i>Amounts in €k</i>	
Movements during the period	2019
Opening balance	3,838,369
Purchases and subscriptions	295,225
Sales	(616,084)
(Impairment) and reversals of impairment losses	(14,613)
Other decreases	(3,446)
Balance at 31/12/19	3,499,451

Purchases refer to:

- ✓ Car Server (€96,092k);
- ✓ BPER Banca (€11,158k);
- ✓ Centri Medici Dyadea (€5,142k);
- ✓ Unipol Gruppo (€1,870k);
- ✓ Visconti (€836k);
- ✓ UnipolSai Servizi Consortili (€16k).

Subscriptions, also inclusive of other forms of investee capitalisation, refer to:

- ✓ Meridiano Secondo (€164,878k);
- ✓ UnipolReC (€15,053k);
- ✓ Borsetto (€180k).

Sales refer to:

- ✓ Unipol Banca (€403,683k);
- ✓ UnipolReC (€207,856k);
- ✓ Inter Mutuelles Assistance (€4,363k);
- ✓ Banca Apulia (€183k).

Impairment refers to the following equity investments:

- ✓ Nuove Iniziative Toscane (€9,070k);
- ✓ Villa Ragionieri (€2,445k);
- ✓ Ambra Property (€1,626k);
- ✓ UnipolSai Servizi Consortili (€1,380k);
- ✓ Ital H&R (€47k);
- ✓ Borsetto (€44k).

The other decreases were due to the assignment of shares of the Unipol holding company to executive personnel, under the compensation plans based on financial instruments.

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

- Banca Apulia: on 8 April 2019, UnipolSai exercised the sale right set forth in the project for the merger of Banca Apulia into Intesa Sanpaolo with reference to the 30,000 ordinary shares and 5,950 preference shares held. The transaction was settled on 7 May 2019 and resulted in a capital loss of €130,337k on the ordinary shares and €22,781k on the preference shares.
- Borsetto: on approval of the financial statements, on 7 May 2019, the shareholders waived the receivable of €400,000 from the outstanding non-interest bearing shareholder loan in order to cover cumulative losses and enable the company to avoid the measures set forth in Art. 2482-bis of the Italian Civil Code. UnipolSai therefore waived €180k and its remaining receivable amounts to €6,682k, booked at a lower value as part of the receivable was acquired below par.
- BPER Banca: in August 2019, 3,259,832 BPER Banca shares were acquired on the market, for €11,158k, in order to restore the interest previously held (equal to 9.87%), which declined due to the transactions on the share capital of the investee which took place in July 2019. Following the additional BPER Banca share capital transactions in December 2019, as at 31 December 2019 the overall shareholding of UnipolSai came to 9.75%.
- Car Server: on 1 August 2019, UnipolSai acquired the entire share capital of Car Server from third parties, consisting of 20,247,572 class A shares and 4,752,428 class B shares for a total value of €96,092,407.
- Centri Medici Dyadea: on 20 December 2019, the following was acquired from the subsidiary Unisalute S.p.A.: the equity investment representing 100% of the share capital of the company, beneficiary of the partial spin-off of UniSalute Servizi, at the price of €5,142k, the consistency of which was confirmed by the independent financial advisor Deloitte Financial Advisory.
- Inter Mutuelles Assistance S.A.: on 25 September 2019, the procedure was concluded for the transfer to IMA of the 81,470 shares held, for subsequent cancellation and the resulting share capital reduction. The value of the transfer was €6,670k, realising a gain of €2,307k.
- Meridiano Secondo: on 18 April 2019, UnipolSai subscribed to the share capital increase, with share premium, for a total of €102,700k through contribution of a property at Via De Castilla 23, Milan. The subsidiary's share capital increased from €10k to €2,000k and the amount of €100,710k was instead attributed to the share premium reserve.
- On 17 May 2019 a payment of €53,408k into the equity account was made in order to provide the subsidiary with the financial resources needed to purchase the property located in Milan, Via Sasseti 27 and for the completion of renovation works.
- On 30 May 2019 and on 17 December 2019 two payments for a total of €8,770k were made into the equity account in order to provide the subsidiary with the liquidity needed to make the payments connected to the initiation of construction works on the Unipol Tower. These are the first payments made on a total of €125m in equity account payments approved by the UnipolSai Board of Directors in June 2018.
- Penta Domus in liquidazione: on 14 October 2019, following conclusion of the voluntary liquidation procedure, the associate was cancelled from the Register of Companies. The liquidation, closed with no allocation, did not result in any expenses in 2019, as the equity investment had already been fully written off in previous years.
- Unipol Banca: on 14 February 2019, UnipolSai exercised the put option set forth in the contract signed with Unipol Gruppo on 31 December 2013. On 1 March 2019 the 246,726,761 shares subject to the option were transferred for a total of €371,217k, with no effect on the income statement, given the valuation of the shares subject to the put option at the strike price. On 31 July 2019, the residual interest was sold to BPER Banca at the price of €32,466k, as part of the agreements entered into in February, with no effects on the 2019 income statement due to the alignment of values recognised in 2018.
- UnipolReC: on 1 March 2019, following the exercise of the put option in place with the holding company Unipol, the 79,766,325 UnipolReC shares, equal to 27.49% of the share capital, were transferred to Unipol for a total of €207,856k, with no effect on the income statement, given the valuation of the part of the interest subject to the put option at the strike price. On 30 July 2019, UnipolSai made, for its applicable share, an equity account payment in favour of UnipolReC for €15,053k, in order to acquire portfolios of bad and doubtful loans of BPER Banca and its subsidiary Banco di Sardegna, as set forth in the agreements entered into by the parties on 7 February 2019.

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- UnipolSai Servizi Consortili S.c.r.l.: on 31 July 2019, as part of the provisions of the Agreement for the sale of the shareholdings concerning Unipol Banca signed by BPER, Unipol Gruppo and UnipolSai, the shares of USSC, for a nominal value of €1,040 each, held by Unipol Banca and Finitalia, were acquired at the price of €16k. The interest in USSC rose from 98.23% to 98.27%.
- UniSalute: on 25 January 2019, IVASS authorised the changes to the By-Laws approved by the shareholders' meeting on 27 December 2018, including the share capital increase up to a maximum of €78,394,301. Therefore, on 28 January 2019 the part already subscribed by UnipolSai was released and the option period was activated for the other shareholders. Following the partial subscription of the share capital increase, UnipolSai increased its own percentage investment from 98.53% to 98.99%, with a share capital recognised after the increase of €78,028,566.
- Visconti: on 31 July 2019, as part of the Agreement for the sale of the shareholdings concerning Unipol Banca, 7.60% of the share capital of Visconti held by Unipol Banca was acquired at the price of €836k.

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 €3,488,411k, whilst their carrying amount comes to €3,499,451k.

As provided for by Art.16 of Italian 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
Linear Assicurazioni-Bologna- IT	100.00%	180,000	125,495	(54,505)
UniSalute-Bologna- IT	98.99%	745,000	190,260	(554,740)
Arca Vita-Verona- IT	63.39%	475,000	239,893	(235,107)
Nuove Iniziative Toscane-Firenze- IT	100.00%	70,453	70,377	(76)
Villa Ragionieri-Firenze- IT	100.00%	53,934	48,974	(4,960)
Marina Di Loano-Loano- IT	100.00%	81,709	78,649	(3,060)
Meridiano Secondo-Milano- IT	100.00%	190,060	186,258	(3,803)
Ambra Property-Bologna- IT	100.00%	53,819	53,342	(477)
AlfaEevolution Technology-Bologna- IT	100.00%	90,000	87,455	(2,545)
Car Server-Reggio Emilia- IT	100.00%	96,092	64,164	(31,928)
Centri Medici Dyadea-Bologna- IT	100.00%	5,142	1,555	(3,586)
Ddor Novi Sad Ord Eur-Novu Sad- RS	100.00%	85,971	58,714	(27,257)
Unipolsai Nederland Bv-Amsterdam- NL	100.00%	390,988	355,971	(35,017)
Hotel Villaggio Cdm In Liquidazione-Modena- IT	49.00%		(1,782)	(1,782)
Butterfly Am Sarl-Luxembourg- LU	28.57%		(3,678)	(3,678)
Garibaldi Sca-Luxembourg- LU	32.00%	660	(2,256)	(2,916)
Isola (Ex Hedf Isola)-Luxembourg- LU	29.56%	1,598	(1,231)	(2,830)

With regard to investments held in the following insurance companies, note that the higher carrying amount in the financial statements compared to the corresponding portion of the carrying amount of shareholders' equity represents goodwill. In particular, the following should be noted:

UniSalute and 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: the value in use of the investment was calculated using the Sum of Parts ("SoP") method, using an Appraisal Value type method for Arca Vita and Arca Vita International, and the excess capital version of the Dividend Discount Model (DDM) for Arca Assicurazioni.

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

Nuove Iniziative Toscane: a €9,070.3k adjustment in the carrying amount was made during the year, bringing the carrying amount in the financial statements basically into line with the corresponding portion of shareholders' equity.

Villa Ragionieri: a €2,445.4k 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.

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.

3 Notes to the Financial Statements

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.

Ambra Property: a €1,626.3k 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.

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 2019 made using the Discounted Cash Flow (DCF) method.

Car Server: the higher amount recognised in the financial statements relative to the corresponding portion of shareholders' equity is supported by the results of a fairness opinion issued by a leading independent advisor, at the time of the acquisition taking place in 2019.

Centri medici Dyadea: the higher amount recognised in the financial statements relative to the corresponding portion of shareholders' equity is supported by the results of a fairness opinion issued by a leading independent advisor, at the time of the acquisition taking place in 2019.

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.

With regard to the associates, note that 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.

Bonds

At 31 December 2019, 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 €924,576k at 31 December 2019, with an increase of €486,182k compared to the previous year's figure.

The item includes the following loans:

<i>Amounts in €k</i>		
	2019	2018
Loans		
Unipol Gruppo	567,785	267,835
Car Server	223,882	-
UnipolReC	65,276	106,258
Meridiano Secondo	36,813	36,812
AlfaEvolution Technology	13,000	10,000
Borsetto	6,092	6,271
Società Edilizia Immobiliare	6,034	5,619
Casa di Cura Villa Donatello	5,695	5,600
Total	924,576	438,395

As has already been pointed out in the Management Report, the increase in the item was basically due to

- the five-year loan disbursed to Unipol Gruppo on 1 March 2019 for €300,000k, as part of the exercise of the put option for the sale to Unipol of the equity investment in Unipol Banca and
- the disbursement on 1 August 2019 of a loan to the subsidiary Car Server for €223,882k.

Please also note the loan outstanding with UnipolReC, subject to partial repayment in the course of 2019 for €40,982k, with a residual debt of €65,276k.

In 2019, an additional loan was also disbursed to AlfaEvolution Technology of €3,000k. There is also a loan in place with Butterfly for €129k, the entire amount of which has been written off.

The changes of the bonds issued by investees (item C.II.2) and of the loans granted to Group companies and investees (item C.II.3) are provided in Annex 5.

2.3 Other financial investments (item C.III)

The total balance of this item amounted to €36,294,700k, increasing by €166,702k compared to 31 December 2018 (+0.5%). The main components can be summed up as follows:

<i>Amounts in €k</i>			
	2019	2018	Change on 2018
C.III.1 Shares and holdings	627,725	541,928	85,798
C.III.2 Mutual investment fund units	3,421,579	3,191,157	230,422
C.III.3 Bonds and other fixed-yield securities	32,177,333	32,265,543	(88,210)
C.III.4 Loans	22,174	25,281	(3,107)
C.III.6 Bank deposits	25,521	6,065	19,456
C.III.7 Sundry financial investments	20,367	98,023	(77,655)
Total	36,294,700	36,127,998	166,702
			0.5%

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.

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

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The balance of the “shares and holdings” item (C.III.1) amounted to €627,725k, up by €85,798k compared to 31 December 2018 (+15.8%). Net write-backs recognised at year end amounted to €4,096k.

Item C.III.2 “mutual investment fund units” amounted to a balance of €3,421,579k at 31 December 2019, with an increase of €230,422k compared to 31 December 2018. Net value adjustments recognised at year end amounted to €5,703k.

“Bonds and other fixed-yield securities” (item C.III.3) at 31 December 2019 broke down as follows:

<i>Amounts in €k</i>	2019	% Comp.	2018	Change on 2018
Securities issued by Gov., pub. entities				
listed	21,912,531	68.1	21,627,782	284,750
unlisted	294,434	0.9	292,314	2,120
Convertible bonds	7,814	0.0	1,051	6,763
Other listed securities	9,740,465	30.3	10,213,364	(472,899)
Other unlisted securities	222,089	0.7	131,032	91,056
Total	32,177,333	100.0	32,265,543	(88,210)
				(0.3%)

The separation between long-term commitments and short-term commitments is €20,937,505k and €11,239,828k, respectively.

The government securities and other listed securities, for the nominal amount of €33,802,874, are recorded in the financial statements for €31,652,997k. If measured based on the average of the December 2019 prices, these securities would amount to a total of €36,309,589k.

Of the bonds classified as financial assets, securities amounted to a total countervalue of €20,937,505k, with a fair value of €24,444,506k.

Net write-backs recorded on the portion of bonds included in the current assets portfolio amounted to €153,272k.

The unlisted securities, for the nominal amount of €545,429k, are recorded in the financial statements for €516,523k, compared to the market value of €586,532k measured at the end of the period.

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

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

The exposures thus selected represent 75.7% of the entire portfolio.

<i>Amounts in €k</i>	
Issuer	Carrying amount
Tesoro Italia	18,687,893
Tesoro Spagna	1,690,527
Tesoro Portogallo	352,540
Unicredit Spa	316,883
Corsair Finance Ireland Ltd	302,308
Comunitad De Catalunya	278,245
Generali Spa	241,358
Comunidad De Madrid	239,641
Tesoro Francia	225,651
Banco Santander Sa	222,191
Commerzbank Ag	215,864
Banco Bpm Spa	209,397
Deutsche Bank Ag	183,423
Tesoro Irlanda	163,273
Hsbc Holdings Plc	158,877
Axa Sa	154,826
Jp Morgan Chase & Co.	148,154
Banco Bilbao Vizcaya Argentaria Sa	143,764
Cnp Assurances	137,941
Goldman Sachs Group Inc	135,626
Abn Amro Bank Nv	135,329
Total	24,343,711

The securities portfolio includes €7,106,856k 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.

Below, evidence is provided of 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>	2019
Positive issue spreads	12,485
Negative issue spreads	(3,115)
Positive trading spreads	89,358
Negative trading spreads	(55,713)
Zero coupon adjustments	180,560

Item C.III.4 "loans", amounting to €22,174k, recording a decrease of €3,107k against the 2018 figure, consists of €19,411k for loans on policies and €2,762k for other loans that comprise €2,601k for loans granted to Agents (guaranteed by the portfolio indemnity and, in the event this is insufficient, by the special agent suretyship policy), €143k for loans granted to employees.

3 Notes to the Financial Statements

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 €25,521k, refers to term “bank deposits” with a duration of more than 15 days, with an increase by €19,456k, due to the deposit of the sum held as a guarantee on the purchase price of the class A shares of Car Server (equal to 25% of the relative equivalent value) as set forth in the subsidiary purchase agreement.

Two repurchase transactions were carried out during the year with reference to the Life business, with Unipol Banca, as summarised below.

Amounts in €

Credit institution	Nominal value	Transaction date	Maturity date
Unipol Banca	100,000,000.00	21/05/2019	17/06/2019
Unipol Banca	100,000,000.00	23/05/2019	19/06/2019

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

<i>Amounts in €k</i>	2019	2018	Change on 2018
Premiums for call options	18,508	18,730	(223)
Premiums for put options	1,860	66,593	(64,733)
Premiums for other options		12,700	(12,700)
Total	20,367	98,023	(77,655)
			(79.2%)

The change over the previous year is mainly due to the early termination of 2 call options purchased on indices, the early termination of 10 put options on indices and a swaption agreement.

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 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 include 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 the reference investments to verify the incidence of the securities of the long-term segment at 31 December 2019, calculated as explained above, consists of the following, separately for the Non-Life and Life businesses:

Non-Life business

Amounts in €k

Non Life- Business	2019
C.III.1 Shares and holdings	232,768
C.III.2 Mutual investment fund units	1,845,402
C.III.3 Bonds and other fixed-yield securities	8,049,635
Total	10,127,804

Life business

Amounts in €k

Life- Business	2019
C.III.1 Shares and holdings	394,958
C.III.2 Mutual investment fund units	1,576,177
C.III.3 Bonds and other fixed-yield securities (*)	24,054,116
Total	26,025,251

() Except those covering defined benefit policies*

In the period, no transfers of securities were made from the long-term segment to the short-term segment and vice versa for the Non-Life and Life businesses.

Total long-term investments in the Non-Life business at 31 December 2019 amounted to €4,434,457k, which is 43.78% of total financial investments.

During the year, two Spanish government bonds were sold in several tranches for a total of €312,289k, resulting in gains of €47,576k, while sales of Italian, Portuguese and Spanish government bonds for a value of €547,876k resulted in gains of €135,807k.

All of the sales helped to recalibrate the asset allocation in order to protect sustainable medium-term profitability of the financial asset portfolio.

During the period, reimbursements were also received from private equity funds for a total of €6,869k, generating a gain of €2,505k.

Total long-term investments in the Life business at 31 December 2019 amounted to €16,475,165k (not including those covering defined benefit policies), which is 63.30% of total financial investments.

During the period, disposals regarded two complex structured securities for a total of €121,632k with a view to simplifying the financial asset portfolio, realising net gains of €4,143k, and three securities for a value of €27,667k, assigned to segregated funds with the expected liquidation of roughly 10% of the volumes managed, financed in part with the disinvestment of securities.

2.4 Deposits with ceding companies (item C.IV)

These receivables at 31 December 2019 amounted to €10,334k, decreasing by €1,992k compared to the 2018 figure (-16.2%).

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 Italian 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 €679,163k, which increased by €116,598k compared to the previous year (+20.7%).

3 Notes to the Financial Statements

During the period assets were transferred from Class D.I to Class C totalling €24,711k 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 19 occupational pension funds for which management backed by guarantee is carried out.

At the end of 2019, these investments amounted to a total of €4,946,603k, increasing by €926,229k (+23.0%) compared to the previous year.

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

- no. 12 (Total);
- no. 12/4 for "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. 12/21 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.";
- no. 12/30 for "F.do Pens. Concreto Gar.";
- no. 12/31 for "F.do Pens. Espero Gar.";
- no. 12/32 for "F.do Pens. Gr. Banco Pop. 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 2019, 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 2019 amounted to €639,997k. The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2019	2018	Change on 2018
Life business technical provisions	28,552	38,517	(9,965)
Life business - amounts payable	2,124	1,896	228
Non-Life premium provision	83,820	88,846	(5,026)
Non-Life claims provision	525,502	506,950	18,551
Total	639,997	636,210	3,788
			0.6%

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 2019 is €2,901,071k. The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2019	2018	Change on 2018
E.I.1 Due from policyholders for premiums	648,523	613,341	35,182
E.I.2 Receivables from ins. intermediaries	875,236	850,867	24,368
E.I.3 Insurance company current accounts	27,730	23,486	4,244
E.I.4 Policyholders and third parties for amounts to be recovered	125,686	95,430	30,256
E.II Receivables relating to reinsurance business	127,473	44,477	82,996
E.III Other receivables	1,096,424	1,166,563	(70,139)
Total	2,901,071	2,794,165	106,907
			3.8%

Receivables from policyholders (item E.I.1) accounted for 5.9% of direct premiums of the year (6.1% in 2018).

These receivables included receivables of doubtful collection, against which a write-down of €47,550k was made (€48,852k at 31/12/2018). The valuation of receivables from policyholders was made taking into account the historic trend of the rates of recovery of the receivables in subsequent periods. The change in provisions against that of the previous period led to the recognition of technical income of €1,302k. 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 €19,016k, was sufficient to cover the receivables of doubtful collection.

Receivables from policyholders and third parties for amounts to be collected amounted to €125,686k, and are recorded at their estimated realisable value. The balance of this item at 31 December 2018 decreased by €30,256k.

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 €127,473k at 31 December 2019, increasing by €82,996k compared to 2018 (+186.6%).

These amounts are net of the relevant bad debt provision that totalled €21,720k. The doubtful positions are measured individually.

"Other receivables" (item E.III) amounted to €1,096,424k (decreasing by €70,139k compared to 31/12/2018). The breakdown and change compared with the previous year are summarised in the following table:

3 Notes to the Financial Statements

<i>Amounts in €k</i>	2019	2018	Change on 2018
Tax authorities	729,032	616,172	112,859
Group companies	36,022	184,204	(148,182)
Rent	16,489	18,535	(2,046)
Mutuelle Du Mans	19,822	20,643	(821)
Roadway Accident Victims Fund	32,993	32,696	297
Derivative contract guarantees	165,651	195,231	(29,580)
Sundry receivables	96,416	99,082	(2,666)
Total	1,096,424	1,166,563	(70,139)
			(6.0%)

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

- tax receivables for €729,032k (€616,172k at 31/12/2018), comprising mainly:
 - €462,195k relating to the advance payment of the insurance tax (provided for by Decree Law 282/2004, as amended by Law no. 205 of 27 December 2017);
 - €162,413k 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;
 - €71,248k for withholdings;
 - €4,605k for claims of reimbursement of foreign tax receivables.
- Receivables from group companies for €36,022k. Among them were €17,461k as a receivable for withholding tax from the holding company Unipol Gruppo by effect of participation in the tax consolidation.
- Receivables from the Company Mutuelle du Mans amounted to €19,822k, with a €821k difference compared to 31 December 2018. 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.
- Receivables from the Roadway Accident Victims Fund that amounted to €32,993k, €2,528k of which derived from the excess contribution advance paid in January 2019 over the amount actually due and €30,465k from claims settlement activity.
- Payments made as cash collateral to safeguard derivatives totalling €165,651k.

Sundry receivables, which amounted to €96,416k net of total write-downs of €172,635k, include:

- Receivable from Avvenimenti e Sviluppo Alberghiero (a wholly-owned subsidiary of Im.Co.) that amounted to €103,158k, 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, already written down significantly in prior years. Though possible recovery initiatives may still be adopted, with effect from 2019, further value adjustments were prudently made for €11,358k, equal to the net carrying amount of the receivable at 31 December 2018 and therefore at 31 December 2019 that receivable has been written off.

- Items awaiting settlement for €47,806k, of which receivables from Finitalia for €27,748k for lending to agents and policyholders for the underwriting of instalment policies.
- Disputed receivables due from agents of €50,498k against which value adjustments totalling €43,846 were recognised.

Section 6 - Other assets (item F)

The balance of this item at 31 December 2019 was €1,672,524k. The breakdown and change compared with the previous year are summarised in the following table:

<i>Amounts in €k</i>	2019	2018	Change on 2018
F.I Property, plant and equipment and inventories	70,444	72,480	(2,036)
F.II Cash and cash equivalents	393,270	584,850	(191,580)
F.IV Other assets	1,208,810	1,132,589	76,221
Total	1,672,524	1,789,919	(117,396)
			(6.6%)

Property, plant and equipment and inventories recorded in item F.I are considered long-term assets. The balance at 31 December 2019, which totalled €70,444k, is net of the relevant accumulated depreciation as per the following table:

<i>Amounts in €k</i>	2019	2018	Other changes
Office furniture and machines and internal means of transport	45,980	45,100	880
Movable assets entered in public registers			0
Plant and equipment	20,171	23,103	(2,933)
Inventories and sundry goods	4,293	4,276	17
Total	70,444	72,480	(2,036)

Cash and cash equivalents (item F.II) amounted to €393,270k, €393,257k of which refer to current account deposits (€584,817k in 2018) and €13k to cash and revenue stamps (the change compared to 31/12/2018 totalled –€191,580k). Bank deposits include accounts in non-euro currencies (mainly US dollars, Swiss francs, British sterling and Japanese YEN) for a value of €12,650k, credit balances in postal current accounts totalling €1,216k and the net fees accrued in the period.

Sundry assets (item F.IV.2) amounted to €1,208,810k at year end (€1,132,589k in 2018, showing a 6.7% increase).

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

3 Notes to the Financial Statements

<i>Amounts in €k</i>	2019	2018	Change on 2018
Technical entries on claims	91,643	98,186	(6,543)
Attachments for claims	45,474	44,712	762
Non-Life/Life connection account	41,031	20,098	20,934
Advances on portfolio indemnities	43,323	39,156	4,167
Real estate expense to recover	16,500	20,185	(3,685)
Valuation of financial instruments	112,029	17,716	94,313
Items to be settled and transitional accounts	26,037	55,779	(29,742)
Deferred tax assets	816,319	817,677	(1,358)
Sundry assets	16,453	19,078	(2,625)
Total	1,208,810	1,132,589	76,221
			6.7%

Note that technical items on claims include the amount of the “handler lump-sum” to recover, amounting to €81,527k (€90,418k in 2018).

The item “Financial assets”, amounting to €112,029k, included €98,229k for sums paid to JP Morgan, as the clearing broker of Interest Rate Swaps cleared at London Clearing House Clearnet, of which €81,000k for initial guarantee margins and €17,229k for daily margins.

The item also included the contra-item for the measurement of transactions in financial derivatives in place at 31 December 2019 of €13,800k.

Deferred tax assets amounted to €816,319k.

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

<i>Amounts in €k</i>	2019
Deferred tax assets	816,319
Aggregate opening balance	817,677
Increases during the period	80,324
Uses during the period	(87,259)
Other changes	5,576
Total	816,319

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 2019 of €408,382k with a decrease of €11,875k compared to the previous year (-2.8%).

The breakdown into accruals and deferrals follows:

<i>Amounts in €k</i>	Accruals	Deferrals	Total
G.1 Interest	373,557		373,557
G.2 Rental income		1,703	1,703
G.3 Other accruals and deferrals	723	32,399	33,122
Total	374,280	34,102	408,382

Item G.1 "interest", which amounted to €373,557k (€390,869k at 31/12/2018), is mostly made up of accruals on securities for €351,291k, accruals on derivatives totalling €19,566k and accruals on intercompany loans for €2,700k. Prepayments on rental fees totalled €1,703k.

Item G.3 "other accruals and deferrals", which amounted to €33,122k (€27,381k at 31/12/2018), breaks down as follows:

- expense deferrals on long-term loans totalling €6,653k;
- overhead deferral for €12,311k;
- prepayments on technical items for €12,426k;
- other deferrals individually insignificant for €1,731k.

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 "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 2019 totalled €5,356,573k.

In execution of the shareholders' resolution of 17 April 2019, and taking into account the treasury shares held in the portfolio at the coupon date, the profit for the year 2018 was allocated as follows:

- dividend for a total of €410,163k, of which €227,689k relating to the Non-Life business and €182,474k relating to the Life business (unit dividend equal to €0.145 for each entitled ordinary share);
- Extraordinary reserve posted in the item of Other provisions of the shareholders' equity attributed to the Life business for the remainder, totalling €2,622k.

At 31 December 2019, the share capital amounted to €2,031,456k (unchanged compared to the previous 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 2019 totalled €3,325,117k, are provided in the following table:

Amounts in €k

Item	2019	2018	Change on 2018
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	1,708	3,284	(1,576)
A.VII Other reserves	2,415,150	2,410,952	4,198
Merger reserve	1,784,129	1,782,553	1,576
Extraordinary reserves	696,464	693,843	2,622
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	(1,847)	(2,731)	884
Total	3,325,117	3,321,611	3,506
			0.1%

The increase in the extraordinary reserve is due to the allocation of the result for 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 transactions made in relation to the financial instrument-based compensation plan for managers.

Section 9 - Subordinated liabilities (item B)

The subordinated liabilities issued by UnipolSai Assicurazioni amounted to €2,131,689k, with a decrease of €80,000k compared to the figure of the previous year, and relate to:

- €750,000k for hybrid bond loan;
- €1,061,689k for subordinated bond loans;
- €320,000k for subordinated loans.

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 2019 was €43,062k.
- €300,000k (former Unipol Assicurazioni) - subordinated bond loan issued in June 2001 by the holding company Unipol Gruppo that the Company took over as issuer in 2009. The loan is for 20 years with option of early repayment every three months starting from June 2011. The interest rate, which was 7% until 15 June 2011, was 2.105% at 31 December 2019 (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 2019 was €6,550k.
- €300,000k (former Unipol Assicurazioni) - subordinated bond loan issued in July 2003 by the holding company Unipol Gruppo that the Company took over as issuer in 2009. The loan is for 20 years with option of early repayment every three months starting from July 2013. The interest rate, which was 5.66% until 28 July 2013, was 2.096% at 31 December 2019 (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 2019 was €6,559k. 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. Therefore, the actual debt of this loan amounted to €261,689k and the net interest income for the year amounted to €5,721k.
- €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 2019 was €19,375k.

3 Notes to the Financial Statements

- €320,000k (former Fondiaria-SAI) residual amount compared to the original amount of €400,000k - loan granted by Mediobanca - Banca di Credito Finanziario 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 2019 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 first tranche of €80,000k of the loan was repaid on 24 July 2019, as indicated in the contractually envisaged repayment plan. The total interest for the year at 31 December 2019 was €8,250k (including the interest relating to the additional spread).

The total interest for the year at 31 December 2019, also taking into account the subordinated loans terminated early, totals €82,958k.

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>	2019	2018	Change on 2018
Non-Life premium provision	2,870,244	2,757,125	113,119
Non-Life claims provision	10,454,122	10,936,431	(482,309)
Other Non-Life business provisions	86,616	86,971	(355)
Life business technical provisions	24,654,002	24,819,324	(165,322)
Life business - amounts payable	339,107	340,184	(1,076)
Total	38,404,091	38,940,034	(535,943)
			(1.4%)

Non-Life business technical provisions

The Non-Life business technical provisions at 31 December 2019 totalled €13,410,982k (-€369,545k compared to 31/12/2018) 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 amounted to €2,870,244k (+4.1% compared to 31/12/2018) and breaks down as follows:

- €2,861,016k for premium provision for unearned premiums and supplementary provisions;
- €8,486k for premium provision for unexpired risks;
- €742k 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	261,865		261,865
2- Health	64,165		64,165
3- Land Vehicle Hulls	302,548		302,548
4- Railway rolling stock	646		646
5- Aircraft	345		345
6- Marine Vessels	2,138	449	2,588
7- Goods in transit	5,506		5,506
8- Fire	395,120	8,037	403,157
9- Other damage to property	260,738		260,738
10- Land Vehicle TPL	1,109,856		1,109,856
11- Aircraft TPL	344		344
12- Marine TPL	3,609		3,609
13- General TPL	274,602		274,602
14- Credit	104		104
15- Bonds	73,991		73,991
16- Pecuniary losses	21,921		21,921
17- Legal expenses	25,571		25,571
18- Assistance	57,945		57,945
Total direct business	2,861,016	8,486	2,869,502
Indirect business	742		742
Total	2,861,758	8,486	2,870,244

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 €37,862k, 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 €238,376k 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. Based on the verifications performed, it was not necessary to allocate any additional amounts to that provision (€5k at 31/12/2018).

3 Notes to the Financial Statements

- the allocation regarding the provision for unexpired risks, corresponding to €8,486k, 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 and Fire classes, the only classes where the expected claims exceed the value of the premium provision plus the instalments due;
- the supplementary provision in the credit class amounted to €41k (€54k at 31/12/2018) and was determined on the basis of the provisions of Annex no. 15-bis to ISVAP Regulation no. 22 of 4 April 2008 and subsequent integrations and amendments, and Article 4 of Ministerial Decree of 23 May 1981.

Other provisions

- The provision for profit sharing and reversals (item C.I.3) amounted to €6,004k. The decrease compared to 31 December 2018 was €3,443k (-36.4%) and was calculated according to the provisions of Art. 45 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 and subsequent amendments and integrations, taking into account the amounts to pay to policyholders and beneficiaries of the contracts by way of technical profit sharing and premium reversal.
- Other technical provisions (item C.I.4) amounted to €863k (€1,397k at 31/12/2018). 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 2019 relating to the remaining portfolio amounted to €8,628k. 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 €79,749k (€76,128k was the amount of the provisions at 31/12/2018) included €79,467k 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, €25k for the Credit insurance compensation provision and the remaining €257k for the other technical provisions of indirect business.

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

<i>Amounts in €k</i>	2019
1- Accident	3,978
2- Health	10
3- Land Vehicle Hulls	28,886
4- Railway rollingstock	26
5- Aircraft	204
6- Marine Vessels	783
7- Goods in transit	2,477
8- Fire	39,990
9- Other damage to property	2,475
14- Credit	25
16- Pecuniary losses	288
18- Assistance	350
Total	79,492
Indirect business	257
Total	79,749

Claims provision:

The claims provision (direct and indirect business) amounted to €10,454,122k, a drop compared to last year's figure of €10,936,431k. As far as direct business is concerned, it consists of:

- €8,846,735k for compensations and direct expenses;
- €909,615k of provision for claims incurred but not reported;
- €593,667k 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 release, in the form of positive run-offs, of part of the excess prudence highlighted by the use of actuarial models for the valuation.

The provision in indirect business totalled €104,104k.

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.

3 Notes to the Financial Statements

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 2019 amounted to a total of €24,993,109k (€25,159,508k at 31/12/2018). The decrease was €166,399k.

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:

- €24,545,623k relating to the mathematical provision of direct business and the supplementary insurance provisions;
- €338,464k for direct business amounts payable;
- €97,759k relating to the sundry technical provisions, which entirely refer to allocations for future operating expenses;
- €6,226k relating to the provision for profit sharing and reversals;
- €4,394k relating to the mathematical provision of indirect business;
- €643k for indirect business amounts payable.

