

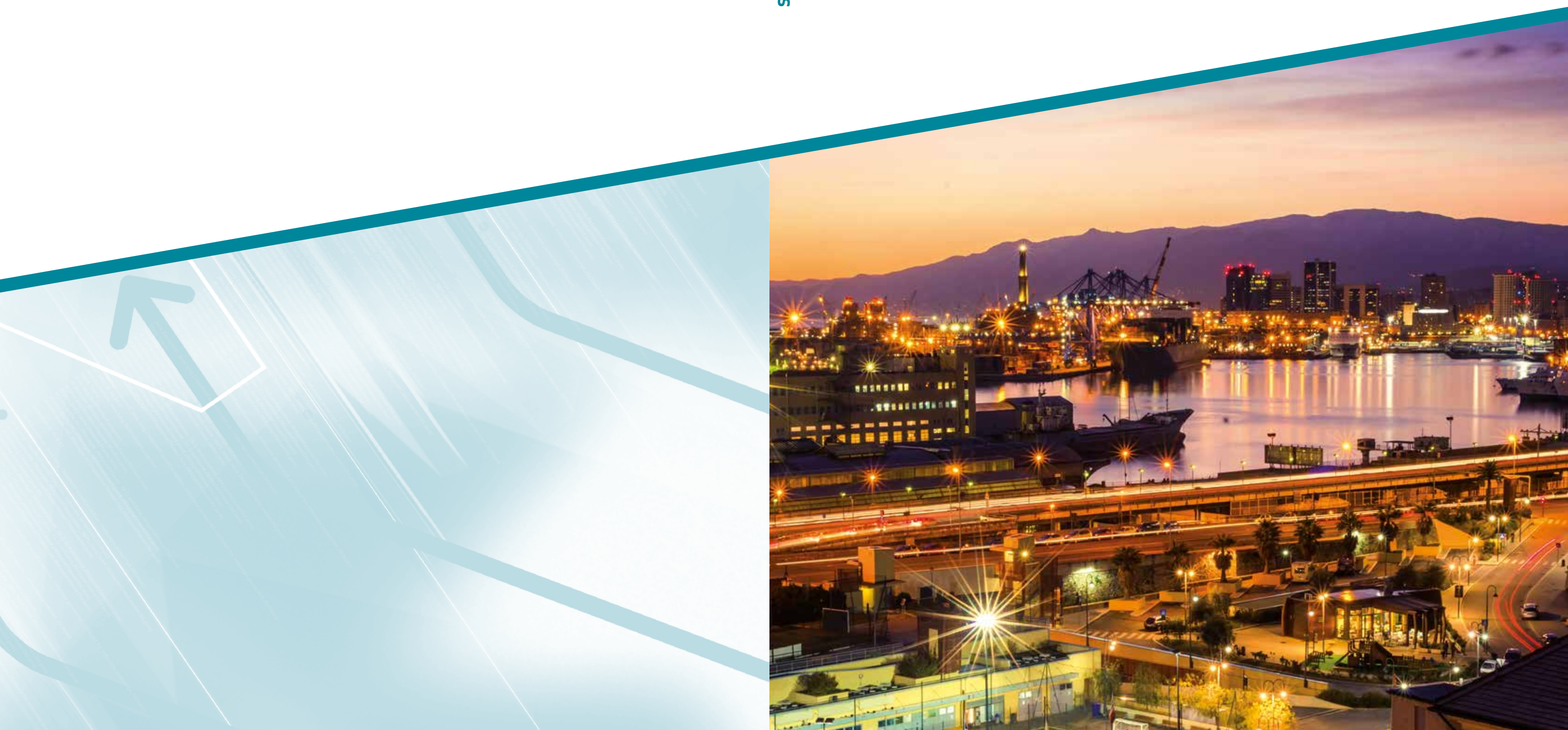


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SIAT ASSICURAZIONI 2014 ANNUAL REPORT



2014 ANNUAL REPORT



2014
ANNUAL REPORT

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Every year, we draw up the company's annual report and financial statements.

And every year we choose an original photographic theme to accompany the text: an inspiration, something evocative, a *fil rouge* linking up the numbers, facts and figures.

On previous occasions we have used paintings of old sailing ships, investigated the relationship between Genoa and its port and, last year, we opened up our head office building, showing where we work every day.

This year, however, we wanted to show what really makes us different from other insurance companies: our customers.

We asked them to send us images that would become the protagonists of the 2014 Annual Report. We asked them to participate. And they have accepted.

It is yet another demonstration of the relationship of extreme trust and close collaboration between SIAT and the companies that for years have put their trust in us.

BOARD OF DIRECTORS

Fabio Cerchiai	Chairman and Director
Nazzareno Cerni	Chief Executive Officer and Director
Francesco Berardini	Deputy Chairman and Director
Claudio Campana	Director
Federico Corradini	Director
Franco Ellena	Director
Roberto Giay	Director
Aldo Grimaldi	Director
Enrico San Pietro	Director
Giuseppe Santella	Director

BOARD OF STATUTORY AUDITORS

Carlo Cassamagnaghi	Chairman
Roberto Seymandi	Auditor
Roberto Tieghi	Auditor

REPORT OF THE BOARD OF DIRECTORS ON OPERATIONS



Seaboni
Thenamaris Ship Management - 2015
Bulk carrier



Athina
Thenamaris Ship
Management - 2007
Oil tanker



Shareholders,**THE STATE OF THE ECONOMY**

2014 was characterised by global economic growth of just over 3%, more or less in line with 2013.

In the United States, economic activity showed satisfactory rates of growth: +5% annualised in the third quarter and +2.2% in the fourth quarter, for an overall increase of 2.4% on 2013. This was thanks to a combination of better consumer spending, an expansive fiscal policy and a favourable trend in capital investment.

The job market has strengthened, with unemployment falling steadily throughout the year, ending up at 5.6% in December 2014. Even though the Federal Reserve has brought its third round of Quantitative Easing to an end, it has kept official rates virtually at zero, while reserving the right to increase them at some unspecified time in the future.

Japan is back in recession yet again, despite the Quantitative Easing applied by the Central Bank (due to the increase in taxes in mid-year to contain the huge budget deficit), while the structural reforms announced by the recently re-elected Abe government are slow to be implemented.

While its growth rate has slowed down marginally, China is continuing to change its development model, now wanting to stimulate domestic demand and reduce the weighting held up to now by exports and capital investment.

During the year, a number of emerging countries have suffered from the hefty decline in oil prices (in particular, Russia and Venezuela), while the strengthening of the US dollar has caused tensions in those economies that need to attract capital to finance their structural deficits (especially Turkey and Brazil).

For the Italian economy, 2014 was the third consecutive year of recession, with GDP down by 0.4%.

Growth in the Eurozone did not manage to go beyond 0.9%.

This weakness in the European economy has induced the European Central Bank (ECB) to go for a more expansive monetary policy (to the extent possible, given its statutory constraints), while in America the Federal Reserve has had to manage a cyclical evolution in the other direction: this contributed to the appreciation of the US dollar against the euro which began in the spring of 2014.

The fragility of the European economy during the year was confirmed by a gradual decline in consumer price inflation. In December, inflation turned negative (-0.2%) and half of all European countries are now in a deflationary phase. An important contribution to the cooling of consumer prices came from the collapse in oil prices, with Brent down from a high of \$115.43 per barrel on 19 June 2014 to \$54.76 at the year-end (-53%).

To counter these trends, the ECB cut its refinancing rate to 0.05% in September. In addition, the ECB has launched a series of initiatives to provide more liquidity to the banking system, a vital condition to restore the flow of credit to the economy. The programmes to purchase ABS securities and Covered Bonds and the TLTROs (Targeted Longer Term Refinancing Operations) all form part of this framework, with the latter linked to the granting of credit by banks to businesses and households. The ECB has identified low economic growth and deflationary tensions as the main risks to be overcome. The new European Commission that took office after the elections (which saw a certain degree of success on the part of various political groups critical of the way that the Continental was being governed) has only marginally softened the fiscal rigour inherited from the previous management, offering only modest support for a policy in favour of economic growth.

In this context, our country continues to suffer from low growth coupled with high unemployment. Domestic demand is weak, particularly for capital investment, which would be the determining factor for an increase in GDP and the

re-absorption of people out of work.

Some positive signs on the employment front emerged towards the end of the year, thanks to the depreciation of the euro and the drastic fall in oil prices.

ISTAT indicates that the trade balance (goods) in 2014 is positive for just under 43 billion euro (+46.8% compared with 2013). However, these positive figures are the result of a modest increase in exports (+2%) and a drop in imports (-1.6%), concentrated entirely in the energy sector (-14.4%).

The ratio of public debt to GDP came to 132.1% in December, an increase on the figure of 128.5% at the same time last year.

Note that these figures take advantage of the new national accounting system (SEC2010) in which GDP (the denominator of the ratio) includes an estimate of the transactions related to criminal activity (drugs, smuggling and prostitution).

The reduction in nominal interest rates on government bonds is likely to bring only a limited benefit to the sustainability of public finances.

In fact, the significant drop in inflation has actually led to an increase in the real cost of the debt.

THE FINANCIAL MARKETS

During 2014, the curve of interest rates on the money market posted a generalised decline across all maturities.

The largest reductions were on the long-term maturities, with 20 and 30-year IRSs down by more than 120 basis points. Short-term rates have fallen at a slower pace as they are now close to zero.

As regards government bond yields, the German curve showed a similar trend, with more pronounced declines on the longer maturities, while those with durations of 2 and 3-year now have negative rates. The trend in Italian government bond rates is not so different, also with a general downward shift over the entire time horizon.

The spread between Italian and German bonds has been reduced to around 50 basis points on the nodes up to 10 years, while the spread on longer maturities has fallen to a lesser extent.

From the third quarter on, given the expectations of monetary easing by the ECB, the single currency has suffered a gradual depreciation, which has led to parity with the US dollar, falling from a high of 1.40, recorded on 8 May, to 1.21 at the end of December.

In a context of extremely low market interest rates, the performances by European equity markets in 2014, even if positive, were not particularly scintillating.

The Eurostoxx 50 Index, which is Europe's leading blue-chip index, rose by 1.2% (-2.5% in the fourth quarter).

Worthy of mention is the performance of the German DAX index, which rose by 2.7% (+3.5% in the last quarter of the year), whereas the Italian Stock Exchange, with the Milan FTSE MIB Index, rose by 0.2% (-9.0% in the fourth quarter). Lastly, the performance of the Madrid Ibex Index was positive, with an increase in the year of 3.7% (-5.0% in the last quarter of 2014).

The Standard & Poor's 500 Index, which is based on market capitalisations of 500 large US listed companies, rose in the year by 11.4% (+4.4% in the fourth quarter), while in Japan the Nikkei Index rose by 7.1% in 2014 (+7.9% in the fourth quarter).

Lastly, with regard to stock exchanges in emerging markets, the most representative index, the Morgan Stanley Emerging Markets Index, rose by 2.5% in 2014 (-0.4% in the last quarter).

The iTraxx Senior Financials Index, which is representative of the average spread for companies pertaining to the financial sector with a high credit standing, rose by 3.9 basis points from 63.5 to 67.4 in the last quarter (over the entire year, the index moved in the other direction, falling by 19.4 basis points from 86.8 to 67.4).

The enlargement in the last quarter of the year was mainly due to higher market volatility because of the persistence of international geopolitical tensions and the return of political risk in Greece.

MARITIME ACTIVITY

Regarding global maritime activity, the low rates of maritime charters, brought about by the contraction in world trade, has curbed the growth plans of many shipping companies, with particular reference to the transport of dry bulk cargoes.

In fact, the overall picture of the shipping industry remains extremely uncertain, the trend in charters has not yet stabilised and, apart from timid signs from certain specific sectors, it remains anchored to very soft levels that do not allow the shipping world to overcome the state of difficulty that persists since 2008.

With the onset of the crisis, the existing over-capacity has contributed to the drastic fall in charter prices. It was also fuelled by current low prices for ships, which tend to favour purchases of new vessels, also encouraged by the renewed interest in shipping by the banking sector.

This is confirmed by the Baltic Dry Index, which is the benchmark for maritime transport costs and for dry bulk charters; it recently collapsed to a level not seen since 1986, which is very worrying for many shipping operators and economic analysts. This dramatic decline was due to various factors: the drop in oil prices (which in turn was reflected in transport costs), the slowdown in the Chinese economy and the high storage policy adopted by that country, as well as increased competition between Australian and British mining giants to gain higher market shares.

In any case, the tonnage of the world fleet continues to grow, even if less rapidly than in the past, and demolitions, which have increased considerably in the last two years, are not sufficient to offset new ships being built.

In fact, some owners (the Greeks above all) have started buying ships again, as their prices are now considered reasonable. With these purchases, Greek shipowners, who benefit from a privileged tax system in Greece, have confirmed that they were not affected by the economic crisis that has hit their country with seven years of severe recession, still to be resolved. In fact, Greece (with approximately 164 million gross tonnes) has once again become the first merchant fleet in the world, followed by Japan (with about 160 million gross tonnes), China, Germany and South Korea.

In container ships, slow-steaming is favouring naval gigantism, which will see even larger and even slower ships in the future, but with much lower transport costs per container.

According to some operators, in a few years the 10,000 teu mega container ships, which still can't manage to get into most Italian ports because of their enormous size, may be destined to become obsolete, being supplanted by the new 18,000 teu "monsters", which have already begun to enter service.

This is a change that affects not only the owners, but also the ports, which are still unprepared to accommodate these ships, and the entire system of logistic connections. A country like Italy, that is backward and fragile in terms of infrastructure, risks being excluded from the major trade routes.

Ports, on the other hand, like Valencia and Piraeus, that are rapidly adapting to change, could become the hubs of reference also for goods being sent to Italy.

Moreover, to cope with the difficult economic situation, shipowners are also putting their money on eco-ships, i.e. more modern ships with technological devices that enable a significant reduction in consumption. This means better engine performance, new propellers, mewis-duct propulsion (which can reduce fuel consumption by 5-8%), special types of paint for the hull, and rudder bulbs and stern fins to create less water resistance.

This policy is implemented not only by purchasing new vessels of this type, but also by renovating the existing fleet, in order to avoid another overestimate of the global fleet requirement, as happened in previous years.

As regards the goods being transported, the available data suggest that there is an upswing in international traffic, even though the economic recovery is still struggling to get going.

Thanks to foreign trade and a slight improvement in domestic demand after years of crisis, the movement of goods in Italy has also turned positive, even if only to a modest extent.

Almost all forwarding sectors are benefiting from this, i.e. road haulage, air cargo, railway traffic and container transport, whereas transshipment seems to have entered a weak phase.

The most favourable growth is in container traffic through Italian ports, even if the percentage is a good deal lower than for major ports worldwide, including those in Europe's northern range.

As regards these higher volumes, Genoa was one of the Italian final destination ports with the best performance in 2014, with an increase of over 9% and about 2.2 million teu moved.

This improvement means that, despite all, a portion of the maritime transport involving Italy, previously switched to northern European ports, is gradually returning to our ports.

As for maritime piracy, there has been a reduction in criminal acts committed in Somalia, thanks to the consolidated operations of military patrols in the area, supported by the international community, and above all, the introduction of armed guards on board ships.

However, piracy remains and is expanding along the west coast of Africa, where it seems more oriented to cargo theft and where the presence and/or quality of the guards is harder to implement because of the different local legislations to comply with.

SHIPBUILDING

The shipbuilding market remains difficult and complex, characterised by the many unknowns discussed above.

As in the past, Asia is the shipbuilding centre *par excellence*, even if European shipyards also play an important role in this field.

There is still fierce competition between Japanese, South Korean and Chinese shipyards to acquire the largest number of orders to build new ships, in an industry with ongoing economic uncertainties.

South Korea is still in first place, driven by strong government support and low labour costs, repelling China's attempt to overtake it (with over 70 yards capable of building ocean-going vessels).

For its part, Japan has begun to benefit from the new economic vision of its government and is to the fore in terms of productivity, management and organisational capacity.

In Europe, 2014 will be remembered as a very good year for naval engineering groups (including Italian ones) involved in the construction of cruise ships, as they have filled their orderbooks. This, as always, thanks to their cutting-edge technology, which enabled them once again to frustrate the repeated attempts of the Japanese to excel also in this field.

Although at present the French and German shipyards are preferred for building larger ships, Italian shipyards excel in medium/small cruise ships, as well as in mega-yachts.

In this latter sector, characterised by boats over 30 metres in length and getting larger, almost exclusively sold abroad, Italian shipbuilding has acquired worldwide leadership, with a market share of global orders of close to 40%.

This strength is opposed to the continuing economic crisis gripping the smaller companies that do not have the facilities, strength and ability to enter foreign markets, and which are confronted daily with a marine industry that is unable to pick itself up.

THE INSURANCE MARKET

In 2014 the international insurance industry took a step forwards towards overcoming the economic and financial uncertainties that pervaded the recent past, although not all of the pitfalls have been eliminated.

In the United States and Europe, the industry has recapitalised generally in order to gain a competitive advantage and greater solidity, Latin America offers growth opportunities for insurers interested in specific business niches, while in Asia the increased wealth available and the ageing population offer good development opportunities for the insurance industry.

In Italy, 2014 repeated the mixed growth rates of the Italian insurance market. In fact, while premiums for Non-life policies suffered another setback, revenues in the Life sector turned in significant growth rates.

Non-life activity (including cross-border business) in the third quarter of 2014 showed a decrease of 3.1% compared with the same period of 2013.

This contraction is concentrated in the Motor sector, where TPL Motor is down by 7.3%.

Non-Motor Loss sectors seem to have a more complex trend. In fact, the overall figure indicates a low level of growth in premiums (+1.3% in the first nine months of 2014), even if there are segments that are significantly down (marine -9%), others that are stable (personal accident, illness, GTPL) and others that are improving (other property damage +5.3%, legal defence +6.6%, assistance +10%, pecuniary losses +11.1%).

If we analyse the activities carried on in Italy by the representatives of companies belonging to the European Economic Area (source: ANIA), we can see that this aggregate achieved a 2.2% increase in revenue, compared with +1.2% for domestic companies and companies outside the EU.

This confirms the shift on the part of important customer segments towards specialist operators better able to capture specific needs in areas of complex operations, such as third-party liability insurance or that relating to cargo.

Despite the difficult economic environment, ISTAT had already noted for several quarters a rise in households' propensity to save, recovering from a low reached in the fourth quarter of 2013. This trend is due to a change in consumption patterns that took place during a period of economic complexity, clearly perceived by the Italians as no longer transient.

With regard to the regulatory framework, the new framework directive on insurance, better known as Solvency II, will soon become effective at Community level. It is scheduled to start from 1 January 2016, but will require major preparatory work on the part of insurance companies during the course of 2015.

In particular, disclosure requirements, both to the authorities and to the market, will change, as will the supervisory rules. The latter aim not only to harmonise national systems that are different from each other, but also to introduce an assessment of the management and criteria of risk-based risk management, as the current requirements based on assets and liabilities do not reflect all of the company's risks.

The corporate governance of insurance companies will also change, introducing new functions. In particular, companies will have to set up an actuarial function that will take over the duties currently assigned to the actuary appointed for the Life and TPL Motor sectors.

In addition, the valuation methods used for supervisory purposes will differ from those used for the financial statements, whereas previously they coincided.

In this context, the "Marine" sector world-wide has shown a modest decline in overall production, which was bolstered by the increased presence of ships worth more than 100 and 300 million US dollars.

This production is mainly attributable to Europa (especially the UK), where the volume of premiums remained substantially stable, whereas it has decreased in the Asian and Pacific regions.

With respect to the "Hulls" sector, the international insurance market is still heavily affected by the ongoing economic crisis and is still characterised by underwriting overcapacity, both in Italy and in Europe, which as usual leads to pressure on economic conditions and terms of renewal (especially for large fleets paying substantial premiums).

This overcapacity causes a contraction in rates, even if it remains within acceptable limits.

However, renewal of the fleet, with the simultaneous disposal of old ships, is creating a more favourable environment for insurers,

as well as the availability of spare parts, access to repair yards and the level of steel prices.

Conversely, the increased size of ships, their strong technological development and the increase in operating costs generates higher exposures to be borne by insurers, without finding a proper weighting in the level of premium rates, which are overly influenced by competition.

As regards the "Cargo" sector, which is more of a domestic business than "Hulls", we are still experiencing the continuous search by policyholders for cost savings, commercial businesses closing down, a lack of new insurable business, a decline in the revenues of many businesses and a general downturn in insurable traffic.

Moreover, traditional markets are stressed because there is overcapacity, which generates fiercer competition and the entry of very aggressive new competitors.

The trend in premium rates is particularly complex. The effects of the still unfavourable economic situation, together with the fierce competition, are leading to a general decline in rates, although claims are not showing any real signs of improvement.

Lastly, again in 2014, the reinsurance market has not shown any significant changes compared with the recent past, with professional operators continuing to show an interest in the underwriting income from business undertaken.

Based on the latest available official data for Italy published by Ania concerning the premiums for direct business written in 2013, your Company remained firmly in second place in both the "Hulls" sector (with a market share of over 25%) and the "Cargo" sector (with about 10% of total premiums) in that year, which confirmed its leading role in the provision of Marine insurance.

In 2014, even more than in the past, the Company continued in its intent to provide the best possible service to policyholders, while adopting a technical underwriting policy for new business designed to achieve satisfactory and adequate margins.

RESULTS OF OPERATIONS

Given all of the above, the Company closed 2014 with a profit before tax of € 5,644 thousand, which is substantially stable compared with the € 5,866 thousand reported in 2013.

Net profit for 2014 was € 3,511 thousand, compared with € 3,106 thousand in the prior year, with a reduced tax pressure.

The following table summarises the statement of income for 2014, with comparative figures for 2013:

	2014	2013
UNDERWRITING RESULT	3,524	4,009
NET INVESTMENT INCOME	5,636	5,927
CAPITAL AND FINANCIAL CHARGES	(1,556)	(1,549)
INVESTMENT RETURN TRANSFERRED TO THE TECHNICAL ACCOUNT	(2,379)	(2,190)
OTHER INCOME (EXPENSES), NET	344	(328)
NET EXTRAORDINARY INCOME (EXPENSES)	75	(3)
PROFIT (LOSS) BEFORE TAXES	5,644	5,866
INCOME TAXES FOR THE YEAR	(2,133)	(2,760)
NET PROFIT FOR THE YEAR	3,511	3,106

(in thousands of euro)

With respect to the results for 2014, based on the data set out above, the key factors, which will be discussed more fully in the rest of this report, are as follows:

- the underwriting result is in line with last year.
Moreover, considering the negative impact of various serious claims that occurred in the “Hulls” sector during the year (suitably covered by adequate reinsurance) and the economic and market conditions that continue to be exceedingly difficult and competitive, we would point out how the result of operations continues to be positive in the areas that represent the Company’s core business;
- investment income and capital and financial charges are substantially stable.
Again, further information on this is provided below in the section on “Property and financial management”;
- the investment return transferred to the technical account was determined using the criteria established by IVASS (formerly ISVAP);
- other income (expenses), net show a higher positive balance compared with the negative one of the previous year.
The following items, among others, contributed to the formation of this balance:
 - for debtor balances which could prove difficult to recover (other than amounts due from policyholders) a provision for doubtful accounts (excluding that relating to policyholders, which are covered by provisions charged to the technical account) for € 1,102 thousand (€ 302 thousand in 2013).
Losses on debtors came to 1,055 € thousand, compared with € 136 thousand in the previous year;
 - the effects of the trend in foreign exchange differences, which produced a positive net balance of € 170 thousand (having been negative for € 45 thousand in 2013), is mainly due to fluctuations in the US dollar exchange rate.
In this regard, note that careful management of the mismatching in foreign currencies allowed us, as in the past, to minimise the effects of exchange differences, despite there being a high proportion of foreign currencies (especially the US dollar) used in the Marine sector.

For further comments on “Other income” and “Other expenses”, reference should be made to Section 21, points III.7 and III.8, of the notes to the financial statements.

- net extraordinary items, which in 2013 were of an irrelevant amount, are essentially related to out-of-period income on prior year taxes;
- the effective tax rate (37.8%) has fallen considerably with respect to the prior year (47.0%). This decrease in the percentage can be mainly attributed to the temporary application in 2013, and limited to the banking and insurance sectors, of an extraordinary IRES surtax of 8.5%, which raised the rate that year from 27.5% to 36.0%.
Income taxes consist of IRES of € 1,410 thousand (€ 2,100 thousand in 2013) and IRAP of € 540 thousand (€ 600 thousand in 2013), and € 100 thousand (€ 50 thousand in 2013) for taxes paid (but not recoverable in Italy) in those countries where we have permanent establishments.
These include deferred tax assets of € 111 thousand (€ 10 thousand in 2013) and deferred tax liabilities of € 28 thousand (zero in 2013).
Further details are provided in Section 21, point III.14, of the explanatory notes.

