





Unipol Gruppo Finanziario  
**Draft Annual Report**

■ 2015

**Unipol**  
GRUPPO



# Always here, to draw the future.

An important year, a financial year that delivered good results and marked the completion of a very positive three-year plan, allowing the Unipol Group to step into a new operating and market dimension. This is the Unipol Group's year 2015: steady commitment to here and now that has the power to build upon progress made while looking forward to a future to draw together with those who rely on us every day.

The future we want to shape together will stem from our present, from our knowledge of how best to observe and listen to the world around us, with the ability to imagine new prospects and turn them into valuable projects.

The images we have created for our 2015 financial statements express our closeness to people, their needs and what is dear to them, as well as to those actively engaged in the development of our country and society. A solid path built day by day together with our networks, shareholders, suppliers, institutions and the community.

This shows how aware we are of our great responsibilities, responsibilities that we want to live alongside the people, working all over the country, getting straight to the core of a situation or a project to grasp its inner meaning and its importance for the common good.





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## Company bodies

	<b>HONORARY CHAIRMAN</b>	Enea Mazzoli
<b>BOARD OF DIRECTORS</b>	<b>CHAIRMAN</b>	Pierluigi Stefanini
	<b>VICE CHAIRMAN</b>	Giovanni Antonelli
	<b>CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER</b>	Carlo Cimbri
	<b>DIRECTORS</b>	Giovanni Battista Baratta    Paola Manes Francesco Berardini          Pier Luigi Morara Paolo Cattabiani                Milo Pacchioni Piero Collina                     Maria Antonietta Pasquariello Sergio Costalli                  Elisabetta Righini Ernesto Dalle Rive              Francesco Saporito Massimo Di Menna                Adriano Turrini Guido Galardi                    Marco Giuseppe Venturi Giuseppina Gualtieri          Rossana Zambelli Claudio Levorato                Carlo Zini Ivan Malavasi                    Mario Zucchelli
	<b>SECRETARY OF THE BOARD OF DIRECTORS</b>	Roberto Giay
<b>BOARD OF STATUTORY AUDITORS</b>	<b>CHAIRMAN</b>	Roberto Chiusoli
	<b>STATUTORY AUDITORS</b>	Silvia Bocci Domenico Livio Trombone
	<b>ALTERNATE AUDITORS</b>	Carlo Cassamagnaghi Chiara Ragazzi
<b>MANAGER IN CHARGE OF FINANCIAL REPORTING</b>		Maurizio Castellina
<b>INDEPENDENT AUDITORS</b>		PricewaterhouseCoopers SpA



## Introduction

### Macroeconomic background and market performance

#### Macroeconomic background

In 2015 the global economy recorded growth just above 3%, slightly less than in 2014.

Different elements with the potential to derail the world economic recovery have come to the fore last year: from increasing geopolitical tensions in the Middle East and North Africa, related to the rise of fundamentalist terrorism, to the still unresolved question of the Greek debt and the slowdown in emerging countries. The sharp drop in oil prices, reflecting the excess of supply over demand, is another symptom of the distress of the global economy.

In the first quarter of 2015, in the light of low inflation, the European Central Bank (ECB) started a programme of purchases on the secondary market of the bonds issued by eurozone countries with a maturity between two and thirty years (Quantitative Easing), which has resulted in an increase in the monetary base. The monthly amount of these purchases was set to €60bn; the programme, initially due to end in September 2016, was extended at least until March 2017. At its December 2015 meeting, the ECB cut the rate paid to commercial banks on the funds deposited in their treasury accounts from -0.20% to -0.30%. The objective of these initiatives was to encourage the banking system to provide more credit to the real economy.

Despite these measures, the dynamics of consumer prices in the eurozone has remained unsatisfactory: provisional data for January 2016 show only a modest increase, 0.4% on an annual basis. Overall, in the third quarter of 2015, the annualised growth rate of Gross Domestic Product (GDP) for the 19 countries of the eurozone was 1.6%. In December, the unemployment rate was down to 11.4%. Activity levels are supported by the ECB's policies, less restrictive fiscal policies and growing domestic demand.

In the US, the GDP growth rate is estimated to have been close to 2.5% in 2015. In this country, economic activity was supported by the increase in domestic consumption, the result of the increase in households' disposable income, in its turn boosted by the ongoing fall in unemployment (5% in December). Inflation remains very low (0.3% in December).

On the basis of the US economic scenario, the Federal Reserve (FED), at its December meeting, increased the Fed Funds rate by 25 basis points, seven years after it had cut them to almost zero. The Fed has made clear that the process of normalisation of monetary policy will be "gradual" and will depend on the evolution of the domestic economy and the international context.

China is undergoing a process of re-orientation of its development model, with the objective of eventually turning domestic demand into the engine of economic growth, today led by investments and exports. There was a slight slowdown in China's GDP growth in 2015 (6.9%). There are also potential risks from excessive borrowing of the Chinese private sector.

In 2015 some emerging countries suffered from the significant drop in oil prices (Russia and OPEC countries in general). On another front, the strengthening of the dollar caused tensions in those countries that in the past had made most use of loans denominated in the US currency.

After a recession lasting about three years, the Italian economy began growing again in 2015. Among the elements that have underpinned this recovery, there was a less restrictive tax policy and the recovery of domestic demand led by the substantial drop of oil prices and a first increase in employment (+0.5% in December 2015 with respect to the previous year). As a result of the ECB's initiative, the cost of servicing the public debt has decreased, providing some room for manoeuvre towards more expansionary fiscal policies. However, Italian public sector debt has continued to grow and at the end of 2015 it attained a new record, over €2.2 trillion.

An element of potential instability for Italy is the high ratio of impaired loans to total loans disbursed by the Italian banking system, a situation highlighted during the recent rescue of four small banks. It is a legacy of the long recession experienced by Italy. The Italian government has intervened on this issue, outlining a plan for the transfer of these assets, partly covered by a public guarantee, within the constraints set by European regulations.

#### Financial markets

In 2015 there was a downward shift in the short end of the interest rate curve on the money market. The rates at the longer end moved in the opposite direction, increasing marginally. With regard to government bond yields, the yield curve for German government bonds has gradually become steeper as short rates fell and long rates recorded

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modest increases. The whole yield curve of Italian government bonds has shifted downwards. The yield spread between Italian and German bonds narrowed last year, more for the longest maturities (over 10 years) than at the short end.

The euro started the year 2015 at 1.21 to the dollar, then weakened, and at 31 December it was just below 1.09. This trend reflects the divergent monetary policies pursued on the two sides of the Atlantic, as well as, since the autumn, the overlapping effects of the fall of oil prices and the slowdown of the world economy.

With market rates extremely low, both for macroeconomic reasons and for the direct intervention of the central banks, the performance of European stock markets in 2015 was moderately positive: the Eurostoxx 50 index, which represents the performance of the stocks with the largest market capitalisation in the eurozone, was up by 3.8% (+5.4% in the fourth quarter). Over the year, the German DAX stock market index was up 9.6% (+11.2% in the fourth quarter), while the FTSE MIB Index of the Milan stock exchange rose by 12.7% (+0.6% in the fourth quarter). The performance of the IBEX Index of Madrid was instead negative, with a 7.2% drop over the year (-0.2% in the fourth quarter).

Looking outside Europe, the Standard & Poor's 500 index, which represents the performance of the largest listed companies in the US, was down 0.7% (+6.5% in the fourth quarter), while in Japan the Nikkei index was up 9.1% in 2015 (+9.5% in the fourth quarter).

Lastly, looking at the stock exchanges of the emerging markets, the most significant index, the Morgan Stanley Emerging Market, fell by 8% in 2015 (+1.1% in the fourth quarter).

The iTraxx Senior Financial index, representing the average spread of financial sector companies with a high credit rating, fell by 18.8 basis points, from 95.6 to 76.8 at the end of the fourth quarter. In 2015, the index increased from 67.4 to 76.8, equivalent to a 9.4 basis points widening of the spread. The improvement in the last quarter of the year is essentially due to the increasing evidence of US economic growth, the partial abating of financial turbulence in China and the new unconventional monetary policy measures implemented by the ECB.

### Insurance sector

In 2015 the volume of Non-Life insurance premiums recorded another decrease, while the Life business continued to expand, even if more slowly than in previous years.

There was a 1.5% decrease in activity on the Non-Life business (including cross-border operations), in the first three quarters of 2015, with respect to the same period in 2014. The decline was concentrated in the MV segment, with MV TPL falling by 6.8%: this seems due to the high rate of competition of the sector, as a result of which premiums decreased by more than 6% on average for the year. This decline cannot be explained by the trend of claims frequency, as this recorded a 0.04% increase in the first three quarters of 2015. In the Land Vehicle Hulls business, there was a 3.1% increase in turnover, with support provided by the good performance of the automotive market (+15.7% new vehicle registrations in 2015).

In the Non-MV Non-Life market, premiums increased by 2.9% in the first nine months of 2015 (including cross-border activity): within the segment there are segments that show a significant growth such as Health (+4.9%), General TPL (+5.3%), Legal expenses (+7.1%) and Assistance (+10.2%). The aggregate of representative insurance companies in the European Economic Area recorded an increase in premiums collected equal to 7.4%, against 1.9% growth for Italian and non-EU insurance companies. This confirms the shift of some clients towards specialised operators able to better meet specific requirements in complex management segments, such as civil liability insurance or credit insurance.

Precisely because of the difficult economic background, the propensity to save of Italian households continues to be high: the ISTAT household budget survey shows an 8.49% saving rate in September, virtually stable in the last six quarters.

In this context, the new production of individual Life policies has recorded, in 2015, a 6.4% increase with respect to 2014, for a monetary volume exceeding €113bn (including cross border activity). Different factors have contributed to this performance, such as the low level of interest rates, resulting from ECB monetary policies, and the search by investors for products that meet their low appetite for risk. The past year has seen a change in the composition of premiums: premiums from traditional class I products fell (-4%), so that the growth of the business hinged on unit linked policies (over €30bn of new premiums, corresponding to a 49.1% increase). Substantial increases were recorded by open pension funds (+37.4%). The success of class III products derives from the choice to focus the offer on a type of policy that can offer investors yields not linked to the low level of interest rates prevailing today. Financial advisors recorded a 22.9% increase in premiums, while the banking and postal channel increased less than the average (+5.3%). Even lower the increase recorded by agency networks: +1.2%.

Net premium income from the Life business, i.e. the difference between premiums and services paid by insurers, is estimated to have been around €45bn in 2015, a value not far from the one recorded in 2014. This is the result of a parallel increase both in gross premiums and charges relating to claims. We note, in this regard, the stabilisation on values of just above 7% of the surrender ratio (the ratio between amounts paid for partial and/or total surrenders and the average total technical provisions) in the first nine months of 2015. As a result, Life technical provisions increased by more than €54bn in the last twelve months reaching a new milestone of €556.8bn at the end of September 2015.

### Pension funds

In 2015 the number of subscribers to the different supplementary pension schemes grew substantially. Looking at disaggregated data by supplementary pension type, we note a substantial increase in the number of subscribers to occupational pension funds, contrary to the trends of previous years. This is due to developments in the construction sector where, due to a contractual automatic consent mechanism, subscriptions have risen from 40,000 to about 530,000. A good performance was also provided by open pension funds and personal pension funds, which continue to report rapid growth. The total number of subscribers of the different supplementary pension schemes was over 7.1m at the end of September 2015.

Funds assigned to services exceeded €135bn, with a 3.2% increase with respect to the previous year.

Again in reference to the first nine months of 2015, average yields of occupational pension funds (1.1%) were just above the revaluation of post-employment benefits (0.9%). The average performance of the other funds was instead below the level guaranteed by post-employment benefits.

### Banking sector

At the end of 2015, the Italian banking sector found itself at the centre of a storm because of the rescue of four small banks, carried out in compliance with the new European rules on government subsidies. In the rescue, investors holding shares and junior bonds issued by the banks in financial difficulties incurred losses. The main weakness of the Italian banking sector is the high incidence of bad and doubtful loans on the total of disbursed loans, the legacy of the long recession experienced by Italy. The picture has become more complex at the beginning of 2016, with the coming into force of the Single Resolution Mechanism, which provides for a possible bail-in (losses for shareholders, bondholders and depositors, the latter only for the portion of deposits exceeding €100,000) for the banks in crisis.

In 2015 loans to non-financial companies decreased by 1.8% on the end of 2014, while loans to households increased by 3.9%, partly due to the recovery of activity in the real estate market. The overall stagnation of loans has dragged down also direct deposits, -2%; within this, the component falling most rapidly was that of bond issues (-15.2% on an annual basis).

Funding from abroad increased by 5%, while the securities portfolio lost almost €76bn (-9.5% with respect to December 2014). We note that, despite an overall downsizing of banks' financial investments, the component invested in Italian government securities shows only a modest decrease (-2.7%), around €390bn at the end of 2015.

Also in 2015 there was an increase in bad and doubtful loans, due to deteriorating credit quality: at the end of last year gross bad and doubtful loans were close to €201bn, with a 9.4% increase. Net of impairments, the total was under €89bn. In 2015, the Italian banking system increased the rate of provisioning for bad and doubtful loans, bringing it to 55.7% (53.8% in 2014).

Rates on new loans, both to households and to the corporate sector, were down: borrowing costs for new loans to non-financial companies went from 2.57% in December 2014 to 1.74% at the end of 2015. The interest rate applied on home purchase loans to households went from 2.83% at the end of 2014 to 2.49% twelve months later. With regard to direct deposits, there was only a slight decrease in the rates paid on newly acquired funds: on term deposits, rates fell from 1.013% in December 2014 to 1.005% a year later; for repurchase transactions the decrease was 6 basis points (from 0.82% to 0.76%).

### Real Estate market

According to Land Registry figures, in the third quarter of 2015 the number of real estate transactions in the residential segment recorded a 10.8% increase with respect to the same period of 2014. Positive also the performance of the sales of property for production activities (+2.1%), retail (+7.4%) and services (+0.8%). However unit prices continued to fall in the second half of 2015. Rents (expressed in prices per square metre) also decreased by about 1% both for the residential segment and for the retail and services segments.

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The survey on the Italian housing market, conducted quarterly by the Bank of Italy on a sample of real estate agents questioned on the state of the housing market, shows that a majority expects prices to stabilise, a trend that has lasted for three consecutive quarters. This survey also shows a decrease in the average discount agreed on the original sale price: in the third quarter of 2015 this was equal to 14.9%, against 16.1% twelve months earlier.

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## Main regulatory developments

### Recent legislative changes regarding Solvency II

On **16 June 2015**, the new “Private Insurance Code” (“Codice delle Assicurazioni Private” or CAP) was published in the Italian Official Gazette; this implements Legislative Decree 74 of 12 May 2015, and Directive 2009/138/CE of 25 November 2009, on access and practice of insurance and re-insurance activities (so-called “Solvency II Directive”, henceforth “Directive”). The new provisions came in force on 1 January 2016, when the new Solvency II European supervision regime has become effective, the objective of which is to provide a regulatory framework for the safeguard of policyholders. The new regulations focus on risk and on the ability of insurance companies to measure and manage it; they introduce new capital requirements, on the basis of the risks effectively taken, as well as different criteria for the measurement and mitigation of these risks. From a qualitative point of view, these regulations introduce new requirements for the governance of insurance companies, for example, the establishment of an actuarial function with the tasks previously assigned to the actuary in charge of the Life and MV TPL classes, setting assessment criteria for supervisory purposes different from those set for accounting purposes. Below we review, in chronological order, the main normative documents issued by the competent bodies.

EU Regulation 2015/35, 10 October 2014 (“Delegated Acts”), published in the EU Official Journal on **17 January 2015**, describing the principles and provisions of the Directive with direct application at the country level. On **2 February 2015** EIOPA published the translation of the first set of Guidelines and Implementing Technical Standards (ITS) in all official languages used in the EU; ITS are standards for the supervisory authorities at the country level, aimed at ensuring a uniform application of the new Solvency II regime on the most important issues.

In **March 2015** the following implementing regulations were issued:

- Reg. (EU) 2015/460, with implementing technical standards on the procedure for the approval of internal models, specifically:
  - the procedure for the approval of the requests to use an internal model (both full and in part) to calculate the SCR (Art. 112 of the Directive);
  - the procedure for the approval of the policy to change an internal model (Art. 115 of the Directive).
- Reg. (EU) 2015/461, setting the implementing technical standards for the procedure of adoption of a joint decision on the demand of authorisation for the use of a group internal model (pursuant to Art. 231, par. 2, of the Directive).
- Reg. (EU) 2015/462, on the procedures for the issue of the authorisation to the establishment of Special Purpose Vehicle (SPV) by supervisory authorities.
- Reg. (EU) 2015/498-499-500, concerning the procedures that the supervisory authorities of member states must follow to approve:
  - the use of Undertaking Specific Parameters or “USP” (Reg. (EU) 2015/498);
  - the use of ancillary own-funds items (Reg. (EU) 2015/499);
  - the application of a matching adjustment to the risk-free interest rate term structure, pursuant to Art. 77-ter of the Directive (Reg. (EU) 2015/500).

On **29 June 2015**, EIOPA published a document to argue the need for insurance companies to disclose high-quality information and for the adequate use of external auditing services in regard to Solvency II provisions on disclosure.

On **6 July 2015** EIOPA published the second set of Guidelines and Implementing Technical Standards (ITS), required for the completion of the Solvency II regulatory framework, made available for public consultation between December 2014 and February 2015. On **14 September 2015** EIOPA published these Guidelines in all official languages used in the European Union. Specifically, these ITS covered:

- reporting for financial stability purposes;

- extension of the restoration period of capital requirements;
- exchange of information within the supervisory boards;
- application of the Long-Term Guarantee Assessment (LTGA) measures;
- methods to calculate market shares for reporting purposes;
- disclosures to supervisory authorities and markets;
- assessment of assets and liabilities other than technical provisions;
- governance system;
- assessment of own risk profile - ORSA (Own Risk and Solvency Assessment).

On **12 November 2015** another portion of the second set of Implementing Technical Standards (ITS) was published in the EU Official Journal (L. 295/2015). This included the following documents:

- Reg. (EU) 2015/2011 on implementing technical standards with regard to the lists of regional governments and local authorities, exposures to whom are to be treated as exposures to the central government;
- Reg. (EU) 2015/2012 on capital add-ons and the procedures for the notification, calculation and transmission of the related information ;
- Reg. (EU) 2015/2013 regulating the standard deviations in relation to health risk equalisation systems;
- Reg. (EU) 2015/2014 on the submission and exchange of information between the different supervisory authorities, in the case of international groups ;
- Reg. (EU) 2015/2015 on the procedures for assessing external credit assessments ;
- Reg. (EU) 2015/2016 on the calculation of the equity index used for the symmetric adjustment of standard equity capital requirements;
- Reg. (EU) 2015/2017 on the calculation of currency risk (for currencies pegged to the euro) to be considered in the calculation of the solvency capital requirements.

In **October 2015**, exactly one year after starting a public consultation on a series of Guidelines on product management and distribution by the insurance companies, EIOPA also started a new public consultation on a new version of these Guidelines, which also includes some provisions for the companies distributing these products, as well as for the insurance companies themselves. The public consultation ended on 29 January 2016.

On **26 October 2015** EIOPA has published the amended version of some documents concerning disclosure and reporting in the Solvency II context (see EIOPA "*Solvency II reporting and disclosure package*").

On **2 December 2015** the EU Commission adopted the third set of Implementing Technical Standards (ITS) for Solvency II regarding the procedures, the Quantitative Reporting Templates (QRT), as well as the formats for the transmission of information to the supervisory authorities.

On **31 December 2015** the EU Official Gazette L. 347 published the following implementing documents, dealing with issues already covered in the Directive:

- Reg. (EU) 2015/2450 on the templates for the submission of information to the supervisory authorities;
- Reg. (EU) 2015/2451 on the templates and structure of the disclosure of specific information by supervisory authorities;
- Reg. (EU) 2015/2452 on the procedures, formats and templates of the Solvency and Financial Condition Report (SFCR).

#### **IVASS letters to the market on Solvency II**

In 2014 and 2015 IVASS provided guidelines for the preparation of ORSA and the preliminary stage. In the second half of 2015, IVASS started to publish regulations implementing EIOPA Guidelines and adapting regulations for the entry into force of Solvency II. The documents published in 2015 are described below.

On **24 March 2015** IVASS published the "Letter to the market on the Publication of EIOPA Guidelines on forward-looking risk assessment systems and related clarifications for Solvency II preparations", which follows the Letter of **15 April 2014** on the forward-looking risk assessment system. The additional guidelines were found to be necessary on the basis of the analysis of the first FLAOR (forward-looking assessment of risk) reports sent by insurance companies on 31 October 2014, as well as by the increasingly complex European regulatory framework. Specifically, the forward-looking risk assessment was covered both in the "Delegated Acts" (Regulation (EU) 2015/35), which have a direct application in the Italian context without having to be explicitly adopted in the Italian legal system, and in the

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EIOPA Guidelines, the latter covering also the capital requirements and the self-assessment of company's risk profile (ORSA).

On **30 March 2015** IVASS then published the "Letter to the market on Reporting Solvency II – Preliminary stage. Further Guidelines on the transmission of information to IVASS" following the 4 December 2014 letter, on the transmission of information to IVASS, where it was specified that the LEI (Legal Entity Identification) code should be used both for the notifications of individual companies and for those of groups. The notifications should be carried out by the Italian company heading the insurance group that is, by the company in charge of the calculation of group solvency. The deadlines for the transmission of the Quantitative Reporting Templates (QRT) were confirmed on that occasion.

On **28 July 2015** IVASS published a "Letter to the market on governance systems and related clarifications for the preparation to Solvency II, with particular reference to the tasks and responsibilities of the actuarial function" and a "Letter to the market on the application of the EIOPA Guidelines on the use of internal models and in particular on the preliminary procedure of the internal models (so-called process of *preapplication*)".

On **3 August 2015** IVASS also published a "Letter to the market on Solvency II – request for information on the adjustment for loss-absorbing capacity of deferred taxes.

Lastly, on **2 October 2015** IVASS presented the "Letter to the market on Solvency II Reporting – Preliminary stage. Guidelines on the transmission to IVASS of quarterly individual and group information", asking companies to use the new taxonomy published by EIOPA with the corresponding validation rules for the second part of the preparatory activities for Solvency II.

## New IVASS Regulations issued in 2015

To implement the Solvency II Guidelines issued by EIOPA at the Italian level, new regulations concerning Solvency II Pillar I financial requirements were issued on 22 December 2015, effective 1 January 2016.

**IVASS Regulation no. 10 of 22 December 2015** - dealing with the treatment of the investments requiring advance notification or authorisation, as well as the prerequisites for the exercise of the corresponding IVASS powers, identifying, specifically, unified regulations for investments made by insurance and re-insurance companies and those made by ultimate insurance holding companies or mixed financial holding companies. As a result ISVAP Regulation no. 26 of 4 August 2008 was repealed.

**IVASS Regulation no. 11 of 22 December 2015** - regulating the calculation of the minimum solvency capital requirement calculated with the standard formula, through the implementation of EIOPA Guidelines on the use of undertaking-specific parameters (USP) and group-specific parameters (GSP).

In particular, under the new European supervision regime, if the standard formula for the calculation of the minimum solvency capital requirement does not provide an adequate representation of the risks that the companies or the groups are exposed to, the national supervisory authorities can authorise the replacement of a subset of parameters defined in the standard formula (pursuant to Art. 218 of the Delegated Acts) with undertaking-specific parameters. The procedure for the authorisation of these specific parameters by IVASS assumes an ongoing dialogue between the company and the supervisory authorities, even before the presentation of the demand.

**IVASS Regulation no. 12 of 22 December 2015** - providing guidelines on the calculation of Solvency II minimum solvency capital requirements calculated with internal models (either fully or in part, excluding specific IVASS guidelines). In this Regulation, the supervisory authorities specify the factors taken into account for the purposes of the approval and ongoing authorisation to the use of internal models for the calculation of solvency capital requirements, if these models are believed to be more suited to represent the characteristics of the company and also of the group the company belongs to, if the internal models are used by a group, to encourage the convergence of European supervision practices on the issue.

**IVASS Regulation no. 13 of 22 December 2015** - providing guidelines on the procedure to authorise companies to use ancillary equity components to meet capital requirements. These items are contingent and outside the statement of financial position of the company, but if referred to, they would lose their contingent nature and would be considered components of Tier 1 Capital.



**IVASS Regulations no. 14, 15 and 16 of 22 December 2015** - providing implementing provisions for the calculation of solvency capital requirements with the standard formula.

**IVASS Regulation no. 17 of 19 January 2016** - regulating in details solvency calculation criteria and procedures by groups. This document repeals ISVAP Regulation no. 18 of 12 March 2008, on adjusted solvency assessment, concerning the calculation procedures (and corresponding forms) as well as the capital adequacy at the level of financial conglomerate. According to the EIOPA guidelines implemented by IVASS, the calculation of group solvency requirement pertains to the insurance or re-insurance companies, the insurance holding companies and the Italian mixed financial holding companies that control at least one insurance or re-insurance company with their registered offices in Italy, in a EU member state or in a third country. In addition, the group solvency assessment must be carried out with the "standard" method, based in other terms on the Consolidated Financial Statements; in special cases, it is however possible to use the deduction and aggregation (D&A) method or else a combination of these two methods.

### **Documents in public consultation, for which the corresponding Regulation had not yet been issued at 31 December 2015**

**Consultation paper no. 10 of 15 July 2015** - containing the draft Regulation on the identification of Ring-Fenced Funds and the calculation of the solvency capital requirements in the presence of these funds. Specifically, the new European supervision regime, incorporated and integrated by IVASS in the document, clarifies, first of all, the criteria for the identification of Ring-Fenced Funds and the corresponding assets and liabilities, the procedures for the calculation of the adjustments to be made to the equity of the company to reflect the inability to transfer the equity of the Ring-Fenced Fund, as well as the methods and the adjustments to be used in the calculation of the minimum solvency capital requirement of the Ring-Fenced Fund itself and of the company, to reflect the diversification of the risk related to the Ring-Fenced Funds themselves.

**Consultation paper no. 17 of 3 August 2015** - concerning the new IVASS provisions on adjustment in the calculation of solvency capital requirements with the standard formula to reflect the ability of technical provisions to absorb losses and deferred taxes.

**Consultation paper no. 18 of 7 August 2015** - containing the new rules on the Tier 1 equity components that the insurance and re-insurance companies can use to meet solvency capital requirements. The document, which incorporates and integrates the EIOPA Guidelines, sets the procedures to identify, assess and classify the Tier 1 equity components, the different authorisation procedures for the refunds or redemptions of the core equity components at different Tier levels, as well as the exceptional derogations to the cancellation or postponement of the corresponding distributions.

**Consultation paper no. 19 of 11 August 2015** - concerning the new supervisory standards for the calculation of technical provisions.

**Consultation paper no. 22 of 13 August 2015** - defining new supervisory standards for the treatment of catastrophe risk in the calculation of health insurance, for the purposes of the calculation of solvency capital requirements with the standard formula.

**Consultation paper no. 23 of 13 August 2015** - containing guidelines for the application of the *look-through* method for the purposes of solvency capital requirement calculations (with the standard formula), which is the approach to be used for collective investment undertakings (UCITS and AIF, Art. 1 Delegated Acts), for other investments specified in Art. 84 Delegated Acts and, more in general, in the case of indirect exposure to market, underwriting and counterparty risk (this method does not apply, instead, to investment in affiliated companies). The application of the look-through method demands the analysis of the risks of each underlying asset.

**Consultation paper no. 27 of 23 December 2015** - concerning the implementing guidelines, which incorporate and integrate the new European regulations, on group supervision (including group solvency, monitoring of intragroup transactions, risk concentration and governance). The Regulation repeals ISVAP Regulation no. 15 of 20 February 2008, on "insurance groups".

**Consultation paper no. 1 of 4 January 2016** - concerning the "Internal risk assessment and solvency" under Solvency II (so-called "ORSA") to be carried out both in a "current" and "forward-looking" prospective and at least once a year (Art. 306 Delegated Acts). The document refers to the guidelines provided by IVASS for Solvency II preparatory stage on

## Introduction

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“forward-looking risks assessment and solvency” (so-called FLAOR), that is, the Letters to the market of 15 April 2014 and 24 March 2015 and Measure no.17 of 15 April 2014 (amending Reg. 20/2008). These *interim* regulations were consistently integrated by EIOPA Guidelines on ORSA, which require first of all the processes to be adequate and proportional to the organisational structure of the company, in line with the nature, range and complexity of the corresponding risks, as well as, at a later time, a specific policy set by the administrative body consistent with corporate strategies.

**Consultation paper no. 2 of 4 January 2016** - regulating the application of the measures on “matching adjustment” and “volatility adjustment”, both part of the “Measures for long-term guarantees” (LTGA), as well as of the interim measures on risk-free interest rates and technical provisions, to be used for the calculation of the technical provisions. The IVASS guidelines provided in the document specify the procedures to calculate solvency capital requirements and minimum capital requirements in the case of LTGA, consistent with EIOPA Guidelines.

**Consultation paper no. 3 of 27 January 2016** - defining the implementing provisions, at the Italian level, on Solvency II assessment of the assets and liabilities (different from technical provisions), aimed at implementing EIOPA Guidelines on Governance (Pillar II requirements), and on recognition and assessment of assets and liabilities (Pillar I requirements), part of the second set of Solvency II Guidelines, published in Italian on 14 September 2015. Specifically, the supervisory authorities require the use, in governance systems, of adequate organisational and informational controls, including also the recording and assessment of assets and liabilities. The assessment of these for supervisory purposes must be consistent with the mark-to-market principle, reflecting the amount at which the different items could be exchanged, sold or settled between knowledgeable and willing parties in an arm's length transaction. In general, for assets and liabilities other than technical provisions, the regulations allows the use of IAS/IFRS International Financial Reporting Standards, except for some specific cases, specified in the Delegated Acts, where the IAS/IFRS differ.

**Consultation paper no. 4 of 27 January 2016** - setting the implementing guidelines on the regular quantitative information to be sent to IVASS for purposes of financial stability and macro-prudential supervision, as well as the corresponding terms and procedures for the transmission of data. The transmission of data must take place at the consolidated level or, for companies that are not part of a group, at the individual level if exceeding a specific threshold, set equal to €12bn for the total assets, or the equivalent in local currency as resulting from the solvency balance sheet.

### The following changes were made to tax laws and regulations:

- Decree Law 83 of 27 June 2015, converted with Law 132 of 6 August 2015, has modified, with effect from the tax period at 31 December 2015, the treatment of the “typical” loans of credit and financial institutions and insurance companies, providing on full implementation for the full deduction for IRES and IRAP purposes of the write-downs and impairment losses on receivables to clients recognised by these companies in the year of recognition, as already done for impairment losses on receivables realised by transfer for a consideration. A transitory regime for the first period of application of the new rules has been introduced; the write-downs and impairment losses on receivables recognised, other than the losses realised by transfer for a consideration, which are still fully deductible, will be deductible up to 75 percent of their amount. The remaining 25 percent, together with the residual amount of the components formed up to the year in progress at 31 December 2014, will be deductible in equal instalments over the subsequent ten fiscal years through 31 December 2025. The regulation in question also changes the provisions of Art. 2, par. 55-58 of Decree Law 225, 2010, concerning the transformation in tax credits of the so-called deferred tax assets (DTA), ruling out on full implementation the possibility of making use of the regime of transformation in tax credits of IRES and IRAP DTA recognised and concerning the value of the goodwill and the other intangible assets recognised for the first time in the 2015 financial statements.
- Law 208 of 28 December 2015, containing provisions on the preparation of annual and multi-annual public sector accounts, known as “2016 Stability Act”, includes a decrease in the IRES rate from 27,5% to 24% starting from the tax period after the one in progress on 31 December 2016. For the credit and financial institutions considered by Legislative Decree 87/92, a 3,5% IRES surcharge has been introduced, to be settled separately even in the case of participation to a tax consolidation regime, starting at the time the decrease in the IRES rate comes into force, which in practice keeps unchanged the level of IRES tax paid by these institutions.

2015 also saw the issue of the latest Legislative Decrees implementing the principles specified in Law 23 of 11 March 2014 "Delegation of powers to the central government concerning provisions for a fairer, more transparent and growth-oriented tax system" (so-called "Tax Delegation"). The Legislative Decrees are the following:

- Legislative Decree 127/2015 on electronic transmission of VAT transactions;
- Legislative Decree 128/2015 on rule of the law in the relations between tax authorities and tax payers;
- Legislative Decree 147/2015 containing provisions on growth and internationalisation of companies;
- Legislative Decree 156/2015 containing the review of the provisions on tax clarification request and tax disputes;
- Legislative Decree 157/2015 on tax agencies;
- Legislative Decree 158/2015 containing the review of the sanction system;
- Legislative Decree 159/2015 containing measures for the simplification and rationalisation of the provisions on collection;
- Legislative Decree 160/2015 on tax evasion, tax monitoring, re-organisation of the provisions on tax-base erosion.

