



Unipol Gruppo Finanziario
**Consolidated Interim
Financial Report**
at 31 March 2016

Unipol
GRUPPO

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Contents

Company bodies	4
Interim financial report	5
Preamble	7
Group highlights	8
Management Report	9
Insurance Sector	9
Banking Sector	12
Real estate Sector	12
Holding and other Businesses Sector	13
Asset and financial management	14
Shareholders' equity	16
Technical provisions and financial liabilities	16
Business outlook	17
Consolidated Financial Statements	19
Statement of Financial Position	21
Income Statement	23
Condensed Consolidated operating Income Statement broken down by business segment	24
Statement of financial position by business segment	26
Statement of the Manager in charge of financial reporting (pursuant to Art. 154-bis of Legislative Decree 58/1998)	29

Company bodies

	HONORARY CHAIRMAN	Enea Mazzoli	
BOARD OF DIRECTORS	CHAIRMAN	Pierluigi Stefanini	
	VICE CHAIRMAN	Maria Antonietta Pasquariello	
	CHIEF EXECUTIVE OFFICER GENERAL MANAGER GROUP CEO	Carlo Cimbri	
	DIRECTORS	Gianmaria Balducci Francesco Berardini Silvia Elisabetta Candini Paolo Cattabiani Ernesto Dalle Rive Patrizia De Luise Anna Maria Ferraboli Daniele Ferrè Giuseppina Gualtieri Claudio Levorato	Pier Luigi Morara Antonietta Mundo Milo Pacchioni Sandro Alfredo Pierri Annamaria Trovò Adriano Turrini Rossana Zambelli Carlo Zini Mario Zucchelli
	SECRETARY OF THE BOARD OF DIRECTORS	Roberto Giay	
BOARD OF STATUTORY AUDITORS	CHAIRMAN	Mario Civetta	
	STATUTORY AUDITORS	Silvia Bocci Roberto Chiusoli	
	ALTERNATE AUDITORS	Massimo Gatto Chiara Ragazzi	
MANAGER IN CHARGE OF FINANCIAL REPORTING		Maurizio Castellina	
INDEPENDENT AUDITORS		PricewaterhouseCoopers SpA	

Board of Directors and Board of Statutory Auditors appointed by the Shareholders' Meeting on 28 April 2016

Interim financial report

Preamble

Legislative Decree No. 25 of 15 February 2016, effective from 18 March 2016, has implemented the new Transparency Directive 2013/50/EU (below also "Transparency Directive"), eliminating the obligation to publish Interim Financial Reports set by Art. 154-ter of Legislative Decree 58/1998.

The decree has however given CONSOB the right to require, in its regulations, the publication of additional regular financial information, after the publication of a special impact analysis to examine whether the conditions set by the Transparency Directive have been met.

On 14 April 2016, CONSOB started a preliminary consultation aimed at acquiring the elements needed to verify whether the conditions set by the regulators for the purposes of the exercise of the delegated powers had been met and therefore preliminary to the execution of a full impact analysis. The deadline to send in comments to the consultation was set to 30 May 2016. Therefore any exercise of said regulatory rights by CONSOB will not take place in time to regulate the reports on the first quarter of 2016, even if it may take place later, substantially changing the regulatory framework for the regular financial reports.

In this context, the Unipol Group has decided to temporarily continue to publish its quarterly report, on a voluntary basis, just to ensure continuity with what was done in previous years, while waiting for the reference framework to be specified by CONSOB in its regulations.

Consolidated Interim Financial Report

Group highlights

	Amounts in €m	31/3/2016	31/3/2015	31/12/2015
Non-Life direct insurance premiums		1,958	1,972	7,883
<i>% variation</i>		(0.7)	(13.8)	(12.1)
Life direct insurance premiums		2,826	2,550	8,593
<i>% variation</i>		10.8	3.1	(3.6)
of which Life investment products		492	195	951
<i>% variation</i>		153.0	386.2	573.1
Direct insurance premiums		4,784	4,522	16,476
<i>% variation</i>		5.8	(5.0)	(7.9)
Banking business - direct customer deposits		9,925	10,453	10,015
<i>% variation</i>		(0.9)	2.0	(2.3)
Consolidated profit (loss)		151	312	579
<i>% variation</i>		(51.7)	135.9	14.6
Investments and cash and cash equivalents		83,966	84,896	81,840
<i>% variation</i>		2.6	6.1	2.3
Technical provisions		64,263	64,763	63,150
<i>% variation</i>		1.8	4.6	2.0
Financial liabilities		15,987	15,736	15,571
<i>% variation</i>		2.7	1.8	0.7
Shareholders' Equity attributable to the owners of the Parent		5,581	6,070	5,524
<i>% variation</i>		1.0	6.6	(2.9)
Solvency II ratio		1.43	n.a.	1.50

Alternative performance indicators¹

Indicatori alternativi di performance	classes	31/3/2016	31/3/2015	31/12/2015
Loss ratio - direct business (including OTI ratio)	non-life	68.6%	69.4%	65.6%
Expense ratio (on written premiums) - direct business	non-life	25.8%	26.2%	27.9%
Combined ratio - direct business (including OTI ratio)	non-life	94.3%	95.6%	93.5%
Loss ratio - net of reinsurance	non-life	70.1%	71.0%	66.6%
Expense ratio (on premiums earned) - net of reinsurance	non-life	25.3%	25.6%	27.3%
Combined ratio - net of reinsurance (*)	non-life	95.4%	96.6%	93.9%
Group pro-rata APE (amounts in €m)	life	156	142	473

(*) with expense ratio calculated on premiums earned

¹ These indicators are not defined by accounting rules; rather, they are calculated based on economic-financial procedures used in the sector.

