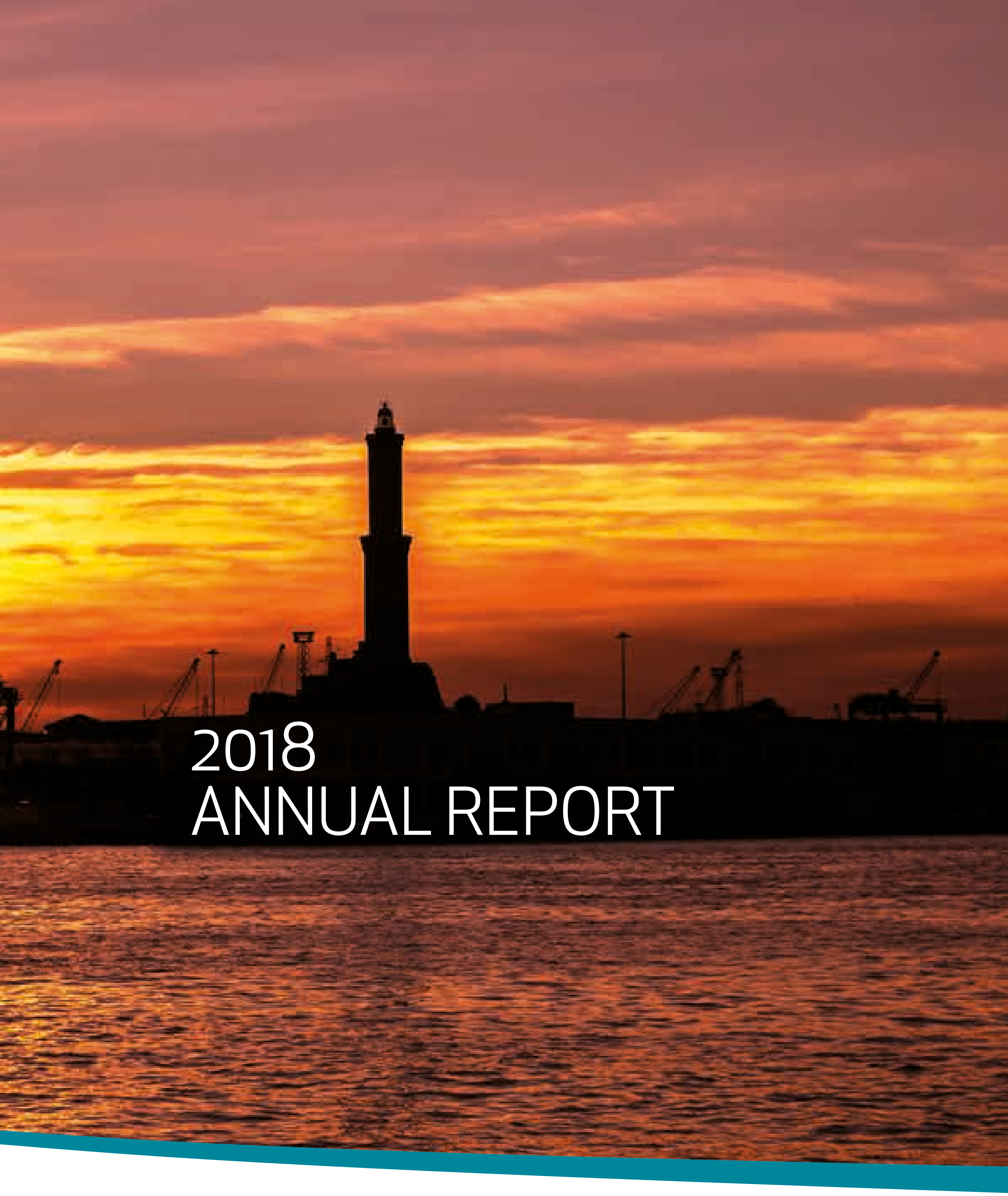

2018
ANNUAL REPORT

Unipol GRUPPO

Siat ASSICURAZIONI

2018
ANNUAL REPORT

Siat
ASSICURAZIONI

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PricewaterhouseCoopers S.p.A.

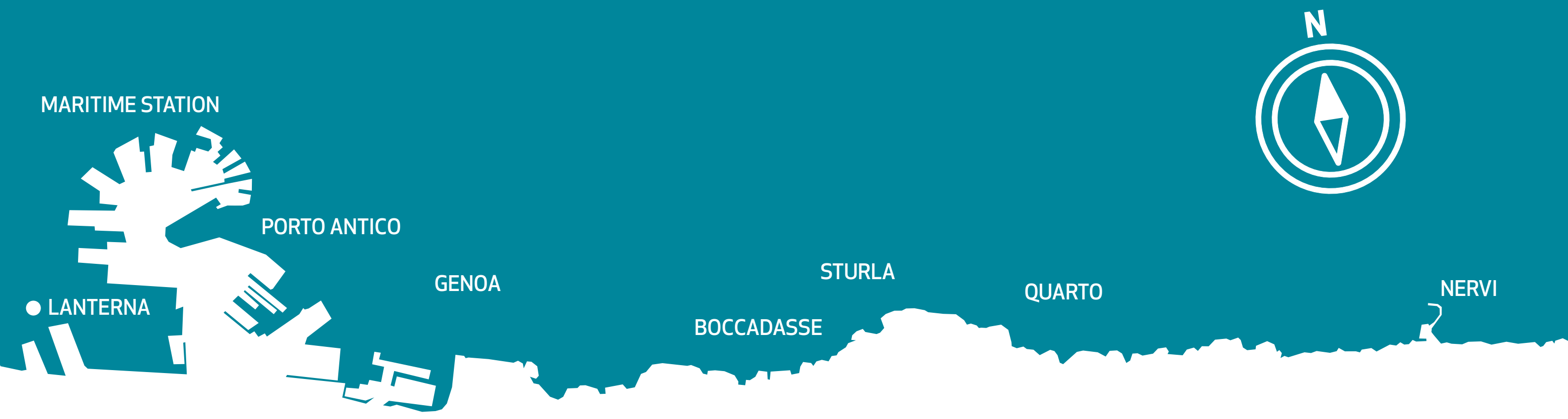
Throughout its long history, Genoa has had a strong bond with the sea, from both a morphological and economic point of view.

The horizon for Genoa and the Genoese is the sea. For the photographic leitmotif which accompanies our this year's financial statements, we have decided to **change perspective** and turn the city into the new panorama.

We have followed the coast of Genoa along its entire 35 kilometres, starting from the district of Voltri to the west to the outermost district of Nervi to the east.

From the sea, we can contemplate and admire Genoa as a whole, the various interpretations of the city, the port, the piers, the streets, the green areas and the various slopes on which city life is organised.

From the sea, we can observe our city, remember our history, who we are and imagine a new direction for the future.



REPORT OF THE BOARD OF DIRECTORS ON OPERATIONS

Siat
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Shareholders,

THE STATE OF THE ECONOMY

Global growth was good in 2018, with expansion at an annual rate of around 3%. GDP grew robustly in the principal economic areas, especially during the first half of the year, supported by healthy international trade and US demand.

In the United States, economic activity expanded at a rate close to 2.9%, (2.2% in 2017), thanks to the strong dynamics of domestic demand and boosted by the effects of the Trump Administration's tax reform. Against an economic background marked by sustained growth, full employment (unemployment rate of 3.8% in December) and consumer prices rising at an annualised rate of 2.2% in December, the Federal Reserve *(FED)* raised the Fed funds rate by four times over the year to 2.5% in December, while continuing to reduce progressively the amount of securities held.

China showed signs of a slowdown in the second half of 2018, but still grew by 6.5% over the year.
This slowdown was largely attributable to headwinds affecting international trade and the trade tensions with the United States, as well as to the slower growth of domestic demand.
The annualised rate of inflation there in December was 2.3%.

The emerging countries had an essentially good year in 2018 from an economic standpoint, although the slowdown in international trade and the collapse of oil and commodity prices weighs heavily on the prospects for future growth.

Due to the continuation of unconventional monetary policies and the contribution made by exports in the first half of the year, Japan achieved weak growth (about 0.8%) while maintaining full employment (unemployment of 2.4% in December).
The annualised rate of inflation there in December was 0.9%.

GDP in the Euro area rose by 1.8% in 2018, down by about 0.7 percentage points compared with 2017.
The decline in growth was attributable to various factors, including: the slowdown in international trade, reduced support from the European Central Bank, uncertainties about Brexit and the challenges faced by the German car industry.
The unemployment rate continued to fall throughout the year, reaching about 8% in December 2018.

Despite the economic slowdown and with inflation below target at 2% (the annualised rate in December of 1.8% is expected to slow further during 2019), the ECB has progressively reduced its monetary stimulus and confirmed that the official discount rate will remain anchored at the current level until at least the end of summer 2019.
Monthly QE purchases fell from 30 billion euro to 15 billion euro in October 2018, and to zero from January 2019 (although the capital continues to be reinvested on maturity).

The Italian economy slowed markedly in 2018 compared with the prior year, with growth at an annual rate of about 0.8%.
This was due to numerous factors: reduction in net exports due to the slowdown in world trade during the second half of the year, progressive reduction in investment, normalisation of monetary policy and job pressures (unemployment rate of 10.6% at year end).

Domestic demand was affected by uncertainties about budgetary policy and tensions with the European institutions, which increased the cost of borrowing and lowered the expectations of businesses and households. The annualised rate of inflation in December was 1.4%.

Economic growth is likely to slow further in 2019, despite the good performance achieved in 2018, due to continuation of the international geopolitical uncertainties and the normalisation of international monetary policies. At a global level, friction remains between China and the United States about trade policies, as do the fears surrounding Brexit, while the Euro area is faced with uncertainties about the outcome of the European elections and changes in the leadership of the principal Community institutions, starting with the ECB.

THE FINANCIAL MARKETS

The termination of the QE programme by the ECB, widely expected by the markets, did not significantly affect the forward structure of money market and interbank interest rates in 2018.
Euribor and swap rates in the Euro area remain negative for maturities of 3 years or less, while 3-month Euribor finished less than 40 basis points higher than at the end of 2017.
The yield curve for German government bonds evidenced modest volatility at the short end and a contained reduction in rates at the long end, with the 10-year Bund finishing 2018 about 17 basis points lower than at the end of 2017.

In Italy, the rate curve has been essentially stable for more than two years, due to the squeeze on long-term rates caused by the ECB's QE and, at the other end, to the anchoring of short-term rates linked to the stability of policy rates.
The spread between Italian and German rates at the end of December 2018 was 253 basis points, up over the year by about 95 b.p.

All leading international stockmarkets performed poorly in 2018.
In particular, the *Eurostoxx 50* index of European shares closed down 15.5% with respect to the end of 2017, while the Italian index *(Ftse MIB)* fell 17.6% and the German index *DAX)* shed 20.2%.

Outside of Europe, the share price correction was more modest in the United States, with the *S&P 500* down by 6.2%. Nevertheless, prices remain historically high with respect to corporate fundamentals.
The decline in US stock prices was partly due to the normalisation of monetary policy by the FED, which is implementing a programme of gradual rises in the policy rate.
The orientation of FED communications changed several times over the year, with a more restrictive approach in the final quarter of 2018 replaced by a more accommodating outlook at the start of 2019, causing an increase in the implied volatility of option prices (*VIX* index, up by about 4 percentage points compare with the end of 2017).
The expected slowdown in the international economic cycle and the more restrictive monetary policy in the United States also caused the emerging markets to contract, with the *Morgan Stanley Emerging* index down by 18% over the year.
In the other countries, prices fell by 12.9% in Japan and by 18.2% overall in the emerging markets.

The euro/dollar exchange rate at 31 December 2018 was 1.1450, following 4.5% appreciation of the US Dollar since the end of 2017.

MARITIME ACTIVITY

International maritime activity during 2018 was marked by extreme uncertainty, due to fluctuating oil prices and the impediments to trade between China and the United States caused by the introduction of customs duties.

With regard to the global fleet, Greek operators retained overall leadership as the total value of their ships exceeds 100 billion dollars. In just a few years (despite the difficulties of the maritime sector and, above all, their country), the market share of Greek operators has risen to 17% from 13% in the pre-crisis period.
The Japanese remain in second place with 13%, followed by China just one percentage point behind. The Germans occupy fourth place in the ranking, with a market share that has fallen from 9% to 6% over the past ten years.
Over this period, Greek operators have invested 80 billion dollars in new ships and have continued to expand their fleet.
In particular, they are very active in the used market, investing 9 billion dollars over the past year (purchasing almost 600 cargo ships) to maintain their traditional leadership, and also when it comes to new orders, facilitated by the low prices offered by shipbuilders.
Their fleet comprises about 4 thousand ships controlled by companies owned by Greek operators, including about 700 that fly the Greek flag.

The fleet flying the Italian flag is among the global leaders, with gross tonnage in excess of 16 million tonnes and absolute leadership of the more sophisticated sectors (such as *ro-ro* units, cruise ships and ships for chemical products).
Due to the investment of more than 30 billion euro by Italian operators over the past 10 years, the size of the fleet has grown to become one of the world leaders, ranking third among the G20 countries.
The quality of the fleet has also improved and, globally, is now one of the newest and most modern, including many new technology/eco-friendly ships.
Establishment of the International Register twenty years ago has contributed to this outcome, as did the introduction of the tonnage tax in 2005. These moves have helped to contrast the shrinking size of the fleet. This problem was most evident in the '80s and '90s, when the tonnage of the Italian fleet fell to its historical minimum, with the emigration of many operators to other ports.

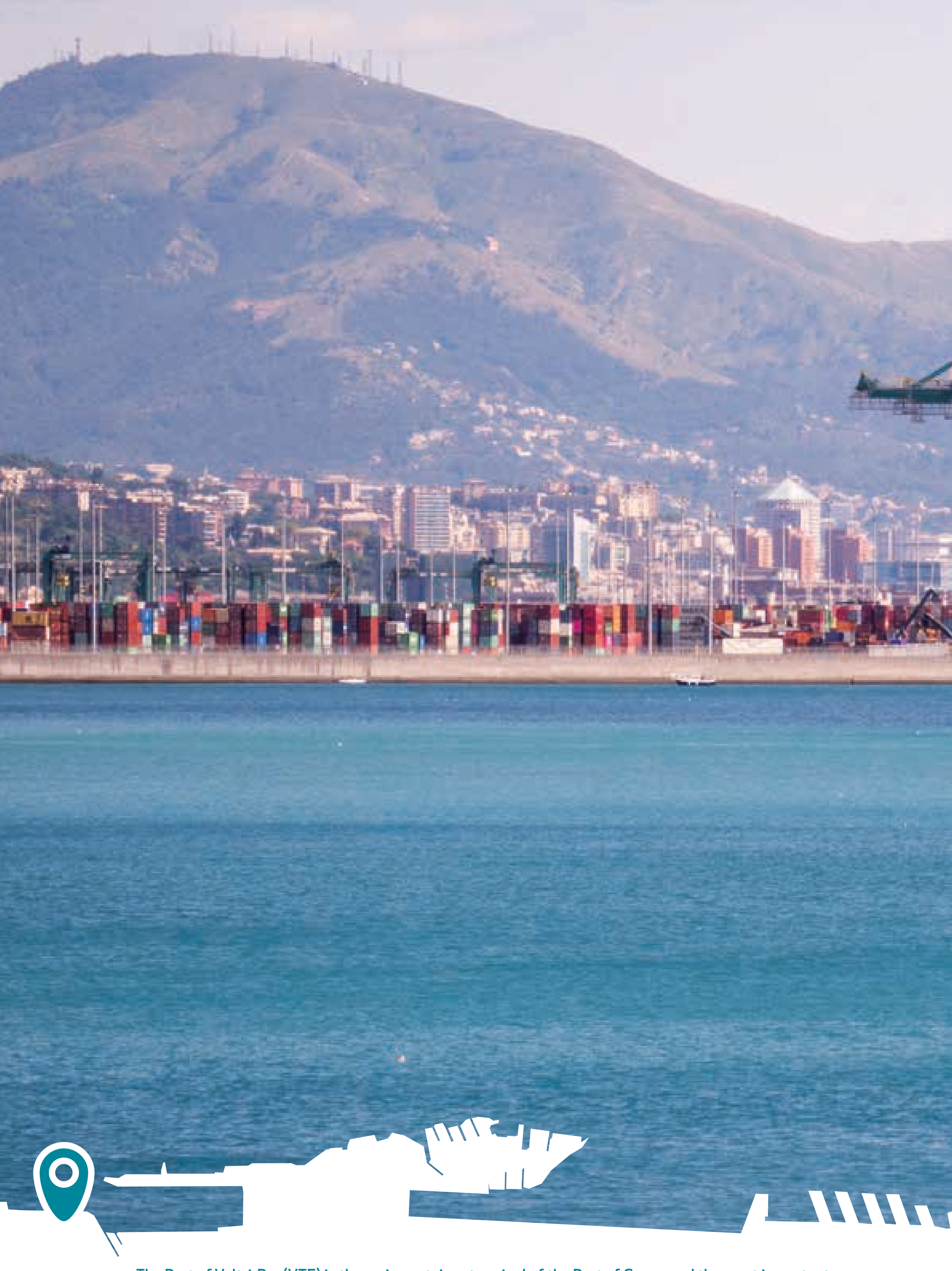
With regard to container traffic, the concentration of business on the top ten container fleets, representing about 80% of global capacity, is becoming increasingly evident.
Following the acquisition of *Oocl (Orient Overseas Container Line)* by *Cosco*, both Chinese, and the creation of One, which unites the container fleets of the three leading Japanese companies *(K Line, Mol* and *Nyk),* this trend will continue into the future.

In terms of size, all types of ship (from bulk carriers to oil tankers, from *ro-ro* to passenger ferries and cruise ships, as well as container ships) are growing at an unprecedented pace.
Indeed, the tonnage of many container ships is already incompatible with the majority of existing port infrastructures.
However, this growth in capacity has not been accompanied by an accompanying development of container traffic, forcing operators to adopt cost-reduction strategies. From *slow steaming* (which

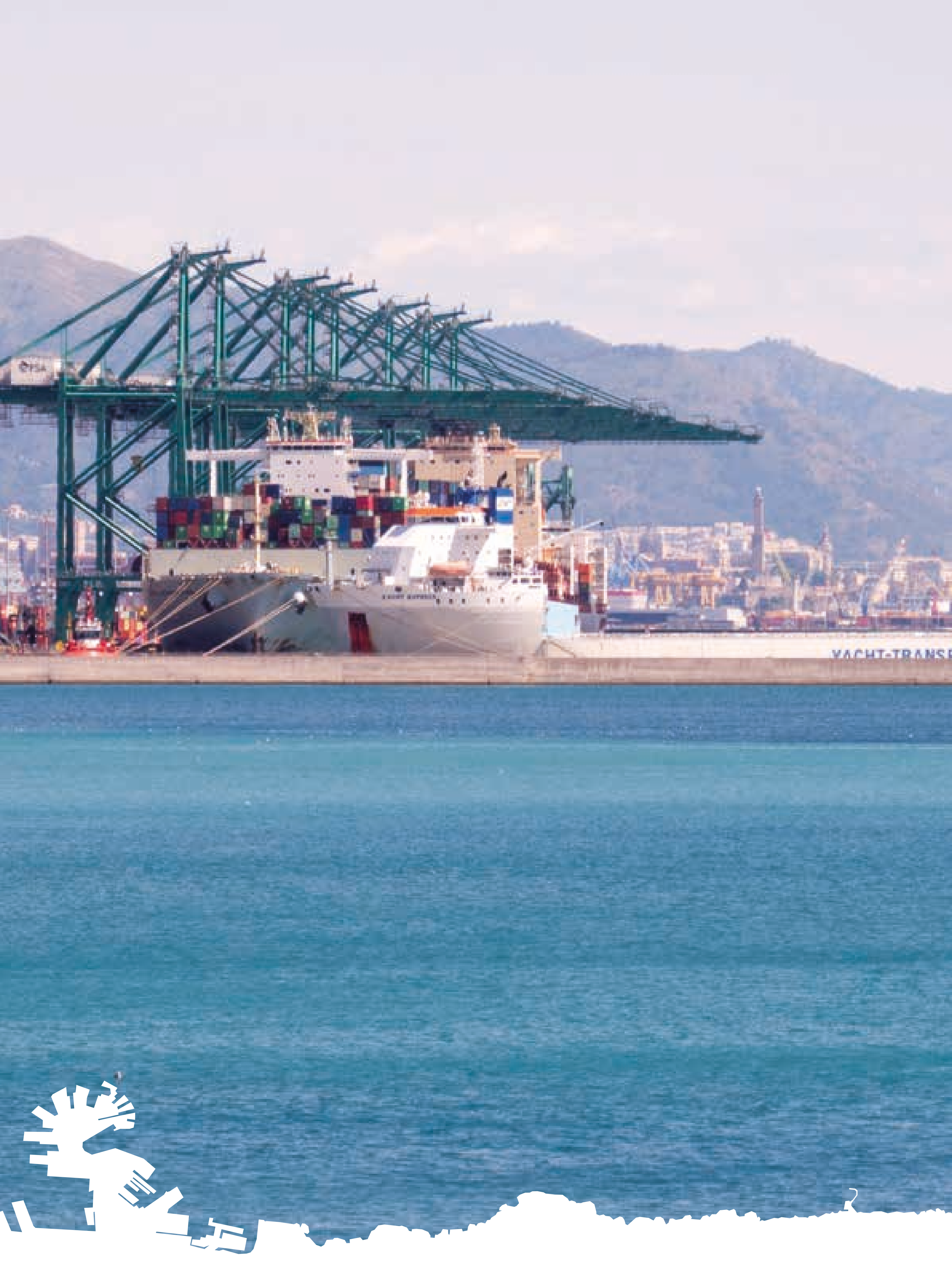
combines a reduction in bunkerage cost with a temporary contraction in the capacity "kept busy" at sea), to the strengthening and extension of alliances and cooperation agreements.
One of the reasons for this continuous investment in mega-carriers is the vicious cycle afflicting world shipping. In fact, the major operators add new capacity every year, stimulated by low interest rates and the expectation that ships will represent a long-term financial asset (rather than just a tool of trade).
The pressure on parts and logistics is intense. Accepting these huge ships requires not only massive sea-side investment (deep ports, spacious turning areas, giant crane arms), but above all investment in dedicated access infrastructure and facilities, as well as in services on a completely different scale to those provided currently.
In addition, these giants arrive in port less frequently than smaller vessels, creating more intensive work peaks on the wharves and the need for logistics systems that are capable of moving large quantities of containers in an extremely short period of time.
In other words, work and logistics must be organised in a very different way than in the past.
The ability of the integrated land-sea logistics systems to react and the efficiency of the motorway system are both greatly stressed. Ports are highly tempted to satisfy the demands of the mega-carriers for fear of losing their role as hubs.

The crisis in demand, which render the capacity available excessive, combined with the increasing size of new ships, causes early obsolescence and induces operators to eliminate ships that have become too small.
For many, ship-breaking has become a business involving the sale of ships as scrap iron. Prices per tonne have fallen in recent years, but still amount to close to 200 dollars/tonne, enabling several million dollars to be recovered.
While the major ship-breakers are based in the East (as well as Turkey), it is the major European operators (Greek at the forefront) that provide them the work.
The regulations governing these activities, under the supervision of the *Imo (International Maritime Organization),* have been translated into a global agreement that imposes new demolition rules on all countries.
However, these need to be adopted by each State, which can choose when to do so. The new European directive that came into force at the end of 2018 has not yet been adopted by Italy.

The use of unmanned ships is still at the pioneering stage and the maritime industry remains sceptical about them.
As an exception, the Norwegians are betting heavily on "drone ships", not least because the short distances and ability to sail along the coast make Norway an ideal country for the tests.
Everything is ready for when the first port becomes available - the *Yara Birkeland,* an autonomous and fully electric container ship, will enter into service in 2020 with a capacity of 120 containers.
Payroll costs will be minimised by employing a skeleton crew consisting of land personnel rather than seafarers. This said, adopting the model on a larger scale will not be easy. In fact, the "drone ship" formula mainly works because of the fjords.
In addition, environmental factors are important in the northern seas, not least in view of the restrictions on shipping imposed by Europe. Accordingly, it is possible that the new "drone ships" will also be green (powered by electricity or gas).
In particular, for short sea routes it easy to move many goods from road to sea, thus reducing emissions.



The Port of Voltri-Pra (VTE) is the main container terminal of the Port of Genoa and the most important of the Upper Tyrrhenian Sea. Each year, the Port of Genoa handles almost 3 million containers.



The statistics for sea piracy in 2018 show that the situation remains difficult, with an increase in attacks on ships.
In particular, about one third of all such crimes occur in the Gulf of Guinea.
While the efforts made by western governments, using warships, to patrol the waters leading to the busy Suez Canal made a difference in the past, recent numbers indicate that the cargo fleet is being targeted once again.
West Africa is another hot area of the world, with an increase in piracy numbers.
Not even the crystalline waters lapping paradise in the Grenadines, Santa Lucia and Venezuela are free from attacks.
Modern pirates target both super yachts cruising the Caribbean and local fishing vessels.

In terms of ecology, the sector is faced with new regulations *(Imo 2020)* that require vessels to cut emissions from January 2020. From that date, they must use fuel with a low sulphur content (less than 0.5%) or purification systems *(scrubbers)* that remove excess emissions.
At this time, the availability of this new fuel is unclear and neither is its reliability, especially if blended by operators other than the major petroleum companies.
Supplies of this fuel should become available during the second half of 2019.
Given that the new fuel will not be produced everywhere, it will presumably be necessary to provide increased transportation capacity to the destination locations, resulting in the creation of new routes and new demand.

Ecology is an important topic for Norway, which has the fifth largest merchant fleet. This country is banking heavily on *e-shipping* and the future of electric ships.
The roadmap is extremely ambitious, with plans for 60 electric ferries by 2021 and the majority of inshore shipping to be zero-emissions by 2030.
The targets for 2050 are even more challenging, when Norway expects to have slashed the emissions of its fleet by 50%.

SHIPBUILDING

Ten years have elapsed since the last boom and resulting start of the one of the longest and most dangerous financial crises to have hit the shipbuilding sector.

There are currently two sides to this sector. On the one hand, the golden moment of the global cruise industry continues to benefit the dedicated shipbuilders, especially in Europe, that possess excellent know-how.
On the other, persistent excess capacity continues to penalise the builders of merchant ships, especially in Asia. Major yards have undergone profound restructuring in order to contain costs in the face of fewer orders, while smaller operators have declared bankruptcy at a worrying rate.

The Korean yards, which produce the largest number of ships in the world, are challenged by Chinese competition and have been forced - more than others - to accelerate the introduction of automation after years of R&D and workforce reductions.
Hyundai (which, with *Daewoo* and *Samsung*, is one of the big three in the sector) has begun the robot revolution: various functions previously carried out by workers are now performed by machines.

A number of dormant yards are being reopened in China, where the sector has halved over the past ten years, given the effects of the industry crisis, low prices and government policies. Indeed, the country seeks to regain global leadership in shipbuilding, become self-sufficient in maritime transportation and control the entire transportation value chain, including production.
For some analysts, the reopening of the yards there is a symptom of the arrival of new funds and investors, which have identified a possible upturn in shipping.

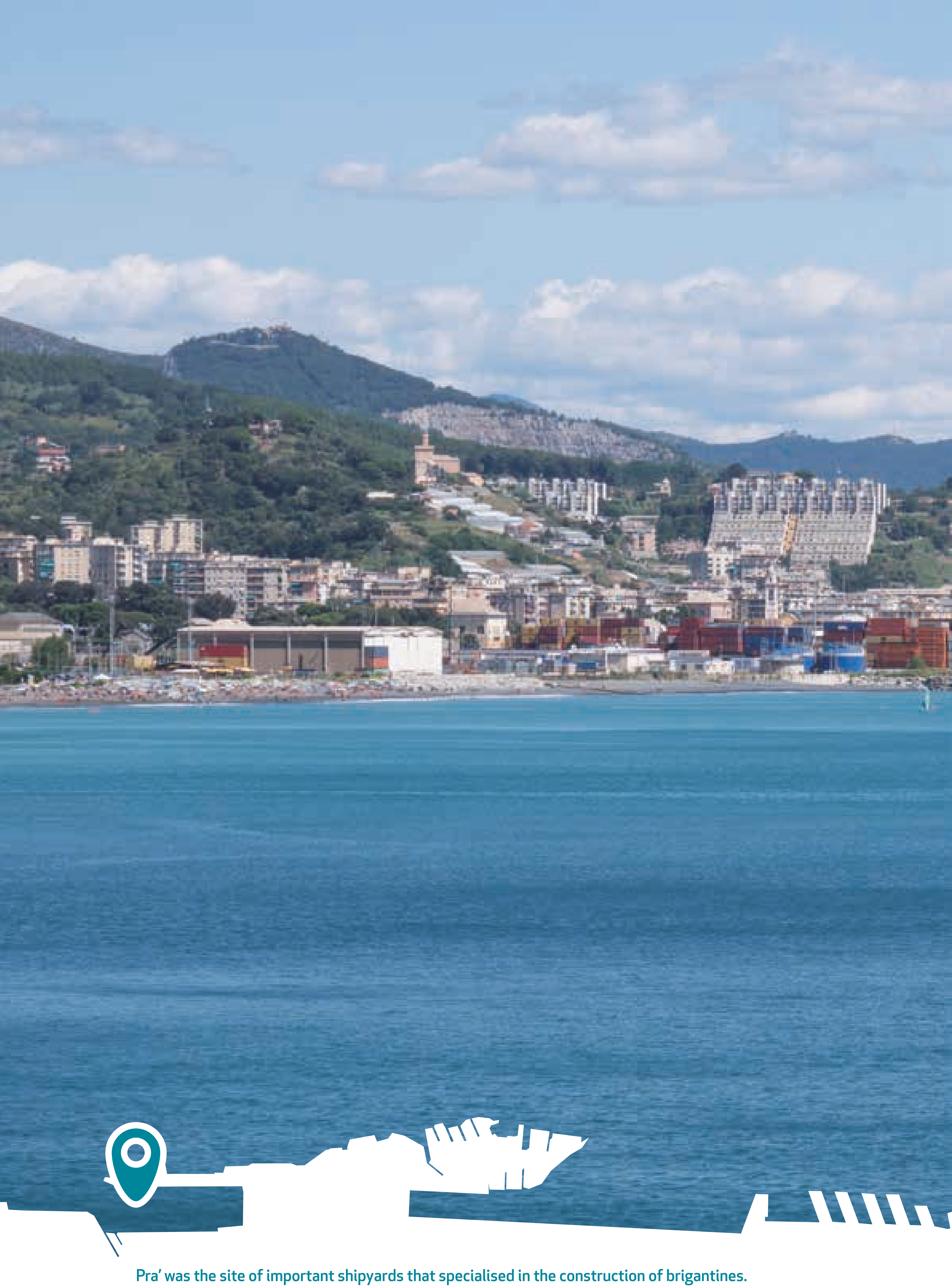
To overcome the crisis and accelerate, the shipping sector must overcome the imminent challenges imposed by technological evolution in the areas of green fuels *(Lng)*, engines compliant with the new international regulations, digitalisation and the management of safety at sea, both on board and at the land-based control facilities.

Against this changing background, operators and investors appear most interested in the modernisation of their vessels, at least the newer ones, with targeted action (scrubbers: massive catalysers that cost millions of dollars each) rather than by ordering new tonnage.

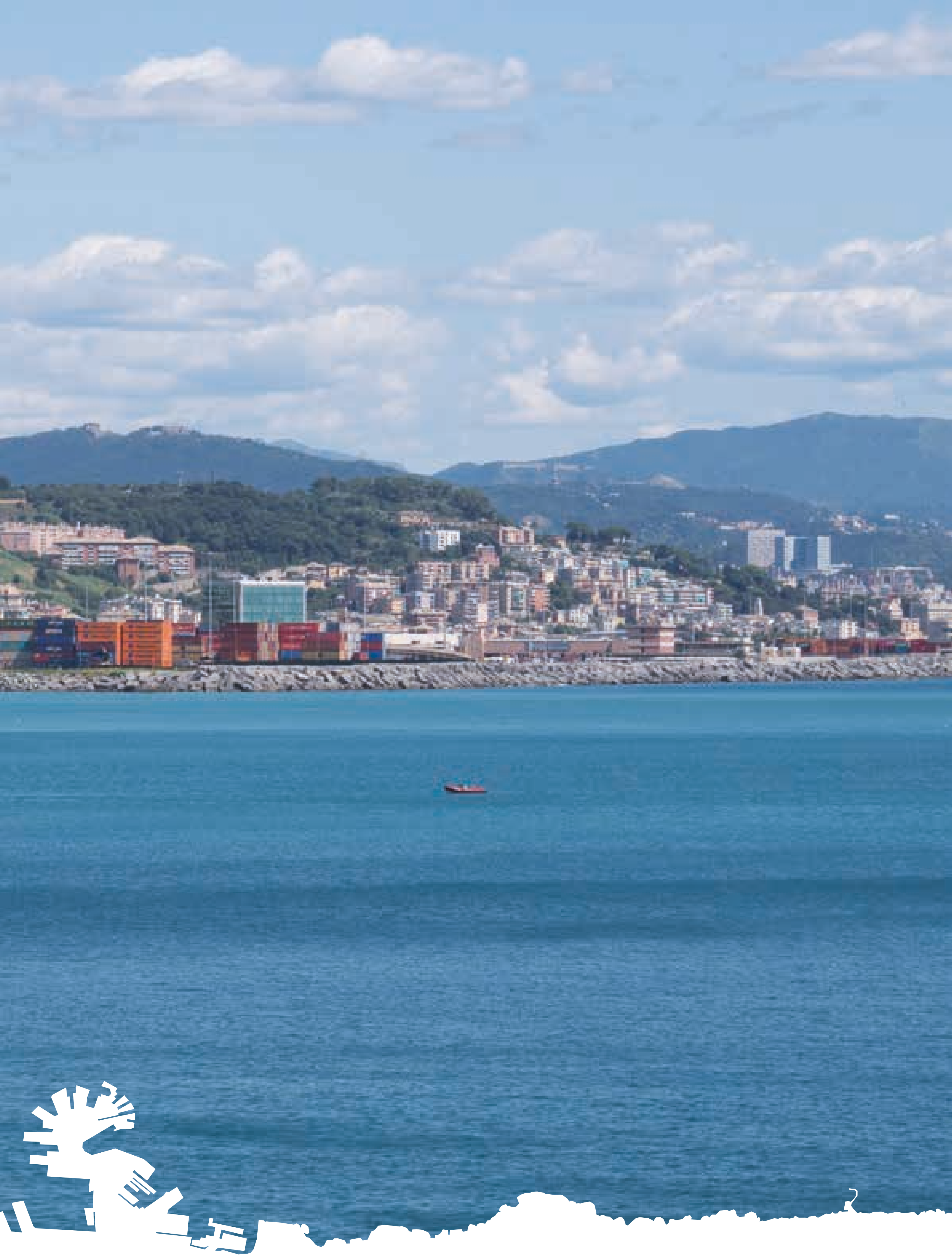
Cruise ships are almost exclusively built in Europe. This market, which represents about 20% of new construction in value terms, is growing with yards in Italy, France and Germany that outperform the Asian giants.

