

Bit Market Services

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Oggetto : RESULTS FOR THE FIRST HALF OF
2015 APPROVED

Testo del comunicato

Vedi allegato.

Bologna, 7 August 2015

UNIPOLSAI: RESULTS FOR THE FIRST HALF OF 2015 APPROVED

- **Consolidated net profit of €455m (+27.4% compared to the first half of 2014)**
- **Direct insurance income of €7,284m (-14.2% net of the sale of the business unit to Allianz)**
- **Combined ratio at 96.0%¹**
- **Solvency margin equal to 176%²**

The Board of Directors of UnipolSai Assicurazioni S.p.A., which met yesterday under the chairmanship of Fabio Cerchiai, approved the consolidated accounts as at 30 June 2015.

UnipolSai closed the first half of 2015 with a **consolidated net profit** of €455m, a significant increase compared to €357m in the same period of 2014 (+27.4%), thanks to the positive results of financial management.

Direct insurance income net of outwards reinsurance amounted to €7,284m in the first half of 2015 (-18.2% compared to the same period of 2014) and was impacted by the effects of the sale of the business unit to Allianz: net of the effects of such transaction, the decrease in income would have been equal to 14.2%³.

The pre-tax result of insurance business amounted to €733m (€582m in the first half of 2014). Non-Life business contributed to this result with €482m (€453m in the first six months of 2014) and Life business with €251m (€129m in the first half of 2014).

Non-Life Business

Premium income in the first six months of 2015 was impacted by the effects of the sale of the business unit comprising the former Milano Assicurazioni agencies to Allianz with the relative transfer of the related portfolio. This effect will be prolonged throughout 2015. Moreover, income continued to be influenced by strong competition, particularly in vehicle liability insurance.

In this context, **Non-Life direct premium income** stood at €3,772m (-15% compared to the first half of 2014, or -6.2% on a comparable basis net of the sale of the business unit to Allianz³), of which €2,240m (-19.2%, -8.3% on a comparable basis³) from MV business and €1,533m (-7.9%, -2.9% on a comparable basis³) from Non-MV business.

¹ Combined ratio of direct business

² The values considered include the effect of the convertible loan issued in April 2014

³ Estimated management figure

With regard to the trend in claims, technical indicators remain positive in vehicle liability insurance due to the constant monitoring of average costs and stability in the frequency of claims. In Non-MV business, the trend in claims was impacted by substantial damage caused by an extraordinary climatic event that affected Tuscany in March.

In this context, a **combined ratio** of 96.0%¹ (97.8% net of reinsurance⁴) was recorded in the first half of the year, compared to 94.0% in the first half of 2014, confirming a prudential approach with regard to current provisions and the management of prior years' reserves. The **loss ratio** (direct business) was particularly influenced by the aforementioned climatic event in Tuscany, with an impact of 1.2 percentage points, standing at 68.5% compared to 67.7% recorded in the first half of 2014. The **expense ratio** (direct business) was equal to 27.5%, compared to 26.3% in the first half of 2014 and was impacted by the drop in premiums and change in the production mix.

The **pre-tax result** of the business was a profit of €482m, an increase compared to €453m in the first half of 2014, also due to the particularly positive effects of financial management.

Life Business

In **Life** business, a market environment characterised by low interest rates continued to favour the offer of traditional insurance products with returns on segregated accounts. Significant **direct income** was recorded in the first half of the year, amounting to €3,512m, despite a decrease of 21.5% due to comparison with the very strong performance recorded in the first half of 2014 (+32%), especially in the bancassurance channel.

In particular, there was a decline in the production of the Popolare Vita Group due to the different scheduling of sales campaigns, which with €1,597m saw a decrease of 35.4% compared, however, to a growth of 55% recorded in the first half of 2014. UnipolSai recorded an income in direct business of €1,799m (-5.6%).

The **pre-tax result** of the business, which benefitted from particularly high financial profitability, was a profit of €251m compared to €129m recorded in the same period of 2014.

