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Oggetto : RESULTS FOR THE FIRST NINE
MONTHS OF 2015 APPROVED

Testo del comunicato

Vedi allegato.

Bologna, 6 November 2015

UNIPOL GROUP: RESULTS FOR THE FIRST NINE MONTHS OF 2015 APPROVED

- Consolidated net profit of €594m (+37.8% compared 30 September 2014)
- Direct insurance income of €12,082m (-6.2%¹, net of the sale of the business unit to Allianz, as at 30 September 2014)
 - ✓ Non-Life business: premium income of €5,671m (-5.5%¹ net of the effect of the sale of the business unit to Allianz)
 - ✓ Life business: income of €6,411m (-6.8%)
- Combined ratio at 95%²
- Solvency margin equal to 173%³

The Board of Directors of Unipol Gruppo Finanziario S.p.A., which met yesterday under the chairmanship of Pierluigi Stefanini, approved the consolidated results of the Group as at 30 September 2015.

The Group closed the first nine months of the year with a **consolidated net profit** of €594m, an increase compared to €431m in the same period of 2014 (+37.8%), which included capital gains resulting from the completion of the first phase of the partial sale of the Milano Assicurazioni portfolio to Allianz and provisions related to the Loan Indemnification agreement with the subsidiary Unipol Banca, higher than those recorded for the first nine months of 2015.

During the period, direct insurance income gross of outwards reinsurance stood at €12,082m (-9.5% compared to €13,356m in 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 6.2%¹.

The pre-tax profit of insurance business amounted to €1,040m (€972m in the same period of 2014, +7.0%). Non-Life business contributed to this result with €734m (€779m in the first nine months of 2014), while Life business contributed with €305m (€193m in the first nine months of 2014).

Non-Life Business

Premium income continued to be impacted by a strongly competitive environment, in particular in vehicle liability insurance. The comparison with premium income for the same period of 2014 was

¹ Estimated management figure

² Combined ratio of direct business

³ Figure inclusive of the convertible loan issued in April 2014

affected by the change in scope, given the completion of the sale of the former Milano Assicurazioni agencies to Allianz at the end of 2014.

In this context, **Non-Life direct premium income** of the Group stood at €5,671m (-12.5% compared to €6,479m in the first nine months of 2014, or -5.5% on a comparable basis net of the sale of the business unit to Allianz¹). The UnipolSai Group contributed to this result with €5,252m (-13.2% compared to 2014, -5.8% on a comparable basis¹) while the other companies directly controlled by Unipol Gruppo Finanziario (UniSalute, Linear and Arca Assicurazioni) contributed with €419m. In particular, UniSalute recorded direct premium income of €233m, with an increase of 7.4% compared to the same period of 2014.

MV premium income amounted to €3,298m (-16.4% compared to €3,946m as at 30 September 2014, -8.1% on a comparable basis¹). **Non-MV** business held its own with premium income amounting to €2,373m, a decrease of 6.3% (-1.6% on a comparable basis³) compared to €2,533m as at 30 September 2014.

With regard to the trend in claims, technical indicators remain positive in vehicle liability insurance due to the constant monitoring of average costs and the continuation of a decreasing trend in frequency, which, although slowing down, is reflected in the additional reduction of the number of claims. In Non-MV business, the loss ratio improved after a first quarter impacted by extensive damage due to an adverse climatic event that affected Tuscany at the beginning of March.

In this context, as at 30 September 2015, the Unipol Group recorded a **combined ratio** of 95%² (95.1% net of reinsurance⁴) compared to 93.8% in the same period of 2014. The **loss ratio** (direct business) stood at 67.6%, substantially in line with the 67.3% as at 30 September 2014, while the **expense ratio** (direct business) was equal to 27.5%, an increase compared to 26.5% in the same period of 2014, and was impacted by the effect of the drop in premiums and the shift in the production mix towards types of income with higher commissions.

The **pre-tax result** of the business was a profit of €734m (€779m in the first nine months of 2014).

Life Business

In **Life** business, direct income amounted to €6,411m (-6.8% compared to €6,877m in the same period of 2014).

In particular, with regard to the main companies of the Group operating in Life business, there was a 22.6% decline in Popolare Vita Group production equal to €2,404m. On the other hand, the Arca Vita Group recorded a strong growth in income with a total of €1,498m (+42.8% compared to the first nine months of 2014). UnipolSai recorded an income of €2,363m (-8.5% compared to the same period of 2014).

