

Unipol Gruppo Finanziario  
Consolidated Interim  
Financial Report  
at 31 March 2015

**Unipol**  
GRUPPO

New dimension.  
New perspectives.





# UNIPOL GRUPPO FINANZIARIO S.P.A.

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*Registered and Head Offices at Via Stalingrado 45, Bologna  
Share capital €3,365,292,408.03 fully paid-up  
Bologna Register of Companies, Tax and VAT No. 00284160371 - R.E.A. No. 160304  
Parent of the Unipol Insurance Group entered in the Register of Insurance Groups - No. 046  
Parent of the Unipol Banking Group entered in the Register of Banking Groups - No. 20052*

[www.unipol.it](http://www.unipol.it)

## Consolidated Interim Financial Report at 31 March 2015

*(pursuant to Art. 154-ter of Legislative Decree n. 58/1998)*

Bologna, 7 May 2015





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## Company bodies

Honorary Chairman	Enea Mazzoli																				
<b>Board of Directors</b>																					
Chairman	Pierluigi Stefanini																				
Vice Chairman	Giovanni Antonelli																				
Chief Executive Officer and General Manager	Carlo Cimbri																				
Directors	<table> <tr> <td>Giovanni Battista Baratta</td> <td>Pier Luigi Morara</td> </tr> <tr> <td>Francesco Berardini</td> <td>Milo Pacchioni</td> </tr> <tr> <td>Paolo Cattabiani</td> <td>Maria Antonietta Pasquariello</td> </tr> <tr> <td>Piero Collina</td> <td>Elisabetta Righini</td> </tr> <tr> <td>Sergio Costalli</td> <td>Francesco Saporito</td> </tr> <tr> <td>Ernesto Dalle Rive</td> <td>Adriano Turrini</td> </tr> <tr> <td>Guido Galardi</td> <td>Marco Giuseppe Venturi</td> </tr> <tr> <td>Giuseppina Gualtieri</td> <td>Rossana Zambelli</td> </tr> <tr> <td>Claudio Levorato</td> <td>Carlo Zini</td> </tr> <tr> <td>Ivan Malavasi</td> <td>Mario Zucchelli</td> </tr> </table>	Giovanni Battista Baratta	Pier Luigi Morara	Francesco Berardini	Milo Pacchioni	Paolo Cattabiani	Maria Antonietta Pasquariello	Piero Collina	Elisabetta Righini	Sergio Costalli	Francesco Saporito	Ernesto Dalle Rive	Adriano Turrini	Guido Galardi	Marco Giuseppe Venturi	Giuseppina Gualtieri	Rossana Zambelli	Claudio Levorato	Carlo Zini	Ivan Malavasi	Mario Zucchelli
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Claudio Levorato	Carlo Zini																				
Ivan Malavasi	Mario Zucchelli																				
Secretary of the Board of Directors	Roberto Giay																				
<b>Board of Statutory Auditors</b>																					
Chairman	Roberto Chiusoli																				
Statutory Auditors	<table> <tr> <td>Silvia Bocci</td> </tr> <tr> <td>Domenico Livio Trombone</td> </tr> </table>	Silvia Bocci	Domenico Livio Trombone																		
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Domenico Livio Trombone																					
Alternate Auditors	<table> <tr> <td>Carlo Cassamagnaghi</td> </tr> <tr> <td>Chiara Ragazzi</td> </tr> </table>	Carlo Cassamagnaghi	Chiara Ragazzi																		
Carlo Cassamagnaghi																					
Chiara Ragazzi																					
Manager in charge of financial reporting	Maurizio Castellina																				
Independent auditors	PricewaterhouseCoopers SpA																				







# Interim Financial Report

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# Consolidation Scope at 31 March 2015

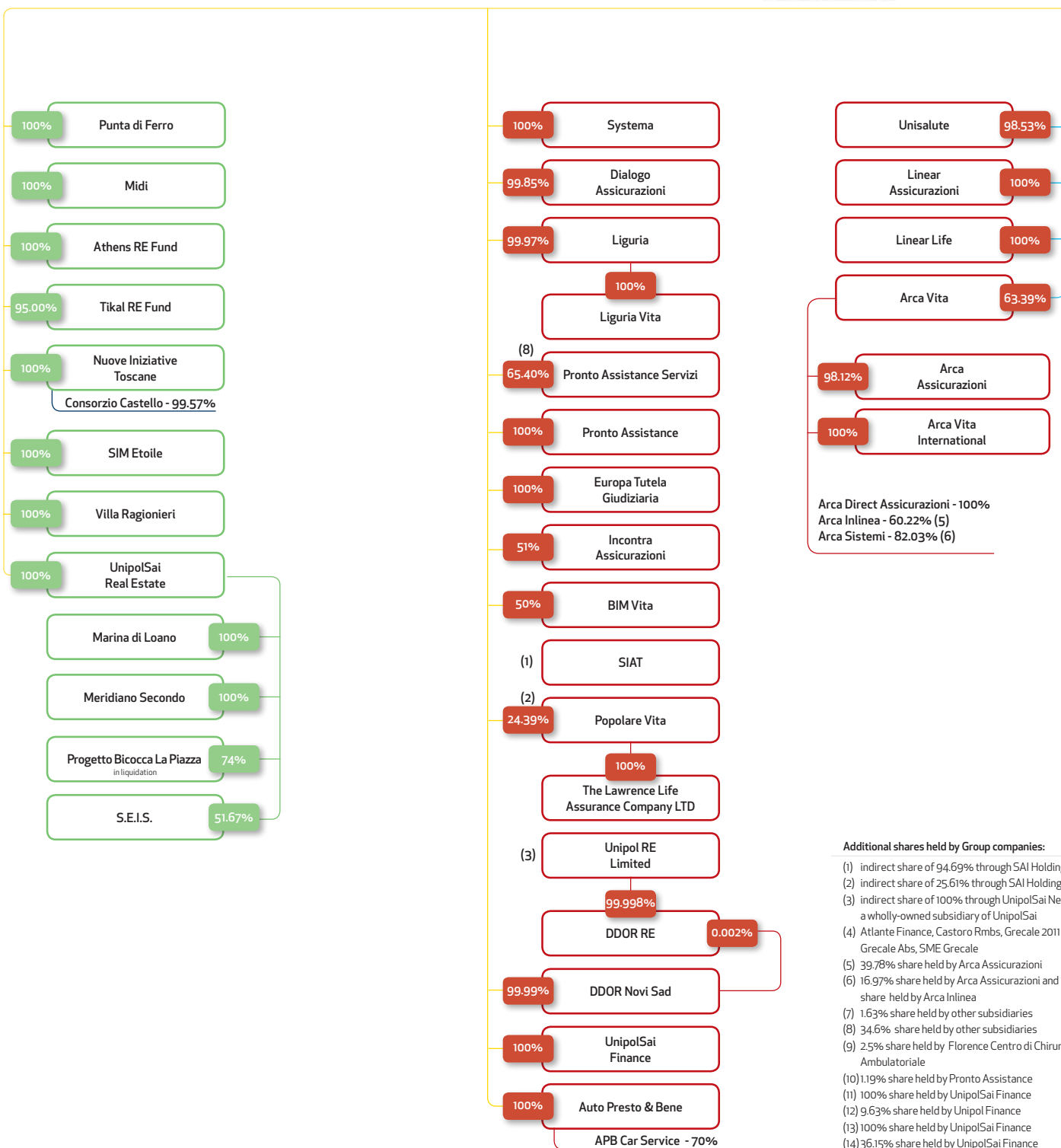
(line-by-line method - direct holding out of total share capital)



