UnipolSai Assicurazioni

# Consolidated Interim Financial Report at 30 June 2016

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# Company bodies

| | | | |
|---|---|---|---|
| BOARD OF DIRECTORS | CHAIRMAN | Carlo Cimbri | |
| | VICE CHAIRMEN | Fabio Cerchiai<br>Pierluigi Stefanini | |
| | DIRECTORS | Francesco Berardini<br>Milva Carletti<br>Paolo Cattabiani<br>Lorenzo Cottignoli<br>Ernesto Dalle Rive<br>Giorgio Ghiglieno<br>Salvatore Lauria<br>Massimo Masotti | Maria Rosaria Maugeri<br>Maria Lillà Montagnani<br>Nicla Picchi<br>Giuseppe Recchi<br>Elisabetta Righini<br>Barbara Tadolini<br>Francesco Vella |
| | SECRETARY OF THE BOARD OF DIRECTORS | Roberto Giay | |
| GENERAL MANAGER | | Matteo Laterza | |
| BOARD OF STATUTORY AUDITORS | CHAIRMAN | Paolo Fumagalli | |
| | STATUTORY AUDITORS | Giuseppe Angiolini<br>Silvia Bocci | |
| | ALTERNATE AUDITORS | Domenico Livio Trombone<br>Luciana Ravicini<br>Donatella Busso | |
| INDEPENDENT AUDITORS | | PricewaterhouseCoopers SpA | |
| MANAGER IN CHARGE OF FINANCIAL REPORTING | | Maurizio Castellina | |

# Introduction

## Macroeconomic background and market performance

## Macroeconomic background

The most important event in the first half of 2016 from an economic perspective was, without a doubt, the victory of those that supported the United Kingdom's exit from the European Union, following the referendum held on 23 June. This outcome triggered a new period of high instability on the financial markets, with falling share prices in Europe and the significant depreciation of the British pound.
In addition to sparking debate as to how the United Kingdom institutions should act following this result, the decision of the UK electorate has increased the likelihood of further success for the "eurosceptics". If we also consider the continuing presence of geopolitical tension (Middle East, Islamic terrorism, the Ukraine) and the approaching deadline of the Presidential elections in the United States, it comes as no surprise that this uncertainty, fuelled by a series of political risks, is heightening concern among investors.

In the United States, after a first quarter in which GDP recorded a moderate rise (+1.1% annualised), the second quarter witnessed a strong recovery in business activity, with a rate of development of around +2.5% per year. This rebound was mostly driven by domestic demand, due to the increasingly better labour market figures (unemployment in May was +4.7%). Nevertheless, wages have yet to follow suit. The core rate of inflation (net of the more volatile components, such as food and energy) recorded satisfactory values in May (+2.2%).
Although the domestic economic scenario could warrant a rise in official interest rates, the Federal Reserve, with an eye on the development of the global context, and aware of the various uncertainties on both the political and economic fronts (including the need for the situation in China to stabilise, given its significant burden of private and corporate debt), has not made any intervention on interest rates, reiterating that the process to stabilise monetary policy will be more gradual than stated in its statements last March.

In the first quarter, the Eurozone recorded economic growth that was above expectations (+0.6% quarterly and +1.7% annually) thanks to the constant support of the European Central Bank (ECB), to less restrictive fiscal policy and to a widespread increase in domestic demand. However, industrial production indices (in May, short-term fall of -1.2% in the Eurozone) showed a slowdown in business activity linked to the deterioration in the climate of trust and the slowdown in international trade.
After the measures identified in March, with a view to bringing medium-term inflation close to 2%, the ECB highlighted the need to be "patient", given that the purchase of corporate bonds had only started at the beginning of June, and the first bank refinancing operation with a four-year term (TLTRO II) had been conducted in the days leading up to the referendum in the UK. ECB President Mario Draghi reiterated the dissatisfaction with the trend of inflation (flash figure for June of 0.1% qoq), confirming that the ECB has further tools for intervention within its scope.
During the first quarter, the problem of impaired loans that threaten the fundamentals of various Italian banks became abundantly clear. The sector-related index of the Milan stock exchange lost over 53% of its value over six months (European share prices fell -44.7% on average). The Italian government is seeking an industry-related solution to get out of the vicious circle that risks compromising the country's financial equilibrium. However, the European authorities have to reach agreement on public intervention in support of the banks, without using the bail-in solution to the detriment of savers.

May's industrial production index recorded an unexpected fall (-0.6% compared to the same month of 2015), which points to a slowdown in the growth of GDP for the second quarter of 2016. In May, those in employment have risen by almost three hundred thousand over the past twelve months; however the overall rate of unemployment continues to record high figures (11.5%), while that relating to unemployed young people is still close to 37%.
At the end of March, Italy's national debt had reached 135.4% of GDP, unchanged with respect to one year earlier.
The price of oil, also due to the closure of oil wells that were running at a loss, returned to around fifty dollars a barrel, a figure that is considered more sustainable for the financial equilibrium of many exporting countries.

## Financial markets

Nominal market interest rates were extremely low due to the absence of inflation and the prudent approach taken by the Federal Reserve in the process to normalise monetary policy in the United States. In this context, the financial markets, which had already taken a hit from the turbulent episodes of late and given the aversion to risk in the first few months of the year, recorded increased volatility due to the outcome of the referendum on the UK's exit from the European Union.
Over the first six months of this year, the interest rate curve of the money market has recorded a generalised downtrend for all maturities, especially those in the long-term, where decreases of between 60 and 80 basis points have been recorded. German government interest rates have recorded a similar trend, with negative yields stretching to the ten-year benchmark bonds. The fall in interest rates on Italian securities was more contained. As a consequence, the spread increased at all points on the curve, with the ten-year bond rising from 97 basis points as at 31 December 2015 to 148 at the end of June 2016. Thanks to the constant intervention of the ECB on the government securities belonging to the Eurozone, an excessive widening of the spread between the yields of "peripheral" member securities and core ones was avoided.

From a sector perspective, financial securities, and bank securities in particular, came under considerable pressure, as the expected profitability of the latter was impacted by low interest rates. Furthermore, the level of concern regarding regulatory capital adequacy increased, both as regards impaired loans (as with the case of Italian banks) and in terms of the derivatives held by many banks in Northern Europe. The possible impact of the potential application of new rules for the resolution of banks (Bail-in) caused particular concern.
The performance of the European stock markets in the second quarter of 2016 was overall negative. The Eurostoxx 50 index, representative of the Eurozone securities with the highest level of capitalisation, registered, in the period in question, a 4.7% decline (-12.3% in the six month period). The German Dax trend was also negative with -2.9% (-9.9% since the beginning of the year), while the Italian Stock Exchange recorded significant losses of -10.6% (-24.4% for the six month period). Lastly, the Madrid Ibex lost 6.4% over the same period (-14.5% since the beginning of 2016).

Looking outside Europe, the Standard & Poor's 500 index, which represents the performance of the largest listed companies in the US, was up 1.9% (+2.7% since the beginning of the year), while in Japan the Nikkei index was down by 7.1% over the same period (-18.2% over six months). Lastly, in relation to the emerging market indices, the most representative index, the Morgan Stanley Emerging Markets, fell by 0.3% in the second quarter (+2.1% since the beginning of the year).
The Itraxx Senior Financial index, representing the average spread of financial sector companies with a high credit rating, rose by 13.4 basis points, from 89.6 to 103 at the end of the second quarter (in the six month period, corresponding to an increase of 26.2 basis points, from 76.8 to 103 was recorded). This deterioration is mostly due to uncertainty as to the solidity of the European banking system as a whole, and to the outcome of the referendum in the United Kingdom.

## Insurance sector

At global level, over the course of the past year, once the effect of the change in interest rates is removed, Life premiums recorded a rise of 4%, while Non-Life ones recorded an increase of 3.6%. The profit margin for 2015 suffered from an unfavourable climate: in the Life insurance segment, the moderate rise in premiums in numerous markets and the prolonged period of low interest rates cut profits; in the Non-Life classes, technical results encountered lower available reserves, while financial management was penalised by low returns. Nevertheless, at global level, the insurance sector appears to be well capitalised.

In Italy, the figures for the first quarter of 2016 showed a further slowdown in overall Non-Life premiums (-1.2% including enterprises belonging to the European Economic Area). The downsizing of the MV TPL segment (-6.6%) continued, driven by the reduction of the average premium, which demonstrated continuing aggressive competition in this sector. In this regard, it is important to mention the significant rise in the distance travelled on motorways, which is (currently) leading to an increase in the frequency of claims. The excellent performance of the automotive market (new vehicle registrations rose, in the first five months, at a rate of over 20%) is driving up the premiums in the Land Vehicle Hulls segment (+6.6% in the quarter).

All remaining Non-MV Non-Life business showed a rebound in premiums (+2.3% in the first quarter). Among the most important segments, note the good performance of the Goods in Transit class, which most probably benefitted from the improvement in the overall Italian economy.

In the first five months of 2016, new Life policies for individuals showed a 11.3% decrease (-10.7% fall recorded by Italian companies and -14.4% in cross border operations). In terms of product trends, class I products recorded an increase (+6.6% in the first five months) while at the same time a decrease in unit linked policies was recorded (-42%), the latter penalised by the high level of volatility in the financial markets over this period of 2016. All of the main distribution channels showed a fall in premiums collected, particularly by financial advisors, with a reduction in business of over 30% compared to the same period of 2015. It should be noted that continuing record low interest rates have driven many insurers to limit the offer of traditional products, usually classified in classes I and V.

## Banking sector

In the Italian banking sector, in the first half of 2016, the weight of impaired loans that has accumulated over the period of the recession, led to times of high tension for the shares prices of Italian banks. Matters were complicated by fears of the consequences, including social ones, of the possible application of the bail in to banks in the most difficulty.

In terms of assets brokered, in May a reduction in customer funding was recorded (-1.8% compared to the end of 2015) and a slight increase in loans (+0.7%). More specifically, deposits rose (+0.5%), while the process of erosion of bond stock continued (-6.3%). In terms of assets, a slight rise in loans to households was recorded (+0.2%) and a fall in loans to non-financial companies (-0.5%). Funding from abroad rose to €328bn (+1.7%), while the securities portfolio returned to growth (+0.6%).

Although credit risk is falling, levels continue to be high: in May the ratio of net bad and doubtful loans to total loans was 4.65%, down compared to 4.87% in December 2015. At the end of the first five months of 2016, gross bad and doubtful loans amounted to around €200bn, the net figure was €85bn. Total impaired loans totalled just over €333bn in March 2016.

In May, the interest rates (TAEG) requested on new loans to non-financial companies recorded a fall compared to December 2015: -19 cents for loans below €1m, -23 cents for those above. The cost of borrowing (TAEG) for new loans to be used to purchase a home fell by 20 cents. On the contrary, interest on consumer credit rose in the first five months of 2016 by 40 basis points. This trend showed the effect of the quantitative easing introduced by the ECB. The remuneration on new deposits, with a pre-set term for households and companies, showed a marginal decline.

In terms of profit margins, while it is true that widespread negative interest rates prejudice bank income statements, for the Italian banking system, this was remedied by adjustments in the balance sheet for impaired loans. It will be fundamental for banks to demonstrate their ability to recover bad and doubtful loans (or to assign the same to specialised operators).

## Real Estate market

In the first quarter of 2016, according to Tax Authority data, the number of real estate transactions showed a 17.3% increase compared with the same period of 2015 (+20.6% in the residential segment and +10.3% in the non-residential segment). The tertiary sector brought up the rear, where sales rose by just 1.3%.
To demonstrate the lively trend in this sector, the demand for mortgages showed a significant increase (+19.1% in May compared with the same month of 2015).
The recovery of the housing market is struggling to pick up pace: in the first half of this year, the yoy trend was still negative, ranging between -1.8% for new homes to -2.5% for offices. Rental income, although still negative, appeared to be close to breakeven.
The economic survey on the Italian housing market, carried out by the Bank of Italy on a sample of real estate agents and regarding the status of the housing market, reported, for the first quarter of 2016, a further reduction in the average discount on sale prices compared to the original asking price (a fall of 13.8% compared to 15.0% in the same

period of 2015) and shorter selling times (8.6 months compared to 9.8 last year). In this survey, an impressive 64.7% of agents stated that they expect prices to settle in future months.

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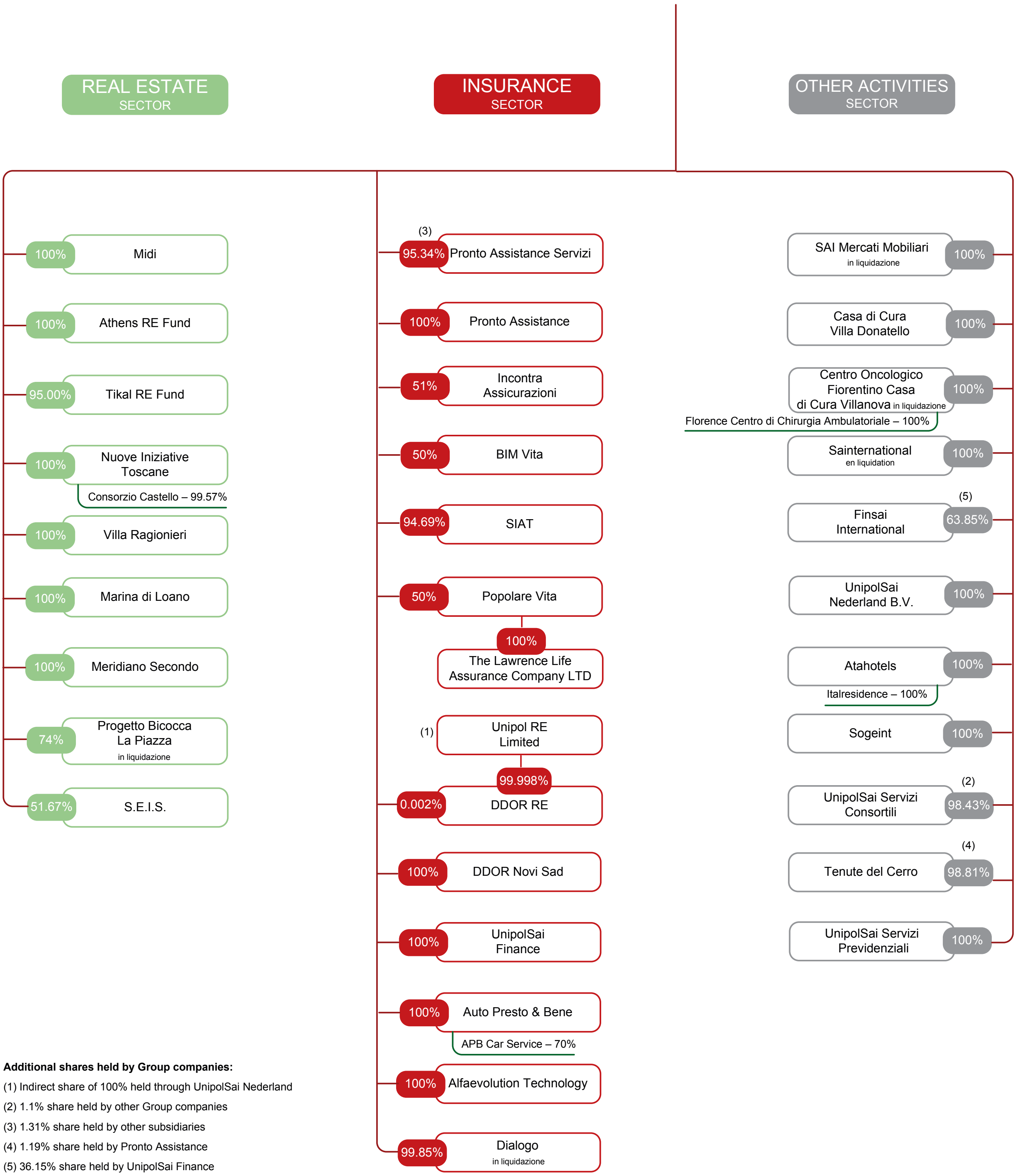
The Condensed Consolidated half-yearly Financial Statements of UnipolSai Assicurazioni SpA are subject to a limited audit by the independent auditors PricewaterhouseCoopers SpA (PwC), the company tasked also with performing the audit of the Consolidated Financial Statements for the 2013/2021 period.

# Consolidation Scope at 30 June 2016

## (line-by-line method – direct holding out of total share capital)

For more details see the table appended to the Notes "Consolidation Scope"




**Additional shares held by Group companies:**

(1) Indirect share of 100% held through UnipolSai Nederland

(2) 1.1% share held by other Group companies

(3) 1.31% share held by other subsidiaries

(4) 1.19% share held by Pronto Assistance

(5) 36.15% share held by UnipolSai Finance

# 1. Management Report

## Group highlights

| Amounts in €m | 30/6/2016 | 30/6/2015 | 31/12/2015 |
|---|---|---|---|
| Non-Life direct insurance premiums | 3,685 | 3,772 | 7,334 |
| *% variation* | *(2.3)* | *(15.0)* | *(12.9)* |
| Life direct insurance premiums | 3,036 | 3,512 | 6,648 |
| *% variation* | *(13.5)* | *(21.5)* | *(12.3)* |
| of which Life investment products | 502 | 24 | 584 |
| *% variation* | *n.s.* | *4.2* | *n.s.* |
| Direct insurance premiums | 6,722 | 7,284 | 13,982 |
| *% variation* | *(7.7)* | *(18.2)* | *(12.7)* |
| Net gains on financial instruments (excl. assets/liabilities at fair value) (*) | 828 | 1,308 | 2,048 |
| *% variation* | *(36.7)* | *25.9* | *14.8* |
| Consolidated profit (loss) | 280 | 455 | 738 |
| *% variation* | *(38.5)* | *27.4* | *(5.8)* |
| Balance on the statement of comprehensive income | 88 | 58 | 488 |
| Investments and cash and cash equivalents | 63,737 | 62,476 | 63,291 |
| *% variation* | *0.7* | *(0.7)* | *0.6* |
| Technical provisions | 56,239 | 55,996 | 56,095 |
| *% variation* | *0.3* | *(0.4)* | *(0.2)* |
| Financial liabilities | 4,340 | 3,506 | 3,897 |
| *% variation* | *11.4* | *(8.0)* | *2.2* |
| Shareholders' Equity attributable to the owners of the Parent | 5,940 | 5,863 | 6,278 |
| *% variation* | *(5.4)* | *(6.9)* | *(0.3)* |
| UnipolSai Assicurazioni Spa Solvency II ratio | 194% | n.a. | 215% |
| No. Staff | 10,272 | 10,444 | 9,951 |

(*) excluding net gains and losses on financial instruments at fair value through profit or loss for which investment risk is borne by customers (index- and unit-linked) and arising from pension fund management

## Alternative performance indicators[1]

| | classes | 30/6/2016 | 30/6/2015 | 31/12/2015 |
|---|---|---|---|---|
| Loss ratio - direct business (including OTI ratio) | non-life | 67.3% | 68.5% | 65.4% |
| Expense ratio (calculated on written premiums) - direct business | non-life | 28.0% | 27.5% | 28.5% |
| Combined ratio - direct business (including OTI ratio) | non-life | 95.3% | 96.0% | 93.9% |
| Loss ratio - net of reinsurance | non-life | 69.0% | 70.1% | 66.4% |
| Expense ratio (calculated on premiums earned) - net of reins. | non-life | 27.9% | 27.8% | 28.2% |
| Combined ratio - net of reinsurance (*) | non-life | 96.9% | 97.8% | 94.6% |
| Premium retention ratio | non-life | 93.6% | 93.4% | 94.0% |
| Premium retention ratio | life | 99.8% | 99.9% | 99.8% |
| Premium retention ratio | total | 96.1% | 96.5% | 96.6% |
| Group pro-rata APE (amounts in €m) | life | 272 | 289 | 568 |
| Expense ratio - direct business | life | 4.4% | 4.5% | 4.5% |

(*) 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 reassurance, 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.
The premium retention ratio is the ratio of premiums retained (total direct and indirect premiums net of premiums ceded) to total direct and indirect premiums. Investment products are not included in calculating this ratio.