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

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

Expense ratio: percentage indicator of the ratio of total operating expenses to premiums written as far as direct business is concerned, and the premiums as far as retained business, net of reinsurance, is concerned

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

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

Management Report

The first quarter of 2016 was characterised by strong tensions on the financial markets, interest rate still very low and strong competition in the Non-Life insurance business.

Within this context, the management of the Group continued to ensure a solid financial position. The Group recorded a profit, although lower than in the first quarter of 2015 when its financial management had benefited from significant securities sales, which were not repeated this year.

Among the changes occurred in the consolidation scope, we note that the interest in the subsidiary UnipolSai went from 61.18% at 31 December 2015 to 63.88% on 31 March 2016, as a result of purchases for No. 75m of shares of the Company, carried out in the period in question by the subsidiaries Unipol Finance and Unipol Investment (former Linear Life), for a total consideration of €142m.

We note also that the merger by incorporation of Liguria Assicurazioni and Liguria Vita in UnipolSai Assicurazioni became effective on 31 January 2016, with accounting and tax effects from 1 January 2016.

The Unipol Group ended the first quarter of 2016 with a **consolidated profit equal to €151m**, down with respect to the €312m recorded at 31/3/2015 (-51.7%), a figure that included significant capital gains (€439m, against €120m at 31 March 2016, before tax).

The **Solvency index** of the Group, calculated according to **Solvency II**, at 31 March 2016, sees a ratio of own funds to capital requirements equal to **1.43 times**, with respect to the figures of 1.50 times reported at 31/12/2015. The decrease is mainly the result of the financial market trends observed in this first part of the year.

For the Unipol Banking Group, **CET 1** was equal to **15.9%** (18.6% at 31/12/2015). The decrease reflects the different effect of the transitional regime to be applied for 2016 with respect to the previous one.

Insurance Sector

The insurance sector contributed to the **net profit** for €167m (€339m at 31/3/2015), of which:

- €92m for the Non-Life segment (€243m at 31/3/2015);
- €75m for the Life segment (€96m at 31/3/2015).

Investments and cash and cash equivalents were €72,554m at 31 March 2016 (€70,295m at 31/12/2015), of which €18,509m in the Non-Life segment (€18,403m at 31/12/2015) and €54,045m in the Life segment (€51,892m at 31/12/2015).

Financial liabilities were €5,333m (€4,884m at 31/12/2015), of which €1,609m in the Non-Life segment (€1,543m at 31/12/2015) and €3,724m in the Life segment (€3,341m at 31/12/2015). The increase in the Life segment is mainly due to financial liabilities related to contracts issued by insurance companies where the investment risk was borne by the policyholders (€2,781m at 31 March 2016 against €2,392m at 31/12/2015).

Total premiums (direct and indirect premiums and investment products) at 31 March 2016 were €4,801m (€4,527m at 31/3/2015, +6%). Non-Life premiums were €1,974m (€1,977m at 31/3/2015, -0.1%) and Life premiums were €2,826m (€2,550m at 31/3/2015, +10.8%).

Consolidated Interim Financial Report

Direct premium income

	<i>Amounts in €m</i>				
	31/3/2016	% comp.	31/3/2015	% comp.	% var.
Non-Life direct premiums	1,958	40.9	1,972	43.6	(0.7)
Life direct premiums	2,826	59.1	2,550	56.4	10.8
Total direct premium income	4,784	100.0	4,522	100.0	5.8

Indirect business

	<i>Amounts in €m</i>				
	31/3/2016	% comp.	31/3/2015	% comp.	% var.
Non-Life premiums	16	98.8	4	94.0	253.9
Life premiums		1.2		6.0	(32.2)
Total indirect premiums	16	100.0	5	100.0	236.7

Non Life business

In the Non-Life segment, premiums recorded a slight decrease in the first three months of 2016 due to the continuing competitive pressure on tariffs resulting, especially in the motor vehicle TPL business where the Group is *market leader*, in lower average premiums. The initiatives aimed to the relaunch of production are determining a recovery of the contract portfolio.

Direct premiums for the Non-Life segment at 31 March 2016 were €1,958m (€1,972m at 31/3/2015, -0.7%), with the following breakdown by main classes:

Non-Life business direct premium income

	<i>Amounts in €m</i>				
	31/3/2016	% comp.	31/3/2015	% comp.	% var.
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)	914		949		(3.7)
Land Vehicle Hulls (class 3)	158		156		1.2
Total premiums - Motor vehicles	1,072	54.7	1,105	56.0	(3.0)
Accident and Health (classes 1 and 2)	337		331		1.7
Fire and Other damage to property (classes 8 and 9)	267		250		6.6
General TPL (class 13)	157		162		(2.7)
Other classes	126		125		0.9
Total premiums - Non-Motor vehicles	887	45.3	868	44.0	2.2
Total Non-Life direct premiums	1,958	100.0	1,972	100.0	(0.7)

In the **motor vehicle TPL business**, premiums were €914m, down by 3.7% on the first quarter of 2015. There was a slight recovery in the Land Vehicle Hulls business with premiums equal to €158m, +1.2%. The **Non-MV segment**, where special sales initiatives are in the pipeline, performed better: premiums were equal to €887m with an increase of 2.2%.