Lastly, it is notable that a technologically-advanced *made in Italy* still exists and is appreciated all over the world, even if sometimes hampered by political protectionism. This sector is represented by the defence shipbuilders, whose products that have generated the most interest include the *Fremm-class* frigates.

Turning to leisure yachting, the sector performed well globally during 2018, with positive results in Italy and in Europe as a whole.
Indeed, after a lengthy crisis, the sector achieved double-digit growth again in 2018. The United States outperformed, while the Brazilian market slumped a bit. In Europe, the sector grew most in Spain, France and Poland.
Even in Italy, the outlook for the nautical industry appears clearer, albeit far from the pre-crisis days of 2008, for example, when the sector generated 3.6 billion euro.
Exports remain critical, given that Italy maintains global leadership in three segments: electronic technology and accessories (portholes, steps, gangplanks), inflatables (even up to 14, 16 and 18 metres) and vessels longer than 24 metres. In particular, Italy manufactures about one quarter of all yachts over 30 metres in length.
In terms of Italian exports, Western Europe and the Americas (North and South) remain key markets, while the Far East is not shining brightly and does not make much difference yet.
There have been important signs of a recovery in domestic demand, largely due to the demand for smaller vessels (up to 14 metres) and the simplification of administrative and taxation requirements, at a time when other European countries are moving the opposite direction to Italy.
For example, French regulations affect the use of foreign crews on yachts in terms of social security, Croatia has increased its entry tax by up to eight times (depending on the dimensions of the vessel) and Spain applies a corporate tax on nautical charter contracts.
Conversely, by reforming the Nautical Code, Italy has inter alia removed the limits for inclusion on the International Register (with significant tax advantages for commercial yachts) and introduced simplified documents for vessels and their crews.



Pra' was the site of important shipyards that specialised in the construction of brigantines.
It is said that part of the galleys that were used by Julius Caesar to conquer Gaul were built on the Pra' seashore.



THE INSURANCE MARKET

The international insurance market has consolidated further, pushing deal values to one of the highest levels seen since the last financial crisis.
These operations have mostly focused on loss insurance, rather than life cover, while not ignoring reinsurance. The locomotive pulling this upturn is represented by the ongoing changes in the business models applied. In fact, following legislative changes, new ones are on the horizon and many insurers are seeking to return to their core strategy.
The sale of participatory quotas is becoming an increasingly common trend among these insurers, with the result that many valuable assets are on the market again.
Regulatory changes have played a significant role for US assets, as the related business revenues benefited immediately from the tax reform, making US companies more attractive to foreign investors (especially those from Asia), which have identified an improvement in earnings potential with respect to the past.
These factors indicate good prospects for *M&A* in the insurance sector over the coming months, but others might hinder dealmakers, such as the high values driving prices and an increase in the time required to sign agreements.
A common weakness afflicting the sector, by contrast with others, remains the failure to adapt rapidly to new technologies by continuing to invest in *insurtech*, rather than the better digital competition. It will be extremely important for companies to work hard on this front in the immediate future.

The Italian insurance sector is also becoming more vital and dynamic, with innovations in both products and distribution solutions.
Interest in Italy is high (high household propensity to save and low propensity to buy insurance) and many international groups, including private equity funds, are looking at the sector with interest.
The insurance sector is ready for a new round of consolidation and many non-core assets could be placed on the market, while groups with businesses that are too small might decide to sell. Or even buy, in order to achieve adequate economies of scale.

Direct premiums totalled 134 billion euro in Italy in 2018 (+2.4% with respect to 2017), with the market share of the five leading companies stable at around 60%.

Premium income in the life sectors reached 101 billion euro (+2.5%), while the loss sector grew by 2.1%.

With regard to international accounting standards, the IASB has deferred application of the new (and operationally onerous) IFRS 17 from 2021 to 2022.
This decision was well received in the insurance world which, as a result, can also similarly defer introduction of the new IFRS 9 on financial instruments.
The companies had requested a trade-off between the higher standards of transparency required by IFRS 17 and their more strictly operational needs, as the new standard changes (significantly) the way the results of insurance groups are reported.

Indeed, looking ahead, premium income will no longer be reported, but just the margins achieved, with economic aggregates presented in a manner more similar to that of the banking industry.
This said, deferral by one year might not be enough to make the necessary adjustments and give companies the time needed to apply the new standard properly.
As is well known, the IASB rules are applied in about one hundred countries, including the European Union, but not in the United States.

There is agreement that *Solvency II* works, but could work better.
Indeed, a number of mechanisms have proved ineffective, including in particular the volatility adjustment, which does not achieve the objectives for which it was created (mitigation of the impact of short-term volatility).
Simplification is also necessary, as a regulation that enters heavily into every detail does not benefit the market and represents a significant compliance cost for companies.

In December 2018, *Eiopa* (the European insurance sector regulator) published the results of the stress test carried out to calculate the effects of a possible deterioration in the economic-financial situation.
The objective of the supervisory authority was to identify any weaknesses in the sector and, consequently, stimulate *ex ante* actions to mitigate any vulnerabilities.
The results of this test, which involved 42 insurance groups (including Unipol among 4 Italian groups), indicate that the European market is adequately capitalised overall to absorb any severe shocks that are considered plausible.
In particular, it appears that the Italian companies satisfy the requirements needed to take possible adverse situations. Specifically, even before the test,, the 4 domestic insurers had an average solvency ratio of 213%, which was better than the European average (202%).

Within just a few years, cyber risk has risen to the top section of the list of global risks faced by firms.
The growing number of IT incidents, the digital transformation and regulatory changes in the EU will increase overall awareness and stimulate demand for cyber insurance.
Until now, literature on the subject has mainly focused on the United States, with little attention paid to the European market.
The insurance sector needs to understand this risk much better, as it represents a fundamental challenge for the near future.

With regard to insurance for the "Hulls" sector, companies expect a change in the international market, starting with the *Lloyd's* underwriters, which are the main point of reference.
Indeed, following the major losses incurred in all sectors during 2017, they are working to overhaul and revise their underwriting strategies. This effort has also extended to the other European underwriters, although not always from the same standpoint, resulting in signs of an upturn in premium rates.

In the "Cargo" sector, which is primarily domestic, competition continued to grow stronger in 2018, with many players active in the market. Business with acceptable profitability margins is scarce and hotly contested.

The sector remains marked by falling premiums for the broad cover granted, often to the detriment of the related technical requirements.

In this unfavourable context, the Company remains true to its policy, by avoiding the acceptance of risks that have not been correctly measured and with inadequate premium rates, while continuing to analyse individual risks carefully, without overlooking any technical aspects.

Lastly, with regard to reinsurance, the international market saw certain changes in the second half of the year, with respect to the recent past, that have resulted in growing calls for a more rigorous technical approach and more careful selection of the business underwritten.
This more selective approach is unlikely to change in the immediate future.
With regard to facultative reinsurance in general, the market continues to offer considerable scope for business in the "Hulls", "Cargo" and "Aviation" sectors.

Based on the latest available official data published by Ania concerning the premiums for Italian direct business written in 2017, the Company continued to rank near the top of the "Marine" sector.
In particular, it came second in the "Hulls" sector and fifth in the "Cargo" sector, with shares of 31% and 8% respectively (27% and 7% in 2016).

In 2018, 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.
Also of primary importance is the goal to maintain and strengthen the relationship with our customers, with a view to continuity of relationship, which is also sought in dealings with our reinsurance counterparties.

RESULTS OF OPERATIONS

Given all of the above, the Company closed 2018 with a profit before tax of € 708 thousand, which is down significantly from the € 7,312 thousand reported in 2017.

In addition to the deterioration of the underwriting result, € 1,100 thousand of the above contraction was due to the provision for risks and charges recorded in relation to the VAT dispute about the treatment of coinsurance transactions.
Further details are provided in Section 12, point E.2, of the explanatory notes.

Net profit for 2018 was € 325 thousand, compared with € 5,186 thousand in the prior year.
The tax pressure has increased significantly since 2017.

The following table summarises the statement of income for 2018, with comparative figures for 2017:

(in thousands of euro)	2018	2017
Underwriting result	**487**	**6,069**
Net investment income	3,831	3,511
Capital and financial charges	(1,922)	(1,572)
Investment return transferred to the technical account	(1,135)	(1,132)
Other income (expenses), net	(860)	206
Net extraordinary income (expenses)	307	230
Profit (loss) before taxes	**708**	**7,312**
Income taxes for the year	(383)	(2,126)
Net profit for the year	**325**	**5,186**

With respect to the results for 2018, 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, net of the investment return transferred from the non-technical account, is significantly less than in the prior year.
  This reduction was mainly due to the adverse trend in "Hull" sector claims, which reflects the rise in serious claims made during the year;

- investment income, net of related capital and financial charges, amounted to € 1,909 thousand, in line with the previous year (€ 1,939 thousand).
  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.
  This was also in line with 2017;

- the negative balance of other income (expenses), net, reflects a marked deterioration with respect to the previous year.
  This was essentially attributable to the provision of € 1,100 thousand for risks and charges, as mentioned above.
  In addition, the following items, among others, contributed to the formation of this balance:
  - for debtor balances which could prove difficult to recover (other than amounts due from policyholders) a provision for doubtful accounts was made for € 40 thousand (€ 80 thousand in 2017), while losses on receivables totalled € 365 thousand (€ 727 thousand in 2017).
    At the same time, this provision was used for € 495 thousand (€ 1,002 thousand in 2017);
  - the effects of the trend in foreign exchange differences, which produced a positive net balance of € 88 thousand (having been negative for € 50 thousand in 2017), is mainly due to fluctuations in the US dollar and UK pound 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 (54.1%) has increased with respect to the prior year (29.1%).
  This increase was due to the disallowance of the provision of € 1,100 thousand for risks and charges, as mentioned above.
  Income taxes, amounting to € 383 thousand (€ 2,126 thousand in 2017), principally include IRES of € 200 thousand (€ 1,600 thousand in 2017), while there was no IRAP charge (€ 350 thousand in 2017).
  As in 2017, income taxes do not include any taxes to be paid in Germany (but not recoverable in Italy) where the Company has a permanent establishment, as there is no basis for any such payments.
  In addition, income taxes include the change in deferred tax assets amounting to € 183 thousand (€ 234 thousand in 2017).
  There no change in deferred tax liabilities (decrease of € 58 thousand in 2017).
  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 2018 was thanks to the usual professionalism, commitment and skill demonstrated by the entire staff, to whom we reiterate our esteem. We are counting on their support to do even better in the future.

INSURANCE BUSINESS

Underwriting result

The underwriting result for the years ended 31 December 2018 and 2017 is composed of the following:

(in thousands of euro)	2018	2017
Earned premiums	147,330	137,491
charges related to claims	(159,502)	(99,657)
Other technical income	(1,252)	(1,350)
Operating expenses	(33,119)	(32,852)
Gross underwriting result	**(46,543)**	**3,632**
Balance of outward reinsurance	**45,997**	**1,400**
Change in other non-technical reserves	(102)	(95)
Investment return transferred to the non-technical account	1,135	1,132
Net underwriting result	**487**	**6,069**

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

They show a significant decrease in the gross underwriting result, essentially due to the growth in claims which hit the "Hulls" sector, thwarting the appreciable increase in premiums. Given the reinsurance policies adopted by the Company, a significant portion of this result has been recharged to the reinsurers concerned, enabling a limited underwriting profit to be reported.

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

- in addition to the rise in the volume of business during 2018, the growth in gross earned premiums was mainly due to the significantly smaller change in the apportioned premiums not yet due (solely Hulls and related third-party liability) in 2018 (income of € 5,892 thousand) compared with 2017 (cost of € 5,524 thousand).
  In fact, after deducting acquisition commissions and any other directly-attributable acquisition expenses, this amount contributes in full to the formation of the unearned premiums reserve.
  Growth was also due to the smaller increase in the gross premiums reserve for unexpired risks (cost of € 740 thousand) in 2018 compared with 2017 (cost of € 2,110 thousand);

- charges related to claims have increased significantly, partly due to the greater incidence (in terms of number and amount) of serious claims during the year relating to the "Hulls" sector.

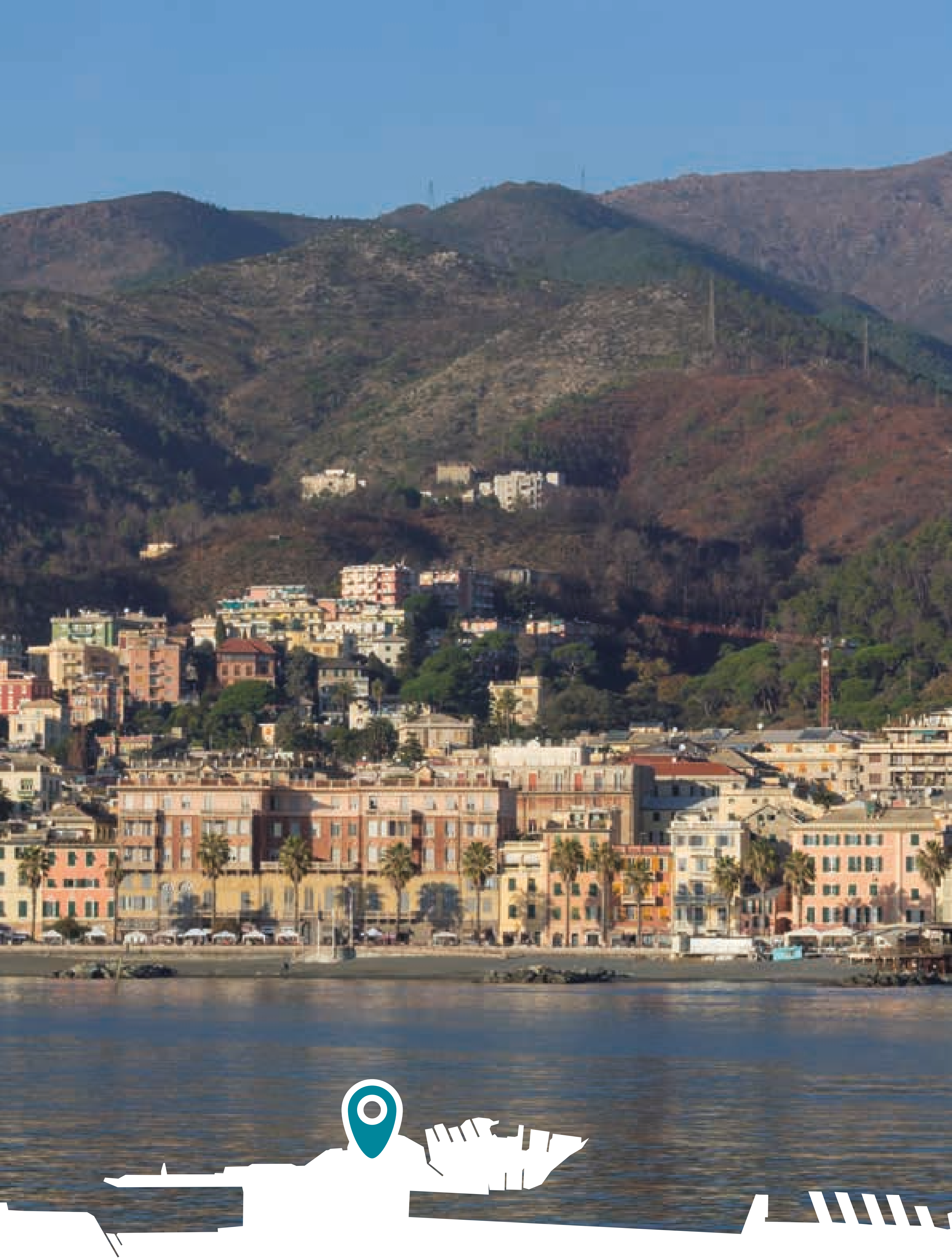
  As in the past, we would reiterate the usual caution that the Company normally applies when making reserves;

- other technical income, operating expenses (including the commission expense recognised to the network of agents and other intermediaries and to transferor companies for the premiums contributed by them) and the change in other non-technical reserves were all essentially stable;

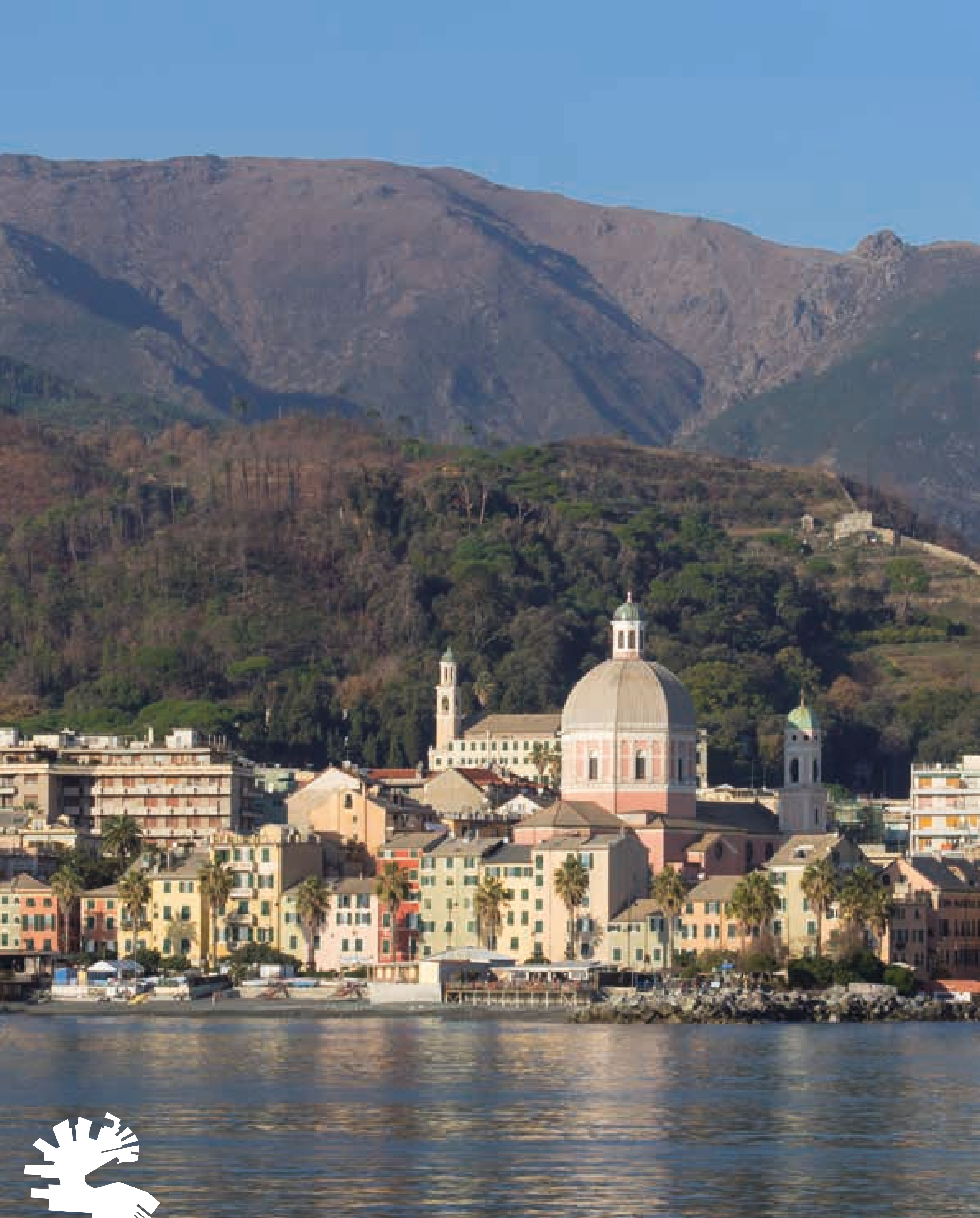
- following the significant reduction in the gross underwriting margin and considering the reserves recorded in that regard, the outward reinsurance balance reflects the allocation to reinsurers of a significant portion of the gross underwriting loss;

- the investment return transferred to the non-technical account was in line with the prior year, given that the profit from investments, net of capital charges, was unchanged with respect to 2017.

The foregoing is also reflected in the *net combined ratio*, which comes to 101.3% compared with the prior year ratio of 88.7%.



The Pegli district still looks out to sea, with its seafront and beach.
In the past, it was one of the favourite resorts of Genoese aristocrats and rich bourgeoisie.



Gross premiums earned and recorded

The premiums earned in 2018, compared with those of 2017, are as follows:

(in thousands of euro)	2018	2017
Gross premiums written	148,484	146,084
Premiums transferred for reinsurance	(104,675)	(100,321)
Change in the gross unearned premiums reserve	(1,850)	(6,815)
Change in the unearned premiums reserve to be borne by reinsurers, including the balance of portfolio movements	988	6,097
Net exchange differences on the incoming unearned premiums reserve	204	(509)
Earned premiums, net of reinsurance	**43,151**	**44,536**

There has been a modest increase in the incidence of total premiums ceded to reinsurers, which comes to 70.5% (versus 68.7% the previous year).

The following table gives details of premiums earned in 2018, with comparative figures for the previous year:

(in thousands of euro)	2018	2017
Italian direct business		
Hull	88,676	93,245
Marine Cargo	26,657	24,763
	115,333	**118,008**
Aircraft	1,167	161
Aircraft third-party liability	368	62
	1,535	**223**
Motor third-party liability	3,413	3,471
General third-party liability	3,722	2,937
Pecuniary losses	1,431	1,778
Other property damage	1,221	1,015
Personal accident	386	57
Other minor business	173	97
	10,346	**9,355**
Total direct business	**127,214**	**127,586**
Indirect business - Italy		
Cargo	9,600	9,760
Hull	5,016	3,067
Motor third-party liability	4,038	3,882
Other minor business	996	549
	19,650	**17,258**
Indirect business - Abroad	**1,620**	**1,240**
Total indirect business	**21,270**	**18,498**
Grand total	**148,484**	**146,084**

The direct business was generated exclusively in Italy and includes the contracts arranged by the foreign permanent establishment in Germany.
The permanent establishment in Belgium was closed with effect from 1 January 2018, while business has continued there under the freedom to provide services regime.

Comments on these figures are summarised below:

- as in the recent past, 2018 production can be assigned to the "Marine" sector and, to a lesser extent, the, "Aviation" sector.
  The underwriting of business in this last sector commenced modestly in the fourth quarter of 2017 and grew steadily throughout 2018.
  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 sectors other than the Marine and Aviation sectors.
  In particular, carrier third-party liability coverage, which comes from the "Cargo" sector with premiums classified to Motor Third-Party Liability, represents almost all of this sector's premiums;

- in general terms, the slight increase in production during the year (+1.6%) was attributable to indirect business.
  With regard to direct business, the reduction in the "Marine" sector was offset by the growth of the "Aviation" sector.
  Indirect business is mainly constituted by transfers from the parent company UnipolSai Assicurazioni S.p.A.
  These figures have been positively affected by the considerable appreciation of the US dollar during the year (its exchange rate to the euro was 1.1450 at 31 December 2018, compared with 1.1993 at 31 December 2017), having revalued by around +4.5% against the EU currency.
  In fact, much of our business is written in US dollars, especially in the "Hulls" sector;

- direct premiums in the Hull segment have decreased moderately, mainly due to the decision not to renew certain business no longer deemed satisfactory from an underwriting standpoint.

  Production in this segment has continued to be supported by the "A-" rating, which was confirmed in June 2018 by *AM Best,* a leading international agency specialised in the insurance sector.

  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 direct premiums of the Cargo segment have grown significantly, mainly due to the acquisition of new business under the freedom to provide services regime (especially in Belgium).

  In this difficult context, the Company remained true to its policy, by avoiding the acceptance 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;

- the direct premiums of the Aviation and related third-party liability segment reflect a business at the start-up stage, which is expected to consolidate and grow in the near future, based on sounding technical principles;

- the direct premiums of the Motor and related third-party liability segment has improved, essentially as a result of business obtained from the "Aviation" sector.
  As noted previously, these premiums almost exclusively derive from business generated by the "Marine" sector and, to a lesser extent, the "Aviation" sector.
  In addition, the indirect business in the Motor third-party liability sector relates entirely to carrier liability business coming from the Cargo sector;

- with regard to Italian indirect business, the growth in the Hull segment compared with 2017 was attributable to acceptance of a portion of the cover for a leading international container ship fleet.
  In addition, as with direct business, note that the Motor third-party liability segment relates solely to business deriving from the "Cargo" sector.
  The premiums from foreign indirect business derive from the "Hulls" and "Cargo" sectors: respectively € 1,286 thousand and € 334 thousand (€ 888 thousand and € 352 thousand in 2017).
  The increase in production was attributable to the additional business acquired from the Dubai market. Having regard for the growth prospects and an underwriting result that was worse than expected, the acceptance of business from that market ceased on 31 December 2018;

- indirect premiums from the unrestricted provision of services were not significant, while the related direct premiums generated under that regime totalled € 55,445 thousand (€ 43,201 thousand in 2017).
  This increase included € 7,204 thousand in premiums for Belgian risks, given that the local permanent establishment was closed at the start of 2018 and the insurance business there has continued under the freedom to provide services regime.
  These premiums relate solely to the Hulls sector for € 45,415 thousand (€ 37,319 thousand in 2017) and to the Cargo sector for € 10,030 thousand (€ 5,882 thousand in 2017);

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

(in thousands of euro)	2018	2017	2018	2017
• in Italy			142,905	134,821
• abroad, via permanent establishments located in:				
Belgium	-	6,139		
Germany	5,579	5,124	5,579	11,263
			148,484	**146,084**

Lastly, no new insurance products worthy of mention were placed on the market during the year, except as indicated below.

In particular, in the leisure yachting sector, a new policy known as *SiatSail* was launched during the first half of 2018.
In a single product, this policy combines cover for damage to the vessel, third-party liability for losses caused to persons and possessions, injury to the skipper and passengers, as well as support (while at sea) for the vessel and persons on board.

Outward reinsurance

The reinsurance policy adopted in 2018 has had an overall approach that is substantially similar to the usual one of the past, with the same interest being shown by professional operators in the technical value of the business being offered to them.

In particular, for facultative reinsurance (for "Hulls", "Cargo" and "Aviation" business), the market offers capacity to make adjustments or realignments following the difficult global conditions experienced in recent years.

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

Similarly to the past, placements to reinsurers have been carried out on the main markets, both in London and in other international countries, again through of primary importance brokers.

The outward reinsurance plan and the reinsurance guidelines for 2018 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 2018, with comparative figures for 2017, are as follows:

(in thousands of euro)	2018	2017
Gross claims settled	129,795	95,103
Claims settled borne by reinsurers	(93,723)	(65,081)
Change net of recoveries	(3,589)	(4,698)
Change in the gross claims reserve	40,689	15,947
Change in the claims reserve borne by reinsurers, including the balance of portfolio movements	(41,202)	(18,780)
Net exchange differences on the incoming claims reserve	(812)	1,976
Settlement costs, transferred from the non-technical account	1,283	1,300
Expenses related to claims, net of recoveries and reinsurance	**32,441**	**25,767**

The amount of claims settled in 2018, before recoveries from reinsurers and before allocating internal settlement costs, is summarised below according to the main categories:

(in thousands of euro)	Direct business	Indirect business	Total
Claims settled	106,634	14,476	121,110
Settlement costs	6,405	-	6,405
Direct costs	2,280	-	2,280
	115,319	**14,476**	**129,795**

With regard to direct business, the following breakdown by sector of claims settled in 2018 is compared with similar data for the previous year:

(in thousands of euro)	2018	2017
Hull	83,494	65,508
Marine Cargo	16,842	12,465
	100,336	**74,973**
General third-party liability	2,481	1,718
Motor third-party liability	1,683	1,848
Pecuniary losses	1,279	551
Other property damage	750	454
Other minor business	105	91
	6,298	**4,662**
Total direct business	**106,634**	**79,635**

Analysis of the above data indicates a significant increase in direct business claims settled in 2018 compared with the previous year.
This increase is principally attributable to the Hulls sector, in relation to which several serious claims were agreed and settled during the year.
With regard to the Cargo and other sectors, the increases were mainly due to the dynamics of payment, which were particularly unfavourable in relation to the claims managed by others.

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, payments in these periods were affected by the appreciation (+4.5%) of the dollar against the euro, with a closing rate at 31 December 2018 of 1.1450, compared with 1.1993 at 31 December 2017.

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

With regard to the claims payable reserve, it amounts to € 255,722 thousand (€ 215,038 thousand as at 31 December 2017) and is made up as follows:

(in thousands of euro)	31.12.2018	31.12.2017
For reimbursements and settlement costs	226,085	188,301
For accidents occurred, but not reported	29,637	26,737
	255,722	**215,038**

The related increase is mainly attributable to the Hulls sector following the rise in serious claim advices occurred during the year.

It is related to direct and indirect business for € 230,182 thousand and € 25,540 thousand respectively (€ 175,589 thousand and € 39,449 thousand at 31 December 2017).

SALES ORGANISATION

During the year, the distribution organisation did not change, both in Italy and abroad.

In Italy, the distribution network at 31 December 2018 consists of 18 general agents and 195 brokers (17 and 195, respectively, at 31 December 2017).
Geographically, 77% are located in the North (164 intermediaries, compared with 163 at 31 December 2017) and 23% in the Centre – South (49 intermediaries, unchanged compared with 31 December 2017).

The distribution structure abroad included the permanent establishment in Germany.

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

Acquisition expenses totalled € 26,076 thousand (€ 25,682 thousand in 2017).
Of these costs, € 20,777 thousand related to direct business (€ 20,809 thousand in 2017) and € 5,299 thousand to indirect business (€ 4,873 thousand in 2017).

The ratio of commissions paid to third parties for new direct business to the related premium income was 16.3% (16.3% in 2017). The one to indirect business was 24.9% (26.3% in 2017).

PERSONNEL AND ADMINISTRATIVE EXPENSES

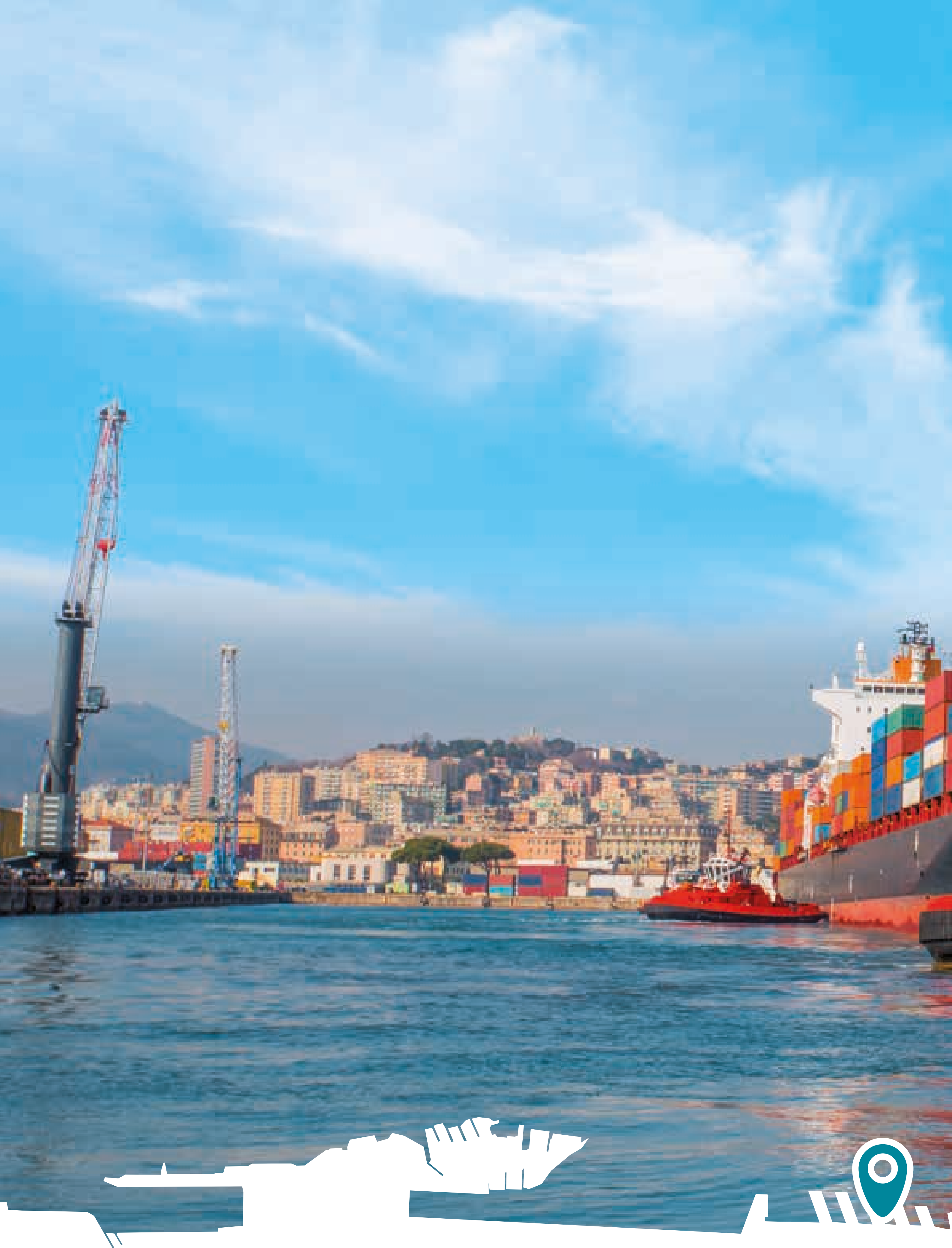
At 31 December 2018, the company has 103 employees (105 at 31 December 2017), including 4 executives, 19 managers and 80 office staff.
Among them, 45 were on part-time secondments to the Parent Company and to subsidiaries.

In addition to these, at the same date the staff also included 49 employees in Group companies (47 in 2017) the latter on secondments (24 full-time and 25 part-time) seconded to the Company principally in the performance of duties related to the operations of the "Marine Hub".