REAL ESTATE  
SECTOR

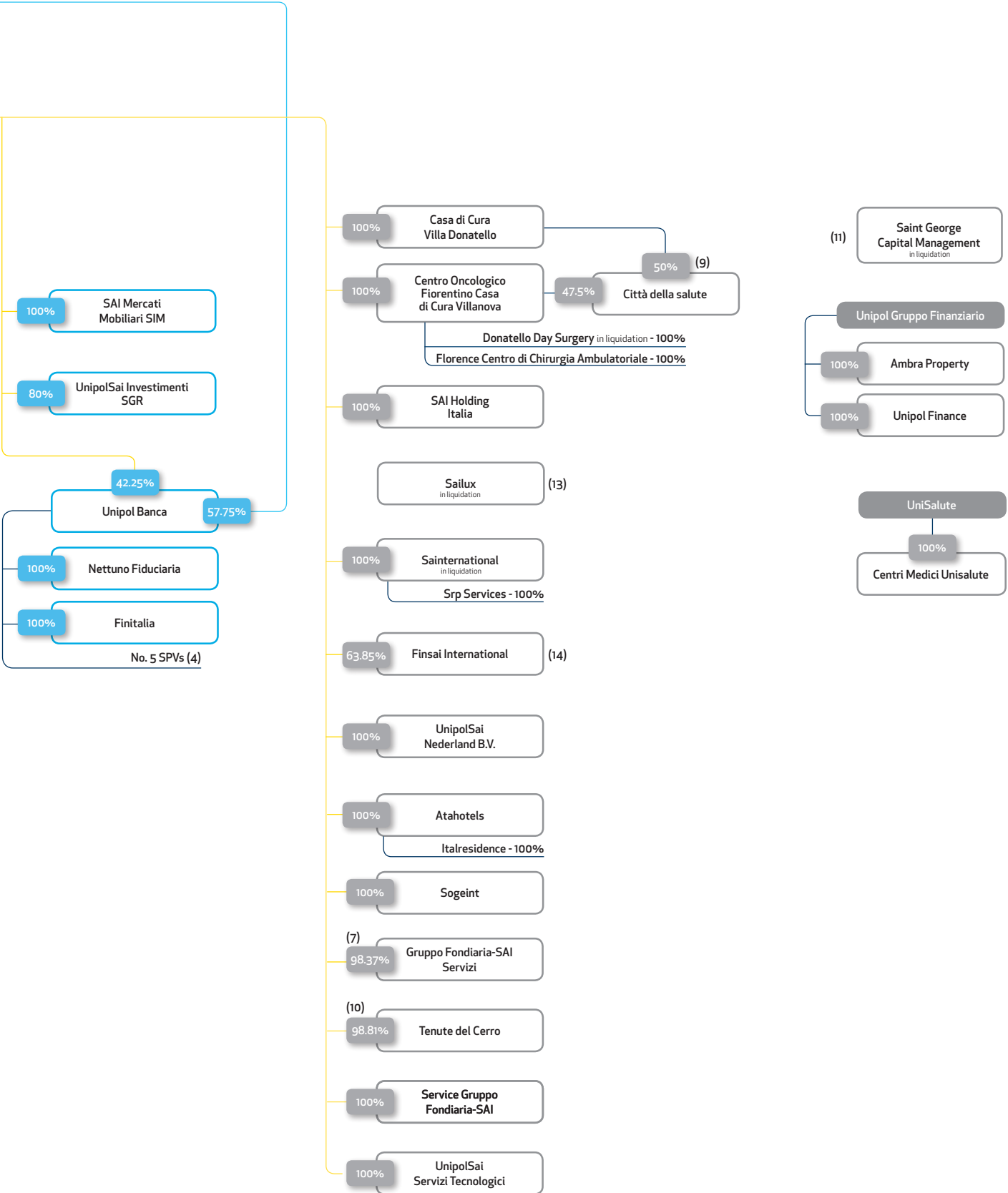
INSURANCE  
SECTOR

(12) 54.38%



**BANKING SECTOR**

**OTHER ACTIVITIES SECTOR**



## GROUP HIGHLIGHTS

	<i>Amounts in €m</i>	31/3/2015	31/3/2014	31/12/2014
Non-Life direct insurance premiums		1,972	2,288	8,969
<i>% variation</i>		-13.8	-6.6	-8.7
Life direct insurance premiums		2,550	2,473	8,915
<i>% variation</i>		3.1	21.5	27.7
<i>of which Life investment products</i>		195	40	141
<b>Direct insurance premiums</b>		<b>4,522</b>	<b>4,761</b>	<b>17,883</b>
<i>% variation</i>		-5.0	6.2	6.4
<b>Banking business - direct customer deposits</b>		<b>10,453</b>	<b>10,984</b>	<b>10,261</b>
<i>% variation</i>		1.9	1.6	-5.0
<b>Consolidated profit (loss)</b>		<b>312</b>	<b>132</b>	<b>505</b>
<i>% variation</i>		135.9	5.7	
<b>Investments and cash and cash equivalents</b>		<b>84,896</b>	<b>78,112</b>	<b>79,985</b>
<i>% variation</i>		6.1	5.4	7.9
<b>Technical provisions</b>		<b>64,763</b>	<b>58,536</b>	<b>61,895</b>
<i>% variation</i>		4.6	2.9	8.8
<b>Financial liabilities</b>		<b>15,736</b>	<b>16,474</b>	<b>15,459</b>
<i>% variation</i>		1.8	2.7	-3.6
<b>Shareholders' Equity attributable to the owners of the Parent</b>		<b>6,070</b>	<b>5,568</b>	<b>5,691</b>
<i>% variation</i>		6.6	2.8	5.1
<b>Group solvency margin (Solvency I ratio)</b>		<b>163%</b>	<b>156%</b>	<b>166%</b>

### Alternative performance indicators <sup>1</sup>

	31/03/2015	31/03/2014	31/12/2014
Loss ratio - direct business (including OTI ratio)	69.4%	67.4%	68.0%
Expense ratio - direct business	26.2%	25.7%	26.7%
Combined ratio - direct business (including OTI ratio)	95.6%	93.1%	94.7%
Loss ratio - net of reinsurance	71.0%	67.9%	68.6%
Expense ratio (calculated on premiums earned) - net of reins.	25.6%	24.4%	25.4%
Combined ratio (with expense ratio calculated on premiums earned) - net of reins.	96.6%	92.3%	94.0%

<sup>1</sup> Alternative performance indicators are not defined by accounting rules; rather, they are calculated based on economic-financial procedures used in the sector.

**Loss ratio:** primary indicator of the cost-effectiveness of operations of an insurance company in the Non-Life sector. This is the ratio of the cost of claims for the period to earned premiums.

**OTI (Other Technical Items) ratio:** ratio of the sum of the balance of other technical charges/income and the change in other technical provisions to net earned premiums

**Expense ratio:** percentage indicator of the ratio of operating expenses to premiums written.

**Combined ratio:** indicator that measures the balance of Non-Life technical management, represented by the sum of the loss ratio and the expense ratio.

## Operating performance

In 2015, the Unipol Group continued to be fully engaged in completing the integration of the sales networks with the business management IT systems, as outlined in the Business Plan, with the objective to streamline operations and achieve cost synergies. By the end of the year and upon prior authorisation from the competent authorities, additional corporate rationalisation activities are being planned in order to make the Group structure even more efficient.

From a business perspective, in the first quarter of 2015, the Unipol Group had a positive operating performance in terms of income statement and financial position, due, in particular, to the trends observed in the financial markets and to the finalisation of some financial transactions that were initiated in the last few months of 2014, the financial effects of which were recognised in the first quarter of 2015. Within the insurance segment, the claims trend still appeared to be favourable although during the period in question, an increase in claims resulting from natural disasters was recorded while competitive pressure on tariffs continued.

More specifically, in the **Non-Life segment**, premiums declined in the first few months of 2015, as is also expected for the rest of the year, adversely impacted by the business unit transfer to Allianz along with the portfolio outstanding at the end of 2014.

Premium volumes also continue to be affected by a strong competitive trend reflected in the decrease in the average premium, especially in the MV TPL business. In this context, the Non-Life premiums of the Group stood at €1,972m (-13.8% from the data of the first quarter 2014). Based on management assessments, and excluding the effects of the aforementioned portfolio transfer, the estimated ongoing trend for Non-Life direct premiums (hereinafter "*estimated operating figure*") was around -5.5%. Premium in the motor vehicle TPL business stood at €949m, down by 20.2% in the first quarter of 2014 (*estimated operating figure* -9.6%). A decline was also recorded in the Land Vehicle Hulls business with premiums totalling €156m, -14.7% (*estimated operating figure* -4.5%). The Non-MV segment, affected by a still weak macroeconomic scenario pending the recovery expected for the remaining part of the year, showed more resilience with premiums amounting to €868m, down by 5.3% (*estimated operating figure* -0.8%).

Towards the end of the quarter, the Group intensified its sales activities aiming at relaunching its product lines, such as the development of new network and customer relationship models as well as the launch, in February, of the new UnipolSai advertising campaign aiming at consolidating its success in the sale of policies with zero-interest monthly payments, in synergy with the Group's banking business. Based on its new business proposal for the year 2015, UnipolSai will offer additional services within the health segment thanks to the network of private health facilities partnered with Unisalute, and to expand its business proposal with the offering of other insurance policies at zero-interest monthly payments, covering families needs.