Real Estate Business

In real estate business, which remains impacted by difficult market conditions, operations were focused on the restoration and development of properties in portfolio.

The **pre-tax result of the business** as at 30 June 2015 was a loss of €81m (-€30m compared to 30 June 2014). This result was influenced by gross write-downs on certain properties amounting to €69m (€21m as at 30 June 2014) preliminary to updated estimated realisable values on a medium-term basis.

⁴ This indicator differs from that referring to direct business also due to the denominator of the expense ratio (attributable premiums instead of written premiums).

Financial Management

The profitability of the Group's securities portfolio, despite aiming to preserve the risk/return profile of the assets and consistency between the assets and liabilities underwritten with policyholders, achieved a significant yield in the period under consideration, equal to approximately 6.3% of invested assets. The disposal policy adopted by the Group subsequent to operations put in place to increase the diversification of the financial assets portfolio contributed to this result.

Balance Sheet

Consolidated **shareholders' equity** as at 30 June 2015 amounted to €6,188m, compared to €6,635m as at 31 December 2014 (including €511m in dividends distributed during the first half of the year). The total AFS reserve as at 30 June 2015 amounted to €831m (€1,204m as at 31 December 2014), reduced primarily due to the rise in market yields occurring in June. The AFS reserve stood at approximately €1,080m as at the end of July.

The consolidated **solvency margin** as at 30 June 2015 amounted to 176%² of the minimum required, an improvement compared to the figure as at the end of 2014.

Business Outlook

The Group has continued the integration of business management IT systems and other already identified corporate restructuring activities, as envisaged in the strategic guidelines defined in the Business Plan.

Corporate Governance

The Board of Directors, during yesterday's meeting, examined – to the extent of its responsibility – the effective independence of the non-executive Director Cristina De Benetti and the Members of the Board of Statutory Auditors, all appointed by the Ordinary Shareholders' Meeting of the Company held on 17 June 2015.

In particular, Ms Cristina De Benetti qualifies as an "independent" Director both under the Code of Conduct for Listed Companies and Article 147-ter, paragraph 4, of the Consolidated Law on Finance, while all members of the supervisory body, namely: Paolo Fumagalli (Chairman), Giuseppe Angiolini and Silvia Bocci (Statutory Auditors), Donatella Busso, Luciana Ravicini and Domenico Livio Trombone (Alternate Auditors) meet the independence requirements provided for by Article 148, paragraph 3, of the Consolidated Law on Finance.

Moreover, the Board of Directors, following approval by the Committee for Transactions with Related Parties, also decided to change the procedure for carrying out transactions with related parties, in order to (i) extend, on a voluntary basis, its application to the listed company IGD SIIQ S.p.A. pursuant to the framework agreement in place between UnipolSai Assicurazioni, UGF and IGD itself, which was announced to the market on 8 August 2014 and (ii) make a correction aimed at simplifying the procedure for transactions with related parties entered into by subsidiaries.

Such procedure, as amended above, is available on the Company's website www.unipolsai.com under the section Governance/Transactions with related parties.

Presentation of the Results to the Financial Community

A conference call will be held at 12:00 pm today during which financial analysts and institutional investors may address questions to the Chief Executive Officer and top management concerning the results for the first half of the year. The phone numbers to dial to attend the event are: +39/02/8020911 (from Italy and all other countries), +1/718/7058796 (from the US), +44/121/2818004 (from the UK).

The consolidated interim financial report as at 30 June 2015 will be made available, in accordance with law, at the registered office, on the Company's website at www.unipolsai.com and on the website of Borsa Italiana www.borsaitaliana.it

Please find attached hereto the Consolidated Balance Sheet, Consolidated Income Statement and the Condensed Consolidated Income Statement Broken Down by Business Segment.

Maurizio Castellina, Manager in charge of financial reporting of UnipolSai Assicurazioni S.p.A., declares, pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the figures in corporate accounting records, ledgers and documents.