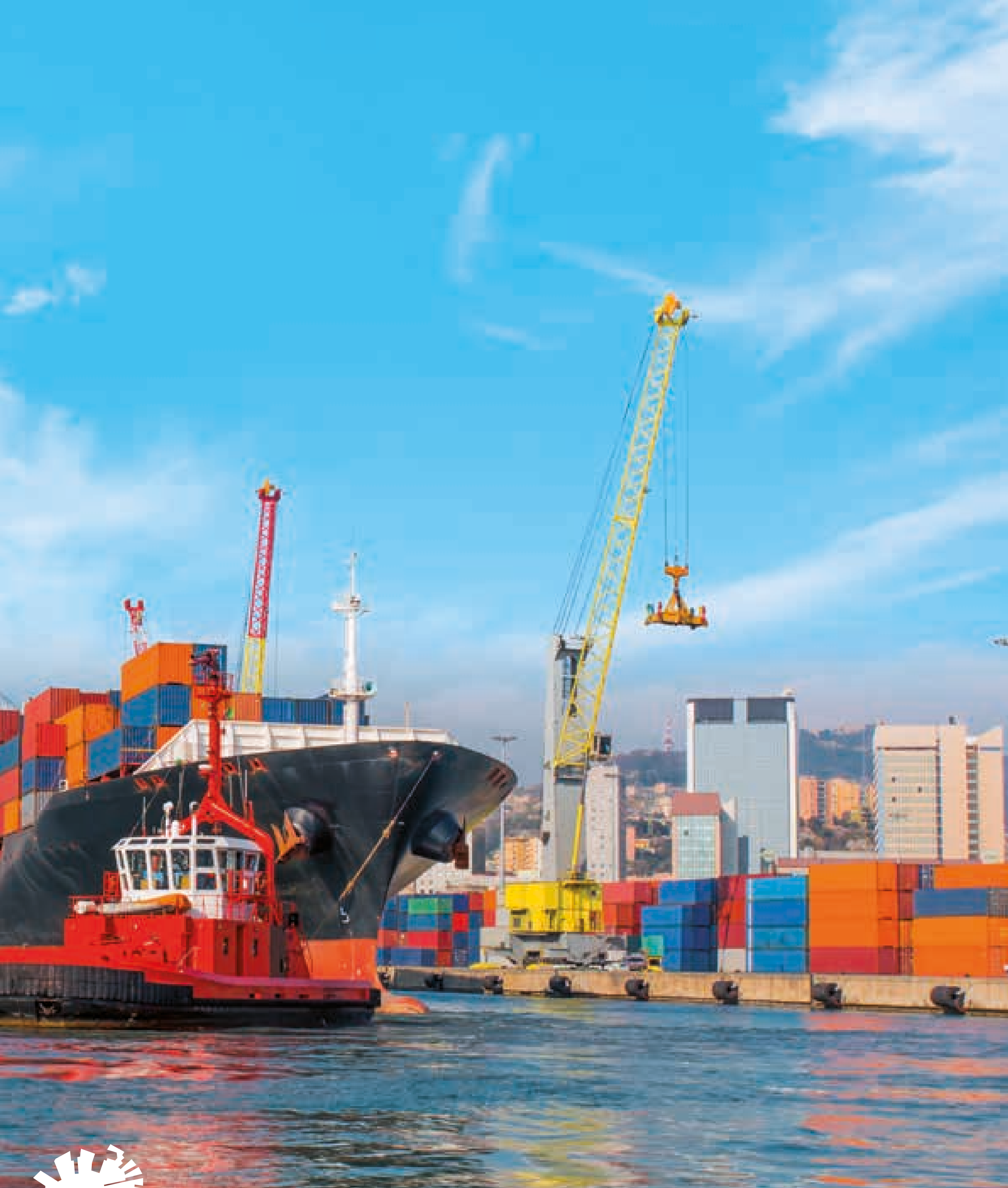
Further, there was one collaborator on a temporary supply contract (no one in 2017).

The full time equivalent (FTE) headcount, that is, considering actual working hours, in 2018 was 144 employees (unchanged compared with 2017).

After allocating a proportion of personnel expenses and the depreciation of tangible assets to policy acquisition and claims settlement, administrative expenses amounted to € 7,042 thousand (€ 7,178 thousand in 2017).



The Container Terminal of the Port of Genoa is located at Ponte Caracciolo in Sampierdarena: the name of this district derives from San Pietro dell'Arena which was known for its sandy coastline until the beginning of the twentieth century.



PROPERTY AND FINANCIAL MANAGEMENT

During 2018, financial management operated in accordance with the guidelines of the Investment Policy adopted by the Company, and with the guidelines provided by the Group Investment Committee and by the Financial Investment Committee.

The investment policy followed criteria to optimize the risk/return profile of the portfolio.

The criteria of investment marketability and prudence have been the guideline for our investment policy, while maintaining the necessary consistency with the profile of liabilities.

Management activities focused on the bond sector, where the exposures to Euro area government securities and financial corporate issuers were reduced.

We maintained an adequate cash position in the portfolio to meet the needs of the core business.

Trading on financial markets has been designed to achieve our profitability targets.

At 31 December 2018, the duration of the portfolio is 3.46 years, an increase on the end of 2017 (2.87 years), while complying with the limits imposed by the Investment Policy.

In the portfolio, which is denominated mainly in euro, there are positions in other currencies for which the exchange rate risk has not been hedged because of the peculiarities of the core business, which operates mainly in US dollars.

At 31 December 2018 total investments amounted to € 117,082 thousand (€ 130,292 thousand at 31 December 2017), 10.1% down on the previous year.

Details are provided below:

(in thousands of euro)	31.12.2018	31.12.2017
Buildings	18,813	19,108
Investments in group and related companies	91	121
Mutual fund units	1,224	1,224
Bonds and other fixed-income securities	95,841	108,595
Loans	12	33
Restricted deposits with banks	402	401
Deposits with ceding undertakings	699	810
	117,082	**130,292**

Bonds and other fixed-income securities and buildings continue to represent the bulk of total investments (97.9%, compared with 98.0% at 31 December 2017).

With regard solely to financial investments (excluding those in Group companies), shares and mutual funds invested in equities represent 1.4% of the total (1.2% at 31 December 2017) due to continuing caution in this area.

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

- The carrying amount of buildings decreases as a result of the depreciation charged each year.
  This caption solely comprises the commercial property that houses the company's headquarters and offices. A significant proportion of this building is rented to the parent company UnipolSai Assicurazioni S.p.A., while another part (which is also destined to be leased) is currently undergoing redevelopment;

- shares and quotas continue to be insignificant.
  This caption mainly refers to 19,576 shares of the indirect parent company Unipol Gruppo S.p.A., for an amount of € 50 thousand, held to service the "performance share" stock-based compensation plan for the Company's top managers.
  In addition to the above, this item also includes the shares of the affiliate UnipolSai Servizi Consortili S.c.a.r.l., for a total of € 41 thousand;

- the units in mutual funds (most of them equity-based) are unchanged in amount;

- bonds and other fixed-interest securities have decreased significantly since the end of the previous year. This was mostly due to the substantial increase in claims paid during the year.

  A distinct preference for government issues (especially domestic ones) which constitute 80.9% of the total (86.5% at 31 December 2017).
  The portfolio, mainly in euro, includes positions in other currencies (exclusively US Dollars).

  These are represented by fixed-interest securities, € 91,701 thousand, and variable-income securities, € 4,140 thousand (€ 79,551 thousand and € 29,044 thousand respectively at 31 December 2017).

  The long-term securities have a book value of € 43,830 thousand (€ 29,668 thousand at 31 December 2017). These comprise € 32,964 thousand invested in Italian government securities (BTPs maturing between 2024 and 2033, € 31,785 thousand, and CCTs, € 909 thousand).
  They also include € 4,137 thousand invested in Spanish government securities and € 1,980 thousand in Portuguese government securities, as well as (banking) corporate issues totalling € 5,019 thousand.
  At the year-end, the total market value of long term securities amounts to € 43,521 thousand.
  During the year, long-term securities have not been sold or transferred to other portfolios.

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

- deposits with ceding undertakings and loans are essentially unchanged.

No use was made of derivatives during the year and there were no derivative contracts outstanding at 31 December 2018 (as at 31 December 2017).

The following subordinated bonds are held at year end:

Issuer: Credit Agricole
ISIN code: XS1204154410
Par value: 500,000 €
Book value: 509,211 €
Issue: 17 March 2015
Maturity: 17 March 2027
Structure: Tier 2 subordinated bond

Issuer: Intesa San Paolo
ISIN code: XS1109765005
Par value: 500,000 €
Book value: 495,966 €
Issue: 15 September 2014
Maturity: 15 September 2026
Structure: Tier 2 subordinated bond

Issuer: LB – Baden Wuertt
ISIN code: XS1246732249
Par value: 200,000 €
Book value: 214,328 €
Issue: 16 June 2015
Maturity: 16 June 2025
Structure: Tier 2 subordinated bond

Issuer: Monte dei Paschi
ISIN code: IT0005013971
Par value: 150,000 €
Book value: 156,101 €
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: 1,258,245 €
Issue: 24 July 2012
Maturity: 15 July 2022
Structure: callable at par up to maturity

Issuer: AIG Insurance S.a.
ISIN code: BE6277215545
Par value: 500,000 €
Book value: 492,022 €
Issue: 31 March 2015
Maturity: 30 June 2047
Structure: *callable*, on 30 June 2027, at par value

Issuer: Aviva Plc
ISIN code: XS1242413679
Par value: 400,000 €
Book value: 386,124 €
Issue: 4 June 2015
Maturity: 4 December 2045
Structure: *callable*, on 4 December 2025, at par value

Issuer: NN Group Nv
ISIN code: XS1550988643
Par value: 500,000 €
Book value: 510,953 €
Issue: 13 January 2017
Maturity: 13 January 2048
Structure: *callable*, on 13 January 2028, at par value

At year-end, the book value of the securities portfolio was € 1,482 thousand lower than its market value at the same date (€ 6,420 thousand at 31 December 2017).
The above unrealised gain comprises:
- € 1,046 thousand (€ 5,768 thousand at 31 December 2017) relating to bonds and other fixed-interest securities, including those held for the long term. The last mentioned carry an unrealised loss of € 308 thousand (unrealised gain of € 1,636 thousand € at 31 December 2017);
- € 436 thousand relating to mutual funds (€ 611 thousand at 31 December 2017).

None of the unrealised gains are attributable to the shares and quotas held in Group companies and affiliates (€ 41 thousand at 31 December 2017).

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)	2018	2017
Net profit from:		
shares		
dividends	6	8
net gains (losses) on disposals	12	13
net write-backs (writedowns)	-	-
	18	**21**
bonds and other fixed-income securities		
interest income	2,849	2,865
net gains (losses) on disposals	393	142
net write-backs (writedowns)	(355)	(26)
	2,887	**2,981**
other financial investments	-	-
buildings		
rental income	433	443
depreciation	(687)	(661)
	(254)	**(218)**
Total income, net	**2,651**	**2,784**
Expenses		
operating expenses	735	838
interest expense	6	6
Total expenses	**741**	**844**

Overall, the results of property and financial management were in line with those for 2017, as the small decrease in income was offset by an essentially similar decrease in expenses.
As regards income, the decrease was principally attributable to bonds, while the decline in expenses was mostly attributable to the property sector.

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

- for equities, the above figures confirm the lack of interest in this type of investment.
  The dividends collected related entirely to the shares held in Unipol Gruppo S.p.A.

- with regard to the bonds and other fixed-interest securities, we note:
  - the stability of the interest earned;
  - an improvement in the results from trading, which was limited (so as to protect the unrealised gain implicit in the existing portfolio);
  - an increase in write-downs, net of write-ups. These solely relate to the bond portfolio;

- for other financial investments, the result is immaterial, as in the previous year;

- for buildings, represented exclusively by the property in Genoa, where the head office and the company's operations are located, we would point out the following with regard to just the portion intended for use by third parties:
  - there was a modest change in rental income and adjustments (solely comprising depreciation);
  - restructuring work on the ground floor has continued, prior to future rental;
  - the lease of four floors to the parent company UnipolSai Assicurazioni S.p.A. at current market conditions.

Operating expenses concerned the property sector for € 388 thousand (€ 462 thousand in 2017) and the securities sector for € 347 thousand (€ 376 thousand in 2017).
The reduction in property sector operating expenses was mainly due to lower IMU charges (€ 89 thousand, compared with € 179 thousand in 2017) consequent to the land registry changes made during the year.

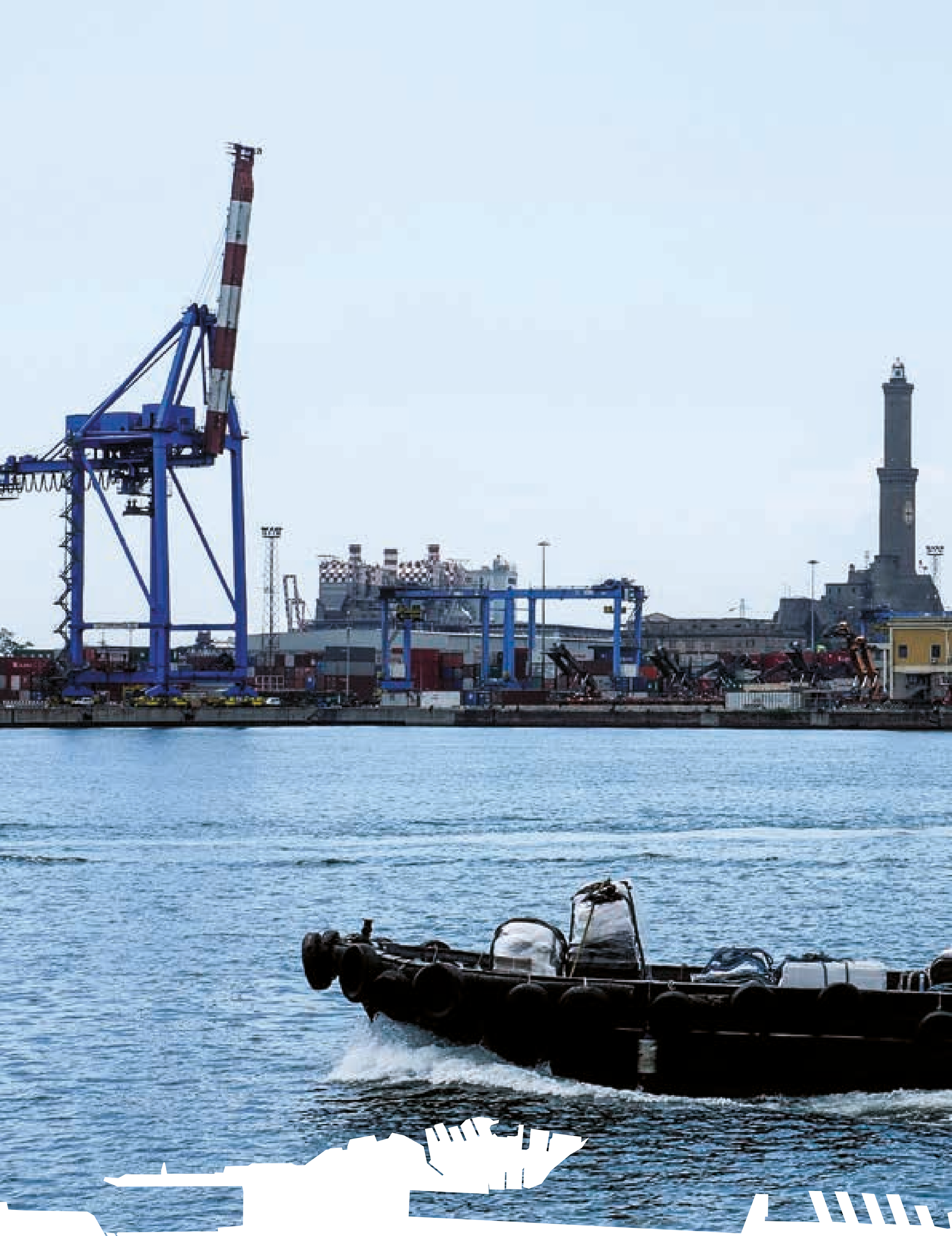
Interest expense related exclusively to the remuneration of reinsurance deposit accounts.

OWN SHARES, SHARES IN THE PARENT COMPANY AND ITS SUBSIDIARIES

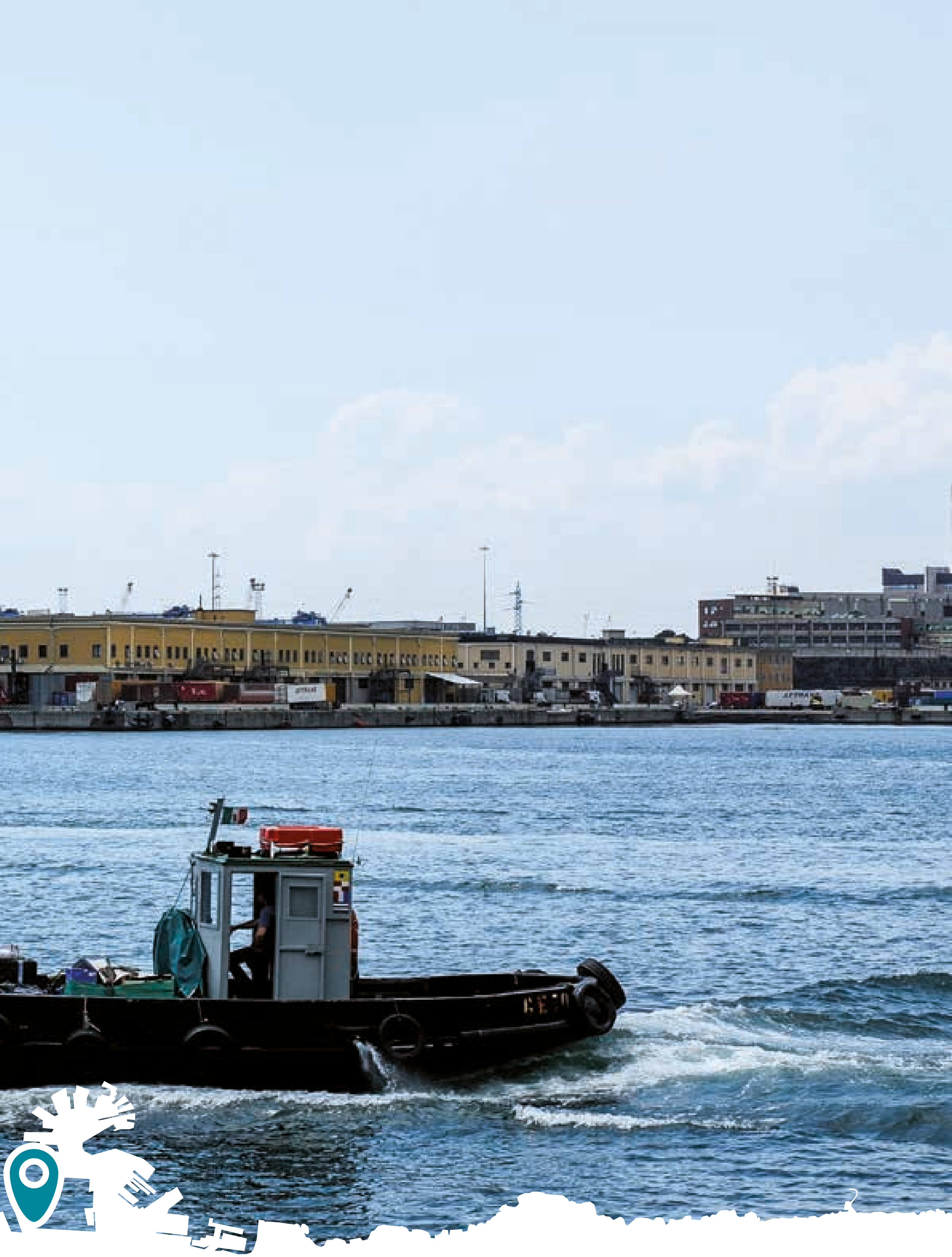
The Company forms part of the "Unipol Insurance Group" (Register of Insurance Groups, no. 046), which in turn is subject to the direction and coordination of Unipol Gruppo S.p.A.
This means that the Company is subject to the direction and coordination of Unipol Gruppo S.p.A., pursuant to arts. 2497 of the Civil Code.
This activity had no effect on the company and its results.
UnipolSai Assicurazioni S.p.A. is the direct parent company, as it holds 94.69% of the Company's share capital.

Having said that, note that the Company does not hold, nor has it traded during 2018, any of its own shares or shares in companies belonging to "Gruppo Assicurativo Unipol", except as indicated below.

In fact, in addition to a marginal investment in UnipolSai Servizi Consortili S.c.a r.l. (acquired in previous years), at 31 December 2018 ordinary shares in the indirect parent company Unipol Gruppo S.p.A. were held to service the "performance share" stock-based compensation plan for the Company's top management in relation to the three-year period 2013-2015.
This plan was approved by the Shareholders' Meeting of 18 June 2013 and the acquisition was made in 2016 to implement the resolution of the Shareholders' Meeting held on 18 April 2016.
At 31 December 2017, 31,384 shares were held in Unipol Gruppo S.p.A., of which 11,808 were assigned to the above personnel in July 2018. Accordingly, 19,576 shares remain at 31 December 2018.



The Lanterna, the symbol of Genoa and of its port, is the third oldest working lighthouse in the world
(after the Tower of Hercules in La Coruña and the Kõpu lighthouse on the island of Hiiumaa).
Indeed, the first tower dates back to 1128. The present structure was rebuilt after the French domination of 1543.



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 Assicurazioni S.p.A. has been granted mandates to provide internal audit, compliance, risk management services and actuarial function.

Moreover, the following services were received from the parent company UnipolSai Assicurazioni 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 property;
- management of financial investments.

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

The Company and its indirect parent company Unipol Gruppo S.p.A. are parties to a tax group under the joint election made.
The meeting of the Board of Directors held on 6 November 2018 resolved to renew membership of the tax group led by Unipol Gruppo S.p.A. for the three-year period 2018-2020, as well as to renew that membership for the following three-year periods on the established economic conditions and subject to the applicable regulatory requirements.
Further information is provided in point C. 7 of Part C. – Other information within the explanatory notes.

The Company has also joined the Unipol VAT Group, again led by Unipol Gruppo S.p.A., with effect from 1 January 2019.
This election was approved by the Board of Directors of the Company on 18 December 2018 and, to the extent relevant, by those of the Unipol Gruppo S.p.A. and UnipolSai Assicurazioni S.p.A. on 8 November 2018.
Further information is provided in point C. 7 of Part C. – Other information within the explanatory notes.

We also have reinsurance relationships with the affiliates Unipol Re and UnipolSai Assicurazioni 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 the parent company UnipolSai Assicurazioni S.p.A., on the other hand, we have had active reinsurance relationships in the "Marine Insurance" sector.

The Company receives services from Unipol Banca 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 significant 2018 transactions with companies subject to management and coordination by the indirect parent company Unipol Gruppo S.p.A. are summarised below, in accordance with the provisions of the Civil Code, art. 2497-bis, paragraph 5:

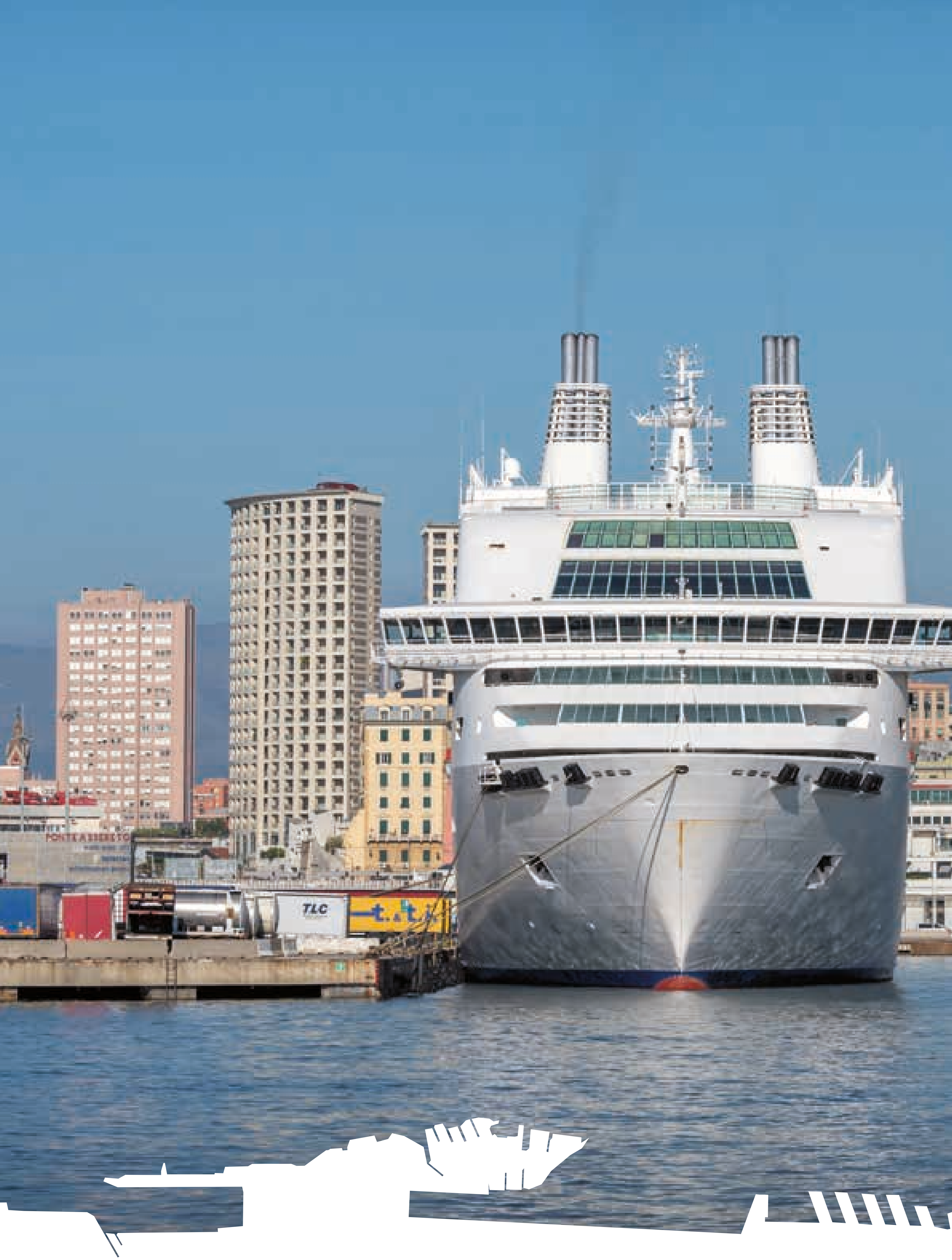
Insurance and reinsurance transactions					Reserve		
(in thousands of euro)	Debtors	Creditors	Premiums	Claims	Premiums	Claims	Commissions
UnipolSai Assicurazioni S.p.A. *(direct parent company)*							
Coinsurance trans.	-	(129)	-	-	-	-	-
Reinsurance trans.							
- active	-	(1,716)	(4,312)	(22,715)	17,524	(11,800)	(4,080)
- passive	-	-	3	2	(6)	-	-

Commercial transactions				
(in thousands of euro)	Debtors	Creditors	Costs	Revenues
UnipolSai Assicurazioni S.p.A. *(direct parent company)*				
- services	722	(990)	(946)	1,623
- personnel on secondment	679	(1,309)	(2,435)	1,312
- rental income and expenses	-	-	-	433

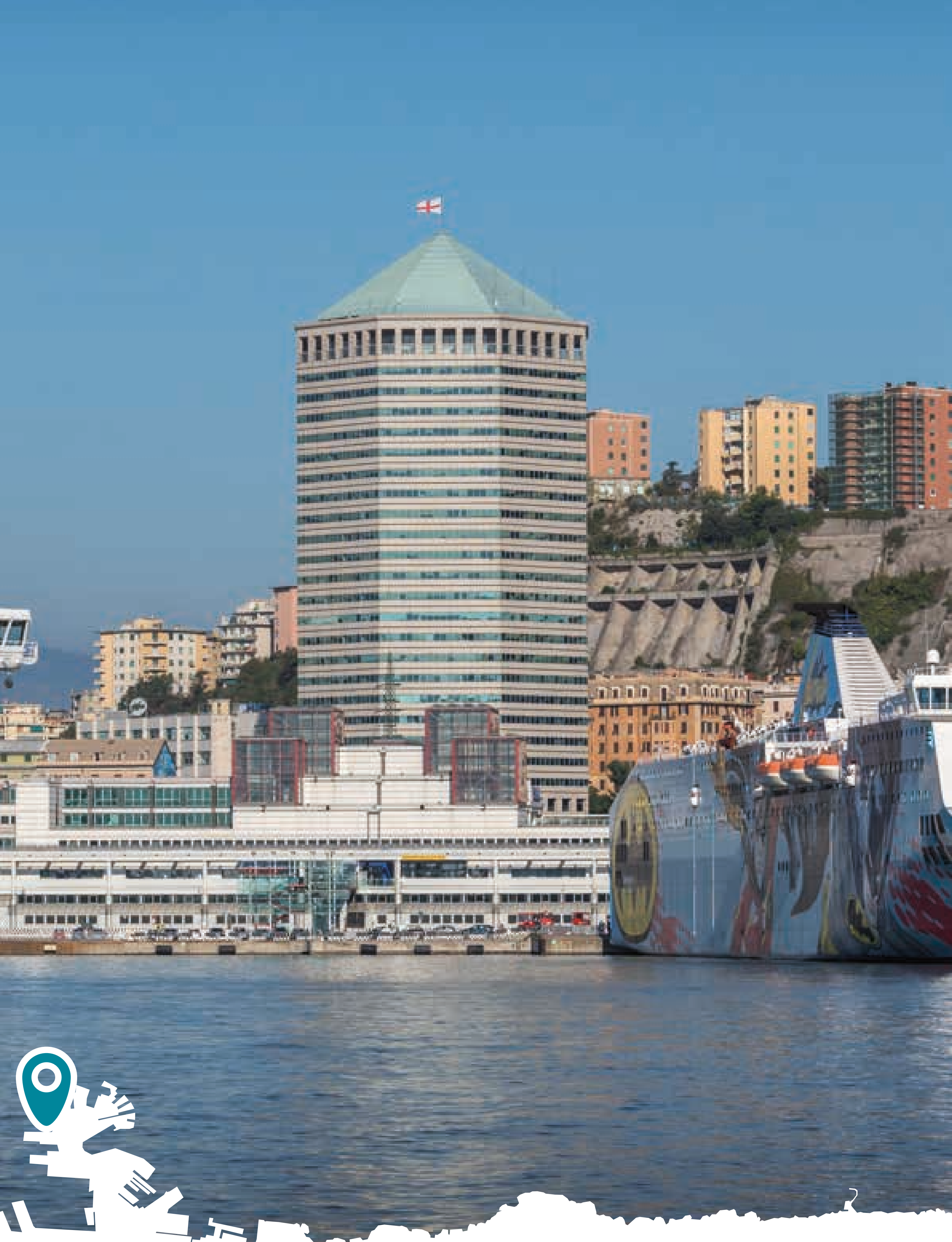
Financial transactions				
(in thousands of euro)	Debtors	Creditors	Costs	Revenues
Unipol Banca S.p.A. *(affiliated company)*				
- Bank deposits	587	-	(37)	31
- safekeeping of securities	-	(38)	(79)	-

Fiscal relations				
(in thousands of euro)	Debtors	Creditors	Costs	Revenues
Unipol Gruppo S.p.A. *(indirect parent company)*				
- tax group arrangements	1,479	(200)	-	-
UnipolSai Assicurazioni S.p.A. *(direct parent company)*				
- Ires repayment claim	440	-	-	-

Key: (...) Creditors /Costs



With more than 2.8 million passengers and 300,000 square metres of marshalling yards, the Ferry Terminal at Ponte Andrea Doria is the main point of departure for Sardinia, Corsica, Spain, Morocco, Tunisia and Algeria.



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 (EU Regulation no. 679/2016), 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 IVASS 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.

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 2018. 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 Assicurazioni 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 ISVAP 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 2018, the duration of the class C investment portfolio, an indicator of the Company's exposure to interest rate risk, amounted to 3.46 years (2.87 years at 31 December 2017).
With specific reference to the bond portfolio, the duration is equal to 3.65 years (2.98 years at 31 December 2017).

Risk Sector	Composition	Duration	Increase 10 bps	Increase 50 bps
Government	84.12%	3.70	-303,049	-1,515,243
Financial	12.59%	3.32	-40,785	-203,926
Corporate	3.29%	3.61	-11,549	-57,743
Bonds	**100.00%**	**3.65**	**-355,382**	**-1,776,912**

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 (98.51% of the bond portfolio, compared with 98.66% at 31 December 2017).
In particular, 6.26% of the bonds are rated triple A, 6.32% double A and 7.05% single A and 78.88% triple B (8.03%, 0.95%, 3.16% and 86.52% respectively at 31 December 2017).

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
AAA	6.26%	-866	-8,656	-43,279
AA	6.32%	-4,757	-47,565	-237,827
A	7.05%	-5,733	-57,329	-286,643
BBB	78.88%	-36,325	-363,246	-1,816,232
NIG	1.49%	-344	-3,441	-17,205
Bonds	**100.00%**	**-48,024**	**-480,237**	**-2,401,187**

Equity risk

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

Sector	Composition	Beta	Shock -10%
Utilities	0.00%	-	0
Funds	100.00%	1.00	-160,577
Energy	0.00%	-	0
Raw materials	0.00%	-	0
Industrial	0.00%	-	0
Discretionary goods	0.00%	-	0
First necessity goods	0.00%	-	0
Health	0.00%	-	0
Finance	0.00%	-	0
IT	0.00%	-	0
Communication	0.00%	-	0
Real Estate	0,00%	-	0
Shares	**100.00%**	**1.00**	**-160,577**

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.

INFORMATION ON PRUDENTIAL SUPERVISION

The capital adequacy of the Company is checked in compliance with the *Solvency II* regulation.

On the basis of this regulation, at 31 December 2018 the Company had own funds eligible to cover the capital requirements of 1.36 times (1.63 times at 31 December 2017) and the Solvency Capital Requirement (SCR) of 4.06 times (4.42 times at 31 December 2017) the Minimum Capital Requirement (MCR).

The following table summarizes:
- the amount of own funds available and eligible to cover capital requirements, with details for individual levels;
- the amount of SCR and MCR capital requirements;
- the capital requirements coverage ratios.

Values in thousands of €	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Own funds available to cover the Solvency Requirement	61,296	61,296	-	-	
Own funds available to cover the Minimum Capital Requirement	61,296	61,296	-	-	
Own funds eligible to cover the Solvency Requirement	61,296	61,296	-	-	
Eligible own funds to cover the Minimum Capital Requirement	61,296	61,296	-	-	
Solvency Requirement	45,019				
Minimum Capital Requirement	15,092				
Ratio between eligible own funds and Solvency Requirement	1.36				
Ratio between eligible own funds and Minimum Capital Requirement	4.06				

The individual solvency requirements mentioned above are calculated using the so-called market-wide standard formula.

