



20 SOLID AND RELIABLE 15



Siat
ASSICURAZIONI

2015
ANNUAL REPORT

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In 2015, Siat again asserted itself as a solid and reliable point of reference for the Italian and international marine insurance market.

Siat's primary objective is to provide the best possible service to shipowners, shipping companies, industrial and commercial businesses and, in general, to its customers around the world.

With this and other purposes in mind, Siat has identified three areas on which to focus its organisational efforts: **internationalisation**, **specialisation** and **innovation**.

Internationalisation, which has always been a feature of Siat's business, is strengthened by means of the conduct of underwriting business in new foreign countries, with significant development potential, via new business models.

Specialisation is sought via the use of pricing instruments (which provide an actuarial basis for pricing and underwriting policies) and the provision of targeted training (which develops the technical know-how of the internal and external operational structures).

Lastly, **innovation** is pursued via the introduction of new IT support for underwriting and settlement to improve service efficiency and information exchange with intermediaries.

Accordingly, Siat has decided to dedicate the images included in the 2015 financial statements to its intermediaries, with the focus being on brokers operating in Italy and underwriting agencies doing business abroad, which account for most of the premiums written.

For quite some time now, Siat has constantly nurtured its relationships with intermediaries, as is also the case with customers and reinsurers, thus placing importance on the continuity of relationships. This factor is a clear and obvious sign, as far as intermediaries are concerned, of the quality and efficiency of the insurance service guaranteed by Siat.

Professionalism, reliability and customer care are key contributory factors to being successful intermediaries in the marine insurance sector and are characteristics that are also typical of the company and by which SIAT commits itself in its strive for excellence.

BOARD OF DIRECTORS

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Roberto Seymandi	Auditor
Roberto Tieghi	Auditor

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.



01 REPORT OF THE BOARD OF DIRECTORS ON OPERATIONS

Shareholders,

THE STATE OF THE ECONOMY



2015 saw the global economy grow at just over 3%, a slight decrease compared with 2014.

During the previous year, there were several factors that affected the prospects for a global economic recovery: these ranged from the rising geopolitical tensions in the Middle East and North Africa, with the development of fundamentalist terrorism, to the still unresolved question of Greece's national debt and the slowdown in emerging economies.

The sharp drop in oil prices, linked to excess supply over demand, is another indicator of malaise in the production system.

During the first quarter of 2015, given the low inflation, the European Central Bank initiated a plan of quantitative easing, which involved buying securities issued by the Member States of the Eurozone with a maturity of between two and thirty years on the secondary market, thereby increasing the monetary base.

The monthly amount was set at € 60 billion, while the end of the programme, initially set for September 2016, has been extended until at least March 2017. At the meeting in December 2015, the ECB reduced the interest on funds left by commercial banks on their treasury accounts from -0.20% to -0.30%, in order to force the banks to grant more credit to the real economy.

Despite these interventions, the trend in consumer prices in the Eurozone continues to be unsatisfactory, with the provisional January 2016 figure indicating a modest increase of 0.4% on an annual basis.

Overall, the GDP of the 19 Eurozone countries grew at a headline rate of 1.6% in the third quarter of 2015.

The unemployment rate fell in December to 11.4%.

The three main factors bolstering the economy are the support of the ECB, a less restrictive fiscal policy and a certain acceleration in domestic demand.

In the United States, GDP is expected to grow at a rate close to 2.5% in 2015. This was helped by an increase in domestic consumption, thanks to a rise in the disposable income of households, in turn helped by a steady decline in unemployment (5.0% in December).

Inflation remains very low (0.3% in December).

In light of the economic situation in America, the Federal Reserve decided at its December meeting to increase its official rates by 25 basis points, seven years after reducing them substantially to zero. The Federal Reserve reiterated that the process of normalisation of monetary policy would be "gradual" and consistent with the evolution of the domestic economy and the international environment.

China is struggling with a process of change in its development model, which aims at switch the drivers of economic growth from capital investment and exports to domestic demand.

China's GDP shows a slight slowdown in 2015 to 6.9%.

There are also potential risks related to the Chinese private sector's excessive debt.

After three years of recession, the Italian economy returned to growth in 2015. Among the factors that favoured this result we find a less restrictive fiscal policy and the recovery in domestic demand, driven by the sharp decline in oil prices and a first hint of an increase in employment (+0.5% in December compared with the end of 2014).

Thanks to the ECB's action, the cost of servicing the public debt has decreased, creating some room for more expansionary fiscal measures. However, the public debt is still growing, reaching a new high of more than 2.2 trillion euro at the end of 2015.

The recent rescue of four small banks revealed the high proportion of impaired loans to total loans granted by the Italian banking system, due to the country's long period of recession.

The government has intervened on this front, suggesting that these assets could be sold, partially covered by a public guarantee, which might be feasible within the constraints set by European legislation.



THE FINANCIAL MARKETS

During 2015, the curve of interest rates on the money market posted a decline at the short end. Rates on longer maturities moved against the trend, showing marginal increases.

As for the yields on government securities, the German Bund curve showed the slope gradually rising, with short-term rates decreasing and long-term ones featuring modest increases.

The curve of Italian government bond rates showed decreases across the board. The yield spread between Italian and German bonds has undergone a general reduction, more important in longer maturities (over 10 years), whereas in the short term the spread has resized to a lesser extent.

The Euro began 2015 at 1.214 to the US dollar, subsequently weakening to end the year at 1.0887.

This trend reflects the different monetary policies pursued on the two sides of the Atlantic, which then, starting in the autumn, overlapped with the effects of the fall in oil prices and the slowdown in the world economy.

In a context of extremely low market interest rates, both for macroeconomic reasons and because of the direct action taken by the major central banks, the performances of the European equity markets in 2015 were moderately positive.

The Eurostoxx 50 Index, which is the Eurozone's leading blue-chip index, rose by 3.8% (+5.4% in the fourth quarter). The performance of the German Dax Index was significant with a +9.6% (+11.2% in the last quarter of the year), while the Milan Stock Exchange's FTSE MIB Index rose by 12.7% (+0.6% in the fourth quarter). Lastly, the performance of Madrid's IBEX Index was negative, -7.2% (-0.2% in the fourth quarter).

The Standard & Poor's 500 Index, which is based on market capitalisations of 500 large US listed companies, recorded a -0.7% (+6.5% in the fourth quarter), while in Japan the Nikkei Index rose by 9.1% in 2015 (+9.5% in the fourth quarter).

Lastly, with regard to stock exchanges in emerging markets, the most representative index, the Morgan Stanley Emerging Markets Index, declined by 8.0% in 2015 (+1.1% in the last quarter).

The iTraxx Senior Financials Index, which is representative of the average for companies with a high credit standing in the financial sector, fell by 18.8 basis points from 95.6 to 76.8 in the last quarter (over the whole of 2015, the index moved in the other direction, rising by 9.4 basis points from 67.4 to 76.8). The improvement in the last quarter of the year can be attributed, primarily, to confirmation of the growth in the US economy, to a partial easing of financial tension in China and new unconventional monetary policy actions taken by the ECB.

MARITIME ACTIVITY



Global maritime activity has continued to suffer from the unresolved economic crisis, for which a significant recovery in shipping-related services is still beyond the horizon.

In the container transport sector, the introduction of new tonnage and falling demand are burying the charter market, often forcing ships to travel at a loss.

In recent times, the major shipping companies have tried to cut their fleet capacities by combining and reducing lines and services, but without achieving the desired effects, at least for the time being.

To no avail even the broad alliances among shipping companies, with a reduction in services on the part of international companies (which aim to fill larger and larger ships, but above all to force as many operators as possible out of the market), nor the sharp increase in demolitions.

At the same time, the majors are ordering a considerable number of new ships, most of them enormous, but at present it is not obvious that this is supported by a corresponding increase in cargo to be shipped.

The route that is suffering the most from China's economic slowdown is Asia to Europe, which is feeling the effects of decreased trade more than others. In addition, Beijing is feeding the charter crisis by supporting its own shipyards, which continue to build new units in a market that is already saturated.

The outlook remains worrying and there are reminders of a crisis very similar to that of 2008. According to a recent study, it is difficult to imagine a turnaround in the short term, as the container transport sector will still have to face several more years of over-capacity.

If the container market is suffering, the situation is no better for ships that carry dry bulk cargo, i.e. raw materials such as coal or iron ore.

The charter crisis has affected all types of ships, from capesize (large dry units of 120-190 thousand gross tonnes) to panamax (smaller units of 74-84 thousand tonnes) and supramax (of 52-60 thousand tonnes).

For all of them, the average charter in 2015 was far lower than in 2014. With freight rates at these levels, which barely make it possible to cover the operating costs of the ship, all owners are suffering.

For such vessels, the main problem is the decline in coal imports by China and its attempt to shift towards a more service-oriented economy, together with the general slowdown in real estate construction (which has reduced the consumption of steel).

The segment of commercial ships that did the best was that of oil tankers, partly because of the high level of production, partly because of the decline in the price of crude oil.

In fact, on average, tankers were awarded far more satisfactory freight rates than in the other sectors (container and dry bulk). A good sign is that the major oil companies are chartering ships for long periods.

Unattractive freight rates are also reflected in a large number of units that have been put in storage or demolished. In the first half of 2015 the demolition market was fairly active, though it then slowed down in the second half due to a drop in steel prices.

Demolitions mainly concerned dry bulk vessels, as these were the most affected by the crisis in freight rates, though it did not spare container ships. Of these, panamax ships have been the ones most likely to be demolished, following the imminent opening of the enlarged Suez Canal. In fact, once the canal expansion project has been completed, the new waterway will be able to handle units with higher transport capacity in terms of teu.

Most of the units was scrapped in Asian facilities (especially in India, Bangladesh and Pakistan), where demolition costs are much lower than in the rest of the world. Unfortunately, almost none of these demolitions are carried out respecting the most elementary rules of health and safety, both from an environmental point of view and in terms of working conditions.

All of the above has had the effect of depressing the market valuations not only of older ships, but also of those built recently (in certain cases, the "sound value" has fallen below the construction cost).

The difficulties in the shipping sector have also been confirmed by Fitch, the rating agency, which has revised its forecast for 2016 to "negative", after a "stable" outlook in 2015.

This opinion is strongly influenced by the Chinese slowdown and the related setback in international trade.

In particular, the agency believes that dry bulk and container vessels will remain under pressure, whereas increases are still expected for tankers and in the transport of liquefied natural gas.

Growth in the container fleet's total capacity is put at +6% in 2016, compared with +9% in 2015.

Maritime piracy still scares shipowners and is one of the major risk factors for the world's merchant fleet.

Proof of this also comes from the fact that the Italian Ministry of Defence has extended the limits of the waters where vessels flying the Italian flag can have armed guards on board. The main change is West Africa, as well as the Asian part of the South China Sea, both areas where, up until October 2015, Italian owners could not have armed guards on board to combat piracy.

The area that is most feared is still West Africa, especially the Gulf of Guinea (Nigeria in particular), where approximately 20% of all sea attacks world-wide took place.

Piracy is also very active in other areas, particularly in south-east Asian waters (where there has been a gradual escalation in attacks) and the Indian sub-continent (where Bangladesh is the new hot spot).

One of the latest issues affecting the world of shipping is respect for the environment.

In fact, EU Regulation 2015/757 of 29 April 2015 (the so-called "MRV Regulation", MRV standing for Monitoring, Reporting and Verification) entered into force in July 2015. It establishes in the near future, between now and 2019, a series of deadlines by which shipowners will have to plan and take the steps needed to meet the requirements of this Regulation. In other words, it imposes onerous activities on the owners of all the ships calling at EU ports.

The Regulation will apply to all ships (with a gross tonnage of more than 5,000 tonnes) that arrive at, sail round or depart from ports under the jurisdiction of a Member State, regardless of nationality.

The same introduces the monitoring, reporting and verification (by independent verifiers) of carbon dioxide emissions generated by maritime transport, in order to achieve a significant reduction in greenhouse gas emissions.

Recent studies have shown that cargo or cargo/passenger transport by ferry has social and environmental costs that are not only lower than by road, but also by rail. In particular, road transport normally costs significantly more than rail. So maritime transport is the best solution in terms of social benefits for the community. However, for the ferry industry, the idea of building ships powered by liquefied natural gas seems to have died a death, as LNG tanks would occupy twice the space as for diesel, reducing the load carrying capacity as a result.

Also in 2015, Greek shipowners have been among the most active in the world, signing orders for around a third of total new construction, allowing their entire fleet to remain at the top of the ranking by country (with a 16% share, of which 75% sails under a foreign flag).

Japan and China rank second and third, with 13% and 9%, respectively.

However, while the Greek and Japanese fleets have been retreating, China's fleet continued to grow in 2015, doubling its capacity in the last 10 years.

Lastly, it should be noted that, despite the continuing global crisis, in 2015 the Italian merchant fleet slowed down its loss of tonnage, which had been significant (-8%) between 2013 and 2014. In fact, the new ships that became part of the national fleet during 2015 are put at 600 thousand gross tonnes, enabling the Italian fleet to remain broadly the same at over 17 million tonnes (around 2% of the world's merchant fleet).

In recent years, the national fleet has renovated itself both quantitatively and qualitatively. It now has a series of new ships that technologically advanced, able to offer users quality services, including the ability to operate in compliance with the environmental requirements thanks to significant investment in new builds.

For this reason, our fleet continues to maintain leading positions in the European and global maritime context, successfully handling foreign competition and the challenges of the global market.

SHIPBUILDING



The world shipbuilding market continued to be dominated by Asian companies, even if their market share may have fallen (close to 80%) due to the boom in demand for cruise ships, where European shipyards are the key players.

Overall, the sector is beginning to see a brighter future, thanks above all to the construction of new mega ships by all of the major international carriers, which are strongly oriented towards reducing their operating costs.

Positive signals come from the orders for the latest generation of tankers, with a load capacity of more than one million barrels of crude oil. In fact, shipowners around the world (with the Greeks among the most active) have decided to rely on increasingly large ships, because of the growth of most international refineries. Korean yards are those currently preferred for this type of construction, but they are not the only ones.

The state shipbuilding industry in China continues to suffer, with a growing number of naval facilities asking for access to public support to restructure their debt. Private shipyards, on the other hand, appear to have slowed the fall, thanks to various mergers during the period.

However, Asia analysts believe that it will take years before restructuring of the Chinese yards can be completed.

Indian shipyards are in better shape and soon they will be able to acquire new orders from the government. In fact, the Indian government has launched a massive plan to renovate its navy.

As regards the Italian shipbuilding industry, 2015 should be the year of recovery for the market, after the great slump caused by the 2008 crisis. This is confirmed by the data on nautical leasing for new units (but also for second-hand ones). In this context, the segment represented by mega-yachts and large pleasure boats is, and will continue to be, more and more, of particular interest, with our country playing an important role (in 2014 the Italian shipbuilding industry's share of this market came to 38% of total production).

To date, the world fleet of large yachts consists of about 5,000 vessels, and it is expected to exceed 6,000 in 2020.

Italian shipyards specialising in repairs had a reasonable 2015, despite the influence of our country's regulatory and bureaucratic system, which made the acquisition of clients, foreign ones in particular, a good deal harder.

THE INSURANCE MARKET



In 2015, the international insurance industry continued to show signs of growth, though they were weaker than those seen in the recent past.

The largest contribution came from emerging nations, where the Property and Casualty sectors benefited from greater economic dynamism. In industrialised economies, on the other hand, these sectors were negatively affected by excess underwriting capacity and consequently fierce competition to win new business.

The persistence of very low interest rates depressed the development of the life sector, which is no longer enjoying double-digit growth.

In Italy, the insurance industry is showing a good state of health overall, in terms of both turnover and profitability. The two-year crisis in 2010-2011 is now behind us and, in the current situation of very low interest rates, Italian insurance companies have been able to balance their asset and liability maturities much better than their French and German colleagues (as is clear from the recent stress tests conducted by the EIOPA).

Moreover, the only segment that is driving growth is life insurance, as casualty insurance is continuing to lose ground. According to the latest estimates, 2015 should also close with life products making good progress and casualty products declining (by around 2%).

Comforting news also came in terms of capitalisation, as the own funds of domestic insurance companies amounted to around double the regulatory requirements of the Solvency II regime. In addition, companies requiring increases in capital represent a small proportion of the entire system.

Note that Legislative Decree 74 of 12 May 2015, which introduced into Italy the Solvency II regime and related provisions effective from 1 January 2016, came into force on 30 June 2015.