Lastly, it is worth mentioning that the very positive result achieved in 2014 was thanks to the usual professionalism and competence demonstrated by the entire staff, to whom we reiterate our esteem. We are counting on their support to do even better in the future.

INSURANCE BUSINESS

UNDERWRITING RESULT

The underwriting result for the years ended 31 December 2014 and 2013 is composed of the following:

	2014	2013
EARNED PREMIUMS	132,576	129,804
CHARGES RELATED TO CLAIMS	(124,854)	(82,836)
OTHER TECHNICAL INCOME	3,966	4,133
OPERATING EXPENSES	(30,261)	(31,266)
GROSS UNDERWRITING RESULT	(18,573)	19,835
BALANCE OF OUTWARD REINSURANCE	19,796	(17,942)
CHANGE IN OTHER NON-TECHNICAL RESERVES	(78)	(74)
INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT	2,379	2,190
NET UNDERWRITING RESULT	3,524	4,009

(in thousands of euro)

The above amounts are for direct and indirect business taken as a whole.

They show a hefty decrease in the gross underwriting result, offset by a corresponding and significant improvement in the balance of outward reinsurance.

Both of the variances in these balances are attributable to several large claims the "Hulls" sector, which occurred in the latter part of the year. Of these, the most serious were the "Norman Atlantic" (a ferry) and the "Ugo De Carlini" (a bulk carrier), for which the total gross claims reserve at the end of 2014 amounted to € 35,517 thousand.

In view of the existing reinsurance coverage, especially those in "excess of loss", these events have had a considerable impact on how much is attributable to the reinsurers, who have to absorb most of these damages (for the two claims mentioned above, the reinsured reserve amounted to € 34,717 thousand).

Moreover, it is essential to remember that the previous year's underwriting result presented characteristics that were the complete opposite of the situation in 2014. In fact, it was positively and significantly affected by the liquidation of three claims (two of which related to "Hulls" and one to "Cargo"), from which emerged a sufficient total gross incoming claims reserve of € 12,263 thousand, which had been ceded to reinsurers for € 11,653 thousand.

Moreover, note that the run-off of the claims reserve relating to non-Marine business, taken on in previous years, continued in 2014 even more favourably than the previous year.

A brief analysis of the amounts shown above, item by item, does not reveal any substantial variances compared with the previous year, except for the charges related to claims and the balance of outward reinsurance, as mentioned previously.

In general terms, the following main considerations apply:

- earned premiums were positively affected by the accounting effects of the change in the unearned premiums reserve. In fact, as commented upon later, premiums written during the year decreased slightly compared with 2013, despite constant efforts to renew existing business and seek new business;

- Charges related to claims show a net progress attributable to:
 - for the year, the occurrence of certain serious claims (particular in the “Hulls” sector), as indicated above;
 - for previous years, to a less positive run-off of incoming claims reserves compared with that seen the previous year, as the latter benefited significantly from the high surplus adequacy on certain claims. However, we can confirm the usual caution that we normally apply when making reserves.
- other technical income, though not dissimilar to that of the previous year, was affected by the commission expenses paid to third parties for the recovery of receivables from foreign insurance companies;
- operating expenses, mainly composed of the commission expenses paid to brokers for the premiums generated by them, are lower than in 2013, reflecting the decrease in production for the year;
- the balance of outward reinsurance is related to the distinct trend reversal on the part of the gross underwriting result and is mainly attributable to the serious claims mentioned above;
- the amount of the change in other non-technical reserves is in line with that of the previous year;
- as regards the investment return transferred from the non-technical account, there are no significant variances.

The foregoing is also reflected in the net combined ratio, which comes to 96.6% compared with the prior year ratio of 94.3%. It consists of a net loss ratio and net expense ratio of 75.9% and 20.7% respectively (74.0% and 20.3% in 2013).

GROSS PREMIUMS EARNED AND RECORDED

The premiums earned in 2014, compared with those of 2013, are as follows:

	2014	2013
GROSS PREMIUMS WRITTEN	132,107	137,590
PREMIUMS TRANSFERRED FOR REINSURANCE	(94,076)	(102,506)
CHANGE IN THE GROSS UNEARNED PREMIUMS RESERVE	(1,489)	(7,225)
CHANGE IN THE UNEARNED PREMIUMS RESERVE TO BE BORNE BY REINSURERS, INCLUDING THE BALANCE OF PORTFOLIO MOVEMENTS	(689)	5,790
NET EXCHANGE DIFFERENCES ON THE INCOMING UNEARNED PREMIUMS RESERVE	418	(119)
EARNED PREMIUMS, NET OF REINSURANCE	36,271	33,530

(in thousands of euro)

There has been a progressive decline in the incidence of total premiums ceded to reinsurers, which comes to 71.2% (versus 74.5% the previous year), in line with the strategies defined recently.

The following table gives details of premiums earned in 2014, with comparative figures for the previous year:

	2014	2013
ITALIAN DIRECT BUSINESS		
HULL	73,916	78,120
MARINE CARGO	29,637	31,186
	103,553	109,386
MOTOR THIRD-PARTY LIABILITY	3,480	4,410
GENERAL THIRD-PARTY LIABILITY	3,244	2,907
PECUNIARY LOSSES	2,090	1,696
OTHER PROPERTY DAMAGE	1,555	2,017
OTHER MINOR BUSINESS	106	123
	10,475	11,153
TOTAL DIRECT BUSINESS	114,028	120,459
INDIRECT BUSINESS - ITALY		
CARGO	8,635	8,223
HULLS	4,744	4,438
MOTOR THIRD-PARTY LIABILITY	3,999	3,961
OTHER MINOR BUSINESS	664	438
	18,042	17,060
INDIRECT BUSINESS - ABROAD	37	71
TOTAL INDIRECT BUSINESS	18,079	17,131
GRAND TOTAL	132,107	137,590

(in thousands of euro)

Note that direct business is entirely Italian and includes all policies issued by permanent establishments abroad, all located in EU member countries.

In fact, they are located in Belgium, Germany, Malta and Netherlands.

Comments on these figures are summarised below:

- 2014 production is essentially attributable to the "Marine" sector, as in the past. In fact, the premiums for the "non-Marine" Elementary and Motor sectors have fallen to insignificant levels. However, as required by the regulations governing financial statements and having regard for the insurance cover provided under contract, part of this production has been allocated to "non-Marine" sectors. In particular, carrier third-party liability coverage, which comes from the "Cargo" sector with premiums classified to Motor Third-Party Liability, represents almost all of this sector's premiums;

- in general terms, production for the year shows a substantial decrease, mainly due to the direct business sectors, for which there is a general decline, primarily resulting from the current economic recession that is still not over.
The same is even more evident for the “Hulls” sector.
This decline also relates to the non-renewal of policies with an unsatisfactory underwriting result (particularly for Marine Cargo). The related benefits in terms of a lower incidence of claims have not yet found full recognition in 2014.
These figures have been positively affected by the considerable appreciation of the US dollar during the year (its exchange rate to the euro was 1.2141 at 31 December 2014, compared with 1.3791 at 31 December 2013), having revalued by around 12.0% against the EU currency during 2014. In fact, much of our business is written in US dollars, especially in the “Hulls” sector;
- premiums for the “Hulls” sector show a significant drop, mainly due to the reduction in the related premium rates, both in Italy and in the rest of the world, and to an accounting mismatch in certain policies lasting more than one year (18 months), which are expected to be renewed during the coming year.
Even “war risk” premiums shrank, similar to what happened in “ordinary risks”, due to the reduction in the super premiums required by the market for transit in high-risk areas (such as the Gulf of Aden).
As usual, production was generated by applying unchanged, strict underwriting policies and by focusing on the retention of business that is likely to be remunerative;
- the Marine Cargo business sector’s direct premiums fell, partly due to the ongoing economic downturn (especially as regards the domestic component).
A lack of vigour in the economy led to a general reduction in turnover, the basic parameter for calculating premiums, as well as a decline in insured traffic (particularly with regard to commodities).
In this unfavourable context, the Company remained true to its policy, by avoiding the assumption of risks that had not been correctly measured with inadequate premiums, while we continued to analyse individual risks carefully, without overlooking any technical aspects. Where possible, lost contracts were replaced by new business.
However, this policy resulted in the loss of certain policies for which we tried to review the contract to bring the underwriting result back into balance, given their negative statistics. The high level of competition has also allowed policyholders to find the same conditions as they have now on the market.
On the other hand, these non-renewals should over time generate a more than proportional reduction in the level of claims, which should have a positive impact on future income statements.
Premiums charged for war risks and strikes also decrease. There was a fall in the number of risks accepted, offset by an increase in the number of basic policies.
- direct premiums in the Elementary and TPL Motor sectors as a whole are showing an insignificant change on the previous year. In addition, as indicated above, these premiums are fed almost exclusively by business from the “Marine” sector;
- as regards indirect business, where foreign business continues to be insignificant, there has been an appreciable increase in its production. In addition, the indirect business in the Motor Third-Party Liability sector relates entirely to carrier liability business coming from the Cargo sector;
- indirect premiums from the unrestricted provision of services were not significant, while the related direct premiums totalled € 43,175 thousand (€ 37,777 thousand in 2013).
These premiums relate solely to the “Hulls” sector for € 32,683 thousand (€ 26,786 thousand in 2013) and to the “Cargo” sector for € 10,492 thousand (€ 9,291 thousand in 2013);

- a geographical analysis of gross direct and indirect premiums is provided below:

	2014	2013	2014	2013
• IN ITALY			121,674	125,579
• ABROAD, VIA PERMANENT ESTABLISHMENTS LOCATED IN:				
BELGIUM	4,025	4,005		
GERMANY	5,786	7,365		
MALTA	43	78		
NETHERLANDS	579	564	10,433	12,012
			132,107	137,591

(in thousands of euro)

Lastly, no new insurance products worthy of mention were launched during the year.

OUTWARD REINSURANCE

There were no significant changes in the Company's policy regarding reinsurance in 2014.

In general terms, a fairly high percentage of our "Marine" business, especially with reference to the "Hulls" sector, continues to be placed on a proportional basis with reinsurers, in view of the substantial exposures and often large sums insured. Moreover, in application of the strategies recently established, we have taken steps to gradually increase retention.

Moreover, the residual exposure is usually reduced by stop-loss cover in the event of serious disasters.

The outward reinsurance plan and the reinsurance guidelines for 2014 were approved by a special resolution of the Board of Directors, as foreseen in IVASS Circular 574D/2005.

CHARGES RELATED TO CLAIMS

Charges related to claims in 2014, with comparative figures for 2013, are as follows:

	2014	2013
GROSS CLAIMS SETTLED	102,383	118,555
CLAIMS SETTLED BORNE BY REINSURERS	(76,344)	(90,401)
CHANGE NET OF RECOVERIES	(1,271)	(1,387)
CHANGE IN THE GROSS CLAIMS RESERVE	32,163	(36,601)
CHANGE IN THE CLAIMS RESERVE BORNE BY REINSURERS, INCLUDING THE BALANCE OF PORTFOLIO MOVEMENTS	(29,786)	32,160
NET EXCHANGE DIFFERENCES ON THE INCOMING CLAIMS RESERVE	(1,304)	479
SETTLEMENT COSTS, TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT	1,693	2,014
EXPENSES RELATED TO CLAIMS, NET OF RECOVERIES AND REINSURANCE	27,534	24,819

(in thousands of euro)

This balance has been significantly influenced by the serious claims mentioned previously, as is obvious from the changes in the gross and reinsured amount of the claims reserve.

In the "Hulls" sector, there has been an increase in the number of accidents reported compared with the same period of 2013, particularly under third-party mandates.

There has also been an increase in important claims, especially in the latter part of the year, though offset by a lower cost of so-called "attritional claims" (i.e. individually for a small amount, but much more frequent).

Severe claims included the fire that took place on 28 December 2014 in the ferry "Norman Atlantic", which caused extensive damage to it and unfortunately resulted in the loss of several lives. However, the existing reinsurance cover (especially for excess-of-loss) made it possible to limit considerably the negative impact on the share of risk retained.

The "Cargo" sector has experienced an increase in claims, particularly thefts and robberies, events that tend naturally to intensify in periods of recession.

No serious accidents were reported during the period.

The amount of claims paid in 2014, before recoveries from reinsurers and before allocating the costs of internal settlement, is summarised below according to the main categories:

	DIRECT BUSINESS	INDIRECT BUSINESS	TOTAL
CLAIMS PAID	84,628	6,381	91,009
SETTLEMENT COSTS	5,995	-	5,995
DIRECT COSTS	5,379	-	5,379
	96,002	6,381	102,383

(in thousands of euro)

With regard to direct business, the following breakdown by sector of claims settled in 2014 is compared with similar data for the previous year:

	2014	2013
HULLS	53,102	64,486
MARINE CARGO	22,553	24,697
	75,655	89,183
MOTOR THIRD-PARTY LIABILITY	3,323	4,862
GENERAL THIRD-PARTY LIABILITY	2,802	4,142
PECUNIARY LOSSES	1,669	3,451
OTHER PROPERTY DAMAGE	1,078	826
OTHER MINOR BUSINESS	101	231
	8,973	13,512
TOTAL DIRECT BUSINESS	84,628	102,695

(in thousands of euro)

Analysis of the above data indicates that direct business claims settled in 2014 showed a significant reduction compared with the previous year.

Payments in the periods considered were affected by the appreciation of the dollar against the euro, with a closing rate at 31 December 2014 of 1.2141, compared with 1.3791 at 31 December 2013.

An analysis of claims settled for direct business is presented below:

- In the "Hulls" sector, the change in the amount of claims paid is due to the settlement of a number of substantial claims made the previous year;
- payments in the "Cargo" sector during 2014 were substantially in line with the previous year;
- for the other sectors, the decrease is related to the trend in payments rather than to specific reasons.
Claims relating to carrier third-party cover (from the "Cargo" sector) represent a significant part of the payments made in relation to the Motor Third-Party Liability sector.

In addition, with regard to direct Italian business, it is not considered necessary to report the speed of claims settlement in the elementary and motor sectors (excluding the business deriving from the "Marine" sectors), since the steady reduction in the related portfolio and the sharp contraction in the numbers concerned mean that this indicator is no longer relevant.

On the other hand, for the "Hulls" and "Cargo" sectors, the rate of settlement is not given since it is not considered representative of the phenomena concerned.

SALES ORGANISATION

During the year, the distribution organisation underwent significant changes, both in Italy and abroad, as indicated below.

In Italy, at 31 December 2014, the distribution network consisted of 12 general agencies and 218 brokers (12 and 247, respectively, at 31 December 2013), with significant reduction in the latter with a view to rationalising the sales network.

Geographically, 76.1% are located in the North (175 intermediaries, compared with 198 at 31 December 2013) and 23.9% in the Centre-South (55 intermediaries, compared with 49 at 31 December 2013).

Operations abroad were conducted, as in previous years, by permanent establishments located in Belgium, Germany, Malta and the Netherlands.

Moreover, in June 2014 formal notice of closure was given to the permanent establishments in Malta (with immediate effect) and the Netherlands (with effect from 1 January 2015), largely because these two offices generated modest volumes of premiums locally.

As in the past, intermediaries (in both Italy and abroad) are coordinated solely from the offices in Genoa.

Acquisition expenses totalled € 22,332 thousand (€ 24,035 thousand in 2013), down on the previous year due to the decline in production.

Of these costs, € 17,726 thousand related to direct business (€ 18,997 thousand in 2013) and € 4,606 thousand to indirect business (€ 5,038 thousand in 2013).

The ratio of commissions paid to third parties for new direct business to the related premium income was 15.6% (15.8% in 2013).

PERSONNEL AND ADMINISTRATIVE EXPENSES

At 31 December 2014, the Company had 98 employees (97 at 31 December 2013), including 4 executives, 13 middle managers and 81 office staff (of whom 2 on secondment at related companies).

In addition to these, at the same date the staff also included 5 freelance collaborator (11 in 2013) and 39 employees in Group companies (48 in 2013) and 48 employees of Group companies (49 in 2012), the latter seconded to the Company principally in the performance of duties related to the operations of the "Transport Hub".

At the same date, there were no freelance collaborators (1 at 31 December 2013).

The full time equivalent (FTE) headcount, that is, considering actual working hours, in 2014 was 135 employees (150 in 2013). This last indicator reflects the substantial downsizing of the staff that took place during the year 2014. The economic benefits in terms of lower personnel costs will manifest themselves fully from 2015.

Administrative expenses totalled € 12,095 thousand in 2014 (before their allocation to the technical account), including € 86 thousand relating to the depreciation of tangible assets.

These costs were 2.4% higher than in 2013 (€ 11,810 thousand, of which € 70 thousand for the depreciation of tangible assets).

After allocating a proportion of personnel expenses and the depreciation of tangible assets to policy acquisition and claims settlement, administrative expenses amounted to € 7,929 thousand (€ 7,198 thousand in 2013).

Personnel costs accounted for 74.9% of administrative expenses (76.7% in 2013).

The ratio of administrative expenses (before their allocation to the technical account) to premium income was 9.2% (8.6% in 2013). If we then deduct the administrative expenses recharged to the indirect parent company UnipolSai Spa for expenses attributable to it, essentially for handling any "Marine" business, the above figure falls to 7.4% (6.8% in 2013).

This increase in the percentage is essentially due to the fact that lower premiums were written during the year.

PROPERTY AND FINANCIAL MANAGEMENT

In 2014, financial management was conducted in compliance with the guidelines set out by the Investment Policy, in accordance with the general principle of prudent measurement of the quality of assets, by taking a medium to long term view thereof.

The duration of the securities portfolio at 31 December 2014 stood at 2.63 years (2.54 at 31 December 2013), with a marginal increase compatible with the Company's liabilities.

During the year, exposure to the corporate segment, characterised by issuers with a high credit rating, was marginally increased, with an equivalent reduction in Italian government bonds.

With regard to equities, the exposure has decreased, but is insignificantly residual. The exposure mainly relates to units in open-end mutual funds.

At 31 December 2014 total investments amounted to 117,306 thousand euro (127,968 thousand euro at 31 December 2013), down 8.4% with respect to the previous year.

Details are provided below:

	31.12.2014	31.12.2013
BUILDINGS	17,952	17,633
INVESTMENTS IN GROUP AND RELATED COMPANIES	41	41
SHARES AND QUOTAS	29	40
MUTUAL FUNDS	1,231	2,506
BONDS AND OTHER FIXED-INCOME SECURITIES	95,025	104,528
LOANS	74	121
RESTRICTED DEPOSITS WITH BANK	2,155	2,331
DEPOSITS WITH CEDING UNDERTAKINGS	799	768
	117,306	127,968

(in thousands of euro)

Bonds and other fixed-income securities and buildings continue to represent the bulk of total investments (96.3%, compared with 95.5% at 31 December 2013).

With regard solely to financial investments (excluding those in Group companies), shares and mutual funds invested in equities represent 1.3% of the total (2.4% at 31 December 2013) due to continuing caution in this area.

The main comments on each type of investment are as follows:

- the amount concerning buildings increased due to work done in the year on improvements and renovation (limited to those used directly in the business).
This caption is made up entirely of the commercial property that houses the Company's offices.
A significant portion of this property is rented to an associated company;
- shares and quotas held in Group companies are insignificant and have remained stable. These securities, excluding those in Group companies and together with the mutual fund units, were managed for trading purposes to benefit from any capital gains;
- units of (mainly equity-based) mutual funds have been reduced considerably, due to sales at a profit during the year;
- bonds and other fixed income securities have been reduced significantly, due to sales made during the year and redemptions of securities on maturity.
These are represented by fixed-income securities, € 48,183 thousand, and variable-income securities, € 46,842 thousand.
Long-term securities are represented exclusively by BTPs which have a carrying value of € 5,044 thousand.
There continues to be a high propensity towards investments in government issues (mainly domestic), even if the trend is down on previous years.
- restricted deposits with banks have slightly decreases and they represent a temporary investment of liquidity.
Restricted deposits, with notice periods of at least fifteen days, are made in order to maximize the return on liquidity available for investment in the very short term.
The last maturity of these deposits is not beyond April 2015.
- deposits with ceding undertakings and loans are essentially unchanged.

Management of the securities portfolio was marked by the customary prudent approach, which seeks to maximize margins and exploit financial market opportunities that arise in the course of our trading activities.

No use was made of derivatives during the year and there were no derivative contracts outstanding at 31 December 2014.

The following subordinated bonds are held at year end:

Issuer: Banca Intermobiliare
Isin code: IT003853014
Par value: 28,350 €
Book value: 28,096 €
Issue: 29 July 2005
Maturity: 29 July 2015
Structure: convertible bonds

Issuer: Pfizer Inc.
Isin code: US717081DH33
Par value: 1,500,000 USD
Book value: 1,217,632 €
Issue: 3 June 2013
Maturity: 15 June 2023
Structure: callable at par up to maturity

Issuer: Apple Inc.
Isin code: US037833AK68
Par value: 1,500,000 USD
Book value: 1,174,650 €
Issue: 3 May 2013
Maturity: 3 May 2023
Structure: callable at par up to maturity

Issuer: Monte dei Paschi
Isin code: IT0005013971
Par value: 500,000 €
Book value: 498,935 €
Issue: 17 April 2014
Maturity: 16 April 2021
Structure: covered bond

Issuer: IBM
Isin code: XS1143163183
Par value: 200,000 €
Book value: 199,561
Issue: 26 May 2014
Maturity: 26 May 2023
Structure: make whole, up to maturity

Issuer: Petroleos Mexicanos
 Isin code: US7165MBA62
 Par value: 200,000 USD
 Book value: 162,225 €
 Issue: 15 October 2014
 Maturity: 15 January 2025
 Structure: make whole, up to maturity

At year-end, the book value of the securities portfolio was € 7,176 thousand lower than its market value at the same date (€ 2,955 thousand at 31 December 2013).

This unrealised capital gain is related to bonds and other fixed-income securities for € 6,898 thousand (€ 2,866 thousand at 31 December 2013) and to mutual funds for € 278 thousand (€ 387 thousand at 31 December 2013). On the other hand, there is no unrealised capital gain attributable to shares (none at 31 December 2013).

As regards the capital gain on bonds and other fixed income securities, the amount related to investment securities was € 832 thousand (€ 125 thousand at 31 December 2013).

Additional information can be found in the notes to the financial statements.

Summary data regarding income from property and financial management is shown below for each type of investment, with comparative figures for the previous year:

	2014	2013
NET PROFIT FROM:		
- SHARES		
-- DIVIDENDS PAID	-	-
-- NET GAINS (LOSSES) ON DISPOSALS	-	62
-- NET WRITE-BACKS (WRITEDOWNS)	(12)	(52)
	(12)	(10)
- BONDS AND OTHER FIXED-INCOME SECURITIES		
-- INTEREST INCOME	2,791	2,888
-- NET GAINS (LOSSES) ON DISPOSALS	1,737	1,649
-- NET WRITE-BACKS (WRITEDOWNS)	(3)	7
	4,525	4,544
- OTHER FINANCIAL INVESTMENTS	250	368
- BUILDINGS		
-- RENTAL INCOME	851	860
-- DEPRECIATION	(574)	(316)
	277	544
TOTAL INCOME, NET	5,040	5,466
EXPENSES		
- OPERATING EXPENSES	952	1,081
- INTEREST EXPENSE	7	8
TOTAL EXPENSES	959	1,089

(in thousands of euro)

As a whole, investment management produced a result very similar to that of 2013, in terms of both income and expenses.

Further information on the individual types of investment is provided below:

- for shares, the economic data also confirms the marginal propensity towards this type of asset;
- for bonds and other fixed-income securities, the positive result of the relevant sub-fund is confirmed, in particular for fixed-income securities issued by the Italian Government, in which your Company has made substantial investments. Profitable trading and very low writedowns have continued to contribute to this result;
- for other investments, the favourable performance of international stock markets allowed us to make profits of € 249 thousand (zero in 2013) on the sale of open-ended mutual fund units, mainly equity-based. This balance includes € 1 thousand (€ 1 thousand in 2013) of interest income earned from the short-term investment of available liquidity in repurchase agreements and restricted deposits (in any case for periods of not less than 15 days), in order to maximise their yield. The sharp decrease in market rates (especially for US dollars) has made this type of investment much less attractive, resulting in a significant reduction in the amounts earned;
- writedowns on fixed assets were higher than last year because of the change in depreciation method. In fact, from 2014, properties leased to third parties are also subject to depreciation, whereas the land on which the buildings stand is not depreciated.