# Management Report

## Operating performance

The first half of 2016 continued to be characterised by a high level of tension on the financial markets, by interest rates that continued to be low and by lively competition in the Non-Life insurance business.

In this scenario, characterised by numerous challenges and uncertainties, the **new Group 2016 – 2018 Business Plan** (the "Plan"), approved by Unipol's Board of Directors on 12 May 2016, was especially important, as it established the guidelines for the Group's management over the next three years. Its content has also been disclosed in full to the market.

The Plan, prepared on the basis of the results achieved in the three-year period that has just ended, with a view to rationalising and integrating the insurance business acquired and consolidating its assets, focuses on:
- an integrated offer of products and services, boosted by the competitive advantage resulting from its experience in online services;
- the technological development of sales processes, while maintaining the professionalism of the agency network;
- rendering the operating model more efficient in order to reduce costs and improve and simplify the service.

For more detailed information, please refer to the section on significant events during the first six months.

In the first six months of 2016, from a business perspective, the **performance of the UnipolSai Group's operations** was positive, achieving economic results in line with expectations, although lower than the first six months of 2015, when financial management benefitted from the impact of policies to sell securities, that were not repeated this year.

More specifically, overall performance in the **Non-Life sector** was still positive, despite the impact on premiums of continuing competitive pressure on prices, in particular in the MV TPL class, where the UnipolSai is the market leader. The measures taken in terms of relaunching products, including the sale of UnipolSai's new MV product called "KM&SERVIZI" from 1 March 2016, which emphasises the distinguishing features of our offering in terms of the on-line content of the product and the direct repair option through authorised networks, led to the significant recovery of the contract portfolio.

Direct Non-Life premiums at 30 June 2016 amounted to €3,685m (€3,772m at 30/06/2015, -2.3%). More specifically, premiums in the MV TPL class stood at €1,821m, down by 5.5% compared to the first half of 2015. A slight recovery was reported in the Land Vehicle Hulls class with premiums equal to €321m (+2.5%), while the Non MV class recorded premiums of €1,543m, a rise of 0.7%.

With regard to the core companies, Non-Life direct premiums of UnipolSai alone stood at €3,556m (-2.4%, including, at 30/06/2015, the premiums of Liguria Assicurazioni and of Systema and Europa Tutela Giudiziaria, incorporated the former on 31/1/2016 and the latter on 31/12/2015), of which €2,122m in the MV classes (-4.1%) and €1,434m in the Non-MV classes (+0.2%).

Of the main subsidiary companies in the Non-Life business, SIAT, which specialises in the Sea Transport business, recorded €57m in premiums, corresponding to a rise of 19%; the Serbian company Ddor also recorded an increase of 5.3%, reaching premiums of €39 million, while the subsidiary Incontra recorded a fall (€33m at 30/06/2016, -7.3%).

As regards Non-Life claims, the positive trend recorded in the Non MV classes, emphasised, in comparison with the first half of 2015, by the lack of large claims for atmospheric events, enabled the continuing and significant fall of the average MV TPL premium resulting from the market situation to be offset. At 30 June 2016, the loss ratio for direct business (including the balance of other technical items) was 67.3% against 68.5% at 30 June 2015.

The expense ratio of direct business was slightly up on the same period of last year (28.0% against 27.5%), reflecting the fall in premiums and the increase in commissions paid following the homogenisation of pay and incentive schemes for the various agency networks that are part of UnipolSai.

Overall, the UnipolSai's Consolidated combined ratio (direct business) stood, at the end of the first six months of 2016, at 95.3% versus 96.0% at 30 June 2015.

Total Life direct premiums for the first half of 2016 were €3,036m, down 13.5% against the first six months of 2015. In a market scenario that continues to be characterised by very low, or even negative, interest rates in the short term, sales efforts are now directed towards Unit and Multisegment products, although hindered by the volatility of the financial markets, which makes the profitability of these products more uncertain for policyholders.

As regards the main companies operating in Life business, with reference to the bancassurance channel, the Popolare Vita Group, which reported premiums of €1,384m, recorded a decrease of 13.4%, while Bim Vita, which recorded premiums of €56 million, recorded a fall of 44.2%. UnipolSai recorded direct premiums of €1,593m (-12.0% including the premiums of Liguria Vita in the figure at 30/06/2015, incorporated on 31/01/2016).

New business in terms of APE, net of non-controlling interests, amounted to €272m (€289m at 30/06/2015, -5.7%), of which €85m contributed by bancassurance companies and €187m by traditional companies.

As regards the management of financial investments, the first half of this year was characterised by a high level of tension in the financial markets, particularly the stock market, triggered initially by fears of a slowdown of the global economy and on the stability of the credit systems of European countries, and heightened, towards the end of the first half, by the shock provoked by the outcome of the referendum in the United Kingdom (Brexit). This uncertainty is expected to remain high in the short and medium term, even though the bond markets benefitted from the shield provided for government securities by the ECB (Quantitative Easing), dampening the impact of the situation of Italian government securities, which represent the largest share of our investments.
During the half year, in accordance with the strategic guidelines set by the Plan, the policy to gradually reduce the share of government securities continued to be implemented, with a view to diversification towards a selective increase of corporate securities and other financial assets. Over the period in question, the financial portfolio recorded good returns (corresponding to 3.8%), although considerably lower than those recorded in the first half of 2015 (6.3%), which had been significantly influenced by gains resulting from the sale at maturity of several securities.

As regards the Real estate segment, operations continued to focus on the renovation of some of the portfolio's more important properties, particularly in Milan, in order to seek opportunities for value increase or income generation.

With regard to the results of the companies that belong to the other sectors in which the Group operates, the profit of the hotel business (€2m) is worth mentioning, also due to the partial collection of goodwill on facilities for which rental agreements had not been renewed, and to the liquidation of Centro Oncologico Fiorentino, given the impossibility to make the company's operations economically sustainable.

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UnipolSai closed the first half of 2016 with a consolidated net profit of €280m, in line with expectations, even though down compared to €455m recorded at 30 June 2015, which included, as mentioned previously, significant capital gains that were not repeated this year.
The solvency situation estimated at 30 June 2016 according to Solvency II metrics, for UnipolSai Assicurazioni Spa, showed a ratio of available capital to requested capital of 1.94, against 2.15 recorded at 31 December 2015. The decrease was due in particular to the impact of the performance of the financial markets in the first half of the year.

## Information on significant events during the first six months

### 2016-2018 Business Plan approved

On 12 May 2016, the Board of Directors of UnipolSai approved the 2016-2018 Business Plan. The Plan is based on four key areas, which highlight, amongst other things, the Group's expertise in the provision of insurance services and in the application of on-line services to insurance products, leveraging the fact that it has the largest agent distribution network in the insurance business in Italy, which will be reorganised in order to increase productivity by optimising territorial coverage and the economic sustainability of the agencies.

#### 1. Innovative and distinctive offer

In the **Non-Life Business** UnipolSai intends to strengthen its market leadership in the **MV segment**, setting itself the objective of increasing the portfolio by around 400,000 new customers by 2018, also by extending repair and assistance services (Auto Presto & Bene, MyGlass). Furthermore, it intends to extend its extensive *knowhow* in on-line and insurance services to the **Non-MV business** (specifically home, retail and SMEs), setting itself the objective of increasing premiums by 8% in Retail and SME segments by 2018.
On-line services will be the strategic lever to personalise customer relations, and will contribute to achieving an important benefit in terms of cutting the cost of claims. More specifically, in the MV segment, the percentage of *black boxes* installed in the MV portfolio will be increased from the present 30% to around 45% in 2018, with the objective of achieving a cumulative benefit of around €50m on the cost of settling claims over the three-year period. Alfaevolution Technology, the Group company established specifically for this purpose, will sustain the development of on-line services with an overall investment of around €100m, by centralising the service model and expertise internally.
As regards the protection of **health** requirements, the development and integration of the specialist, winning model of UniSalute with the agency network is envisaged.

The products and services offered in the **Life Business** will be integrated with protection and assistance services and the portfolio mix will be reviewed (bringing the weight of Class III to around 30% of total premiums) with a focus on profitability, with the aim of reducing the average minimum guaranteed returns by around 30 *basis points* by 2018.

#### 2. Simplified customer and agent experience

The attention paid to the end customer and to the agency network is a core feature of the new Plan, which envisages the activation of a series of personalisable online services, which seek to facilitate and simplify the customer's decision-making process, also by offering a multiple of channels, backed by the professionalism and the expert advice of the agency network.
The agency network will play a central role in relations with the customer; for this reason, there will be significant investment made on developing the network, in terms of simplifying and digitalising both sales and administrative processes.

#### 3. More effective physical distribution

The process to reorganise UnipolSai's agency network, the strategic core of the Plan, will continue with a view to increasing productivity by optimising territorial coverage and making agencies economically sustainable.
The organisational model will be focused on the specialisation of the sales force in specific customer segments, envisaging, over the period covered by the Plan, a consistent rise in the number of Family Welfare Consultants and SME Business Specialists, with a view to increasing Affluent clientele and the SME and Small Business segment.

#### 4. Excellence of the business operating mechanism

Internal organisation, processes and technology are key factors of the Plan; more specifically, important changes are envisaged for claims settlement processes, with the support of online data, as well as rendering the recruitment process more efficient and automating sales processes.
In terms of *information technology*, **investments** of around €150m are envisaged over the three-year period, with a view to improving service quality and cutting costs, while training programmes for employees and agents (150,000

hours/year and an annual investment of €6m) will be the focus of UNICA - Unipol Corporate Academy, the single training centre for the entire Group, operational since March 2016.

**Other business areas**

**Investment** management strategy will focus on structurally sustaining financial returns in the medium and long term by means of policies that also take the equilibrium required by Solvency II metrics into account. In terms of asset class, a gradual reduction of the share of government securities is envisaged, with a view to a progressive diversification, based on a selective increase of corporate securities and other financial assets. The guidelines in the **real estate** sector envisage the valorisation and stabilisation of the percentage represented by the real estate portfolio - forecast as around €4.3bn in 2018 - of the Group's total assets, with measures set to increase the quality of the portfolio and to support the future improvement of the profitability of the third party portfolio.
In the **reinsurance** business, the objective of the Plan is to increase presence on foreign markets through UnipolRe, the Group's Reinsurance company, based in Dublin, with a view to bringing premiums from €39m in 2015 to around €300m in 2018.

Further more detailed information is available on UnipolSai's institutional website, www.unipolsai.com, where a full copy of the Plan is available.

## Merger by incorporation of Liguria Assicurazioni and Liguria Vita into UnipolSai

On 25 January 2016 the deed of merger by incorporation of Liguria Assicurazioni and Liguria Vita into UnipolSai Assicurazioni was signed, with legal effects from 31 January 2016 and accounting and tax effects from 1 January 2016.
On 31 January 2016, after the merger had become effective, 12,525 new UnipolSai ordinary shares, with the same characteristics of outstanding ordinary shares, were issued to Liguria shareholders other than the merging company UnipolSai.
The share capital of UnipolSai therefore went from €2,031,445,960.02, consisting of 2,829,702,916 ordinary shares, to €2,031,454,951.73, consisting of 2,829,715,441 ordinary shares.

## Lease agreements to Atahotels of some hotel facilities were not renewed

In January 2016, negotiations for the renewal of the lease agreement on some hotel facilities, owned by the Fondo Antirion Global-Comparto Hotel and formerly by ENPAM, currently rented by Atahotels, were terminated.

## Start of Alfaevolution Technology

On 1 March 2016, Alfaevolution Technology, established on 28 December 2015, started operating. This company manages ITC services ("black boxes") connected to insurance policies. Through this company the Group intends to achieve the following strategic objectives:
- providing analysis to support of the calculation of tariffs and ensure greater effectiveness in the claims settlement processes for the MV TPL classes;
- monitoring changes in the technological standard of the devices, steering the selection of suppliers and models, with the concurrent improvement of cost efficiency;
- 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.

## Participation in the Atlante Fund

UnipolSai undertook to participate in the Atlante Fund, a closed-end private investment fund, the objective of which is to support the share capital increases of several Italian banks and to intervene in any transactions regarding NPL (Non Performing Loans), with a total investment of €100m. At 30 June 2016, €60m had been paid into the fund.

## Salient aspects of business operations

The UnipolSai Group closed the first half of 2016 with a **consolidated net profit** of **€280m** (€455m at 30/06/2015), net of taxation for the period of €103m (€190m at 30/06/2015): note that the result at 30 June 2015 included significant net capital gains (€512m, against €204m at 30/06/2016, before tax).

The **Insurance sector** contributed €294m to consolidated net profit (€519m at 30/06/2015), of which €168m related to Non-Life business (€337m at 30/06/2015, and €125m related to Life business (€183m at 30/06/2015).
The results of the other sectors in which the Group carries out business are as follows:
- the **Real Estate sector** recorded a -€9m loss (-€59m at 30/06/2015);
- the **Other Businesses sector** recorded a -€5m loss (-€5m at 30/06/2015).

Among the other important factors that marked the performance of the Group, we note the following:

- **direct insurance premiums**, before reinsurance transfers, totalled €6,722m (€7,284m at 30/06/2015, -7.7%). Non-Life direct premiums amounted to €3,685m (€3,772m at 30/06/2015, -2.3%) whereas Life direct premiums amounted to €3,036m (€3,512m at 30/06/2015, -13.5%), of which €502m was related to Life investment products (€24m at 30/06/2015);

- **premiums earned**, net of reinsurance transfers, amounted to €5,981m (€7,012m at 30/06/2015), of which €3,451m in the Non-Life business (€3,529m at 30/06/2015) and €2,531m in the Life business (€3,484m at 30/06/2015);

- **net charges relating to claims**, net of reinsurance, amounted to €5,092m (€6,309m at 30/06/2015), of which €2,298m from Non-Life business (€2,396m at 30/06/2015) and €2,794m from Life business (€3,913m at 30/06/2015), including €36m in net gains on financial assets and liabilities at fair value (€135m at 30/06/2015);

- the **loss ratio** of direct Non-Life business was 67.3%, (68.5% at 30/06/2015);

- **operating expenses** amounted to €1,168m (€1,210m at 30/06/2015). In the Non-Life business, operating expenses amounted to €1,010m (€1,009m at 30/06/2015), €134m in the Life business (€178m at 30/06/2015), €28m in the Other Business sector (€21m at 30/06/2015) and €5m in the Real Estate sector (€14m at 30/06/2015);

- the ***combined ratio*** of direct Non-Life business was 95.3%, (96.0% at 30/06/2015);

- **net gains on investments and financial income** from financial assets and liabilities (excluding net gains on financial assets and liabilities at fair value relating to Life business) amounted to €828m (€1,308m at 30/06/2015);

- **gross profit** came to €383m (€645m at 30/06/2015), after writedowns of property and available-for-sale assets amounting to €49m (€72m in the first half of 2015), and amortisation of intangible assets amounting to €35m (€47m in the first half of 2015);

- **taxation** represented, for the period, a net expense of €103m (€190m at 30/06/2015) with a tax rate of 26.9% (29.5% at 30/06/2015);

- net of the €10m profit attributable to non-controlling interests, the **profit attributable to the owners of the Parent** at 30 June 2016 was **€269m** (a profit of €438m at 30/06/2015);

- in just the second quarter of 2016, **gross profit** was €184m (a profit of €175m in the second quarter of 2015);

- the Comprehensive Income Statement result was a profit of €88m (a profit of €58m at 30/06/2015), even accounting for the decrease in the reserve for gains or losses on available-for-sale financial assets of €203m (negative variation of €373m at 30/06/2015);

- investments and cash and cash equivalents amounted to €63,737m (€63,291m at 31/12/2015), after having reclassified €46m under assets held for disposal, pursuant to IFRS 5 (€17m at 31/12/2015), consisting entirely of properties;

- technical provisions and financial liabilities amounted to €60,580m (€59,992m at 31/12/2015);

- following the application of IFRS 5, €46m was reclassified under Non-current assets or assets of a disposal group (€17m at 31/12/2015).

A summary of the Consolidated Income Statement at 30 June 2016 is illustrated below, broken down by business segment: Insurance (Non-Life and Life), Other Businesses and Real Estate, compared with the figures at 30 June 2015.