Analysing the results obtained in the Non-life segment of the main companies of the Group, UnipolSai contributed a total of €1,703m to the consolidated premiums (-14.5%, *estimated operating figure* -4.9%), whereas Unisalute, which this year celebrates its 20 year anniversary, recorded premiums amounting to €111m (+2.9% versus the first quarter of 2014). A decline was registered in the other main companies of the Group operating primarily in the MV segment, such as Linear, Arca Assicurazioni and Liguria Assicurazioni, due to the competitive trend within the sector, whereas SIAT (€25m, -14.9%), focusing on the Sea Vehicles segment, was impacted by some temporary mismatches in the issuing of important insurance policies.

With regard to Non-Life claims, technical indicators remained positive in the MV TPL business due to the constant monitoring of the average costs and the holding steady of the claims provisions of the previous years, as well as to the frequency of claims following the decline registered in the last few years. The Non-MV businesses were negatively affected by damages to properties caused by an exceptional weather event (wind storm) in Tuscany at the beginning of March.

In this context, the Unipol Group recorded, at 31 March 2015, a loss ratio for direct business (including the balance of other technical items) of 69.4% versus 67.4% at 31 March 2014, with the increase to be attributed mainly to said weather event.

The direct business expense ratio, despite the drop in operating costs expressed in absolute values, was 26.2% due to the impact of the decline in premiums and the shift of the sales mix toward a type of premiums that was characterised by higher commissions in addition to the greater impact of variable commissions directly related to technical upgrades.

Overall, the Group's combined ratio (direct business) stood, at the end of the first quarter of 2015, at 95.6% versus 93.1% at 31 March 2014.

In the first three months of 2015, the favourable trend in the premiums of the **Life segment** was confirmed within a market scenario characterised by a continuing fall in interest rates which increases the appeal of the traditional insurance products with returns linked to separately managed accounts. At the end of the quarter, the premiums showed a growth even compared with the strong performance registered in the first quarter of the previous year, especially in the bancassurance business. The premiums of the Group reached €2,550m, +3.1% compared with the first quarter of 2014 which had recorded a 21% growth.

In particular the Unipol Group benefited from the growth of the companies Arca Vita and Arca Vita International which registered premiums of €608m (+27.2% versus the first quarter of 2014) and UnipolSai which, with premiums amounting to €1,040m, showed a 15.6% growth. The Popolare Vita Group production decreased by 21.5% at €827m, versus a similar percentage growth in the first quarter of 2014, while the other bancassurance company, Bim Vita, with premiums up to €66m, doubled the premiums of the first quarter of 2014.

As a result of the above, the volume of new business in terms of pro-quota APE stood, in the first quarter of 2015, at €142m (€132m at 31/3/2014), of which €73m was contributed by the traditional companies and €69m by the bancassurance companies.

As regards the **management of financial investments** related to the insurance segment, in the first quarter of 2015, the Group's security portfolio, characterised by the significant presence of Italian government securities, showed a substantial increase in value due to an improvement in the microeconomic prospects favoured by the anti-deflation activities carried out by the ECB which, with the launch of Quantitative Easing, restored confidence within the financial markets of government securities and the European stock exchanges. In order to preserve the risk/return profile of the assets and consistency between assets and liabilities towards the insured, the portfolio profitability showed, over the period considered, a significant return, equal to about 7.1% of the invested assets. The harvesting policy adopted by the Group, following activities aimed at an increased diversification profile of financial assets, contributed to the achievement of these results. In the last few months of 2014, transactions for the forward sale of some securities maturing in January 2015 (for the nominal amount of €1.5bn), were agreed upon. On said date, the transactions were finalised followed by the recognition of their financial effects and the recording to the income statement of significant gains from sales (€206m). These transactions should be considered non-repeatable during the year and the resulting positive financial effect, which strongly impacted the profitability of the financial operations and the consolidated economic results of the first quarter of 2015, shall be measured throughout the entire 2015 period, and therefore the overall performance of the financial operations and related contribution of the results for the period can be accurately measured only at the end of the current period. During the period, simplification activities of the portfolio continued, with the reduction of Level 2 and 3 structured bonds for a total of €485m.

The improvement in the macro-economic scenario benefited also the **Banking segment** where a prudent lending policy was confirmed. Activities favouring retail customers and SMEs continued, seeking to increase the insurance customer base through the financing of insurance premiums and the sale of banking products through the agency channel.

In the first quarter of 2015, the trend of impaired loans was positive, holding steady at the same stock levels as at the end of 2014. Consequently the Banking segment, in the first quarter of 2015, provided a positive economic result to the Group.

As regards the **Real estate segment**, operations focused mostly in the preparations for the renovation of some of the portfolio's properties in order to seek opportunities for value increase or income generation. Renovation activities will be self-financed through some planned property sales, which in the first quarter of 2015 concerned mostly the Porta Nuova area in Milan, even if this objective may be impacted by the still difficult situation of the real estate market.

The results of the companies which are part of the **other sectors** where the Group operates, in particular the hotel and medical sectors, remained negative even though currently being contained due to the cost rationalisation activities promoted by the new management. Negotiations are under way with Fenice Holding for the possible acquisition of UNA S.p.A. (a subsidiary of Fenice Holding) which would allow, through a merger with Atahotels S.p.A., for the creation of a leading operator in hotel activities in Italy.

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The Unipol Group ended the first quarter of 2015 with a **consolidated profit** of €312m, a substantial growth compared with the €132m of the first quarter of 2014, due mainly to the concentration in these first few months, as previously described, of the majority of the gains from the sale of securities expected for the entire period.

The estimated consolidated solvency position at 31 March 2015 showed a ratio between available capital and required capital of 1.63 times, in line with the final figures at 31 December 2014. Bearing in mind the Convertible Loan issued by UnipolSai, with mandatory conversion into ordinary shares by 31 December 2015, the estimated solvency ratio rises to 1.65.

To be noted is that, at the level of the Unipol Banking Group, the CET 1, at 31 March 2015, was 11.3% compared to the regulatory minimum defined as 8.5% in effect from 2015.



## Insurance Sector

The **net profit** of the Insurance Sector was €339m (€179m at 31/3/2014), of which:

- €243m relating to the Non-Life sector (€143m at 31/3/2014);
- and €96m relating to the Life sector (€35m at 31/3/2014).

At 31 March 2015, Investments and cash and cash equivalents of the Insurance sector totalled €71,909m (€67,354m at 31/12/2014), €19,308m of which was from Non-Life business (€18,555m at 31/12/2014) and €52,601m from Life business (€48,799m at 31/12/2014).

Financial liabilities amounted to €4,627m (€4,620m at 31/12/2014), €1,657m of which in the Non-Life business (€1,820 at 31/12/2014) and €2,970m in the Life business (€2,800m at 31/12/2014), whose increase is particularly due to the Financial liabilities relating to contracts issued by insurance companies where the investment risk is borne by policyholders.

**Total premiums** (direct and indirect premiums and investment products) at 31 March 2015 amounted to €4,527m (€4,781m at 31/3/2014). Non-Life premiums amounted to €1,972m (€2,288m at 31/3/2014) and Life premiums totalled €2,550m (€2,473m at 31/3/2014).

### Direct premiums

<b>Direct premium income</b>						
<i>Amounts in €m</i>	<b>31/3/2015</b>	<i>% comp.</i>	<b>31/3/2014</b>	<i>% comp.</i>	<i>% var.</i>	
Non-Life direct premiums	1,972	43.6	2,288	48.1	-13.8	
Life direct premiums	2,550	56.4	2,473	51.9	3.1	
<b>Total direct premium income</b>	<b>4,522</b>	<b>100.0</b>	<b>4,761</b>	<b>100.0</b>	<b>-5.0</b>	

On the basis of estimated operating figures, Non-Life premiums declined by 5.5%.