The **pre-tax result** of the business was a profit of €305m (€193m in the first nine months of 2014).

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

Banking Business

The banking business recorded a **positive gross income** of €8m as at 30 September 2015 (€22m as at 30 September 2014). Direct income of Unipol Banca⁵ amounted to €10,209m (+1.7% compared to 31 December 2014).

A prudent lending policy was confirmed, also shown by a drop compared to the year-end figure of 2014 (-4.6%) in loans to customers, which amounted to €8,976m⁶. Gross impaired loans as at 30 September 2015 amounted to €3,873, a decrease compared to €3,923m as at 31 December 2014. This good result was obtained also thanks to the closure of certain impaired loans included in the indemnification agreement with the Unipol parent company, which did not have significant effects on the income statement. The CET1 of the Unipol Banking Group as at 30 September 2015 was equal to 17.6%.

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 September 2015 was a loss of €90m (-€34m as at 30 September 2014). This result was influenced by gross write-downs amounting to €69m carried out in the first half of 2015.

Holdings and Other Business

The commercial development of diversified companies continued during the period under consideration. Such activity, together with the restructuring initiatives implemented in previous years and still in progress, led to results that show gradual improvement.

In particular, as at 30 September 2015, Atahotels recorded a positive net income of €4m (-3m as at 30 September 2014), also due to the performance of facilities in the Milan area involved in the Expo Milano 2015 event. With regard to the proposed acquisition of the hotel management business "UNA" and the relative real estate portfolio for hotel use, certain operational processes necessary for the completion of the acquisition are still pending.

Financial Management

The profitability of the Group's financial investments, 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 4.9% of invested assets. The substantial capital gains recorded during the first half of 2015 due to the disposal of securities in the context of portfolio restructuring also partially contributed to this result.

⁵ Including its subsidiaries and excluding collateralised income with Cassa di Compensazione e Garanzia

⁶ Net of provisions by U.G.F. SpA

Balance Sheet

Consolidated **shareholders' equity** as at 30 September 2015 amounted to €8,311m (€8,440m as at 31 December 2014, including €351m in dividends distributed during the first half of the year) of which €5,493m attributable to the Group. The total AFS reserve amounted to €833m (€1,234m as at 31 December 2014), which decreased mainly due to the increase of the spreads on corporate/financial bonds. As at the end of October 2015, the AFS reserve stood at approximately €1,040m.

The consolidated solvency margin as at 30 September 2015 amounted to 173% of the required capital⁷ (169% as at the end of 2014).

Business Outlook

The Group is currently completing the integration activities defined in the 2013-2015 Business Plan and has begun defining strategic guidelines to support the preparation of the new Business Plan for the years 2016-2018.

Results Conference Call

At 12:00 pm today, a conference call is scheduled during which financial analysts and institutional investors may submit questions to the Chief Executive Officer and top management with regard to the results as at 30 September 2015. The phone numbers to dial to attend the event are: +39/02/8020911 (from Italy and other countries), +1/718/7058796 (from the U.S.), +44/121/2818004 (from the UK).

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

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

Maurizio Castellina, Manager in charge of financial reporting of Unipol Gruppo Finanziario S.p.A., declares, pursuant to Article 154-*bis*, Paragraph 2, of the "Consolidated Law on Financial Intermediation", that the accounting information contained in this document corresponds to the figures in corporate accounting records, ledgers and documents.

⁷ Figure inclusive of the convertible loan issued in April 2014

Glossary

CET1: Common Equity Tier 1, core measure of banking financial strength Basel III

COMBINED RATIO: sum of loss ratio and expense ratio

EXPENSE RATIO: ratio of Non-Life operating expenses and premiums calculated on earned premiums

LOSS RATIO: ratio of Non-Life claims and premiums

AFS RESERVE: reserve for assets classified as "Available for Sale"

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Unipol Gruppo Finanziario S.p.A.

Unipol is one of the leading insurance groups in Europe with a total income amounting to approximately €17.8bn, of which €8.9bn in Non-Life Business and €8.9bn in Life Business (2014 figures). Unipol adopts an integrated offer strategy and covers a complete range of insurance and financial products, operating primarily through its subsidiary UnipolSai Assicurazioni S.p.A., founded at the beginning of 2014, Italian leader in Non-Life Business, in particular in vehicle liability insurance.