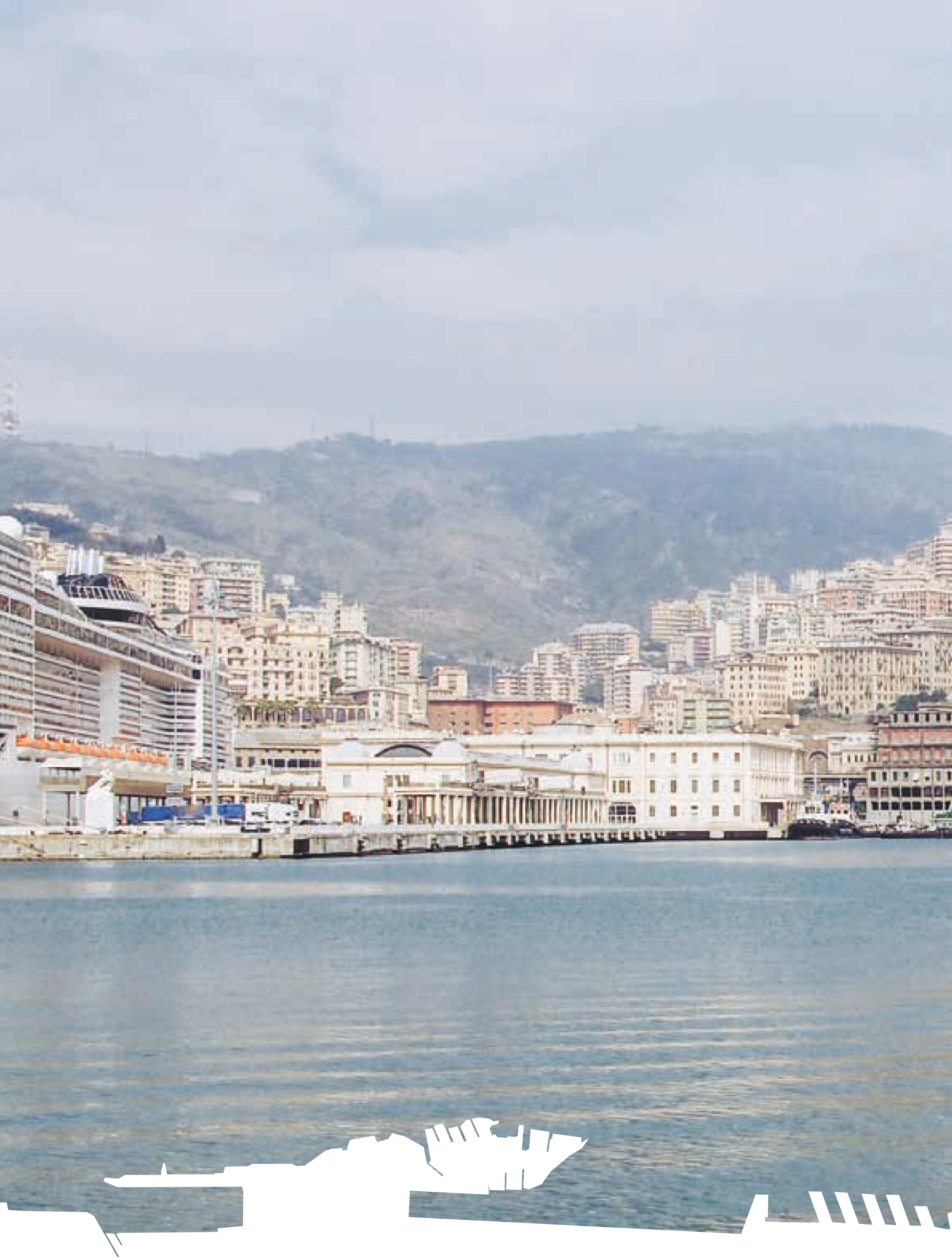
For the purpose of determining own funds, the volatility adjustment provided for in art. 36-septies of the Private Insurance Code is applied.

OTHER INFORMATION

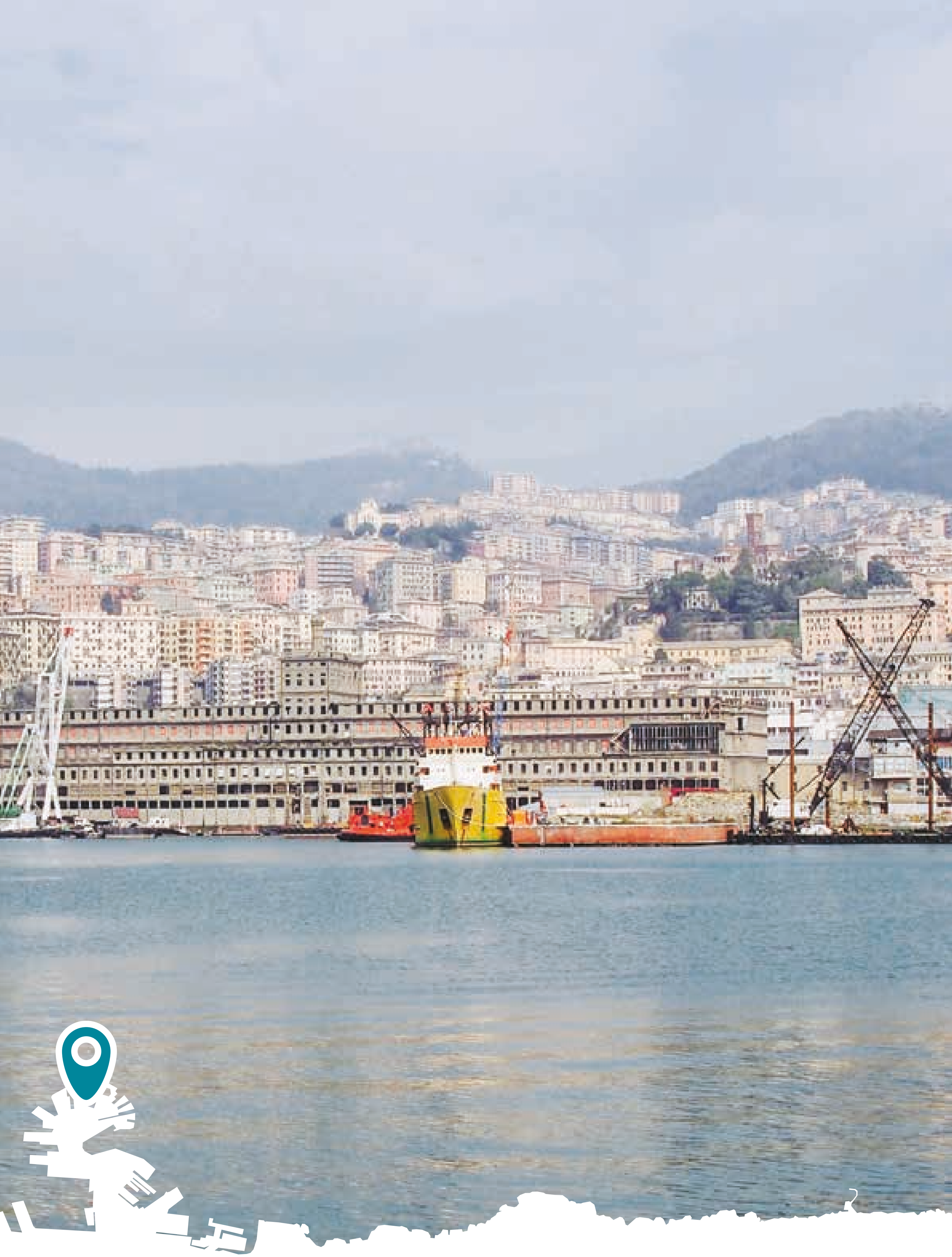
For information on significant events subsequent to the year end and the outlook for operations, please read Part D of the Notes to the financial statements.

Bologna, 11 March 2019

For the Board of Directors
The Chairman
(Giuseppe Santella)



Genoa's maritime station is the main boarding point for the cruise traffic of the port of Genoa.
On the right, the Hennebique structure, a former grain silo, awaiting a major rehabilitation project.



ANNUAL ACCOUNTS

Balance sheets
Statement of income
Notes to the financial statements
Attachments

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BALANCE SHEETS AS OF 31 DECEMBER 2018 AND 2017

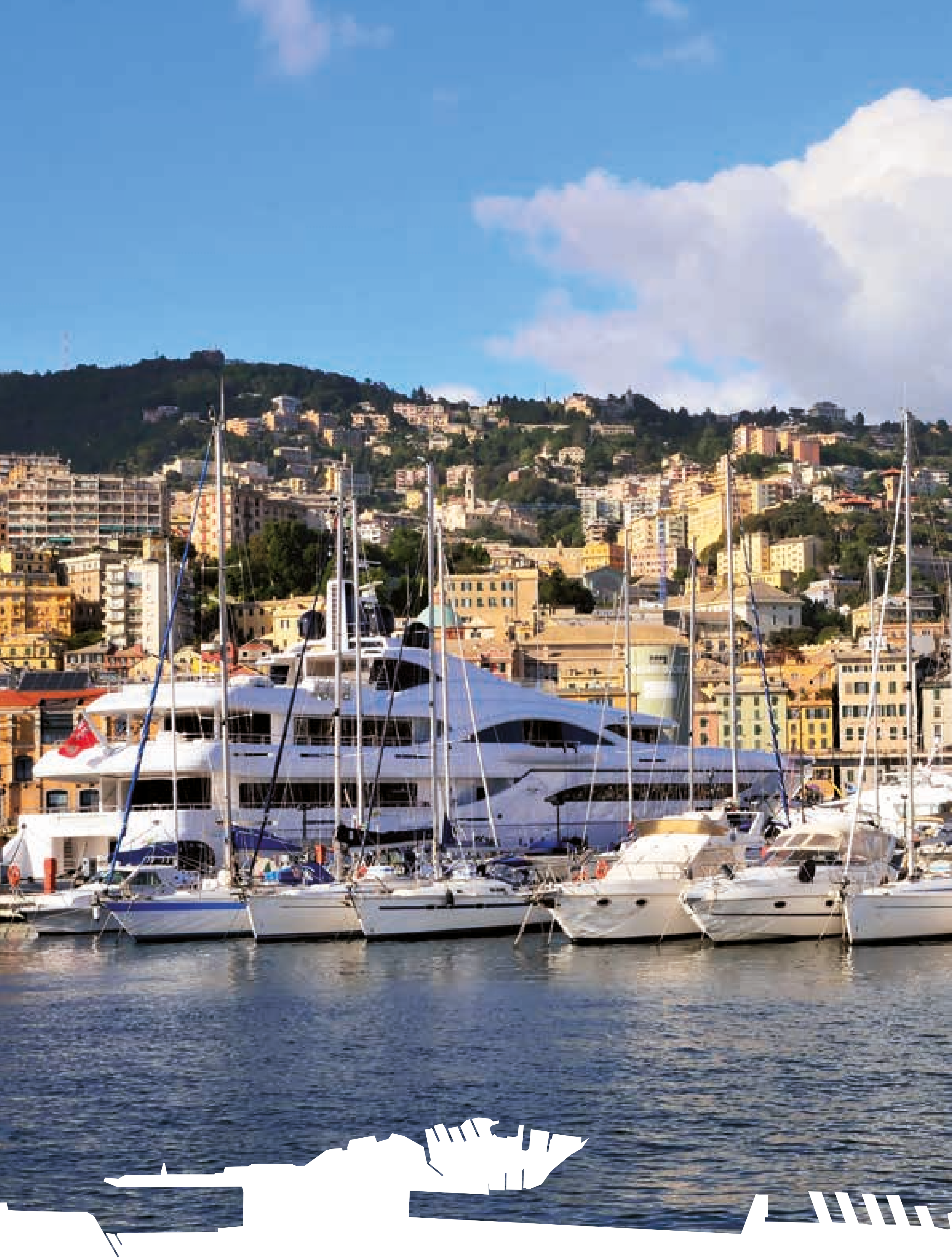
ASSETS	31.12.2018		31.12.2017	
(in thousands of €)				
B. INTANGIBLE ASSETS				
5. Other deferred costs		633		224
C. INVESTMENTS				
C.I Property				
1. Property used for business purposes	6,858		7,057	
2. Property used by third parties	11,955	18,813	12,052	19,109
C.II Investments in group and related companies		91		120
C.III Other financial investments				
2. Mutual fund units	1,224		1,224	
3. Bonds and other fixed-interest securities	95,841		108,595	
4. Loans	12		33	
6. Restricted deposits with banks	402	97,479	401	110,253
C.IV Deposits with ceding undertakings		699		810
Total		117,082		130,292
D.bis TECHNICAL RESERVES CARRIED BY REINSURERS				
1. Unearned premiums reserve	38,134		37,148	
2. Claims payable reserve	181,680	219,814	140,908	178,056
E. DEBTORS				
E.I Receivables arising out of direct insurance				
1.a Due from policyholders for current premiums	53,656		53,962	
1.b Due from policyholders for premiums relating to prior years	1,759		1,701	
2. Due from agents and others intermediaries	6,533		7,281	
3. Due from insurance companies	3,078		3,561	
4. Due from policyholders and third parties	5,634	70,660	2,065	68,570
E.II Reinsurance debtors				
1. Insurance and reinsurance companies	7,525	7,525	6,083	6,083
E.III Other debtors		9,071		7,908
Total		87,256		82,561
F. OTHER ASSETS				
F.I Tangible assets				
1. Furniture and office machine	254		164	
3. Plant and equipment	13	267	26	190
F.II Cash and cash equivalents				
1. Bank accounts	3,293		2,418	
2. Cheques and cash	4	3,297	6	2,424
F.IV Other assets				
2. Other	1,026	1,026	1,713	1,713
Total		4,590		4,327
G. PREPAYMENTS AND ACCRUED INCOME				
1. Interest	750		797	
2. Other	39	789	79	876
Total assets		430,164		396,336

LIABILITIES AND EQUITY		31.12.2018		31.12.2017
(in thousands of €)				
A. CAPITAL AND EQUITY RESERVES				
A.I Share capital		38,000		38,000
A.IV Legal reserve		2,385		2,126
A.VI Reserve for parent company's shares		50		79
A.VII Other reserves		18,303		17,527
A. IX Net profit (loss) for the year		325		5,186
Total		**59,063**		**62,918**
B. SUBORDINATED LIABILITIES		**0**		**0**
C. TECHNICAL RESERVES				
1. Unearned premiums reserve	51,808		49,958	
2. Claims payable reserve	255,722		215,038	
5. Other technical reserves	2,165	**309,695**	2,063	**267,059**
E. PROVISIONS FOR RISKS AND CHARGES				
2. Provision for taxation	2,511	**2,511**	1,411	**1,411**
F. DEPOSITS FROM REINSURERS		**929**		**789**
G.CREDITORS AND OTHERS LIABILITIES				
G.I Payables arising out of direct insurance				
1. Due to agents and other intermediaries	6,522		3,555	
2. Due to insurance companies	2,780		2,456	
4. Guarantee funds in favour of policyholders	131	**9,433**	0	**6,011**
G.II Reinsurance creditors				
1. Insurance and reinsurance companies	20,932		27,058	
2. Reinsurance intermediaries	0	**20,932**	3	**27,061**
G.VII Termination indemnities		**1,010**		**1,089**
G.VIII Other creditors				
1. Taxes paid by policyholders	239		424	
2. Miscellaneous taxes payable	305		638	
3. Due to social security and welfare institutions	362		334	
4. Sundry creditors	2,253	**3,159**	2,810	**4,206**
G.IX Other liabilities				
2. Commission on premiums to be collected	7,081		7,275	
3. Sundry liabilities	16,351	**23,432**	18,517	**25,792**
Total		**57,966**		**64,159**
Total liabilities and equity		**430,164**		**396,336**

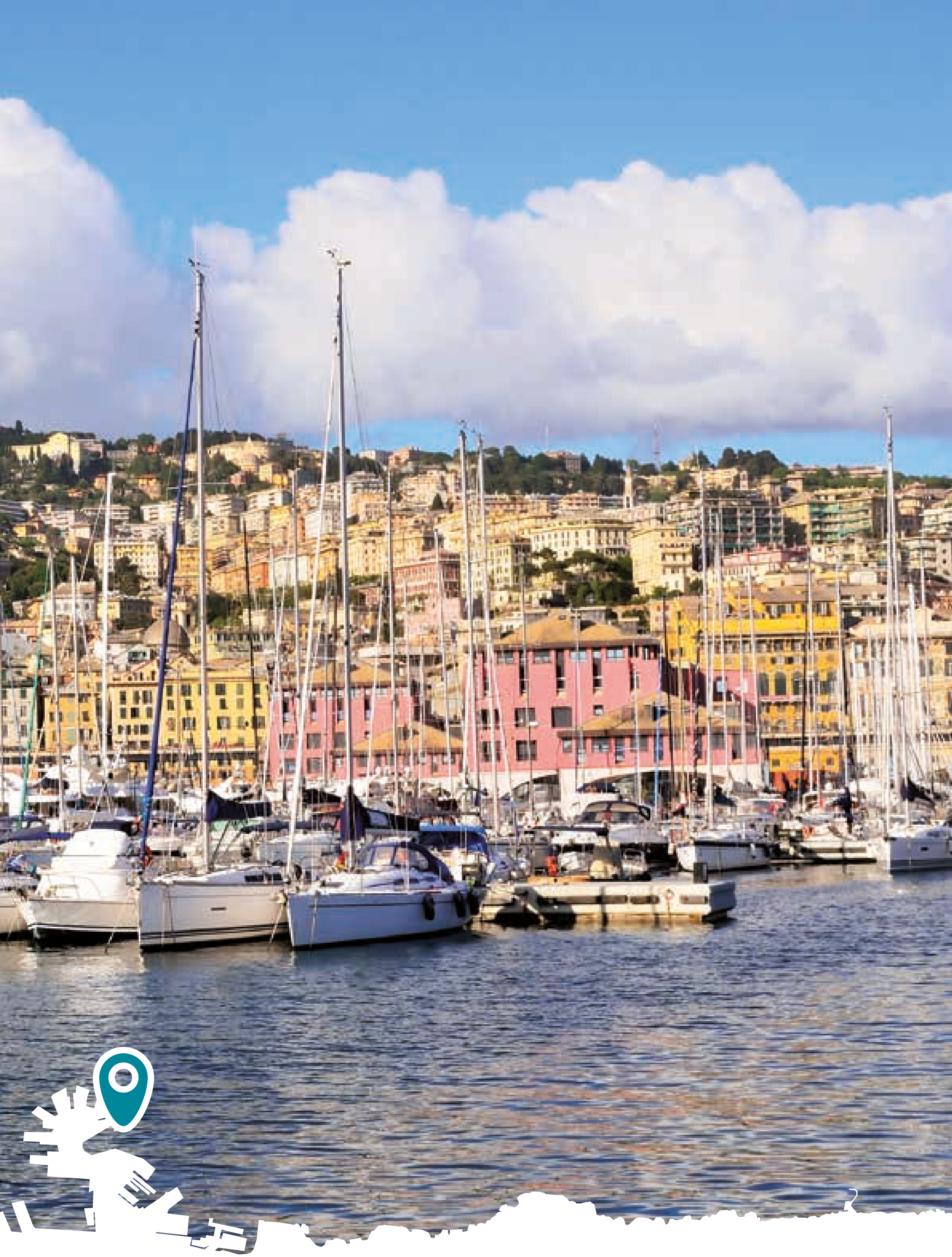
STATEMENT OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

I. TECHNICAL ACCOUNT	01.01-31.12.2018		01.01-31.12.2017	
(in thousands of €)				
1. EARNED PREMIUMS, NET OF REINSURANCE				
a. Gross premiums written	148,484		146,084	
b. Outward reinsurance premiums	(104,675)		(100,321)	
c. Change in unearned premium reserve	(1,155)		(8,591)	
d. Change in unearned premium reserve carried by reinsurers	497	43,151	7,364	44,536
2. INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT		1,135		1,132
3. OTHER TECHNICAL INCOME, NET OF RECOVERIES AND REINSURANCE		2,770		1,468
4. CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE				
a. Claims paid				
aa. Gross amount	(131,078)		(96,403)	
bb. (less) ceded to reinsurers	93,723	(37,355)	65,081	(31,322)
b. Change in recoveries, net of reinsurance				
aa. Gross amount	9,782		19,602	
bb. (less) ceded to reinsurers	(6,193)	3,589	(14,904)	4,698
c. Changes in claims payable reserve				
aa. Gross amount	(38,206)		(22,598)	
bb. (less) ceded to reinsurers	39,531	1,325	23,455	857
Total		(32,441)		(25,767)
6. PROFIT COMMISSIONS, NET OF REINSURANCE		(240)		(197)
7. OPERATING EXPENSES				
a. Aquisition commissions	(23,597)		(23,258)	
b. Other acquisition costs	(2,479)		(2,424)	
e. Other administrative expenses	(7,042)		(7,178)	
f. Commission and other income from reinsurers	22,208	(10,910)	20,206	(12,654)
8. OTHER TECNICAL EXPENSES, NET OF REISURANCE		(2,876)		(2,354)
9. CHANGE IN OTHER TECHNICAL RESERVES		(102)		(95)
Underwriting result		487		6,069

III. NON-TECHNICAL ACCOUNT	01.01-31.12.2018		01.01-31.12.2017	
(in thousands of €)				
1. NET INVESTMENT INCOME				
a. Income from shares	6		8	
b. Income from other investments				
aa. Income on properties	433		442	
bb. Income from financial investments	2,849		2,865	
c. Writebacks	0		22	
d. Gains on sale of investment	543	3,831	174	3,511
5. CAPITAL AND FINANCIAL CHARGES				
a. Investment management charges and interest expense	(741)		(844)	
b. Writedowns	(1,043)		(709)	
c. Losses on sale of investment	(138)	(1,922)	(19)	(1,572)
6. INVESTMENT RETURN TRANSFERRED TO THE TECHNICAL ACCOUNT		(1,135)		(1,132)
7. OTHER INCOME		4,108		4,508
8. OTHER EXPENSES		(4,969)		(4,302)
10. EXTRAORDINARY INCOME		358		284
11. EXTRAORDINARY EXPENSES		(50)		(55)
Non-technical result		221		1,243
Profit (loss) before taxes		708		7,312
14. INCOME TAXES FOR THE YEAR		(383)		(2,126)
Net profit (loss) for the year		325		5,186



The Port of Genoa does not only accommodate cargo ships, bulk carriers, cruise ships or ferries.
Near the Porto Antico (Old Port), you can find the Marina Molo Vecchio, a small picturesque port for recreational craft.



NOTES TO THE FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2018 comprise the balance sheet and statement of income, prepared in accordance with ISVAP Regulation 22 of 4 April 2008, as amended and supplemented by IVASS Instruction no. 53 of 6 December 2016 and these explanatory notes, prepared in compliance with Attachment 2 of the said Regulation.
As required by this Regulation, a statement of changes in financial position is attached to the financial statements.

The financial statements have been prepared in accordance with Legislative Decree 209 of 7 September 2005, Legislative Decree 173 of 26 May 1997 (for the parts applicable as of today) and the provisions of IVASS Regulation 22 of 4 April 2008, as amended and supplemented by IVASS Instruction no. 53 of 6 December 2016, 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 the above ISVAP Regulation supplying the information required therein.

With Instruction 53 of 6 December 2016, IVASS made changes and additions to ISVAP Regulation 22 of 4 April 2008, introducing numerous innovations related to the preparation of separate and consolidated financial statements and applicable to financial statements for years starting from 1 January 2016.
Among other things, this Instruction also included the amendments in the field of financial reporting introduced by Legislative Decree 139/2015, as well as the changes required by the Code of Private Insurance on harmonization with the Solvency II rules.

Legislative Decree no. 139/2015, among other things, made a number of substantive changes to the articles of the Italian Civil Code governing the preparation of financial statements, giving explicit mandate to the OIC to update the national accounting standards in order to present figures on the economic-financial situation in a more timely and consistent manner. This also in view of the trend towards international accounting standards (IAS/IFRS).
On 22 December 2016, the Italian Accounting Body (OIC) issued the new set of Italian accounting standards, which define the criteria for the preparation and measurement of annual and interim financial statements.

The new accounting rules also involved the financial statements of insurance companies, which - as is well-known - are governed by a special sector regulations.
In fact, Legislative Decree no. 139/2015 amends the provisions of the Civil Code regarding the financial statements as well as Legislative Decree 173/1997, but limiting the number of changes that are applicable to the insurance industry.

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

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

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

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

PART A - ACCOUNTING POLICIES

SECTION 1 - DESCRIPTION OF ACCOUNTING POLICIES

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

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.
Research and advertising costs are charged to the statement of income in the year they are incurred.

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.

Debtors

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

They are shown net of a provision for bad and doubtful accounts.

Tangible assets

Tangible assets are recorded at purchase cost, including related charges, and are stated net of accumulated depreciation.

Depreciation is calculated on a systematic basis, using rates that reflect the residual useful lives of the assets to which they refer, and starts when assets are available for use or, in any case, when they start producing economic benefits.

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 Attachment 15 of ISVAP Regulation 22 dated 4 April 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 Attachment 15 of ISVAP Regulation 22 dated 4 April 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 borne by reinsurers is calculated on a detailed, accrual basis.
The share of the reserve for unexpired risks, borne by reinsurers is determined by applying to this gross reserve 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 Attachment 15 of ISVAP Regulation 22 dated 4 April 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 Attachment 15 of ISVAP Regulation 22 dated 4 April 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 Attachment 15 (paragraph 50) of ISVAP Regulation 50 dated 4 April 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.

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	31.12.2018	31.12.2017	Change (%)
US Dollar	1.1450	1.1993	(4.5)
Swiss Franc	1.1269	1.1702	(3.7)
British Pound	0.8945	0.8872	0.8
Japanese Yen	125.85	135.01	(6.8)

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.

SECTION 2 - TAX ADJUSTMENTS AND PROVISIONS

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

PART B - BALANCE SHEET AND STATEMENT OF INCOME

BALANCE SHEET - ASSETS

SECTION 1 - INTANGIBLE ASSETS (CAPTION B)

B. **"Intangible assets"**, which will all benefit future years, amount to € 633 thousand (€ 224 thousand at 31 December 2017) and comprise:

(in thousands of euro)	31.12.2018	31.12.2017	Change
5. Other deferred costs	**633**	**224**	**409**

Attachment 4 shows the changes during the year in the above caption, being additions of € 506 thousand and amortisation for the year of € 97 thousand.

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

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

SECTION 2 - INVESTMENTS (CAPTION C)

C. **"Investments"** total € 117,082 thousand (€ 130,292 thousand at 31 December 2017) and comprise:

(in thousands of euro)	31.12.2018	31.12.2017	Change
I. Property	18,813	19,109	(296)
II. Investments in group and other companies	91	120	(29)
III. Other financial investments	97,479	110,253	(12,774)
IV. Deposits with reinsurers	699	810	(111)
	117,082	**130,292**	**(13,210)**

C.I **"Property"** amounts to € 18,813 thousand (€ 19,109 thousand at 31 December 2017) and comprises:

(in thousands of euro)	31.12.2018	31.12.2017	Change
1. Property used for business purposes	6,858	7,057	(199)
2. Property used by third parties	11,955	12,052	(97)
	18,813	**19,109**	**(296)**

These are shown net of accumulated depreciation at 31 December 2018, amounting to € 7,294 thousand (€ 6,607 thousand at 31 December 2017).

The related depreciation charge for the year (€ 687 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 2018, the market value of the above property was estimated to be € 26,500 thousand (€ 27,690 thousand at 31 December 2017).
Market value was determined in accordance with the rules laid down by ISVAP Regulation 22 of 4 April 2008, 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.

A total of € 136 thousand was invested in improvements during the year.
By contrast, the depreciation charge for the year was € 335 thousand.

C.I.2 **"Property used by third parties"** is only for business purposes and includes a portion of the building situated in via V Dicembre 3, Genoa.

This increased by € 255 thousand due to work done in the year on improvements and renovation and decreased by € 352 thousand due to depreciation for the year.

Rental income and expense recoveries from tenants (only the Parent Company UnipolSai Assicurazioni S.p.A.) amount to € 371 thousand and € 62 thousand respectively.

No property is subject to finance leasing contracts.

C.II **"Investments in group and other companies"** amount to € 91 thousand (€ 120 thousand at 31 December 2017), a decrease of € 29 thousand.
These are represented entirely by "Shares and quotas".

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

(in thousands of euro)	31.12.2018	31.12.2017	Change
a) parent companies	50	79	(29)
b) subsidiary companies	-	-	-
c) affiliated companies	40	40	-
e) other	1	1	-
	91	**120**	**(29)**

The decrease in relation to parent companies refers to the distribution to top management of 11,808 ordinary shares of the indirect parent company Unipol Gruppo S.p.A., for a total of € 42 thousand.
This distribution, which resulted in a gain of € 12 thousand, is to service the "performance share" stock-based compensation plan for the Company's top management.
After this distribution, there are still 19,576 shares, whose book value is € 19 thousand lower than their market value at the reporting date.

These investments, with the exception of the indirect parent company's shares referred to above, are considered to be long-term assets as the company intends to hold them over time as a stable investment.

The definition of affiliated companies makes reference to Art. 5.1.c) of Legislative 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 Legislative 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.

The shares and quotas are all on deposit with the companies to which they refer.

C.III **"Other financial investments"** amount to € 97,479 thousand (€ 110,253 thousand at 31 December 2017) and comprise:

(in thousands of euro)	31.12.2018	31.12.2017	Change
2. Mutual fund units	1,224	1,224	-
3. Bonds and other fixed-income securities	95,841	108,595	(12,754)
4. Loans	12	33	(21)
6. Restricted deposits with banks	402	401	1
	97,479	**110,253**	**(12,774)**

As indicated in Attachment 8, the above financial investments are all considered to be short term, with the exception of the following listed securities that have been classified as long-term investments:

(in thousands of euro)	Par value	Book value	Market value
BTP 1 March 2024 – 4.5%	3,000	2,999	3,340
BTP 1 March 2030 – 3.5%	2,500	2,531	2,601
BTP 11 April 2024 – 0.4%	15,000	14,951	14,126
BTP 1 June 2025 – 1.5%	2,100	2,085	1,989
BTP 15 May 2028 – 1.3%	1,000	1,038	984
BTP 15 September 2032 – 1.25%	4,000	4,139	3,757
BTP 1 September 2033 – 2.45%	3,500	3,137	3,192
BTP 21 May 2026 – 0.55%	1,000	904	920
CCT 15 September 2025	1,000	909	888
Spain 30 November 2030 – 1.0%	4,000	4,137	4,460
Portugal 21 July 2026 – 2.875%	2,000	1,980	2,217
Dexia Credit Local 18 October 2027 – 1.0%	5,000	5,019	5,048
		43,830	**43,522**

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 2018 of “Other financial investments” is € 1,482 thousand (€ 6,420 thousand at 31 December 2017) lower than their market value at that date.

The changes in “Mutual fund units” and “Bonds and other fixed-income securities” during the year are analysed below:

(in thousands of euro)	Mutual fund units	Bonds and other fixed-income securities
Opening balance	1,224	108,595
Purchases	-	40,500
Writebacks	-	-
Issue discounts and trading	-	467
Sales and reimbursements	-	(54,017)
Adjustments	-	(355)
Exchange differences	-	651
Closing balance	**1,224**	**95,841**

C.III.2 **“Mutual fund units”** comprise open-end funds invested in shares.

Their book value is € 436 thousand (€ 611 thousand at 31 December 2017) lower than their year-end market value.

These units are deposited with third parties.

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

(in thousands of euro)	31.12.2018	31.12.2017	Change
a) listed	95,839	108,591	(12,752)
b) unlisted	2	4	(2)
	95,841	**108,595**	**(12,754)**

Their book value is € 1,046 thousand (€ 5,768 thousand at 31 December 2017) lower than their year-end market value.
This amount includes a net loss of € 308 thousand (net gain of € 1,636 thousand at 31 December 2017) on long-term investments.

“Bonds and other fixed-income securities” denominated in euro total € 83,386 thousand, while those in other currencies (exclusively US dollars) amount to € 12,455 thousand (€ 94,866 thousand and € 13,729 thousand at 31 December 2017).

They comprise investments earning interest at fixed rates, € 91,701 thousand, and floating rates, € 4,140 thousand (€ 79,551 thousand and € 29,044 thousand at 31 December 2017).

As for listed “Bonds and other fixed-income securities”, government and corporate securities amount to € 77,503 thousand and € 18,336 thousand, respectively (€ 93,957 thousand and € 14,638 thousand at 31 December 2017).

The issue discounts booked to the statement of income relating to this caption are positive for € 67 thousand and negative for € 10 thousand, while positive and negative trading discounts amount to € 567 thousand and € 157 thousand.

The following analysis of “Bonds and other fixed-income securities” details the significant positions held (more than € 1 million) by issuer, with the clarification that they are all listed in organised markets:

Issuer (in thousands of euro)	Amount
Italy	65,296
Dexia Credit Local	5,019
Spain	4,137
Nordic Investment Bank	4,056
EIB	2,038
Cassa Depositi e Prestiti	2,000
Portugal	1,980
Goldman Sachs	1,291
eBay Inc.	1,238
Barclays Plc	1,208
Bank of America	1,028

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 February 2019) to measure them at other than market value at 31 December 2018.

The bonds and other fixed-income securities are all on deposit with third parties. In particular, those that are listed are on deposit with Unipol Banca S.p.A.

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 changes during the year are shown in Attachment 10.

C.IV **"Deposits with ceding undertakings"** amount to € 699 thousand (€ 810 thousand at 31 December 2017) and have decreased by € 111 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 € 219,814 thousand (€ 178,056 thousand at 31 December 2017) and consist of:

(in thousands of euro)	31.12.2018	31.12.2017	Change
1. Unearned premiums reserve	38,134	37,148	986
2. Claims payable reserve	181,680	140,908	40,772
	219,814	**178,056**	**41,758**

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

The technical reserves carried by UnipolSai Assicurazioni S.p.A. to cover reinsurance transactions amount to € 5 thousand, of which € 3 thousand by way of unearned premiums reserve and € 2 thousand by way of claims payable reserve.

SECTION 5 - DEBTORS (CAPTION E)

E. **"Debtors"** total € 87,256 thousand (€ 82,561 thousand at 31 December 2017) and comprise:

(in thousands of euro)	31.12.2018	31.12.2017	Change
I. Receivables arising out of direct insurance	70,660	68,570	2,090
II. Reinsurance debtors	7,525	6,083	1,442
III. Others debtors	9,071	7,908	1,163
	87,256	**82,561**	**4,695**

E.I **"Receivables arising out of direct insurance"** amount to € 70,660 thousand (€ 68,570 thousand at 31 December 2017) and are due from:

(in thousands of euro)	31.12.2018	31.12.2017	Change
1.a Due from policyholders for current premiums	53,656	53,962	(306)
1.b Due from policyholders for premiums relating to prior years	1,759	1,701	58
2. Due from agents and other intermediaries	6,533	7,281	(748)
3. Due from insurance companies	3,078	3,561	(483)
4. Due from policyholders and third parties	5,634	2,065	3,569
	70,660	**68,570**	**2,090**

E.I.1 The amounts **"Due from policyholders"** for current and prior-year premiums total € 55,415 thousand (€ 55,663 thousand at 31 December 2017).
These are shown net of a provision of € 1,168 thousand (€ 1,253 thousand at 31 December 2017).

"Due from policyholders" were written down by € 193 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 € 278 thousand, with a credit to "Other technical income, net of reinsurance" in the statement of income, following utilisations (€ 277 thousand) and changes in estimates (€ 2 thousand) during the year.

These receivables include € 25,396 thousand in premium instalments not yet due for the Hull and related third-party liability sectors (€ 31,288 thousand at 31 December 2017).

E.I.2 The amounts **"Due from agents and other intermediaries"** aare stated net of the related provision, which is zero this year (€ 92 thousand at 31 December 2017).