Operating expenses concerned the property sector for € 809 thousand (€ 952 thousand in 2013) and the securities sector for € 143 thousand (€ 129 thousand in 2013).

Operating expenses of the property sector mainly relate to non-capitalisable extraordinary maintenance (€ 225 thousand, versus € 499 thousand in 2013) and IMU (€ 225 thousand, the same as in 2013).

Interest expense related exclusively to the remuneration of reinsurance deposit accounts.

OWN SHARES, SHARES IN THE PARENT COMPANY AND ITS SUBSIDIARIES

The Company forms part of the “Unipol Insurance Group” (Register of Insurance Groups, no. 046), which in turn is subject to the direction and coordination of Unipol Gruppo Finanziario SpA.

This means that your Company is subject to the direction and coordination of Unipol Gruppo Finanziario SpA, pursuant to arts. 2497 of the Civil Code.

Having said that, note that the company does not hold, nor has it traded during 2014, any of its own shares or shares in companies belonging to “Gruppo Assicurativo Unipol”;

INTERCOMPANY TRANSACTIONS

With regard to transactions with related companies, the principal intragroup activities relate to insurance business in the broadest sense (mainly reinsurance and coinsurance), the management of property and securities, IT services and the settlement of claims.

As required by art. 2427.22-bis of the Italian Civil Code, it is confirmed that these transactions with related parties (which are mentioned below with reference to each Group company) have been carried out at normal market terms.

UnipolSai S.p.A., the indirect parent company, has been granted mandates to provide internal audit, compliance and risk management services.

In addition, reinsurance transactions are entered into with this company, in relation to the Marine sector.

Furthermore, the Company is a member of the domestic tax group established by indirect parent company.

The related agreement involves the transfer to the indirect parent company of the taxation and advances payable in relation to the Ires taxable income of the Company.

Conversely, the indirect parent company pays over to the Company the amount of any taxes not paid as a result of using the tax losses, if any, transferred to it by the Company.

Lastly, the following services were received from the indirect parent company UnipolSai SpA:

- technical and administrative matters, together with services relating to the management of claims in the “non-Marine” sectors”;
- information technology;
- management of personnel and systems;
- purchase of goods;
- purchase of non-insurance services;
- management of financial investments.

Relations with the related companies Unipol Re. (formerly The Lawrence Re) and Liguria Assicurazioni SpA also involved reinsurance.

More specifically, the first case is outward reinsurance, in relation to the elementary and motor sectors, for claims that took place in years prior to 2006.

By contrast, there were reinsurance relationships with Liguria Assicurazioni S.p.A. (similar to the relations with UnipolSai S.p.A.) involving the various branches of the “Marine” sector.

Conversely, the Company provides UnipolSai S.p.A. and Liguria Assicurazioni S.p.A. with technical, operational and administrative services in the Marine sector.

The related company Unipol Real Estate SpA (formerly Immobiliare Lombarda SpA) provides services for the management of property assets.

The Company receives services from Unipol Banca S.p.A. (which in November 2014 absorbed Banca SAI S.p.A.) relating to the bank account maintained with them, as well as safekeeping of the securities deposited with them.

The amounts relating to transactions and balances with companies belonging to the “Gruppo assicurativo Unipol” are disclosed in the notes.

The management and coordination activities carried out by the indirect parent company, Fondiaria-SAI S.p.A., did not have any significant impact on the Company's operations or results.

With regard to transactions with companies subject to the management and coordination of the aforementioned companies, taking into account the above dates, we show below a summary of the significant ones, in accordance with the provisions of the Civil Code, art. 2497-bis, paragraph 5:

INSURANCE AND REINSURANCE TRANSACTIONS

RESERVE

	DEBTORS	CREDITORS	PREMIUMS	CLAIMS	PREMIUMS	CLAIMS	COMMISSIONS
UNIPOLSAI S.P.A. (INDIRECT PARENT COMPANY)							
COINSURANCE TRANS.	395	(1,739)	-	-	-	-	-
REINSURANCE TRANS. - ACTIVE	172	(979)	(3,259)	(39,944)	17,646	(5,912)	(3,874)
UNIPOL RE. (RELATED COMPANY)							
REINSURANCE TRANS. - PASSIVE	7	-	-	45	-	4	(3)
LIGURIA ASSICURAZIONI S.P.A. (RELATED COMPANY)							
REINSURANCE TRANS. - ACTIVE	-	(41)	(135)	(677)	397	(162)	(88)

(in thousands of euro)

COMMERCIAL TRANSACTIONS

	DEBTORS	CREDITORS	COSTS	REVENUES
UNIPOLSAI S.P.A. (INDIRECT PARENT COMPANY)				
- SERVICES	1,206	(739)	(583)	2,569
- PERSONNEL ON SECONDMENT	-	(1,534)	(3,358)	307
- OTHER	-	(241)	-	-
GRUPPO FONDIARIA-SAI SERVIZI (RELATED COMPANY)				
- RENTAL INCOME AND EXPENSES	10	-	-	225
LIGURIA ASSICURAZIONI S.P.A. (RELATED COMPANY)				
- SERVICES	16	-	-	52
UNIPOL REAL ESTATE S.P.A. (RELATED COMPANY)				
- SERVICES	-	(92)	(147)	-

(in thousands of euro)

FINANCIAL TRANSACTIONS

UNIPOL BANCA S.P.A. (RELATED COMPANY)

	DEBTORS	CREDITORS	COSTS	REVENUES
- BANK DEPOSITS	5,115	-	(22)	-
- DEPOSIT ACCOUNTS	2,000	-	-	1
- SAFEKEEPING OF SECURITIES	-	(9)	-	10

(in thousands of euro)

FISCAL RELATIONS

UNIPOLSAI S.P.A. (INDIRECT PARENT COMPANY)

	DEBTORS	CREDITORS	COSTS	REVENUES
- TAX GROUP ARRANGEMENTS	591	(1,410)	-	-

Key: (...) Creditors/Costs

(in thousands of euro)

PRIVACY POLICY

The Company has put in place all the required measures to ensure compliance with the obligations imposed by the legislation on the protection of personal data (Legislative Decree no. 196/2003), in order to ensure the protection and integrity of the data of customers, employees and anyone else with whom it comes in contact.

The Company has also prepared the "Unified Data Protection Policy", a document that is considered important to explain the company's policies on security measures (IT, physical and organisational), to ensure the confidentiality, integrity and availability of data.

ACTIVITIES TO COMBAT AND PREVENT INSURANCE FRAUD IN THE AREA OF THIRD-PARTY LIABILITY ARISING FROM THE USE OF MOTOR VEHICLES ("TPL MOTOR")

In the area of combating fraud, in 2012, Decree Law 1 of 24 January 2012, converted with amendments into Law 27 of 24 March 2012 and Decree Law 179 of 18 October 2012, converted into Law 221 of 17 December 2012 were issued.

Decree Law 1/2012 led to the issue by IVASS of Regulation 44 of 9 August 2012, which provides for the preparation and transmission to it of an annual report containing the information required to assess the efficiency of processes, systems and people to ensure the organisation's adequacy with respect to the objective of preventing and combating fraud in TPL Motor insurance.

The same Decree Law also provides that insurance companies are required to indicate in the report or in the accompanying notes to the annual financial statements, and to publish on their websites or other appropriate form of dissemination, an estimate of the reduction in charges for claims as a result of discovering cases of fraud.

Pursuant to art. 30, paragraph 2, of Decree Law 1/2012, the estimated reduction in charges for claims as a result of combating fraud is unquantifiable, as no claims were assessed for fraud during the year 2014. This is also a result of the low number of policies pertaining to the business sector in question.

INFORMATION ON COMPANY RISKS

With regard to the identification, assessment and control of business risks, the company makes use of the work performed by the risk management function within UnipolSai S.p.A.

Set out below are additional disclosures to facilitate an assessment of the Company's financial position.

This assessment has been performed in accordance with IVASS Regulation No. 20 issued in 2008 and Solvency II legislation (currently being finalised).

The control of financial risk is performed by means of periodic monitoring of the key indicators of exposure to interest rate risk, credit risk, equity risk and liquidity risk.

Interest rate risk

At 31 December 2014, the duration of the class C investment portfolio, an indicator of the Company's exposure to interest rate risk, amounted to 2.63 years.

The table below shows the sensitivity, limited to the bond portfolio, to a parallel shift in yield curves for financial instruments.

RISK SECTOR	BREAKDOWN	DURATION	INCREASE 10 BPS	INCREASE 50 BPS
GOVERNMENT	85.67%	2.57	-225,216	-1,126,080
FINANCIAL	11.24%	3.87	-44,482	-222,411
CORPORATE	3.10%	7.04	-22,276	-111,381
BONDS	100.00%	2.86	-291,974	-1,459,872

Credit risk

Management of the securities portfolio mainly envisages investing in "Investment grade" securities (94.47% of the portfolio). In particular, 2.42% of the bonds were rated triple A, 2.60% double-A, 2.06% single A and 88.78% triple B.

Credit risk is monitored by means of the measurement of the sensitivity of the portfolio to changes in the credit spread.

RATING	BREAKDOWN	INCREASE 1 BPS	INCREASE 10 BPS	INCREASE 50 BPS
AAA	2.42%	-10	-96	-480
AA	2.60%	-2,024	-20,245	-101,223
A	2.06%	-1,522	-15,220	-76,100
BBB	88.78%	-38,718	-387,153	-1,935,763
NIG	4.14%	-1,746	-17,463	-87,316
BONDS	100.00%	-44,018	-440,176	-2,200,882

Equity risk

Equity risk is monitored by analysing the sensitivity of the equity portfolio to fluctuations in equity markets as represented by sectoral indices.

RATING	BREAKDOWN	BETA	SHOCK -10%
FUNDS	98.11%	1.08	-147,789
LUXURY GOODS	1.89%	1.03	-2,853
EQUITY MARKET	100.00%	1.08	-150,642

Liquidity risk

The construction of the investment portfolio as coverage for reserves is done by giving a preference to highly liquid financial instruments and by limiting the purchases of securities, for which, due to their specific nature and conditions, there is no guarantee that they can be sold promptly on fair terms.

From this point of view, the Company constantly monitors cash flow matching between assets and liabilities in order to limit the need to sell off investments without adequate notice.

SIGNIFICANT EVENTS SUBSEQUENT TO YEAR END

No events worthy of mentioning in this report have taken place since the end of the year and up to now.

OTHER INFORMATION

With regard to the information relating to:

- the solvency margin, the coverage of the technical provisions and disputes with the Tax Authorities for the late filing of the annual report on premiums, accessories and health contributions for 2007, please refer to Section 22, Part C, of the Notes;
- disputes with the Tax Authorities for value-added tax on co-insurance relationships, please refer to Section 12, Part E.1 of the Notes.

OUTLOOK FOR OPERATIONS

Having regard for the information available to date and subject to any particularly adverse events that cannot be foreseen at this time, it is reasonable to expect that 2015 will be another profitable year.

PROPOSED RESOLUTIONS TO THE ORDINARY SHAREHOLDERS' MEETING

RESOLUTION CONCERNING THE FINANCIAL STATEMENTS AND THE RESULTS FOR THE YEAR

Shareholders,

You are invited to approve, in addition to this report on operations, the financial statements for the year ended 31 December 2014, together with the following proposed allocation of the net profit of € 3,511,507:

- NET PROFIT FOR THE YEAR ENDED 31 DECEMBER 2014	3,511,507 €
- TO THE LEGAL RESERVE, 5%	(175,575) €
- TO OTHER RESERVES: RESERVE FOR EXCHANGE GAINS (ART. 2426.8-BIS CIVIL CODE)	(291,564)
- TO EACH OF THE 38,000,000 SHARES, A GROSS DIVIDEND OF € 0.075	(2,850,000) €
- THE BALANCE TO OTHER RESERVES: EXTRAORDINARY RESERVE	(194,368) €
	-

Bologna, 10 March 2015

For the Board of Directors
The Chairman
(Fabio Cerchiai)

ANNUAL ACCOUNTS





BALANCE SHEETS AS OF 31 DECEMBER 2014 AND 2013

	31.12.2014		31.12.2013	
ASSETS				
B. INTANGIBLE ASSETS				
5. OTHER DEFERRED COSTS		118		61
C. INVESTMENTS				
C.I PROPERTY				
1. PROPERTY USED FOR BUSINESS PURPOSES	6,249		6,502	
2. PROPERTY USED BY THIRD PARTIES	11,703	17,952	11,131	17,633
C.II INVESTMENTS IN GROUP AND RELATED COMPANIES		41		41
C.III OTHER FINANCIAL INVESTMENTS				
1. SHARES AND QUOTAS	28		40	
2. MUTUAL FUND UNITS	1,231		2,506	
3. BONDS AND OTHER FIXED-INTEREST SECURITIES	95,025		104,528	
4. LOANS	74		121	
6. RESTRICTED DEPOSITS WITH BANKS	2,156	98,514	2,331	109,526
C.IV DEPOSITS WITH CEDING UNDERTAKINGS		799		768
TOTAL		117,306		127,968
D.BIS TECHNICAL RESERVES CARRIED BY REINSURERS				
1. UNEARNED PREMIUMS RESERVE	36,324		37,012	
2. CLAIMS PAYABLE RESERVE	182,346	218,670	154,619	191,631
E. DEBTORS				
E.I RECEIVABLES ARISING OUT OF DIRECT INSURANCE				
1.A DUE FROM POLICYHOLDERS FOR CURRENT PREMIUMS	55,165		46,375	
1.B DUE FROM POLICYHOLDERS FOR PREMIUMS RELATING TO PRIOR YEARS	1,674		1,214	
2. DUE FROM AGENTS AND OTHERS INTERMEDIARIES	2,288		3,446	
3. DUE FROM INSURANCE COMPANIES	3,450	62,577	3,845	54,880
E.II REINSURANCE DEBTORS				
1. INSURANCE AND REINSURANCE COMPANIES	4,220		6,137	
2. REINSURANCE INTERMEDIARIES	0	4,220	3	6,140
E.III OTHER DEBTORS		6,096		8,495
TOTAL		72,893		69,515
F. OTHER ASSETS				
F.I TANGIBLE ASSETS				
1. FURNITURE AND OFFICE MACHINE	199		198	
3. PLANT AND EQUIPMENT	7	206	8	206
F.II CASH AND CASH EQUIVALENTS				
1. BANK ACCOUNTS	6,127		3,634	
2. CHEQUES AND CASH	2	6,129	4	3,638
F.IV OTHER ASSETS				
1. TEMPORARY REINSURANCE ACCOUNTS	0		0	
2. OTHER	5,007	5,007	4,828	4,828
TOTAL		11,342		8,672
G. PREPAYMENTS AND ACCRUED INCOME				
1. INTEREST	764		772	
2. OTHER	104	868	152	924
TOTAL ASSETS		421,197		398,771

(in thousands of euro)

	31.12.2014		31.12.2013	
LIABILITIES AND EQUITY				
A. CAPITAL AND EQUITY RESERVES				
A.I. SHARE CAPITAL		38,000		38,000
A.IV. LEGAL RESERVE		1,373		1,218
A.VII. OTHER RESERVES		14,145		13,854
A.IX. NET PROFIT (LOSS) FOR THE YEAR		3,512		3,106
TOTAL		57,030		56,178
B. SUBORDINATED LIABILITIES		0		0
C. TECHNICAL RESERVES				
1. UNEARNED PREMIUMS RESERVE		47,440		45,952
2. CLAIMS PAYABLE RESERVE		253,804		221,640
5. OTHER TECHNICAL RESERVES		1,795	303,039	1,718
5. OTHER TECHNICAL RESERVES				269,310
E. PROVISIONS FOR RISKS AND CHARGES				
2. PROVISION FOR TAXATION		1,750		1,784
3. OTHER PROVISIONS		75	1,825	125
3. OTHER PROVISIONS				1,909
F. DEPOSITS FROM REINSURERS		177		147
G. CREDITORS AND OTHERS LIABILITIES				
G.I. PAYABLES ARISING OUT OF DIRECT INSURANCE				
1. DUE TO AGENTS AND OTHER INTERMEDIARIES		12,513		11,197
2. DUE TO INSURANCE COMPANIES		2,786		1,975
4. GUARANTEE FUNDS IN FAVOUR OF POLICYHOLDERS		3	15,302	3
4. GUARANTEE FUNDS IN FAVOUR OF POLICYHOLDERS				13,175
G.II. REINSURANCE CREDITORS				
1. INSURANCE AND REINSURANCE COMPANIES		26,078		26,821
2. REINSURANCE INTERMEDIARIES		33	26,111	22
2. REINSURANCE INTERMEDIARIES				26,843
G.VII. TERMINATION INDEMNITIES		1,228		1,469
G.VIII. OTHER CREDITORS				
1. TAXES PAID BY POLICYHOLDERS		351		309
2. MISCELLANEOUS TAXES PAYABLE		981		1,383
3. DUE TO SOCIAL SECURITY AND WELFARE INSTITUTIONS		307		204
4. SUNDRY CREDITORS		5,695	7,334	15,414
4. SUNDRY CREDITORS				17,310
G.IX. OTHER LIABILITIES				
1. TEMPORARY REINSURANCE ACCOUNTS		0		0
2. COMMISSION ON PREMIUMS TO BE COLLECTED		7,142		6,258
3. SUNDRY LIABILITIES		2,009	9,151	6,172
3. SUNDRY LIABILITIES				12,430
TOTAL		59,126		71,227
H. DEFERRED INCOME AND ACCRUED LIABILITIES				
1. INTEREST		0		0
TOTAL LIABILITIES AND EQUITY		421,197		398,771

(in thousands of euro)

STATEMENT OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

I. TECHNICAL ACCOUNT	31.12.2014		31.12.2013	
1. EARNED PREMIUMS, NET OF REINSURANCE				
A. GROSS PREMIUMS WRITTEN	132,107		137,590	
B. OUTWARD REINSURANCE PREMIUMS	(94,076)		(102,506)	
C. CHANGE IN UNEARNED PREMIUM RESERVE	469		(7,786)	
D. CHANGE IN UNEARNED PREMIUM RESERVE CARRIED BY REINSURERS	(2,229)	36,271	6,231	33,529
2. INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT		2,379		2,190
3. OTHER TECHNICAL INCOME, NET OF RECOVERIES AND REINSURANCE		6,160		6,362
4. CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE				
A. CLAIMS PAID				
AA. GROSS AMOUNT	(104,076)		(120,569)	
BB. (LESS) CEDED TO REINSURERS	76,344	(27,732)	90,401	(30,168)
B. CHANGE IN RECOVERIES, NET OF REINSURANCE				
AA. GROSS AMOUNT	4,503		3,585	
BB. (LESS) CEDED TO REINSURERS	(3,232)	1,271	(2,198)	1,387
C. CHANGES IN CLAIMS PAYABLE RESERVE				
AA. GROSS AMOUNT	(25,281)		34,149	
BB. (LESS) CEDED TO REINSURERS	24,208	(1,073)	(30,186)	3,963
TOTAL		(27,534)		(24,818)
6. PROFIT COMMISSIONS, NET OF REINSURANCE		(154)		(185)
7. OPERATING EXPENSES				
A. ACQUISITION COMMISSIONS	(19,847)		(21,423)	
B. OTHER ACQUISITION COSTS	(2,485)		(2,612)	
D. COLLECTION COMMISSIONS	0		(33)	
E. OTHER ADMINISTRATIVE EXPENSES	(7,929)		(7,198)	
F. COMMISSION AND OTHER INCOME FROM REINSURERS	18,187	(12,074)	19,714	(11,552)
8. OTHER TECHNICAL EXPENSES, NET OF REINSURANCE		(1,446)		(1,443)
9. CHANGE IN OTHER TECHNICAL RESERVES		(78)		(74)
UNDERWRITING RESULT		3,524		4,009

(in thousands of euro)

III. NON-TECHNICAL ACCOUNT	31.12.2014		31.12.2013	
I. NET INVESTMENT INCOME				
A. INCOME FROM SHARES	0		0	
B. INCOME FROM OTHER INVESTMENTS				
AA. INCOME ON PROPERTIES	851		860	
BB. INCOME FROM FINANCIAL INVESTMENTS	2,792		2,889	
C. WRITEBACKS	3		416	
D. GAINS ON SALE OF INVESTMENT	1,990	5,636	1,762	5,927
5. CAPITAL AND FINANCIAL CHARGES				
A. INVESTMENT MANAGEMENT CHARGES AND INTEREST EXPENSE	(959)		(1,089)	
B. WRITEDOWNS	(592)		(409)	
C. LOSSES ON SALE OF INVESTMENT	(5)	(1,556)	(51)	(1,549)
6. INVESTMENT RETURN TRANSFERRED TO THE TECHNICAL ACCOUNT		(2,379)		(2,190)
7. OTHER INCOME		3,848		2,578
8. OTHER EXPENSES		(3,503)		(2,906)
10. EXTRAORDINARY INCOME		175		0
11. EXTRAORDINARY EXPENSES		(100)		(3)
NON-TECHNICAL RESULT		2,121		1,857
PROFIT (LOSS) BEFORE TAXES		5,645		5,866
14. INCOME TAXES FOR THE YEAR		(2,133)		(2,760)
NET PROFIT (LOSS) FOR THE YEAR		3,512		3,106

(in thousands of euro)



NOTES TO THE FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2014 comprise the balance sheet and statement of income, prepared in accordance with IVASS Regulation 22 of 4 April 2008 (formerly ISVAP), and these explanatory notes, prepared in compliance with Attachment 2 of the same Regulation.

They have been prepared in accordance with Decree 209 of 7 September 2005, Decree 173 of 26 May 1997 and the provisions of IVASS Regulation 22 of 4 April 2008, as well as current laws.

The financial statements, accompanied by the directors' report on operations, have been audited by PricewaterhouseCoopers S.p.A., who were appointed as auditors for the period 2013 - 2021, pursuant to current legislation and the shareholders' resolution of 28 November 2013.

These notes are organised into the following parts:

Part A: Accounting policies

Part B: Balance sheet and statement of income

Part C: Other information

In addition, they are accompanied by the Attachments, which form an integral part of the Notes.

Comparative figures are provided, as required by IVASS Regulation 22 of 4 April 2008, in order to enhance the clarity of presentation.

The presentation of these notes follows the division into parts and sections indicated in Attachment 2 of IVASS Regulation 22 of 4 April 2008, supplying the information required therein.

For simplicity, the comments on the balance sheet and statement of income captions are coded in the same way as the schedules.

The financial statements have been translated into English from the original version in Italian solely for the convenience of international readers.

They have been prepared in accordance with the Italian law related to financial statements of insurance companies, interpreted and integrated by the accounting principles established by the Italian Accounting Profession.

Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Italy may not conform with generally accepted principles in other countries.

PART A - ACCOUNTING POLICIES

SECTION 1 - DESCRIPTION OF ACCOUNTING POLICIES

The accounting policies applied for the preparation of these financial statements are in conformity with applicable laws and refer to the accounting standards issued by the OIC (Italian Accounting Board) for interpretation.

During 2014, as part of an upgrade project, these accounting standards were partially revised and definitively approved by the OIC. As they apply to financial statements starting from those for the year ended 31 December 2014, account was taken when preparing this report of the changes introduced by these standards, if applicable.

The accounting policies are the same as those applied in the previous year, except where specifically indicated.

- the market value of securities listed on organised markets is determined as the simple average of stock market prices struck during the last month of the year (previously, they were valued at the spot price recorded at the end of the year).
If the market value had been used as previously, the result for the year would have been higher by € 6 thousand and € 4 thousand, respectively gross and net of tax;
- for buildings, also those leased to third parties are subject to depreciation (previously, depreciation was charged only on property used for business purposes).
If depreciation of buildings had been calculated on the basis of the criteria previously adopted, the result for the year would have been higher by € 257 thousand and € 160 thousand, respectively gross and net of tax.

The various items in the financial statements have been valued on a prudent, going-concern basis.

Moreover, we have borne in mind the economic function of each asset or liability; in other words, substance has been preferred over form.

The more important accounting policies adopted for the preparation of these financial statements are discussed below:

START-UP AND EXPANSION COSTS AND OTHER DEFERRED COSTS

These are booked at historical cost and systematically reduced by direct amortisation calculated in relation to their estimated useful lives, which does not exceed five years.