With regard to **Non-Life claims**, in the MV TPL class, technical indicators remained positive in terms of frequency and claim cost control, but margins were affected by the ongoing significant decrease in average premiums produced by market conditions. Non-MV classes recorded positive performance for some classes, in the absence of substantial damages due to weather events.

At 31 March 2016 the loss ratio for the direct business (including the balance of other technical items) was equal to 68.6% against 69.4% recorded at 31/3/2015.

The direct business **expense ratio** was slightly down with respect to the same period of the previous year, 25.8% against 26.2%, as a result of initiatives aimed at increasing the efficiency of the operations and containing discretionary costs.

Overall, in the first quarter of 2016, the Group's **combined ratio** (direct business) stood at 94.3% against 95.6% at 31/3/2015.

Non-Life premiums of the main Group insurance companies

Non-Life direct premiums of the **UnipolSai Group** were equal to €1,779m (€1,801m at 31/3/2015, -1.2%). Specifically, direct premiums attributable to **UnipolSai** alone, the Group's main company, were equal to €1,713m (-1.3% at 31/3/2015). These figures include the premiums of Liguria Assicurazioni and the companies merged on 31/12/2015, with accounting and tax effects 1/1/2015, Systema and Europa Tutela Giudiziaria). Of these premiums, €1,021m were in the MV classes (-2.5%) and €692m in the Non-MV classes (+0.6%).

The company **SIAT**, focused on the Sea Vehicles class, recorded direct premiums equal to €32m (+29.6%), benefiting not only from new business, but also from some temporary mismatches in the issuing of important insurance policies.

Direct premiums of **Unisalute**, where premiums were €119m, were up by 7.7%, while the other main companies of the Group, operating especially in the MV business, such as Linear and Arca Assicurazioni, recorded decreases, as a result of competition in the auto sector. **Arca Assicurazioni** recorded direct premiums for €23m (-1.6%, of which -11.2% in the MV classes and +5.1% in the other classes), while **Linear** recorded direct premiums for €37m (€42m at 31/3/2015 including the premiums of Dialogo Assicurazioni, the insurance business of which was merged on 31/12/2015, with accounting and tax effects from 1/1/2015, -13.5%).

Life business

In the Life segment the favourable trend in premiums was confirmed in the first three months of 2016, in a market context characterised by very low or even negative short-term interest rates, which increases the appeal of traditional insurance products with returns linked to separately managed accounts. At 31 March 2016 premiums were up with respect to the first quarter of the previous year especially in the bancassurance business.

Total **Life direct premiums** were €2,826m (€2,550m at 31/3/2015, +10.8%), with the following breakdown:

Life business direct premium income

<i>Amounts in €m</i>	31/3/2016	% comp.	31/3/2015	% comp.	% var.
Total premium income					
I - Whole and term Life insurance	2,108	74.6	1,522	59.7	38.5
III - Unit-linked/index-linked policies	490	17.3	647	25.4	(24.2)
IV - Health		0.0		0.0	22.3
V - Capitalisation insurance	91	3.2	253	9.9	(63.8)
VI - Pension funds	136	4.8	128	5.0	6.4
Total Life business direct premium income	2,826	100.0	2,550	100.0	10.8
of which Premiums (IFRS 4)					
I - Whole and term Life insurance	2,108	90.3	1,522	64.6	38.5
III - Unit-linked/index-linked policies	10	0.4	465	19.8	(97.9)
IV - Health		0.0		0.0	22.3
V - Capitalisation insurance	91	3.9	253	10.7	(63.8)
VI - Pension funds	125	5.3	115	4.9	8.4
Total Life business premium income	2,334	100.0	2,355	100.0	(0.9)
of which Investment products (IAS 39)					
III - Unit-linked/index-linked policies	481	97.7	182	93.4	164.7
VI - Pension funds	11	2.3	13	6.6	(11.2)
Total Life investment products	492	100.0	195	100.0	153.0

Consolidated Interim Financial Report

At 31 March 2016 the volume of the new business in terms of **APE**, net of non-controlling interests, was equal to €156m (€142m at 31/3/2015, +10.1%), of which €95m by bancassurance companies and €62m contributed by traditional companies.

Life premiums of the main Group insurance companies

Life direct premiums for the **UnipolSai Group** were equal to €1,942m in line with the first quarter of 2015 (€1,941m at 31/3/2015), but with different dynamics among the different classes. Specifically there were increases for Class I with premiums of €1,250m (+14.2%) and Class VI with €136m (+6.4%). The premiums of Class III with €469m (+0.6%) were in line with the first quarter of 2015, while Class V premiums were down with €86m (-65.8%).

Specifically, the bancassurance channel, consisting of the companies of the Arca Vita and the Popolare Vita Group, recorded direct premiums for €1,971m, against €1,436m at 31/3/2015 (+37.3%); the **Arca Group**, with premiums of €884m, increased by 45.4%, and the **Popolare Vita Group**, with premiums of €1,087m, by 31.3%.