## Condensed Consolidated Operating Income Statement broken down by business segment

| Amounts in €m | NON-LIFE BUSINESS | | | LIFE BUSINESS | | | INSURANCE SECTOR | | |
|---|---|---|---|---|---|---|---|---|---|
| | 30/6/16 | 30/6/15 | % var. | 30/6/16 | 30/6/15 | % var. | 30/6/16 | 30/6/15 | % var. |
| Net premiums | 3,451 | 3,529 | *(2.2)* | 2,531 | 3,484 | *(27.4)* | 5,981 | 7,012 | *(14.7)* |
| Net commission income | (1) | | *n.s.* | 10 | | *n.s.* | 9 | | *n.s.* |
| Financial income/expenses (excl. assets/liab. designated at fair value through profit or loss) | 247 | 488 | *(49.5)* | 597 | 885 | *(32.5)* | 844 | 1,374 | *(38.6)* |
| *Net interest* | *176* | *172* | | *532* | *531* | | *707* | *703* | |
| *Other income and charges* | *54* | *40* | | *35* | *35* | | *88* | *76* | |
| *Realised gains and losses* | *102* | *243* | | *102* | *270* | | *204* | *513* | |
| *Valuation gains and losses* | *(85)* | *33* | | *(71)* | *49* | | *(156)* | *81* | |
| Net charges relating to claims | (2,298) | (2,396) | *(4.1)* | (2,794) | (3,913) | *(28.6)* | (5,092) | (6,309) | *(19.3)* |
| Operating expenses | (1,010) | (1,009) | *0.1* | (134) | (178) | *(24.8)* | (1,144) | (1,187) | *(3.6)* |
| *Commissions and other acquisition expenses* | *(789)* | *(808)* | *(2.3)* | *(65)* | *(100)* | *(34.6)* | *(855)* | *(908)* | *(5.9)* |
| *Other expenses* | *(221)* | *(201)* | *10.1* | *(68)* | *(78)* | *(12.2)* | *(290)* | *(279)* | *3.9* |
| Other income/charges | (163) | (130) | *25.6* | (33) | (28) | *21.1* | (197) | (158) | *24.8* |
| **Profit (loss) before taxes** | **225** | **482** | *(53.3)* | **176** | **251** | *(29.7)* | **401** | **733** | *(45.3)* |
| Income taxes | (56) | (145) | *(61.2)* | (51) | (68) | *(25.6)* | (107) | (214) | *(49.8)* |
| Profit (loss) from discontinued operations | | | | | | | | | |
| **Consolidated profit (loss)** | **168** | **337** | *(49.9)* | **125** | **183** | *(31.3)* | **294** | **519** | *(43.4)* |
| Profit (loss) attributable to the Group | | | | | | | | | |
| Profit (loss) attributable to non-controlling interests | | | | | | | | | |

(*) The Real Estate sector only includes real estate companies controlled by UnipolSai. At 30/06/2015 this sector included figures of UnipolSai Real Estate, merged in Unipolsai at 31/12/2015 – Insurance Sector – Non-Life

| OTHER ACTIVITIES SECTOR | | | REAL ESTATE SECTOR (*) | | | Inter-segment eliminations | | TOTAL CONSOLIDATED | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 30/6/16 | 30/6/15 | % var. | 30/6/16 | 30/6/15 | % var. | 30/6/16 | 30/6/15 | 30/6/16 | 30/6/15 | % var. |
| | | | | | | | | 5,981 | 7,012 | *(14.7)* |
| | | | | | | | | 9 | | *n.s.* |
| | | | (2) | (50) | *96.3* | (15) | (16) | 828 | 1,308 | *(36.7)* |
| | *1* | | *(1)* | *(1)* | | | | *706* | *703* | |
| | | | *7* | *20* | | *(15)* | *(16)* | *81* | *80* | |
| | | | *(1)* | *(1)* | | | | *204* | *512* | |
| | | | *(7)* | *(68)* | | | | *(162)* | *13* | |
| | | | | | | | | (5,092) | (6,309) | *(19.3)* |
| (28) | (21) | *32.9* | (5) | (14) | *(64.6)* | 9 | 12 | (1,168) | (1,210) | *(3.5)* |
| | | | | | | | | *(855)* | *(908)* | *(5.9)* |
| *(28)* | *(21)* | *32.9* | *(5)* | *(14)* | *(64.6)* | *9* | *12* | *(313)* | *(302)* | *3.8* |
| 19 | 14 | *31.5* | (3) | (17) | *81.8* | 6 | 4 | (175) | (156) | *11.7* |
| (8) | (6) | *(39.6)* | (10) | (81) | *87.6* | | | 383 | 645 | *(40.7)* |
| 3 | 1 | *n.s.* | 1 | 22 | *(95.7)* | | | (103) | (190) | *(45.9)* |
| | | | | | | | | | | |
| (5) | (5) | *0.2* | (9) | (59) | *84.6* | | | 280 | 455 | *(38.5)* |
| | | | | | | | | 269 | 438 | |
| | | | | | | | | 10 | 17 | |

## Insurance Sector

The Group's insurance business closed the period with a **net profit of €294m** (€519m at 30/06/2015), of which €168m relating to the Non-Life sector (€337m at 30/06/2015) and €125m relating to the Life sector (€183m at 30/06/2015).

At 30 June 2016, Investments and cash and cash equivalents of the Insurance sector, including properties for own use, totalled €62,651m (€62,183m at 31/12/2015), €16,947m of which was from Non-Life business (€17,673m at 31/12/2015) and €45,704m from Life business (€44,510m at 31/12/2015).

Financial liabilities amounted to €4,220m (€3,777m at 31/12/2015), €1,559m of which in the Non-Life business (€1,542 at 31/12/2015) and €2,661m in the Life business (€2,235m at 31/12/2015); the increase in the Life business is particularly due to the Financial liabilities relating to contracts issued by insurance companies where the investment risk is borne by policyholders (€1,709m at 30/06/2016 versus €1,289m at 31/12/2015).

**Total premiums** (direct and indirect premiums and investment products) at 30 June 2016 amounted to €6,749m (€7,311m at 30/06/2015, -7.7%). Life premiums amounted to €3,037m (€3,513m at 30/06/2015, -13.6%) and Non-Life premiums totalled €3,712m (€3,799m at 30/06/2015, -2.3%).

### Total premiums

| *Amounts in €m* | 30/6/2016 | *% comp.* | 30/6/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Non-Life direct premiums | 3,685 | | 3,772 | | *(2.3)* |
| Non-Life indirect premiums | 27 | | 26 | | *1.3* |
| **Total Non-Life premiums** | **3,712** | ***55.0*** | **3,799** | ***52.0*** | ***(2.3)*** |
| Life direct premiums | 2,534 | | 3,487 | | *(27.3)* |
| Life indirect premiums | | | 1 | | *(68.9)* |
| **Total Life premiums** | **2,535** | ***37.6*** | **3,488** | ***47.7*** | ***(27.3)*** |
| Total Life investment products | 502 | *7.4* | 24 | *0.3* | *n.s.* |
| **Total Life business** | **3,037** | ***45.0*** | **3,513** | ***48.0*** | ***(13.6)*** |
| **Overall total** | **6,749** | ***100.0*** | **7,311** | ***100.0*** | ***(7.7)*** |

Premiums in the second quarter of 2016 alone amounted to €3,010m (€3,563m in the second quarter of 2015).

All Non-Life premiums of Group insurance companies are classified under insurance premiums, as they meet the requirements of the IFRS 4 standard (presence of significant insurance risk).
As for Life premiums, investment products at 30 June 2016, for €502m, related to Class III (Unit- and Index-Linked policies) and Class VI (pension funds).

**Direct premium income** amounted to €6,722m (€7,284m at 30/06/2015, -7.7%), of which Non-Life premiums totalled €3,685m and Life premiums €3,036m.

| *Amounts in €m* | 30/6/2016 | *% comp.* | 30/6/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Non-Life direct Premiums | 3,685 | *54.8* | 3,772 | *51.8* | *(2.3)* |
| Life direct Premiums | 3,036 | *45.2* | 3,512 | *48.2* | *(13.5)* |
| **Total direct premiums** | **6,722** | ***100.0*** | **7,284** | ***100.0*** | ***(7.7)*** |

**Indirect Non-Life and Life premiums** totalled €27m at 30 June 2016 (€27m at 30/06/2015), €27m of which referred to premiums from Non-Life business (€26m at 30/06/2015) and €0.3m to the Life business (€1m at 30/06/2015).

| *Amounts in €m* | 30/6/2016 | *% comp.* | 30/6/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Non-Life indirect premiums | 27 | *98.9* | 26 | *96.5* | *1.3* |
| Life indirect premiums | | *1.1* | 1 | *3.5* | *(68.9)* |
| **Total indirect premiums** | 27 | ***100.0*** | 27 | ***100.0*** | *(1.1)* |

Group **premiums ceded** totalled €242m (€255m at 30/06/2015), €238m of which from Non-Life premiums ceded (€250m at 30/06/2015) and €4m from Life premiums ceded (€5m at 30/06/2015).

| *Amounts in €m* | 30/6/2016 | *% comp.* | 30/6/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Non-Life premiums | 238 | *98.3* | 250 | *98.2* | *(5.2)* |
| *Retention ratio - Non-Life business (%)* | *93.6%* | | *93.4%* | | |
| Life premiums | 4 | *1.7* | 5 | *1.8* | *(14.1)* |
| *Retention ratio - Life business (%)* | *99.8%* | | *99.9%* | | |
| **Total premiums ceded** | 242 | ***100.0*** | 255 | ***100.0*** | ***(5.3)*** |
| *Overall retention ratio (%)* | *96.1%* | | *96.5%* | | |

At 30 June 2016, the technical result of Non-Life premiums ceded was positive for reinsurers, while the technical result of Life premiums ceded was basically break-even.

## Non-Life business

Total Non-Life premiums (direct and indirect) at 30 June 2016 amounted to €3,712m (€3,799m at 30/06/2015).

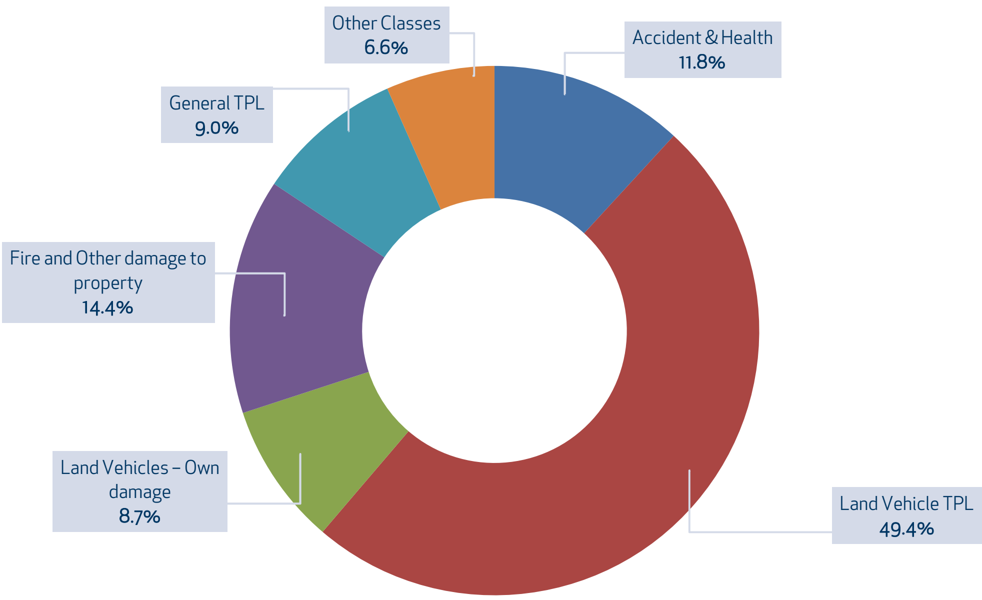
**Direct business** premiums alone amounted to €3,685m (€3,772m at 30/06/2015). **Indirect business** premiums were €27m (€26m at 30/06/2015).

The breakdown of the direct business for the main classes, with the changes with respect to 30/06/2015, is provided in the following table:

### Non-Life business direct premiums

| *Amounts in €m* | 30/6/2016 | *% comp.* | 30/6/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Motor vehicles - TPL and sea, lake and river (classes 10 and 12) | 1,821 | | 1,926 | | *(5.5)* |
| Land Vehicles Hulls (Class 3) | 321 | | 313 | | *2.5* |
| **Total premiums - Motor vehicles** | 2,142 | *58.1* | 2,240 | *59.4* | *(4.3)* |
| Accident & Health (Classes 1 and 2) | 436 | | 423 | | *3.1* |
| Fire and Other damage to property (Classes 8 and 9) | 530 | | 523 | | *1.3* |
| General TPL (Class 13) | 332 | | 342 | | *(2.8)* |
| Other classes | 245 | | 245 | | *0.1* |
| **Total premiums - Non-Motor vehicles** | 1,543 | *41.9* | 1,533 | *40.6* | *0.7* |
| **Total Non-Life direct premiums** | 3,685 | *100.0* | 3,772 | *100.0* | *(2.3)* |

### % breakdown of Non-Life direct business premiums




In the first half of 2016, the direct premiums of the UnipolSai Group amounted to €3,685m (-2.3%). Premiums in the MV TPL business were €1,821m, down by 5.5% on the first half of 2015. An increase was reported in the Land Vehicle Hulls business with premiums equal to €321m (+2.5%). The Non-MV segment remained unchanged, with premiums of €1,543m (+0.7%).

## Non-Life claims

As regards Non-Life claims, the Non-MV segment recorded a positive trend that, when compared with the first half of 2015, also benefited from the lack of significant damages caused by atmospheric events and that offset the effects of the continuous and considerable decline of the average MV TPL premium induced by the competitive market situation.

The **loss ratio** (for Non-Life direct business alone), including the OTI ratio, stood at 67.3% (68.5% at 30/06/2015).

## Number of claims reported (excluding MV TPL)

| | 30/6/2016 | 30/6/2015 | *% var.* |
|---|---|---|---|
| Land Vehicles Hulls (Class 3) | 143,176 | 144,589 | *(1.0)* |
| Accident (Class 1) | 70,278 | 72,547 | *(3.1)* |
| Health (Class 2) | 266,812 | 255,209 | *4.5* |
| Fire and Other damage to Property (Classes 8 and 9) | 137,741 | 155,014 | *(11.1)* |
| General TPL (Class 13) | 46,986 | 52,826 | *(11.1)* |
| Other classes | 206,510 | 171,585 | *20.4* |
| **Total** | 871,503 | 851,770 | *2.3* |

As regards the MV TPL class, where the CARD[2] agreement is applied, in the first six months of 2016 cases relating to "fault" claims (Non-Card, Debtor Card or Natural Card) reported totalled 324,933, up 0.3% (323,976 at 30/06/2015, not including the values regarding the Dialogo portfolio transferred to the associate Linear Assicurazioni).
Claims reported that present at least Debtor Card claims handling numbered 189,515, down 0.6% compared to the same period in the previous year.
Handler Card claims totalled 243,089 (including 59,816 Natural Card claims, claims between policyholders at the same company), up by 2.7%. The settlement rate for the first half of 2016 was 66.8% as compared to 67.1% recorded in the same period of the previous year.
The weight of cases to which the Card agreement may be applied (both Handler Card and Debtor Card claims) out of total cases (Non-Card + Handler Card + Debtor Card) at June 2016 came to 84.8% (84.3% at June 2015).

The ***expense ratio*** for Non-Life direct business was 28.0% (27.5% at 30/06/2015), slightly higher as it was affected by the drop in premiums and increases in the commission charges resulting from homogenisation of the remuneration and bonus schemes of the various UnipolSai agency networks.

The ***combined ratio***, based on direct business, was 95.3% at 30 June 2016 (96.0% at 30/06/2015).

[2] - CARD - Convenzione tra Assicuratori per il Risarcimento Diretto - Agreement between Insurers for Direct Compensation: MV TPL claims may be classified as one of three cases of claims managed:
- Non-Card claims: claims governed by the ordinary regime, to which CARD is not applied;
- Debtor Card claims: claims governed by CARD where "our" policyholder is fully or partially liable, which are settled by the counterparty's insurance companies, to which "our" insurance company must pay a flat rate pay-out ("Debtor Flat Rate");
- Handler Card claims: claims governed by CARD where "our" policyholder is fully or partially not liable, which are settled by "our" insurance company, to which the counterparty's insurance companies must pay a flat rate pay-out ("Handler Flat Rate").

However, it must be noted that this classification is a simplified representation because, in reality, each individual claim may contain damages included in each of the three above-indicated cases.

## Information about the main insurance companies in the Group - Non-Life business

The performance of the main Group companies in the first half of 2016 is summarised in the following table:

| *Amounts in €m* | Premiums written | *% Variation* | Investments | Gross Technical Provisions |
|---|---|---|---|---|
| NON-LIFE INSURANCE SECTOR | | | | |
| UNIPOLSAI ASSICURAZIONI Spa | 3,560 | *(2.8)* | 16,461 | 14,949 |
| DDOR NOVI SAD ADO | 39 | *5.3* | 51 | 72 |
| INCONTRA ASSICURAZIONI Spa | 33 | *(7.3)* | 136 | 152 |
| PRONTO ASSISTANCE Spa | 63 | *104.7* | 35 | 1 |
| SIAT Spa | 66 | *17.0* | 118 | 234 |

Direct premiums relating to UnipolSai alone totalled €3,556m (-0.7% and -2.4% considering at 30/06/2015 the premiums of Liguria Assicurazioni and of the companies Systema and Europa Tutela Giudiziaria, the first incorporated on 31/01/2016 and the others on 31/12/2015), of which €2,122m in the MV classes (€2,212m at 30/06/2015 on a like-for-like basis) and €1,434m in the Non-MV classes (€1,431m at 30/06/2015 on a like-for-like basis).

In the MV classes, €1,806m related to premiums in the MV TPL class and Sea, Lake and River Vessels TPL class (€1,904m at 30/06/2015 on a like-for-like basis). The decrease in premiums was caused by the fall in the average premium for the MV TPL business, while the positive trend of policies in the portfolio continues.
With reference to the Land Vehicle Hulls class, premiums instead recorded a positive trend following an extensive period of contraction due basically to the altered market conditions, which grew due to the resumption of the new registrations and the consequent gradual "rejuvenation" of the fleet on the road.
In the Non-MV classes, recovery is more marked in the personal sector compared to that of companies.
With reference to the Fire class, the first half of the year closed with a total increase in premiums that was essentially due to the "Personal" sector, while the "SME" and "Large Companies" sectors slightly decreased.
As for the Health class, premiums increased, contrary to the negative trend of past years. The increased number of claims and the reduction of payments confirm the majority of hedges on guarantees with high frequency but of low average amount.