This Decree revised the entire system that regulates the taking-up and pursuit of direct insurance and reinsurance activities, harmonising directives in the life and casualty segments (except for motor insurance) and introducing a new system of prudential supervision in the interests of customer protection and market stability.

In particular, the most innovative part is represented by the rules on Solvency Capital Requirements, as new ones are centred mainly on the risks taken on by the insurance company (or group of insurance companies), strengthening the corporate governance structure as a result.

The start-up of Solvency II has resulted in improvements in various business areas, such as governance, the processes of identification and monitoring of risks and the quality of data.

Across Europe, competition among insurance companies is changing and more than capital deficiencies, which do not seem to be the main problem at the moment, the market is interested in understanding how the best risk measurement and management of data will alter pricing policies, creating mismatches in terms of competitiveness.

In any case, in Italy, having to change the by-laws of insurance companies to comply with the new EU directives was avoided, prohibiting by law the distribution of earnings or other equity elements in the event of non-compliance with the Solvency Capital Requirement.

In this context, the "Marine" insurance industry has experienced significant changes over last year, as always characterised by fierce competition and premium rates that are still unsatisfactory from a technical point of view.

As regards the "Hulls" sector, the contraction in the volume of premiums as a whole is not so much influenced by the less favourable elements listed above, but rather by the high capacity on international markets, which inevitably continues to fuel the reduction in rates.

The combination of all these aspects has also generated greater demand for premium income from the insurance companies, which inevitably went to create downward pressure that to date has been showing no signs of reversing, despite a number of serious accident claims in the recent past.

Cyclical fluctuations have always characterised the "Hulls" sector, with periods of oscillation that are sometimes longer, sometimes shorter. It is hoped that there will be a turnaround soon, to bring rates back to a more reasonable level.

This phenomenon may plausibly be seen in the short term for medium/small sized fleets with trends that are not particularly palatable. Instead, as regards the prestige fleets with positive trends, because of the over-abundant capacity mentioned previously, it is generally thought that any rise in premiums will be somewhat complicated.

Moreover, insurers in that sector will have to be ready to take on higher and higher risks, so potentially greater losses, as a result of the widespread tendency of owners to use increasingly large ships (container ships in particular).

Larger vessels mean, among other things, a higher concentration of risk (a limited number of ports are sufficiently deep to accommodate them), the need for more qualified crews, as well as making salvages and rescues more complicated.

In the "Cargo" sector, there have not been any appreciable changes in orientation from the previous year.

Insurance clients are always looking to save as much money as possible, so there is a continuous search for the best deal on the market. The closure of commercial activities has continued, as has the scarcity of new businesses, while the turnover of many companies is decreasing.

Raw material prices continue to be compressed and oil prices have fallen below the minimum levels reached in 2008-2009, when the recession was at its most acute.

Traditional markets are also stressed by the presence of over-capacity, which has generated a further increase in competition and the entry of very aggressive new competitors, as well as a general propensity to offer heavily discounted premiums for very wide coverage, so at the expense of proper underwriting.

In this unfavourable context, the Company remained true to own policy, by avoiding the assumption of risks that had not been correctly measured with inadequate premium rates, while we continued to analyse individual risks carefully, without overlooking any technical aspects.

This policy resulted in the loss of certain policies (particularly in the Cargo sector) for which we tried to review the contract to bring the underwriting result back into balance, given their negative statistics. On the other hand, these non-renewals should in time generate a more than proportional reduction in the loss ratio.

Lastly, again in 2015, 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 2014, your Company remained firmly in second place in the "Hulls" sector (with a market share of over 25%) and the third place in the "Cargo" sector (with about 10% of total premiums) in that year, which confirmed its leading role in the provision of Marine insurance.

In 2015, as 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 earn satisfactory and adequate margins.

RESULTS OF OPERATIONS



Given all of the above, the Company closed 2015 with a profit before tax of € 8,050 thousand, higher than the € 5,644 thousand reported in 2014.

Net profit for 2015 was € 5,368 thousand, compared with € 3,511 thousand in the prior year, with a reduced tax pressure.

The following table summarises the statement of income for 2015, with comparative figures for 2014:

(in thousands of euro)	2015	2014
Underwriting result	6,749	3,524
Net investment income	3,660	5,636
Capital and financial charges	(1,669)	(1,556)
Investment return transferred to the technical account	(1,172)	(2,379)
Other income (expenses), net	132	344
Net extraordinary income (expenses)	350	75
Profit (loss) before taxes	8,050	5,644
Income taxes	(2,682)	(2,133)
Net profit for the year	5,368	3,511

With respect to the results for 2015, 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 improved considerably compared with the previous year, particularly the progress made in direct Cargo business.
This improvement took place despite the sharp decline in net income from trading in securities (equal to € 1,638 thousand). It also affected the investment return transferred to the technical account, which was reduced by € 1,207 thousand.
- ⚓** investment income shows a significant reduction, because of the lower contribution from trading in securities as mentioned above, while the capital and financial charges do not vary particularly
Further information on this is provided below in the section on "Property and financial management";
- ⚓** a portion of the investment return was transferred to the technical account on the basis of the criteria laid down in art. 22 of ISVAP Regulation 22 of 4 April 2008. It is lower than last year because of the reduced investment income;
- ⚓** other income (expenses), net show a positive balance, but lower than in 2014.
The following items, among others, contributed to the formation of this balance, the effects of the trend in foreign exchange differences, which produced a positive net balance of € 103 thousand (having been positive for € 170 thousand in 2014), 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.
- ⚓** extraordinary items, net, have increased due to higher non-recurring proceeds and mainly include out-of-period income and expenses.
- ⚓** the effective tax rate (33.3%) has fallen considerably with respect to the prior year (37.8%).
This reduction is mainly because of the changes in IRAP, starting in 2015. As a result, the costs incurred for full-time employees could be deducted in full for IRAP purposes.
Income taxes are made up of IRES for € 2,200 thousand (€ 1,410 thousand in 2014) and IRAP for € 380 thousand (€ 540 thousand in 2014). They do not include any amount (€ 100 thousand in 2014) for taxes to be paid in EU countries where there are foreign permanent establishments (which would not be recoverable in Italy), as there is no reason for such a provision.
Income taxes include deferred tax assets of € 289 thousand (€ 111 thousand in 2014) and deferred tax liabilities of € 187 thousand (€ 28 thousand in 2014).
As regards the deferred tax assets and liabilities, the amounts referred to above take account of the reduction in the IRES rate from 27.50% to 24.00%, which will apply from 2017. In particular, this resulted in the recognition of an expense of € 213 thousand for deferred tax assets and income of € 41 thousand for deferred tax liabilities.
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 2015 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.

OUR INTERMEDIARIES



GRAZIANO BORASI

Apogeo Broker
Tortona (Alessandria)

INSURANCE BUSINESS

Underwriting result

The underwriting result for the years ended 31 December 2015 and 2014 is composed of the following:

(in thousands of euro)	2015	2014
Earned premiums	127,576	132,576
Charges related to claims	(89,007)	(124,854)
Other technical income	(425)	3,966
Operating expenses	(27,629)	(30,261)
Gross underwriting result	10,515	(18,573)
Balance of outward reinsurance	(4,856)	19,796
Change in other non-technical reserves	(82)	(78)
Investment return transferred to the non-technical account	1,172	2,379
Net underwriting result	6,749	3,524

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

They show a significant increase in the gross underwriting result, offset by a significant swing in the balance of outward reinsurance.

Both of these variances are attributable primarily to a number of major claims that took place the previous year in the Hulls sector.

Of these, the most serious was the "Norman Atlantic", which had a gross claims reserve at the end of 2014 of € 28,825 thousand. In view of the existing reinsurance coverage, in particular those in "excess of loss", this event had a significant impact on how much was attributable to the reinsurers. In fact, for this accident, the reinsured claims reserve at the end of 2014 amounted to € 28,425 thousand.

With reference to the gross value, this claim was liquidated in 2015 for an amount of € 26,538 thousand and the residual reserve at the end of the year amounted to € 2,471 thousand.

On the other hand, the significant improvement in the net underwriting result reflects in a tangible manner the positive effects generated by the technical selection of the business taken on, for which, against a progressive reduction in premiums written, there has been a more than proportional decline in charges related to claims (particularly as regards direct business in of the "Cargo" sector").

This improvement is even more evident if we take into account the lower contribution of the investment return transferred from the non-technical account (€ 1,207 thousand).

A brief analysis of the individual amounts shown above leads to the following considerations:

- earned premiums have fallen in line with the related decrease in the volume of premiums written (7.7% less than in 2014);
 - charges related to claims show a significant reduction, both for the lower impact of serious accidents and for an improvement in the loss ratio of the direct business in the "Cargo" sector.
- However, we would reiterate the usual caution that we normally apply when making reserves;

other technical income, like operating costs, decrease mainly due to a more appropriate classification of the costs and revenues related to the management of the "Marine" insurance business on behalf of UnipolSai S.p.A. (which absorbed SAI Holding Italia S.p.A. on 31 December 2015).

Indeed, since 2015, these amounts have been recorded under "Other income" and "Other expense" in the non-technical account;

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, it has fallen as a result of the lower return on investments.

The foregoing is also reflected in the net combined ratio, which comes to 85.1%, has fallen considerably compared with the prior year ratio of 96.6%.

It consists of a net loss ratio and net expense ratio of 62.3% and 22.8% respectively (75.9% and 20.7% in 2014).

The considerable improvement in the underwriting result is reflected in the better loss ratio, while the expense ratio was negatively affected by the decrease in production. The combined ratio mentioned previously is in a position of absolute pre-eminence in the Italian insurance market.

Gross premiums earned and recorded

The premiums earned in 2015, compared with those of 2014, are as follows:

(in thousands of euro)	2015	2014
Gross premiums written	121,930	132,107
Premiums transferred for reinsurance	(83,410)	(94,076)
Change in the gross unearned premiums reserve	3,595	(1,489)
Change in the unearned premiums reserve to be borne by reinsurers, including the balance of portfolio movements	(4,774)	(689)
Net exchange differences on the incoming unearned premiums reserve	550	418
Earned premiums, net of reinsurance	37,891	36,271

There has been a progressive decline in the incidence of total premiums ceded to reinsurers, which comes to 68.4% (versus 71.2% the previous year), in line with the strategies defined recently.

The following table gives details of premiums earned in 2015, with comparative figures for the previous year:

(in thousands of euro)	2015	2014
Italian direct business		
Hulls	70,318	73,916
Marine Cargo	22,588	29,637
	92,906	103,553
Motor third-party liability	3,155	3,480
General third-party liability	2,481	3,244
Pecuniary losses	1,551	2,090
Other property damage	1,151	1,555
Other minor business	118	106
	8,456	10,475
Total direct business	101,362	114,028
Indirect business - Italy		
Cargo	11,906	8,635
Hulls	3,591	4,744
Motor third-party liability	4,354	3,999
Other minor business	606	664
	20,457	18,042
Indirect business - Abroad	111	37
Total indirect business	20,568	18,079
Grand total	121,930	132,107

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

To be more specific, they are situated in Belgium and Germany (Malta and the Netherlands were closed down during the previous year).

Comments on these figures are summarised below:

- 2015 production is essentially attributable to the "Marine" sector, as in the past. 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;
- generally speaking, production for the year decreased across the board. The decrease is attributable to direct business, as indirect premiums managed to improve compared with 2014.

As regard the direct business, the decline also relates to the non-renewal of policies with an unsatisfactory underwriting result (particularly for Marine Cargo).

With regard to indirect business, which is mainly consists of transfers from UnipolSai SpA, this progress has been achieved despite the fact that it was adversely affected by UnipolSai S.p.A. transferring the casualty insurance portfolio relating to Milano Assicurazioni S.p.A. to another company on 30 June 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 1.0887 at 31 December 2015, compared with 1.2141 at 31 December 2014), having revalued by around 10.3% against the EU currency during 2015. In fact, much of our business is written in US dollars, especially in the "Hulls" sector;

- the premiums of the "Hulls" sector show a decline mainly due to the continuing difficulties in the market, characterised by a falling trend in premium rates.

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 with respect to 2014, partly due to the ongoing economic downturn (especially as regards the domestic component).

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;

- direct premiums in the Elementary and TPL Motor sectors as a whole have decreased compared with the previous year, in the same way as those for the Hulls and Cargo sectors.

Indeed, as indicated above, these premiums are fed almost exclusively by business from the "Marine" sector;

- as regards indirect business, where foreign earnings have always been insignificant, there has been an increase in production, attributable to the Cargo sector.

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 € 35,022 thousand (€ 43,175 thousand in 2014).

These premiums relate solely to the Hulls sector for € 30,155 thousand (€ 32,683 thousand in 2014) and to the Cargo sector for € 4,867 thousand (€ 10,492 thousand in 2014);

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

(in thousands of euro)	2015	2014	2015	2014
• in Italy			112,989	121,674
• abroad, via permanent establishments located in:				
Belgium	4,684	4,025		
Germany	4,257	5,786		
Malta	–	43		
Netherlands	–	579	8,941	10,433
			121,930	132,107

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

OUR INTERMEDIARIES



GIOVANNI PALA

Banchero & Costa Ins. Broker S.p.A.
Genoa

Outward reinsurance

There were no significant changes in the Company's policy regarding reinsurance in 2015.

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 2015 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 2015, with comparative figures for 2014, are as follows:

(in thousands of euro)	2015	2014
Gross claims settled	130,235	102,383
Claims settled borne by reinsurers	(103,117)	(76,344)
Change net of recoveries	(1,020)	(1,271)
Change in the gross claims reserve	(34,020)	32,163
Change in the claims reserve borne by reinsurers, including the balance of portfolio movements	31,927	(29,786)
Net exchange differences on the incoming claims reserve	(1,607)	(1,304)
Settlement costs, transferred from the nontechnical account	1,211	1,693
Expenses related to claims, net of recoveries and reinsurance	23,609	27,534

Note that the previous year's balance was significantly influenced by large claims mentioned above, as evidenced by the changes in the gross amount and reinsured claims reserve.

As regards the Hulls sector, excluding the claim involving the "Norman Atlantic", the trend of amounts paid and reserved did not deviate from that of the previous year.

The number of reported claims is increasing, especially those under third-party mandate, although average amounts are lower than in 2014.

There continue to be large claims, including the total losses of "Los Llanitos" and "Good Faith", the fire aboard the "Sorrento" and the engine room damage to the "Four Tourandot".

With regard to the Cargo sector, there has been a decline in reported claims, especially those for the year, mainly due to the non-renewal of some important policies with an unsatisfactory technical performance, which in the past had a significant impact in terms of losses (both on the amount paid and the amount reserved).

In this regard, we would point out the start of an interactive application, called "Vision", which, among other things, greatly facilitates the exchange of information with the network of intermediaries, effectively replacing much of the paperwork with digital documentation and improving its timeliness.

The amount of claims paid in 2015, before recoveries from reinsurers and before allocating the costs of internal settlement, is summarised below according to the main categories:

(in thousands of euro)	Direct business	Indirect business	Total
Claims paid	113,724	4,922	118,646
Settlement costs	5,227	–	5,227
Direct costs	6,362	–	6,362
	125,313	4,922	130,235

With regard to direct business, the following breakdown by sector of claims settled in 2015 is compared with similar data for the previous year:

(in thousands of euro)	2015	2014
Hulls	90,487	53,102
Marine Cargo	15,822	22,553
	106,309	75,655
Motor third-party liability	2,698	3,323
General third-party liability	1,375	2,802
Other property damage	1,325	1,078
Deposits	812	8
Pecuniary losses	518	1,669
Rolling stock	511	23
Other minor business	175	70
	7,415	8,973
Total direct business	113,724	84,628

Analysis of the above data indicates a significant increase in direct business claims settled in 2015 compared with the previous year.

The increase is attributable to the Hulls sector and is explained below.

Payments in the periods considered were affected by the appreciation of the dollar against the euro, with a closing rate at 31 December 2015 of 1.0887, compared with 1.2141 at 31 December 2014.

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

-  for the Hulls sector, the incremental change in the amount of claims paid is due to a number of serious claims paid during 2015, first and foremost the "Norman Atlantic", amounting to € 26,538 thousand;
-  for the Cargo sector, the amount of payments in 2015 went down due to fewer claims received, as mentioned previously;
-  for the other sectors, the decrease is correlated to the decrease in production that took place during the year and 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 Hull and Cargo sectors, no indication of settlement speed is given as it is not considered representative of the situation in question.

SALES ORGANISATION

During the year, the distribution organisation did not change, both in Italy and abroad. In Italy, the distribution network at 31 December 2015 consists of 15 general agents and 211 brokers (12 and 218, respectively, at 31 December 2014). Geographically, 77.4% are located in the North (175 intermediaries, unchanged on 31 December 2014) and 22.6% in the Centre – South (51 intermediaries, compared with 55 at 31 December 2014).