# 1

## Management Report

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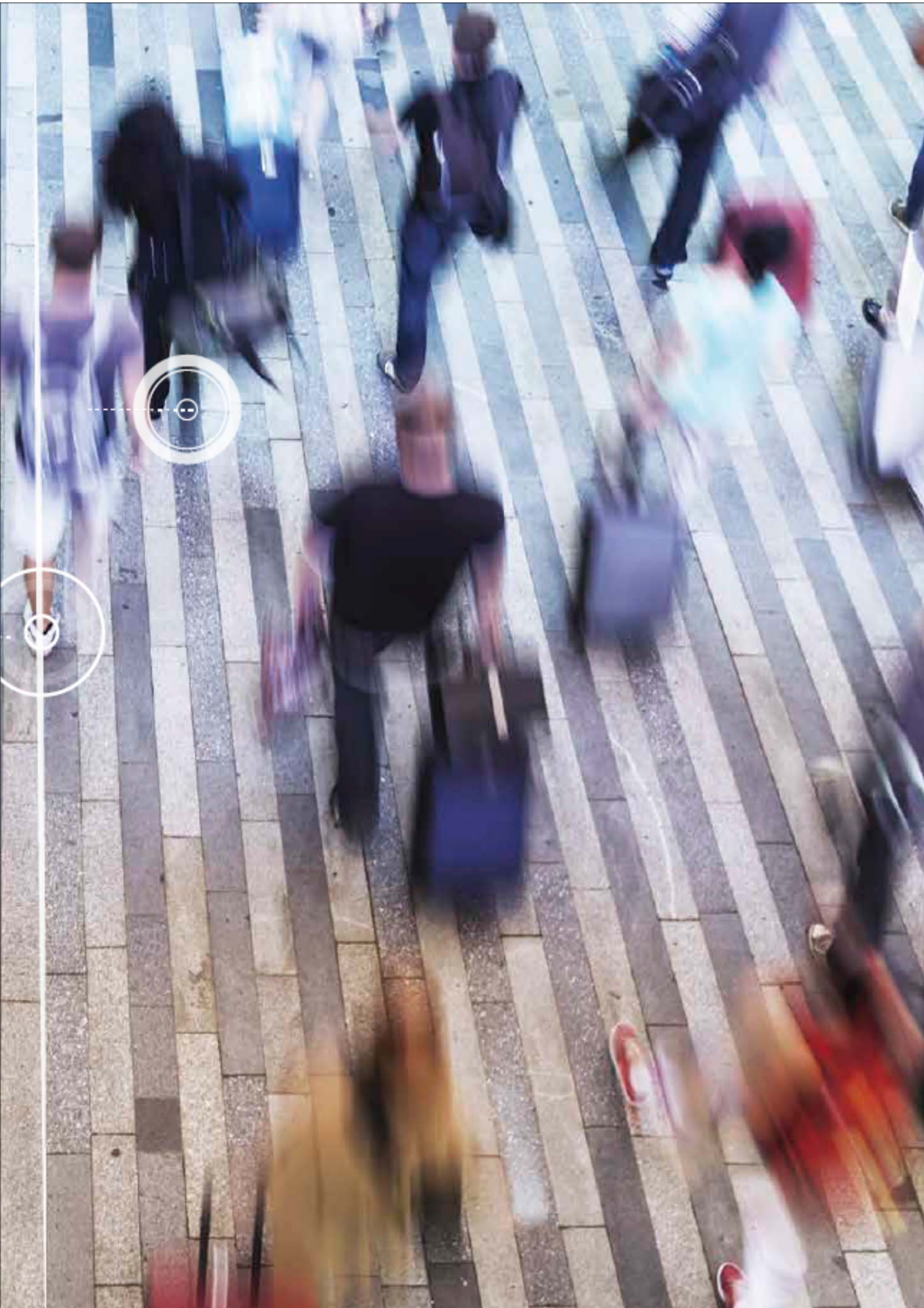


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# 1. Management Report

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## Share performance

### Information on share performance

At the end of December 2015, the listed price of an ordinary Unipol share was €4.76, up 15.6% in the last 12 months; in the same period, the FTSE Italia All-share index increased by 15.4% the FTSE MIB index increased by 12.7%, and the FTSE Insurance All-share index was up by 3.5%.

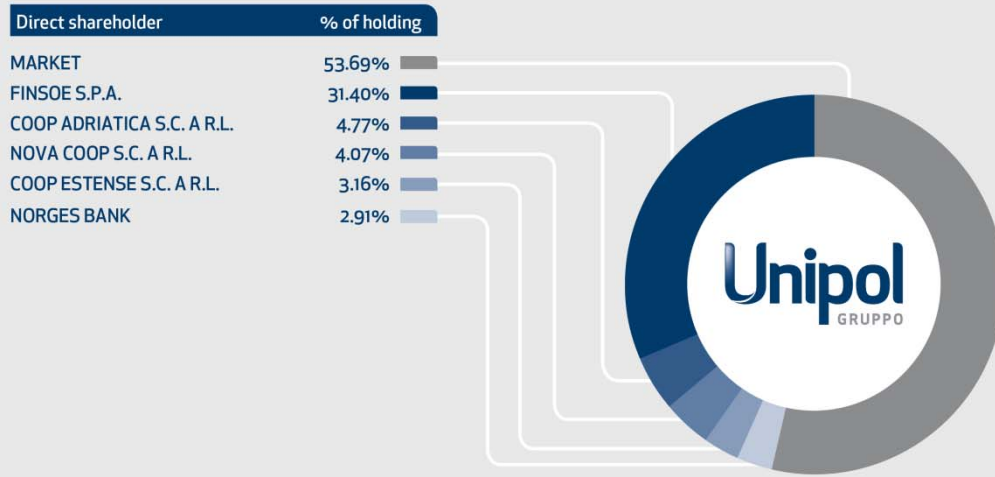
### Capitalisation values

Total capitalisation was €3,418m at the end of December 2015 (€2,944m at 31/12/2014).

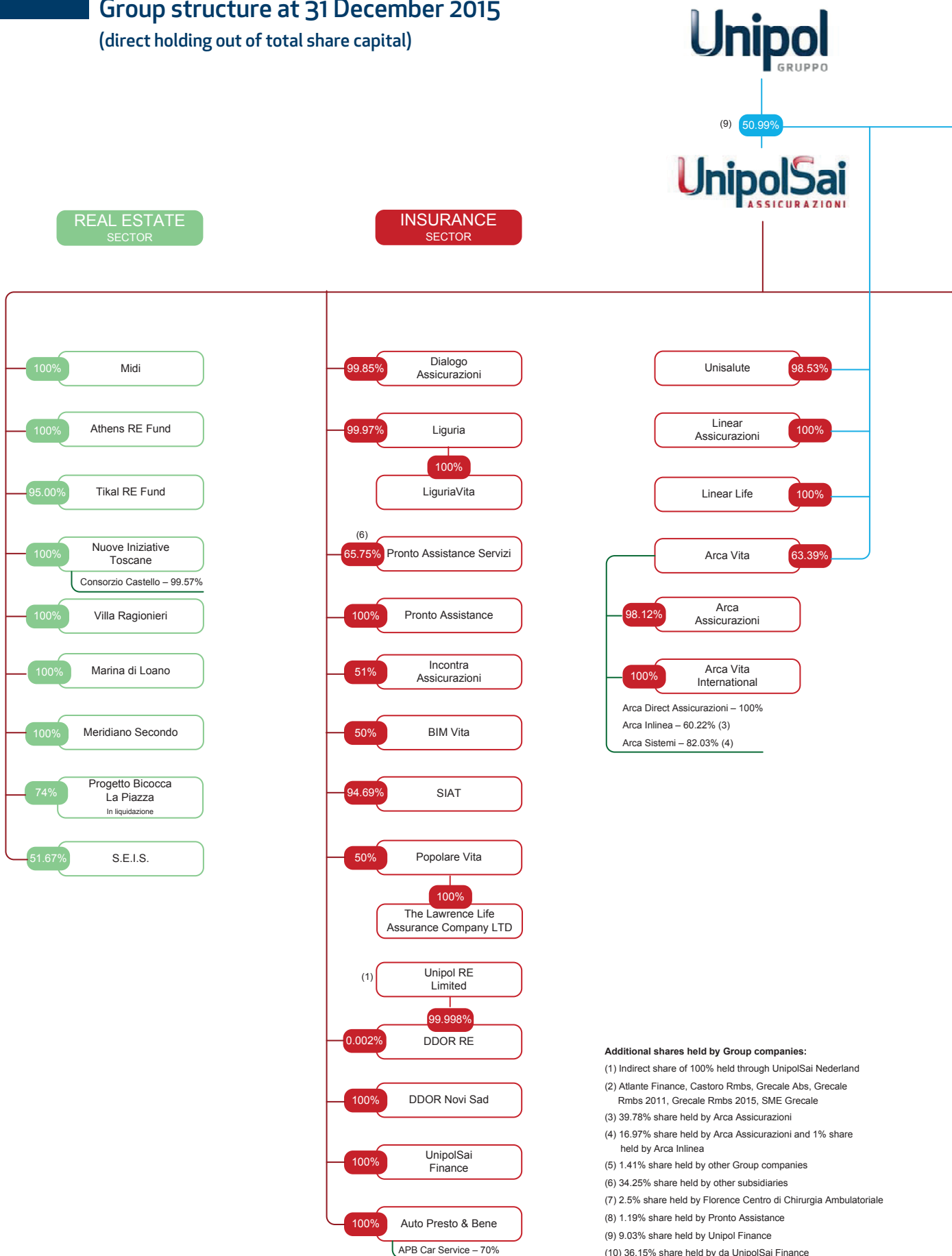
## Shareholding structure

The company is controlled by Finsoe S.p.A., pursuant to Art. 2359, paragraph 1 of the Civil Code. The shareholding structure is shown in the chart below:

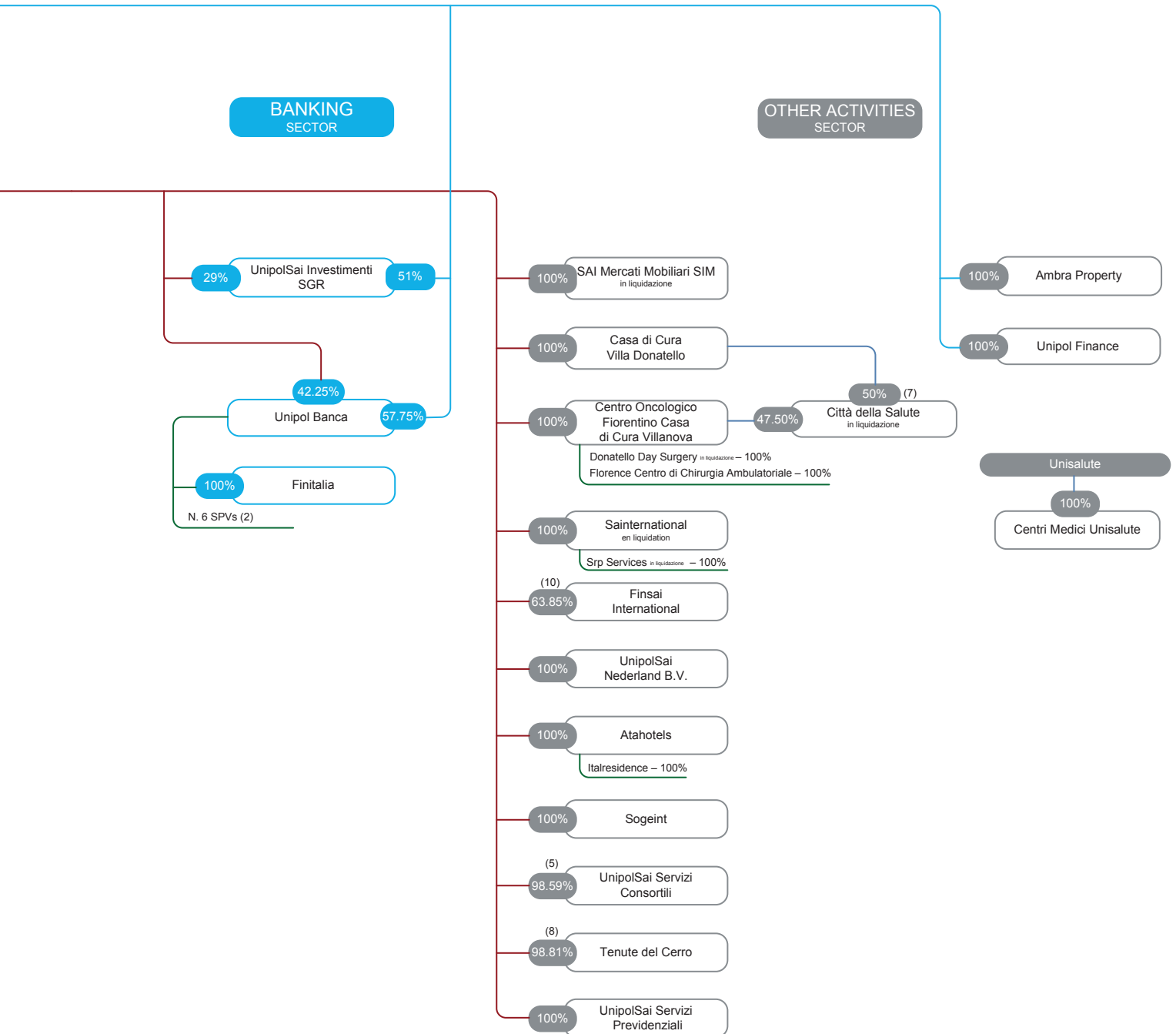
### Main shareholders of Unipol Gruppo Finanziario as of December 31, 2015



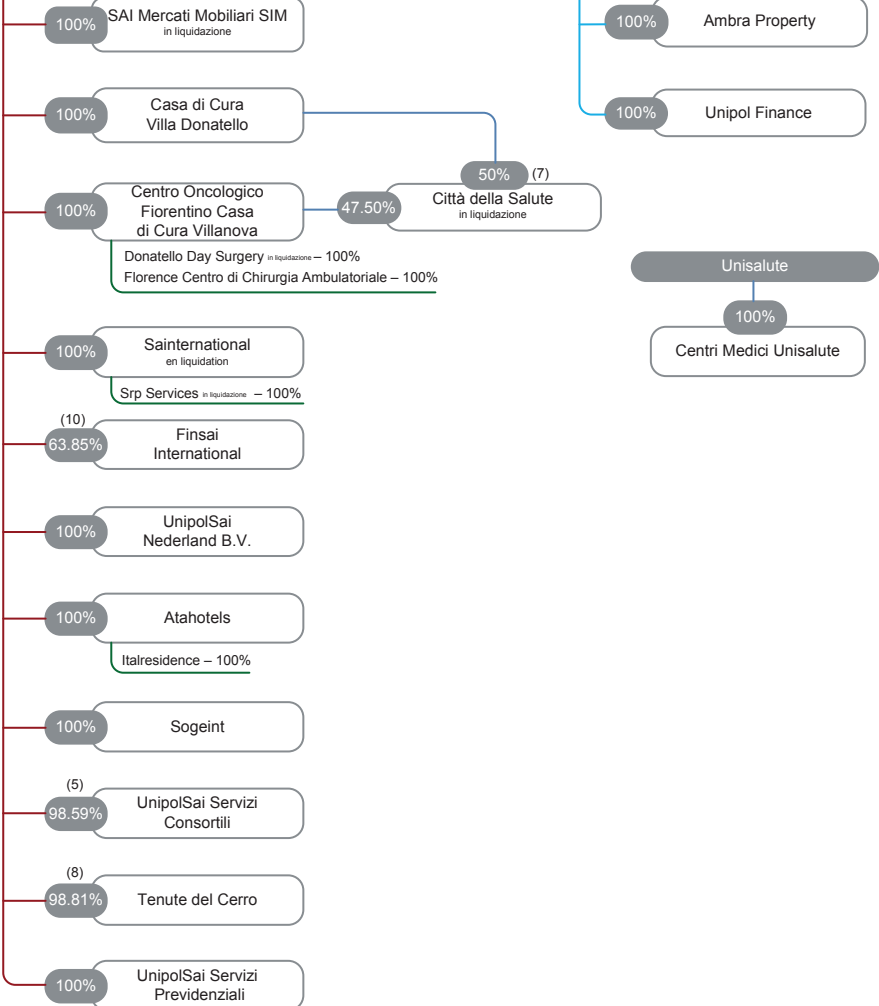
## Group structure at 31 December 2015 (direct holding out of total share capital)







OTHER ACTIVITIES SECTOR



# 1. Management Report

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## Management Report

Dear Shareholders,

The year 2015 was the last year covered in the 2013-2015 Business Plan, which was drawn up after the acquisition of the Fondiaria-SAI Group in 2012. This was one of the largest and most complex mergers carried out in recent years in Italy, not just in the Italian insurance market. As a result of the merger, this three-year period has seen the Unipol Group strongly engaged in the following activities:

- **Corporate rationalisation:** the number of subsidiaries of the Unipol Group has almost been reduced by half since 2012 (from 113 to 65) through consolidation, mergers and liquidations. This has required the initiation of several authorisation procedures. UnipolSai Assicurazioni is today the leading company in the Italian Non-Life insurance market;
- **Disposal of assets:** the Group has fulfilled its commitments to the Antitrust Authority with regard to the sale of investments, reduction of the debt to Mediobanca and disposal of insurance assets, transferring 725 agencies and 470 employees to another insurance group;
- **Convergence of IT systems supporting management processes:** the number of application systems (business and management) used by the Group was reduced by more than half in the three-year period since the beginning of the integration (from 41 to 19). Today approximately 3,000 agencies, spread across the country and organised in 4 Districts, use the same IT systems;
- **Office rationalisation:** the project to rationalise Group offices has reached an advanced stage; a significant reduction in the number of buildings used by the employees of the Group is in progress, which will optimise the logistic and the interaction between employees.

The Unipol Group ends the three-year period covered by the 2013-2015 Business Plan having achieved synergies in excess of those identified in the plan, achieved its business objectives, and considerably strengthened its financial position.

The resulting creation of value, the observance of the dividend policy specified in the plan, together with the simplification in terms of listed companies and share categories (from 4 companies and 8 share categories to 2 companies and 2 share categories) and the increased role of the Group in the Italian insurance sector, have provided our shareholders, in the three-year period in question, with positive performance, well above that reported in the same period by the FTSE MIB index.

### Transactions carried out on the share capital of Unipol and UnipolSai

#### Mandatory conversion of Preference Shares into Ordinary Shares of Unipol Gruppo Finanziario

On 25 February 2015 the Extraordinary Shareholders' Meeting of Unipol Gruppo Finanziario approved the mandatory conversion ("Conversion") of Preference Shares ("Preference Shares") into ordinary Unipol shares ("Ordinary Shares"), 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 Shareholders' Meeting of the holders of Preference Shares approved the above resolution passed by the Extraordinary Shareholders' Meeting regarding the Conversion.

The period to exercise the right of withdrawal ended on 17 April 2015: the right of withdrawal was exercised for 3,524 Preference Shares, for a total value of €13,077,56. All shares subject to withdrawal were purchased by the shareholders of Unipol Gruppo Finanziario participating in the rights issue and pre-emption right offer, with settlement carried out on 12 June 2015.

On 29 June 2015, after the ex-dividend (22/06/2015) and payment (24/06/2015) dates for the 2014 period, implementing the aforementioned Shareholders' Meeting resolutions, all 273,479,517 preference shares were converted into 273,479,517 ordinary shares, with the same characteristics as the ordinary shares outstanding at the effective conversion date.

As a result of the conversion, the share capital of Unipol, equal to €3,365,292,408.03, was divided into 717,473,508 ordinary shares with no nominal value.

### **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 the holders of UnipolSai Class A and Class B savings shares, each approved within their area of competence, the mandatory conversion ("Conversion") of Class A savings shares ("Class A Savings Shares") and Class B savings shares ("Class B Savings Shares") into ordinary UnipolSai shares, with the following conversion ratios:

- 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 period to exercise the right of withdrawal ended on 27 March 2015: it had been effectively exercised for 67 Class A Savings Shares for a value of €15,294.22 and 5,490 Class B Savings Shares for a value of €12,286.62. All shares subject to withdrawal were purchased by the shareholders of UnipolSai participating in the rights issue and pre-emption right offer, with settlement carried out on 29 May 2015.

In implementing the aforementioned shareholders' meeting resolutions and after the ex-dividend (22/06/2015) and payment (24/06/2015) dates of the dividend related to the 2014 period, on 29 June 2015 all 1,276,836 Class A Savings Shares and all outstanding 377,193,155 Class B Savings Shares were converted respectively into 127,683,600 and 377,193,155 ordinary shares, with the same characteristics as the ordinary shares outstanding at the conversion date. As a result of the conversion, the share capital of UnipolSai remained at €1,996,129,451.62, divided into 2,780,508,781 ordinary shares, with no nominal value.

### **Mandatory conversion into ordinary shares of the UnipolSai Assicurazioni 2014-2015 Convertible Loan and resulting change of the share capital of UnipolSai**

On 31 December 2015, the conversion, mandatory on maturity, of 1,343 bonds, ISIN IT0005013674, for a nominal value of €134,300,000.00, representing the "Convertible Loan UnipolSai Assicurazioni 2014-2015 6.971%" took place, resulting in the issue of 49,194,135 new UnipolSai ordinary shares with the same characteristics as the ordinary shares outstanding at the conversion date.

The Loan had been subscribed as follows:

- (i) €134.3m by the lending banks that had approved the debt restructuring agreement of Premafin HP S.p.A., excluding GE Capital Interbanca S.p.A., which, due to the merger by incorporation of Premafin HP S.p.A., Unipol Assicurazioni S.p.A. and Milano Assicurazioni S.p.A. into Fondiaria-SAI S.p.A. (now UnipolSai Assicurazioni S.p.A.), became lenders of UnipolSai Assicurazioni S.p.A.;
- (ii) €67.5m by the parent Unipol Gruppo Finanziario S.p.A., converted on 15 May 2014.

As a result of the conversion, at 31 December 2015, the share capital of UnipolSai went from €1,996,129,451.62 to €2,031,445,960.02, divided into 2,829,702,916 ordinary shares, with no nominal value.

## **Main corporate rationalisation initiatives of the Group**

### **Merger by incorporation of subsidiaries into UnipolSai**

On 29 December 2015, the deed of merger by incorporation of the following companies into UnipolSai was signed: UnipolSai Real Estate, Europa Tutela Giudiziaria, Sai Holding Italia, Systema Compagnia di Assicurazioni ("Systema"), and UnipolSai Servizi Tecnologici.

Pursuant to Art. 2505 of the Civil Code, the merger did not result in a capital increase of the merging company for the swap transaction as the entire share capital of all the companies involved in the merger was already directly held by UnipolSai.

The merger took effect on 31 December 2015, with accounting and tax effects from 1 January 2015.

### **Transfer of insurance business of Dialogo Assicurazioni to Linear Assicurazioni.**

Implementing the Dialogo Assicurazioni and Linear Assicurazioni board resolutions adopted on 24 June 2015, the deed for the transfer of the insurance company of Dialogo Assicurazioni to Compagnia Assicuratrice Linear ("Linear") was signed on 15 December 2015, with effect from 31 December 2015.

# 1. Management Report

## Transfer of insurance business of Linear Life to UnipolSai.

Implementing the board resolutions adopted by UnipolSai and Linear Life respectively on 17 and 24 June 2015, the deed for the transfer of the insurance company of Linear Life to UnipolSai was signed on 15 December 2015, with effect from 31 December 2015.

## Exchange offers made to the holders of 2017 Notes and 2021 Notes issued by Unipol

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

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

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

The total nominal value of the Existing Notes validly offered and accepted by Unipol was €281,700,000, and, specifically:

- 2017 Notes: for a total capital value of €99,052,000; and
- 2021 Notes: for a total capital value of €182,648,000.

On 16 March 2015 the following were established: (i) the exchange ratio for the 2021 Notes, 115.222%, (ii) the issue price of the New Notes, 99.881%, and (iii) the coupon rate (3.000%) and the yield on the New Notes (3.014%). The table below shows, for each issue: total amount of nominal value accepted upon exchange, exchange ratio, interest accrued and outstanding amount after settlement date.

Existing Notes	Exchange Ratio	Final total accepted (€)	Interest accrued (€)	Total outstanding after the settlement date of the Exchange Offers (€)
2017 Notes	1.083293	99,052,000	€452.05 for every €50,000 of 2017 Notes	298,647,000
2021 Notes	1.153597	182,648,000	€155.40 for every €100,000 of 2021 Notes	317,352,000

On the settlement date, 18 March 2015, Unipol issued the new non-convertible unsecured senior bond loan for a total nominal value of €1bn, listed on the Luxembourg Stock Exchange, with a ten-year duration (March 2025 maturity) 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.

The Exchange Offer described above and the related issue were carried out under the Euro Medium Term Notes Programme (EMTN Programme), with a total maximum nominal amount of €2bn, established in December 2009. This programme has been renewed and a new maturity, 6 March 2016, has been set.

## Acquisition by Unipol of 51% of UnipolSai Investimenti SGR

On 17 June 2015, fulfilling the request by the Bank of Italy aimed at ensuring compliance of the structure of the Unipol Banking Group with the new banking group regulations specified in Circular no. 285 issued on 17 December 2013, after obtaining the authorisations required by law, UnipolSai transferred 51% of the share capital of UnipolSai Investimenti SGR to Unipol.

## Establishment by Unipol of the tax regime for the group taxation of income (so-called "tax consolidation") for the 2015-2017 period, in its capacity as consolidating company.

Starting from 2015 and for the 2015-2017 period, a single tax consolidation regime was established with Unipol as

consolidating company and all companies of the Unipol Group falling under the legal consolidation requirements, thus discontinuing the current tax consolidation regime with the holding company Finsoe, which, at the conclusion of the conversion of the preference shares of Unipol into ordinary shares, had brought its investment in the ordinary share capital of Unipol below 50%, as well as two other independent tax consolidation regimes established by UnipolSai and Arca Vita.

## Operating performance

The **2015 income statement and financial position of the Unipol Group** confirm the positive operating performance, in spite of recurring tensions on the financial markets and the persistence of strong competitive pressure in the Non-Life business.

In the **Non-Life business**, premiums were down over the year, reflecting the sale of the former Milano Assicurazioni agencies to Allianz, begun in the second half of 2014 and completed at the end of 2014, and the transfer of the related outstanding portfolio. Competition on tariffs in the MV TPL segment continues to be very keen, as shown by the drop in average market premiums, equal to -7.5% year on year in the third quarter of 2015<sup>1</sup>: this has resulted in a progressive decline in premiums from this business, especially for the Unipol Group as the market leader. In this context, Non-Life premiums for the Group were €7,883m (-12.1% on 2014).

Based on management assessments, the overall decline in Non-Life direct premiums, estimated by excluding the effects of the aforementioned portfolio transfer (hereinafter "*estimated operating figure*"), was approximately -4.9%. Premiums in the MV TPL business were €3,805m, down by 16% on 2014 (*estimated operating figure* -8.5%). A decline was also reported in the Land Vehicle Hulls business with premiums equal to €618m, -8.7% (*estimated operating figure* -2.1%). Although affected by the still weak, albeit slightly improved, macroeconomic background, the Non-MV segment performed better, with premiums equal to €3,459m and an 8% decrease (*estimated operating figure* -1.2%).

Looking at the performance of the Non-Life sector of the main companies of the Group, UnipolSai, which in 2015 took over the companies Systema and Europa Tutela Giudiziaria in a merger with accounting and tax effects from 1 January 2015, contributed a total of €6,998m to consolidated premiums (-12.6% on a like-for-like basis, *estimated operating figure* -4.5%), while Unisalute, which celebrated its 20 year anniversary in 2015, reported premiums of €301m (+11.3% on 2014). At Arca Assicurazioni premiums were essentially in line with the previous year, while the other main companies of the Group in the MV business, such as Linear and Liguria Assicurazioni (taken over by UnipolSai with accounting and tax effects from 1 January 2016), reported a decrease due to the competitive market trends within the sector.

With regard to Non-Life claims, in the MV TPL class, technical indicators for the Group continued to be positive in terms of both claim frequency and control of average costs. In the Non-MV business, after a first quarter affected by the significant material damages caused by an exceptionally severe weather event, the second half of the year saw a clear improvement in claims, also due to anomalous weather conditions in the fourth quarter of 2015, characterised by an almost complete absence of rainfall over large part of the country.

In this context, the Unipol Group reported, at 31 December 2015, a loss ratio for direct business (including the balance of other technical items) of 65.6%, down from the level, 68%, recorded a year earlier, due, in particular, to the stability of the provisions for previous year claims.

Despite the 6% drop in the absolute value of the overheads component, the direct business expense ratio was 27.9%, which can be explained by the decline in premiums and the shift of the sales mix towards Non-MV classes, characterised by higher commissions, and also by the greater impact of variable commissions directly related to technical upgrades.

Overall, in 2015, the Group's combined ratio (direct business) was 93.5%, against 94.7% in 2014.

In the **Life business**, in a market environment characterised by low interest rates, the Group pursued a higher quality production and the containment of financial risks, also in compliance with Solvency II requirements. At 31 December 2015, the premium volume was equal to €8,593m, a significant volume despite a slight decline (-3.6%)

<sup>1</sup> Source: IVASS, IPER Statistical Bulletin, 26 January 2016

# 1. Management Report

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with respect to the same period of the previous year. Specifically, with regard to the main companies of the Group operating in the Life business, UnipolSai collected €3,418m in premiums (-7.5%), and the Gruppo Popolare Vita €3,043m (-17%, against a 44.6% increase reported at the end of 2014); premiums collected by Arca Vita and Arca Vita International increased substantially, to a total of €1,943m (+46.2% on 2014).

As a result, the volume of new business in terms of pro-quota APE stood, at 31 December 2015, at €473m (€493m at 31/12/2014), of which €242m was contributed by the traditional companies and €231m by the bancassurance companies.

With regard to the management of **financial investments**, in 2015 there were new tensions in the stock markets, especially in the second half of the year, triggered by the slowdown of the Chinese economy, the fall in raw materials prices and, in Italy, the effects of some bank rescues. Despite the repercussions on the credit market, the securities portfolio of the company, characterised by the significant weight of Italian government securities, has steadily appreciated over the year, benefiting from Quantitative Easing, the anti-deflation policy adopted by the ECB. Although aiming to preserve the risk/return profile of the assets and the consistency between assets and liabilities towards the insured, the portfolio produced a significant return in the period in question, about 4.6% of invested assets. This result was in part due to the disposal policy adopted by the Group, resulting from the transactions carried out to increase the diversification of the financial assets and the completion, in the first part of the year, of forward securities sales agreed in 2014.

The **Banking business** benefited from the improvement of the macroeconomic environment and the continued application of a prudent lending policy, which has resulted in a decrease in loans with respect to December 2014. We have begun to notice indications of a decrease in impaired loans, in part due to non-recourse assignments that did not have a significant impact on the income statement. The commercial offer favoured retail customers and SMEs, seeking also to increase cross selling on the insurance customer base, through the financing of insurance premiums and the sale of banking products through the agency channel. Overall, in 2015, the banking business reported positive net income and a further strengthening of the financial position, despite the expenses incurred in the fourth quarter for the contribution to the Fondo di Risoluzione Nazionale (€16.6m).

With regard to the **Real Estate segment**, the Group continued to focus on the restoration and subsequent development of some properties in the portfolio. Renovation activities during the year were funded by planned property sales, mostly concerning the Porta Nuova area in Milan and the investee Punta di Ferro, which owns a property in Forlì used as a shopping centre. The results of the real estate segment as defined for accounting purposes, including only property companies and their affiliates, were affected by write-downs (about €73m), mostly related to some assets that will be developed in the medium term.

In the **Other sectors** in which the Group operates, results gradually improved as a result of cost rationalisation initiatives continued during the year, as well as commercial development activities. We note the profit of about €2m reported by Atahotels, which benefited from increased tourism in Milan during the Expo.

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The Financial Statements of Unipol for the year ended 31 December 2015, hereby submitted for your review and approval, show a **profit of €165.5m** (€167.4m in 2014).

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The Financial Statements of Unipol are audited by the independent auditors PricewaterhouseCoopers SpA (PwC), which has been appointed to audit the financial statements for the 2012-2020 period.

## Salient aspects of business operations

The economic figures that best summarise the operating performance of the Company are the following:

- A. Gains on investments: these were €296.8m (€380.8m in 2014) and represent dividends accrued on the profits reported on investments in subsidiaries.
- B. Other revenue and income: these amounted to €49.6m (€39.7m in 2014) and represent for €26.7m commissions collected from the subsidiary Unipol Banca (€18.5m at 31/12/2014) in connection with the credit indemnity agreement, for €19.4m the recovery of costs for personnel seconded to Group companies (€17.9m at 31/12/2014) and for the remaining €3.5m remuneration paid to directors and other minor revenue (€3.3m at 31/12/2014).
- C. Costs of production: these were €200.0m (€291.0m in 2014) and included the operating expenses deriving from ordinary holding operations, as well as €115.4m of provisions for risks and charges (€197.3m at 31/12/2014), of which €100m for the credit indemnity agreement stipulated with the subsidiary Unipol Banca (€196m at 31/12/2014).
- D. Other ordinary financial income/expense: these went from -€44.2m in 2014 to -€71.4m in 2015 and included interest paid on bond loans issued, €55.1m (€41m at 31/12/2014).
- E. Value adjustments to financial assets: these were negative for €56.5m, against a €1.7m positive adjustment in 2014. At 31 December 2015, the investments in the subsidiaries Unipol Banca, Ambra Property and Linear Life were written down for €31.2m, €12m and €2.6m, respectively.
- F. Profit (loss) from ordinary operations: positive for €18.5m (positive for €87.2m in 2014).
- G. Extraordinary gains (losses): positive for €4.8m (positive for €6.4m in 2014).
- H. Pre-tax profit (loss): positive for €23.3m (€93.6m in 2014).
- I. Income tax: this had a positive impact on the income statement for €142.2m (€73.8m in 2014).