DDOR Novi Sad basically broke even at 30 June 2016 (in line with the result of the first half of 2015) compared to an increase in total gross premiums (including both the Non-Life and Life sectors), which rose from €40m at 30/06/2015 (of which €37m in the Non-Life segment) to €43m at 30 June 2016 (of which €39m in the Non-Life segment), even though the Serbian insurance market is still negatively influenced by an uncertain macroeconomic situation. The greatest increases in premiums are to mainly attribute to the Land Vehicle Hulls, MV TPL and Other Damage to Property classes.

Incontra Assicurazioni recorded a profit at 30 June 2016 of €4m (sharply improved compared to €1m at 30/06/2015), even with premiums that totalled €33m, down compared to 30/06/2015 (-7.3%) and for the most part concentrated in the Pecuniary Losses and Health class (42% and 41% of all gross premiums written, respectively). Total gross technical provisions at the end of the first half reached the amount of €152m. The gross technical provisions-gross premiums written ratio was 468%.

Pronto Assistance, active in placing assistance services insurance policies in the home, health, MV and business segments, personalisable to meet the customer's needs, closed the period with a profit of €3m (profit of €2m recorded at 30/06/2015). The first half of 2016 posted total premiums amounting to €63m (€30m at 30/06/2015), whose increase (+104.7%) mainly refers to the indirect business taken by Group companies.

SIAT recorded a €3m profit in the first half of 2016 (€2m at 30/06/2015), with total gross premiums (direct and indirect) at €66m (€57m in the first half of 2015). This increase essentially refers to the Vessels sector, which benefitted from some temporary mismatches in the issuing of important insurance policies. A new and important construction in the "work sites" context becoming subject to risk (in March 2016) also contributed to this increase. Premiums of the Goods sectors showed no significant changes. With reference to the trend of claims, those of the

Transport classes were limited in number with a significantly lower amount than that of the first half of 2015. Lastly, with regard to the technical component of premiums as a whole, a significant improvement in its balance is reported.

## New products

In March 2016 the new **Km&Servizi** product was launched in the MV sector. It initially addressed the newly underwritten policies and immediately became popular with the network and customers. The product contains innovative and exclusive guarantee and service elements, and it exploits IT and the network of vehicle and people services that the Group companies are able to provide in the interest of both the Company and customers.

# Life business

Life business (direct and indirect premiums) amounted to a total of €3,037m (€3,513m at 30/06/2015), with a contribution coming from the bancassurance companies amounting to €1,440m (-15.2%). The decreases recorded are mostly concentrated in Class III.

The **direct premiums**, which represent almost all of the premiums, are broken down as follows:

## Life direct premium income

| *Amounts in €m* | 30/6/2016 | *% comp.* | 30/6/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| **Total premium income** | | | | | |
| I – Whole and term Life insurance | 1,967 | *64.8* | 1,995 | *56.8* | *(1.4)* |
| III - Unit-linked/index-linked policies | 581 | *19.1* | 906 | *25.8* | *(35.8)* |
| IV - Health | 1 | *0.0* | 1 | *0.0* | *23.3* |
| V - Capitalisation insurance | 231 | *7.6* | 371 | *10.6* | *(37.7)* |
| VI - Pension funds | 256 | *8.4* | 239 | *6.8* | *7.4* |
| **Total Life business direct premium income** | **3,036** | ***100.0*** | **3,512** | ***100.0*** | ***(13.5)*** |
| of which Premiums (IFRS 4) | | | | | |
| I – Whole and term Life insurance | 1,967 | *77.6* | 1,995 | *57.2* | *(1.4)* |
| III - Unit-linked/index-linked policies | 96 | *3.8* | 903 | *25.9* | *(89.4)* |
| IV - Health | 1 | *0.0* | 1 | *0.0* | *23.3* |
| V - Capitalisation insurance | 231 | *9.1* | 371 | *10.7* | *(37.7)* |
| VI - Pension Funds | 239 | *9.4* | 217 | *6.2* | *10.4* |
| Total Life business premium income | 2,534 | ***100.0*** | 3,487 | ***100.0*** | *(27.3)* |
| of which Investment products (IAS 39) | | | | | |
| III - Unit-linked/index-linked policies | 485 | *96.6* | 2 | *9.8* | *n.s.* |
| VI - Pension funds | 17 | *3.4* | 22 | *90.2* | *(22.4)* |
| Total Life investment products | 502 | ***100.0*** | 24 | ***100.0*** | *n.s.* |

New business in terms of **APE**, net of non-controlling interests, amounted to €272m at 30 June 2016 (€289m at 30/06/2015).

## Information about the main insurance companies in the Group - Life business

The performance of the main Group companies in the first half of 2016 is summarised in the following table:

| *Amounts in €m* | Premiums written | *% Variation* | Investments | Gross Technical Provisions |
|---|---|---|---|---|
| LIFE INSURANCE SECTOR | | | | |
| UNIPOLSAI ASSICURAZIONI Spa | 1,593 | *(12.1)* | 34,015 | 30,375 |
| BIM VITA Spa | 56 | *(44.2)* | 811 | 729 |
| POPOLARE VITA Spa | 1,018 | *(14.5)* | 9,031 | 8,116 |
| THE LAWRENCE LIFE ASS. CO Ltd | 365 | *(10.1)* | 2,045 | 1,575 |

UnipolSai collected a total of direct premiums amounting to €1,593m (€1,811m at 30/06/2015, also considering the premiums of Liguria Vita, -12.0%) of which €32m relating to investment products (€21m at 30/06/2015, +50.8%). As in previous years, the traditional class I and V policies had a predominant impact on the total premiums of the Life business (82.9%), once again showing the preference of customers for products offering financial protection such as the revaluable products.

Popolare Vita recorded a profit for the period of €18m (profit of €36m at 30/06/2015), of which €1m came from the valuation of the subsidiary Lawrence Life (€7m at 30/06/2015). Gross premiums written amounted to €1,018m (€1,191m at 30/06/2015). The volume of total investments (Non-Life and Life sectors) reached the amount of €9,035m, (€8,253m at 30/06/2015), of which €73m referred to the value of the interest in Lawrence Life (€77m at 30/06/2015).

Lawrence Life recorded a profit at the end of the half year of about €1m (almost €7m at 30/06/2015). The Company collected a total of premius amounting to €365m for the first half of 2016 by placing a unit linked investment product (€406m at 30/06/2015) for almost all referring to insurance contracts). The volume of total investments reached the amount of €2,045m (€2,385m at 31/12/2015).

BIM Vita recorded a profit of about €2m at the end of the half year (about €1m at 30/06/2015). Premiums amounted to €56m (€101m at 30/06/2015). The contraction is due to a slow-down through the bank branches of Banca Intermobiliare and Banca Consulia. The volume of total investments reached the amount of €811m (€816m at 31/12/2015).

## Pension Funds

The UnipolSai Group retained its leading position in the supplementary pension market, despite a difficult competitive context.

The UnipolSai Group managed a total of 22 Occupational Pension Fund mandates at 30 June 2016 (15 of them for accounts "with guaranteed capital and/or minimum return"). On the same date resources under management totalled €4,242m (€3,320m with guaranteed capital).
At 31/12/2015, Occupational Pension Fund mandates totalled 21 (14 of which for accounts “with guaranteed capital and/or minimum return”) and resources of €3,699m (of which €2,807m with guaranteed capital).

Note that on 1 May 2016 the merger by incorporation of the Open-ended Pension Funds "Fondiaria Previdente", “Sai”, “Unipol Insieme”, “Conto Previdenza” and “UnipolSai Assicurazioni” into the Open-ended Pension Fund “Unipol Previdenza” took effect. The latter changed its name into "UnipolSai Previdenza FPA" on the date the merger took effect. With this operation, which took place in compliance with COVIP Resolution of 15 July 2010 as later amended and supplemented, UnipolSai planned to rationalise the pension products in the Open-ended Pension Fund sector by concentrating it in a single pension fund consisting of seven segments. The increase in average assets managed per segment will lead to a more efficient management of the assets, with greater diversification of the investments and a better expected risk/yield profile, a simplification of the management processes and a consequent reduction of the incidence of fixed costs.
At 30 June 2016 the UnipolSai Previdenza FPA fund had 43,297 members and total assets of €567m.

At 30 June 2016 the assets of the Open-ended Pension Funds managed by the Group through UnipolSai, Popolare Vita and BIM (UnipolSai Previdenza FPA, Fondo Pensione Aperto Popolare Vita, Fondo Pensione Aperto BIM Vita) reached a total of €637m with 45,347 members.
At 31/12/2015, there were 8 Open Pension Funds with total assets of €845m and a total of 45,568 members.

## UnipolSai Group reinsurance policy

As regards the risks underwritten in the Non-Life classes, the reinsurance strategy adopted by the Group since 2013 has realised synergies and economies of scales by acquiring standardised insurance coverage for all companies of the Group, obtaining not only an increase in overall capacities, but also noticeable cost savings.

The main reinsurance policies taken out by the Group in 2016 were the following:

- new "Multipol" Multiline Aggregate Excess of Loss treaty, which maximises the efficiency and effectiveness of the most operational of the main non proportional treaties, assuring a greater and/or new protection on the flood and atmospheric event risks for Land Vehicle Hulls as well;
- excess of loss treaties for the protection of MV TPL, General TPL, Land Vehicle Hull Atmospheric Events, Fire (by risk and by event), Theft and Accident, Aircraft TPL, Transport and Bonds portfolios;
- stop loss treaty for Hail risk;
- proportional treaties for Technological risk (C.A.R. - Contractors' All Risks -, Erection all Risks and Decennale Postuma - Ten-year Building Guarantee), Bonds (the retention of which is then protected by a "risk attaching" excess of loss), Aviation (Accident, Aircraft and TPL, the retention of which is protected by a "loss attaching" excess of loss), Assistance, Legal Expenses, "D & O" TPL and new "multi-risk" policies underwritten in the Hail class.

The risks underwritten in the Life business in 2016 were covered at Group level with two proportional treaties, one for individual risks and one for collective risks in excess of the risk premium. Retention is protected with a non-proportional cover in excess of loss by event that regards the Life and/or Accident classes.

To minimise counterparty risk, reinsurance coverage continued to be spread out and placed with leading professional reinsurers that have been given a high credit rating by major rating agencies, in order to provide a comprehensive and competitive service.

## Real Estate Sector

With regard to the real estate business, the major Group projects for the most part involving properties held directly by the company UnipolSai continue to be oriented toward upgrading and rationalising the properties in the portfolio for their later income generation through sales and rentals.

The most significant transactions particularly involved properties owned by UnipolSai (not included in the Real Estate sector), of which the following activities in progress on the Milan market are reported:

- restoration and development of Torre Galfa, via Fara 41, which will partly house a hotel facility and partly be used as residential property;
- refurbishment of Torre Velasca, with most of the total of 26 floors used as offices (apartments on the top floors are being refurbished). Areas for events and conferences are also planned;
- refurbishment of a historic property in via Pantano 26/Corso di Porta Romana 19, partly to be used as residential property and partly for executive use;
- refurbishment of the property in via De Cristoforis 6/8 (Atahotel The Big).

Also planned is the construction of a new multi-storey building for business use, again in the Milan market, in the Porta Nuova Garibaldi neighbourhood. The project envisages construction of a 23-storey tower almost 120 metres in height, whose works should be started approximately by the end of the year 2016.

The activity to sell a portion of the real estate portfolio through several transactions particularly concerning the sale in fractions of the real estate complex located in Milan, via Bugatti/Tomaselli/Fraschini/Roselli called "Le Terrazze" and the sale of several real estate units in Milan and Turin continued during the six-month period.

The main income statement figures for the Real Estate sector are summarised below:

### Income Statement - Real Estate Sector

| *Amounts in €m* | 30/6/2016 | 30/6/2015 | % var. |
|---|---|---|---|
| Gains (losses) on financial instruments at fair value through profit or loss | (1) | (1) | 7.8 |
| Gains on other financial instruments and investment property | 18 | 33 | (44.8) |
| Other revenue | 6 | 11 | (46.3) |
| **Total revenue and income** | **23** | **43** | **(46.2)** |
| Losses on investments in subsidiaries, associates and interests in joint ventures | | (5) | (100.0) |
| Losses on other financial instruments and investment property | (19) | (77) | (75.0) |
| Operating expenses | (5) | (14) | (64.6) |
| Other costs | (9) | (28) | (68.4) |
| **Total costs and expenses** | **(33)** | **(124)** | **(73.4)** |
| **Pre-tax profit (loss) for the year** | **(10)** | **(81)** | **87.6** |

Pre-tax result at 30 June 2016 was negative for €10m (-€81m at 30/06/2015, of which -€42m related to the former UnipolSai Real Estate, now incorporated into UnipolSai Non-life Sector), after carrying out write-downs of properties for €8m (€69m at 30/06/2015) and depreciation of real estate investments and tangible assets for €9m (€18m at 30/06/2015).

Investments and cash and cash equivalents of the Real Estate sector (including instrumental properties for own use) totalled €908m at 30 June 2016 (€923m at 31/12/2015), consisting mainly of Investment property and Properties for own use amounting to €808m (€825m at 31/12/2015).

At 30 June 2016 financial liabilities were €203m (€203m at 31/12/2015).

# Other Businesses Sector

Commercial management and development activities of the diversified companies continued in the first half of 2016. These activities, along with restructuring initiatives adopted in previous years and in some cases still ongoing, have resulted in a improved results over the same period of the previous year, despite the continued weakness in the market environment in specific sectors.

As regards the **hotels segment**, Atahotels reported profits for €2m (break-even at 30/06/2015), also owing to the collection of the goodwill indemnities on the facilities owned by the Fondo Antirion Global-Comparto Hotel and previously owned by ENPAM, for which the leases were not renewed.
Also note that during the month of May 2015, Atahotels, together with the associate UnipolSai Investimenti S.G.R, signed an agreement with Una SpA regarding the acquisition, through two separate operations, of the hotel management unit and the corresponding property portfolio held for hotel purposes. The acquisition of the business unit envisages a fee of about €28m, while the price for the acquisition of the real estate portfolio is €259m. During the first six months, all groundwork activities in order to be able to complete closing of the operation, scheduled for next fall, were defined and completed.

With regard to the Florentine hub of **medical clinics**, the activities of the companies Villa Donatello and Centro Florence are continuing, and it is reported that the shareholders' meeting of Centro Oncologico Fiorentino resolved to place it in liquidation in view of the impossibility to make the company's operations economically sustainable.

As regards **agricultural activities**, Tenute del Cerro recorded a loss of €1m (a loss of €1m at 30/06/2015).

The key income statement figures regarding the Other Businesses sector are provided below:

## Income Statement - Other Business

| *Amounts in €m* | 30/6/2016 | 30/6/2015 | *% var.* |
|---|---|---|---|
| Gains on other financial instruments and investment property | 1 | 1 | *(52.4)* |
| Other revenue | 81 | 113 | *(28.8)* |
| **Total revenues and income** | **82** | **115** | ***(28.8)*** |
| Losses on other financial instruments and investment property | | (1) | *(56.1)* |
| Operating expenses | (28) | (21) | *32.9* |
| Other costs | (62) | (99) | *(37.6)* |
| **Total costs and expenses** | **(90)** | **(121)** | ***(25.5)*** |
| **Pre-tax profit (loss) for the the year** | **(8)** | **(6)** | ***(39.6)*** |

The pre-tax result at 30 June 2016 was a loss of €8m (-€6m at 30/06/2015).

The items Other revenue and Other costs include revenue and costs for services provided to Group companies belonging to other sectors, eliminated during the consolidation process.

At 30 June 2016, Investments and cash and cash equivalents of the Other Businesses sector (including properties for own use of €121m) totalled €227m (€234m at 31/12/2015).

Financial Liabilities amounted to €15m (€14m at 31/12/2015).

# Asset and financial management

## Investments and cash and cash equivalents

### Transactions carried out in the first half of 2016

In the first six months of 2016, the investment policies carried out by the Finance Department pursued, in a medium-long term perspective, a general standard of prudence and preservation of asset quality in accordance with the Guidelines defined in the Investment Policy. The objectives were achieved through:

- activities carried out in compliance with the instructions defined during the meetings of the Group's Investments Committee and the Financial Investments Committees, by availing themselves of the analyses conducted by the competent departments;
- transactions geared towards reaching profitability targets consistent with the asset return profile and with the trend in liabilities over the long-term.

The guideline for the development of investment activities was maintaining a high standard of portfolio quality through a process for the selection of issuers based on the criteria of issuer diversification and strength, placing particular attention on the liquidity profile.

The **bond segment** was the main focus of operations, mainly affecting Italian government bonds and non-government bonds, applying a medium/long-term investment approach.
During the first half of 2016, the exposure to government bonds decreased by about €1,500m. This reduction was attributable only to the Non-Life sector as the exposure to government bonds in the Life sector was all but unchanged.
Purchases on the Life portfolio involved mainly fixed rate securities, and were useful to meet the ALM requirements of the Segregated Funds, continuing the rationalisation of the maturity dates of liabilities with covering assets. This activity, carried out on the basis of the contractual commitments and the goals of the Business Plan, was also implemented by using zero coupon type government bonds, which allow the protection of minimum guaranteed returns and of the "coupon reinvestment risk" in a deflationary macroeconomic scenario marked by low interest rates.
In the Non-Life sector, government bond transactions were characterised by a sharp reduction in exposure. Sales involved mostly short-term or floating rate securities, and repurchases focused on securities index-linked to inflation.
The positions in derivative contracts to mitigate the risk of a rise in interest rates were marginally increased on the Non-Life portfolio.
The non-government component of bonds saw an increase in overall exposure by approximately €1,750m during the six-month period. Approximately 80% of the increased exposure regarded financial issuers, while the remaining 20% regarded industrial issuers.
Asset portfolio simplification activities continued during the period. Level 2 and 3 structured bonds saw a reduction of about €240m.

| | 30/6/2016 | | | 31/12/2015 | | | variation | |
|---|---|---|---|---|---|---|---|---|
| *Amounts in €m* | Carrying amount | Market value | Implied +/- | Carrying amount | Market value | Implied +/- | Carrying amount | Market value |
| Structured securities - Level 1 | 6,248 | 6,126 | (122) | 4,897 | 4,882 | (15) | 1,351 | 1,244 |
| Structured securities - Level 2 | 1,089 | 1,053 | (37) | 1,199 | 1,205 | 6 | (110) | (153) |
| Structured securities - Level 3 | 332 | 311 | (22) | 464 | 443 | (22) | (132) | (132) |
| **Total structured securities** | 7,670 | 7,490 | (180) | 6,561 | 6,530 | (31) | 1,109 | 960 |

**Share exposure** increased compared to 31/12/2015 by approximately €145m; the put options on the Eurostoxx50 index are still active on the equity portfolio, and were revalued during the half year to mitigate volatility and preserve the value of the portfolio. Transactions were broken down based on individual shares and ETFs (Exchange Traded Funds), representing share indexes. Almost all equity instruments belong to the main European share indexes.

