

UnipolSai Assicurazioni
Consolidated Interim
Financial Report
at 31 March 2015

UnipolSai
ASSICURAZIONI

New dimension.
New perspectives.





UnipolSai Assicurazioni S.p.A.

*Registered and Head Offices at Via Stalingrado 45, Bologna - Share capital €1,996,129,451.62 fully paid-up
Bologna Register of Companies and Tax No. 00818570012 – R.E.A. No. 511469
Authorised insurance company pursuant to Art. 65, Royal Decree No. 966 of 29 April 1923, converted into Law No. 473 of
17 April 1925. Entered in Section I of the Insurance and Reinsurance Companies List at No. 1.00006 and a member of
the Unipol Insurance Group, entered in the Register of Insurance Groups - No. 046.
A company subject to management and coordination by Unipol Gruppo Finanziario S.p.A.*

www.unipolsai.com - www.unipolsai.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

Board of Directors	
Chairman	Fabio Cerchiai (*)
Vice Chairman	Pierluigi Stefanini (*)
Chief Executive Officer	Carlo Cimbri (*)
Directors	Francesco Berardini Massimo Masotti Milva Carletti Maria Rosaria Maugeri Paolo Cattabiani Maria Lilla Montagnani Lorenzo Cottignoli Nicla Picchi (*) Ernesto Dalle Rive Giuseppe Recchi Cristina De Benetti Barbara Tadolini Ethel Frasinetti Francesco Vella (*) Giorgio Ghiglieno Mario Zucchelli
Secretary of the Board of Directors	Roberto Giay
<i>(*) Members of the Executive Committee</i>	
Board of Statutory Auditors	
Chairman	Giuseppe Angiolini
Statutory Auditors	Sergio Lamonica Giorgio Loli
Alternate Auditors	Domenico Livio Trombone Maria Luisa Mosconi Giovanni Rizzardi
Independent Auditors	PricewaterhouseCoopers SpA
Joint representative of the Class 'A' Savings Shareholders	Dario Trevisan
Joint representative of the Class 'B' Savings Shareholders	Giuseppe Dolcetti
Manager in charge of financial reporting	Maurizio Castellina



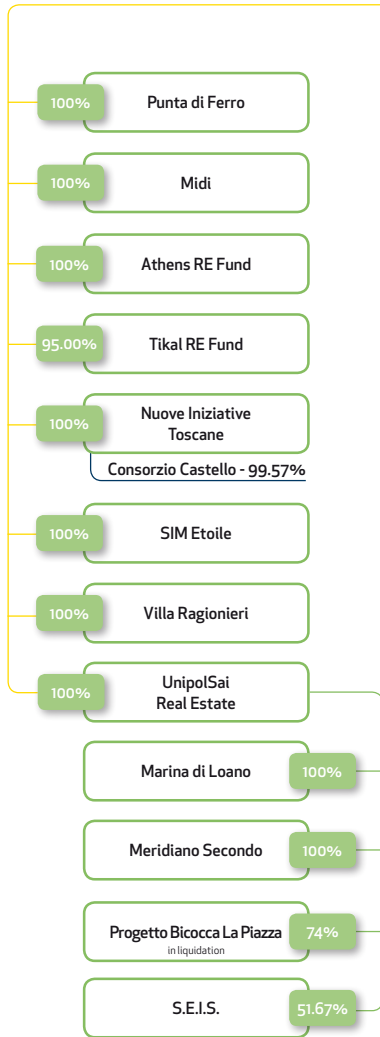
Interim Financial Report

Consolidation Scope chart at 31 March 2015

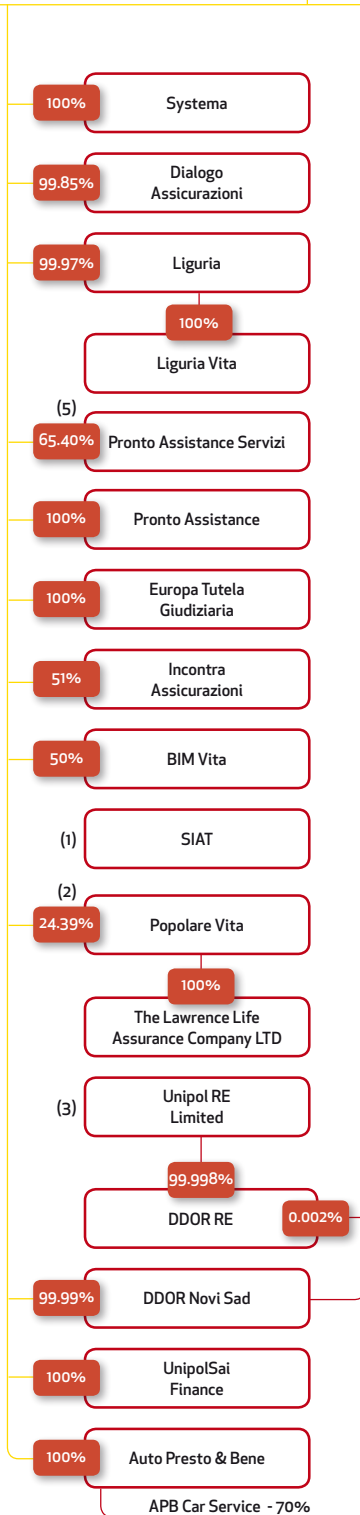
(direct holding out of total share capital)