PROPERTY

Tangible assets are recorded at purchase cost, including related charges and any revaluation made in accordance with specific laws. They are shown net of accumulated depreciation.

The carrying value is written down in the event of permanent losses.

The amounts recorded in the financial statements include improvements and conversion costs incurred to increase the income-earning capacity of property, or prolong its useful life.

Premises used for business purposes directly by the Company or leased to third parties, are systematically depreciated using rates that reflect their residual useful lives

Depreciation of wholly-owned property is calculated on the value of the building, net of the value of the land on which it is built.

SHARES, QUOTAS, BONDS AND OTHER FIXED-INCOME SECURITIES

Long-term investments

Bonds that the Company intends to keep permanently on its balance sheet are recorded at book value.

Carrying value, determined on a weighted moving-average cost basis, is represented by their purchase or subscription cost. It is

adjusted or integrated to take account of the amount accrued in the year relating to the negative or positive difference between the redemption value and the purchase cost, with separate disclosure of the amount accrued relating to any issue or trading discounts. Investments in unlisted companies held as long-term investments are booked at purchase cost, determined on a weighted moving-average basis.

The carrying value is written down in the event of permanent losses.

Original cost is reinstated in future accounting periods if the reasons for any writedowns cease to apply.

Short-term investments

These are stated at the lower of carrying or market value.

Carrying value, determined on a weighted moving-average cost basis, is represented by their purchase or subscription cost, as adjusted in the case of bonds and other fixed-income securities by the accrued net issue discount.

Original cost is reinstated in future accounting periods if the reasons for any writedowns cease to apply.

The market value of securities listed on organised markets is determined as the simple average of stock market prices struck during the last month of the year.

For securities not listed on organised markets, market value is determined with reference to their estimated realisable value considering the market value of listed securities with similar characteristics or, otherwise, using objective criteria applied on a consistent basis.

REPURCHASE AGREEMENTS

Transactions involving the purchase or sale of securities with an obligation to return them after a certain period of time (so-called "repurchase agreements" or "reverse repurchase agreements" - "repos" for short) are booked by disclosing the spot value of the securities bought under "Other financial investments" and maintaining the assets involved in the transactions in the balance sheet of the seller. The proceeds of such transactions are booked on an accruals basis.

DEBTORS

These are stated at their estimated realisable value, as provided for by Legislative Decree no. 173/1997, article 16, paragraph 9. They are stated net of a writedown.

TANGIBLE ASSETS

Tangible assets are recorded at purchase cost, including related charges, and depreciated on a systematic basis using rates that reflect their residual useful lives. They are stated net of accumulated depreciation.

ACCRUALS AND DEFERRALS

Accruals and deferrals are calculated in order to match costs and revenues that refer to more than one year in the accounting periods to which they relate.

UNEARNED PREMIUMS RESERVE

This includes the apportioned premiums reserve and the provision for unexpired risks, if applicable.

These are calculated together, in accordance with IVASS Regulation 16 dated 4 March 2008, to cover the cost of accidents and the related expenses that will occur after year-end, to the extent of the cover provided by the premiums paid by policyholders.

Direct business

The apportioned premiums reserve is calculated on a detailed, accruals basis considering the gross premiums recorded net of acquisition commissions and other costs directly attributable to the acquisition.

This reserve includes specific provisions required by law to cover risks of a particular nature (such as bond insurance, hail and other natural disasters, and those relating to nuclear energy).

In limited cases, with reference to certain premiums accepted by the foreign branches, the accruals basis is applied using inductive systems that are considered to produce essentially the same result.

The reserve for unexpired risks is determined, segment by segment, to cover the risks outstanding after year-end in cases where

estimated indemnities and expenses deriving from contracts written before the year-end exceed any related unearned premiums and premiums to be collected. As required by IVASS Regulation 16 of 4 March 2008, the related calculation is based on the ratio of claims to current generation premiums (net of acquisition commission and other directly attributable acquisition costs), compared with the same ratio in previous years.

The share of the apportioned premiums reserve and the reserve for unexpired risks borne by reinsurers in relation to the Hulls, Cargo and Motor Third-Party Liability sectors is determined on a detailed accruals basis". With regard to the other segments, this share is determined by applying to the related reserves the ratio of premiums transferred to reinsurers (net of excess-of-loss transfers) to the gross premiums written on direct business.

Indirect business

The apportioned premiums reserve is calculated on an accruals basis with reference to related communications received from reinsurers. If reinsurers do not provide sufficient information for this method to be applied, an overall approach is taken. The general principle of sufficiency required by IVASS Regulation 16 dated 4 March 2008 is applied in every case.

The reserve for outstanding risks is determined using criteria similar to those employed for direct business.

The share of the unearned premiums reserve carried by reinsurers is determined by applying to this reserve the ratio of premiums transferred to reinsurers to the premiums written on indirect business.

CLAIMS PAYABLE RESERVE

This comprises the reserve for accidents already reported and the reserve for accidents that have occurred, but which have not yet been reported.

These are calculated together, in accordance with IVASS Regulation 16 dated 4 March 2008, to cover the cost of accidents that took place in the current or prior years (regardless of the date of the claim) but which have not yet been settled, together with the related direct and indirect settlement costs.

Direct business

The claims payable reserve is determined on a prudent basis considering all claims not yet settled at year-end, applying objective criteria and taking into account for each segment all foreseeable future charges (using available historical data and considering the specific characteristics of each company), in order to cover a reasonable estimate of all outstanding commitments.

For this reason, the reserve also includes an estimate of accidents that have occurred, but which have not yet been reported at year-end.

The share of the claims payable reserve carried by reinsurers is determined on the basis of the estimated amount recoverable, taking into account the related contractual agreements.

Indirect business

This is determined on the basis of communications from reinsurers or, if unavailable or insufficient, using an inductive approach that takes historical experience into account. The share of the claims payable reserve carried by reinsurers is determined using the criteria described for direct business.

EQUALISATION RESERVE

The reserve for natural disasters, which has been set up to offset the trend in claims over time, and the compensation reserve of the credit insurance business, designed to cover any negative technical balance retained at the end of each year, have been determined on the basis of the criteria laid down in arts. 40 et seq. of IVASS Regulation 16 of 4 March 2008.

PROVISIONS FOR RISKS AND CHARGES

These provisions cover known or likely charges, whose timing and extent cannot be determined at year-end. Provisions reflect the best possible estimates, based on the information available.

CREDITORS

These are stated at their nominal value.

TERMINATION INDEMNITIES

This reserve reflects the Company's liability to all employees, pursuant to Art. 2120 of the Italian Civil Code and current labour contracts, taking into account their length of service at year-end and their remuneration.

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

Guarantees given or received are booked at the contractual value of the related commitment. Commitments in relation to unsettled security transactions are stated at the contract value of the related transaction.

Securities deposited with third parties are stated at book value.

PREMIUMS

Gross premiums include all amounts earned during the year on insurance contracts, whatever their collection date. They are booked net of related taxes and duties collected from policyholders and technical cancellations of securities issued during the year. Direct business premiums include apportioned premiums for the Hulls and related third-party liability businesses.

The accruals basis is applied by provisions to the reserve for unearned premiums.

CLAIMS

The gross value of claims includes sums paid for direct and indirect business in settlement and as claim settlement expenses. The latter, in particular, include personnel costs and the depreciation and amortisation of the tangible and intangible assets used in the management of claims.

INTEREST AND OTHER COSTS AND REVENUES

These are booked on an accruals basis.

DIVIDENDS

Dividends are recorded when collected.

INCOME TAXES

Income taxes are provided on the basis of an estimate of taxable income made in accordance with current tax laws, taking account of any tax losses carried forward and costs disallowed for fiscal purposes. When timing differences arise (deductible or taxed) between the results for the year and taxable income for corporate income tax purposes, the related taxation is allocated to other liabilities or assets using the tax rate expected at the time the differences reverse. Deferred tax assets are only recorded if it is reasonably certain that they will be recovered in the future.

TRANSLATION OF FOREIGN CURRENCY BALANCES

Foreign currency balances are recorded by means of a multicurrency accounting system. Foreign currency balances (excluding non-current assets) are shown in the financial statements after they have been translated into the functional currency (euro) using year-end exchange rates. The effects of translation are recorded in the statement of income as either "Other income" or "Other expense", depending on whether they give rise to a gain or a loss.

When the financial statements are approved and the results allocated, any net profits deriving from this translation represent an unrealised gain and are transferred to a non-distributable reserve until they are realised, pursuant to article 2426, paragraph 8 of the Italian Civil Code.

EXCHANGE RATES USED

The exchange rates applied for the translation to euro of the principal currencies used by the company are reported below (determined with reference to the official rates at 31 December each year), together with the percentage changes with respect to the prior year:

EXCHANGE RATE AGAINST THE EURO	31.12.2014	31.12.2013	CHANGE (%)
US DOLLAR	1.2141	1.3791	12.0
SWISS FRANC	1.2024	1.2276	2.1
BRITISH POUND	0.7789	0.8337	6.5
JAPANESE YEN	145.23	144.72	(0.4)

FUNCTIONAL CURRENCY

All amounts shown in the financial statements are expressed in Euro (€), without decimals. The only exception to this are the figures shown in the Notes to the financial statements and in the Attachments, which are expressed in thousands of euro, with the roundings envisaged in art. 4 of IVASS Regulation 22 of 4 April 2008.

The above accounting policies are the same as those applied in the previous year.

EXEMPTIONS PURSUANT TO ART. 2423, PARAGRAPH 4, OF THE CIVIL CODE

No exemptions have been taken in accordance with the article in question.

SECTION 2 - TAX ADJUSTMENTS AND PROVISIONS

As envisaged under current regulations, no adjustments and/or provisions have been recorded solely for tax purposes.

PART B - BALANCE SHEET AND STATEMENT OF INCOME

BALANCE SHEET - ASSETS

SECTION 1 - INTANGIBLE ASSETS (CAPTION B)

B. **"Intangible assets"**, which will all benefit future years, amount to € 118 thousand (€ 61 thousand at 31 December 2013) and comprise:

	31.12.2014	31.12.2013	CHANGE
5. OTHER DEFERRED COSTS	118	61	57
	118	61	57

(in thousands of euro)

Attachment 4 shows the changes during the year in the above caption, being additions of € 93 thousand and amortisation for the year of € 36 thousand.

B.5 **"Other deferred costs"** refer solely to software, which have a useful life of several years, for the residual portion yet to be amortised.

They are stated net of the direct amortisation charge accumulated at year-end.

SECTION 2 - INVESTMENTS (CAPTION C)

C. **"Investments"** total € 117,306 thousand (€ 127,968 thousand at 31 December 2013) and comprise:

	31.12.2014	31.12.2013	CHANGE
I. PROPERTY	17,952	17,633	319
II. INVESTMENTS IN GROUP AND RELATED COMPANIES	41	41	-
III. OTHER FINANCIAL INVESTMENTS	98,513	109,526	(11,013)
IV. DEPOSITS WITH REINSURERS	800	768	32
	117,306	127,968	(10,662)

(in thousands of euro)

C.I. "Property" amounts to € 17,952 thousand (€ 17,633 thousand at 31 December 2013) and comprises:

	31.12.2014	31.12.2013	CHANGE
1. PROPERTY USED FOR BUSINESS PURPOSES	6,250	6,502	(252)
2. PROPERTY USED BY THIRD PARTIES	11,702	11,131	571
	17,952	17,633	319

(in thousands of euro)

These are shown net of accumulated depreciation at 31 December 2014, amounting to € 4,727 thousand (€ 4,155 thousand at 31 December 2013).

The related depreciation charge for the year (€ 574 thousand) is calculated at 3% per year and starts when the property is available and ready for use.

The buildings concerned are considered to be long-term assets as the company intends to hold them over time as a stable investment.

Attachment 4 shows the changes during the year in the above caption.

At 31 December 2014, the market value of the above property was estimated to be € 25,582 thousand (€ 25,600 thousand at 31 December 2013).

Market value was determined in accordance with the rules laid down by IVASS in Regulation 22, articles from 16 to 20.

This represents the price at which each property could be sold, at the time of the valuation, by private contract between a seller and a purchaser, assuming that the sale takes place on normal terms and, for property leased to third parties, taking into account the lease instalments and the expiry date of the contract.

The above market value has been determined on the basis of a separate valuation for each building, as shown in the appraisal prepared by an independent expert, bearing in mind the characteristics and income-earning capacity of each property.

The value of property still owned by the Company was not restated under revaluation laws in previous years.

Property is not mortgaged.

C.I.1 "Property used for business purposes" relates entirely to part of the building situated at Via V Dicembre 3, Genoa, where the Company's headquarters are located.

This increased by € 27 thousand due to work done in the year on improvements and renovation and decreased by € 279 thousand due to depreciation.

C.I.2 "Property used by third parties" are only for business purposes and include a portion of the building situated at Via V Dicembre 3, Genoa.

This increased by € 865 thousand due to work done in the year on improvements and renovation and decreased by € 294 thousand due to depreciation.

Rentals and the related expenses received amount to € 694 thousand and € 157 thousand respectively,

Up to 31 December 2014, part of these buildings were rented out to a subsidiary of Gruppo Fondiaria SAI Servizi S.c.a.r.l., which was

charged € 150 thousand of rent and € 75 thousand of expenses during 2014.
No property is subject to finance leasing contracts.

C.II **"Investments in group and other companies"** amount to € 41 thousand (€ 41 thousand at 31 December 2013), with no change since the previous year.

They consist solely of quotas.

C.II.1 **"Shares and quotas"** comprise:

	31.12.2014	31.12.2013	CHANGE
B) SUBSIDIARY COMPANIES	-	-	-
C) RELATED COMPANIES	40	40	-
E) OTHER	1	1	-
	41	41	-

(in thousands of euro)

These will be held indefinitely and are considered to be long-term investments.

The definition of related companies makes reference to Art. 5.1.c) of Decree 173 of 26 May 1997.
The definition of subsidiary and associated companies makes reference to art. 2359 of the Italian Civil Code.
"Other" companies mean equity investments as defined in Art. 4.2 of Decree 173 of 26 May 1997.

Attachments 5 and 7 summarise and analyse the changes in this caption during the year.

General information on equity investments is provided in Attachment 6.

C.III **"Other financial investments"** amount to € 98,513 thousand (€ 109,526 thousand at 31 December 2013) and comprise:

	31.12.2014	31.12.2013	CHANGE
1. SHARES AND QUOTAS	28	40	(12)
2. MUTUAL FUND UNITS	1,231	2,506	(1,275)
3. BONDS AND OTHER FIXED-INCOME SECURITIES	95,025	104,528	(9,503)
4. LOANS	74	121	(47)
6. RESTRICTED DEPOSITS WITH BANKS	2,155	2,331	(176)
	98,513	109,526	11,013

(in thousands of euro)

As indicated in Attachment 8, the above financial investments are all considered to be short term, with the exception of certain listed government bonds that have been allocated to long-term investments.

	PAR VALUE	BOOK VALUE	MARKET VALUE
BTP 1 MARCH 2030 - 3.5%	2,000	2,046	2,208
BTP 1 MARCH 2024 - 4.5%	3,000	2,998	3,667
		5,044	5,875

(in thousands of euro)

Attachment 8 also compares the book value of each type of investment with its market value. The latter was determined on the basis described in Part A, Section 1, to which reference is made.

As shown in this Attachment, the book value at 31 December 2014 of "Other financial investments" is € 7,176 thousand (€ 2,955 thousand at 31 December 2013) lower than their market value at that date.

The changes in "Shares and quotas", "Mutual fund units" and "Bonds and other fixed-income securities" during the year are analysed below:

	SHARES AND QUOTAS	MUTUAL FUND UNITS	BONDS AND OTHER FIXED-INCOME SECURITIES
OPENING BALANCE	40	2,506	104,528
PURCHASES	-	-	50,954
WRITEBACKS	-	-	3
ISSUE DISCOUNTS AND TRADING	-	-	138
GAINS ON REDEMPTION	-	-	1
LOSSES ON REDEMPTION	-	-	(14)
SALES AND REDEMPTIONS	-	(1,275)	(61,392)
VALUE ADJUSTMENTS	(12)	-	(6)
EXCHANGE DIFFERENCES	-	-	813
CLOSING BALANCE	28	1,231	95,025

(in thousands of euro)

C.III.1 "Shares and quotas" included in "Other financial investments" consist of:

	31.12.2014	31.12.2013	CHANGE
A) LISTED SHARES	28	40	(12)
	28	40	(12)

(in thousands of euro)

"Listed shares" solely comprise shares quoted on the official Italian market.

Their book value does not reflect any unrealised capital gains (zero balance at 31 December 2013) compared with their year-end market value.

C.III.2 **"Mutual fund units"** comprise open-end funds invested in shares totalling € 1,224 thousand, and € 7 thousand invested in a foreign Sicav monetary fund.

Their book value is € 278 thousand (€ 387 thousand at 31 December 2013) lower than their year-end market value.

C.III.3 **"Bonds and other fixed-income securities"** consist of:

	31.12.2014	31.12.2013	CHANGE
A) LISTED	94,960	104,437	(9,477)
B) UNLISTED	37	64	(27)
C) CONVERTIBLE BONDS	28	27	1
	95,025	104,528	(9,503)

(in thousands of euro)

Their book value is € 6,898 thousand (€ 2,866 thousand at 31 December 2013) lower than their year-end market value.

This unrealised capital gain relates to long term securities for, € 832 thousand (€ 125 thousand at 31 December 2013).

"Bonds and other fixed-income securities" denominated in euro total € 86,593 thousand, while those in other currencies (exclusively US dollars) amount to € 8,432 thousand (€ 98,457 thousand and € 5,981 thousand at 31 December 2013).

They comprise investments earning interest at fixed rates, € 48,183 thousand, and floating rates, € 46,842 thousand (€ 61,732 thousand and € 42,796 thousand at 31 December 2013).

As for listed "Bonds and other fixed-income securities", government and corporate securities amount to € 82,719 thousand and € 12,306 thousand, respectively (€ 100,959 thousand and € 3,478 thousand).

The issue discounts relating to this caption are positive for € 175 thousand and negative for € 37 thousand, while positive and negative trading discounts amount to € 2 thousand and € 2 thousand respectively.

An analysis of significant positions by issuer is presented below:

ISSUER	LISTED/ UNLISTED	AMOUNT
ITALIAN GOVERNMENT	LISTED	77,861
WORLD BANK	LISTED	2,471
INTESA SAN PAOLO	LISTED/ UNLISTED	2,447
CASSA DEPOSITI E PRESTITI	LISTED	1,981
GOLDMAN SACHS	LISTED	1,230
PFIZER INC.	LISTED	1,217
APPLE INC.	LISTED	1,175

(in thousands of euro)

Note that the bonds and other fixed-income securities have been measured without recourse to the option (provided for by IVASS Regulation 43 of 12 July 2012) to measure them at other than market value at 31 December 2014.

C.III.4 **"Loans"** relate to loans granted to employees.

The changes during the year are shown in Attachment 10.

C.III.6 **"Restricted deposits with banks"**, comprise € 2,065 thousand of deposits that are restricted for more than 15 days. Of these, the securities deposited with Unipol Banca S.p.A. (a related company) amounted to € 2,000 thousand and will mature on 23 April 2015.

The balance includes an amount of € 90 thousand relating to a restricted deposit that has been provided as security on our behalf and for the same amount by a bank in connection with domestic insurance business. The related amount has been disclosed in the memorandum accounts under "Guarantees given".

The changes during the year are shown in Attachment 10.

C.IV **"Deposits with ceding undertakings"** amount to € 800 thousand (€ 768 thousand at 31 December 2013) and have decreased by € 32 thousand.

These solely comprise cash deposits held by reinsurers on the basis of contractual terms regarding their reinsurance risks.

Deposits with ceding undertakings were not written down at any time during the year.

SECTION 4 - TECHNICAL RESERVES CARRIED BY REINSURERS (CAPTION D BIS)

D.bis. **"Technical reserves carried by reinsurers"** amount to € 218,669 thousand (€ 191,631 thousand at 31 December 2013) and consist of:

	31.12.2014	31.12.2013	CHANGE
I. UNEARNED PREMIUMS RESERVE	36,323	37,012	(689)
2. CLAIMS PAYABLE RESERVE	182,346	154,619	27,727
	218,669	191,631	27,038

(in thousands of euro)

The changes in this caption are the same as though affecting "Technical reserves". Accordingly, reference is made to Section 10 for the related discussion.

The amount of these reserves carried by related companies (solely Unipol Re) is € 45 thousand, consisting entirely of a claims reserve, while there is no reserve carried by UnipolSAI S.p.A. (indirect parent company).

SECTION 5 - DEBTORS (CAPTION E)

E. **"Debtors"** total € 72,893 thousand (€ 69,515 thousand at 31 December 2013) and comprise:

	31.12.2014	31.12.2013	CHANGE
I. RECEIVABLES ARISING OUT OF DIRECT INSURANCE	62,577	54,881	7,696
II. REINSURANCE DEBTORS	4,220	6,140	(1,920)
III. OTHER DEBTORS	6,096	8,494	(2,398)
	72,893	69,515	3,378

(in thousands of euro)

E.I “Receivables arising out of direct insurance” amount to € 62,577 thousand (€ 54,881 thousand at 31 December 2013) and are due from:

	31.12.2014	31.12.2013	CHANGE
1.A DUE FROM POLICYHOLDERS FOR CURRENT PREMIUMS	55,165	46,375	8,790
1.B DUE FROM POLICYHOLDERS FOR PREMIUMS RELATING TO PRIOR YEARS	1,674	1,215	459
2. DUE FROM AGENTS AND OTHER INTERMEDIARIES	2,288	3,446	(1,158)
3. DUE FROM INSURANCE COMPANIES	3,450	3,845	(395)
	62,577	54,881	7,696

(in thousands of euro)

E.I.1 I “Due from policyholders” for current and prior year premiums amount in total to € 56,839 thousand (€ 47,590 thousand at 31 December 2013) and are shown net of the related provision for doubtful accounts, which amounts to € 566 thousand (€ 489 thousand at 31 December 2013).

“Due from policyholders” were written down by € 228 thousand during the year, given that they were considered uncollectible after an analytical valuation; this writedown was charged to “Other technical expenses, net of reinsurance” in the statement of income.

At the same time, the provision for doubtful accounts was reduced by € 151 thousand as a result of changes in estimates; this amount was charged against “Other technical expenses, net of reinsurance” in the statement of income.

These receivables include € 28,128 thousand in premium instalments not yet due for the Hull and related third-party liability sectors (€ 27,026 thousand at 31 December 2013).

E.I.2 “Due from agents and other intermediaries” are stated net of a writedown of € 30 thousand (€ 49 thousand at 31 December 2013).

“Due from agents and other intermediaries” were not written down during the year, after an analytical valuation.

At the same time, the provision for doubtful accounts was reduced by € 21 thousand as a result of changes in estimates; this amount was charged to “Other income” in the statement of income.

Moreover, this provision was increased by € 2 thousand to take account of exchange losses, debited to “Other expenses”, in relation to amounts recorded in foreign currencies (essentially US dollars).

These debtors were mostly settled during the early months of the following year.

E.I.3 “Due from insurance companies” relate to current account deposits to secure co-insurance and services performed. These are shown net of a provision of € 850 thousand (€ 1,162 thousand at 31 December 2013).

“Due from insurance companies” were not written down during the year, after a general valuation.

At the same time, the provision for doubtful accounts was reduced by € 261 thousand as a result of changes in estimates during the period, and by € 65 thousand for use of the provision. These amounts were posted to “Other income” in the statement of income.

Moreover, this provision was decreased by € 14 thousand to take account of exchange losses, debited to “Other expenses”, in relation to amounts recorded in foreign currencies (essentially US dollars).

This caption includes a receivable of € 395 thousand from the indirect parent company UnipolSai S.p.A.

E.II **"Reinsurance debtors"** amount to € 4,220 thousand (€ 6,140 thousand at 31 December 2013) and are due from:

	31.12.2014	31.12.2013	CHANGE
1. INSURANCE AND REINSURANCE COMPANIES	4,220	6,137	(1,917)
2. REINSURANCE INTERMEDIARIES	-	3	(3)
	4,220	6,140	(1,920)

(in thousands of euro)

E.II.1 Reinsurance receivables from **"Insurance and reinsurance companies"** are stated net of a provision of € 1,791 thousand (€ 2,427 thousand at 31 December 2013) which relates solely to reinsurance current accounts.

During the year, having carried out a general assessment of doubtful accounts, general and analytical writedowns were made of € 450 thousand and € 5 thousand, respectively, and charged to the statement of income under "Other expenses".