Shareholders' Equity of the Company at 31 December 2015, including profit for the year, was €5,751.8m (€5,712.7m at 31/12/2014). The change results from a €126.3m decrease in distributed dividends and a €165.5m increase in profits for the year.

## Asset and financial management

### Financial operations

Financial operations in 2015 were consistent with the *Investment Policy* guidelines adopted by the Company and with the recommendations of the Group Investments Committee and Financial Investments Committee. The objective of the investment policy was the optimisation of the risk/return profile of the portfolio with the specified liquidity and prudential standards.

Operating activities were characterised by the persistence of high liquidity levels, which at the end of the year reached €1bn, of which €875.2m of cash and cash equivalents and €150m of term deposits, expiring in May 2016.

The volatility of government and banking sector bond yields throughout 2015 offered trading opportunities; these activities aimed to achieve the profitability objectives.

At 31 December 2015, the duration of the portfolio was equal to 0.97 years, unchanged with respect to the previous year and within the limits set by the Investment Policy.

### Property, plant and equipment and intangible assets

In 2015 the balance of property, plant and equipment and intangible assets, net of depreciation/amortisation, went from €45.4m to €7.8m, with a €37.6m decrease with respect to the previous year, due to the depreciation/amortisation for the year, especially costs related to the 2012 share capital increase (included under Start-up and expansion costs), which were fully amortised.

The breakdown of property, plant and equipment and intangible assets and the changes on the previous year is provided in the table below.

# 1. Management Report

Amounts in €m

	31/12/2015	31/12/2014	Changes	
			value	%
<b>Property, plant and equipment</b>				
- Plant and equipment	0.3	0.3	(0.0)	(9.7)
- Other assets	1.4	1.6	(0.2)	(13.4)
<b>Total</b>	<b>1.7</b>	<b>1.9</b>	<b>(0.2)</b>	<b>(12.7)</b>
<b>Intangible assets</b>				
- Start-up and expansion costs		35.9	(35.9)	(100.0)
- Research, development and advertising costs		0.0	(0.0)	(100.0)
- Concessions, licences, trademarks and similar rights	4.6	5.4	(0.8)	(14.8)
- Fixed assets in progress and payments on account	0.1	0.0	0.0	16.3
- Other	1.5	2.2	(0.7)	(31.1)
<b>Total</b>	<b>6.1</b>	<b>43.5</b>	<b>(37.3)</b>	<b>(85.9)</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS</b>	<b>7.8</b>	<b>45.4</b>	<b>(37.6)</b>	<b>(82.8)</b>

For details of fixed assets, reference should be made to Annexes 5 and 6 of the Notes to the Financial Statements.

## Financial fixed assets

The breakdown of financial fixed assets, with changes on the previous year, is provided in the following table.

Amounts in €m

	31/12/2015	31/12/2014	Changes	
			value	%
<b>Financial fixed assets</b>				
- Investments				
- Subsidiaries	5,957.8	5,952.8	5.0	0.1
<b>Total</b>	<b>5,957.8</b>	<b>5,952.8</b>	<b>5.0</b>	<b>0.1</b>
- Receivables				
- Other companies	5.4	5.7	(0.3)	(5.3)
<b>Total</b>	<b>5.4</b>	<b>5.7</b>	<b>(0.3)</b>	<b>(5.3)</b>
Other securities	153.7		153.7	
<b>TOTAL FINANCIAL FIXED ASSETS</b>	<b>6,116.9</b>	<b>5,958.5</b>	<b>158.4</b>	<b>2.7</b>

In 2015, financial fixed assets went from €5,958.5m to €6,116.9m, with a €158.4m increase with respect to the previous year, due in particular to a €153.7m increase in the item Other capitalised securities for operations carried out over the year.

For details of the investments, reference should be made to the table in the Notes to the Financial Statements (Annex 7).

The breakdown of the investments by business segment and the changes with respect to the previous year was as follows:

Amounts in €m

	2015	Changes compared to 2014
Insurance	4,988.6	13.8
Banks and financial services	476.4	(20.5)
Other investments	492.9	11.6
	<b>5,957.8</b>	<b>5.0</b>

Other investments included Ambra Property S.r.l., Unipol Finance S.r.l. and, at 31 December 2015, Linear Life S.p.A., previously classified as insurance investment.

Over the year, the investments held were subject to the following changes:



## Purchase/subscription of shares or quotas

### UnipolSai Investimenti SGR S.p.A.

On 17 June 2015, Unipol Gruppo Finanziario bought from UnipolSai Assicurazioni 1,995,930 shares in UnipolSai Investimenti SGR S.p.A. (representing 51% of the share capital) for a total price of €10.7m.

### UnipolSai S.p.A.

As explained in the Management Report, as a result of the conversion of UnipolSai Class A savings shares into ordinary shares, Unipol has exercised, in proportion to the shares of UnipolSai held and on the shares on which no option had been exercised, its option rights over 61 Class A savings shares, for a total price of €13.9k and 4,871 Class B savings shares, for a total price of €10.9k. On 29 June 2015, all Class A savings shares and all Class B savings shares were converted into a total of 10,971 ordinary shares. As a result of these transactions, the percentage of the total direct holding of Unipol in UnipolSai decreased from 54.38% to 50.99% of total capital. Unipol holds indirectly, through Unipol Finance S.r.l., an additional 9.03% of the capital of UnipolSai Assicurazioni S.p.A., therefore the total percentage equity holding of UnipolSai was equal to 60.02%, at 31 December 2015.

### Unipolsai Servizi Consortili S.c.a.r.l.

On 24 November 2015 Unipol Gruppo Finanziario S.p.A. bought from the subsidiary Sai Mercati Mobiliari SIM in liquidation the entire holding of UnipolSai Servizi Consortili for €7,263.00.

## Contributions to future share capital increases of subsidiaries

### Ambra Property S.r.l.

On 31 July 2015, Unipol Gruppo Finanziario converted, for the entire amount of €20m, the interest-bearing loan granted to Ambra Property, equal to €20m and maturing on 31 July 2015, into a capital contribution to strengthen the financial position of the company.

### Compagnia Assicuratrice Linear S.p.A.

On 6 November 2015, Unipol Gruppo Finanziario carried out a capital contribution of €20m to provide the company with own funds adequate to meet the Solvency II prudential requirements, in force since 1 January 2016, also taking into account the business unit acquisition from the affiliated company Dialogo Assicurazioni S.p.A.

## Write-downs

### Unipol Banca S.p.A.

The value of the investment in Unipol Banca at 31 December 2015 was written down for €31.2m. This value adjustment has become necessary as a result of an impairment test of the investment, carried out adopting, as in previous years, an income-based methodology based on the 2016-2020 Plan prepared by the bank itself. At the same time the provision for liabilities and charges, created on 31 December 2013, was also increased by €14.8m against the put and call option contract taken on 27.49% of the investment currently held by UnipolSai Assicurazioni in Unipol Banca.

### Ambra Property S.r.l.

A total of €12m was written off from the value of the investment in Ambra Property at 31 December 2015; the residual recognised value in excess of the corresponding portion of shareholders' equity represents unrealised capital gains on properties.

### Linear Life S.p.A.

The value of the investment in Linear Life at 31 December 2015 was aligned with the value of the shareholders' equity of the subsidiary, with the recognition of a €2.6m impairment.

In 2015, there were no decreases due to the sale, transfer or divestment of subsidiaries.

## Treasury shares and shares of the holding company

At 31 December 2015, 6,319,814 treasury shares were held in the portfolio for a value of €21.2m. These shares have been purchased for the compensation plans based on financial instruments of the performance share type for the executive staff of the Company, approved by the Shareholders' Meetings of 30 April 2012 and 30 April 2013. In July the

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second tranche of shares was allocated in implementation of the compensation plan based on financial instruments for the period 2010-2012.

With regard to treasury shares, the Shareholders' Meeting of 18 April 2015 approved the restoration, pursuant to Art. 2359-bis of the Civil Code, of the balance of the provision for treasury shares, withdrawing €100m from the extraordinary reserve, and authorised the Board of Directors to purchase shares within the limits set to the total value of this provision.

With regard to shares of the holding company Finsoe S.p.A., the Shareholders' Meeting of 18 June 2015 approved the restoration, pursuant to Art. 2359-bis of the Civil Code, of the balance of the provision for the purchase of holding company shares by €45m and authorised the Board of Directors to purchase shares within the limits set to the total value of this provision. At 31 December 2015, the Company did not hold shares of the holding company Finsoe S.p.A.

## Current financial assets

Current financial assets were €337.1m, with an increase of €183.4m with respect to the previous year, mainly due to the sale of government securities and listed bonds during the reporting period.

The breakdown of the item was as follows:

- listed corporate bonds for €109.9m (€127.9m at 31/12/2014);
- unlisted bonds for €0.4m (unchanged with respect to 31/12/2014);
- listed government bonds €201.9m (not held at 31/12/2014);
- unlisted shares (shares of private equity funds) for €3.7m (€3.4m at 31/12/2014);
- treasury shares for €21.1m (€21.9m at 31/12/2014).

The list of shares and securities recognised as current assets at 31 December 2015 is provided in Annex 8 of the Notes to the Financial Statements.

## Cash and cash equivalents

At 31 December 2015, bank deposits and cash were €875.2m, with an increase of €334.1m with respect to the balance at 31 December 2014.

## Share capital

In 2015, Unipol Gruppo Finanziario carried out the mandatory conversion of preference shares into ordinary shares, already described. On 29 June 2015, 273,479,517 preference shares were converted into an equal number of ordinary shares with no nominal value. As a result of this conversion, the share capital of Unipol, equal to €3,365,292,408.03 was divided into 717,473,508 ordinary shares with no nominal value. At 31 December 2015, the breakdown of the share capital, subscribed and fully paid-up, was as follows:

	Share capital at 31/12/2015		Share capital at 31/12/2014	
	No. of shares	Euro	No. of shares	Euro
Ordinary shares	717,473,508	3,365,292,408.03	443,993,991	2,082,543,243.71
Preference shares			273,479,517	1,282,749,164.32
<b>Total</b>	<b>717,473,508</b>	<b>3,365,292,408.03</b>	<b>717,473,508</b>	<b>3,365,292,408.03</b>

## Debt

At 31 December 2015, the bonds issued by Unipol were €1,616.0m (€897.7m at 31/12/2014) and represent three *senior unsecured* bond loans, listed on the Luxembourg Stock Exchange. The increase on 31 December 2014 is due to the two Partial Exchange Offers made to the bearers of securities representing the *senior unsecured* bond loan with January 2017 maturity and the *senior unsecured* bond loan with March 2021 maturity, as well as to the issue of a new unsecured non convertible bond which was carried out on 18 March 2015 and is described in the Management Report section.

At 31 December 2015, there were therefore three outstanding Unipol bond loans:

- €1,000m nominal value, 3% interest rate, 2025 maturity;

- €317.4m nominal value, 4.375% interest rate, 2021 maturity;
- €298.6m nominal value, 5% interest rate, 2017 maturity.

There were also loans payable to the subsidiary UnipolSai Assicurazioni S.p.A. for €267.8m (the same as in 2014), all or part of which repayable on demand at the request of UnipolSai Assicurazioni S.p.A., with an interest rate equal to 3M Euribor rate plus 100 b.p.

The net debt (described in Annex 10 to the Notes to the Financial Statements) went from -€487.7m to -€570.7m.

## Risk management policies (Art. 2428 of the Civil Code)

The report aims to provide additional and support information to allow an assessment of the financial position of Unipol Gruppo Finanziario.

Financial risk is managed through the regular monitoring of the main indicators of exposure to interest rate risk, credit risk, equity risk, and liquidity risk.

### Interest rate risk

The duration of the Class C investment portfolio, an indicator of the Company's exposure to interest rate risk, was equal to 0.97 years, at 31 December 2015. More specifically, the duration of the bond portfolio was equal to 3.10 years.

The table shows the sensitivity of the bond portfolio to a parallel shift in the yield curve of reference for the financial instruments.

*Amounts in €*

Risk Sector	Breakdown	Duration	10 bps increase	50 bps increase
Government	75.63%	2.54	(898,923)	(4,494,614)
Financial	24.37%	4.82	(548,873)	(2,744,367)
<b>Bonds</b>	<b>100%</b>	<b>3.10</b>	<b>(1,447,796)</b>	<b>(7,238,981)</b>

### Credit risk

With specific reference to the bond portfolio alone, as shown in the table below, the management of the securities portfolio involves investing in investment grade securities (81.12% of the portfolio). Specifically, 1.54% of bonds had an AA rating and 79.58% a BBB rating.

The remaining portion of the bond portfolio (18.88%) is "not investment grade (NIG)".

Credit risk is monitored by measuring the portfolio's sensitivity to changes in benchmark credit spreads.

*Amounts in €*

Rating	Breakdown	1 bps increase	10 bps increase	50 bps increase
AA	1.54%	(3,303)	(33,027)	(165,136)
BBB	79.58%	(173,043)	(1,730,434)	(8,652,168)
NIG	18.88%	(47,928)	(479,280)	(2,396,399)
<b>Bonds</b>	<b>100.00%</b>	<b>(224,274)</b>	<b>(2,242,740)</b>	<b>(11,213,702)</b>

### Equity risk

Equity risk is monitored by analysing the equity portfolio's sensitivity to changes in the reference markets represented by sector indices.

The equities segment consists entirely of Private Equity Funds.

*Amounts in €*

Rating	Breakdown	Beta coefficient	Shock -10%
Equity	100%	1.00	(420,252)

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## Liquidity risk

In the construction of the investment portfolio, priority is given to financial instruments that can be quickly transformed into cash and quantitative limits are specified for the purchases of securities that do not guarantee a rapid sale and/or a sale at fair conditions, because of their type or specific terms.

## Human resources

At 31 December 2015, the Company's workforce consisted of 82 employees (83 at 31/12/2014).

If calculated as full time equivalent (FTE), that is, considering the number of hours actually worked, the number of employees would be 82.

	31/12/2015			31/12/2014		
	Average	Final	FTE	Average	Final	FTE
Permanent	83	82	82	84	83	83
Fixed-term						
<b>Total</b>	<b>83</b>	<b>82</b>	<b>82</b>	<b>84</b>	<b>83</b>	<b>83</b>

## Training

At 31 December 2015, a total of 25,178 man-days of training (equal to 186,038 man-hours) was offered by Group companies: of these, 24,484 man-days (equal to 137,476 man-hours) in the insurance business and in the holding company, 5,701 man-days (equal to 45,610 man-hours) in the banking business and 646 (equal to 5,171 man-hours) in property and other companies.

Training at Unipol Gruppo Finanziario in 2015 involved classroom-based courses for a total of 12.1 man-days (equal to 96.8 man-hours) and distance learning courses for 41.3 man-days (equal to 330.5 man-hours).

## Share-based compensation plans

Unipol awards additional benefits to executives through closed share-based compensation plans, under which Unipol shares are granted if specific targets are achieved (performance shares).

With reference to the plan for the three-year period 2010-2012, on 1 July 2014 and on 1 July 2015 the first and second tranche of shares were awarded to eligible executives. On both dates, 210,093 ordinary Unipol shares were awarded, with a total value of €0.7m. Another tranche shall be awarded to eligible executives still at the company at 1 July 2016.

A second compensation plan based on financial instruments (performance shares) is also in place for the 2013-2015 period. Ordinary Unipol shares shall be granted over more than one year, starting from 2016.

## IT services

In line with plans, in 2015 the Group's IT Services continued the activities specified in the 2013-2015 Three-year Plan. At UnipolSai, the main company of the Group, the following activities were completed:

- rollout of the new agency unified technology infrastructure that has led in about one year to the automation of more than 3,200 agencies and sub-agencies of the networks of the former Fondiaria-SAI group. Approximately 1,300 new sub-agencies were computerized and more than 14,000 new on-line integrated multimedia workstations were installed;
- migration of the Non-Life portfolios onto the target system of the Unipol Group and migration of a portion of the Life portfolios related to individual policies. The migration of the Life portfolios related to collective policies shall be carried out in 2016;
- start of the new "Liquido" claims system on the whole network of managers, adjusters, and agencies of the former Unipol Assicurazioni; its use was also extended to the company Linear, while the extension to the network of the former Fondiaria-SAI/Milano Assicurazioni is in progress.

Other initiatives included:

- creation of the new apps of UnipolSai and Unisalute and the corresponding new service “*In Più la Tua Salute*”, in support of the development of the multichannel strategy of the Group;
- a new Fast Quote Calculator for Non-Life Non-Motor insurance classes, which generates multi-offer quotes in real time on the basis of limited input data;
- new IT system for the management of car fleets, which will be made available to all agencies at the end of the pilot stage next year;
- support to the business team setting up the new IT company of the Group, Alfaevolution Technology, both in the definition of operational solutions and in the technologies, in particular preparing the new Group infrastructure for the management of Big Data (Big Data Hub);
- extension of the “pilot schemes” of the mobile sales and Advanced Digital Signature (Firma Elettronica Avanzata, or FEA) solution, the development of the new Knowledge Management system for the management of helpdesk tickets and the management and development of Electronic Payments integrated with UnipolSai systems, which is expected to be completed next year;
- the completion of the project of convergence towards a single Group system (SAP) of the administrative/management platforms of 38 companies, of which 24 operational since 2015, and 14 since 1 January 2016;
- several changes required by regulatory developments were also made and several activities were carried out involving the Life, Non-Life, and Commercial businesses, with new products and new tariffs added to the price list. Changes to the portfolio and the advertising campaigns were also outlined through the introduction of new functions on the CRM.

The construction of the new Group data centre in Bologna was completed in 2015: on the basis of its design and construction criteria, the centre was awarded the “*Tier IV Constructed Facility and Design Documents*” certification from the Uptime Institute, which recognises it as one of the best in its category (2 centres in Italy and 27 in the world). Since April, the systems at the data centres in Bologna have been progressively moved to the new data centre; the migration of the systems used at other offices is in progress and should be completed by the end of 2016.

Activities involving specialist companies and other companies of the Group included:

- *Pronto Assistance Servizi*: in preparation for the insourcing of IMA, scheduled for the first half of 2016, in November 2015 the call centre infrastructure was redesigned and migrated on that of the Group. The adjustments required by the PASGATE application platform are being carried out, and will continue in 2016.
- *Linear Assicurazioni*: in 2015 the company carried out activities for its re-positioning on the market also by revamping its website. Claim management was moved to the new Liquido claim systems and activities towards the integration of Dialogo Assicurazioni were carried out. The IT infrastructure is being redesigned to better support the changes in the workloads and the business model.
- *Unisalute*: the websites have been revamped, the UnipolSai and Liguria Assicurazioni health claims have been moved to the systems of the company and new functions for the call centre were developed. As already mentioned, the new version of the Unisalute app was released: this is linked to the UnipolSai App on which the new function “*In più la tua Salute*” has been made available and integrated with the Unisalute systems to support the multichannel strategy of the Group. Work continues to integrate on SAP the Premium Cycle of Unisalute, with a view to redesign the accounting process.
- *Unipol Banca*: in 2015, the update of the technology used for the equipment at branches and ATMs continued; the updates should be completed respectively in 2015 and 2016. The second half of the year also saw the start of preliminary activities towards the adoption of FEA, scheduled for 2016.
- *AtaHotels*: the new ERP was activated in January 2015 and it has then been integrated with the portal for the management of travel expenses of Group employees, to improve the integration between the administrative-accounting processes of the different structures and the management controls. The application and technology solutions were reviewed to support the acquisition of Una Hotels.
- *Finitalia*: the integration with the Life and Claims Systems of UnipolSai and Unisalute for the loan applications was improved and the certified digital signature was introduced to automate the process of online loans authorisation.
- *Arca*: the integration with the different applications of distributing banks continued to be improved to support bancassurance activities. The new management platform of the *contact centre* was completed and will support the bank sales network and the final customers. Work has started on the integration with the parent company in the SAP system, which is scheduled to start at the beginning of 2016.

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## Internet

[www.unipol.it](http://www.unipol.it) is the website of Unipol, from which the user can access the websites of the different companies of the Group and obtain information on Unipol.

## Research and development activities

Unipol did not perform research and development activities in 2015.

## Privacy obligations (Legislative Decree 196/2003)

The Company adopted all measures necessary to ensure compliance with obligations deriving from personal data protection legislation (Legislative Decree 196/2003) so as to guarantee the protection and integrity of customer, employee and partner data and, in general, the data of all those with whom the Company comes into contact.

The "Single Data Security Document" (Documento Unico sulla Sicurezza delle Informazioni, or DUSI) is being updated for 2015. This document will describe the corporate policies adopted to ensure data security and confidentiality (IT, physical and organisational) and to ensure that personal information is kept in compliance with the provisions of the Privacy Code.

## Report on corporate governance and ownership structures pursuant to Art. 123-bis, Legislative Decree 58 of 24 February 1998

The information required by Art. 123-bis, Legislative Decree 58 of 24 February 1998, amended by Art. 5 of Legislative Decree 173 of 3 November 2008, is included in the annual report on corporate governance, approved by the Board of Directors and published, together with the Management Report, in accordance with Art. 89-bis of the Regulation adopted by Consob in its Resolution no. 11971 of 14 May 1999, and with Section IA.2.6. Instructions on the Regulation of Markets organised and operated by Borsa Italiana S.p.A.

The annual Corporate Governance report is available in the "Corporate Governance" section of the Company's website ([www.unipol.it](http://www.unipol.it)).

## Social and environmental responsibility

### Sustainability governance

In order to ensure integration between the business strategy and sustainability values of the Group, Unipol has acquired an ethical and social responsibility governance structure, with the department as a direct staff unit of the Chairman, with a guiding and supervisory role on behalf of the Board of Directors and whose objective is to develop and manage the sustainability strategy and coordinating reporting and communications on CSR projects and initiatives.

The Sustainability Committee is one of the committees set up within the Board of Directors, pursuant to the Corporate Governance Code, and also performs the function of Ethics Committee. This Committee carries out investigations, makes suggestions and provides advice on the preliminary activity aimed to ensure that the Group's Sustainability targets are fully met.

The Head of Ethics promotes the Code of Ethics and monitors its correct application: together with the corporate structures, the Head of Ethics raises awareness of the values and principles of conduct defined by the Code, and collects and reports information on alleged infringements of the Code. The Ethics Report, which summarises the activities carried out, is published annually as part of the Sustainability Report.

The Chief Executive Officer, supported by the Group Management Committee, approves the strategic objectives, initiatives and subsequent budget commitments.

## Sustainability activities

Three main initiatives concerning ethical and social responsibility were carried out in 2015. Firstly, the review and approval of the 2015 edition of the Code of Ethics by the Board of Directors of Unipol and, then, of all investee companies, which strengthens the references to international ethical standards and articulates more accurately the role and conduct of the Directors. In 2016, the Code will be the object of a specific training course.

Secondly, the promotion, development and monitoring of the activities aimed at the implementation of the **2013-2015 Sustainability Plan** continued. These activities included the following:

- start of the *DERRIS* project, funded through the European Life Fund, to define a model of public/private partnership to improve the resilience of industrial areas with a high concentration of SME against natural catastrophes due to climate change. The project embodies the commitment taken in the policy "Contribute to the reduction, prevention and management of climate change and natural catastrophes"; it will last three years and develop 10 pilot projects in Italy;
- conclusion of the *UnipolIdeas* incubator project with the participation of the company in two of the eight selected start-ups and with their gradual involvement in the activities of the Group, as part of the policy "Promoting the entry of young people in the workforce, making use of their talent and entrepreneurial spirit". This commitment was strengthened with the creation of *UnipolSai Futurelab*, which provides crowdfunding support for innovative start-ups in the fields of mobility, sharing economy, culture and the environment, supporting a total of 23 projects in 2015;
- launch of the *PerGiocoNonPerAzzardo* campaign to raise awareness among the public of the risk of indiscriminate and addictive gambling and give concrete form to the commitment to "Provide support to the local economy, in partnership with the other social parties, to test and consolidate processes of innovation with a high social value". Different approaches (exhibitions, competitions, shows) were used, which were publicised through the social networks and involved mainly young people. The campaign will continue in 2016. The activities of the *Eos*, *Conoscere l'Assicurazione* program continued: among these, the activities addressed to the schools, involving 28 classes in 2015; the activities addressed to UnipolSai customers through the publication of special tutorial videos delivered with the newsletter "Utile a sapersi"; the activities more generally addressed to online readers through the dedicated section on the websites [Lamiafinanza.it](http://Lamiafinanza.it) and [Lamiaprevenienza.it](http://Lamiaprevenienza.it).

With regard to reporting activities, to better meet the expectations of stakeholders, in particular investors and rating agencies specialised in SRI (Social Responsible Investing), it was decided to summarise the available information and prepare a single **Sustainability Report of the Unipol Group** for 2015, containing datasheets for the main companies, starting with UnipolSai.

The structure of the report remains the one required by the GRI4 Standard, while the scope of consolidation will go beyond the segments to be organised into sectors (insurance, banking, agricultural, hotel). The development of the materiality matrix continued, with the involvement of all managers and heads of department to identify issues of strategic importance for the organisation and with the direct engagement of the other stakeholders to identify their priorities. This Report was subject to assurance by the independent auditors PwC in accordance with GRI4 Standard.

During the year, the dedicated sustainability website, especially constructed last year, was constantly updated on activities relevant to the development of Group sustainability, as were the respective pages of the company websites.

New projects were added, within the partnership with Legambiente **Bellezza Italia**, a campaign to undertake the restoration and revitalisation of neglected areas of Italy and hand them over to the local communities on completion. During the year, initiatives were carried out at the Villaggio E.V.A. in l'Aquila and the Capoprati Park in Rome, in addition to the four projects supported through crowdfunding.

The sustainability department also supported company departments in the development of specific projects with a high social or environmental value, in particular:

- setup of an **Emerging and reputational risks monitor** for the Unipol Group has led in 2015 to the preparation of a report on ten emerging risks and the definition of the corresponding scenarios;
- the company welfare programme, **NoiUnipol**, which has led to the activation of "free time" and family support services to help employees achieve a work-life balance, was extended to Milan and Turin headoffices, with some services available also in Rome and Verona;
- a number of initiatives were organised by company volunteer groups at the main offices: food collections, food parcels in partnership with the Stop Hunger Now association, and the redecoration of a reception centre of the Consortium Farsi Prossimo;

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- the model of selection and evaluation of financial investments with high social impact in real assets, as defined by the Investment Policy, was specified.

Lastly, the Sustainability Committee of the Board of Directors examined and evaluated the activities carried out throughout the entire year, and provided its opinion on the process adopted and on the main sustainability decisions taken by the Group

## Relations with Group companies and related party transactions

As the investment and services holding company and Parent of the Unipol Insurance Group (registration no. 046 in the Insurance Groups Register), Unipol carries out management and coordination activities pursuant to Art. 2497 et seq. of the Civil Code.

On 1 August 2014, effective from 16 April 2014, Unipol also became the Parent of the "Unipol Banking Group", entered in the Register pursuant to Art. 64 of the Consolidated Law on Banking with code no. 20052.

It should be noted that none of the shareholders of Unipol carries out management and coordination activities in accordance with Art. 2497 et seq. of the Civil Code.

Following the conversion of Unipol preference shares into ordinary shares, at 31 December 2015, Finsoe S.p.A. held an investment in Unipol equal to 31.40% of the ordinary share capital (50.75% at 31/12/2014): this represents a controlling investment, as defined in Art. 2359, Par. 1.2 of the Civil Code.

Finsoe does not exercise powers of management or coordination, either technical or financial, on Unipol.

The "Procedure for related party transactions" (the "Procedure"), prepared in accordance with Art. 4 of Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments, was approved by Unipol's Board of Directors on 11 November 2010 and then amended on 22 December 2011 and 15 May 2014 (with effect from 1 June 2014), after receiving a favourable opinion from the Committee of Independent Directors. The Procedure can be found on Unipol's website ([www.unipol.it](http://www.unipol.it)) in the section *Corporate Governance/Related party transactions*.

The Procedure defines the rules, methods and principles that ensure the transparency and substantive and procedural fairness of the transactions with related parties executed by Unipol, either directly or through its subsidiaries.

No transaction "of major relevance" with related parties took place in 2015; the same can be said for transactions with a significant effect on Unipol's financial statements as defined by Art. 2427, paragraph 2 of the Civil Code.

Since 2014, most of the service contracts have been centralised at **UnipolSai Assicurazioni**, which provides services in the following areas:

- Governance (services supporting internal control, risk management and compliance);
- Anti-money laundering and Anti-terrorism;
- Finance;
- Communications and Media relations;
- Institutional Relations;
- Assessment of Investments;
- Human Resources and Organisation (external selection, training, development, remuneration policies and systems, personnel management, trade union relations and disputes, employee welfare, safety, organisation, personnel administration);
- Claims Settlement;
- Insurance (distribution regulations and insurance processes, Motor tariffs and portfolio management, reinsurance, marketing, economic contractual management of the network);
- Life (procedures, applications and regulations, products, settlements and bancassurance);
- Legal (corporate affairs, group legal, anti-fraud, legal insurance consulting, privacy, general legal and disputes, corporate legal, complaints and specialist assistance to customers, management of investments, relations with authorities);
- IT services;
- Administration (accounting, tax, administrative and financial statements services, insurance and economic management control, purchases and general services);
- Real estate (logistics, asset and investment management and banking portfolio).

**UniSalute** provides the following services to the other companies of the Group:



- Managing addressing services, providing medical advice and assistance by telephone, making bookings, managing and settling claims related to specific guarantees/products on behalf of UnipolSai, Linear, and Liguria Assicurazioni;
- Support for employee training and learning on behalf of Unipol, UnipolSai, and Linear;
- Policyholder record updating and administrative services associated with the payment of health policy claims for UnipolSai.

The services provided by Unisalute and its subsidiary Centri Medici Unisalute mainly concern the following areas:

- Administration and budget;
- Planning and management control;
- Marketing;
- Commercial;
- IT services.

**SIAT** performed for UnipolSai the following services in 2015:

- Technical assistance in the negotiation and stipulation of transport contracts;
- Portfolio services for agreements in the transport sector;
- Administrative support in the relationships with insurance counterparties.

**Europa Tutela Giudiziaria** performed the following services for a number of Group companies until 31 December 2015:

- Investigation, handling and settlement of claims relating to the Legal Expenses portfolio;
- Technical and commercial support for Legal Expenses business contracts.

**Systema** until 31 December 2015 provided Incontra with administrative services related to bancassurance activities (monitoring of processes, customer services and claims support).

**Auto Presto & Bene** performs car repair services for some Group companies on claims channelled through the network of authorised repair shops.

**Pronto Assistance Servizi** provides the following services for the Companies of the consortium UnipolSai Servizi Consortili:

- Organisation, provision and management on behalf of the members of the services provided by the assistance insurance coverage Class code 18;
- Contact centre activities for the customers, specialists and agencies of the Group, concerning the release of technical and sales information, marketing activities, and collection of the notifications of inefficiencies or complaints
- Management for customers of Dialogo Assicurazioni S.p.A., current or potential, of the requests for information or quotes for insurance MV TPL and/or Other MV Risks;
- On behalf of Systema Compagnia di Assicurazione, management of activities of technical and informational support to the banking networks and customers, assistance in the use of the application for the issue of the policies and after-sale support to the banking networks and, on request, individual customers.

**UnipolRe Limited** renders administrative and accounting services related to inwards and outwards reinsurance, in favour of UnipolSai Assicurazioni.

**UnipolSai Investimenti SGR** administers on behalf of UnipolSai the units of property funds set up by third-party asset managers, owned by UnipolSai.

In the first half of 2015, the consortium **UnipolSai Servizi Consortili** continued to manage a few supply and service agreements:

- Leasing of facilities;
- Real estate logistics and organisational services.

**Arca Vita** provides the following services:

- Human resource management and development, training, organisation, corporate affairs, purchasing, legal services and complaints, secretariat and general services, security and privacy, administration, management control for Arca Inlinea, Arca Sistemi and Arca Direct Assicurazioni;
- Internal control, risk management and compliance for Arca Assicurazioni;

# 1. Management Report

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- Internal controls for Arca Vita International Ltd;
- Anti-terrorism services for Arca Assicurazioni.

**Arca Inlinea** provides sales support services to Arca Assicurazioni, Arca Vita, Arca Direct Assicurazioni and Arca Vita International.

**Arca Sistemi** provides the following services:

- Design, development and management of IT systems for Arca Vita, Arca Assicurazioni, Arca Inlinea and Arca Direct Assicurazioni;
- Design, development and management of alternative storage for Arca Vita and Arca Assicurazioni;
- Services as IT architecture provider for Arca Vita International.