### Indirect premiums

<b>Indirect premium income</b>						
<i>Amounts in €m</i>	<b>31/3/2015</b>	<i>% comp.</i>	<b>31/3/2014</b>	<i>% comp.</i>	<i>% var.</i>	
Non-Life premiums	4	94.0	19	94.4	-76.4	
Life premiums	0	6.0	1	5.6	-74.8	
<b>Total indirect premiums</b>	<b>5</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>	<b>-76.3</b>	

## Non-Life business

The breakdown of **direct business** relating to the main classes compared with 31 March 2014 is set out in the following table:

<b>Non-Life business direct premium income</b>						
<i>Amounts in €m</i>	<b>31/3/2015</b>	<i>% comp.</i>	<b>31/3/2014</b>	<i>% comp.</i>	<i>% var.</i>	
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)	949		1,189		-20.2	
Land Vehicle Hulls (class 3)	156		183		-14.7	
<b>Total premiums - Motor vehicles</b>	<b>1,105</b>	<i>56.0</i>	<b>1,372</b>	<i>60.0</i>	<i>-19.5</i>	
Accident and Health (classes 1 and 2)	331		349		-5.2	
Fire and Other damage to property (classes 8 and 9)	250		270		-7.4	
General TPL (class 13)	162		157		2.9	
Other classes	125		140		-10.5	
<b>Total premiums - Non-Motor vehicles</b>	<b>868</b>	<i>44.0</i>	<b>916</b>	<i>40.0</i>	<i>-5.3</i>	
<b>Total Non-Life direct premiums</b>	<b>1,972</b>	<i>100.0</i>	<b>2,288</b>	<i>100.0</i>	<i>-13.8</i>	

Direct premiums continue to be impacted by a strongly competitive market environment resulting in a downturn in the average premium, particularly in the MV TPL class, and by the ongoing economic crisis affecting businesses and households. The transfer of the business unit to Allianz in 2014 also had a significant impact. In the MV TPL class (direct premiums of €949m, -20.2% and *estimated operating figure -9.6%*) commercial policies aimed to protect the policy portfolio through support to advertising campaigns and targeted sales offers, including interest-free loans and black box installation. The Land Vehicle Hulls class also recorded a decline of €156m (-14.7% and *estimated operating figure -4.5%*) as a direct effect of the current trend for mandatory coverage; other causes of this decrease were a reduction in expenditure for non-mandatory insurance and the ageing of the vehicle fleet on the road.

The Non-MV class showed greater staying power despite the unfavourable macroeconomic scenario, with premiums of €868m, down by 5.3% (*estimated operating figure -0.8%*).

With regard to **Non-Life claims**, in the MV TPL class the technical indicators remain positive thanks to constant control of average costs and to provisions for previous year claims as well as claim frequency, both showing improvements after the declines of past years. The Non-MV classes were impacted by significant damages to buildings caused by an exceptionally severe weather event (wind storm) which hit Tuscany in early March. The **loss ratio** solely for Non-Life direct business, including the OTI ratio, stood at 69.4% (67.4% at 31/3/2014).

The **expense ratio** for direct business was 26.2% (25.7% at 31/3/2014), despite the drop in operating costs in absolute terms; the value was impacted by the decline in premiums and by the shift of the sales mix towards business that offers higher commissions; another factor was the greater incidence of variable commissions directly linked to the improvement in technical business.

The **combined ratio**, based on direct business, was 95.6% at 31 March 2015 (93.1% at 31/3/2014).

## Non-Life premiums of the main Group insurance companies

The Non-Life direct premiums of the **UnipolSai Group** totalled €1,801m (€2,107m at 31/3/2014, -14.6% and *estimated operating figure* -5.6%).

The direct premiums of **UnipolSai** alone, the Group's main company, stood at €1,703m (€1,991m at 31/3/2014, -14.5%, *estimated operating figure* -4.9%), of which €1,027m in the MV classes (€1,273m at 31/3/2014, -19.3%, *estimated operating figure* -7.8%) and €676m in the Non-MV classes (€718m at 31/3/2014, -5.9%, *estimated operating figure* -0.2%).

In the **MV classes**, premiums included €879m in the MV TPL class (€1,100m at 31/3/2014, -20.1%, *estimated operating figure* -8.5%) and €148m in the Land Vehicle Hulls class (€173m at 31/3/2014, -14.6%, *estimated operating figure* -3.8%).

At 31 March 2015 **Arca Assicurazioni**, the Non-Life company in the Arca Group, recorded direct premiums of €23m, down 6.5% compared to 31 March 2014.

The **specialist companies** (Linear and Unisalute) recognised direct premiums of €149m at 31 March 2015 (-4.7% compared to 31/3/2014).

## Life business

The breakdown of **direct business** relating to the main classes compared with 31 March 2014 is set out in the following table:

Life business direct premium income						
	Amounts in €m	31/3/2015	% comp.	31/3/2014	% comp.	% var.
<b>Premiums</b>						
I - Whole and term Life insurance		1,522	64.6	1,996	82.0	-23.7
III - Unit-linked/index-linked policies		465	19.8	253	10.4	84.2
IV - Health		0	0.0	0	0.0	4.9
V - Capitalisation insurance		253	10.7	77	3.2	227.8
VI - Pension funds		115	4.9	108	4.4	6.8
<b>Total Life business premium income</b>		<b>2,355</b>	<b>100.0</b>	<b>2,433</b>	<b>100.0</b>	<b>-3.2</b>
<b>Investment products</b>						
III - Unit-linked/index-linked policies		182	93.4	28	69.7	551.0
VI - Pension funds		13	6.6	12	30.3	6.7
<b>Total Life investment products</b>		<b>195</b>	<b>100.0</b>	<b>40</b>	<b>100.0</b>	<b>386.2</b>
<b>Total premium income</b>						
I - Whole and term Life insurance		1,522	59.7	1,996	80.7	-23.7
III - Unit-linked/index-linked policies		647	25.4	280	11.3	130.6
IV - Health		0	0.0	0	0.0	4.9
V - Capitalisation insurance		253	9.9	77	3.1	227.8
VI - Pension funds		128	5.0	120	4.8	6.8
<b>Total Life business direct premium income</b>		<b>2,550</b>	<b>100.0</b>	<b>2,473</b>	<b>100.0</b>	<b>3.1</b>



In particular, the Unipol Group benefited from the growth of UnipolSai which, with premiums totalling €1,040m, increased by 15.6% compared to 31 March 2014, while a 6.3% decline was recorded by the bancassurance channel (Arca Vita Group and Popolare Vita Group companies) with direct premiums of €1,436m.

New business in terms of **APE**<sup>2</sup>, net of non-controlling interests, amounted to €142m at 31 March 2015 (€132m at 31/3/2014, +7.8%).

### **Life premiums of the main Group insurance companies**

The Life direct premiums of the **UnipolSai Group** totalled €1,941m (€1,995m at 31/3/2014, -2.7%). The decrease is attributable to Class I, which recorded a 29.2% decrease, while all the other classes trended upward.

Direct premiums attributable to **UnipolSai** alone totalled €1,040m (€900m at 31/3/2014), up by 15.6%, while bancassurance companies **Popolare Vita** and **Lawrence Life** collected premiums of €586m (€1,054m at 31/3/2014) and €241m respectively (premiums at 31/3/2014 were not significant). Overall, the performance of **Popolare Vita Group** dropped by 21.5%.

At 31 March 2015 the Life companies of the **Arca Group** (Arca Vita and Arca Vita International), with premiums of €608m, recorded a growth of 27.2%, mainly attributable to Class III.

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<sup>2</sup> APE – Annual Premium Equivalent: the new Life business expressed in APE is a measurement of the volume of business relating to new policies and corresponds to the sum of periodic premiums of new products and one tenth of single premiums. This indicator is used to assess the business along with the in force value and the Life new business value of the Group.

## Banking Sector

At 31 March 2015 the **net profit** of the Banking Sector was €3m (€4m at 31/3/2014).

Investments and cash and cash equivalents of the banking sector totalled €11,841m at 31/3/2015 (€11,814m at 31/12/2014).

Financial liabilities amounted to €11,040m (€11,152m at 31/12/2014).

### Operating performance of Unipol Banca

At 31 March 2015 **direct premiums**, totalling €10,437m, showed a 1.8% increase compared to the 2014 year end value, due to greater deposits by Group companies (+31.6%) in the form of current accounts and time deposit. Net of volumes attributable to Group companies and to Cassa Compensazione e Garanzia (-47.8%), direct deposits attributable to ordinary customers decreased by 0.6%.

**Indirect premiums** at 31 March 2015 amounted to €53.7bn, up by 9.3% compared to 2014 year end (€49.1bn). Net of Group volumes, direct deposits totalled €4.1bn, up on the figure at 31 December 2014 (€3.6bn) by 13.8%. Increases were recorded both in assets under management (+8.8%) and in funds under custody (+9.3%).