UnipolSai recorded direct premiums for €831m at 31/3/2015 (-20.6% including the premiums of Liguria Vita).

Banking Sector

The Banking sector continued to focus on retail customers and SMEs, seeking to increase the insurance customer base through the financing of insurance premiums and the sale of banking products through the agency channel. The trend of non-performing loan volumes was positive in the first quarter of 2016: non-performing loans fell with respect to the levels at the end of 2015.

At 31 March 2016 the **net profit** of the Banking sector was €1m (€3m at 31/3/2015).

Investments and cash and cash equivalents were €11,156m, at 31 March 2016 (€11,100m at 31/12/2015).

Financial liabilities were €10,382m (€10,459m at 31/12/2015).

Operating performance of Unipol Banca

Commercial development activities produced a 2% increase, with respect to the figures of the end of 2015, in the number of ordinary current accounts, which at 31 March 2016 were approximately 353,500.

With regard to loans granted, total volumes were €101m in 2016 (+48.4% with respect to the same period of 2015). Production exceeded 2015 levels both in mortgage loans (€41m, +13.8% with respect to 31/3/2015) and in other loans and personal loans (€60m, +87.8% with respect to 31/3/2015).

At 31 March 2016 **direct premiums** volumes fell by 0.9% with respect to the figures of the end of 2015, to approximately €9.9bn. The decrease of these volumes is due only to the decrease in volumes attributable to the companies of the Group, while premiums from ordinary customers recorded a 0.3% increase.

Indirect premiums volumes were also down by 0.8%.

Receivables from customers, inclusive of value adjustments, were down by 0.4% to €10.4bn (€9.2bn net of value adjustments), with a 0.4% decrease in gross non-performing loans (equal to €3.9bn). With regard to the credit indemnity agreement with Unipol, at 31 March 2016 the value of the covered portfolio was €830m (€832m at 31/12/2015).

Real estate Sector

With regard to the property segment, operations continue to focus on the renovation of some important properties in the portfolio, mostly located in Milan, required to seek opportunities for value enhancement or income generation.

Net profit at 31 March 2016 was negative by €4m (-€2m at 31/3/2015, of which -€1m for the former UnipolSai Real Estate merged on 31/12/2015 in UnipolSai - Non-Life sector, with accounting and tax effects from 1/1/2015).

Investments and cash and cash equivalents of the Real Estate sector (including instrumental properties for own use) were €912m at 31 March 2016 (€920m at 31/12/2015), mainly consisting of investment property for €465m (€474m at 31/12/2015) and properties for own use for €347m (€348m at 31/12/2015).

Financial liabilities, unchanged with respect to 31/12/2015, were €203m at 31 March 2016.

Holding and other Businesses Sector

Net profit at 31 March 2016 was negative for €14m (-€28m at 31/3/2015).

At 31 March 2016 Investments and cash and cash equivalents (including properties for own use for €181m) were €1,576m (€1,801m at 31/12/2015). The decrease is due, for €142m, to the purchase of shares of the subsidiary UnipolSai carried out in first quarter of 2016 by the subsidiaries Unipol Finance and Unipol Investment (formerly Linear Life).

Financial liabilities were €1,868m (€1,907m at 31/12/2015).

Management and commercial development of the diversified companies continued in the first quarter of 2016. These activities, along with redevelopment actions implemented in previous years and in some cases still in progress, achieved better results than in the same period of the previous year, despite continued weakness in the market environment.

With regard to the hotels segment, Atahotels recorded a profit for €2m.

With regard to the holding company Unipol we note that, as part of the ongoing initiative aimed at restricting the activities of the company to those of a pure holding of equity interests, the employment contract of 62 employees was transferred to the subsidiary UnipolSai on 1/1/2016.

Consolidated Interim Financial Report

Asset and financial management

The first part of the current year was characterised by strong tensions on the financial markets resulting from concerns, first about a slowdown of the global economy and the continuing fall in oil prices, and then about the stability of banking systems. In this context, in March 2016 the ECB intervened to stimulate the economy with another interest rate cut, strengthening its Quantitative Easing, by extending it to include securities issued by non-financial companies. With regard to the profitability of the portfolio, which continues to focus on preserving the risk/return profile of the assets and the consistency between assets and liabilities towards the insured, a significant return was reported in the period in question, equal to 3.4%.

The **bond segment** was the main focus of operations, which have mainly been carried out on government and non-government bonds, with a view to medium-long term investment. During the quarter the exposure to government bonds recorded a decrease of more than €500m. Specifically the net balance of Government bonds was positive and equal to €559m for the Life segment, whereas it was negative on the Non-Life segment, where the decrease was by about €1,043m. Sales carried out on the holding Unipol were approximately €40m. Italian government bonds accounted for 65.3% of the total bond portfolio.

Purchases for the Life portfolio involved mainly fixed rate securities, and contributed to meet the ALM requirements of the Segregated Funds, continuing the rationalisation of the maturity dates of liabilities with covering assets.

The non-government bond component saw an increase in overall exposure in the quarter of approximately €1,730m. This increase affected both the Life (€1,018m) and the Non-Life segment (€723m). The exposure of the holding company was down by about €10m. Transactions mainly involved financial and industrial securities, both senior unsecured and subordinated.