On 30 October 2015, a new contract was signed by Arca Assicurazioni and APB Car Service for glass replacement/repair services.

**UnipolSai Real Estate** provided the following services for the property portfolio owned or leased by the Group until 31 December 2015:

- Project Management;
- Property Management;
- Facility Management;
- Procurement;
- IT services.

**Unipol Banca** provides the following services to its subsidiaries:

- Human Resources (until 30 June 2015);
- Anti-money laundering (until 30 June 2015);
- Internal auditing.

No atypical or unusual transactions were carried out in the execution of these services.

Fees are mainly calculated on the basis of the external costs incurred, for example the costs of products and services acquired from suppliers, and the costs resulting from activities carried out directly, i.e. generated by their own staff, and taking account of:

- performance objectives set for the provision of the service to the company;
- strategic investments required to ensure the agreed levels of service.

The following elements are specifically taken into consideration:

- personnel costs;
- operating costs (logistics, etc.);
- general costs (IT, consultancy, etc.).

The costs for financing activities are calculated by applying a fee on managed volumes. Unisalute, Europa Tutela Giudiziaria, Auto Presto & Bene, UnipolSai Real Estate, and UnipolRe provide services for a flat fee.

Both the Parent Unipol and its subsidiaries, including UnipolSai, Unipol Banca, Arca Vita and Arca Assicurazioni, second their staff to other Group companies to maximise the synergies within the Group.

Financial and commercial transactions between the banking companies and the other companies in the Group were the usual types of transaction carried out within a complex group and related to services, deposit accounts or corporate financing and finance lease agreements. Agreements were also entered into for the sale and/or management of banking, financial and insurance products and services and the provision of auxiliary banking services in general. These transactions were usually carried out at the market terms applied to prime customers.

## **Credit indemnity agreement between Unipol and the subsidiary Unipol Banca**

With regard to the credit indemnity agreement between Unipol and the subsidiary Unipol Banca, in 2015 Unipol allocated an additional amount of €100m to the provision for risks, which therefore, net of uses in the same year

(€25.8m), was €567m at 31 December 2015. Commissions accrued in 2015 and due by Unipol Banca to Unipol were €26.7m.

### Tax regime for taxation of group income (so-called "tax consolidation")

Starting from 2015, and for the 2015-2017 period, a single tax consolidation regime was established with Unipol as consolidating company and all companies of the Unipol Group falling under the legal consolidation requirements, thus discontinuing the current tax consolidation regime with the holding company Finsoe, which, at the conclusion of the conversion of the preference shares of Unipol into ordinary shares, had brought its investment in the ordinary share capital of Unipol below 50%, as well as two other independent tax consolidation regimes established by UnipolSai and Arca Vita.

With regard to the information required by Consob Communication DEM/6064293/2006, we refer to the paragraph on transactions with related parties in the Notes to the financial statements.

## Relations with the Tax Authorities

The IRES and IRAP dispute is still pending for the 2005 and 2007 tax periods of the former Aurora Assicurazioni, merged by incorporation into Unipol in 2007, pertaining mostly to findings relating to specific insurance provisions. For the dispute concerning the years 2005 and 2006, a court hearing will be scheduled at the Supreme Cassation Court, while for the dispute concerning 2007, a hearing will be scheduled by the provincial tax commission as a result of the appeal of the Tax Authorities against the ruling in favour of the Company issued by the provincial tax commission. The provisions made at 31 December 2015 are believed to be adequate against the risks arising from these disputes.

## Performance of directly controlled companies

The key figures of directly controlled companies are provided below. Reference should be made to their respective financial statements for details of companies under their direct control.

The financial statements of (direct and indirect) subsidiaries and associated companies were filed pursuant to Art. 2429 of the Civil Code.

### UnipolSai Assicurazioni S.p.A.

Registered office: Bologna

Share capital: €2,031,446k

Carrying amount: €4,527,708k

% holding: 60.02% - Direct holding of 50.99% and indirect holding of 9.03% of ordinary share capital

The company is authorised to operate as insurer and reinsurer in the Non-Life, Life and Capitalisation sectors. It may also set up and manage open pension funds.

As previously described, on 29 December 2015 the deed of merger by incorporation of the following companies into UnipolSai was signed: UnipolSai Real Estate, Europa Tutela Giudiziaria, Sai Holding Italia, Systema Compagnia di Assicurazioni and UnipolSai Servizi Tecnologici. The merger took effect on 31 December 2015, with accounting and tax effects from 1 January 2015.

Here below you can find changes to aggregate figures of merged companies i.r.o. the previous financial year.

UnipolSai Assicurazioni S.p.A. closed the year 2015 with a profit of €556.3m.

The aspects best characterising the operating performance in the year ended at 31 December 2015 were the following:

- Premiums in direct business down by 11%. Specifically, Non-Life premiums (direct business) fell by 12.6%, while Life premiums were down by 7.5%. At the end of 2015, premiums were €10,445.4m, of which €10,416m in direct business, with breakdown as follows:

# 1. Management Report

Amounts in €m

Premiums	Non-Life	Life	Total 2015	Total 2014	% var.	Variation on 2014
Direct business	6,997.7	3,418.3	10,416.0	11,704.4	(11.0)	(1,288.5)
Indirect business	27.8	1.6	29.5	41.2	(28.5)	(11.8)
	<b>7,025.5</b>	<b>3,419.9</b>	<b>10,445.4</b>	<b>11,745.6</b>	<b>(11.1)</b>	<b>(1,300.2)</b>
Premiums ceded	396.7	8.5	405.2	356.4	13.7	48.8
Premiums retained	<b>6,628.8</b>	<b>3,411.4</b>	<b>10,040.2</b>	<b>11,389.2</b>	<b>(11.8)</b>	<b>(1,349.0)</b>
% breakdown	66.0	34.0	100.0			

The net retention of acquired premiums was 96.1%, slightly down with respect to the previous year (96.9%).

- The loss ratio for direct business (including the balance of the other technical items) was equal to 65.5% against 67.9% a year earlier.
- The result from technical insurance management, which also includes operating expenses and allocation of the share of gains on investments, was overall positive for €704.4m (€978.6m in 2014), with the breakdown showing a positive €7.4m for the Life business and €697m for the Non-Life business.
- Total operating expenses (including acquisition and collection commissions and other acquisition and administrative costs) were €2,132.1m (-8.2%), with a 20.4% incidence on (Life and Non-Life) premiums (19.8% in 2014). Net of reinsurers' commissions, total operating expenses were equal to €2,016.3m (-9.2%).
- Total technical provisions for the Life and Non-Life sectors reached €42,701.8m at the end of 2015 (+0.4%) and €42,077.4m (+0.6%), net of the reinsurers' share. The technical provisions-premiums ratio was 215.9% in the Non-Life business (200.7% in 2014) and 805.1% in the Life business (713.4% in 2014).

The shareholders' equity of the Company, including the profit for the year, was €5,561.7m.

## Compagnia Assicuratrice Linear S.p.A.

Registered office: Bologna

Share capital: €19,300k

Carrying amount: €70,507k

% holding: 100% held directly

The company is authorised to conduct Non-Life insurance business, and in particular the direct distribution of MV insurance products by phone and online.

The company reported profits for the year of €3.1m, against €12.5m in 2014.

The aspects best characterising the operating performance in the year ended at 31 December 2015 were the following:

- A 15.7% decrease in premiums with respect to the previous year. Written premiums were €145.1m at 31 December 2015 (€172.2m at 31/12/2014). The net retention of acquired premiums was 97.2%, in line with 2014 (97.4% at 31/12/2014).
- The loss ratio (direct business) was 73.6%, against 76.5% in 2014.
- The result from technical insurance management, which also includes operating expenses and the allocation of the share of gains on investments, was €2.9m (€15.3m in 2014).
- Total operating expenses (including acquisition and collection commissions and other acquisition and administrative costs) were €43.4m (€40.9m at 31/12/2014), with an incidence on written premiums of 29.9% (23.7% in 2014).
- Gross technical provisions, at the end of 2015, were €313.4 m (€282.4m at 31/12/2014), €298.2m net of the reinsurers' share (€281.8m at 31/12/2014). The technical provisions-gross premiums ratio was 215.9% (163.6% in 2014).

With effect from 31 December 2015, the company has acquired the insurance business of the affiliated company Dialogo Assicurazioni S.p.A.

The shareholders' equity of the company, including profit for the year, was €84.2m.

## Unisalute S.p.A.

Registered office: Bologna

Share capital: €17,500k

Carrying amount: €36,613k

% holding: 98.53% directly held

The company is authorised to conduct Non-Life insurance business, and specialises in the Health and Assistance

segments.

The company reported €36.6m profit for the year, against €44.7m in 2014.

The aspects best characterising the operating performance in the year ended at 31 December 2015 were the following:

- An 11.3% increase in premiums with respect to the previous year. Written premiums were €372m at 31 December 2015 (€299.1m at 31/12/2014). The net retention of acquired premiums was 99.9%, unchanged with respect to the previous year.
- The loss ratio for direct business was equal to 71.3%, up with respect to the previous year (67.5% at 31/12/2014).
- The result from technical insurance management, which also includes operating expenses and allocation of the share of gains on investments, was €54.7m (€66.2m in 2014).
- Total operating expenses (including acquisition and collection commissions and other acquisition and administrative costs) were €48m (€35.4m at 31/12/2014), with an incidence on written premiums of 12.9% (11.8% in 2014).
- Total gross technical provisions were €270.8m at the end of 2015 (€222.4m at 31/12/2014), €268.8m net of the reinsurers' share (€222.1m at 31/12/2014). The technical provisions-gross premiums ratio was 72.8% (74.3% in 2014).

The shareholders' equity of the company, including profit for the year, was €104.6m.

### Linear Life S.p.A.

Registered office: Bologna

Share capital: €5,180k

Carrying amount: €3,577k

% holding: 100% held directly

An agreement was signed for the transfer of the insurance business of Linear Life to UnipolSai on 15 December 2015, effective 31 December 2015, which has resulted in the transferring company losing its authorisations to carry out insurance activity. On 18 February 2016, the name of the company has been changed to Unipol Investment S.p.A., having as object the acquisition of interests and investments in other companies, not from the public, as well as the trading of financial instruments in general, for investment purposes.

Over the year, the company reported a loss of €0.3m, against a loss of €0.5m in 2014.

As in previous years, the premiums reported in 2015 were insignificant.

The shareholders' equity of the company, including profit for the year, was €3.6m.

On 31 December 2015, the value of the investment in Linear Life was aligned with the shareholders' equity of the company, recognising an impairment of €2.6m.

### Arca Vita S.p.A.

Registered office: Verona

Share capital: €208,279k

Carrying amount: €353,739k

% holding: 63.39% directly held

The company is authorised to conduct Life insurance business.

The company reported a €26.4m profit for the year, against a profit of €57.8m in 2014.

The aspects best characterising the operating performance in the year ended at 31 December 2015 were the following:

- An increase in premiums, in terms of gross premiums written, equal to 28.3% on the previous year. Gross premiums written were €1,609.9m at 31 December 2015 (€1,254.5m at 31/12/2014). The net retention of acquired premiums was 99.6%, a slight increase with respect to the previous year (99.5%).
- The result from technical insurance management, which also includes operating expenses and the allocation of the share of gains on investments, was equal to €25.2m (€56.6m in 2014).
- Operating expenses (including acquisition and collection commissions and other acquisition and administrative costs) were €26.8m (€22.6m at 31/12/2014), with an incidence on written premiums of 1.7% (1.8% in 2014).
- Total gross technical provisions were, at the end of 2015, €5,559m (€4,292m at 31/12/2014), €5,548m net of the reinsurers' share (€4,280m at 31/12/2014). The technical provisions-gross premiums written ratio was 345.3% (342.1% in 2014).

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The shareholders' equity of the company, including profit for the year, was €326.3m.

## Unipol Banca S.p.A.

Registered office: Bologna

Share capital: €897,384k

Carrying amount: €465,642k

% holding: 100% - Direct holding of 57.75% and indirect holding of 42.25% of the ordinary share capital

The company reported a profit for the year of €3.6m, against a loss of €91m in 2014.

The aspects best characterising the operating performance in the year ended at 31 December 2015 were the following:

- Direct deposits reached €10bn, with a 2.5% decrease on 31/12/2014 (€10.2bn), while net loans to customers were equal to €9.3bn, with a decrease of 5.8% on 31 December of the previous year (€9.8bn).
- Bad and doubtful loans were €1,652.7m (€1,583.3m in 2014), with an incidence on total loans of 17.9% (16.1% in 2014).
- Indirect deposits were €51.2bn (€49.1bn in 2014), of which €47bn from companies of the group and €4.2bn from ordinary customers.
- Gross operating income was €307.7m (-23.4% compared to 2014).
- Value adjustments for impairment of receivables and other financial assets were €45.4m (€194.1m in 2014).

The shareholders' equity of the company, including profit for the year, was €718m.

## Ambra Property S.r.l.

Registered office: Bologna

Share capital: €25,100k

Carrying amount: €56,485k

% holding: 100% held directly

The company provides hospitality services at the property located in Piazza della Costituzione 1, Bologna (Hotel Bologna Fiera) and the "Villa Cicogna" property complex in San Lazzaro di Savena (BO).

The company reported a €1.5m loss for the year, against €2m in 2014.

The aspects best characterising the operating performance in the year ended at 31 December 2015 were the following:

- Value of production of €7.8m (€4.7m at 31/12/2014).
- Costs of production of €9.3m (€6.3m at 31/12/2014).
- Recognised property, plant and equipment for €66.6m (€68.9m at 31/12/2014) representing the property used as Hotel Bologna Fiera and the property complex used as hotel in San Lazzaro di Savena (BO).

The shareholders' equity of the company, including profit for the year, was €55.4m.

## Unipol Finance S.r.l.

Registered office: Bologna

Share capital: €5,000k

Carrying amount: €432,800k

% holding: 100% held directly

The company was established on 25 November 2013; its corporate purpose is to acquire interests and investments in other companies, not from the public, and increase their value for long-term investment purposes, rather than for placement or brokerage with the public.

The company reported €37.7m profit for the year (€51.6m at 31/12/2014), mainly due to the recognition of dividends distributed by the associate UnipolSai Assicurazioni S.p.A., a subsidiary of Unipol Gruppo Finanziario.

The aspects best characterising the operating performance in the year ended at 31 December 2015 were the following:

- Gains on investments of €38.3m (€52.2m at 31/12/2014).
- Costs of production of €0.2m (€0.8m at 31/12/2014).
- Financial assets of €432.3m (in line with 31/12/2014), representing the investment in UnipolSai.
- Provision for deferred tax liabilities of €0.5m (€0.7m at 31/12/2014).

The shareholders' equity of the company, including profit for the year, was €471.5m.

## UnipolSai Investimenti SGR S.p.A.

Registered office: Turin

Share capital: €3,914k

Carrying amount: €10,710k

% holding: 80% of ordinary share capital - 51% direct holding and 29% indirect holding

UnipolSai Investimenti SGR manages the real estate investment funds Tikal and Athens.

The company reported a €1.4m profit for the year, against a profit of €1.9m in 2014.

The aspects best characterising the operating performance in the year ended at 31 December 2015 were the following:

- €3.8m commission income for fees received for the management of the two closed real estate investment funds Tikal and Athens (in line with 2014).
- €2m costs for services and miscellaneous (€1.7m at 31/12/2014), of which €1.5m due to UnipolSai Assicurazioni S.p.A. for seconded staff and miscellaneous services.
- €4.1m gross operating income (€4.5m at 31/12/2014, -7.53%).
- €1.9m net operating income (€2.7m in 2014, -28.33%).

The shareholders' equity of the company, including profit for the year, was €13.1m.

# 1. Management Report

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## Significant events after the reporting period and business outlook

Despite signs of a modest economic recovery, tension on the stock markets have increased in the first part of the current year, triggered by the slowdown of the Chinese economy and the ongoing decline in oil prices, and later amplified, not just in Europe, by concerns about the health of the banking systems. Despite the ECB's attempt to reassure the markets about the solidity of European banks and the continuation of the Quantitative Easing policy previously adopted, these tensions have had a negative impact also on the credit markets and, to a lesser extent, on government bonds. In these conditions of high market volatility, the objective of financial management continue to be the consistency of assets and liabilities, optimising the risk-return profile of the portfolio and pursuing selectively an adequate diversification of the risks.

With regard to the trends of the business sectors in which the Group operates, there are no significant events to report.

In the Non-Life business, even if the market remains strongly competitive, the Group is carrying out sales initiatives aimed at expanding production. In the first months of 2016, the technical performance remains positive, in line with the trends observed in 2015.

In the first months of 2016, the Life segment continued to perform well in a market context characterised by low interest rates that increase the appeal of traditional Life products; to contain the risks and the corresponding capital absorption, these products are marketed alongside multi-segment products with a non-guaranteed investment component.

The Banking business continues to pursue a prudent lending policy, directing business largely at retail customers and SMEs.

Excluding unforeseeable events also connected with the reference context, the operating result is expected to remain positive in 2016. Work on the new 2016-2018 Business Plan continues and the plan will be presented by next May.



## Proposals to the Ordinary Shareholders' Meeting

Dear Shareholders,

We submit the following resolution proposal for your approval:

"The Ordinary Shareholders' Meeting of Unipol Gruppo Finanziario S.p.A.,

- having examined the Company's draft financial statements at 31 December 2015;
- having examined the result of said draft financial statements, which recorded profit for the year of €165,500,179.17;
- having read the Management Report at 31 December 2015, prepared by the Board of Directors;
- having acknowledged the Board of Statutory Auditors' Report and the Report prepared by the Independent Auditors, PricewaterhouseCoopers S.p.A.;
- having acknowledged that the Company holds 6,319,814 ordinary treasury shares,

hereby resolves

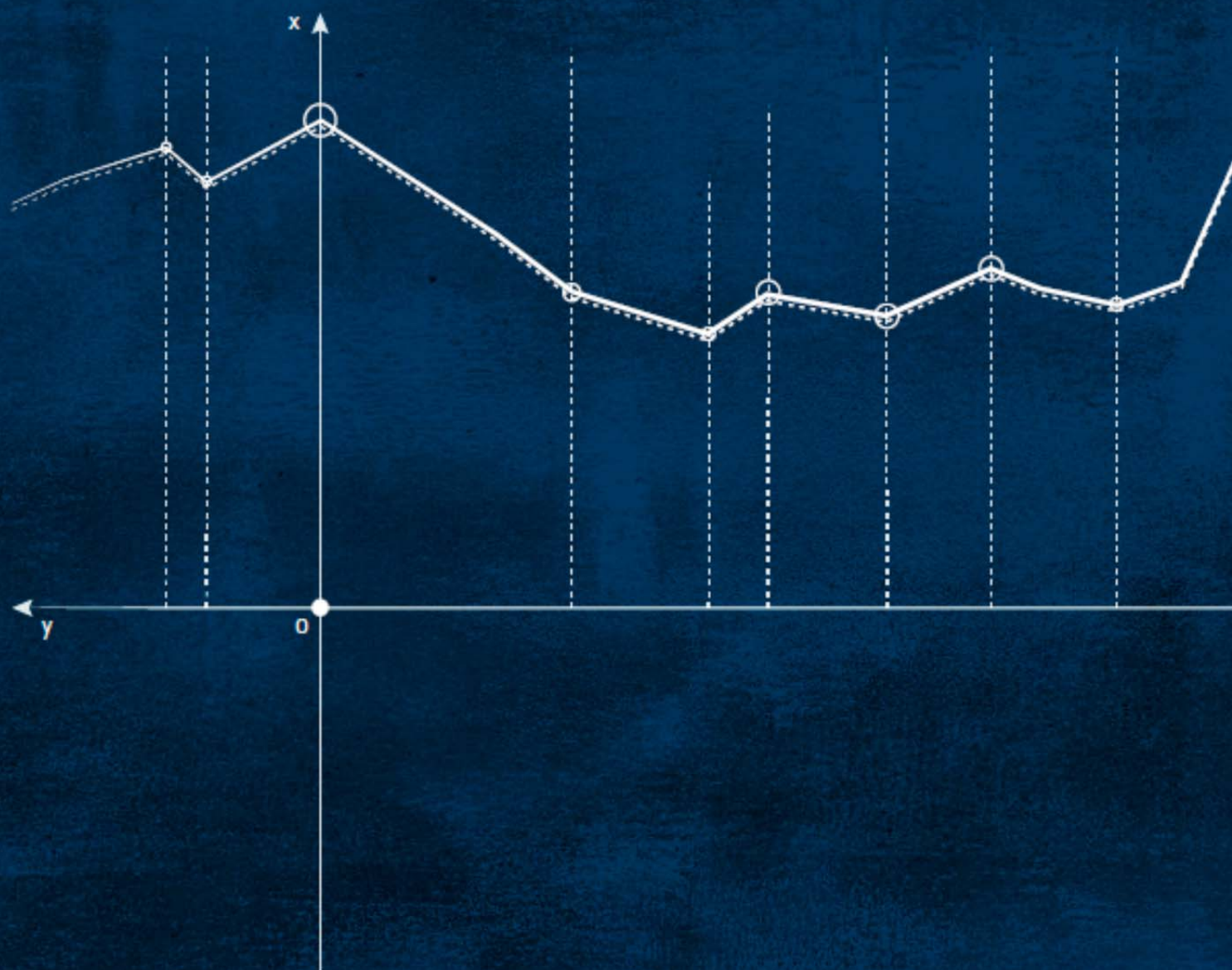
- to approve the financial statements of Unipol Gruppo Finanziario S.p.A. at 31 December 2015, accompanied by the Management Report and recording profit for the year of €165,500,179.17;
- to approve the proposed allocation of profit for the year as recorded in the financial statements of Unipol Gruppo Finanziario S.p.A. at 31 December 2015, in compliance with Art. 19 of the By-Laws, as follows:
  - to the Legal Reserve €16,550,017.92;
  - to the Extraordinary Reserve €20,942,496.33;
  - the remaining profit, i.e. 77.35% of the total, as dividend on the 711,153,694 outstanding ordinary shares - for a total of €128,007,664.92 (€0.18 per unit);
- to approve therefore the distribution of a unit dividend, taking also into account the dividend distribution on treasury shares held, of €0.18 per entitled ordinary share for a total of €128,007,664.92. Any change in the number of treasury shares held on the dividend payment date will not affect the dividend per unit, as set forth above, but only the Extraordinary Reserve, which will increase or decrease accordingly;
- to set the dividend payment date as 25 May 2016 (ex-dividend date of 23 May 2016 and record date of 24 May 2016)."

Bologna, 10 March 2016

**The Board of Directors**

# 2

## Financial Statements for the year 2015





## 2 Financial Statements for the year 2015

### Unipol Gruppo Finanziario S.p.A. Statement of Financial Position

Amounts in €

ASSETS	31.12.2015	31.12.2014
<b>A) SUBSCRIBED CAPITAL, UNPAID</b>		
- of which called		
<b>B) FIXED ASSETS</b>		
I Intangible assets		
1) Start-up and expansion costs		35,880,362
2) Research, development and advertising costs		3,744
4) Concessions, licences, trademarks and similar rights	4,564,422	5,359,194
6) Fixed assets in progress and payments on account	57,000	49,000
7) Other	1,495,745	2,169,380
<b>Total</b>	<b>6,117,167</b>	<b>43,461,680</b>
II Property, plant and equipment		
2) Plant and equipment	308,747	341,936
4) Other assets	1,366,249	1,577,627
<b>Total</b>	<b>1,674,997</b>	<b>1,919,563</b>
III Financial fixed assets		
1) Investments in:		
a) subsidiaries	5,957,787,655	5,952,817,446
<b>Total investments</b>	<b>5,957,787,655</b>	<b>5,952,817,446</b>
2) Receivables:		
d) from others	5,358,850	5,656,479
- of which payable within 12 months	325,662	303,511
<b>Total receivables</b>	<b>5,358,850</b>	<b>5,656,479</b>
3) Other securities	153,720,636	
<b>Total</b>	<b>6,116,867,141</b>	<b>5,958,473,926</b>
<b>TOTAL FIXED ASSETS</b>	<b>6,124,659,305</b>	<b>6,003,855,169</b>

## Unipol Gruppo Finanziario S.p.A. Statement of Financial Position

Amounts in €

ASSETS	31.12.2015	31.12.2014
<b>C) CURRENT ASSETS</b>		
I Inventories		
4) Finished products and goods for resale	26,368	25,416
<b>Total</b>	<b>26,368</b>	<b>25,416</b>
II Receivables		
1) from customers	41,196	18,913
2) from subsidiaries	466,541,135	412,364,203
3) from associates	281,582	
4) from holding companies	2,237,805	29,737,565
- of which payable after 12 months	2,237,805	2,344,199
4 bis) tax receivables	128,353,295	5,518,705
- of which payable after 12 months	2,809,647	4,721,701
4 ter) deferred tax assets	490,601,348	376,326,646
- of which payable after 12 months	490,601,348	376,326,646
5) from others	551,637	1,388,553
- of which payable after 12 months		247,453
<b>Total</b>	<b>1,088,607,998</b>	<b>825,354,584</b>
III Current financial assets		
4) Other investments		3,443,729
5) Treasury shares	21,210,133	21,915,233
6) Other securities	315,845,343	128,324,125
<b>Total</b>	<b>337,055,476</b>	<b>153,683,086</b>
IV Cash and cash equivalents		
1) Bank and post office deposits	875,185,638	541,051,596
- of which from subsidiaries	874,585,612	534,228,827
3) Cash at bank and in hand	9,709	8,011
<b>Total</b>	<b>875,195,347</b>	<b>541,059,606</b>
<b>TOTAL CURRENT ASSETS</b>	<b>2,300,885,189</b>	<b>1,520,122,692</b>
<b>D) ACCRUALS AND DEFERRALS</b>		
1) Accruals	1,017,052	1,457,654
2) Deferrals	9,167,619	4,333,380
3) Discounts on loans	57,455,165	27,705,509
<b>TOTAL ACCRUALS AND DEFERRALS</b>	<b>67,639,837</b>	<b>33,496,543</b>
<b>TOTAL ASSETS</b>	<b>8,493,184,331</b>	<b>7,557,474,404</b>

## 2 Financial Statements for the year 2015

### Unipol Gruppo Finanziario S.p.A. Statement of Financial Position

Amounts in €

LIABILITIES	31.12.2015	31.12.2014
<b>A) SHAREHOLDERS' EQUITY</b>		
I Share capital	3,365,292,408	3,365,292,408
II Share premium reserve	1,410,009,264	1,410,009,264
III Revaluation reserves	20,700,874	20,700,874
IV Legal reserve	529,126,963	512,388,222
VI Reserve for treasury shares in portfolio	21,210,133	21,915,233
VII Other reserves	240,007,349	214,983,578
- Extraordinary reserve	76,691,890	51,668,118
- Treasury/holding company share reserve	145,000,000	145,000,000
- Share swap reserve	18,315,460	18,315,460
IX Profit (loss) for the year	165,500,179	167,387,416
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>5,751,847,171</b>	<b>5,712,676,995</b>
<b>B) PROVISIONS FOR RISKS AND CHARGES</b>		
2) For taxes, including deferred	4,081,343	5,173,410
3) Other	680,751,449	591,619,449
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>684,832,792</b>	<b>596,792,860</b>
<b>C) POST-EMPLOYMENT BENEFITS</b>	<b>230,258</b>	<b>333,395</b>
<b>D) PAYABLES</b>		
1) Bonds	1,615,999,000	897,699,000
- of which payable after 12 months	1,615,999,000	897,699,000
3) Payables to shareholders	355,344	846,439
5) Payables to other lenders	515,186	515,186
7) Trade payables	4,258,372	5,400,175
9) Payables to subsidiaries	361,002,300	267,891,411
9) Payables to associates	252	
11) Payables to holding companies		32,323
12) Tax payables	1,672,035	4,571,666
13) Social security charges payable	817,198	836,253
14) Other payables	22,074,211	32,471,243
<b>TOTAL PAYABLES</b>	<b>2,006,693,898</b>	<b>1,210,263,697</b>
<b>E) ACCRUALS AND DEFERRALS</b>		
1) Accruals	49,580,211	37,407,458
<b>TOTAL ACCRUALS AND DEFERRALS</b>	<b>49,580,211</b>	<b>37,407,458</b>
<b>TOTAL LIABILITIES</b>	<b>8,493,184,331</b>	<b>7,557,474,404</b>

## Unipol Gruppo Finanziario S.p.A. Statement of Financial Position

*Amounts in €*

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS	31.12.2015	31.12.2014
<b>I GUARANTEES GIVEN</b>		
1) Sureties to subsidiaries	32,728,632	21,720,062
to third parties		1,107,650
3) Other personal guarantees to subsidiaries	1,393,280,758	1,469,348,701
<b>TOTAL GUARANTEES GIVEN</b>	<b>1,426,009,390</b>	<b>1,492,176,414</b>
<b>II OTHER MEMORANDUM ACCOUNTS</b>		
1) Commitments	337,927,068	362,998,486
2) Third party assets	1,808,948	1,242,994
3) Securities deposited with third parties	5,803,725,386	5,457,506,329
4) Other	390,373,061	445,528,743
<b>TOTAL OTHER MEMORANDUM ACCOUNTS</b>	<b>6,533,834,463</b>	<b>6,267,276,552</b>
<b>TOTAL GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS</b>	<b>7,959,843,853</b>	<b>7,759,452,966</b>

## 2 Financial Statements for the year 2015

### Unipol Gruppo Finanziario S.p.A. Income Statement

Amounts in €

	31.12.2015	31.12.2014
<b>A) VALUE OF PRODUCTION</b>		
1) Revenue from sales and services		93,958
2) Change in inventories of work in progress, semi-finished and finished products	952	4,253
5) Other revenue and income		
b) sundry	49,614,829	39,685,428
Total other revenue and income	49,614,829	39,685,428
<b>TOTAL VALUE OF PRODUCTION</b>	<b>49,615,781</b>	<b>39,783,639</b>
<b>B) COSTS OF PRODUCTION</b>		
6) Raw materials, consumables and goods for resale	288,488	315,559
7) Services	22,542,706	29,778,666
8) Use of third party assets	2,196,964	1,829,601
9) Personnel:		
a) wages and salaries	7,291,335	24,855,934
b) social security expenses	4,164,032	7,849,826
c) post-employment benefits	1,080,231	1,140,937
e) other costs	3,764,294	4,101,118
Total personnel	16,299,893	37,947,817
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	37,411,640	17,571,448
b) depreciation of property, plant and equipment	436,220	390,248
Total amortisation, depreciation and write-downs	37,847,860	17,961,696
12) Provisions for risks	115,351,764	197,294,315
14) Sundry operating expenses	5,470,851	5,843,438
<b>TOTAL COSTS OF PRODUCTION</b>	<b>199,998,526</b>	<b>290,971,091</b>
<b>DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)</b>	<b>(150,382,745)</b>	<b>(251,187,452)</b>
<b>C) FINANCIAL INCOME AND CHARGES</b>		
15) Gains on investments:		
a) in subsidiaries	296,826,335	380,768,838
c) in other companies		29,029
Total gains on investments	296,826,335	380,797,867
16) Other financial income:		
a) from receivables recognised under fixed assets	8,764	14,736
4) from others	8,764	14,736
c) from securities recognised under current assets	7,913,521	6,582,342
d) other income	1,494,854	1,679,410
1) from subsidiaries	823,668	952,108
4) from others	671,186	727,302
Total other financial income	9,417,139	8,276,488
17) Interest and other financial charges:		
a) subsidiaries	2,858,843	3,445,456
d) others	78,019,432	49,021,490
Total interest and other financial charges	80,878,275	52,466,946
17-bis) Exchange gains (losses)	56,347	4,944
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>225,421,547</b>	<b>336,612,354</b>



## Unipol Gruppo Finanziario S.p.A. Income Statement

Amounts in €

	31.12.2015	31.12.2014
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>		
18) Write-ups:		
c) of securities recognised under current assets	217,119	4,512,842
Total write-ups	217,119	4,512,842
19) Write-downs:		
a) of investments	45,772,051	217,119
c) of securities recognised under current assets	10,953,598	2,556,756
Total write-downs	56,725,649	2,773,875
<b>TOTAL ADJUSTMENTS</b>	<b>(56,508,530)</b>	<b>1,738,968</b>
<b>E) EXTRAORDINARY INCOME AND EXPENSES</b>		
20) Extraordinary income:		
a) Gains on disposals	4,447	97,734
b) Other	5,526,417	8,638,075
Total extraordinary income	5,530,864	8,735,810
21) Extraordinary expenses:		
b) Taxes relating to previous years		1,789,801
c) Other	736,794	529,599
Total extraordinary expenses	736,794	2,319,400
<b>TOTAL EXTRAORDINARY ITEMS</b>	<b>4,794,070</b>	<b>6,416,409</b>
<b>PRE-TAX PROFIT (LOSS)</b>	<b>23,324,342</b>	<b>93,580,278</b>
22) Income tax for the year: current and deferred		
a) Current taxes	(30,143,623)	(19,904,001)
b) Deferred tax liabilities	(1,087,634)	(516,588)
c) Deferred tax assets	(110,944,581)	(53,386,549)
Total income tax for the year	(142,175,837)	(73,807,137)
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>165,500,179</b>	<b>167,387,416</b>

# 3

## Notes to the Financial Statements





### Structure and contents of the Financial Statements

Unipol 2015 Financial Statements were prepared in compliance with the provisions of the Civil Code and the national accounting standards approved by the OIC (Italian Accounting Standards Setter). In fact, since it qualifies as an insurance holding company pursuant to Art. 1, par. 1:aa) of Legislative Decree 209/2005 (the Insurance Code), Unipol is required to prepare consolidated financial statements in compliance with international accounting standards but cannot apply these international accounting standards to the company's separate financial statements pursuant to Art. 4 of Legislative Decree 38/2005.