At 31 March 2015, **receivables from customers** were €9,762m, unchanged from the figure at the end of 2014 (-0.7%). **Gross non-performing loans** at 31 March 2015 amounted to €3,933m, substantially unchanged (+1%) compared to €3,896m at 31 December 2014. At the end of the quarter, the coverage ratio, including the provisions made by the Parent Unipol on the total credit indemnities, remained unchanged at 42.3%.

With regard to the indemnity agreement with the Parent Unipol, and subsequent addendums, at 31 March 2015 the Maximum Amount Guaranteed by Unipol was €902m, slightly decreased from 31 December 2014 as a result of collections occurred during the period.

As to the **income statement**, the interest margin in the first quarter of 2015 was €52m, down by 3.3% on a like-for-like basis, i.e. including Banca Sai values at 31 March 2014.

Net commissions totalled €23m, with a €4m decrease on a like-for-like basis, due in particular to commissions on the indemnity agreement signed with Unipol which, following the enlargement of the scope of indemnity from the second half of 2014 and the increase of the commission rate, accrued a higher commission expense (+€5m).

With regard to the financial management, the first quarter of 2015 brought a smaller contribution to the gross operating income due to lower gains realised from the trading of Government bonds, which dropped from €26m at 31 March 2014 to €5m at 31 March 2015.

Value adjustments to receivables, amounting to €10m, were down €18m compared to the same period of 2014.

Operating expenses totalled €68m, down by 1.8% on a like-for-like basis.

The **profit before tax** at 31 March 2015 was €1.4m, compared to €2.8m at 31 March 2014, including €2.3m relating to Banca Sai.

## Real Estate Sector

At 31 March 2015, the **net loss** of the Real Estate Sector was €2m, in line with the value at 31 March 2014.

Investments and cash and cash equivalents of the Real Estate sector (including instrumental properties for own use) totalled €1,849m at 31 March 2015 (€1,855m at 31/12/2014), consisting mainly of investment property amounting to €1,129m (€1,157m at 31/12/2014) and properties for own use totalling €502m (€481m at 31/12/2014).

Financial liabilities amounted to €164m at 31 March 2015 (unchanged from 31/12/2014).

With regard to the real estate development project in the area known as "Porta Nuova" in Milan, structured into the independent projects Porta Nuova Garibaldi, Porta Nuova Varesine and Porta Nuova Isola, note that during the first quarter all of the real estate fund units in which the Unipol Group invested through some associates and other investees established under Luxembourg law were sold to Qatar Holding. Following the sale, the seller companies used the first portion of the sales price to repay part of the loans received from the participants in the initiative. The Unipol Group received partial repayments of €105m of the loans granted in the form of Profit Participating Bonds.

The development projects concerning the areas Assago, Milanofiori, Milan via Fara 41 "Torre Galfa" and Milan via Melchiorre Gioia at the corner of via Don Sturzo are in progress.

With regard to disposals, official deeds of sale and preliminary agreements totalling more than €30m were signed during the quarter.

## Holding and Other Businesses Sector

The **pre-tax loss** of the Holding and Other businesses sector at 31 March 2015 amounted to €28m (loss of €49m at 31/3/2014).

At 31 March 2015, Investments and cash and cash equivalents of the Holding and Other Businesses sector (including properties for own use for €186m) totalled €1,813m (€1,220m at 31/12/2014).

Financial liabilities amounted to €1,885m (€1,280m at 31/12/2014). The increase compared to 31 December 2014 is attributable to the outcome of the Exchange Offer promoted by Unipol on two senior unsecured bond loans expiring in 2017 and 2021, and the concomitant issue of a new bond loan expiring in 2025.

Commercial development activities of the diversified companies continued throughout the first quarter of 2015. These activities, along with redevelopment actions implemented in previous years and still in progress, achieved results which, even if still negative, are in line with the same period of 2014, despite continued weakness in the market environment.

Note that in March the Parent Unipol submitted a manifestation of interest within the framework of the offer for the business and assets of the hotel business of Fenice Holding (Una Hotels & Resort). Negotiations on an exclusive basis were therefore started in order to discuss the possible acquisition by Unipol Group of the hotel business of Fenice Holding, with the aim to combine Atahotels and Una Hotels & Resort. This combination would lead to the creation of a leading Italian hotel operator, with more than 50 hotel properties under management totalling approximately 8,600 rooms.

The Unipol holding ended the first quarter of 2015 with a net loss of €19m (loss of €40m at 31/3/2014).

## Asset and financial management

Operations during the first quarter of 2015 was aimed at maintaining a high standard of portfolio quality through a process for the selection of issuers based on the criteria of issuer diversification and strength, placing particular attention on the liquidity profile.

The bond segment was the main focus of operations, mainly affecting Italian government bonds and non-government bonds, applying a medium/long-term investment approach.

Total exposure to government bonds during the quarter recorded a marginal increase of over €180m. A net positive balance of €706m was posted in the Life segment, compare to a net negative balance in the Non-Life segment of €563m. Purchases in the Unipol holding came to approximately €37m.

Purchases on the Life portfolio involved mainly fixed rate securities, useful to meet the ALM requirements of the Segregated Funds, continuing the rationalisation of the maturity dates of liabilities with covering assets. This activity, carried out on the basis of the contractual commitments and the goals of the Business Plan, was also implemented by using zero coupon type government bonds, primarily BTP (Long-Term Treasury Bond) strips, which allow the protection of minimum guaranteed returns and of the coupon reinvestment risk in a deflationary macroeconomic scenario marked by low interest rates.

To bring the duration of the assets back into line with that of the liabilities in the segregated funds concerned, a swap to cover the risk of rising interest rates was concluded in the Life portfolio for the nominal value of €344m.

Assets in Government bonds on the Non-Life segment was characterised by a sharp reduction in exposure in absolute value by way of a remodulation of the due dates in the portfolio. Sales involved fixed rate securities with due dates in the area of 10 years or longer, repurchases focused on the very short-term portion (treasury bills and CTZ) or on variable rate securities (treasury credit certificates).

The non-government component of bonds saw an increase in overall exposure of €1,125m during the quarter. This increase affected both the Life segment (€618m) and Non-Life segment (€499m), and the holding, with an increase in exposure of around €8m.

Asset portfolio simplification activities continued during the quarter. Level 2 and 3 structured bonds saw an overall reduction in exposure of €485m.

Share exposure increased during the first quarter 2015 by €321m. Transactions were broken down based on individual shares and ETFs (Exchange Traded Funds), representing share indexes. In detail, exposure rose by €155m in the Life segment, and by €166m in the Non-Life segment. Put options were purchased against this increase for hedging purposes on the stock market on the Eurostoxx 50 index for a nominal value of €128m. On the whole, therefore also taking into account put options purchased during 2014, the value hedged by the options was a little above €860m. The portfolio contained bonds with a good scope for future profits and a high profit flow. Almost all equity instruments in the portfolio belong to the main European share indexes.

Exposure to alternative funds, a category that includes Private Equity Funds and Hedge Funds, amounted to €394m, down by €12m during the quarter.

Currency operations were conducted exclusively to hedge the currency risk of outstanding equity and bond positions.

The overall Group duration stood at 5.90 years, up compared to 5.23 years at the end of 2014. The non-Life duration in the Group insurance portfolio was 3.58 years (3.13 years at the end of 2014) and in Life business was 6.98 years (6.15 years at the end of 2014). The Holding duration remained basically unchanged compared to the end of last year, 1.05 years due to the liquidity suitably held in the portfolio.

The fixed rate and floating rate components of the bond portfolio remained stood at 79.4% and 20.6% respectively. The government component accounted for approximately 77.2% of the bond portfolio whilst the



corporate component accounted for the remaining 22.8%, split into 17.2% financial and 5.6% industrial credit. Italian government bonds accounted for 71.4% of the total bond portfolio.

91.5% of the bond portfolio was invested in securities with ratings higher than BBB-. 2.8% of the total were positioned in classes "AAA" to "AA-", while 5.4% of securities had a rating in the "A" class. The exposure to securities in the BBB rating class was 83.3%.

The liquidity component in the portfolio stood at €2.4bn, mostly deposited with the Group bank.