The provision for direct business amounts payable at the end of the year amounted to €338,464k (€339,361k at 31/12/2018), €135,221k 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 €97,759k at 31 December 2019 (€96,954k the figure at 31/12/2018) entirely refer to allocations for future operating expenses and are broken down by class as follows:

<i>Amounts in €k</i>	2019	2018	Change on 2018
Class I	78,980	76,867	2,113
Class III	1,589	1,301	289
Class IV	156	101	55
Class V	17,034	18,684	(1,651)
Total	97,759	96,954	805

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 2019 amounted to €5,625,766k, increasing against the previous year by €1,042,827k (+22.8%) 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>	2019
Sub - Funds	
Index-Linked Policies	1,045
Unit-Linked Policies	678,118
Unipol Previdenza FPA	853,479
Cometa	903,721
Arco	72,600
Alifond	102,600
Byblos	187,834
Telemaco	105,299
Fondapi	112,371
Previmoda	167,238
Fonte	761,217
Perseo Sirio gar.	150,933
Cometa Sicurezza 2015 gar.	138,968
F.do Pens. Prev. Cooperativa Gar.	406,032
F.do Pens. Cariplo Gar.	5,490
F.do Pens. Mediafond Gar.	4,244
F.do Pens. Eurofer Gar.	124,143
F.do Pens. Prevedi Sicurezza Gar.	90,937
F.do Pens. Agrifondo Gar.	87,349
F.do Pens. Concreto Gar	28,171
F.do Pens. Espero Gar.	212,401
F.do Pens. Gr. Banco Pop. Gar.	431,577
Totale	5,625,766

3 Notes to the Financial Statements

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

Item E states the balances of the provisions specified hereunder:

<i>Amounts in €k</i>	2019	2018	Change on 2018
Post employment benefits and similar obligations	2,032	2,037	(5)
Deferred tax provision	72,189	63,481	8,708
Provision for tax risks	23,654	33,404	(9,750)
Provision for future risk and charges	249,925	258,155	(8,230)
Provision for property charges	28,050	22,814	5,236
Solidarity and employee leaving provision	108,898	21,177	87,721
Provision for IVASS penalties	3,792	2,697	1,095
Total	488,540	403,766	84,774
			21.0%

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

<i>Amounts in €k</i>	31/12/2018	Uses/ Excess	Provisions	31/12/2019
Provisions for risks and charges				
Post employment benefits and similar obligations	2,037	172	167	2,032
Deferred tax provision	63,481	12,050	20,758	72,189
Provision for tax risks	33,404	9,750		23,654
Provision for future risks and charges	258,155	21,898	13,668	249,925
Provision for property charges	22,814	5,464	10,700	28,050
Solidarity and employee leaving provision	21,177	7,780	95,501	108,898
Provision for donations		750	750	
Provision for IVASS penalties	2,697	353	1,448	3,792
Total	403,766	58,217	142,991	488,540

The deferred tax provisions amounted to €72,189k and referred to the charge expected for taxes that will become due in future years.

Additional information on the deferred tax liabilities is provided in the statement (drawn up pursuant to Art. 2427, paragraph 1, point 14 of the Civil Code) provided in section 21 of the Income Statement.

Provisions for tax risks, €23,654k, include items pertaining to current and potential tax disputes, of which €4,456k for disputes (also considering the costs of a facilitated settlement) and €19,198k for other estimated risks.

The provision for future charges, which amounted to €249,925k, decreased by €8,230k compared to the previous year, and mainly consists of:

- €104,467k for allocations for charges arising from relations with the intermediaries both for items in litigation and for estimated losses on portfolio indemnities to assign (€109,815k at 31/12/2018);
- €75,524k for cases in litigation given to lawyers (€74,139k at 31/12/2018);

- €4,633k for cases in litigation with insurance and reinsurance companies (€4,815k at 31/12/2018);
- €8,992k for personnel disputes (€9,092k at 31/12/2018).

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.

€7,780k of the employee leaving provision were used for the disbursements incurred during the year and are adequate to make future payments.

The movements of the provisions for risks and charges during the period are summarised in Annex 15. The contra-items in the income statement to allocations to provisions for risks and charges are primarily the item other expenses and the item income taxes for the year; the solidarity and employee leaving provision in the item extraordinary expenses.

Ongoing disputes and contingent liabilities

Relations with the Tax Authorities

In 2019, the Company made use of the settlement procedure for pending tax disputes in application of the provisions of Art.6, Italian Decree Law 119/2018, given the economic convenience of such settlement through payment of amounts significantly lower than those demanded, already specifically allocated in the 2018 financial statements. The main positions involved were the following:

- 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 dispute deriving from an assessment notice regarding IRPEG and ILOR for the year 1991 concerning the merged Fondiaria Assicurazioni, still pending before the Court of Cassation as a result of the appeal filed by the Company;
- almost all the pending VAT disputes on coinsurance relations with other insurance companies for the tax periods 2003-2012.

In all cases, adoption of the settlement procedure does not constitute acceptance by the Company of the opposing party claims, but was assessed merely in the light of economic convenience of the transaction, also taking into account the more recent jurisprudence on the legitimacy of cases disputed. The tax periods for which it is in any event considered that a favourable decision will be obtained, or where there would be no significant economic saving by discontinuing the dispute, were not defined. The settlement-related expenses were for amounts significantly lower than those originally claimed and were covered from risk provisions already allocated at 31 December 2018.

The dispute 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, was closed with decision in favour of the Company by the Court of Cassation.

The Report on Findings notified on 20 November 2018 by the Italian Tax Police of Bologna, following a general audit undertaken in February 2018, was the subject of a settlement agreement with the Emilia Romagna Regional Tax Authorities as regards the finding relating to the tax treatment applied by the Company to the disposal of a real estate investment. The other finding regarding the deduction of costs related to the transactions underwritten by the Company in civil proceedings, brought by some former shareholders of La Fondiaria Assicurazioni for the failed takeover bid of 2002, was instead dismissed.

Amounts deemed fair to cover the potential estimated liabilities deriving from already formalised, or not yet formalised charges, for which no tax dispute has yet been brought or has not yet been formalised, including the application of VAT on delegation fees relating to the tax periods 2013-2019, were allocated to the income tax provision and the provision for sundry risks and charges.

Commitments deriving from the sale of Unipol Banca

As part of arrangements relating to the sale to BPER Banca of the entire equity investment in Unipol Banca, Unipol Gruppo and UnipolSai committed, inter alia, to indemnifying BPER Banca - on a pro-rata basis in relation to the interest transferred - for losses deriving from specifically identified dispute counterclaims of the Unipol Banca Group outstanding at 31 March 2019 (€10m; the **"Losses from Dispute Counterclaims"**), provided that such losses are effectively and definitively incurred and within the limits and to the extent they exceed, net of tax relief, the related provisions allocated in the consolidated statement of financial position of the Unipol Banca Group at 31 March 2019. Similarly, the acquirer BPER is committed to paying an amount to the sellers for any excess of the aforementioned provisions over and above the Losses from Dispute Counterclaims. Against the commitments undertaken in relation to the Losses from Dispute Counterclaims, contingent liabilities have been estimated at a total of €5m. UnipolSai allocated provisions for its own portion (14.76%), equal to €0.7m, considered adequate based on information available regarding each outstanding dispute.

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.

In March 2019, the Company challenged the decision before the European Court of Human Rights (ECHR), asking for the cancellation of the sanction for the breach of the *ne bis in idem* principle, according to which a person should not be submitted to sanction or judicial proceedings several times for the same fact.

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 the Institute to be acceptable in any way, it appealed against this decision before the Regional Administrative Court (TAR). On 9 September 2015 the Regional Administrative Court rejected the appeal of the Company, which challenged the ruling before the Council of State.

On 21 February 2019 the Council of State accepted an objection submitted by the Company and cancelled the sanction. The process was initiated for the recovery of the sanction paid.

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

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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.

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 which is still in progress.

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 2019, 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 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 and market manipulation under Art. 185 of the Consolidated Law on Finance ("TUF") 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 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 and Reconta Ernst & Young, 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 and Reconta Ernst & Young, 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 decision pronounced by the Court of Turin on 11 October 2016 was challenged before the Turin Court of Appeal, which on 12 March 2019 cancelled the decision due to lack of area jurisdiction and ordered the forwarding of proceedings papers to the Court of Milan.

- (b) The criminal proceeding Gen. Criminal Records Reg. no. 14442/14, with the defendants Gioacchino Paolo Ligresti, Pier Giorgio Bedogni and Fulvio Gismondi accused of false corporate communications (Art. 2622 of the Civil Code) and market manipulation (Art. 185 of the Consolidated Law on Finance) for Mr. Fulvio Gismondi only, in which proceeding UnipolSai was cited for civil liability, false official statement in certificates (Art. 481 of the Criminal Code), ended in the first instance, at the end of the shortened and simplified proceedings, with the decision of 16 December 2015 acquitting the defendants because the fact does not exist. The decision was appealed by the General Prosecutor's Office at the Court of Appeal of Milan and by the civil claimant Consob. 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 as regards the civil effects only. By decision issued on 21 November 2019, the Court of Cassation rejected Consob's appeal, confirming the decision of the Milan Court of Appeal as final.
- (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.

Moreover, as reported in the Financial Statements ended 31 December 2018, 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 18 May 2017, the Milan Court has instead partially upheld the compensation claims of another shareholder. The Company appealed against the sentence before the Milan Court of Appeal. Of the remaining proceedings, some are in the decision stage and some in the introductory/preliminary stage.

Provisions deemed suitable were made in relation to the disputes with investors described above.

Deposits received from reinsurers (item F)

The item comprised the deposits set up as guarantee at the Company in connection with the risks ceded and retroceded, which fell from €163,800k (the figure at 31/12/2018) to €145,201k at the end of 2019, marking a €18,599k decrease (-11.4%).

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 2019 was €1,846,438k, which increased by €383,608k compared to 31 December 2018 (+26.2%). The breakdown is summarised in the following table:

Amounts in €k

Items	2019	2018	Change on 2018
G.I Payables arising from direct insurance business	72,044	62,415	9,629
G.II Payables arising from reinsurance	54,236	61,510	(7,274)
G.IV Payables to banks	208,342		208,342
G.V Collateralised payables	1,811	2,346	(535)
G.VI Sundry loans and other financial payables	2,886	16,413	(13,527)
G.VII Post-employment benefits	50,974	52,925	(1,951)
G.VIII Other payables	576,820	497,247	79,573
G.IX Other liabilities	879,325	769,974	109,351
Total	1,846,438	1,462,830	383,608
			26.2%

Payables arising from direct insurance business (item G.I) included payables to companies for €7,266k, to agents for €44,450k and to policyholders for advance premiums for €20,231k.

Payables arising from reinsurance business (item G.II) referred to reinsurance companies for €53,878k and to reinsurance intermediaries for €358k.

The item G.IV “payables to banks and financial institutions” represents three loan repurchase transactions, the first one entered into as of 17 December 2019 and the other two entered into as of 20 December 2019, maturing respectively on 20, 21 and 22 January 2020. These transactions were set up to generate the liquidity necessary to meet the commitments arising from the Credit Support Annexes (“CSA”) connected with the International Swaps and Derivatives Association (ISDA) agreements signed with the counterparties to mitigate the credit risk on existing derivative transactions, optimising the return on the liquidity used as collateral. Indeed, the EMIR regulation requires the use of exclusively liquid guarantees to be monitored periodically as collateral in derivative transactions: in the current context of negative rates, the negative interest deriving from deposits of liquidity is offset in large part by entering into loan repurchase transactions. The securities used for the above-mentioned transactions are Italian short-term government bonds (BTP 4% 1 September 2020).

Item G.V “collateralised payables”, at 31 December 2019 amounted to €1,811k. The item refers to mortgage loans regarding four properties purchased in 2011 and 2012 by corporate agencies, as broken down below:

Amounts in €k

	Residual amount at 31/12/2019
Mortgage 6023128 Building 4378 Parma	660
Mortgage 6174396 Building 4379 Fidenza	266
Mortgage 6174397 Building 4379 Fidenza	121
Mortgage 8150029 Building 4380 Forlì	763
	1,811

Item G.VI “sundry loans and other financial payables”, which amounted to €2,886k, at 31 December 2019 referred entirely to financial payables. In particular, the item comprises €2,487k relating to a cross currency swap and €399k for premiums collected on put options on indexes.

3 Notes to the Financial Statements

The changes that took place in the period regarding post-employment benefits (item G.VII), which amounted to €50,974k, are detailed in Annex 15.

The uses regarding this fund are mainly represented by settlements made totalling €37,456k.

Of the other payables (item G.VIII), which amounted to €576,820k, up by €79,573k compared to the previous year's figure, note:

- item G.VIII.1 "payables for policyholders' tax due", which at 31 December 2019 presented a balance of €155,930k and consisted of the amounts due for insurance tax (€125,054k) and the payable to the National Health Service (€30,876k);
- item G.VIII.2 "sundry tax payables", which at 31 December 2019 presented a balance of €47,320k and consisted primarily of payables for IRAP of €19,416k, personnel tax payables equal to €16,223k and payables for other withholding taxes, totalling €11,627k;
- item G.VIII.3 "other social security charges payable", whose balance was €31,748k, comprised the national insurance fund for agents payables that amounted to €8,338k and payables to INPS amounting to €19,936k;
- Item G.VIII.4, "sundry payables", whose breakdown and major changes follow:

<i>Amounts in €k</i>	2019	2018	Change on 2018
Trade payables	84,047	75,479	8,567
Claims management	11,562	12,261	(699)
Group companies	112,562	106,613	5,949
Financial intermediaries	68,860	45,430	23,430
Guarantee deposits and advances paid	22,331	23,135	(805)
Other	42,461	24,386	18,074
Total	341,822	287,305	54,517
			19.0%

These are mainly short-term payables; the changes that took place during the year pertain to normal development of the Company's business. This item, as part of payables to Group companies, equal to €112,562k, included the exposure to the consolidating company Unipol Gruppo for the IRES balance due for the current year totalling €88,975k.

Item G.IX, "other liabilities", amounted to €879,325k at 31 December 2019 (+€109,351k compared to 31/12/2018).

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

<i>Amounts in €k</i>	2019	2018	Change on 2018
Commissions for premiums under collection	99,608	98,881	727
Financial liabilities	228,226	213,652	14,573
Provisions for personnel costs	160,542	113,241	47,301
Incentives and contributions to the agency network	149,847	153,616	(3,769)
Invoices receivable	91,348	70,264	21,084
Non-Life/Life connection account	41,031	20,098	20,934
Technical reinsurance entries	9,126	13,274	(4,149)
Liabilities pertaining to the technical accounts	59,731	45,395	14,336
Sundry liabilities	39,866	41,553	(1,686)
Total	879,325	769,974	109,351
			14.2%

Financial liabilities for €228,226k are broken down as follows:

- contra-item of interest rate swaps for €8,548k;
- contra-item of asset swaps for €213,381k;
- contra-item of forward currencies for €6,297k.

Section 14 - Accruals and deferrals

Item H "accruals and deferrals" showed a total balance at 31 December 2019 of €53,847k with a decrease of €6,807k compared to the prior year (-11.2%).

The breakdown of the item follows:

<i>Amounts in €k</i>	2019	2018	Change on 2018
Financial derivatives	10,923	16,787	(5,864)
Interest on Life policy loans	223	254	(31)
Rents/sub-rentals	17	70	(53)
Interest on subordinated loans	42,592	43,357	(765)
Other accruals and deferrals	93	186	(93)
Total	53,847	60,655	(6,807)
			(11.2%)

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

<i>Amounts in €k</i>	Accruals	Deferrals	Total
H.1 Interest	53,737		53,737
H.2 Rental income		17	17
H.3 Other accruals and deferrals		93	93
Total	53,737	110	53,847

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.

3 Notes to the Financial Statements

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 31/12/2019	Amount due beyond 31/12/2020	Amount due beyond 31/12/2024
Loans			
Loans to holding companies	567,785	300,000	
Loans to subsidiaries	285,423	50,899	37,899
Loans to affiliates	65,276	44,856	20,420
Loans to associates	6,092		
Loans on policies	19,411	8,457	3,524
Other loans	2,762	2,042	519
Total	946,750	406,254	62,362
Receivables			
Receivables from policyholders	648,523		
Insurance intermediaries	875,236	358,857	222,161
Insurance company current accounts	27,730		
Policyholders and third parties for amounts to be recovered	125,686		
Companies and insurance and reinsurance intermediaries	127,473		
Other receivables	1,096,424	96,936	5,732
Total	2,901,071	455,794	227,893
Deposits received from reinsurers	145,201		
Payables			
Payables arising from direct insurance business	72,044	2	
Payables arising from reinsurance	54,236		
Payables to banks and financial institutions	208,342		
Collateralised payables	1,811	1,259	268
Sundry loans and other financial payables	2,886		
Other payables	576,820	5,970	5,149
Total	916,139	7,231	5,417

Section 16 bis - Individual pension schemes

At 31 December 2019, UnipolSai had an individual pension scheme in place, as set forth in Art. 13, paragraph 1 of Italian 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.

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 2019, which amounted to €51,223,273k (-€1,669,914k compared to 31/12/2018), is mostly made up of securities deposited with third parties (€43,450,371k) and of the commitments account (€5,781,763k).

<i>Amounts in €k</i>	2019	2018	Change on 2018
Guarantees given: Sureties	45,653	15,222	30,430
Guarantees given: Other guarantees	581	581	
Guarantees given: Collateral	335,093	121,068	214,025
Guarantees received: Sureties	94,212	102,778	(8,566)
Guarantees received: Collateral	48,886	27,180	21,705
Guarantees given by third parties in the interest of the company	758,282	862,327	(104,044)
Other guarantees received		579,073	(579,073)
Commitments	5,781,763	8,034,067	(2,252,304)
Third party assets	14,754	19,006	(4,252)
Assets attributable to pension funds managed in the name and on behalf of third parties	684,263	607,890	76,373
Securities deposited with third parties	43,450,371	42,514,435	935,936
Other memorandum accounts	9,415	9,559	(144)
Total	51,223,273	52,893,187	(1,669,914)

The guarantees given included €10,030k for surety policies in favour of municipal Authorities in relation to the Via Larga complex in Bologna and €32,523k relating to tax entries pertaining to the group.

The collateral given item comprises mainly securities set as collateral on transactions in derivatives and letters of credit regarding inwards reinsurance items for €4,313k.

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

- ✓ guarantee deposits on leases through sureties amounting to €9,371k;
- ✓ 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 €4,027k. 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 €8,712k;
- ✓ sureties against insurance contracts issued for €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 €10,250k of sureties for participation in tenders, €66,112k of a surety issued to CONSAP and €70,000k as UBI Banca surety for Telespazio.

The change in 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, on the exercise of that option, which took place in 2019.

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

3 Notes to the Financial Statements

Amounts in €k

Commitments	2019	2018	Change on 2018
Financial derivatives	4,720,343	7,172,031	(2,451,688)
Capital subscribed	894,299	718,003	176,297
Taxes to be paid on Life technical provisions	69,976	70,006	(31)
Other commitments	97,145	74,027	23,118
Total	5,781,763	8,034,067	(2,252,304)

The commitments recorded for transactions on derivatives at year end amounted to a total of €4,720,343k 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 2019 on the mathematical provisions, pursuant to Decree Law 209/2002, to be paid in 2020.

The other commitments consist of commitments to purchase properties under construction (€39,027k), and the commitment to disburse a loan of €26,118k to Car Server.

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	2019
Arco Bilanciato	150,810
Cooperlavoro	154,339
Filcoop	49,118
Previcoper	168,014
Solidarieta' Veneto	153,510
Agrifondo	8,471
Total	684,263

The breakdown by type follows:

Amounts in €k

Types	2019
Bonds	227,197
Equities	165,814
Liquidity	289,481
Other net assets	1,771
Total	684,263

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 2019 was €43,450,371k.

Amounts in €k

Depositary entity	2019	2018	Change on 2018
Group companies	1,693,713	36,463,960	(34,770,247)
Banks	39,698,628	4,210,590	35,488,038
Issuers	2,057,434	1,839,289	218,145
Others	596	596	
Total	43,450,371	42,514,435	935,936

Other memorandum accounts, whose balance at 31 December 2019 amounted to €9,415k, consisted mainly of deposits for books on claims paid.

€596k in the table refers to the value of securities at third parties under guarantee for the inwards reinsurance business.

At 31 December 2019 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 of Directors, 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 provided 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 2019, 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.

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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 2019, 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 2019 there are no specific significant terms and conditions that may influence the amounts, the maturities and the certainty of the future flows differently from the contractual provisions.

The open positions in derivatives at 31 December 2019, set up with 17 counterparties and with a portion of the reference capital up to a maximum of €250,000k, are shown in the following table:

Amounts in €k

Transaction description	Hedging		Effective management		Total		Overall exposure
	No.	Fair value	No.	Fair value	No.	Fair value	
Forward purchases of currency	6	(253)			6	(253)	41,242
Forward sales of currency	59	908			59	908	985,974
Purchase of call options			7	21,107	7	21,107	103,988
Purchase of put options	5	1,089			5	1,089	297,000
Sale of put options	5	(165)			5	(165)	231,000
Total contracts with equity swaps	75	1,579	7	21,107	82	22,686	1,659,204
Purchase of Interest Rate Swaps	16	56,535			16	56,535	1,670,000
Purchase of Asset Swaps	21	(163,268)			21	(163,268)	1,363,500
Purchase of Cross Currency	1	(2,487)			1	(2,487)	27,639
Total contracts without equity swaps	38	(109,220)			38	(109,220)	3,061,139
Grand total	113	(107,641)	7	21,107	120	(86,534)	4,720,343

The forward purchases and sales of currency made in the year refer to the following currencies: Euro, US Dollar, Pound Sterling, Swiss Franc and Swedish Krona.

3 Notes to the Financial Statements

Income Statement

The results achieved in 2019 are summarised in the reclassification statement of the income statement, the most salient aspects of which are recalled below:

<i>Amounts in €k</i>	2019	2018	Change on 2018
Technical balance: Life	264,857	63,736	201,121
Non-life	543,602	452,896	90,707
Total	808,460	516,631	291,828
Income from investments, other gains and losses	(17,802)	(38,107)	20,304
Profit (loss) from ordinary operations	790,658	478,525	312,133
Extraordinary components	157,246	70,182	87,064
Pre-tax profit (loss)	947,904	548,707	399,197
Net profit (loss)	701,237	412,785	288,452

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

The gross premiums at 31 December 2019 amounted to €7,000,904k, increasing by €92,624k (+1.3%) compared to 31 December 2018. The premiums regarding indirect business amounted to €10,926k and account for 0.2% of the total.

Net of reinsurance, the premiums earned amounted to €6,479,678k (€6,393,378k at 31/12/2018).

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 €38,513k at 31 December 2019 (€62,559k at 31/12/2018) and included €15,290k regarding the Land Vehicle TPL class, mostly consisting of recovered expenses for managing claims on behalf of companies, €1,664k of recovered commissions and €13,040k for the reversal of commissions on premiums of previous years cancelled. Indirect business included €10,576k 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 €4,185,461k, (€4,213,101k at 31/12/2018) 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 Italian Legislative Decree 173 of 26 May 1997. The provision on the claims of previous generations amounted to €7,539,252k at the end of the period.

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

<i>Amounts in €k</i>	2019
Opening claims provision	10,837,378
Payments in the year for prior year claims	2,937,808
Closing claims provision	7,539,252
Breakdown of claims provision	360,318
% impact on opening provision	3,32%

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

<i>Amounts in €k</i>	2019
Amounts to be collected at the end of the previous year	95,430
Amounts collected in the year	119,123
Amounts to be collected at the end of the year	109,383
Changes in the amounts to be collected	133,076
Total effect	493,394

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 (€133,076k).

The amount of the reversals and profit sharing (item I.6) recognised to the policyholders or other beneficiaries had a net balance of €4,660k (€5,999k at 31/12/2018) and referred almost entirely to technical profit sharing.

Operating expenses amounted to €1,841,958k, already net of the commissions received from reinsurers (€154,636k), and included acquisition and collection expenses for €1,633,265k (up by 1.6%% compared to the 2018 figure) and other administrative expenses for €359,571k (+12.8% compared to the 2018 figure).

The balance of item I.7.f "commissions and profit sharing from reinsurers", equal to €154,636k (+3.8% compared to the 2018 figure), referred to commissions for €117,840k and to profit sharing for €% and k.

Other technical charges, net of reinsurance (item I.8), which at 31 December 2019 amounted to €% in 2018).k (€154,237k the aggregate figure 2018), of which:

- €133,592k relating to direct business,
- €150k relating to indirect business and,
- €6,200k relating to premiums ceded.

In direct business, the most important items regard cancellations of premiums of previous years for €77,628k, the management rights of the CARD room for €4,866k and contributions for €47,469k.

Premiums ceded mostly include the estimate of reinstated premiums envisaged contractually by reinsurance treaties and estimated as €6,099k on the basis of the claims provisions at 31 December 2019.

Item I.9 "change in equalisation provisions", which was negativa by €3,621k, 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 €13k 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.

3 Notes to the Financial Statements

The share to be assigned to the technical account, pursuant to ISVAP Regulation no. 22 of 4 April 2008 as amended, is obtained by applying to the aforementioned gains on investments the ratio between the semisum of the technical provisions net of the reinsurance at the end of the current year and at the end of the previous one and the same semisum increased by the value of the semisum of the shareholders' equity also resulting at the end of the current year and at the end of the previous one.

The breakdown in the individual portfolios and classes of the share of the profit assigned to the technical account was also made on the basis of the provisions of the aforementioned ISVAP Regulation.

At 31 December 2019 profits from investments were transferred from the non-technical account to the technical account for €200,520k (€151,499k the 2018 figure).

Section 19 - Information on Life business technical account (II)

The gross premiums at year end amounted to €4,079,922k (increasing by 30.4% compared to the 2018 figure); the premiums regarding indirect business equalled €106k.

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 2019 amounted to €1,301,524k (€1,254,722k the figure at 31/12/2018) are 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 2019 amounted to €329,102k (€114,587k the 2018 figure).

The other technical income, net of reinsurance (item II.4), amounted to €30,160k (€26,544k the 2018 figure) and included €28,890k of commissions for investments relating to benefits linked to investment funds and market indices and investments arising from pension fund management.

As regards charges regarding servicing, the gross sums paid (item II.5 a) aa) amounted to €3,913,410k (+49.4% compared to 31/12/2018 which had recorded €2,618,842k) and included:

<i>Amounts in €k</i>	2019	2018	Change on 2018
Capital and annuities accrued	1,857,200	915,223	941,977
Surrenders and advances	1,821,861	1,524,261	297,601
Claims	227,960	172,754	55,206
Settlement expenses	4,648	4,594	54
Indirect business	1,740	2,010	(270)
Total	3,913,410	2,618,842	1,294,568

The change in provision for amounts payable, net of the reinsurers' share, equalled -€1,304k (€8,865k the 2018 figure). The change in technical provisions, net of reinsurance (item II.6), amounted to €916,065k (€905,926k the 2018 figure).

Item II.7 "reversals and profit sharing, net of reinsurance" amounted to €1,275k at 31 December 2019 (€1,119k the 2018 figure) and consisted entirely of reversals.

Operating expenses (item II.8) amounted to €155,256k (+4.4% compared to the 2018 figure), already net of the commissions received from reinsurers (€664k), and included acquisition and collection expenses for €101,420k (+5.8% compared to the 2018 figure) and other administrative expenses for €62,416k (+9.5% compared to the 2018 figure, with a 1.5% impact on premiums).

The item II.8.f "commissions and profit sharing from reinsurers", which at 31 December 2019 equalled €664k (-50.6% compared to the 2018 figure), referred entirely to commissions.

The detail of asset and financial charges (item II.9), which at 31 December 2019 amounted to €239,514k, versus €435,737k in 2018, is shown in Annex 23.

These charges included write-downs regarding bonds, shares and fund units for €18,765k and write-downs regarding derivative financial instruments for €4,284k.

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 €95,499k (€218,528k the 2018 figure).

Other technical charges, net of reinsurance (item II.11), equal to €41,970k (+2.7% compared to the 2018 figure), mainly comprised:

- management fees for €28,638k;
- cancelled premiums of previous years for €10,413k;
- commissions on investments related to Unit-Linked Policies and pension funds for €826k.

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, €118,158k (€87,878k the 2018 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 €891,612k (+13.8% compared to the 2018 figure) as detailed in Annex 21.

The Non-Life business asset and financial charges (item III.5) amounted to €614,720k, (€577,076k at 31/12/2018), are detailed in Annex 23.

Investment management expenses and interest expense (item C.III.5.a), with a balance of €145,144k (€142,681k the 2018 figure), included:

- administrative expenses attributed to the management of investments for €59,949k;
- financial charges linked to derivative financial instruments for €35,483k;
- taxes on investments for €18,366k, €13,244k of which for IMU, €4,140k for other indirect taxes and duties relating to property investments and €1,357k for other taxes on financial investments;
- issue/trading spreads for €21,497k;
- expenses on securities dossier for €8,535k;
- interest on deposits received from reinsurers for €737k.

Value adjustments to investments (item III.5.b) amounted to €142,094k (-62.3% compared to the 2018 figure) and consisted of alignments of shares, interests and fund units for €68,292k, of bonds for €1,068k and on other financial investments for €3,430k. With reference to investments, note the following main write-downs: €9,070k relating to the subsidiary Nuove Iniziative Toscane, €2,445k to the subsidiary Villa Ragionieri and €1,626k to the subsidiary Ambra Property.

This item also included the write-downs of properties totalling €69,304k, €46,133k of which referred to the portions of amortisation and €23,171k referred to write-downs for value adjustments.

The item III.7 "other income" equalled €169,180k at 31 December 2019, versus €160,688k (2018 figure), with a +5.3% change, broken down as follows:

Amounts in €k

	2019	2018	Change on 2018
Other income			
Interest income	9,966	9,929	37
Recovery of expenses	60,527	68,126	(7,600)
Positive exchange rate differences	446		446
Withdrawals from provisions	73,888	58,117	15,770
Commission on placement of bank products	5,683	6,938	(1,255)
Other income	9,111	7,998	1,113
Recovery of expenses for management of Roadway Accident Victims Fund (FVS)	9,559	9,579	(20)
Total	169,180	160,688	8,492

Interest income included €648k as interest on deposits and €9,318k as interest on other receivables.

Income from recovered administrative expenses was €38,905k, for the provision of services and €19,503k for expenses borne for third parties.

Withdrawals from provisions, of which €35,485k from the provision for risks and charges, €26,117k referred to liabilities set aside in previous years and occurred in the current year and €9,368k to surpluses, and €38,403k to bad debt provisions, of which €32,480k related to losses recorded during the period and €5,923k to surpluses.

The item III.8 "other charges" equalled €381,512k at 31 December 2019 (€341,677k the 2018 figure), broken down as follows:

Amounts in €k

	2019	2018	Change on 2018
Other charges			
Amortisation on goodwill and other intangible assets	112,393	116,956	(4,563)
Impairment losses on receivables	37,679	12,893	24,787
Expenses for managing claims of Roadway Accident Victims Fund	8,971	9,717	(746)
Interest expense	88,175	87,250	925
Allocations to provisions	39,433	48,229	(8,796)
IVASS penalties	353	845	(492)
Operating expenses and product placement	9,265	6,207	3,058
Negative exchange rate differences	3,712	2,604	1,108
Sundry taxes	2,182	2,195	(13)
Charges on behalf of third parties	39,414	39,461	(47)
Sundry charges	39,933	15,320	24,613
Total	381,512	341,677	39,835

3 Notes to the Financial Statements

The amortisation of goodwill and other intangible assets include €57,322k of intangible assets and €55,071k of goodwill and insurance portfolios acquired in previous years.

Interest expense included mainly €82,959k regarding interest on subordinated loans and €5,216k of interest on other payables.

Charges on behalf of third parties included costs and other administrative charges for services rendered to third parties and for seconded personnel at other companies.

Allocations to provisions referred for €16,657k to bad debt provisions and for €22,776k to provisions for risks and charges.

"Extraordinary income" (item III.10) equalled €284,026k versus €178,765k (2018 figure), broken down as follows:

Amounts in €k

	2019	2018	Change on 2018
Extraordinary income			
Gains on disposals of property	52,849	42,654	10,195
Gains on trading of long-term securities	189,355	201	189,154
Gains on trading of mutual investment funds	2,505	1,143	1,363
Gains on trading of shares and investments	2,307	95,252	(92,944)
Gains on trading of other assets	1	4	(3)
Extraordinary gains	36,812	39,223	(2,411)
Other income	196	289	(92)
Total	284,026	178,765	105,260

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.

There was also an extraordinary gain of €25,944k 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 €126,780k (€108,584k the 2018 figure), broken down as follows:

Amounts in €k

	2019	2018	Change on 2018
Extraordinary expenses			
Losses on disposals of property	3,621	28,923	(25,302)
Losses on long-lived securities	1,828		1,828
Losses on trading of long-lived mutual investment funds		8,895	(8,895)
Losses on trading of investments	153	64,370	(64,216)
Extraordinary losses	20,600	4,703	15,897
Settlements	200	1,218	(1,018)
Other charges	100,377	475	99,902
Losses on disposals of other assets	1	1	
Total	126,780	108,584	18,196

Losses on disposals concern the long-term investments segment.

Extraordinary losses include tax expenses amounting to €16,542k. This item primarily included the facilitated settlement, pursuant to the provisions of Decree Law no. 119 of 2018 (converted by Law no. 136 of 2018), of certain tax disputes under way for an amount of €9,224k and the settlement of the Report on Findings of the Italian Tax Police relating to the 2015 tax period, already described in Section 12, through an assessment procedure, for €7,202k.