The Group is also active in direct vehicle insurance (Linear Assicurazioni), health protection (UniSalute), supplementary pensions and has a strong presence in the bancassurance channel (Arca Vita Group and Popolare Vita Group).

Finally, Unipol operates in the banking business through the network of Unipol Banca branches and manages significant diversified businesses in the real estate, hotel (Atahotels) and agricultural (Tenute del Cerro) sectors.

Unipol Gruppo Finanziario S.p.A. is listed on the Italian Stock Exchange.

Consolidated Balance Sheet – Assets
Amounts in €m

		30/9/2015	31/12/2014
1	INTANGIBLE ASSETS	2,073	2,133
1.1	Goodwill	1,582	1,582
1.2	Other intangible assets	491	551
2	PROPERTY, PLANT AND EQUIPMENT	1,488	1,522
2.1	Property	1,354	1,364
2.2	Other items of property, plant and equipment	134	157
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	947	988
4	INVESTMENTS	79,134	77,946
4.1	Investment property	2,535	2,646
4.2	Investments in subsidiaries and associates and interests in joint ventures	89	178
4.3	Held-to-maturity investments	1,589	2,238
4.4	Loans and receivables	14,712	14,658
4.5	Available-for-sale financial assets	50,145	48,378
4.6	Financial assets at fair value through profit or loss	10,065	9,849
5	SUNDRY RECEIVABLES	2,895	3,594
5.1	Receivables relating to direct insurance business	1,124	1,692
5.2	Receivables relating to reinsurance business	68	95
5.3	Other receivables	1,703	1,807
6	OTHER ASSETS	1,932	1,770
6.1	Non-current assets held for sale or disposal groups	15	9
6.2	Deferred acquisition costs	82	76
6.3	Deferred tax assets	948	1,044
6.4	Current tax assets	76	120
6.5	Other assets	810	521
7	CASH AND CASH EQUIVALENTS	888	674
	TOTAL ASSETS	89,358	88,627

Consolidated Balance Sheet – Equity and Liabilities

Amounts in €m

		30/9/2015	31/12/2014
1	EQUITY	8,311	8,440
1.1	attributable to the owners of the Parent	5,493	5,691
1.1.1	Share capital	3,365	3,365
1.1.2	Other equity instruments	0	0
1.1.3	Equity-related reserves	1,725	1,725
1.1.4	Income-related and other reserves	-428	-356
1.1.5	(Treasury shares)	-35	-36
1.1.6	Translation reserve	2	2
1.1.7	Gains or losses on available-for-sale financial assets	496	777
1.1.8	Other gains or losses recognised directly in equity	31	20
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	335	192
1.2	attributable to non-controlling interests	2,818	2,749
1.2.1	Share capital and reserves attributable to non-controlling interests	2,206	1,972
1.2.2	Gains or losses recognised directly in equity	353	464
1.2.3	Profit (loss) for the year attributable to non-controlling interests	259	313
2	PROVISIONS	582	643
3	TECHNICAL PROVISIONS	62,405	61,895
4	FINANCIAL LIABILITIES	15,620	15,459
4.1	Financial liabilities at fair value through profit or loss	2,353	2,277
4.2	Other financial liabilities	13,267	13,182
5	PAYABLES	1,299	933
5.1	Payables arising from direct insurance business	208	154
5.2	Payables arising from reinsurance business	140	44
5.3	Other payables	950	735
6	OTHER LIABILITIES	1,141	1,257
6.1	Liabilities associated with disposal groups held for sale	0	0
6.2	Deferred tax liabilities	35	102
6.3	Current tax liabilities	36	28
6.4	Other liabilities	1,070	1,127
	TOTAL EQUITY AND LIABILITIES	89,358	88,627