During the first quarter of 2016 activities to simplify the portfolio continued, with exposure to level 2 and 3 structured bonds falling by about €100m.

Share exposure increased by about €270m in the first quarter of 2016. The equity portfolio continues to be hedged by the put options on the Eurostoxx50 index bought last year and aimed at reducing volatility and maintaining the value of the portfolio. Transactions were carried out both on individual shares and on ETFs (Exchange Traded Fund), representing share indexes.

Exposure to alternative funds, a category that includes Private Equity Funds and Hedge Funds, was €532m, recording a net increase of €141m in first quarter of 2016.

The overall Group duration was equal to 5.54 years, with a modest increase with respect to the 5.42 years of the end of 2015. In the Group insurance portfolio the duration of the Non-Life segment was 3.59 years (3.40 at the end of 2015); in the Life segment, it was equal to 6.34 years (6.3 at the end of 2015). The duration of the holding company was 1.02 years (0.96 years at the end of 2015) as a result of the liquidity suitably held in portfolio.

At 31 March 2016, total **Investments and cash and cash equivalents** of the Group reached €83,966m (€81,840m at 31/12/2015), with the following breakdown by business segment:

Investments and cash equivalent - Breakdown by business segment

	Amounts in €m	31/03/2016	% comp.	31/12/2015	% comp.	% var.
Insurance		72,554	86.4	70,295	85.9	3.2
Banking		11,156	13.3	11,100	13.6	0.5
Other Business		1,576	1.9	1,801	2.2	(12.5)
Real Estate		912	1.1	920	1.1	(0.9)
Intersegment eliminations		(2,233)	(2.7)	(2,276)	(2.8)	(1.9)
Total Investments and cash and cash equivalents		83,966	100.0	81,840	100.0	2.6

The breakdown by investment category is as follows:

<i>Amounts in €m</i>	31/3/2016	<i>% comp.</i>	31/12/2015	<i>% comp.</i>	<i>% var.</i>
Property (*)	3,939	4.7	3,969	4.8	(0.8)
Investments in subsidiaries, associates and interests in joint ventures	81	0.1	90	0.1	(10.2)
Held-to-maturity investments	1,500	1.8	1,528	1.9	(1.9)
Loans and receivables	14,584	17.4	14,549	17.8	0.2
<i>Debt securities</i>	<i>4,507</i>	<i>5.4</i>	<i>4,530</i>	<i>5.5</i>	<i>(0.5)</i>
<i>Loans and receivables from bank customers</i>	<i>8,266</i>	<i>9.8</i>	<i>8,322</i>	<i>10.2</i>	<i>(0.7)</i>
<i>Interbank loans and receivables</i>	<i>641</i>	<i>0.8</i>	<i>594</i>	<i>0.7</i>	<i>8.0</i>
<i>Deposits with ceding companies</i>	<i>25</i>	<i>0.0</i>	<i>24</i>	<i>0.0</i>	<i>4.5</i>
<i>Other loans and receivables</i>	<i>1,145</i>	<i>1.4</i>	<i>1,079</i>	<i>1.3</i>	<i>6.0</i>
Available-for-sale financial assets	52,897	63.0	50,916	62.2	3.9
Financial assets at fair value through profit or loss	10,129	12.1	9,913	12.1	2.2
<i>held for trading</i>	<i>423</i>	<i>0.5</i>	<i>407</i>	<i>0.5</i>	<i>3.9</i>
<i>at fair value through profit or loss</i>	<i>9,707</i>	<i>11.6</i>	<i>9,506</i>	<i>11.6</i>	<i>2.1</i>
Cash and cash equivalents	836	1.0	874	1.1	(4.4)
Total investments and cash and cash equivalents	83,966	100.0	81,840	100.0	2.6

(*) Including properties for own use.

Net financial income (not including net income from financial assets and liabilities, whose investment risk is borne by policyholders) was €466m at 31 March 2016, against €890m at 31/3/2015 (-47.6%).

Consolidated Interim Financial Report

Shareholders' equity

At 31 March 2016 Shareholders' Equity was €8,358m (€8,445m at 31/12/2015), of which:

- Shareholders' Equity attributable to the Group for €5,581m (€5,524m at 31/12/2015);
- Shareholders' Equity attributable to non-controlling interests for €2,777m (€2,921m at 31/12/2015), the decrease of which is attributable especially to the decrease of the interest by third parties in the UnipolSai Group (-2.7%) as a result of the purchase of 75m of shares carried out in the period by the subsidiaries Unipol Finance and Unipol Investment, for a total consideration of €142m.

Technical provisions and financial liabilities

At 31 March 2016 technical provisions were €64,263m (€63,150m at 31/12/2015) and financial liabilities €15,987m (€15,571m at 31/12/2015).