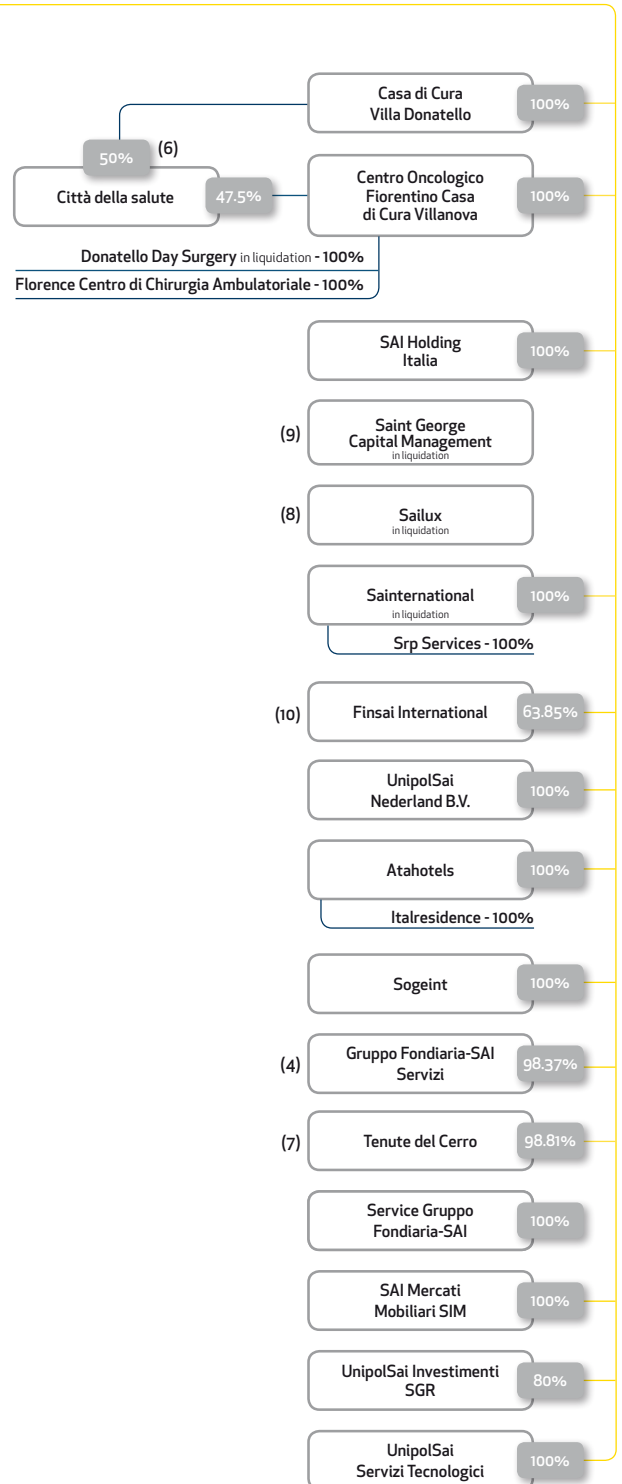
REAL ESTATE SECTOR



INSURANCE SECTOR



OTHER ACTIVITIES SECTOR



Additional shares held by Group companies:

- (1) indirect share of 94.69% through SAI Holding Italia
- (2) indirect share of 25.61% through SAI Holding Italia
- (3) indirect share of 100% through UnipolSai Nederland, a wholly-owned subsidiary of UnipolSai
- (4) 1.59% share held by other subsidiaries
- (5) 34.5% share held by other subsidiaries
- (6) 2.5% share held by Florence Centro di Chirurgia Ambulatoriale
- (7) 1.19% share held by Pronto Assistance
- (8) 100% share held by UnipolSai Finance
- (9) 100% share held by UnipolSai Finance
- (10) 36.15% share held by UnipolSai Finance