Exposure to **alternative funds**, a category that includes Private Equity Funds and Hedge Funds, increased by €161m, reaching a total of €534m.

Currency transactions were carried out mainly to hedge the currency risk of outstanding equity and bond positions.

The overall Group duration stood at 5.59 years, moderately up compared to the end of 2015 (5.45 years). The Non-Life duration in the Group insurance portfolio was 3.52 years (3.43 years at the end of 2015); in Life business, duration was 6.33 years (6.24 years at the end of 2015). The fixed rate and floating rate components of the bond portfolio stood at 83.3% and 16.7% respectively. The government component accounted for approximately 71.2% of the bond portfolio whilst the corporate component accounted for the remaining 28.8%, split into 22.0% financial and 6.8% industrial credit.

89.0% of the bond portfolio was invested in securities with ratings above BBB-. 1.4% of the total is positioned in classes AAA to AA-, while 4.3% of securities had an A rating. The exposure to securities in the BBB rating class was 83.3%. Italian government bonds accounted for 64.2% of the total bond portfolio.

At 30 June 2016, Group **Investments and cash and cash equivalents** totalled €63,737m (€63,291m at 31/12/2015), with the following breakdown by business segment:

Investments and cash and cash equivalents - Breakdown **by business segment**

| *Amounts in €m* | 30/6/2016 | *% comp.* | 31/12/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Insurance | 62,651 | *98.3* | 62,183 | *98.3* | *0.8* |
| Other Business | 227 | *0.4* | 234 | *0.4* | *(2.7)* |
| Real Estate | 908 | *1.4* | 923 | *1.5* | *(1.6)* |
| Intersegment eliminations | (49) | *(0.1)* | (49) | *(0.1)* | *1.0* |
| **Total Investments and cash and cash equivalents (*)** | **63,737** | ***100.0*** | **63,291** | ***100.0*** | ***0.7*** |

(*) including properties for own use

The breakdown **by investment category** is as follows:

| *Amounts in €m* | 30/6/2016 | *% comp.* | 31/12/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| **Property (*)** | 3,764 | ***5.9*** | 3,859 | ***6.1*** | ***(2.4)*** |
| **Investments in subsidiaries, associates and interests in joint ventures** | 513 | ***0.8*** | 528 | ***0.8*** | ***(2.8)*** |
| **Held-to-maturity investments** | 1,021 | ***1.6*** | 1,100 | ***1.7*** | ***(7.2)*** |
| **Loans and receivables** | 5,074 | ***8.0*** | 5,251 | ***8.3*** | ***(3.4)*** |
| Debt securities | 4,223 | *6.6* | 4,324 | *6.8* | *(2.3)* |
| Deposits with ceding companies | 22 | *0.0* | 24 | *0.0* | *(7.5)* |
| Other loans and receivables | 829 | *1.3* | 903 | *1.4* | *(8.2)* |
| **Available-for-sale financial assets** | 43,736 | ***68.6*** | 42,804 | ***67.6*** | ***2.2*** |
| **Financial assets at fair value through profit or loss** | 8,729 | ***13.7*** | 8,791 | ***13.9*** | ***(0.7)*** |
| held for trading | 365 | *0.6* | 372 | *0.6* | *(1.8)* |
| at fair value through profit or loss | 8,363 | *13.1* | 8,420 | *13.3* | *(0.7)* |
| **Cash and cash equivalents** | 899 | ***1.4*** | 957 | ***1.5*** | ***(6.1)*** |
| **Total Investments and cash and cash equivalents** | 63,737 | ***100.0*** | 63,291 | ***100.0*** | ***0.7*** |

(*) including properties for own uses

At 30 June 2016 value adjustments were made on properties (for own use and investments) that amounted to €34m (€117m in write-downs at 31/12/2015), of which €30m referred to the property located in Milan, Via Senigallia, whose value was brought into line with the appraisal value in consideration of the proposed change in use.

## Net gains on investments and financial income

The breakdown of net gains (losses) on investments and financial income is shown in the table below:

### Net investment income

| *Amounts in €m* | 30/6/2016 | *% comp.* | 30/6/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Investment property | | *0.0* | (45) | *(3.3)* | *(100.6)* |
| Gains/losses on investments in subsidiaries and associates and interests in joint ventures | 2 | *0.2* | 4 | *0.3* | *(54.9)* |
| Net gains on held-to-maturity investments | 23 | *2.7* | 28 | *2.1* | *(17.4)* |
| Net gains on loans and receivables | 116 | *13.5* | 99 | *7.3* | *16.5* |
| Net gains on available-for-sale financial assets | 876 | *102.0* | 1,032 | *76.0* | *(15.1)* |
| Net gains on held-for-trading financial assets held for trading and at fair value through profit or loss (*) | (159) | *(18.5)* | 238 | *17.5* | *n.s.* |
| Balance of cash and cash equivalents | | *0.0* | 1 | *0.1* | *(60.5)* |
| **Total net gains on financial assets, cash and cash equivalents** | **859** | ***100.0*** | **1,358** | ***100.0*** | ***(36.8)*** |
| Net losses on held-for-trading financial liabilities and at fair value through profit or loss (*) | (2) | | 1 | | *n.s.* |
| Net losses on other financial liabilities | (29) | | (50) | | *(41.5)* |
| **Total net losses on financial liabilities** | **(31)** | | **(50)** | | ***(37.3)*** |
| **Total net gains (*)** | **828** | | **1,308** | | ***(36.7)*** |
| Net gains on financial assets at fair value (**) | (64) | | 155 | | *(141.6)* |
| Net losses on financial liabilities at fair value (**) | 28 | | (20) | | *n.s.* |
| **Total net gains on financial instruments at fair value (**)** | **(36)** | | **135** | | ***(127.0)*** |
| **Total net gains on investments and net financial income** | **791** | | **1,443** | | ***(45.2)*** |

(*) Excluding net gains and losses on financial instruments at fair value through profit or loss for which investment risk is borne by customers (index- and unit- linked) and arising from pension fund management.

(**) Net gains and losses on financial instruments at fair value through profit or loss with investment risk borne by customers (index-and unit-linked) and arising from pension fund management.

At 30 June 2016, the following impairment losses on financial instruments classified in the available-for- sale asset category for €16m (€2m at 30/06/2015) and write-downs on investment property for €5m (€51m at 30/06/2015).

Net gains on held-for-trading financial assets were negative for €159m, as compared to €238m of positive net gains at 30 June 2015, due to both the fewer net capital gains realised for €121m greater net write-downs for €277m.

# Shareholders' equity

At 30 June 2016, Unipol's share capital was €2,031m fully paid-up and was made up of 2,829,715,441 ordinary shares (at 31/12/2015, the share capital was composed of 2,829,702,916 ordinary shares).
The change is due to the increase in share capital made for the merger by incorporation in UnipolSai of Liguria - Società di Assicurazioni SpA "Liguria" and Liguria Vita SpA, with issue of 12,525 new UnipolSai ordinary shares to Liguria shareholders other than the Merging Company.

Movements in shareholders' equity recognised during the year with respect to 31 December 2015 are set out in the attached Statement of changes in Shareholders' equity.
The main changes in the year in the Group's shareholders' equity were as follows:

- decrease due to dividend distribution for €416m;
- a decrease as a result of the fall in the reserve for gains and losses on available-for-sale financial assets, net of both the related tax liabilities and the part attributable to the policyholders and charged to insurance liabilities for €203m;
- change of €269m for Group profit of the period.

Shareholders' Equity attributable to non-controlling interests was €323m (€337m at 31/12/2015).

## Treasury shares and shares of the holding company

At 30 June 2016, UnipolSai held a total of 53,549,685 ordinary treasury shares, of which 5,205,640 directly and 48,344,045 indirectly through the subsidiaries UnipolSai Finance (38,454,775), UnipolSai Nederland (9,443,258), Pronto Assistance (344,312) and Popolare Vita (101,700).

At 30 June 2016 UnipolSai held a total of 3,333,860 ordinary shares issued by the parent company Unipol Gruppo Finanziario SpA, of which 3,108,860 directly, and indirectly through the subsidiaries SIAT (55,000), UnipolSai Servizi Consortili (70,000), Popolare Vita (85,000) and Auto Presto & Bene (15,000).
At 1 July 2016, implementing the financial instrument-based compensation plans for the 2010-2012 time interval, the managers of the company were assigned 1,474,940 ordinary shares within the scope of the aforesaid financial instrument-based compensation plan.

The UnipolSai Group held no shares issued by the indirect holding company Finsoe SpA at the end of the half year.

## Technical provisions and financial liabilities

At 30 June 2016, technical provisions amounted to €56,239m (€56,095m at 31/12/2015) and financial liabilities amounted to €4,340m (€3,897m at 31/12/2015).

### Technical provisions and financial liabilities

| Amounts in €m | 30/6/2016 | 31/12/2015 | % var. |
|---|---|---|---|
| Non-Life technical provisions | 15,424 | 15,748 | *(2.1)* |
| Life technical provisions | 40,815 | 40,347 | *1.2* |
| **Total technical provisions** | **56,239** | **56,095** | ***0.3*** |
| **Financial liabilities at fair value** | **2,020** | **1,543** | ***30.9*** |
| Investment contracts - insurance companies | 1,709 | 1,289 | *32.5* |
| Other | 312 | 254 | *22.7* |
| **Other financial liabilities** | **2,320** | **2,354** | ***(1.4)*** |
| Subordinated liabilities | 2,005 | 2,027 | *(1.0)* |
| Other | 315 | 327 | *(3.8)* |
| **Total financial liabilities** | **4,340** | **3,897** | ***11.4*** |
| **Total** | **60,580** | **59,992** | ***1.0*** |

### UnipolSai Group Debt

For a correct representation of the accounts under examination, information is provided below of financial debt only, which is the total amount of the financial liabilities not strictly associated with normal business operations. Therefore, liabilities constituting operating debt, i.e. liabilities directly or indirectly associated with assets, are excluded.

The situation is summarised in the following table, which shows a reduction in debt of about €20m.

| Amounts in €m | 30/6/2016 | 31/12/2015 | variation in amount |
|---|---|---|---|
| Subordinated liabilities | 2,005 | 2,027 | *(21)* |
| Payables to banks and other lenders | 122 | 121 | *1* |
| **Total debt** | **2,128** | **2,148** | ***(20)*** |

With reference to the **Subordinated Liabilities** issued by UnipolSai, the change is mainly due to the interest accrued during the period.

**Payables to banks and other lenders**, totalling €122m, include €112m (nearly unchanged compared to 31/12/2015) referring to the loan stipulated by the Tikal R.E. Closed Real Estate Fund with Mediobanca as Agent Bank. The loan, originally for €119m, was granted for the purchase of property and improvements. Since 2008, the Fund has made use of interest rate derivatives in implementation of a policy hedging the potential risk of an increase in interest rates on the loan taken out.

# Information on transactions with related parties

No transactions "of major relevance" with related parties took place in the first half of 2016 and neither did any transactions that, according to Art. 2427, paragraph 2 of the Civil Code, had any significant effect on UnipolSai's financial position and results of operations.

The "Procedure for the performance of related party transactions" is published on UnipolSai's website (www.unipolsai.com) in the Corporate Governance section.

As regards the disclosure required by IAS 24, please refer to paragraph 4.5 - Transactions with related parties in the Notes to the financial statements.

The merger of Liguria Assicurazioni and Liguria Vita into UnipolSai was a transaction "of minor relevance" carried out during the first half of 2016, as previously described in this report.

# Significant events after the reporting period and business outlook

## Significant events after the reporting period

On 22 July 2016 UnipolSai Assicurazioni, a main sponsor of the Italia Olympic Team for the 2016 Olympics, presented the integrated communications campaign connected with the Rio Olympic Games that will be aired from 24 July 2016 to 22 August. It is part of a global brand strategy intended to emphasise its closeness to people and sports, and is divided into two distinct communication phases tied to the pre-Olympic and Olympic periods.

The 2016 Rio Olympic Games is the most prestigious international event in the world of sports, so it is also the most important moment of the three-year agreement between UnipolSai and CONI (Italian National Olympic Committee) started in January 2015.

In addition to advertising, UnipolSai's Olympic period communication will also have "NextToRio UnipolSai" as a key factor. It is an important project consisting of video content presented on its social channels (YouTube | Unipol Group Corporate Channel and Twitter | UnipolSai Corporate) with which UnipolSai, which will be in Rio together with CONI at Casa Italia, will report on the days at the Olympics every day from an unusual perspective.

## Business outlook

The uncertainty of the financial markets that was triggered by the result of the UK referendum on 23 June continued to strike the main stock markets during the period right after the end of the first half of the year, and in particular the Italian financial and banking sector which is considered especially weak due to the high incidence of impaired loans. The perception of the EU's political will to resolve the banks' crisis helped the stock markets to partially recover, but the situation spurred most research institutes to revise the growth estimates in the leading economies in the negative.

To this regard, please note the recent publication of the stress test results that involved 51 European banks, five of which Italian, performed under the coordination of the European Banking Authority (EBA) and in collaboration with the European Central Bank and national supervisory authorities. The result that emerged was positive, and confirmed the ability of both the European and Italian banking systems to withstand particularly adverse scenarios.

In this complex macroeconomic context, the objective of financial operations continues to be to achieve consistency between assets and liabilities and to maintain a high standard of portfolio quality through criteria of diversification of the issuers while continuing to particularly focus on their strength and liquidity.

As far as the performance of the businesses in which the Group operates is concerned, there are no significant events to report. The many commercial offering actions aimed at continuing the productive recovery in the Non-Life sector continue, although in a scenario of harsh competition.

In light of what has been reported above, it is believed that profit can be maintained at the end of the entire year as well, unless exceptional events unforeseeable today occur.

Bologna, 3 August 2016

The Board of Directors

# 2.Condensed Consolidated Half-Yearly Financial Statements at 30/06/2016

## Tables of Consolidated Financial Statements:

- Statement of financial position
- Income statement and comprehensive income statement
- Statement of changes in shareholders' equity
- Statement of cash flows

## Statement of Financial Position

## Assets

| | *Amounts in €m* | 30/6/2016 | 31/12/2015 |
|---|---|---|---|
| 1 | INTANGIBLE ASSETS | 723.0 | 750.6 |
| 1.1 | Goodwill | 306.7 | 306.7 |
| 1.2 | Other intangible assets | 416.2 | 443.8 |
| 2 | PROPERTY, PLANT AND EQUIPMENT | 1,414.8 | 1,432.6 |
| 2.1 | Property | 1,290.9 | 1,323.4 |
| 2.2 | Other tangible assets | 123.9 | 109.2 |
| 3 | TECHNICAL PROVISIONS - REINSURERS' SHARE | 878.5 | 868.9 |
| 4 | INVESTMENTS | 61,546.8 | 61,010.1 |
| 4.1 | Investment property | 2,473.5 | 2,535.3 |
| 4.2 | Investments in subsidiaries, associates and interests in joint ventures | 513.3 | 528.1 |
| 4.3 | Held-to-maturity investments | 1,021.2 | 1,100.0 |
| 4.4 | Loans and receivables | 5,074.3 | 5,250.7 |
| 4.5 | Available-for-sale financial assets | 43,735.9 | 42,804.5 |
| 4.6 | Financial assets at fair value through profit or loss | 8,728.5 | 8,791.5 |
| 5 | SUNDRY RECEIVABLES | 2,600.5 | 2,958.0 |
| 5.1 | Receivables relating to direct insurance business | 1,113.7 | 1,518.6 |
| 5.2 | Receivables relating to reinsurance business | 98.7 | 75.7 |
| 5.3 | Other receivables | 1,388.1 | 1,363.8 |
| 6 | OTHER ASSETS | 945.9 | 746.5 |
| 6.1 | Non-current assets or assets of a disposal group held for sale | 46.0 | 16.5 |
| 6.2 | Deferred acquisition costs | 89.7 | 86.8 |
| 6.3 | Deferred tax assets | 225.4 | 186.6 |
| 6.4 | Current tax assets | 56.0 | 44.6 |
| 6.5 | Other assets | 528.8 | 411.9 |
| 7 | CASH AND CASH EQUIVALENTS | 899.0 | 957.4 |
| | TOTAL ASSETS | 69,008.3 | 68,724.0 |

# Statement of Financial Position

## Shareholders' Equity and Liabilities

| | Amounts in €m | 30/6/2016 | 31/12/2015 |
|---|---|---|---|
| 1 | SHAREHOLDERS' EQUITY | 6,263.1 | 6,614.5 |
| 1.1 | **attributable to the owners of the Parent** | **5,939.8** | **6,277.6** |
| 1.1.1 | Share capital | 2,031.5 | 2,031.4 |
| 1.1.2 | Other equity instruments | | |
| 1.1.3 | Capital reserves | 346.8 | 346.8 |
| 1.1.4 | Income-related and other equity reserves | 2,593.1 | 2,297.1 |
| 1.1.5 | (Treasury shares) | (49.5) | (49.5) |
| 1.1.6 | Reserve for foreign currency translation differences | 3.2 | 3.9 |
| 1.1.7 | Gains or losses on available-for-sale financial assets | 699.5 | 902.9 |
| 1.1.8 | Other gains or losses recognised directly in equity | 45.9 | 33.8 |
| 1.1.9 | Profit (loss) for the year attributable to the owners of the Parent | 269.4 | 711.3 |
| 1.2 | **attributable to non-controlling interests** | **323.2** | **336.9** |
| 1.2.1 | Share capital and reserves attributable to non-controlling interests | 279.4 | 277.8 |
| 1.2.2 | Gains or losses recorded directly in equity | 33.3 | 32.8 |
| 1.2.3 | Profit (loss) for the year attributable to non-controlling interests | 10.5 | 26.3 |
| 2 | PROVISIONS | 470.9 | 518.6 |
| 3 | TECHNICAL PROVISIONS | 56,239.3 | 56,095.2 |
| 4 | FINANCIAL LIABILITIES | 4,340.4 | 3,896.9 |
| 4.1 | Financial liabilities at fair value through profit or loss | 2,020.5 | 1,543.2 |
| 4.2 | Other financial liabilities | 2,320.0 | 2,353.7 |
| 5 | PAYABLES | 857.7 | 806.9 |
| 5.1 | Payables arising from direct insurance business | 99.8 | 114.8 |
| 5.2 | Payables arising from reinsurance business | 147.4 | 96.6 |
| 5.3 | Other payables | 610.4 | 595.4 |
| 6 | OTHER LIABILITIES | 836.9 | 792.0 |
| 6.1 | Liabilities associated with disposal groups | | |
| 6.2 | Deferred tax liabilities | 44.8 | 40.6 |
| 6.3 | Current tax liabilities | 41.9 | 34.8 |
| 6.4 | Other liabilities | 750.3 | 716.7 |
| | TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 69,008.3 | 68,724.0 |