Other extraordinary expenses included €95,500k relating to estimated losses in relation to trade union agreements on pre-retirement arrangements for employees, as described in the Management Report under Significant events during the period.

Item III.14 "Income tax for the year" represented a total charge of €246,666k (€135,921k the 2018 figure), €227,117k 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 €17,064k.

The table below reports the changes occurred:

<i>Amounts in €k</i>	IRES	IRAP	Total
Current and substitute taxes	(188,680)	(40,922)	(229,602)
Deferred tax assets and liabilities:			
- use of deferred tax assets	(82,829)	(4,429)	(87,259)
- use of deferred tax liabilities	30,903	357	31,260
- recognition of deferred tax assets	73,879	6,445	80,324
- recognition of deferred tax liabilities	(41,389)		(41,389)
Balance on deferred tax assets/liabilities	(19,436)	2,372	(17,064)
TOTAL	(208,116)	(38,550)	(246,666)

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

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Notes to the Financial Statements

<i>Amounts in €k</i>	2019	2018	Change
Pre-tax profit (loss)	947,904	548,707	399,197
Theoretical IRES - (Expenses)/Income	(227,497)	(131,690)	(95,807)
Tax effect deriving from taxable income permanent changes			
Increases:	(24,184)	(54,105)	29,921
- PEX investments - write-downs	(780)	(34,079)	33,299
- Dividend Washing	(261)	(771)	510
- Interest expense	(838)	(836)	(2)
- Taxes and other non-deductible costs	(4,129)	(4,485)	356
- Non-deductible goodwill	(6,025)	(6,025)	
- Allocations to provisions for risks	(1,475)	(3,165)	1,689
- Extraordinary losses	(5,257)	(855)	(4,401)
- Recalculation of IRAP tax exemption	(110)	(201)	91
- Property not for own use	(1,331)	(1,678)	347
- Impairment losses on receivables	(2,622)	(790)	(1,832)
- Other changes	(1,357)	(1,220)	(137)
Decreases:	46,050	75,763	(29,713)
- PEX investments - gains exempt	526	21,717	(21,191)
- Dividends excluded	24,945	23,400	1,545
- IRAP deduction	516	412	104
- ACE relief	3,507	4,231	(724)
- Extraordinary gains	6,451	5,764	688
- Withdrawals from provisions for risks	4,327	6,463	(2,136)
- Redeemed goodwill	2,261	2,261	
- Super-amortisation/depreciation	1,097	958	139
- Recovery of value of long-term investments		9,157	(9,157)
- Other changes	2,419	1,400	1,020
IRES pertaining to the year - (Expenses)/Income	(205,631)	(110,032)	(95,599)
- Theoretical IRAP on the technical result	(55,137)	(35,234)	(19,903)
- Dividends and overheads	6,247	5,982	264
- Deductible amortisation/depreciation	3,143	2,693	450
- Gains on transfers of property not for own use	(3,592)	(2,909)	(683)
- Other changes	10,789	6,063	4,726
IRAP	(38,550)	(23,405)	(15,145)
Substitute taxes	(2,485)	(2,485)	
Total Income Tax	(246,666)	(135,921)	(110,745)

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>	2019 Fiscal effect (*)		2018 Fiscal effect (*)		Change	
	Amount	Tax effect	Taxable amount	Tax effect	Taxable amount	Tax effect
DEFERRED TAX ASSETS						
IRES						
Valuation of Equity Portfolio	57,052	13,692	76,492	18,358	(19,440)	(4,666)
Valuation of securities	8,289	1,990	29,955	7,189	(21,666)	(5,199)
Life business technical provisions	77,362	18,567	71,625	17,190	5,737	1,377
Non-Life business claims provision	508,279	121,987	572,482	137,396	(64,203)	(15,409)
Property	437,216	104,931	465,651	111,756	(28,435)	(6,825)
Depreciation of property and other assets	26,327	6,319	27,533	6,608	(1,206)	(289)
Goodwill	728,019	174,725	733,798	176,112	(5,779)	(1,387)
Provision for personnel expenses	241,217	57,892	106,848	25,643	134,369	32,249
Provision for risks and charges	432,866	103,888	455,512	109,323	(22,646)	(5,435)
Write-down of receivables from policyholders	452,895	108,695	452,895	108,695		
Other	14,266	3,423	1,519	365	12,747	3,058
Substitute tax for goodwill realignment		3,294		5,779		(2,485)
TOTAL IRES	2,983,788	719,403	2,994,310	724,414	(10,522)	(5,011)
IRAP						
Other provisions established with non-deductible allocations during the year	93,927	6,406			93,927	6,406
Property	434,334	29,622	468,592	31,958	(34,258)	(2,336)
Depreciation of property and other assets	5,836	399	7,370	503	(1,534)	(104)
Goodwill	727,739	49,632	733,236	50,007	(5,497)	(375)
Write-down of receivables from policyholders	142,339	9,708	142,325	9,707	14	1
Other	16,871	1,151	15,982	1,090	889	61
TOTAL IRAP	1,421,046	96,918	1,367,505	93,265	53,541	3,653
TOTAL DEFERRED TAX ASSETS	4,404,834	816,321	4,361,815	817,679	43,019	(1,358)

(*) Rate: 24% IRES; 6.82% IRAP

3 Notes to the Financial Statements

The deferred tax liabilities accrued are detailed below:

<i>Amounts in €k</i>	2019 Fiscal effect (*)		2018 Fiscal effect (*)		Change	
	Amount	Tax effect	Taxable amount	Tax effect	Taxable amount	Tax effect
DEFERRED TAX LIABILITIES						
IRES						
Property	103,010	24,712	116,191	27,886	(13,181)	(3,174)
Capital gains in instalments	178,106	42,745	89,880	21,571	88,226	21,174
Other	2,035	488	39,264	9,423	(37,229)	(8,935)
TOTAL IRES	283,151	67,945	245,335	58,880	37,816	9,065
IRAP						
Property	62,221	4,243	67,453	4,600	(5,232)	(357)
TOTAL IRAP	62,221	4,243	67,453	4,600	(5,232)	(357)
TOTAL DEFERRED TAX LIABILITIES	345,372	72,188	312,788	63,480	32,584	8,708

(*) 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 2019, broken down by category, is as follows:

	2019	2018
Executives	157	174
Officers	1,700	1,669
Office workers	5,664	5,662
Other	6	7
Total	7,527	7,512

Considering the number of employees as FTE (Full Time Equivalent), the total equalled 7,287 resources.

Results on sales of capitalised securities

In the Non-Life business as well as in the Life business, the sales made in 2019 entailed gains of €183,384k and €4,143k, respectively.

Results on transactions in financial derivatives

Derivative trading led to total net charges of €318,261k, which included net charges of €324,069k on transactions concluded in the period and net income of €5,808k on transactions still in place at year end. The following table shows the details of charges and income recognised in 2019 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	(11,481)	(4,688)	(16,169)
- options on rates	(12,645)		(12,645)
- swaps on rates	(295,353)	10,806	(284,547)
- swaps on currencies		(965)	(965)
- Other transactions	16,664	655	17,319
Total hedging derivatives	(302,815)	5,808	(297,007)
Other derivatives transactions			
- options on share	(21,154)		(21,154)
- swaps on currencies	(100)		(100)
Total other derivatives transactions	(21,254)		(21,254)
Grand total	(324,069)	5,808	(318,261)

3 Notes to the Financial Statements

Part C: Other Information

Statement summarising the key figures of the financial statements of Unipol Gruppo at 31 December 2018 and 31 December 2017

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	31.12.2018	31.12.2017
ASSETS		
A) SUBSCRIBED CAPITAL, UNPAID		
B) FIXED ASSETS		
I Intangible assets	2.3	3.2
II Property, plant and equipment	0.8	1.0
III Financial assets	7,013.4	6,421.8
TOTAL FIXED ASSETS	7,016.5	6,425.9
C) CURRENT ASSETS		
I Inventories		
II Receivables	546.9	731.9
III Current financial assets	150.1	164.7
IV Cash and cash equivalents	1,092.7	1,421.0
TOTAL CURRENT ASSETS	1,789.7	2,317.6
D) ACCRUALS AND DEFERRALS	2.9	0.7
TOTAL ASSET	8,809.1	8,744.3
LIABILITIES		
A) SHAREHOLDERS' EQUITY		
I Share capital	3,365.3	3,365.3
II Share premium reserve	1,435.7	1,435.7
III Revaluation reserves		
IV Legal reserve	583.0	561.7
V Statutory reserve		
VI Reserve for treasury shares in portfolio	63.4	
VII Other reserves		
VIII Retained profit (loss)		
IX Profit (loss) for the year	66.2	213.4
X Negative reserve for treasury shares	(2.0)	(8.8)
TOTAL SHAREHOLDERS' EQUITY	5,511.6	5,567.3
B) PROVISIONS FOR RISKS AND CHARGES	433.7	342.6
C) POST-EMPLOYMENT BENEFITS	0.0	0.0
D) PAYABLES	2,863.7	2,834.4
TOTAL LIABILITIES	8,809.1	8,744.3

Amounts in €m

INCOME STATEMENT	31.12.2018	31.12.2017
A) VALUE OF PRODUCTION	18.8	31.1
B) COSTS OF PRODUCTION	57.4	158.1
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	(38.6)	(127.0)
C) FINANCIAL INCOME AND CHARGES	373.6	965.0
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	(290.0)	(655.8)
PRE-TAX PROFIT (LOSS)	45.1	182.1
PROFIT (LOSS) FOR THE YEAR	66.2	213.4

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 2018 and 31 December 2017.

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 Italian 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 of UnipolSai at 31 December 2019 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 Italian 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 Parent of the Unipol Insurance Group entered in the Register of Insurance Groups - No. 046.

Information on public funds received

With reference to the regulation on the transparency of public funds introduced by Art. 1, paragraph 125 of Italian Law 124/2017 and subsequent amendments and supplements, note that, in its capacity as the party submitting the relative petition, the company collected contributions from the Banks and Insurance Fund and FONDIR, partially transferred to the beneficiary subsidiaries in relation to the training activities provided to their employees. In reference to the petitioning part and arranged by the granting body, information relating to these contributions was recorded in the National Register of Government Subsidies and was published in the "transparency" section of the related website where it can be consulted.

3 Notes to the Financial Statements

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.	1,971
Attestation services	PricewaterhouseCoopers S.p.A.	UnipolSai Assicurazioni S.p.A.	507
Other services	PricewaterhouseCoopers S.p.A.	UnipolSai Assicurazioni S.p.A.	375
Other services	PricewaterhouseCoopers Actuarial Services S.r.l.	UnipolSai Assicurazioni S.p.A.	433
Total			3,286

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 acknowledged that, in relation to the merger by incorporation (the “Merger”) of Pronto Assistance S.p.A. in UnipolSai, the legal effects became effective from 1 February 2020 and the accounting and tax effects from 1 January 2020 and, consequently, it is necessary to proceed with the formation and approval of separate financial statements of the companies participating in the Merger;
- having examined the draft financial statements at 31 December 2019, accompanied by the annexes and documentation required by Legislative Decree 209 of 7 September 2005, as well as the annexes and additional documents drawn up pursuant to ISVAP Regulation no. 22 of 4 April 2008, as subsequently amended, having read the Management Report and having accepted the Board of Statutory Auditors' Report of UnipolSai and the report prepared by the company PricewaterhouseCoopers S.p.A. appointed to serve as the independent auditor;
- having examined the results of said draft financial statements of UnipolSai, which close with profit for the year totalling €701,237,389.92, of which €458,486,484.96 relating to the Non-Life business and €242,750,904.96 relating to the Life business;
- having acknowledged that the legal reserve existing in the financial statements at 31 December 2019 and 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 2,804,643 treasury shares;
- having examined the draft financial statements of Pronto Assistance at 31 December 2019, accompanied by the annexes and documentation required by Legislative Decree 209 of 7 September 2005, as well as the annexes and additional documents drawn up pursuant to ISVAP Regulation no. 22 of 4 April 2008, as subsequently amended, having read the Management Report and having accepted the Board of Statutory Auditors' Report of UnipolSai and the report prepared by the company Ernst & Young S.p.A. appointed by Pronto Assistance to serve as the independent auditor;
- having examined the results of said draft financial statements of Pronto Assistance, which close with profit for the year totalling €1,523,792.31,

hereby resolves

- to approve the financial statements of UnipolSai at 31 December 2019, accompanied by the Management Report, recording profit for the year of €701,237,389.92 (the “Profit for the Year”), of which €458,486,484.96 relating to the Non-Life business and €242,750,904.96 relating to the Life business;
- to approve the proposed allocation of the Profit for the year, in compliance with Art. 27 of the By-Laws of UnipolSai, as follows:
 - distribution to the Shareholders of UnipolSai of a total of €452,306,036.64, of which €340,213,685.12 relating to the Non-Life business and €112,092,351.52 relating to the Life business, and thus distribution of a unit dividend, also in consideration of the redistribution pertaining to treasury shares, equal to €0.160 for each entitled ordinary share, 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;
 - allocation of the residual Profit for the year – totalling €248,931,353.28, of which €118,272,799.84 relating to the Non-Life business and €130,658,553.44 relating to the Life business, to the Extraordinary reserve posted in the item of Other provisions of the shareholders' equity;
 - to approve the financial statements of Pronto Assistance at 31 December 2019, accompanied by the Management Report;
- to set the dividend payment date as 20 May 2020 (ex-dividend date of 18 May 2020 and record date of 19 May 2020).”

3 Notes to the Financial Statements

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 2019	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	1,708		1,708
VII	Other reserves	1,185,393	118,273	1,303,666
VIII	Retained profit (loss)			
IX	Profit (loss) for the year	458,486		
X	Negative reserve for treasury shares	(1,847)		(1,847)
	Dividend distribution		340,214	
	Total	3,722,404	458,486	3,382,190

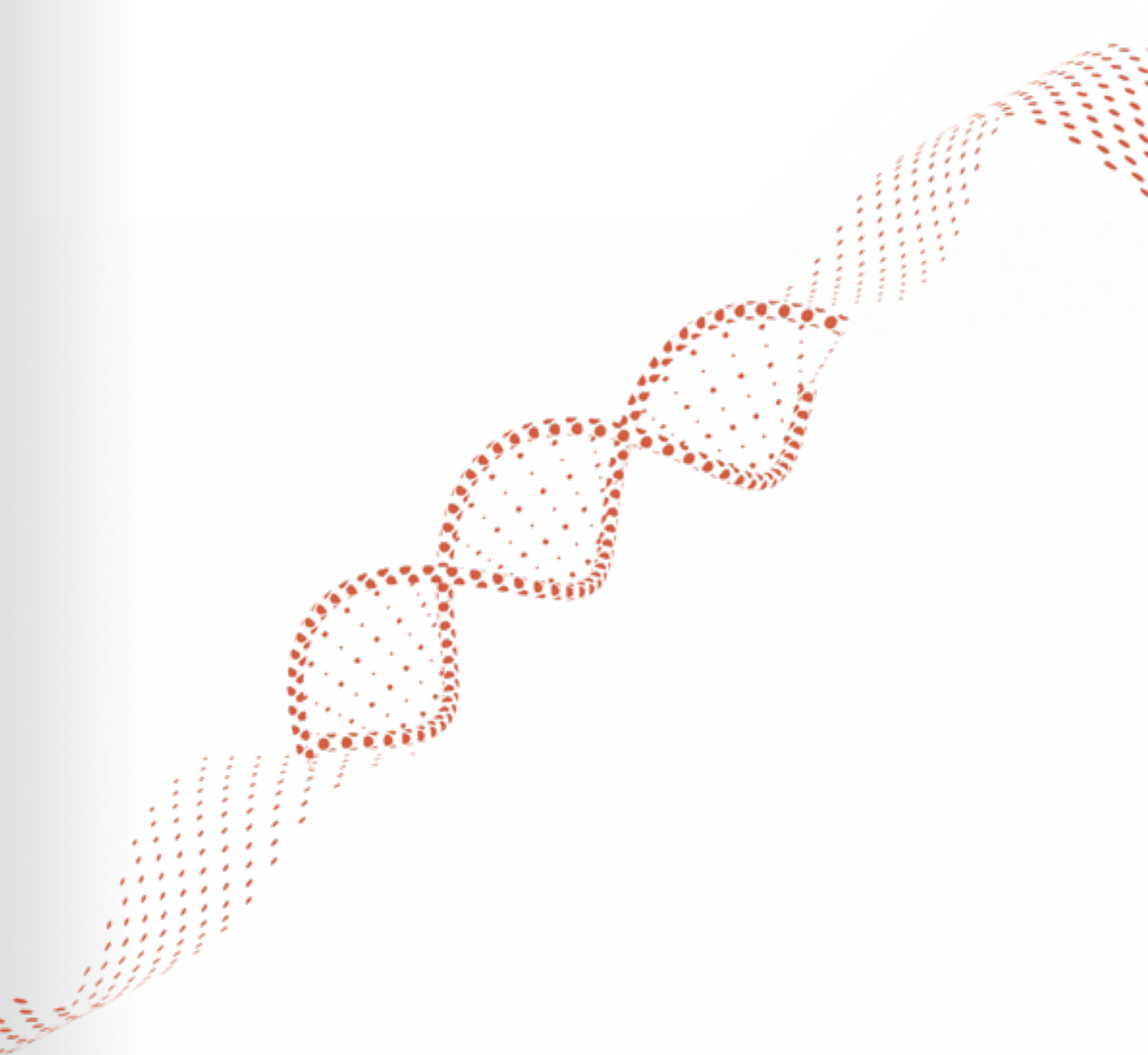
Breakdown of Life Shareholders' Equity

<i>Amounts in €k</i>		Balances at 31 December 2019	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	1,229,756	130,659	1,360,415
VIII	Retained profit (loss)			
IX	Profit (loss) for the year	242,751		
X	Negative reserve for treasury shares			
	Dividend distribution		112,092	
	Total	2,335,406	242,751	2,223,314

Bologna, 19 March 2020

The Board of Directorsard 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)		22	
13	Liabilities - Non-Life business - Changes in the year in premium provision (item C.I.1) and claims provision (item C.I.2)	1		
14	Liabilities - Changes in the year in mathematical provision (item C.II.1) and provision for profit sharing and reversals (item C.II.4)		1	
15	Liabilities - Changes in the year in provisions for risks and charges (item E) and post-employment benefits (item G.VII)			1
16	Details of assets and liabilities relating to Group companies and other investees			1
17	Information on 'guarantees, commitments and other memorandum accounts'			1
18	Statement of commitments for transactions on derivative contracts			1
19	Summarised information on Non-Life business technical account	1		
20	Summarised information on Life business regarding premiums and the reinsurance balance		1	
21	Gains on investments (items II.2 and III.3)			1
22	Income and unrealised gains relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.3)		1	
23	Asset and financial charges (items II.9 and III.5)			1
24	Charges and unrealised losses relating to investments benefiting policyholders that bear the risk and investments arising from pension fund management (item II.10)		1	
25	Non-Life business - Summary of technical accounts by individual class - Italian portfolio	1		
26	Summary of the condensed technical account of all Non-Life classes - Italian portfolio	1		
27	Life business - Summary of technical accounts by individual class - Italian portfolio		1	
28	Summary of the condensed technical account of all Life classes - Italian portfolio		1	
29	Summary of the Non-Life and Life technical accounts - Foreign portfolio			1
30	Relations with group companies and other investees			1
31	Summary of direct business written premiums			1
32	Statement of charges regarding human resources, directors and statutory auditors			1

* State the number of forms and annexes actually filled in. Put 0 if the annex, though required, was not filled in as the items are null. Put n.a. if the company is not obliged to fill in the annex.

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - NON-LIFE BUSINESS

ASSETS

	Amounts for the year			
A. SUBSCRIBED CAPITAL, UNPAID				1
of which called	2			
B. INTANGIBLE ASSETS				
1. Acquisition commissions to be amortised	4	18,617		
2. Other acquisition costs	6			
3. Start-up and expansion costs	7	2		
4. Goodwill	8	352,366		
5. Other long-term costs	9	232,013	10	602,997
C. INVESTMENTS				
I - Land and buildings				
1. Property for corporate business	11	483,464		
2. Property for use by third parties	12	1,478,435		
3. Other property	13	9,560		
4. Other property rights	14	2,279		
5. Fixed assets in progress and payments on account	15	4,100	16	1,977,839
II - Investments in group companies and other investees				
1. Shares and holdings in:				
a) holding companies	17	1,708		
b) subsidiaries	18	2,168,054		
c) affiliates	19	49,768		
d) associates	20	31,283		
e) other	21	255,376	22	2,506,189
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	514,785		
b) subsidiaries	30	285,423		
c) affiliates	31	44,856		
d) associates	32	6,092		
e) other	33		34	851,157
			35	3,361,085
			to be carried forward	602,997

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			
					602,997
C.	INVESTMENTS (continued)				
	III - Other financial investments				
	1. Shares and holdings				
	a) Listed shares	36	180,926		
	b) Unlisted shares	37	51,842		
	c) Holdings	38		39	232,768
	2. Mutual investment fund units			40	1,845,402
	3. Bonds and other fixed-yield securities				
	a) listed	41	7,904,717		
	b) unlisted	42	137,107		
	c) convertible bonds	43	7,812	44	8,049,635
	4. Loans				
	a) collateralised loans	45			
	b) loans on policies	46			
	c) other loans	47	2,748	48	2,748
	5. Mutual investment units			49	
	6. Bank deposits			50	25,521
	7. Sundry financial investments			51	19,761
	IV - Deposits with ceding companies			52	10,175,834
				53	6,850
				54	15,521,608
D.	bis TECHNICAL PROVISIONS - REINSURERS' SHARE				
	I - NON-LIFE BUSINESS				
	1. Premium provision			58	83,820
	2. Claims provision			59	525,502
	3. Provision for profit sharing and reversals			60	
	4. Other technical provisions			61	
					62
					609,322
					to be carried forward
					16,733,927

Amounts for the previous year			
		amount carried forward	608,407
	216	124,638	
	217	52,001	
	218		219 176,639
			220 1,821,706
	221	8,107,925	
	222	111,444	
	223	1,046	224 8,220,416
	225		
	226		
	227	2,056	228 2,056
			229
			230 6,065
			231 71,368
			232 10,298,250
			233 7,350
			234 15,417,087
			238 88,846
			239 506,950
			240
			241
			242 595,796
		to be carried forward	16,621,290

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			
				16,733,927	
E.	RECEIVABLES				
I	- Receivables relating to direct insurance business from:				
	1. Policyholders				
	a) for premiums for the year	71	542,794		
	b) for premiums for previous years	72	3,813	73	546,607
	2. Insurance intermediaries			74	751,955
	3. Insurance company current accounts			75	21,663
	4. Policyholders and third parties for amounts to be collected			76	125,686
	77			1,445,911	
II	- Receivables relating to reinsurance business, from:				
	1. Insurance and reinsurance companies			78	127,227
	2. Reinsurance intermediaries			79	11
	80			127,238	
III	- Other receivables			81	770,467
	82			2,343,617	
F.	OTHER ASSETS				
I	- Property, plant and equipment and inventories:				
	1. Office furniture and machines and internal means of transport			83	45,980
	2. Movable assets entered in public registers			84	
	3. Plant and equipment			85	20,171
	4. Inventories and sundry goods			86	4,293
	87			70,444	
II	- Cash and cash equivalents				
	1. Bank deposits and post office accounts			88	185,319
	2. Cheques and cash in hand			89	13
	90			185,332	
IV	- Other assets				
	1. Transitory reinsurance accounts			92	
	2. Sundry assets			93	1,031,114
	94			1,031,114	95
	of which Account connecting the Life business	901	41,031		
G.	ACCRUALS AND DEFERRALS				
	1. Interest			96	108,378
	2. Rental income			97	1,703
	3. Other accruals and deferrals			98	30,006
	99			140,087	
TOTAL ASSETS				100	20,504,520

Amounts for the previous year				
		amount carried forward		16,621,290
	251	510,898		
	252	3,430	253	514,327
			254	747,697
			255	18,874
			256	95,430
			257	1,376,329
			258	44,069
			259	
			260	44,069
			261	929,312
			262	2,349,709
			263	45,100
			264	
			265	23,103
			266	4,276
			267	72,480
			268	189,591
			269	34
			270	189,624
			272	
			273	902,219
			274	902,219
			275	1,164,324
			903	
			276	116,285
			277	2,006
			278	23,737
			279	142,028
			280	20,277,351

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	1,708	
VII - Other reserves		107	1,185,393	
VIII - Retained profit (loss)		108		
IX - Gains (losses) in the year		109	458,486	
X - Negative reserve for treasury shares		401	(1,847)	110 3,722,404
B. SUBORDINATED LIABILITIES				111 1,315,189
C. TECHNICAL PROVISIONS				
I - NON-LIFE BUSINESS				
1. Premium provision	112	2,870,244		
2. Claims provision	113	10,454,122		
3. Provision for profit sharing and reversals	114	6,004		
4. Other technical provisions	115	863		
5. Equalisation provisions	116	79,749		117 13,410,982
		to be carried forward		18,448,575

Amounts for the previous year			
	281	1,528,514	
	282	147,888	
	283	96,559	
	284	305,703	
	285		
	500	3,284	
	287	1,183,817	
	288		
	289	227,689	
	501	(2,731)	290 3,490,723
			291 1,369,189
	292	2,757,125	
	293	10,936,431	
	294	9,447	
	295	1,397	
	296	76,128	297 13,780,527
	to be carried forward		18,640,438

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			
				18,448,575
E. PROVISIONS FOR RISKS AND CHARGES				
1. Post-employment benefits and similar obligations		128	2,032	
2. Provisions for taxes		129	93,872	
3. Other provisions		130	371,944	131 467,848
F. DEPOSITS RECEIVED FROM REINSURERS				132 117,690
G. PAYABLES AND OTHER LIABILITIES				
I - Payables arising from direct insurance business, to:				
1. Insurance intermediaries	133	42,913		
2. Insurance company current accounts	134	7,070		
3. Policyholders for guarantee deposits and premiums	135	20,185		
4. Guarantee funds in favour of the policyholders	136	97	137 70,265	
II - Payables arising from reinsurance business, to:				
1. Insurance and reinsurance companies	138	47,605		
2. Reinsurance intermediaries	139	358	140 47,963	
III - Bond loans			141	
IV - Payables to banks and financial institutions			142 208,342	
V - Collateralised payables			143 1,811	
VI - Sundry loans and other financial payables			144 290	
VII - Post-employment benefits			145 47,300	
VIII - Other payables				
1. Policyholders' tax due	146	155,437		
2. Sundry tax payables	147	31,819		
3. Social security charges payable	148	31,748		
4. Sundry payables	149	277,010	150 496,014	
IX - Other liabilities				
1. Transitory reinsurance accounts	151			
2. Commissions for premiums under collection	152	97,890		
3. Sundry liabilities	153	474,228	154 572,118	155 1,444,103
of which Liaison account with Life business	902			
H. ACCRUALS AND DEFERRALS				
1. Interest			156 26,194	
2. Rental income			157 17	
3. Other accruals and deferrals			158 93	159 26,305
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				160 20,504,520

Amounts for the previous year				
	amount carried forward			18,640,438
		308	2,037	
		309	84,513	
		310	288,201	311 374,751
				312 126,110
	313	38,891		
	314	4,072		
	315	14,924		
	316	207	317 58,094	
	318	55,541		
	319	346	320 55,887	
			321	
			322	
			323	2,346
			324	9,848
			325	48,979
	326	150,974		
	327	20,900		
	328	31,424		
	329	207,793	330 411,090	
	331			
	332	96,601		
	333	420,938	334 517,540	335 1,103,782
	904	20,098		
			336	32,015
			337	68
			338	186
			339	32,269
			340	20,277,351

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	58,892		
2. Other acquisition costs	6			
3. Start-up and expansion costs	7			
4. Goodwill	8	86,334		
5. Other long-term costs	9	7,641		10
				152,866
C. INVESTMENTS				
I - Land and buildings				
1. Property for corporate business	11	28,725		
2. Property for use by third parties	12	3,553		
3. Other property	13			
4. Other property rights	14			
5. Fixed assets in progress and payments on account	15		16	32,278
II - Investments in group companies and other investees				
1. Shares and holdings in:				
a) holding companies	17			
b) subsidiaries	18	973,284		
c) affiliates	19	17,429		
d) associates	20	2,259		
e) other	21	290	22	993,262
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	20,420		
d) associates	32			
e) other	33		34	73,420
			35	1,073,545
			to be carried forward	152,866

Amounts for the previous year			
			181
		182	
		183	54,934
		186	
		187	
		188	103,006
		189	7,904
			190 165,845
		191	27,498
		192	4,525
		193	
		194	
		195	196 32,023
	197		
	198	973,625	
	199	240,716	
	200	2,259	
	201	290	202 1,216,890
	203		
	204		
	205		
	206	6,863	
	207		208 6,863
	209	53,000	
	210		
	211	33,240	
	212		
	213		214 86,240 215 1,309,993
		to be carried forward	165,845

4 Tables appended to the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

		Amounts for the year			
		amount carried forward			
					152,866
C.	INVESTMENTS (continued)				
	III - Other financial investments				
	1. Shares and holdings				
	a) Listed shares	36	294,958		
	b) Unlisted shares	37	100,000		
	c) Holdings	38		39	394,958
	2. Mutual investment fund units			40	1,576,177
	3. Bonds and other fixed-yield securities:				
	a) listed	41	23,748,280		
	b) unlisted	42	379,416		
	c) convertible bonds	43	2	44	24,127,698
	4. Loans				
	a) collateralised loans	45			
	b) loans on policies	46	19,411		
	c) other loans	47	15	48	19,426
	5. Mutual investment units			49	
	6. Bank deposits			50	
	7. Sundry financial investments			51	607
	IV - Deposits with ceding companies			52	26,118,866
				53	3,484
				54	27,228,172
D.	INVESTMENTS BENEFITING LIFE BUSINESS POLICYHOLDERS THAT BEAR THE RISK AND INVESTMENTS ARISING FROM PENSION FUND MANAGEMENT				
	I - Investments relating to benefits linked to investment funds and market indices			55	679,163
	II - Investments arising from pension fund management			56	4,946,603
				57	5,625,766
D. bis	TECHNICAL PROVISIONS - REINSURERS' SHARE				
	II - LIFE BUSINESS				
	1. Mathematical provisions			63	28,552
	2. Premium provision from supplementary insurance			64	
	3. Provision for amounts payable			65	2,124
	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	30,676
					33,037,480
					to be carried forward

Amounts for the previous year			
		amount carried forward	165,845
	216	265,289	
	217	100,000	
	218		
		219	365,289
		220	1,369,451
	221	23,733,220	
	222	311,902	
	223	5	
		224	24,045,128
	225		
	226	23,151	
	227	74	
		228	23,225
		229	
		230	
		231	26,655
		232	25,829,747
		233	4,976
		234	27,176,739
		235	562,565
		236	4,020,374
		237	4,582,939
		243	38,517
		244	
		245	1,896
		246	
		247	
		248	
			249
			40,413
		to be carried forward	31,965,935

STATEMENT OF FINANCIAL POSITION - LIFE BUSINESS

ASSETS

		Amounts for the year			
		amount carried forward			
					33,037,480
E.	RECEIVABLES				
I	- Receivables relating to direct insurance business from:				
	1. Policyholders				
	a) for premiums for the year	71	101,910		
	b) for premiums for previous years	72	6	73	101,916
	2. Insurance intermediaries			74	123,280
	3. Insurance company current accounts			75	6,067
	4. Policyholders and third parties for amounts to be collected			76	
				77	231,263
II	- Receivables relating to reinsurance business, from:				
	1. Insurance and reinsurance companies			78	235
	2. Reinsurance intermediaries			79	
				80	235
III	- Other receivables			81	325,956
				82	557,455
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	207,938
	2. Cheques and cash in hand			89	
				90	207,938
IV	- Other assets				
	1. Transitory reinsurance accounts			92	
	2. Sundry assets			93	177,695
	of which Liaison account with Non-Life business			94	177,695
				95	385,633
				901	
G.	ACCRUALS AND DEFERRALS				
	1. Interest			96	265,179
	2. Rental income			97	
	3. Other accruals and deferrals			98	3,116
				99	268,295
TOTAL ASSETS				100	34,248,863

Amounts for the previous year			
	amount carried forward		31,965,935
	251 98,976		
	252 38	253 99,014	
		254 103,170	
		255 4,612	
		256	257 206,796
		258 407	
		259	260 407
			261 237,252 262 444,455
		263	
		264	
		265	
		266	267
		268 395,226	
		269	270 395,226
		272	
		273 230,370	274 230,370 275 625,596
		903 20,098	
			276 274,584
			277
			278 3,644 279 278,228
			280 33,314,214

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	1,229,756	
VIII -Retained profit (loss)	108		
IX -Profit (loss) for the year	109	242,751	
X - Negative reserve for treasury shares	401		110 2,335,406
B. SUBORDINATED LIABILITIES			111 816,500
C. TECHNICAL PROVISIONS			
II -LIFE BUSINESS			
1. Mathematical provisions	118	24,549,267	
2. Premium provision from supplementary insurance	119	750	
3. Provision for amounts payable	120	339,107	
4. Provision for profit sharing and reversals	121	6,226	
5. Other technical provisions	122	97,759	123 24,993,109
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	679,163	
II -Provisions arising from pension fund management	126	4,946,603	127 5,625,766
	to be carried forward		33,770,782

Amounts for the previous year			
	281	502,943	
	282	259,368	
	283		
	284	100,589	
	285		
	500		
	287	1,227,134	
	288		
	289	185,096	
	501		290 2,275,130
			291 842,500
	298	24,716,104	
	299	758	
	300	340,184	
	301	5,509	
	302	96,954	303 25,159,508
	305	562,565	
	306	4,020,374	307 4,582,939
	to be carried forward		32,860,076