GROUP HIGHLIGHTS

	<i>Amounts in €m</i>	31/3/2015	31/3/2014	31/12/2014
Non-Life direct insurance premiums		1,801	2,107	8,424
<i>% variation</i>		-14.6		
Life direct insurance premiums		1,941	1,995	7,584
<i>% variation</i>		-2.7		
Direct insurance premiums		3,742	4,102	16,008
<i>% variation</i>		-8.8		
Consolidated profit (loss)		310	186	783
<i>% variation</i>		66.6		
Investments and cash and cash equivalents		66,624	61,402	62,878
<i>% variation</i>		6.0		
Technical provisions		58,458	53,795	56,228
<i>% variation</i>		4.0		
Financial liabilities		3,661	4,309	3,813
<i>% variation</i>		-4.0		
Shareholders' Equity attributable to the owners of the Parent		6,828	5,858	6,295
<i>% variation</i>		8.5		
Solvency I ratio		167%	153%	163%

Alternative performance indicators ¹

	31/03/2015	31/03/2014	31/12/2014
Loss ratio - direct business (including OTI ratio)	69.4%	67.4%	68.1%
Expense ratio - direct business	27.4%	26.7%	27.3%
Combined ratio - direct business (including OTI ratio)	96.8%	94.1%	95.3%
Loss ratio - net of reinsurance	71.2%	67.9%	68.6%
Expense ratio (calculated on premiums earned) - net of reins.	26.2%	24.8%	26.0%
Combined ratio (with expense ratio calculated on premiums earned) - net of reins.	97.5%	92.8%	94.6%

¹ 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 premiums for the period.

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 premiums for the period.

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, UnipolSai 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 UnipolSai 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 consolidated non-life direct premiums of UnipolSai stood at €1,801m (-14.6% on the data from 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*") should be around -5.6%. Premiums in the motor vehicle TPL business stood at €909m, down by 20.1% versus the first quarter of 2014 (*estimated operating figure* -8.9%). A decline was also recorded in the Land Vehicle Hulls business with premiums totalling €152m, -14.5% (*estimated operating figure* -4.0%). 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 €740m, down by 6.6% (*estimated operating figure* -1.4%).

Towards the end of the quarter, UnipolSai 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 Unipol Group's banking business. With 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 will 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 within the consolidation scope, UnipolSai contributed a total of €1,703m to the consolidated premiums (-14.5%, *estimated operating figure* -4.9%). A decline was also registered in the other main companies of the Group operating primarily in the MV segment, such as 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 UnipolSai 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 an increase to be attributed mainly to said weather event.

The direct business expense ratio, despite the drop in operational costs expressed in absolute values, was 27.4% 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 96.8% versus 94.1% 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 held steady even with a comparison to the solid performance registered in the first quarter of the previous year, especially in the bancassurance business. The direct premiums of the UnipolSai Group reached €1,941m, -2.7% compared with the first quarter of 2014 which recorded a 13.7% growth.

In particular, the Group benefited from the UnipolSai growth, with premiums totalling €1,040m, +15.6%, while the Popolare Vita Group showed a decline, with premiums of €827m, down by 21.5% against a percentage growth (+23.4%) in the first quarter of 2014. The other bancassurance company, Bim Vita, with premiums totalling €66m, doubled the premiums registered in 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 €161m (€159m at 31/3/2014), of which €114m was contributed by the traditional companies and €47m 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 7.8% 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 €469m.

As regards the **Real estate segment**, operations focused mostly in the preparation of 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 SpA (a subsidiary of Fenice Holding) which would allow, through a merger with Atahotels SpA, for the creation of a leading operator in hotel activities in Italy.

UnipolSai ended the first quarter of 2015 with a consolidated profit of €310m, a substantial growth compared with the €186m of the first quarter of 2014, due mainly to the concentration in these first few months, as also 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 1.67 times, a slight increase compared 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 1.70.

Insurance Sector

The **net profit** of the Insurance Sector was €320m (€194m at 31/3/2014), of which:

- €225m relating to the Non-Life sector (€152m at 31/3/2014);
- and €95m relating to the Life sector (€42m at 31/3/2014).

At 31 March 2015, Investments and cash and cash equivalents of the Insurance sector, including properties for own use, totalled €64,520m (€60,844m at 31/12/2014), €18,560m of which was from Non-Life business (€17,857m at 31/12/2014) and €45,960m from Life business (€42,987m at 31/12/2014).