At the same time, the provision for doubtful accounts was reduced by € 990 thousand as a result of the use of this provision and € 220 thousand for changes in estimates; these amount were posted to "Other income" in the statement of income.

Lastly, this provision was increased by € 119 thousand to take account of exchange losses, charged to "Other expenses", in relation to amounts recorded in foreign currencies (essentially US dollars).

These receivables include an amount of € 172 thousand due from UnipolSAI S.p.A. for active reinsurance.

They also include amounts due from the related company Unipol Re. of € 7 thousand.

E.II.2 **"Receivables due from reinsurance intermediaries"** include the direct business with them and have not been written down (as at 31 December 2013).

E.III **"Other debtors"** amount to € 6,096 thousand (€ 8,494 thousand at 31 December 2013). Their main components are shown below:

	31.12.2014	31.12.2013	CHANGE
AMOUNTS DUE FROM THE TAX AUTHORITIES	3,159	3,454	(295)
DUE FROM THE INDIRECT PARENT COMPANY	1,797	3,859	(2,062)
DEPOSITS WITH CLEARING HOUSES	1,012	664	348
DUE FROM GUARANTORS	33	26	7
DUE FROM RELATED COMPANIES	26	464	(438)
GUARANTEE FUNDS IN FAVOUR OF POLICYHOLDERS	14	14	-
OTHER DEBTORS	55	13	42
	6,096	8,494	(2,398)

(in thousands of euro)

These receivables were not written down during the year, nor were any provisions for doubtful accounts recorded in the past, since there were no reasons for doing so.

Amounts due from the tax authorities include € 3,108 thousand receivable from the Italian tax authorities and € 51 thousand due from those in other European countries (for advance taxation and amounts withheld from dividend payments).

As regards amounts due from the Italian tax authorities, these relate to:

- € 1,787 thousand for the tax advance on insurance policies paid in May 2014 (partially used to offset the tax bill due in February 2015 for the previous year),
- 1,306 thousand for direct taxes (including € 736 thousand due to be reimbursed and € 570 thousand of Irap advances paid during 2014);
- 13 thousand relating to government concession taxes (also due to be reimbursed);
- 2 thousand of excess contributions paid to the National Health Service in 2007.

Since the company is a member of the domestic tax group, SIAT has transferred its tax credits to the indirect parent company UnipolSai S.p.A. to be deducted from the Group tax liability. The amount concerned, € 591 thousand, has therefore been reclassified to the caption described above.

Amounts due from the Tax Authorities of other European countries, concern mainly Germany (€ 44 thousand).

The amounts due from the indirect parent company, UnipolSai S.p.A. include:

- operating costs of € 1,206 thousand incurred on behalf of that company and therefore recharged to it;
- 591 thousand in tax credits as part of the Group tax return, as mentioned above. They include:
 - They include an amount of € 440 thousand attributable to a tax rebate claim filed in February 2013 for the excess IRES paid during the period 2007 to 2010 because of the non-deductibility of IRAP on personnel and similar costs;
 - € 94 thousand, of withholding tax paid;
 - € 57 thousand, of higher IRAP paid in previous years, the reimbursement of which was requested in 2009.

Deposits with clearing houses refer solely to deposits made in France to Cesam – Comité d'Études et des Services des Assureurs Maritimes et Transports, in the ordinary course of business.

Amounts due from guarantors consist of amounts deposited therewith for bonds issued by them to third parties relating to claims pertaining to the "Hulls" sector in connection with a collision or a rescue.

The related amount has been disclosed in the memorandum accounts under "Guarantees given".

The amounts due from related companies refer for € 16 thousand relate to services provided to Liguria Assicurazioni S.p.A. and for € 10 thousand to rentals and related expenses concerning Gruppo Fondiaria – SAI Servizi S.c.r.l.

Amounts due from guarantee funds in favour of policyholders essentially relate to the "Guarantee Fund for Road Victims".

SECTION 6 - OTHER ASSETS (CAPTION F)

F. "Other assets" total € 11,342 thousand (€ 8,671 thousand at 31 December 2013) and comprise:

	31.12.2014	31.12.2013	CHANGE
I. TANGIBLE ASSETS	206	206	-
II. CASH AND CASH EQUIVALENTS	6,129	3,638	2,491
IV. OTHER ASSETS	5,007	4,827	180
	11,342	8,671	2,671

(in thousands of euro)

F.I. "Tangible assets" of € 206 thousand, are stated net of accumulated depreciation at year-end of € 1,798 thousand, as analysed below:

	GROSS VALUE	ACCUMULATED DEPRECIATION	BOOK VALUE
1. FURNITURE AND OFFICE MACHINES	1,786	(1,586)	200
2. PUBLICLY REGISTERED ASSETS	15	(15)	-
3. PLANT AND EQUIPMENT	203	(197)	6
	2,004	(1,798)	206

(in thousands of euro)

These are considered to be long-term tangible assets forming part of the Company's permanent structure. The movements in their gross book value during the year were as follows:

	GROSS VALUE			BALANCE AT 31.12.2014
	BALANCE AT 31.12.2013	INCREASE	DECREASE	
1. FURNITURE AND OFFICE MACHINES	1,693	93	-	1,786
2. PUBLICLY REGISTERED ASSETS	15	-	-	15
3. PLANT AND EQUIPMENT	203	-	-	203
	1,911	93	-	2,004

(in thousands of euro)

Accumulated depreciation amounts to € 1,798 thousand (€ 1,706 thousand at 2013).

During the year it increased by € 93 thousand due to the depreciation charge of the year, whereas there was no decrease for the disposal of assets.

The following table sets out the rates of depreciation rates used for each class of assets:

CATEGORY	RATE %
FURNITURE	12
FIXTURES	15
OFFICE MACHINES	20
EQUIPMENT	15
INTERNAL COMMUNICATION EQUIPMENT	25
PUBLICLY REGISTERED ASSETS	25

These rates have been applied taking into account the year in which the asset is available and ready for use, also in compliance with current tax law.

No accelerated or advance depreciation has been provided.

F.II "**Cash and cash equivalents**" amount to € 6,129 thousand (€ 3,638 thousand at 31 December 2013) and consist of:

	31.12.2014	31.12.2013	CHANGE
1. BANK ACCOUNTS	6,127	3,634	2,493
2. CHEQUES AND CASH	2	4	(2)
	6,129	3,638	2,491

(in thousands of euro)

F.II.1 "**Bank accounts**" include demand deposits and time deposits of less than 15 days.

These amounts include interest income accrued up to year-end.

Bank deposits at Unipol Banca S.p.A. (a related company) amounted to € 5,115 thousand.

F.IV "**Other assets**" amount to € 5,007 thousand (€ 4,835 thousand at 31 December 2013) and consist of:

	31.12.2014	31.12.2013	CHANGE
2. OTHER	5,007	4,827	180
	5,007	4,827	180

(in thousands of euro)

F.IV.2 The main items included in "**Other**" are detailed below:

	31.12.2014	31.12.2013	CHANGE
DEFERRED TAX ASSETS	1,791	2,322	(531)
DUE FROM TAX AUTHORITIES FOR DISPUTED TAX CLAIM	1,800	2,055	(255)
ACCERTAMENTO DI CREDITI PER RIVALSE	929	-	929
DUE FROM INDIRECT PARENT COMPANY	139	-	139
INSURANCE EXCESSES AND AMOUNTS TO BE RECOVERED FROM POLICYHOLDERS	126	119	7
DISBURSEMENTS FOR ACCIDENT CLAIMS TO BE SETTLED	83	111	(28)
DUE FROM CONTROLLED COMPANIES	36	143	(107)
OTHER	103	77	26
	5,007	4,827	180

(in thousands of euro)

Deferred tax assets derive from temporary differences between the result reported in the financial statements and taxable income for IRES and IRAP purposes. The recovery of these timing differences against future taxable income is deemed to be reasonably likely.

They are mainly attributable to the taxed provision for doubtful accounts (in particular, for receivables from insurance and reinsurance companies) and the change in the provision for net long-term claims outstanding.

The balance was determined using the tax rates that are expected to apply in the year when the related timing differences reverse.

The rates used in relation to IRES and IRAP were 27.50% and 6.82% respectively. Deferred tax assets were fully recognised in prior years.

The receivable from the Tax Authorities for disputed tax claim concerns indirect taxes on coinsurance and is related to the amount paid:

- in July 2010, for € 1,639 thousand to settle a tax demand issued by the Tax Authorities, following an unfavourable sentence issued by the Liguria Regional Tax Commission for the 2003 tax year;
- in August 2012, for € 161 thousand, to settle a tax demand issued by the Tax Authorities for the 2006 tax year, which was audited by the Tax Police in 2009;

In fact, as explained in greater detail in point E.1 of Section 12, the lawyer dealing with the case has indicated that this sentence should be considered illegitimate and unfounded and, therefore, likely to be overturned by the Supreme Court, to which the Company has appealed.

Amounts to be recovered from policyholders refers to a claim in the Hulls sector, developed and approved from a technical point of view, which was paid by the debtor in January 2015.

The amounts due from the indirect parent company UnipolSAI S.p.A. relate to invoices to be issued for personnel on secondment to it.

Insurance excesses and amounts to be recovered from policyholders relate entirely to amounts to be recovered. The portion to be transferred to reinsurers has been recorded under "Other liabilities".

The disbursements for accident claims to be settled represent the temporary contra-entry to account for fees paid to outside consultants (such as technical experts and loss adjusters) for Marine insurance claims not yet settled at the end of the year. These fees have been accounted for as part of the valuation of the claims payable reserve.

Amounts due from related companies relate to personnel costs to be charged to Sistema Compagnia di Assicurazioni S.p.A. (€ 8 thousand), Bim Vita S.p.A. (€ 7 thousand), Europa Tutela Giudiziaria S.p.A. (€ 7 thousand), Incontra Assicurazioni S.p.A., Pronto Assistance S.p.A. (€ 7 thousand) and Systema Compagnia di Assicurazioni S.p.A. (€ 7 thousand).

Other assets mainly include the temporary accounting contra-entry for settlements recharged to us by other insurance companies under co-insurance relationships, waiting for supporting documentation or to be reversed. Balances relating to such claims are recorded as amounts due to these companies or in the claims payable reserve, as the case may be.

SECTION 7 - PREPAYMENTS AND ACCRUED INCOME (CAPTION G)

G. "Prepayments and accrued income" amount to € 868 thousand (€ 924 thousand at 31 December 2013) and comprise:

	31.12.2014	31.12.2013	CHANGE
1. INTEREST	764	772	(8)
3. OTHER	104	152	(48)
	868	924	(56)

(in thousands of euro)

They are analysed as follows:

	ACCRUED INCOME	PREPAYMENTS	TOTAL
1. INTEREST	764	-	764
3. OTHER	-	104	104
	764	104	868

(in thousands of euro)

Accrued interest income solely concerns bonds and other fixed-income securities.

Other prepayments relate to various operating expenses referring to future periods (€ 102 thousand) and insurance premiums (€ 2 thousand).

No accrued income or prepayments have a duration of more than five years, or more than one year.

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BALANCE SHEET - LIABILITIES AND EQUITY

SECTION 8 - CAPITAL AND EQUITY RESERVES (CAPTION A)

A. As at 31 December 2014 these amount to € 57,030 thousand (€ 56,178 thousand at 31 December 2013) and consist of:

	31.12.2014	31.12.2013	CHANGE
I. SUBSCRIBED SHARE CAPITAL	38,000	38,000	-
IV. LEGAL RESERVE	1,374	1,218	156
VII. OTHER RESERVES	14,145	13,854	291
IX. NET PROFIT (LOSS) FOR THE YEAR	3,511	3,106	405
	57,030	56,178	852

(in thousands of euro)

The changes during the year are summarised as follows:

	SUBSCRIBED SHARE CAPITAL	LEGAL RESERVE	OTHER RESERVES	NET PROFIT FOR THE YEAR	TOTAL
BALANCE AS AT 31.12.2013	38,000	1,218	13,854	3,106	56,178
ALLOCATION OF 2013 EARNINGS AUTHORISED AT THE SHAREHOLDERS' MEETING HELD ON 22 APRIL 2014:					
- DIVIDENDS	-	-	-	(2,660)	(2,660)
- TO LEGAL RESERVE	-	155	-	(155)	-
- TO OTHERS RESERVE	-	-	291	(291)	-
NET PROFIT FOR 2014	-	-	-	3,511	3,511
BALANCE AT 31.12.2014	38,000	1,374	14,145	3,511	57,030

(in thousands of euro)

As required by Art. 2427, 7-bis of the Italian Civil Code, the following table analyses the various items included in equity at 31 December 2014, explaining their origin, possible use and availability for distribution or other purposes (in thousands of euro):

CAPTION	AMOUNT	POSSIBLE USE	AVAILABLE AMOUNT
I. SUBSCRIBED SHARE CAPITAL	38,000	-	-
IV. LEGAL RESERVE	1,374	B	-
VII. OTHER RESERVES			
- RESERVE FOR LOSSES	1,953	A, B, C	1,953
- EXTRAORDINARY RESERVE	12,192	A, B, C	12,192

(in thousands of euro)

Key: A: for increase in capital

B: to cover losses

C: for distribution to shareholders

None of these reserves has been used in the last three years (including 2014).

A.I "Subscribed share capital" amounts to € 38,000,000 and has not changed during the year.

It is represented by 38,000,000 fully-paid ordinary shares, par value € 1 each.

A.IV The "Legal reserve" amounts to € 1,374 thousand following an increase of € 155 thousand during the year on allocation of part of the net profit for 2013, as required by art. 2430 of the Italian Civil Code.

A.VII "Other reserves" amount to € 14,145 thousand after the following changes during the year:

	BALANCE AT 31.12.2013	INCREASE	DECREASE	BALANCE AT 31.12.2014
RESERVE FOR LOSSES	1,953	-	-	1,953
EXTRAORDINARY RESERVE	11,820	372	-	12,192
RESERVE FOR EXCHANGE GAINS (ART. 2426-BIS CIVIL CODE)	81	-	(81)	-
	13,854	372	(81)	14,145

(in thousands of euro)

The changes for the year in the extraordinary reserve and in the reserve for exchange gains were made in accordance with a resolution passed by the Shareholders' Meeting on 22 April 2014 that was held to approve the financial statements for the year ended 31 December 2013.

SECTION 9 - SUBORDINATED LIABILITIES (CAPTION B)

B. As in the previous year, there are no subordinated liabilities at 31 December 2014.

SECTION 10 - TECHNICAL RESERVES (CAPTION C.I)

C.I "Technical provisions" at 31 December 2014 amount to € 303,039 thousand (€ 269,310 thousand at 31 December 2013) and consist of:

	31.12.2014	31.12.2013	CHANGE
1. UNEARNED PREMIUMS RESERVE	47,440	45,951	1,489
2. CLAIMS PAYABLE RESERVE	253,804	221,641	32,163
5. EQUALISATION RESERVE	1,795	1,718	77
	303,039	269,310	(33,729)

(in thousands of euro)

In compliance with IVASS Regulation 16 of 4 March 2008, these technical provisions have been calculated based on estimates that make the best possible use of available information to ensure that they adequately cover the commitments inherent in insurance policies, to the extent that these are reasonably foreseeable.

The amount of these reserves carried by the indirect parent company, UnipolSai S.p.A. for reinsurance transactions, includes € 3,259 thousand in unearned premiums and € 39,944 thousand for claims.

The amount carried by related companies for active reinsurance transactions comes to € 135 thousand in unearned premiums (Liguria Assicurazioni S.p.A.), and € 677 thousand for claims (Liguria Assicurazioni S.p.A.).

The changes in the unearned premiums reserve and in the claims payable reserve during the year are detailed in Attachment 13.

C.1.1 The **“Premiums payable reserve”** amounts to € 47,440 thousand (€ 45,951 thousand at 31 December 2013) and has been calculated in accordance with IVASS Regulation no. 16 of 4 March 2008.

The unearned premiums reserve refers to direct business for € 44,045 thousand (€ 42,882 thousand at 31 December 2013) and to indirect business for € 3,395 thousand (€ 3,069 thousand at 31 December 2013).

The reserve for unexpired risks is exclusively attributable to the direct business.

This is made up as follows:

	31.12.2014	31.12.2013	CHANGE
FOR APPORTIONED PREMIUMS	46,740	45,146	1,594
FOR UNEXPIRED RISKS	700	805	(105)
	47,440	45,951	1,489

(in thousands of euro)

As required, the unearned premiums reserve is analysed by sector below, considering direct business and indirect business separately:

BUSINESS SECTOR	UNEARNED PREMIUMS RESERVE		
	DIRECT BUSINESS	INDIRECT BUSINESS	TOTAL
ROLLING STOCK	16	40	56
HULLS	40,063	2,001	42,064
MARINE CARGO	1,635	630	2,265
FIRE	822	-	822
OTHER PROPERTY DAMAGE	42	4	46
MOTOR THIRD-PARTY LIABILITY	704	648	1,352
GENERAL THIRD-PARTY LIABILITY	478	71	549
BOND INSURANCE	18	-	18
PECUNIARY LOSSES	268	-	268
	44,046	3,394	47,440

(in thousands of euro)

With regard to the unearned premiums reserve for direct business, the above amounts include € 700 thousand for unexpired risks (€ 805 thousand at 31 December 2013).

It relates to Motor third-party liability (€ 500 thousand), Cargo (€ 150 thousand), General third-party liability (€ 30 thousand) Other property damage (€ 10 thousand) and Deposits (€ 10 thousand).

The reserve for unexpired risks has been determined for each sector of business taking into account the IVASS Circular mentioned above.

In particular, reference was made to the ratio of claims to current generation premiums (net of acquisition commissions and other directly attributable acquisition expenses), compared with the same ratio in previous years.

In addition, as regards the fact that an unearned premiums reserve for unexpired risks has not been set up, except for the one relating to the sectors mentioned above, the following has to be said:

- direct business: the reason is related to the technical performance of the various sectors and, therefore, to the adequacy of the apportioned premium reserve to cover the cost of claims and the related expenses that will take place after the year end;
- indirect business does not require an unexpired risks reserve.

Lastly, € 822 thousand has been added to the apportioned premium reserve against risks related to previous years for natural disasters and € 8 thousand against deposits.

C.I.2 The **"Claims payable reserve"** amounts to € 253,804 thousand (221,641 thousand € at 31 December 2013) and has been determined based on the IVASS Regulation no. 16 of 4 March 2008.

The claims payable reserve refers to direct business for € 208,230 thousand (€ 173,888 thousand at 31 December 2013) and to indirect business for € 45,574 thousand (€ 47,753 thousand at 31 December 2013).

This is made up as follows:

	31.12.2014	31.12.2013	CHANGE
FOR REIMBURSEMENTS AND DIRECT COSTS	216,154	180,675	35,479
FOR SETTLEMENT COSTS	10,036	13,126	(3,090)
FOR ACCIDENTS OCCURRED, BUT NOT REPORTED	27,614	27,840	(226)
	253,804	221,641	32,163

(in thousands of euro)

The increase in reimbursements and direct costs is linked essentially to a number of serious accidents (for example the Norman Atlantic accident) occurred in the second half of the year which involved the "Hulls" sector.

Moreover, in consideration of the rather modest retention in connection with the these claims, the above mentioned surplus was transferred to the corresponding reinsurance companies.

As discussed in greater detail in Section I, the valuation of the claims payable reserve was based on a claim-by-claim assessment.

The claims payable reserve has been estimated using the "latest cost method", where necessary applied on the basis of the insurance cover provided in each sector, bearing in mind how it has evolved from prior generations to the year under review.

In particular, considering the special nature of the Hulls and Cargo sectors, the "latest cost method" was included as part of a broader evaluation of the generation as a whole.

In addition, the claims payable reserve also includes an estimate of accidents that have taken place, but which have not yet been reported at year-end. This estimate is based on experience in previous years, bearing in mind the frequency of late claims and the average cost of accidents reported during the year.

Lastly, taking into account the type of risks for these sectors of business, no especially onerous or exceptional accidents are reported late.

C.1.5 “**Other technical reserves**” amount to € 1,795 thousand (€ 1,718 thousand at 31 December 2013) after the following changes during the year:

	BALANCE AT 31.12.2013	INCREASE	DECREASE	BALANCE AT 31.12.2014
EQUALISATION RESERVE FOR NATURAL DISASTERS	1,715	78	-	1,793
COMPENSATION RESERVE	2	-	-	2
	1,717	78	-	1,795

(in thousands of euro)

The equalisation reserve for natural disasters was established pursuant to Ministerial Decree 705 dated 19 November 1996 (as referred to in art. 57 of IVASS Regulation 16 of 4 March 2008), in order to offset over time the loss experience associated with the risks concerned.

The compensation reserve was set up pursuant to Art. 44 of IVASS Regulation 16 of 4 March 2008 to offset potential underwriting losses on credit insurance business.

SECTION 12 - PROVISIONS FOR RISKS AND CHARGES (CAPTION E)

E. “**Provisions for risks and charges**” amount to € 1,825 thousand (€ 1,909 thousand at 31 December 2013) and are made up as follows:

	31.12.2014	31.12.2013	CHANGE
2. PROVISION FOR TAXATION	1,750	1,784	(34)
3. OTHER PROVISIONS	75	125	(50)
	1,825	1,909	(84)

(in thousands of euro)

The changes in the year for this caption are detailed in Attachment 15.

E.2 The “**Provision for taxation**” includes a provision of € 927 thousand for disputes with the tax authorities and a provision of € 500 thousand relating to expected defence costs and other potential liabilities in relation to the tax dispute detailed below.

In addition, it includes a deferred taxation provision of € 323 thousand in connection with amounts that will become payable in future years.

Deferred tax assets derive from temporary differences between the result reported in the financial statements and taxable income for IRES and IRAP purposes.

These liabilities were determined applying the IRES and IRAP tax rates of 27.50% and 6.82%, respectively.

In addition with regard to taxation, the Genoa tax police completed an inspection in 2009. This was conducted to check compliance with current regulations regarding both indirect taxation (for the 2006, 2007 and 2008 tax years) and direct taxation (just the 2006 tax year).

No significant matters emerged in relation to direct taxes, while certain irregularities were notified for indirect taxes regarding co-insurance relationships and the related VAT requirements (as mentioned in section 8).

In particular, these irregularities related to the failure to tax the recharge made to co-insurers of the “settlement rights” due to the delegated company under co-insurance agreements.

The Liguria Regional Tax Office reached the same conclusion during its audit of the 2003 tax year in 2005. Moreover, on that occasion, the authorities also challenged the failure to subject to VAT the expenses incurred by the Company, as manager of the claim, that were recharged to co-insurers.

With regard to these co-insurance relationships, the company has always followed the tax approach adopted by the insurance industry over the past decades, which does not envisage and has never envisaged that these transactions be subjected to VAT. Accordingly, the company believes that current legislation has been properly applied, in the absence of official interpretations to the contrary. In particular, with regard to the settlement fees, the approach adopted is supported by a circular issued on 22 March 2013 by the trade association.

Support for this comes from the sentence handed down by the Genoa Provincial Tax Commissioners on 4 October 2007, in relation to the 2003 tax inspection, which fully accepted the Company's appeal against the indirect taxation.

However, in January 2008, the Genoa Tax Office appealed against this ruling to the Liguria Regional Tax Commissioners. The hearing before this Commission was held in December 2008 and but the ruling was filed on 3 February 2010. The ruling accepts the Tax Office's appeal and confirms in full the tax assessment appealed by the company.

Following the above sentence, in May 2010, the Tax Authorities issued a payment notice, which was duly settled for a total amount of € 1,715 thousand (of which € 1,639 thousand for tax due and € 76 thousand for handling fees). The amount paid for tax due has been included in "Other assets", for the reasons set out below, while the handling fees have been charged to the statement of income for the year under the caption "Other charges".

As also mentioned in the notes to the financial statements at 31 December 2013, in the opinion of the lawyer appointed to follow this case, the ruling contains specific weaknesses in terms of structure and reasoning and, as such, should be considered illegitimate and unfounded; accordingly, it may be completely overturned by the Court of Cassation. Recourse was made to this Court in September 2010 and, in response to which, the Attorney General of the State, on behalf of the tax authorities, has lodged a counter appeal in November 2010

In February 2010, another ruling filed by the Liguria Regional Tax Commissioners (with a different panel), concerning a similar assessment notified to a different company, confirmed cancellation of the Tax Authorities' assessment for understandable reasons.

Given the above and despite the overall size of the amounts involved in the matters raised, no specific provision has been considered necessary, taking into account the decision of the Liguria Regional Tax Commissioners and the fact that the payment notice has been settled.