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			33,770,782
E. PROVISIONS FOR RISKS AND CHARGES				
1. Post-employment benefits and similar obligations		128		
2. Provisions for taxes		129	1,971	
3. Other provisions		130	18,721	131 20,692
F. DEPOSITS RECEIVED FROM REINSURERS				132 27,511
G. PAYABLES AND OTHER LIABILITIES				
I - Payables arising from direct insurance business, to:				
1. Insurance intermediaries	133	1,537		
2. Insurance company current accounts	134	196		
3. Policyholders for guarantee deposits and premiums	135	46		
4. Guarantee funds in favour of the policyholders	136		137 1,780	
II - Payables arising from reinsurance business, to:				
1. Insurance and reinsurance companies	138	6,273		
2. Reinsurance intermediaries	139		140 6,273	
III - Bond loans			141	
IV - Payables to banks and financial institutions			142	
V - Collateralised payables			143	
VI - Sundry loans and other financial payables			144 2,595	
VII - Post-employment benefits			145 3,674	
VIII - Other payables				
1. Policyholders' tax due	146	493		
2. Sundry tax payables	147	15,501		
3. Social security charges payable	148			
4. Sundry payables	149	64,812	150 80,806	
IX - Other liabilities				
1. Transitory reinsurance accounts	151			
2. Commissions for premiums under collection	152	1,718		
3. Sundry liabilities	153	305,489	154 307,207	155 402,335
of which Account connecting the Non-Life business	902	41,031		
H. ACCRUALS AND DEFERRALS				
1. Interest			156 27,543	
2. Rental income			157	
3. Other accruals and deferrals			158	159 27,543
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			160	34,248,863

Amounts for the previous year			
amount carried forward			32,860,076
		308	
		309	12,372
		310	16,643
			311 29,015
			312 37,691
	313	1,887	
	314	1,455	
	315	979	
	316		317 4,321
	318	5,623	
	319		320 5,623
			321
			322
			323
			324 6,565
			325 3,946
	326	573	
	327	6,072	
	328		
	329	79,512	330 86,157
	331		
	332	2,280	
	333	250,155	334 252,434
	904		335 359,047
			336 28,383
			337 2
			338
			339 28,385
			340 33,314,214

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	543,602	264,857	808,460
Gains on investments	+	2	891,612	891,612
Assets and financial charges	-	3	614,720	614,720
Share of profits on investments transferred from the Life business technical account	+		24	118,158
Share of profits on investments transferred to the Non-Life business technical account	-	5	200,520	200,520
Interim operating result		619,975	383,015	1,002,990
Other income	+	7	150,547	169,180
Other charges	-	8	313,313	381,512
Extraordinary income	+	9	277,513	284,026
Extraordinary expenses	-	10	113,729	126,780
Pre-tax profit (loss)		620,992	326,911	947,904
Income tax for the year	-	12	162,506	246,666
Profit (loss) for the year		458,486	242,751	701,237

Annex 4

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

		Intangible assets B	Land and buildings C.I
Gross opening balance	+	1	2,372,789
Increases in the year	+	2	113,581
for: purchases or increases		3	84,034
reversals of impairment losses		4	
write backs		5	10,557
other changes		6	29,547
Decreases in the year	-	7	
for: sales or decreases		8	
write-downs		9	212,405
other changes		10	24,071
Gross closing balance (a)		11	2,486,370
Amortisation/depreciation:			
Opening balance	+	12	1,598,537
Increases in the year	+	13	131,969
for: amount of amortisation for the year		14	131,969
other changes		15	46,964
Decreases in the year	-	16	
for: decreases for disposals		17	18,328
other changes		18	18,328
Closing balance amortisation/depreciation (b)		19	1,730,506
Carrying amount (a - b)		20	755,863
Current value		21	
Total write-backs		22	2,266,828
Total write-downs		23	93,377
			450,739

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	3,838,369	21	10,603	41	438,395
Increases in the year:	+	2	295,225	22		42	534,812
for: purchases, subscriptions or lending		3	295,045	23		43	527,192
reversals of impairment losses		4		24		44	
write-backs		5					
other changes		6	180	26		46	7,619
Decreases in the year	-	7	634,143	27		47	48,630
for: sales or repayments		8	616,084	28		48	44,737
write-downs		9	14,613	29		49	
other changes		10	3,446	30		50	3,893
Carrying amount		11	3,499,451	31	10,603	51	924,576
Current value		12	3,488,411	32	9,949	52	924,576
Total write-backs		13	46,301				
Total write-downs		14	1,406,953	34		54	1,473

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-Luxembourg-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
23	b	NL	9	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
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	9	Downall Srl In Liquidazione-Milano-IT	242
46	e	NL	4	Ex Var Scs-Luxembourg-LU	242
48	e	NL	3	Banca Dell'Elba Credito Cooperativo-Portoferraio-IT	242
49	e	NL	9	Istituto Europeo Di Oncologia-Milano-IT	242
50	e	NL	9	Mediorischi Srl-Milano-IT	242
52	d	NL	7	Uci - Ufficio Centrale Italiano-Milano-IT	242
53	e	NL	9	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
61	e	NL	1	The Co-Operators Group Sa-Guelph-CA	242
62	e	NL	3	Banca Di Bologna 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

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

(3) Business conducted

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

(4) Amounts in original

(5) Specify the entire stake held

Share capital		Shareholders' equity (***)	Profit or loss of the year (***) (4)	Portion held (5)		
Amount (4)	Number of shares			Direct %	Indirect %	Total %
3,365,292,407	717,473,508			0.08		0.08
37,817,599	37,817,599	32,163,805	3,961,604	100.00		100.00
2,619,061	2,619,061	7,096,582	1,260,056	100.00		100.00
11,500,000	11,500,000	25,110,546	2,047,039	50.00		50.00
361,200	70,000	24,616,485	351,651	100.00		100.00
182,000	350,000	9,304,510	(41,309)	100.00		100.00
2,579,597,280	2,114,424	58,713,953	8,680,463	100.00		100.00
100,000	401,566	212,585	(22,112)	63.85	36.15	100.00
19,070	1,907	355,971,397	5,518,876	100.00		100.00
5,200,000	10,000,000	32,007,780	(4,097,917)	98.27	1.71	99.98
5,200,000	5,200,000	36,520,788	12,773,216	51.00		51.00
26,000,000	50,000,000	70,377,218	(9,084,387)	100.00		100.00
516,000	516,000	2,556,571	(46,902)	95.34	4.66	100.00
2,500,000	2,500,000	43,836,901	1,523,792	100.00		100.00
3,913,588	3,913,588			49.00		49.00
66,000,000	66,000,000	76,477,822	922,599	98.81	1.19	100.00
104,000	200,000	902,401	252,865	100.00		100.00
78,000	150,000	48,974,265	(2,788,823)	100.00		100.00
20,000	20,000	100,974,043	6,455,411	28.57		28.57
4,600,000	577,500			8.66		8.66
3,526,838	82,769,806,291			0.04		0.04
73,980,165	1,409,146			0.18		0.18
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
2,895,953	47,670			1.68		1.68
80,579,007	80,579,007			14.37		14.37
120,360	120,360			10.00		10.00
535,500	1,050,000	1,311,331	53,206	37.37	0.10	37.47
3,772,000	16,400,000			10.00		10.00
112,000,000	112,000,000	132,467,833	(340,508)	100.00		100.00
2,030,000	7,000,000	(3,636,006)	(93,757)	49.00		49.00
7,907,924	26,359,747			18.73		18.73
26,793,000	345,772			5.78		5.78
44,027,954	852,594			0.13		0.13

(***) 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
64	e	NL	9	Cooptech 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 Milanese-IT	242
82	e	NL	1	Tirrena Assicurazioni Spa-Roma-IT	242
83	d	NL	4	Garibaldi Sca-Luxembourg-LU	242
87	d	NL	4	Isola (Ex Hedf Isola)-Luxembourg-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-Luxembourg-LU	242
97	d	NL	9	Funivie Del Piccolo San Bernardo Spa-La Thuile-IT	242
98	b	NL	9	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	4	Penta Domus Spa In Liquidazione-Torino-IT	242
104	d	NL	9	Servizi Immobiliari Martinelli Spa-Cinisello Balsamo-IT	242
105	b	NL	1	Siat-Genova-IT	242
106	b	NL	4	Società Edilizia Immobiliare Sarda - Seis Spa-Bologna-IT	242
108	b	NL	9	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
116	b	NL	9	Car Server Spa-Reggio Emilia-IT	242
118	b	NL	9	Centri Medici Dyadea Srl-Bologna-IT	242
119	e	NL	4	Visconti Srl-Milano-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

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- 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 %
49,020	95			4.95	1.05	6.00
258,230	1			100.00		100.00
889,550	889,550			2.44		2.44
33,000	14			7.14		7.14
32,000,000	32,000,000	246,469,619	11,364,162	100.00		100.00
1,356,582	87,492			14.86		14.86
34,718,854	2,278,140					
100,000	100,000	2,197,315	564,944	100.00		100.00
17,850,000	35,000,000			11.14		11.14
31,000	31,000	(7,050,547)	(60,543)	32.00		32.00
31,000	31,000	(4,165,812)	(51,052)	29.56		29.56
5,000,000	5,000,000	87,454,803	2,635,397	100.00		100.00
2,971,782	2,971,782	903,444	(189,659)	44.93		44.93
29,165	23,332	(12,874,180)	(7,128,950)	28.57		28.57
10,713,416	6,121,952	12,477,759	344,104	23.55		23.55
13,312	13,312	70,685	(95,742)	100.00		100.00
5,536,000	5,536	78,648,686	(303,918)	100.00		100.00
2,000,000	2,000,000	186,257,607	(1,019,881)	100.00		100.00
100,000	1,000	1,187,380	43,900	20.00		20.00
38,000,000	38,000,000	59,151,986	88,595	94.69		94.69
3,877,500	750,000	24,198,042	(673,691)	51.67		51.67
100,000	100,000	485,946	194,850	100.00		100.00
25,100,000	1	53,342,142	(286,458)	100.00		100.00
19,300,000	19,300,000	125,494,901	12,378,626	100.00		100.00
78,028,566	78,028,566	192,195,186	36,219,581	98.99		98.99
208,279,080	34,713,180	378,423,235	64,819,494	63.39		63.39
1,542,925,305	514,308,435			9.87		9.87
290,122,715	290,122,715			14.76		14.76
25,000,000	25,000,000	64,164,424	15,013,705	100.00		100.00
1,858,782	1,858,782	1,555,420	(303,362)	100.00		100.00
11,000,000	11,000,000			7.60		7.60

(***) 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	440,000	1,870	
3	b	D	Gruppo Una Spa			
3	b	V	Gruppo Una Spa			
4	b	D	Auto Presto & Bene Spa (Ex Sai Sistemi Ass.Vi)			
6	b	V	Bim Vita Spa (Ex Vitasi)			
7	b	D	Casa Di Cura Villa Donatello			
8	b	D	Centro Oncol. F.No Casa Di Cura In Liquidazione			
9	b	D	Ddor Novi Sad Ord Eur			
9	b	V	Ddor Novi Sad Ord Eur			
12	b	D	Finsai International Sa			
12	b	V	Finsai International Sa			
13	b	D	Unipolsai Nederland Bv			
13	b	V	Unipolsai Nederland Bv			
14	b	D	Unipolsai Servizi Consortili Scrl	2,996	12	
14	b	V	Unipolsai Servizi Consortili Scrl	1,004	4	
17	b	D	Incontra Assicurazioni Spa (Ex Capitalia Ass.)			
21	b	D	Nuove Iniziative Toscane Srl			
23	b	D	Pronto Assistance Servizi Scrl			
24	b	D	Pronto Assistance Spa			
26	c	V	Unipolsai Investimenti Sgr (Ex Sai Investimenti)			
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			
34	b	D	Villa Ragionieri Srl			
35	d	D	Fin. Priv.			
39	e	D	Acomea Sgr (Ex Sai Asset Management Sgr)			
			Totals C.II.1		115,114	180,110
	a		Holding companies		1,870	
	b		Subsidiaries		101,250	164,878
	c		Affiliates			15,053
	d		Associates			180
	e		Others		11,995	
			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	
		3,446	540,221	1,708	2,830
			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
		1,035	7,358,378	23,553	23,553
		345	2,469,094	7,903	7,903
			2,652,000	11,784	11,784
		9,070	50,000,000	70,453	70,453
			491,949	2,337	2,337
			2,500,000	13,566	13,566
			1,917,658	5,940	5,940
			60,722,765	65,672	65,672
			4,490,641	4,900	4,900
			200,000	762	762
		2,445	150,000	53,934	53,934
			5,714	27,446	27,446
			21,007	210	210
	616,084	18,059	3,499,451	4,906,404	3,488,411
		3,446	1,708	1,708	2,830
		14,569	3,141,338	4,343,103	3,141,338
	611,539		67,197	141,676	67,197
		44	33,541	50,932	33,541
	4,545		255,666	368,985	243,504

(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	
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	Banca Dell'Elba 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	Cooptech Scarl			
65	e	D	Fondazione Unipolis			
66	e	D	Inforcoop Scarl			
68	e	D	Consorzio Energia Fiera District			
69	b	D	Unipolsai Finance Spa			
69	b	V	Unipolsai Finance Spa			
70	e	D	Euromilano Spa			
73	c	D	Unipol Banca Spa			
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			
94	b	D	Alfaevolution Technology Spa			
95	d	D	Borsetto Srl			180
96	d	D	Butterfly Am Sarl			

(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		Quantity	Value		
			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
260,572,219	256,548					
118,583,120	147,134					
81,470	4,363					
30,000	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					
			5,000,000	90,000	90,000	90,000
		44	1,335,149	903	3,792	903
			6,666		7,508	

(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	
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			164,878
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			
111	b	D	Unisalute Spa			
112	b	V	Arca Vita Spa			
113	e	D	Bper Banca	3,259,832	11,158	
114	c	D	Unipolrec Spa			12,229
114	c	V	Unipolrec Spa			2,823
116	b	D	Car Server Spa	25,000,000	96,092	
118	b	D	Centri Medici Dyadea Srl	1,858,782	5,142	
119	e	D	Visconti Srl	836,310	836	

(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					
			1,441,691	2,695	4,225	2,695
		47	13,312	71	118	71
			5,536	81,709	207,139	81,709
			2,000,000	190,060	211,419	190,060
			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
		1,626	1	53,819	56,150	53,819
			19,300,000	180,000	180,000	180,000
			77,242,993	745,000	745,000	745,000
			22,005,690	475,000	475,000	475,000
			50,759,832	238,351	247,356	226,189
49,458,857	128,881		34,780,915	49,768	114,385	49,768
30,307,468	78,976		8,029,607	11,490	21,345	11,490
			25,000,000	96,092	96,092	96,092
			1,858,782	5,142	5,142	5,142
			836,310	836	836	836

(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	231,271	61	247,623	81	232,768	101	249,120
a) listed shares	2		22		42	180,926	62	197,093	82	180,926	102	197,093
b) unlisted shares	3	1,497	23	1,497	43	50,345	63	50,531	83	51,842	103	52,027
c) holdings	4		24		44		64		84		104	
2. Mutual investment fund units	5	37,683	25	32,770	45	1,807,719	65	1,864,046	85	1,845,402	105	1,896,816
3. Bonds and other fixed-yield securities	6	4,395,277	26	4,972,540	46	3,654,358	66	3,927,900	86	8,049,635	106	8,900,441
a1) Listed government securities	7	3,280,977	27	3,757,362	47	728,069	67	761,899	87	4,009,047	107	4,519,260
a2) other listed securities	8	999,058	28	1,085,096	48	2,896,612	68	3,136,066	88	3,895,670	108	4,221,162
b1) unlisted government securities	9	81,259	29	95,494	49		69		89	81,259	109	95,494
b2) other unlisted securities	10	33,983	30	34,589	50	21,865	70	22,123	90	55,847	110	56,713
c) convertible bonds	11		31		51	7,812	71	7,812	91	7,812	111	7,812
5. Mutual investment units	12		32		52		72		92		112	
7. Sundry financial investments	13		33		53	19,761	73	21,697	93	19,761	113	21,697

	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	394,958	181	400,305	201	394,958	221	400,305
a) listed shares	122		142		162	294,958	182	300,286	202	294,958	222	300,286
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	6,519	145	9,069	165	1,569,658	185	1,609,683	205	1,576,177	225	1,618,752
3. Bonds and other fixed-yield securities	126	16,542,228	146	19,471,965	166	7,585,470	186	8,531,529	206	24,127,698	226	28,003,495
a1) Listed government securities	127	13,062,117	147	15,692,782	167	4,841,368	187	5,547,345	207	17,903,485	227	21,240,126
a2) other listed securities	128	3,121,626	148	3,365,791	168	2,723,170	188	2,963,248	208	5,844,795	228	6,329,040
b1) unlisted government securities	129	213,175	149	263,016	169		189		209	213,175	229	263,016
b2) other unlisted securities	130	145,311	150	150,377	170	20,930	190	20,933	210	166,241	230	171,310
c) convertible bonds	131		151		171	2	191	3	211	2	231	3
5. Mutual investment units	132		152		172		192		212		232	
7. Sundry financial investments	133		153		173	607	193	499	213	607	233	499

Annex 9

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

		Shares and holdings C.III.1	Mutual investment fund units C.III.2	Bonds and other fixed- yield securities C.III.3	Mutual investment units C.III.5	Sundry financial investments C.III.7
Opening balance	+	1,497	39,031	19,776,152		
Increases in the year:	+					
for: purchases			12,041	2,601,819		
reversals of impairment losses						
transfers from the short-term portfolio						
other changes				238,425		
Decreases in the year:	-		6,869	1,678,890		
for: sales				1,615,678		
write-downs						
transfers to the short-term portfolio						
other changes			6,869	63,212		
Carrying amount		1,497	44,202	20,937,505		
Current value		1,497	41,838	24,444,506		

Annex 10

Assets - Changes in the year in loans and bank deposits (items C.III.4, 6)

		Loans C.III.4	Bank deposits C.III.6
Opening balance	+	25,281	6,065
Increases in the year:	+		
for: lending		9,120	238,922
reversals of impairment losses			
other changes			
Decreases in the year:	-	12,228	219,466
for: repayments		12,228	
write-downs			
other changes			
Carrying amount		22,174	25,521

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	518,965	25	418,757
IV. Other financial investments:				
1. Shares and holdings	6	5,804	26	9,564
2. Bonds and other fixed-yield securities	7	107,521	27	109,149
3. Bank deposits	8		28	
4. Sundry financial investments	9	395	29	437
V. Other assets	10	447	30	913
VI. Cash and cash equivalents	11	47,001	31	29,056
Payables and expenses	12	(971)	32	(5,312)
	13		33	
Total	14	679,163	34	562,565
			54	618,077
			74	583,020

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	650	1,327	2,107
3. Bank deposits	8	28	48	68
4. Sundry financial investments	9	395	437	437
V. Other assets	10	30	50	70
VI. Cash and cash equivalents	11	31	51	71
	12	32	52	72
	13	33	53	73
Total	14	1,045	1,764	2,544

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	518,965	418,757	436,040
IV. Other financial investments:				
1. Shares and holdings	6	5,804	9,564	10,546
2. Bonds and other fixed-yield securities	7	106,872	107,822	109,232
3. Bank deposits	8			
4. Sundry financial investments	9			
V. Other assets	10	447	913	913
VI. Cash and cash equivalents	11	47,001	29,056	29,056
Payables and expenses	12	(971)	(971)	(5,312)
	13			
Total	14	678,118	560,800	580,476

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	142,901	23	155,458	43	127,243	63	168,108
2. Bonds and other fixed-yield securities	4	4,211,333	24	3,331,526	44	4,230,827	64	3,377,834
3. Mutual investment fund units	5	299,323	25	218,011	45	234,294	65	195,636
4. Bank deposits	6		26		46		66	
5. Sundry financial investments	7		27		47		67	
III. Other assets	8	21,217	28	29,222	48	21,217	68	29,222
IV. Cash and cash equivalents	9	288,143	29	290,893	49	288,143	69	290,893
Securities to be settled, payables and sundry liabilities	10	(16,314)	30	(4,737)	50	(16,314)	70	(4,737)
	11		31		51		71	
Total	12	4,946,603	32	4,020,374	52	4,885,411	72	4,056,957

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	142,901	23	155,458	43	127,243	63	168,108
2. Bonds and other fixed-yield securities	4	540,231	24	499,879	44	533,306	64	507,922
3. Mutual investment fund units	5	156,394	25	105,662	45	139,418	65	107,868
4. Bank deposits	6		26		46		66	
5. Sundry financial investments	7		27		47		67	
III. Other assets	8	2,798	28	9,991	48	2,798	68	9,991
IV. Cash and cash equivalents	9	18,552	29	27,075	49	18,552	69	27,075
Securities to be settled, payables and sundry liabilities	10	(7,398)	30	(543)	50	(7,398)	70	(543)
	11		31		51		71	
Total	12	853,479	32	797,522	52	813,919	72	820,421

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	872,610	44	888,942
3. Mutual investment fund units	5	17,605	45	10,663
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	3,909	48	3,909
IV. Cash and cash equivalents	9	9,975	49	9,975
Securities to be settled, payables and sundry liabilities	10	(377)	50	(377)
	11	31	51	71
Total	12	903,721	32	893,357
			52	913,111
			72	896,238

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	66,689	44	67,372
3. Mutual investment fund units	5	3,885	45	2,492
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	470	48	470
IV. Cash and cash equivalents	9	1,618	49	1,618
Securities to be settled, payables and sundry liabilities	10	(62)	50	(62)
	11	31	51	71
Total	12	72,600	32	67,075
			52	71,889
			72	67,257

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	75,926	24	54,204
3. Mutual investment fund units	5	4,030	25	3,487
4. Bank deposits	6		46	
5. Sundry financial investments	7		47	
III. Other assets	8	352	28	328
IV. Cash and cash equivalents	9	22,617	29	36,235
Securities to be settled, payables and sundry liabilities	10	(325)	30	(54)
	11		31	
Total	12	102,600	32	94,201
			52	102,104
			72	94,564

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	177,083	24	168,174
3. Mutual investment fund units	5	7,419	25	6,248
4. Bank deposits	6		46	
5. Sundry financial investments	7		47	
III. Other assets	8	998	28	1,331
IV. Cash and cash equivalents	9	2,850	29	3,157
Securities to be settled, payables and sundry liabilities	10	(516)	30	(129)
	11		31	
Total	12	187,834	32	178,782
			52	187,891
			72	180,565

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	89,362	44	62,198
3. Mutual investment fund units	5	7,567	45	4,246
4. Bank deposits	6		46	5,383
5. Sundry financial investments	7		47	65
III. Other assets	8	640	48	333
IV. Cash and cash equivalents	9	8,527	49	16,946
Securities to be settled, payables and sundry liabilities	10	(797)	50	(42)
	11		51	70
Total	12	105,299	32	83,682
			52	102,801
			72	82,088

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	84,136	44	85,240
3. Mutual investment fund units	5	9,852	45	8,206
4. Bank deposits	6		46	4,499
5. Sundry financial investments	7		47	65
III. Other assets	8	298	48	454
IV. Cash and cash equivalents	9	18,617	49	11,694
Securities to be settled, payables and sundry liabilities	10	(532)	50	(89)
	11		51	(532)
Total	12	112,371	32	105,505
			52	107,731
			72	103,176

4 Tables appended to the Notes to the Financial Statements

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	129,123	24	139,263
3. Mutual investment fund units	5	2,231	25	3,553
4. Bank deposits	6		46	
5. Sundry financial investments	7		47	
III. Other assets	8	508	28	807
IV. Cash and cash equivalents	9	35,510	29	15,712
Securities to be settled, payables and sundry liabilities	10	(134)	30	(4,985)
	11		31	
Total	12	167,238	32	154,351
			52	169,237
			72	156,941

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	647,817	24	558,812
3. Mutual investment fund units	5	42,035	25	35,858
4. Bank deposits	6		46	
5. Sundry financial investments	7		47	
III. Other assets	8	3,876	28	4,861
IV. Cash and cash equivalents	9	70,679	29	100,608
Securities to be settled, payables and sundry liabilities	10	(3,190)	30	(478)
	11		31	
Total	12	761,217	32	699,661
			52	741,248
			72	695,289

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	77,345
3. Mutual investment fund units	5	2,913	45	2,246
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	369	48	369
IV. Cash and cash equivalents	9	2,214	49	2,214
Securities to be settled, payables and sundry liabilities	10	(236)	50	(236)
	11	31	51	71
Total	12	81,985	52	81,939

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	132,086	44	104,251
3. Mutual investment fund units	5	6,247	45	4,205
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	863	48	863
IV. Cash and cash equivalents	9	1,101	49	1,101
Securities to be settled, payables and sundry liabilities	10	(457)	50	(83)
	11	31	51	71
Total	12	150,933	52	110,337

4 Tables appended to the Notes to the Financial Statements

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	134,204	24	96,380	44	134,950	64	97,242
3. Mutual investment fund units	5	2,396	25	2,227	45	2,178	65	2,475
4. Bank deposits	6		26		46		66	
5. Sundry financial investments	7		27		47		67	
III. Other assets	8	164	28	310	48	164	68	310
IV. Cash and cash equivalents	9	1,905	29	1,567	49	1,905	69	1,567
Securities to be settled, payables and sundry liabilities	10	298	30	(74)	50	298	70	(74)
	11		31		51		71	
Total	12	138,968	32	100,410	52	139,495	72	101,520

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	383,242	24	359,341	44	388,890	64	367,071
3. Mutual investment fund units	5	4,395	25	6,114	45	3,936	65	6,393
4. Bank deposits	6		26		46		66	
5. Sundry financial investments	7		27		47		67	
III. Other assets	8	1,232	28	1,863	48	1,232	68	1,863
IV. Cash and cash equivalents	9	17,282	29	14,331	49	17,282	69	14,331
Securities to be settled, payables and sundry liabilities	10	(119)	30	2,178	50	(119)	70	2,178
	11		31		51		71	
Total	12	406,032	32	383,826	52	411,221	72	391,835

4 Tables appended to the Notes to the Financial Statements

Annex 12/27

F.DO PENS. EUROFER GAR.

	Current value		Acquisition cost	
	Year	Previous year	Year	Previous year
I. Investments in group companies and other investees:				
1. Shares and holdings	1	21	41	61
2. Bonds	2	22	42	62
II. Other financial investments:				
1. Shares and holdings	3	23	43	63
2. Bonds and other fixed-yield securities	4	108,521	44	97,347
3. Mutual investment fund units	5	1,802	45	1,695
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	468	48	476
IV. Cash and cash equivalents	9	13,488	49	4,322
Securities to be settled, payables and sundry liabilities	10	(136)	50	(57)
	11	31	51	71
Total	12	124,143	52	103,783
			72	105,350

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	81,564	44	65,050
3. Mutual investment fund units	5	4,342	45	3,583
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	318	48	418
IV. Cash and cash equivalents	9	5,115	49	7,924
Securities to be settled, payables and sundry liabilities	10	(402)	50	(37)
	11	31	51	71
Total	12	90,937	52	76,937
			72	89,844
				78,498

Annex 12/29

F.DO PENS. AGRIFONDO GAR

	Valore corrente		Costo di acquisizione	
	Esercizio	Esercizio precedente	Esercizio	Esercizio precedente
I. Investimenti in imprese del gruppo e altre partecipate:				
1. Azioni e quote	1	21	41	61
2. Obbligazioni	2	22	42	62
II. Altri investimenti finanziari:				
1. Azioni e quote	3	23	43	63
2. Obbligazioni e altri titoli a reddito fisso	4	53,530	54,256	53,873
3. Quote di fondi comuni di investimento	5	4,722	3,604	4,003
4. Depositi presso enti creditizi	6			
5. Investimenti finanziari diversi	7			
III. Altre attività	8	296	398	398
IV. Disponibilità liquide	9	29,107	23,709	23,709
Titoli da regolare, debiti e passività diverse	10	(307)	(51)	(51)
	11			
Totale	12	87,349	81,917	81,933

Annex 12/30

F.DO PENS. CONCRETO 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	26,301	26,094	26,094
3. Mutual investment fund units	5	886	799	799
4. Bank deposits	6			
5. Sundry financial investments	7			
III. Other assets	8	143	143	143
IV. Cash and cash equivalents	9	885	885	885
Securities to be settled, payables and sundry liabilities	10	(45)	(45)	(45)
	11			
Total	12	28,171	27,876	27,876

4 Tables appended to the Notes to the Financial Statements

Annex 12/31

F.DO PENS. ESPERO 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	196,624	44	195,200
3. Mutual investment fund units	5	7,725	45	7,042
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	1,426	48	1,426
IV. Cash and cash equivalents	9	6,958	49	6,958
Securities to be settled, payables and sundry liabilities	10	(332)	50	(332)
	11	31	51	71
Total	12	212,401	52	210,293
		32		72

Annex 12/32

F.DO PENS. GR. BANCO POP 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	403,391	44	399,918
3. Mutual investment fund units	5	15,495	45	14,128
4. Bank deposits	6	26	46	66
5. Sundry financial investments	7	27	47	67
III. Other assets	8	2,646	48	2,646
IV. Cash and cash equivalents	9	11,502	49	11,502
Securities to be settled, payables and sundry liabilities	10	(1,456)	50	(1,456)
	11	31	51	71
Total	12	431,577	52	426,739
		32		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	2,861,758	11	2,756,717	21	105,041
Provision for unexpired risks	2	8,486	12	408	22	8,078
Carrying amount	3	2,870,244	13	2,757,125	23	113,119
Claims provision:						
Provision for compensations and direct expenses	4	8,950,839	14	9,463,336	24	(512,497)
Provision for settlement expenses	5	593,667	15	586,625	25	7,043
Provision for claims incurred but not reported	6	909,615	16	886,470	26	23,145
Carrying amount	7	10,454,122	17	10,936,431	27	(482,309)

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	24,266,516	11	24,427,002	21	(160,486)
Premiums carried forward	2	92,653	12	94,116	22	(1,463)
Mortality risk provision.	3	9	13	8	23	1
Supplementing provisions	4	190,090	14	194,978	24	(4,889)
Carrying amount	5	24,549,267	15	24,716,104	25	(166,837)
Provision for profit sharing and reversals	6	6,226	16	5,509	26	718

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	2,037	11	96,885	21	304,844	31	52,925
Provisions in the year	+	2	167	12	20,758	22	120,799	32	35,454
Other increases	+	3		13		23		33	403
Uses in the year	-	4	172	14	18,612	24	34,424	34	37,456
Other decreases	-	5		15	3,188	25	554	35	352
Carrying amount		6	2,032	16	95,843	26	390,665	36	50,974

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	1,708	3,141,338	67,197	33,541	255,666	3,499,451
Bonds				6,863	3,740	10,603
Loans	567,785	285,423	65,276	6,092		924,576
Mutual investment units						
Bank deposits					19,465	19,465
Sundry financial investments						
Deposits with ceding companies		2				2
Investments relating to benefits linked to investment funds and market indices						
Investments arising from pension fund management						
Receivables relating to direct insurance business		6,028	7,391	11	46,978	60,408
Receivables relating to reinsurance business		1,209				1,209
Other receivables	17,630	35,210	1,717	182	30,012	84,751
Bank deposits and post office accounts					327,225	327,225
Sundry assets		416			35,006	35,423
Total	587,123	3,469,626	141,582	46,688	718,093	4,963,112
of which subordinated assets						

II: Liabilities

	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
Subordinated liabilities						
Deposits received from reinsurers		22,362				22,362
Payables arising from direct insurance business		89			1,269	1,358
Payables arising from reinsurance business		5,508				5,508
Payables to banks and financial institutions						
Collateralised payables					1,811	1,811
Other loans and other financial payables						
Sundry payables	90,574	78,987	73	55	5,418	175,108
Sundry liabilities	10,658	2,114			9,322	22,094
Total	101,232	109,061	73	55	17,820	228,242

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	32,523	31	2,093
b) sureties and endorsements given in the interest of associates and other investees	2		32	
c) sureties and endorsements given in the interest of third parties	3	13,129	33	13,129
d) other personal guarantee given in the interest of holding companies, subsidiaries and affiliates	4		34	
e) other personal guarantee given in the interest of associates and other investees	5	300	35	300
f) other personal guarantees given in the interest of third parties	6	281	36	281
g) collateral for bonds of holding companies, subsidiaries and affiliates	7		37	
h) collateral for bonds of associates and other investees	8		38	
i) collateral for bonds of third parties	9	219,627	39	10,761
l) guarantees given for company bonds	10	111,153	40	106,083
m) assets deposited for inwards reinsurance operations	11	4,313	41	4,224
Total	12	381,327	42	136,871
II. Guarantees received:				
a) group companies, associates and other investees	13		43	
b) third parties	14	143,098	44	129,959
Total	15	143,098	45	129,959
III. Guarantees given by third parties in the interest of the company:				
a) group companies, associates and other investees	16	564,527	46	1,146,664
b) third parties	17	193,755	47	294,736
Total	18	758,282	48	1,441,400
IV. Commitments:				
a) commitments for purchases with resale obligation	19		49	
b) commitments for sales with repurchase obligation	20		50	
c) other commitments	21	5,781,763	51	8,034,067
Total	22	5,781,763	52	8,034,067
V. Assets attributable to pension funds managed in the name and on behalf of third parties	23	684,263	53	607,890
VI. Securities deposited with third parties	24	43,450,371	54	42,514,435
Total	25	44,134,634	55	43,122,324