Financial liabilities amounted to €3,559m (€3,776m at 31/12/2014), €1,649m of which was from Non-Life business (€1,819m at 31/12/2014) and €1.910m from Life business (€1,956m at 31/12/2014).

Total premiums (direct and indirect premiums and investment products) at 31 March 2015 amounted to €3,748m (€4,123m at 31/3/2014, -9.1%, *estimated operating figure -4.5%*).

Life premiums amounted to €1,942m (€1,996m at 31/3/2014, -2.7%) and Non-Life premiums totalled €1,806m (€2,127m at 31/3/2014, -15.1%, *estimated operating figure -6.2%*).

Direct premiums

	<i>Amounts in €m</i>	31/3/2015	<i>% comp.</i>	31/3/2014	<i>% comp.</i>	<i>% var.</i>
Non-Life direct premiums		1,801	48.1	2,107	51.4	-14.6
Life direct premiums		1,941	51.9	1,995	48.6	-2.7
Total direct premium income		3,742	100.0	4,102	100.0	-8.8

On the basis of estimated operating figures, Non-Life premiums declined by 5.6%.

Indirect premiums

	<i>Amounts in €m</i>	31/3/2015	<i>% comp.</i>	31/3/2014	<i>% comp.</i>	<i>% var.</i>
Non-Life premiums		6	95.2	20	94.5	-70.8
Life premiums		0	4.8	1	5.5	-74.6
Total indirect premiums		6	100.0	21	100.0	-71.0

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:

Non-Life business direct premium income					
	31/3/2015	% comp.	31/3/2014	% comp.	% var.
<i>Amounts in €m</i>					
Motor vehicles - TPL and sea, lake and river (classes 10 and 12)	909		1,138		-20.1
Land Vehicle Hulls (class 3)	152		178		-14.5
Total premiums - Motor vehicles	1,061	58.9	1,315	62.4	-19.3
Accident and Health (classes 1 and 2)	213		234		-9.3
Fire and Other damage to property (classes 8 and 9)	246		266		-7.7
General TPL (class 13)	160		155		2.8
Other classes	121		136		-10.6
Total premiums - Non-Motor vehicles	740	41.1	792	37.6	-6.6
Total Non-Life direct premiums	1,801	100.0	2,107	100.0	-14.6

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 had a significant impact, with an estimated effect of approximately nine percentage points on premiums.

In the MV TPL class (direct premiums of €909m, -20.1%, *estimated operating figure -8.9%*) 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 (€152m, -14.5%, *estimated operating figure -4.0%*) 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 €740m and a dip of 6.6% (*operating figure estimated -1.4%*).

With regard to **Non-Life claims**, the technical indicators remain positive due to the continuing decrease in reported claims compared to the same period of the previous year.

The **loss ratio** solely for Non-Life direct business, including the OTI ratio, stood at 69.4% (67.4% at 31/3/2014): as explained previously, the deterioration in this indicator is mainly attributable to an exceptionally severe weather event (wind storm) that hit Tuscany in early March.

The **expense ratio** for Non-Life direct business was 27.4% (26.7% at 31/3/2014): despite the drop in operating expenses 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 96.8% at 31 March 2015 (94.1% at 31/3/2014).

Non-Life premiums of the main Group insurance companies

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 €675m 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%*).

Among the other Non-Life companies, the direct premiums of **SIAT**, totalling €25m (€29m at 31/3/2014) recorded a 14.9% decrease; the companies **Incontra** and **DDOR** also experienced premium declines of 4.6% (€17m at 31/3/2015) and 5.6% (€18m at 31/3/2015), respectively.

The companies **Liguria**, **Dialogo** and **Systema** collected premiums totalling €38m (€50m at 31/3/2014, -23.9%)

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.
Premiums						
I - Whole and term Life insurance		1,094	56.8	1,546	78.0	-29.2
III - Unit-linked/index-linked policies		465	24.1	253	12.7	84.2
V - Capitalisation insurance		253	13.1	75	3.8	236.6
VI - Pension funds		115	6.0	108	5.4	6.8
Total Life business premium income		1,927	100.0	1,981	100.0	-2.7
Investment products						
III - Unit-linked/index-linked policies		1	8.8	2	13.9	-36.1
VI - Pension funds		13	91.2	12	86.1	6.7
Total Life investment products		14	100.0	14	100.0	0.7
Total premium income						
I - Whole and term Life insurance		1,094	56.3	1,546	77.5	-29.2
III - Unit-linked/index-linked policies		466	24.0	254	12.8	83.3
V - Capitalisation insurance		253	13.0	75	3.8	236.6
VI - Pension funds		128	6.6	120	6.0	6.8
Total Life business direct premium income		1,941	100.0	1,995	100.0	-2.7

The Life segment's performance was slightly weaker compared to the values recorded at 31 March 2014. As in previous years, the traditional class I policies make a predominant impact on the total premiums of the segment, once again showing the preference of customers for products offering financial protection such as the revaluable products. Linked policies showed an upward trend due to the contribution of the Popolare Group whose Class III premiums amounted to €408m, up by 79.3% from 31 March 2014 (€227m). Increases, albeit of little consequence given the low volumes, were seen in the Pension Funds segment, from €120m at 31 March 2014 to €128m at 31 March 2015.