A similar approach to the one taken for the payment made in 2010 (i.e. appeal filed and the tax paid accounted for under "Other assets"), again, in connection with indirect taxation pertinent to coinsurance relationships, was also adopted by the Company for:

- the assessment notified by the Tax Authorities in July 2012 based on the audit carried out by the Tax Police in 2009 on the 2006 tax year.
The amount involved, € 169 thousand (of which € 161 thousand for tax charges and € 8 thousand for collection fees), was settled in August 2012.
The Company appealed against this assessment to the Provincial Tax Commission of Genoa on February 2012.
In April 2014 this Commission accepted the above mentioned recourse;
- the settlement notice served by the Tax Authorities in October 2012, for the audit carried out by the Tax Police in 2009 for the 2007 tax year.
The amount involved, € 254 thousand (all for tax charges), was settled in December 2012.
The Company appealed against this assessment to the Provincial Tax Commission of Genoa on January 2013.

In November 2013 the Tax Commission accepted the above appeal.

The Tax Authorities appealed against this ruling in September 2014.

Once this ruling was filed, upholding the reimbursement submitted by the company, the Tax Authorities repaid the entire amount of € 254 thousand mentioned above in October 2014;

Lastly, it should be noted that in December 2013, based on an audit carried out by the Tax Police in 2009, the Tax Authorities issued an assessment for the 2008 tax year as well, again, in connection with indirect taxation pertinent to coinsurance relationships, amounting to € 1,193 thousand (inclusive of interest and penalties up to the beginning of December 2013).

In January 2014, in relation to the foregoing, payment was made of one third of the additional tax assessed plus interest, amounting to € 256 thousand €.

Similarly to what was done for prior tax years, again for 2008, an appeal was filed (in February 2014) and the same considerations that were previously made for the 2006 and 2007 tax years thus apply here.

In July 2014 the Provincial Tax Commission of Genoa accepted the above mentioned recourse.

Once this ruling was filed, upholding the reimbursement submitted by the company, the Tax Authorities repaid the entire amount of € 256 thousand mentioned above in October 2014;

Lastly, it should be noted that in December 2014 the Tax Authorities completed their general inspection (started in October 2014) on direct and indirect taxation and we signed the Minutes of Findings.

As for direct taxes, the matters raised by the Tax Authorities should be considered insignificant, whereas for indirect taxes higher taxes have emerged for € 991 thousand. We are waiting to receive their notice of assessment, which will also include penalties and interest.

E.3 **"Other provisions"** mainly include expenses related to liabilities to personnel.

During the year, an amount was used of € 50 thousand, with an opposite entry to "Other income".

F. **"Deposits from reinsurers"** amount to € 177 thousand (€ 147 thousand at 31 December 2013), up by € 30 thousand compared with the previous year.

This caption solely comprises the cash deposits received under the terms of reinsurance agreements.

SECTION 13 - CREDITORS AND OTHER LIABILITIES (CAPTION G)

G. **"Creditors and other liabilities"** amount to € 59,126 thousand (€ 71,227 thousand at 31 December 2013) and comprise:

	31.12.2014	31.12.2013	CHANGE
I. PAYABLES ARISING OUT OF DIRECT INSURANCE	15,302	13,175	2,127
II. REINSURANCE CREDITORS	26,111	26,843	(732)
VII. TERMINATION INDEMNITIES	1,228	1,469	(241)
VIII. OTHER CREDITORS	7,334	17,310	(9,976)
IX. OTHER LIABILITIES	9,151	12,430	(3,279)
	59,126	71,227	(12,101)

(in thousands of euro)

G.I **"Payables arising out of direct insurance"** amount to € 15,302 thousand (€ 13,175 thousand at 31 December 2013) and consist of:

	31.12.2014	31.12.2013	CHANGE
1. DUE FROM AGENTS AND OTHER INTERMEDIARIES	12,513	11,197	1,316
2. DUE TO INSURANCE COMPANIES	2,786	1,975	811
4. GUARANTEE FUNDS IN FAVOUR OF POLICYHOLDERS	3	3	-
	15,302	13,175	2,127

(in thousands of euro)

G.I.1 **"Due to agents and other intermediaries"** comprise amounts payable to agents, brokers and other intermediaries in connection with their activities.

G.I.2 **"Due to insurance companies"** relate to current account deposits to secure co-insurance relationships and services received.

They include the amount due to the indirect parent company UnipolSai S.p.A. of € 1,739 thousand.

G.II **"Reinsurance creditors"** amount to € 26,111 thousand (€ 26,843 thousand at 31 December 2013) and are due to:

	31.12.2014	31.12.2013	CHANGE
1. INSURANCE AND REINSURANCE COMPANIES	26,078	26,821	(743)
2. REINSURANCE INTERMEDIARIES	33	22	11
	26,111	26,843	(732)

(in thousands of euro)

G.II.1 Reinsurance payables deriving from transactions with **"Insurance and reinsurance companies"** relate solely to the balances on reinsurance current accounts.

These include € 18,836 thousand (€ 19,433 thousand at 31 December 2013) in liabilities for premium instalments not yet expired in respect of Hull and related Third-party liability insurance business.

Part of these apportioned premiums have been recorded as a reduction of the corresponding asset caption relating to reinsurance transactions, where the intermediary concerned has a residual liability to the company.

They also include € 979 thousand due to the indirect parent company UnipolSAI S.p.A. and € 41 thousand due to related company Liguria Assicurazioni S.p.A.

G.II.2 Reinsurance payables deriving from transactions with **"Reinsurance intermediaries"** include the direct relationship with them.

G.VII **"Termination indemnities"** amount to € 1,228 thousand (€ 1,469 thousand at 31 December 2013) and represent the indemnities accrued in compliance with current laws and labour contracts.

This reflects the liability accrued up to 31 December 2006, as (following the pension reform introduced by Law no. 296/2006) with effect from 1 January 2007, the termination indemnities accruing are transferred either to a supplementary pension fund or to the Treasury Fund set up at INPS and accounted for on an accrual basis, depending on the choice made by the individual employee.

The changes during the year are detailed in Attachment 15.

G.VIII **"Other creditors"** amount to € 7,334 thousand (€ 17,310 thousand at 31 December 2013) and comprise:

	31.12.2014	31.12.2013	CHANGE
1. TAXES PAID BY POLICYHOLDERS	351	309	42
2. MISCELLANEOUS TAXES PAID	981	1,383	(402)
3. DUE TO SOCIAL SECURITY AND WELFARE INSTITUTIONS	307	204	103
4. SUNDRY CREDITORS	5,695	15,414	(9,719)
	7,334	17,310	(9,976)

(in thousands of euro)

G.VIII.1 **"Taxes paid by policyholders"** include the amount due to the Tax Authorities on insurance policies (€ 295 thousand), net of advances paid during the year.

This amount was duly paid over in January 2015.

The total also includes € 56 thousand due to foreign tax authorities (mainly Spain, United Kingdom and Germany) for taxes withheld from policyholders, regarding the provision of unrestricted services.

G.VIII.2 **"Miscellaneous taxes payable"** include IRAP payable for € 540 thousand related to 2014.

In particular, the transfer of the latter is not allowed for the purpose of the Group's tax group arrangements.

In addition, they include taxes for which the Company has acted as withholding agent (€ 182 thousand) and VAT payable (€ 159 thousand). These amounts were duly paid over in early 2015.

Lastly, € 100 thousand refers to amounts due to foreign tax authorities (mainly Germany).

G.VIII.3 **"Due to social security and welfare institutions"** relate to social security contributions payable by the Company and amounts withheld from employees.

This amount was duly paid over in January 2015.

G.VIII.4 **"Sundry creditors"** are analysed below:

	31.12.2014	31.12.2013	CHANGE
DUE TO THE INDIRECT PARENT COMPANY	3,924	12,915	(8,991)
DUE TO SUPPLIERS	1,185	1,556	(371)
DUE TO RELATED COMPANIES	104	561	(457)
DUE TO SHAREHOLDERS FOR DIVIDENDS	383	266	117
DUE TO CORPORATE OFFICE BEARERS	43	62	(19)
OTHERS	56	54	2
	5,695	15,414	(9,719)

(in thousands of euro)

The amount due to the indirect parent company UnipolSai S.p.A. includes € 1,410 thousand, which, following the company's inclusion in the domestic tax group arrangements, is payable thereto for IRES for the year just ended and for prior years. The significant reduction compared with the previous year is mainly due to the payment of € 6,499 thousand to this company in May 2014.

In addition, it includes € 1,534 thousand relating to personnel on secondment, primarily for the management of the Group's "Marine Hub", as well as the balance due for services provided (€ 739 thousand).

Moreover, it includes an amount of € 55 thousand withheld from employees for policies taken out by them and which has not yet been paid to the indirect parent company.

Lastly, these creditors relate to various types of items for a total of € 186 thousand.

Amounts due to related companies refer to services provided and concern UnipolSai Real Estate S.r.l. (€ 92 thousand), Unipol Banca S.p.A. (€ 9 thousand) and UnipolSai Servizi Tecnologici S.p.A. (€ 3 thousand).

Amounts due to corporate officers relate to the Board of Directors.

G.IX "Other liabilities" amount to € 9,151 thousand (€ 12,430 thousand at 31 December 2013) and comprise:

	31.12.2014	31.12.2013	CHANGE
2. COMMISSION ON PREMIUMS TO BE COLLECTED	7,142	6,258	884
3. SUNDRY LIABILITIES	2,009	6,172	(4,163)
	9,151	12,430	(3,279)

(in thousands of euro)

G.IX.2 "Commission on premiums to be collected" have increased mainly as a result of higher premiums receivable from direct insurance policyholders.

G.IX.3 "Sundry liabilities" are analysed below:

	31.12.2014	31.12.2013	CHANGE
DUE TO REINSURERS AND CO-INSURERS	613	4,483	(3,870)
DUE TO EMPLOYEES	828	521	307
DUE TO THIRD PARTIES	568	1,168	(600)
	2,009	6,172	(4,163)

(in thousands of euro)

Amounts due to reinsurers and co-insurers refer to:

- € 304 thousand of amounts recovered from policyholders payable thereto. They concern solely the Marine Cargo sector. The considerable decrease in this balance mainly relates to a significant amount collected from policyholders relating to the Marine Cargo sector that was recovered close to the year end and transferred to reinsurers at the beginning of 2014.
- € 258 thousand relating to underwriting transactions entered into therewith, for which no technical documentation exists yet in support of the payable;
- 51 thousand relating to amounts owed thereto for insurance excesses and amounts to be recovered from policyholders recorded under "Other assets".

Amounts due to employees include an amount of € 309 thousand relating to holidays accrued but not yet taken, € 217 thousand for the renewal of the National Labour Contract, and € 114 thousand for staff bonuses, to be paid in the future.

Amounts due to third parties relate to invoices to be received for goods or services supplied at the end of the year.

SECTION 14 - DEFERRED INCOME AND ACCRUED EXPENSES (CAPTION H)

H.I "Deferred income and accrued liabilities" amount to € 1 thousand (zero balance as at 31 December 2013).

SECTION 15 - ASSETS AND LIABILITIES RELATED TO GROUP COMPANIES AND OTHER COMPANIES

Details of assets and liabilities related to Group companies and other companies are given in Attachment 16.

SECTION 16 - RECEIVABLES AND PAYABLES

No payables are secured on the assets of the company.

Receivables and payables booked to captions C. and E. in assets and captions F. and G. in liabilities include the following that are due beyond one year and, of these, due beyond five years:

CAPTION	DUE BEYOND 12 MONTHS	OF WHICH: DUE BEYOND 5 YEARS
ASSETS		
C.III.4 LOANS		
C) OTHER LOANS	34	-
E.3 OTHER DEBTORS	440	-

(in thousands of euro)

The amount due after one year under E.3 "Other debtors" refers to the tax rebate claim filed in February 2103 for the excess IRES paid during the period 2007 to 2010 because of the non-deductibility of IRAP on personnel costs.

In addition, as required by Art. 2427.6 of the Italian Civil Code, the following is a breakdown of receivables and payables by geographical area:

	ITALY	OTHER E.U. COUNTRIES	OTHER NON E.U. COUNTRIES	TOTAL
E. RECEIVABLES				
E.1 RECEIVABLES ARISING OUT OF DIRECT INSURANCE	33,913	16,862	11,802	62,577
E.2 REINSURANCE DEBTORS	13	2,699	1,508	4,220
E.3 OTHER DEBTORS	5,040	1,056	-	6,096
TOTAL	38,966	20,617	13,310	72,893

(in thousands of euro)

	ITALY	OTHER E.U. COUNTRIES	OTHER NON E.U. COUNTRIES	TOTAL
G. CREDITORS				
G.I PAYABLES ARISING OUT OF DIRECT INSURANCE	12,996	2,255	51	15,302
G.II REINSURANCE CREDITORS	1,868	17,062	7,181	26,111
G.VIII OTHER CREDITORS	7,241	93	-	7,334
TOTAL	22,105	19,410	7,232	48,747

(in thousands of euro)

SECTION 17 - GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

“Guarantees, commitments and other memorandum accounts” comprise:

	31.12.2014	31.12.2013	CHANGE
I. GUARANTEES GIVEN	39	97	(58)
III. GUARANTEES GIVEN BY THIRD PARTIES IN THE INTEREST OF THE COMPANY	790	855	(65)
VII. SECURITIES WITH THIRD PARTIES	96,325	107,115	(10,790)

(in thousands of euro)

I. “**Guarantees given**” relate to guarantees provided by the Company, in the form of cash and securities, to third parties in connection with the conduct of its insurance activities.

III. “**Guarantees given by third parties in the interests of the Company**” relate to guarantees given by leading Italian banks in favour of third parties in connection with insurance activities

VII. “**Securities with third parties**” include own securities deposited with banks for safekeeping, reported at book value.

Of these, the securities deposited with Unipol Banca S.p.A. (a related company) amounted to € 95,038 thousand.

“Guarantees given” (I), “Guarantees given by third parties in favour of the Company” (III), and “Commitments” (IV) are analysed in Attachment 17.

There were no dealings in derivative contracts during the year.

There were no derivative contracts outstanding at 31 December 2014.

The “Property and financial management” section of the report on operations provides more details concerning the subordinated bonds held at year end.

Palazzo Madama
Civic Museum
of Antique Art, Turin
Treasures of Portugal
Exhibition in 2014



STATEMENT OF INCOME

SECTION 18 - INFORMATION ON THE TECHNICAL ACCOUNT OF THE LOSS SECTORS(I)

Summary information on the technical account is given in Attachment 19, breaking down the Italian business into direct and indirect and showing it separately from foreign business.

The main captions of the technical statement of income are shown below.

I.1 **"Earned premiums net of reinsurance"** amounted to € 33,530 thousand, of which € 26,012 thousand of direct business and € 7,518 thousand of indirect business.

I.1.a "Gross premiums written" have been commented on in the report on operations.

As required by IVASS Regulation 22 of 4 April 2008, this balance does not include the cancellation of securities issued in prior periods (classified as "Other technical charges").

"Gross premiums written" for indirect business include € 9,667 thousand transferred in full by Fondiaria - SAI S.p.A. (now UnipolSai S.p.A.), in relation to sectors within the "Maritime and Cargo insurance" segment, following the creation of the Marine Hub.

In addition, in a similar context, premiums totalling € 7,391 thousand have been accepted from related companies, namely € 6,915 thousand from Milano Assicurazioni S.p.A. (now UnipolSai S.p.A.) and € 476 thousand from Liguria Assicurazioni S.p.A.

I.1.b "Premiums transferred for reinsurance" do not include any premiums transferred to the indirect parent company or to related companies.

I.1.c, I.1.d The "Change in the unearned premiums reserve", gross and net of outward reinsurance premiums, is summarised as follows:

	GROSS	REINSURED	NET
UNEARNED PREMIUMS RESERVE AT 31.12.2013	(45,951)	37,013	(8,938)
UNEARNED PREMIUMS RESERVE AT 31.12.2014	47,440	(36,324)	11,116
NET EXCHANGE DIFFERENCES	(1,958)	1,540	(418)
PORTFOLIO MOVEMENTS, NET	-	-	-
	(469)	2,229	1,760

(in thousands of euro)

I.2 The **"Share of profit from investments transferred from the non-technical account"** amounts to € 2,379 thousand and was determined in accordance with the criteria envisaged in art. 22 of IVASS Regulation 22 of 4 March 2008.

The investment return, determined in order to calculate the above amount, comprises the sum of the investment income and related capital and financial charges recorded in the non-technical account.

The portion attributable to the technical account pursuant to the above Instructions is obtained by applying the following ratio to the investment return:

- numerator: the average of the technical reserves (net of reinsurance) at the start and the end of the year;

- denominator, the same average plus the average of opening and closing shareholders' equity at the same dates.

In the 2014 financial statements, this ratio amounted to 58.3% (50.0% in the 2013 financial statements).

I.3 **"Other technical income, net of recoveries and reinsurance"** amounts to € 6,160 thousand and includes income of € 2,621 thousand deriving from technical services provided to Group companies, including € 2,569 thousand in relation to UnipolSai S.p.A. and € 52 thousand in relation to Liguria Assicurazioni S.p.A..

In addition, this caption also includes the technical cancellation of amounts due to reinsurers for premiums transferred in prior years (€ 193 thousand), to the use of the provision for doubtful accounts from policyholders (€ 151 thousand €), as well as the reversal of commission expense on prior-year premiums that were cancelled (€ 63 thousand).

Lastly, it also includes amounts charged to co-insurers, regarding solely the Hulls and Cargo sectors, for loss management expenses incurred in relation to the insurance policies for which the Company acts as leader.

I.4 **"Claims incurred, net of recoveries and reinsurance"** amount to € 27,534 thousand.

I.4.a Gross "Amounts paid" include those relating to the reinsurance business accepted from UnipolSai S.p.A. (€ 5,912 thousand) and Liguria Assicurazioni S.p.A. (€ 162 thousand).

This caption includes, among other things, € 7,173 thousand of accident settlement expenses. These expenses include administrative costs (mainly payroll) incurred for the management of claims totalling € 1,675 thousand.

The portions of the amounts paid that are due from reinsurers include the amount pertaining to Unipol Re (€ 4 thousand).

No portion of claims paid has been recharged to UnipolSai S.p.A.

I.4.c The "Change in claims payable reserve", gross and net of reinsurance, is summarised as follows:

	GROSS	REINSURED	NET
CLAIMS PAYABLE RESERVE AT 31.12.2013	(221,640)	154,618	(67,022)
CLAIMS PAYABLE RESERVE AT 31.12.2014	253,804	(182,345)	71,459
NET EXCHANGE DIFFERENCES	(6,883)	5,578	(1,305)
PORTFOLIO MOVEMENTS, NET	-	(2,059)	(2,059)
	25,281	(24,208)	1,073

(in thousands of euro)

The rise in the gross claims payable reserve is mainly due to a number of substantial claims in the course of the last part of 2014 related to the Hulls sector, not yet paid at the year-end. In consideration of the high level of reinsurance protection (including excess-of-loss cover) to which they are subject, the impact on the retained portion gets substantially reduced.

The net difference between the opening claims payable reserve and the aggregate amount representing prior year payments made during the year, the change in recoveries relating to prior years and the related new reserve at year end, taking portfolio movements and exchange differences into account, represents a positive difference (net of reinsurance) of about 11% and 14% of the opening claims payable reserve.

"Profit commissions, net of reinsurance" amounted to € 154 thousand and include only the amounts paid to policyholders during the year for profit commissions.

1.7 **"Operating expenses"** amount to € 12,074 thousand.

1.7.a "Acquisition commissions" mainly includes payments to third parties for the acquisition and renewal of insurance policies.

1.7.b "Other acquisition costs" are principally attributable to the payroll costs of employees engaged in the acquisition of new policies.

These costs also include commission expense recognised in relation to the reinsurance business accepted.

In particular, the latter refer for € 3,874 thousand to the indirect parent company UnipolSai S.p.A. and for € 88 thousand to Liguria Assicurazioni S.p.A.

1.7.d "Collection commissions" relate to administrative expenses connected with the collection of premiums.

1.7.e "Other administrative expenses" comprise general costs, net of those allocated to "other acquisition expenses" (€ 2,456 thousand) and "claims incurred" (€ 1,675 thousand).

In fact, before allocating € 4,132 thousand to the above captions, other administrative expenses amounted to € 12,095 thousand. It included, among other things, personnel costs (10,556 € thousand) and depreciation of tangible assets (€ 86 thousand), fees pertaining to the Statutory Auditors (€ 36 thousand) and the remuneration due to directors (€ 160 thousand) for 2014.

1.7.f "Commission and other income from reinsurers" include commission income on transfers and retrocessions.

Commission income does not include any amounts from either the indirect parent company UnipolSai S.p.A. or related companies.

1.8 **"Due from policyholders"** amount to € 1,446 thousand.

They include, among other things, the technical cancellations of receivables from policyholders for premiums of previous years (€ 393 thousand), and the reversal of commission income on reinsurance premiums ceded in previous years and then cancelled (€ 41 thousand).

This caption also includes a provision of € 228 thousand for uncollectible insurance premiums due from customers.

1.9 The **"Change in the equalisation reserve"** during the year amounts to € 78 thousand and is summarised by business sector as follows:

SECTOR	OPENING BALANCE	UTILISATIONS	PROVISIONS	CLOSING BALANCE
PERSONAL ACCIDENT (1)	98	-	1	99
MOTOR FIRE, THEFT, ETC. INSURANCE (3)	68	-	-	68
MARINE, AIRCRAFT AND TRANSPORT INSURANCE (4,5,6,7,12)	1,248	-	73	1,321
FIRE AND OTHER PROPERTY DAMAGE (8,9)	301	-	4	305
CREDIT INSURANCE (14)	2	-	-	2
	1,717	-	78	1,795

(in thousands of euro)

The above provisions consist of € 60 thousand relating to direct business and € 14 thousand to indirect business.

For further information on "Other non-technical reserves" please refer to paragraph C.I.5 of Section 10.

SECTION 20 - TECHNICAL RESULTS BY BUSINESS SECTOR

With reference to the Italian business technical account, Attachment 26 summarises all sectors, while Attachment 25 shows the results by individual sector.

Reports from the Company's management accounting system have been used, for the most part, to allocate common costs to individual business sectors.

Revenues and costs not analysed by the management accounting system are generally allocated, where appropriate, in proportion to the sector's premiums or claims with respect to the total. In particular cases, specific decisions have been reached on a logical basis.

SECTION 21 - INFORMATION ON THE NON-TECHNICAL ACCOUNT

III.3 "**Income from investments**" amounts to € 5,636 thousand and is detailed in Attachment 21.

This includes € 150 thousand and € 75 thousand and concerns respectively rental income in relation to the rental and expenses related to rental to the related company Gruppo Fondiaria – SAI Servizi S.p.A. of part of the freehold property used by third parties.

Please refer to the report on operations under "Property and financial management" for further information about this caption.

III.5 "**Capital and financial charges**" amount to € 1,556 thousand and are detailed in Attachment 23.

III.5.a "Investment management charges and interest expense" amounting to € 959 thousand relate to the management of property (€ 809 thousand) and financial investments (€ 143 thousand), as well as to interest expense on deposits withheld from reinsurers in relation to risks transferred (€ 7 thousand).

In particular, management charges for investment property mainly relate to renovation work in the year, not qualifying for capitalisation, on property used by third parties. In addition, € 225 thousand related to the tax burden for IMU.

Management charges for financial investments include € 66 thousand relating to fees payable to the indirect parent UnipolSai S.p.A. for the management of the securities portfolio and € 24 thousand payable to Banca SAI S.p.A. for the safekeeping of securities.

III.5.b "Writedowns on investments", amounting to € 592 thousand, comprise adjustments to the value of shares (€ 12 thousand), bonds (€ 6 thousand), as well as the depreciation of commercial property used by the Company (€ 574 thousand).

Please refer to the report on operations under "Property and financial management" for further information about this caption.

III.6 For the "**Investment return transferred to the technical account**", the same comments apply as were made in point I.2 of Section 18.

III.7 “Other income” amounts to € 3,848 thousand and is detailed below:

RECOVERY OF COSTS FROM INDIRECT PARENT COMPANY	1,653
RELEASES OF THE “PROVISION FOR DOUBTFUL ACCOUNTS”	1,557
EXCHANGE GAINS	305
VAT REFUND	161
RELEASES OF “PROVISION FOR RISKS AND CHARGES”	50
INCOME FROM TAX CREDITS	37
RECOVERY OF COSTS FROM RELATED COMPANIES	36
INTEREST INCOME ON BANK CURRENT ACCOUNTS	10
INTEREST INCOME ON TAX CREDIT	5
OTHER	34
	3,848

(in thousands of euro)

The recovery of costs from the indirect parent company essentially relates to operating costs incurred on behalf of UnipolSai S.p.A (charges in the other direction are classified as “other expenses”).