Technical provisions and financial liabilities

	Amounts in €m	31/3/2016	31/12/2015	% var.
Non-Life technical provisions		16,351	16,574	(1.3)
Life technical provisions		47,912	46,575	2.9
Total technical provisions		64,263	63,150	1.8
Financial liabilities at fair value		3,033	2,658	14.1
<i>Investment contracts - insurance companies</i>		2,769	2,380	16.4
<i>Other</i>		264	278	(5.1)
Other financial liabilities		12,954	12,914	0.3
<i>Investment contracts - insurance companies</i>				(16.1)
<i>Subordinated liabilities</i>		2,535	2,565	(1.1)
<i>Payables to bank customers</i>		5,580	5,506	1.4
<i>Interbank payables</i>		450	436	3.2
<i>Other</i>		4,388	4,407	(0.4)
Total financial liabilities		15,987	15,571	2.7
Total		80,250	78,721	1.9

Business outlook

In the period following the end of the first quarter of 2016, the performance of the financial markets, especially stock markets, continued to fluctuate: the banking sector, in particular, remains under pressure, also because of low interest rates, which penalise expected returns. In this context, the objective of financial management continues to be to achieve consistency between assets and liabilities and to maintain a high portfolio quality by diversifying the issuers and focusing on their strength and liquidity.

The subsidiary UnipolSai will take part in the Atlante fund with an investment of €100m. The Atlante fund, a closed private investment fund, has been set up with two objectives: to support the capital increases of some Italian banks and to take part in potential NPL (Non Performing Loans) deals.

As far as the performance of the businesses in which the Group operates there are no significant events to report. There continue to be many sales initiatives aimed at supporting the increase in production in the Non-Life segment already observed in first three months, despite the strong competition observed in the segment.

The Board of Directors of UnipolSai approved today the new Business Plan for the period 2016 – 2018: leveraging the results achieved in the three-year period just ended in terms of rationalisation and integration of the businesses acquired and asset consolidation, the new Business Plan will focus on:

- integrated offer of products and services supported by the competitive advantage deriving from the IT experience gained;
- technological innovation of the sales processes, which remain focused on the professionalism of the agency network;
- increased efficiency of operations for cost cutting purposes.

Bologna, 12 May 2016

The Board of Directors

Consolidated Financial Statements

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

Statement of Financial Position

Assets

		<i>Amounts in €m</i>	31/3/2016	31/12/2015
1	INTANGIBLE ASSETS		2,056	2,071
1.1	Goodwill		1,582	1,582
1.2	Other intangible assets		474	489
2	PROPERTY, PLANT AND EQUIPMENT		1,757	1,757
2.1	Property		1,617	1,619
2.2	Other tangible assets		140	138
3	TECHNICAL PROVISIONS - REINSURERS' SHARE		901	897
4	INVESTMENTS		81,512	79,347
4.1	Investment property		2,321	2,350
4.2	Investments in subsidiaries, associates and interests in joint ventures		81	90
4.3	Held-to-maturity investments		1,500	1,528
4.4	Loans and receivables		14,584	14,549
4.5	Available-for-sale financial assets		52,897	50,916
4.6	Financial assets at fair value through profit or loss		10,129	9,913
5	SUNDRY RECEIVABLES		3,026	3,215
5.1	Receivables relating to direct insurance business		1,156	1,593
5.2	Receivables relating to reinsurance business		121	81
5.3	Other receivables		1,748	1,540
6	OTHER ASSETS		1,677	1,612
6.1	Non-current assets or assets of a disposal group held for sale		35	17
6.2	Deferred acquisition costs		89	87
6.3	Deferred tax assets		897	919
6.4	Current tax assets		52	54
6.5	Other assets		604	536
7	CASH AND CASH EQUIVALENTS		836	874
	TOTAL ASSETS		91,765	89,773

Consolidated Financial Statements

Statement of Financial Position

Shareholders' equity and liabilities

		<i>Amounts in €m</i>	31/3/2016	31/12/2015
1	SHAREHOLDERS' EQUITY		8,358	8,445
1.1	attributable to the owners of the Parent		5,581	5,524
1.1.1	Share capital		3,365	3,365
1.1.2	Other equity instruments			
1.1.3	Capital reserves		1,725	1,725
1.1.4	Income-related and other equity reserves		(158)	(426)
1.1.5	(Treasury shares)		(35)	(35)
1.1.6	Reserve for foreign currency translation differences		2	2
1.1.7	Gains or losses on available-for-sale financial assets		545	589
1.1.8	Other gains or losses recognised directly in equity		45	31
1.1.9	Profit (loss) for the year attributable to the owners of the Parent		92	272
1.2	attributable to non-controlling interests		2,777	2,921
1.2.1	Share capital and reserves attributable to non-controlling interests		2,369	2,206
1.2.2	Gains or losses recognised directly in equity		349	408
1.2.3	Profit (loss) for the year attributable to non-controlling interests		59	307
2	PROVISIONS		545	550
3	TECHNICAL PROVISIONS		64,263	63,150
4	FINANCIAL LIABILITIES		15,987	15,571
4.1	Financial liabilities at fair value through profit or loss		3,033	2,658
4.2	Other financial liabilities		12,954	12,914
5	PAYABLES		1,340	918
5.1	Payables arising from direct insurance business		184	147
5.2	Payables arising from reinsurance business		125	88
5.3	Other payables		1,031	683
6	OTHER LIABILITIES		1,271	1,140
6.1	Liabilities associated with disposal groups			
6.2	Deferred tax liabilities		54	49
6.3	Current tax liabilities		41	42
6.4	Other liabilities		1,177	1,048
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		91,765	89,773