The bancassurance channel contributed less than in the previous year to the UnipolSai Group's total premiums, with direct premiums of €893m (-17.9% from the first quarter of 2014).

New business in terms of APE,² net of non-controlling interests, amounted to €161m at 31 March 2015 (€159m at 31/3/2014, +1.1%).

Life premiums of the main Group insurance companies

Direct premiums attributable to **UnipolSai** alone amounted to €1,040m (€900m at 31/3/2014 +15.6%), confirming the positive trend identified at the end of 2014.

The **Popolare Vita Group** collected premiums totalling €827m, down by 21.5% from 31/3/2014 (€1,054m).

²APE – 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.

Real Estate Sector

At 31 March 2015, the **net loss** of the Real Estate Sector was €2m (-€2m at 31/3/2014).

Investments and cash and cash equivalents of the Real Estate sector (including instrumental properties for own use) totalled €1,851m at 31 March 2015 (€1,858m at 31/12/2014), consisting mainly of investment property amounting to €1,248m (€1,276m at 31/12/2014) and properties for own use totalling €386m (€364m at 31/12/2014).

Financial liabilities amounted to €164m at 31 March 2015 (€164m at 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 UnipolSai 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 UnipolSai 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.

Other Businesses Sector

At 31 March 2015, the **net loss** of the Other Businesses was €7m (-€6m at 31/3/2014).

At 31 March 2015, Investments and cash and cash equivalents of the Other Businesses Sector (including properties for own use for €125m) totalled €440m (€481m at 31/12/2014).

Financial liabilities amounted to €43m (€94m at 31/12/2014).

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, while 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 Fenice Holding (parent company of Una SpA). Negotiations on an exclusive basis were therefore started in order to discuss the possible acquisition by Unipol Group of the hotel business held by 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.

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. During the quarter exposure in government bonds decreased by about €212m. Investments in Government bonds increased in the Life segment during the period (+€412m), whereas they decreased in the Non-Life segment (-€624m).

Purchases in 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. In line with the macroeconomic scenario and to complete an action started last year, a swap to cover the risk of rising interest rates was concluded in the Life portfolio for the nominal value of €344m. The aim of this transaction was to bring into line the durations of the assets and liabilities in the separately managed accounts affected.

Assets in Government bonds in 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, whereas repurchases focused on the very short-term portion (treasury bills and CTZ) or on variable rate securities (treasury credit certificates).

During the quarter the non-government component of bond securities saw an increase in overall exposure of €1,108m, which regarded financial issuers (60%) of new purchases/subscriptions and industrial issuers (40%).

The activity to simplify the asset portfolio continued, and exposure in Level 2 and 3 structured bonds dropped for a value of €469m.

Share exposure increased in the quarter by €323m. Transactions were broken down based on individual shares and ETF (Exchange Traded Funds), representing share indexes. In detail, the exposure in the Life segment increased by €157m, and a €166m increase was recorded 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 €118m. On the whole, therefore also taking into account put options purchased during 2014, the value hedged by the options was a little above €800m.

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 €372m, down by €12m.

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

The overall Group duration stood at 5.98 years, up compared to 5.22 years at the end of 2014. The non-Life duration in the Group insurance portfolio was 3.66 years (3.16 years at the end of 2014) and in Life business was 7.64 years (6.12 years at the end of 2014).

The fixed rate and floating rate components of the bond portfolio remained stood at 79.5% and 20.5% respectively. The government component accounted for approximately 76.4% of the bond portfolio whilst the

corporate component accounted for the remaining 23.6%, split into 17.5% financial and 6.1% industrial credit. Italian government bonds accounted for 70.4% of the total bond portfolio.

A total of 91.5% of the bond portfolio is invested in with a rating higher than BBB-: 3% of the total was between AAA and AA-, whilst 5.7% was rated A. The exposure to securities with a BBB rating was 82.8%.

The liquidity component in the portfolio stood at €941m.