The financial statements include the Statement of Financial Position, the Income Statement and these Notes. They are also accompanied by the Management Report.

As stated in Art. 2423, paragraph 5 of the Civil Code, the amounts in the Statement of Financial Position and the Income Statement are expressed in Euro, without decimals, whilst amounts indicated in the Notes to the Financial Statements are expressed in €k, unless otherwise indicated, as permitted by the provisions of Art. 2423 of the Civil Code.

The measurement criteria were adopted on the basis of going concern assumptions, in application of the principles of accrual, materiality and significance of the accounting data.

No significant events occurred after year end that could affect the financial statements results.

In order to integrate disclosures provided in the aforementioned mandatory statements, the Income Statement figures were restated in the attached reclassification statement and were accompanied by the statement of changes in shareholders' equity and the statement of cash flows.

The layout of the financial statements offers a comparison with the figures of the previous year. Where necessary, in the event of a change to the accounting standards, measurement or classification criteria, the comparative data are re-stated and reclassified in order to provide homogeneous and consistent information.

Unipol administrative bodies and the manager in charge of financial reporting have provided the Statement on the financial statements pursuant to Art. 81-ter, Consob Regulation 11971 of 14 May 1999, with later amendments and integrations.

These financial statements were audited by PricewaterhouseCoopers SpA, appointed independent auditors by the Shareholders' Meeting for the years 2012-2020.

On 18 August 2015, Legislative Decree 139/2015 came in force implementing EU Directive 2013/34/EU and introducing significant changes in financial reporting standards. These changes will come into force on 1 January 2016.

Among the main changes made by the new standards, we note:

- changes to the layout of the statement of financial position and the income statement with some items being eliminated, such as extraordinary income and charges (the entire class E of the income statement will disappear), capitalised advertising and research expenses and memorandum accounts, and other being added, such as the credits and debits to affiliated companies and financial income and charges to the same;
- a new requirement to add a statement of cash flows to ordinary financial statements;
- different treatment of treasury shares, which will no longer be recognised among the assets, but will be placed in a negative reserve of shareholders' equity;
- change of some valuation criteria mainly concerning:
  - derivatives, which will be measured at fair value with an offsetting item in the income statement;
  - issue premiums and discounts, which will be measured at amortised cost;
  - industrial equipment and small tools, which will no longer be amortised on a straight-line basis, but will require a new valuation methodology generating capital gains/losses to be recognised in income statement;
- some changes to the content of the Management Report and the Notes to the Financial Statements;
- change of the general principles of preparation of the financial statements.

The new standards do not have retroactive effect but, coming into force on 1 January 2016, involve a series of valuations that have an impact on the financial statements for the beginning of the year.

## Measurement criteria

The measurement criteria used for the preparation of the financial statements for the year ended 31 December 2015, the most important of which are listed below, are the same as those used to draft the previous year's financial statements.

### Intangible assets

Intangible assets are recognised at historical acquisition or production cost, including accessory charges, and are amortised over their residual useful lives (3-5-10 years). For projects under development, amortisation is suspended until the year in which they are first used.

Start-up and expansion costs are amortised over a maximum of five years from the effective date of the related transaction, taking into account their future usefulness and their estimated useful lives.

Other long-term costs are amortised over their estimated useful lives. If the intangible assets are no longer believed to have future usefulness, the assets are written off and charged to the Income Statement.

### Property, plant and equipment

Property, plant and equipment are recognised at acquisition cost and adjusted for the corresponding accumulated depreciation. The carrying amount takes into consideration any accessory charges and direct/indirect costs in the portion reasonably attributable to the asset.

Depreciation is calculated according to the useful life of the asset:

- plant and equipment: useful life of 3 to 7 years;
- movable assets entered in public registers: useful life of 4 years;
- office furniture and machines: useful life of 3 to 8 years;
- data processing centre machines: useful life of 2 to 5 years;
- assets up to €516: fully depreciated over 1 year.

### Financial fixed assets

These are mainly represented by controlling interests.

The investments concerned are recognised at purchase or subscription cost or at a value below cost if, on the basis of the financial position of the companies invested in, the investments show evidence of impairment.

Bonds held as financial fixed assets are recognised at the average purchase or subscription cost, adjusted or integrated by an amount equal to the accrued portion for the year of the negative or positive difference between the repayment value and the purchase price, with separate recognition of the portion for the year of any issue premium/discount. Write-downs are made only in the event of confirmed impairment. For implied-rate securities (zero-coupon bonds, etc.) the return accrued during the year is taken into account.

All or part of the original amount is restored in subsequent years if the reasons for recognition of the adjustment no longer apply.

### Receivables

Receivables are recognised at their estimated realisable value.

### Current financial assets

Shares classified as current assets and mutual investment fund units are recognised at the lower of average purchase cost and market value, which for listed securities is the average price recorded in the last month of the year and for unlisted securities a prudent estimated realisable value.

Furthermore, for listed securities, if the December average is not representative of the market value, the average believed to be more representative is used as a prudent measure.

Bonds held as current financial assets are recognised at the lower of average cost, increased or adjusted for issue spreads matured and the return accrued on implied rate securities, and market value, which is given, for listed securities, by the average of the prices recorded in December and, for unlisted securities, by the estimated realisable value at 31 December, calculated on basis of the current value of securities traded on regulated markets and with similar characteristics.

Write-downs in previous years are not maintained if the reasons giving rise to such write-downs should no longer apply.

## 3 Notes to the Financial Statements

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### Financial derivatives

Financial derivatives are used only for hedging purposes, to reduce the risk profile of the assets/liabilities hedged, i.e. to optimise their risk/return profile. Derivative contracts in place at the end of the year are measured in a manner consistent with the assets/liabilities hedged.

The current value of derivative contracts is calculated with the replacement cost method, using prices and rates at the end of the year for the same maturity and comparing these with contractual prices and rates.

Premiums collected or paid for options on securities, shares, currencies or interest rates in place at the end of the year are recognised in items C.III.6) "Other securities" and D.14) "Other payables", respectively.

On expiry of the option:

- if exercised, the premium is recorded as an adjustment to the purchase or sale price of the underlying asset;
- otherwise, the premium is recognised under item C) "Financial income and charges".

### Accruals and deferrals

Accruals and deferrals are calculated on an accrual basis.

### Provisions for risks and charges

Provisions for risks and charges are allocated to cover losses or liabilities of certain or probable existence, but for which the amount or contingency date cannot be reliably determined at the end of the year. The measurement of these provisions complies with general prudent and accrual criteria and the amounts allocated reflect the best possible estimate based on available information.

### Post-employment benefits

Post-employment benefits reflect the liability accrued to employees at the end of the year, net of amounts devolved to supplementary pension funds and to the INPS Treasury Fund in accordance with current regulations.

### Payables

Payables are recognised at their nominal value.

### Guarantees, commitments and other memorandum accounts

Commitments and guarantees are indicated in the memorandum accounts at their contractual value.

### Dividends

Dividends are recognised in the year in which they are collected (cash accounting criterion), except for dividends from subsidiaries for which the accrual accounting criterion is applied.

### Recognition of costs and revenues

Revenues and costs are recognised according to prudent and accrual principles.

### Income tax for the year

Tax for the year is calculated according to current tax regulations and recognised among costs for the year. It represents:

- the charges/income for current taxes;
- the amounts of deferred tax assets and liabilities arising during the year and usable in future years;
- for the portion due for the year, the deduction of deferred tax assets and liabilities generated in previous years.

Pursuant to Art. 117 et seq. of Presidential Decree 917/1986 and Ministerial Decree of 9 June 2014, for the years 2015-2016-2017 the Company has chosen the IRES tax consolidation regime, with 37 companies, among which UnipolSai, taking part as consolidated companies. Unipol has signed an agreement with these companies regulating the financial and procedural aspects governing the regime in question, recognising in its financial position the effects of the transfer of the IRES taxable income of the consolidated companies, calculated pursuant to the law, keeping into account the applicable consolidation adjustments and the tax credits accrued.

Income tax also includes IRAP for the year, calculated on the basis of estimates believed to be accurate on the basis of the information available at the time of preparation of the financial statements and taking into consideration current tax regulations.

Lastly, in application of Accounting Principle no. 25 of the Italian Accounting Standards Setter, deferred tax assets and liabilities are recognised under Income tax, calculated on the temporary differences (arisen or deducted during the year) between profit (loss) for the year and taxable income, affecting assets and provision for deferred taxes, respectively. Deferred tax assets are recognised only if it is reasonably certain that they will be recovered in future years.

Deferred tax liabilities are calculated on the basis of the tax rates set by current tax regulations and applicable to the future years in which all or part of the temporary differences that produce them are expected to be reabsorbed.

The disclosure pursuant to Art. 2427, par. 1, no. 14 of the Civil Code, together with the statement of reconciliation between theoretical and effective tax charges, is provided in the section "Income Statement - Income tax for the year: current and deferred".

### Translation of balances in foreign currencies

Items expressed in foreign currencies are treated in accordance with the principles of multicurrency accounting.

In compliance with Art. 2426, par. 8-bis of the Civil Code, property, plant and equipment, intangible assets and financial assets (held as investments) in foreign currencies are recognised at the spot rate at the time of purchase. Other items expressed in a foreign currency are recognised at the year-end rates. All translation differences are recognised in the income statement.

Any net unrealised gain after translation is recognised - at the time of the allocation of profit - to a non-distributable reserve until it is actually realised.

### Exchange rates used

The main exchange rates used for the translation into euros are as follows:

Currencies	31/12/2015	31/12/2014
US Dollar	1.0887	1.2141
Pound Sterling	0.7340	0.7789
Swiss Franc	1.0835	1.2024
Yen	131.0700	145.2300
Danish Krone	7.4626	7.4453
Czech Republic Koruna	27.0230	27.7350

### Exceptions pursuant to Art. 2423, paragraph 4 of the Civil Code

No exceptions pursuant to Art. 2423, paragraph 4 of the Civil Code were applied.

### Uncertainty in the use of estimates

The application of some accounting standards implies significant elements of judgment based on estimates and assumptions which are uncertain at the time they are formulated.

As regards the 2015 financial statements, it is believed that the assumptions made are appropriate and, therefore, that the financial statements have been drafted clearly and give a true and fair view of the statement of financial position, income statement and statement of cash flows. The relevant paragraphs of the Notes to the Financial Statements provide full details of the reasons underlying the decisions made and the measurements performed. In order to formulate reliable estimates and assumptions, reference has been made to past experience, and other factors considered reasonable for the category in question, based on all available information.

However, we cannot exclude that changes in these estimates and assumptions may have a significant effect on the statement of financial position and income statement as well as on the potential assets and liabilities reported in the financial statements for disclosure purposes, if different elements emerge with respect to those considered originally.

In particular, a greater use of subjective assessments by the management of the company is required in the following cases:

- calculation of impairment losses on equity investments;
- calculation of the current value of financial assets and liabilities where this cannot be directly observed on active markets. In this case, the subjective elements lie in the choice of measurement models or input parameters that cannot be directly observed on the market;

### 3 Notes to the Financial Statements

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- definition of parameters used in the analytical assessment of securities investments to verify any impairment. In particular, reference is made to the choice of measurement models and the main assumptions and parameters used;
- assessment of the recoverability of deferred tax assets;
- quantification of provisions for risks and charges where there is uncertainty about the amount required and the contingency periods.

In such cases an explanation is provided with the aim of providing investors with a better understanding of the main causes of uncertainty, but in no way is meant to suggest that alternative assumptions might be appropriate or more valid. In addition, the financial statements measurements are made on the basis of going concern assumptions, as no risks have been identified that could compromise orderly business operations.



## Information on the Statement of Financial Position and Income Statement

### Statement of Financial Position - Assets

The items in the Statement of Financial Position and the changes in corresponding balances with respect to the previous year are given below, with additional information as required by current regulations.

#### B. Fixed assets

##### B) I - Intangible assets

Intangible assets at 31 December 2015 were €6,117k, with a decrease of €37,345k with respect to the balance for the previous year due in particular to the full amortisation of the expenses incurred for the 2012 capital increase, the residual amount of which at 31 December 2014, included under Start-up and expansion costs, was €35,880k.

The remaining intangible asset items mainly refer to:

- Concessions, licences, trademarks and similar rights for €4,564k (€5,359k at 31/12/2014), referring to software user licences and accessory costs for related customisation. The decrease was mainly due to amortisation for the year;
- Fixed assets in progress and payments on account for €57k (€49k at 31/12/2014), referring mainly to expense incurred during the year for the purchase of software licences and consultancy on IT projects, in particular for the CUBO Museum, which do not yet produce economic benefits for the company and therefore are not yet subject to amortisation;
- Other for €1,496k (€2,169k at 31/12/2014). The change in the balance is entirely due to amortisation for the year.

The above amounts were recognised as assets with the consent of the Board of Statutory Auditors, where necessary.

##### B) II - Property, plant and equipment

The item Property, plant and equipment was €1,675k at 31 December 2015 (€1,920k at 31/12/2014) and referred mainly (€1,366k) to furnishings, hardware and works of art (€1,578k at 31/12/2014).

The changes in intangible asset items, property, plant and equipment items and the related accumulated amortisation/depreciation are described in Annexes 5 and 6 to these Notes to the Financial Statements.

##### B) III - Financial fixed assets

###### 1) Investments

The total value of investments was at 31 December 2015 equal to €5,957,788k, against €5,952,817k at the end of the previous year, with an increase of €4,970k (+0.1%).

Details are provided in the table below:

Amounts in €k

Company	Business activities	Share capital	% holding		Carrying amount
			direct	indirect	
UnipolSai Assicurazioni S.p.A.	Insurance and reinsurance	2,031,445.96	50.99	9.03	4,527,708
Compagnia Assicuratrice Linear S.p.A.	Insurance and reinsurance	19,300.00	100.00		70,507
Linear Life S.p.A.	Other	5,180.11	100.00		3,577
Unisalute S.p.A.	Insurance and reinsurance	17,500.00	98.53		36,613
Arca Vita S.p.A.	Insurance and reinsurance	208,279.08	63.39		353,739
Unipol Banca S.p.A.	Bank	897,384.18	57.75	42.25	465,642
Ambra Property S.r.l.	Hotel business	25,100.00	100.00		56,485
Unipol Finance S.r.l.	Investment holding	5,000.00	100.00		432,800
UnipolSai Investimenti SGR S.p.A.	SGR	3,913.59	51.00	29.00	10,710
UnipolSai Servizi Consortili S.c.r.l.	Other	5,200.00	0.02	99.98	7
<b>Total</b>					<b>5,957,788</b>

### 3 Notes to the Financial Statements

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The details of changes in item B)III1) "Investments" are provided in Annex 7 to these Notes to the Financial Statements.

The change in the balance is due to the following transactions carried out in 2015:

- **UnipolSai S.p.A.**  
Investment increased by €25k due to the purchase, on 29 May 2015, of the shares of the subsidiary UnipolSai, which were withdrawn in the context of the mandatory conversion of UnipolSai savings shares into ordinary shares, as described in the Management Report.  
As a result of this conversion, the direct control investment held by Unipol went from 54.38% to 50.99%.
- **Compagnia Assicuratrice Linear S.p.A.**  
On 6 November 2015, a capital contribution of €20.000k was made to provide the company with own funds adequate to meet Solvency II prudential requirements, in force from 1 January 2016, also taking into account the acquisition of the insurance business of the affiliated company Dialogo Assicurazioni S.p.A. As a result of this transaction, Linear has acquired the investments held by Dialogo in Pronto Assistance Servizi S.c.r.l., UnipolSai Servizi Consortili S.c.r.l. and UCI S.c.r.l., among the assets transferred. The share capital of Linear was unchanged.
- **Linear Life S.p.A.**  
Write-down of €2,598k of the investment held in the subsidiary Linear Life, the value of which was basically aligned to that of shareholders' equity at 31 December 2015 as shown in the draft financial statements approved by the Board of Directors of Linear Life on 10 March 2016.
- **Ambra Property S.r.l.**  
On 31 July 2015 Unipol Gruppo Finanziario converted the interest-bearing loan granted to Ambra Property, equal to €20.000k and maturing on 31 July 2015, into a capital contribution to strengthen the financial position of the company, instead of providing the extension of the loan requested.  
A total of €12,010k was written off from the value of the investment in Ambra Property at 31 December 2015. The residual recognised value in excess of the corresponding portion of shareholders' equity represents unrealised capital gains on properties.
- **Unipol Banca S.p.A.**  
Write-down for €31,163k of the investment held in the subsidiary Unipol Banca, as a result of the alignment to the measurement carried out with an income-based methodology on the basis of the 2016-2020 *Impairment Plan* prepared by the bank itself.
- **UnipolSai Investimenti SGR S.p.A.**  
On 17 June 2015, Unipol Gruppo Finanziario bought from UnipolSai Assicurazioni 1,995,930 shares in UnipolSai Investimenti SGR S.p.A. (representing 51% of the share capital) for a total price of €10,710k.
- **UnipolSai Servizi Consortili S.c.r.l.**  
On 24 November 2015 Unipol Gruppo Finanziario S.p.A. bought from the subsidiary SAI Mercati Mobiliari SIM in Liquidation the entire holding of UnipolSai Servizi Consortili for €7k.

The following table lists the subsidiaries indicating the carrying amount and related percentage of shareholders' equity calculated on the basis of the last draft financial statements approved by the subsidiaries' Board of Directors. Any recognised value of the investment in excess of the corresponding portion of the carrying amount of shareholders' equity, refers to the equity, economic and strategic value of the company together with its future profitability.

In particular, we note that:

- for **UnipolSai Assicurazioni**, a SOP (Sum of Parts) methodology was adopted, estimating separately the value assigned to assets in the Non-Life and Life businesses, using:
  - an *excess capital* version of the Dividend Discount Model (DDM) methodology for UnipolSai Assicurazioni - Non-Life;
  - an Appraisal Value methodology for UnipolSai Assicurazioni - Life;
- for the **other insurance subsidiaries**:

- if operating in the Non-Life business, the *excess capital* version of the Dividend Discount Model described above was used; each subsidiary independently prepared and approved a five-year development plan; net income from these plans has then been used as the basis of the evaluation methodology adopted for these companies;
- if operating in the Life business, the Appraisal Value methodology was used.

For **Unipol Banca**, an income-based methodology was adopted, as in previous years, based on the 2016-2020 *Impairment* Plan prepared by the bank itself. The outcome of this measurement, keeping into account the sensitivity analysis carried out, has shown the need for a €31,163k adjustment to the carrying amount of the investment; at the same time, the provision for risks on investments was increased by €14,837k against the put and call option contract taken on the 246,726,761 Unipol Banca shares held by UnipolSai. The total value of write-down and provision for risks is at the bottom of the valuation *range* selected.

A €12,010k adjustment was made to the carrying amount of the investment held in **Ambra Property**. The recognised residual value in excess of the corresponding portion of shareholders' equity represents unrealised capital gains on the properties held by the company.

The investment in **UnipolSai Investimenti SGR** shows a recognised value in excess of the corresponding portion of shareholders' equity, representing goodwill recognised at the time of the acquisition by Unipol of the 51% stake previously held by UnipolSai, which took place in 2015, on the basis of an assessment by an independent *advisor*.

The value of the investments measured by the equity method was not provided as the consolidated financial statements are prepared in accordance with IAS/IFRS.

*Amounts in €k*

Company	Carrying amount	% holding	Shareholders' equity at 31/12/2014	Portion of shareholders' equity attributable
UnipolSai Assicurazioni S.p.A.	4,527,708	50.99	5,561,727	2,835,924
Compagnia Assicuratrice Linear S.p.A.	70,507	100.00	84,175	84,175
Linear Life S.p.A.	3,577	100.00	3,577	3,577
Unisalute S.p.A.	36,613	98.53	104,633	103,095
Arca Vita S.p.A.	353,739	63.39	326,336	206,865
Unipol Banca S.p.A.	465,642	57.75	718,006	414,648
Ambra Property S.r.l.	56,485	100.00	55,490	55,490
Unipol Finance S.r.l.	432,800	100.00	471,468	471,468
UnipolSai Investimenti SGR S.p.A.	10,710	51.00	13,072	6,667
UnipolSai Servizi Consortili S.c.r.l.	7	0.02	36,139	7
<b>Total</b>	<b>5,957,788</b>		<b>7,374,622</b>	<b>4,181,916</b>

All insurance and banking sector subsidiaries comply with the solvency requirements set by their respective sector regulations.

For further information on the performance of the subsidiaries, reference should be made to the Management Report.

## 2) Receivables

Receivables recognised as fixed assets were €5,359k, against €5,656k at 31/12/2014. The decrease is mainly due to the repayment of portions of mortgages and loans by the employees.

This item, which consists entirely of "Receivables from others", includes:

- the receivable of €4,444k for the advance to Banca Popolare dell'Emilia Romagna and Banca Popolare di Sondrio on a potential final payment, to be calculated in 2019, in application of the "earn in/earn out" contractual clause on the June 2010 purchase of a controlling interest in Arca Vita. The agreement envisages a total price adjustment calculated over a ten-year period, settled at the end of each five-year period. The amount of any price adjustment, paid at the end of the first five-year period, will be offset at the end of the second five-year period;
- €787k for collateralised loans;

### 3 Notes to the Financial Statements

- €117k for loans granted to employees guaranteed by Life policies;
- €11k for utility guarantee deposits.

The amounts due after 31/12/2016 were equal to €5,033k, of which none due after 31/12/2020.

#### C. Current assets

##### C) I - Inventories

At 31 December 2015, the balance of this item was €26k representing inventories of finished products and goods for resale held by the CUBO multimedia museum (€25k at 31/12/2014).

##### C) II - Receivables

The balance of this item at 31 December 2015 was €1,088,608k, with an increase of €263,253k with respect to 31 December 2014. The breakdown for this item and the comparison with the previous year are shown in the following table:

*Amounts in €k*

	31/12/2015	31/12/2014
1) Receivables from customers	41	19
2) Receivables from subsidiaries	466,541	412,364
3) Receivables from associates	282	
4) Receivables from holding companies	2,238	29,738
4 bis) Tax receivables	128,353	5,519
4 ter) Deferred tax assets	490,601	376,327
5) Receivables from others	552	1,389
<b>Total</b>	<b>1,088,608</b>	<b>825,355</b>

The amounts due after 31 December 2016 were €495,649k, of which €243,164k after 31 December 2020.

The item "Receivables from subsidiaries", equal to €466,541k, mainly consists of receivables due from the subsidiaries UnipolSai, Unisalute, Arca Vita and Unipol Finance, for 2015 dividends, for €296,825k (€375,926k at 31/12/2014) and the receivable for a twelve-month deposit opened on 5 May 2015 at the subsidiary Unipol Banca, for €150,000k. The item also includes the chargeback of costs for personnel seconded to Group companies and the commission income for fees charged for the loan guarantee of the subsidiary Unipol Banca.

The receivable from the holding company Finsoe S.p.A. went from €29,738k at 31 December 2014 to €2,238k at 31 December 2015, as a result of the termination of the tax consolidation regime with Finsoe and the establishment of a new Group taxation system with Unipol, which, starting in 2015 and for the three-year period 2015-2017, acts as consolidating company for all companies of the Unipol Group meeting the consolidation legal requirements. The balance of the item at 31 December 2015 (€2,238k) represents IRES reimbursement claims filed with the Tax Authority by Finsoe S.p.A. as consolidating company, for the deduction from 2004-2007 IRES taxable income of 10% of the IRAP payable pursuant to Art. 6 of Decree Law 185 of 29 November 2008.

The item "Tax receivables", equal to €128,353k, consists of:

- €122,949k for tax receivables for IRES balance deriving from the taxable income of the tax consolidation;
- €1,092k for reimbursement claims for the deductibility of 10% of IRAP on IRES taxable income, pursuant to Art. 6 of Decree Law 185 of 29 November 2008, filed directly by the former Aurora Assicurazioni;
- €2,594k in IRAP tax receivables from previous years (€3,294k at 31/12/2014);
- €1,718k for other tax receivables, mainly reimbursement of taxes paid in previous years.

The balance of the deferred tax assets at 31 December 2015, equal to €490,601k, shows an increase of €114,275k with respect to 31 December 2014.

*Amounts in €k*

<b>Opening balance at 1/1/2015</b>	<b>376,327</b>
Re-alignment rates	95,392
Other increases in the year	33,452
Uses in the year	(14,569)
<b>Closing balance at 31/12/2015</b>	<b>490,601</b>

As part of the ordinary evaluation for financial statement purposes, Unipol has recalculated deferred tax assets and liabilities to take into account, on one hand, the decrease in the IRES standard rate from 27.5% to 24%, provided for in Law 208/2015 for tax periods beginning on or after January 2017, and, on the other, the greater certainty surrounding the ability of the Group to recover deferred tax assets resulting from the change in the scope of fiscal consolidation, as well as the positive economic/financial projections for the next few years developed during the execution of the *impairment test*. This evaluation resulted in a net increase in deferred tax assets due to tax rate re-alignment of €95,392k, broken down as follows:

- €115,793k increase by effect of the alignment to the 24% rate of the substitute tax originally recognised in 2011 within the limits of the 16% rate, corresponding to the substitute tax paid at the time, for the tax re-alignment of goodwill recorded in the consolidated financial statements and implied in the value of the investments recorded in the financial statements in accordance with Art. 23 paragraphs 12 through 15 of Decree Law 98/2011 converted into Law 111/2011. The change represents a revised estimate resulting from the aforementioned new information;
- €20,401k decrease by effect of the alignment from 27.5% to 24% of the rate of the other net deferred tax assets recognised in previous years, which cannot be forecast with reasonable certainty to be recovered in 2016.

Net tax assets are deemed to be recoverable on the basis of the provisional plans of Group companies, taking into account the effects of the tax consolidation and current regulations both on unlimited carry-forward of tax losses to future years, and on the transformation in tax receivables on deferred tax assets in the presence of a statutory loss and/or a tax loss in the presence of amortisation of taxable goodwill.

With regard to the statement of temporary differences leading to the recognition of deferred tax assets and liabilities (Art. 2427, par. 1, no. 14 of the Civil Code), we refer to Annex 9 to the Notes to the Financial Statements.

The item "Receivables from others" under Current Assets went from €1,389k at 31 December 2014 to €552k at 31 December 2015.

This item mainly refers to:

- €71k receivable from the Sicilian Regional Government for regional grants on a mortgage loan settled in previous years;
- €157k sundry receivables from current and former employees;
- €90k receivables for utility guarantee deposits.

The decrease is mainly due to the collection of receivables from former directors for penalties pursuant to Articles 193 and 195 of the Consolidated Law on Finance, equal to €600k.

This item is recognised net of the related write-down provisions.

### C) III - Current financial assets

The breakdown of this item, equal to €337,055k at 31 December 2015, is as follows:

*Amounts in €k*

	31/12/2015	31/12/2014
Other investments		3,444
Treasury shares	21,210	21,915
Other securities	315,845	128,324
<b>Total</b>	<b>337,055</b>	<b>153,683</b>

The "Treasury shares" in the portfolio, acquired to service Compensation Plans based on financial instruments (performance shares), fell by €705k as a result of the allocation of the second tranche of shares for the 2010-2012 compensation plan in July 2015.

"Other securities" refer to:

- listed government bonds for €201,873k (not held at 31/12/2014);
- listed bonds for €109,862k (€127,949k at 31/12/2014);
- unlisted bonds for €375k (unchanged with respect to 31/12/2014);
- foreign funds for €3,735k (€3,444k at 31/12/2014).

### 3 Notes to the Financial Statements

Details of the shares and securities recognised as current assets are provided in Annex 8 to the Notes to the Financial Statements.

#### C) IV - Cash and cash equivalents

Cash and cash equivalents, which at 31 December 2015 were €875,195k (€541,060k at 31/12/2014), consist almost entirely of bank and post office deposits, equal to €875,186k, of which €874,586k deposited with the subsidiary Unipol Banca S.p.A. (€541,052 at 31/12/2014, of which €534,229k deposited with the subsidiary Unipol Banca S.p.A.).

#### D. Accruals and deferrals

The item "Accruals and deferrals" at 31 December 2015 was €67,640k (€33,497k at 31/12/2014), and consisted of the following:

*Amounts in €k*

	31/12/2015	31/12/2014
Accruals	1,017	1,458
Deferrals	9,168	4,333
Discounts on loans	57,455	27,706
<b>Total</b>	<b>67,640</b>	<b>33,497</b>

Accruals included €846k of interest on securities and €171k of interest on the €150,000k term loan opened in May 2015 at the subsidiary Unipol Banca.

Deferrals mainly refer to costs incurred for issue of the three senior bond loans issued by the Company. Specifically, €266k refer to the 5% loan issued in 2009, €1,644k to the 4.375% loan issued in 2014 and €6,708k to the 3% loan issued in 2015.

The item Discounts on loans, equal to €57,455k at 31 December 2015, refers for €324k to the *senior* 5% (2009-2017) bond loan issued at a price equal to €99.314, for €14,287k to the *senior* 4.375% (2014-2021) bond loan, issued at a price equal to €99.369 and for €42,844k to the *senior* 3% (2015-2025) bond loan issued at a price equal to €99.881.

At the date of subscription, the loan discount on the new issue, equal to €46,511k, included:

- the costs representing the difference (equal to €8,166k, at the date of subscription) between the price recognised on exchange with the *senior* 5% bond loan (108.2), increased of the corresponding portion of residual issue discounts, and the repayment price on the new bond loan issue (corresponding to the nominal value), as a result of subscription to the Exchange Offer of the *senior* 5% bond loan, as described in the Management Report;
- the costs representing the difference (equal to €37,529k, at the date of subscription) between the price recognised on exchange with the *senior* 4.375% loan (115.222), increased of the corresponding portion of residual issue discounts, and the repayment price on the new bond loan issue (corresponding to the nominal value), as a result of subscription to the Exchange Offer of the *senior* 4.375% bond loan, as described in the Management Report;
- for the residual amount (equal to €816k at the date of subscription), the difference between the issue price (99.881) and the repayment price (corresponding to the nominal value) for the portion of the 3% loan (2015-2025) subscribed by investors without the exchange referred to in the previous paragraph.

#### Statement of Financial Position - Liabilities

##### A. Shareholders' equity

Movements in equity recognised during the year with respect to the previous year are described in the attached statement of changes in shareholders' equity (Annex 2).

A statement of use and availability of equity reserves has also been prepared, as required by Art. 2427, par. 1, letter 7-bis of the Civil Code (Annex 3).

The share capital and equity reserves at 31 December 2015 were €5,586,347k (€5,545,290k at 31/12/2014). The increase of €41,057k in the balance was due to the profits for the year, net of dividends distributed in 2015.

At 31 December 2015 the share capital was €3,365,292k (unchanged with respect to 31/12/2014), subscribed and fully paid-up, and consists of 717,473,508 shares, all ordinary shares, as a result of the conversion, at the end of June 2015, of all 273,479,517 preference shares into 273,479,517 ordinary shares, with the same characteristics as the ordinary shares outstanding at the conversion effective date.

The breakdown of equity reserves, €2,221,055k at 31 December 2015, is provided in the following table together with the previous year's values:

*Amounts in €k*

	31/12/2015	31/12/2014
A.II Share premium reserve	1,410,009	1,410,009
A.III Revaluation reserve pursuant to Law 413/91	20,701	20,701
A.IV Legal reserve	529,127	512,388
A.VI Reserve for treasury shares in portfolio	21,210	21,915
A.VII Extraordinary reserve	76,692	51,668
Provision for purchase of treasury shares	100,000	100,000
Provision for purchase of holding company shares	45,000	45,000
Share swap reserve	18,315	18,315
	<b>2,221,055</b>	<b>2,179,997</b>

## B. Provisions for risks and charges

The following table summarises the changes during the year in provisions for risks and charges, which at 31 December 2015, was equal to €684,833k, of which €4,081k included under "Provision for taxes, including deferred" in relation to deferred IRES tax liabilities on dividends recorded for the year and €680,751k under "Other":

*Amounts in €k*

	31/12/2014	Increases		Decreases		31/12/2015
		Provisions	Uses	Other		
Provision for taxes, including deferred	5,173	4,073	(5,165)			4,081
Provision for sundry risks and charges	494,750	100,515	(26,064)	(348)		568,854
Provision for risks on options	95,079	14,837				109,916
Employee leaving provision		192				192
Provision for taxes from previous years	1,790					1,790
	<b>596,793</b>	<b>119,617</b>	<b>(31,229)</b>	<b>(348)</b>		<b>684,833</b>

Allocations to the "Provision for sundry risks and charges" were almost entirely in connection with the contract of indemnity for credits with the subsidiary Unipol Banca S.p.A. against which, following specific analytical assessment of the risks undertaken, the recoverability of the receivables and the suitability of collateral used to safeguard them, a provision of €100,000k was made in 2015 (€196,000k in 2014).