Consolidated Income Statement

Amounts in €m

		30/9/2015	30/9/2014
1.1	Net premiums	11,393	13,512
1.1.1	<i>Gross premiums</i>	11,712	13,859
1.1.2	<i>Ceded premiums</i>	-319	-347
1.2	Fee and commission income	90	94
1.3	Gains and losses on financial instruments at fair value through profit or loss	215	158
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	8	3
1.5	Gains on other financial instruments and investment property	2,324	2,598
1.5.1	<i>Interest income</i>	1,486	1,589
1.5.2	<i>Other gains</i>	141	147
1.5.3	<i>Realised gains</i>	612	690
1.5.4	<i>Unrealised gains</i>	85	171
1.6	Other revenue	395	454
1	TOTAL REVENUE AND INCOME	14,425	16,819
2.1	Net charges relating to claims	-10,228	-12,300
2.1.1	<i>Amounts paid and changes in technical provisions</i>	-10,347	-12,441
2.1.2	<i>Reinsurers' share</i>	120	141
2.2	Fee and commission expense	-23	-28
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	-7	-10
2.4	Losses on other financial instruments and investment property	-717	-901
2.4.1	<i>Interest expense</i>	-202	-234
2.4.2	<i>Other charges</i>	-40	-80
2.4.3	<i>Realised losses</i>	-205	-274
2.4.4	<i>Unrealised losses</i>	-270	-313
2.5	Operating expenses	-2,054	-2,214
2.5.1	<i>Commissions and other acquisition costs</i>	-1,324	-1,475
2.5.2	<i>Investment management expenses</i>	-57	-57
2.5.3	<i>Other administrative expenses</i>	-673	-682
2.6	Other costs	-529	-604
2	TOTAL COSTS AND EXPENSES	-13,559	-16,058
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	866	761
3	Income tax	-272	-329
	POST-TAX PROFIT (LOSS) FOR THE YEAR	594	432
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	0	-1
	CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	594	431
	attributable to the owners of the Parent	335	200
	attributable to non-controlling interests	259	231

Condensed Consolidated Income Statement by Business Segment

Amounts in €m

	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE BUSINESS			BANKING BUSINESS			HOLDINGS/SERVICES/ OTHER BUSINESSES			REAL ESTATE BUSINESS (*)			Intersegment Elimination		CONSOLIDATED TOTAL		
	sep-15	sep-14	var.%	sep-15	sep-14	var.%	sep-15	sep-14	var.%	sep-15	sep-14	var.%	sep-15	sep-14	var.%	sep-15	sep-14	var.%	sep-15	sep-14	sep-15	sep-14	var.%
Net premiums	5,688	6,757	-15.8	5,705	6,755	-15.5	11,393	13,512	-15.7										0	0	11,393	13,512	-15.7
Net fees and commissions	0	0	-130.9	7	6	17.6	7	6	22.7	73	80	-9.4	20	13	54.1	0	0	0.0	-33	-34	66	65	1.8
Financial income/expense (excl. Assets/ liabilities at fair value)	579	425	36.2	1,275	1,126	13.2	1,854	1,551	19.5	125	160	-21.8	-52	-32	-62.4	-45	-8	-484.3	-81	-187	1,829	1,484	23.2
<i>Net interest</i>	272	310		908	917		1,180	1,227		179	191		-38	-28		-1	-1		-30	-26	1,318	1,363	
<i>Other income and expenses</i>	61	49		63	-4		124	45		0	0		-16	-4		30	31		-31	-31	107	41	
<i>Realised gains and losses</i>	258	121		272	180		529	301		-7	41		3	0		-1	-1		0	0	524	341	
<i>Unrealised gains and losses</i>	-11	-55		32	33		21	-21		-48	-73		0	0		-72	-37		-20	-130	-119	-261	
Net charges relating to claims	-3,844	-4,599	-16.4	-6,362	-7,338	-13.3	-10,207	-11,937	-14.5										0	0	-10,207	-11,937	-14.5
Operating expenses	-1,516	-1,672	-9.4	-272	-299	-9.0	-1,787	-1,971	-9.3	-220	-228	-3.4	-121	-87	38.9	-23	-11	104.6	98	83	-2,081	-2,214	-6.0
<i>Commissions and other acquisition costs</i>	-1,207	-1,327	-9.1	-145	-173	-16.7	-1,352	-1,501	-9.9										28	26	-1,351	-1,475	-8.4
<i>Other expenses</i>	-309	-345	-10.5	-127	-125	1.5	-436	-470	-7.3	-220	-228	-3.4	-121	-87	38.9	-23	-11	104.6	70	57	-730	-739	-1.2
Other income / expense	-172	-131	31.4	-47	-58	-18.1	-220	-189	16.3	31	10	194.2	60	-93	-164.3	-22	-15	41.6	16	138	-134	-150	-10.1
Pre-tax profit (loss)	734	779	-5.8	305	193	58.5	1,040	972	7.0	8	22	-65.0	-92	-199	53.8	-90	-34	-161.6	0	0	866	761	13.7
Income tax	-222	-292	-23.9	-87	-70	23.8	-309	-362	-14.7	-2	-14	-87.6	15	46	-67.0	24	2	1338.1	0	0	-272	-329	-17.4
Profit (loss) on discontinued operations	0	0		0	0		0	0		0	-1		0	0		0	0		0	0	0	-1	
Consolidated profit (loss) for the period	512	487	5.1	218	122	78.4	731	610	19.8	6	7	-15.0	-77	-153	49.9	-66	-33	-101.8	0	0	594	431	37.8
<i>Profit (loss) attributable to the owners of the Parent</i>																					335	200	
<i>Profit (loss) attributable to non-controlling interests</i>																					259	231	