These costs pertain to insurance activities of a non – technical nature conducted as part of the management of the “Marine” sector, as formalised contractually.

The decrease in the provision for doubtful accounts relates for € 990 thousand to insurance and reinsurance companies and for € 65 thousand to current account deposits with insurance companies, for the amounts released during the year.

The total amount above, namely € 1,055 thousand, offsets the same amount posted as losses on debtors in “Other expenses”.

In addition, this reduction applies for € 502 thousand to changes in estimates that have occurred, which for € 282 thousand relate to insurance brokers, for € 220 thousand to insurance and reinsurance companies and for € 50 thousand to reinsurance intermediaries.

Exchange gains, like exchange losses (totalling € 135 thousand), derive from the application of multicurrency methodologies and include both realised gains (€ 9 thousand) and those arising on translation (€ 296 thousand).

Since net unrealised exchange gains total € 292 thousand, the proposed allocation of net profit for 2014 will include the creation of an equity reserve (as required by point 8-bis of art. 2426 of the Italian Civil Code) for the same amount.

The VAT refund relates to the VAT expensed during the year which can be reclaimed due to the pro-rata recoverability which the Company will use in 2014.

The decrease in the “Provision for risks and charges” relates to payments of personnel costs recorded in the year (within administrative expenses). Given that they had been provided for in previous years, the same amount was released from these provisions.

The income from tax credits results from the gain on sale of units in open-ended equity-based mutual funds, to the extent of 15% of the gain.

The recovery of costs from related companies (charges in the other direction are classified as “Other expenses”) essentially relates to personnel costs charged to Sistema Compagnia di Assicurazioni S.p.A. (€ 8 thousand), Bim Vita S.p.A. (€ 7 thousand), Europa Tutela Giudiziaria S.p.A. (€ 7 thousand), Incontra Assicurazioni S.p.A., Pronto Assistance S.p.A.(€ 7 thousand) and Systema Compagnia di Assicurazioni S.p.A. (€ 7 thousand).

Interest income on bank current accounts includes interest accrued on demand deposits and on time deposits restricted for less than 15 days.

This interest was mainly accrued on current accounts with the related company Unipol Banca S.p.A.

The interest income on tax credits has accrued on the amounts to be reimbursed by the Italian tax authorities, mainly for direct taxes.

III.8 **"Other expenses"** amount to € 3,503 thousand and comprise:

ADMINISTRATIVE COSTS AND EXPENSES ON BEHALF OF INDIRECT PARENT COMPANY	1,653
LOSSES ON DEBTORS	1,055
PROVISIONS FOR DOUBTFUL ACCOUNTS	455
EXCHANGE LOSSES	135
SUNDRY TAXES	67
ADMINISTRATIVE COSTS AND EXPENSES ON BEHALF OF RELATED COMPANIES	36
OPERATING COSTS OF CLEARING HOUSES	27
AMORTISATION OF INTANGIBLE ASSETS	22
OTHER	53
	3,503

(in thousands of euro)

Administrative costs and expenses on behalf of the indirect parent company and related companies are matched by the balance under "Other income".

Losses on debtors relate to insurance and reinsurance companies for € 990 thousand and to current account deposits with insurance companies for € 65 thousand.

They are offset by a total amount of € 1,055 thousand released from the allowance for doubtful accounts as previously indicated under "Other income".

The provisions for doubtful accounts relate to debtors other than those from policyholders for insurance premiums.

In particular, they relate entirely to amounts due from insurance and reinsurance companies.

These provisions will be added back in the determination of taxable income on the preparation of the tax return and, accordingly, a deferred tax asset has been computed thereon.

The exchange losses derive from the application of multicurrency accounting methodologies. This balance includes both realised losses (€ 130 thousand) and those arising on translation (€ 5 thousand).

Sundry taxes mainly include those relating to advertising and the disposal of solid urban waste.

The operating costs of clearing houses relate to insurance activities conducted in France under the freedom to provide services regime.

III.10 I **"Extraordinary income"** amounts to € 175 thousand.

They mainly include, for € 160 thousand, out-of-period income on prior year taxes.

III.11 “**Extraordinary expenses**” amount to € 100 thousand.

They principally relate, for € 93 thousand, to out-of-period expenses on prior year taxes.

III.14 “**Income taxes for the year**”, totalling € 2,133 thousand, include IRES (€ 1,410 thousand) and IRAP (€ 540 thousand), as well as the provision for taxes to be paid abroad (€ 100 thousand), especially in Germany.

These include charges for deferred tax assets (€ 112 thousand) and income for deferred tax (€ 28 thousand).

Deferred tax assets and liabilities are discussed further in points F.IV.2 of Section 6 and E.1 of Section 12.

As required by art. 2427.14 of the Italian Civil Code, the following information is provided on the timing differences that have given rise to deferred tax assets and liabilities:

DEFERRED TAX ASSETS	AMOUNT	RATE IRES	RATE IRAP	DEFERRED TAX ASSETS
NET CHANGE IN CLAIMS PAYABLE RESERVE	3,190	27.50%	-	876
TAXED PROV. DOUBTFUL ACCOUNTS	2,300	27.50%	-	633
ADJUSTMENTS TO THE VALUE OF EQUITY SECURITIES	169	27.50%	-	46
PROVISION FOR RISKS AND CHARGES	25	27.50%	6.82%	9
DEPRECIATION OF LAND USED BY THE COMPANY	300	27.50%	-	83
DEPRECIATION OF LAND USED BY THE COMPANY	258	-	6.82%	18
PROVISIONS FOR DOUBTFUL ACCOUNTS DUE BY POLICYHOLDERS (LAW 147/2013)	212	27.50%	6.82%	72
PROVISIONS FOR DOUBTFUL ACCOUNTS EXCEEDING THE LIMIT SET IN ART.106 TAX LAW	55	27.50%	6.82%	19
REMUNERATION OF INDEPENDENT AUDITORS	80	27.50%	-	22
EMOLUMENTS OF DIRECTORS	43	27.50%	-	12
DEFERRED TAX ASSETS AT 31 DECEMBER 2014				1,790
TAX CREDIT FOR CARRY-FORWARD LOSSES TRANSFERRED TO THE INDIRECT PARENT COMPANY UNIPOLSAI S.P.A.				420
DEFERRED TAX ASSETS AT 31 DECEMBER 2013				(2,322)
DECREASE (INCREASE) IN DEFERRED TAX ASSETS				112

(in thousands of euro)

DEFERRED TAX LIABILITIES	AMOUNT	IRES	IRAP	DEFERRED TAX LIABILITIES
TAX DEPRECIATION OF PROPERTY USED BY THIRD PARTIES	1,174	27.50%	-	323
DEFERRED TAX LIABILITIES AT 31 DECEMBER 2014				323
DEFERRED TAX LIABILITIES AT 31 DECEMBER 2013				(351)
DECREASE (INCREASE) IN DEFERRED TAX LIABILITIES				28

(in thousands of euro)

Lastly, with regard to taxation for the year, the following schedule for 2014 reconciles the Ires theoretical tax rate (27.50%) with the effective rate:

PROFIT (LOSS) BEFORE TAXES	5,644
<i>THEORETICAL IRES (27.50%)</i>	(1,552)
TAX EFFECT OF THE CHANGE IN PERMANENT DIFFERENCES	28
OTHER DIFFERENCES	114
<i>IRES</i>	(1,410)
<i>DECREASE IN DEFERRED TAX ASSETS - IRES</i>	(122)
<i>INCREASE IN DEFERRED TAX LIABILITIES - IRES</i>	14
<i>EFFECTIVE IRES</i>	(1,518)
<i>EFFECTIVE IRES TAX RATE</i>	26.90%

(in thousands of euro)

IRAP has not been taken into consideration since the way the taxable amount is calculated means that it cannot be correlated with the reported pre-tax profit.

For further comments on non-technical statement of income captions, reference should be made to the report on operations.

SECTION 22 - SUNDRY INFORMATION ON THE STATEMENT OF INCOME

- Transactions with Group and other companies are summarised in Attachment 30.
- Direct business premiums are summarised in Attachment 31.
- Charges for personnel, directors and statutory auditors are summarised in Attachment 32.

PART C - OTHER INFORMATION

C.1 Solvency margin

The solvency margin and the guarantee required for 2014 total € 17,297 thousand and € 4,572 thousand, respectively, while the elements comprising the available margin total € 54,061 thousand, calculated in accordance with IVASS Regulation 19 of 14 March 2008.

The solvency margin is therefore 3.1 times higher than what is required by current legislation.

Furthermore, in application of Title III of IVASS Regulation 18 of 12 March 2008, we inform you that the verification of the adjusted solvency of parent companies is performed, under the combined provisions of arts. 28 and 29 of the Regulation, with the consolidated accounts method by UnipolSai Assicurazioni SpA, an insurance company that has the highest amount of total assets at 31 December 2014. Note that the available solvency margin of the indirect parent company Unipol Gruppo Finanziario SpA and that of its parent company Finsoe SpA, which acts as the holding company of the financial conglomerate to which this company belongs, are in excess of the margin required to 31 December 2014.

C.2 Coverage of technical reserves

The amount of the technical reserves to be covered at the end of the year is € 254,070 thousand for direct business and € 48,969 for indirect business.

The assets available at 31 December 2014 are suitable and sufficient, considering the restrictions imposed by current regulations, to guarantee coverage of the above reserves.

In particular, this coverage is provided by Class A. assets ("Investments"), € 116,023 thousand; Class B. assets ("Debtors"), € 181,700 thousand, and Class D. assets ("Bank deposits"), € 5,600 thousand.

C.3 Trend in exchange rates

The exchange rates at the date the financial statements were prepared do not differ significantly from those at 31 December 2014 (especially considering the US dollar, a currency that is widely used in the Marine insurance sector).

C.4 Transactions with related parties

As required by art. 2427-bis of the Italian Civil Code, it is confirmed that no significant transactions with related parties have been conducted on other than market terms.

Information about relations with Group companies during 2014 is provided in the report on operations, to which reference is made.

C.5 Off-balance sheet agreements

As required by art. 2427-ter of the Italian Civil Code, it is confirmed that, at 31 December 2014, there are no off-balance sheet agreements that might result in significant risks or benefits for the Company.

C.6 Financial fixed assets

As required by para. 1 of art. 2427-bis of the Italian Civil Code, it is confirmed that the financial statements for the year ended 31 December 2014 include financial fixed assets consisting of:

- Investments in parent and associated companies (pursuant to art. 2359 of the Civil Code), as indicated in point C.II.1 of Section 2;
- Italian government bonds (BTPs) - various maturities and with a carrying amount of € 5,044 thousand as indicated in point C.III of Section 2.

These financial assets are reported at an amount higher than their fair value.

C.7 Derivative instruments

As mentioned in the report on operations, no use of derivative instruments was made during the year.

However, at 31 December 2014, the portfolio contains bonds with subordination clauses (as detailed in the section on "Property and financial management" in the Report on Operations), as the result of trading activities in previous years.

There were no derivative contracts outstanding at 31 December 2011.

C.8 Formation of a domestic tax group

Following the resolution adopted on 28 May 2013 by the Board of Directors of Unipol - SAI S.p.A., the indirect parent company notified the tax authorities in the prescribed manner about the formation of a domestic tax group pursuant to arts. 117-129 of the Consolidated Income Tax Law. The Company is currently a member of this tax group for the three-year period 2013 - 2015.

In order to govern the financial relations deriving from the above, an agreement has been signed with the indirect parent company under which the company is committed to making the necessary funds available to the former in order to settle the taxes deriving

from the company's taxable income for IRES purposes.

Conversely, the company receives from the indirect parent company the amount of the tax reduction obtained by the latter via use of any tax losses transferred to it by the company.

C.9 Annual return for reporting premiums, ancillary income and the NHS contributions collected in 2007

The annual return for reporting premiums, ancillary income and the NHS contributions collected in 2007 was filed late (on 5 June 2008 instead of on 3 June 2008, taking account of the extensions granted for public holidays).

However, the monthly payments related to these matters have always been paid regularly by the legal deadline.

As a consequence of this late filing, on 27 January 2009 the Genoa Tax Office notified issuance of a fine for the amount not declared (€ 5,240 thousand), even though it had been paid promptly.

Based on a reasoned legal opinion, indicating solid reasons and valid arguments for the annulment of this measure, the fine has been challenged by filing an appeal to the Provincial Tax Commission.

With a sentence filed on 22 September 2010, the Commission, giving a well-argued and reasoned decision, annulled the fine, reducing it to a minimum of € 103.

To refute that ruling, on 12 October 2011 the Tax Authorities applied to the Regional Tax Commission.

The hearing was held on 26 November 2012 and the Regional Tax Commission, in its judgement of 8 February 2013, confirmed the conclusions previously expressed by the Provincial Commission, i.e. rejecting the appeal brought by the Tax Authorities.

However, in view of this judgement, on 26 April 2013, the Attorney General of the State, on behalf of the Tax Authorities, filed a further appeal, requesting a final decision by the Court of Cassation.

C.10 Fees for services provided by the independent auditors

Pursuant to art. 149-duodecies of Consob's Issuers' Regulations, as amended most recently by resolutions 15915 of 3 May 2007 and 15960 of 30 May 2007, the following schedule reports the 2014 fees for services provided to the Company by the independent auditors and companies that are members of its network. Amounts are stated in thousands of euro and exclude VAT and expenses:

TYPE OF SERVICE

PROVIDER OF THE SERVICE

FEES

LEGAL AUDIT

PRICEWATERHOUSECOOPERS S.P.A.

86

(in thousands of euro)

C.11 Interim dividends (if any)

No interim dividends were approved or paid during 2014.

C.12 Changes in shareholders' equity after the year-end

As required by ISVAP Regulation 22 of 4 April 2008, the statement of changes in shareholders' equity after the year-end is reported below:

	SUBSCRIBED SHARE CAPITAL	LEGAL RESERVE	OTHER RESERVES	NET PROFIT FOR THE YEAR	TOTAL
BALANCE AT 31.12.2014	38,000	1,374	14,145	3,511	57,030
ALLOCATION OF 2013 EARNINGS, AS PROPOSED BY THE BOARD OF DIRECTORS ON 10 MARCH 2015					
- TO LEGAL RESERVE	-	176	-	(176)	-
- TO EXTRAORDINARY RESERVE	-	-	193	(193)	-
- TO RESERVE FOR EXCHANGE GAINS	-	-	292	(292)	-
- DIVIDENDS	-	-	-	(2,850)	(2,850)
	38,000	1,550	14,630	-	54,180

(in thousands of euro)

C.13 Statement of changes in financial position

The statement of changes in financial position for the year ended 31 December 2014 with comparative figures from the previous year is shown below:

	2014	2013
SOURCES OF FUNDS		
NET PROFIT FOR THE YEAR	3,512	3,106
WRITEDOWN OF RECEIVABLES	678	1,065
DEPRECIATION AND AMORTISATION OF PROPERTY, TANGIBLE AND INTANGIBLE ASSETS	703	421
WRITEDOWN OF FINANCIAL INVESTMENTS	18	93
PROVISION FOR TERMINATION INDEMNITIES	357	358
PROVISION FOR RISKS AND CHARGES	-	50
NET CHANGE IN OTHER RECEIVABLES AND PAYABLES	-	1,812
DECREASE IN OTHER FINANCIAL INVESTMENTS	10,994	-
DECREASE IN DEPOSITS WITH INSURANCE AND REINSURANCE COMPANIES	-	436
INCREASE IN DEPOSITS FROM REINSURERS	30	-
NET CHANGE IN DEBTORS AND CREDITORS FROM/TO INSURANCE AND REINSURANCE OPERATIONS	-	3,793
NET INCREASE IN TECHNICAL RESERVES	6,690	-
NET CHANGE IN OTHER ASSETS AND LIABILITIES	-	5,509
NET CHANGE IN ACCRUALS AND DEFERRALS	57	-
TOTAL SOURCES OF FUNDS	23,039	16,643
APPLICATION OF FUNDS		
DIVIDENDS PAID	2,660	-
INCREASE IN OTHER FINANCIAL INVESTMENTS	-	12,311
DECREASE IN DEPOSITS RECEIVED FROM REINSURERS	-	22
INCREASE IN DEPOSITS WITH INSURANCE AND REINSURANCE COMPANIES	31	-
NET DECREASE IN TECHNICAL RESERVES	-	2,892
UTILISATION OF TERMINATION INDEMNITIES	598	335
UTILISATION OF PROVISIONS FOR RISKS AND CHARGES	85	650
NET CHANGE IN OTHER RECEIVABLES AND PAYABLES	7,577	-
NET CHANGE IN DEBTORS AND CREDITORS FROM/TO INSURANCE AND REINSURANCE OPERATIONS	5,059	-
NET CHANGE IN OTHER ASSETS AND LIABILITIES	3,459	-
INCREASE IN INVESTMENT IN PROPERTY	893	942
INCREASE IN TANGIBLE AND INTANGIBLE ASSETS	186	143
NET CHANGE IN ACCRUALS AND DEFERRALS	-	70
TOTAL APPLICATION OF FUNDS	20,548	17,365
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,491	(722)
CASH AND CASH EQUIVALENTS:		
- BEGINNING OF THE YEAR	3,638	4,360
- END OF THE YEAR	6,129	3,638
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,491	(722)

(in thousands of euro)

C.14 Key figures from the financial statements of Unipol Gruppo Finanziario S.p.A.

As required by Art. 2497-bis, para. 4 of the Italian Civil Code, the following table provides a summary of the key figures from the statutory and consolidated financial statements at 31 December 2013 (the latest to be approved) of the indirect parent company, Unipol Gruppo Finanziario S.p.A., as it exercises direction and coordination over the Company:

KEY FIGURES FROM THE FINANCIAL STATEMENTS OF UNIPOL GRUPPO FINANZIARIO S.P.A.

	31.12.2013
BALANCE SHEET	
ASSETS	
A) SUBSCRIBED CAPITAL UNPAID	
B) FIXED ASSETS	
I INTANGIBLE ASSETS	64.3
II TANGIBLE ASSETS	2.1
III FINANCIAL ASSETS	5,824.8
TOTAL FIXED ASSETS	5,891.2
C) CURRENT ASSETS	
I INVENTORIES	-
II DEBTORS	901.5
III FINANCIAL ASSETS NOT HELD AS FIXED ASSETS	162.3
IV CASH AND CASH EQUIVALENTS	215.7
TOTAL CURRENT ASSETS	1,279.5
D) PREPAYMENTS AND ACCRUED INCOME	5.9
TOTAL ASSETS	7,176.7
LIABILITIES	
A) CAPITAL AND EQUITY RESERVES	
I SHARE CAPITAL	3,365.3
II SHARE PREMIUM RESERVE	1,410.0
III REVALUATION RESERVES	20.7
IV LEGAL RESERVE	497.8
V STATUTORY RESERVES	-
VI RESERVE FOR OWN SHARES IN PORTFOLIO	23.5
VII OTHER RESERVES	203.1
VIII PROFIT (LOSS) BROUGHT FORWARD	-
IX PROFIT (LOSS) FOR THE YEAR	146.1
TOTAL CAPITAL AND EQUITY RESERVES	5,665.5
B) PROVISIONS FOR RISKS AND CHARGES	412.7
C) TERMINATION INDEMNITIES	1.5
D) CREDITORS	1,059.8
E) DEFERRED INCOME AND ACCRUED LIABILITIES	37.2
TOTAL LIABILITIES	7,176.7

(in millions of euro)

	31.12.2013
STATEMENT OF INCOME	
A) VALUE OF PRODUCTION	42.0
B) PRODUCTION COSTS	411.8
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (AB)	(369.8)
C) FINANCIAL INCOME AND EXPENSES	380.2
D) ADJUSTMENTS TO FINANCIAL ASSETS	(193.0)
E) EXTRAORDINARY INCOME AND EXPENSES	262.9
PROFIT (LOSS) BEFORE TAXES	80.3
INCOME TAXES FOR THE YEAR	65.8
NET PROFIT (LOSS) FOR THE YEAR	146.1

(in millions of euro)

ATTACHMENTS



Civic Gallery of Modern
and Contemporary Art, Turin
Roy Lichtenstein Exhibition
September 2014/January 2015



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Image vs Content

Attachment 3

Year 2014

Distribution of the result for the year between life and non-life business

		Non life business	Life business	Total
Direct margin on insurance business.....	1	3,524 ²¹		41 3,524
Income from investments.....	+ 2	5,636		42 5,636
Financial charges.....	- 3	1,556		43 1,556
Portion of income from investments transferred to direct insurance life result.....	+ 24			44
Portion of income from investments transferred to direct insurance non-life result.....	- 5	2,379		45 2,379
Intermediate result.....	6	5,225 ²⁶		46 5,225
Other income	+ 7	3,847 ²⁷		47 3,847
Other expenses.....	- 8	3,502 ²⁸		48 3,502
Extraordinary income.....	+ 9	174 ²⁹		49 174
Extraordinary expenses.....	- 10	100 ³⁰		50 100
Result before tax.....	11	5,644 ³¹		51 5,644
Income taxes.....	- 12	2,133 ³²		52 2,133
Net result for the year.....	13	3,511 ³³		53 3,511

Year 2014

Changes in intangible assets (Item B.) and property (Item C.I)

		Intangible assets B.		Property C.I	
Gross opening balance	+	1	1,402	31	21,788
Increase.....	+	2	93	32	891
due to : Purchases		3	93	33	891
Write backs.....		4	0	34	0
Revaluation		5	0	35	0
Other changes.....		6	0	36	0
Decrease.....	-	7	0	37	0
due to : Sales.....		8	0	38	0
Permanent writedowns.....		9	0	39	0
Other changes.....		10	0	40	0
Gross closing balance.....(a)		11	1,495	41	22,679
Depreciation / Amortisation.....					
Opening balance.....	+	12	1,341	42	4,155
Increase.....	+	13	36	43	572
due to : Depreciation / Amortisation.....		14	36	44	572
Other changes.....		15	0	45	0
Decrease.....	-	16	0	46	0
due to : Sales.....		17	0	47	0
Other changes.....		18	0	48	0
Accumulated depreciation / amortisation.....(b)		19	1,377	49	4,727
Net book value(a - b)		20	118	50	17,952
Market value.....				51	25,583
Total revaluation.....		22		52	0
Total writedowns.....		23		53	
(*) of which depreciation / amortisation made solely for tax purposes		24		54	

Attachment 5

Year 2014

Changes in investments in group and related companies (Item C.II)

		Shares and quotas	Bonds	Loans
Opening balance	+	1 41	21	41
Increase.....	+	2	22	42
due to : Purchases		3	23	43
Write backs.....		4	24	44
Revaluation		5		
Other changes.....		6	26	46
Decrease.....	-	7	27	47
due to : Sales.....		8	28	48
Writedowns.....		9	29	49
Other changes.....		10	30	50
Book value.....		11 41	31	51
Market value.....		12	32	52
Total revaluation.....		13		
Total writedowns.....		14	34	54

The item "Bonds" includes :

Listed Bonds.....	61
Unlisted Bonds.....	62
Book value.....	63
Of which convertible bonds.....	64

Group and related companies

	(1)	Listed or Unlisted (2)	Activity carried out (3)	Company name and registered office	Currency
1	e	NQ	7	UCI Società Consortile a r.l. Corso Sempione, 39 MILANO	EUR
2	c	NQ	7	GFFSS Società Consortile a r.l. Via Senigallia 18/2 MILANO	EUR

(*) The statement includes all group and related companies, directly or indirectly owned

(1) a = Parent company
 b = Controlled company
 c = Related company
 d = Affiliated company
 e = Others

(2) L = Listed
 U = Unlisted

(3) 1 = Insurance company
 2 = Holding company
 3 = Bank
 4 = Real Estate company
 5 = Fiduciary company
 6 = Management or distribution company for unit trusts
 7 = Consortium
 8 = Industrial company
 9 = Other

(4) Original currency

(5) Global percentage owned

Attachment 6

Year 2014

: general information (*)

Share capital		Net Worth (**)	Profit / Loss for the last year closed (**)	Participating share (5)		
Amount (4)	Number of Shares			Direct %	Indirect %	Total %
524,280	1,028,000			0.09	0.09	
5,200,000	10,000,000			0.11	0.11	