Abroad, the organisational structure consists of permanent establishments located in Belgium, and Germany.

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

Acquisition expenses totalled € 21,027 thousand (€ 22,332 thousand in 2014), down on the previous year due to the decline in production.

Of these costs, € 16,163 thousand related to direct business (€ 17,726 thousand in 2014) and € 4,864 thousand to indirect business (€ 4,606 thousand in 2014).

The ratio of commissions paid to third parties for new direct business to the related premium income was 15.9% (15.6% in 2014).

PERSONNEL AND ADMINISTRATIVE EXPENSES

At 31 December 2015, the Company had 101 employees (98 at 31 December 2014), including 4 executives, 14 middle managers and 83 office staff (of whom 43 on secondment at related companies).

In addition to these, at the same date the staff also included 1 freelance collaborator (5 in 2014) and 49 employees in Group companies (39 in 2014) the latter on secondments (25 full-time and 24 part-time) seconded to the Company principally in the performance of duties related to the operations of the "Marine Hub".

The full time equivalent (FTE) headcount, that is, considering actual working hours, in 2015 was 140 employees (135 in 2014).

Administrative expenses in 2015 (before their allocation to the technical account) amounted to € 9,398 thousand, much the same as the previous year (€ 9,386 thousand).

After allocating a proportion of personnel expenses and the depreciation of tangible assets to policy acquisition and claims settlement, administrative expenses amounted to € 6,601 thousand (€ 7,929 thousand in 2014). The change is due to a different classification applied in 2015, following the adoption of a new accounting platform.

Personnel costs accounted for 74.8% of administrative expenses (75.2% in 2014).

The ratio of administrative expenses (before their allocation to the technical account) to premium income was 11.7% (11.3% in 2014).

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 7.7% (7.1% in 2014).

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



PROPERTY AND FINANCIAL MANAGEMENT

In 2015, 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 2015 stood at 2.85 years (2.63 at 31 December 2014), 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.

It consists solely of units in open-end mutual funds, since the shares and quotas indicated below relate primarily to the minority interest in a Group company, as shown in Annex 6.

At 31 December 2015, total investments amounted to € 116,706 thousand (€ 117,306 thousand at 31 December 2014), in line with the previous year.

Details are provided below:

(in thousands of euro)	31.12.2015	31.12.2014
Buildings	17,690	17,952
Shares and quotas	41	70
Mutual funds	1,224	1,231
Bonds and other fixed-income securities	96,345	95,025
Loans	80	74
Restricted deposits with bank	491	2,155
Deposits with ceding undertakings	835	799
	116,706	117,306

Bonds and other fixed-income securities and buildings continue to represent the bulk of total investments (97.7%, compared with 96.3% at 31 December 2014).

With regard solely to financial investments (excluding those in Group companies), shares and mutual funds invested in equities represent 1.3% of the total (1.3% at 31 December 2014) due to continuing caution in this area.

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

- buildings decreased in amount as a result of the depreciation charge for the year. This caption is made up entirely of the commercial property that houses the Company's offices. A significant proportion of this building is rented to the parent company UnipolSai S.p.A.;
- the shares and quotas are essentially related to the Group and are of insignificant amount;
- the units in mutual funds (most of them equity-based) are stable in amount;
- bonds and other fixed-income securities are broadly in line with the amount at the end of the previous year. These are represented by fixed-income securities, € 52,729 thousand, and variable-income securities, € 43,616 thousand. The long-term securities are represented exclusively by BTPs, having varying maturities between 2024 and 2030, with a carrying value of € 5,906 thousand. There continues to be a distinct preference for government issues (especially domestic ones);

restricted deposits with banks, which consist of cash collateral, show a slight contraction in the year-end balance;

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 2015.

The following subordinated bonds are held at year end:

Issuer:	Vodafone Group
ISIN code:	US92857WAZ32
Par value:	1,000,000 USD
Book value:	848,062 €
Issue:	26 September 2012
Maturity:	26 September 2022
Structure:	make whole, up to maturity

Issuer:	Pfizer Inc.
ISIN code:	US717081DH33
Par value:	1,500,000 USD
Book value:	1,358,321 €
Issue:	3 June 2013
Maturity:	15 June 2023
Structure:	callable at par up to maturity

Issuer:	Apple Inc.
ISIN code:	US037833AK68
Par value:	1,300,000 USD
Book value:	1,147,134 €
Issue:	3 May 2013
Maturity:	3 May 2023
Structure:	callable at par up to maturity

Issuer:	Monte dei Paschi
ISIN code:	IT0005013971
Par value:	150,000 €
Book value:	149,731 €
Issue:	17 April 2014
Maturity:	16 April 2021
Structure:	covered bond

Issuer:	eBay Inc.
ISIN code:	US278642AE34
Par value:	1,500,000 USD
Book value:	1,286,756 €
Issue:	24 July 2012
Maturity:	15 July 2022
Structure:	callable at par up to maturity

OUR INTERMEDIARIES



From left to right:
**LUC DE BACKER, BART DEWULF,
 WILFRIED VAN GOMPEL, MICHEL DE LOPHEM,
 JOS GIELEN, SOE LINS**

B.D.M.
 Antwerpen

At year-end, the book value of the securities portfolio was € 7,692 thousand lower than its market value at the same date (€ 7,176 thousand at 31 December 2014).

This unrealised capital gain is related to bonds and other fixed-income securities for € 7,200 thousand (€ 6,898 thousand at 31 December 2014) and to mutual funds for € 492 thousand (€ 278 thousand at 31 December 2014). On the other hand, there is no unrealised capital gain attributable to shares (none at 31 December 2014).

As regards the capital gain on bonds and other fixed income securities, the amount related to investment securities was € 1,102 thousand (€ 832 thousand at 31 December 2014).

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:

(in thousands of euro)	2015	2014
Net profit from:		
shares		
dividends paid	–	–
net gains (losses) on disposals	(13)	–
net write-backs (writedowns)	–	(12)
	(13)	(12)
bonds and other fixed-income securities		
interest income	2,645	2,791
net gains (losses) on disposals	355	1,737
net write-backs (writedowns)	(122)	(3)
	2,878	4,525
other financial investments	5	250
buildings		
rental income	553	851
depreciation	(599)	(574)
	(46)	277
Total income, net	2,824	5,040
Expenses		
operating expenses	825	952
interest expense	9	7
Total expenses	834	959

As a whole, investment management produced a result significantly lower than in 2014, in terms of both income. Expenses also show a significant decrease.

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

-  for equities, with figures that confirm the lack of interest in this type of investment, losses on disposal are attributable to the sale of the entire remaining interest in RCS MediaGroup S.p.A.;
-  for bonds and other fixed-income securities, there has been a significant decrease in profitability due to:
 - a physiological decrease in accrued interest, largely due to the declining trend in interest rates;
 - a significant decrease in net trading, mainly in an attempt to protect the implicit profitability of the existing bond portfolio;
 - the presence of writedowns, which were virtually non-existent the previous year.
-  for other financial investments, the result is immaterial. On the other hand, in 2014 it had benefited from the profits made on the trading in units of open-end mutual investment funds;
-  for buildings, the decrease in rental income is due to cessation (in September 2014) of the contract for the rent of a significant portion of the property owned by the Company. After that date, renovation work commenced on the portion in question. This work is now at an advanced stage of completion and steps are being taken to look for a new tenant.

Operating expenses concerned the property sector for € 649 thousand (€ 809 thousand in 2014) and the securities sector for € 185 thousand (€ 143 thousand in 2014).

The operating expenses of the real estate sector relate mainly to IMU (€ 225 thousand, the same as in 2014) and extraordinary maintenance (€ 149 thousand, against € 385 thousand in 2014) which cannot be capitalised.

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

Furthermore, the Company is a member of the domestic tax group established by Fondiaria - SAI S.p.A.

The related agreement involves the transfer to the indirect parent company of the taxation and advances payable in relation to the Company's taxable income for IRES purposes.

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 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.

We also have reinsurance relationships with the affiliates UnipolRe and Liguria Assicurazioni S.p.A., as well as with UnipolSai S.p.A.

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 2005.

With UnipolSai S.p.A. and Liguria Assicurazioni S.p.A., on the other hand, we have had active reinsurance relationships in the "Marine Insurance" sector.

Conversely, the Company provides UnipolSai S.p.A. and Liguria Assicurazioni S.p.A. (merged with UnipolSai S.p.A. in January 2016) with technical, operational and administrative services in the "Marine Insurance" sector.

The affiliate UnipolSai Real Estate S.r.l. provides services for the management of property assets.

The Company receives services from Unipol Banca SAI S.p.A. relating to the bank account maintained with it, as well as safekeeping of the securities deposited with it.

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 transact. (in thousands of euro)	reserve						
	Debtors	Creditors	Premiums	Claims	Premiums	Claims	Commissions
UnipolSai S.p.A (parent company)							
Coinsurance trans.	–	(1,210)	–	–	–	–	–
Reinsurance trans. – active	7,050	–	(6,026)	(41,632)	20,439	(4,500)	(4,404)
Liguria Assicurazioni S.p.A. (affiliated company)							
Reinsurance trans. – active	–	(161)	(5)	(580)	15	(228)	(4)

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 2015, any of its own shares or shares in companies belonging to "Gruppo Assicurativo Unipol", except for a minor interest in UnipolSai Servizi Consortili S.c.r.l. (acquired in previous years).

At 31 December 2015, following the merger of SAI Holding Italia S.p.A. with UnipolSai S.p.A., the latter has replaced the former as our direct parent company.

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. 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.

Commercial transactions (in thousands of euro)	Debtors	Creditors	Costs	Revenues
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UnipolSai S.p.A. (parent company)				
services	1,390	(641)	(641)	3,100
personnel on secondment	537	(1,114)	(2,559)	768
rental income and expenses	–	–	–	553

Liguria Assicurazioni S.p.A. (affiliated company)				
services	–	–	–	27

UnipolSai Real Estate S.r.l. (affiliated company)				
services	–	(115)	(150)	–

Financial transactions (in thousands of euro)	Debtors	Creditors	Costs	Revenues
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Unipol Banca S.p.A. (parent company)				
Bank deposits	2,983	–	(15)	6
safekeeping of securities	–	(39)	(78)	–

Fiscal relations (in thousands of euro)	Debtors	Creditors	Costs	Revenues
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Unipol Gruppo Finanziario SpA (indirect parent company)				
tax group arrangements	1,795	(2,200)	–	–

Key: (...) Creditors / Costs



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.



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 field of fraud prevention and detection, Decree Law 1 of 24 January 2012, converted with amendments into Law 27 of 24 March 2012, resulted in ISVAP issuing Regulation 44 of 9 August 2012.

This Regulation requires insurance companies to send the Authority an annual report containing the information needed to assess the efficiency of processes, systems and people, in order to ensure the adequacy of the company’s organisation vis-à-vis the objective of preventing and combating fraud in the TPL Motor sector.

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.

OUR INTERMEDIARIES



BEATRICE BRAUNER

BRAUNER INTERMEDIAZIONI ASSICURATIVE s.r.l.
Fiorenzuola d’Arda (Piacenza)

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 2015.

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.

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 2015, the duration of the class C investment portfolio, an indicator of the Company's exposure to interest rate risk, amounted to 2.85 years (2.63 years at 31 December 2014).

With specific reference to the bond portfolio, the duration is equal to 3.11 years.

Risk Sector	Composition	Duration	Increase 10 bps	Increase 50 bps
Government	82.72%	2.65	-226,724	-1,133,621
Financial	12.64%	4.96	-64,936	-324,681
Corporate	4.64%	6.34	-30,432	-152,158
Bonds	100.00%	3.11	-322,092	-1,610,460

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

Credit risk

The policy is for the securities portfolio to be invested primarily in investment-grade securities (98.46% of the portfolio, compared with 94.47% at 31 December 2014).

In particular, 2.46% of the bonds are rated double A, 1.26% single A and 94.74% triple B.

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

Rating	Composition	Increase 1 bps	Increase 10 bps	Increase 50 bps
AA	2.46%	-1,726	-17,261	-86,307
A	1.26%	-602	-6,016	-30,078
BBB	94.74%	-41,559	-415,591	-2,077,954
NIG	1.54%	-762	-7,624	-38,118
Bonds	100.00%	-44,649	-446,491	-2,232,457

Equity risk

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

Sector	Composition	Beta	Shock -10%
Equity funds	100.00%	1.02	-173,881
Equity	100.00%	1.02	-173,881

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.2 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 2016 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 this report on operations and the financial statements for the year ended 31 December 2015, together with the following proposed allocation of the net profit of € 5,367,920:

Net profit for the year ended 31 December 2015	5,367,920 €
to the legal reserve, 5%	(268,396) €
to Other reserves: Reserve for exchange gains (art. 2426.8-bis Civil Code)	(126,423) €
to each of the 38,000,000 shares, a gross dividend of € 0.080	(3,040,000) €
the balance to Other reserves: Extraordinary reserve	(1,933,101) €

Bologna, 8 March 2016

For the Board of Directors
The Chairman
(Fabio Cerchiai)

OUR INTERMEDIARIES



RAFFAELLO ESPOSITO

Cambiaso & Risso Marine
Naples



02 ANNUAL ACCOUNTS

BALANCE SHEETS
STATEMENT OF INCOME
NOTES TO THE FINANCIAL STATEMENTS
ATTACHMENTS

BALANCE SHEETS

AS OF 31 DECEMBER 2015 AND 2014

(in thousands of €)

ASSETS	31.12.2015	31.12.2014
B. INTANGIBLE ASSETS		
5. Other deferred costs	92	118
C. INVESTMENTS		
C.I Property		
1. Property used for business purposes	6,102	6,249
2. Property used by third parties	11,588	11,703
	17,690	17,952
C.II Investments in group and related companies	41	41
C.III Other financial investments		
1. Shares and quotas	0	28
2. Mutual fund units	1,224	1,231
3. Bonds and other fixed-interest securities	96,345	95,025
4. Loans	80	74
6. Restricted deposits with banks	491	2,156
	98,140	98,514
C.IV Deposits with ceding undertakings	835	799
TOTAL	116,706	117,306
D.bis TECHNICAL RESERVES CARRIED BY REINSURERS		
1. Unearned premiums reserve	31,550	36,324
2. Claims payable reserve	147,749	182,346
	179,299	218,670
E. DEBTORS		
E.I Receivables arising out of direct insurance		
1.a Due from policyholders for current premiums	39,595	55,165
1.b Due from policyholders for premiums relating to prior years	2,565	1,674
2. Due from agents and others intermediaries	8,663	2,288
3. Due from insurance companies	6,177	3,450
	57,000	62,577
E.II Reinsurance debtors		
1. Insurance and reinsurance companies	10,481	4,220
2. Reinsurance intermediaries	0	0
	10,481	4,220
E.III Other debtors	9,850	6,096
TOTAL	77,331	72,893
F. OTHER ASSETS		
F.I Tangible assets		
1. Furniture and office machine	213	199
3. Plant and equipment	3	7
	216	206
F.II Cash and cash equivalents		
1. Bank accounts	7,270	6,127
2. Cheques and cash	1	2
	7,271	6,129
F.IV Other assets		
1. Temporary reinsurance accounts	0	0
2. Other	1,732	5,007
	1,732	5,007
TOTAL	9,219	11,342
G. PREPAYMENTS AND ACCRUED INCOME		
1. Interest	745	764
2. Other	40	104
	785	868
TOTAL ASSETS	383,432	421,197

LIABILITIES AND EQUITY	31.12.2015	31.12.2014
A. CAPITAL AND EQUITY RESERVES		
A.I Share capital	38,000	38,000
A.IV Legal reserve	1,549	1,373
A.VII Other reserves	14,631	14,145
A.IX Net profit (loss) for the year	5,368	3,512
TOTAL	59,548	57,030
B. SUBORDINATED LIABILITIES	0	0
C. TECHNICAL RESERVES		
1. Unearned premiums reserve	43,845	47,440
2. Claims payable reserve	219,784	253,804
5. Other technical reserves	1,876	1,795
	265,505	303,039
E. PROVISIONS FOR RISKS AND CHARGES		
2. Provision for taxation	1,655	1,750
3. Other provisions	50	75
	1,705	1,825
F. DEPOSITS FROM REINSURERS	587	177
G. CREDITORS AND OTHERS LIABILITIES		
G.I Payables arising out of direct insurance		
1. Due to agents and other intermediaries	3,291	12,513
2. Due to insurance companies	5,420	2,786
4. Guarantee funds in favour of policyholders	0	3
	8,711	15,302
G.II Reinsurance creditors		
1. Insurance and reinsurance companies	24,957	26,078
2. Reinsurance intermediaries	1	33
	24,958	26,111
G.VII Termination indemnities	1,238	1,228
G.VIII Other creditors		
1. Taxes paid by policyholders	454	351
2. Miscellaneous taxes payable	838	981
3. Due to social security and welfare institutions	232	307
4. Sundry creditors	3,234	5,695
	4,758	7,334
G.IX Other liabilities		
1. Temporary reinsurance accounts	0	0
2. Commission on premiums to be collected	5,711	7,142
3. Sundry liabilities	10,711	2,009
	16,422	9,151
TOTAL	56,086	59,126
H. DEFERRED INCOME AND ACCRUED LIABILITIES		
1. Interest	0	0
TOTAL LIABILITIES AND EQUITY	383,432	421,197