At 31 March 2015, Group **Investments and cash and cash equivalents** totalled €84,896m (€79,985m at 31/12/2014), with the following breakdown by business segment:

<b>Investments and cash and cash equivalents -Breakdown by business segment</b>						
	<i>Amounts in €m</i>	<b>31/03/2015</b>	<i>% comp.</i>	<b>31/12/2014</b>	<i>comp. %</i>	<i>var. %</i>
Insurance		71,909	84.7	67,354	84.2	6.8
Banking		11,841	13.9	11,814	14.8	0.2
Holding and Other Businesses		1,813	2.1	1,220	1.5	48.7
Real Estate		1,849	2.2	1,855	2.3	-0.3
Intersegment eliminations		-2,516	-3.0	-2,259	-2.8	11.4
<b>Total investments and cash and cash equivalents</b>		<b>84,896</b>	<b>100.0</b>	<b>79,985</b>	<b>100.0</b>	<b>6.1</b>

The breakdown by investment category is as follows:

	<i>Amounts in €m</i>	<b>31/3/2015</b>	<i>% comp.</i>	<b>31/12/2014</b>	<i>% comp.</i>	<i>% var.</i>
Property (*)		3,980	4.7	4,010	5.0	-0.7
Investments in subsidiaries, associates and interests in joint ventures		101	0.1	178	0.2	-43.1
Held-to-maturity investments		1,879	2.2	2,238	2.8	-16.0
Loans and receivables		15,177	17.9	14,658	18.3	3.5
<i>Debt securities</i>		4,655	5.5	4,414	5.5	5.5
<i>Loans and receivables from bank customers</i>		8,944	10.5	9,006	11.3	-0.7
<i>Interbank loans and receivables</i>		210	0.2	338	0.4	-37.9
<i>Deposits with ceding companies</i>		31	0.0	31	0.0	1.8
<i>Other loans and receivables</i>		1,337	1.6	868	1.1	53.9
Available-for-sale financial assets		52,082	61.3	48,378	60.5	7.7
Financial assets at fair value through profit or loss		10,910	12.8	9,849	12.3	10.8
<i>held for trading</i>		663	0.8	392	0.5	69.2
<i>at fair value through profit or loss</i>		10,247	12.1	9,457	11.8	8.4
Cash and cash equivalents		766	0.9	674	0.8	13.6
<b>Total investments and cash and cash equivalents</b>		<b>84,896</b>	<b>100.0</b>	<b>79,985</b>	<b>100.0</b>	<b>6.1</b>

(\*) including properties for own use

Net financial income (not including net income from financial assets and liabilities, whose investment risk is borne by policyholders) amounted to €890m at 31 March 2015, compared to €579m at 31 March 2014 (+53.7%).

As stated on the previous pages, this financial income was affected by gains from unrepeatable realisations at those levels in the remaining portion of 2015.

## Shareholders' equity

Shareholders' Equity attributable to the owners of the Parent amounted to €6,070m (€5,691m at 31/12/2014). The main changes in the period were as follows:

- an increase of €216m owing to the increase in the provision for gains and losses on available-for-sale financial assets, from €777m at 31 December 2014 to €993m at 31 March 2015;
- a decrease of €34m owing to the decrease in the provision for Other gains or losses recognised directly in equity;
- an increase of €195m as a result of the Group profit at 31 March 2015.

Shareholders' Equity attributable to non-controlling interests amounted to €2,955m (€2,749m at 31/12/2014).

## Technical provisions and financial liabilities

At 31 March 2015 technical provisions amounted to €64,763m (€61,895m at 31/12/2014) and financial liabilities totalled €15,736m (€15,459m at 31/12/2014).

<b>Technical provisions and financial liabilities</b>				
	<i>Amounts in €m</i>	<b>31/3/2015</b>	<b>31/12/2014</b>	<i>% var.</i>
Non-Life technical provisions		17,480	17,636	-0.9
Life technical provisions		47,283	44,259	6.8
<b>Total technical provisions</b>		<b>64,763</b>	<b>61,895</b>	<b>4.6</b>
<b>Financial liabilities at fair value</b>		<b>2,356</b>	<b>2,277</b>	<b>3.5</b>
<i>Investment contracts - insurance companies</i>		1,886	1,608	17.3
<i>Other</i>		470	670	-29.7
<b>Other financial liabilities</b>		<b>13,379</b>	<b>13,182</b>	<b>1.5</b>
<i>Investment contracts - insurance companies</i>		1	7	-86.7
<i>Subordinated liabilities</i>		2,629	2,623	0.2
<i>Payables to bank customers</i>		5,657	5,717	-1.0
<i>Interbank payables</i>		505	796	-36.5
<i>Other</i>		4,587	4,039	13.6
<b>Total financial liabilities</b>		<b>15,736</b>	<b>15,459</b>	<b>1.8</b>
<b>Total</b>		<b>80,499</b>	<b>77,354</b>	<b>4.1</b>

## Significant events during the first quarter of 2015 and after the end of the quarter, and business outlook

### Approval for the mandatory conversion of Class A and Class B savings shares into ordinary UnipolSai shares

On 26 January 2015, the UnipolSai Extraordinary Shareholders' Meeting, and on 27 January 2015 the Special Meetings of UnipolSai Class A and Class B Savings Shareholders, each to the extent of their responsibility approved the mandatory conversion of Class A savings shares ("Class A Savings Shares") and Class B savings shares ("Class B Savings Shares") into ordinary UnipolSai shares, in accordance with the following conversion ratio:

- 100 ordinary shares, with normal dividend rights, for each Class A Savings Share, without equalisation payment;
- 1 ordinary share, with normal dividend rights, for each Class B Savings Share, without equalisation payment.

The deadline to exercise the right of withdrawal expired on 27 March 2015 and it was validly exercised (i) for 67 Class A Savings Shares, for a value of €15,294.22, and (ii) for 5,490 Class B Savings Shares, for a value of €12,286.62. Since the total liquidation value of the shares withdrawn did not exceed the maximum outlay threshold to which finalisation of the conversion was subordinated, all of the conditions precedent of the transaction were fulfilled, so the conversion will take effect by the end of June, after the ex-dividend date relating to the year ending 31 December 2014.

At the date this quarterly Report is drawn up, the period of rights issue and right of pre-emption of the shares for which the right of withdrawal was validly exercised is in progress. The period for exercising the rights will end on 15 May 2015.

### Approval of the proposal for mandatory conversion of preference shares into ordinary Unipol shares by the Extraordinary Shareholders' Meeting and Special Meeting for Preference Shareholders

On 25 February 2015, also with respect to the quorum envisaged for the Special Meeting of ordinary shareholders, the Unipol Extraordinary Shareholders' Meeting approved the mandatory conversion of the preference shares ("Preference Shares") into ordinary Unipol shares ("Ordinary Shares") (the "Conversion" or "Transaction"), based on the following conversion ratio:

- 1 Ordinary Share, with normal dividend rights, for each Preference Share, without equalisation payment.

On 26 February 2015 the Special Meeting of preference shareholders approved the same resolution.

On 17 April the period for exercising the right of withdrawal ended, and it was validly exercised for 3,524 Preference Shares, for a value of €13,077.56. Since the total liquidation value of the shares withdrawn did not exceed the maximum outlay threshold to which finalisation of the conversion was subordinated, all of the conditions precedent of the transaction were fulfilled, so the conversion will take effect by the end of June, after the ex-dividend date relating to the year ending 31 December 2014.

At the date this quarterly Report is drawn up, the period of rights issue and right of pre-emption of the shares for which the right of withdrawal was validly exercised is in progress. The period for exercising the rights will end on 3 June 2015.

## **Exchange offers targeting the holders of notes representing the 2017 Notes and 2021 Notes issued by Unipol**

On 9 March 2015, Unipol (the Issuer) announced the launch of two exchange offers, proposing:

- (i) to holders of outstanding notes representing the non-convertible Unsecured Senior Note known as "*€750,000,000 5.00 per cent. Notes due 11 January 2017*" issued by the Issuer on 11 December 2009 and listed on the regulated market of the Luxembourg Stock Exchange (ISIN Code XS0472940617) (the 2017 Notes) and
- (ii) to holders of notes representing the non-convertible Unsecured Senior Note known as "*€500,000,000 4.375 per cent. Notes due 5 March 2021*" issued by the Issuer on 5 March 2014 and listed on the regulated market of the Luxembourg Stock Exchange (ISIN Code XS1041042828) (the 2021 Notes and together with the 2017 Notes the Existing Notes),

to exchange their Existing Notes with securities representing a new non-convertible Unsecured Senior Note, with a fixed interest rate and due in 2025, to be issued by the Issuer for listing on the regulated market of the Luxembourg Stock Exchange, in accordance with the terms and conditions of the Exchange Offer Memorandum dated 9 March 2015.