The "Provision for risks on options" represents provisions due in connection with the option contract taken out on the 246,726,761 Unipol Banca shares held by UnipolSai as a result of the valuation carried out on the investment.

The "Provision for taxes from previous years", unchanged with respect to the previous year, represents the provision made for the dispute of the former Aurora Assicurazioni for the 2007 tax year.

## C. Post-employment benefits

The balance of post-employment benefits at 31 December 2015, equal to €230k, decreased with respect to the previous year by €103k, mainly as a result of severance payments and transfer of staff to other companies of the Group.

The breakdown of the changes over the year is provided in the following table:

## 3 Notes to the Financial Statements

Amounts in €k

<b>Balance at 1/1/2015</b>	<b>333</b>
<b>Increases in the year</b>	
Provisions in the year	1,067
<b>Decreases in the year</b>	
Transfer to pension fund	(793)
Transfers to INPS treasury fund	(180)
Settlements in the year	(61)
Other decreases	(137)
<b>Closing balance at 31/12/2015</b>	<b>230</b>

### D. Payables

The balance of this item at 31 December 2015 was equal to €2,006,694k (€1,210,264k at 31/12/2014). The breakdown for this item with a comparison with the previous year is provided in the following table:

Amounts in €k

	31/12/2015	31/12/2014
Bonds	1,615,999	897,699
Payables to shareholders	355	846
Payables to other lenders	515	515
Trade payables	4,258	5,400
Payables to subsidiaries	361,002	267,891
Payables to associates	0.3	
Payables to holding companies		32
Tax payables	1,672	4,572
Social security charges payable	817	836
Other payables	22,074	32,471
<b>Total</b>	<b>2,006,694</b>	<b>1,210,264</b>

All payables are due within 12 months, except "Bonds", the conditions of which are summarised below.

The item "Bonds" was €1,615,999k (€897,699k at 31/12/2014), and consists of the following:

- for a total of €298,647k (€397,699k at 31/12/2014), the nominal value of the *senior* bond loan listed on the Luxembourg Stock Exchange, with a seven-year duration (January 2017 maturity) and 5% fixed interest rate.
- for a total of €317,352k (€500,000k at 31/12/2014), the nominal value of the *senior* bond loan listed on the Luxembourg Stock Exchange, with a seven-year duration (March 2021 maturity) and 4.375% fixed interest rate.

In regard to these loans, the Board of Directors, at its meeting on 10 February 2015, resolved upon a liability management transaction through an exchange offer with the aim of improving the correlation with inflows by replacing part of the debt exposure outstanding at 31 December 2014, with a newly issued senior bond loan, with a total nominal value of €1,000,000k, issued on 18 March 2015, listed on the Luxembourg Stock Exchange, with ten-year duration (March 2025 maturity) and 3% fixed interest rate.

The liability management transaction through exchange offer and the related issue described above were implemented as part of the Euro Medium Term Notes (EMTN Programme), with a maximum total nominal amount of €2,000,000k, established in December 2009.

Total interest payments for the year were €55,122k (€41,013k at 31/12/2014).

At 31 December 2015 the item "Payables to shareholders" was €355k (€846k at 31/12/2014) and consists of dividends to shareholders approved in previous years but not yet paid. The decrease in these payables refers to 2009 dividends recognised as extraordinary gains since they are no longer payable.

The item "Trade payables" went from €5,400k at 31 December 2014 to €4,258k at 31 December 2015.

The balance of the item "Payables to subsidiaries" was €361,002k at 31 December 2015 (€267,891k at 31/12/2014), and consists mainly of:



- €267,785k (unchanged with respect to 2014), for two outstanding loans with the subsidiary UnipolSai Assicurazioni S.p.A. granted at the time this took over the role of issuer of the bond loans originally issued by Unipol. The loans, all or part of which are repayable on demand at the request of UnipolSai Assicurazioni S.p.A., and in any case at least three days before the repayment date of these bond loans, pay an interest rate equal to 3M Euribor rate plus 100 b.p.; in 2015 the corresponding interest expense was €2,744k;
- €92,986k due to subsidiaries for the current tax consolidation;
- €165k due to the indirectly held subsidiary Midi S.r.l in connection to the Group VAT settlement.

The balance of "Tax payables" was €1,672k at 31 December 2015, with a €2,900k decrease with respect to the previous year, mainly representing the decrease in payable for the year resulting from the Group VAT return, which went from €3,256k at the end of 2014 to €0.5k at the end of 2015.

The balance of the "Social security charges payable" was €817k at 31 December 2015 (€836k at 31/12/2014). This item represents outstanding payments due at the end of the year to welfare institutions for contributions payable by the Company and borne by employees on December salaries.

The balance of the "Other payables" at 31 December 2015 was €22,074k, down with respect to the previous year by €10,397k. The balance mainly refers to:

- €12,891k for write-down of two derivative contracts (one call option and one put option) on the shares of the holding company Finsoe S.p.A.;
- €7,325k for provisions for employee salary incentives (€24,119k at 31/12/2014);
- €1,369k due to employees for leave not taken (€1,050k at 31/12/2014).

## E. Accruals and deferrals

The item "Accruals and deferrals" had a balance at 31 December 2015 equal to €49,580k (€37,407k at 31/12/2014), almost entirely due to interest accrued on the three *senior* bond loans, the first maturing in January 2017 (interest for €14,482k), the second maturing in March 2021 (interest for €11,418k) and the third maturing in March 2025 (interest for €23,607k).

## Guarantees, commitments and other memorandum accounts

The breakdown of "Guarantees, commitments and other memorandum accounts", equal to €7,959,844k at 31 December 2015 (€7,759,453k at 31/12/2014), is provided in the following table:

*Amounts in €k*

	31/12/2015	31/12/2014
<b>Guarantees given</b>		
Sureties to subsidiaries	32,729	21,720
Sureties and endorsements given in the interest of third parties		1,108
Other personal guarantees given in the interest of subsidiaries	1,393,281	1,469,349
<b>Total</b>	<b>1,426,009</b>	<b>1,492,176</b>
<b>Commitments</b>		
Other commitments	337,927	362,998
<b>Total</b>	<b>337,927</b>	<b>362,998</b>
<b>Third party assets</b>		
Employees' shares held on deposit	1,727	1,226
Other assets	82	17
<b>Total</b>	<b>1,809</b>	<b>1,243</b>
<b>Securities deposited with third parties</b>	<b>5,803,725</b>	<b>5,457,506</b>
<b>Other memorandum accounts</b>		
Collateral received from third parties	221	341
Guarantees given by third parties in the interest of the company	1,666	1,666
Guarantees given by subsidiaries in the interest of the company	45	45
Other memorandum accounts	388,442	443,477
<b>Total</b>	<b>390,373</b>	<b>445,529</b>
<b>TOTAL GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS</b>	<b>7,959,844</b>	<b>7,759,453</b>

### 3 Notes to the Financial Statements

“Other personal guarantees given in the interest of subsidiaries” include:

- guarantees given for the subsidiary UnipolSai Assicurazioni S.p.A. in connection with the subordinated bond loans originally issued by Unipol, which UnipolSai Assicurazioni S.p.A. has taken over as issuer in 2009: UGF 7% 2021 maturity (for €300,000k) and UGF 5.66% 2023 maturity (for €261,689k);
- guarantees on the receivables of the subsidiary Unipol Banca S.p.A. for €831,592k for the outstanding indemnity agreement.

The item “Other commitments” refers almost entirely to commitments on the sale of put options (€337,827k). Specifically:

- €6,200k, for the sale contract of a put option on 30,646,000 shares of the holding company Finsoe S.p.A. The commitment recognised at 31 December 2015 is net of the capital loss identified on the put option at the end of year, equal to €12,891k.
- €331,627k, for the sale contract of a put option on 246,726,761 shares of Unipol Banca held by UnipolSai Assicurazioni, to be exercised by 6 January 2019.

“Securities deposited with third parties” represents almost exclusively securities deposited with Group companies, for a total of €5,799,990k.

The item “Other memorandum accounts” represents mainly for €350,718k the call options related to the put options described under “Other commitments”, of which €331,627k for the call option on 246,726,761 shares of the subsidiary Unipol Banca and €19,091k for the call option on Finsoe S.p.A. shares.

#### Information on financial derivatives

In compliance with the guidelines established by resolution of the Company’s Board of Directors on 18 June 2015, financial derivative transactions during the year were performed solely to achieve two objectives: reduce investment risk (hedging) or achieve effective management of the portfolio, excluding therefore purely speculative purposes. These aims are achieved through the specific derivatives listed in the Board of Directors resolution and involve securities held in portfolio at the time of conclusion of the related contract and for its entire duration. All transactions are performed with banking counterparties or similar.

The derivative positions open at the end of the year are described below.

#### A. Derivative contracts involving forward equity swaps

The value recognised is the settlement price of the contracts. For transactions in foreign currencies the agreed forward rate was applied:

*Amounts in €k*

Transaction description	No. of transactions	Notional value at 31/12/2015
Purchase of call options	2	350,718
Sale of put options	2	337,827

The amounts indicated in the table refer to the following contracts:

- a call option purchase agreement on 30,646,000 shares of the holding company Finsoe S.p.A., corresponding to 1.43% of the share capital of this, associated to a put option sale agreement with the same characteristics and notional value. In July 2015 these agreements were renewed until January 2017. At 31 December 2015 an unrealised loss equal to €12,891k was recognised on the put option contract;
- a put option contract on 246,726,761 Unipol Banca S.p.A. shares held by UnipolSai, with January 2019 maturity, at a price equal to the carrying amount of that investment (i.e. €331,627k), with a corresponding call option on the same investment, with the same price but exercisable by Unipol at any time until maturity (January 2019).

Pursuant to Art. 2427-bis, par. 1 of the Civil Code, we note that the fair value of the put and call option on Finsoe shares at 31 December 2015 was negative for €12,891k.

#### B. Derivative contracts not involving forward equity swaps

At 31 December 2015 the Company did not hold contracts of this type.

## Income Statement

The Income Statement is structured in accordance with the provisions of Art. 2425 of the Civil Code. Costs and revenues are recognised separately without netting.

### A. Value of production

The total value of production at 31 December 2015 was €49,616k, against €39,784k at 31/12/2014.

#### A.5 Other revenue and income

Other revenue and income went from €39,685k at 31 December 2014 to €49,615k at 31 December 2015, mainly for the increase in commission income on the credit indemnity agreement of the subsidiary Unipol Banca S.p.A that at 31 December 2015 was €26,682k against €18,538k at 31 December 2014.

The other items included in the balance refer mainly to:

- recovery of costs for services of Unipol personnel seconded to Group companies, for €19,406k (€17,891k at 31/12/2014);
- reversal on the Company of remuneration for Director duties performed by personnel at other companies, for €3,166k (€2,854k at 31/12/2014).

### B. Costs of production

The total value of the costs of production at 31 December 2015 was €199,999k against €290,971k at 31/12/2014.

#### B.6 Raw materials, consumables and goods for resale

The item, equal to €288k (€316k at 31/12/2014) consists of purchase costs of printed materials, stationery and merchandise for the store set up at the CUBO museum.

#### B.7 Costs for services

The item was equal to €22,543k at 31 December 2015 (€29,779k at 31/12/2014), broken down as follows:

*Amounts in €k*

	31/12/2015	31/12/2014
Costs for IT services	136	189
Technical, legal and administrative consulting	6,018	8,849
Electricity, heating and cleaning	1,087	986
Corporate bodies	3,077	3,157
Seconded personnel services	499	392
Post and telephone	213	385
Other overheads	438	357
Corporate and Shareholders' Meeting costs	469	331
Advertising	3,770	4,706
Software maintenance, repairs and upgrades	246	304
Fees for auditing and other certification services	264	222
Conventions, meetings and corporate events	216	324
Subsidiary services	6,108	9,576
<b>Total</b>	<b>22,543</b>	<b>29,779</b>

The decrease in costs for subsidiary services is due mainly to the renewal of the agreement with Unipol Banca, which has involved for Unipol a substantial decrease in the costs for the management of securities dossiers, which went from €4,408k at 31 December 2014 to €300k at 31 December 2015. We also note the decrease in the costs for non-IT consulting, by €1,860k with respect to the previous year.

### 3 Notes to the Financial Statements

#### B.8 Costs for use of third party assets

The item, equal to €2,197k at 31 December 2015 (€1,830k at 31/12/2014), mainly refers to rents due on properties used by the Company (€1,723k at 31 December 2014). The item includes also €389k for car rental contracts of cars allocated to executives.

#### B.9 Personnel costs

Personnel costs at 31 December 2015 were €16,300k, against €37,948k in the previous year.

In 2015, the Company recalculated the charges for the share-based compensation plans offered to its executives, as well as the portion of this to be recovered for the secondment of personnel to other companies, which has had a positive effect on this income statement item.

The company workforce went from 83 at 31 December 2014 to 82 at 31 December 2015, with changes as follows:

	31/12/2014	Recruitments	Terminations	Transfers to Group companies	31/12/2015
Admin. personnel - Permanent	83	2	(1)	(2)	82
<b>Total</b>	<b>83</b>	<b>2</b>	<b>(1)</b>	<b>(2)</b>	<b>82</b>

The average workforce is specified below:

	2015	2014
Executives	45	45
Employees	38	39
<b>Total</b>	<b>83</b>	<b>84</b>

#### B.10 Amortisation, depreciation and write-downs

The balance of this item, which at 31 December 2015 was €37,848k (€17,962k at 31/12/2014), can be broken down as follows:

- amortisation of intangible assets for €37,412k;
- depreciation of property, plant and equipment for €436k.

The increase in the balance of the item is due, mainly, to the depreciation of start-up and expansion costs corresponding to the costs of the 2012 capital increase.

Details of changes in intangible assets and property, plant and equipment are provided in Annexes 5 and 6 to these Notes.

#### B.12 Provisions for risks

The item, equal to €115,352k at 31 December 2015 (€197,294k at 31/12/2014), refers for €100,000k (€196,000k at 31/12/2014) to the provision for risks associated with the credit indemnity agreement in favour of the subsidiary Unipol Banca S.p.A. and, for €14,837k to the provision for risks on options associated with a write-down on the investment in Unipol Banca S.p.A. (nil at 31/12/2014).

#### B.14 Sundry operating expenses

The item was €5,471k at 31 December 2015 (€5,843k at 31/12/2014) and refers mainly to:

- contributions paid to supervisory authorities and other associations, for €3,258k (€3,287k at 31/12/2014);
- donations for €1,100k (unchanged with respect to 31/12/2014);
- corporate and shareholders' meeting costs for €687k (€371k at 31/12/2014).

## C. Financial income and charges

### C.15 Gains on investments

The item was €296,826k at 31 December 2015 (€380,798k at 31/12/2014) and consists entirely of dividends accrued in the year from the subsidiaries UnipolSai, Unisalute, Linear, Arca Vita and Unipol Finance (€380,769k at 31/12/2014).

### C.16 Other financial income

The composition of this item, with a total amount equal to €9,417k (€8,276k at 31/12/2014), is summarised in the following table:

*Amounts in €k*

	31/12/2015	31/12/2014
<b>A) Receivables recognised under fixed assets</b>		
4. Others	9	15
<b>Total</b>	<b>9</b>	<b>15</b>
<b>C) Securities recognised under current assets</b>	<b>7,914</b>	<b>6,582</b>
<b>D) Other income</b>		
1. Subsidiaries	824	952
4. Others	671	727
<b>Total</b>	<b>1,495</b>	<b>1,679</b>
<b>TOTAL</b>	<b>9,417</b>	<b>8,276</b>

Other income from receivables recognised under fixed assets refers entirely to interest on mortgages and loans granted to employees.

Income from securities recognised under current assets, equal to €7,914k, includes mainly interest on bonds for €4,292k (€4,415k at 31/12/2014) and capital gains on bond trading for €3,187k (€1,225k at 31/12/2014).

Other income, equal to €1,495k, mainly refers to:

- interest income on the current accounts open at the subsidiary Unipol Banca S.p.A. for €304k (€390k at 31/12/2014);
- interest income for €520k on the loan granted to the subsidiary Ambra Property S.r.l., settled in July 2015 with the conversion of the entire amount of the loan, equal to €20,000k, into a capital contribution;
- interest income for €659k on the current accounts open at banks not belonging to the Group.

### C.17 Interest and other financial charges - C.17.bis Exchange gains (losses)

Interest and other financial charges for €80,878k were recognised at 31 December 2015 (€52,467k at 31/12/2014); the item Exchange gains (losses) was positive for €56k (positive for €5k at 31/12/2014).

*Amounts in €k*

	31/12/2015	31/12/2014
<b>Interest and other financial charges:</b>		
a. Subsidiaries	(2,859)	(3,445)
d. Others	(78,019)	(49,021)
<b>Total</b>	<b>(80,878)</b>	<b>(52,467)</b>
Exchange gains (losses)	56	5
<b>TOTAL</b>	<b>(80,822)</b>	<b>(52,462)</b>

"Interest and financial charges due to subsidiaries", equal to €2,859k (€3,445k at 31/12/2014), includes interest, commissions and charges due to Group banks and companies. The item mainly refers to interest expense on the loan in place with UnipolSai that at 31 December 2015 was €2,744k (€3,329k at 31/12/2014).

"Interest and financial charges due to others", equal to €78,019k (€49,021k at 31/12/2014), mainly includes:

- cost for the renewal of the contract with JP Morgan, for the put and call options on the shares of Finsoe, for €12,256k;
- interest expense on the three bond loans for €55,122k (€41,013k at 31/12/2014);
- charges arising from the issue of the three bond loans for €8,302k (€4,662k at 31/12/2014);
- losses on bond trading for €427k (€335k at 31/12/2014).

#### D. Value adjustments to financial assets

At 31 December 2015 the item had a negative balance for €56,509k (positive for €1,739k at 31/12/2014). This negative balance at the end of 2015 was affected by the write-downs on the investments in the subsidiaries Unipol Banca S.p.A. (€31,163k), Ambra Property S.r.l. (€12,010k) and Linear Life S.p.A (€2,598k).

In addition to these write-downs, the item included at 31 December 2015:

- write-backs of bonds recognised under current assets for €217k (€4,513 k at 31/12/2014);
- unrealised losses on securities recognised under current assets for €10,954k (€2,557k at 31/12/2014). This item consists almost entirely in the value of the derivative contracts on the shares of the holding company Finsoe S.p.A., with a total recognised value at 31 December 2015 of €10,296k.

#### E. Extraordinary income and expenses

At 31 December 2015, this item had a positive balance of €4,794k (positive for €6,416k at 31/12/2014) with the following breakdown:

*Amounts in €k*

	31/12/2015	31/12/2014
<b>E.20) Income</b>		
Gains on disposals	4	98
Other extraordinary income		
- Extraordinary gains	5,526	8,638
<b>Total</b>	<b>5,531</b>	<b>8,736</b>
<b>E.21) Expenses</b>		
Taxes relating to previous years		(1,790)
Other extraordinary expenses		
- Extraordinary losses	(737)	(530)
<b>Total</b>	<b>(737)</b>	<b>(2,319)</b>
<b>Net extraordinary income (expenses)</b>	<b>4,794</b>	<b>6,417</b>

Extraordinary gains mainly include:

- €4,417k for the reversal of social security expenses, that were not due, recorded in previous financial years on the provisions made for share-based compensation plans;
- €485k for dividends not paid out and no longer payable to shareholders;
- €291k for surplus provisions for risks and charges.

Extraordinary losses mainly include:

- €518k for additional cost of non-deductible VAT on leasing expenses.

#### Income tax for the year: current and deferred

Taxes for the year were equal to €142,176k (€73,807k at 31/12/2014) corresponding to the valuation of the tax loss for €30,144k, in addition to the net balance of deferred tax assets and liabilities for €112,032k, as shown in the following table:

*Amounts in €k*

	IRES	Total
<b>Current taxes</b>	<b>30,144</b>	<b>30,144</b>
Deferred tax assets and liabilities:		
- use of deferred tax assets	(14,569)	(14,569)
- use of deferred tax liabilities	5,169	5,169
- recognition of deferred tax assets	30,122	30,122
- provisions for deferred tax liabilities	(4,081)	(4,081)
- re-alignment rates	95,392	95,392
<b>Balance of deferred tax assets/liabilities</b>	<b>112,032</b>	<b>112,032</b>
<b>Total</b>	<b>142,176</b>	<b>142,176</b>

There were neither expenses nor income for IRAP taxes, because the taxable income for the purposes of this tax was negative and regulations do not allow for carrying forward IRAP losses.

For additional information on the effects deriving from the realignment of the rates, please refer to the comment on deferred tax assets under item CII- Receivables.

The statement of reconciliation between theoretical and effective IRES tax charges is provided below.

*Amounts in €k*

	2015	2014
<b>Pre-tax profit (loss)</b>	<b>23,324</b>	<b>93,580</b>
Theoretical IRES - Income/(Expenses)	(6,414)	(25,735)
Tax effect deriving from taxable income permanent changes		
Increases:	(24,406)	(2,624)
- Derivatives - write-downs	(6,202)	(703)
- Provisions for tax liabilities	(4,080)	(492)
- Interest expense	(735)	(591)
- PEX investments - write-downs	(12,587)	
- Other changes	(802)	(838)
Decreases:	77,604	102,166
- Use of provisions for tax liabilities		2,635
- Dividends excluded	77,546	99,476
- Other changes	58	55
<b>IRES pertaining to the year - Income/(Expenses)</b>	<b>46,784</b>	<b>73,807</b>
<b>Adjustment to deferred tax assets (IRES) - 24%</b>	<b>95,392</b>	
<b>Profit (loss) after taxes</b>	<b>165,500</b>	<b>167,387</b>

With regard to the statement of temporary differences leading to the recognition of deferred tax assets and liabilities (Art. 2427, par. 1, no. 14 of the Civil Code), we refer to Annex 9 to the Notes to the Financial Statements.

## Other information

### Consolidated Financial Statements

Unipol's Consolidated Financial Statements were drawn up in accordance with Art.154-ter of Legislative Decree 58/1998 (Consolidated Law on Finance) and of ISVAP Regulation no. 7 of 13 July 2007, as amended. They conform to the IFRS issued by the IASB and endorsed by the European Union, along with the interpretations issued by IFRIC, in accordance with the provisions of EC Regulation 1606/2002 in force on the date the financial statements closed.

The layout, given the company's status as an insurance holding company pursuant to Art. 1, paragraph 1, letter aa) of Legislative Decree 209/2005 (Insurance Code), conforms to the provisions of ISVAP Regulation 7 of 13 July 2007, Part III as amended, relating to the layout of the consolidated financial statements of insurance and reinsurance companies that must adopt IFRS.

### Fees for legally-required audit and non-audit services

Pursuant to Art.149-*duodecies* of CONSOB Issuer's Regulation, the following table shows the fees paid by the Unipol Group to the independent auditors, or a member of their network, for the provision of auditing and other services, by type or category.

*Amounts in €k*

Type of services	Provider of the service	Recipient	Fees (*)
Legally-required audit	PricewaterhouseCoopers S.p.A.	Unipol S.p.A.	154
Other professional services	PricewaterhouseCoopers S.p.A.	Unipol S.p.A.	318
Other professional services	PricewaterhouseCoopers Advisory S.p.A.	Unipol S.p.A.	77
<b>Total Unipol Gruppo Finanziario</b>			<b>549</b>
Legally-required audit	PricewaterhouseCoopers S.p.A.	Subsidiaries	3,180
Legally-required audit	PricewaterhouseCoopers Dublin	Subsidiaries	136
Legally-required audit	PricewaterhouseCoopers d.o.o.	Subsidiaries	81
Attestation services	PricewaterhouseCoopers S.p.A.	Subsidiaries	701
Other professional services	PricewaterhouseCoopers S.p.A.	Subsidiaries	495
Other services: tax services	TLS Associazione Professionale di Avvocati e Commercialisti	Subsidiaries	45
Other professional services	PricewaterhouseCoopers Dublin	Subsidiaries	52
Other professional services	PricewaterhouseCoopers Advisory S.p.A.	Subsidiaries	179
<b>Total subsidiaries</b>			<b>4,868</b>
<b>Grand total</b>			<b>5,417</b>

(\*) The fees do not include any non-deductible VAT; charged back expenses are included.

### Transactions with related parties

#### Indemnity agreement on Unipol Banca S.p.A. receivables.

A credit indemnity agreement is in place with the subsidiary Unipol Banca S.p.A., signed in August 2011, in regard to specific credit categories, mainly mortgages. At 31 December 2015, the indemnity applied to credits for a total of €831,592k. At the end of the year, the indemnity applied to 74 positions.

Against the commitments undertaken, in 2015 Unipol collected from Unipol Banca S.p.A. commissions for €26,682k and allocated €100,000k to the provision for risks and charges, thereby bringing the total provision to €566,956k, net of €25,790k already paid to Unipol Banca S.p.A. in 2015 as indemnity on certain positions.

#### Establishment by the parent Unipol of the tax regime for taxation of group income (so called "tax consolidation") for the three year period 2015-2017, in its capacity as consolidating company.

Starting from 2015 and for the three year period 2015-2017, a single tax consolidation regime was established with Unipol as consolidating company and all companies of the Unipol Group as consolidated companies, thus discontinuing the current tax consolidation regime pertaining to the holding company Finsoe, which, at the conclusion of the conversion of the preference shares of Unipol into ordinary shares, had brought its investment in the ordinary share capital of Unipol below 50%, as well as two other independent tax consolidation regimes established by UnipolSai and Arca Vita.



### UnipolSai Assicurazioni S.p.A. loans payable

Two loan agreements are in place, arranged in 2009, for €267,785k (unchanged with respect to the previous year). Interest paid to UnipolSai Assicurazioni S.p.A. in 2015 were equal to €2,744k.

### Loan granted to the subsidiary Ambra Property

On 31 July 2015, Unipol converted the entire amount, equal to €20.000k, of the interest-bearing loan granted to the subsidiary Ambra Property, 100% held, into a capital contribution to strengthen the financial position of the company. Interest income for 2015 was €520k.

### Acquisition by Unipol of 51% of UnipolSai Investimenti SGR

On 17 June 2015, Unipol bought from UnipolSai a 51% stake of the share capital of UnipolSai Investimenti SGR.

In addition to the information provided in previous paragraphs of these Notes to the Financial Statements, the breakdown of assets, liabilities, costs and revenue involving related parties is provided below:

*Amounts in €k*

	Holding company	Subsidiaries	Associates	Total	% impact	
Fixed shares and holdings		5,957,788		5,957,788	70.1 (1)	559.0 (3)
Other receivables	2,238	466,541	282	469,061	5.5 (1)	44.0 (3)
Bank deposits		874,586		874,586	10.3 (1)	82.1 (3)
<b>TOTAL ASSETS</b>	<b>2,238</b>	<b>7,298,914</b>	<b>282</b>	<b>7,301,434</b>	<b>86.0 (1)</b>	<b>685.1 (3)</b>
Sundry payables		361,002		361,003	4.3 (1)	33.9 (3)
<b>TOTAL LIABILITIES</b>		<b>361,002</b>		<b>361,003</b>	<b>4.3 (1)</b>	<b>33.9 (3)</b>
Income from land and buildings		6		6	0.0 (2)	0.0 (3)
Dividends and other income from shares and holdings		296,826		296,826	3.5 (2)	27.8 (3)
Other financial income		824		824	0.0 (2)	0.1 (3)
Other revenue and income	12	48,268	570	48,851	0.6 (2)	4.6 (3)
<b>TOTAL INCOME</b>	<b>12</b>	<b>345,924</b>	<b>570</b>	<b>346,507</b>	<b>4.1 (2)</b>	<b>32.5 (3)</b>
Interest and financial charges		2,859		2,859	0.0 (2)	0.3 (3)
Costs for services	249	7,253		7,501	0.1 (2)	0.7 (3)
Costs for use of third party assets		1,783		1,783	0.0 (2)	0.2 (3)
Sundry operating expenses		21		21	0.0 (2)	0.0 (3)
<b>TOTAL EXPENSES</b>	<b>249</b>	<b>11,916</b>		<b>12,164</b>	<b>0.1 (2)</b>	<b>1.1 (3)</b>

(1) Percentage of total assets in the statement of financial position

(2) Percentage of pre-tax profit (loss)

(3) Percentage of total sources of funds in the statement of cash flows

### Remuneration paid to members of the Administration and Control Bodies, the General Manager and Key Managers

Remuneration for 2015 due to Directors, Statutory Auditors and Key Managers of the Parent, for carrying out their duties in Unipol and in other consolidated companies, was €14,595k, with breakdown as follows:

*Amounts in €k*

Directors and General Manager	6,641
Statutory Auditors	470
Other Key Managers	7,484 (*)

(\*) mainly includes compensation of employees.

The remuneration of the General Manager and the other Key Managers relating to benefits granted under the share-based compensation plan is duly represented in the Remuneration Report, prepared according to Art. 123-ter of the Consolidated Law on Finance and made available, pursuant to current regulations, on the Company website.

## 3 Notes to the Financial Statements

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In 2015 the companies of the Group paid Unipol the sum of €1,605k as remuneration for the activities carried out by the Chairman, the Chief Executive Officer, the General Manager and the Key Managers at said companies.

### **Non-recurring significant transactions during the year**

Significant non-recurring transactions carried out during the period, all extensively described in the Management Report to which we refer, are summarised below:

- exchange offers promoted by Unipol on two *senior unsecured* bond loans with 2017 and 2021 maturity and the simultaneous issue of a new bond loan expiring in 2025;
- mandatory conversion of preference shares into ordinary shares by Unipol Gruppo Finanziario.

### **Atypical and/or unusual transactions during the year**

No atypical and/or unusual transactions were carried out in 2015.