STATEMENT OF INCOME

FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

(in thousands of €)

I. TECHNICAL ACCOUNT		31.12.2015	31.12.2014
1. EARNED PREMIUMS, NET OF REINSURANCE			
a. Gross premiums written		121,930	132,107
b. Outward reinsurance premiums		(83,410)	(94,076)
c. Change in unearned premium reserve		5,646	469
d. Change in unearned premium reserve carried by reinsurers		(6,275)	(2,229)
		37,891	36,271
2. INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT		1,172	2,379
3. OTHER TECHNICAL INCOME, NET OF RECOVERIES AND REINSURANCE		2,863	6,160
4. CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE			
a. Claims paid			
aa. Gross amount		(131,446)	(104,076)
bb. (less) ceded to reinsurers		103,117	76,344
		(28,329)	(27,732)
b. Change in recoveries, net of reinsurance			
aa. Gross amount		1,833	4,503
bb. (less) ceded to reinsurers		(812)	(3,232)
		1,021	1,271
c. Changes in claims payable reserve			
aa. Gross amount		40,606	(25,281)
bb. (less) ceded to reinsurers		(36,907)	24,208
		3,699	(1,073)
TOTAL		(23,609)	(27,534)
6. PROFIT COMMISSIONS, NET OF REINSURANCE		(132)	(154)
7. OPERATING EXPENSES			
a. Acquisition commissions		(19,525)	(19,847)
b. Other acquisition costs		(1,503)	(2,485)
d. Collection commissions		0	0
e. Other administrative expenses		(6,601)	(7,929)
f. Commission and other income from reinsurers		17,713	18,187
		(9,916)	(12,074)
8. OTHER TECHNICAL EXPENSES, NET OF REINSURANCE		(1,438)	(1,446)
9. CHANGE IN OTHER TECHNICAL RESERVES		(82)	(78)
UNDERWRITING RESULT		6,749	3,524

III. NON-TECHNICAL ACCOUNT		31.12.2015	31.12.2014
1. NET INVESTMENT INCOME			
a. Income from shares		0	0
b. Income from other investments			
aa. Income on properties		553	851
bb. Income from financial investments		2,646	2,792
c. Writebacks		5	3
d. Gains on sale of investment		456	1,990
		3,660	5,636
5. CAPITAL AND FINANCIAL CHARGES			
a. Investment management charges and interest expense		(834)	(959)
b. Writedowns		(726)	(592)
c. Losses on sale of investment		(109)	(5)
		(1,669)	(1,556)
6. INVESTMENT RETURN TRANSFERRED TO THE TECHNICAL ACCOUNT		(1,172)	(2,379)
7. OTHER INCOME		4,394	3,848
8. OTHER EXPENSES		(4,263)	(3,503)
10. EXTRAORDINARY INCOME		507	175
11. EXTRAORDINARY EXPENSES		(156)	(100)
NON-TECHNICAL RESULT		1,301	2,121
PROFIT (LOSS) BEFORE TAXES		8,050	5,645
14. INCOME TAXES FOR THE YEAR		(2,682)	(2,133)
NET PROFIT (LOSS) FOR THE YEAR		5,368	3,512



NOTES TO THE FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2015 comprise the balance sheet and statement of income, prepared in accordance with ISVAP Regulation 22 of 4 April 2008, 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 ISVAP 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 ISVAP 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.

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.

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

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 ISVAP 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 ISVAP 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 Hull, Cargo and Motor third-party liability segments 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 ISVAP 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 ISVAP 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 ISVAP 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.

OUR INTERMEDIARIES



**JEAN-CHARLES QUIDET, PASCALE LEMERCIER,
CLAUDE LEJEUNE, ANNE YVERT, DELPHINE FLORENCE,
CHRISTINE DORDAIN, DELPHINE HEBERT,
MARTINE WALKER, PHILIPPE GRIMAUD,
OLIVIER BOURGEOIS**

COGEAS (Compagnie de Gestion et d'Assurances)
Bois-Guillaume Rouen

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	31.12.2015	31.12.2014	Change (%)
US Dollar	1.0887	1.2141	10.3
Swiss Franc	1.0835	1.2024	11.9
British pound	0.7339	0.7789	5.8
Japanese Yen	131.07	145.23	9.7

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 ISVAP 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.

TAX ADJUSTMENTS AND PROVISIONS SECTION 2

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

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 € 92 thousand (€ 118 thousand at 31 December 2014) and comprise:

(in thousands of euro)	31.12.2015	31.12.2014	Change
5. Other deferred costs	92	118	(26)

Attachment 4 shows the changes during the year in the above caption, being additions of € 7 thousand and amortisation for the year of € 33 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 € 116,706 thousand (€ 117,306 thousand at 31 December 2014) and comprise:

(in thousands of euro)	31.12.2015	31.12.2014	Change
I. Property	17,690	17,952	(262)
II. Investments in group and related companies	41	41	–
III. Other financial investments	98,140	98,513	(373)
IV. Deposits with reinsurers	835	800	35
	116,706	117,306	(600)

C.I "Property" amounts to € 17,690 thousand (€ 17,952 thousand at 31 December 2014) and comprises:

(in thousands of euro)	31.12.2015	31.12.2014	Change
1. Property used for business purposes	6,102	6,250	(148)
2. Property used by third parties	11,588	11,702	(114)
	17,690	17,952	(262)

These are shown net of accumulated depreciation at 31 December 2015, amounting to € 5,326 thousand (€ 4,727 thousand at 31 December 2014).

The related depreciation charge for the year (€ 599 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 2015, the market value of the above property was estimated to be € 26,032 thousand (€ 25,582 thousand at 31 December 2014).

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 € 139 thousand due to work done in the year on improvements and renovation and decreased by € 287 thousand due to depreciation.

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

This increased by € 198 thousand due to work done in the year on improvements and renovation and decreased by € 312 thousand due to depreciation

Rentals and the related expenses received (only the Parent Company UnipolSai S.p.A.) amount to € 456 thousand and € 97 thousand respectively.

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 2014), with no change since the previous year.

They consist solely of quotas.

OUR INTERMEDIARIES



GIANCARLO GARDELLA

ITALBROKERS
Genoa

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

(in thousands of euro)	31.12.2015	31.12.2014	Change
b) subsidiary companies	–	–	–
c) related companies	40	40	–
e) other	1	1	–
	41	41	–

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 €98,140 thousand (€98,513 thousand at 31 December 2014) and comprise:

(in thousands of euro)	31.12.2015	31.12.2014	Change
1. Shares and quotas	–	28	(28)
2. Mutual fund units	1,224	1,231	(7)
3. Bonds and other fixed-income securities	96,345	95,025	1,320
4. Loans	80	74	6
6. Restricted deposits with banks	491	2,155	(1,666)
	98,140	98,513	(373)

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.

(in thousands of euro)	Par value	Book value	Market value
BTP 1° March 2030 – 3,5%	2,000	2,043	2,374
BTP 1° March 2024 – 4,5%	3,000	2,999	3,733
BTP 1° June 2025 – 1,5%	900	864	901
		5,906	7,008

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 2015 of "Other financial investments" is €7,692 thousand (€7,176 thousand at 31 December 2014) 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:

(in thousands of euro)	Shares and quotas	Mutual fund unit	Bonds and other fixed-income secur.
Opening balance	28	1,231	95,025
Purchases	–	–	24,787
Writebacks	–	–	5
Issue discounts and trading	–	–	133
Gains on redemption	–	–	–
Losses on redemption	–	–	–
Sales and reimbursements	(28)	(7)	(24,449)
Adjustments	–	–	(127)
Exchange differences	–	–	971
Closing balance	–	1,224	96,345

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

(in thousands of euro)	31.12.2015	31.12.2014	Change
a) Listed shares	–	28	(28)
	–	28	(28)

"Listed shares" comprise shares quoted on the Italian stock market, represented by RCS Mediagroup S.p.A. shares, sold during the year.

C.III.2 "Mutual fund units" comprise open-end funds invested in shares.

Their book value is € 492 thousand (€ 278 thousand at 31 December 2014) lower than their year-end market value.

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

(in thousands of euro)	31.12.2015	31.12.2014	Change
a) listed	96,335	94,960	1,375
b) unlisted	10	37	(27)
c) convertible bonds	–	28	(28)
	96,345	95,025	1,320

Their book value is € 7,200 thousand (€ 6,898 thousand at 31 December 2014) lower than their year-end market value. This unrealised capital gain relates to long term securities for, € 1,102 thousand (€ 832 thousand at 31 December 2014).

"Bonds and other fixed-income securities" denominated in euro total € 5,500 thousand, while those in other currencies (exclusively US dollars) amount to € 10,845 thousand (€ 86,593 thousand and € 8,432 thousand at 31 December 2014).

They comprise investments earning interest at fixed rates, € 52,729 thousand, and floating rates, € 43,616 thousand (€ 48,183 thousand and € 46,842 thousand at 31 December 2014).

As for listed "Bonds and other fixed-income securities", government and corporate securities amount to € 80,848 thousand and € 15,487 thousand, respectively (€ 82,719 thousand and € 12,306 thousand).

The issue discounts booked to the statement of income relating to this caption are positive for € 139 thousand and negative for € 6 thousand, while positive and negative trading discounts amount to € 4 thousand and € 4 thousand.

An analysis of significant positions by issuer is presented below:

issuer	Listed / unlisted	Amount (in thousands of euro)
Italian Government	listed	78,404
Cassa Depositi e Prestiti	listed	1,986
Goldman Sachs	listed	1,372
Pfizer Inc.	listed	1,358
Barclays Plc	listed	1,316
eBay Inc.	listed	1,287
Apple Inc.	listed	1,147
Bank of America	listed	1,092

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 2015.

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" relates exclusively to a restricted deposit (without deadline) 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 € 835 thousand (€ 800 thousand at 31 December 2014) and have increased by € 35 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 € 179,298 thousand (€ 218,669 thousand at 31 December 2014) and consist of:

(in thousands of euro)	31.12.2015	31.12.2014	Change
1. Unearned premiums reserve	31,550	36,323	(4,773)
2. Claims payable reserve	147,748	182,346	(34,598)
	179,298	218,669	(39,371)

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

No technical reserves are carried by UnipolSai S.p.A. or subsidiary company.

SECTION 5

DEBTORS (CAPTION E)

E. "Debtors" total € 77,331 thousand (€ 72,893 thousand at 31 December 2014) and comprise:

(in thousands of euro)	31.12.2015	31.12.2014	Change
I. Receivables arising out of direct insurance	57,000	62,577	(5,577)
II. Reinsurance debtors	10,481	4,220	6,261
III. Others debtors	9,850	6,096	3,754
	77,331	72,893	4,438

E.I "Receivables arising out of direct insurance" amount to € 57,000 thousand (€ 62,577 thousand at 31 December 2014) and are due from:

(in thousands of euro)	31.12.2015	31.12.2014	Change
1.a Due from policyholders for current premiums	39,595	55,165	(15,570)
1.b Due from policyholders for premiums relating to prior years	2,565	1,674	891
2. Due from agents and other intermediaries	8,663	2,288	6,375
3. Due from insurance companies	6,177	3,450	2,727
	57,000	62,577	(5,577)

E.I.1 "Due from policyholders" for current and prior year premiums amount in total to € 42,160 thousand (€ 56,839 thousand at 31 December 2014) and are shown net of the related provision for doubtful accounts, which amounts to € 852 thousand (€ 566 thousand at 31 December 2014).

The decrease compared with the end of the previous year is related to the contraction in premium income for the year and the increase in amounts due from insurance intermediaries.

"Due from policyholders" were written down by € 299 thousand during the year, given that they were considered uncollectable 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 € 13 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 € 24,213 thousand in premium instalments not yet due for the Hull and related third-party liability sectors (€ 28,128 thousand at 31 December 2014).

E.I.2 "Due from agents and other intermediaries" are stated net of a writedown of € 12 thousand (€ 30 thousand at 31 December 2014).

The increase in the balance is offset by the decrease in amounts due from policyholders for premiums.

"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 € 18 thousand as a result of changes in estimates; this amount was charged to "Other income" in the statement of income.

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 € 1,059 thousand (€ 850 thousand at 31 December 2014).

"Due from insurance companies" were written down during the year by € 209 thousand, given that they were considered uncollectible after a general valuation; the writedown was charged to the statement of income under "Other expenses".

This balance does not include any amounts due from the parent company UnipolSai S.p.A. or subsidiaries.

E.II "Reinsurance debtors" amount to € 10,481 thousand (€ 4,220 thousand at 31 December 2014) and are due from:

(in thousands of euro)	31.12.2015	31.12.2014	Change
1. Insurance and reinsurance companies	10,481	4,220	6,261
2. Reinsurance intermediaries	–	–	–
	10,481	4,220	6,261

E.II.1 Reinsurance receivables from "Insurance and reinsurance companies" are stated net of a provision of € 1,800 thousand (€ 1,791 thousand at 31 December 2014) which relates solely to reinsurance current accounts.

During the year, having carried out a general assessment of doubtful accounts, analytical writedowns were made of € 30 thousand charged to the statement of income under "Other expenses".

At the same time, the provision for doubtful accounts was reduced by € 21 thousand following a change in estimates; these amount were posted to "Other income" in the statement of income.

These receivables include an amount of € 7,050 thousand due from UnipolSai S.p.A. for active reinsurance.

They also include amounts due from the related company Unipol Re. of € 1 thousand.

E.II.2 "Receivables due from reinsurance intermediaries" show a zero balance.

This item includes the direct business with them and has not been written down (as at 31 December 2014).

E.III "Other debtors" amount to € 9,850 thousand (€ 6,096 thousand at 31 December 2014). Their main components are shown below:

(in thousands of euro)	31.12.2015	31.12.2014	Change
Amounts due from the Tax Authorities	2,941	3,159	(218)
Amounts due from the parent company	1,927	1,797	130
Amounts due from tax authorities for disputed tax claim	1,800	–	1,800
Amounts due from the indirect parent company	1,795	–	1,795
Deposits with clearing houses	1,260	1,012	248
Due from guarantors	36	33	3
Guarantee funds in favour of policyholders	3	14	(11)
Other debtors	88	55	33
Due from related companies	–	26	(26)
	9,850	6,096	3,754

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 € 2,847 thousand receivable from the Italian tax authorities and € 94 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:

- 1,531 thousand for the tax advance on insurance policies paid in May 2015 (from February 2016 partially used to offset the tax bill due for the previous month).
- 1,301 thousand direct taxes (including € 739 thousand due to be reimbursed and € 562 thousand of IRAP advances paid during 2015);
- 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, it has transferred its tax credits to the indirect parent company Unipol Gruppo Finanziario S.p.A. to be deducted from the Group tax liability. The amount concerned, € 1,795 thousand, has therefore been reclassified to the caption described below.

Amounts due from the Tax Authorities of other European countries, concern mainly Germany (€ 92 thousand).

The amounts due from the parent company, UnipolSai S.p.A. refer to operating costs incurred on behalf of that company and therefore recharged to it.

They refer to personnel on secondment (€ 1,390 thousand) and to services provided to it (€ 537 thousand).

OUR INTERMEDIARIES



HANS-CHRISTOPH ENGE

Lampe & Schwartz KG
Bremen

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.

This amount, which was previously included in "Other assets", has been reclassified to this caption as it is more appropriate.

The amounts due from the indirect parent company Unipol Gruppo Finanziario S.p.A. arise from the national tax consolidation and include:

- 1,308 thousand of IRES advances paid during the year;
- 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;
- 45 thousand, of higher IRAP paid in previous years, the reimbursement of which was requested in 2009;
- 2 thousand, of withholding tax paid.