Following a detailed analysis of the recoverability of amounts "Due from agents and other intermediaries" and consequent change in accounting estimate, the previous provision of € 92 thousand was released to the statement of income during the year as "Other 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 € 591 thousand (€ 852 thousand at 31 December 2017).

Following a detailed analysis of their recoverability, the amounts "Due from insurance companies" were written down during the year by € 40 thousand, with a charge to the "Other expenses" caption of the statement of income.

At the same time, the provision for doubtful accounts was reduced by € 301 thousand as a result of utilisations. This amount was credited to the "Other income" caption of the statement of income.

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

E.I.4. **"Due from policyholders and third parties"** amount to € 5,634 thousand and refer to reimbursements of claims paid mainly relating to Hulls for € 3,762 thousand and Cargo for € 1,514 thousand (€ 1,100 thousand and € 848 thousand at 31 December 2017 respectively).
This caption takes into account the estimated recovery value of each reimbursement.
The increase in this balance mainly reflects the additional reimbursements requested during the year.
The portion to be transferred to reinsurers has been recorded under "Other liabilities".

E.II **"Reinsurance debtors"** amount to € 7,524 thousand (€ 6,083 thousand at 31 December 2017) and are due from:

(in thousands of euro)	31.12.2018	31.12.2017	Change
1. Insurance and reinsurance companies	7,524	6,083	1,442
2. Reinsurance intermediaries	-	-	-
	7,524	**6,083**	**1,442**

E.II.1 Reinsurance receivables from **"Insurance and reinsurance companies"** are stated net of a provision of € 346 thousand (€ 448 thousand at 31 December 2017) which relates solely to reinsurance current accounts.

During the year, this provision was reduced by € 102 thousand as a result of uses to cover losses of € 43 thousand and changes in estimates of € 59 thousand; the amount was charged to "Other income" in the statement of income.

This caption does not include any amounts due from UnipolSai Assicurazioni S.p.A. or affiliated companies for reinsurance transactions.

E.II.2 **"Receivables due from reinsurance intermediaries"** show a zero balance (as at 31 December 2017).

E.III **"Other debtors"** amount to € 9,071 thousand (€ 7,908 thousand at 31 December 2017).
Their main components are shown below:

(in thousands of euro)	31.12.2018	31.12.2017	Change
Amounts due from the tax authorities	3,243	2,649	594
Amounts due from tax authorities for disputed tax claim	1,882	1,639	243
Amounts due from the parent company	1,843	1,541	302
Amounts due from the indirect parent company	1,479	1,145	334
Deposits with clearing houses	380	733	(353)
Deposits with third parties	103	-	103
Due from affiliated companies	26	26	-
Other debtors	115	175	(60)
	9,071	**7,908**	**1,163**

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 comprise advances of € 3,231 thousand recoverable from the Italian authorities and € 12 thousand recoverable from the German authorities.
The amounts due from the Italian tax authorities comprise:
- the tax advance on insurance policies for 2019 of € 2,272 thousand paid in November 2018.
  From February 2019, this advance was partially used to offset the tax bill due for the previous month;
- € 943 thousand direct taxes (including € 741 thousand due to be reimbursed and € 202 thousand of IRAP advances paid during 2018);
- € 14 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 S.p.A. to be deducted from the Group tax liability. The amount concerned, € 1,479 thousand, has therefore been reclassified to the caption "Amounts due from the indirect parent company", as described below. These credits relate to the Ires advances paid during the year.

The amounts due from the Tax Authorities for disputed tax claim relate to indirect taxes on coinsurance that were paid on provisional collection of the following tax assessments received:
- in July 2010, € 1,639 thousand in relation to the 2003 tax year;
- in December 2018, € 243 thousand, in relation to the 2013 tax year.

Further information about the outstanding tax dispute is provided in point E.2 of Section 12.

The amounts due from the parent company, UnipolSai Assicurazioni S.p.A. refer to operating costs incurred on behalf of that company and therefore recharged to it.
They include services provided (€ 722 thousand), the secondment of personnel (€ 679 thousand) and other receivables (€ 2 thousand).
The total also includes € 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.

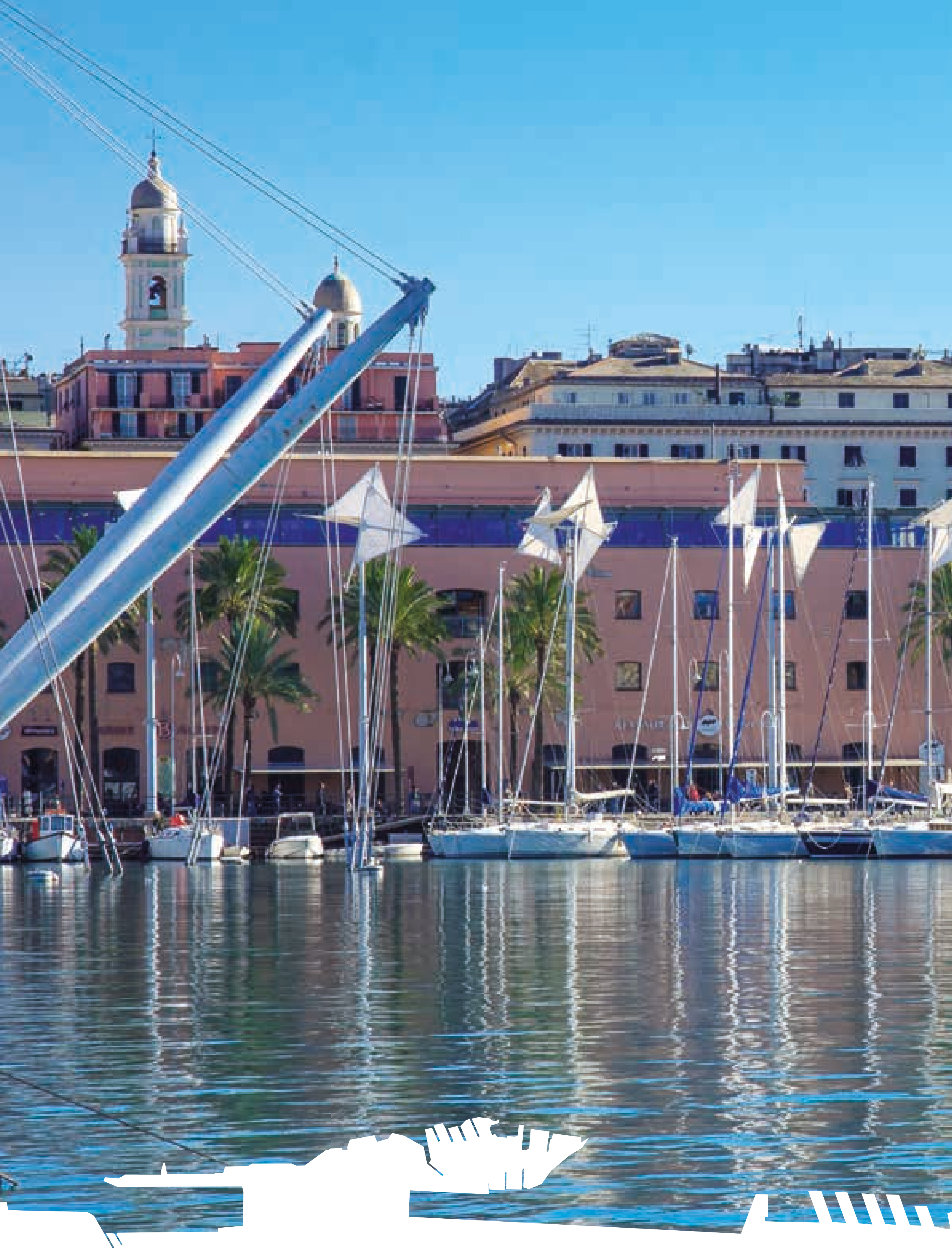
The amounts due from the indirect parent company Unipol Gruppo S.p.A. derive from membership of the domestic tax group and reflect the Ires advances paid during the year.
Note that, for 2018 -2020, the Group tax regime is headed up by Unipol Gruppo S.p.A., the indirect parent company.

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.

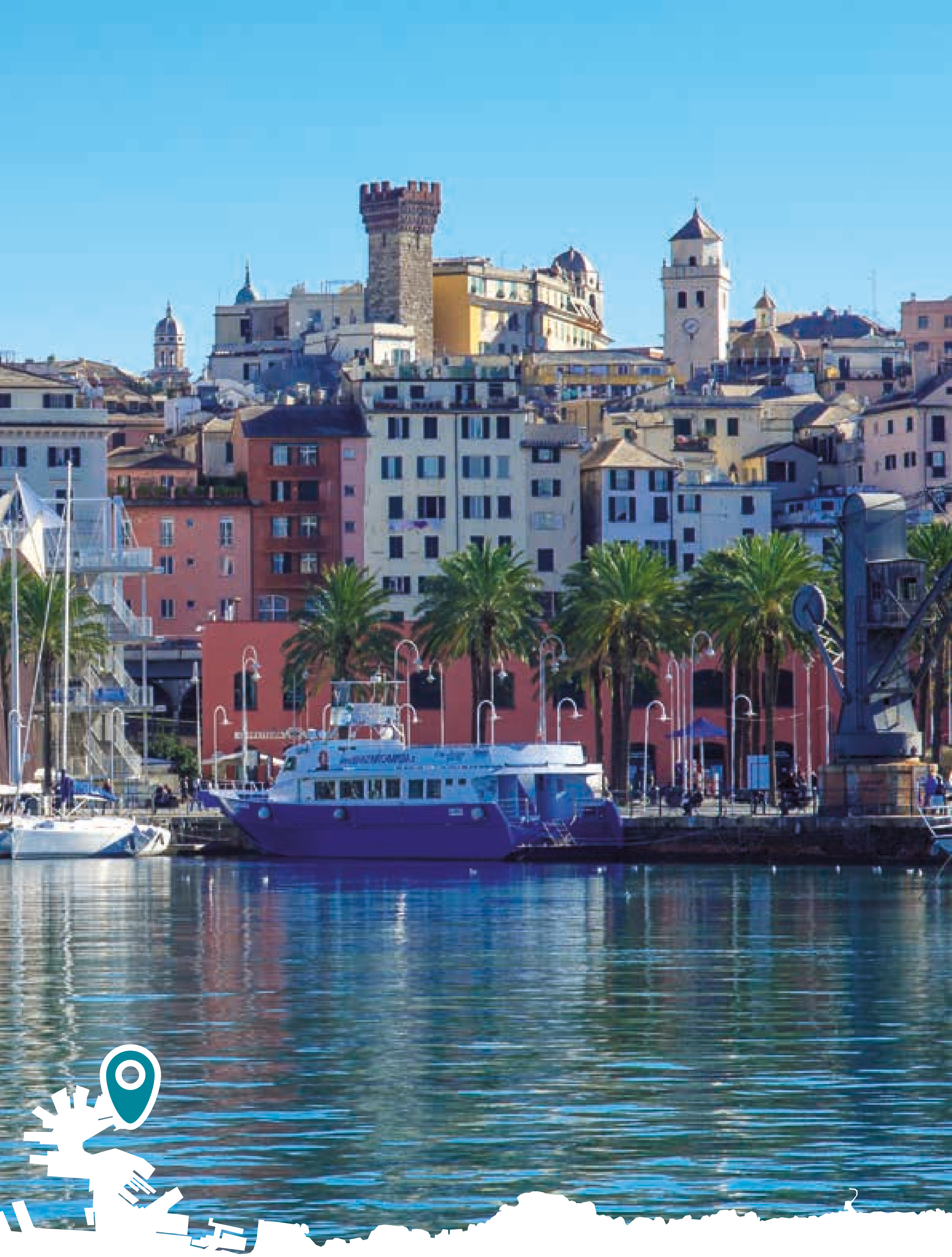
The deposits with third parties reflect the guarantee lodged with the Maltese court in relation to a disputed claim, in relation to which rulings unfavourable to the Company have been handed down.

The amounts Due from affiliated companies refer to staff seconded to Pronto Assistance S.p.A. (€ 16 thousand), Incontra Assicurazioni S.p.A. (€ 5 thousand) and BIM Vita S.p.A. (€ 5 thousand).

Other receivables include the VAT credit of € 30 thousand, mainly because it is deductible in instalments.



The Porto Antico di Genova (Old Port), renovated in 1992 by Renzo Piano for the Columbus Celebrations.
Behind it, there is the city centre, with the bell tower of St. George's Church on the left
and the mediaeval Embriaci Tower on the right.



SECTION 6 - OTHER ASSETS (CAPTION F)

F. **"Other assets"** total € 4,590 thousand (€ 4,327 thousand at 31 December 2017) and comprise:

(in thousands of euro)	31.12.2018	31.12.2017	Change
I. Tangible assets	267	190	77
II. Cash and cash equivalents	3,297	2,424	873
IV. Other assets	1,026	1,713	(687)
	4,590	**4,327**	**263**

F.I **"Tangible assets"** of € 267 thousand, are stated net of accumulated depreciation at year-end of € 2,026 thousand, as analysed below:

(in thousands of euro)	Gross value	Accumulated depreciation	Book value
1. Furniture and office machines	2,050	(1,796)	254
3. Plant and equipment	243	(230)	13
	2,293	**(2,026)**	**267**

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:

(in thousands of euro)	Gross value			
	Balance at 31.12.2017	Increase	Decrease	Balance at 31.12.2018
1. Furniture and office machines	1,909	141	-	2,050
3. Plant and equipment	243	-	-	243
	2,152	**141**	**-**	**2,293**

Accumulated depreciation amounts to € 2,026 thousand (€ 1,962 thousand at 2017).
The increase of € 64 thousand reflects the depreciation charge for the year. There were no asset retirements during 2018.

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 € 3,297 thousand (€ 2,424 thousand at 31 December 2017) and consist of:

(in thousands of euro)	31.12.2018	31.12.2017	Change
1. Bank accounts	3,293	2,418	875
2. Cheques and cash	4	6	(2)
	3,297	**2,424**	**873**

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 € 587 thousand.

F.IV **"Other assets"** amount to € 1,026 thousand (€ 1,713 thousand at 31 December 2017) and consist of:

(in thousands of euro)	31.12.2018	31.12.2017	Change
2. Other	1,026	1,713	(687)
	1,026	**1,713**	**(687)**

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

(in thousands of euro)	31.12.2018	31.12.2017	Change
Deferred tax assets	803	986	(183)
Disbursements for accident claims to be settled	-	439	(439)
Other assets	223	288	(65)
	1,026	**1,713**	**(687)**

Deferred tax assets derive from temporary differences between the result reported in the financial statements and taxable income for IRES and IRAP purposes. The recovery of these timing differences against future taxable income is deemed to be reasonably likely.
They are mainly attributable to the taxed provision for doubtful accounts (in particular, for receivables from insurance and reinsurance companies) and the change in the provision for net long-term claims outstanding. The balance was determined using the tax rates that are expected to apply in the year when the related timing differences reverse. The rates used in relation to IRES and IRAP were 24.00% and 6.82% respectively. Deferred tax assets were fully recognised in prior years.

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.
They also include € 94 thousand for the amount deposited with the related company Unipol Banca S.p.A., which is subject to attachment for claims at the request of third parties.

SECTION 7 - PREPAYMENTS AND ACCRUED INCOME (CAPTION G)

G. **"Prepayments and accrued income"** amount to € 789 thousand (€ 876 thousand at 31 December 2017) and comprise:

(in thousands of euro)	31.12.2018	31.12.2017	Change
1. Interest	750	797	(47)
2. Rents	-	14	(14)
3. Other	39	65	(26)
	789	**876**	**(87)**

They are analysed as follows:

(in thousands of euro)	Accrued income	Prepayments	Total
1. Interest	750	-	750
3. Other	-	39	39
	750	**39**	**789**

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

Non-interest prepayments comprise subscriptions to periodicals (€ 14 thousand), insurance premiums (€ 7 thousand), utilities (€ 7 thousand), rating agency fees (€ 6 thousand) and maintenance fees (€ 5 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 2018 these amount to € 59,063 thousand (€ 62,918 thousand at 31 December 2017) and consist of:

(in thousands of euro)	31.12.2018	31.12.2017	Change
I. Subscribed share capital	38,000	38,000	-
IV. Legal reserve	2,385	2,126	259
VI. Reserve for parent company's shares	50	79	(29)
VII. Other reserves	18,303	17,527	776
IX. Net profit for the year	325	5,186	(4,861)
	59,063	**62,918**	**(3,855)**

The changes during the year are summarised as follows:

(in thousands of euro)	Subscribed share capital	Legal reserve	Reserve for parent company's shares	Other reserves	Net profit for the year	Total
Balance at 31.12.2017	**38,000**	**2,126**	**79**	**17,527**	**5,186**	**62,918**
Allocation of 2017 earnings authorised at the shareholders' meeting held on 17 April 2018:						
- dividends	-	-	-	-	(4,180)	(4,180)
- to legal reserve	-	259	-	-	(259)	-
- to other reserves	-	-	-	747	(747)	-
Transfer to Other reserves, pursuant to art. 2359-bis	-	-	(29)	29	-	-
Net profit for 2018	-	-	-	-	325	325
Balance at 31.12.2018	**38,000**	**2,385**	**50**	**18,303**	**325**	**59,063**

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 2018, 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	2,385	B	-
VI. Reserve for parent company's shares	50	-	-
VII. Other reserves			
- Reserve for losses	1,953	A, B, C	1,953
- Extraordinary reserve	15,815	A, B, C	15,815
- Reserve for exchange gains	310	B	310
- Reserve for purchase of parent company's shares	225	-	-

Key: A: for increase in capital - B: to cover losses - C: for distribution to shareholders

A.I **"Subscribed share capital"** amounts to € 38,000,000.
This amount did not change 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 € 2,385 thousand following an increase of € 259 thousand during the year on allocation of part of the net profit for 2017, as required by art. 2430 of the Italian Civil Code.

A.VI The **"Reserve for parent company's shares"** amounts to € 50 thousand. This reserve been set up as these shares (of the indirect parent company Unipol Gruppo S.p.A.) are to service the "performance share" stock-based compensation plan for the Company's top management.
This plan was approved by the Shareholders' Meeting on 18 June 2013.

In order to implement it, in June 2016, 55,000 ordinary shares of the indirect parent company Unipol Gruppo S.p.A. were purchased. The purchase was made in compliance with the resolution of the Shareholders' Meeting of 18 April 2016.
Executives have subsequently been assigned 35,424 shares, including 11,808 during 2018.
Therefore, of these Unipol Gruppo S.p.A. shares, 19,576 still remain at 31 December 2018.

This reserve has been adjusted in relation to the carrying amounts in the financial statements of the assets in portfolio, in compliance with the provisions of article 2359 - bis, paragraph 3 of the Italian Civil Code, by transferring € 29 thousand to the reserve for purchase of parent company's shares, included in "Other reserves".

A.VII **"Other reserves"** amount to € 18,303 thousand after the following changes during the year:

(in thousands of euro)	Balance at 31.12.2017	Increase	Decrease	Balance at 31.12.2018
Reserve for losses	1,953	-	-	1,953
Extraordinary reserve	14,892	923	-	15,815
Reserve for purchase of parent company's shares	196	29	-	225
Reserve for exchange gains (art. 2426-bis Civil Code)	486	-	(176)	310
	17,527	**952**	**(176)**	**18,303**

The increases 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 17 April 2018 that was held to approve the financial statements for the year ended 31 December 2017.

The increase of € 29 thousand in the reserve for purchase of parent company's shares is the consequence of the transfer of an equal amount to this item from the reserve for parent company's shares, as already explained in point A.VI of this Section.
This reserve is to service the "performance share" stock-based compensation plan for the top management as approved by the Shareholders' Meeting on 18 June 2013.

None of these reserves has been used in the last three years (including 2018).

SECTION 9 - SUBORDINATED LIABILITIES (CAPTION B)

B. As in the previous year, there are no Subordinated Liabilities at 31 December 2018.

SECTION 10 - TECHNICAL PROVISIONS (CAPTION C.I)

C.I **"Technical provisions"** at 31 December 2018 amount to € 309,695 thousand (€ 267,059 thousand at 31 December 2017) and consist of:

(in thousands of euro)	31.12.2018	31.12.2017	Change
1. Unearned premiums reserve	51,808	49,958	1,850
2. Claims payable reserve	255,722	215,038	40,684
5. Other technical reserves	2,165	2,063	102
	309,695	**267,059**	**42,636**

In compliance with Attachment 15 of ISVAP Regulation 22 of 4 April 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 Assicurazioni S.p.A. for reinsurance transactions, totals € 27,027 thousand and includes € 4,312 thousand in unearned premiums and € 22,715 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 € 51,808 thousand (€ 49,958 thousand at 31 December 2017) and has been calculated in accordance with Attachment 15 of IVASS Regulation 22 of 4 April 2008.

The unearned premiums reserve refers to direct business for € 46,074 thousand (€ 45,348 thousand at 31 December 2017) and to indirect business for € 5,734 thousand (€ 4,610 thousand at 31 December 2017).

This is made up as follows:

(in thousands of euro)	31.12.2018	31.12.2017	Change
For apportioned premiums	48,068	46,958	1,110
For unexpired risks	3,740	3,000	740
	51,808	**49,958**	**1,850**

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

Business segment	Unearned premiums reserve		
(in thousands of euro)	Direct business	Indirect business	Total
Personal accident	142	-	142
Rolling stock	42	150	192
Aircraft	389	-	389
Hulls	42,105	2,201	44,306
Marine Cargo	982	2,158	3,140
Fire	561	-	561
Other property damage	76	90	166
Motor third-party liability	529	1,047	1,576
Aircraft third-party liability	127	-	127
Hull third-party liability	6	-	6
General third-party liability	529	88	617
Pecuniary losses	585	-	585
Assistance	1	-	1
	46,074	**5,734**	**51,808**

With regard to the unearned premiums reserve for direct business, the above amounts include € 3,740 thousand for unexpired risks (€ 3,000 thousand at 31 December 2017).
This amount relates to the following sectors:
- Hull, € 3,200 thousand (€ 2,500 thousand at 31 December 2017);
- Motor third-party liability, € 300 thousand (€ 400 thousand at 31 December 2017);
- Marine Cargo, € 100 thousand (zero balance at 31 December 2017);
- General third-party liability, € 100 thousand (€ 50 thousand at 31 December 2017);
- Other property damage, € 20 thousand (€ 50 thousand at 31 December 2017);
- Rolling stock, € 20 thousand (zero balance at 31 December 2017).

The unearned premiums reserve for indirect business has a zero balance for unexpired risks (unchanged since 31 December 2017).

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 risk reserve.

Lastly, € 561 thousand has been added to the apportioned premium reserve (€ 664 thousand at 31 December 2017) against risks related to previous years for natural disasters.

C.I.2 The **"Claims payable reserve"** amounts to € 255,722 thousand (€ 215,038 thousand at 31 December 2017) and has been calculated in accordance with ISVAP Regulation 16 of 4 March 2008.

The claims payable reserve refers to direct business for € 230,182 thousand (€ 175,589 thousand at 31 December 2017) and to indirect business for € 25,540 thousand (€ 39,449 thousand at 31 December 2017).

This is made up as follows:

(in thousands of euro)	31.12.2018	31.12.2017	Change
For reimbursements and direct costs	216,914	177,144	39,770
For settlement costs	9,171	11,156	(1,985)
For accidents occurred, but not reported	29,637	26,738	2,899
	255,722	**215,038**	**40,684**

The significant increase in this caption was essentially due to a number of serious claims received during the year. The principal among these related to the Vulcano, a military vessel under construction at a leading yard, for which the Company is the lead insurer.
The insurance policy has a high retention percentage, which however was significantly reduced by applying the related reinsurance contracts. In addition, the excess of loss reinsurance has further limited the amount of the net retention.

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 The **"Other non-technical reserves"** amount to € 2,165 thousand (€ 2,063 thousand at 31 December 2017) and solely comprise the reserve for natural disasters.

This derives from both direct business, € 2,135 thousand, and indirect business, € 30 thousand.

This reserve was established pursuant to Ministerial Decree 705 dated 19 November 1996 (as referred to in Attachment 15 of ISVAP Regulation 22 of 4 April 2008), in order to offset over time the loss experience associated with the risks concerned.

The following changes took place during the year:

(in thousands of euro)	Balance at 31.12.2017	Increase	Decrease	Balance at 31.12.2018
Reserve for natural disasters	2,063	102	-	2,165
	2,063	**102**	**-**	**2,165**

The increases during the year related to both direct business, € 83 thousand, and indirect business, € 19 thousand.

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

E. **"Provisions for risks and charges"** amount to € 2,511 thousand (€ 1,411 thousand at 31 December 2017) and are made up as follows:

(in thousands of euro)	31.12.2018	31.12.2017	Change
2. Provision for taxation	2,511	1,411	1,100
	2,511	**1,411**	**1,100**

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

E.2 The **"Provision for taxation"** includes € 2,511 thousand in relation to the following disputes with the Tax Authorities.

These provisions do not include any deferred tax liabilities which might burden future financial years, since none are due.

The main tax audits at the Company were carried out:

- **in 2005** (for the tax year 2003, for direct and indirect taxes);
- **in 2009** (for the tax years 2006, 2007 and 2008 for indirect taxes and 2006 for direct taxes);
- **in 2014** (for the tax year 2010, for direct and indirect taxes);
- **in 2018** (for the tax year 2013, for direct and indirect taxes).

The above audits identified minor matters in relation to direct taxation, but major issues with regard to VAT that were followed by notices of assessment and objections.

The above assessments and objections relate to the coinsurance relations established with other insurers, the tax treatment of which consistently follows the market practice established over many decades.

The issues raised concern the failure of the Company to levy VAT on the amounts charged to coinsurers:

- regarding the 2003 tax year, for external claim management expenses (technical experts, loss adjusters, lawyers etc.) and reinsurance commission (income and expense);

- regarding the 2006, 2007, 2008, 2010 and 2013 tax years, just reinsurance commission (income and expense).

In addition, again with regard to the coinsurance relationships, audits by the Tax Authorities at other insurance companies have also resulted in notification to the Company of objections and assessments with regard to VAT (regarding commission income and expense) for the 2004, 2005, 2009, 2011 and 2012 tax years.
The above disputes relate to the alleged failure to account properly for VAT purposes, via the issue of self-invoices, for charges received from coinsurers for the reinsurance commission paid to them.

Appeals against all the above assessments have been lodged with the competent tax commissions.

With regard to the above, the Company is engaged in a long-term and ongoing dispute with the Tax Authorities that has resulted in multiple rulings, mostly favourable to the Company, at both provincial and regional level, as well as from the Supreme Court of Cassation.

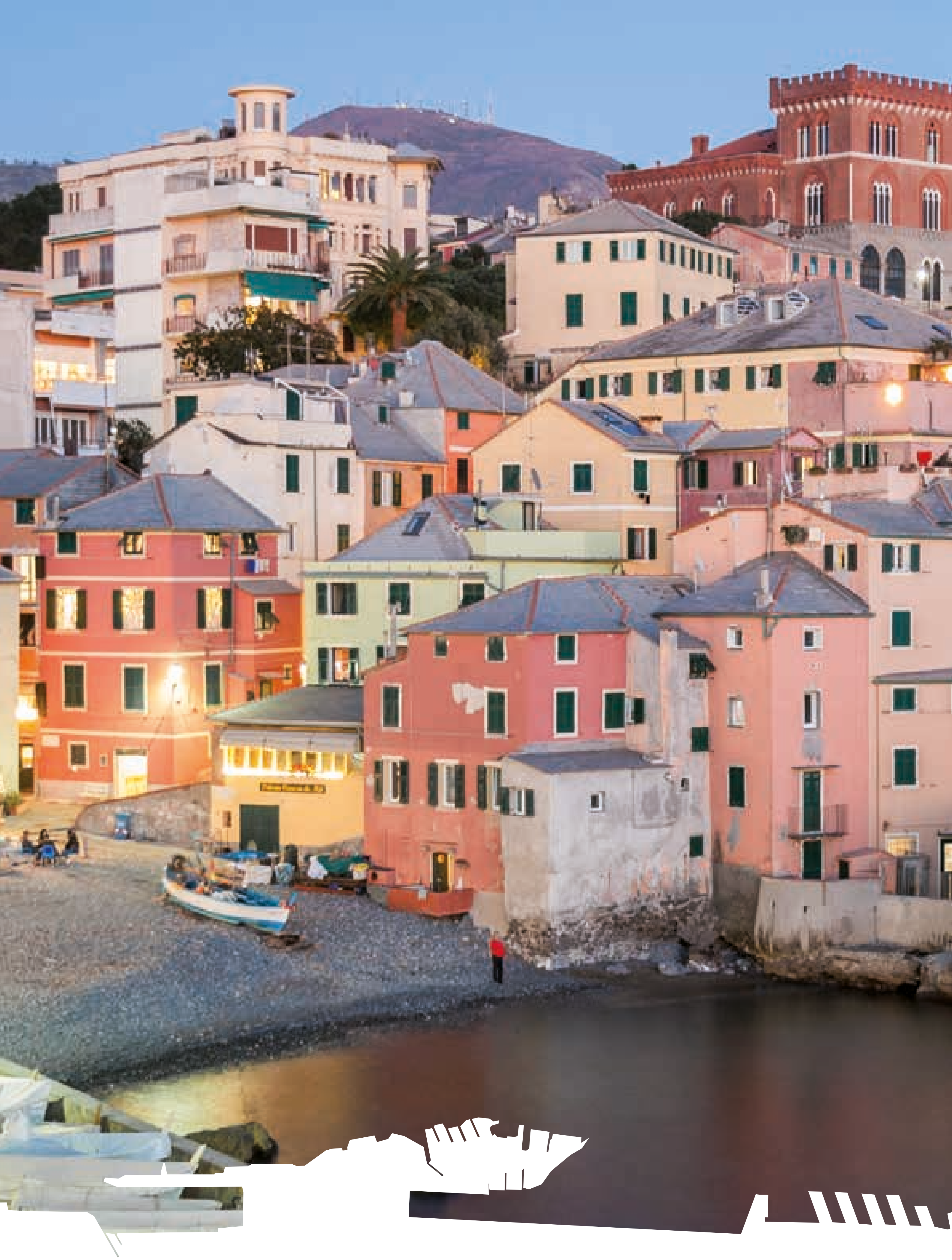
Nevertheless, considering the uncertainties linked with continuation of the dispute, the Company is considering whether to apply the provisions of Legislative Decree 119 dated 23 October 2018, as enacted by Law 136 dated 18 December 2018, to close the specific tax disputes currently in progress. In particular, settlement would be economically advantageous, resulting in the payment of significantly lower amounts than those claimed.
In all cases, agreement to settle does not represent a waiver of the arguments presented by the Company in the various jurisdictions.
Settlement, which in the circumstances is available for the tax years up to 2012 inclusive, requires an application to be filed by 31 May 2019 together with payment of the amounts due.
These amounts are calculated net of any related earlier payments, but without entitlement to recover any excess payments already made during the proceedings.

The provision for taxation corresponds to the estimated cost of closing those of the above disputes that are covered by the assisted settlement scheme.

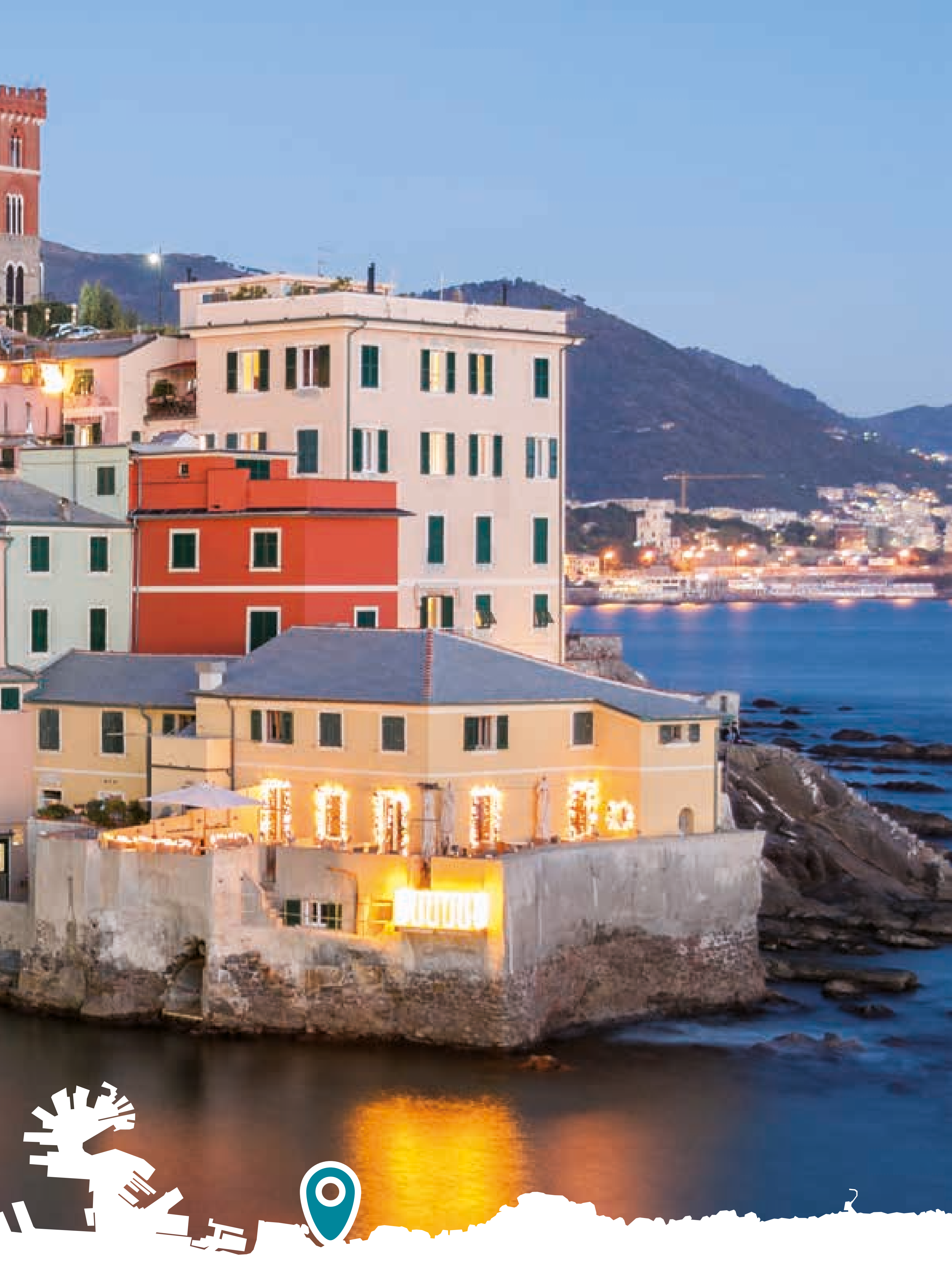
With regard to the 2013 tax year, in relation to which notices of assessment and disputes (with a contingent liability of € 957 thousand) were received in December 2018, as well as to subsequent tax years up to 2018 inclusive, the Company believes that there are valid reasons for challenging the disputes promoted by the Tax Authorities.
Accordingly, no specific provisions have been recorded in the above regard, as the Company believes that the courts will confirm the propriety of its conduct, as confirmed by the largely favourable rulings already handed down.