At 31 March 2015, Group **Investments and cash and cash equivalents** totalled €66,624m (€62,878m at 31/12/2014), with the following breakdown by business segment:

Investments and cash and cash equivalents - Breakdown by business segment						
	<i>Amounts in €m</i>	31/03/2015	<i>% comp.</i>	31/12/2014	<i>% comp.</i>	<i>% var.</i>
Insurance		64,520	96.8	60,844	96.8	6.0
Other Businesses		440	0.7	481	0.8	-8.4
Real Estate		1,851	2.8	1,858	3.0	-0.4
Intersegment eliminations		-187	-0.3	-304	-0.5	-38.5
Total investments and cash and cash equivalents (*)		66,624	100.0	62,878	100.0	6.0

(*) including properties for own use

The breakdown by investment category is as follows:

	<i>Amounts in €m</i>	31/3/2015	<i>% comp.</i>	31/12/2014	<i>% comp.</i>	<i>% var.</i>
Property (*)		3,867	5.8	3,896	6.2	-0.7
Investments in subsidiaries, associates and interests in joint ventures		536	0.8	608	1.0	-11.9
Held-to-maturity investments		1,419	2.1	1,420	2.3	-0.1
Loans and receivables		5,658	8.5	5,169	8.2	9.4
<i>Debt securities</i>		4,486	6.7	4,215	6.7	6.4
<i>Deposits with ceding companies</i>		31	0.0	31	0.0	1.8
<i>Other loans and receivables</i>		1,141	1.7	924	1.5	23.5
Available-for-sale financial assets		44,716	67.1	42,114	67.0	6.2
Financial assets at fair value through profit or loss		9,641	14.5	8,986	14.3	7.3
<i>held for trading</i>		422	0.6	348	0.6	21.5
<i>at fair value through profit or loss</i>		9,219	13.8	8,639	13.7	6.7
Cash and cash equivalents		787	1.2	684	1.1	15.1
Total investments and cash and cash equivalents		66,624	100.0	62,878	100.0	6.0

(*) 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 €830m at 31 March 2015, compared to €575m at 31 March 2014 (+44.3%).

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 €6,828m (€6,295m at 31/12/2014). The main changes in the period were as follows:

- an increase of €276m owing to the increase in the provision for gains and losses on available-for-sale financial assets, from €1,169m at 31 December 2014 to €1,446m at 31 March 2015;
- a decrease of €49m owing to the decrease in the provision for Other gains or losses recognised directly in equity;
- an increase of €303m as a result of the Group profit at 31 March 2015.

Shareholders' Equity attributable to non-controlling interests amounted to €349m (€340m at 31/12/2014).

Technical provisions and financial liabilities

At 31 March 2015 technical provisions amounted to €58,458m (€56,228m at 31/12/2014) and financial liabilities totalled €3,661m (€3,813m at 31/12/2014).

Technical provisions and financial liabilities						
<i>Amounts in €m</i>	31/3/2015	<i>% comp.</i>	31/12/2014	<i>% comp.</i>	<i>% var.</i>	
Non-Life technical provisions	16,665	28.5	16,866	30.0	-1.2	
Life technical provisions	41,793	71.5	39,362	70.0	6.2	
Total technical provisions	58,458	100.0	56,228	100.0	4.0	
Financial liabilities at fair value	1,224	33.4	1,365	35.8	-10.3	
<i>Investment contracts - insurance companies</i>	845	23.1	785	20.6	7.6	
<i>Other</i>	379	10.4	580	15.2	-34.6	
Other financial liabilities	2,437	66.6	2,447	64.2	-0.4	
<i>Subordinated liabilities</i>	2,040	55.7	2,034	53.3	0.3	
<i>Other</i>	397	10.8	414	10.8	-4.0	
Total financial liabilities	3,661	100.0	3,813	100.0	-4.0	
Total	62,119		60,041		3.5	

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.

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 Notes to the 2014 Consolidated Financial Statements in chapter 3, Notes to the Statement of Financial Position, paragraph 2 Provisions - Ongoing disputes and contingent liabilities.