## Income Statement

| | Amounts in €m | 30/6/2016 | 30/6/2015 |
|---|---|---|---|
| 1.1 | Net premiums | 5,981.2 | 7,012.2 |
| 1.1.1 | Gross premiums earned | 6,212.4 | 7,242.4 |
| 1.1.2 | Earned premiums ceded to reinsurers | (231.2) | (230.2) |
| 1.2 | Commission income | 16.1 | 4.5 |
| 1.3 | Gains and losses on financial instruments at fair value through profit or loss | (197.0) | 373.6 |
| 1.4 | Gains on investments in subsidiaries, associates and interests in joint ventures | 3.9 | 11.2 |
| 1.5 | Gains on other financial instruments and investment property | 1,151.6 | 1,345.0 |
| 1.5.1 | Interest income | 744.8 | 747.1 |
| 1.5.2 | Other income | 94.6 | 92.7 |
| 1.5.3 | Realised gains | 268.8 | 473.8 |
| 1.5.4 | Unrealised gains | 43.4 | 31.3 |
| 1.6 | Other revenue | 218.9 | 222.5 |
| 1 | TOTAL REVENUE AND INCOME | 7,174.5 | 8,968.9 |
| 2.1 | Net charges relating to claims | (5,055.7) | (6,443.8) |
| 2.1.1 | Amounts paid and changes in technical provisions | (5,151.1) | (6,558.0) |
| 2.1.2 | Reinsurers' share | 95.3 | 114.2 |
| 2.2 | Commission expenses | (7.0) | (4.1) |
| 2.3 | Losses on investments in subsidiaries, associates and interests in joint ventures | (2.1) | (7.3) |
| 2.4 | Losses on other financial instruments and investment property | (164.9) | (279.2) |
| 2.4.1 | Interest expense | (40.5) | (47.5) |
| 2.4.2 | Other charges | (22.5) | (20.6) |
| 2.4.3 | Realised losses | (60.0) | (82.5) |
| 2.4. | Unrealised losses | (42.0) | (128.6) |
| 2.5 | Operating expenses | (1,168.1) | (1,210.2) |
| 2.5.1 | Commissions and other acquisition costs | (854.6) | (908.1) |
| 2.5.2 | Investment management expenses | (69.9) | (54.9) |
| 2.5.3 | Other administrative expenses | (243.6) | (247.1) |
| 2.6 | Other costs | (393.7) | (378.9) |
| 2 | TOTAL COSTS AND EXPENSES | (6,791.5) | (8,323.5) |
| | PRE-TAX PROFIT (LOSS) FOR THE YEAR | 383.0 | 645.5 |
| 3 | Income tax | (103.1) | (190.4) |
| | PROFIT (LOSS) FOR THE PERIOD AFTER TAXES | 279.9 | 455.0 |
| 4 | PROFIT (LOSS) FROM DISCONTINUED OPERATIONS | | |
| | CONSOLIDATED PROFIT (LOSS) | 279.9 | 455.0 |
| | of which attributable to the owners of the Parent | 269.4 | 437.9 |
| | of which attributable to non-controlling interests | 10.5 | 17.2 |

## Comprehensive Income Statement

| Amounts in €m | 30/6/2016 | 30/6/2015 |
|---|---|---|
| CONSOLIDATED PROFIT (LOSS) | 279.9 | 455.0 |
| **Other income items net of taxes not reclassified to profit or loss** | (16.4) | 10.1 |
| Change in the shareholders' equity of the investees | (13.9) | 3.8 |
| Change in the revaluation reserve for intangible assets | | |
| Change in the revaluation reserve for property, plant and equipment | | |
| Gains and losses on non-current assets or disposal groups held for sale | | |
| Actuarial gains and losses and adjustments relating to defined benefit plans | (2.5) | 6.3 |
| Other items | | 0.0 |
| **Other income items net of taxes reclassified to profit or loss** | (175.0) | (407.3) |
| Change in the reserve for foreign currency translation differences | (0.7) | 0.0 |
| Gains or losses on available-for-sale financial assets | (202.9) | (372.6) |
| Gains or losses on cash flow hedges | 28.6 | (34.7) |
| Gains or losses on hedges of a net investment in foreign operations | | |
| Change in the shareholders' equity of the investees | | |
| Gains and losses on non-current assets or disposal groups held for sale | | |
| Other items | | |
| TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE) | (191.4) | (397.2) |
| TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE) | 88.5 | 57.9 |
| of which attributable to the owners of the Parent | 77.5 | 44.5 |
| of which attributable to non-controlling interests | 11.0 | 13.3 |

## Statement of Changes in Shareholders' Equity

| | *Amounts in €m* | Balance at 31/12/2014 | Changes to closing balances | Amounts allocated | Adjustments from reclassif. to profit or loss | Transfers | Changes in investments | Balance at 30/6/2015 |
|---|---|---|---|---|---|---|---|---|
| Shareholders' Equity attributable to the owners of the Parent | Share capital | 1,996.1 | | | | | | 1,996.1 |
| | Other equity instruments | 110.1 | | | | (8.6) | | 101.4 |
| | Capital reserves | 247.8 | | | | | | 247.8 |
| | Income-related and other equity reserves | 2,062.8 | | 271.6 | | (0.0) | | 2,334.5 |
| | (Treasury shares) | (49.5) | | | | | | (49.5) |
| | Profit (loss) for the year | 739.5 | | 172.6 | | (474.3) | | 437.9 |
| | Other comprehensive income/(expense) | 1,188.4 | | (122.2) | (271.2) | | | 795.0 |
| | **Total attributable to the owners of the Parent** | **6,295.2** | | **322.1** | **(271.2)** | **(482.9)** | | **5,863.2** |
| Shareholders' Equity attributable to non-controlling interests | Share capital and reserves attributable to non-controlling interests | 261.5 | | 15.6 | | | | 277.0 |
| | Profit (loss) for the year | 43.8 | | 1.6 | | (28.3) | | 17.2 |
| | Other comprehensive income/(expense) | 34.4 | | 3.9 | (7.8) | | | 30.6 |
| | **Total attributable to non-controlling interests** | **339.7** | | **21.1** | **(7.8)** | **(28.3)** | | **324.8** |
| Total | | 6,634.9 | | 343.2 | (279.0) | (511.1) | | 6,188.0 |

| | | Balance at 31/12/2015 | Changes to closing balances | Amounts allocated | Adjustments from reclassif. to profit or loss | Transfers | Changes in investments | Balance at 30/6/2016 |
|---|---|---|---|---|---|---|---|---|
| Shareholders' Equity attributable to the owners of the Parent | Share capital | 2,031.4 | | 0.0 | | | | 2,031.5 |
| | Other equity instruments | | | | | | | |
| | Capital reserves | 346.8 | | | | | | 346.8 |
| | Income-related and other equity reserves | 2,297.1 | | 296.0 | | (0.0) | (0.0) | 2,593.1 |
| | (Treasury shares) | (49.5) | | | | | | (49.5) |
| | Profit (loss) for the year | 711.3 | | (25.4) | | (416.4) | | 269.4 |
| | Other comprehensive income/(expense) | 940.6 | (0.0) | (46.4) | (145.6) | | 0.0 | 748.6 |
| | **Total attributable to the owners of the Parent** | **6,277.6** | **(0.0)** | **224.2** | **(145.6)** | **(416.4)** | **0.0** | **5,939.8** |
| Shareholders' Equity attributable to non-controlling interests | Share capital and reserves attributable to non-controlling interests | 277.8 | | 2.1 | | | (0.5) | 279.4 |
| | Profit (loss) for the year | 26.3 | | 8.4 | | (24.2) | | 10.5 |
| | Other comprehensive income/(expense) | 32.8 | 0.0 | 2.7 | (2.1) | | (0.0) | 33.3 |
| | Total attributable to non-controlling interests | **336.9** | **0.0** | **13.2** | **(2.1)** | **(24.2)** | **(0.5)** | **323.2** |
| Total | | 6,614.5 | 0.0 | 237.4 | (147.7) | (440.7) | (0.5) | 6,263.1 |

## Statement of Cash Flows (indirect method)

| *Amounts in €m* | 30/6/2016 | 30/6/2015 |
|---|---|---|
| **Pre-tax profit (loss) for the year** | **383.0** | **645.5** |
| **Change in non-monetary items** | **263.9** | **446.8** |
| Change in non-life premium provision | 0.5 | 20.5 |
| Change in claims provision and other Non-Life technical provisions | (344.7) | (448.2) |
| Change in mathematical provisions and other Life technical provisions | 17.2 | 907.5 |
| Change in deferred acquisition costs | (2.9) | (6.1) |
| Change in provisions | (47.7) | (73.8) |
| Non-monetary gains and losses on financial instruments, investment property and investments | 236.5 | (269.7) |
| Other changes | 405.1 | 316.6 |
| **Change in receivables and payables generated by operating activities** | **132.8** | **214.2** |
| Change in receivables and payables relating to direct insurance and reinsurance | 332.7 | 376.4 |
| Change in other receivables and payables | (199.8) | (162.1) |
| **Paid taxes** | **(5.1)** | **(68.4)** |
| **Net cash flows generated by/used for monetary items from investing and financing activities** | **239.7** | **(266.8)** |
| Liabilities from financial contracts issued by insurance companies | 419.6 | 6.2 |
| Payables to bank and interbank customers | | |
| Loans and receivables from banks and interbank customers | 0.0 | 0.0 |
| Other financial instruments at fair value through profit or loss | (179.8) | (273.0) |
| TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES | 1,014.4 | 971.3 |
| Net cash flow generated by/used for investment property | (12.4) | (5.2) |
| Net cash flow generated by/used for investments in subsidiaries, associates and interests in joint ventures | 0.2 | 83.6 |
| Net cash flow generated by/used for loans and receivables | (47.8) | (222.9) |
| Net cash flow generated by/used for held-to-maturity investments | 85.8 | (3.3) |
| Net cash flow generated by/used for available-for-sale financial assets | (452.3) | (106.1) |
| Net cash flow generated by/used for property, plant and equipment and intangible assets | (216.0) | (27.4) |
| Other net cash flows generated by/used for investing activities | 13.1 | 175.1 |
| TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES | (629.4) | (106.2) |
| Net cash flow generated by/used for equity instruments attributable to the owners of the Parent | 0.0 | (0.0) |
| Net cash flow generated by/used for treasury shares | | |
| Dividends distributed attributable to the owners of the Parent | (416.4) | (482.9) |
| Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests | (24.2) | (28.3) |
| Net cash flow generated by/used for subordinated liabilities and equity instruments | | (0.0) |
| Net cash flow generated by/used for other financial liabilities | (2.5) | (7.3) |
| TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES | (443.2) | (518.4) |
| **Effect of exchange rate gains/losses on cash and cash equivalents** | **(0.2)** | **0.2** |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY (*) | 957.4 | 684.9 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (58.5) | 346.9 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (**) | 899.0 | 1,031.8 |

(*) Cash and cash equivalents at 1 January 2015 include the cash and cash equivalents of non-current or those of a disposal group held for sale or disposal groups (€ 0.9m)

(**) Cash and cash equivalents at 30 June 2015 include the cash and cash equivalents of non-current or those of a disposal group held for sale or disposal groups (€ 2.1m)

# 3.Notes to the Financial Statements

## 1. Basis of presentation

The condensed consolidated half-yearly financial statements of the UnipolSai Group at 30 June 2016 are drawn up in application of IAS 34 and in compliance with the provisions of Art. 154-ter of Italian Legislative Decree 58/1998 (Consolidated Law on Finance) and with ISVAP Regulation no. 7 of 13 July 2007. They do not comprise all the information required for the annual financial statements and must be read together with the consolidated financial statements at 31 December 2015.

The condensed consolidated half-yearly 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 no. 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.

The information requested in Consob Communication DEM/6064293 of 28 July 2006 is also provided.

The consolidation principles and classification and measurement criteria, as well as the consolidation principles applied when drafting the condensed consolidated half-yearly financial statements at 30 June 2016, are consistent with those used for the consolidated financial statements at 31 December 2015, to which reference is expressly made herein and which are to be considered an integral part of these Notes.

While drawing up the condensed consolidated half-yearly financial statements at 30 June 2016, by reason of the fact that it is an interim report, the Management had to make a greater use of evaluations, estimates and assumptions that affect the application of the accounting standards and the amounts related to assets and liabilities, as well as costs and revenue recognised in the accounts. However, it should be noted that, as these are estimates, not necessarily the final results will be the same as amounts disclosed herein. These estimates and assumptions are reviewed on a regular basis. Any changes resulting from the review of the accounting estimates are recognised in the period in which such review is performed and in the related future periods.

## New accounting standards

**Amendments to IAS 16 and IAS 38 - Clarification of acceptable methods of depreciation and amortisation**

The Regulation (EU) 2015/2231 of 2 December 2015, issued by the EU Commission and published in the Official Journal L317 of 3 December 2015, approves the amendments made to the two accounting standards, which make clear that methods based on revenues cannot be used to calculate amortisation/depreciation. In fact, revenues reflect the methods for generating future economic benefits arising from the activity of the company owning the goods subject to amortisation/depreciation and do not reflect the methods of consumption of the expected future economic benefits of the goods. IAS 38 was amended with the introduction of a simple assumption based on which the revenue-based methods for determining the amortisation of intangible assets are inappropriate for the same reasons explained with reference to IAS 16. The amendments to IAS 16 and IAS 38 will come into force starting from 1 January 2016.

**Amendments to IFRS 11 - Accounting for acquisitions of interests in joint operations**

The Regulation (EU) 2015/2173 of 24 November 2015, which transposes the amendments to IFRS 11 "Joint Arrangements", provides clarifications on the issue of accounting for acquisitions of interests in joint operations, establishing that the purchaser of an interest in a joint operation formed by a company as defined by IFRS 3 must apply all accounting rules established by IFRS 3 for business combinations (it is not allowed to recognise the purchase as a set of assets). The amendments introduced to IFRS 11 came into force on 1 January 2016.

### Amendments to IAS 19 - Defined benefit plans: employee contributions

Regulation 2015/29, approved by the Commission on 17 December 2014, was published in the Official Journal of the European Union in January 2015. This Regulation endorses amendments made on 21 November 2013 by the IASB to IAS 19 "Employee benefits". The amendments to IAS 19 allow companies to recognise the contributions made by employees or third parties to defined benefit plans against the service cost for the year in which the contributions are paid. The right is granted for contributions that are independent from the number of years of service, and therefore are related to the services the employee has provided in the year the contributions are paid. The amendments apply mandatorily from the first accounting period beginning on or after 1 February 2015 (therefore, with reference to the UnipolSai Group as from the 2016 accounting period).

### Amendments to IFRS 2, IFRS 3, IFRS 8, IAS 16, IAS 24, and IAS 38 - 2010-2012 Annual Improvement Cycle

EU Regulation 28/2015, issued by the Commission on 17 December 2014 and published in the Official Journal on 9 January 2015, amending EU Regulation 1126/2008, implements the 2010-2012 Annual Improvement Cycle of the international accounting standards approved by the IASB on 12 December 2013: the objective of this is to deal with issues needed to address inconsistencies identified in the IFRS or provide non-urgent terminology clarifications. The main amendments concern:

- IFRS 2 "Share-based payments" Amendments were made to the definitions of "vesting conditions" and "market conditions" and the additional definitions of "performance condition" and "continuation of employment condition" were provided;
- IFRS 3 "Business Combinations" The amendment clarifies that a potential consideration within IFRS 3, classified as a financial asset or a liability, must be re-measured at fair value at the close of every accounting period and the changes in fair value must be recognised in the income statement or else among the elements of Comprehensive Income Statement on the basis of the requirements of IAS 39 (or IFRS 9);
- IFRS 8 "Operating segments". The amendments require entities to provide information on the assessments made by management in the application of the aggregation criteria of operating segments including a description of the aggregated operating segments and the economic indicators considered when assessing whether these operating segments have similar economic characteristics;
- IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible assets" on revaluation models. The amendments have eliminated the inconsistencies in the recognition of accumulated depreciation/amortisation when tangible or intangible assets are revalued.
- IAS 24 "Related Party Disclosures". It was clarified that if the services of the Key Managers are provided by a legal (and not natural) person, this entity must be treated in any case as a Related Party.

The amendments are applied to the annual period beginning on or after 1 February 2015 (and therefore, for the UnipolSai Group, from 2016).

### Amendments to IFRS 5, IFRS 7, IFRS 8, IAS 19 and IAS 34 - 2012-2014 Annual Improvement Cycle

On 15 December 2015 the EU Regulation 2015/2343 was approved: this validates the amendments to some international standards within the annual process of improvement of these, which must be applied to the annual period beginning on or after 1 January 2016. The document refers to the following standards:

- IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". The amendment introduces specific guidelines to the standard for the case in which an entity reclassifies an asset from "Held for Sale" to "Held for distribution to shareholders" (or viceversa), or when the requirements for the classification of an asset as "Held for distribution to shareholders" are not met;
- IFRS 7 "Financial Instruments: Disclosures". The amendments regulate the introduction of additional guidelines to clarify whether a "service contract" represents a residual involvement in an asset sold for the purposes of the information required for assets sold;
- IAS 19 "Employee benefits". This document introduces some amendments to IAS 19 to clarify that the high-quality corporate bonds used to calculate the discount rate for employee benefits should be in the same currency used for the payment of the benefits;
- IAS 34 "Interim financial reporting". The amendments are aimed at clarifying the requirements when the information required is presented in the interim financial statements. The IASB clarifies that the additional information required may be included in the notes to the interim financial report or else may be included, with specific cross-references, in other sections of the publication that in turn includes the interim financial report prepared in agreement to IAS 34, on condition that this publication is made available at the same time and in the same way required for the interim financial report.