(*) Real Estate business only includes real estate companies controlled by the Group

Balance Sheet by Business Segment

Amounts in €m

		Non-Life Business		Life Business		Banking Business		Holdings/Other Businesses		Real Estate Business		Intersegment Elimination		Total	
		30/9/2015	31/12/2014	30/9/2015	31/12/2014	30/9/2015	31/12/2014	30/9/2015	31/12/2014	30/9/2015	31/12/2014	30/9/2015	31/12/2014	30/9/2015	31/12/2014
1	INTANGIBLE ASSETS	1,480	1,503	572	603	8	11	14	19	0	1	-2	-2	2,073	2,133
2	TANGIBLE ASSETS	674	713	60	62	13	16	215	234	523	495	2	2	1,488	1,522
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	851	873	97	115	0		0		0		0		947	988
4	INVESTMENTS	16,896	17,617	50,122	48,226	11,354	11,713	1,033	424	1,123	1,263	-1,392	-1,298	79,134	77,946
4.1	Investment property	1,436	1,432	11	11	1	1	45	45	1,042	1,157	0		2,535	2,646
4.2	Investments in subsidiaries, associates and joint ventures	70	62	4	95	7	7	0	0	8	13	0		89	178
4.3	Held-to-maturity investments	399	639	762	781	428	818	0		0		0		1,589	2,236
4.4	Loans and receivables	2,105	2,109	3,295	3,253	10,054	10,226	605	323	39	36	-1,386	-1,290	14,712	14,658
4.5	Available-for-sale financial assets	12,681	13,257	36,244	34,375	821	652	371	44	34	57	-7	-7	50,145	48,378
4.6	Financial assets at fair value through profit or loss	205	118	9,805	9,711	43	8	12	12	0		0		10,065	9,849
5	SUNDRY RECEIVABLES	2,132	2,814	513	739	84	85	301	132	59	37	-193	-212	2,895	3,594
6	OTHER ASSETS	748	738	132	200	690	418	575	579	41	25	-254	-189	1,932	1,770
6.1	Deferred acquisition costs	34	27	48	48	0		0		0		0		82	76
6.2	Other assets	714	710	84	152	690	418	575	579	41	25	-254	-189	1,850	1,694
7	CASH AND CASH EQUIVALENTS	547	300	396	518	96	100	798	608	128	111	-1,077	-963	888	674
	TOTAL ASSETS	23,328	24,558	51,891	50,462	12,246	12,342	2,936	1,996	1,873	1,931	-2,917	-2,662	89,358	88,627
1	EQUITY													8,311	8,440
2	PROVISIONS	480	558	29	25	26	17	512	512	18	22	-483	-490	582	643
3	TECHNICAL PROVISIONS	16,947	17,636	45,458	44,259	0		0		0		0		62,405	61,895
4	FINANCIAL LIABILITIES	1,524	1,820	3,058	2,800	10,967	11,152	1,906	1,280	163	164	-1,997	-1,757	15,620	15,459
4.1	Financial liabilities at fair value through profit or loss	48	185	2,294	2,002	8	84	0	3	3	3	0	0	2,353	2,277
4.2	Other financial liabilities	1,477	1,635	764	798	10,959	11,067	1,906	1,278	160	161	-1,997	-1,757	13,267	13,182
5	PAYABLES	853	774	214	196	156	75	273	97	56	55	-254	-264	1,299	933
6	OTHER LIABILITIES	644	736	267	267	363	356	34	47	17	2	-183	-151	1,141	1,257
	TOTAL EQUITY AND LIABILITIES													89,358	88,627

Fine Comunicato n.0265-58

Numero di Pagine: 12