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	400,988	26	231,000	46	1,349,297	66	715,000								
on bonds	7	106	27	126	47	146	67	167								
on currencies	8	107	28	127	48	147	68	168								
on rates	9	108	29	128	49	148	69	169								
other	10	109	30	129	50	149	70	170								
Swaps: on currencies	11	27,640	31	131	51	151	71	171								
on rates	12	3,033,500	32	132	52	188,787	72	172								
other	13	112	33	133	53	152	73	173								
Other transactions	14	41,242	34	985,974	54	252,953	74	1,380,281								
Total	15	3,503,369	115	(87,278)	35	1,216,974	135	743	55	5,076,750	155	(102,234)	75	2,095,281	175	(33,657)

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	805,990	2	795,974	3	424,350	4	296,764	5	(4,781)
Land Vehicle TPL (class 10)	6	3,200,768	7	3,204,134	8	2,279,153	9	724,120	10	(18,280)
Land Vehicle Hulls (class 3)	11	717,643	12	686,998	13	534,540	14	184,654	15	39,409
Sea, air and transport insurance (classes 4, 5, 6, 7, 11 and 12)	16	33,489	17	32,925	18	16,539	19	16,361	20	(5,816)
Fire and Other damage to property (classes 8 and 9)	21	1,148,192	22	1,094,754	23	789,780	24	388,699	25	46,095
General TPL (class 13)	26	710,171	27	696,514	28	248,915	29	234,667	30	(15,905)
Credit and bonds (classes 14 and 15)	31	49,644	32	53,927	33	19,754	34	21,761	35	(13,809)
Misc pecuniary losses (class 16)	36	68,522	37	67,058	38	29,385	39	24,790	40	433
Legal expenses (class 17)	41	70,647	42	66,686	43	11,821	44	27,167	45	(9,303)
Assistance (class 18)	46	184,912	47	177,351	48	87,389	49	74,605	50	(1,005)
Total direct insurance business	51	6,989,978	52	6,876,322	53	4,441,626	54	1,993,589	55	17,039
Indirect insurance business	56	8,635	57	9,745	58	4,724	59	2,459	60	(893)
Total Italian portfolio	61	6,998,613	62	6,886,067	63	4,446,349	64	1,996,048	65	16,146
Foreign portfolio	66	2,291	67	2,093	68	4,446	69	546	70	601
Grand total	71	7,000,904	72	6,888,159	73	4,450,795	74	1,996,594	75	16,747

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	4,079,816	11	106	21	4,079,922
a) 1. for individual policies	2	2,302,128	12	106	22	2,302,233
2. for collective policies	3	1,777,688	13		23	1,777,688
b) 1. periodic premiums	4	566,025	14	106	24	566,131
2. single premiums	5	3,513,791	15		25	3,513,791
c) 1. for contracts with no profit sharing	6	2,681,829	16	106	26	2,681,935
2. for contracts with profit sharing	7	4,585	17		27	4,585
3. for contracts when the investment risk is borne by policyholders and for pension funds	8	1,393,402	18		28	1,393,402
Reinsurance balance	9	(4,407)	19	24	29	(4,382)

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	51,243	41	24,942	81	76,185
Dividends and other income from shares and holdings of other companies	2	11,517	42	22,043	82	33,560
Total	3	62,760	43	46,985	83	109,746
Gains arising from investments in land and buildings	4	62,092	44	164	84	62,256
Gains on other investments:						
Gains on bonds of group companies and investees	5	15	45		85	15
Interests on loans to group companies and investees	6	9,985	46	1,319	86	11,303
Gains arising from mutual investment fund units	7	48,565	47	54,252	87	102,816
Gains on bonds and other fixed-yield securities	8	346,978	48	899,733	88	1,246,712
Interest on loans	9	129	49	765	89	894
Gains on mutual investment units	10		50		90	
Interest on bank deposits	11		51		91	
Gains on sundry financial investments	12	13,262	52	75,995	92	89,257
Interest on deposits with ceding companies	13	71	53	148	93	219
Total	14	419,005	54	1,032,212	94	1,451,217
Reversals of value adjustments on investments regarding:						
Land and buildings	15	10,557	55		95	10,557
Shares and holdings in group companies and investees	16		56		96	
Bonds issued by group companies and investees	17		57		97	
Other shares and holdings	18	5,911	58	8,047	98	13,958
Other bonds	19	102,740	59	53,474	99	156,214
Other financial investments	20	43,732	60	13,308	100	57,039
Total	21	162,940	61	74,828	101	237,768
Gains on realisation of investments:						
Capital gains on the disposal of land and buildings	22		62		102	
Gains on shares and holdings in group companies and investees	23		63		103	
Gains on bonds issued by group companies and investees	24		64		104	
Gains on other shares and holdings	25	13,708	65	36,997	105	50,705
Gains on other bonds	26	117,043	66	80,380	106	197,423
Gains on other financial investments	27	54,064	67	29,957	107	84,022
Total	28	184,816	68	147,334	108	332,150
GRAND TOTAL	29	891,612	69	1,301,524	109	2,193,136

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	1,554
Other financial investments	4	2,205
- of which income from bonds	5	1,747
Other assets	6	26
Total	7	3,786
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	35,835
Gains on other financial investments	11	687
- of which bonds	12	687
Other income	13	863
Total	14	37,385
Unrealised gains	15	64,546
GRAND TOTAL	16	105,717

II. Investments arising from pension fund management		Amounts
Income from:		
Investments in group companies and other investees	21	
Other financial investments	22	71,747
- of which income from bonds	23	65,914
Other assets	24	1,467
Total	25	73,213
Gains on realisation of investments		
Gains on investments in group companies and investees	26	
Gains on other financial investments	27	39,427
- of which bonds	28	17,137
Other income	29	
Total	30	39,427
Unrealised gains	31	110,745
GRAND TOTAL	32	223,385

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	2,430	31	2,073	61	4,503
Expenses regarding investments in land and buildings	2	70,772	32	740	62	71,513
Expenses regarding bonds	3	33,949	33	74,077	63	108,026
Expenses regarding mutual investment fund units	4	842	34	701	64	1,543
Expenses regarding mutual investment units	5		35		65	
Expenses regarding sundry financial investments	6	36,414	36	67,444	66	103,858
Interest on deposits received from reinsurers	7	737	37	1,232	67	1,968
Total	8	145,144	38	146,268	68	291,412
Value adjustments to investments regarding:						
Land and buildings	9	69,304	39	1,731	69	71,035
Shares and holdings in group companies and investees	10	14,268	40	345	70	14,613
Bonds issued by group companies and investees	11		41		71	
Other shares and holdings	12	5,651	42	4,210	72	9,862
Other bonds	13	1,068	43	1,874	73	2,942
Other financial investments	14	51,802	44	16,619	74	68,422
Total	15	142,094	45	24,780	75	166,873
Losses on realisation of investments						
Capital losses on the disposal of land and buildings	16		46		76	
Losses on shares and holdings	17	26,665	47	7,987	77	34,653
Losses on bonds	18	766	48	2,698	78	3,463
Losses on other financial investments	19	300,051	49	57,781	79	357,832
Total	20	327,482	50	68,466	80	395,948
GRAND TOTAL	21	614,720	51	239,514	81	854,234

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	107
Other assets	5	10,057
Total	6	10,164
Losses on realisation of investments		
Capital losses on the disposal of land and buildings	7	
Losses on investments in group companies and investees	8	
Losses on mutual investment funds	9	754
Losses on other financial investments	10	244
Other charges	11	
Total	12	998
Unrealised losses	13	597
GRAND TOTAL	14	11,759
II. Investments arising from pension fund management		Amounts
Operating expenses arising from:		
Investments in group companies and investees	21	
Other financial investments	22	4,267
Other assets	23	46,555
Total	24	50,822
Losses on realisation of investments		
Losses on investments in group companies and investees	25	
Losses on other financial investments	26	4,100
Other charges	27	
Total	28	4,100
Unrealised losses	29	28,818
GRAND TOTAL	30	83,740

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	628,352	1	177,638		
Change in premium provision (+ or -)	-	2	8,848	2	1,169		
Charges relating to claims	-	3	300,078	3	124,271		
Change in sundry technical provisions (+ or -)	-	4	(170)	4	(3,927)		
Balance of other technical items (+ or -)	+	5	(15,349)	5	(4,374)		
Operating expenses	-	6	249,602	6	47,162		
Technical balance of direct business (+ or -)		A	7	54,644	7	4,590	
Outwards reinsurance (+ or -)		B	8	(4,346)	8	(435)	
Indirect business net result (+ or -)		C	9	541	9	8	
Change in equalisation provisions (+ or -)		D	10	50	10		
Investment income transferred from the non-technical account		E	11	9,100	11	3,445	
Technical result (+ or -)			(A + B + C - D + E)	12	59,889	12	7,608

			Class code 7		Class code 8		
			Goods in transit (name)		Fire (name)		
Direct business gross of reinsurance							
Written premiums	+	1	15,823	1	544,650		
Change in premium provision (+ or -)	-	2	(49)	2	47,086		
Charges relating to claims	-	3	2,433	3	376,057		
Change in sundry technical provisions (+ or -)	-	4		4	120		
Balance of other technical items (+ or -)	+	5	(250)	5	(13,288)		
Operating expenses	-	6	8,898	6	183,507		
Technical balance of direct business (+ or -)		A	7	4,291	7	(75,408)	
Outwards reinsurance (+ or -)		B	8	(5,128)	8	54,068	
Indirect business net result (+ or -)		C	9		9	(78)	
Change in equalisation provisions (+ or -)		D	10	47	10	2,274	
Investment income transferred from the non-technical account		E	11	292	11	15,294	
Technical result (+ or -)			(A + B + C - D + E)	12	(592)	12	(8,399)

			Class code 13		Class code 14		
			General TPL (name)		Credit (name)		
Direct business gross of reinsurance							
Written premiums	+	1	710,171	1	210		
Change in premium provision (+ or -)	-	2	13,657	2	(8)		
Charges relating to claims	-	3	248,915	3	(1,331)		
Change in sundry technical provisions (+ or -)	-	4		4			
Balance of other technical items (+ or -)	+	5	(13,618)	5	1		
Operating expenses	-	6	234,667	6	41		
Technical balance of direct business (+ or -)		A	7	199,315	7	1,508	
Outwards reinsurance (+ or -)		B	8	(15,905)	8	(391)	
Indirect business net result (+ or -)		C	9	2,130	9	(19)	
Change in equalisation provisions (+ or -)		D	10		10	25	
Investment income transferred from the non-technical account		E	11	50,602	11	56	
Technical result (+ or -)			(A + B + C - D + E)	12	236,142	12	1,129

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	717,643	1	1,912	1	779	1	5,701
2	30,645	2	228	2	28	2	210
3	534,540	3	1,057	3	174	3	3,858
4		4		4		4	
5	(2,731)	5	(1)	5	(38)	5	(36)
6	184,654	6	411	6	250	6	2,760
7	(34,926)	7	215	7	288	7	(1,162)
8	39,409	8	460	8	(662)	8	71
9	(197)	9		9		9	
10	1,168	10		10		10	1
11	8,084	11	11	11	17	11	169
12	11,202	12	686	12	(357)	12	(923)
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	603,542	1	3,200,768	1	757	1	8,517
2	6,352	2	(3,365)	2	34	2	113
3	413,723	3	2,279,153	3	5	3	9,012
4		4		4		4	
5	(7,281)	5	(53,844)	5	(14)	5	(7)
6	205,192	6	724,120	6	316	6	3,727
7	(29,007)	7	147,016	7	388	7	(4,341)
8	(7,972)	8	(18,280)	8	(535)	8	(22)
9	66	9	(461)	9		9	(35)
10	43	10		10		10	
11	9,048	11	96,319	11	15	11	325
12	(27,908)	12	224,594	12	(132)	12	(4,073)
Class code 15		Class code 16		Class code 17		Class code 18	
Bonds (name)		Pecuniary losses (name)		Legal expenses (name)		Assistance (name)	
1	49,435	1	68,522	1	70,647	1	184,912
2	(4,275)	2	1,464	2	3,961	2	7,561
3	21,085	3	29,385	3	11,821	3	87,389
4		4		4		4	
5	(720)	5	(399)	5	(405)	5	(1,497)
6	21,719	6	24,790	6	27,167	6	74,605
7	10,185	7	12,485	7	27,293	7	13,860
8	(13,418)	8	433	8	(9,303)	8	(1,005)
9	(274)	9	96	9		9	
10		10		10		10	
11	3,507	11	779	11	1,018	11	1,390
12	(1)	12	13,793	12	19,009	12	14,246

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					
		Direct risks	Ceded risks	Accepted risks	Retroceded risks	Total					
		1	2	3	4	5=1-2+3-4					
Written premiums	+	1	6,989,978	11	412,934	21	8,635	31	55	41	6,585,624
Change in premium provision (+ or -)	-	2	113,656	12	5,478	22	(1,110)	32		42	107,068
Charges relating to claims	-	3	4,441,626	13	266,199	23	4,724	33	(850)	43	4,181,000
Change in sundry technical provisions (+ or -)	-	4	(3,977)	14		24		34		44	(3,977)
Balance of other technical items (+ or -)	+	5	(113,851)	15	(4,054)	25	106	35	(3)	45	(109,687)
Operating expenses	-	6	1,993,589	16	154,242	26	2,459	36	10	46	1,841,796
Technical result (+ or -)		7	331,233	17	(17,039)	27	2,669	37	893	47	350,048
Change in equalisation provisions (+ or -)	-									48	3,609
Investment income transferred from the non-technical account	+	9	198,957			29	515			49	199,472
Technical result (+ or -)		10	530,190	20	(17,039)	30	3,184	40	893	50	545,912

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 2,199,689	1	1 129,449
Charges relating to claims	-	2 1,877,605	2	2 96,308
Change in mathematical provisions and sundry technical provisions (+ or -)	-	3 704,518	3	3 124,583
Balance of other technical items (+ or -)	+	4 (29,432)	4	4 8,283
Operating expenses	-	5 131,366	5	5 7,954
Income from investments net of the share transferred to the non-technical account (*)	+	6 766,993	6	6 95,074
Direct business result, gross of reinsurance (+ or -)	A	7 223,760	7	7 3,961
Outwards reinsurance result (+ or -)	B	8 (3,731)	8	8
Indirect business net result (+ or -)	C	9 71	9	9
Technical result (+ or -)	(A + B + C)	10 220,100	10	10 3,961

		Class code IV	Class code V	Class code VI
		Health (name)	Capitalisation (name)	Pension funds (name)
Direct business gross of reinsurance				
Written premiums	+	1 5,820	1 480,905	1 1,263,953
Charges relating to claims	-	2 (49)	2 1,477,848	2 459,061
Change in mathematical provisions and sundry technical provisions (+ or -)	-	3 1,591	3 (865,524)	3 944,876
Balance of other technical items (+ or -)	+	4 17	4 (6,005)	4 15,900
Operating expenses	-	5 1,641	5 12,180	5 2,764
Income from investments net of the share transferred to the non-technical account (*)	+	6 91	6 174,363	6 140,861
Direct business result, gross of reinsurance (+ or -)	A	7 2,746	7 24,759	7 14,013
Outwards reinsurance result (+ or -)	B	8 (675)	8	8
Indirect business net result (+ or -)	C	9	9	9
Technical result (+ or -)	(A + B + C)	10 2,071	10 24,759	10 14,013

(*) 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	4,079,816	11	5,993	21	65	31	15	41	4,073,874
Charges relating to claims	-	2	3,910,773	12	9,272	22	1,400	32	864	42	3,902,037
Change in mathematical provisions and other technical provisions (+ or -)	-	3	910,044	13	(7,199)	23	(1,331)	33	(882)	43	916,794
Balance of other technical items (+ or -)	+	4	(11,237)	14	1,149	24	388	34	338	44	(12,336)
Operating expenses	-	5	155,906	15	662	25	8	35	2	45	155,250
Investment income transferred to the non-technical account (*)	+	6	1,177,382			26	64			46	1,177,447
Technical result (+ or -)		7	269,240	17	4,407	27	440	37	369	47	264,904

(*) 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 (3,345)
Change in equalisation provisions (+ or -)		D	10 13
Investment income transferred from the non-technical account		E	11 1,048
Technical result (+ or -)		(A + B + C - D + E)	12 (2,309)

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 (47)
Technical result (+ or -)		(A + B + C)	10 (47)

(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	1 262	2 8,918	3 2,422	4	5 3,697	6 15,299
Dividends and other income from shares and holdings	7 99	8 66,204	9 1,764	10 1,914	11 6,204	12 76,185
Gains on bonds	13	14	15	16	17 15	18 15
Interest on loans	19 7,484	20 731	21 3,088	22	23	24 11,303
Gains on other financial investments	25	26	27	28	29	30
Interest on deposits with ceding companies	31	32	33	34	35	36
Total	37 7,844	38 75,853	39 7,275	40 1,914	41 9,916	42 102,803
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 2	51 5	52	53 2	54 9
Recovery of expenses and administrative charges	55 4,593	56 35,545	57 4,316	58 12	59 821	60 45,288
Other gains and amounts recovered	61	62 1,117	63 3,128	64 103	65 1,794	66 6,142
Total	67 4,593	68 36,664	69 7,449	70 115	71 2,618	72 51,438
Gains on realisation of investments (*)	73	74	75	76	77 624	78 624
Extraordinary income	79	80	81	82	83	84
GRAND TOTAL	85 12,437	86 112,517	87 14,725	88 2,030	89 13,158	90 154,866

II: Charges	Holding companies	Subsidiaries	Affiliates	Associates	Others	Total
Investment management expenses and interest expense:						
Investment charges	91	92 495	93 14,161	94	95 18,185	96 32,840
Interest on subordinated liabilities	97	98	99	100	101	102
Interest on deposits received from reinsurers	103	104 196	105	106	107	108 196
Interest on payables arising from direct insurance business	109	110	111	112	113	114
Interest on payables arising from reinsurance business	115	116	117	118	119	120
Interest on payables to banks and financial institutions	121	122	123 1	124	125	126 1
Interest on collateralised payables	127	128	129 33	130	131 29	132 62
Interest on other payables	133	134	135	136	137	138
Impairment losses on receivables	139	140	141	142 1,306	143	144 1,306
Administrative charges and third-party expenses	145 4,290	146 32,502	147 2,649	148 12	149 2,354	150 41,808
Sundry charges	151	152 2	153 357	154	155 634	156 993
Total	157 4,290	158 33,196	159 17,201	160 1,318	161 21,201	162 77,206
Charges and unrealised losses on investments benefiting policyholders that bear the risk and arising from pension fund management	163	164	165	166	167	168
Losses on realisation of investments (*)	169	170	171	172	173	174
Extraordinary expenses	175	176	177	178 3,000	179 1,294	180 4,294
GRAND TOTAL	181 4,290	182 33,196	183 17,201	184 4,318	185 22,495	186 81,500

(*) 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 6,972,152	5	11 4,077,436	15	21 11,049,588	25
in other Member States of the European Union	2	6 5,848	12	16 546	22	26 6,394
in other countries	3	7 11,978	13	17 1,834	23	27 13,811
Total	4 6,972,152	8 17,826	14 4,077,436	18 2,380	24 11,049,588	28 20,206

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	387,001	31	50,003	61	437,004
- Social security contributions	2	103,877	32	13,365	62	117,242
- Allocation to the post-employment benefits and similar obligations	3	26,903	33	3,463	63	30,366
- Sundry personnel expenses	4	58,849	34	6,709	64	65,558
Total	5	576,630	35	73,540	65	650,170
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	576,630	40	73,540	70	650,170
Self-employment expenses:						
Italian portfolio	11	349,018	41	1,254	71	350,272
Foreign portfolio	12		42		72	
Total	13	349,018	43	1,254	73	350,272
Total self-employment expenses	14	925,648	44	74,795	74	1,000,442
II: Breakdown of personnel expenses						
		Non-Life business		Life business		Total
Investment management expenses	15	18,568	45	6,873	75	25,441
Charges relating to claims	16	514,416	46	3,642	76	518,057
Other acquisition costs	17	155,877	47	21,798	77	177,675
Other administrative expenses	18	201,347	48	38,507	78	239,854
Administrative charges and third-party expenses	19	35,439	49	3,976	79	39,415
Other charges	20		50		80	
Total	21	925,648	51	74,795	81	1,000,442
III: Average headcount in the year						Number
Executives					91	164
Office workers					92	7,354
Wage earning					93	
Others					94	6
Total					95	7,524
IV: Directors and Statutory Auditors						Number
Directors			96	21	98	2,426
Statutory Auditors			97	3	99	258
						Fees due

4 Tables appended to the Notes to the Financial Statements

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

Legal representatives of the Company (*)

The Chairman

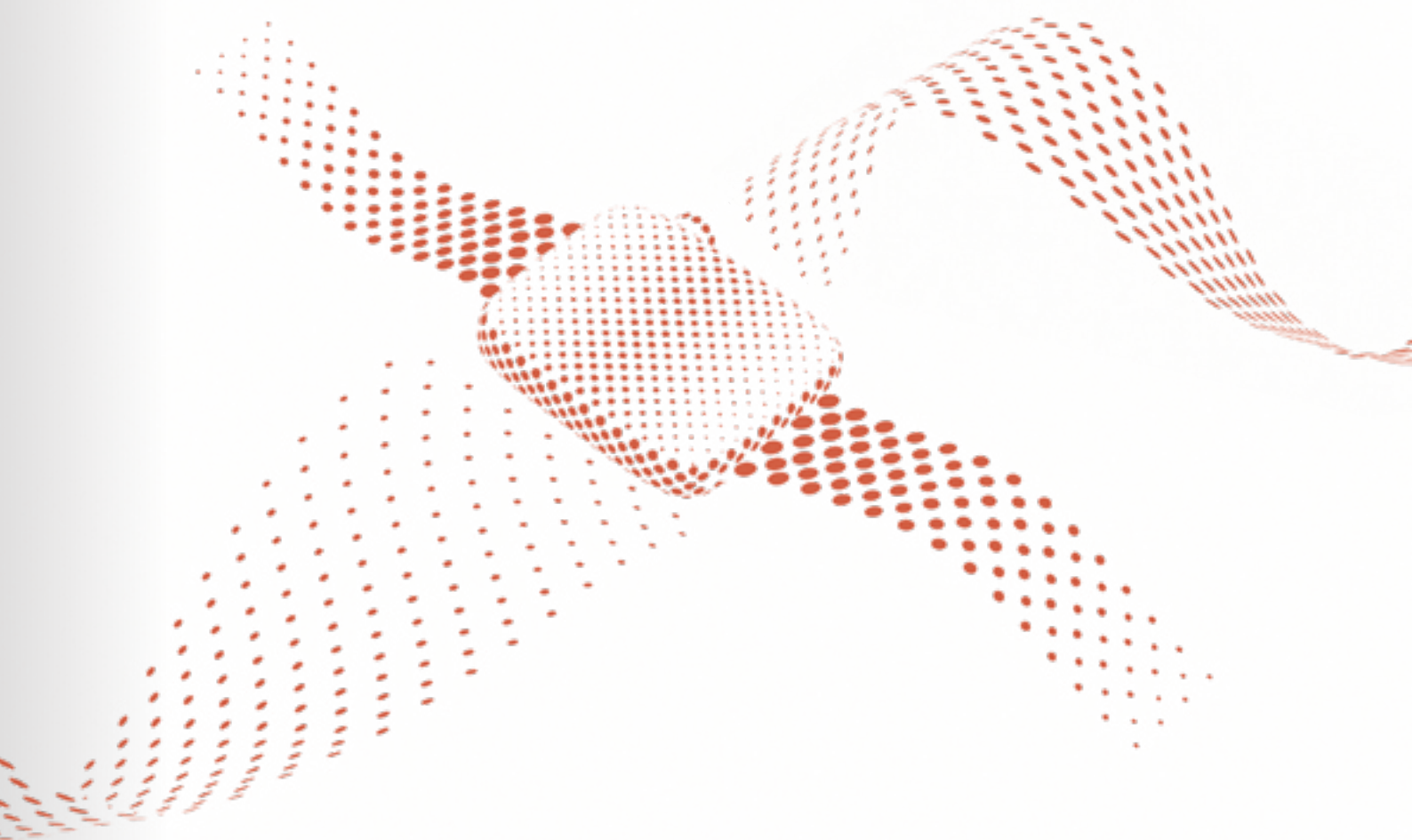
Carlo Cimbri

(**)

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

(**) Specify the office of the party signing





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 2019 and at 31 December 2018

Amounts in €k

ASSETS	2019	2018
Subscribed capital, unpaid		
Intangible assets		
Acquisition costs being amortised	77,509	75,430
Start-up costs, goodwill and other long-term costs	678,355	698,822
Total intangible assets	755,863	774,252
Investments and cash and cash equivalents		
I Land and buildings	2,010,116	2,166,135
II Investments in group companies and other investees		
Shares and holdings	3,499,451	3,838,369
Bonds	10,603	10,603
Loans	924,576	438,395
III Other financial investments		
Shares and holdings	627,725	541,928
Mutual investment fund units	3,421,579	3,191,157
Bonds	32,177,333	32,265,543
Loans	22,174	25,281
Mutual investment units		
Sundry financial investments	45,889	104,088
IV Deposits with ceding companies	10,334	12,325
V Cash and cash equivalents	393,270	584,850
Total investments and cash and cash equivalents	43,143,050	43,178,676
Investments benefiting life business policyholders that bear the risk arising from pension fund management		
Linked to investment funds and market indices	679,163	562,565
Arising from pension fund management	4,946,603	4,020,374
Total	5,625,766	4,582,939
Receivables		
I Arising from direct insurance and reinsurance business		
Policyholders for premiums	648,523	613,341
Intermediaries	875,247	850,867
Insurance and reinsurance companies	155,192	67,963
Policyholders and third parties for amounts to be collected	125,686	95,430
II Other receivables	1,096,424	1,166,563
Total receivables	2,901,071	2,794,165
Other assets		
Tangible assets and inventories	70,444	72,480
Other assets	1,617,191	1,552,845
Total other assets	1,687,635	1,625,325
TOTAL ASSETS	54,113,386	52,955,355

LIABILITIES AND SHAREHOLDERS' EQUITY	2019	2018
Shareholders' equity		
Share capital	2,031,456	2,031,456
Equity reserves and unallocated profit	3,326,964	3,324,342
Retained profit (loss)		
Profit (loss) for the year	701,237	412,785
Negative reserve for treasury shares	(1,847)	(2,731)
Total shareholders' equity	6,057,810	5,765,853
Subordinated liabilities	2,131,689	2,211,689
Technical provisions, net of the quotas ceded and retroceded		
Non-Life premium provision	2,786,424	2,668,279
Non-Life claims provision	9,928,620	10,429,481
Other Non-Life business provisions	86,616	86,971
Life business mathematical provisions	24,520,715	24,677,587
Life business provision for amounts payable	336,983	338,287
Other Life business provisions	104,735	103,220
Total technical provisions	37,764,094	38,303,825
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	679,163	562,565
Arising from pension fund management	4,946,603	4,020,374
Total	5,625,766	4,582,939
Provisions for risks and charges		
Post-employment benefits and similar obligations	2,032	2,037
Provisions for taxes	95,843	96,885
Other provisions	390,665	304,844
Total provisions for risks and charges	488,540	403,766
Payables and other liabilities		
Arising from direct insurance and reinsurance business		
Intermediaries	44,808	41,125
Insurance and reinsurance company current accounts	61,144	66,690
Insurance and reinsurance company deposit accounts	145,201	163,800
Sundry payables	20,329	16,110
II Sundry loans and other financial payables	213,038	18,758
III Post-employment benefits	50,974	52,925
IV Other payables		
Policyholders' tax due	155,930	151,547
Sundry tax payables	47,320	26,971
Sundry payables	373,571	318,729
V Other liabilities	933,172	830,629
Total payables and other liabilities	2,045,487	1,687,284
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	54,113,386	52,955,355

5 Additional tables appended to the Notes to the Financial Statements

Statement B

Reclassified income statement

Amounts in €k

TECHNICAL ACCOUNT	2019			2018		
	Life	Non-Life	Total	Life	Non-Life	Total
Direct business gross of reinsurance						
(+) Written premiums	4,079,816	6,989,978	11,069,794	3,129,112	6,897,505	10,026,618
(-) Change in technical provisions and premium provision	910,602	121,391	1,031,993	899,786	88,504	988,290
(-) Charges relating to claims	3,910,773	4,441,626	8,352,398	2,624,654	4,462,131	7,086,785
(+) Balance of other technical items	(10,679)	(105,748)	(116,427)	(14,157)	(90,017)	(104,174)
(-) Operating expenses	155,906	1,993,589	2,149,495	150,057	1,925,805	2,075,862
(+) Net income from investments (1)	1,177,455	200,520	1,377,975	627,166	151,499	778,665
Direct business gross result	269,312	528,144	797,457	67,623	482,547	550,171
Outwards reinsurance result	(4,407)	17,039	12,633	(3,956)	(32,797)	(36,753)
Indirect business net result	(48)	(1,581)	(1,630)	69	3,145	3,214
Technical account result	264,857	543,602	808,460	63,736	452,896	516,631
NON-TECHNICAL ACCOUNT						
(+) Income from investments (2)	118,158	76,373	194,530	87,878	55,004	142,882
(+) Other income	18,633	150,547	169,180	28,259	132,429	160,688
(-) Other charges	68,199	313,313	381,512	67,946	273,731	341,677
Profit (loss) from ordinary operations	333,449	457,209	790,658	111,927	366,598	478,525
(+) Extraordinary income	6,513	277,513	284,026	97,514	81,251	178,765
(-) Extraordinary expenses	13,050	113,729	126,780	134	108,450	108,584
Pre-tax profit (loss)	326,911	620,992	947,904	209,307	339,399	548,707
(-) Taxes	84,160	162,506	246,666	24,211	111,710	135,921
NET PROFIT (LOSS)	242,751	458,486	701,237	185,096	227,689	412,785

(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 2019 and 31 December 2018

<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 2017	2,031,456	407,256	96,559	406,291		7,327	2,306,033	577,199	(79,292)	5,752,829
Effects after the merger of Liguria and Dialogo										
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	2,410,952	412,785	(2,731)	5,765,852
Allocation profit 2018										
- Legal reserve										
- Extraordinary reserve							2,622	(2,622)		
- Shareholders' dividend								(410,163)		(410,163)
Operations involving treasury shares									884	884
Operations involving shares of the Holding company						(1,576)	1,576			
Profit for 2019								701,237		701,237
Balances at 31 december 2019	2,031,456	407,256	96,559	406,291		1,708	2,415,150	701,237	(1,847)	6,057,810

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		1,670,304
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)	77,392	A,B,C	77,392
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	1,708	-	
Extraordinary reserve	15,640	A,B,C	15,640
Income-related reserves:	1,721,227		1,314,936
Legal reserve	406,291	B	
Extraordinary reserve	680,825	A,B,C	680,825
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	(1,847)		(1,847)
Total	5,356,573		2,917,117
Non-distributable portion (2)			77,511
Residual distributable portion			2,839,607

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 2019

Amounts in €k

	31/12/2019	31/12/2018
SOURCES OF FINANCING		
CASH FLOWS GENERATED BY OPERATIONS		
Profit (loss) for the year	701,237	412,785
Increase (decrease) in reserves	503,096	371,695
<i>premium reserves and other Non-Life technical provisions</i>	117,790	91,580
<i>Non-Life claims provisions</i>	(500,860)	(604,494)
<i>Life technical provisions</i>	886,166	884,609
Increase (decrease) in funds	266,035	135,641
<i>Accumulated amortisation/depreciation</i>	183,212	194,476
<i>Provisions for risks and charges</i>	82,823	(58,835)
Investments	465,503	704,894
<i>Value adjustments of bonds and other fixed income securities</i>	10,656	230,971
<i>Value adjustments of equity investments and holdings</i>	85,182	299,179
<i>Decrease in investments in bonds and other fixed income securities</i>	235,803	
<i>Decrease in investments in shares and holdings</i>	6,479	
<i>Decrease in investments in property</i>	127,384	174,743
<i>Decrease in class D investments</i>		
<i>Decrease in loans</i>		
(Increase) decrease in the change in receivables and other assets net of payables and other liabilities	221,026	(28,067)
Increase (decrease) in subordinated liabilities	(80,000)	200,000
Increase (decrease) in deposits received from reinsurers	(18,599)	(5,162)
Decrease in bank deposits		516
Decrease in other commitments		
OTHER SOURCES OF FINANCING		
Effect of disposal of treasury shares		10,286
TOTAL SOURCES	2,058,299	1,802,589
USES OF CASH		
Investments:	1,753,112	1,608,324
<i>Increase in investments in bonds and other fixed income securities</i>		338,616
<i>Increase in investments in shares and holdings</i>		728,773
<i>Increase in investments in property</i>		
<i>Write-backs of bonds and other fixed income securities</i>	158,249	48,424
<i>Write-backs of equity investments and holdings</i>	68,962	65,361
<i>Increase in class D investments</i>	1,042,827	413,529
<i>Increase in loans</i>	483,074	13,620
Increase in bank deposits	19,456	
Other cash commitments	67,148	121,707
Dividends distributed	410,163	410,048
TOTAL USES	2,249,879	2,140,079
Increase (decrease) in cash and cash equivalents	(191,580)	(337,490)
TOTAL	2,058,299	1,802,589
Bank accounts/cash available at the start of the year	584,850	922,340
Bank accounts/cash available at the end of the year	393,270	584,850

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	2,699	1,577		4,276
Law 823/73	2,152	534		2,686
Law 576/75	380	697		1,077
Law 295/178 and subs. Amend.	462	604	2	1,068
Law 72/83	1,941	1,790		3,731
Law 413/91	4,292	8,341		12,633
DECREE LAW 185/08	43,778	24,128		67,906
Total	55,704	37,671	2	93,377 (*)

(*) net of accumulated depreciation.