F. **"Deposits from reinsurers"** amount to € 929 thousand (€ 790 thousand at 31 December 2017), up by € 139 thousand compared with the previous year.

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



The village of Boccadasse, with its pastel coloured houses, enclosing a small bay, has remained virtually unchanged over time. The name allegedly derives from the shape of the small bay, like a "bocca d'asino" (or donkey's mouth).



SECTION 13 - CREDITORS AND OTHER LIABILITIES (CAPTION G)

G. **"Creditors and other liabilities"** amount to € 57,966 thousand (€ 64,159 thousand at 31 December 2017) and comprise:

(in thousands of euro)	31.12.2018	31.12.2017	Change
I. Payables arising out of direct insurance	9,433	6,011	3,422
II. Reinsurance creditors	20,932	27,061	(6,129)
VII. Termination indemnities	1,010	1,089	(79)
VIII. Other creditors	3,159	4,206	(1,047)
IX. Other liabilities	23,432	25,792	(2,360)
	57,966	**64,159**	**(6,193)**

G.I **"Payables arising out of direct insurance"** amount to € 9,433 thousand (€ 6,011 thousand at 31 December 2017) and consist of:

(in thousands of euro)	31.12.2018	31.12.2017	Change
1. Due to agents and other intermediaries	6,522	3,555	2,967
2. Due to insurance companies - current accounts	2,780	2,456	324
3. Policyholders for guarantee deposits and premiums	131	-	131
	9,433	**6,011**	**3,422**

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

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

They include € 129 thousand due to the parent company, UnipolSai Assicurazioni S.p.A.

G.I.3 **"Due to policyholders for guarantee deposits and premiums"** relate to the counterguarantee paid by a policyholder in relation to the guarantee paid by the Company for the salvage of a ship in the fleet of that policyholder.

G.II **"Reinsurance creditors"** amount to € 20,932 thousand (€ 27,061 thousand at 31 December 2017) and are due to:

(in thousands of euro)	31.12.2018	31.12.2017	Change
1. Insurance and reinsurance companies	20,932	27,058	(6,126)
2. Reinsurance intermediaries	-	3	(3)
	20,932	**27,061**	**(6,129)**

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

These include € 14,265 thousand (€ 21,500 thousand at 31 December 2017) 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 include € 1,716 thousand due to UnipolSai Assicurazioni S.p.A. in relation to reinsurance transactions.

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

G.VII **"Termination indemnities"** amount to € 1,010 thousand (€ 1,089 thousand at 31 December 2017) 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 € 3,159 thousand (€ 4,206 thousand at 31 December 2017) and comprise:

(in thousands of euro)	31.12.2018	31.12.2017	Change
1. Taxes paid by policyholders	239	424	(185)
2. Miscellaneous taxes payable	305	638	(333)
3. Due to social security and welfare institutions	362	334	28
4. Sundry creditors	2,253	2,810	(557)
	3,159	**4,206**	**(1,047)**

G.VIII.1 **"Taxes paid by policyholders"** include the amount due to the Tax Authorities on insurance policies (€ 166 thousand), net of advances paid during the year.
This amount was duly paid over in January 2019.

The total also includes € 73 thousand due to foreign tax authorities (mainly United Kingdom, Germany, Finland and Greece) for taxes withheld from policyholders, regarding the provision of unrestricted services.

G.VIII.2 The **"Miscellaneous taxes payable"** comprise amounts withheld by the Company acting as a tax agent that were properly paid over in January 2019.
The balance does not include the IRAP charge for 2018, as nothing is due.
In particular, the transfer of the latter is not allowed for the purpose of the Group's tax group arrangements.

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 2019.

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

(in thousands of euro)	31.12.2018	31.12.2017	Change
Due to suppliers of goods and services	1,734	695	1,039
Due to the indirect parent company	200	1,604	(1,404)
Due to shareholders for dividends	199	316	(117)
Due to corporate officers	43	43	-
Due to parent company	-	94	(94)
Other creditors	77	58	19
	2,253	**2,810**	**(557)**

The amount due to the indirect parent company Unipol Gruppo S.p.A. refers to amounts that are payable to it for 2018 IRES, following the Company's inclusion in the national tax consolidation.
Note that, for 2018 - 2020, the Group tax regime is headed up by Unipol Gruppo S.p.A.

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

G.IX **"Other liabilities"** amount to € 23,432 thousand (€ 25,792 thousand at 31 December 2017) and comprise:

(in thousands of euro)	31.12.2018	31.12.2017	Change
2. Commission on premiums to be collected	7,081	7,275	(194)
3. Sundry liabilities	16,351	18,517	(2,166)
	23,432	**25,792**	**(2,360)**

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)	31.12.2018	31.12.2017	Change
Claims being settled	7,553	12,518	(4,965)
Amounts due for recoveries	4,522	1,650	2,872
Invoices to be received from the parent company	2,299	2,282	17
Due to employees	1,581	1,439	142
Due to third parties	123	308	(185)
Due to affiliated companies	45	54	(9)
Due to reinsurers and co-insurers	-	218	(218)
Other liabilities	228	48	180
	16,351	**18,517**	**(2,166)**

Claims being settled relate to amounts that have already been receipted, but not yet paid to the eligible beneficiaries.
Before being settled, we are waiting to receive a statement of account from the insurance brokers, through whom payment is made.

Amounts due for recoveries relate to claims recoveries.
They refer to amounts owed by reinsurers for insurance excesses and amounts to be recovered from policyholders recorded under "Due from policyholders and third parties".
These mainly relate to the Hulls sector for € 3,105 thousand and Cargo for € 1,417 thousand (€ 781 thousand and € 813 thousand respectively at 31 December 2017).

The invoices to be received from UnipolSai Assicurazioni S.p.A. relate for € 1,309 thousand to employees on secondment and for € 990 thousand to services that it provides as the parent company.

Amounts due to employees mainly relate for € 553 thousand to staff bonuses owed to them (of which € 194 thousand relating to LTI), to be settled in the future, and for € 402 thousand to the provision for the renewal of the national and local labour contracts.
They also include € 256 thousand relating to holidays accrued but not yet taken by them, € 219 thousand to the variable performance bonus to officers and employees for the year 2018, already accrued and due to be paid in 2019, and € 123 thousand to seniority bonuses to be paid to staff reaching 35 years of service with the Company.

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

Amounts due to affiliated companies relate to services provided by Unipol Banca S.p.A., € 38 thousand, and by UnipolSai Servizi Consortili S.c.a r.l., € 7 thousand.

Amounts due to reinsurers and co-insurers relate to relationships of a technical nature, for which no technical documentation exists yet in support of the payable.

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

H.I **"Deferred income and accrued expenses"** amount to zero (as in 2017).

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

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

SECTION 16 - RECEIVABLES AND PAYABLES

No payables are secured on the assets of the company.

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

Caption (in thousands of euro)	Due beyond 12 months	Of which: due beyond 5 years
Assets		
C.III.4 Loans		
c) other loans	2	-
E.3 Other debtors	3,079	-

The amount due after one year in relation to E.3 "Other receivables" comprises:

- € 1,882 thousand paid on provisional collection of the amounts demanded in the direct tax assessments received in relation to the coinsurance transactions carried out in the 2003 and 2013 tax years;
- € 741 thousand in direct taxes relating to 1998 due to be reimbursed;
- € 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;
- € 14 thousand relating to government concession taxes due to be reimbursed;
- € 2 thousand of excess contributions paid to the National Health Service in 2007.

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	39,639	20,209	10,812	70,660
E.2 Reinsurance debtors	75	3,402	4,048	7,525
E.3 Other debtors	8,575	496	-	9,071
Total	**48,289**	**24,107**	**14,860**	**87,256**

(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	6,366	1,844	1,223	9,433
G.II Reinsurance creditors	3,136	12,497	5,299	20,932
G.VIII Other creditors	2,763	396	-	3,159
Total	**12,265**	**14,737**	**6,522**	**33,524**

SECTION 17 - COMMITMENTS, GUARANTEES, CONTINGENT LIABILITIES AND OTHER MEMORANDUM ACCOUNTS

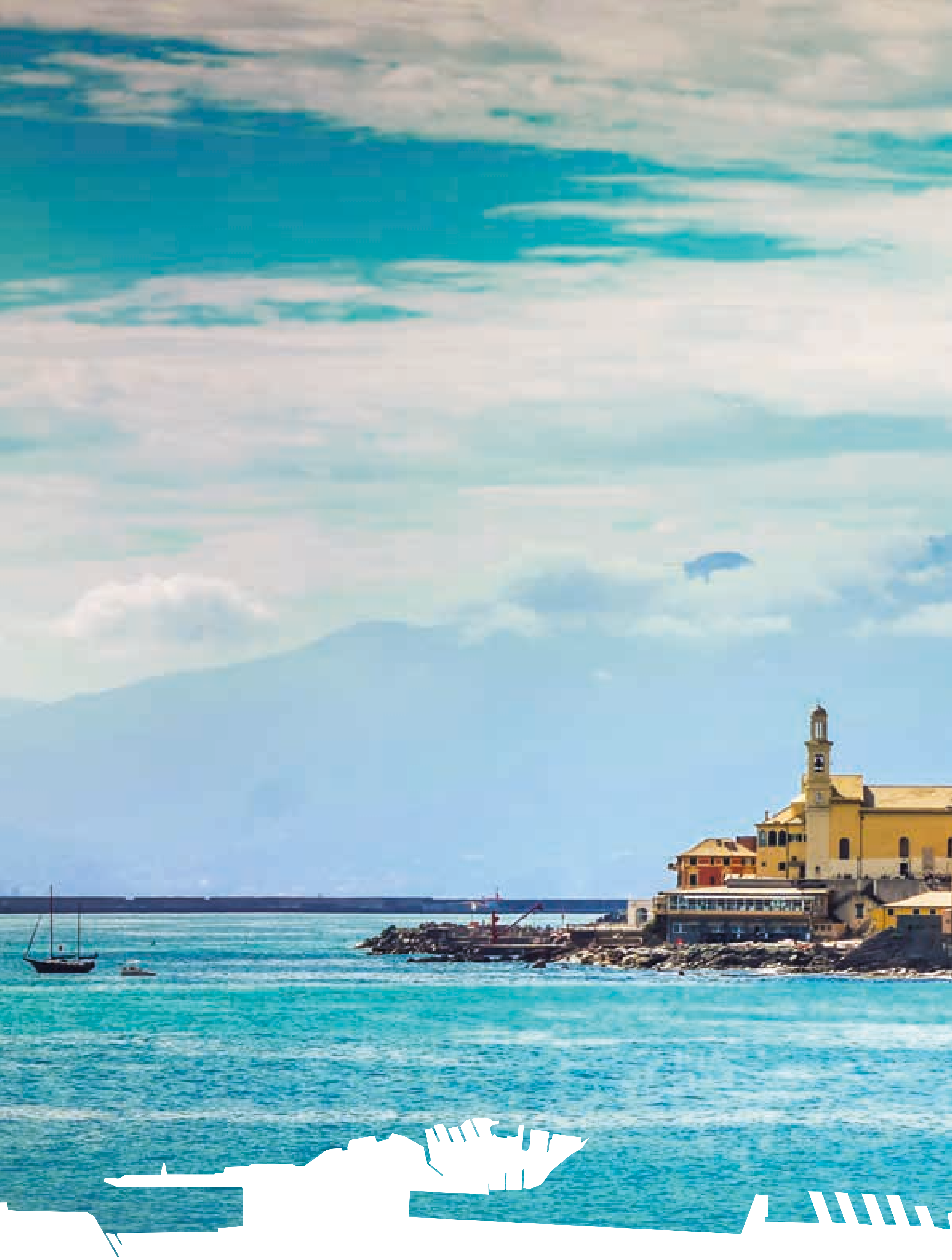
As required by article 2427 of the Italian Civil Code, the following table shows commitments, guarantees and other memorandum accounts at the reporting date, with comparative figures for the previous year:

(in thousands of euro)	31.12.2018	31.12.2017	Change
Guarantees given by third parties in favour of the Company	1,257	1,257	-

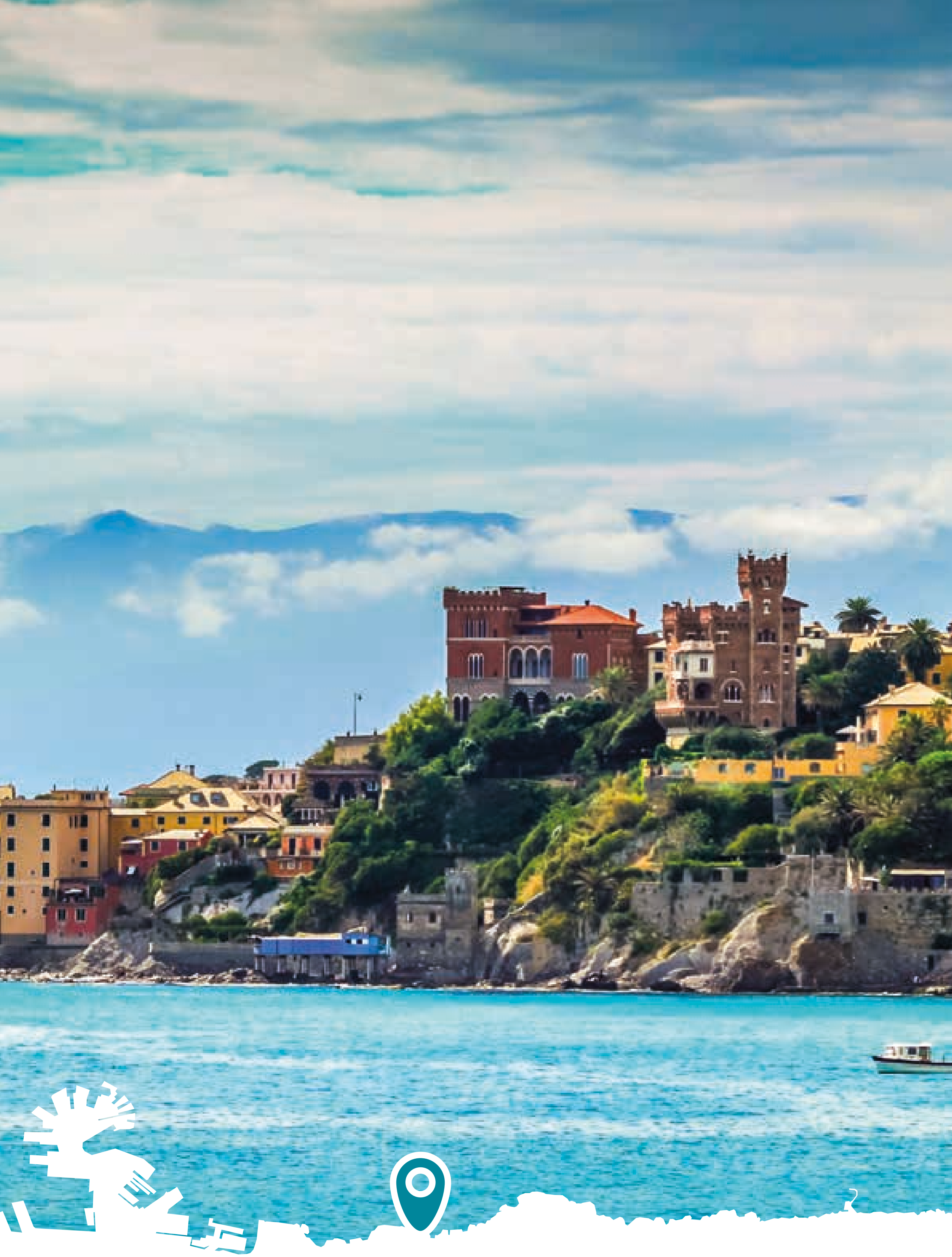
"Guarantees given by third parties in the interests of the Company" relate to guarantees given by leading Italian banks in favour of third parties in connection with insurance activities and are represented on the basis of the contractual value of the commitment versus the beneficiary.

There were no dealings in derivative contracts during the year.
There were no derivative contracts outstanding at 31 December 2018.
The "Property and financial management" section of the report on operations provides more details concerning the subordinated bonds held at year end.

Lastly, it should be noted that at the end of the year:
- there are no known contingent liabilities that are not adequately reflected in the financial statements;
- there are no commitments to associated companies, parent companies or companies controlled by the latter.



Behind Boccadasse, there is the Capo di Santa Chiara, a very picturesque area and a panoramic viewpoint, separating the districts of Albaro and Sturla.



STATEMENT OF INCOME

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

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

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

I.1 **"Earned premiums net of reinsurance"** amounted to € 43,152 thousand, of which € 34,141 thousand of direct business and € 9,011 thousand of indirect business.

I.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 accepted by the parent company UnipolSai Assicurazioni S.p.A. (€ 17,524 thousand) for the sectors within the "Maritime and Cargo insurance" segment.

I.1.b "Outward reinsurance premiums" do not include any amount transferred to affiliated companies, whereas premiums transferred to the direct parent company UnipolSai Assicurazioni S.p.A. amounted to € 6 thousand.

I.1.c, I.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 31.12.2017	(49,959)	37,148	(12,811)
Unearned premiums reserve at 31.12.2018	51,809	(38,134)	13,675
Net exchange differences	(695)	491	(204)
Portfolio movements, net	-	(2)	(2)
	1,155	**(497)**	**658**

I.2 The "**Share of profit from investments transferred from the non-technical account"** amounts to € 1,135 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 2018 financial statements, this ratio amounted to 59.5% (58.4% in the 2017 financial statements).

I.3 **"Other technical income, net of recoveries and reinsurance"** amounts to € 2,770 thousand and comprises a variety of items.
These include, in particular, technical cancellations of amounts due from policyholders for prior-year premiums assigned to reinsurers (€ 469 thousand) and the related commissions payable to the agents and brokers that acquired the business (€ 166 thousand), as well as use of the allowance for amounts due from policyholders (€ 277 thousand).

I.4 **"Claims incurred, net of recoveries and reinsurance"** amount to € 32,441 thousand.

I.4.a Gross "Amounts paid" include those relating to the reinsurance business accepted from the parent company UnipolSai Assicurazioni S.p.A. (€ 11,800 thousand).

This caption includes, among other things, € 7,386 thousand of accident settlement expenses.
These expenses include administrative costs (mainly payroll) incurred for the management of claims totalling € 1,283 thousand.

The portions of the amounts paid that are due from reinsurers include the amount pertaining to Unipol Re (€ 2 thousand).

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

I.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 31.12.2017	(215,033)	140,908	(74,125)
Claims payable reserve at 31.12.2018	255,722	(181,679)	74,043
Net exchange differences	(2,483)	1,671	(812)
Portfolio movements, net	-	(431)	(431)
	38,206	**(39,531)**	**(1,325)**

The significant increase in the gross claims payable reserve is mainly related to complaints received during the year against certain cases of serious damage in the Hulls sector.
Moreover, considering the 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 the opening claims payable reserve.

I. 6 **"Profit commissions, net of reinsurance"** amounted to € 240 thousand and include only the amounts paid to policyholders during the year for profit commissions.

I.7 **"Operating expenses"** amount to € 10,911 thousand.

I.7.a "Acquisition commissions" mainly includes payments to third parties for the acquisition and renewal of insurance policies.

These commissions also include those recognised on the acceptance of reinsurance business.
In particular, the latter refer for € 4,080 thousand to the parent company UnipolSai Assicurazioni S.p.a.

I.7.b "Other acquisition costs" are principally attributable to the payroll costs of employees engaged in the acquisition of new policies.

I.7.d "Collection commissions" relate to administrative expenses connected with the collection of premiums.

I.7.e "Other administrative expenses" comprise general costs, net of those allocated to "other acquisition expenses" (€ 2,479 thousand) and "claims incurred" (€ 1,283 thousand).

The general costs include directors' emoluments (€ 160 thousand), as well as the fees of the statutory auditors (€ 36 thousand) and the members of the supervisory body (€ 13 thousand) for 2018.
They also include the depreciation of tangible assets (€ 64 thousand).

I.7.f "Commission and other income from reinsurers" include commission income on transfers and retrocessions.

Commission income does not include any amounts recognised by UnipolSai Assicurazioni S.p.A. or affiliated companies.

I.8 **"Other technical expenses, net of reinsurance"** amount to € 2,877 thousand.

They include various items, such as the technical cancellation of amounts due from policyholders for prior-year premiums (€ 862 thousand) and the commission on business assigned to reinsurers (€ 109 thousand).
They also include the provision writing down amounts due from policyholders for premiums (€ 193 thousand).

I.9 The **"Change in the equalisation reserve"** during the year amounts to € 102 thousand and is summarised by business sector as follows:

Sector (in thousands of euro)	Opening balance	Utilisations	Provisions	Closing balance
Personal accident (1)	101	-	-	101
Motor fire, theft, etc. insurance (3)	68	-	-	68
Marine, aircraft and transport insurance (4,5,6,7,12)	1,578	-	98	1,676
Fire and other property damage (8,9)	316	-	4	320
	2,063	**-**	**102**	**2,165**

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

SECTION 20 - TECHNICAL RESULTS BY BUSINESS SECTOR

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

Reports from the Company's management accounting system have been used, for the most part, to allocate common costs to individual business sectors.
Revenues and costs not analysed by the management accounting system are generally allocated, where appropriate, in proportion to the sector's premiums or claims with respect to the total. In particular cases, specific decisions have been reached on a logical basis.

SECTION 21 - INFORMATION ON THE NON-TECHNICAL ACCOUNT

III.3 **"Income from investments"** amounts to € 3,831 thousand and is detailed in Attachment 21.

This includes € 371 thousand and € 62 thousand and concerns respectively rental income and expenses related to rental to the parent company UnipolSai Assicurazioni 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 € 1,922 thousand and are detailed in Attachment 23.

III.5.a "Investment management charges and interest expense" amounting to € 741 thousand relate to the management of property (€ 387 thousand) and financial investments (€ 348 thousand), as well as to interest expense on deposits withheld from reinsurers in relation to risks transferred (€ 6 thousand).
In particular, management charges for investment property relate to renovation work in the year (€ 31 thousand), not qualifying for capitalisation, on property used by third parties. In addition, € 89 thousand related to the tax burden for IMU.
Management charges for financial investments include, among other things, € 79 thousand payable to Unipol Banca S.p.A. for the safekeeping of securities and € 65 thousand relating to fees payable to UnipolSai Assicurazioni S.p.A. for managing the securities portfolio.

III.5.b "Writedowns on investments", amounting to € 1,042 thousand, are made up of property depreciation (€ 687 thousand, of which € 352 thousand for properties used by third parties and € 335 thousand for properties used by the Company), as well as writedowns of bonds (€ 355 thousand).

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

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

III.7 **"Other income"** amounts to € 4,109 thousand and is detailed below:

(in thousands of euro)	
Revenues from parent company	2,935
Releases of the "Provision for doubtful accounts"	495
Exchange gains	278
VAT recovered	229
Revenues from affiliated companies	51
Bank interest income	37
Contributions from inter-professional funds	32
Gain on long-term indemnity liability	12
Other	40
	4,109

Revenues from the parent company relate for € 1,623 thousand to services rendered and for € 1,312 thousand to the recovery of costs from UnipolSai Assicurazioni S.p.A.
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.

Releases from the "provision for doubtful accounts" comprise € 403 thousand in relation to insurance and reinsurance companies and € 92 thousand in relation to insurance agents and other intermediaries.
The above amounts include € 346 thousand offsetting the collection losses charged to "Other expenses" and € 59 thousand reflecting changes in the accounting estimates made previously with regard to doubtful accounts.

The VAT refund relates to the VAT expensed during the year which can be reclaimed due to the pro-rata recoverability which the Company will use in 2018.

Revenues from affiliated companies are for personnel seconded to Pronto Assistance S.p.A. (€ 31 thousand), BIM Vita S.p.A. (€ 10 thousand) and Incontra Assicurazioni S.p.A. (€ 10 thousand).

The bank interest income comprises € 31 thousand earned on the current accounts held with Unipol Banca, an affiliated company.

Exchange gains, like exchange losses (totalling € 190 thousand), derive from the application of multicurrency methodologies.
This balance includes both realised gains (€ 275 thousand) and those arising on translation (€ 3 thousand).

The contributions from inter-professional funds, collected via Unipol Gruppo S.p.A. (as presenter of the related applications), relate to the amount received from the Fund for Banks and Insurance Companies in relation to the employee training provided.

The unrealised gain on the long-term indemnity liability represents the adjustment recorded to reflect the market value of the underlying securities.

The latter relate to the shares held in the indirect parent company Unipol Gruppo S.p.A., to service the "performance share" stock-based compensation plan for the Company's top management covering the period 2013-2015.

III.8 **"Other expenses"** amount to € 4,969 thousand and comprise:

(in thousands of euro)	
Administrative expenses and costs on behalf of the parent company	2,705
Provisions for risks and charges	1,100
Non-deductible VAT on administrative expenses	422
Losses on debtors	365
Exchange losses	190
Sundry taxes	62
Provisions for doubtful accounts	40
Loss on long-term indemnity liability	16
Operating costs of clearing houses	16
Other	53
	4,969

Administrative expenses and costs on behalf of the parent company refer for € 1,976 thousand to personnel costs and for € 729 thousand to operating costs incurred on its behalf.

The provisions for risks and charges relate to the VAT dispute regarding the coinsurance transactions carried out.
Further information is provided in point E.2 of Section 12 above.

The losses on debtors relate to insurance and reinsurance companies and the provision was used against them for the same amount as part of "Other income".

Exchange losses, like exchange gains (totalling € 278 thousand), derive from the application of multicurrency methodologies.
This balance includes both realised amounts (€ 61 thousand) and those arising on translation (€ 129 thousand).
In consideration of the fact that there is a net unrealised loss on exchange of € 126 thousand, on approval of the 2018 financial statements, a proposal will be made to reclassify this amount from the reserve for exchange gains to an equity reserve (as provided for in point 8-bis of art. 2426 of the Italian Civil Code).

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

The provisions for doubtful accounts cover amounts due other than those receivable from policyholders for insurance premiums (as provisions for the latter are classified in the technical account).
In particular, they relate entirely to amounts due from insurance and reinsurance companies.
These provisions will be added back in the determination of taxable income on the preparation of the tax return and, accordingly, a deferred tax asset has been computed thereon.

The unrealised loss on the long-term indemnity (LTI) liability represents the adjustment of this liability to the market value of the underlying securities.
The latter relate to shares in UnipolSai Assicurazioni S.p.A. and Unipol Gruppo S.p.A. to be purchased in order to service the "performance share" stock-based compensation plan for the Company's top management for the period 2016-2018.

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 € 358 thousand.
They include non-recurring proceeds and refer to out-of-period income, of which € 272 thousand from previous years' tax returns.

III.11 **"Extraordinary expenses"** amount to € 50 thousand.
They comprise non-operating costs relating to prior periods.
None of these expenses relates to prior-year tax declarations.

III.14 **"Income taxes for the year",** totalling € 383 thousand, include IRES (€ 200 thousand) and the change in deferred tax assets (€ 183 thousand).
There was no IRAP charge.

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 tax rate	IRAP tax rate	Deferred tax assets
Net change in claims payable reserve	1,661	24.00%	-	398
Taxed prov. doubtful accounts	587	24.00%	-	141
Long-term indemnity (LTI) liability	194	24.00%	6.82%	60
Adjustments to the value of equity securities	23	24.00 %	-	6
Depreciation of land used by the Company	300	24.00%	-	72
Depreciation of land used by the Company	258	-	6.82%	18
Provisions for doubtful accounts exceeding the limit set in art. 106.3 Tax Law	263	24.00%	6.82%	81
Remuneration of Independent Auditors	69	24.00%	-	17
Emoluments of Directors	43	24.00%	-	10
Deferred tax assets at 31 December 2018				804
Deferred tax assets at 31 December 2017				(986)
Decrease (increase) in deferred tax assets				**183**

Deferred tax liabilities	Deferred tax liabilities
Deferred tax liabilities at 31 December 2018	-
Deferred tax liabilities at 31 December 2017	-
Decrease (increase) in deferred tax liabilities	-

Lastly, with regard to taxation for the year, the following schedule for 2018 reconciles the theoretical IRES rate (24.00%) with the effective rate:

Profit (loss) before taxes (A)	**708**
Theoretical IRES (24.00%)	*(170)*
Tax effect of differences (B)	
Permanent	*(226)*
Temporary	*181*
Other differences (C)	
Decrease in deferred tax assets - IRES	*(181)*
Increase in deferred tax liabilities - IRES	*-*
Other	*15*
Effective IRES (A) + (B) + (C)	**(381)**
Effective Ires tax rate	***53.80%***

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.

The significant increase in the effective incidence of IRAP with respect to the theoretical charge was due to the non-deductibility of the provision recorded for risks and charges, € 1,100 thousand (classified among the "Other expenses").

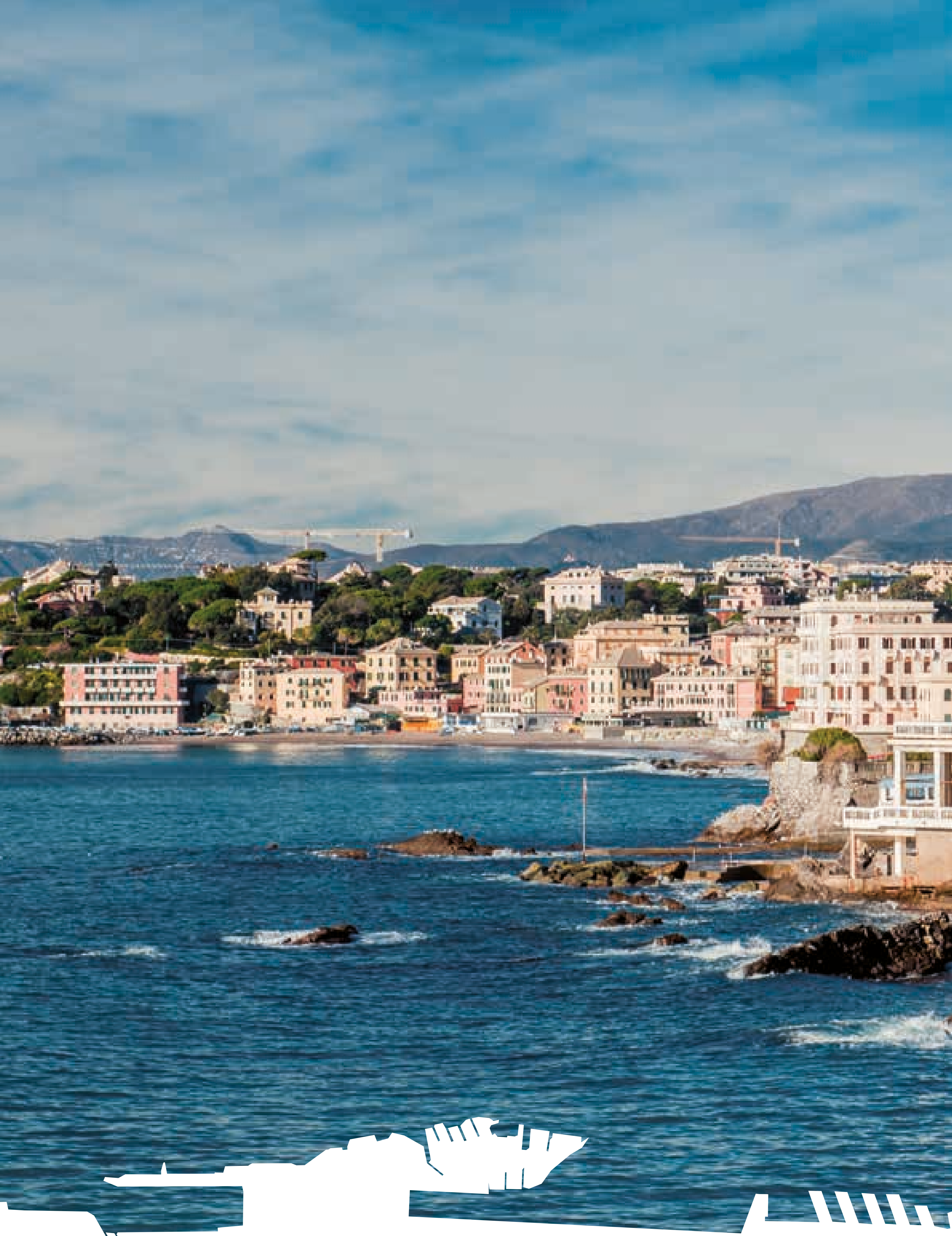
For further comments on non-technical statement of income captions, reference should be made to the report on operations.

SECTION 22 - SUNDRY INFORMATION ON THE STATEMENT OF INCOME

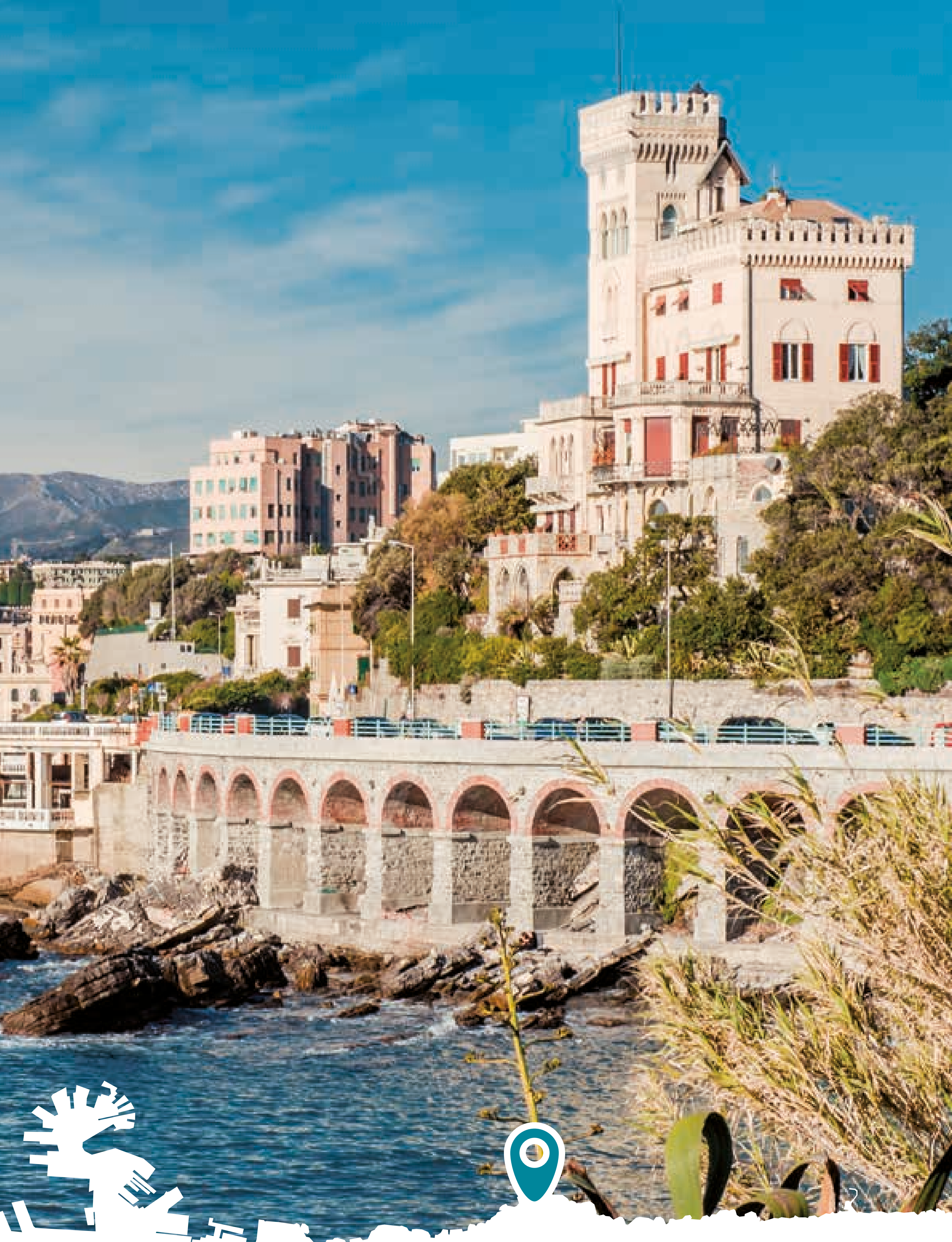
- Transactions with Group and other companies are summarised in Attachment 30.