Income Statement

		<i>Amounts in €m</i>	31/3/2016	31/3/2015
1.1	Net premiums		4,188	4,252
1.1.1	<i>Gross premiums earned</i>		4,300	4,340
1.1.2	<i>Earned premiums ceded to reinsurers</i>		(112)	(88)
1.2	Commission income		33	27
1.3	Gains and losses on financial instruments at fair value through profit or loss		(145)	430
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures		2	2
1.5	Gains on other financial instruments and investment property		707	911
1.5.1	<i>Interest income</i>		451	452
1.5.2	<i>Other income</i>		32	35
1.5.3	<i>Realised gains</i>		173	362
1.5.4	<i>Unrealised gains</i>		51	62
1.6	Other revenue		131	135
1	TOTAL REVENUE AND INCOME		4,915	5,756
2.1	Net charges relating to claims		(3,634)	(4,223)
2.1.1	<i>Amounts paid and changes in technical provisions</i>		(3,674)	(4,262)
2.1.2	<i>Reinsurers' share</i>		39	39
2.2	Commission expense		(8)	(8)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures			(2)
2.4	Losses on other financial instruments and investment property		(161)	(177)
2.4.1	<i>Interest expense</i>		(51)	(67)
2.4.2	<i>Other charges</i>		(12)	(18)
2.4.3	<i>Realised losses</i>		(48)	(39)
2.4.4	<i>Unrealised losses</i>		(50)	(52)
2.5	Operating expenses		(639)	(672)
2.5.1	<i>Commissions and other acquisition costs</i>		(412)	(442)
2.5.2	<i>Investment management expenses</i>		(18)	(15)
2.5.3	<i>Other administrative expenses</i>		(209)	(214)
2.6	Other costs		(254)	(199)
2	TOTAL COSTS AND EXPENSES		(4,697)	(5,281)
	PRE-TAX PROFIT (LOSS) FOR THE YEAR		219	475
3	Income tax		(68)	(163)
	PROFIT (LOSS) FOR THE YEAR AFTER TAXES		151	312
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS			
	CONSOLIDATED PROFIT (LOSS)		151	312
	<i>of which attributable to the owners of the Parent</i>		<i>92</i>	<i>195</i>
	<i>of which attributable to non-controlling interests</i>		<i>59</i>	<i>117</i>

Consolidated Financial Statements

Condensed Consolidated operating Income Statement broken down by business segment

	Non-Life business			Life business			Insurance Sector		
	Mar-16	Mar-15	% var.	Mar-16	Mar-15	% var.	Mar-16	Mar-15	% var.
<i>Amounts in €m</i>									
Net premiums	1,862	1,905	(2.3)	2,326	2,347	(0.9)	4,188	4,252	(1.5)
Net commission income			(63.4)	7	2	252.7	7	2	250.2
Financial income/expense (excl. assets/liabilities at fair value)	106	336	(68.5)	337	536	(37.1)	443	871	(49.2)
<i>Net interest income</i>	72	68		287	277		359	345	
<i>Other gains and losses</i>	16	21		35	32		51	53	
<i>Realised gains and losses</i>	65	215		51	219		116	434	
<i>Unrealised gains and losses</i>	(47)	31		(36)	8		(84)	39	
Net charges relating to claims	(1,239)	(1,319)	(6.1)	(2,459)	(2,631)	(6.6)	(3,698)	(3,950)	(6.4)
Operating expenses	(486)	(502)	(3.2)	(80)	(93)	(14.6)	(565)	(595)	(5.0)
<i>Commissions and other acquisition costs</i>	(375)	(401)	(6.4)	(38)	(50)	(23.8)	(413)	(451)	(8.4)
<i>Other expenses</i>	(111)	(101)	9.3	(41)	(43)	(3.8)	(152)	(144)	5.4
Other gains and losses	(105)	(51)	105.4	(28)	(22)	29.6	(133)	(73)	83.0
Pre-tax profit (loss)	137	368	(62.8)	104	139	(25.1)	241	507	(52.4)
Income tax	(45)	(125)	(64.1)	(29)	(43)	(33.0)	(74)	(168)	(56.1)
Profit (loss) from discontinued operations									
Consolidated profit (loss)	92	243	(62.1)	75	96	(21.5)	167	339	(50.6)
<i>Profit (loss) attributable to the owners of the Parent</i>									
<i>Profit (loss) attributable to non-controlling interests</i>									

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

At 31/3/2015 the real estate sector included the amounts referring to UnipolSai Real Estate, which merged into UnipolSai - Insurance sector, Non-Life business on 31 December 2015.