# 4

## Tables appended to the Notes to the Financial Statements

1. Reclassified Income Statement (Consob Recommendation 94001437)
2. Statement of changes in shareholders' equity (Art. 2427, no. 4 of the Civil Code)
3. Statement of use and availability of equity reserves at 31 December 2015 (Art. 2427, no. 7-bis of the Civil Code)
4. Statement of cash flows
5. Statement of changes in intangible assets (Art. 2427, no. 2 of the Civil Code)
6. Statement of changes in property, plant and equipment (Art. 2427, no. 2 of the Civil Code)
7. Statement of changes in fixed investments
8. List of shares and securities included in current assets at 31 December 2015 (Consob Recommendation 94001437)
9. Statement of temporary differences that involved the recognition of deferred tax assets and liabilities (Art. 2427, no. 14 of the Civil Code)
10. Information on debt at 31 December 2015 (Consob Recommendation 6064293)



## Reclassified Income Statement

Amounts in €k

	31.12.2015	31.12.2014
1) Gains on investments:		
in subsidiaries	296,826	380,769
in other companies		29
<b>Total gains on investments</b>	<b>296,826</b>	<b>380,798</b>
2) Other financial income:		
a) from receivables recognised under fixed assets	9	15
from others	9	15
c) from securities recognised under current assets and not classed as investments	7,914	6,582
d) other income	1,495	1,679
from subsidiaries	824	952
from others	671	727
<b>Total other financial income</b>	<b>9,417</b>	<b>8,276</b>
3) Interest expense and other financial charges:		
subsidiaries	(2,859)	(3,445)
other	(78,019)	(49,021)
<b>Total interest expense and other financial charges</b>	<b>(80,878)</b>	<b>(52,467)</b>
Exchange gains (losses)	56	5
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>225,422</b>	<b>336,612</b>
4) Write-ups:		
c) of securities recognised under current assets and not classed as investments	217	4,513
<b>Total write-ups</b>	<b>217</b>	<b>4,513</b>
5) Write-downs:		
a) of investments	(45,772)	(217)
c) of securities recognised under current assets and not classed as investments	(10,954)	(2,557)
<b>Total write-downs</b>	<b>(56,726)</b>	<b>(2,774)</b>
<b>TOTAL ADJUSTMENTS</b>	<b>(56,509)</b>	<b>1,739</b>
6) Other operating income	49,616	39,784
<b>TOTAL OTHER OPERATING INCOME</b>	<b>49,616</b>	<b>39,784</b>
7) Costs for non-financial services	(22,543)	(28,995)
8) Costs for use of third party assets	(2,197)	(1,830)
9) Personnel costs	(16,300)	(37,948)
10) Amortisation, depreciation and write-downs:	(37,848)	(17,962)
11) Provisions for risks	(115,352)	(197,294)
13) Sundry operating expenses	(5,759)	(6,159)
<b>TOTAL OTHER OPERATING COSTS</b>	<b>(199,999)</b>	<b>(290,187)</b>
<b>PROFIT (LOSS) FROM ORDINARY OPERATIONS</b>	<b>18,530</b>	<b>87,164</b>
14) Extraordinary income:		
a) Gains on disposals	4	98
b) Other	5,526	8,638
<b>Total extraordinary income</b>	<b>5,531</b>	<b>8,736</b>
15) Extraordinary expenses:		
b) Taxes relating to previous years		(1,790)
c) Other	(737)	(530)
<b>Total extraordinary expenses</b>	<b>(737)</b>	<b>(2,319)</b>
<b>EXTRAORDINARY GAINS (LOSSES)</b>	<b>4,794</b>	<b>6,416</b>
<b>PRE-TAX PROFIT (LOSS)</b>	<b>23,324</b>	<b>93,580</b>
16) Income tax for the year	142,176	73,807
<b>17) PROFIT (LOSS) FOR THE YEAR</b>	<b>165,500</b>	<b>167,387</b>

## Statement of changes in shareholders' equity

Amounts in €k

	Equity reserves and unallocated profit									TOTAL
	Share capital	Share premium reserve	Revaluation reserves	Legal reserve	Reserve for treasury/holding company shares	Reserve for treasury shares in portfolio	Extraordinary reserve	Other reserves	Profit (loss) for the year	
<b>BALANCES AT 31 DECEMBER 2013</b>	<b>3,365,292</b>	<b>1,410,009</b>	<b>20,701</b>	<b>497,780</b>	<b>122,379</b>	<b>22,620</b>	<b>62,366</b>	<b>18,315</b>	<b>146,078</b>	<b>5,665,543</b>
Shareholders' Meeting resolutions of 30 April 2014:										
Allocation of 2013 profit										
- legal reserve				14,608					(14,608)	
- extraordinary reserve							11,217		(11,217)	
- dividend to shareholders									(120,253)	(120,253)
Top-up of provision for purchase of treasury shares					22,620		(22,620)			
Treasury shares in portfolio						(705)	705			
Profit (loss) for the year 2014									167,387	167,387
<b>BALANCES AT 31 DECEMBER 2014</b>	<b>3,365,292</b>	<b>1,410,009</b>	<b>20,701</b>	<b>512,388</b>	<b>145,000</b>	<b>21,915</b>	<b>51,668</b>	<b>18,315</b>	<b>167,387</b>	<b>5,712,677</b>
Shareholders' Meeting resolutions of 18 June 2015:										
Allocation of 2014 profit										
- legal reserve				16,739					(16,739)	
- extraordinary reserve							24,319		(24,319)	
- dividend to shareholders									(126,330)	(126,330)
Treasury shares in portfolio						(705)	705			
Profit (loss) for the year 2015									165,500	165,500
<b>BALANCES AT 31 DECEMBER 2015</b>	<b>3,365,292</b>	<b>1,410,009</b>	<b>20,701</b>	<b>529,127</b>	<b>145,000</b>	<b>21,210</b>	<b>76,692</b>	<b>18,315</b>	<b>165,500</b>	<b>5,751,848</b>

## 4 Tables appended to the Notes to the Financial Statement

Annex 3

### Statement of use and availability of equity reserves at 31/12/2015

Amounts in €k

Nature/Description	Amount	Possibility of use (*)	Available portion	Summary of uses made in the last three years	
				to cover losses	for other reasons
<b>Share capital</b>	<b>3,365,292</b>				
<b>Capital reserves</b>					
Share premium reserve	1,410,009	A, B	1,410,009 (a)		
Legal reserve	365,499 (b)	B			
Extraordinary reserve	1,410 (b)	A, B	1,410		
Provision for purchase of treasury shares	77,379 (b)	A, B	77,379		
Provision for purchase of holding company shares	45,000 (b)	A, B	45,000		
Reserve for treasury shares in portfolio	21,210 (b)	-			
Revaluation reserve pursuant to Law 413/91	14,762	A, B, C	14,762 (c)		
Property revaluation reserve	5,939	A, B, C	5,939 (c)		
Share swap reserve (formerly revaluation Law 413/91)	18,315	A, B, C	18,315 (c)		
<b>Income-related reserves</b>					
Legal reserve	163,628	B			
Extraordinary reserve	75,282	A, B, C	75,282		
Provision for purchase of treasury shares	22,620	A, B, C	22,620		
<b>Total</b>	<b>2,221,054</b>		<b>1,670,717</b>		
Non-distributable portion			143,932 (d)		
<b>Distributable portion</b>			<b>1,526,786</b>		

(\*) A: for share capital increase  
 B: to cover losses  
 C: for distribution to shareholders

- (a) Distributable only if the legal reserve has reached the limit set forth in Art. 2430 of the Civil Code  
 (b) For transfer from share premium reserve  
 (c) Taxable if distributed to the company and to shareholders  
 (d) Includes the residual amount required to top up the legal reserve to one-fifth of share capital pursuant to art. 2430 of the Italian Civil Code, and the non-distributable portion of reserves.



## Statement of cash flows

Amounts in €k

	2015	2014
<b>SOURCES OF FINANCING</b>		
<b>Cash flow generated by operations</b>		
Net profit for the year	165,500	167,387
Depreciation of property, plant and equipment and amortisation of intangible assets	37,848	17,962
Value adjustments to financial fixed assets	45,772	
Value adjustments to other financial assets	441	217
Increase (decrease) in net tax payables	(2,900)	2,596
Increase (decrease) in net deferred tax liabilities	(115,367)	(53,294)
Allocations to provisions for risks and charges	115,352	198,976
Increase (decrease) in post-employment benefit payables	(103)	(1,174)
Decrease (increase) in prepayments and accrued income	(4,394)	(2,063)
Increase in accrued expense and deferred income	12,173	241
Other items	485	5,633
<b>Total cash flow generated by operations</b>	<b>254,807</b>	<b>336,480</b>
<b>Other sources of financing</b>		
Disposal of property, plant and equipment and intangible assets	3	3,400
Disposal of capitalised investments		97
Disposal and repayments of other financial fixed assets	298	
Decrease in receivables recognised under current assets	28,337	128,931
Decrease in financial assets recognised under current assets	705	8,647
Increase in payables	93,111	6,054
New bond loan issue	688,550	122,194
<b>Total other sources of financing</b>	<b>811,004</b>	<b>269,323</b>
<b>TOTAL SOURCES</b>	<b>1,065,810</b>	<b>605,803</b>
<b>USES OF CASH</b>		
Increase in property, plant and equipment and intangible assets	262	350
Increase in fixed investments	50,742	135,244
Increase in other financial fixed assets	153,721	3,935
Increase in receivables recognised under current assets	177,315	9
Increase in financial assets recognised under current assets	184,518	222
Use of provisions for risks and charges	26,220	14,334
Other cash commitments	1	4
Decrease in payables	12,566	6,056
Dividends distributed	126,330	120,253
<b>TOTAL USES</b>	<b>731,675</b>	<b>280,407</b>
Increase (decrease) in cash and cash equivalents	334,136	325,397
<b>TOTAL</b>	<b>1,065,810</b>	<b>605,803</b>
<b>Cash and cash equivalents at 1 January</b>	<b>541,060</b>	<b>215,663</b>
<b>Cash and cash equivalents at 31 December</b>	<b>875,195</b>	<b>541,060</b>

## 4 Tables appended to the Notes to the Financial Statement

### Statement of changes in intangible assets

Amounts in €k

	OPENING POSITION		
	Historical cost	Amortisation	Net amount at 31/12/2014
Start-up and expansion costs	73,835	(37,955)	35,880
Research, development and advertising costs	9,259	(9,256)	4
Concessions, licences, trademarks and similar rights	9,453	(4,094)	5,359
Fixed assets in progress and payments on account	49		49
Other	3,373	(1,203)	2,169
<b>TOTAL</b>	<b>95,969</b>	<b>(52,507)</b>	<b>43,462</b>

### Statement of changes in property, plant and equipment

Amounts in €k

	OPENING POSITION		
	Historical cost	Accumulated depreciation	Net amount at 31/12/2014
Plant and equipment	513	(172)	342
Other assets	2,989	(1,411)	1,578
<b>TOTAL</b>	<b>3,502</b>	<b>(1,582)</b>	<b>1,920</b>

Annex 5

MOVEMENTS DURING THE PERIOD					CLOSING POSITION		
HISTORICAL COST		AMORTISATION			Historical cost	Amortisation	Net amount at 31/12/2015
Increases	Decreases		Increases	Decreases			
Purchases	Sales	Reversals	Pro-rata current portion	Sales			
			(35,880)		73,835	(73,835)	-
			(4)		9,259	(9,259)	-
67		(8)	(854)		9,512	(4,948)	4,564
		8			57	-	57
			(674)		3,373	(1,877)	1,496
<b>67</b>			<b>(37,412)</b>		<b>96,036</b>	<b>(89,919)</b>	<b>6,117</b>

Annex 6

MOVEMENTS DURING THE PERIOD					CLOSING POSITION		
HISTORICAL COST		ACCUMULATED DEPRECIATION			Historical cost	Accumulated depreciation	Net amount at 31/12/2015
Increases	Decreases	Increases	Decreases				
Purchases	Sales	Current portion	Sales				
105		(138)			618	(309)	309
90	(14)	(298)	11		3,064	(1,698)	1,366
<b>194</b>	<b>(14)</b>	<b>(436)</b>	<b>11</b>		<b>3,682</b>	<b>(2,007)</b>	<b>1,675</b>

## 4 Tables appended to the Notes to the Financial Statement

### Statement of changes in fixed investments

Amounts in €k

CARRYING AMOUNT AT 31/12/2014

Name	No. of shares/holdings	Value
UnipolSai Assicurazioni S.p.A.	1,442,901,829	4,527,684
UnipolSai Investimenti SGR S.p.A.		
Arca Vita S.p.A.	22,005,690	353,739
Compagnia Assicuratrice Linear S.p.A.	19,300,000	50,507
Linear Life S.p.A.	3,430,535	6,175
Unisalute S.p.A.	17,242,993	36,613
Unipol Banca S.p.A.	518,228,842	496,805
Ambra Property S.r.l.	1	48,495
Unipol Finance S.r.l.	1	432,800
UnipolSai Servizi Consortili S.c.a.r.l.		
<b>Total subsidiaries</b>	<b>2,023,109,891</b>	<b>5,952,817</b>
<b>TOTAL B.III.1)</b>	<b>2,023,109,891</b>	<b>5,952,817</b>

INCREASES IN THE YEAR				DECREASES IN THE YEAR				CARRYING AMOUNT AT 31/12/2015	
FOR PURCHASES/SUBSCRIPTIONS		OTHER		FOR SALES		OTHER		No. of shares/ holdings	Value
No. of shares/ holdings	Value	No. of shares/ holdings	Value	No. of shares/ holdings	Value	No. of shares/ holdings	Value		
10,971	25							1,442,912,800	4,527,708
1,995,930	10,710							1,995,930	10,710
								22,005,690	353,739
			20,000					19,300,000	70,507
							(2,598)	3,430,535	3,577
								17,242,993	36,613
							(31,163)	518,228,842	465,642
			20,000				(12,010)	1	56,485
								1	432,800
2,000	7							2,000	7
<b>2,008,901</b>	<b>10,742</b>		<b>40,000</b>				<b>(45,772)</b>	<b>2,025,118,792</b>	<b>5,957,788</b>
<b>2,008,901</b>	<b>10,742</b>		<b>40,000</b>				<b>(45,772)</b>	<b>2,025,118,792</b>	<b>5,957,788</b>

## 4 Tables appended to the Notes to the Financial Statement

Annex 8

### List of shares and securities included in current assets at 31/12/2015

Amounts in €k

ISIN Code	Security description	No. of shares/holdings at 31/12/2015	Carrying amount at 31/12/2015	Current value at 31/12/2015	Write-downs	Type
IT0004810054	Unipol Gruppo Finanziario	6,319,814	21,210	29,472		Treasury shares
	<b>Total treasury shares</b>	<b>6,319,814</b>	<b>21,210</b>	<b>29,472</b>		
unipwcs9215	Banca di Rimini	1				Unlisted Italian shares
EQUINOXA	Equinox Two S.C.A. A shares	20	15	31		Unlisted foreign shares
EQUINOX	Equinox Two S.C.A. R shares	2,697	3,720	4,172		Unlisted foreign shares
	<b>Total unlisted shares</b>	<b>2,718</b>	<b>3,735</b>	<b>4,203</b>		

ISIN Code	Security description	Nominal value at 31/12/2015 (in €)	Carrying amount at 31/12/2015	Current value at 31/12/2015	Write-downs	Type
XS0272309385	Banca Popolare di Verona e Novara 1,65% 15/11/2021 ex Cms	85,000,000	80,162	80,162	(417)	Other listed bonds
XS0555834984	Banco Popolare 6% 05/11/2020	2,000,000	1,997	2,087		Other listed bonds
XS1109765005	Intesa San Paolo 3,928% 15/09/2026	1,000,000	1,000	1,033		Other listed bonds
XS1069522057	Jefferies Grp 2,375% 20/05/2020	1,000,000	971	971	(20)	Other listed bonds
XS0459090931	LBG Capital Lloyds Float 12/03/20	12,000,000	11,061	11,994		Other listed bonds
IT0005038283	MPS 2,875% 16/07/2024	300,000	299	323		Other listed bonds
XS1072613380	Poste Vita 2,875% 30/05/2019 Sub	1,500,000	1,496	1,567		Other listed bonds
XS1201001572	Santander Issuan 2,5% 18/03/2025 Sub	1,000,000	950	950	(5)	Other listed bonds
XS1195574881	Società Generale 2,625% 27/02/2025 Sub	700,000	679	679	(3)	Other listed bonds
XS1314351344	Sumitg 2,251% 02/11/2020 USD	8,000,000	7,246	7,246	(102)	Other listed bonds
XS0527624059	Unicredit International Bank 9,375% 21/07/20-49	4,000,000	4,000	4,535		Other listed bonds
	<b>Total listed bonds</b>	<b>116,500,000</b>	<b>109,862</b>	<b>111,548</b>	<b>(547)</b>	
QS000212A0D3	Sns 6,25% 26/10/2020 Sub tmp	5,000,000	375	375		Other unlisted bonds
	<b>Total unlisted bonds</b>	<b>5,000,000</b>	<b>375</b>	<b>375</b>		
IT0005105132	Bot 14/04/2016 annuali	10,000,000	9,998	10,004		Listed government bonds
IT0005138208	Bot 14/10/2016 annuali	20,000,000	20,000	20,005		Listed government bonds
IT0005106049	Btp 0,25% 15/05/2018	20,000,000	19,932	20,057		Listed government bonds
IT0005105843	Btp Italia 0,5% 20/04/2023	20,000,000	20,000	20,397		Listed government bonds
IT0005105488	Cassa Depositi Prestiti 1,5% 09/04/2025	2,000,000	1,956	1,956	(42)	Listed government bonds
IT0004584204	Cct 01/03/2017	20,000,000	20,071	20,071	(47)	Listed government bonds
IT0005089955	Ctz 27/02/2017	80,000,000	79,912	79,994		Listed government bonds
IT0005044976	Ctz 30/08/2016	30,000,000	30,004	30,004	(22)	Listed government bonds
	<b>Total listed government bonds</b>	<b>202,000,000</b>	<b>201,873</b>	<b>202,488</b>	<b>(111)</b>	
<b>TOTAL SHARES AND SECURITIES INCLUDED IN CURRENT ASSETS</b>		<b>329,822,532</b>	<b>337,055</b>	<b>348,086</b>	<b>(658)</b>	

## Statement of temporary differences that involved the recognition of deferred tax assets and liabilities

Amounts in €k

DEFERRED TAX ASSETS	2014		INCREASES		DECREASES		2015	
	Taxable amount	Tax effect (*)	Taxable amount	Tax effect (*)	Taxable amount	Tax effect (*)	Taxable amount	Tax effect (*)
Unrealised losses relating to short-term investments	2,876	791	217	60	318	160	2,775	691
Excess amortisation/depreciation	985	271	236	65	971	267	250	69
Provisions for personnel expenses	24,088	6,624	8,708	2,395	25,560	7,219	7,236	1,800
Bad debt provision	117	32			104	29	13	3
Provision for future charges	498,167	136,996	100,461	27,627	46,320	27,261	552,308	137,362
Other changes	102	28	12,021	3,305	107	33	12,016	3,300
Realigned goodwill	1,447,406	231,585		115,792			1,447,406	347,377
<b>TOTAL</b>	<b>1,973,741</b>	<b>376,327</b>	<b>121,643</b>	<b>149,244</b>	<b>73,379</b>	<b>34,970</b>	<b>2,022,005</b>	<b>490,601</b>

DEFERRED TAX LIABILITIES	2014		INCREASES		DECREASES		2015	
	Taxable amount	Tax effect (*)	Taxable amount	Tax effect (*)	Taxable amount	Tax effect (*)	Taxable amount	Tax effect (*)
Dividends recognised for the year	18,812	5,173	14,812	4,073	(18,780)	(5,165)	14,844	4,081
<b>TOTAL</b>	<b>18,812</b>	<b>5,173</b>	<b>14,812</b>	<b>4,073</b>	<b>(18,780)</b>	<b>(5,165)</b>	<b>14,844</b>	<b>4,081</b>

(\*) IRES tax rate of 27,5% reduced to 24% for reversals after 31 December 2016.

## 4 Tables appended to the Notes to the Financial Statement

Annex 10

### Information on debt at 31 December 2015

Amounts in €k

	31/12/2015	31/12/2014
A Cash	10	8
B Other cash and cash equivalents	875,186	541,052
- of which subsidiaries	874,586	534,229
- of which others	600	6,823
C Securities held for trading	337,902	154,596
<b>D Cash and cash equivalents (A) + (B) + (C)</b>	<b>1,213,097</b>	<b>695,656</b>
<b>E Current financial receivables</b>	<b>150,000</b>	<b>20,000</b>
F Current bank payables		
G Current portion of non-current debt	(49,507)	(37,352)
H Other current financial payables	(268,300)	(268,300)
<b>I Current financial debt (F) + (G) + (H)</b>	<b>(317,808)</b>	<b>(305,652)</b>
<b>J Net current financial debt (I) - (E) - (D)</b>	<b>1,045,290</b>	<b>410,003</b>
K Non-current bank payables		
L Bonds issued	(1,615,999)	(897,699)
M Other non-current payables		
<b>N Non-current financial debt (K) + (L) + (M)</b>	<b>(1,615,999)</b>	<b>(897,699)</b>
<b>O Net financial debt (J) + (N)</b>	<b>(570,709)</b>	<b>(487,696)</b>





# 5

Statement on the  
Annual Report  
in accordance with Art. 81-ter  
of Consob Regulation





## Statement on the Annual Report



**STATEMENT ON THE FINANCIAL STATEMENTS  
IN ACCORDANCE WITH ART. 81-ter, CONSOB REGULATION NO. 11971  
OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS**

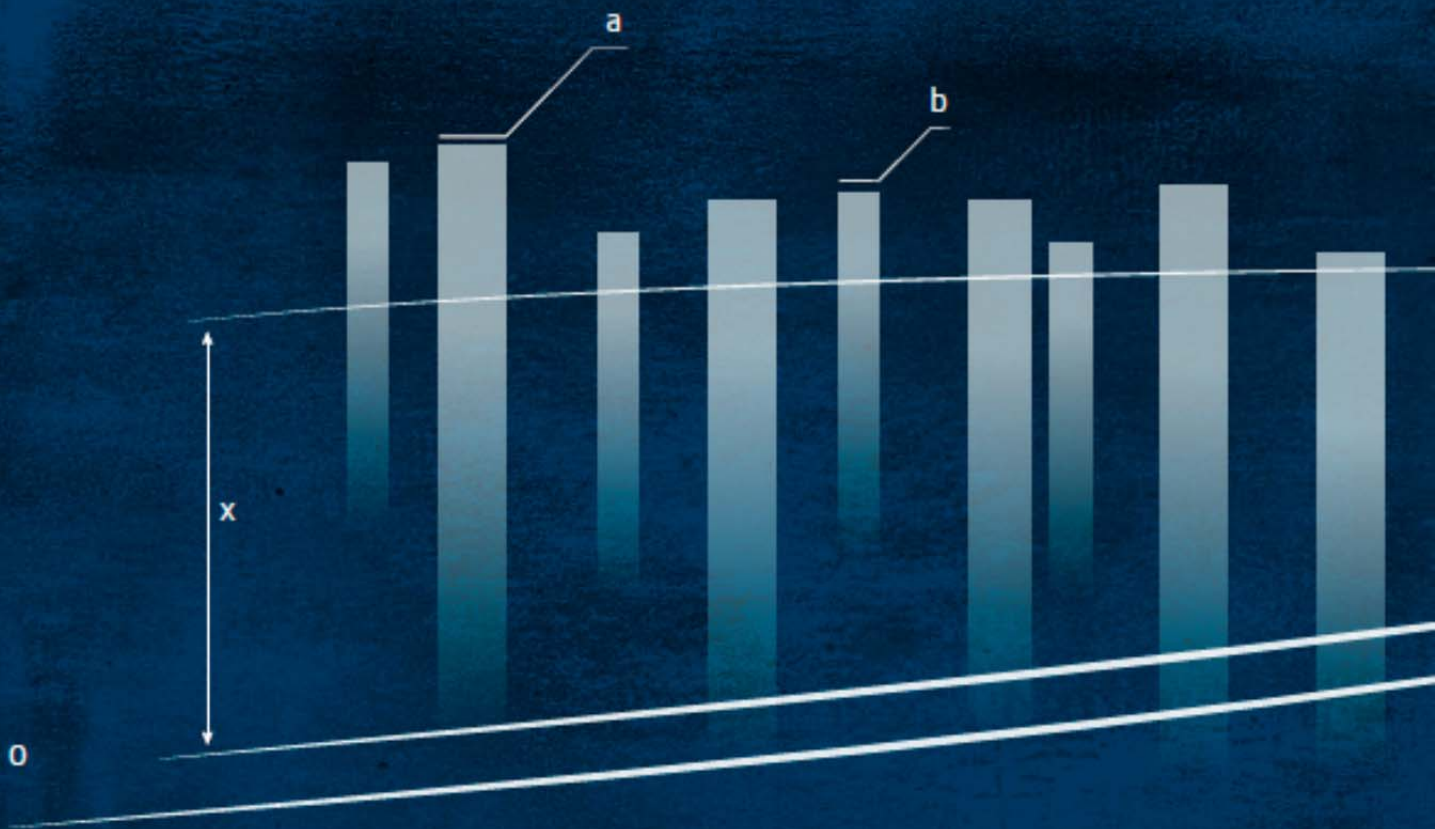
1. The undersigned, Carlo Cimbri, as Chief Executive Officer, and Maurizio Castellina, as Manager in charge of financial reporting of Unipol Gruppo Finanziario S.p.A., hereby certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:
  - the adequacy in relation to the characteristics of the company and
  - the effective application,of the administrative and accounting procedures for preparation of the financial statements for 2015.
2. The assessment of the adequacy of the administrative and accounting procedures for preparing the financial statements for the year ended 31 December 2015 is based on a process defined by Unipol Gruppo Finanziario S.p.A., inspired by the COSO Framework (Internal Control – Integrated Framework, issued by the COmmittee of Sponsoring Organisations of the Treadway Commission and, as regards the IT component, by the COBIT Framework (Control OBjectives for IT and related technology), unanimously recognised as the reference standards for the implementation and evaluation of internal control systems.
3. It is also certified that:
  - 3.1 The financial statements at 31 December 2015:
    - were prepared in compliance with provisions of the Civil Code and the national accounting principles approved by the OIC (Italian Accounting Standards Setter);
    - correspond to the book results and accounting records;
    - are suitable to provide a true and fair view of the equity, economic and financial situation of the issuer;
  - 3.2 the management report includes a reliable analysis of the performance and of the operating result, and of the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Bologna, 10 March 2016

The Chief Executive Officer  
*Carlo Cimbri*

The Manager in charge  
of financial reporting  
*Maurizio Castellina*

*(signed on the original)*



# 6

Board of Statutory  
Auditors' Report



## 6. Board of Statutory Auditors' Report

### Board of Statutory Auditors' Report of Unipol Gruppo Finanziario S.p.A. to the Shareholders' Meeting

pursuant to Art. 153-bis of Legislative Decree 58 of 24 February 1998 and Art. 2429, paragraph 2 of the Civil Code

Dear Shareholders,

in the year ending on 31 December 2015, we carried out the monitoring activity required by law, according to the principles of conduct of the Board of Statutory Auditors issued by Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants).

In particular, also in compliance with the guidelines provided by Consob by means of communication 1025564 of 6 April 2001, we report, pursuant to Art. 153, paragraph 1 of Legislative Decree 58 of 24 February 1998 (hereinafter also Legislative Decree 58/98 or "Consolidated Law on Finance") and Art. 2429, paragraph 2 of the Civil Code, the information shown below.

#### **I. Preliminary evidence regarding the legal provisions governing the preparation of the Financial Statements of Unipol Gruppo Finanziario S.p.A. at 31 December 2015.**

The Board of Statutory Auditors would first like to report to you that the Financial Statements for 2015 of Unipol Gruppo Finanziario S.p.A. ("UGF") - as the previous years' financial statements - were prepared in compliance with the provisions of the Civil Code and the national accounting standards approved by the OIC (Italian Accounting Standards Setter).

In fact, since UGF qualifies as an insurance holding company pursuant to Art. 1, paragraph 1, letter aa) of Legislative Decree 209 of 7 September 2005 (the Insurance Code) and, as such, is required to prepare the Consolidated Financial Statements in compliance with International Accounting Standards, but cannot apply these International Accounting Standards to the company's Separate Financial Statements (i.e. the Separate Financial Statements subject to your approval) in accordance with Art. 4 of Legislative Decree 38 of 28 February 2005, the Board of Statutory Auditors highlights that the measurement criteria used in preparing the Financial Statements for the year ended 31 December 2015 are the same as those used to draft the previous year's Financial Statements.

In addition the Board of Statutory Auditors highlights that UGF during the year recalculated the deferred tax assets and liabilities considering, on one hand, the reduction of the ordinary IRES rate from 27.5% to 24%, introduced by Law 208/2015 starting from the tax period 2017, and on the other hand, the greater degree of certainty with respect to the recoverability of the deferred taxes assets deriving from the altered tax consolidation scope, as well as the positive economic-financial projections developed for the coming years for the purpose of the impairment test. This assessment led to a net increase in deferred tax assets as a result of the realignment of rates with a total amount of €95,392k.

The measurement criteria were adopted on the basis of going concern assumptions, in application of the principles of accrual, materiality and significance of the accounting data.

No significant events occurred after year end that could affect the financial statements results.

#### **II. Details on the control activity performed by the Board of Statutory Auditors.**

In observance of the legal and regulatory provisions mentioned above, the Board of Statutory Auditors acknowledges the outcome of its checks below.

1. The Board of Statutory Auditors monitored observance of the law and the Articles of Association.
2. The Board of Statutory Auditors obtained information from the Directors on the activities carried out and on the transactions performed of the greatest economic, financial and equity significance and can reasonably assert that the actions resolved and implemented conform to the law and the By-Laws and do not appear to be manifestly imprudent, hazardous, or in contrast with the resolutions adopted by the Shareholders' Meeting, or



such to compromise the integrity of the company's assets. In addition, the transactions that involve a potential conflict of interest were resolved in compliance with the law and the codes of conduct adopted.

With reference to the above transactions the Board of Statutory Auditors would like to report the following to you.

## 2.1 Transactions of greatest economic, financial and equity significance performed by the Company in 2015.

Achieving the objectives of the Business Plan 2013 – 2015: the year 2015 was the last year covered in the Business Plan, which was drawn up after the acquisition of the Premafin/Fondiarria-SAI Group by the Unipol Group in 2012. The integration operation saw the Unipol Group highly committed to the activities of (i) corporate rationalisation; (ii) disposal of assets; (iii) convergence of the IT systems supporting the management processes; (iv) streamlining of the offices. The Unipol Group ends the three-years of the 2013-2015 Plan having achieved synergies in excess of those identified in the plan, achieved its business objectives, and considerably strengthened its financial position.

Transactions carried out on UGF's capital - finalisation of the mandatory conversion of preference shares into ordinary shares: in implementing the shareholders' meeting resolutions of 25 and 26 February 2015 and after the ex-dividend (22/06/2015) and payment (24/06/2015) dates related to the 2014 period, on 29 June 2015 all of the preference shares were converted into as many UGF ordinary shares, with the same characteristics as the ordinary shares that were outstanding. Following this conversion, the share capital of UGF, equal to €3,365,292,408.03, was divided into 717,473,508 ordinary shares, all with no nominal value.

Exchange offers targeting the holders of notes representing the 2017 Notes and 2021 Notes issued by UGF: on 9 March 2015 UGF announced the launch of two exchange offers, proposing the holders of the securities still outstanding and representing the above-mentioned non-convertible Unsecured Senior Notes, issued by UGF respectively on 11 December 2009 and on 5 March 2014, listed on the regulated market of the Luxembourg Stock Exchange (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 UGF for listing on the regulated market of the Luxembourg Stock Exchange. On 18 March 2015, the settlement date, UGF 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. The exchange offer described above and the related issue were carried out under the Euro Medium Term Notes (EMTN) Programme, with a total maximum nominal amount of €2bn, established in December 2009. The renewal of this programme fixed the new maturity, set for 6 March 2016.

Establishment by UGF of the tax regime for the group taxation of income (so called "tax consolidation") for the three year period of 2015-2017, in its capacity as consolidating company: starting from 2015 and for the three year period 2015-2017, a single tax consolidation was established with the consolidating UGF and all the companies belonging to the Unipol Group in their capacity as consolidated companies, thus discontinuing the tax consolidation pertaining to the holding company Finsoe S.p.A., which, at the conclusion of the conversion of the preference shares of UGF into ordinary shares, had reduced its shareholding in the ordinary share capital of UGF to under 50%, as well as the other two independent tax consolidations pertaining to UnipolSai Assicurazioni S.p.A. ("UnipolSai") and Arca Vita S.p.A.

### Extraordinary business merger and acquisition transactions:

- subscription, on 29 December 2015, of the deed of merger by incorporation of UnipolSai Real Estate S.r.l., Europa Tutela Giudiziaria S.p.A., Sai Holding Italia S.p.A., Systema Compagnia di Assicurazioni S.p.A. and UnipolSai Servizi Tecnologici S.p.A. into UnipolSai. The merger (i) pursuant to Art. 2505 of the Civil Code, did not result in a capital increase of the merging company for the swap transaction as the entire share capital of all the companies involved was already directly held by UnipolSai; (ii) was carried out at carrying amounts, resulting in an increase in shareholders' equity of the Merging Company of €14,078,279.76, corresponding to the merger surplus reserve, entirely allocated among the other reserves of the Non-Life business, of which €3,893,480.95 deriving from the incorporation of Europa Tutela Giudiziaria S.p.A. and €10,184,798.81 from the incorporation of Systema Compagnia di Assicurazioni S.p.A. The merger in question took effect for legal purposes from 31 December 2015, with accounting and tax effects from 1 January 2015;

## 6. Board of Statutory Auditors' Report

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- subscription, on 15 December, of the transfer of the business unit of Linear Life S.p.A. to UnipolSai, implementing the respective Shareholders' Meeting resolutions. The acquisition took effect on 31 December 2015;
- subscription, on 15 December, of the transfer of the business unit of Dialogo Assicurazioni S.p.A. to Compagnia Assicuratrice Linear S.p.A., implementing the respective Shareholders' Meeting resolutions. The acquisition took effect on 31 December.

### UnipolSai - Transactions carried out on capital:

- finalisation of the mandatory conversion of Class A preference shares and Class B savings shares into UnipolSai ordinary shares: in implementing the shareholders' meeting resolutions of 26 and 27 January 2015 and after the ex-dividend (22/06/2015) and payment (24/06/2015) dates related to the 2014 period, on 29 June 2015 all of the Class A Savings Shares and all of Class B savings shares outstanding were converted into ordinary shares, with the same characteristics as the ordinary shares outstanding. Following this conversion, the share capital of UnipolSai remained unchanged at €1,996,129,451.62, divided into 2,780,508,781 ordinary shares, all with no nominal value;
- mandatory conversion into ordinary shares of the convertible loan issued by UnipolSai: on 31 December 2015, the conversion, mandatory on maturity, of 1,343 bonds, for a nominal value of €134,300,000.00, representing the "Convertible Loan UnipolSai Assicurazioni 2014-2015 6.971%" took place, resulting in the issue of 49,194,135 new ordinary shares of the Company with the same characteristics as the ordinary shares outstanding. The Loan was subscribed as follows: (i) €134.3m by the lending banks that had approved the debt restructuring agreement of Premafin HP S.p.A., excluding GE Capital Interbanca S.p.A., which - due to the merger by incorporation of Premafin HP S.p.A., Unipol Assicurazioni S.p.A. and Milano Assicurazioni S.p.A. into Fondiaria-SAI S.p.A. (now UnipolSai), became lenders of UnipolSai; (ii) €67.5m by the parent UGF, which had carried out the conversion on 15 May 2014. Following this conversion, at 31 December 2015, the share capital of UnipolSai went from €1,996,129,451.62 to €2,031,445,960.02, divided into 2,829,702,916 ordinary shares, all with no nominal value.

UnipolSai - Issue of catastrophe bonds tied to the risk of Italian earthquakes: UnipolSai has successfully held the role of Sponsor for the issuance of catastrophe bonds tied to the risk of "Italian earthquakes". The bond protects the Company starting from claims in an amount above €500m until a maximum limit of €700m. For claims below €500m and above €700m, the traditional reinsurance coverage applies. This represents the first transaction that transfers the Italian earthquake risk to the capital market. Its launch has been successful, given the high impact of diversification that it involves and has gained participation from all of the main investors in the sector.