### IAS 1 - Presentation of Financial Statements

EU Regulation 2015/2406 of 18 December 2015 has implemented the amendments to IAS 1 published by the IASB on 18 December 2014 to provide clarifications on the disclosure elements that may be perceived as impeding a clear and intelligible preparation of the financial statements. The main amendments are as follows:

- Materiality and aggregation: a company should not make information confusing by aggregating or disaggregating it and the considerations on materiality apply to financial statements, explanatory notes and specific IFRS disclosure requirements. It was also clarified that "non-significant" information should not be provided even if expressly required by a specific IFRS;
- Explanatory notes: it was specified that the entities have some flexibility in the definition of the layout of the explanatory notes and guidelines were provided on how to arrange these notes systematically.

The amendments introduced by the document must be applied to annual periods beginning on or after 1 January 2016.

### Amendments to IFRS 10, IFRS 12 and IAS 28

On 18 December 2014, the IASB published the document "Investment Entities: Applying the Consolidation Exception", which follows the publication of the Exposure Draft 2014/2 published on 11 June 2014, with the amendments concerning the exemption from consolidation requirements granted to investment entities. The document specifies that a holding company, in its turn subsidiary of an investment entity, is not required to prepare consolidated financial statements even if the investment entity measures the subsidiaries at fair value, pursuant to IFRS 10 and with a disclosure pursuant to IFRS 12.
The amendments to the IFRS 10, to the IFRS 12 and to IAS 28 must be applied starting with the financial statements for annual periods beginning on or after 1 January 2016.

The application of the new accounting standards had no significant impact on the condensed consolidated half-yearly financial statements at 30 June 2016.

The presentation currency is the euro and all the amounts shown in the notes to the financial statements are disclosed in €m, except when specifically indicated, rounded to one decimal place; therefore the sum of the individual amounts is not always identical to the total.

The condensed consolidated half-yearly financial statements at 30 June 2016 are subject to a limited audit by the company PricewaterhouseCoopers SpA, charged to audit the accounts for the years 2013 to 2021.

## Consolidation scope

## Changes in the consolidation scope compared with 31 December 2015 and other transactions

On 31 January 2016 the merger by incorporation of Liguria Assicurazioni and Liguria Vita into UnipolSai Assicurazioni took effect, with legal effects and accounting and tax effects from 1 January 2016. As a result of the merger, 12,525 new UnipolSai ordinary shares, with the same characteristics of outstanding ordinary shares, were issued to Liguria shareholders other than the merging company UnipolSai.
The share capital of UnipolSai therefore went from €2,031,445,960.02, consisting of 2,829,702,916 ordinary shares, to €2,031,454,951.73, consisting of 2,829,715,441 ordinary shares.

Moreover, in the first half of 2016, the following subsidiaries were deleted from the Register of Companies:

- SRP Services Sa in liquidation,
- Donatello Day Surgery Srl in liquidation
- Città della Salute Scrl in liquidation

as well as the following associates:

- A7 Srl in liquidation,
- Valore Immobiliare Srl in liquidation,
- Tour Executive Srl in liquidation,
- Cono Roma Srl in liquidation,
- Consorzio Zis Fiera 2 in liquidation.

## Segment reporting

The scope of segment reporting is based on the major types of business in which the Group operates:
- Non-Life;
- Life;
- Real estate;
- Other assets.

No segment reporting based on geographical areas was produced since the Group operates mainly on a national level and there appears to be no significant difference in the risks and benefits, according to the type of business activity carried out, that can be correlated with the economic situation in the individual regions.

The segment reporting layout conforms to the provisions of ISVAP Regulation no. 7/2007.

## 2. Notes to the Statement of Financial Position

Comments and further information on the items in the statement of financial position and the changes that took place compared to balances at 31 December of the previous year are given below (the numbering of the notes relates to the mandatory layout for the preparation of the statement of financial position).

In application of IFRS 5, assets and liabilities held for disposal are shown respectively under items 6.1 in Assets and 6.1 under Liabilities.

## ASSETS

### 1. intangible assets

| *Amounts in €m* | 30/6/2016 | 31/12/2015 | *var. in amount* |
|---|---|---|---|
| Goodwill | 306.7 | 306.7 | |
| resulting from business combinations | 306.7 | 306.7 | |
| Other intangible assets | 416.2 | 443.8 | *(27.6)* |
| portfolios acquired under business combinations | 262.5 | 295.9 | *(33.3)* |
| software and licenses | 132.9 | 133.7 | *(0.7)* |
| other intangible assets | 20.8 | 14.3 | *6.5* |
| Total intangible assets | 723.0 | 750.6 | *(27.6)* |

The item **Goodwill**, equal to €306.7m, was related, in the amount of €177.0m, to the Non-Life sector and in the amount of €129.7m to the Life sector. It was made up of goodwill recognised in 2014 following the integration transaction of Unipol Assicurazioni, Milano Assicurazioni, Premafin Finanziaria into Fondiaria-SAI (now UnipolSai).

During this half year, no trigger events incurred, other than those already taken into consideration at 31 December 2015, which indicate that goodwill might be impaired. Therefore, the Company deemed unnecessary to repeat the impairment testing at 30 June 2016.

In relation to the item **Portfolios acquired as a result of business combinations**, the decrease with respect to 31 December 2015, amounting to €33.3m, was due to amortisation for the year of values of the Non-Life portfolios acquired (€20.0m) and the Life portfolios (€13.4m). This item resulted from the aforesaid integration transaction of Unipol Assicurazioni, Milano Assicurazioni, Premafin Finanziaria into Fondiaria-SAI (now UnipolSai).

## 2. Property, plant and equipment

At 30 June 2016, the item Property, plant and equipment, less the related accumulated depreciation, amounted to €1,414.8m (€1,432.6m at 31/12/2015) and was composed of:
- property for own use amounting to €1,290.9m (€1,323.4m at 31/12/2015);
- other tangible assets amounting to €123.9m (€109.2m at 31/12/2015).

## 3. Technical provisions - Reinsurers' share

The balance of the item was equal to €878.5m (€868.9m at 31/12/2015).

## 4. Investments

| *Amounts in €m* | 30/6/2016 | *% comp.* | 31/12/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Investment property | 2,473.5 | *4.0* | 2,535.3 | *4.2* | *(2.4)* |
| Investments in subsidiaries, associates and interests in joint ventures | 513.3 | *0.8* | 528.1 | *0.9* | *(2.8)* |
| Financial assets (excluding those at fair value through profit or loss) | 50,196.5 | *81.6* | 49,527.2 | *81.2* | *1.4* |
| Held-to-maturity investments | 1,021.2 | *1.7* | 1,100.0 | *1.8* | *(7.2)* |
| Loans and receivables | 5,074.3 | *8.2* | 5,250.7 | *8.6* | *(3.4)* |
| Available-for-sale financial assets | 43,735.9 | *71.1* | 42,804.5 | *70.2* | *2.2* |
| Held-for-trading financial assets | 365.1 | *0.6* | 371.9 | *0.6* | *(1.8)* |
| Financial assets at fair value through profit or loss | 8,363.5 | *13.6* | 8,419.5 | *13.8* | *(0.7)* |
| Total Investments | 61,546.8 | *100.0* | 61,010.1 | *100.0* | *0.9* |

Details of Financial assets (excluding those at fair value through profit or loss) by investment type:

| Amounts in €m | 30/6/2016 | % comp. | 31/12/2015 | % comp. | % var. |
|---|---|---|---|---|---|
| **Held-to-maturity investments** | 1,021.2 | *2.0* | 1,100.0 | *2.2* | *(7.2)* |
| Listed debt securities | 861.2 | | 843.4 | | *2.1* |
| Unlisted debt securities | 160.0 | | 256.6 | | *(37.7)* |
| **Loans and receivables** | 5,074.3 | *10.1* | 5,250.7 | *10.6* | *(3.4)* |
| Unlisted debt securities | 4,223.4 | | 4,323.8 | | *(2.3)* |
| Deposits with ceding companies | 22.2 | | 24.0 | | *(7.5)* |
| Other loans and receivables | 828.7 | | 903.0 | | *(8.2)* |
| **Available-for-sale financial assets** | 43,735.9 | *87.1* | 42,804.5 | *86.4* | *2.2* |
| Equity instruments at cost | 38.2 | | 38.2 | | |
| Listed equity instruments at fair value | 556.5 | | 496.5 | | *12.1* |
| Unlisted equity instruments at fair value | 177.7 | | 178.4 | | *(0.4)* |
| Listed debt securities | 41,009.8 | | 40,021.9 | | *2.5* |
| Unlisted debt securities | 598.1 | | 636.8 | | *(6.1)* |
| UCITS units | 1,355.7 | | 1,432.6 | | *(5.4)* |
| **Held-for-trading financial assets** | 365.1 | *0.7* | 371.9 | *0.8* | *(1.8)* |
| Listed equity instruments at fair value | 6.9 | | 14.4 | | *(52.5)* |
| Listed debt securities | 76.3 | | 66.6 | | *14.5* |
| Unlisted debt securities | 52.2 | | 80.8 | | *(35.4)* |
| UCITS units | 29.8 | | 31.2 | | *(4.2)* |
| Derivatives | 199.9 | | 178.9 | | *11.8* |
| **Total financial assets** | 50,196.5 | *100.0* | 49,527.2 | *100.0* | *1.4* |

Details of Financial assets at fair value through profit or loss by investment type:

| Amounts in €m | 30/6/2016 | % comp. | 31/12/2015 | % comp. | % var. |
|---|---|---|---|---|---|
| **Financial assets at fair value through profit or loss** | 8,363.5 | *100.0* | 8,419.5 | *100.0* | *(0.7)* |
| Listed equity instruments at fair value | 173.9 | *2.1* | 175.0 | *2.1* | *(0.7)* |
| Listed debt securities | 4,063.9 | *48.6* | 3,669.1 | *43.6* | *10.8* |
| Unlisted debt securities | 204.7 | *2.4* | 673.3 | *8.0* | *(69.6)* |
| UCITS units | 3,502.4 | *41.9* | 3,658.2 | *43.4* | *(4.3)* |
| Other financial assets | 418.6 | *5.0* | 243.8 | *2.9* | *71.7* |

The information required by paragraphs 12 and 12A of IFRS 7 is contained in the appendix "Details of reclassified financial assets and their effects on the income statement and comprehensive income statement".

## 5. Sundry receivables

| *Amounts in €m* | 30/6/2016 | *% comp.* | 31/12/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Receivables relating to direct insurance business | 1,113.7 | *42.8* | 1,518.6 | *51.3* | *(26.7)* |
| Receivables relating to reinsurance business | 98.7 | *3.8* | 75.7 | *2.6* | *30.4* |
| Other receivables | 1,388.1 | *53.4* | 1,363.8 | *46.1* | *1.8* |
| **Total sundry receivables** | **2,600.5** | ***100.0*** | **2,958.0** | ***100.0*** | ***(12.1)*** |

The item Other receivables included:

- €465.9m related to tax receivables (€566.8m at 31/12/2015);
- €277.0m related to the substitute tax on actuarial reserves (€156.5m at 31/12/2015);
- €168.3m related to trade receivables (€169.5m at 31/12/2015);
- €125.3m related to payments made by UnipolSai as cash collateral to hedge derivatives (€119.7m at 31/12/2015).

## 6. Other assets

| *Amounts in €m* | 30/6/2016 | *% comp.* | 31/12/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Non-current assets or assets of a disposal group held for sale | 46.0 | *4.9* | 16.5 | *2.2* | *n.s.* |
| Deferred acquisition costs | 89.7 | *9.5* | 86.8 | *11.6* | *3.3* |
| Deferred tax assets | 225.4 | *23.8* | 186.6 | *25.0* | *20.8* |
| Current tax assets | 56.0 | *5.9* | 44.6 | *6.0* | *25.4* |
| Other assets | 528.8 | *55.9* | 411.9 | *55.2* | *28.4* |
| **Total other assets** | **945.9** | ***100.0*** | **746.5** | ***100.0*** | ***26.7*** |

The item Non-current assets or assets of a disposal group held for sale is made up of held-for-sale properties, for which the related preliminary contracts have already been signed.
For details of these assets and liabilities, please refer to section Other Information, paragraph 4.4 of these Notes to the Financial Statements.

The item Deferred tax assets is shown net of the compensation carried out, pursuant to IAS 12, with the corresponding taxes (IRES or IRAP) recorded in deferred tax assets, as described in Chapter 2 Main accounting standards adopted in the consolidated financial statements at 31 December 2015.

The item "Other assets" includes, inter alia, deferred commission expense, prepayments and accrued income.

## 7. Cash and cash equivalents

At 30 June 2016, Cash and cash equivalents amounted to €899.0m (€957.4m at 31/12/2015).

## LIABILITIES

### 1. Shareholders' equity

### 1.1. Shareholders' Equity attributable to the owners of the Parent

Shareholders' Equity, excluding non-controlling interests, is composed as follows:

| *Amounts in €m* | 30/6/2016 | 31/12/2015 | *var. in amount* |
|---|---|---|---|
| Share capital | 2,031.5 | 2,031.4 | *0.0* |
| Capital reserves | 346.8 | 346.8 | |
| Income-related and other equity reserves | 2,593.1 | 2,297.1 | *296.0* |
| (Treasury shares) | (49.5) | (49.5) | |
| Reserve for foreign currency translation differences | 3.2 | 3.9 | *(0.7)* |
| Gains/losses on available-for-sale financial assets | 699.5 | 902.9 | *(203.4)* |
| Other gains and losses recognised directly in equity | 45.9 | 33.8 | *12.1* |
| Profit (loss) for the period | 269.4 | 711.3 | *(441.8)* |
| **Total shareholders' equity attributable to the owners of the Parent** | **5,939.8** | **6,277.6** | ***(337.8)*** |

At 30 June 2016, UnipolSai's share capital was €2,031.5m fully paid-up and was made up of 2,829,715,441 ordinary shares (at 31/12/2015, the share capital was composed of 2,829,702,916 ordinary shares).
The change is due to the share capital increase made for the merger into UnipolSai of Liguria – Società di Assicurazioni SpA "Liguria" and of Liguria Vita SpA, with issue of 12,525 new UnipolSai ordinary shares in favour of Liguria shareholders, other than the Merging company.

Movements in Shareholders' equity recognised during the year with respect to 31/12/2015 are set out in the attached Statement of changes in Shareholders' equity.
The main changes in the year were as follows:
- decrease due to dividend distribution for €416.4m;
- a decrease as a result of the fall in the reserve for gains and losses on available-for-sale financial assets, net of both the related tax liabilities and the part attributable to the policyholders and charged to insurance liabilities for €203.4m;
- an increase of €269.4m for Group profit of the period.

Shareholders' Equity attributable to non-controlling interests was €323.2m (€336.9m at 31/12/2015). The profit for the period attributable to non-controlling interests amounted to €10.5m; additionally, dividends of €24.2m were paid to non-controlling interests.

## 2. Provisions

The item "Provisions" totalled €470.9m at 30 June 2016 (€518.6m at 31/12/2015) and mainly consisted of provisions for litigation, various disputes, charges relating to the sales network, provisions for salary policies and employee leaving incentives.

## Ongoing disputes and contingent liabilities

This section reports updated information on the proceedings whose developments in the first six months of 2016 are worth reporting herein. For exhaustive information on the ongoing causes and contingent liabilities, reference is made to information given in the 2015 Consolidated Financial Statements.

**Writs of summons by shareholders of La Fondiaria Assicurazioni (Tender offer legal cases)**
From 2003 onwards, a number of La Fondiaria Assicurazioni ("Fondiaria") shareholders have initiated a series of legal proceedings claiming, albeit on different legal grounds and justifications, compensation for damages allegedly suffered due to failure to launch the takeover bid on Fondiaria shares by SAI Società Assicuratrice Industriale SpA ("SAI") in 2002.
On the whole, 16 proceedings were brought against the Company. At 30 June 2016, 5 proceedings were still pending, 2 of which before the Supreme Cassation Court, two proceeding before the Milan Court of Appeal after the resumption following the decision of the Cassation, and another proceeding for which the term for resumption before the Supreme Cassation Court is about to expire following the rejection of the second instance ruling.
Special provisions were provided with respect of the above-mentioned legal disputes. The amounts were deemed as adequate.

**Proceedings in progress with the Antitrust Authority**
By means of Ruling dated 14 November 2012, the Italian Antitrust Authority started preliminary proceedings no. I/744 against Unipol Assicurazioni and Fondiaria-SAI (now UnipolSai), Assicurazioni Generali and INA Assitalia, to ascertain the existence of alleged violations of Art. 2 of Law 287/1990 and/or Art. 101 of the Treaty on the Functioning of the European Union, 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. The preliminary investigation stage ended on 28 January 2015 with the final hearing of the parties.
On 26 March 2015 the Antitrust Authority notified a penalty provision with which UnipolSai Assicurazioni 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.
With appeal served to UnipolSai on 21 March 2016, AGCM challenged the ruling issued by the Regional Administrative Court before the Council of State, which set the hearing for the discussion on 1 December 2016.

**Bankruptcy of Im.Co. SpA in liquidation and Sinergia Holding di Partecipazioni SpA in liquidation**

On 18 February 2016, the agreement with Visconti Srl, in charge of the arrangements with creditors of Im.Co. and Sinergia, was fully implemented.
It should be noted that, on 17 November 2014, the Court of Milan approved the bankruptcy agreement regarding Im.Co that had been put forward by Visconti. The main effects of the relevant decree included transfer of the real estate complex in Milan at Via De Castillia to UnipolSai, and the real estate complex in Parma, Località San Pancrazio Parmense, to UnipolSai Real Estate (now UnipolSai). For further details, reference is made to descriptions in the Consolidated Financial Statements at 31 December 2015.
As a result of the closure of the Bankruptcy proceeding of Im.Co, stated by the Court of Milan on 5 February 2015, all challenge proceedings recognised in liabilities in due time, were declared interrupted by the Judge. Pending sentences before the Supreme Cassation Court (Gen. Criminal Records Reg. 3291/13 and Gen. Criminal Records Reg. 1686/14) - following the endorsement of the composition with creditors and the acquisition of the property by Visconti - were subject to discontinuation that will be declared by the Supreme Cassation Court.