Banking Sector			Holding and Other business Sector			Real Estate (*) Sector			Intersegment elimination		Total Consolidated		
Mar-16	Mar-15	% var.	Mar-16	Mar-15	% var.	Mar-16	Mar-15	% var.	Mar-16	Mar-15	Mar-16	Mar-15	% var.
											4,188	4,252	(1.5)
24	22	9.5	6	7	(6.9)				(13)	(12)	25	19	31.5
48	55	(12.1)	(18)	(21)	12.8	1	6	86.7	(7)	(21)	466	890	(47.6)
56	62		(15)	(10)		(1)			1	(9)	401	388	
1			(2)	(10)		4	11		(8)	(13)	45	42	
3	5		2								120	439	
(11)	(13)		(2)			(2)	(4)				(99)	22	
											(3,698)	(3,950)	(6.4)
(74)	(74)	(0.3)	(19)	(24)	(21.2)	(2)	(7)	(67.7)	22	29	(639)	(672)	(4.9)
									1	9	(412)	(442)	(6.7)
(74)	(74)	(0.3)	(19)	(24)	(21.2)	(2)	(7)	(67.7)	21	20	(227)	(230)	(1.4)
3	1	134.8	11	5	137.4	(3)	(1)	117.0	(1)	4	(123)	(64)	93.0
2	4	(57.2)	(20)	(34)	40.8	(4)	(2)	(79.3)			219	475	(54.0)
(1)	(1)	(63.5)	6	6	(3.8)	1		206.6			(68)	(163)	(58.4)
1	3	(54.2)	(14)	(28)	49.0	(4)	(2)	(69.5)			151	312	(51.7)
											92	195	
											59	117	

Consolidated Financial Statements

Statement of financial position by business segment

	Non-Life business		Life business	
	31/3/2016	31/12/2015	31/3/2016	31/12/2015
<i>Amounts in €m</i>				
1 INTANGIBLE ASSETS	1,487	1,493	554	563
2 PROPERTY, PLANT AND EQUIPMENT	1,093	1,088	87	88
3 TECHNICAL PROVISIONS - REINSURERS' SHARE	812	804	88	93
4 INVESTMENTS	16,947	16,951	53,422	51,295
4.1 Investment property	1,803	1,823	10	10
4.2 Investments in subsidiaries, associates and interests in joint ventures	69	78	5	5
4.3 Held-to-maturity investments	330	355	743	745
4.4 Loans and receivables	2,198	2,153	3,283	3,304
4.5 Available-for-sale financial assets	12,372	12,400	39,428	37,473
4.6 Financial assets at fair value through profit or loss	176	142	9,953	9,759
5 SUNDRY RECEIVABLES	2,212	2,424	556	692
6 OTHER ASSETS	811	758	158	132
6.1 Deferred acquisition costs	38	37	51	50
6.2 Other assets	773	721	108	82
7 CASH AND CASH EQUIVALENTS	557	448	541	515
TOTAL ASSETS	23,919	23,966	55,407	53,378
1 SHAREHOLDERS' EQUITY	1,423	1,423	1,423	1,423
2 PROVISIONS	450	455	28	29
3 TECHNICAL PROVISIONS	16,351	16,574	47,912	46,575
4 FINANCIAL LIABILITIES	1,609	1,543	3,724	3,341
4.1 Financial liabilities at fair value through profit or loss	78	63	2,931	2,573
4.2 Other financial liabilities	1,530	1,480	793	768
5 PAYABLES	802	621	214	169
6 OTHER LIABILITIES	684	638	368	300
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	23,919	23,966	55,407	53,378

Banks		Holding and Other businesses		Real Estate		Intersegment eliminations		Total	
31/3/2016	31/12/2015	31/3/2016	31/12/2015	31/3/2016	31/12/2015	31/3/2016	31/12/2015	31/3/2016	31/12/2015
8	8	8	9			(1)	(1)	2,056	2,071
14	14	207	210	354	355	1	1	1,757	1,757
								901	897
11,069	10,998	663	673	483	497	(1,072)	(1,067)	81,512	79,347
1	1	42	42	465	474			2,321	2,350
7	7							81	90
427	428							1,500	1,528
9,930	9,914	239	239			(1,065)	(1,061)	14,584	14,549
704	647	382	380	17	22	(6)	(7)	52,897	50,916
			12					10,129	9,913
75	92	388	223	27	29	(233)	(245)	3,026	3,215
419	412	519	515	28	25	(257)	(230)	1,677	1,612
								89	87
419	412	519	515	28	25	(257)	(230)	1,589	1,525
85	101	733	945	82	75	(1,162)	(1,210)	836	874
11,670	11,624	2,518	2,576	974	982	(2,724)	(2,753)	91,765	89,773
747		(396)		743				8,358	8,445
27	23	593	590	9	16	(562)	(563)	545	550
								64,263	63,150
10,382	10,459	1,868	1,907	203	203	(1,798)	(1,881)	15,987	15,571
6	8	15	13	2	2			3,033	2,658
10,375	10,452	1,852	1,894	202	202	(1,798)	(1,881)	12,954	12,914
132	74	337	180	26	23	(171)	(148)	1,340	918
383	330	16	20	12	12	(192)	(160)	1,271	1,140
11,670		2,518		974		(2,724)		91,765	89,773

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

Statement of the Manager in charge of financial reporting



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

RE: Interim Financial Report of Unipol Gruppo Finanziario S.p.A. as at 31 March 2016

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

HEREBY DECLARES,

pursuant to Article 154-bis, paragraph 2 of the Consolidated Act on Financial Intermediation, that the Interim Financial Report as at 31 March 2016 is consistent with the accounting records, ledgers and documents.

Bologna, 12 May 2016

The Manager in charge of
financial reporting
Maurizio Castellina

(signed on the original)

Unipol Gruppo Finanziario S.p.A.

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Share capital
€3,365,292,408.03 fully paid-up
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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



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