On the settlement date, 18 March 2015, the Company issued the new non-convertible Unsecured Senior Note for the total nominal value of €1bn, listed on the Luxembourg Stock Exchange, with a ten-year duration (maturing March 2025) and a fixed interest rate of 3%. A portion of the new loan, in the amount of €314,437,000, was given in exchange to the holders of Existing Notes whose exchange offers were accepted by the Company.

The total nominal value of the 2017 Notes accepted in exchange pursuant to the relevant Exchange Offer and the final acceptance amount of the 2021 Notes are €99m and €182.6m, respectively, so the outstanding amount after the settlement date of these notes is €298.6m for the 2017 Notes and €317.4m for the 2021 Notes.

## **Pending proceedings with the Antitrust Authority**

On 26 March 2015 the Antitrust Authority notified a penalty provision with which UnipolSai Assicurazioni was ordered to pay an administrative penalty of €16,930,031 on the assumption according to which Fondiaria-SAI and Unipol Assicurazioni were allegedly party to, along with the Generali Group, an agreement restricting competition that was aimed at misrepresenting the competition in the local public transport MV TPL policy sector in the years 2010-2014. This is the ruling issued at the end of the preliminary proceedings no. I/744 that the Authority started to ascertain the existence of alleged violations of Art. 2 of Law 287/1990 and/or Art. 101 of the Treaty on the Functioning of the European Union, which was reported in the Consolidated Financial Statements at 31 December 2014.

It is the opinion of the Antitrust Authority that the agreement consisted of the non-participation in a given number of tenders called by some Local Public transport Companies to assign MV TPL insurance services for the purpose of preventing a competitive comparison and retaining the historically served customers through bilateral negotiations.

As UnipolSai considers the order entirely groundless, it gave its legal counsel a mandate to file an appeal before the Regional Administrative Court of Lazio.



## **Business outlook**

In April the signs of recovery of Italy's economy strengthened, even if the uncertainty on the outcome of the negotiations on Greece's debt led to greater volatility in the financial markets, taking the BTP-Bund spread to above 100 points. Financial operations are still targeted at consistency between assets and liabilities and maintaining a high standard of portfolio quality through criteria of diversification of the issuers that maintain particular focus on their strength and liquidity.

As far as the performance of the businesses in which the Group operates is concerned, there are no significant events to report. The many marketing and commercial offering actions aimed at pursuing production recovery in the Non-Life segment are continuing, although in a scenario that is still highly competitive.

The Group is continuing to integrate some business management IT systems and other company simplification activities, already identified, as outlined in the strategies defined in the Business Plan.

Bologna, 7 May 2015

**The Board of Directors**



## **Consolidated Financial Statements:**

- Statement of financial position
  - Income statement
  - Condensed operating income statement by business segment
  - Statement of financial position by business segment
-



### Consolidated Statement of Financial Position - Assets

		<i>Amounts in €m</i>	31/3/2015	31/12/2014
<b>1</b>	<b>INTANGIBLE ASSETS</b>		<b>2,108</b>	<b>2,133</b>
1.1	Goodwill		1,582	1,582
1.2	Other intangible assets		526	551
<b>2</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		<b>1,504</b>	<b>1,522</b>
2.1	Property		1,352	1,364
2.2	Other tangible assets		151	157
<b>3</b>	<b>TECHNICAL PROVISIONS - REINSURERS' SHARE</b>		<b>1,084</b>	<b>988</b>
<b>4</b>	<b>INVESTMENTS</b>		<b>82,777</b>	<b>77,946</b>
4.1	Investment property		2,627	2,646
4.2	Investments in subsidiaries, associates and interests in joint ventures		101	178
4.3	Held-to-maturity investments		1,879	2,238
4.4	Loans and receivables		15,177	14,658
4.5	Available-for-sale financial assets		52,082	48,378
4.6	Financial assets at fair value through profit or loss		10,910	9,849
<b>5</b>	<b>SUNDRY RECEIVABLES</b>		<b>3,011</b>	<b>3,594</b>
5.1	Receivables relating to direct insurance business		1,253	1,692
5.2	Receivables relating to reinsurance business		82	95
5.3	Other receivables		1,675	1,807
<b>6</b>	<b>OTHER ASSETS</b>		<b>1,761</b>	<b>1,770</b>
6.1	Non-current assets or assets of a disposal group held for sale		24	9
6.2	Deferred acquisition costs		79	76
6.3	Deferred tax assets		1,015	1,044
6.4	Current tax assets		39	120
6.5	Other assets		604	521
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>		<b>766</b>	<b>674</b>
	<b>TOTAL ASSETS</b>		<b>93,011</b>	<b>88,627</b>

### Consolidated Statement of Financial Position - Shareholders' Equity and Liabilities

		<i>Amounts in €m</i>	31/3/2015	31/12/2014
<b>1</b>	<b>SHAREHOLDERS' EQUITY</b>		<b>9,024</b>	<b>8,440</b>
1.1	attributable to the owners of the Parent		6,070	5,691
1.1.1	Share capital		3,365	3,365
1.1.2	Other equity instruments		0	0
1.1.3	Capital reserves		1,725	1,725
1.1.4	Income-related and other equity reserves		-162	-356
1.1.5	(Treasury shares)		-36	-36
1.1.6	Reserve for foreign currency translation differences		2	2
1.1.7	Gains or losses on available-for-sale financial assets		993	777
1.1.8	Other gains or losses recognised directly in equity		-13	20
1.1.9	Profit (loss) for the year attributable to the owners of the Parent		195	192
1.2	attributable to non-controlling interests		2,955	2,749
1.2.1	Share capital and reserves attributable to non-controlling interests		2,288	1,972
1.2.2	Gains or losses recognised directly in equity		550	464
1.2.3	Profit (loss) for the year attributable to non-controlling interests		117	313
<b>2</b>	<b>PROVISIONS</b>		<b>615</b>	<b>643</b>
<b>3</b>	<b>TECHNICAL PROVISIONS</b>		<b>64,763</b>	<b>61,895</b>
<b>4</b>	<b>FINANCIAL LIABILITIES</b>		<b>15,736</b>	<b>15,459</b>
4.1	Financial liabilities at fair value through profit or loss		2,356	2,277
4.2	Other financial liabilities		13,379	13,182
<b>5</b>	<b>PAYABLES</b>		<b>1,363</b>	<b>933</b>
5.1	Payables arising from direct insurance business		96	154
5.2	Payables arising from reinsurance business		98	44
5.3	Other payables		1,169	735
<b>6</b>	<b>OTHER LIABILITIES</b>		<b>1,510</b>	<b>1,257</b>
6.1	Liabilities associated with disposal groups		0	0
6.2	Deferred tax liabilities		123	102
6.3	Current tax liabilities		70	28
6.4	Other liabilities		1,316	1,127
	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>93,011</b>	<b>88,627</b>

## Consolidated Income Statement

		<i>Amounts in €m</i>	31/3/2015	31/3/2014
1.1	Net premiums		4,252	4,746
1.1.1	<i>Gross premiums earned</i>		4,340	4,864
1.1.2	<i>Earned premiums ceded to reinsurers</i>		-88	-117
1.2	Commission income		27	30
1.3	Gains and losses on financial instruments at fair value through profit or loss		430	132
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures		2	1
1.5	Gains on other financial instruments and investment property		911	833
1.5.1	<i>Interest income</i>		452	514
1.5.2	<i>Other income</i>		35	37
1.5.3	<i>Realised gains</i>		362	247
1.5.4	<i>Unrealised gains</i>		62	34
1.6	Other revenue		135	100
<b>1</b>	<b>TOTAL REVENUE AND INCOME</b>		<b>5,756</b>	<b>5,843</b>
2.1	Net charges relating to claims		-4,223	-4,317
2.1.1	<i>Amounts paid and changes in technical provisions</i>		-4,262	-4,382
2.1.2	<i>Reinsurers' share</i>		39	65
2.2	Commission expense		-8	-10
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures		-2	-8
2.4	Losses on other financial instruments and investment property		-177	-230
2.4.1	<i>Interest expense</i>		-67	-67
2.4.2	<i>Other charges</i>		-18	-12
2.4.3	<i>Realised losses</i>		-39	-71
2.4.4	<i>Unrealised losses</i>		-52	-81
2.5	Operating expenses		-672	-777
2.5.1	<i>Commissions and other acquisition costs</i>		-442	-528
2.5.2	<i>Investment management expenses</i>		-15	-15
2.5.3	<i>Other administrative expenses</i>		-214	-234
2.6	Other costs		-199	-251
<b>2</b>	<b>TOTAL COSTS AND EXPENSES</b>		<b>-5,281</b>	<b>-5,594</b>
	<b>PRE-TAX PROFIT (LOSS) FOR THE YEAR</b>		<b>475</b>	<b>249</b>
3	Income tax		-163	-116
	<b>PROFIT (LOSS) FOR THE YEAR AFTER TAXES</b>		<b>312</b>	<b>133</b>
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		0	-1
	<b>CONSOLIDATED PROFIT (LOSS)</b>		<b>312</b>	<b>132</b>
	<i>of which attributable to the owners of the Parent</i>		<i>195</i>	<i>70</i>
	<i>of which attributable to non-controlling interests</i>		<i>117</i>	<i>62</i>