Glossary

COMBINED RATIO: sum of loss ratio and expense ratio
EXPENSE RATIO: ratio of Non-Life operating expenses and premiums
LOSS RATIO: ratio of Non-Life claims and premiums
AFS RESERVE: reserve on assets classified as "Available-for-sale"

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UnipolSai Assicurazioni S.p.A.

UnipolSai Assicurazioni S.p.A. is the insurance company of the Unipol Group, Italian leader in Non-Life business, in particular in vehicle liability insurance. Also active in Life Business, UnipolSai has a portfolio of over 10 million customers and holds a leading position in the national ranking of insurance groups with a direct income amounting to approximately €16bn, of which €8.4bn in Non-Life Business and €7.6bn in Life business (2014 figures).

The company currently operates through 5 divisions (Unipol, La Fondiaria, Sai, Nuova MAA and La Previdente) and has the largest agency network in Italy, with over 3,800 insurance agencies and 7,300 sub-agencies spread across the country.

UnipolSai Assicurazioni is a subsidiary of Unipol Gruppo Finanziario S.p.A. and, like the latter, is listed on the Italian Stock Exchange, being one of the most highly capitalized securities.

Consolidated Balance Sheet – Assets

Amounts in €m

		30/6/2015	31/12/2014
1	INTANGIBLE ASSETS	768.3	804.8
1.1	Goodwill	306.7	306.7
1.2	Other intangible assets	461.6	498.1
2	PROPERTY, PLANT AND EQUIPMENT	1,177.0	1,196.4
2.1	Property	1,072.5	1,072.0
2.2	Other items of property, plant and equipment	104.5	124.4
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	954.7	960.2
4	INVESTMENTS	60,374.3	61,122.0
4.1	Investment property	2,718.7	2,824.2
4.2	Investments in subsidiaries and associates and interests in joint ventures	529.7	608.4
4.3	Held-to-maturity investments	1,433.9	1,420.0
4.4	Loans and receivables	5,196.5	5,169.5
4.5	Available-for-sale financial assets	41,257.6	42,113.7
4.6	Financial assets at fair value through profit or loss	9,238.0	8,986.2
5	SUNDRY RECEIVABLES	2,739.9	3,395.1
5.1	Receivables relating to direct insurance business	1,199.7	1,630.8
5.2	Receivables relating to reinsurance business	61.6	89.8
5.3	Other receivables	1,478.6	1,674.6
6	OTHER ASSETS	1,037.8	813.9
6.1	Non-current assets held for sale or disposal groups	66.6	23.6
6.2	Deferred acquisition costs	81.6	75.5
6.3	Deferred tax assets	305.3	221.8
6.4	Current tax assets	48.6	97.5
6.5	Other assets	535.6	395.6
7	CASH AND CASH EQUIVALENTS	1,029.7	684.0
	TOTAL ASSETS	68,081.7	68,976.5

Consolidated Balance Sheet – Equity and Liabilities

Amounts in €m

		30/6/2015	31/12/2014
1	EQUITY	6,188.0	6,634.9
1.1	attributable to the owners of the Parent	5,863.2	6,295.2
1.1.1	Share capital	1,996.1	1,996.1
1.1.2	Other equity instruments	101.4	110.1
1.1.3	Equity-related reserves	247.8	247.8
1.1.4	Income-related and other reserves	2,334.5	2,062.8
1.1.5	(Treasury shares)	-49.5	-49.5
1.1.6	Translation reserve	3.8	3.8
1.1.7	Gains or losses on available-for-sale financial assets	800.6	1,169.3
1.1.8	Other gains or losses recognised directly in equity	-9.4	15.2
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	437.9	739.5
1.2	attributable to non-controlling interests	324.8	339.7
1.2.1	Share capital and reserves attributable to non-controlling interests	277.0	261.5
1.2.2	Gains or losses recognised directly in equity	30.6	34.4
1.2.3	Profit (loss) for the year attributable to non-controlling interests	17.2	43.8
2	PROVISIONS	546.0	619.9
3	TECHNICAL PROVISIONS	55,996.1	56,228.5
4	FINANCIAL LIABILITIES	3,505.9	3,812.7
4.1	Financial liabilities at fair value through profit or loss	1,104.3	1,365.4
4.2	Other financial liabilities	2,401.5	2,447.3
5	PAYABLES	895.5	818.9
5.1	Payables arising from direct insurance business	144.3	143.7
5.2	Payables arising from reinsurance business	34.6	40.9
5.3	Other payables	716.7	634.4
6	OTHER LIABILITIES	950.3	861.6
6.1	Liabilities associated with disposal groups held for sale	52.2	2.6
6.2	Deferred tax liabilities	51.4	86.3
6.3	Current tax liabilities	16.2	15.7
6.4	Other liabilities	830.5	757.0
	TOTAL EQUITY AND LIABILITIES	68,081.7	68,976.5