- Direct business premiums are summarised in Attachment 31.

- Charges for personnel, directors and statutory auditors are summarised in Attachment 32.



The Gulf of Sturla, which was once an ancient fishing village, is now a residential district. Moving eastwards, in the Quarto dei Mille district you can find the Giannina Gaslini hospital, which is considered one of the most important paediatric hospitals in Europe.



PART C - OTHER INFORMATION

C.1 Revenue or cost elements of exceptional entity or incidence

Pursuant to article 2427, paragraph 13) of the Civil Code, there were no revenue or cost elements of exceptional entity or incidence in 2018.

C.2 Trend in exchange rates

The exchange rates at the date the financial statements were prepared do not differ significantly from those at 31 December 2018 (especially considering the US dollar, a currency that is widely used in the Marine insurance sector).

C.3 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 2018 is provided in the report on operations, to which reference is made.

C.4 Off-balance sheet agreements

As required by art. 2427-ter of the Italian Civil Code, it is confirmed that, at 31 December 2017, there are no off-balance sheet agreements that might result in significant risks or benefits for the Company.

C.5 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 2 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;
- government securities (mainly Italian) and other non-governmental securities with various maturities and a total carrying amount of € 42,921 thousand, as detailed in point C.III of Section 2.

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

C.6 Derivative instruments

As mentioned in the report on operations, no use of derivative instruments was made during the year.
However, at 31 December 2018, 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.7 Formation of a domestic tax group

Following the resolution of 10 May 2018 of its Board of Directors, Unipol Gruppo S.p.A., 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 2018 - 2020 at the meeting of its Board of Directors on 6 November 2018.

An agreement has been signed with Unipol Gruppo S.p.A. to govern the financial transactions deriving from the above.

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

Conversely, the 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.

C.8 Membership of the Unipol VAT Group

The joint option to participate in the Unipol VAT Group took effect from 1 January 2019.

This election was approved by the Board of Directors of the Company on 18 December 2018 and, to the extent relevant, by those of the Unipol Gruppo S.p.A. and UnipolSai Assicurazioni S.p.A. on 8 November 2018.

This election is binding for the three-year period 2019-2021, after which it will be renewed automatically each year until revoked.

Following the establishment of this VAT Group, the member companies waived their subjective autonomy for VAT purposes and established a new entity with its own VAT number.

Transfers of goods and the provision of services among the Group members are not subject to VAT.

Unipol Gruppo S.p.A. is the representative of the Group and, in that role, is responsible for satisfying the obligations and exercising the rights of members envisaged in the VAT regulations.

Since the taxpayer representing the VAT Group just one company, all the other members are deemed to be jointly liable for its activities.

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, in 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 in 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, in 12 October 2011 the Tax Authorities applied to the Regional Tax Commission.
The hearing was held in November 2012 and the Regional Tax Commission, in its judgement of 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, in 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.
The latter's ruling has not yet been issued.

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 2018 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
Auditing services	PricewaterhouseCoopers S.p.A.	96
Other certification services	PricewaterhouseCoopers S.p.A.	22

C.11 Interim dividends (if any)

No interim dividends were approved or paid during 2018.

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 31.12.2018	**38,000**	**2,385**	**18,353**	**325**	**59,063**
Allocation of 2018 earnings, as proposed by the Board of Directors on 11 March 2019					
- to legal reserve	-	16	-	(16)	-
- to extraordinary reserve	-	-	309	(309)	-
- dividends	-	-	-	-	-
	38,000	**2,401**	**18,662**	**-**	**59,063**

C.13 Transparency in the system of public payments

With regard to the regulations governing the transparency of public payments introduced by art. 1, para. 125, of Law 124 dated 4 August 2017 and subsequent amendments and additions, it is confirmed that the Company did not benefit during 2018 from subsidies, grants, paid appointments or other economic advantages that must be disclosed in the financial statements pursuant to the above regulations.

Although these regulations are not considered applicable to the contributions received from the inter-professional funds, while awaiting the appropriate clarification it is noted that, during 2018, the Company collected contributions totalling € 32 thousand from the Fund for Banks and Insurance Companies via Unipol Gruppo S.p.A. (which presented the related applications). These contributions relate to the training of employees carried out in 2016 and 2017.

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

With reference to the information required by article 2427.22-quinquies and sexies of the Civil Code, the Company is directly controlled by the insurance company UnipolSai Assicurazioni S.p.A. The latter draws up the consolidated financial statements pursuant to art. 154-ter of Legislative Decree 58/1998 (CFA) and ISVAP Regulation 7 of 13 July 2007, and subsequent amendments and additions, in compliance with the IAS/IFRS issued by the IASB and endorsed by the European Union.

A copy of the consolidated financial statements at 31 December 2018 of UnipolSai Assicurazioni S.p.A. is available at the company's registered office, as well as on its website (www.unipolsai.com).

UnipolSai Assicurazioni S.p.A. is directly controlled by the mixed financial holding company Unipol Gruppo S.p.A., a company listed on the Milan Stock Exchange, with registered office in via Stalingrado 45, Bologna.

Unipol Gruppo S.p.A. prepares the consolidated financial statements pursuant to art. 154-ter of Legislative Decree 58/1998 (CFA) and ISVAP Regulation 7 of 13 July 2007, and subsequent amendments and additions, in compliance with the IAS/IFRS issued by the IASB and endorsed by the European Union.

Unipol Gruppo S.p.A. exercises direction and coordination of its direct and indirect subsidiaries. It is also the parent company of Gruppo Assicurativo Unipol, registered in the Register of Insurance Groups at no. 046, and parent company of the Unipol Banking Group.

In addition, Unipol Gruppo S.p.A. operates as a mixed investment holding company at the head of the Unipol financial conglomerate.

A copy of the consolidated financial statements at 31 December 2018 of Unipol Gruppo S.p.A. is available at the company's registered office, as well as on its website (www.unipol.it).

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 2017 (the latest to be approved) of the indirect parent company, Unipol Gruppo S.p.A., as it exercises direction and coordination of the Company:

KEY FIGURES FROM THE FINANCIAL STATEMENTS OF UNIPOL GRUPPO S.P.A.	
(in millions of euro)	31.12.2017
BALANCE SHEET	
ASSETS	
A) SUBSCRIBED CAPITAL UNPAID	-
B) FIXED ASSETS	
I Intangible assets	3.2
II Tangible assets	1.0
III Financial assets	6,421.8
TOTAL FIXED ASSETS	6,426.0
C) CURRENT ASSETS	
I Inventories	-
II Debtors	731.9
III Financial assets not held as fixed assets	164.7
IV Cash and cash equivalents	1,421.0
TOTAL CURRENT ASSETS	2,317.6
D) PREPAYMENTS AND ACCRUED INCOME	0.7
TOTAL ASSETS	8,744.3
LIABILITIES	
A) CAPITAL AND EQUITY RESERVES	
I Share capital	3,365.3
II Share premium reserve	1,435.7
IV Legal reserve	561.7
IX Net profit (loss) for the year	213.4
X Negative reserve for own shares in portfolio	(8.8)
TOTAL CAPITAL AND EQUITY RESERVES	5,567.3
B) PROVISIONS FOR RISKS AND CHARGES	342.6
C) TERMINATION INDEMNITIES	-
D) CREDITORS	2,834.4
TOTAL LIABILITIES	8,744.3
STATEMENT OF INCOME	
A) VALUE OF PRODUCTION	31.1
B) PRODUCTION COSTS	(158.1)
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A-B)	(127.0)
C) FINANCIAL INCOME AND EXPENSES	964.9
D) ADJUSTMENTS TO FINANCIAL ASSETS	(655.8)
PROFIT (LOSS) BEFORE TAXES	182.1
INCOME TAXES	31.2
NET PROFIT (LOSS) FOR THE YEAR	213.3

C.15 Data of the companies that prepare consolidated financial statements

The consolidated financial statements are prepared by the direct parent company UnipolSai Assicurazioni S.p.A. and the indirect parent company Unipol Gruppo S.p.A., both with registered office in Via Stalingrado 45, Bologna.

Copies of their consolidated financial statements are available at these companies' headquarters.

PART D - SIGNIFICANT EVENTS SUBSEQUENT TO YEAR END AND OUTLOOK FOR OPERATIONS

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

Having regard for the information available to date and subject to any events that cannot be foreseen at this time, it is reasonable to expect that 2019 will be another profitable year.

PART E - PROPOSED RESOLUTIONS TO THE ORDINARY SHAREHOLDERS' MEETING

Resolution concerning the financial statements and the results for the year

You are invited to approve the report on operations and the financial statements for the year ended 31 December 2018, together with the following proposed allocation of the net profit of € 325,319:

- Net profit for the year ended 31 December 2018	325,319 €
- to the legal reserve, 5%	(16,266) €
- the balance to Other reserves: Extraordinary reserve	(309,053) €
	-

Resolution with regard to the reserve for exchange gains (as per art. 2426, point 8-bis of the Civil Code)

We submit for your approval the transfer within other reserves of € 125,530 from the reserve for exchange gains (as per art. 2426, point 8-bis of the Civil Code) to the extraordinary reserve.

Bologna, 11 March 2019

For the Board of Directors
The Chairman
(Giuseppe Santella)

ATTACHMENT

Statement of changes in financial position for the year ended 31 December 2018		
(in thousands of euro)	2018	2017
Sources of funds		
Net profit for the year	325	5,186
Writedown of receivables	233	483
Depreciation and amortisation of property, tangible and intangible assets	848	793
Writedown of financial investments	355	48
Provisions for termination indemnities	399	375
Decrease in deposits with insurance and reinsurance companies	111	51
Decrease in investments in Group and other companies	29	30
Decrease in financial investments	12,419	-
Increase in deposits from reinsurers	139	654
Net increase in technical reserves	878	1,821
Provisions for risks and charges	1,100	-
Net change in other assets and liabilities	-	3,214
Net change in accruals and deferrals	87	-
Total sources of funds	**16,923**	**12,655**
Application of funds		
Dividends paid	4,180	4,940
Increase in financial investments	-	4,676
Utilisation of termination indemnities	479	415
Utilisation of provisions for risks and charges	-	58
Net change in other receivables and payables	2,210	1,153
Net change in other assets and liabilities	1,673	-
Net change in debtors and creditors from/to insurance and reinsurance operations	6,472	1,403
Increase in investment in property	390	1,422
Increase in tangible and intangible assets	646	161
Net change in accruals and deferrals	-	85
Total application of funds	**16,050**	**14,313**
Increase (decrease) in cash and cash equivalents	**873**	**(1,658)**
Cash and cash equivalents:		
- beginning of the year	2,424	4,082
- end of the year	3,297	2,424
Increase (decrease) in cash and cash equivalents	**873**	**(1,658)**

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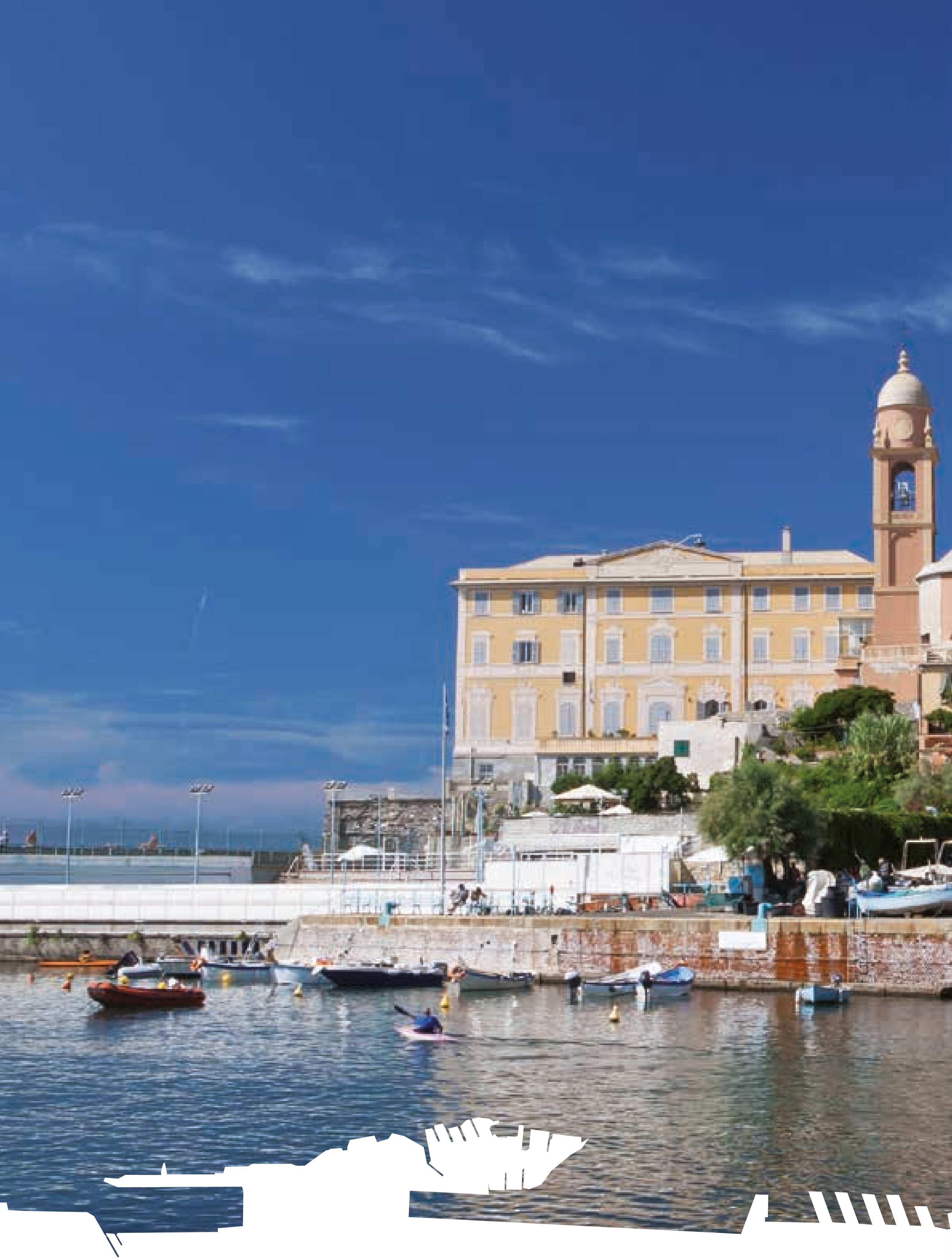
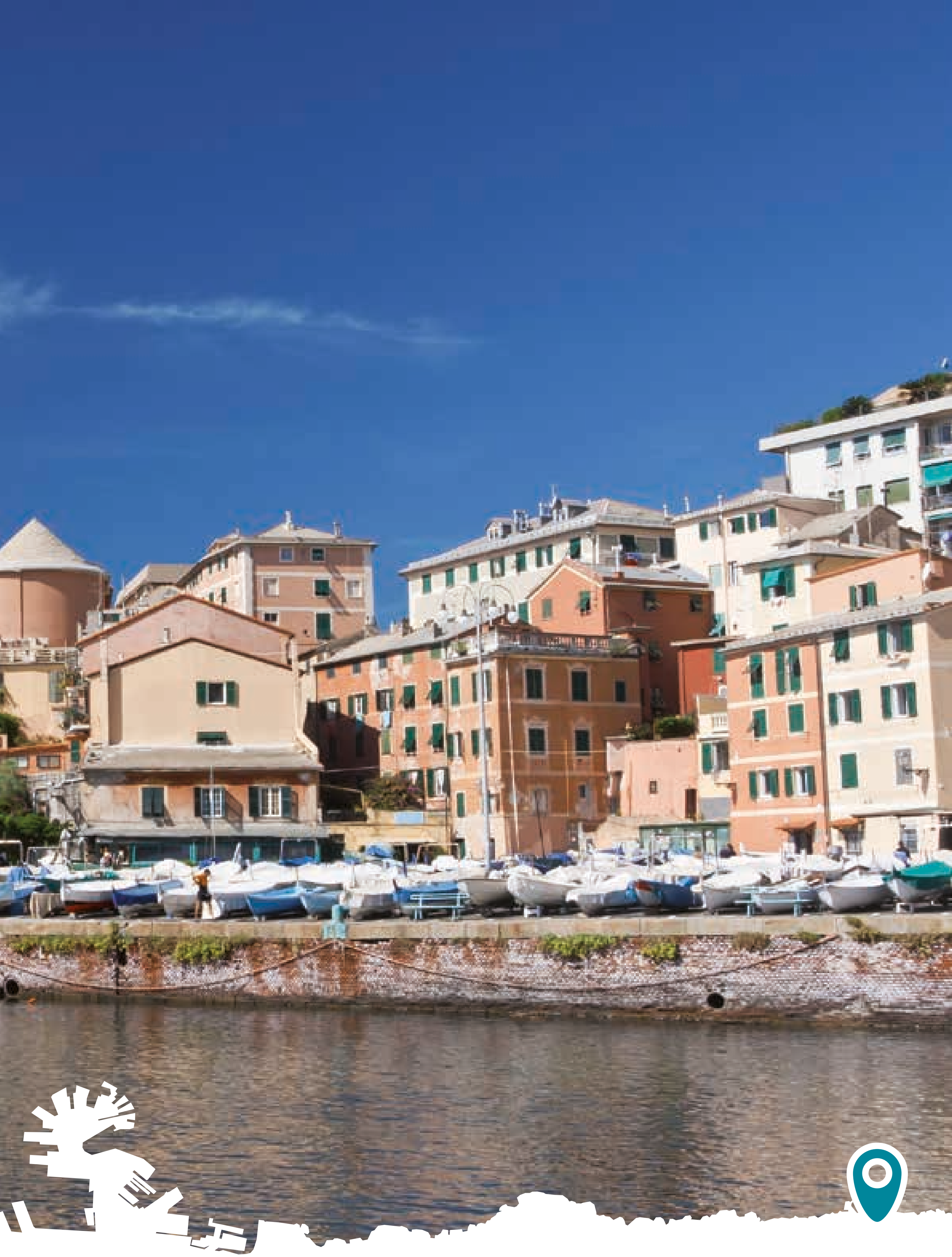


The district of Nervi has a particularly mild climate with above average temperatures.
In 2018 it hosted Euroflora, the International Flower and Ornamental Plant Exhibition.



ATTACHMENTS

Attachment 3

Year 2018

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	487	21		41	487
Income from investments	+	2	3,831			42	3,831
Financial charges	-	3	1,922			43	1,922
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	1,135			45	1,135
Intermediate result		6	1,261	26		46	1,261
Other income	+	7	4,109	27		47	4,109
Other expenses	-	8	4,969	28		48	4,969
Extraordinary income	+	9	358	29		49	358
Extraordinary expenses	-	10	50	30		50	50
Result before tax		11	708	31		51	708
Income taxes	-	12	383	32		52	383
Net result for the year		13	325	33		53	325

Attachment 4

Year 2018

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

			Intangible assets B.		Property C.I
Gross opening balance	+	1	1,728	31	25,715
Increase	+	2	506	32	391
due to : Purchases		3	506	33	0
Write backs		4	0	34	0
Revaluation		5	0	35	0
Other changes		6	0	36	391
Decrease	-	7	0	37	0
due to : Sales		8	0	38	0
Permanent writedowns		9	0	39	0
Other changes		10	0	40	0
Gross closing balance (a)		11	2,234	41	26,107
Depreciation / Amortisation					
Opening balance	+	12	1,504	42	6,607
Increase	+	13	97	43	687
due to : Depreciation / Amortisation		14	97	44	687
Other changes		15	0	45	0
Decrease	-	16	0	46	0
due to : Sales		17	0	47	0
Other changes		18	0	48	0
Accumulated depreciation / amortisation (b)		19	1,601	49	7,294
Net book value (a - b)		20	633	50	18,813
Market value				51	26,500
Total revaluation		22		52	0
Total writedowns		23		53	
(*) of which depreciation / amortisation made solely for tax purposes		24		54	

Attachment 5

Year 2018

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

		Shares and quotas	Bonds	Loans
Opening balance	+	1 121	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 30	27	47
due to : Sales		8 30	28	48
Writedowns		9	29	49
Other changes		10	30	50
Book value		11 91	31	51
Market value		12 110	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

	(1)	Listed or Unlisted (2)	Activity carried out (3)	Company name and registered office	Currency
1	e	NQ	7	UCI Società Consortile a r.l. Corso Sempione, 39 MILANO	242
2	c	NQ	7	UNIPOLSAI Servizi Consortili Scarl Via Stalingrado, 37 BOLOGNA	242
3	a	Q	2	UNIPOL GRUPPO S.p.A. Via Stalingrado, 45 BOLOGNA	242

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

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

(2) L = Listed
U = Unlisted

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

(4) Original currency

(5) Global percentage owned

Attachment 6

Year 2018

: general information (*)

Share capital		Net Worth (**)	Profit / Loss for the last year closed (**)	Partecipating share (5)		
Amount (4)	Number of Shares	(4)	(4)	Direct %	Indirect %	Total %
527,850	1,035,000			0.09		0.09
5,200,000	10,000			0.11		0.11
3,365,292,407	717,473,508			0.01		0.01

(**) 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. Corso Sempione, 39 MILANO			
2	c	D	UNIPOLSAI Servizi Consortili Scarl Via Stalingrado, 37 BOLOGNA			
3	a	D	UNIPOL GRUPPO S.p.A. Via Stalingrado, 45 BOLOGNA			
	a		Parent company			
	b		Controlled company			
	c		Related company			
	d		Affiliated company			
	e		Other			
			Totale D.I			
			Totale D.II			

(1) As per annex 6

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

Attachment 7

Year 2018

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	1	1	1
			10,528	40	40	40
11,808	30		19,576	50	50	69
	30			50	50	69
				40	40	40
				1	1	1

Attachment 8

Year 2018

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:	1		21		41		61		81		101	
a) listed shares	2		22		42		62		82		102	
b) unlisted shares	3		23		43		63		83		103	
c) quotas	4		24		44		64		84		104	
2. Mutual funds units	5		25		45	1,224	65	1,660	85	1,224	105	1,660
3. Bonds and other fixes securities	6	43,830	26	43,522	46	52,011	66	53,365	86	95,841	106	96,888
a1) listed State bonds	7	38,811	27	38,474	47	38,691	67	37,902	87	77,502	107	76,376
a2) other listed securities	8	5,019	28	5,048	48	13,318	68	15,461	88	18,336	108	20,510
b1) unlisted State bonds	9		29		49		69		89		109	
b2) other unlisted securities	10		30		50	2	70	2	90	2	110	2
c) convertible bonds	11		31		51		71		91		111	
5. Quotas in mutual investments	12		32		52		72		92		112	
7. Other financial investments	13		33		53		73		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:	121		141		161		181		201		221	
a) listed shares	122		142		162		182		202		222	
b) unlisted shares	123		143		163		183		203		223	
c) quotas	124		144		164		184		204		224	
2. Mutual funds units	125		145		165		185		205		225	
3. Bonds and other fixes securities	126		146		166		186		206		226	
a1) listed State bonds	127		147		167		187		207		227	
a2) Other listed securities	128		148		168		188		208		228	
b1) Unlisted State Bonds	129		149		169		189		209		229	
b2) Other unlisted securities	130		150		170		190		210		230	
c) convertible bonds	131		151		171		191		211		231	
5. Quotas in mutual investments	132		152		172		192		212		232	
7. Other financial investments	\		153		173		193		213		233	

Notes to the financial statements - Attachment 9

Company SIAT Società Italiana Assicurazioni e Riassicurazioni p.A. Year 2018

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	29,668	81		101	
Increases during the year:	+	2		22		42	14,553	82		102	
for: purchases		3		23		43	13,982	83		103	
writebacks		4		24		44		84		104	
transfers from the short-term portfolio		5		25		45		85		105	
other changes		6		26		46	571	86		106	
Decreases during the year:	-	7		27		47	391	87		107	
for: sales		8		28		48	229	88		108	
writedowns		9		29		49		89		109	
transfers to the short-term portfolio		10		30		50		90		110	
other changes		11		31		51	161	91		111	
Book value		12		32		52	43,830	92		112	
Current value		13		33		53	43,522	93		113	

Attachment 10

Year 2018

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	33	21	401
Increase:	+	2	6	22	0
due to : disbursements		3			
write backs		4			
other changes		5	6		
Decrease:	-	6	27	26	0
due to : reimbursements		7	24		
writedowns		8			
other changes		9	3		
Book value		10	12	30	401

Attachment 13

Year 2018

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	48,068	11	46,958	21	1,110
Reserve for unexpired risks	2	3,740	12	3,000	22	740
Book value	3	51,808	13	49,958	23	1,850
Claims payable reserve:						
Reserve for claims and direct expenses	4	216,914	14	177,144	24	39,770
Reserve for liquidation expenses	5	9,171	15	11,156	25	-1,985
Reserve for IBNR	6	29,638	16	26,738	26	2,900
Book value	7	255,722	17	215,038	27	40,684

Attachment 15

Year 2018

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 1,411	21	31 1,089
Provision for the year	+	2	12 1,100	22	32 399
Other increase	+	3	13 0	23	33 0
Use in the year	-	4	14 0	24	34 479
Other decrease	-	5	15 0	25	35 0
Book value		6	16 2,511	26	36 1,010

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Attachment 16

Year 2018

Statement of assets and liabilities for intercompany transactions

I: Assets

	Parent companies		Controlled companies		Related companies		Affiliated companies		Others		Total	
Shares and quotas	1	50	2	0	3	40	4	0	5	0	6	91
Bonds	7	0	8	0	9	0	10	0	11	0	12	0
Loans	13	0	14	0	15	0	16	0	17	0	18	0
Quotas in mutual investments	19	0	20	0	21	0	22	0	23	0	24	0
Restricted deposits with banks	25	0	26	0	27	0	28	0	29	0	30	0
Other financial investments	31	0	32	0	33	0	34	0	35	0	36	0
Deposits with ceding undertakings	37	0	38	0	39	0	40	0	41	0	42	0
Investments linked with mutual funds and other index	43	0	44	0	45	0	46	0	47	0	48	0
Investments deriving from management of pension funds	49	0	50	0	51	0	52	0	53	0	54	0
Receivables arising out of direct insurance	55	0	56	0	57	0	58	0	59	0	60	0
Reinsurance debtors	61	0	62	0	63	0	64	0	65	0	66	0
Other receivables	67	3,322	68	0	69	25	70	0	71	0	72	3,347
Bank accounts	73	0	74	0	75	587	76	0	77	0	78	587
Other assets	79	0	80	0	81	94	82	0	83	0	84	94
Total	85	3,372	86	0	87	747	88	0	89	0	90	4,119
of which subordinated assets	91	0	92	0	93	0	94	0	95	0	96	0

Statement of assets and liabilities for intercompany transactions

II: Liabilities

	Parent companies		Controlled companies		Related companies		Affiliated companies		Others		Total	
Subordinated liabilities	97	0	98	0	99	0	100	0	101	0	102	0
Deposits from reinsurers	103	0	104	0	105	0	106	0	107	0	108	0
Payables arising out of direct insurance	109	129	110	0	111	0	112	0	113	0	114	129
Reinsurance creditors	115	1,716	116	0	117	0	118	0	119	0	120	1,716
Bank overdrafts	121	0	122	0	123	0	124	0	125	0	126	0
Secured payables	127	0	128	0	129	0	130	0	131	0	132	0
Loans	133	0	134	0	135	0	136	0	137	0	138	0
Other payables	139	200	140	0	141	0	142	0	143	0	144	200
Other liabilities	145	2,299	146	0	147	45	148	0	149	0	150	2,345
Total	151	4,345	152	0	153	45	154	0	155	0	156	4,391

Attachment 19

Year 2018

Insurance business highlights

		Gross premiums written		Gross premiums earned		Gross claims incurred		Operating expenses		Reinsurance Balance
Direct insurance:										
Personal accident and health insurance	1	386	2	283	3	-7	4	63	5	-74
Motor third party liability	6	3,413	7	3,499	8	1,910	9	1,153	10	277
Motor fire, theft, etc. insurance	11		12		13		14		15	
Marine insurance	16	117,038	17	116,920	18	152,798	19	23,479	20	54,362
Fire and other property damage	21	1,221	22	1,320	23	-181	24	426	25	-879
Generale third party liabilities	26	3,722	27	3,620	28	2,581	29	1,052	30	-94
Credit and bond insurance	31		32		33	302	34		35	101
Pecuniary losses	36	1,431	37	1,531	38	1,366	39	265	40	48
Legal defence	41		42		43		44		45	
Assistance	46	3	47	2	48		49		50	1
Total direct insurance	51	127,214	52	127,175	53	158,769	54	26,438	55	53,743
Indirect insurance	56	19,650	57	18,387	58	649	59	6,336	60	-6,610
Total italian business	61	146,864	62	145,562	63	159,418	64	32,774	65	47,133
Foreign business	66	1,620	67	1,768	68	84	69	345	70	-1,136
Grand total	71	148,484	72	147,330	73	159,502	74	33,119	75	45,997

Attachment 21

Year 2018

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

	Non-life business	Life business	Total
Income from shares and quotas:			
Dividends from group companies	1 6	41	81 6
Other dividends	2	42	82
Total	3 6	43	83 6
Income from property	4 433	44	84 433
Income from other investment:			
Interest income from group companies	5	45	85
Interest income on loans granted to group companies	6	46	86
Income from mutual fund units	7	47	87
Interest income on bonds and other fixed securities	8 2,849	48	88 2,849
Interest income on loans	9 0	49	89 0
Income from mutual investments	10	50	90
Interest income on restricted deposits with banks	11	51	91
Interest income on other financial investments	12	52	92
Interest income on deposits with ceding untertakings	13 0	53	93 0
Total	14 2,849	54	94 2,849
Writebacks from :			
Property	15	55	95
Group companies' shares	16	56	96
Group companies' bonds	17		
Other shares and quotas	18	58	98
Other bonds	19	59	99
Other financial investments	20	60	100
Total	21	61	101
Gains on disposal of :			
Property	22	62	102
Group companies shares	23	63	103
Group companies bonds	24	64	104
Other shares and quotas	25 12	65	105 12
Other bonds	26 531	66	106 531
Other financial investments	27	67	107
Total	28 543	68	108 543
GRAND TOTAL	29 3,831	69	109 3,831

Attachment 23

Year 2018

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

	Non-life Business	Life Business	Total
Investment management charges and interest expenses for			
Shares and quotas	1	31	61
Properties	2 387	32	62 387
Bonds	3 167	33	63 167
Mutual fund units	4	34	64
Mutual investments	5	35	65
Other financial investments	6 181	36	66 181
Deposits from reinsurers	7 6	37	67 6
Total	8 741	38	68 741
Writedowns of:			
Properties	9 687	39	69 687
Group companie's shares	10	40	70
Group companie's bonds	11	41	71
Other shares and quotas	12	42	72
Other bonds	13 355	43	73 355
Other financial investments	14	44	74
Total	15 1,042	45	75 1,042
Losses on sale of :			
Properties	16	46	76
Shares and quotas	17	47	77
Bonds	18 138	48	78 138
Other financial investments	19	49	79
Total	20 138	50	80 138
GRAND TOTAL	21 1,922	51	81 1,922

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		Personal accident	Health insurance
Direct business net of reinsurance			
Premiums written	+	1 386	1
Change in unearned premiums reserve	-	2 103	2
Claims incurred	-	3 -7	3
Change in other technical reserves	-	4	4
Other tecnical income (expenses) net	+	5	5
Operating expenses	-	6 63	6
Underwriting result of direct business (+ o -) A		7 227	7
Result of outward reinsurance (+ o -) B		8 -74	8
Net underwriting result of indirect business (+ o -) C		9	9
Change in equalisation reserve (+ o -) **D**		10	10
Portion of income from inv. tranferred from non technical account **E**		11 1	11
Tecnical result (+ o -) (A + B + C - D + E)		12 155	12

		Cargo insurance	Fire
Direct business net of reinsurance			
Premiums written	+	1 26,657	1
Change in unearned premiums reserve	-	2 304	2 -102
Claims incurred	-	3 18,571	3 36
Change in other technical reserves	-	4	4
Other tecnical income (expenses) net	+	5 -431	5
Operating expenses	-	6 8,305	6 24
Underwriting result of direct business (+ o -) A		7 -953	7 43
Result of outward reinsurance (+ o -) B		8 435	8 -89
Net underwriting result of indirect business (+ o -) C		9 3,307	9 2
Change in equalisation reserve (+ o -) **D**		10 32	10
Portion of income from inv. tranferred from non technical account **E**		11 232	11 1
Tecnical result (+ o -) (A + B + C - D + E)		12 2,988	12 -43

		General third party liability	Credit insurance
Direct business net of reinsurance			
Premiums written	+	1 3,722	1
Change in unearned premiums reserve	-	2 102	2
Claims incurred	-	3 2,581	3
Change in other technical reserves	-	4	4
Other tecnical income (expenses) net	+	5 -42	5
Operating expenses	-	6 1,052	6
Underwriting result of direct business (+ o -) A		7 -55	7
Result of outward reinsurance (+ o -) B		8 -94	8
Net underwriting result of indirect business (+ o -) C		9 2	9
Change in equalisation reserve (+ o -) **D**		10	10
Portion of income from inv. tranferred from non technical account **E**		11 56	11
Tecnical result (+ o -) (A + B + C - D + E)		12 -91	12

Attachment 25

Year 2018

	Motor fire, theft, etc. Insurance		Railway carriage insurance		Aircraft insurance		Hull insurance
1		1	154	1	1,167	1	88,676
2		2	19	2	319	2	-617
3		3	765	3	719	3	132,519
4		4		4		4	
5		5		5		5	-574
6		6	52	6	156	6	14,905
7		7	-681	7	-27	7	-58,705
8		8	492	8	-97	8	53,585
9		9	10	9	11	9	-1,726
10		10		10		10	66
11		11	5	11	2	11	685
12		12	-175	12	-111	12	-6,228