Note that, for 2015-2017, the Group tax regime is headed up by Unipol Gruppo Finanziario SpA, the indirect parent company, while in the previous three years UnipolSai SpA acted as the consolidating company.

It follows that, at 31 December 2014, the receivables arising from this tax regime (€ 591 thousand) were shown versus the latter.

Deposits with clearing houses refer solely to deposits made in France to Cesam - Comité d'Etudes 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".

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 € 9,218 thousand (€ 11,342 thousand at 31 December 2014) and comprise:

(in thousands of euro)	31.12.2015	31.12.2014	Change
I. Tangible assets	215	206	9
II. Cash and cash equivalents	7,271	6,129	1,142
IV. Other assets	1,732	5,007	(3,275)
	9,218	11,342	(2,124)

F.I. "Tangible assets" of € 215 thousand, are stated net of accumulated depreciation at year-end of € 1,850 thousand, as analysed below:

(in thousands of euro)	Gross value	Accumulated depreciation	Book value
1. Furniture and office machines	1,846	(1,634)	212
2. Publicly registered assets	15	(15)	–
3. Plant and equipment	204	(201)	3
	2,065	(1,850)	215

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 (in thousands of euro)	balance at 31.12.2014	Increase	Decrease	balance at 31.12.2015
1. Furniture and office machines	1,786	60	–	1,846
2. Publicly registered assets	15	–	–	15
3. Plant and equipment	203	1	–	204
	2,004	61	–	2,065

Accumulated depreciation amounts to € 1,850 thousand (€ 1,798 thousand at 2014). During the year it increased by € 52 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 € 7,271 thousand (€ 6,129 thousand at 31 December 2014) and consist of:

(in thousands of euro)	31.12.2015	31.12.2014	Change
1. Bank accounts	7,270	6,127	1,143
2. Cheques and cash	1	2	(1)
	7,271	6,129	1,142

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 € 2,983 thousand.

F.IV "Other assets" amount to € 1,732 thousand (€ 5,007 thousand at 31 December 2014) and consist of:

(in thousands of euro)	31.12.2015	31.12.2014	Change
2. Other	1,732	5,007	(3,275)
	1,732	5,007	(3,275)

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

(in thousands of euro)	31.12.2015	31.12.2014	Change
Deferred tax assets	1,502	1,791	(289)
Amounts to be recovered from policyholders	180	929	(749)
Other	50	103	(53)
Due from tax authorities for disputed tax claim	–	1,800	(1,800)
Due from parent company	–	139	(139)
Insurance excesses and amounts to be recovered from policyholders	–	126	(126)
Disbursements for accident claims to be settled	–	83	(83)
Due from controlled companies	–	36	(36)
	1,732	5,007	(3,275)

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 tax rates used for IRES and IRAP were 24.00% (effective from 1 January 2017, lower than the 27.50% applied up to that date) and 6.82% respectively.

Deferred tax assets were fully recognised in prior years.

Amounts to be recovered from policyholders refers to a claim in the Hulls sector for € 135 thousand and Cargo for € 45 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.

The receivable from the Tax Authorities for disputed tax claim has been correctly classified under "Other receivables".

PREPAYMENTS AND ACCRUED INCOME (CAPTION G)

SECTION 7

G. "Prepayments and accrued income" amount to € 786 thousand (€ 868 thousand at 31 December 2014) and comprise:

(in thousands of euro)	31.12.2015	31.12.2014	Change
1. Interest	745	764	(19)
3. Other	41	104	(63)
	786	868	(82)

They are analysed as follows:

(in thousands of euro)	Accrued income	Prepayments	Total
1. Interest	745	–	745
3. Other	–	41	41
	745	41	786

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

Other prepayments relate to various operating expenses referring to future periods (€ 39 thousand) and insurance premiums (€ 2 thousand).

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

Balance Sheet - LIABILITIES AND EQUITY

SECTION 8

CAPITAL AND EQUITY RESERVES (CAPTION A)

A. As at 31 December 2015 these amount € 59,548 thousand (€ 57,030 thousand at 31 December 2014) and consist of:

(in thousands of euro)	31.12.2015	31.12.2014	Change
I. Subscribed share capital	38,000	38,000	–
IV. Legal reserve	1,549	1,374	175
VII. Other reserves	14,631	14,145	486
IX. Net income (loss) for the year	5,368	3,511	1,857
	59,548	57,030	2,518

The changes during the year are summarised as follows:

(in thousands of euro)	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
<i>Allocation of 2014 earnings authorised at the shareholders' meeting held on 20 April 2015:</i>					
• dividends	–	–	–	(2,850)	(2,850)
• to legal reserve	–	175	–	(175)	–
• to others reserve	–	–	486	(486)	–
Net profit for 2015	–	–	–	5,368	5,368
Balance at 31.12.2015	38,000	1,549	14,631	5,368	59,548

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 2015, 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	1,549	B	–
VII. Other reserves			
reserve for losses	1,953	A, B, C	1,953
extraordinary reserve	12,386	A, B, C	12,386
reserve for exchange gains	292	B	292

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 2015).

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 € 1,549 thousand following an increase of € 175 thousand during the year on allocation of part of the net profit for 2014, as required by art. 2430 of the Italian Civil Code.

A.VII "Other reserves" amount to € 14,631 thousand after the following changes during the year:

(in thousands of euro)	balance at 31.12.2014	Increase	Decrease	balance at 31.12.2015
Reserve for losses	1,953	–	–	1,953
Extraordinary reserve	12,192	194	–	12,386
Reserve for exchange gains (art. 2426-bis Civil Code)	–	292	–	292
	14,145	486	–	14,631

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 20 April 2015 that was held to approve the financial statements for the year ended 31 December 2014.

SUBORDINATED LIABILITIES (CAPTION B)

SECTION 9

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

TECHNICAL PROVISIONS (CAPTION C.I)

SECTION 10

C.I "Technical provisions" at 31 December 2015 amount to € 265,505 thousand (€ 303,039 thousand at 31 December 2014) and consist of:

(in thousands of euro)	31.12.2015	31.12.2014	Change
1. Unearned premiums reserve	43,845	47,440	(3,595)
2. Claims payable reserve	219,783	253,804	(34,021)
5. Other technical reserves	1,877	1,795	82
	265,505	303,039	(37,534)

OUR INTERMEDIARIES



PIERLUCA IMPRONTA

MAG-JLT
Rome

In compliance with ISVAP 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 € 6,026 thousand in unearned premiums and € 41,632 thousand for claims.

As regards related companies, the amount carried by for active reinsurance transactions related to Liguria Assicurazioni S.p.A. (absorbed in the parent company UnipolSai S.p.A.) comes to € 5 thousand in unearned premiums and € 677 thousand for claims.

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

C.I.1 The “Unearned premiums reserve” amounts to € 43,845 thousand (€ 47,440 thousand at 31 December 2014) and has been calculated in accordance with IVASS Regulation 16 of 4 March 2008.

The unearned premiums reserve refers to direct business for € 37,818 thousand (€ 44,045 thousand at 31 December 2014) and to indirect business for € 6,027 thousand (€ 3,395 thousand at 31 December 2014).

The claims payable reserve refers to direct business for € 705 thousand (€ 700 thousand at 31 December 2014) and to indirect business for € 100 thousand (0 balance at 31 December 2014).

This is made up as follows:

(in thousands of euro)	31.12.2015	31.12.2014	Change
For apportioned premiums	43,040	46,740	(3,700)
For unexpired risks	805	700	105
	43,845	47,440	(3,585)

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

Unearned premiums reserve (in thousands of euro)			
Business segment	Direct business	Indirect business	Total
Rolling stock	19	42	61
Aircraft	5	–	5
Hulls	34,521	1,056	35,577
Marine Cargo	1,258	3,055	4,313
Fire	788	–	788
Other property damage	73	156	229
Motor third-party liability	672	1,635	2,307
Hull third-party liability	8	–	8
Aircraft third-party liability	3	–	3
General third-party liability	271	83	354
Bond insurance	3	–	3
Pecuniary losses	197	–	197
	37,818	6,027	43,845

With regard to the unearned premiums reserve for direct business, the above amounts include € 705 thousand for unexpired risks (€ 700 thousand at 31 December 2014).

It relates to Motor third-party liability (€ 450 thousand), Cargo (€ 200 thousand) Other property damage (€ 50 thousand) and General third-party liability (€ 5 thousand).

With regard to the unearned premiums reserve for indirect business, the above amounts include € 100 thousand for unexpired risks (zero balance at 31 December 2014). This relates entirely to Other property damage.

Note that any reserve for unexpired risks has been calculated for each business sector taking into account the ISVAP Regulation 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, € 788 thousand has been added to the apportioned premium reserve (€ 822 thousand at 31 December 2014) and € 3 thousand (€ 8 thousand at 31 December 2014) respectively against risks related to previous years for natural disasters and against deposits.

C.I.2 The “Claims payable reserve” amounts to € 219,784 thousand (€ 253,804 thousand at 31 December 2014) and has been calculated in accordance with ISVAP Regulation 16 of 4 March 2008.

The claims payable reserve refers to direct business for € 175,578 thousand (€ 208,230 thousand at 31 December 2014) and to indirect business for € 44,206 thousand (€ 45,574 thousand at 31 December 2014).

This is made up as follows:

(in thousands of euro)	31.12.2015	31.12.2014	Change
For reimbursements and direct costs	181,031	216,154	(35,123)
For settlement costs	10,464	10,036	428
For accidents occurred, but not reported	28,289	27,614	675
	219,784	253,804	(34,020)

The decrease in reimbursements and direct costs is essentially linked to a number of serious accidents involving the “Hulls” sector” (for example, the “Norman Atlantic”), which were provided for in the previous year and paid in the current year. Moreover, considering the rather modest level of retention on such claims, a similar significant change also took place in the caption “Claims payable reserve carried by reinsurers”.

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.I.5 “Other technical reserves” amount to € 1,877 thousand (€ 1,795 thousand at 31 December 2014) after the following changes during the year:

(in thousands of euro)	balance at 31.12.2014	Increase	Decrease	balance at 31.12.2015
Equalisation reserve for natural disasters	1,793	82	–	1,875
Compensation reserve	2	–	–	2
	1,795	82	–	1,877

The equalisation reserve for natural disasters was established pursuant to Ministerial Decree 705 dated 19 November 1996 (as referred to in art. 57 of ISVAP 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 ISVAP Regulation 16 of 4 March 2008 to offset potential underwriting losses on credit insurance business.

PROVISIONS FOR RISKS AND CHARGES (CAPTION E)

SECTION 12

E. “Provisions for risks and charges” amount to € 1,706 thousand (€ 1,825 thousand at 31 December 2014) and are made up as follows:

(in thousands of euro)	31.12.2015	31.12.2014	Change
2. Provision for taxation	1,656	1,750	(94)
3. Other provisions	50	75	(25)
	1,706	1,825	(119)

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

E.2 The “Provision for taxation” includes a provision of € 1,020 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 € 136 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.

The amount due has been calculated by applying the following tax rates: 24.00% for IRES (effective from 1 January 2017, down from 27.50% applied up to that date) and 6.82% for IRAP.

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 amounts of tax paid during the year are shown under "Other receivables" for the reasons set out below, whereas the handling fees were charged to the statement of income in 2010 under "Other expenses".

As also mentioned in the notes to the financial statements at 31 December 2014, 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.

With reference to the above, the hearing in the Supreme Court of Cassation took place on 17 February 2016 and we are still waiting for the sentence to be announced.

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 receivables"), again on the question of the indirect taxes applicable to co-insurance 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.
- the notice of assessment notified by the Tax Authorities in December 2013 for the tax year 2008, in respect of the audit carried out by the Tax Police in 2009, for an amount equal to € 1,193 thousand (including penalties and interest 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;
- the notice of assessment notified by the Tax Authorities in December 2015 for the tax year 2010, in respect of the audit carried out by the Tax Police in 2014, for an amount equal to € 1,682 thousand (including penalties and interest up to the beginning of 31 December 2015).
In February 2016, in relation to the foregoing, payment was made of one third of the additional tax assessed plus interest, amounting to € 312 thousand.
As was done in previous tax years, also for this amount the amounts paid have been accounted for under "Other receivables".
Similarly to what was done for prior tax years, again for 2010, an appeal was filed (in February 2016) and the same considerations that were previously made for the 2006, 2007 and 2008 tax years thus apply here.

E.3 "Other provisions" mainly include expenses related to a dispute outstanding at the balance sheet date, the outcome of which is uncertain.

During the year, an amount was used of € 25 thousand, with an opposite entry to "Other income".

F. "Deposits from reinsurers" amount to € 587 thousand (€ 177 thousand at 31 December 2014), up by € 410 thousand compared with the previous year.

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

OUR INTERMEDIARIES



OMUR KORKUT

Omni Ltd
Istanbul

CREDITORS AND OTHER LIABILITIES (CAPTION G)

SECTION 13

G. "Creditors and other liabilities" amount to € 56,087 thousand (€ 59,126 thousand at 31 December 2014) and comprise:

(in thousands of euro)	31.12.2015	31.12.2014	Change
I. Payables arising out of direct insurance	8,711	15,302	(6,591)
II. Reinsurance creditors	24,958	26,111	(1,153)
VII. Termination indemnities	1,238	1,228	10
VIII. Other creditors	4,758	7,334	(2,576)
IX. Other liabilities	16,422	9,151	7,271
	56,087	59,126	(3,039)

G.I "Payables arising out of direct insurance" amount to € 8,711 thousand (€ 15,302 thousand at 31 December 2014) and consist of:

(in thousands of euro)	31.12.2015	31.12.2014	Change
1. Due from agents and other intermediaries	3,291	12,513	(9,222)
2. Due to insurance companies	5,420	2,786	2,634
4. Guarantee funds in favour of policyholders	–	3	(3)
	8,711	15,302	(6,591)

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

The decrease in this balance is related to the classification under "Other liabilities" of claims being settled, which at 31 December 2014 amounted to € 7,947 thousand.

This is a more appropriate classification, which was necessary for better compliance with the administrative criteria adopted by the Group.

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 parent company UnipolSai S.p.A. of € 1,210 thousand

G.II "Reinsurance creditors" amount to € 24,958 thousand (€ 26,111 thousand at 31 December 2014) and are due to:

(in thousands of euro)	31.12.2015	31.12.2014	Change
1. Insurance and reinsurance companies	24,957	26,078	(1,121)
2. Reinsurance intermediaries	1	33	(32)
	24,958	26,111	1,153

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

These include € 12,007 thousand (€ 18,836 thousand at 31 December 2014) 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 do not include any amount due to the parent company UnipolSai S.p.A., whereas they do include € 161 thousand of amounts due to the subsidiary Liguria Assicurazioni S.p.A. for reinsurance business.

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

G.VII “Termination indemnities” amount to € 1,238 thousand (€ 1,228 thousand at 31 December 2014) 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 € 4,758 thousand (€ 7,334 thousand at 31 December 2014) and comprise:

(in thousands of euro)	31.12.2015	31.12.2014	Change
1. Taxes paid by policyholders	454	351	103
2. Miscellaneous taxes paid	838	981	(143)
3. Due to social security and welfare institutions	232	307	(75)
4. Sundry creditors	3,234	5,695	(2,461)
	4,758	7,334	(2,576)

G.VIII.1 “Taxes paid by policyholders” include the amount due to the Tax Authorities on insurance policies (€ 411 thousand), net of advances paid during the year. This amount was duly paid over in January 2016.

The total also includes € 44 thousand due to foreign tax authorities (mainly Spain, United Kingdom, Portugal and Germany) for taxes withheld from policyholders, regarding the provision of unrestricted services.

G.VIII.2 “Miscellaneous taxes payable” include IRAP payable for € 380 thousand related to 2015. In particular, the transfer of the latter is not allowed for the purpose of the Group’s tax group arrangements.

In addition, they also include the VAT balance of € 253 thousand and taxes inherent which the Company has acted as withholding agent of € 205 thousand.

These amounts were duly paid over in early 2016.

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 2016.

G.VIII.4 “Sundry creditors” are analysed below:

(in thousands of euro)	31.12.2015	31.12.2014	Change
Due to the indirect parent company	2,200	–	2,200
Due to shareholders for dividends	407	383	24
Due to suppliers	382	1,185	(803)
Due to related companies	154	104	50
Due to corporate office bearers	43	43	–
Others	36	56	(20)
Due to parent company	12	3,924	(3,912)
	3,234	5,695	(2,461)

The amount due to the indirect parent company Unipol Gruppo Finanziario S.p.A. includes € 2,200 thousand, which, following the company’s inclusion in the domestic tax group arrangements, is payable thereto for IRES for 2015.