Consolidated Income Statement

Amounts in €m

		30/6/2015	30/6/2014
1.1	Net premiums	7,012.2	8,790.4
1.1.1	<i>Gross premiums</i>	7,242.4	9,005.9
1.1.2	<i>Ceded premiums</i>	-230.2	-215.5
1.2	Fee and commission income	4.5	7.7
1.3	Gains and losses on financial instruments at fair value through profit or loss	373.6	162.8
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	11.2	2.4
1.5	Gains on other financial instruments and investment property	1,345.0	1,473.4
1.5.1	<i>Interest income</i>	747.1	794.4
1.5.2	<i>Other gains</i>	92.7	113.7
1.5.3	<i>Realised gains</i>	473.8	496.7
1.5.4	<i>Unrealised gains</i>	31.3	68.5
1.6	Other revenue	222.5	203.1
1	TOTAL REVENUE AND INCOME	8,968.9	10,639.7
2.1	Net charges relating to claims	-6,443.8	-7,955.6
2.1.1	<i>Amounts paid and changes in technical provisions</i>	-6,558.0	-8,044.5
2.1.2	<i>Reinsurers' share</i>	114.2	88.9
2.2	Fee and commission expense	-4.1	-8.7
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	-7.3	-9.3
2.4	Losses on other financial instruments and investment property	-279.2	-318.0
2.4.1	<i>Interest expense</i>	-47.5	-28.5
2.4.2	<i>Other charges</i>	-20.6	-61.3
2.4.3	<i>Realised losses</i>	-82.5	-133.8
2.4.4	<i>Unrealised losses</i>	-128.6	-94.3
2.5	Operating expenses	-1,210.2	-1,374.9
2.5.1	<i>Commissions and other acquisition costs</i>	-908.1	-1,040.9
2.5.2	<i>Investment management expenses</i>	-54.9	-43.5
2.5.3	<i>Other administrative expenses</i>	-247.1	-290.6
2.6	Other costs	-378.9	-412.9
2	TOTAL COSTS AND EXPENSES	-8,323.5	-10,079.2
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	645.5	560.5
3	Income tax	-190.4	-202.1
	POST-TAX PROFIT (LOSS) FOR THE YEAR	455.0	358.4
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	0.0	-1.1
	CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	455.0	357.3
	<i>attributable to the owners of the Parent</i>	437.9	332.7
	<i>attributable to non-controlling interests</i>	17.2	24.5

Statement of Comprehensive Income

Amounts in €m

	30/6/2015	30/6/2014
CONSOLIDATED PROFIT (LOSS)	455.0	357.3
Other income net of taxes not reclassified in the income statement	10.1	0.0
Variation in equity of investees	3.8	4.5
Variation in the revaluation reserve for intangible assets	0.0	0.0
Variation in the revaluation reserve for property, plant and equipment	0.0	0.0
Gains or losses on non-current assets held for sale and disposal groups	0.0	0.0
Actuarial gains and losses and adjustments relating to defined benefit plans	6.3	-3.3
Other items	0.0	-1.2
Other income net of taxes reclassified in the income statement	-407.3	592.9
Variation in net translation reserves	0.0	-4.0
Gains or losses on available-for-sale financial assets	-372.6	569.6
Gains or losses on cash flow hedges	-34.7	27.3
Gains or losses on hedges of a net investment in foreign operations	0.0	0.0
Variation in equity of investees	0.0	0.0
Gains or losses on non-current assets held for sale and disposal groups	0.0	0.0
Other items	0.0	0.0
TOTAL OTHER COMPREHENSIVE INCOME	-397.2	592.9
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	57.9	950.1
<i>attributable to the owners of the Parent</i>	<i>44.5</i>	<i>933.9</i>
<i>attributable to non-controlling interests</i>	<i>13.3</i>	<i>16.3</i>