**Condensed consolidated operating income statement by business segment**

	NON-LIFE BUSINESS		LIFE BUSINESS		INSURANCE SECTOR		BANKING SECTOR		HOLDING AND OTHER BUSINESSES SECTOR		REAL ESTATE (*) SECTOR		Intersegment eliminations		TOTAL CONSOLIDATED			
	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	
	% var.	% var.	% var.	% var.	% var.	% var.	% var.	% var.	% var.	% var.	% var.	% var.	% var.	% var.	% var.	% var.	% var.	
Amounts in €m																		
Net premiums	1,905	2,322	-18.0	2,347	2,424	-3.2	4,252	4,746	-10.4	7	1	379.5	0	0	0.0	4,252	4,746	-10.4
Net commission income	0	0	-112.3	2	2	-5.2	2	2	1.8	22	28	-20.4	0	0	0.0	19	20	-6.8
Financial income/expense (excl. assets/liabilities at fair value)	336	177	89.7	536	378	41.6	871	555	56.9	55	60	-8.5	6	7	-5.1	890	579	53.7
Net interest income	68	97		277	300		345	397		62	62		0	0		388	451	
Other gains and losses	21	12		32	0		53	12		0	0		11	12		42	15	
Realised gains and losses	215	72		219	88		434	160		5	27		0	0		439	187	
Unrealised gains and losses	31	-4		8	-10		39	-14		-13	-29		0	-4		22	-73	
Net charges relating to claims	-1,319	-1,557	-15.3	-2,631	-2,611	0.8	-3,950	-4,169	-5.2									
Operating expenses	-502	-577	-13.0	-93	-102	-8.4	-595	-679	-12.3	-74	-78	-5.4	-7	-3	151.5	-3,950	-4,169	-5.2
Commissions and other acquisition costs	-401	-468	-14.4	-50	-60	-16.8	-451	-529	-14.7	-74	-78	-5.4	-7	-3	151.5	-672	-777	-13.5
Other expenses	-101	-109	-7.1	-43	-41	3.9	-144	-150	-4.1	-74	-78	-5.4	-7	-3	151.5	-230	-249	-7.9
Other gains and losses	-51	-116	-55.6	-22	-40	-45.5	-73	-155	-53.0	1	4	-67.8	-1	-6	-76.4	-64	-152	-57.9
<b>Pre-tax profit (loss)</b>	<b>368</b>	<b>249</b>	<b>48.0</b>	<b>139</b>	<b>52</b>	<b>166.7</b>	<b>507</b>	<b>301</b>	<b>68.6</b>	<b>4</b>	<b>14</b>	<b>-67.7</b>	<b>-2</b>	<b>-2</b>	<b>-21.4</b>	<b>475</b>	<b>249</b>	<b>91.1</b>
Income tax	-125	-105	18.6	-43	-17	158.0	-168	-122	37.8	-1	-9	-83.5	0	0	0	-163	-116	41.1
Profit (loss) from discontinued operations	0	0		0	0		0	0		0	-1		0	0		0	0	
<b>Consolidated profit (loss)</b>	<b>243</b>	<b>143</b>	<b>69.6</b>	<b>96</b>	<b>35</b>	<b>170.9</b>	<b>339</b>	<b>179</b>	<b>89.6</b>	<b>3</b>	<b>4</b>	<b>-32.2</b>	<b>-2</b>	<b>-2</b>	<b>11.6</b>	<b>312</b>	<b>132</b>	<b>135.9</b>
Profit (loss) attributable to the owners of the Parent																195	70	
Profit (loss) attributable to non-controlling interests																117	62	

(\*) The real estate sector only includes Group real estate companies

Statement of financial position by business segment

	Amounts in €m													
	Non-Life business		Life business		Banks		Holding and Other businesses		Real estate		Intersegment eliminations		Total	
	31/3/2015	31/12/2014	31/3/2015	31/12/2014	31/3/2015	31/12/2014	31/3/2015	31/12/2014	31/3/2015	31/12/2014	31/3/2015	31/12/2014	31/3/2015	31/12/2014
1	1,490	1,503	592	603	10	11	17	19	1	1	-2	-2	2,108	2,133
2	678	713	61	62	15	16	231	234	515	495	2	2	1,504	1,522
3	977	873	107	115									1,084	988
4	18,244	17,617	52,260	48,226	11,747	11,713	834	424	1,220	1,263	-1,528	-1,298	82,777	77,946
4.1	1,441	1,432	11	11	1	1	45	45	1,129	1,157			2,627	2,646
4.2	72	62	9	95	7	7	0	0	13	13			101	178
4.3	644	639	775	781	460	818							1,879	2,238
4.4	2,361	2,109	3,588	3,253	10,034	10,226	684	323	30	36	-1,520	-1,290	15,177	14,658
4.5	13,569	13,257	37,341	34,375	1,039	652	93	44	48	57	-7	-7	52,082	48,378
4.6	156	118	10,537	9,711	205	8	12	12					10,910	9,849
5	2,394	2,814	570	739	65	85	130	132	50	37	-200	-212	3,011	3,594
6	866	738	88	200	419	418	577	579	24	25	-212	-189	1,761	1,770
6.1	32	27	47	48									79	76
6.2	835	710	40	152	419	418	577	579	24	25	-212	-189	1,682	1,694
7	458	300	286	518	93	100	792	608	127	111	-990	-963	766	674
	25,108	24,558	53,964	50,462	12,349	12,342	2,583	1,996	1,936	1,931	-2,930	-2,662	93,011	88,627
1													9,024	8,440
2	522	558	30	25	17	17	512	512	22	22	-488	-490	615	643
3	17,480	17,636	47,283	44,259									64,763	61,895
4	1,657	1,820	2,970	2,800	11,040	11,152	1,885	1,280	164	164	-1,981	-1,757	15,736	15,459
4.1	92	185	2,177	2,002	82	84	3	3	3	3			2,356	2,277
4.2	1,565	1,635	793	798	10,958	11,067	1,882	1,278	161	161	-1,981	-1,757	13,379	13,182
5	1,123	774	209	196	127	75	103	97	47	55	-246	-264	1,363	933
6	836	736	429	267	393	356	49	47	18	2	-216	-151	1,510	1,257
													93,011	88,627

## Statement of the Manager in charge of financial reporting

(pursuant to Art. 154-bis of Legislative Decree 58/1998)

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**STATEMENT OF THE MANAGER IN CHARGE  
OF FINANCIAL REPORTING**

**RE: Interim Financial Report of Unipol Gruppo Finanziario S.p.A. as at  
31 March 2015**

The undersigned, Maurizio Castellina, Manager in charge of financial reporting of Unipol Gruppo Finanziario S.p.A.

HEREBY DECLARES,

pursuant to Article 154-bis, paragraph 2 of the Consolidated Act on Financial Intermediation, that the Interim Financial Report as at 31 March 2015 is consistent with the accounting records, ledgers and documents.

Bologna, 7 May 2015

The Manager in charge of  
financial reporting  
*Maurizio Castellina*

*(signed on the original)*





**Unipol Gruppo Finanziario S.p.A.**

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Share capital  
€3,365,292,408.03 fully paid-up  
Bologna Business Register,  
Tax and VAT No. 00284160371  
R.E.A. No. 160304

Parent of the Unipol Insurance Group  
Entered in the Register of Insurance Groups – No. 046

Parent of the Unipol Banca Banking Group  
Entered in the Register of Banking Groups

[www.unipol.it](http://www.unipol.it)



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