Note that, for 2015-2017, the Group tax regime is headed up by Unipol Gruppo Finanziario SpA, the indirect parent company, whereas in the previous three years UnipolSai SpA acted as the consolidating company.

It follows that, at 31 December 2014, the payables arising from this tax regime (€ 1,410 thousand) were shown versus the latter.

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

Amounts due to related companies refer to services provided and concern UnipolSai Real Estate S.r.l. (€ 115 thousand), and Unipol Banca S.p.A. (€ 39 thousand).

Amounts due to the parent company UnipolSai S.p.A. relate to various types of items.

In the previous year the balance also included the amount due for the tax consolidation (€ 1,410 thousand), which this year is shown as being due to Unipol Gruppo Finanziario SpA as a result of the change mentioned above.

The reduction in the amounts due to the parent company is linked to the related incremental change in “Other liabilities” due to the parent company.

G.IX “Other liabilities” amount to € 16,422 thousand (€ 9,151 thousand at 31 December 2014) and comprise:

(in thousands of euro)	31.12.2015	31.12.2014	Change
2. Commission on premiums to be collected	5,711	7,142	(1,431)
3. Sundry liabilities	10,711	2,009	8,702
	16,422	9,151	7,271

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:

(in thousands of euro)	31.12.2015	31.12.2014	Change
Claims being settled	6,907	–	6,907
Invoices to be received from the parent company	1,755	–	1,755
Due to employees	1,347	828	519
Due to third parties	465	568	(103)
Due to reinsurers and co-insurers	236	613	(377)
	10,711	2,009	8,702

Claims being settled at 31 December 2014, which were shown under another liability item in the balance sheet ("Due to agents and other intermediaries") for an amount of € 7,947 thousand, relate to amounts that have already been received, but not yet paid to eligible beneficiaries.

Before being settled, we are waiting to receive a statement of account from the insurance brokers, through whom payment is made.

This is a more appropriate classification, which was necessary for better compliance with the administrative criteria adopted by the Group.

The invoices to be received from UnipolSai S.p.A. relate for € 1,114 thousand to employees on secondment and for € 641 thousand to services that it provides as the parent company.

The increase in the balance is related to the change in "Other liabilities" versus the parent company.

Amounts due to reinsurers and co-insurers refer for:

- € 214 thousand relating to underwriting transactions entered into therewith, which no technical documentation exists yet in support of the payable;
- € 22 thousand for amounts owed by them for insurance excesses and amounts to be recovered from policyholders recorded under "Other assets".

Amounts due to employees relate for € 710 thousand to staff bonuses owed to them, to be settled in the future, for € 410 thousand to the provision for the renewal of the national and local labour contracts, and € 227 thousand in holidays accrued but not yet taken by them.

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 zero (€ 1 thousand in 2014).

ASSETS AND LIABILITIES RELATED TO GROUP COMPANIES AND OTHER COMPANIES

SECTION 15

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

RECEIVABLES AND PAYABLES

SECTION 16

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 (in thousands of euro)	Due beyond 12 months	of which: due beyond 5 years
Assets		
C.III.4 Loans		
c) other loans	40	–
E.3 Other debtors	3,049	–

As for the amount due after one year relative to E.3 "Other receivables", note that it refers:

- for € 1,800 thousand to indirect taxes in connection with the dispute about co-insurance, already paid on receipt of the tax assessments sent by the Tax Authorities and, according to our legal counsel, likely to be cancelled by the Supreme Court of Cassation;
- for € 739 thousand to direct taxes relating to 1998 due to be reimbursed;
- € 487 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;
- € 13 thousand relating to government concession taxes due to be reimbursed;
- for € 10 thousand, receivables from foreign treasuries for withholding taxes on dividends, which are also to be reimbursed.

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:

(in thousands of euro)	Italy	Other E.U. countries	Other non E.U. countries	Total
E. Receivables				
E.1 Receivables arising out of direct insurance	31,612	17,434	7,954	57,000
E.2 Reinsurance debtors	8,447	1,301	733	10,481
E.3 Other debtors	8,496	1,354	–	9,850
Total	48,555	20,089	8,687	77,331

(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	5,426	3,285	–	8,711
G.II Reinsurance creditors	2,738	16,785	5,435	24,958
G.VIII Other creditors	4,335	423	–	4,758
Total	12,499	20,493	5,435	38,427

SECTION 17 GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

“Guarantees, commitments and other memorandum accounts” comprise:

(in thousands of euro)	31.12.2015	31.12.2014	Change
I. Guarantees given	36	39	(3)
III. Guarantees given by third parties in the interest of the Company	1,255	790	465
VII. Securities with third parties	97,611	96,325	1,286

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 € 96,335 thousand.

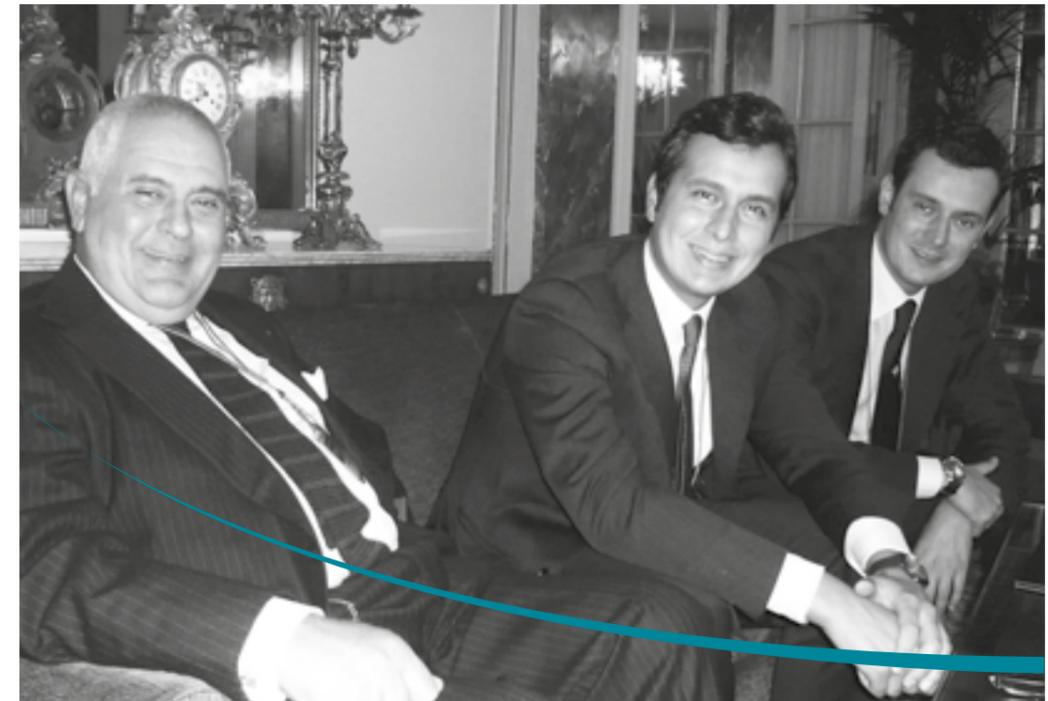
“Guarantees given” (I), “Guarantees given by third parties in favour of the Company” (III), and “Commitments” (IV) are analysed in Attachment 17.

There were no dealings in derivative contracts during the year.

There were no derivative contracts outstanding at 31 December 2015.

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

OUR INTERMEDIARIES



**SAVERIO, ANDREA, MARCO
POLISENO**

Poliass Srl
Naples

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.

1.1 "Earned premiums net of reinsurance" amounted to € 37,891 thousand, of which € 29,124 thousand of direct business and € 8,767 thousand of indirect business.

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

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

Within "Gross premiums written", those related to indirect business include the amount transferred by the parent company UnipolSai S.p.A. (€ 20,439 thousand) and by the related company Liguria Assicurazioni S.p.A. (€ 15 thousand) for the sectors within the "Maritime and Cargo insurance" segment.

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

1.1.c, 1.1.d The "Change in the unearned premiums reserve", gross and net of outward reinsurance premiums, is summarised as follows:

(in thousands of euro)	Gross	Reinsured	Net
Unearned premiums reserve at 31.12.2014	(47,440)	36,324	(11,116)
Unearned premiums reserve at 31.12.2015	43,845	(31,550)	12,295
Net exchange differences	(2,051)	1,501	(550)
Portfolio movements, net	–	–	–
	(5,646)	6,275	629

1.2 The "Share of profit from investments transferred from the non-technical account" amounts to € 1,172 thousand and was determined in accordance with the criteria envisaged in art. 22 of ISVAP 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 2015 financial statements, this ratio amounted to 58.8% (58.3% in the 2014 financial statements).

1.3 "Other technical income, net of recoveries and reinsurance" amount to € 2,863 thousand and mainly include amounts charged to co-insurers, only in the Hulls and Cargo segments, for expenses incurred in handling their claims in relation to insurance policies for which the Company acts as leader.

1.4 "Claims incurred, net of recoveries and reinsurance" amount to € 23,609 thousand.

1.4.a Gross "Amounts paid" include those relating to the reinsurance business accepted from UnipolSai S.p.A. (€ 4,500 thousand) and Liguria Assicurazioni S.p.A. (€ 228 thousand).

This caption includes, among other things, € 6,069 thousand of accident settlement expenses.

These expenses include administrative costs (mainly payroll) incurred for the management of claims totalling € 6,601 thousand.

The portions of the amounts paid that are due from reinsurers include the amount pertaining to Unipol Re (€ 10 thousand).

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

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

(in thousands of euro)	Gross	Reinsured	Net
Claims payable reserve at 31.12.2014	(253,804)	182,345	(71,459)
Claims payable reserve at 31.12.2015	219,784	(147,749)	72,035
Net exchange differences	(6,586)	4,979	(1,607)
Portfolio movements, net	–	(2,669)	(2,669)
	(40,606)	36,906	(3,700)

The decrease in reimbursements and direct costs is essentially linked to a number of serious accidents involving the Hulls sector (for example, the "Norman Atlantic"), which were provided for in the previous year and paid in the current year. Moreover, considering the rather modest level of retention on such claims, a similar significant change also took place in the caption "Claims payable reserve carried by reinsurers."

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 10% and 16% respectively 16% of the opening claims payable reserve.

1.6 "Profit commissions, net of reinsurance" amounted to € 132 thousand and include only the amounts paid to policyholders during the year for profit commissions.

1.7 "Operating expenses" amount to € 9,916 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 € 4,404 thousand to the parent company UnipolSai S.p.A. and for € 4 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" (€ 1,586 thousand) and "claims incurred" (€ 1,211 thousand).

In fact, before allocating € 2,797 thousand to the above captions, other administrative expenses amounted to € 9,398 thousand.

It included, among other things, personnel costs (5,761 € thousand) and depreciation of tangible assets (€ 51 thousand), fees pertaining to the Statutory Auditors (€ 36 thousand) and the remuneration due to directors (€ 153 thousand) for 2015.

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 parent company UnipolSai S.p.A. or related companies.

1.8 "Due from policyholders" amount to € 1,438 thousand.

This caption also includes a provision of € 286 thousand for uncollectible insurance premiums due from customers. They include, among other things, the technical cancellations of receivables from policyholders for premiums of previous years (€ 173 thousand), and the reversal of commission income on reinsurance premiums ceded in previous years and then cancelled (€ 77 thousand).

1.9 The "Change in the equalisation reserve" during the year amounts to € 82 thousand and is summarised by business sector as follows:

Sector (in thousands of euro)	Opening balance	Utilisations	Provisions	Closing balance
Personal accident (1)	99	–	1	100
Motor fire, theft, etc. insurance (3)	68	–	–	68
Marine, aircraft and transport insurance (4, 5, 6, 7, 12)	1,321	–	76	1,397
Fire and other property damage (8,9)	305	–	5	310
Credit insurance (14)	2	–	–	2
	1,795	–	82	1,877

The above provisions consist of € 64 thousand relating to direct business and € 18 thousand to indirect business.

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

TECHNICAL RESULTS BY BUSINESS SECTOR SECTION 20

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.

INFORMATION ON THE NON-TECHNICAL ACCOUNT SECTION 21

III.3 "Income from investments" amounts to € 3,660 thousand and is detailed in Attachment 21.

This includes € 456 thousand and € 97 thousand and concerns respectively rental income and expenses related to rental to the parent company UnipolSai 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 € 1,669 thousand and are detailed in Attachment 23.

III.5.a "Investment management charges and interest expense" amounting to € 834 thousand relate to the management of property (€ 649 thousand) and financial investments (€ 176 thousand), as well as to interest expense on deposits withheld from reinsurers in relation to risks transferred (€ 9 thousand).

In particular, management charges for investment property mainly relate to renovation work in the year (€ 409 thousand), 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 € 63 thousand relating to fees payable to the indirect parent UnipolSai S.p.A. for the management of the securities portfolio and € 78 thousand payable to Banca SAI S.p.A. for the safekeeping of securities.

III.5.b "Writedowns on investments", amounting to € 726 thousand, are made up of property depreciation (€ 599 thousand, of which € 312 thousand for properties used by third parties and € 287 thousand for properties used by the Company), as well as writedowns of bonds (€ 127 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.

OUR INTERMEDIARIES



CLAUDIO V. BRICHETTO

Willis Towers Watson
Genoa

III.7 "Other income" amounts to € 4,394 thousand and is detailed below:

	(in thousands of euro)
Revenues from parent company	3,868
Exchange gains	177
VAT refund	142
Revenues from related companies	74
Releases of the "provision for doubtful accounts"	39
Releases of "Provision for risks and charges"	25
Interest income on bank current accounts	6
Interest income on tax credit	3
Other	60
	4,394

Revenues from the parent company relate for € 3,100 thousand to services rendered and for € 768 thousand to the recovery of costs from UnipolSai SpA.

Revenues from services refer to technical services carried out in the context of managing the Marine Insurance business, as contractually formalised.

The recovery of expenses relates exclusively to the secondment of staff.

Exchange gains, like exchange losses (totalling € 74 thousand), derive from the application of multicurrency methodologies and include both realised gains (€ 43 thousand) and those arising on translation (€ 134 thousand).

Since net unrealised exchange gains total € 126 thousand, the proposed allocation of net profit for 2015 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.

Releases of the "Provision for doubtful accounts" include € 21 thousand for insurance and reinsurance companies and € 18 thousand for insurance agents and other intermediaries, following changes in estimates during the year.

The VAT refund relates to the VAT expensed during the year, which can be reclaimed due to the pro-rata recoverability which the Company intends to use for 2015.

Revenues from Group companies relate for € 47 thousand to expense recoveries and for € 27 thousand to services provided. The recovery of expenses from Group companies is related to personnel costs charged to Incontra Assicurazioni SpA (€ 10 thousand), Pronto Assistance SpA (€ 10 thousand), Systema Compagnia di Assicurazioni SpA (€ 9 thousand), Bim Vita SpA (€ 9 thousand) and Europa Tutela Giudiziaria SpA (€ 9 thousand).

Revenues from services refer only to the technical services provided to Liguria Assicurazioni SpA.

Note that on 31 December 2015, Systema Compagnia di Assicurazioni SpA and Europa Tutela Giudiziaria SpA were absorbed by the parent company UnipolSai SpA.

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.

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 essentially 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 € 4,262 thousand and comprise:

	(in thousands of euro)
Expenses charged by parent company	3,200
Expenses on behalf of parent company	493
Provisions for doubtful accounts	239
Expenses charged by subsidiaries	74
Exchange losses	74
Sundry taxes	62
Amortisation of intangible assets	33
Operating costs of clearing houses	19
Other	68
	4,262

The expenses charged by the parent company include expense recoveries for € 2,559 thousand and services rendered by UnipolSai SpA for € 641 thousand.

The recovery of expenses is mainly due to personnel on secondment, while the services provided are of various types.

The expenses charged on behalf of the parent company refer to operating costs incurred on behalf of UnipolSai SpA, which have been recharged to it.

The contra-entry is to "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.

Expenses from group companies relate to € 47 thousand of expense recoveries and € 27 thousand of services provided and recharged to them.

The exchange losses derive from the application of multicurrency accounting methodologies. This balance includes both realised losses (€ 66 thousand) and those arising on translation (€ 8 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 "Extraordinary income" amounts to € 507 thousand.

This includes income that does not derive from current operations and refers essentially to out-of-period income.

III.11 "Extraordinary expenses" amount to € 156 thousand.

They principally relate, for € 145 thousand, to out-of-period expenses on prior year taxes.

III.14 "Income taxes for the year", totalling € 2,682 thousand, include IRES (€ 2,200 thousand) and IRAP (€ 380 thousand).