Changes in the Statement of Comprehensive Income with reference to the first half of 2014 do not include items recognized as at 1 January 2014 arising from the merger, equal to -€132m.

Condensed Consolidated Income Statement by Business Segment

Amounts in €m

	Non-Life Business			Life Business			Insurance Business			Other Businesses			Real Estate Business (*)			Intersegment Elimination		Consolidated Total		
	Jun-15	Jun-14	var.%	Jun-15	Jun-14	var.%	Jun-15	Jun-14	var.%	Jun-15	Jun-14	var.%	Jun-15	Jun-14	var.%	Jun-15	Jun-14	Jun-15	Jun-14	var.%
Net premiums	3,529	4,350	-18.9	3,484	4,440	-21.5	7,012	8,790	-20.2									7,012	8,790	-20.2
Net fees and commissions										0	5	n.s.				0	-6	0	-1	n.s.
Financial income/expense (ex cl. assets/ liabilities at fair value)	488	346	41.3	885	686	29.1	1,374	1,032	33.2	0	33	n.s.	-50	-16	n.s.	-16	-10	1,308	1,039	25.9
<i>Net interest</i>	172	202		531	540		703	742		1	30		-1	-1				703	770	
<i>Other income and expenses</i>	40	31		35	-11		76	19		1			20	19		-16	-10	80	30	
<i>Realised gains and losses</i>	243	153		270	150		513	304			8		-1					512	311	
<i>Unrealised gains and losses</i>	33	-40		49	7		81	-33		-5			-68	-34				13	-72	
Net charges relating to claims	-2,396	-2,932	-18.3	-3,913	-4,752	-17.7	-6,309	-7,684	-17.9									-6,309	-7,684	-17.9
Operating expenses	-1,009	-1,139	-11.4	-178	-203	-12.4	-1,187	-1,343	-11.6	-21	-38	-45.1	-14	-7	91.9	12	13	-1,210	-1,375	-12.0
<i>Commissions and other acquisition costs</i>	-808	-913	-11.5	-100	-128	-21.7	-908	-1,041	-12.8									-908	-1,041	-12.8
<i>Other expenses</i>	-201	-226	-11.2	-78	-75	3.5	-279	-301	-7.5	-21	-38	-45.1	-14	-7	91.9	12	13	-302	-334	-9.6
Other income / expense	-130	-171	23.8	-28	-43	35.2	-158	-213	26.1	14	7	112.4	-17	-7	n.s.	4	3	-156	-210	25.5
Pre-tax profit (loss)	482	453	6.3	251	129	94.1	733	583	25.7	-6	8	n.s.	-81	-30	-173.7	0	0	645	560	15.2
Income tax	-145	-153	-4.8	-68	-49	39.9	-214	-201	6.0	1	-7	n.s.	22	7	n.s.			-190	-202	-5.8
Profit (loss) on discontinued operations										0	-1	n.s.						0	-1	n.s.
Consolidated profit (loss) for the period	337	301	11.9	183	81	126.9	519	381	36.2	-5	-1	n.s.	-59	-23	-155.5	0	0	455	357	27.4
<i>Profit (loss) attributable to the owners of the Parent</i>																		438	333	
<i>Profit (loss) attributable to non-controlling interests</i>																		17	25	

(*) the Real Estate Business only includes real estate companies controlled by UnipolSai