	Other property damage		Motor third party liability		Aircraft third party liability		Hull third party liability
1	1,221	1	3,413	1	368	1	16
2	3	2	-86	2	87	2	6
3	-217	3	1,910	3	224	3	0
4		4		4		4	
5	-22	5	-87	5		5	
6	402	6	1,153	6	58	6	3
7	1,009	7	349	7	-1	7	7
8	-790	8	277	8	-48	8	-6
9	61	9	3,149	9		9	
10	4	10		10		10	
11	7	11	120	11		11	
12	283	12	3,896	12	-50	12	2

	Bond insurance		Pecuniary losses		Legal defense		Assistance
1		1	1,431	1		1	3
2		2	-100	2		2	1
3	302	3	1,366	3		3	
4		4		4		4	
5		5	72	5		5	
6		6	265	6		6	
7	-302	7	-29	7		7	1
8	101	8	48	8		8	1
9	-35	9		9		9	0
10		10		10		10	
11	21	11	7	11		11	
12	-180	12	26	12		12	2

Attachment 26

Year 2018

Summary of technical account for non-life business
Italian Business

		Direct insurance				Indirect insurance				Retained risks	
		Direct risks 1		Ceded risks 2		Indirect risks 3		Retroceded risks 4		Total 5 = 1 - 2 + 3 - 4	
Premiums written	+	1	127,214	11	92,460	21	19,650	31	11,319	41	43,084
Change in unearned premiums reserve	-	2	39	12	-574		1,263	32	1,184	42	691
Claims incurred	-	3	158,769	13	126,896	23	649	33	557	43	31,965
Change in other technical reserves	-	4		14		24		34		44	
Other tecnical income (expenses) net	+	5	-1,085	15	-875	25	22	35	-4	45	-183
Operating expenses	-	6	26,438	16	19,006	26	6,336	36	2,964	46	10,804
Underwriting result (+ o -)		7	-59,117	17	-53,743	27	11,425	37	6,610	47	-560
Change in equalisation reserve (+ o -)	-									48	102
Portion of income from inv. tranferred from non technical account	+	9	970			29	166			49	1,135
Technical result (+ o -)		10	-58,147	20	-53,743	30	11,591	40	6,610	50	474

Attachment 29

Year 2018

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 tecnical 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	13
Change in equalisation reserve (+ o -) **D**		10	
Portion of income from inv. tranferred from non technical account **E**		11	
Tecnical result (+ o -) (A + B + C - D + E)		12	13

Section II : Life business

			All branches
Direct business net of reinsurance			
Premiums written	+	1	
Claims incurred	-	2	
Change in other technical reserves	-	3	
Other tecnical 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	
Tecnical result (+ o -) (A + B + C)		10	

Attachment 30

Year 2018

Intercompany transactions

I: Revenues

		Parent companies		Controlled companies		Related companies		Affiliated companies		Others		Total
Investments income												
Income from property	1	433	2		3		4		5		6	433
Dividends	7	6	8		9		10		11		12	6
Interest income on bonds	13		14		15		16		17		18	
Interest on loans	19		20		21		22		23		24	
Interest income on other financial investments	25		26		27		28		29		30	
Interest income on deposits with ceding undertakings	31		32		33		34		35		36	
Total	37	439	38		39		40		41		42	439
	43		44		45		46		47		48	
Other revenues												
Interest income on receivables	49		50		51	31	52		53		54	31
Recovery of administrative expensive	55	2,936	56		57	51	58		59		60	2,987
Others	61	32	62		63	0	64		65		66	32
Total	67	2,967	68		69	82	70		71		72	3,049
Gains on disposal of investments	73		74		75		76		77		78	
Extraordinary revenues	79		80		81	1	82		83		84	1
GRAND TOTAL	85	3,406	86		87	82	88		89		90	3,488

Intercompany transactions

II: Charges

		Parent companies		Controlled companies		Related companies		Affiliated companies		Others		Total
Investment management charges and interest expenses :												
Investment charges	91	84	92		93	116	94		95		96	200
Interest expenses on subordinated liabilities	97		98		99		100		101		102	
Interest expenses on deposits from reinsurers	103		104		105		106		107		108	
Interest expenses on payables arising out of direct insurance	109		110		111		112		113		114	
Interest expenses on payables arising out of reinsurance	115		116		117		118		119		120	
Interest expenses on bank overdrafts	121		122		123		124		125		126	
Interest expenses on secured payables	127		128		129		130		131		132	
Other interests expenses	133		134		135		136		137		138	
Losses on receivable	139		140		141		142		143		144	
Administrative expenses on behalf of third parties	145		146		147		148		149		150	
Other charges	151		152		153		154		155		156	
Total	157	84	158		159	116	160		161		162	200
	163		164		165		166		167		168	
Loss on disposal of investments	169		170		171		172		173		174	
Extraordinary costs	175		176		177		178		179		180	
GRAND TOTAL	181	84	182		183	116	184		185		186	200

Attachment 31

Year 2018

Direct business : summary of gross premiums written

	Non-life Business		Life Business		Total	
	Permanent establishment	Freedom of services	Permanent establishment	Freedom of services	Permanent establishment	Freedom of services
Premiums written:						
in Italy	1 66,190	5	11	15	21 66,190	25
in other european countries	2 5,579	6 39,140	12	16	22 5,579	26 39,140
in other countries	3	7 16,305	13	17	23	27 16,305
Total	4 71,769	8 55,445	14	18	24 71,769	28 55,445

Attachment 32

Year 2018

Statement of personnel expenses and costs for directors and statutory auditors

I: Personnel expenses

	Non life business		Life business		Total	
Payroll costs						
Italian business :						
- Salaries	1	5,360	31		61	5,360
- Social contributions	2	1,480	32		62	1,480
- Provision for termination indemnities	3	399	33		63	399
- Other personnel expenses	4	939	34		64	939
Total	5	8,178	35		65	8,178
Foreing business:						
- Salaries	6		36		66	
- Social contributions	7		37		67	
- Other personnel expenses	8		38		68	
Total	9		39		69	
Grand total	10	8,178	40		70	8,178
Fees for consultancy :						
Italian Business	11		41		71	
Foreing business	12		42		72	
Total	13		43		73	
Total personnel expenses	14	8,178	44		74	8,178

II: Splitting of personnel expenses

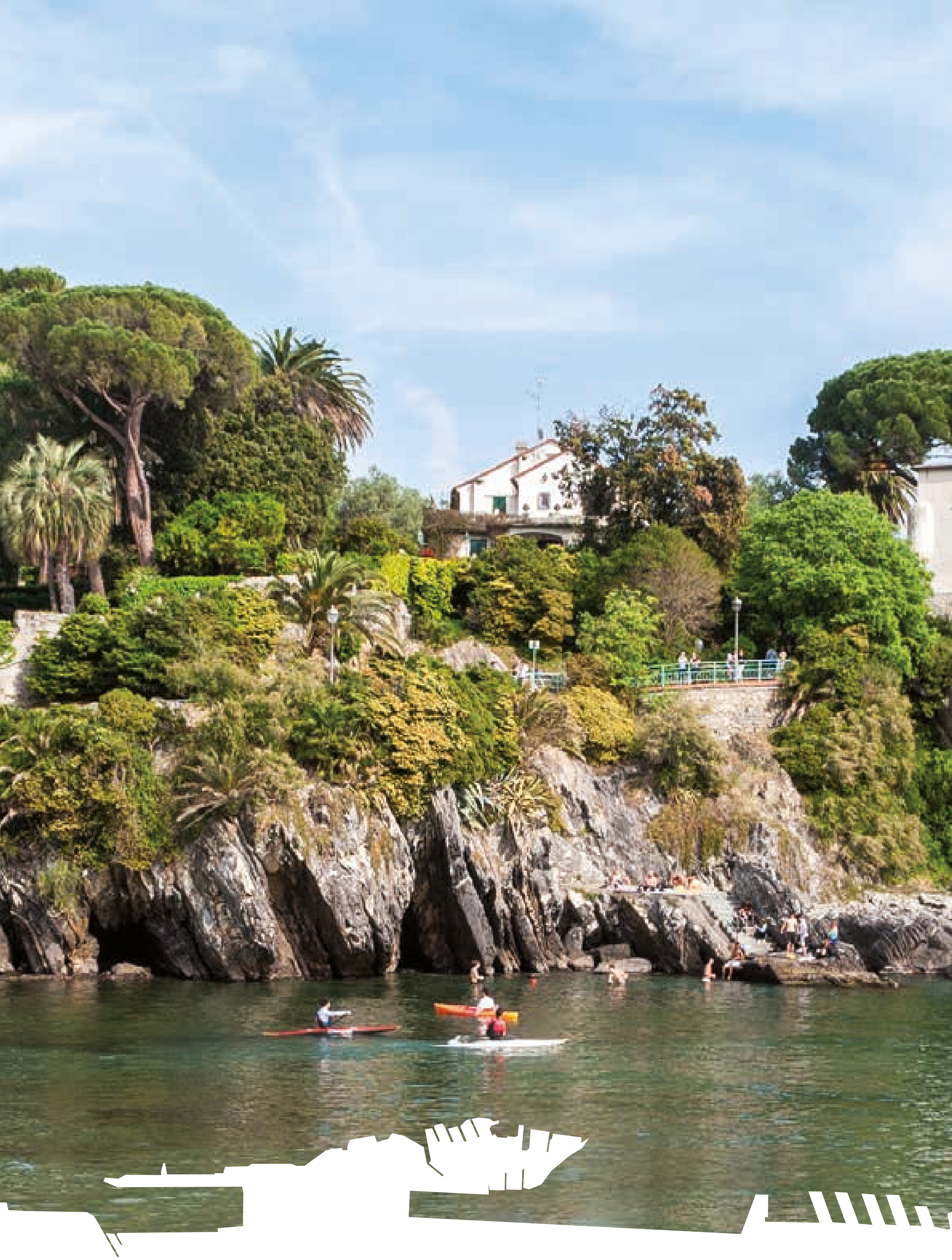
	Non life business		Life business		Total	
Investment management charges	15		45		75	
Claims operating expenses	16	699	46		76	699
Other acquisition costs	17	1,702	47		77	1,702
Other administrative expenses	18	3,801	48		78	3,801
Administrative expenses on behalf of third parties	19	1,976	49		79	1,976
	20		50		80	
Total	21	8,178	51		81	8,178

III: Average personnel workforces for the year

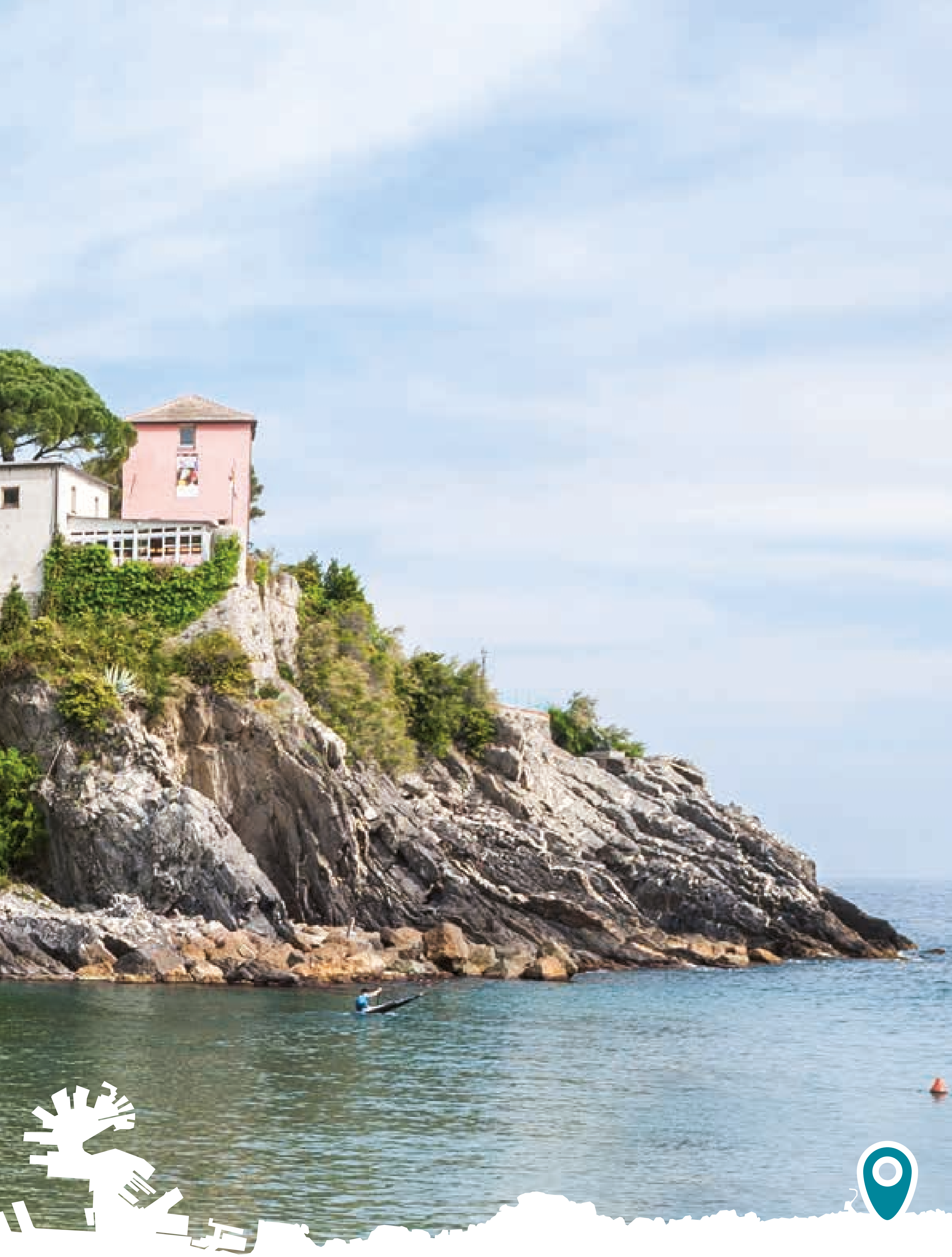
	Number	
Managers	91	4
Clerks	92	99
Others	94	
Total	95	103

IV: Directors and statutory auditors

	Number		Emoluments	
Directors	96	10	98	160
Statutory auditors	97	3	99	36



The Nervi promenade, built along the jagged coast, derives from an ancient trail that was used by fishermen to reach their fishing grounds.



AUDITOR'S REPORT

Siat
ASSICURAZIONI

Independent auditor's report

in accordance with article 14 of Legislative Decree n° 39 of 27 January 2010, article 10 of Regulation (EU) n 537/2014 and article 102 of Legislative Decree n° 209 of 7 September 2005

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

Report on the Audit of the Financial Statements as of 31 December 2018

Opinion

We have audited the financial statements of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni (the "Company"), which comprise the balance sheet as of 31 December 2018, the income statement for the year then ended and notes to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2018, and of the result of its operations for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Actuarial estimates of Non-life claims provisions	
Notes to the Financial Statements: *Part A: Accounting policies* *Part B: Balance sheet and statement of income, Section 10 – Technical provision (Caption C.I)* Technical provisions include Euro 215 million of Non-Life claims provisions representing the 54 per cent of "Total liabilities and equity". Non-Life claims provisions is posted to face the amounts incurred by the Company to settle the claims incurred in the current and in previous years and not yet defined at year end. Granted that the valuation of outstanding claims relies on the quality of the underlying data, a range of methods, underlying a number of implicit or explicit assumptions relating to the expected settlement amount and number of claims, may be used to determine these provisions. Change in these assumptions can modify the estimate of the final provisions. The valuation of Non-Life claims provisions involves the use of significant estimates and relies on a significant professional judgement based on the actuarial assumption adopted. Professional judgement is involved, for instance, in estimating the period over which claims are expected to settle.	In order to challenge the quality of the data utilized to valuate the Non-Life claims provisions, we understood and tested the governance process in place to determine the insurance contract liabilities and validated, on a sample basis, the controls in place. In addition we verified the accuracy and completeness of the data base testing a sample of claims and matching the information included in the IT system with those of the related dossiers. Our audit procedures applied to verify the actuarial valuation include the following: - analysis of the methodologies, hypothesis and assumptions adopted by management; - challenge these methodologies and assumptions by comparing them with those used in the industry and in prior periods. Moreover, for the more relevant LoBs, assisted by our own actuarial experts, we performed a technical-comparative analysis on assumptions and estimates utilized by the Company in the year end and in the previous year togheter with a statistical analysis based on claims indicators.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, management uses the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;

- we concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by article 10 of Regulation (EU) n° 537/2014

On 28 November 2013, the Shareholders of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni in general meeting engaged us to perform the statutory audit of the Company and the consolidated financial statements audit for the years ending 31 December 2013 to 31 December 2021.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) n 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to those charged with governance, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion in accordance with article 14, paragraph 2, letter e), of Legislative Decree n° 39/2010

Management of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni is responsible for preparing a report on operations of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni as of 31 December 2018, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) n° 720B in order to express an opinion on the consistency of the report on operations, with the financial statements of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni as of 31 December 2018 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

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 2018 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree n° 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Opinion drawn up pursuant to article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, Non –Life technical provisions

In execution of the assignment received from SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni, we have performed procedures, in accordance with article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, on the items relating to the Non – Life technical provisions, included in the liabilities section of the balance sheet of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni as at 31 December 2018. The Directors are responsible to establish technical provisions to the extent to guarantee the obligations arising from insurance and reinsurance contracts.

On the basis of the procedures performed in accordance with article 102, paragraph 2, of Legislative Decree n° 209 of 7 September 2005, of ISVAP Regulation n° 22/2008 and associated guidelines included in the application document published by IVASS on its website on 31 January 2017, the above mentioned technical provisions, included in the liabilities section of the balance sheet of SIAT – Società Italiana Assicurazioni e Riassicurazioni – per Azioni as at 31 December 2018, are sufficient in accordance with applicable law and regulations and on the basis of correct actuarial techniques, in accordance with IVASS Regulation n° 22/2008.

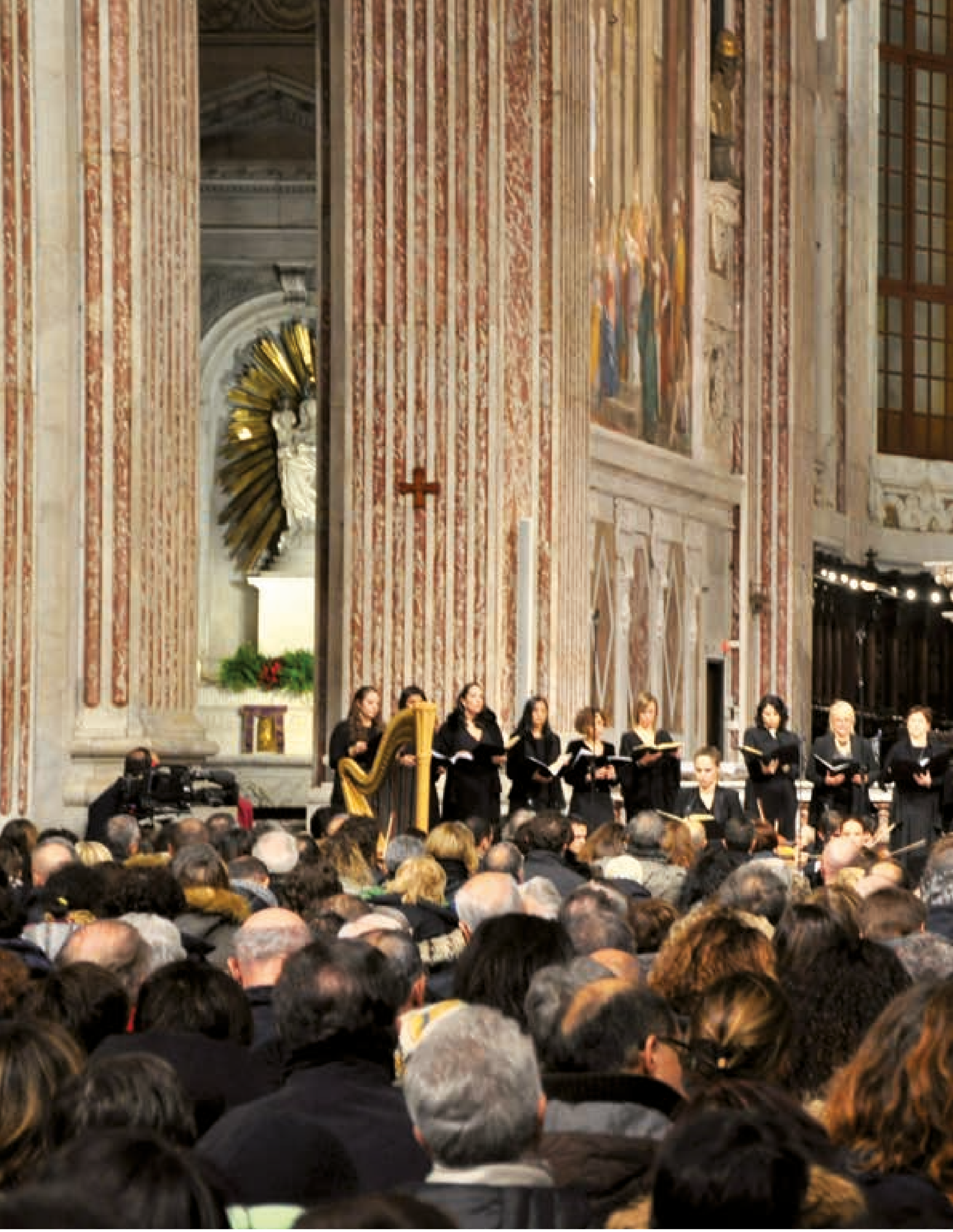
Milan, 25 March 2019

PricewaterhouseCoopers SpA

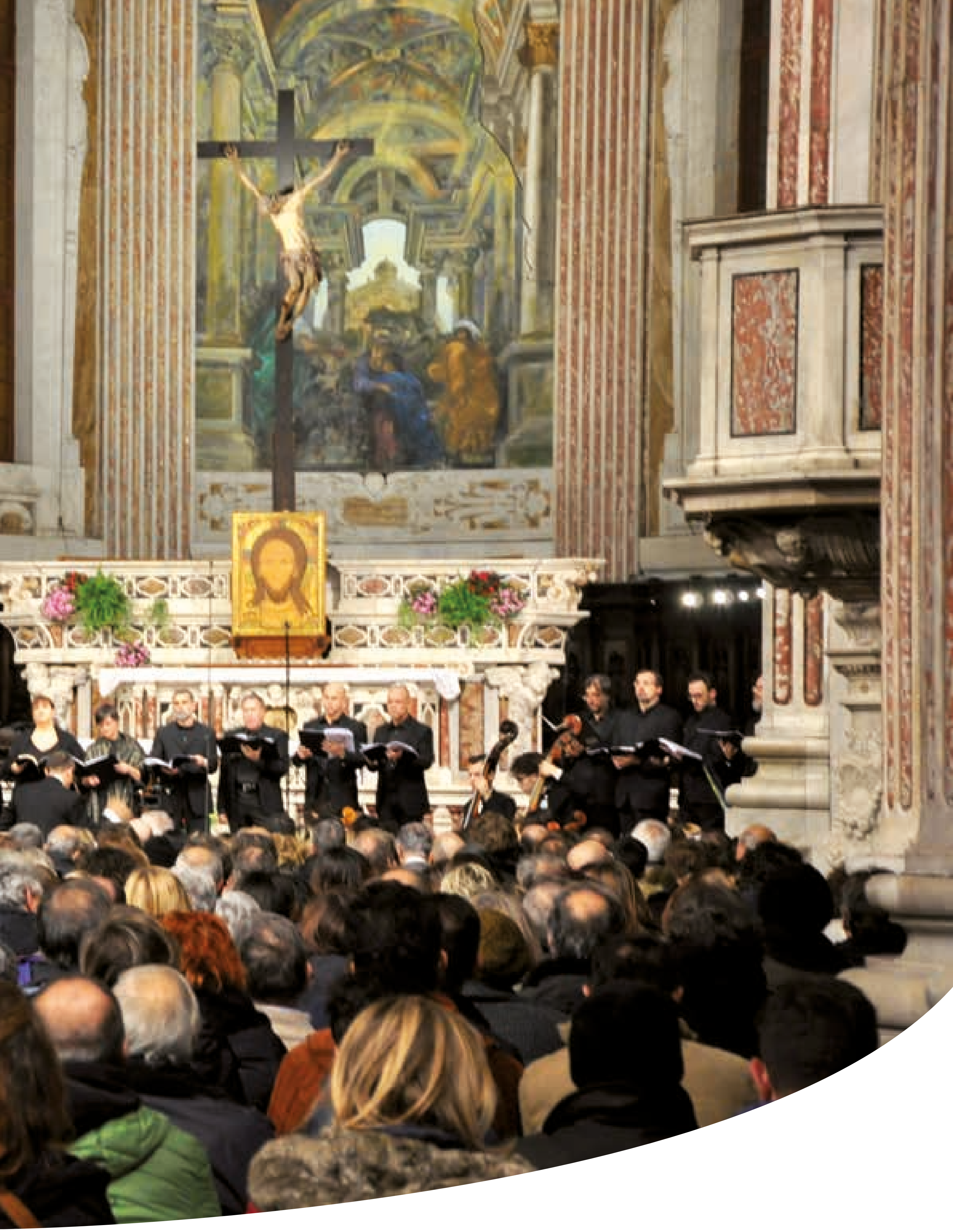
Signed by

Dario Troja
(Partner)

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



The Christmas Concert on 12th December at the Basilica of Santissima Annunziata del Vastato.
A charitable initiative in aid of the Morandi Bridge evacuees.



RESOLUTION OF THE SHAREHOLDERS' MEETING – EXTRACT

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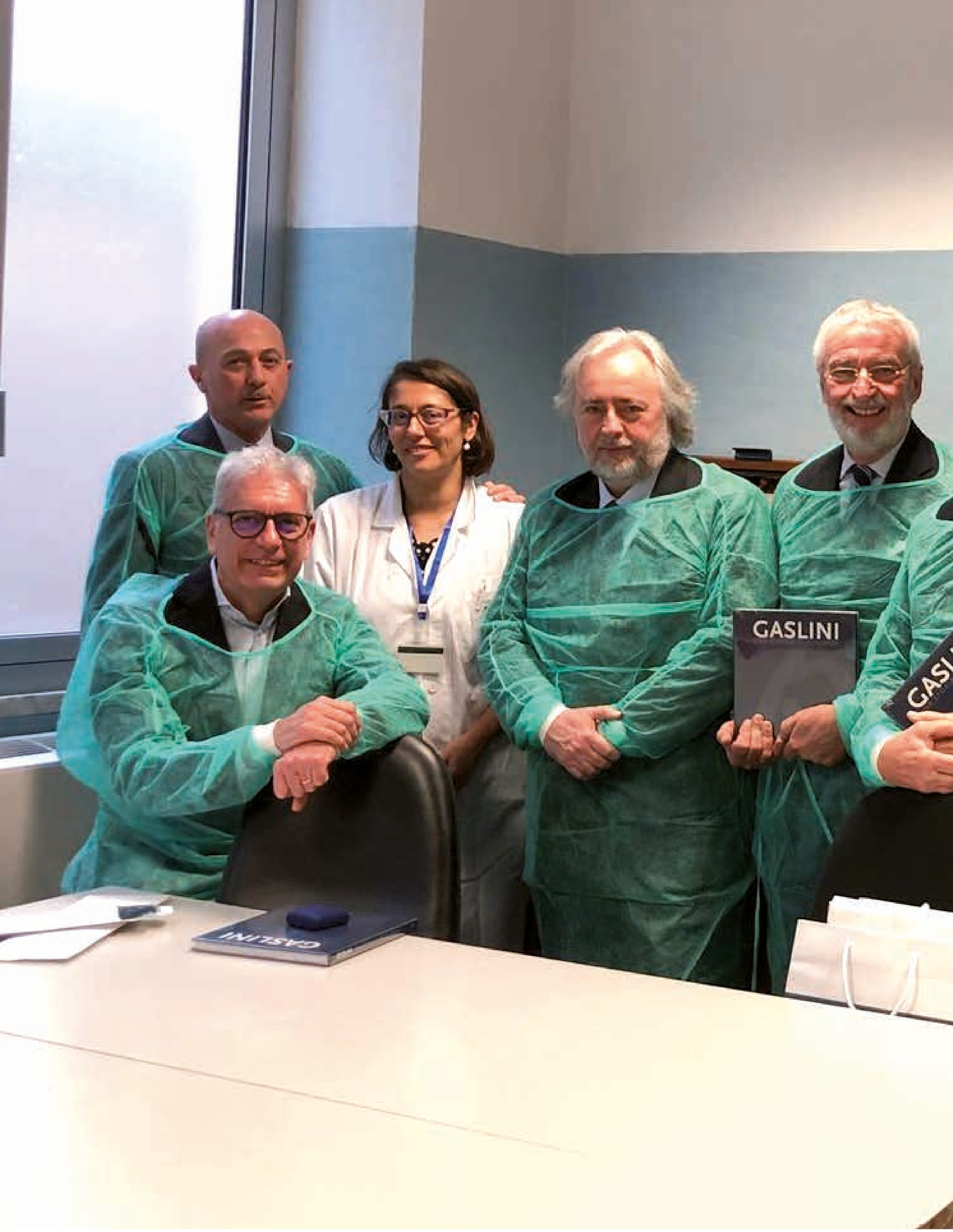
The following resolutions were passed at the Annual General Meeting held on 12 April 2019:

- that the Financial statements at 31 December 2018 be approved, together with the Director's Report on operations;

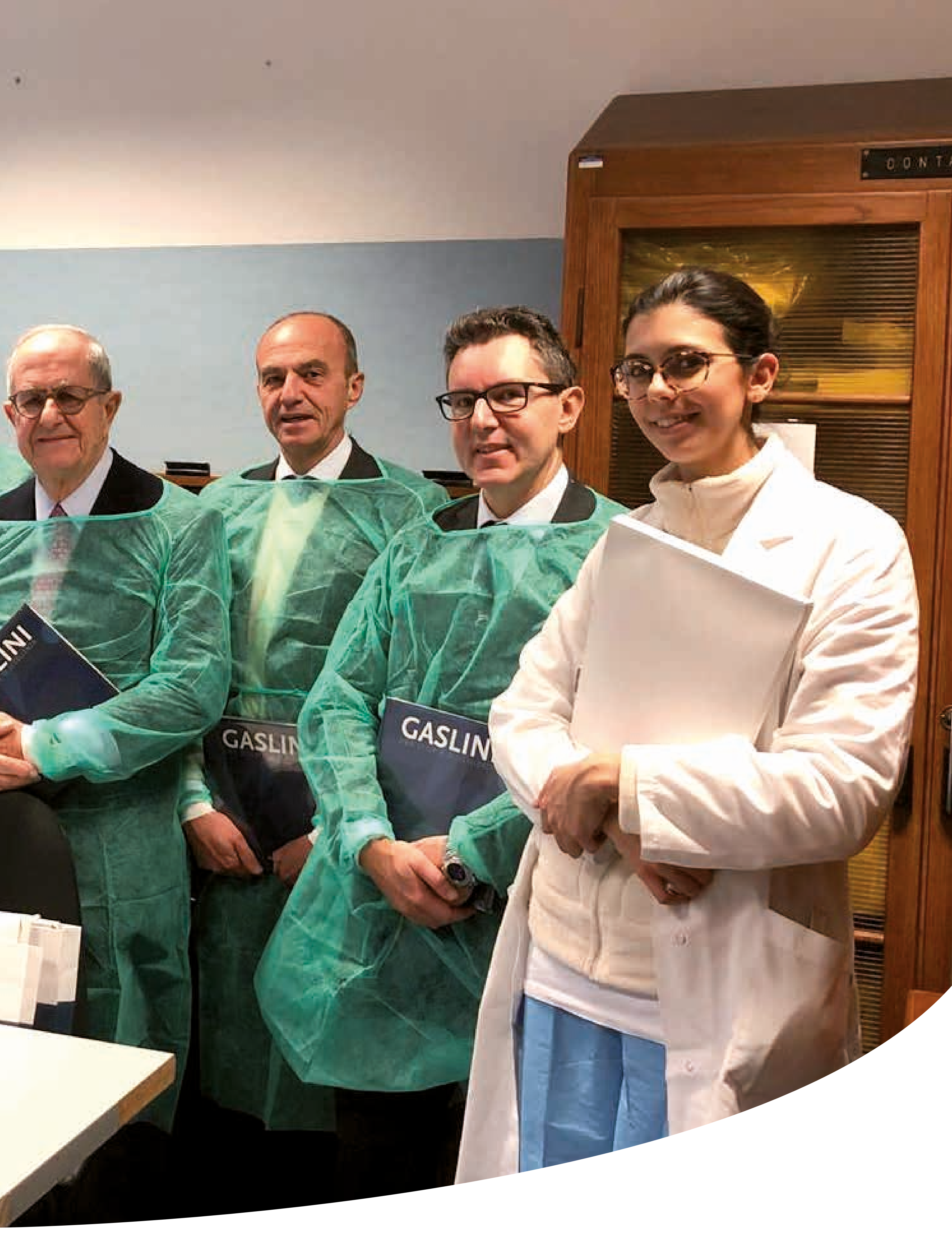
- that the Directors' proposal regarding the allocation of the net income be approved;

- to fix the members of Directors at 10, and to appoint the following persons to the Board of Directors for the three years 2019 -2021: Francesco Berardini, Claudio Campana, Federico Corradini, Giovanna Gigliotti, Vittorio Pini, Giancarlo Sangalli, Enrico San Pietro, Giuseppe Santella, Marco Vesentini, Mario Vidale.

- to appoint the following persons to the Board of Statutory Auditors for the three years 2019 -2021: Giovanni Battista Graziosi – Chaiman, Roberto Chiusoli and Roberto Tieghi (Auditors), Andrea Castellari and Alessandro Contessa (Alternative Auditors).



SIAT decided to devolve the amount that it usually spends on Christmas gifts in aid of the Gaslini Charity and the Flying Angels Foundation.


GASLINI

Genoa, 14th August 2018

It is well-known that Genoa is best seen from the sea. It is only in this way – by moving away - that our city accepts to reveal itself in its entirety.
Moving around, catching a glimpse, shifting again, flying over: **changing perspective** is, almost invariably, a way to get a better understanding of what is motionless or to adapt to an ever-changing scenario.
After 14th August 2018, Genoa is a changed and injured city.
And now, more than ever, it is necessary to **change perspective**.
So as to move on, rebuild, imagine new perpectives.

Genoa, 12th December 2018

In 2018, SIAT too stayed close to the city, supporting the charitable initiative in aid of the Morandi Bridge evacuees.
A musical evening organised by the Cooperativa Emilia Romagna Concerti, Aerco - Associazione Emiliano Romagnola Cori and by the Young Musicians European Orchestra directed by Maestro Paolo Olmi.


MARITIME STATION
PORTO ANTICO
LANTERNA
GENOA
BOCCADASSE
STURLA
QUARTO
NERVI

Siat
ASSICURAZIONI

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