These include charges for deferred tax assets (€ 289 thousand) and income for deferred tax (€ 187 thousand). The amounts in question take into account the effect of the reduction in the IRES rate from 27.50% to 24.00%, which will apply from 2017. In particular, this reduction resulted in the recognition of an expense of € 213 thousand for deferred tax assets and income of € 41 thousand for deferred tax liabilities.

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 (in thousands of €):

Deferred tax assets	amount	IRES rate	IRAP rate	Deferred tax assets
Net change in claims payable reserve	2,812	24.00%	–	675
Taxed prov. doubtful accounts	2,470	24.00%	–	593
Adjustments to the value of equity securities	23	24.00%	–	6
Provision for risks and charges	50	24.00%	6.82%	15
Depreciation of land used by the Company	300	24.00%	–	72
Depreciation of land used by the Company	258	–	6.82%	17
Provisions for doubtful accounts due by policyholders (Law 147/2013)	287	24.00%	6.82%	89
Provisions for doubtful accounts exceeding the limit set in art. 106 Tax Law	55	24.00%	6.82%	17
Remuneration of Independent Auditors	34	24.00%	–	8
Emoluments of Directors	43	24.00%	–	10
Deferred tax assets at 31 December 2015				1,503
Deferred tax assets at 31 December 2014				(1,791)
Decrease (increase) in deferred tax assets				(289)

Deferred tax liabilities	amount	IRES	IRAP	Deferred tax liabilities
Tax depreciation of property used by third parties	568	24.00%	–	136
Deferred tax liabilities at 31 December 2015				136
Deferred tax liabilities at 31 December 2014				(323)
Decrease (increase) in deferred tax liabilities				(187)

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

Profit (loss) before taxes	8,050
<i>Theoretical IRES (27.50%)</i>	<i>(2,213)</i>
Tax effect of the change in permanent differences	(62)
Other differences	75
<i>IREs</i>	<i>(2,200)</i>
<i>Decrease in deferred tax assets - IRES</i>	<i>(289)</i>
<i>Increase in deferred tax liabilities - IRES</i>	<i>187</i>
<i>Effective IRES</i>	<i>(2,302)</i>
<i>Effective Ires tax rate</i>	<i>28.60%</i>

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



OTHER INFORMATION

C.1 SOLVENCY MARGIN

The solvency margin and the guarantee required for 2015 total € 17,297 thousand and € 4,122 thousand, respectively, while the elements comprising the available margin total € 56,416 thousand, calculated in accordance with ISVAP Regulation 19 of 14 March 2008.

The solvency margin is therefore 3.26 times higher than what is required by current legislation.

Furthermore, in application of Title III of ISVAP 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 2015.

Note that the available solvency margin of the indirect parent company Unipol Gruppo Finanziario S.p.A. 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 2015.

C.2 COVERAGE OF TECHNICAL RESERVES

The amount of the technical reserves to be covered at the end of the year is € 215,272 thousand for direct business and € 50,233 for indirect business.

The assets available at 31 December 2015 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"), € 115,000 thousand; Class B. assets ("Debtors"), € 143,700 thousand, and Class D. assets ("Bank deposits"), € 7,000 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 2015 (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 2015 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 2015, 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 2015 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 € 5,906 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 2015, 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 of 18 June 2015 of its Board of Directors, Unipol Gruppo Finanziario SpA, as the consolidating company, informed the Tax Authorities, in the manner foreseen, that it had joined the Group tax regime (as per arts. 117 to 129 of the Income Tax Code).

The company resolved to join the tax regime for the period 2015-2017 at the meeting of its Board of Directors on 28 July 2015.

In order to govern the financial relations deriving from the above, an agreement has been signed with Unipol Gruppo Finanziario S.p.A., 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 consolidating company the amount of the tax reduction obtained by the latter via use of any tax losses transferred to it by the company.

In the previous three-year period 2012-2014, UnipolSai SpA (parent) acted as the consolidating 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 include the Consob contribution, VAT and expenses:

Type of service	Provider of the service	Fees
Legal Audit	PricewaterhouseCoopers S.p.A.	66
Certification services	PricewaterhouseCoopers S.p.A.	17
		83

C.11 INTERIM DIVIDENDS (IF ANY)

No interim dividends were approved or paid during 2015.

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:

(in thousands of euro)	Subscribed share capital	Legal reserve	Other reserves	Net profit for the year	Total
Balance at 31.12.2015	38,000	1,549	14,631	5,368	59,548
<i>Allocation of 2014 earnings, as proposed by the Board of Directors on 8 March 2016</i>					
• to legal reserve	–	268	–	(268)	–
• to extraordinary reserve	–	–	1,933	(1,933)	–
• to reserve for exchange gains	–	–	127	(127)	–
• dividends	–	–	–	(3,040)	(3,040)
	38,000	1,817	16,691	–	56,508

C.13 STATEMENT OF CHANGES IN FINANCIAL POSITION

The statement of changes in financial position for the year ended 31 December 2015 with comparative figures from the previous year is shown below:

(in thousands of euro)	2015	2014
Sources of funds		
Net profit for the year	5,368	3,512
Writedown of receivables	538	678
Depreciation and amortisation of property, tangible and intangible assets	683	703
Writedown of financial investments	127	18
Provisions for termination indemnities	342	357
Provisions for risks and charges	2,580	–
Decrease in other financial investments	247	10,994
Increase in deposits from reinsurers	410	30
Net increase in technical reserves	1,838	6,690
Net change in other assets and liabilities	10,546	–
Net change in accruals and deferrals	81	57
Total sources of funds	22,760	23,039
Application of funds		
Dividends paid	2,850	2,660
Increase in deposits with insurance and reinsurance companies	36	31
Utilisation of termination indemnities	333	598
Utilisation of provisions for risks and charges	2,699	85
Net change in other receivables and payables	6,330	7,577
Net change in debtors and creditors from/to insurance and reinsurance operations	8,966	5,059
Net change in other assets and liabilities	–	3,459
Increase in investment in property	337	893
Increase in tangible and intangible assets	67	186
Total application of funds	21,618	20,548
<i>Increase (decrease) in cash and cash equivalents</i>	1,142	2,491
Cash and cash equivalents:		
beginning of the year	6,129	3,638
end of the year	7,271	6,129
<i>Increase (decrease) in cash and cash equivalents</i>	1,142	2,491

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 2014 (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. (in millions of euro)	
BALANCE SHEET	31.12.2014
ASSETS	
A) SUBSCRIBED CAPITAL UNPAID	-
B) FIXED ASSETS	
I Intangible assets	43.5
II Tangible assets	1.9
III Financial assets	5,958.5
TOTAL FIXED ASSETS	6,003.9
C) CURRENT ASSETS	
I Inventories	-
II Debtors	825.3
III Financial assets not held as fixed assets	153.7
IV Cash and cash equivalents	541.1
TOTAL CURRENT ASSETS	1,520.1
D) PREPAYMENTS AND ACCRUED INCOME	33.5
TOTAL ASSETS	7,557.5
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	512.4
V Statutory reserves	-
VI Reserve for own shares in portfolio	22.0
VII Other reserves	215.0
VIII Profit (loss) brought forward	-
IX Profit (loss) for the year	167.4
TOTAL CAPITAL AND EQUITY RESERVES	5,712.7
B) PROVISIONS FOR RISKS AND CHARGES	596.8
C) TERMINATION INDEMNITIES	0.3
D) CREDITORS	1,210.3
E) DEFERRED INCOME AND ACCRUED LIABILITIES	37.4
TOTAL LIABILITIES	7,557.5

STATEMENT OF INCOME		31.12.2014
A) VALUE OF PRODUCTION		39.8
B) PRODUCTION COSTS		(291.0)
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A-B)		(251.2)
C) FINANCIAL INCOME AND EXPENSES		336.7
D) ADJUSTMENTS TO FINANCIAL ASSETS		1.7
E) EXTRAORDINARY INCOME AND EXPENSES		6.4
PROFIT (LOSS) BEFORE TAXES		93.6
INCOME TAXES		73.8
NET PROFIT (LOSS) FOR THE YEAR		167.4

ATTACHMENTS

Attachment 3

Year 2015

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	6,749	21	41	6,749
Income from investments.....	+ 2	3,660		42	3,660
Financial charges.....	- 3	1,669		43	1,669
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	1,172		45	1,172
Intermediate result.....	6	7,568	26	46	7,568
Other income	+ 7	4,394	27	47	4,394
Other expenses.....	- 8	4,262	28	48	4,262
Extraordinary income.....	+ 9	507	29	49	507
Extraordinary expenses.....	- 10	156	30	50	156
Result before tax.....	11	8,050	31	51	8,050
Income taxes.....	- 12	2,682	32	52	2,682
Net result for the year.....	13	5,368	33	53	5,368

Year 2015

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

		Intangible assets B.	Property C.I
Gross opening balance	+ 1	1,495	22,679
Increase.....	+ 2	7	337
due to : Purchases	3	7	0
Write backs.....	4	0	0
Revaluation	5	0	0
Other changes.....	6	0	337
Decrease.....	- 7	0	0
due to : Sales.....	8	0	0
Permanent writedowns.....	9	0	0
Other changes.....	10	0	0
Gross closing balance.....(a)	11	1,502	23,016
Depreciation / Amortisation.....			
Opening balance.....	+ 12	1,377	4,727
Increase.....	+ 13	33	599
due to : Depreciation / Amortisation.....	14	33	599
Other changes.....	15	0	0
Decrease.....	- 16	0	0
due to : Sales.....	17	0	0
Other changes.....	18	0	0
Accumulated depreciation / amortisation.....(b)	19	1,410	5,326
Net book value(a - b)	20	92	17,690
Market value.....			0
Total revaluation.....	22		0
Total writedowns.....	23		
(*) of which depreciation / amortisation made solely for tax purposes	24		

Year 2015

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 :

		Listed or Unlisted	Activity carried out	Company name and registered office	Currency
	(1)	(2)	(3)		
1	e	NQ	7	UCI Società Consortile a r.l. Corso Sempione, 39 MILANO	EUR
2	c	NQ	7	UNIPOLSAI Servizi Consortili Scarl Via Stalingrado, 37 BOLOGNA	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

general information (*)

Share capital		Net Worth (**)	Profit / Loss for the last year closed (**)	Participating share (5)		
Amount (4)	Number of Shares			Direct %	Indirect %	Total %
527,850	1,035,000				0.09	
5,200,000	10,000,000			0.11	0.11	

(**) Only for controlled and affiliated companies

Changes in group and related companies :

(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	UNIPOLSAI Servizi Consortili S.c.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

shares and quotas

Decrease in the year			Book value (4)		Purchase cost	Market value
Sales		Other decrease	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:						
a) listed shares	21		41		81	101
b) unlisted shares	22		42		82	102
c) quotas	23		43		83	103
2. Mutual funds units	24		44		84	104
3. Bonds and other fixed securities	25		45		85	105
a) listed State bonds	5,906	7,008	46	90,439	96,345	106
a2) other listed securities	5,906	7,008	47	74,941	80,847	107
b) unlisted State bonds			48	15,488	15,488	108
b2) other unlisted securities			49		89	109
c) convertible bonds	30		50	11	12	110
5. Quotas in mutual investments	31		51		91	111
7. Other financial investments	32		52		92	112
	33		53		93	113

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:						
a) listed shares	141		161		181	221
b) unlisted shares	142		162		182	222
c) quotas	143		163		183	223
2. Mutual funds units	144		164		184	224
3. Bonds and other fixed securities	145		165		185	225
a) listed State bonds	146		166		186	226
a2) Other listed securities	147		167		187	227
b) unlisted State Bonds	148		168		188	228
b2) Other unlisted securities	149		169		189	229
c) convertible bonds	150		170		190	230
5. Quotas in mutual investments	151		171		191	231
7. Other financial investments	152		172		192	232
	153		173		193	233

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Notes to the financial statements - Attachment 9

Year 2015

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	5,044	81			101
Increases during the year:	2	22			42	869	82			102
for: purchases	3	23			43	864	83			103
writebacks	4	24			44		84			104
transfers from the short-term portfolio	5	25			45		85			105
other changes	6	26			46		5	86		106
Decreases during the year:	7	27			47	6	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		6	91		111
Book value	12	32			52	5,906	92			112
Current value	13	33			53	7,008	93			113

Year 2015

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	+ 1	74	21 2,155
Increase:	+ 2	48	22 896
due to : disbursements.....	3	48	
write backs.....	4		
other changes	5	0	
Decrease:.....	- 6	42	26 2,561
due to : reimbursements.....	7	42	
writedowns	8		
other changes	9		
Book value	10	80	30 490

Year 2015

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	43,140 ¹¹	46,740 ²¹	-3,600
Reserve for unexpired risks	2	705 ¹²	700 ²²	5
Book value	3	43,845 ¹³	47,440 ²³	-3,595
Claims payable reserve:				
Reserve for claims and direct expenses	4	181,030 ¹⁴	216,154 ²⁴	-35,124
Reserve for liquidation expenses	5	10,464 ¹⁵	10,036 ²⁵	428
Reserve for IBNR	6	28,290 ¹⁶	27,614 ²⁶	676
Book value	7	219,784 ¹⁷	253,804 ²⁷	-34,020



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
Opening balance	+	1	11	75	1,228
Provision for the year	+	2	12	100	338
Other increase	+	3	13	23	2
Use in the year	-	4	14	194	330
Other decrease	-	5	15	25	35
Book value		6	16	1,656	50
					1,237

Statement of assets and liabilities for intercompany transactions

I: Assets

	Parent companies	Controlled companies	Related companies	Affiliated companies	Others	Total
Shares and quotas	1 0 2 0 3 41 4 0 5 0 6 41					
Bonds	7 0 8 0 9 0 10 0 11 0 12 0 0					
Loans	13 0 14 0 15 0 16 0 17 0 18 0 0 0					
Quotas in mutual investments	19 0 20 0 21 0 22 0 23 0 24 0 0 0					
Restricted deposits with banks	25 0 26 0 27 0 28 0 29 0 30 0 0 0					
Other financial investments	31 0 32 0 33 0 34 0 35 0 36 0 0 0					
Deposits with ceding undertakings	37 0 38 0 39 0 40 0 41 0 42 0 0 0					
Investments linked with mutual funds and other index	43 0 44 0 45 0 46 0 47 0 48 0 0 0					
Investments deriving from management of pension funds	49 0 50 0 51 0 52 0 53 0 54 0 0 0					
Receivables arising out of direct insurance	55 0 56 0 57 0 58 0 59 0 60 0 0 0					
Reinsurance debtors	61 7,050 62 0 63 1 64 0 65 0 66 7,051 0 0 0					
Other receivables	67 3,722 68 0 69 0 70 0 71 0 72 3,722 0 0 0					
Bank accounts	73 0 74 0 75 2,983 76 0 77 0 78 2,983 0 0 0					
Other assets	79 0 80 0 81 0 82 0 83 0 84 0 0 0					
Total	85 10,772 86 0 87 3,025 88 0 89 13,797 90 0 91 0 92 0 93 0 94 0 95 0 96 0 0					
of which subordinated assets						