Balance Sheet by Business Segment

Amounts in €m

		Non-Life Business		Life Business		Other Businesses		Real Estate Business		Intersegment Elimination		Total	
		30/6/2015	31/12/2014	30/6/2015	31/12/2014	30/6/2015	31/12/2014	30/6/2015	31/12/2014	30/6/2015	31/12/2014	30/6/2015	31/12/2014
1	INTANGIBLE ASSETS	462.3	478.9	296.9	314.6	8.7	10.7	0.4	0.6			768.3	804.8
2	TANGIBLE ASSETS	612.2	649.4	6.0	6.0	148.2	162.8	410.6	378.2			1,177.0	1,196.4
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	863.5	856.3	91.2	103.9							954.7	960.2
4	INVESTMENTS	16,384.6	17,099.6	42,711.1	42,662.2	211.8	282.0	1,254.4	1,382.6	-187.6	-304.5	60,374.3	61,122.0
4.1	Investment property	1,500.2	1,492.7	10.3	10.4	45.0	45.0	1,163.2	1,276.1			2,718.7	2,824.2
4.2	Investments in subsidiaries, associates and joint ventures	361.3	353.9	160.4	241.3	0.1	0.2	8.0	13.1			529.7	608.4
4.3	Held-to-maturity investments	653.5	639.5	780.4	780.5							1,433.9	1,420.0
4.4	Loans and receivables	1,991.1	2,073.5	3,188.1	3,128.3	166.3	236.1	38.6	36.1	-187.6	-304.5	5,196.5	5,169.5
4.5	Available-for-sale financial assets	11,620.7	12,409.4	29,591.8	29,646.2	0.4	0.8	44.6	57.4			41,257.6	42,113.7
4.6	Financial assets at fair value through profit or loss	257.8	130.6	8,980.2	8,855.5							9,238.0	8,986.2
5	SUNDRY RECEIVABLES	2,242.3	2,744.0	479.8	681.6	88.4	74.7	54.8	36.6	-125.3	-141.9	2,739.9	3,395.1
6	OTHER ASSETS	966.1	698.6	95.4	189.9	34.4	37.4	41.3	24.5	-99.4	-136.5	1,037.8	813.9
6.1	Deferred acquisition costs	34.4	27.2	47.2	48.3							81.6	75.5
6.2	Other assets	931.6	671.4	48.3	141.6	34.4	37.4	41.3	24.5	-99.4	-136.5	956.2	738.4
7	CASH AND CASH EQUIVALENTS	228.4	180.8	606.4	319.2	78.1	73.0	116.7	111.1			1,029.7	684.0
	TOTAL ASSETS	21,759.4	22,707.7	44,286.7	44,277.4	569.6	640.6	1,878.3	1,933.7	-412.3	-582.9	68,081.7	68,976.5
1	EQUITY											6,188.0	6,634.9
2	PROVISIONS	481.5	556.2	29.3	24.0	17.1	17.3	18.0	22.4			546.0	619.9
3	TECHNICAL PROVISIONS	16,398.4	16,866.1	39,597.7	39,362.4							55,996.1	56,228.5
4	FINANCIAL LIABILITIES	1,599.2	1,819.3	1,806.7	1,956.2	43.2	93.5	162.9	164.0	-106.1	-220.3	3,505.9	3,812.7
4.1	Financial liabilities at fair value through profit or loss	64.1	184.2	1,037.7	1,177.9			2.6	3.3			1,104.3	1,365.4
4.2	Other financial liabilities	1,535.1	1,635.1	769.1	778.3	43.2	93.5	160.3	160.7	-106.1	-220.3	2,401.5	2,447.3
5	PAYABLES	805.2	752.9	148.0	153.9	96.1	78.9	52.3	55.4	-206.1	-222.2	895.5	818.9
6	OTHER LIABILITIES	682.9	721.5	329.5	256.7	22.0	22.1	15.9	1.7	-100.1	-140.4	950.3	861.6
	TOTAL EQUITY AND LIABILITIES											68,081.7	68,976.5

Fine Comunicato n.0230-60

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