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
1	INTANGIBLE ASSETS		782	805
1.1	Goodwill		307	307
1.2	Other intangible assets		475	498
2	PROPERTY, PLANT AND EQUIPMENT		1,182	1,196
2.1	Property		1,062	1,072
2.2	Other tangible assets		120	124
3	TECHNICAL PROVISIONS - REINSURERS' SHARE		1,043	960
4	INVESTMENTS		64,775	61,122
4.1	Investment property		2,805	2,824
4.2	Investments in subsidiaries, associates and interests in joint ventures		536	608
4.3	Held-to-maturity investments		1,419	1,420
4.4	Loans and receivables		5,658	5,169
4.5	Available-for-sale financial assets		44,716	42,114
4.6	Financial assets at fair value through profit or loss		9,641	8,986
5	SUNDRY RECEIVABLES		2,799	3,395
5.1	Receivables relating to direct insurance business		1,167	1,631
5.2	Receivables relating to reinsurance business		80	90
5.3	Other receivables		1,552	1,675
6	OTHER ASSETS		759	814
6.1	Non-current assets or assets of a disposal group held for sale		40	24
6.2	Deferred acquisition costs		79	76
6.3	Deferred tax assets		201	222
6.4	Current tax assets		24	98
6.5	Other assets		415	396
7	CASH AND CASH EQUIVALENTS		787	684
	TOTAL ASSETS		72,127	68,976

Consolidated Statement of Financial Position - Shareholders' Equity and Liabilities

		<i>Amounts in €m</i>	31/3/2015	31/12/2014
1	SHAREHOLDERS' EQUITY		7,177	6,635
1.1	attributable to the owners of the Parent		6,828	6,295
1.1.1	Share capital		1,996	1,996
1.1.2	Other equity instruments		110	110
1.1.3	Capital reserves		248	248
1.1.4	Income-related and other equity reserves		2,806	2,063
1.1.5	(Treasury shares)		-50	-50
1.1.6	Reserve for foreign currency translation differences		4	4
1.1.7	Gains or losses on available-for-sale financial assets		1,446	1,169
1.1.8	Other gains or losses recognised directly in equity		-34	15
1.1.9	Profit (loss) for the year attributable to the owners of the Parent		303	740
1.2	attributable to non-controlling interests		349	340
1.2.1	Share capital and reserves attributable to non-controlling interests		308	261
1.2.2	Gains or losses recognised directly in equity		35	34
1.2.3	Profit (loss) for the year attributable to non-controlling interests		7	44
2	PROVISIONS		590	620
3	TECHNICAL PROVISIONS		58,458	56,228
4	FINANCIAL LIABILITIES		3,661	3,813
4.1	Financial liabilities at fair value through profit or loss		1,224	1,365
4.2	Other financial liabilities		2,437	2,447
5	PAYABLES		1,179	819
5.1	Payables arising from direct insurance business		79	144
5.2	Payables arising from reinsurance business		105	41
5.3	Other payables		994	634
6	OTHER LIABILITIES		1,062	862
6.1	Liabilities associated with disposal groups		3	3
6.2	Deferred tax liabilities		96	86
6.3	Current tax liabilities		57	16
6.4	Other liabilities		907	757
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		72,127	68,976

Consolidated Income Statement

		<i>Amounts in €m</i>	31/3/2015	31/3/2014
1.1	Net premiums		3,683	4,162
1.1.1	<i>Gross premiums earned</i>		3,784	4,272
1.1.2	<i>Earned premiums ceded to reinsurers</i>		-101	-110
1.2	Commission income		1	5
1.3	Gains and losses on financial instruments at fair value through profit or loss		432	128
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures		1	1
1.5	Gains on other financial instruments and investment property		754	682
1.5.1	<i>Interest income</i>		326	382
1.5.2	<i>Other income</i>		36	37
1.5.3	<i>Realised gains</i>		360	229
1.5.4	<i>Unrealised gains</i>		31	34
1.6	Other revenue		120	94
1	TOTAL REVENUE AND INCOME		4,991	5,071
2.1	Net charges relating to claims		-3,683	-3,750
2.1.1	<i>Amounts paid and changes in technical provisions</i>		-3,726	-3,811
2.1.2	<i>Reinsurers' share</i>		42	61
2.2	Commission expense		-1	-5
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		-83	-79
2.4.1	<i>Interest expense</i>		-24	-14
2.4.2	<i>Other charges</i>		-8	-11
2.4.3	<i>Realised losses</i>		-36	-36
2.4.4	<i>Unrealised losses</i>		-14	-17
2.5	Operating expenses		-573	-663
2.5.1	<i>Commissions and other acquisition costs</i>		-427	-509
2.5.2	<i>Investment management expenses</i>		-24	-18
2.5.3	<i>Other administrative expenses</i>		-123	-137
2.6	Other costs		-178	-244
2	TOTAL COSTS AND EXPENSES		-4,521	-4,748
	PRE-TAX PROFIT (LOSS) FOR THE YEAR		470	323
3	Income tax		-161	-136
	PROFIT (LOSS) FOR THE YEAR AFTER TAXES		310	187
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		0	-1
	CONSOLIDATED PROFIT (LOSS)		310	186
	<i>of which attributable to the owners of the Parent</i>		<i>303</i>	<i>174</i>
	<i>of which attributable to non-controlling interests</i>		<i>7</i>	<i>12</i>