II: Liabilities

Statement of assets and liabilities for intercompany transactions

	Parent companies	Controlled companies	Related companies	Affiliated companies	Others	Total
Subordinated liabilities	97 0 98 0 99 0 100 0 101 0 102 0 0 0					
Deposits from reinsurers	103 0 104 0 105 0 106 0 107 0 108 0 0 0					
Payables arising out of direct insurance	109 1,210 110 0 111 0 112 0 113 0 114 1,210 0 0					
Reinsurance creditors	115 0 116 0 117 161 118 0 119 0 120 161 0 0					
Bank overdrafts	121 0 122 0 123 0 124 0 125 0 126 0 0 0					
Secured payables	127 0 128 0 129 0 130 0 131 0 132 0 0 0					
Loans	133 0 134 0 135 0 136 0 137 0 138 0 0 0					
Other payables	139 2,212 140 0 141 154 142 0 143 0 144 2,366 0 0					
Other liabilities	145 1,755 146 0 147 0 148 0 149 0 150 1,755 0 0					
Total	151 5,177 152 0 153 315 154 0 155 5,492 156 0 157 0 158 0 159 0 160 0 161 0 162 0 163 0 164 0 165 0 166 0 167 0 168 0 169 0 170 0 171 0 172 0 173 0 174 0 175 0 176 0 177 0 178 0 179 0 180 0 181 0 182 0 183 0 184 0 185 0 186 0 187 0 188 0 189 0 190 0 191 0 192 0 193 0 194 0 195 0 196 0 197 0 198 0 199 0 200 0 201 0 202 0 203 0 204 0 205 0 206 0 207 0 208 0 209 0 210 0 211 0 212 0 213 0 214 0 215 0 216 0 217 0 218 0 219 0 220 0 221 0 222 0 223 0 224 0 225 0 226 0 227 0 228 0 229 0 230 0 231 0 232 0 233 0 234 0 235 0 236 0 237 0 238 0 239 0 240 0 241 0 242 0 243 0 244 0 245 0 246 0 247 0 248 0 249 0 250 0 251 0 252 0 253 0 254 0 255 0 256 0 257 0 258 0 259 0 260 0 261 0 262 0 263 0 264 0 265 0 266 0 267 0 268 0 269 0 270 0 271 0 272 0 273 0 274 0 275 0 276 0 277 0 278 0 279 0 280 0 281 0 282 0 283 0 284 0 285 0 286 0 287 0 288 0 289 0 290 0 291 0 292 0 293 0 294 0 295 0 296 0 297 0 298 0 299 0 300 0 301 0 302 0 303 0 304 0 305 0 306 0 307 0 308 0 309 0 310 0 311 0 312 0 313 0 314 0 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981 0 982 0 983 0 984 0 985 0 986 0 987 0 988 0 989 0 990 0 991 0 992 0 993 0 994 0 995 0 996 0 997 0 998 0 999 0 1000 0 1001 0 1002 0 1003 0 1004 0 1005 0 1006 0 1007 0 1008 0 1009 0 1010 0 1011 0 1012 0 1013 0 1014 0 1015 0 1016 0 1017 0 1018 0 1019 0 1020 0 1021 0 1022 0 1023 0 1024 0 1025 0 1026 0 1027 0 1028 0 1029 0 1030 0 1031 0 1032 0 1033 0 1034 0 1035 0 1036 0 1037 0 1038 0 1039 0 1040 0 1041 0 1042 0 1043 0 1044 0 1045 0 1046 0 1047 0 1048 0 1049 0 1050 0 1051 0 1052 0 1053 0 1054 0 1055 0 1056 0 1057 0 1058 0 1059 0 1060 0 1061 0 1062 0 1063 0 1064 0 1065 0 1066 0 1067 0 1068 0 1069 0 1070 0 1071 0 1072 0 1073 0 1074 0 1075 0 1076 0 1077 0 1078 0 1079 0 1080 0 1081 0 1082 0 1083 0 1084 0 1085 0 1086 0 1087 0 1088 0 1089 0 1090 0 1091 0 1092 0 1093 0 1094 0 1095 0 1096 0 1097 0 1098 0 1099 0 1100 0 1101 0 1102 0 1103 0 1104 0 1105 0 1106 0 1107 0 1108 0 1109 0 1110 0 1111 0 1112 0 1113 0 1114 0 1115 0 1116 0 1117 0 1118 0 1119 0 1120 0 1121 0 1122 0 1123 0 1124 0 1125 0 1126 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Year 2015

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	32
c) secured guarantees given in the interest of third parties.....	3	33
d) other guarantees given in the interest of parent companies, controlled and related companies	4	34
e) other guarantees given in the interest of affiliated companies.....	5	35
f) other guarantees given in the interest of third parties.....	6	36
g) secured guarantees given for liabilities of parent companies, controlled and related companies	7	37
h) secured guarantees given for liabilities of affiliated companies	8	38
i) secured guarantees given for liabilities of third parties.....	9	39
l) other guarantees given for company's liabilities	10	36
m) assets deposited for reinsurance transactions	11	41
Total	12	36
II. Guarantees received		
a) from related and affiliated companies	13	43
b) from third parties	14	44
Total	15	45
III. Guarantees given by third parties in the interest of the company		
a) from related and affiliated companies	16	46
b) from third parties	17	1,255
Total	18	1,255
IV. Commitments		
a) commitments for resell agreements	19	49
b) commitments for repurchase agreements	20	50
c) other commitments	21	51
Total	22	52

Year 2015

Insurance business highlights

	Gross premiums written	Gross premiums earned	Gross claims incurred	Operating expenses	Reinsurance Balance
Direct insurance:					
Personal accident and health insurance	1	2	3	4	5
Motor third party liability	6	3,155	7	8	10,451
Motor fire, theft, etc. insurance	11	12	13	14	2
Marine insurance.....	16	93,024	17	18	18,823
Fire and other property damage.....	21	1,151	22	23	354
Generale third party liabilities	26	2,481	27	28	756
Credit and bond insurance	31	32	33	34	64
Pecuniary losses	36	1,551	37	38	309
Legal defence	41	42	43	44	45
Assistance	46	47	48	49	50
Total direct insurance	51	101,363	52	53	21,363
Indirect insurance	56	20,456	57	58	6
Total Italian business	61	121,819	62	63	27,592
Foreign business	66	111	67	68	36
Grand total	71	121,930	72	73	27,629

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.....	553	44	553
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	2,645	88	2,645
Interest income on loans.....	49	89	
Income from mutual investments.....	50	90	
Interest income on restricted deposits with banks.....	51	91	
Interest income on other financial investments.....	52	92	
Interest income on deposits with ceding undertakings.....	53	93	
Total	2,645	94	2,645
Writebacks from :			
Property	55	95	
Group companies' shares.....	56	96	
Group companies' bonds	57	97	
Other shares and quotas.....	58	98	
Other bonds.....	59	99	5
Other financial investments.....	60	100	
Total	5	101	5
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	451	106	451
Other financial investments.....	5	107	5
Total.....	456	108	456
GRAND TOTAL.....	3,660	109	3,660

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	0	61	0
Properties.....	649	62	649
Bonds.....	90	63	90
Mutual fund units		64	
Mutual investments.....		65	
Other financial investments.....	86	66	86
Deposits from reinsurers.....	9	67	9
Total.....	834	68	834
Writedowns of:			
Properties.....	599	69	599
Group companies' shares.....		70	
Group companies' bonds		71	
Other shares and quotas		72	
Other bonds.....	127	73	127
Other financial investments.....		74	
Total.....	726	75	726
Losses on sale of :			
Properties.....		76	
Shares and quotas	13	77	13
Bonds.....	96	78	96
Other financial investments.....	0	79	0
Total.....	109	80	109
GRAND TOTAL	1,669	81	1,669

	Personal accident	Health insurance
Direct business net of reinsurance		
Premiums written.....	1	1
Change in unearned premiums reserve.....	2	2
Claims incurred	3	-20
Change in other technical reserves	4	4
Other technical income (expenses) net.....	5	5
Operating expenses	6	10
Underwriting result of direct business (+ o -)..... A	7	12
Result of outward reinsurance (+ o -)..... B	8	-35
Net underwriting result of indirect business (+ o -)..... C	9	9
Change in equalisation reserve (+ o -)..... D	10	1
Portion of income from inv. transferred from non technical account..... E	11	3
Technical result (+ o -)..... (A + B + C - D + E)	12	-22

	Cargo insurance	Fire
Direct business net of reinsurance		
Premiums written.....	1	22,588
Change in unearned premiums reserve.....	2	-379
Claims incurred	3	14,744
Change in other technical reserves	4	4
Other technical income (expenses) net.....	5	85
Operating expenses	6	6,924
Underwriting result of direct business (+ o -)..... A	7	1,384
Result of outward reinsurance (+ o -)..... B	8	-395
Net underwriting result of indirect business (+ o -)..... C	9	2,560
Change in equalisation reserve (+ o -)..... D	10	29
Portion of income from inv. transferred from non technical account..... E	11	257
Technical result (+ o -)..... (A + B + C - D + E)	12	3,778

	General third party liability	Credit insurance
Direct business net of reinsurance		
Premiums written.....	1	2,481
Change in unearned premiums reserve.....	2	-207
Claims incurred	3	1,305
Change in other technical reserves	4	4
Other technical income (expenses) net.....	5	81
Operating expenses	6	756
Underwriting result of direct business (+ o -)..... A	7	708
Result of outward reinsurance (+ o -)..... B	8	-893
Net underwriting result of indirect business (+ o -)..... C	9	123
Change in equalisation reserve (+ o -)..... D	10	
Portion of income from inv. transferred from non technical account..... E	11	94
Technical result (+ o -)..... (A + B + C - D + E)	12	32

Motor fire, theft, etc. Insurance	Railway carriage insurance	Aircraft insurance	Hull insurance
1	1	95	9
2	2	3	6
3	3	-152	3
4	4		4
5	5	1	5
6	6	28	6
7	7	217	7
8	8	-92	8
9	9	39	9
10	10		10
11	11	1	11
12	12	165	12

Other property damage	Motor third party liability	Aircraft third party liability	Hull third party liability
1	1	3,155	4
2	2	-32	3
3	3	305	3
4	4		4
5	5	-67	5
6	6	1,045	6
7	7	1,771	7
8	8	-1,008	8
9	9	-430	9
10	10		10
11	11	189	11
12	12	522	12

Bond insurance	Pecuniary losses	Legal defense	Assistance
1	1	1,551	1
2	2	-81	2
3	3	111	3
4	4		4
5	5	99	5
6	6	309	6
7	7	1,311	7
8	8	-1,302	8
9	9		9
10	10		10
11	11	2	11
12	12	10	12

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.....	101,363	72,775	72,775	20,456	10,579	38,464
Change in unearned premiums reserve.....	-8,278	-7,742	-7,742	2,632	1,467	629
Claims incurred	85,439	63,698	63,698	3,551	1,734	23,558
Change in other technical reserves						
Other technical income (expenses) net.....	-404	-1,707	-1,707	-21	-11	1,293
Operating expenses	21,363	14,809	14,809	6,229	2,892	9,892
Underwriting result (+ o -)	2,434	303	303	8,023	4,476	5,679
Change in equalisation reserve (+ o -)						82
Portion of income from inv. transferred from non technical account.....	889			283		1,172
Technical result (+ o -)	3,324	303	303	8,305	4,476	6,769

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 -20
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 -20

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

Intercountry transactions

I: Revenues

	Parent companies	Controlled companies	Related companies	Affiliated companies	Others	Total
Investments income						
Income from property	553 2	3	4	5	6	553
Dividends	8	9	10	11	12	
Interest income on bonds.....	14	15	16	17	18	
Interest on loans	20	21	22	23	24	
Interest income on other financial investments	26	27	28	29	30	
Interest income on deposits with ceding undertakings.....	32	33	34	35	36	
Total.....	553 38	39	40	41	42	553
Other revenues						
Interest income on receivables	44	45	46	47	48	
Recovery of administrative expense	50	51	6 52	53	54	6
Others.....	3 869 56	57	74 58	59	60	3 943
Total.....	3 869 68	63	6 64	65	66	6
Gains on disposal of investments	74	75	76	77	78	3 955
Extraordinary revenues.....	80	81	82	83	84	
GRAND TOTAL.....	4 422 86	87	86 88	89	90	4 508

Intercountry transactions

II: Charges

	Parent companies	Controlled companies	Related companies	Affiliated companies	Others	Total
Investment management charges and interest expenses :						
Investment charges	63 92	93	130 94	95	96	193
Interest expenses on subordinated liabilities	98	99	100	101	102	
Interest expenses on deposits from reinsurers	104	105	106	107	108	
Interest expenses on payables arising out of direct insurance	110	111	112	113	114	
Interest expenses on payables arising out of reinsurance	116	117	118	119	120	
Interest expenses on bank overdrafts	122	123	0 124	125	126	0
Interest expenses on secured payables	128	129	130	131	132	
Other interests expenses	134	135	136	137	138	
Losses on receivable.....	140	141	142	143	144	
Administrative expenses on behalf of third parties.....	3 693 146	147	74 148	149	150	3 767
Other charges	152	153	154	155	156	
Total.....	3 756 158	159	204 160	161	162	3 960
Loss on disposal of investments	164	165	166	167	168	
Extraordinary costs.....	170	171	172	173	174	
GRAND TOTAL.....	3 756 182	177	204 184	185	186	3 960



03 AUDITOR'S REPORT

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**INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF
LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010 AND ARTICLE 102 OF
LEGISLATIVE DECREE N° 209 OF 7 SEPTEMBER 2005**

To the shareholders of
SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni

REPORT ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

We have audited the accompanying financial statements of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni, which comprise the balance sheet as at 31 december 2015, the income statement for the year then ended and related notes.

Directors' responsibility for the financial statements

The directors of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni are responsible for the preparation of financial statements that give a true and fair view in compliance with the Italian laws governing the criteria for their preparation.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree N° 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers SpA

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni as of 31 december 2015 and of the result of its operations for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

Work of the auditing actuary

In accordance with article 102 of Legislative Decree N° 209 of 7 September 2005, in the version in force at the financial statements reporting date, and article 24 of Regulation N° 22/2008 of ISVAP (the national insurance authority), in the performance of our engagement we used the work of the auditing actuary, who expressed an opinion on the sufficiency of the technical provisions recognised in liabilities on the balance sheet of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni through the accompanying report.

REPORT ON COMPLIANCE WITH OTHER LAWS AND REGULATIONS

Opinion on the consistency of the management report with the financial statements

We have performed the procedures required under auditing standard (SA Italia) N° 720B in order to express an opinion, as required by law, on the consistency of the management report, which is the responsibility of the directors of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni, with the financial statements of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni as at 31 december 2015. In our opinion, the report on operations is consistent with the financial statements of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni as of 31 december 2015.

Milan, 1° April 2016

PricewaterhouseCoopers SpA

Signed by

Dario Troja
(Partner)

This report has been translated into English language from the original, which was issued in Italian and in accordance with Italian law, solely for the convenience of international readers.



04 ACTUARY'S REPORT

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Andrea Alessandri*
 Pierfrancesco Angiassi*
 Corrado Apreco*
 Ezio Bassi*
 Massimo Benedetti*
 Monica Bercari*
 Luca Bonvicini*
 Stefano Brivio*
 Alberto Buscaglia*
 Paolo Caorlini*
 Elisabetta Calmidea*
 Carmine Casilini*
 Marianna Codomo*
 Leda Ciavarella*
 Elena Cugliari*
 Matteo Colombo*
 Ettore Como*
 Andrea Crespi*
 Scott Cunningham#
 Matteo D'Alonzo*
 Massimo Dal Lago*
 Piero De Lorenzi*
 Gian Paolo Di Lorenzo*
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 Enrico Picasso*
 Lorenzo Pini Prati*
 Sergio Pizzanelli*
 Giovanni Poggio*
 Luca Redaelli*
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 Marco Sala*
 Christian Sartoris*
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 Giovanni Andrea Tiselli*
 Lia Turri*
 Paolo Vescovato*
 Alessandro Vicenzi*
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 Giuseppe Lotticino*
 Alessandro Romagnoli*
 Luigi Rossi*
 Valerio Scaroni*

* Dottore Commercialista
 * Ragioniere Commercialista
 # Qualifica Professionale Estera
 e Revisore Legale
 • Revisore Legale
 ° Attuario

ACTUARIAL REPORT

**PURSUANT TO ARTICLES 102 AND 103 OF THE LEGISLATIVE DECREE N. 209
 OF 7TH SEPTEMBER 2005 IN FORCE AS AT 31.12.2015**

To the Auditing Firm
 PricewaterhouseCoopers S.p.A.
 Via Monte Rosa, 91
 20149-Milano

**Object: SIAT – SOCIETÀ ITALIANA ASSICURAZIONI E RIASSICURAZIONI PER
 AZIONI – Balance 2015**

In execution of the task assigned to me, I audited the technical reserves recorded as liabilities in the annual financial statements as at 31.12.2015 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, 31st March 2016

L'Attuario

Prof. Flavio Fidani

Flavio Fidani



*"This report has been translated from the original which was issued in
 accordance with Italian legislation"*

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05 RESOLUTION OF THE SHAREHOLDERS' MEETING-EXTRACT

The following resolutions were passed at the Annual General Meeting held on 18 April 2016:

- ⚓ that the Financial statements at 31 December 2015 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 € 0,080 per share be approved;
- ⚓ to fix the number of Directors at 10, and to appoint the following persons to the Board of Directors for the three years 2016-2018: Francesco Berardini, Sergio Bortolami, Claudio Campana, Fabio Cerchiai, Nazzareno Cerni, Enrico San Pietro, Giuseppe Santella, Marco Vesentini, Mario Vidale, Luca Zaccherini;
- ⚓ to appoint the following persons to the Board of Statutory Auditors for the three years 2016-2018: Carlo Cassamagnaghi - Chairman, Roberto Chiusoli and Roberto Tieghi (Auditors), Laura Bianchi and Alessandro Contessa (Alternative Auditors).

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