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

Amounts in €k

	2018	Increases	Decreases	2019
TANGIBLE ASSETS				
Office furniture and machines	45,105	17,009	16,134	45,980
Motor vehicles		6	6	
Plant and equipment	23,103	4,906	7,838	20,170
Inventories and sundry goods	4,272	21		4,293
Total tangible assets	72,480	21,941	23,978	70,443
INTANGIBLE ASSETS				
Acquisition commissions	75,430	29,547	27,468	77,509
Other acquisition costs				
Start-up and expansion costs	183		181	2
Goodwill	493,770		55,071	438,699
Other multiannual costs	204,869	84,034	49,249	239,654
Total intangible assets	774,252	113,581	131,969	755,864

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 31/12/19	Interest rate	Maturity	Early repayment	Level of subordination
ABN AMRO BANK NV	EUR	59,842	FIX TO CMS	18/01/2028	YES	TIER 2
ABN AMRO BANK NV	EUR	75,488	FIX TO CMS	PERPETUAL	YES	TIER 1
ACHMEA B.V.	EUR	24,000	FIX TO CMS	PERPETUAL	YES	TIER 1
ACHMEA B.V.	EUR	44,370	FIX TO FLOATER	PERPETUAL	YES	TIER 2
AEGON NV	EUR	30,094	FIX TO CMS	PERPETUAL	YES	TIER 1
AEGON NV	EUR	51,326	FIX TO FLOATER	25/04/2044	YES	OTHER CLAUSES
AGEAS - EX FORTIS	EUR	15,386	FIX TO FLOATER	02/07/2049	YES	TIER 2
AGEAS INSURANCE SA/NV	EUR	69,120	FIX TO CMS	30/06/2047	YES	TIER 2
AIB GROUP PLC	EUR	4,995	FIX TO CMS	19/11/2029	YES	TIER 2
AIB GROUP PLC	EUR	9,000	FIX TO CMS	PERPETUAL	YES	TIER 1
AKELIUS RESIDENTIAL AB	EUR	27,957	FIX TO CMS	05/10/2078	YES	OTHER CLAUSES
ALLIANZ FINANCE II BV	EUR	2,093	FIX TO FLOATER	08/07/2041	YES	OTHER CLAUSES
ALLIANZ SE	EUR	17,257	FIXED	PERPETUAL	YES	OTHER CLAUSES
ALLIANZ SE	EUR	46,133	FIX TO CMS	PERPETUAL	YES	TIER 2
ALLIANZ SE	EUR	26,202	FIX TO FLOATER	06/07/2047	YES	TIER 2
ALLIANZ SE	EUR	7,731	FIX TO FLOATER	25/09/2049	YES	OTHER CLAUSES
ALLIED IRISH BKS	EUR	7,027	FIX TO CMS	26/11/2025	YES	OTHER CLAUSES
ALLIED IRISH BKS	EUR	32,047	FIX TO CMS	PERPETUAL	YES	TIER 1
AMERICA MOVIL SAB DE CV	EUR	20,443	FIX TO CMS	06/09/2073	YES	OTHER CLAUSES
ARGENTUM (ZURICH INS)	EUR	9,982	FIX TO FLOATER	01/10/2046	YES	OTHER CLAUSES
ARGENTUM NETHERLANDS BV SWISS LIFE	EUR	58,320	FIX TO FLOATER	PERPETUAL	YES	OTHER CLAUSES
AROUNDTOWN SA	EUR	18,518	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ASR NEDERLAND NV	EUR	8,913	FIX TO CMS	02/05/2049	YES	TIER 2
ASR NEDERLAND NV	EUR	6,131	FIX TO CMS	29/09/2045	YES	TIER 2
ASR NEDERLAND NV	EUR	43,678	FIX TO CMS	PERPETUAL	YES	TIER 1
ASR NEDERLAND NV	EUR	25,472	FIX TO CMS	PERPETUAL	YES	TIER 2
AT SECURITIES BV	EUR	7,133	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ATF NETHERLANDS BV	EUR	20,033	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
AVIVA PLC	EUR	61,918	FIX TO CMS	03/07/2044	YES	TIER 2
AVIVA PLC	EUR	36,578	FIX TO FLOATER	04/12/2045	YES	TIER 2
AXA SA	EUR	80,057	FIX TO CMS	PERPETUAL	YES	TIER 2
AXA SA	EUR	26,206	FIX TO FLOATER	06/07/2047	YES	TIER 2
AXA SA	EUR	48,563	FIX TO FLOATER	28/05/2049	YES	TIER 2
BANCO BILBAO VIZCAYA ARGENTARIA SA	EUR	39,998	FIXED	10/02/2027	NO	TIER 2
BANCO BILBAO VIZCAYA ARGENTARIA SA	EUR	103,766	FIX TO CMS	PERPETUAL	YES	TIER 1
BANCO BPM SPA	EUR	2,047	FIXED	05/11/2020	NO	TIER 2
BANCO BPM SPA	EUR	12,503	FIXED	31/05/2021	NO	TIER 2
BANCO BPM SPA	EUR	30,000	FIX TO CMS	01/10/2029	YES	TIER 2
BANCO BPM SPA	EUR	13,752	FIX TO CMS	21/09/2027	YES	TIER 2
BANCO COMERCIAL PORTUGUES SA	EUR	10,659	FIX TO CMS	07/12/2027	YES	TIER 2
BANCO COMERCIAL PORTUGUES SA	EUR	23,000	FIX TO CMS	27/03/2030	YES	TIER 2
BANCO DE SABADELL SA	EUR	4,644	FIXED	06/05/2026	NO	TIER 2
BANCO DE SABADELL SA	EUR	21,019	FIX TO CMS	PERPETUAL	YES	TIER 1
BANCO SANTANDER SA	EUR	27,389	FIXED	04/04/2026	NO	TIER 2
BANCO SANTANDER SA	EUR	18,433	FIXED	08/02/2028	NO	TIER 2
BANCO SANTANDER SA	EUR	40,467	FIXED	18/03/2025	NO	TIER 2
BANCO SANTANDER SA	EUR	135,902	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
BANK OF IRELAND	EUR	21,417	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
BANKIA SA	EUR	26,236	FIX TO CMS	15/02/2029	YES	TIER 2
BANKIA SA	EUR	15,871	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES

Amounts in €k

Issuer	Currency	Carrying amount 31/12/19	Interest rate	Maturity	Early repayment	Level of subordination
BANQUE FED. CREDIT MUTUEL	EUR	1,779	CMS/CMT	PERPETUAL	YES	OTHER CLAUSES
BANQUE FED. CREDIT MUTUEL	EUR	14,916	FIXED	11/09/2025	NO	TIER 2
BANQUE FED. CREDIT MUTUEL	EUR	4,002	FIXED	15/03/2029	NO	SR NO PREFERRED
BANQUE FED. CREDIT MUTUEL	EUR	19,855	FIXED	15/11/2027	NO	TIER 2
BARCLAYS BANK PLC	EUR	2,895	FIXED	30/03/2022	NO	TIER 2
BARCLAYS PLC	EUR	9,956	FIX TO CMS	07/02/2028	YES	OTHER CLAUSES
BARCLAYS PLC	EUR	65,010	FIX TO CMS	11/11/2025	YES	OTHER CLAUSES
BARCLAYS PLC	EUR	40,719	FIX TO CMS	PERPETUAL	YES	TIER 1
BAYER AG	EUR	16,831	FIX TO CMS	01/07/2074	YES	OTHER CLAUSES
BAYER AG	EUR	17,464	FIX TO CMS	02/04/2075	YES	OTHER CLAUSES
BAYER AG	EUR	16,917	FIX TO CMS	12/11/2079	YES	OTHER CLAUSES
BELFIUS BANK SA	EUR	40,102	FIXED	11/05/2026	NO	TIER 2
BELFIUS BANK SA	EUR	29,983	FIX TO CMS	PERPETUAL	YES	TIER 1
BERTELSMANN SE & CO KGAA	EUR	34,521	FIX TO CMS	23/04/2075	YES	OTHER CLAUSES
BHP BILLITON FIN	EUR	1,200	FIX TO CMS	22/10/2079	YES	OTHER CLAUSES
BNP PARIBAS CARDIF SA	EUR	92,566	FIX TO FLOATER	PERPETUAL	YES	TIER 2
BNP PARIBAS SA	EUR	10,058	FIXED	01/10/2026	NO	OTHER CLAUSES
BNP PARIBAS SA	EUR	14,628	FIXED	11/01/2027	NO	TIER 2
BNP PARIBAS SA	EUR	1,936	FIXED	17/02/2025	NO	TIER 2
BNP PARIBAS SA	EUR	5,979	FIXED	27/01/2026	NO	TIER 2
BNP PARIBAS SA	EUR	35,314	FIX TO CMS	14/10/2027	YES	TIER 2
BNP PARIBAS SA	EUR	15,115	FIX TO CMS	20/03/2026	YES	TIER 2
BNP PARIBAS SA	EUR	44,060	FIX TO CMS	PERPETUAL	YES	TIER 1
BPCE SA	EUR	10,147	FIX TO CMS	08/07/2026	YES	TIER 2
BPCE SA	EUR	49,127	FIX TO CMS	30/11/2027	YES	TIER 2
CAIXABANK SA	EUR	10,145	FIXED	01/02/2024	NO	SR NO PREFERRED
CAIXABANK SA	EUR	35,993	FIX TO CMS	15/02/2027	YES	OTHER CLAUSES
CAIXABANK SA	EUR	14,193	FIX TO CMS	17/04/2030	YES	TIER 2
CAIXABANK SA	EUR	22,831	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
CASINO GUICHARD PERRACHON	EUR	6,608	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
CATTOLICA ASSICURAZIONI	EUR	39,070	FIX TO FLOATER	14/12/2047	YES	TIER 2
CENTRICA PLC	EUR	13,927	FIX TO CMS	10/04/2076	YES	OTHER CLAUSES
CLOVERIE PLC VIA SWISS RE CORPSOL	EUR	17,008	FIX TO CMS	11/09/2044	YES	TIER 2
CLOVERIE PLC ZURICH INS	EUR	34,892	FIXED	PERPETUAL	YES	TIER 2
CNP ASSURANCES	EUR	12,373	FIXED	05/02/2029	NO	TIER 2
CNP ASSURANCES	EUR	14,980	FIXED	20/10/2022	NO	TIER 3
CNP ASSURANCES	EUR	13,282	FIX TO CMS	05/06/2045	YES	TIER 2
CNP ASSURANCES	EUR	25,513	FIX TO CMS	PERPETUAL	YES	TIER 1
CNP ASSURANCES	EUR	38,286	FIX TO CMS	PERPETUAL	YES	TIER 2
CNP ASSURANCES	EUR	29,053	FIX TO FLOATER	10/06/2047	YES	TIER 2
CNP ASSURANCES	EUR	4,453	FIX TO FLOATER	30/09/2041	YES	TIER 2
COMMERZBANK AG	EUR	12,028	FIXED	16/03/2021	NO	TIER 2
COMMERZBANK AG	EUR	68,328	FIXED	20/01/2034	NO	SR NO PREFERRED
COMMERZBANK AG	EUR	51,375	FIXED	23/03/2026	NO	TIER 2
COMMERZBANK AG	EUR	13,103	FIXED	30/03/2027	NO	TIER 2
COMMERZBANK AG	EUR	71,030	ZERO COUPON	15/09/2021	NO	SR NO PREFERRED
COOPERATIEVE RABOBANK UA	EUR	439	FIXED	09/11/2022	NO	TIER 2
COOPERATIEVE RABOBANK UA	EUR	7,037	FIX TO CMS	26/05/2026	YES	TIER 2
COOPERATIEVE RABOBANK UA	EUR	102,449	FIX TO CMS	PERPETUAL	YES	TIER 1
CORSAIR FINANCE IRELAND LTD	EUR	32,000	INDEXED	05/10/2020	NO	TIER 2
CPI PROPERTY GROUP SA	EUR	16,282	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES

5 Additional tables appended to the Notes to the Financial Statements

Amounts in €k

Issuer	Currency	Carrying amount 31/12/19	Interest rate	Maturity	Early repayment	Level of subordination
CREDIT AGRICOLE ASSURANCES	EUR	20,315	FIX TO CMS	27/09/2048	YES	TIER 2
CREDIT AGRICOLE ASSURANCES	EUR	9,171	FIX TO CMS	29/01/2048	YES	TIER 2
CREDIT AGRICOLE ASSURANCES	EUR	95,047	FIX TO CMS	PERPETUAL	YES	TIER 2
CREDIT AGRICOLE S.A.	EUR	27,945	FIXED	17/03/2027	NO	TIER 2
CREDIT AGRICOLE S.A.	EUR	471	FIXED	30/06/2020	NO	TIER 2
CREDIT AGRICOLE S.A.	EUR	47,901	FIX TO CMS	PERPETUAL	YES	TIER 1
CREDIT AGRICOLE SA/LONDON	EUR	3,177	FIXED	05/03/2029	NO	OTHER CLAUSES
CREDIT AGRICOLE SA/LONDON	EUR	23,717	FIXED	20/12/2026	NO	OTHER CLAUSES
CREDIT LOGEMENT SA	EUR	21,242	INDEXED	PERPETUAL	YES	TIER 1
CREDIT MUTUEL ARKEA	EUR	19,882	FIXED	09/02/2029	NO	OTHER CLAUSES
CREDIT MUTUEL ARKEA	EUR	25,410	FIXED	11/03/2031	NO	OTHER CLAUSES
CREDIT SUISSE GROUP AG	EUR	64,449	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
CREDITO EMILIANO SPA	EUR	50,059	FIX TO CMS	13/03/2025	YES	OTHER CLAUSES
DANSKE BANK	EUR	4,847	FIXED	22/05/2023	NO	OTHER CLAUSES
DANSKE BANK	EUR	1,994	FIXED	24/05/2022	NO	OTHER CLAUSES
DANSKE BANK	EUR	4,973	FIX TO CMS	12/02/2030	YES	TIER 2
DANSKE BANK	EUR	9,947	FIX TO CMS	21/06/2029	YES	TIER 2
DANSKE BANK	EUR	30,157	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
DEUTSCHE BANK AG	EUR	10,352	FIXED	01/04/2025	NO	OTHER CLAUSES
DEUTSCHE BANK AG	EUR	63,899	FIXED	17/02/2025	NO	OTHER CLAUSES
DEUTSCHE BANK AG	EUR	18,923	FIX TO CMS	24/05/2028	YES	OTHER CLAUSES
DEUTSCHE BANK AG	EUR	46,228	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
DEUTSCHE BANK AG	EUR	24,262	ZERO COUPON	15/10/2026	NO	OTHER CLAUSES
DEUTSCHE BANK AG	EUR	19,759	ZERO COUPON	20/01/2032	NO	OTHER CLAUSES
DEUTSCHE BANK AG LONDON	EUR	4,980	INDEXED	28/01/2022	NO	SR NO PREFERRED
DEUTSCHE PFANDBRIEFBANK AG	EUR	2,024	FIX TO CMS	28/06/2027	YES	TIER 2
DIRECT LINE INSURANCE GROUP PLC	EUR	8,937	FIX TO CMS	PERPETUAL	YES	TIER 1
DNB NOR BANK ASA	EUR	39,977	FIX TO CMS	PERPETUAL	YES	TIER 1
ELECTRICITE DE FRANCE SA	EUR	103,883	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ELIA SYSTEM OPERATOR SA/NV	EUR	18,021	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ELM BV (HELVETIA SCHWEIZ)	EUR	9,904	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	24,826	FIX TO CMS	02/04/2076	YES	OTHER CLAUSES
ENBW ENERGIE BADEN-WUERTTEMBERG AG	EUR	4,067	FIX TO CMS	05/04/2077	YES	OTHER CLAUSES
ENEL SPA	EUR	20,333	FIX TO CMS	15/01/2075	YES	OTHER CLAUSES
ENEL SPA	EUR	16,654	FIX TO CMS	15/09/2076	YES	OTHER CLAUSES
ENEL SPA	EUR	18,090	FIX TO CMS	24/05/2080	YES	OTHER CLAUSES
ENEL SPA	EUR	33,555	FIX TO CMS	24/11/2081	YES	OTHER CLAUSES
ENERGIAS DE PORTUGAL	EUR	37,185	FIX TO CMS	30/04/2079	YES	OTHER CLAUSES
ENGIE SA (EX GDF SUEZ)	EUR	14,308	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
FERROVIAL NETHERLANDS BV	EUR	13,111	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
GAS NATURAL FENOSA FINANCE BV	EUR	61,533	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
GENERALI SPA	EUR	22,172	FIXED	04/05/2026	NO	TIER 2
GENERALI SPA	EUR	32,788	FIX TO FLOATER	08/06/2048	YES	TIER 2
GENERALI SPA	EUR	26,896	FIX TO FLOATER	10/07/2042	YES	TIER 2
GENERALI SPA	EUR	16,366	FIX TO FLOATER	27/10/2047	YES	TIER 2
GENERALI SPA	EUR	139,154	FIX TO FLOATER	PERPETUAL	YES	TIER 1
GROUPAMA SA	EUR	43,300	FIXED	23/01/2027	NO	TIER 2
GROUPAMA SA	EUR	52,497	FIXED	24/09/2028	NO	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

Amounts in €k

Issuer	Currency	Carrying amount 31/12/19	Interest rate	Maturity	Early repayment	Level of subordination
HANNOVER RUECKVERSICHERU-REG	EUR	4,926	FIX TO FLOATER	09/10/2039	YES	OTHER CLAUSES
HANNOVER RUECKVERSICHERU-REG	EUR	38,108	FIX TO FLOATER	PERPETUAL	YES	TIER 2
HSBC HOLDINGS PLC	EUR	50,236	FIXED	30/06/2025	NO	TIER 2
HSBC HOLDINGS PLC	EUR	103,638	FIX TO CMS	PERPETUAL	YES	TIER 1
IBERCAJA BANCO SA	EUR	33,162	FIX TO CMS	28/07/2025	YES	TIER 2
IBERDROLA INTERNATIONAL BV	EUR	18,868	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
IKB DEUTSCHE INDUSTRIEBK	EUR	11,820	FIX TO CMS	31/01/2028	YES	TIER 2
ING GROEP NV	EUR	37,963	FIX TO CMS	15/02/2029	YES	TIER 2
ING GROEP NV	EUR	46,906	FIX TO CMS	PERPETUAL	YES	TIER 1
INTESA SANPAOLO SPA	EUR	11,722	FIXED	13/09/2023	NO	TIER 2
INTESA SANPAOLO SPA	EUR	18,980	FIXED	15/09/2026	NO	TIER 2
INTESA SANPAOLO SPA	EUR	59,076	FIX TO CMS	PERPETUAL	YES	TIER 1
INTESA SANPAOLO VITA SPA	EUR	27,129	FIX TO FLOATER	PERPETUAL	YES	TIER 1
KBC GROEP NV	EUR	19,399	FIX TO CMS	11/03/2027	YES	TIER 2
KBC GROEP NV	EUR	57,685	FIX TO CMS	PERPETUAL	YES	TIER 1
LA BANQUE POSTALE SA	EUR	12,889	FIXED	09/06/2028	NO	TIER 2
LA BANQUE POSTALE SA	EUR	18,003	FIX TO CMS	19/11/2027	YES	TIER 2
LA BANQUE POSTALE SA	EUR	23,000	FIX TO CMS	PERPETUAL	YES	TIER 1
LA MONDIALE SAM	EUR	9,527	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
LA MONDIALE SAM	EUR	57,507	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
LA MONDIALE SAM	EUR	2,864	INDEXED	PERPETUAL	YES	OTHER CLAUSES
LA POSTE SA	EUR	28,446	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
LANDESBANK BADEN-WUERTTEMBERG	EUR	15,964	FIXED	28/09/2026	NO	OTHER CLAUSES
LEGAL & GENERAL GROUP	EUR	11,127	FIX TO CMS	21/03/2047	YES	TIER 2
LEGAL & GENERAL GROUP	EUR	21,536	FIX TO CMS	27/10/2045	YES	TIER 2
LLOYDS BANK PLC	EUR	5,644	FIXED	24/03/2020	NO	TIER 2
M&G PLC	EUR	26,920	FIX TO CMS	20/07/2055	YES	OTHER CLAUSES
MACQUARIE BANK LTD	EUR	3,788	FIXED	21/09/2020	NO	OTHER CLAUSES
MAPFRE SA	EUR	63,398	FIX TO FLOATER	07/09/2048	YES	OTHER CLAUSES
MAPFRE SA	EUR	29,793	FIX TO FLOATER	31/03/2047	YES	OTHER CLAUSES
MERCK KGAA	EUR	5,500	FIX TO CMS	25/06/2079	YES	OTHER CLAUSES
MITSUBISHI UFJ INVESTOR S&B LUX SA	EUR	38,842	INDEXED	15/12/2050	NO	TIER 1
MITSUBISHI UFJ INVESTOR S&B LUX SA	EUR	812	INDEXED	30/12/2099	NO	TIER 1
MONTE PASCHI SIENA	EUR	8,000	FIXED	23/07/2029	NO	TIER 2
MONTE PASCHI SIENA	EUR	27,311	FIX TO CMS	18/01/2028	YES	TIER 2
MUNICH RE	EUR	6,968	FIX TO FLOATER	26/05/2042	YES	OTHER CLAUSES
MUNICH RE	EUR	21,809	FIX TO FLOATER	26/05/2049	YES	TIER 2
NATIONWIDE BUILDING SOCIETY	EUR	3,099	FIXED	22/07/2020	NO	OTHER CLAUSES
NATIONWIDE BUILDING SOCIETY	EUR	1,459	FIX TO CMS	25/07/2029	YES	OTHER CLAUSES
NATIXIS	EUR	12,000	CMS/CMT	PERPETUAL	YES	TIER 1
NGG FINANCE PLC	EUR	24,811	FIX TO CMS	05/09/2082	YES	OTHER CLAUSES
NN GROUP NV	EUR	15,456	FIX TO FLOATER	08/04/2044	YES	TIER 2
NN GROUP NV	EUR	19,944	FIX TO FLOATER	13/01/2048	YES	OTHER CLAUSES
NN GROUP NV	EUR	45,189	FIX TO FLOATER	PERPETUAL	YES	TIER 2
NORDEA BANK ABP	EUR	54,915	FIX TO CMS	PERPETUAL	YES	TIER 1
NYKREDIT REALKREDIT AS	EUR	1,810	FIX TO CMS	03/06/2036	YES	TIER 2
NYKREDIT REALKREDIT AS	EUR	9,994	FIX TO CMS	17/11/2027	YES	TIER 2
OMV AG	EUR	17,500	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ORANGE SA (EX FRANCE TELECOM)	EUR	37,103	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES

5 Additional tables appended to the Notes to the Financial Statements

Amounts in €k

Issuer	Currency	Carrying amount 31/12/19	Interest rate	Maturity	Early repayment	Level of subordination
ORSTED A/S (EX DONG ENERGY)	EUR	3,468	FIX TO CMS	09/12/2150	YES	OTHER CLAUSES
P&V ASSURANCES SCRL	EUR	95,000	FIXED	13/07/2028	NO	TIER 2
PHOENIX GROUP HOLDINGS PLC	EUR	24,085	FIXED	24/01/2029	NO	OTHER CLAUSES
PRUDENTIAL FINANCIAL INC.	EUR	83	FIX TO FLOATER	15/09/2047	YES	OTHER CLAUSES
RAIFFEISEN BANK INTERNATIONAL AG	EUR	17,071	FIX TO CMS	PERPETUAL	YES	TIER 1
REPSOL INTERNATIONAL FINANCE BV	EUR	28,340	FIX TO CMS	25/03/2075	YES	OTHER CLAUSES
REPSOL INTERNATIONAL FINANCE BV	EUR	19,963	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
ROYAL BANK OF SCOTLAND GROUP	EUR	46,205	FIX TO CMS	PERPETUAL	YES	TIER 1
RWE AG	EUR	3,160	FIX TO CMS	21/04/2075	YES	OTHER CLAUSES
SCOR SA	EUR	28,166	FIX TO CMS	08/06/2046	YES	TIER 2
SCOR SA	EUR	17,514	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
SCOR SA	EUR	9,941	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
SERVIZI ASS. DEL COMMERCIO ESTERO	EUR	58,146	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
SKANDINAVISKA ENSKILDA BANKEN	EUR	21,940	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
SOCIETE GENERALE	EUR	2,985	FIXED	15/02/2024	NO	SR NO PREFERRED
SOCIETE GENERALE	EUR	19,505	FIXED	27/02/2025	NO	OTHER CLAUSES
SOCIETE GENERALE	EUR	32,048	FIX TO CMS	16/09/2026	YES	TIER 2
SOCIETE GENERALE	EUR	41,761	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
SOCIÉTÉ EUROPEENNE SATELLITE	EUR	34,195	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
SOGECAP SA	EUR	110,067	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
SOLVAY SA	EUR	800	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
STANDARD CHARTERED PLC	EUR	6,491	FIXED	19/11/2024	NO	OTHER CLAUSES
STANDARD CHARTERED PLC	EUR	28,089	FIXED	23/11/2022	NO	TIER 2
STANDARD CHARTERED PLC	EUR	15,771	FIX TO CMS	21/10/2025	YES	TIER 2
SUPERSTRADA PEDEMONTANA VENETA	EUR	14,454	STEP UP	30/06/2027	NO	OTHER CLAUSES
SVENSKA HANDELSBANKEN AB	EUR	8,886	FIX TO CMS	PERPETUAL	YES	TIER 1
SWEDBANK AB	EUR	10,682	FIX TO CMS	PERPETUAL	YES	TIER 1
SWISS LIFE AG	EUR	36,853	FIX TO CMS	25/09/2048	YES	TIER 2
SYNETERISTIKI INSURANCE CO. INC.	EUR	1,500	INDEXED	PERPETUAL	YES	TIER 1
TALANX AG	EUR	53,893	FIX TO FLOATER	05/12/2047	YES	OTHER CLAUSES
TELEFONICA EUROPE BV	EUR	91,899	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
TLG FINANCE SARL	EUR	13,067	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
TOTAL SA	EUR	1,376	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
UBS GROUP AG	EUR	57,039	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
UNIBAIL-RODAMCO SE	EUR	26,294	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
UNICREDIT SPA	EUR	72,690	FIXED	31/10/2022	NO	TIER 2
UNICREDIT SPA	EUR	30,291	FIX TO CMS	03/01/2027	YES	TIER 2
UNICREDIT SPA	EUR	18,432	FIX TO CMS	19/06/2032	YES	TIER 2
UNICREDIT SPA	EUR	36,000	FIX TO CMS	20/02/2029	YES	TIER 2
UNICREDIT SPA	EUR	159,371	FIX TO CMS	PERPETUAL	YES	TIER 1
UNIONE DI BANCHE ITALIANE SCPA	EUR	9,011	FIXED	12/04/2023	NO	SR NO PREFERRED
UNIONE DI BANCHE ITALIANE SCPA	EUR	60,011	FIX TO CMS	05/05/2026	YES	TIER 2
UNIONE DI BANCHE ITALIANE SCPA	EUR	14,945	FIX TO CMS	12/07/2029	YES	TIER 2
UNIONE DI BANCHE ITALIANE SCPA	EUR	1,209	FIX TO CMS	15/09/2027	YES	TIER 2
VATTENFALL AB	EUR	59,035	FIX TO CMS	19/03/2077	YES	OTHER CLAUSES
VENETO BANCA SPA	EUR	75	FIX TO CMS	01/12/2025	YES	TIER 2
VITTORIA ASSICURAZIONI SPA	EUR	30,000	FIXED	11/07/2028	NO	TIER 2
VODAFONE GROUP PLC	EUR	47,815	FIX TO CMS	03/01/2079	YES	OTHER CLAUSES
VOLKSWAGEN INT.NAL FINANCE NV	EUR	48,205	FIX TO CMS	PERPETUAL	YES	OTHER CLAUSES
XLIT LTD	EUR	19,887	FIX TO FLOATER	29/06/2047	YES	TIER 2
Total		7,106,856				

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 31/12/2018	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0345	To - Chieri - Vicolo S. Antonio - Via V. Emanuele li Snc	174		
2	2035	To - Collegno - Viale Gramsci 24	44		
2	0248	To - Ivrea - Via Monte Stella 6	486	72	
2	0105	To - Moncalieri - P. Za V. Emanuele 8	188		
2	0434	To - Moncalieri - Piazza Caduti Per La Libertà 7	104		
2	1050	To - Moncalieri - Strada Ferrero Di Cambiano, 20	3,000		
1	0008	To - Moncalieri - Via F. Postiglione 18	794		
2	0008	To - Moncalieri - Via F. Postiglione 18	662		
2	0251	To - Rivarolo Canavese - V. Gallo Pecca 22	207		
2	0171	To - Torino - C. So Sebastopoli 310/1	98		
2	0178	To - Torino - C. So Turati 74	65		
2	1049	To - Torino - C. So Vittorio Emanuele 48/V. Carlo Alberto 65	24,102	151	
2	0162	To - Torino - Corso Dante 119	994		
1	0019	To - Torino - Corso Galileo Galilei 12/14		2,427	
2	0019	To - Torino - Corso Galileo Galilei 12/14	25,673	116	
2	2219	To - Torino - Corso Trapani 7/D	1,753		
2	7560	To - Torino - Corso Vittorio Emanuele 8, 3	796		
2	0194	To - Torino - Grossi 29/Vinci 21/Cellini 6	6,247		
1	1109	To - Torino - Lungo Dora Firenze 71	25,354	1,972	
2	1109	To - Torino - Lungo Dora Firenze 71	1,218	78	
2	0494	To - Torino - Piazza Guala 143	6,922	1,895	
2	2303	To - Torino - Strada Del Drosso, 25	4,564	16	
2	0303	To - Torino - Via Arsenale 5	8,023	275	
2	3510	To - Torino - Via Berthollet 46	10,290	2,034	
1	0284	To - Torino - Via Carlo Alberto 59	3,416	88	
2	0284	To - Torino - Via Carlo Alberto 59	2,056	341	
1	3511	To - Torino - Via Marengo 15	19,076	39	
2	3511	To - Torino - Via Marengo 15	56		
2	0197	To - Torino - Via Monginevro 61	62		
2	0206	To - Venaria - Via Tripoli 17	58		
2	0328	Vc - Borgosesia - Via G. Ferrari 15	102		
2	3003	Vc - Gattinara - Piazza Giuseppe Mazzini 3	3,919	30	
1	0313	Cn - Alba - Corso Langhe 7	62		
2	0313	Cn - Alba - Corso Langhe 7	99		
2	0314	Al - Alessandria - Corso Crimea 25	198		
1	4200	Al - Alessandria - Via Spalto Marengo 11	91		
2	4200	Al - Alessandria - Via Spalto Marengo 11			
2	2254	Al - Alessandria - Via Trotti 44/46	125		
2	0033	Bi - Biella - Via Cova 10/A	93		
2	7380	Bi - Biella - Via Gramsci 21	104		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2019	Current value 31/12/2019	Total depreciation	Total write-backs	Total write-downs
			7	167	190	72		
			2	43	83	13	6	
			12	546	600	88		
			7	181	360	40	9	2
			4	100	134	34	31	
		900		2,100	2,100	1,373		3,791
			124	670	2,746	4,078	129	
			21	641	954	169	123	
			8	199	300	63		
			4	94	190	30	26	
			3	62	220	23	48	
			599	23,654	23,500	4,059		2,311
	184		20	790	1,700	137	491	
24,139			1,114	25,453	46,009	17,514	3,916	
(24,139)			70	1,579	2,931	1,114	249	
		206	47	1,500	1,500	410		765
			56	740	1,732	1,135	391	
	1,019		4	5,224	13,538	33	3,178	
			689	26,637	21,363	2,626		
			33	1,264	1,037	127		
		1,597	231	6,990	6,990	2,880		2,266
			131	4,450	4,700	1,151		2,994
			209	8,089	7,800	2,311		395
			307	12,018	7,400	1,092		
			211	3,293	4,030	3,798		
			130	2,267	2,270	2,150		
			497	18,618	17,738	2,026		
			1	54	52	6		
			2	60	200	19	49	
			2	56	190	18	43	
			4	98	140	33		
			107	3,842	3,820	986		1,814
			3	60	92	26		
			4	95	138	41		
			8	190	233	81		
(91)								
91			5	85	90	97	55	11
			5	120	116	40		8
			4	90	296	28	76	
			5	99	130	52	25	