Condensed Consolidated Operating Income Statement broken down by business segment

	NON-LIFE BUSINESS		LIFE BUSINESS		INSURANCE SECTOR		OTHER BUSINESSES SECTOR		REAL ESTATE SECTOR (*)		Intersegment eliminations		CONSOLIDATED TOTAL		
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	% var.
Amounts in €m															
Net premiums	1,758	2,185	1,925	1,977	3,683	4,162							3,683	4,162	-11.5
Net commission income															
Financial Income/expense (excl. assets/liabilities at fair value)	328	211	505	353	833	564									
Net interest income	62	91	241	267	303	358									
Other gains and losses	21	11	30	-2	52	9									
Realised gains and losses	214	113	224	85	438	198									
Unrealised gains and losses	31	-4	9	4	40	-1									
Net charges relating to claims	-1,222	-1,465	-2,188	-2,136	-3,410	-3,601									
Operating expenses	-475	-553	-86	-95	-560	-648									
Commissions and other acquisition costs	-379	-450	-48	-59	-427	-509									
Other expenses	-96	-103	-38	-36	-134	-139									
Other gains and losses	-48	-114	-17	-36	-65	-150									
Pre-tax profit (loss)	342	263	138	64	480	327							470	323	45.9
Income tax	-117	-111	-44	-22	-161	-133							-161	-136	18.2
Profit (loss) from discontinued operations															
Consolidated profit (loss)	225	152	95	42	320	194							310	186	66.6
Profit (loss) attributable to the owners of the Parent															
Profit (loss) attributable to non-controlling interests													303	174	
													7	12	

(*) The Real estate sector only includes real estate companies controlled by UnipolSai

Statement of financial position by business segment

	Amounts in €m											
	Non-Life business		Life business		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
1	466	479	306	315	10	11	1	1			782	805
2	615	649	6	6	161	163	399	378			1,182	1,196
3	950	856	92	104							1,043	960
4	17,687	17,100	45,725	42,662	212	282	1,339	1,383	-187	-304	64,775	61,122
4.1	1,502	1,493	10	10	45	45	1,248	1,276			2,805	2,824
4.2	368	354	155	241	0	0	13	13			536	608
4.3	644	639	775	781							1,419	1,420
4.4	2,336	2,073	3,313	3,128	166	236	30	36	-187	-304	5,658	5,169
4.5	12,667	12,409	32,000	29,646	1	1	48	57			44,716	42,114
4.6	171	131	9,471	8,856							9,641	8,986
5	2,297	2,744	519	682	72	75	50	37	-139	-142	2,799	3,395
6	824	699	77	190	36	37	24	25	-202	-137	759	814
6.1	32	27	47	48							79	76
6.2	793	671	29	142	36	37	24	25	-202	-137	680	738
7	328	181	229	319	103	73	127	111			787	684
	23,169	22,708	46,954	44,277	594	641	1,939	1,934	-529	-583	72,127	68,976
1											7,177	6,635
2	520	556	30	24	17	17	22	22			590	620
3	16,665	16,866	41,793	39,362							58,458	56,228
4	1,649	1,819	1,910	1,956	43	94	164	164	-106	-220	3,661	3,813
4.1	91	184	1,130	1,178			3	3			1,224	1,365
4.2	1,558	1,635	780	778	43	94	161	161	-106	-220	2,437	2,447
5	1,098	753	165	154	89	79	47	55	-220	-222	1,179	819
6	811	722	412	257	24	22	18	2	-203	-140	1,062	862
											72,127	68,976

Statement of the Manager in charge of
financial reporting pursuant to Art. 154-bis of
Legislative Decree 58/1998

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

**RE: Interim Financial Report of UnipolSai Assicurazioni S.p.A. as at
31 March 2015**

The undersigned, Maurizio Castellina, Manager in charge of financial reporting at UnipolSai Assicurazioni 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)

UnipolSai Assicurazioni S.p.A.

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Share capital
€1,996,129,451.62 fully paid-up
Bologna Register of Companies,
Tax and VAT No. 00818570012
R.E.A. No. 511469

A company subject
to management and coordination
by Unipol Gruppo Finanziario S.p.A.,
entered in Section I of the Insurance
and Reinsurance Companies List
at No. 1.00006
and a member of the
Unipol Insurance Group,
entered in the Register of
Insurance Groups – No. 046

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