UnipolSai - Cancellation of the Measure dated 14 November 2012 of the Antitrust Authority: in relation to the Measure started by Antitrust Authority towards Unipol Assicurazioni S.p.A. and Fondiaria-SAI S.p.A. (now UnipolSai) as well as Assicurazioni Generali S.p.A. and INA Assitalia S.p.A., in the assumption of coordination between said insurance companies aimed at limiting the competition between said parties in participation in tenders called by certain Local Public Transport Companies regarding MV TPL insurance coverage services for vehicles that are used to provide said transportation service, UnipolSai, deeming that it acted in full compliance with legality and correctness, retained its lawyers for the protection of its rights. On 26 March 2015 the Antitrust Authority notified a penalty provision with which UnipolSai was ordered to pay an administrative penalty of €16.9m. At the end of the hearing of 2 December 2015, the Regional Administrative Court accepted the appeal filed by UnipolSai and entirely repealed the measure of the Antitrust Authority, indicating that it shares nearly all the substantial remarks raised by the Company.

"Porta Nuova" Real Estate Development Project: with reference to the investment in the real estate project to develop the area called "Porta Nuova" located in Milan, in the first quarter of 2015 all of the shares related to the real estate funds in which the Unipol Group had invested through associates and other subsidiaries subject to the Luxembourg law, were sold to Qatar Holding. Following the afore described sale, the Luxembourg-based seller companies used the first portion of the sales price to repay part of the loans received from the participants in the initiative. It is anticipated that the income generated from the sale will allow for the return of the total investment and, eventually, a capital gain, the quantification of which has not been determined to date pending the assessments and analyses on the possible risks associated with the guarantees issued by the purchaser. The outstanding receivables are expected in three further tranches, in October 2016, July 2023 and April 2025.

Agreements for the acquisition of the Una S.p.A. hotel business: subscription, in May 2015, by the subsidiaries Atahotels S.p.A. and UnipolSai Investimenti S.G.R. S.p.A. of agreements with Una S.p.A. regarding the acquisition, through two separate operations, of Una S.p.A.'s business unit for hotel management activities, and the relative portfolio of real estate held for hotel development. From the merger between Atahotels S.p.A. and Una S.p.A., a national leader in the Italian hotel sector will be created. These transactions will be executed, among other things, after obtaining approval by the competent authorities and after completing the Una S.p.A. debt restructuring procedures. Again with regard to the indirect subsidiary Atahotels S.p.A., note that, after the end of the year, in January 2016, the negotiations for the renewal of the lease agreement on some accommodation facilities owned by the Fondo Antirion Global-Comparto Hotel already owned by ENPAM, were terminated. The facilities will be cleared during the first quarter of 2016.

## 2.2 Significant events after the reporting period.

Merger by incorporation of Liguria Società di Assicurazioni S.p.A. and Liguria Vita S.p.A. into UnipolSai: following the granting of the prescribed authorisations by IVASS and the completion of the company merger procedure, on 25 January 2016 the deed of merger by incorporation of Liguria Società di Assicurazioni S.p.A. and Liguria Vita S.p.A. into UnipolSai was executed. The deed of merger took effect for legal purposes from 31 January 2016, with accounting and tax effects from 1 January 2016.

Alfaevolution Technology S.p.A. operational start-up: on 1 March 2016, the subsidiary AlfaEvolution Technology S.p.A., established on 28 December 2015, started operations relating to the management of the ITC services ("black boxes") connected to insurance policies, through which the Group intends to achieve the following strategic objectives: (i) providing analyses to support the calculation of tariffs and ensure greater effectiveness in the claims settlement processes for the MV TPL classes; (ii) monitoring changes in the technological standard of the devices, steering the selection of suppliers and models, with the concurrent improvement of cost efficiency; (iii) improving the quality of customer service. The Company will operate in the main sectors of insurance telematics (MV, Home, Health) to offer its services not only to UnipolSai but to all the Group's insurance companies.

3. The Board of Statutory Auditors acquired knowledge and monitored, for matters within its competence, on the adequacy of the Company's organisational structure, in compliance with the principles of proper administration and on the adequacy and promptness of the information requested by said entity as holding company, in order to fulfil the obligations set forth in Art. 114, paragraph 1 of Legislative Decree 58/98, by collecting information from managers and through meetings with the Independent Auditors, for the purposes of the mutual exchange of significant data and information. In this regard, there are no particular comments to make.
4. The Board of Statutory Auditors monitored the adequacy of the internal control system and the administrative-accounting system, and the latter's reliability in correctly representing operating events, through information collected from the managers of the respective departments, the examination of company documents, the analysis of the results of the work carried out by the Independent Auditors and the bodies and departments responsible for internal control.
5. Through direct verification of the activities carried out by the Audit, Compliance and Risk Management Departments and by the Manager in charge of financial reporting, and by taking part in all meetings of the Control and Risk Committee (with which joint meetings were held), the Board of Statutory Auditors examined the activities performed by the Control Functions in charge of verifying the adequacy, and obtained an evaluation of the actual functioning of the overall Internal Control System.  
Based on the checks carried out in fulfilment of the monitoring obligations imposed, the Board of Statutory Auditors expresses a positive judgement on the adequacy of the Internal Control System. The Board also believes that the field of operations of the Audit, Compliance and Risk Management Departments, and of the Manager in charge of financial reporting - also on the basis of the degree of adequacy of the employees and their professionalism - appears to be able to ensure significant coverage to guarantee the effectiveness and efficiency of the Internal Control System.
6. The Board of Statutory Auditors monitored the activities performed by UGF to comply with its role as Parent of the Unipol Banking Group. In particular it examined the operations of the Audit, Compliance and Risk

## 6. Board of Statutory Auditors' Report

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Management Departments. The Board of Statutory Auditors believes that the activities performed – at Banking Group level – by the three Control Functions are suitable to control the completeness, adequacy, functionality and reliability of the internal control risk and the Risk Appetite Framework (RAF).

7. As regards the Organisational and Management Model prepared in accordance with Legislative Decree 231/2001, the Board of Statutory Auditors examined the Report prepared by the Supervisory Body in relation to the work performed, and was informed that no presumed infringements of the Model occurred and that no particularly relevant situations were reported to the Board pursuant to Legislative Decree 231/2001. The Board was kept up to date on the alignment and standardisation activities of the company procedures and rules within the Unipol Group, which include also those relating to the implementation of the Model adopted by the Company and its subsidiaries.
8. Relations with Group companies and related party transactions.  
Whereas:
  - as an investment and services holding company and Parent of the Unipol Insurance Group (registration 046 in the Insurance Groups Register), UGF carries out management and coordination activities on its subsidiaries pursuant to Art. 2497 et seq. of the Civil Code;
  - on 1 August 2014, effective from 16 April 2014, UGF also became parent of the Unipol Banking Group (entered in the Register pursuant to Art. 64 of the Consolidated Law on Banking with code 20052);
  - Following the conversion of Unipol preference shares into ordinary shares, at 31 December 2015, Finsoe S.p.A. held an investment in Unipol equal to 31.40%, which is a controlling investment as defined in Art. 2359, paragraph 1.2 of the Civil Code, and exercises no management and coordination, either in technical or financial terms, over UGF;
  - in accordance with Art. 2497 et seq. of the Civil Code, no other shareholder of UGF carries out management and coordination activities;
  - UGF originally adopted the "Procedure for the performance of transactions with related parties" (the "Procedure"), prepared in accordance with Art. 4 of Consob Regulation 17221 of 12 March 2010 and subsequent amendments, last approved on 15 May 2014,

the Board of Statutory Auditors viewed the reasons that led to the extension, on a voluntary basis, of the application of the Procedure to the company Immobiliare Grande Distribuzione SIIQ S.p.A. ("IGD") by virtue of the master agreement in place between UGF, UnipolSai and IGD, in accordance with and for as long as the agreements between the Unipol Group and the same IGD were to produce their effects in relation to the respective investments in the share capital of UnipolSai Investimenti SGR S.p.A. The Board of Statutory Auditors took part in the meeting of the Committee for Transactions with Related Parties, called to express its motivated opinion on the mentioned amendments to the Procedure, verifying its compliance with Consob Regulation and thus expressing a favourable opinion.

No transactions "of major relevance" with related parties took place in 2015 and neither did any transactions that, according to Art. 2427, paragraph 2 of the Civil Code, had any significant effect on UGF's financial position and results of operations.

Moreover, the Board of Statutory Auditors verified that, since 2014, the Group has carried out the centralisation of most of the service contracts into UnipolSai, which provides services in the following areas:

- Governance (services supporting internal control, risk management and compliance);
- Anti-money laundering and Anti-terrorism;
- Finance;
- Communications and Media relation;
- Institutional Relations;
- Assessment of Investments;
- Human Resources and Organisation (external selection, training, development, remuneration policies and systems, personnel management, Trade Union relations and disputes, welfare of employees, safety, organisation, personnel administration);
- Claims Settlement;
- Insurance (distribution regulations and insurance processes, tariffs and auto portfolio management, reinsurance, marketing, economic contractual management of the network);
- Life (procedures, applications and regulatory, products, settlements and bancassurance);

- Legal (corporate affairs, group legal, anti-fraud, legal insurance advice, privacy, general legal and disputes, corporate legal, complaints and specialist assistance to customers, management of equity investments, institutional relations);
- IT services;
- Administrative (accounting, tax, administrative and financial statements services, insurance and economic management control, purchases and general services);
- Real estate (logistics, asset and investment management and banking portfolio).

Other services are provided in favour of Group companies and in particular to Unisalute S.p.A., SIAT Società Italiana Assicurazioni e Riassicurazioni S.p.A., Auto Presto & Bene S.p.A., Pronto Assistance Servizi S.c.r.l., UnipolRe Limited, UnipolSai Investimenti SGR S.p.A., Arca Vita S.p.A., Arca Inlinea S.c.r.l., Arca Sistemi S.c.r.l. and Unipol Banca S.p.A.

Fees are based mainly on external costs incurred, for example for products and services acquired from suppliers, and on the costs arising from the activities of the companies themselves, i.e. generated by their own staff, and taking account of (i) the performance objectives that provision of the service to the Company must achieve and (ii) the strategic investments to be implemented in order to ensure the agreed levels of service. The following elements are specifically taken into consideration: (i) personnel costs; (ii) operating costs (logistics, etc.); (iii) general costs (IT, consultancy, etc.).

The amounts for financing activities are calculated by applying a fee on managed volumes. Instead some services involve fixed prices.

Both the Parent UGF and the subsidiaries, including UnipolSai, Unipol Banca S.p.A., Arca Vita S.p.A. and Arca Assicurazioni S.p.A., second staff to the Group companies in order to optimise synergies within the Group.

Financial and commercial transactions between the banking companies and other companies in the Group were the usual types of transaction carried out by a complex group and related to services, deposit accounts or corporate financing and finance lease agreements. Agreements were also entered into for the sale and/or management of banking, financial and insurance products and services and for the provision of auxiliary banking services in general. The financial effects of these transactions were governed by the market terms applied to major customers.

As regards the identification of transactions with related parties, the Board highlights that UGF has resolved to establish a regime for the Group consolidated taxation (so-called tax consolidation) for the three year period 2015-2017, in its capacity as consolidating company, as highlighted above in the framework of transactions of greatest economic significance.

Reference is also made to the following transactions:

Agreement for the sale of part of the indemnified portfolio of Unipol Banca S.p.A.: in 2015 UGF allocated an additional amount of €100m to the provision for risks which, net of uses made in the same period for €25.8m, totalled €567m as at 31 December 2015. Commissions accrued in 2015 and due by Unipol Banca S.p.A. were €26.7m.

Acquisition by UGF of 51% of UnipolSai Investimenti SGR S.p.A.: on 17 June 2015, fulfilling the request by the Bank of Italy aimed at making the set-up of the Unipol Banking Group compliant with the new regulations applicable to banking groups pursuant to Circular 285 issued by the Bank of Italy on 17 December 2013, after obtaining the authorisations required by law, UnipolSai transferred UGF a share equal to 51% of the share capital of UnipolSai Investimenti SGR S.p.A.

Subscription, on 29 December 2015, of the deed of merger by incorporation of UnipolSai Real Estate S.r.l., Europa Tutela Giudiziaria S.p.A., Sai Holding Italia S.p.A., Systema Compagnia di Assicurazioni S.p.A. and UnipolSai Servizi Tecnologici S.p.A. into UnipolSai.

Subscription, on 15 December, of the transfer of the business unit of Linear Life S.p.A. to UnipolSai, implementing the respective Shareholders' Meeting resolutions. The acquisition took effect on 31 December 2015.

## 6. Board of Statutory Auditors' Report

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Subscription, on 15 December, of the transfer of the business unit of Dialogo Assicurazioni S.p.A. to Compagnia Assicuratrice Linear S.p.A., implementing the respective Shareholders' Meeting resolutions. The acquisition took effect on 31 December 2015.

Sale of the entire investment held by UnipolSai in Punta di Ferro S.r.l. to IGD.

Sale by UnipolSai to IGD of 20% of UnipolSai Investimenti SGR S.p.A.; subsequent termination by mutual agreement of the investment agreement between UGF, UnipolSai and IGD.

Purchase by UnipolSai of 11 properties from the Rho Fund, managed by Idea Fimit SGR, for €267m. Included among the properties are some buildings used as offices of the Group, contributed in 2009 by the former Fondiaria-SAI Group. The purpose of the transaction was to eliminate the high lease costs given the extended duration of the lease agreements and the corresponding commitments.

In relation to the entire scope of transactions with related parties, the Board of Statutory Auditors would like to inform you that it ascertained that said transactions were conducted in line with the objectives of rationalisation and cost-effectiveness. The Board of Statutory Auditors also verified that no atypical or unusual transactions were performed, which could raise doubts over the correctness or completeness of the information, conflict of interest, safeguarding of company assets and the protection of non-controlling shareholders. The Management Report and the Notes to the Financial Statements provide a breakdown by type and amount of assets, liabilities, costs and revenue relating to the aforementioned transactions with related parties entered into in 2015.

The Board also verified that no atypical and/or unusual transactions were performed between Group companies or with third parties.

9. The Board constantly held meetings with representatives of the Independent auditors, pursuant to Art. 150, paragraph 3 of Legislative Decree 58/98 and - in relation to the Financial Statements for the year ended 31 December 2015 - no significant data or information came to light which needs to be highlighted in this Report. The report of the Independent Auditors, PricewaterhouseCoopers S.p.A., to the Financial Statements for the year ended 31 December 2015, did not contain any remarks or information requests.
10. The Board of Statutory Auditors exchanged information with the Boards of Statutory Auditors of the subsidiaries, pursuant to Art. 151 of Legislative Decree 58/98, being informed about the checks that were carried out by the same while exercising their supervisory activities. No anomalous elements emerged that are worthy of mention in this Report.
11. Based on the provision contained in Art. 19, paragraph 1 of Legislative Decree 39 of 27 January 2010, the Board of Statutory Auditors certifies to you that it has monitored:
  - the independent audit of the consolidated accounts;
  - the independence of the Independent Auditors, in particular as regards the provision of non-auditing services.
12. The Board of Statutory Auditors examined the additional tasks assigned during 2015 to PricewaterhouseCoopers S.p.A. and companies within its network, whose fees are reported in more detail in the Notes to the Financial Statements, to which reference is made. In relation to the indications above and in consideration of the nature of the assignments, no evidence or situations emerged that are such to compromise the independence of the Independent Auditors.
13. The Board of Statutory Auditors verified that the Company adopted all measures necessary to ensure compliance with obligations deriving from personal data protection legislation (Legislative Decree 196/2003) so as to guarantee the protection and integrity of customer, employee and partner data and, in general, the data of all those with whom the Company comes into contact. The "Single Data Security Document" (DUSI) for 2015 is currently being updated. This document will describe the corporate policies adopted in terms of data security and confidentiality (IT, physical and organisational) and to ensure that personal information is stored in compliance with the provisions of the Privacy Code.
14. During 2015 the Board of Statutory Auditors gave the opinions and/or certifications required by law and/or by regulations and the internal procedures and in particular, in addition to the above mentioned:

- on 10 February 2015 the Board of Statutory Auditors expressed a positive judgement pursuant to Art. 2386, paragraph 1 of the Civil Code to co-opt the appointment of Ms. Maria Antonietta Pasquariello as Director of UGF;
  - on 19 March 2015 the Board of Statutory Auditors expressed a positive judgement on the proposal of the 2015 Audit Plan regarding the activities scheduled in 2015 by the Audit Department;
  - on 7 May 2015 the Board of Statutory Auditors expressed a positive judgement (i) pursuant to Art. 2386 paragraph 1 of the Civil Code to co-opt the appointment of Mr. Massimo Menna as Director of UGF as well as (ii) pursuant to Art. 2389 paragraph 3 of the Civil Code, on the determination of the fees due to the new members of the Remuneration Committee, the Committee for transactions with related parties and the Appointments and Corporate Governance Committee;
  - on 18 June 2015 the Board of Statutory Auditors, having verified the compliance of the provisions of Consob Regulation 17221 of 12 March 2010 and subsequent amendments, expressed its favourable opinion to the proposal to extend, on a voluntary basis, pursuant to Art. 4, paragraph 2, of the mentioned Consob Regulation, the application of the Procedure for the performance of transactions with related parties, adopted by UGF, to IGD, in accordance with and for as long as the agreements between the Unipol Group and the same IGD were to produce their effects in relation to the respective investments in the share capital of UnipolSai Investimenti SGR S.p.A.; in addition the Board of Statutory Auditors declared to share the fulfilment, with regard to UGF, of the main control condition, which is suitable to qualify the same UGF as Parent company of the Unipol Insurance Group;
  - on 6 August 2015 the Board of Statutory Auditors, to the extent of its responsibility, expressed its favourable opinion to the proposal of adoption (i) of the procedure for the performance of transactions with related subjects of the Unipol Banking Group and (ii) of the internal policy regarding controls on risk activities and the conflicts of interest towards the mentioned related subjects, in compliance with the provisions of Bank of Italy Circular 263/2006 and subsequent updates;
  - on 17 December 2015 the Board of Statutory Auditors expressed its favourable opinion on the fulfilment by UGF of the Bank of Italy Provisions of 23 October 2009, also in the part where these require the Board of Directors to carry out and inform the Supervisory Authority about its judgements on the consistency of the strategies and policies of the Unipol Group in the collective asset management sector.
15. In 2015, the Independent Auditors, PricewaterhouseCoopers S.p.A., did not issue any judgements.
16. The Board of Statutory Auditors received a complaint from a shareholder in 2015 in accordance with Art. 2408 of the Civil Code.  
 On 12 June 2015 the Shareholder Michele Gulino, holding 10 UGF ordinary shares and 10 UnipolSai ordinary shares, sent a complaint to the Board of Statutory Auditors in accordance with Art. 2408 of the Civil Code, and to other bodies of UGF and UnipolSai, in addition to Consob, among others, for information purposes and to the extent of its responsibility.  
 The complaint essentially focused on a labour law issue raised by the Shareholder, an employee of UnipolSai, who, on the matter, complained about an allegedly *"improper use of the company resources to pursue goals outside the company objectives"*.  
 Against the complaint, the Board of Statutory Auditors acquired the necessary information regarding the disciplinary procedure, which led to Michele Gulino's lawful dismissal, receiving also information regarding the further developments of the case and, in particular, the outcome of the appeal sentence, with which the Court of Appeal of Milan fully confirmed the lawfulness of the company's conduct. The continuation of the procedure with the Supreme Court is awaited.  
 The above being stated, the Board of Statutory Auditors declares to currently deem the claim filed by the Shareholder Michele Gulino groundless pursuant to Art. 2408 of the Civil Code.
17. The Board of Statutory Auditors did not receive any statements from third parties.
18. The Board of Statutory Auditors checked observance of the legal provisions as regards the process of preparing the Financial Statements and the contents of the Management Report, which we believe to be exhaustive. In that regard, we report to you that, on the basis of the provisions of Art. 14 of Legislative Decree 39 of 27 January 2010, the judgement of consistency of the Management Report with the Separate Financial Statements is the responsibility of the Independent Auditors.  
 In this respect, we inform you that the Report of the Independent Auditors issued on the Financial Statements for the year ended 31 December 2015 did not highlight any comments on the aspects outlined above.

## 6. Board of Statutory Auditors' Report

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19. The Board of Statutory Auditors gave its consent to the recognition of Intangible Assets under the Assets account of the Statement of Financial Position for a total amount of €6,117k, referring mainly to software user licences and accessory costs for related customisation. The item shows a decrease of €37,345k compared to the balance of the previous year, due in particular to the full depreciation of the costs incurred for the 2012 capital increase, whose residual amount at 31 December 2014, included under start-up and expansion cost, amounted to €35,880k.
20. The Board of Statutory Auditors informs you that the Company complies with the Code of Conduct issued by Borsa Italiana S.p.A. and drew up the "Annual report on corporate governance and ownership structures". The Board assessed - for matters within its competence - the content of said Report and has no observations to make.
- In this respect the Board of Statutory Auditors must point out that the new wording of Art. 123-bis of Legislative Decree 58/98 (introduced by the provisions contained in Legislative Decree 173 of 3 November 2008) requires the Independent Auditors to express their judgement on the consistency of some information in the "Report on corporate governance and ownership structures" with the Financial Statements. This information, relating to corporate governance, ownership and the risk management and internal control system, may be included in the Management Report or be the subject of a separate report to be published at the same time. In this regard, UGF decided to record this information in the "Annual report on corporate governance and ownership structures", which was approved by the Board of Directors on 10 March 2016. The Board highlights that the Independent Auditors' Report contained no findings on the matter mentioned above.
21. The Board outlines that your company's Board of Directors assessed the independence of non-executive directors, in compliance with the provisions established in Art. 3 of the Code of Conduct for listed companies, and in accordance with Art. 147-ter, paragraph 4 of Legislative Decree 58/98. Moreover, the Board of Directors - pursuant to Art. 144-novies of the Issuer's Regulation - checked, as regards members of the Board of Statutory Auditors, that the independence requirements set out in Art. 148, paragraph 3 of the Consolidated Law on Finance were met. As part of the tasks assigned to it, the Board of Statutory Auditors verified the correct application of the audit criteria and procedures adopted. It also verified the persistence of the characteristics of independence of the members of the same Board, pursuant to Art. 8 of the Code of Conduct.
22. Obligation to draft the Consolidated financial statements and report of the control body.
- The Board of Statutory Auditors found that UGF, investment and services holding company, the Parent of the Unipol Insurance Group is required to draft the Consolidated financial statements. The Board informs you that it verified fulfilment of the obligation to draft the consolidated financial statements, with approval at the meeting of the Board of Directors on 10 March 2016.
- UGF's Consolidated financial statements were drawn up in accordance with Art. 154-ter of Legislative Decree 58/1998 (Consolidated Law on Finance) and of ISVAP Regulation 7 of 13 July 2007, as amended. They conform to the IFRS issued by the IASB and endorsed by the European Union, along with the interpretations issued by IFRIC, in accordance with the provisions of EC Regulation 1606/2002 in force on the date the financial statements closed.
- The consolidated financial statements are made up of:
- statement of financial position;
  - income statement and comprehensive income statement;
  - statement of changes in shareholders' equity;
  - statement of cash flows;
  - notes to the financial statements;
  - tables appended to the notes to the financial statements.
- The layout conforms to the provisions of ISVAP Regulation 7 of 13 July 2007, Part III as amended, relating to the layout of the Consolidated Financial Statements of insurance and reinsurance companies that must adopt IFRS. As regards the consolidation scope, the Board of Statutory Auditors reports the following to you.
- The Unipol Group's consolidated financial statements at 31 December 2015 have been drawn up by combining the figures of the Parent UGF and those for the 64 direct and indirect subsidiaries (IFRS 10). Subsidiaries deemed to be too small to be of relevance are excluded from the consolidated financial statements.
- Changes in the consolidation scope:
- on 8 January 2015, following the conclusion of the liquidation procedure, the subsidiary Atavalue S.r.l. in liquidation was cancelled from the Register of Companies
  - on 15 January 2015, following the conclusion of the liquidation procedure, the associate Soaimpianti S.r.l. in liquidation was cancelled from the Register of Companies;



- on 10 February 2015, following the conclusion of the liquidation procedure, the associate Omega 2004 S.p.A. in liquidation was cancelled from the Register of Companies;
- on 18 June 2015, following the conclusion of the liquidation procedure, the subsidiary Saint George Capital Management S.A. in liquidation was cancelled from the Register of Companies;
- on 30 June 2015, Unipol Banca sold the entire investment (100%) held in its subsidiary Nettuno Fiduciaria S.r.l. to Koros S.r.l., at the price of €0.2m.
- on 20 July 2015 the merger by incorporation of the company Assicoop Siena S.p.A. into the company Assicoop Firenze S.p.A. took effect; at that time Assicoop Firenze S.p.A. changed its name into Assicoop Toscana S.p.A. Following the merger, UnipolSai Finance S.p.A. holds 46.77% of Assicoop Toscana S.p.A. shares;
- on 10 September 2015 and 21 December 2015 UnipolSai sold a total of 420,980 shares of the associate Consulenza Aziendale per l'Informatica SCAI S.p.A. to the company itself, for a total consideration of €1.3m. Therefore the investment dropped from 30.07% to 9.02%. The third and last tranche will be sold by 30 April 2016 for a total consideration of €541k;
- on 19 November 2015 the entire investment of 40% held by UnipolSai Real Estate S.r.l. in Sviluppo Centro Est S.r.l. in liquidation was sold for a consideration of €4k;
- on 12 December 2015, the associate CampusCertosa S.r.l. in liquidation held by Unipol Banca S.p.A. was cancelled from the Register of Companies;
- on 16 December 2015, Unipol Banca sold the entire investment (100%) held in its subsidiary Punta di Ferro S.r.l. to IGD, at the price of €129.4m.
- on 28 December 2015, the company Alfaevolution Technology S.p.A. (held 100% by UnipolSai) was established, with registered office in Bologna, Via Stalingrado no. 37, and share capital of €5m. The company's purpose is the management of ITC services related to insurance policies;
- on 28 December 2015 the company Sim Etoile Sas in liquidation, with registered office in Paris, fully owned by UnipolSai, was cancelled from the Register of Commerce;
- on 28 December 2015 the company Sailux SA en liquidation, fully owned by UnipolSai, was cancelled from the Register of Commerce and Companies of Luxembourg;
- on 29 December 2015 the company Sofigea Finanziaria per Gestioni Assicurate S.r.l. was cancelled from the Register of Companies;
- on 31 December 2015 the merger by incorporation into UnipolSai of the subsidiaries Europa Tutela Giudiziaria S.p.A., Sai Holding Italia S.p.A., Systema Compagnia di Assicurazioni S.p.A., UnipolSai Real Estate S.r.l. and UnipolSai Servizi Tecnologici S.p.A. took effect. The accounting and tax effects of the transaction started on 1 January 2015.

As regards the control body's obligation to issue the report on the Consolidated Financial Statements, we would like to report that, in accordance with Art. 14 of Legislative Decree 39 of 27 January 2010 and Art. 41 of Legislative Decree 127 of 9 April 1991, the Report on the Consolidated Financial Statements must be drafted by the Independent Auditors, including therein the judgement on the consistency of the Management Report with the Consolidated Financial Statements.

In light of the above, the Board of Statutory Auditors points out that the aforementioned tasks are the responsibility of the Independent Auditors PricewaterhouseCoopers S.p.A. The Board of Statutory Auditors - in performing its monitoring of the audit - verified the work plan of the Independent Auditors in relation to the Consolidated Financial Statements and exchanged information with the latter regarding the outcomes of the work performed; it did not register any anomalies worthy of mention in this Report. The Report issued by PricewaterhouseCoopers S.p.A. on the Consolidated Financial Statements for the year ended 31 December 2015 does not contain any remarks or information requests.

The supervisory activity of this Board of Statutory Auditors was carried out through 24 meetings and through participation in all 9 meetings of the Board of Directors.

During the course of the supervisory activity performed and based on the information obtained from the Independent Auditors, no omissions and/or censurable events and/or irregularities were recorded or, in any case, any significant events as such that needed to be reported to the control bodies, or mentioned in this report on the Financial Statements for the year ended 31 December 2015.

In light of the foregoing, the Board of Statutory Auditors deems that the Financial Statements for the year ended 31 December 2015, as presented to you by the Board of Directors, may be approved, and expresses a favourable

## 6. Board of Statutory Auditors' Report

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judgment on the proposal presented by said Board of Directors regarding the allocation of profit for the year totalling €165,500,179.17, in compliance with Art. 19 of the By-Laws, in the following manners:

- to the Legal Reserve € 16,550,017.92;
- to the Extraordinary Reserve €20,942,496.33;
- the remaining profit, i.e. 77.35% of the total, as dividend for the 711,153,694 ordinary shares outstanding, totalling €128,007,664.92;

to approve, therefore, by allocating profit for the year as stated above, the distribution of a unit dividend of €0.18 for every ordinary share for a total of €128,007,664.92.

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Finally, we would like to remind you that the mandate of the Board of Statutory Auditors currently in office will expire at the next ordinary shareholders' meeting, after the three-year period.

Bologna, 5 April 2016

*Board of Statutory Auditors*

*Signed by Roberto Chiusoli*



# 7

## Independent Auditors' Report





## 7. Independent Auditors' Report



### **INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE 39 OF 27 JANUARY 2010**

To the Shareholders of  
Unipol Gruppo Finanziario SpA

### **REPORT ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015**

We have audited the accompanying financial statements of Unipol Gruppo Finanziario SpA, which comprise the balance sheet as at 31 december 2015, the income statement for the year then ended and related notes.

#### *Directors' responsibility for the financial statements*

The directors of Unipol Gruppo Finanziario SpA are responsible for the preparation of financial statements that give a true and fair view in compliance with the Italian laws governing the criteria for their preparation.

#### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree No. 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **PricewaterhouseCoopers SpA**

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhler 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Foscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel. 0458263001

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*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Unipol Gruppo Finanziario SpA, as at 31 december 2015 and of the result of its operations for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

**REPORT ON COMPLIANCE WITH OTHER LAWS AND REGULATIONS**

*Opinion on the consistency with the financial statements of the management report and of certain information set out in the report on corporate governance and ownership structure*

We have performed the procedures required under auditing standard (SA Italia) 720B in order to express an opinion, as required by law, on the consistency of the management report and of the information set out in the report on corporate governance and ownership structure, available in Unipol Gruppo Finanziario SpA web-site section "Corporate Governance", referred to in article 123-bis, paragraph 4, of Legislative Decree 58/1998, which are the responsibility of the directors of Unipol Gruppo Finanziario SpA, with the financial statements of Unipol Gruppo Finanziario SpA as at 31 december 2015. In our opinion, the management report and the information in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Unipol Gruppo Finanziario SpA as at 31 december 2015.

Milan, 5 April 2016

PricewaterhouseCoopers SpA

Signed by

Angelo Giudici  
(Partner)

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





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

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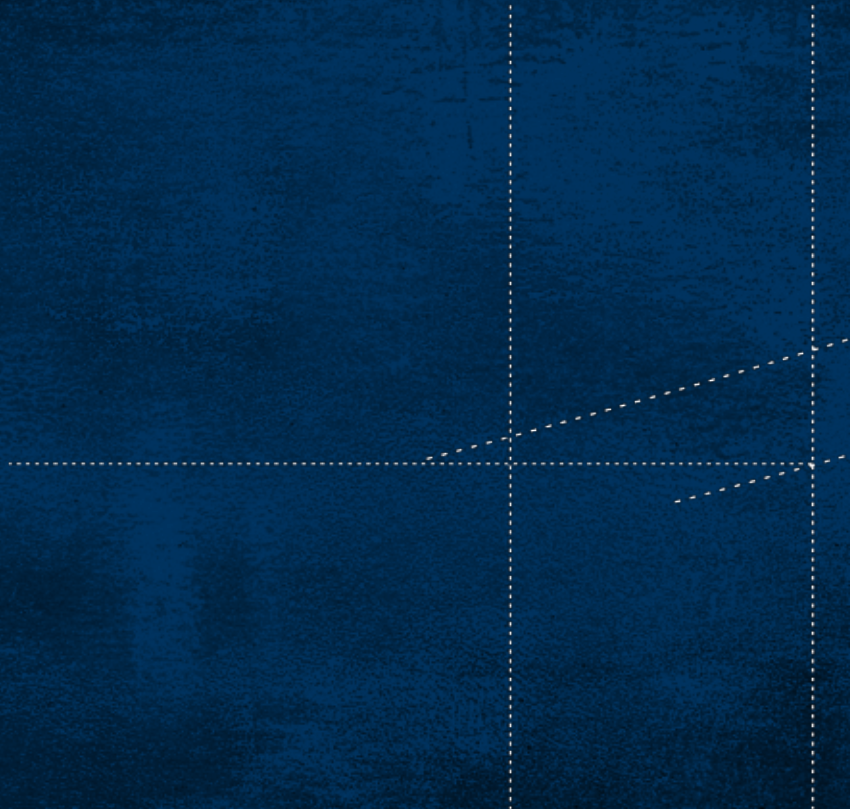
Share capital  
€3,365,292,408.03 fully paid-up  
Bologna Register of Companies  
Tax and VAT No. 00284160371  
R.E.A. No. 160304

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

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

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