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 31/12/2018	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0351	Bi - Cossato - Via Paietta 8	66		
2	0501	Bi - Trivero - Località Ponzone / Via Provinciale 195	84		
3	0525	Im - San Remo - Monte Bignone S.N.C.	22		
2	0538	Ge - Camogli - Fabbricati Non Abitativi Camogli Viale Gaggini 1	85		
3	0543	Ge - Camogli - Terreni Agr. In Com. Camogli Viale Gaggini 1	58		
2	0540	Ge - Camogli - Via Gaggini 1	8,362	122	
2	0334	Ge - Camogli - Via Gaggini, 1	359	85	
3	0541	Ge - Camogli - Via Romana 215			
2	0541	Ge - Camogli - Via Romana 215	209		
2	0409	Ge - Genova - P.Zza De Ferrari 1	1,175		
2	2063	Ge - Genova - Via Roccatagliata Ceccardi 1/2	489		
1	7356	Ge - Genova - Via Sottoripa 1/A	778		
2	7356	Ge - Genova - Via Sottoripa 1/A	438		
2	0067	Ge - Genova - Via Timavo 3	78		
1	4069	Ge - Genova - Via Xx Settembre 1	1,095		
3	0542	Ge - Santa Margherita Ligure - Terreni S.Margherita Ligure Snc	1		
2	3009	Ge - Sestri Levante - Località Riva Trigoso Snc	37		
1	7365	Sp - La Spezia - Viale Italia 210/6	125	19	
2	2259	Va - Busto Arsizio - Piazza Garibaldi 1	133		
2	1044	Va - Busto Arsizio - Via Xx Settembre 8	197		
2	3002	Va - Laveno Mombello - Via Buozzi, 1	1,450	12	
2	0151	Va - Saronno - Via Diaz / Via Bossi 2	41		
2	0498	Va - Tradate - Via Montegrappa 17-Via Baracca 2	110		
2	0551	Va - Varese - Via Albani, 41	11,338	124	
1	2200	Va - Varese - Via Carcano, 2	141	53	
2	0205	Va - Varese - Via Foscolo 10	157		
2	5205	Co - Como - Piazza Del Popolo 14	188		
2	2037	Co - Como - Via Innocenzo Xi 13	180	17	
1	8110	Co - Como - Via Innocenzo Xi, 13	1,493		
2	8110	Co - Como - Via Innocenzo Xi, 13	2,967		
2	0023	Mi - Abbiategrasso - Via Serafino Dell'Uomo 34	93		
2	2298	Mi - Assago - Palazzo A - Strada 6	36,551	652	
2	0289	Mi - Bresso - Via Xxv Aprile 41 / Via Patellani 42	167		
2	0264	Mi - Corsico - Via Vittorio Emanuele 10	186		
2	2075	Mi - Legnano - Corso Italia 54	109		
2	0265	Mi - Legnano - Via Porta / Corso Sempione 164	222		
2	0555	Mi - Milano - C.So B. Aires 77-79-Via Doria 56			
1	2122	Mi - Milano - Corso Di Porta Romana 19	36,217	2,363	3,904
2	2122	Mi - Milano - Corso Di Porta Romana 19	6,135	359	768
1	5425	Mi - Milano - Corso Di Porta Vigentina 9	8,515	36	
2	3023	Mi - Milano - Galleria Del Corso 4	1,429		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2019	Current value 31/12/2019	Total depreciation	Total write-backs	Total write-downs
			2	64	70	16		1
			4	80	90	44	4	9
				22	39			
				85	85	4		9
(5)				53	300			
		1,312	272	6,900	6,900	3,928		2,900
				444	620			
5		1		4	17			1
		23		186	173			93
	1,152		23					
			21	468	1,820	237	124	
(778)								
778			70	1,146	1,916	1,179		
			3	75	200	37	53	
			62	1,033	1,400	1,034	809	
				1	1			1
				37	40			99
			9	134	303	183		
			5	128	143	40		
			8	189	310	65		
			33	1,429	1,400	476		1,515
			2	39	180	12	30	
			4	105	130	35		
		4,641	221	6,600	6,600	2,307		48,453
			7	188	386	31	80	
			6	151	830	48	110	
			7	181	381	57	95	
			7	189	422	49	103	
			65	1,428	1,593	723		
			123	2,843	2,634	1,265		
			4	90	220	28	11	
			1,086	36,118	36,920	7,729		7,682
			7	160	250	75		
			8	178	220	75		
			4	105	393	33	64	
			8	214	380	68		
					20			
(923)			763	40,798	42,544	3,755		
923			157	8,028	7,306	707		
	8,392		160					
			54	1,374	1,402	363		

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 31/12/2018	Purchases and other Increases	Write-backs and reversals of impairment losses
1	7207	Mi - Milano - Galleria Unione 3	9		
3	3072	Mi - Milano - Localita Trenno Snc	5,562		
2	0086	Mi - Milano - P.Za Garibaldi 8	56		
2	0087	Mi - Milano - P.Za Napoli 38	79		
2	4367	Mi - Milano - Piazza Castello 13	9,768	12	
1	7701	Mi - Milano - Piazza Missori 2	1,215	6	
2	3075	Mi - Milano - Piazza Missori 2	31		
2	7701	Mi - Milano - Piazza Missori 2	1,796	164	
2	0078	Mi - Milano - Piazza Segesta 4		35	
2	0310	Mi - Milano - Piazza Velasca 5	80,096	841	
2	2302	Mi - Milano - Via Benigno Crespi, 57	41,183	2,354	
2	3056	Mi - Milano - Via Amidani 15 Edificio 3A	2,063		
2	3055	Mi - Milano - Via Amidani 17 Edificio 3B	1,352		
2	3054	Mi - Milano - Via Amidani 19 (Ex. 15) Edificio 2	2,378		
2	3053	Mi - Milano - Via Amidani Ed1/Via Gabussi 1	2,321		
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	2,692		
2	0554	Mi - Milano - Via Cardano 6	1,598		
2	2097	Mi - Milano - Via Casati, 39	1,684	24	
2	0304	Mi - Milano - Via Castellanza 6/8/10	4,975		
2	0239	Mi - Milano - Via Cechov 48	122		
2	2222	Mi - Milano - Via Conservatorio 15	15,836		
2	2223	Mi - Milano - Via Conservatorio 17	11,203	13	
5	0072	Mi - Milano - Via De Castilla 23	63,286	9,720	
2	3043	Mi - Milano - Via Dei Missaglia 97 - Edificio A1	10,619	3	
1	3046	Mi - Milano - Via Dei Missaglia 97 - Edificio A2 (Ex B1)	3,793	102	
2	3046	Mi - Milano - Via Dei Missaglia 97 - Edificio A2 (Ex B1)	9,307	9	
1	3047	Mi - Milano - Via Dei Missaglia 97 - Edificio B1 (Ex B4)	4,037	450	
2	3047	Mi - Milano - Via Dei Missaglia 97 - Edificio B1 (Ex B4)	12,782	634	
2	3045	Mi - Milano - Via Dei Missaglia 97 - Edificio B2 (Ex A4)	13,206	166	
2	3044	Mi - Milano - Via Dei Missaglia 97 - Edificio B3 (Ex A3)	14,746	33	
2	3067	Mi - Milano - Via Dei Missaglia 97 - Edificio B4 (Ex B3)	16,172	34	
2	3048	Mi - Milano - Via Dei Missaglia 97 - Edificio C1	8,021		
2	3049	Mi - Milano - Via Dei Missaglia 97 - Edificio C2	7,922		
2	3050	Mi - Milano - Via Dei Missaglia 97 - Edificio C3	7,701		
2	3068	Mi - Milano - Via Dei Missaglia 97 - Edificio C4	8,349	51	
2	3069	Mi - Milano - Via Dei Missaglia 97 - Edificio E	869		
2	3070	Mi - Milano - Via Dei Missaglia 97 - Edificio F	5,921		
2	0552	Mi - Milano - Via Fara, 39	3,623	510	
2	0553	Mi - Milano - Via Fara, 41	69,014	21,634	
2	0520	Mi - Milano - Via Fiori Chiari Madonnina 9 - 24/A	875		
2	3041	Mi - Milano - Via Fraschini 22 - Lotto M14, Edificio O	5,730		
2	3042	Mi - Milano - Via G. Sanv Rosselli 1 - Lotto M14, Edificio Q3	2,366		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2019	Current value 31/12/2019	Total depreciation	Total write-backs	Total write-downs
			1	8	13	16		
	4,754			808	808			135
			2	54	150	18	44	
	78		1					
		1,177	371	8,232	8,232	3,141		5,199
(1,108)			23	91	205	51	27	
			1	30	39	5		
1,108			116	2,952	6,756	1,668	886	
			1	34	35	1		
			1,186	79,751	160,000	12,068		
			1,126	42,411	42,560	8,229		12,705
			19	2,044	3,090	598		7,486
			45	1,307	1,780	461		4,208
			71	2,307	2,340	669		7,155
			74	2,247	2,400	745		7,265
				21	71			
			6	171	203	48		17
	813		1	1,877	1,915	4		96
			61	1,538	1,618	486		
			20	1,688	3,900	207	543	
	1,816		32	3,127	3,604	333		
			5	117	230	37		
			250	15,586	25,200	1,940		
			170	11,046	19,000	1,346		
	73,007							
			288	10,334	10,220	3,159		7,613
			105	3,789	3,829	1,045		2,514
			256	9,060	8,741	2,619		6,387
854		564	144	4,632	5,346	1,072		2,451
(854)		1,325	359	10,878	10,164	2,974		6,684
			399	12,973	12,640	4,026		9,217
			411	14,368	16,830	3,394		9,840
			450	15,756	15,780	2,368		10,402
		1,379	171	6,470	6,470	1,947		9,389
		1,084	168	6,670	6,670	1,928		9,136
		779	162	6,760	6,760	1,944		9,170
		1,096	173	7,130	7,130	930		8,142
			15	854	850	104		1,126
		358	123	5,440	5,440	666		4,940
			151	3,983	4,130	1,170		829
				90,648	106,290	3,714		23,217
			13	862	860	119		227
	1,790		1	3,939	4,002	3		290
	732			1,634	1,695	1		159

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 31/12/2018	Purchases and other Increases	Write-backs and reversals of impairment losses
1	1006	Mi - Milano - Via Isonzo 2 / C.So Lodi 38	6		
2	1006	Mi - Milano - Via Isonzo 2 / C.So Lodi 38	110		
2	2290	Mi - Milano - Via Lancetti, 43-Via Maloja, 1-Via Dell'Aprica, 28	44,934	308	5,885
2	0545	Mi - Milano - Via Larga 26	10,464	184	
2	3006	Mi - Milano - Via Manin 37	1,850		
2	3060	Mi - Milano - Via Manin 37	424		
2	3059	Mi - Milano - Via Medici Del Vascello 40	3,502	5	
2	3038	Mi - Milano - Via Medici Del Vascello 40/E	960		
2	0095	Mi - Milano - Via Palmanova 189	71		
1	2121	Mi - Milano - Via Pantano 26	527	113	
2	2121	Mi - Milano - Via Pantano 26	4,202	171	
2	3057	Mi - Milano - Via Patecchio 1 - Lotto A5 Ed.6	961		
2	0432	Mi - Milano - Via Perotti 2	2,189		
2	2123	Mi - Milano - Via Pontaccio 15	8,744	56	
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	23,931	120	
2	3505	Mi - Milano - Via Senigallia 18/2 _Ed. B	17,477		
2	3513	Mi - Milano - Via Senigallia 18/2 _Ed. C	17,247		
2	3504	Mi - Milano - Via Senigallia 18/2 _Ed. D	18,074	66	
2	3040	Mi - Milano - Via Tomaselli 1 - Lotto M14_Edificio N2	6,987		
2	0298	Mi - Milano - Via Treccani Degli Alfieri 16-18-20-22-24-26	19,784	233	
2	3016	Mi - Milano - Via Trenno-Lampugnano Snc	13		
1	7734	Mi - Milano - Via Unione 1	12		
2	0277	Mi - Milano - Via Vincenzo Monti 21	5,217		
2	3017	Mi - Milano - Viale Richard-Morimondo-Viale Famagosta Snc	1		
2	2227	Mi - Milano - Viale Umbria, 76	10,166	14	
2	0445	Mi - Paderno Dugnano - Via Cadorna Ang.Via Pepe,2 (Via Piaggio 2)	232		
2	3052	Mi - Pieve Emanuele - Via Dei Platani Snc	220		
2	0216	Mi - Pieve Emanuele - Via Delle Rose 6	9,577	104	
2	0230	Mi - Rozzano - Via Torino 85	174		
1	4357	Mi - San Donato Milanese - Via Dell'Unione Europea 3	95,149	1,551	
2	4357	Mi - San Donato Milanese - Via Dell'Unione Europea 3	56,479	711	
2	0521	Mi - Sesto San Giovanni - Via Milanese 300	32,680		
2	0423	Bg - Lovere - Via S. Maria 35	85		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2019	Current value 31/12/2019	Total depreciation	Total write-backs	Total write-downs
	5		1					
	106		4					
			1,336	49,790	49,710	13,416		14,388
			302	10,346	14,290	3,283		547
	22	429	4	1,395	1,395	3		929
	409		15					
			90	3,417	3,400	1,373		3,208
			15	945	1,040	425		2,983
			3	68	170	21	59	
			12	629	562	54		58
	3,632		29	712	735	41		66
			11	950	930	343		3,679
			55	2,134	3,100	469	108	
			2	8,798	15,000	314		211
				1	7	3		
				6	6			26
	5			745	1,185			129
	2			382	213			49
				9	100	6	5	
			589	23,462	22,400	2,489		5,032
			405	17,073	17,600	1,788		7,078
			397	16,850	16,200	1,761		7,332
			419	17,720	17,700	1,850		7,390
	2,483		1	4,502	4,535	4		546
			17	19,999	28,100	130		
				13	17			
			1	11	25	27	1	
	5,217							
				1	1			
			34	10,147	11,000	286		1,818
			9	223	297	74		
				220	220			150
			5	9,676	12,300	29		
			7	167	340	53	28	
			3,028	93,672	103,484	34,899	1,100	
			1,645	55,546	57,886	14,495	665	
	32,349		331					
			3	82	117	27	4	

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 31/12/2018	Purchases and other Increases	Write-backs and reversals of impairment losses
2	4370	Bs - Brescia - C.So Bazoli 45 - Via Aldrighi	882		
1	7715	Bs - Brescia - Piazzale Della Stazione 63	160		
2	7715	Bs - Brescia - Piazzale Della Stazione 63	143		
1	2233	Bs - Brescia - Via Solferino 11	221		
2	2233	Bs - Brescia - Via Solferino 11			
2	0439	Pv - Mortara - C.So Cavour 74	97		
2	0050	Cr - Crema - Via Mazzini 78	47		
2	2044	Cr - Cremona - Via Ingegneri 5	66		
2	2081	Mn - Mantova - Via Mazzini 16	212		
2	2143	Mn - Ostiglia - Via Xx Settembre 63/65/67	190		
2	7520	Mb - Monza - Piazza Diaz 1	194		
2	0104	Mb - Monza - Via S.Martino 2	132		
2	0154	Mb - Seregno - Via Raffaello Sanzio 10	75		
2	2018	Bz - Bolzano - Via Perathoner 5	89		
2	3030	Tn - Campo Carlo Magno - Via Cima Tosa	3,125		
2	8020	Vr - Affi Vr - Via Pascoli 31/A	148		
2	0421	Vr - Legnago - Viale Dei Caduti 72	133		
2	0508	Vr - Verona - Corso Cavour 35	406		
1	2249	Vr - Verona - Corso Porta Nuova 60	256		
2	2207	Vr - Verona - Via Locatelli, 20	41		
2	0322	Vi - Bassano Del Grappa - Via Marinali 52	205		
2	0262	Vi - Camisano Vicentino - Via Roma / Via Stadio 7	150		
2	0204	Vi - Valdagno - P.Za Dante 4	61		
2	4375	Vi - Vicenza - C.So Felice E Fortunato 300	895	62	
1	7568	Vi - Vicenza - Via Firenze 7-13	20		
2	7568	Vi - Vicenza - Via Firenze 7-13	60		
2	2257	Bl - Belluno - Via Feltre 244	45		
2	0337	Tv - Castelfranco Veneto - Via M. Podgora / Borgo Vicenza 42	210		
1	3204	Tv - Treviso - Via Pennacchi 1	315	7	
2	3204	Tv - Treviso - Via Pennacchi 1	1,277	27	
2	0512	Tv - Vittorio Veneto - L.Go Med.D'Oro Bortolotto, 1	244		
1	5448	Ve - Mestre - Corso Del Popolo 125	336		
2	5448	Ve - Mestre - Corso Del Popolo 125			
2	3025	Ve - Musile Di Piave - Via Triestina 9	3,613		
2	2084	Ve - Venezia - Via Mestrina 6	55		
2	0358	Ro - Ficarolo - Via Giglioli 5/1 - P.Zza Marconi 25	77		
2	0485	Ud - Tarvisio - Via Roma 35	54		
2	0490	Ud - Tolmezzo - Via Roma 9/A	211		
1	0502	Ud - Udine - Via Poscolle,71 - M.Volpe,5	430	8	
2	0071	Go - Gorizia - C.So Italia 90	73		
2	3514	Ts - Trieste - Riva Tommaso Gulli	3,591	1,045	
1	0533	Ts - Trieste - Via Carducci 29	1,364	17	
2	0533	Ts - Trieste - Via Carducci 29	3,657	34	

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2019	Current value 31/12/2019	Total depreciation	Total write-backs	Total write-downs
			33	848	823	268		
(160)								
160			15	289	433	195	53	
(221)								
221			11	210	367	173		
			4	93	120	31	1	
	45		1					
			3	64	175	20	42	
			8	204	327	69		
			7	183	190	44		27
			12	182	520	215	160	
			5	127	720	40	99	
			3	72	260	23	59	
			3	86	312	28	76	16
			123	3,002	3,600	1,106	574	
			6	142	155	45		
			5	128	160	43		
			16	390	535	129		
			15	241	556	246		
			2	39	149	15	35	
			8	197	270	66		
			6	144	210	45		
			2	58	215	18	46	
		114	34	809	809	263		301
			2	18	136	42	16	
			4	57	252	69	48	
			2	44	110	14		
			9	201	210	92		14
446			8	759	745	77		366
(446)			31	827	835	84		406
			10	234	260	107		
(336)								
336			15	320	591	191	60	
		481	101	3,031	3,031	1,171		2,100
			2	53	137	17	52	
			3	74	100	25	8	
			2	52	70	18		
			8	203	290	69		
			16	421	530	129		
			3	71	200	22	55	
			68	4,569	4,530	660		5,114
(238)			36	1,107	779	233		
238			58	3,872	4,221	475		

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 31/12/2018	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0556	Ts - Trieste - Via De Amicis 1/17	1,085		
2	7731	Ts - Trieste - Via Marconi 6/8	125	3	
1	2154	Pc - Piacenza - Piazza Cavalli, 7	94		
2	2154	Pc - Piacenza - Piazza Cavalli, 7			
2	4379	Pr - Fidenza - Piazza Ettore Ponzi	273		
1	2148	Pr - Parma - Borgo Goldoni 1	158		
2	2148	Pr - Parma - Borgo Goldoni 1	45		
2	0119	Pr - Parma - Via Collegio Nobili 4	94		
2	4378	Pr - Parma - Via Saffi 82/B	3,060	3	
5	3074	Pr - San Pancrazio Parma - Via Emilia Ovest Snc	5,640	204	
2	4270	Re - Reggio Emilia - Via Premuda 42	2,300		
2	0249	Mo - Maranello - Via Gioia / Via Magellano 15	100		
2	2133	Mo - Modena - Piazza Medaglie D'Oro, 1	72		
2	0558	Mo - Modena - V.Stanguellini 65-120-140/V.Lamborghini	127		
3	0523	Mo - Modena - Via M.Buonarroti Snc	20		
2	2272	Mo - Modena - Via Rainusso 130	237		
2	0103	Mo - Modena - Via Tabboni 9-11-13 / Viale Fabrizi 21	226		
2	5212	Mo - Modena - Viale Trento E Trieste 13	364		
1	4359	Bo - Bologna - Piazza Della Costituzione 2	13,581	367	
2	4359	Bo - Bologna - Piazza Della Costituzione 2	59,601	1,164	
1	4351	Bo - Bologna - Via Calzoni 8	10,679	842	
2	4351	Bo - Bologna - Via Calzoni 8	617	696	
1	3517	Bo - Bologna - Via Dei Fornacia 27 E 31	8,424	590	
2	3517	Bo - Bologna - Via Dei Fornacia 27 E 31	163	1	
1	4349	Bo - Bologna - Via Del Gomito 1	6,738	186	
2	4349	Bo - Bologna - Via Del Gomito 1	5,787	187	
1	4358	Bo - Bologna - Via Del Pilastro 52	15,792	1,246	
2	3104	Bo - Bologna - Via Del Terrapieno	163		
2	8100	Bo - Bologna - Via Delle Lame 112	425		
2	7381	Bo - Bologna - Via Delle Lame 114	339		
2	4365	Bo - Bologna - Via Farini 12	17,388	9	
2	3106	Bo - Bologna - Via Larga 8 - Hotel	18,280	66	
2	3109	Bo - Bologna - Via Larga 8 - Parcheggio	17,341	49	
2	3108	Bo - Bologna - Via Larga 8 - Piastra Commerciale	18,270	1,763	
1	3105	Bo - Bologna - Via Larga 8 - Torre		158	
2	3105	Bo - Bologna - Via Larga 8 - Torre	100,706	796	
1	3107	Bo - Bologna - Via Larga 8 - Uffici	3,648	36	
2	3107	Bo - Bologna - Via Larga 8 - Uffici	5,833	12	
5	3103	Bo - Bologna - Via Larga Fronte Strada	1,024	274	
2	3103	Bo - Bologna - Via Larga Fronte Strada		390	
2	4298	Bo - Bologna - Via Marziale 17-19-23-31	1,260		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2019	Current value 31/12/2019	Total depreciation	Total write-backs	Total write-downs
			3	1,082	1,309	25		
			7	122	345	104	1	
(94)								
94			3	91	155	12		33
			10	263	352	100		210
(158)								
158			8	195	615	64	117	
			4	91	500	28	57	
			47	3,016	2,900	415		741
		1,744		4,100	4,100			20,188
			87	2,213	2,160	779	2,436	980
			4	96	210	30		
			3	69	354	27	56	
				127	188			
				20	79			
			10	228	347	94		
			8	218	680	47	101	
			14	350	429	118	97	
			424	13,523	13,811	4,620	24	
			1,684	59,081	55,839	13,006	106	
			431	11,089	7,656	4,461	624	
			28	1,285	2,344	264	37	
			231	8,783	6,045	899		
				164	55			
(2,265)			131	4,527	4,337	1,048	580	417
2,265			228	8,012	7,763	1,898	1,052	770
			372	16,666	14,500	3,783	613	10,670
				163	50			978
			23	401	480	478		163
			26	313	786	542	64	
			329	17,068	17,400	2,623		5,385
			522	17,824	17,200	3,730		2,831
			493	16,897	18,590	3,447		2,691
			546	19,486	18,930	3,830		2,840
22,873			502	22,529	22,486	4,671		3,596
(22,873)			2,380	76,250	75,914	15,772		12,138
			105	3,579	3,494	729		624
			167	5,677	6,006	1,156		991
(1,299)								
1,299			4	1,685	2,355	4		
	178			1,082	1,474			

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 31/12/2018	Purchases and other Increases	Write-backs and reversals of impairment losses
2	4253	Bo - Bologna - Via Mentana 2	2,299		
2	0218	Bo - Bologna - Via Procaccini 17/G	200		
2	4310	Bo - Bologna - Via Rolli 7-9	814		
2	0325	Bo - Bologna - Via Savigno 1	229		
1	4081	Bo - Bologna - Via Stalingrado 45-53	68,706	2,035	
2	4081	Bo - Bologna - Via Stalingrado 45-53	8,118	246	
2	2300	Bo - Bologna - Via Ugo Bassi 4-V. Terribilia 4-V. Della Zecca 2	30,667	1,928	
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	2,689		
2	4355	Bo - Bologna - Viale Masini 26-56	6,589		
2	0263	Bo - Castel Maggiore - Via Gramsci 192	164		
1	4297	Bo - Crespellano - Via 2 Agosto 1980	3,386		
2	4297	Bo - Crespellano - Via 2 Agosto 1980		81	
2	0413	Bo - Imola - Via Cavour 37	104		
2	2185	Bo - San Lazzaro Di Savena - Via Jussi 8	81		
1	0357	Fe - Ferrara - C.So Ercole D'Este 6/A	320	5	
2	0357	Fe - Ferrara - C.So Ercole D'Este 6/A	748	12	
2	7364	Fe - Ferrara - Via Boccaleone 8	77		
2	0052	Ra - Faenza - Corso Mazzini 54/2	76		
2	4381	Ra - Faenza - Via Baccharini 29/31	1,220	41	
2	2165	Ra - Ravenna - Via Cesarea 11	102		
1	4377	Ra - Ravenna - Via Faentina 106	37		
2	4377	Ra - Ravenna - Via Faentina 106	2,157	10	
2	0462	Ra - Ravenna - Via Porta Aurea 14	430		
2	2033	Fc - Cesena - Vicolo Cesuola 14	93		
1	4380	Fc - Forli' - Via Pietro Maroncelli 10	966	2	
2	4380	Fc - Forli' - Via Pietro Maroncelli 10	5,306	10	
2	0463	Rn - Riccione - Via Missori 2 Ang.Via Dei Mille 13	180		
1	0130	Rn - Rimini - Via Roma 102	42		
2	0130	Rn - Rimini - Via Roma 102	88		
2	0407	Pu - Fossombrone - Corso Garibaldi 149	71		
2	2153	Pu - Pesaro - Via Ardizi 14	60		
2	0120	Pu - Pesaro - Via M.Del Monaco 16	96		
2	4372	An - Ancona - Centro Direzionale Baraccola	892	1	
1	4138	An - Ancona - Via 29 Settembre 2	273		
2	4382	An - Ancona - Via Mamiani 4-6	1,341	56	
2	0027	An - Ancona - Via Rismondo 14	86		
2	0347	Mc - Civitanova Marche - Via Dante Alighieri N. 15	82		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2019	Current value 31/12/2019	Total depreciation	Total write-backs	Total write-downs
			87	2,212	2,190	686	614	
			7	193	330	42	7	
				814	1,127			
			9	220	331	74	80	
299			2,695	68,345	78,540	41,779	32,536	
(299)			295	7,769	9,110	4,241	3,723	
			338	32,258	30,800	3,013		16,547
	158			566	776	3		
				654	1,362			
			98	2,591	3,050	692	419	397
				6,589	5,974			
			6	158	300	50		
(3,386)								
3,386			94	3,373	3,900	2,449	150	
			4	100	143	34		
			3	78	216	25	11	
			7	318	284	72		51
			17	743	766	171		123
			5	72	170	80		
			3	73	255	23	52	
			45	1,215	1,250	326		108
			4	98	232	31		6
			1	36	44	12		
			82	2,085	2,774	656		
			17	413	422	140		15
			4	89	200	28		
			27	941	854	216		167
			142	5,174	5,726	1,182		1,117
			7	173	273	59	34	
			2	40	215	13	32	
			3	85	455	27	68	
			3	68	90	43		
			2	58	215	18		
			4	92	245	29	4	
			35	858	819	315		472
			16	257	342	272	219	
			36	1,361	1,320	190		517
			3	83	550	26	66	
			3	79	146	27	12	

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 31/12/2018	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0080	Mc - Macerata - C. So Cairoli 177	74		
2	7555	Ap - San Benedetto Del Tronto - Via De Gasperi 51	27		
2	0356	Fm - Fermo - P. Zza Del Popolo 37	140		
2	0335	Lu - Capannori - Via Delle Poste Snc	188		
2	0509	Lu - Viareggio - Viale Manin, 12	6,098		
2	0449	Pt - Pescia - Via Galeotti 59/61	115		
2	0452	Pt - Pistoia - Via B. Buozi 18	255		
2	0123	Pt - Pistoia - Via Stadio 6/A	111		
2	0331	Fi - Calenzano - Via Degli Olmi, 7	6,507		
2	0332	Fi - Campi Bisenzio - Via Dei Tintori 11	232		
2	2046	Fi - Empoli - Via Villani 4	86		
1	3502	Fi - Firenze - Piazza Della Libertà' 6	65,932	757	
2	3502	Fi - Firenze - Piazza Della Libertà' 6	3,789	36	
2	0365	Fi - Firenze - Piazza Della Repubblica N. 6	55,088	95	
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	11,638	13	
1	4332	Fi - Firenze - Via Alemanni 41	5,669	31	
2	0393	Fi - Firenze - Via Atto Vannucci 23	100		
2	0380	Fi - Firenze - Via Baracca 18	1,147		
2	7744	Fi - Firenze - Via Benedetto Marcello 2	65		
2	0366	Fi - Firenze - Via Benivieni 1/3	811		
2	0382	Fi - Firenze - Via Cavour 82/84	8,525		
2	0381	Fi - Firenze - Via Del Bobolino 1-3-5 Viale Machiavelli 14	1,159		
3	3071	Fi - Firenze - Via Di Careggi 38	290		
2	0383	Fi - Firenze - Via L. Il Magnifico 2 - Via Toscanelli 1-3	5,813		
2	0368	Fi - Firenze - Via Landini - Via Catalani 8	1,700		
2	0235	Fi - Firenze - Via Lanza 73	118		
1	3501	Fi - Firenze - Via Monaco 6 / Via Ghiacciaie 3	7,606	1,090	
2	3501	Fi - Firenze - Via Monaco 6 / Via Ghiacciaie 3	2,825	273	
2	0386	Fi - Firenze - Via Ricasoli, 48	3,516		
2	0387	Fi - Firenze - Via S. Reparata N. 97	3,611	1	
2	0548	Fi - Firenze - Via Salvagnoli, 4	6,081	23	
2	0390	Fi - Firenze - Via San Leonardo 32-34-36A	3,050		
3	0522	Fi - Firenze - Via San Leonardo 38-40-42	588	1	
2	0391	Fi - Firenze - Via San Leonardo 44	2,450		
2	0392	Fi - Firenze - Via San Leonardo 46-48-6/R	3,332		
1	0397	Fi - Firenze - Via Toscanelli / P. Za Della Libertà' 9/11	691	6	
2	0397	Fi - Firenze - Via Toscanelli / P. Za Della Libertà' 9/11	8,734	60	
2	0374	Fi - Firenze - Viale G. Matteotti 54	512		
2	0402	Fi - Firenze - Viale G. Matteotti 60	8,896	4	
2	0378	Fi - Firenze - Viale G. Matteotti N. 14-16-18	14,987		
2	0373	Fi - Firenze - Viale G. Matteotti N. 52	3,902		
2	0375	Fi - Firenze - Viale G. Matteotti N. 56	3,180	275	
2	0400	Fi - Firenze - Viale Matteotti 50/A	1,404		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2019	Current value 31/12/2019	Total depreciation	Total write-backs	Total write-downs
			3	71	300	24	43	
			2	26	160	29	23	
			5	135	146	34		14
			8	180	214	81		13
		1,086	12	5,000	5,000	111		1,175
			5	111	130	39	6	6
			10	246	490	81		
			4	107	440	34	83	
			241	6,266	7,000	3,937		4,689
			9	223	269	75		
			3	83	252	26	6	
			1,747	64,942	61,912	6,935		
			100	3,724	3,578	399		
			1,145	54,037	66,390	9,679		
				2,279	2,042	350		
			261	11,390	11,200	2,883	724	1,792
			147	5,553	5,700	2,251	2,618	1,365
	4		2	95	133	22	7	
			26	1,121	1,110	275		650
			3	61	300	51	52	
			16	796	872	131		
	8,492		33					
				1,159	1,453			
				290	353			770
			111	5,702	6,550	2,260		478
		410	40	1,250	1,250	669	21	1,268
			4	113	350	36		
3,069			231	11,535	8,000	924		
(3,069)			28					
			12	3,504	3,700	184		1,337
			71	3,541	3,900	530	772	
			91	6,013	5,950	994		2,645
3,050								
589								
2,450								
3,332								
			15	682	717	135		
			185	8,609	8,433	1,743		
50				461	530	11		
			123	8,777	8,900	1,016		514
			433	14,554	17,400	3,939		3,670
			120	3,782	4,300	1,206		2,054
		255		3,200	3,200			1,326
			30	1,373	1,350	244		141

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 31/12/2018	Purchases and other Increases	Write-backs and reversals of impairment losses
2	0372	Fi - Firenze - Viale Matteotti 50-50/A	2,346	28	
2	0376	Fi - Firenze - Viale Matteotti 64 - Via Fra' Bartolomeo 64	5,963	43	
2	0369	Fi - Firenze - Viale S. Lavagnini N. 3-5	1,701	41	
2	0377	Fi - Firenze - Viale S. Lavagnini N. 7	6,103	819	
2	2160	Fi - Pontassieve - Via Roma 10	58		
2	0155	Fi - Sesto Fiorentino - Via Dante 44-46	112		
1	2077	Li - Livorno - Via E. Mayer 7	75		
2	0422	Li - Livorno - Via Grande 110 - P.Za Grande 3	258		
2	0125	Li - Portoferraio - Viale Elba / Calata Italia 26	108		
2	2028	Pi - Cascina - Via Tosco Romagnola 248/E	78		
1	0122	Pi - Pisa - Via Manzoni 11	1,313	42	
1	7532	Pi - Pisa - Via Puccini 14	181	13	
2	0124	Pi - Ponsacco - Via Valdera 29	66		
2	2162	Pi - Pontedera - Via Aurelio Saffi 4	57		
2	0456	Pi - Pontedera - Via Della Misericordia 22	136		
1	2004	Ar - Arezzo - Via Xxv Aprile 18/34	376	12	
2	0453	Si - Poggibonsi - Via Xx Settembre 58	141		
2	0405	Gr - Follonica - Via Santini N. 7/C	65		
2	0457	Po - Prato - Via Simintendi 20	4,070	272	
2	0126	Po - Prato - Via Tacca 8	209		
2	0446	Pg - Perugia - Via Cortonese Ang. Via Romeo Gallenga 120	202		
2	2151	Pg - Perugia - Via Cortonese Pal.Sit / Via Briganti 93	119		
1	4326	Pg - Perugia - Via Palermo 21/A	356		
2	4326	Pg - Perugia - Via Palermo 21/A			
2	0483	Pg - Spoleto - Via Flaminia, 3	140		
2	0129	Ri - Rieti - Via Delle Orchidee 9	78		
2	0059	Rm - Frascati - Via D. Seghetti 42	105		
3	3029	Rm - Roma - Castelnuovo Di Porto	4,392		
2	0133	Rm - Roma - P.Za Meucci 23	86		
2	0134	Rm - Roma - P.Za Monte Gennaro 16-16/A	280		
1	4361	Rm - Roma - Piazza Esquilino 12 / Via Farini 17	28,278	278	
2	4361	Rm - Roma - Piazza Esquilino 12 / Via Farini 17	12,224	82	
1	4272	Rm - Roma - Piazza Esquilino 5 / Via Farini 5	16,957	204	
2	4272	Rm - Roma - Piazza Esquilino 5 / Via Farini 5	29,546	236	
2	0293	Rm - Roma - Roma - Via Ciro Menotti 24	4,963		
2	0228	Rm - Roma - V.Delle Fornaci 175	199		
2	0469	Rm - Roma - Via Aladino Govoni, 24/43	58,963	625	
2	2172	Rm - Roma - Via Castellini, 13	1,239		
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	9,539		
2	0140	Rm - Roma - Via Lazzari 26	118		