(**) Only for controlled and affiliated companies

Changes in group and related

(1)	(2)	(3)	Company name	Increase in the year		
				Purchases		Other Increases
				Number of shares	Amount	
1	E	D	UCI Società Consortile a R. l.			
2	C	D	GFFSS Società Consortile a R.l.			
	a		Parent company			
	b		Controlled company			
	c		Related company			
	d		Affiliated company			
	e		Altre			
			Totale D.I			
			Totale D.II			

(1) As per annex 6

(2) a = Parent company
 b = Controlled company
 c = Related company
 d = Affiliated company
 e = Others

Attachment 7

Year 2014

companies : shares and quotas

Decrease in the year		Other decrease	Book value (4)		Purchase cost	Market value
Sales			Number of shares	Amount		
Number of shares	Amount					
			948			
			10,528	41		
					41	
					41	

Distribution between long-term and short-term investments : shares and quotas, mutual fund units, bonds and other fixed securities, quotas in mutual investments and other financial investments (Items C.III.1, 2, 3, 5, 7)

I - Non life business

	Long-term investments		Short-term investments		Total	
	Book value	Market value	Book value	Market value	Book value	Market value
1. Shares and quotas:	21	41	28	61	28	81
a) listed shares	22	42	28	62	28	102
b) unlisted shares	23	43	63		103	
c) quotas	24	44	64		104	
2. Mutual funds units	25	45	1,231	65	1,509	85
3. Bonds and other fixes securities	5,044	26	89,981	66	96,047	86
a) listed State bonds	5,044	27	77,675	67	83,402	87
a2) other listed securities		28	12,241	68	12,241	88
b) unlisted State bonds		29	49		89	
b2) other unlisted securities		30	50	37	70	39
c) convertible bonds		31	51	28	71	28
5. Quotas in mutual investments		32	52		92	112
7. Other financial investments		33	53		93	113
						1,509
						101,922
						89,277
						12,578

II - Life business

	Long-term investments		Short-term investments		Total	
	Book value	Market value	Book value	Market value	Book value	Market value
1. Shares and quotas:	141	161	181		201	221
a) listed shares	142	162	182		202	222
b) unlisted shares	143	163	183		203	223
c) quotas	144	164	184		204	224
2. Mutual funds units	145	165	185		205	225
3. Bonds and other fixes securities	146	166	186		206	226
a) listed State bonds	147	167	187		207	227
a2) Other listed securities	148	168	188		208	228
b) Unlisted State Bonds	149	169	189		209	229
b2) Other unlisted securities	150	170	190		210	230
c) convertible bonds	151	171	191		211	231
5. Quotas in mutual investments	152	172	192		212	232
7. Other financial investments	153	173	193		213	233

Assets - Changes during the year of other long-term financial investments: shares and quotas, mutual fund units, bonds and other fixed-income securities shares in investment pools and other financial investments (captions C.III.1, 2, 3, 5, 7)

	Shares and quotas C.III.1	Mutual funds C.III.2	Bonds and other fixed-income securities C.III.3	Shares in investment pools C.III.5	Other financial investments C.III.7
Opening balance	1	21	41	81	101
Increases during the year:	2	22	42	82	102
for: purchases	3	23	43	83	103
writebacks	4	24	44	84	104
transfers from the short-term portfolio	5	25	45	85	105
other changes	6	26	46	86	106
Decreases during the year:	7	27	47	87	107
for: sales	8	28	48	88	108
writedowns	9	29	49	89	109
transfers to the short-term portfolio	10	30	50	90	110
other changes	11	31	51	91	111
Book value	12	32	52	92	112
Current value	13	33	53	93	113

Year 2014

Changes in loans and restricted deposits with banks (Items C.III.4 , 6)

		Loans C.III.4		Restricted deposits with banks C.III.6
Opening balance	+	121	21	2,331
Increase:	+	9	22	3,942
due to : disbursements.....		3	9	
write backs.....		4		
other changes		5		
Decrease:.....	-	56	26	4,118
due to : reimbursements.....		7	56	
writedowns		8		
other changes		9		
Book value		74	30	2,155

Attachment 13

Year 2014

Changes in unearned premiums reserve (Item C.I.1) and claims payable reserve (Item C.I.2)

	Year		Prior Year		Change	
Unearned premiums reserve :						
Reserve for apportioned premiums	1	46,740	11	45,146	21	1,594
Reserve for unexpired risks	2	700	12	805	22	-105
Book value	3	47,440	13	45,951	23	1,489
Claims payable reserve:						
Reserve for claims and direct expenses	4	216,154	14	180,674	24	35,480
Reserve for liquidation expenses	5	10,036	15	13,126	25	-3,090
Reserve for IBNR	6	27,614	16	27,840	26	-226
Book value	7	253,804	17	221,640	27	32,164

Attachment 1.5

Year 2014

Changes in provision for risks and charges (Item E.) and termination indemnities (Item G. VII)

		Provision for retirement	Provision for taxation	Other provisions	Termination Indemnities
		11	125	31	1,469
Opening balance	+	1,784	21		1,469
Provision for the year	+	22			357
Other increase	+	23			
Use in the year	-	34	24	50	598
Other decrease	-	25			
Book value		1,750	26	75	1,228

Statement of assets and liabilities for intercompany transactions

I: Assets

	Parent companies	Controlled companies	Related companies	Affiliated companies	Others	Total
Shares and quotas	0	2	3	4	5	6
Bonds	0	8	9	10	11	12
Loans	0	14	15	16	17	18
Quotas in mutual investments	0	20	21	22	23	24
Restricted deposits with banks	0	26	27	28	29	30
Other financial investments	0	32	33	34	35	36
Deposits with ceding undertakings	0	38	39	40	41	42
Investments linked with mutual funds and other index	0	44	45	46	47	48
Investments deriving from management of pension funds	0	50	51	52	53	54
Receivables arising out of direct insurance	395	56	57	58	59	60
Reinsurance debtors	172	62	63	64	65	66
Other receivables	1,797	68	69	70	71	72
Bank accounts	0	74	75	76	77	78
Other assets	139	80	81	82	83	84
Total	2,503	86	87	88	89	90
of which subordinated assets	0	92	93	94	95	96

Statement of assets and liabilities for intercompany transactions

II: Liabilities

	Parent companies	Controlled companies	Related companies	Affiliated companies	Others	Total
Subordinated liabilities	97	98	99	100	101	102
Deposits from reinsurers	103	104	105	106	107	108
Payables arising out of direct insurance	109	110	111	112	113	114
	1,739	0	0	0	0	1,739
Reinsurance creditors	115	116	117	118	119	120
	979	0	41	0	0	1,020
Bank overdrafts	121	122	123	124	125	126
	0	0	0	0	0	0
Secured payables	127	128	129	130	131	132
	0	0	0	0	0	0
Loans	133	134	135	136	137	138
	0	0	0	0	0	0
Other payables.....	139	140	141	142	143	144
	3,924	0	104	0	0	4,028
Other liabilities	145	146	147	148	149	150
	0	0	0	0	0	0
Total	151	152	153	154	155	156
	6,642	0	145	0	0	6,787

Year 2014

Detail of Items I, II, III, IV, among " Guarantees, commitments and other memorandum accounts "

	Year	Prior year
I. Guarantees given		
a) secured guarantees given in the interest of parent companies, controlled and related companies	1	31
b) secured guarantees given in the interest of affiliated companies.....	2	
c) secured guarantees given in the interest of third parties.....	3	32
d) other guarantees given in the interest of parent companies, controlled and related companies	4	33
e) other guarantees given in the interest of affiliated companies.....	5	34
f) other guarantees given in the interest of third parties.....	6	
g) secured guarantees given for liabilities of parent companies, controlled and related companies	7	35 36
h) secured guarantees given for liabilities of affiliated companies	8	
i) secured guarantees given for liabilities of third parties.....	9	37
l) other guarantees given for company's liabilities	10	39
m) assets deposited for reinsurance transactions	11	38
Total	12	39
97		
II. Guarantees received		
a) from related and affiliated companies	13	
b) from third parties	14	41
Total	15	42
III. Guarantees given by third parties in the interest of the company		
a) from related and affiliated companies	16	43
b) from third parties	17	790
44		855
Total	18	790
45		855
IV. Commitments		
a) commitments for resell agreements	19	46
b) commitments for repurchase agreements	20	47
c) other commitments	21	48
Total	22	52

Insurance business highlights

	Gross premiums written	Gross premiums earned	Gross claims incurred	Operating expenses	Reinsurance Balance
Direct insurance:					
Personal accident and health insurance	2	3,408	-321	10	-219
Motor third party liability	6	3,480	3,125	1,131	811
Motor fire, theft, etc. insurance	11	12	9	14	4
Marine insurance	16	103,658	111,953	20,929	24,917
Fire and other property damage	21	1,555	1,608	2,434	446
General third party liabilities	26	3,243	3,087	2,558	909
Credit and bond insurance	31	1	-2	113	64
Pecuniary losses	36	2,090	2,076	750	-908
Legal defence	41	42	43	-2	45
Assistance	46	47	48	49	50
Total direct insurance	51	114,027	114,820	23,766	25,139
Indirect insurance	56	18,042	17,717	6,467	-5,247
Total Italian business	61	132,069	132,537	30,233	19,892
Foreign business	66	37	37	-75	-95
Grand total	71	132,106	132,574	30,261	19,797

Investment income (Items II.2 and III.3)

	Non-life business	Life business	Total
Income from shares and quotas:			
Dividends from group companies	41		81
Other dividends	42		82
Total	43		83
Income from property.....	851	44	84
Income from other investment:			
Interest income from group companies	45		85
Interest income on loans granted to group companies	46		86
Income from mutual fund units.....	47		87
Interest income on bonds and other fixed securities	2,790	48	88
Interest income on loans.....	1	49	89
Income from mutual investments.....	50		90
Interest income on restricted deposits with banks.....	1	51	91
Interest income on other financial investments.....	52		92
Interest income on deposits with ceding undertakings.....	53		93
Total	2,792	54	94
Writebacks from :			
Property	55		95
Group companies' shares.....	56		96
Group companies' bonds	57		97
Other shares and quotas.....	58		98
Other bonds.....	3	59	99
Other financial investments.....	60		100
Total	3	61	101
Gains on disposal of :			
Property	62		102
Group companies shares.....	63		103
Group companies bonds.....	64		104
Other shares and quotas	65		105
Other bonds	1,741	66	106
Other financial investments.....	249	67	107
Total.....	1,990	68	108
GRAND TOTAL.....	5,636	69	109
			5,636

Attachment 23

Year 2014

Capital and financial charges (Item II.9 and III.5)

	Non-life Business		Life Business		Total	
Investment management charges and interest expenses for						
Shares and quotas	1	89	31	61	89	89
Properties	2	809	32	62	809	809
Bonds	3	54	33	63	54	54
Mutual fund units	4		34	64		
Mutual investments	5		35	65		
Other financial investments	6		36	66		
Deposits from reinsurers	7	7	37	67	7	7
Total.....	8	959	38	68	959	959
Writedowns of:						
Properties	9	574	39	69	574	574
Group company's shares	10		40	70		
Group company's bonds	11		41	71		
Other shares and quotas	12	12	42	72	12	12
Other bonds	13	6	43	73	6	6
Other financial investments	14		44	74		
Total.....	15	592	45	75	592	592
Losses on sale of :						
Properties	16		46	76		
Shares and quotas	17		47	77		
Bonds	18	5	48	78	5	5
Other financial investments	19		49	79		
Total.....	20	5	50	80	5	5
GRAND TOTAL	21	1,556	51	81	1,556	1,556

	Personal accident	Health insurance
Direct business net of reinsurance		
Premiums written.....	1	1
Change in unearned premiums reserve.....	2	2
Claims incurred	3 -321	3
Change in other technical reserves	4	4
Other technical income (expenses) net.....	5	5
Operating expenses	6 10	6
Underwriting result of direct business (+ o -).....	A 7 311	7
Result of outward reinsurance (+ o -)	B 8 -219	8
Net underwriting result of indirect business (+ o -)	C 9	9
Change in equalisation reserve (+ o -)	D 10 1	10
Portion of income from inv. transferred from non technical account.....	E 11 4	11
Technical result (+ o -)	(A + B + C - D + E) 12 95	12

	Cargo insurance	Fire
Direct business net of reinsurance		
Premiums written.....	1 29,637	1
Change in unearned premiums reserve.....	2 288	2 -45
Claims incurred	3 19,204	3 -157
Change in other technical reserves	4	4
Other technical income (expenses) net.....	5 710	5
Operating expenses	6 8,033	6 3
Underwriting result of direct business (+ o -).....	A 7 2,822	7 199
Result of outward reinsurance (+ o -)	B 8 -2,796	8 -111
Net underwriting result of indirect business (+ o -)	C 9 3,349	9 -19
Change in equalisation reserve (+ o -)	D 10 28	10
Portion of income from inv. transferred from non technical account.....	E 11 556	11 5
Technical result (+ o -)	(A + B + C - D + E) 12 3,903	12 74

	General third party liability	Credit insurance
Direct business net of reinsurance		
Premiums written.....	1 3,243	1
Change in unearned premiums reserve.....	2 156	2
Claims incurred	3 2,558	3
Change in other technical reserves	4	4
Other technical income (expenses) net.....	5 89	5
Operating expenses	6 909	6
Underwriting result of direct business (+ o -).....	A 7 -291	7
Result of outward reinsurance (+ o -)	B 8 40	8
Net underwriting result of indirect business (+ o -)	C 9 -1	9
Change in equalisation reserve (+ o -)	D 10	10
Portion of income from inv. transferred from non technical account.....	E 11 232	11
Technical result (+ o -)	(A + B + C - D + E) 12 -20	12

Year 2014

Motor fire, theft, etc. Insurance	Railway carriage insurance	Aircraft insurance	Hull insurance
1	1	1	1
	95		73,916
2	2	2	2
	3		-1,276
3	3	3	3
9	753		91,928
4	4	4	4
5	5	5	5
	-5		867
6	6	6	6
	28		12,865
7	7	7	7
-9	-694		-28,734
8	8	8	8
4	323		27,330
9	9	9	9
	17	5	-85
10	10	10	10
			45
11	11	11	11
	14		1,021
12	12	12	12
-5	-340	5	-513

Other property damage	Motor third party liability	Aircraft third party liability	Hull third party liability
1	1	1	1
1,555	3,480		10
2	2	2	2
-8	72		
3	3	3	3
2,591	3,125		68
4	4	4	4
5	5	5	5
35	-57		
6	6	6	6
443	1,131		3
7	7	7	7
-1,436	-905		-61
8	8	8	8
690	811		60
9	9	9	9
13	508		
10	10	10	10
4			
11	11	11	11
40	417		
12	12	12	12
-697	831		-1

Bond insurance	Pecuniary losses	Legal defense	Assistance
1	1	1	1
1	2,090		
2	2	2	2
3	3	3	3
-113	750	-2	
4	4	4	4
5	5	5	5
	12		
6	6	6	6
64	277		
7	7	7	7
47	1,061	2	
8	8	8	8
-88	-908		3
9	9	9	9
-3			
10	10	10	10
11	11	11	11
89	1		
12	12	12	12
45	154	2	3

Summary of technical account for non-life business
Italian Business

	Direct insurance		Ceded risks 2	Indirect insurance		Retained risks Total 5 = 1 - 2 + 3 - 4			
	Direct risks 1	Indirect risks 3		Indirect risks 4	Retained risks Total 5 = 1 - 2 + 3 - 4				
Premiums written.....	114,027	11	84,558	21	18,042	31	9,529	41	37,982
Change in unearned premiums reserve.....	-793	12	-2,353	22	325	32	125	42	1,760
Claims incurred	120,393	13	95,817	23	4,533	33	1,612	43	27,497
Change in other technical reserves		14		24		34		44	
Other technical income (expenses) net.....	1,651	15	-594	25	2,314	35		45	4,559
Operating expenses	23,766	16	15,638	26	6,467	36	2,545	46	12,050
Underwriting result (+ o -)	-27,688	17	-25,138	27	9,031	37	5,247	47	1,234
Change in equalisation reserve (+ o -)								48	78
Portion of income from inv. transferred from non technical account.....	1,756			39	623			49	2,379
Technical result (+ o -)	-25,932	20	-25,138	30	9,654	40	5,247	50	3,535

Attachment 29

Year 2014

Summary of technical account for non-life and life business - foreign business

Section I : Non-life business

		All branches
Direct business net of reinsurance		
Premiums written.....	+	1
Change in unearned premiums reserve.....	-	2
Claims incurred	-	3
Change in other technical reserves	-	4
Other technical income (expenses) net.....	+	5
Operating expenses	-	6
Underwriting result of direct business (+ o -).....	A	7
Result of outward reinsurance (+ o -)	B	8
Net underwriting result of indirect business (+ o -)	C	9 -11
Change in equalisation reserve (+ o -)	D	10
Portion of income from inv. transferred from non technical account.....	E	11
Technical result (+ o -)	(A + B + C - D + E)	12 -11

Section II : Life business

		All branches
Direct business net of reinsurance		
Premiums written.....	+	1
Claims incurred	-	2
Change in other technical reserves	-	3
Other technical income (expenses) net.....	+	4
Operating expenses	-	5
Income from investment net of portion transferred to non technical account.....	+	6
Underwriting result of direct business (+ o -).....	A	7
Result of outward reinsurance (+ o -)	B	8
Net underwriting result of indirect business (+ o -)	C	9
Technical result (+ o -)	(A + B + C)	10

Intercompany transactions

I: Revenues

	Parent companies	Controlled companies	Related companies	Affiliated companies	Others	Total
Investments income						
Income from property	1		225	1		225
Dividends	8	9	10	11		13
Interest income on bonds	14	15	16	17		18
Interest on loans	20	21	22	23		24
Interest income on other financial investments	25	26	27	28		30
Interest income on deposits with ceding undertakings	31	32	33	34		35
Total	37	38	40	41		43
Other revenues						
Interest income on receivables	44	45	46	47		48
Recovery of administrative expense	50	51	52	53		54
Others	1 653	56	36	58		1 689
Total	61	62	63	64		66
Gains on disposal of investments	67	68	69	70		71
Extraordinary revenues	74	75	76	77		78
GRAND TOTAL	80	81	82	83		84
	1 653	86	277	89		1 924

Intercountry transactions

II: Charges

	Parent companies	Controlled companies	Related companies	Affiliated companies	Others	Total
Investment management charges and interest expenses :						
Investment charges	66	12		81		235
Interest expenses on subordinated liabilities		88		100		100
Interest expenses on deposits from reinsurers	104			106		108
Interest expenses on payables arising out of direct insurance	110			112		114
Interest expenses on payables arising out of reinsurance	116			118		120
Interest expenses on bank overdrafts	122			124		126
Interest expenses on secured payables	128			131		132
Other interests expenses	134			136		138
Losses on receivable.....	140			142		144
Administrative expenses on behalf of third parties	1 653	146		148		1 689
Other charges	152			154		156
Total.....	1 719	138	159	205	161	1 924
Loss on disposal of investments						
Extraordinary costs.....						
GRAND TOTAL.....	1 719	132	157	205	161	1 924

Direct business : summary of gross premiums written

	Non-life Business		Life Business		Total	
	Permanent establishment	Freedom of services	Permanent establishment	Freedom of services	Permanent establishment	Freedom of services
Premiums written:						
in Italy.....	60,419 5	11	15	21	60,419 25	
in other european countries.....	10,433 6	24,781 12	16	22	10,433 26	24,781
in other countries.....	7	18,394 13	17	23		18,394
Total.....	70,852 8	43,175 14	18	24	70,852 28	43,175

Attachment 32

Year 2014

Statement of personnel expenses and costs for directors and statutory auditors

I: Personnel expenses

	Non life business	Life business	Total
Payroll costs			
Italian business :			
- Salaries.....	1 4,787 31	61	4,787
- Social contributions.....	2 1,260 32	62	1,260
- Provision for termination indemnities	3 357		357
- Other personnel expenses.....	4 3,676 34	64	3,676
Total.....	5 10,080 35	65	10,080
Foreing business:			
- Salaries.....	6	36	66
- Social contributions.....	7	37	67
- Other personnel expenses.....	8	38	68
Total.....	9	39	69
Grand total	10 10,080 40	70	10,080
Fees for consultancy :			
Italian Business	11 114 41	71	114
Foreing business	12	42	72
Total.....	13 114 43	73	114
Total personnel expenses	14 10,194 44	74	10,194

II: Splitting of personnel expenses

	Non life business	Life business	Total
Investment management charges.....	15	45	75
Claims operating expenses	16 1,194 46	76	1,194
Other acquisition costs.....	17 1,791 47	77	1,791
Other administrative expenses.....	18 5,544 48	78	5,544
Administrative expenses on behalf of third parties.....	19 1,665 49	79	1,665
Total.....	20	50	80
Total.....	21 10,194 51	81	10,194

III: Average personnel workforces for the year

	Number
Managers	91 3
Clerks.....	92 94
Others.....	94
Total.....	95 97

IV: Directors and statutory auditors

	Number	Emoluments
Directors.....	96 10	98 160
Statutory auditors	97 3	99 36

REPORTS: AUDITOR'S REPORT ACTUARY'S REPORT



Barbarica
Mediterranea di Navigazione SpA - 2008
Chemical tanker





AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010 AND ARTICLE 102 OF LEGISLATIVE DECREE No. 209 OF 7 SEPTEMBER 2005

To the Shareholders of
SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

- 1 We have audited the financial statements of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni as at 31 December 2014. The Directors of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni are responsible for the preparation of these financial statements in compliance with the laws governing the criteria for their preparation. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards and criteria recommended by Consob (the Italian Commission for listed companies and the Stock Exchange). In accordance with those standards and criteria, the audit has been planned and performed to obtain the necessary assurance about whether the financial statements are free of material misstatements and whether they are fairly presented, when considered as a whole. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the accounting principles used and the reasonableness of estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

In accordance with article 102 of Legislative Decree No 209/2005 and article 24 of Regulation No 22/2008 of ISVAP (the Italian authority that supervises insurers), in performing our work we used the services of an expert actuary who expressed his opinion on the sufficiency of the technical provisions reported in the liabilities section of the balance sheet of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni through the enclosed report.

For the opinion on the financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 4 April 2014.

- 3 In our opinion, the financial statements of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni as at 31 December 2014 are in accordance with the laws governing the criteria for their preparation; accordingly, they have been prepared clearly and give a true and fair view of the financial position and result of operations of the Company.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: **Milano** 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Piazza dei Martiri 58 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43100 Viale Tanara 20/A Tel. 0521275911 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel. 0458263001



- 4 The Directors of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni are responsible for the preparation of the Board of Directors' Report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Board of Directors' Report with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard No 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob. In our opinion, the Board of Directors' Report is consistent with the financial statements of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni as at 31 December 2014.

Milan, 2 April 2015

PricewaterhouseCoopers SpA

Signed by

Alberto Buscaglia
(Partner)

This report is only a translation of the original report in Italian, issued in accordance with Italian law.

ACTUARIAL REPORT

PURSUANT TO ARTICLES 102 AND 103 OF THE LEGISLATIVE DECREE N. 209 OF 7TH
SEPTEMBER 2005

To the Auditing Firm
PricewaterhouseCoopers S.p.A.
Via Monte Rosa, 91
20149-Milano

Object: SIAT – SOCIETÀ ITALIANA ASSICURAZIONI E RIASSICURAZIONI PER AZIONI – Balance 2014

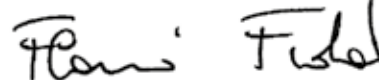
In execution of the task assigned to me, I audited the technical reserves recorded as liabilities in the annual financial statements as at 31.12.2014 of SIAT – SOCIETÀ ITALIANA ASSICURAZIONI E RIASSICURAZIONI PER AZIONI.

In my opinion, the above-mentioned technical reserves recorded as liabilities in the financial statements are adequate and comply with the provisions of law and regulations and correct actuarial methods, in accordance with the principles and implementing rules of article 26, paragraph 1, of ISVAP Regulation n.22 of 4th April 2008

Roma, 1st April 2015

L'Attuario

Prof. Flavio Fidani



"This report has been translated from the original which was issued in accordance with Italian legislation"

RESOLUTION OF THE SHAREHOLDERS' MEETING-EXTRACT



Cantieri Baglietto
Mega yacht 46 meter



The following resolutions were passed at the Annual General Meeting held on 20 April 2015 (in first calling):

- that the financial statements at 31 December 2014 be approved, together with the Directors' Report on operations;
- that the Directors' proposal regarding the allocation of net income be approved, and the payment of a gross dividend of € 0,075 per share be approved.