Transfers between usage classes	Sales and other decreases	Value adjustments	Depreciation for the year	Net Carrying amount 31/12/2019	Current value 31/12/2019	Total depreciation	Total write-backs	Total write-downs
			59	2,315	2,300	470		38
			39	5,967	5,950	221		582
				1,742	1,680	43		207
			18	6,904	6,600	22		2,021
			2	56	147	18	7	
			4	107	460	34	90	
			3	72	293	26	38	
			12	246	255	162		10
			4	104	320	33	83	
			3	75	160	24		17
			47	1,308	1,720	283	25	
			7	187	200	43	10	
			2	63	160	20	11	
			2	55	144	18	45	
			5	131	149	45	17	
			13	374	533	74		28
			5	135	230	46	3	
			3	63	100	21	1	
			105	4,237	4,100	902	474	2,389
			8	201	600	63	129	
			7	195	240	49		1
			5	115	419	36	31	
(356)								
356			23	333	522	427	103	
			5	135	175	46		
			3	75	160	24	51	
			4	101	430	32	12	
		972		3,420	3,420			972
			3	83	285	26	22	
			11	269	675	92	198	
			801	27,755	32,492	9,129	2,948	
			314	11,993	12,798	2,457	1,289	
			483	16,678	22,143	6,458	8,448	
			798	28,984	34,777	8,855	14,974	
	3,398		49	1,517	2,160	815		
	192		6					
				59,589	63,287			
			26	1,212	1,880	236		341
		419		3,760	3,760			1,103
			3	89	221	22	30	1
	9,491		48					
				118	260		68	1

5 Additional tables appended to the Notes to the Financial Statements

List of properties

Amounts in €k

Property type (*)	Property code	Address	Net Carrying amount 31/12/2018	Purchases and other Increases	Write-backs and reversals of impairment losses
2	4342	Rm - Roma - Via Pio Iv 6	21,437		
2	0145	Rm - Roma - Via R.Da Forli' 4	95		
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	66,465	479	
2	3012	Rm - Roma - Viale Caduti Per La Resistenza	78		
1	0147	Rm - Roma - Viale Umanesimo 304-308	27		
1	0440	Na - Napoli - Centro Direzionale Lotto C2	5,846	68	
2	0440	Na - Napoli - Centro Direzionale Lotto C2	353	4	
2	8028	Na - Napoli - Via Schilizzi 16	181		
3	2213	Sa - Vietri Sul Mare - Via Vietri Snc			
2	0047	Ch - Chieti - Viale Europa 43	77		
2	0159	Ta - Taranto - V.Le P.Amedeo 26	79		
2	0077	Le - Lecce - Via Cesare Battisti 28	86		
1	0012	Rc - Reggio Calabria - Via Ibico 1	435	4	
2	4369	Tp - Marsala - Via Salemi 15	90		
2	2277	Pa - Palermo - Via Ricasoli 59	216		
1	4362	Me - Messina - Via Xxvii Luglio 195	437		
2	4362	Me - Messina - Via Xxvii Luglio 195	1,887		
2	0025	Ct - Acireale - Piazza Europa 25	50		
1	1004	Ct - Catania - Corso Italia 72	808	16	
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	63		
1	0233	Ct - Catania - Via G. Castorina 43	103		
1	0002	Ct - Catania - Via Torino 73	519	16	
3	2216	Ct - Vizzini - Podere Maguli Snc	8		
2	0481	Sr - Siracusa - Largo 2 Giugno 6	149		
1	7556	Ss - Sassari - Piazza Castello 13	20		
2	7556	Ss - Sassari - Piazza Castello 13		3	
1	0152	Ss - Sassari - Via Roma 172-176	171		
2	0152	Ss - Sassari - Via Roma 172-176		3	
2	0330	Ca - Cagliari - Via Cima 8	295		
2	0037	Ca - Cagliari - Viale Campania 27	63		
1	1003	Ca - Cagliari - Viale Diaz 29	1,321	30	
2	3020	Ca - Villasimius - Localita' Campulongu Snc	8,006	3	
2	0486	Ot - Tempio Pausania - Via S. Lorenzo 21	48		
3	0557	Es - Estero - Lago Esperanza De Alicudia			
		GRAND TOTAL	2,166,134	74,465	10,557
		TOTAL PROPERTY FOR CORPORATE BUSINESS	474,973	17,287	3,904
		TOTAL PROPERTY FOR USE BY THIRD PARTIES	1,602,633	46,979	6,653
		TOTAL OTHER PROPERTY	16,299	1	
		TOTAL OTHER PROPERTY RIGHTS	2,279		
		FIXED ASSETS IN PROGRESS AND PAYMENTS ON ACCOUNT	69,951	10,198	

(*) 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 31/12/2019	Current value 31/12/2019	Total depreciation	Total write-backs	Total write-downs
			623	20,814	23,000	23,287	31	6,689
			4	92	220	29	29	
				2,781	4,370	655	165	
				8	17			
				421	1,192			
			26	66,918	69,800	202		
			3	75	75	21		
			2	25	64	34	14	
			220	5,694	5,470	1,685		
			13	344	340	104		
	174		7					
			3	74	270	23	55	
			3	76	200	24	63	
			3	82	400	26	61	
			19	421	490	201	25	
			3	87	100	22		34
			8	208	310	66		
(437)								
437		138	101	2,085	2,085	1,254		4,357
			2	48	340	15	20	
			41	782	1,750	609	105	
				3	5	1	1	
				1	8	9	1	
			2	61	157	19	30	
			12	91	440	301	30	
			70	466	1,800	1,867	3	
				8	78		2	
			6	143	210	48		
(20)								
20			2	22	108	41	1	
(171)								
171			7	167	340	52	35	
	294		1					
			2	61	220	19	14	
			54	1,297	2,400	537	55	
	139	1,581	249	6,040	6,040	684		17,189
			2	47	70	16		
					2			11
	170,006	24,071	46,964	2,010,116	2,266,828	454,372	93,377	450,739
40,938	8,397	564	15,951	512,189	553,160	167,762	55,024	22,306
(39,639)	83,254	20,372	31,012	1,481,988	1,696,275	286,260	38,352	405,123
	5,348	1,392		9,560	11,251		2	3,121
				2,279	2,042	350		
(1,299)	73,007	1,744		4,100	4,100			20,188





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**

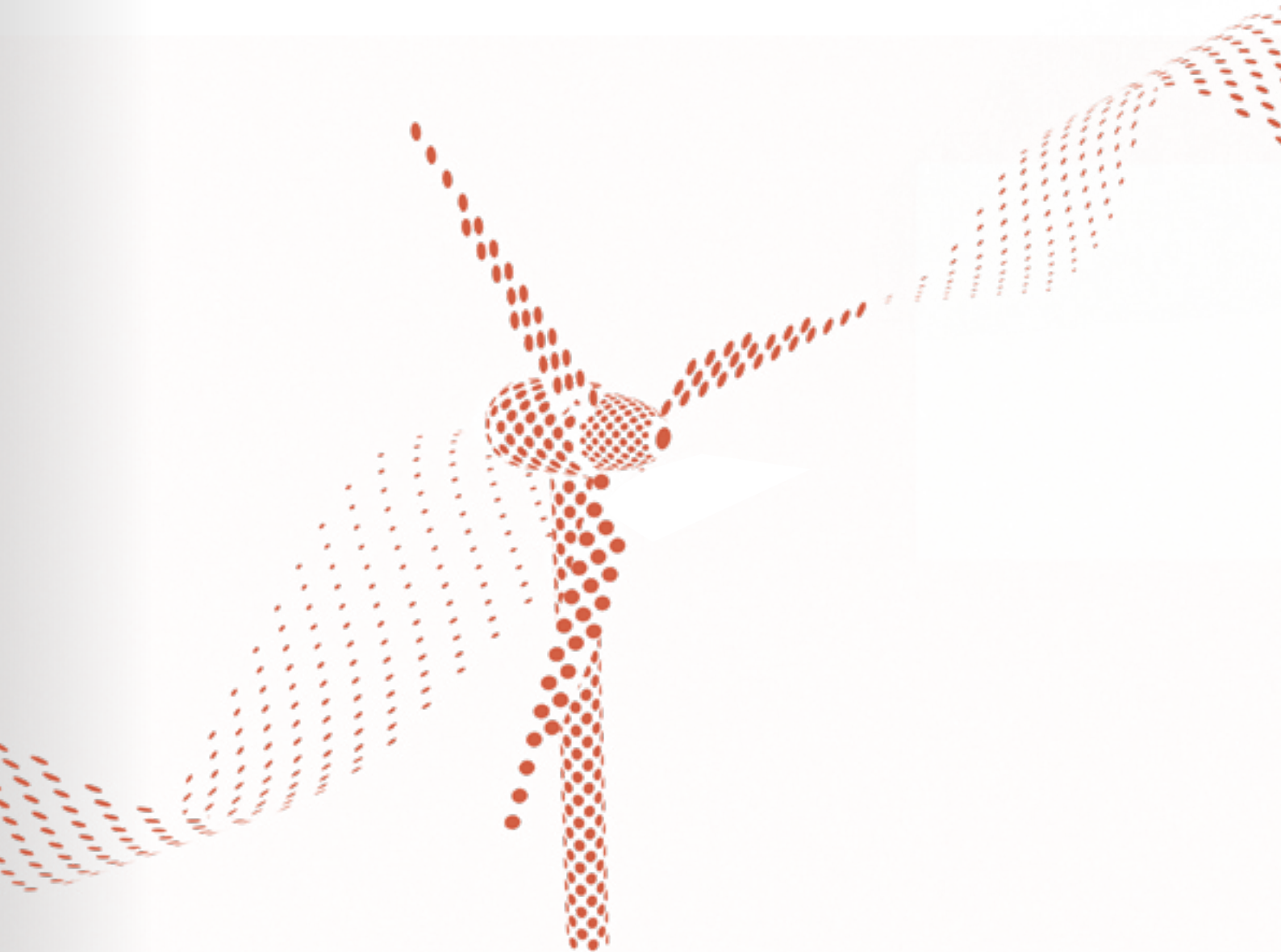
1. The undersigned, Carlo Cimbri, as designated Chairman, and Maurizio Castellina, as Manager in charge of financial reporting of UnipolSai Assicurazioni S.p.A., hereby certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998:
 - 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 2019-31 December 2019.
2. The assessment of the adequacy of the administrative and accounting procedures for preparing the financial statements at 31 December 2019 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), 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 2019:
 - 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, 19 March 2020

The Manager in charge of financial reporting
Maurizio Castellina

The Chairman
Carlo Cimbri





7

BOARD
OF STATUTORY
AUDITOR'S 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 31 December 2019, 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 compliance with the provisions of Art. 153 of Legislative Decree no. 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 2019.

During 2019, the Board carried out its supervisory activities, holding 20 meetings with an average duration of around two hours.

The Board of Statutory Auditors also took part in:

- 9 meetings of the Board of Directors;
- 10 meetings of the Control and Risk Committee;
- 9 meetings of the Committee for transactions with related parties ("**Related Party Transactions Committee**");
- 3 meetings of the Remuneration Committee,

and was informed of the matters addressed in the 3 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 respective Head of the Audit Department, Compliance and Anti-Money Laundering Department, Risk Management (jointly the "**Control Functions**"), and the Head of the Actuarial Department (jointly with the Control Functions, the "**Key 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 affected from time to time by the supervisory activity of the control body;
- 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., (hereinafter also "**PWC**"), 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 Control Body also exchanged information with the boards of statutory auditors 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 Assicurazioni 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 and operations 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 main events and transactions of greatest economic, financial and equity significance performed by the Company in 2019, the Board of Statutory Auditors reports as follows:

Exercise of the put option with respect to the parent Unipol Group S.p.A. ("**Unipol**") of the put option on Unipol Banca S.p.A. ("**Unipol Banca**") and UnipolReC S.p.A. ("**UnipolReC**") shares and agreement for granting a loan by the company to Unipol itself. On 7 February 2019, the Board of Directors of UnipolSai resolved to exercise the put option relating to 27.49% of the share capital of Unipol Banca S.p.A. ("**Unipol Banca**") and UnipolReC S.p.A. ("**UnipolReC**"), held by the holding company Unipol Gruppo S.p.A. ("**Unipol**") by virtue of the option contract signed on 31 December 2013 between the former Fondiaria-Sai S.p.A. and Unipol.

On 14 February 2019, UnipolSai notified Unipol of its exercise of the option right; 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. After the exercise of the put option, the direct investment held by UnipolSai in Unipol Banca and in UnipolReC stood at 14.76% of the respective share capital, while the corresponding shares of these companies held by Unipol increased to 85.24%.

Within the scope of the aforementioned put option, the Company also decided to grant Unipol 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 aforementioned 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.

Sale of Unipol Banca to BPER Banca and acquisition of NPL portfolios. On 31 July 2019 - with all conditions precedent set forth in the contract being met and, in particular, with the necessary authorisations having been received from the competent Supervisory Authorities - the extraordinary transaction relating to the Group's banking sector, in execution of the agreements entered into on 7 February 2019 between UnipolSai, Unipol and UnipolReC, on one hand, and BPER Banca S.p.A. ("**BPER**"), along with the subsidiary Banco di Sardegna S.p.A. ("**Banco di Sardegna**") on the other hand, was completed within a single context. In particular:

- Unipol and UnipolSai sold their holdings to BPER representing the entire share capital of Unipol Banca, respectively 85.24% and 14.76% of the capital, at the total price of €220m, divided pro rata between the two sellers as approximately €187.5m and €32.5m, respectively;

- UnipolReC in turn acquired two separate non-performing loan portfolios, one owned by BPER and the other by Banco di Sardegna, for a gross total carrying amount of around €1.2bn, against a final price of €102m, which takes into account the effects of credit management activities from the assessment reference date up to 31 July 2019.

With this transaction, the Unipol Group completed 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 major investor of one of the main Italian banking groups. It also increased the scale of operations of UnipolReC, which became a financial intermediary registered pursuant to Art. 106, Legislative Decree no. 385 of 1 September 1993 (the “**Consolidated Law on Banking**”), enhancing its expertise in credit recovery.

On 15 November 2019, following the authorisation granted by the competent Supervisory Authority, BPER signed the deed of merger for incorporation, entered into effect on 25 November 2019, with continuity as part of the same BPER of all Unipol Banca accounts existing prior to the merger.

Approval of the 2019-2021 Strategic Plan. On 9 May 2019, the Board of Directors of UnipolSai approved the 2019-2021 Strategic Plan, named “MISSION EVOLVE – Always one step ahead”. The Strategic Plan aims to reinforce the leadership of UnipolSai over the next three years, laying the foundations to confirm its primacy even beyond the horizon of the Plan. The new Plan responds to a scenario of profound change in the insurance market as concerns customer expectations, the technological and digital evolution, new competitors and regulatory developments. In this context, UnipolSai intends to strengthen its leadership in Italy:

- 1) within Non-Life insurance, in terms of the customer portfolio, market share, distribution network and number of black boxes installed (leader in Europe);
- 2) by extending its leadership to the Mobility, Welfare and Property ecosystems.

Mergers and spin-offs within the Unipol Group. In June 2019 the Boards of Directors of UnipolSai and the subsidiaries concerned, insofar as they were respectively responsible, approved the following transactions:

- merger by incorporation of Pronto Assistenza S.p.A. into UnipolSai;
- full spin-off of Ambra Property S.r.l. (“**Ambra Property**”) in favour of UnipolSai, UNA S.p.A. Group and Midi S.r.l.;
- partial spin-off of Casa di Cura Villa Donatello S.p.A. (“**Casa di Cura Villa Donatello**”) in favour of UnipolSai, as well as the full spin-off of Villa Ragionieri S.r.l. (“**Villa Ragionieri**”) in favour of the Company itself and Casa di Cura Villa Donatello;
- proportional partial spin-off of UniSalute Servizi S.r.l. (“**UniSalute Servizi**”), with transfer to a new company of the business consisting of the provision of specialist medical-healthcare services.

The proportional partial spin-off of UniSalute Servizi became effective on 1 October 2019, with the simultaneous establishment of Centri Medici Dyadea S.r.l.

The merger and the remaining spin-offs became legally effective as of 1 February 2020. They became effective for accounting and tax purposes as of 1 January 2020, with the exception of the partial spin-off of Casa di Cura Villa Donatello (see below).

Acquisition of Car Server. On 1 August 2019, UnipolSai finalised the acquisition of 100% of the share capital of Car Server S.p.A. (“**Car Server**”) at the price of €96m. Car Server is one of the leading operators on the Italian market for long-term company fleet rental and business mobility management in general. With this transaction, the Group has laid the groundwork for implementation of the 2019-2021 Strategic Plan actions as regards the mobility ecosystem.

Trade Union agreement regarding Personnel. As part of the implementation of the 2019-2021 Strategic Plan, on 18 July 2019 a trade union agreement (the “**Agreement**”) was signed, regarding voluntary pre-retirement arrangements for UnipolSai employees meeting pension requirements by the end of 2023. The agreement of 18 July 2019 envisaged early retirement for a maximum of 760 individuals, but as over 800 subscribed to the option, on 20 November 2019 a further trade union agreement was signed that will allow all employees subscribing to access the arrangements envisaged in the previous agreement. In February 2020, the agreement was also extended to the Group’s other insurance companies, for which the number of potential applications is not expected to exceed 20. The agreement also provides for active employment policies concerning the development of human resources and the hiring of about 300 resources with new skills, which will contribute to the development and evolution of the Group.

Repayment of subordinated liabilities. On 24 July 2019, in application of the contractual repayment plan, UnipolSai arranged repayment of the first of five annual instalments in equal amounts of €80m of the Restricted Tier 1 subordinated loan disbursed on 24 July 2003 by Mediobanca - Banca di Credito Finanziario S.p.A. for a total nominal amount of €400m, maturing on 24 July 2023.

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:

Mergers/spin-offs of subsidiaries. On 21 January 2020, following the release of the prescribed authorisations by IVASS and after concluding the required corporate procedures, both the deed of merger, and the deeds relating to the spin-offs approved by the Boards of Directors of UnipolSai and the subsidiaries concerned, as described in the previous paragraph, were signed. As indicated above, these transactions became legally effective from 1 February 2020, whilst the related accounting and tax effects began as of 1 January 2020 as regards the merger and total spin-offs of Ambra Property and Villa Ragionieri, and as of 1 February 2020 as regards the partial spin-off of Casa di Cura Villa Donatello.

Intesa Sanpaolo Public Exchange Offer on UBI Banca shares. On 17 February 2020, in relation:

- to the promotion by Intesa Sanpaolo S.p.A. ("**Intesa**") of a surprise voluntary public exchange offer (the "**PEO**") on all shares of UBI Banca S.p.A. ("**UBI Banca**");
- to the acquisition by BPER, having positively concluded the PEO, of a business unit consisting of bank branches and the assets, liabilities and legal relationships connected to them (the "**Banking Business**"),

UnipolSai entered into an agreement with Intesa for the subsequent acquisition, either directly or through a subsidiary, of business units linked to one or more current investee insurance companies of UBI Banca, consisting of Life insurance policies taken out by customers in the Banking Business and the relative assets, liabilities and legal relationships (the "**Insurance Businesses**").

With respect to the resolutions passed by the BPER Board of Directors regarding the acquisition of the Banking Business and the resulting share capital increase of the Bank for a maximum of €1bn, in order to provide it with the resources necessary to perform the transaction and maintain capital ratios in line with those recorded at 31 December 2019, Unipol and UnipolSai, positively evaluating such acquisition for the BPER Group, notified the competent bodies of the bank of their favourable orientation and their willingness to subscribe their applicable shares of the share capital increase.

COVID-19 (Coronavirus) epidemic. As mentioned in the paragraph on outlook in the Management Report, the first part of 2020 was characterised by negative repercussions on growth of the global economy generated for the most part by the global extension of the COVID-19 (Coronavirus) epidemic, recently classed as a pandemic by the World Health Organisation.

2.4 Dispute proceedings

With reference to the disputes, which concerned the Company during 2019, 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. 17221 of 12 March 2010 (the “**Consob Regulation**”) and subsequent amendments, the company has adopted a procedure for the performance of transactions with related parties (the “**RPT Procedure**”), last updated on 7 November 2019, and an operating guide for its application. The Board of Statutory Auditors expressed its opinion on the compliance of the RPT Procedure with the principles indicated in the aforementioned Consob Regulation.

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 carried out during the year, 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**”), also taking into account the related annual update, as well as of the operating guide for its application. 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 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 2019, 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 Article 2497 et seq. of the Civil Code, by the Parent Unipol.

In fact, as outlined in the Annual report on corporate governance and ownership structures of F.Y. 2019 (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 preliminary, advisory and proposal-making functions) and a Board of Statutory Auditors with control functions, both appointed by the shareholders' meeting;

- for the nine-year period 2013-2021, audit of the accounts was assigned to PWC. However, in the selection process for the Group independent auditor referred to below, in order to allow alignment of the duration of the audit engagement of the Company with that of the Parent Unipol, PWC withdrew from the assignment for 2021 only;
- a few internal company committees have been established by the administrative body, or by the General Manager, mainly consisting of the Top Management of UnipolSai, 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 Key Functions 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 Control Body 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;
- prevention of the company's involvement, even involuntary, in illegal activities, particularly those associated with money laundering, usury and terrorist financing;
- prevention and correct management of the potential conflicts of interest with related parties and/or intercompany counterparties, 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, and sound management of the assets held on behalf of customers;
- 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 and transactions executed on behalf of customers 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 Group Directives on the corporate governance system (the “**Directives**”), adopted by the UnipolSai Board of Directors on 21 June 2019 and updated at the Board of Directors meeting of 19 December 2019, which, *inter alia*, set out the role and responsibilities of the individuals involved in the aforementioned internal control and risk management system. The Directives are completed by the Key Function Policies - approved at the Board of Directors meeting of June 2019. The coordination methods and information flows between parties involved in the internal control and risk management system are represented in the same Key Function Policies and in the board committee regulations.

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 Unipol ensures that the risk management policy is implemented consistently and continuously within the entire Group, taking into account the risks of each company included in the scope of supervision of the Group and their mutual interdependencies, using as reference the provisions of Art. 210 and Art. 210-ter, paragraphs 2 and 3 of the Private Insurance Code.

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.

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 Key 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 key functions were examined to verify their adequacy and to obtain an evaluation of the actual functioning of the overall internal control and risk management 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 of Statutory Auditors also believes that the Key Functions, just like the Manager in charge of financial reporting, are able to ensure significant coverage to guarantee a suitable control of the internal control and risk management 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.

In particular, the "financial reporting risk model" adopted is based on a process inspired by the CoSo Framework (Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission), recognised as the standard of reference for the implementation and evaluation of internal control systems.

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: governs the integrity and ethics values, philosophy and behavioural style of the divisions, adequacy of the organisational structure, assignment of roles, powers and responsibilities, personnel management policies and related skills development;
- risk identification, assessment and management: allows the identification and analysis of business risks and those relating to financial reporting that could jeopardise the achievement of corporate objectives;
- control activities: identifies, documents and assesses the activities for proper management and mitigation of risks described earlier;
- information and communication: governs the proper management of information flows between the different departments of the Company and the Top Management in order to ensure that all parties belonging to the structure properly execute the tasks attributed to them;
- monitoring: identifies and resolves any deficits, and guarantees continuous improvement of the system.

The risk management and internal control process for financial reporting implemented by UnipolSai is divided into the following steps, in compliance with the guidelines described above:

- Step 1 - Definition of the scope of analysis: this activity is carried out annually, after approval of the financial statements, and involves: identification of the material subsidiaries; identification of the material items/accounts; matching of material items/accounts with the processes;
- Step 2 - Control environment assessment: the documentation on Entity Level Control (ELC) is updated annually and the monitoring level of control objectives is assessed;

- Step 3 - Risk assessment and design of the process-level controls: periodically, in the event of review of the processes by the corporate structures as a result of organisational changes, the risks documentation and controls relating to the financial reporting process are updated;
- Step 4 - Verification of actual application of the process-level controls: this step, carried out twice a year at the time of the annual financial statements and the condensed consolidated half-yearly financial statements, aims to monitor the effectiveness of the internal control system over time and therefore assess its reliability;
- Step 5 - Process for the issue of certifications envisaged in Art. 154-bis of the Consolidated Law on Finance.

Based on the Report on the internal control and risk management system required by the applicable legislation (the **"262 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 262 Report and, through meetings with the Manager in charge of financial reporting and the Independent Auditors, monitored the process of developing and distributing financial disclosures. In particular, the Additional Report (the **"Additional Report"**) drafted by PWC pursuant to Art. 11 of Regulation (EU) no. 537/2014 of the European Parliament and of the Council (**"Regulation (EU) no. 537/2014"**), 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 PWC.

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 PWC (**"Audit Report"**) has no findings in this regard.

The Board acknowledged that the administrative body evaluated its functioning, size and composition, also in relation to the internal board committees established, relying on the support of a major consulting firm.

The control body also acknowledges that the Board of Directors adopted, 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."

7 Board of Statutory Auditors' Report

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, as well as the current IVASS regulatory measures. 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 2.84 times the Solvency Capital Requirement (SCR) and 5.65 times the Minimum Capital Requirement (MCR), pointing out that these figures are calculated on the basis of the information available at 19 March 2020, the date on which the Board of Directors approved the draft Financial Statements, and that the solvency position of the Company will be subject to a specific disclosure to the market and to IVASS by 7 April 2020, 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

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, 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.

In addition, pursuant to Art. 16, Regulation (EU) 537/2014, the control body is required to adopt the role of managing the procedure to select the independent auditor and, consequently, express a recommendation on the auditing firm to be appointed. The Board of Statutory Auditors therefore took part in the preparation of the procedure for the assignment of the Group audit engagement, drawn up in accordance with Regulation (EU) no. 537/2014 and Legislative Decree 39/2010 (the "**Procedure**"), which aims to govern the process for the assignment of the legally-required or voluntary audit engagement (the "**Engagement**") by Unipol and its subsidiaries falling within the scope of application of said procedure. The aforementioned procedure was approved by the UnipolSai Board of Directors, based on the prior issue of a favourable opinion by the Board of Statutory Auditors.

Taking into account that, as envisaged in the aforementioned Procedure, 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 results are 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 Board of Statutory Auditors, as the Internal Control and Auditing Committee, also carried out, jointly with the control body of the Parent Unipol, the activities within its competence in the selection procedure for the main independent auditor of the Group to be engaged for the years 2021 to 2029. Thereafter, 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, it prepared its justified recommendation for the assignment of said Engagement (the "**Recommendation**").

In particular, and in compliance with the provisions of Art.16, Regulation (EU) 537/2014, in the Recommendation the Board of Statutory Auditors indicated two appointment alternatives and expressed its duly justified preference for one of the two candidates. In the Recommendation, the Board of Statutory Auditors fully illustrated the steps of the selection process, the criteria applied and the outcomes of assessments made by the Company, agreed by the Board of Statutory Auditors. The Recommendation was then made available to UnipolSai Shareholders in view of the Shareholders' Meeting to approve the financial statements at 31 December 2018, also called upon to decide the appointment of the audit Engagement.

The selection procedure for the Group's main auditor for the period 2021-2029 therefore concluded with the decision of the Company's Shareholders' Meeting, held on 17 April 2019, subject to prior examination of the proposal of the Board of Directors and the Recommendation of the Board of Statutory Auditors, and also taking into account the willingness shown by PWC to withdraw from the engagement for 2021, to assign the audit of accounts for 2021-2029 to EY S.p.A.

In addition, the Board of Statutory Auditors held periodic meetings with representatives of PWC, 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 2019 - 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 PWC on the Consolidated Financial Statements for the year ended 31 December 2019 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 2019 to PWC 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 provision by PricewaterhouseCoopers Actual Services S.r.l. of professional support services with a view to provide methodological support:

- in relation to the most widely used internal market models for the Solvency II evaluation of Non-Life tariff-setting and provisions risks;
- as part of the cyber risks analysis and quantification in reference to the Non-Life Portfolio In Force risk profile of the Company at 31 December 2019.

From an examination of the annual declaration confirming its independence, provided by PWC, 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 Civil Code. Any omissions, censurable events or irregularities identified

In 2019, 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. Obligation to draft the Consolidated Financial Statements and report of the control body

The Board of Statutory Auditors - highlighting that UnipolSai, an issuer of financial instruments listed on regulated markets and an insurance company, draws up, pursuant to Art.154-ter of the Consolidated Law on Finance and IVASS Regulation no. 7 of 13 July 2007 ("**IVASS Regulation 7/2007**"), as amended, the Consolidated Financial Statements - reports that it verified fulfilment of the obligation to draft the Consolidated Financial Statements by the Board of Directors on 19 March 2020.

The Consolidated Financial Statements - composed of: statement of financial position; income statement and comprehensive income statement; statement of changes in shareholders' equity; statement of cash flows; notes to the financial statements, as well as the annexes to the notes to the financial statements - conform to the IAS/IFRS standards issued by the IASB and endorsed by the European Union, along with the interpretations issued by IFRIC, in accordance with the provisions of EC Regulation 1606/2002 in force on the closing date of the financial statements.

The layout conforms to the provisions of Part III, IVASS Regulation no. 7/2007 relating to the layout of the Consolidated Financial Statements of insurance and reinsurance companies required to adopt international accounting standards.

The information requested by Consob Communications DEM/6064293 of 28 July 2006 and DEM/11070007 of 5 August 2011 is also provided.

The Consolidated Financial Statements are drawn up on the assumption that the company will continue as a going concern, in application of the principles of accrual accounting, materiality and truthfulness of accounting information, in order to provide a true and fair view of the equity-financial position and economic result, in compliance with the principle of the prevalence of the economic substance of transactions over their legal form.

With regard to the consolidation scope, the UnipolSai Group's Consolidated Financial Statements at 31 December 2019 have been drawn up by combining the figures of UnipolSai and those for the 49 direct and indirect subsidiaries (pursuant to the international accounting standard IFRS 10). Subsidiaries deemed to be too small to be of relevance are excluded from the line-by-line consolidation. Associates and subsidiaries considered immaterial are measured using the equity method (IAS 28) or maintained at the carrying amount. The Consolidated Financial Statements report changes in the consolidation scope during the year. The Consolidated Financial Statements contain exhaustive and detailed information on the operating performance of the Company and the consolidated companies, on the main business sectors of UnipolSai and its subsidiaries (Life and Non-Life business, real estate and other businesses), the asset and financial management, the pending disputes, the significant events after the end of the year and the business outlook.

11. Conclusions and indications of any proposals to be presented to the shareholders' meeting

The Board of Statutory Auditors has examined the Financial Statements of the Company, which show the management activity carried out during the year and the equity, financial and economic position of UnipolSai at 31 December 2019. 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 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 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 2019, as presented by the Board of Directors.

With reference to the allocation of the profit for the year:

- Considering the content of the IVASS communication regarding the closure of the F.Y 2019 accounts where, in view of the emergency situation linked to the Covid-19 epidemic, it asked all Italian insurance companies and groups to use "*...extreme prudence in the distribution of dividends or other assets, and in the payment of the variable remuneration component to company representatives*", specifying that compliance with said instructions would be strictly monitored by IVASS, "*who, in accordance with how the situation develops, reserves the right to take any action to protect the solidity of the insurance system and protect insured parties and those with the right to insurance protection*", as well as.
- Acknowledged the reflections conducted in the session of 2 April 2020 by the administrative body, which considered that all conditions, including the financial strength ratios, continue to be met at the date to proceed with the distribution of the dividend for the 2019 F.Y. (in the measure of Euro 0.16 per share approved by the Board of Directors at the meeting held on 19 March), thus confirming the proposal to distribute said dividend; said decision was made also taking into account the high capital strength of the Company, whose individual Solvency ratio as at 31 December 2019 is equal to 284%, with an excess of capital of approximately €5.3bn, net of the dividend of 2019.

The Board of Statutory Auditors does not deem necessary to comment on the above mentioned dividend distribution proposal for F.Y. 2019, which will be submitted to the Shareholders' Meeting called for 29 April 2020, as approved by the Board of Directors at the board meeting of the last 19 March 19 and confirmed by the same administrative body on 2 April.

Bologna, 7 April 2020

On behalf of the Board of Statutory Auditors
Chairman Paolo Fumagalli





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INDEPENDENT
AUDITOR'S 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 2019



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 2019

Opinion

We have audited the financial statements of UnipolSai Assicurazioni SpA (the "Company"), which comprise the balance sheet as of 31 December 2019, 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 2019, 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 10,454 million of Non-Life claims provisions representing the 19 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.

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.

Professional judgement is involved, for instance, in estimating the period over which claims are expected to settle.

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.
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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 660 million representing 1 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.
-



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. On 4 April 2019 we communicated to the Company, as requested by it, the availability for the early termination of the contract with effect from the approval date of the financial statements as at 31 December 2020. We also provided specific communication to Consob.

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 2019, 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 2019 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 2019 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 2019. 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 2019, 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 2019. 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 2019, 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, 7 April 2020

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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Parent company of the Unipol Insurance Group
entered in the Register of the parent companies
at No. 046

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