UnipolSai currently has a residual receivable of €102m from ASA Srl deriving from a contract for future purchases (at the time signed by Milano Assicurazioni) and regarding a real estate complex in Rome, Via Fiorentini. As regards this amount due, the most suitable recovery initiatives are being assessed and value adjustments related to this receivable were recognised in previous years, for a total amount of €74m. Therefore, the net receivable to date amounts to approximately €28m.

**Castello Area**

On 27 October 2015 the Florence Court of Appeal, partly amending the judgement issued on 6 March 2013 by the Court of Florence, convicted all the defendants in the criminal proceeding regarding the urbanisation of the Castello Area (Florence). The Court of Appeal, on the contrary, confirmed the absolving ruling of the Court with regard to UnipolSai as it deemed the appeal filed by the Prosecutor's Office of Florence inadmissible for the part regarding the Company.

In this regard, it should be noted that the Company was accused, in the criminal proceedings launched in 2008 by the Public Prosecutor's Office of Florence, of the crime of corruption, which involved other defendants that included some representatives of Fondiaria-SAI, certain professionals and some public administrators.

Fondiaria-SAI was accused of unlawful administration set forth in Art. 5 and Art. 25 of Legislative Decree 231/2001 in relation to the offence set out in Art. 319 and Art. 321 of the criminal code, which punishes the crime of corruption by a public official.

The judgement of the Court of Appeal sentenced for corruption the public administrators, the professionals and the representatives of Fondiaria-Sai who were the defendants in the case.

The sentence was objected by the defendants before the Court of Cassation. On 6 May 2016, with final judgement the Court rejected the sentence of the Florence Court of Appeal and all defendants were acquitted. The Company, discharged in the first and second instance, was not a party in the case before the Court of Cassation as the Public Prosecutor's Office of Florence did not object the ruling of the Court of Appeal that confirmed the first instance acquittal judgement.

As regards **relations with Tax Authorities**, it should be noted that in June 2016 two reports on findings were notified at completion of the assessments performed by the Province Direction I of Turin on the former real estate company Fondiaria-SAI (now merged in UnipolSai). The taxable periods involved were 2011 and 2012, albeit the year 2011 had been the object of a partial assessment, which was instrumental to the general assessment on the following year. The comments substantially concern some transactions carried out at that time with related parties (IM.CO and ICEIN). In light of the first assessment of defensive reasons, a special provision for tax disputes was created to cover estimated liabilities.

## 3. Technical provisions

| *Amounts in €m* | 30/6/2016 | *% comp.* | 31/12/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Non-Life premium provisions | 2,781.4 | *18.0* | 2,753.2 | *17.5* | |
| Non-Life claims provisions | 12,631.9 | *81.9* | 12,978.9 | *82.4* | |
| Other Non-Life technical provisions | 10.6 | *0.1* | 15.7 | *0.1* | |
| **Total Non-Life provisions** | **15,423.9** | ***100.0*** | **15,747.8** | ***100.0*** | ***(2.1)*** |
| Life mathematical provisions | 30,377.8 | *74.4* | 29,482.0 | *73.1* | |
| Provisions for amounts payable (Life business) | 361.5 | *0.9* | 775.6 | *1.9* | |
| Technical provisions where investment risk is borne by policyholders and arising from pension fund management | 6,651.3 | *16.3* | 7,131.2 | *17.7* | |
| Other Life technical provisions | 3,424.8 | *8.4* | 2,958.6 | *7.3* | |
| **Total Life provisions** | **40,815.4** | ***100.0*** | **40,347.4** | ***100.0*** | ***1.2*** |
| **Total technical provisions** | **56,239.3** | | **56,095.2** | | ***0.3*** |

# 4. Financial liabilities

Financial liabilities amounted to €4,340.4m (€3,896.9m at 31/12/2015).

## 4.1 Financial liabilities at fair value through profit or loss

The item, which amounted to €2,020.5m (€1,543.2m at 31/12/2015), is broken down as follows:

- Financial liabilities held for trading totalled €298.8m (€241.8m at 31/12/2015);
- Financial liabilities designated at fair value through profit or loss totalled €1,721.6m (€1,301.4m at 31/12/2015). This category included investment contracts issued by insurance companies where the investment risk was borne by the policyholders, which do not contain a significant risk borne by the Group (some types of Class III, Class V and Class VI contracts).

## 4.2 Other financial liabilities

| *Amounts in €m* | 30/6/2016 | *% comp.* | 31/12/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Subordinated liabilities | 2,005.4 | *86.4* | 2,026.5 | *86.1* | *(1.0)* |
| Deposits received from reinsurers | 190.9 | *8.2* | 203.8 | *8.7* | *(6.3)* |
| Other loans obtained | 118.8 | *5.1* | 118.8 | *5.0* | *(0.0)* |
| Sundry financial liabilities | 4.9 | *0.2* | 4.5 | *0.2* | *8.3* |
| **Total other financial liabilities** | 2,320.0 | *100.0* | 2,353.7 | *100.0* | *(1.4)* |

Details of Subordinated liabilities are shown in the table below:

| Issuer | Nominal amount outstanding | Subordination level | Year of maturity | Call | Rate | L/NL |
|---|---|---|---|---|---|---|
| UnipolSai | €300.0m | tier II | 2021 | every 3 months | 3M Euribor + 250 b.p. | L |
| UnipolSai | €261.7m | tier II | 2023 | every 3 months | 3M Euribor + 250 b.p. | L |
| UnipolSai | €400.0m | tier I | 2023 | every 6 months | 6M Euribor + 180 b.p. (***) | NL |
| UnipolSai | €100.0m | tier II | 2025 | every 6 months | 6M Euribor + 180 b.p. (***) | NL |
| UnipolSai | €150.0m | tier II | 2026 | every 6 months from 14/07/2016 | 6M Euribor + 180 b.p. (*) (***) | NL |
| UnipolSai | €50.0m | tier II | 2026 | every 6 months from 14/07/2016 | 6M Euribor + 180 b.p. (*) (***) | NL |
| UnipolSai | €750.0m | tier I | in perpetuity | every 3 months from 18/06/2024 | fixed rate 5.75% (**) | L |

(*) Loans hedged by IRS with maturity equal to the call date (these instruments transform the rate from floating to fixed).

(**) From June 2024 floating rate of 3M Euribor + 518 b.p.

(***) since September 2014, in application of the contractual clauses ("Additional Costs Clauses"), UnipolSai and Mediobanca signed an agreement to amend some Loan Agreements covering medium-term subordinated loans amounting to €700m. This agreement provides for the amendment of several economic terms, including payment by way of compromise, of an annual indemnity (additional spread) equal to 71.5 basis points, which increases the previous spread (thereby raising the total spread from 1.80 to 2.515 basis points) provided for in the Loan Agreements.

The item "Other loans obtained", equal to €118.8m (€118.8m at 31/12/2015), was primarily composed of €111.6m (amount unchanged compared with 31/12/2014) and was related to a loan entered by the Closed-End Real Estate Fund Tikal R.E. with Mediobanca acting as Agent Bank. The loan, originally for €119.0m, was granted for the purchase of property and improvements. The cost of the loan was at the 6M Euribor rate plus a credit spread of 90 basis points. Since 2008, the Fund has made use of interest rate derivatives in implementation of a policy hedging the potential risk of an increase in interest rates on the loan taken out.

## 5. Payables

| *Amounts in €m* | 30/6/2016 | *% comp.* | 31/12/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| **Payables arising from direct insurance business** | 99.8 | *11.6* | 114.8 | *14.2* | *(13.0)* |
| **Payables arising from reinsurance business** | 147.4 | *17.2* | 96.6 | *12.0* | *52.6* |
| **Other payables** | 610.4 | *71.2* | 595.4 | *73.8* | *2.5* |
| Policyholders' tax due | 133.1 | *15.5* | 170.0 | *21.1* | *(21.7)* |
| Sundry tax payables | 36.4 | *4.2* | 32.4 | *4.0* | *12.1* |
| Trade payables | 209.2 | *24.4* | 171.6 | *21.3* | *21.9* |
| Post-employment benefits | 64.4 | *7.5* | 64.7 | *8.0* | *(0.4)* |
| Social security charges payable | 31.1 | *3.6* | 33.8 | *4.2* | *(8.0)* |
| Sundry payables | 136.2 | *15.9* | 122.9 | *15.2* | *10.9* |
| **Total payables** | 857.7 | *100.0* | 806.9 | *100.0* | *6.3* |

## 6. Other liabilities

| *Amounts in €m* | 30/6/2016 | *% comp.* | 31/12/2015 | *% comp.* | *% var.* |
|---|---|---|---|---|---|
| Current tax liabilities | 41.9 | *5.0* | 34.8 | *4.4* | *20.3* |
| Deferred tax liabilities | 44.8 | *5.4* | 40.6 | *5.1* | *10.5* |
| Commissions on premiums under collection | 73.9 | *8.8* | 96.9 | *12.2* | *(23.8)* |
| Deferred commission income | 24.9 | *3.0* | 16.7 | *2.1* | *48.6* |
| Accrued expenses and deferred income | 30.5 | *3.6* | 13.1 | *1.7* | *133.3* |
| Other liabilities | 621.0 | *74.2* | 589.9 | *74.5* | *5.3* |
| **Total other liabilities** | 836.9 | *100.0* | 792.0 | *100.0* | *5.7* |

The item Deferred tax assets is shown net of the compensation carried out, pursuant to IAS 12, with the corresponding taxes (IRES or IRAP) recorded in deferred tax assets, as described in Chapter 2 Main accounting standards adopted in the consolidated financial statements at 31 December 2015.

# 3. Notes to the Income Statement

Comments and further information on the items in the income statement and the variations that took place compared with 30 June 2015 are given below (the numbering of the notes relates to the mandatory layout for the preparation of the income statement).

## REVENUE

### 1.1 Net premiums

| *Amounts in €m* | 30/6/2016 | 30/6/2015 | *% var.* |
|---|---|---|---|
| Non-Life earned premiums | 3,677.8 | 3,754.2 | *(2.0)* |
| Non-Life written premiums | 3,712.0 | 3,798.5 | *(2.3)* |
| Changes in Non-Life premium provision | (34.1) | (44.3) | *(23.0)* |
| Life written premiums | 2,534.5 | 3,488.2 | *(27.3)* |
| Non-Life and Life gross earned premiums | 6,212.4 | 7,242.4 | *(14.2)* |
| Non-Life earned premiums ceded to reinsurers | (227.2) | (225.6) | *0.7* |
| Non-Life premiums ceded to reinsurers | (237.5) | (250.4) | *(5.2)* |
| Changes in Non-Life premium provision - reinsurers' share | 10.3 | 24.8 | *(58.5)* |
| Life premiums ceded to reinsurers | (4.0) | (4.7) | *(14.1)* |
| Non-Life and Life earned premiums ceded to reinsurers | (231.2) | (230.2) | *0.4* |
| Total net premiums | 5,981.2 | 7,012.2 | *(14.7)* |

### 1.2 Commission income

| *Amounts in €m* | 30/6/2016 | 30/6/2015 | *% var.* |
|---|---|---|---|
| Commission income from investment contracts | 10.2 | 0.1 | *n.s.* |
| Other commission income | 5.8 | 4.4 | *33.8* |
| Total commission income | 16.1 | 4.5 | *n.s.* |

## 1.3 Gains and losses on financial instruments at fair value through profit or loss

| *Amounts in €m* | 30/6/2016 | 30/6/2015 | *% var.* |
|---|---|---|---|
| From held-for trading financial assets | (158.9) | 238.1 | |
| From held-for trading financial liabilities | (1.7) | 0.6 | |
| From financial assets/liabilities at fair value through profit or loss | (36.4) | 134.9 | |
| Total net gains/losses | (197.0) | 373.6 | *n.s.* |

## 1.4 Gains on investments in subsidiaries, associates and interests in joint ventures

These totalled €3.9m (€11.2m at 30/06/2015).

## 1.5 Gains on other financial instruments and investment property

| *Amounts in €m* | 30/6/2016 | 30/6/2015 | *% var.* |
|---|---|---|---|
| Interest | 744.8 | 747.1 | *(0.3)* |
| on held-to-maturity investments | 23.4 | 28.3 | *(17.4)* |
| on loans and receivables | 77.4 | 87.6 | *(11.6)* |
| on available-for-sale financial assets | 642.2 | 628.5 | *2.2* |
| on sundry receivables | 1.3 | 1.4 | *(4.9)* |
| on cash and cash equivalents | 0.5 | 1.2 | *(60.1)* |
| Other income | 94.6 | 92.7 | *2.0* |
| from investment property | 44.3 | 46.2 | *(4.1)* |
| from available-for-sale financial assets | 50.3 | 46.5 | *8.0* |
| Realised gains | 268.8 | 473.8 | *(43.3)* |
| on investment property | 2.5 | 1.0 | *144.5* |
| on loans and receivables | 7.4 | 10.6 | *(29.8)* |
| on available-for-sale financial assets | 258.8 | 462.2 | *(44.0)* |
| Unrealised gains and reversals of impairment losses | 43.4 | 31.3 | *38.7* |
| on available-for-sale financial assets | 0.0 | 31.3 | *(100.0)* |
| on other financial assets and liabilities | 43.4 | 0.0 | *n.s.* |
| Total item 1.5 | 1,151.6 | 1,345.0 | *(14.4)* |

## 1.6 Other revenue

| *Amounts in €m* | 30/6/2016 | 30/6/2015 | *var.%* |
|---|---|---|---|
| Sundry technical income | 57.7 | 53.4 | *8.1* |
| Exchange rate differences | 5.7 | 4.2 | *33.6* |
| Extraordinary gains | 30.1 | 10.5 | *n.s.* |
| Other income | 125.4 | 154.3 | *(18.7)* |
| Total other revenue | 218.9 | 222.5 | *(1.6)* |

# COSTS

## 2.1 Net charges relating to claims

| *Amounts in €m* | 30/6/2016 | 30/6/2015 | % var. |
|---|---|---|---|
| Net charges relating to claims - direct and indirect business | 5,151.1 | 6,558.0 | *(21.5)* |
| Non-Life business | 2,392.8 | 2,509.7 | *(4.7)* |
| Non-Life amounts paid | 2,791.2 | 3,046.6 | |
| changes in Non-Life claims provision | (346.5) | (470.7) | |
| changes in Non-Life recoveries | (51.2) | (66.8) | |
| changes in other Non-Life technical provisions | (0.7) | 0.6 | |
| Life business | 2,758.3 | 4,048.3 | *(31.9)* |
| Life amounts paid | 2,937.7 | 3,053.3 | |
| changes in Life amounts payable | (415.0) | 299.0 | |
| changes in mathematical provisions | 749.4 | 458.7 | |
| changes in other Life technical provisions | (29.8) | 157.3 | |
| changes in provisions where the investment risk is borne by policyholders and arising from pension fund management | (484.0) | 80.0 | |
| Charges relating to claims - reinsurers' share | (95.3) | (114.2) | *(16.5)* |
| Non-Life business | (94.6) | (113.5) | *(16.7)* |
| Non-Life amounts paid | (108.9) | (131.8) | |
| changes in Non-Life claims provision | 12.0 | 17.9 | |
| changes in Non-Life recoveries | 2.4 | 0.4 | |
| Life business | (0.7) | (0.6) | *17.0* |
| Life amounts paid | (11.5) | (10.1) | |
| changes in Life amounts payable | 3.3 | 0.9 | |
| changes in mathematical provisions | 7.4 | 8.5 | |
| Total net charges relating to claims | 5,055.7 | 6,443.8 | *(21.5)* |

## 2.2 Commission expense

| *Amounts in €m* | 30/6/2016 | 30/6/2015 | *% var.* |
|---|---|---|---|
| Commission expense from investment contracts | 2.6 | 0.1 | *n.s.* |
| Other commission expense | 4.4 | 4.0 | *11.3* |
| **Total commission expense** | **7.0** | **4.1** | ***71.4*** |

## 2.3 Losses on investments in subsidiaries, associates and interests in joint ventures

These totalled €2.1m (€7.3m at 30/06/2015).

## 2.4 Losses on other financial instruments and investment property

| Amounts in €m | 30/6/2016 | 30/6/2015 | % var. |
|---|---|---|---|
| **Interest:** | **40.5** | **47.5** | ***(14.7)*** |
| on other financial liabilities | 40.2 | 47.0 | *(14.5)* |
| on payables | 0.3 | 0.4 | *(34.1)* |
| **Other charges:** | **22.5** | **20.6** | ***9.0*** |
| from investment property | 20.3 | 16.3 | *24.8* |
| from available-for-sale financial assets | 1.6 | 3.1 | *(49.3)* |
| from cash and cash equivalents | 0.1 | 0.1 | *(56.8)* |
| from other financial liabilities | 0.5 | 1.1 | *(56.0)* |
| **Realised losses:** | **60.0** | **82.5** | ***(27.3)*** |
| on investment property | 0.1 | 0.1 | *(51.2)* |
| on loans and receivables | 2.4 | 0.0 | *n.s.* |
| on available-for-sale financial assets | 57.5 | 82.4 | *(30.1)* |
| **Unrealised losses and impairment losses:** | **42.0** | **128.6** | ***(67.3)*** |
| on investment property | 26.1 | 75.5 | *(65.4)* |
| on available-for-sale financial assets | 15.9 | 51.0 | *(68.9)* |
| on other financial liabilities | | 2.1 | *(100.0)* |
| **Total item 2.4** | **164.9** | **279.2** | ***(40.9)*** |

The Unrealised losses and impairment losses relating to investment property included amortisation that totalled €21.1m (€24.0m at 30/06/2015) and write-downs amounting to €5.1m (€51.5m at 30/06/2015).

## 2.5 Operating expenses

| *Amounts in €m* | 30/6/2016 | 30/6/2015 | *% var.* |
|---|---|---|---|
| Insurance Sector | 1,144.3 | 1,187.0 | *(3.6)* |
| Other Businesses Sector | 27.6 | 20.7 | *32.9* |
| Real Estate Sector | 5.1 | 14.3 | *(64.6)* |
| Intersegment eliminations | (8.8) | (11.8) | *(25.2)* |
| **Total operating expenses** | **1,168.1** | **1,210.2** | ***(3.5)*** |

Below are details of Operating expenses in the Insurance sector:

| | Non-Life | | | Life | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| *Amounts in €m* | 30/6/16 | 30/6/15 | *% var.* | 30/6/16 | 30/6/15 | *% var.* | 30/6/16 | 30/6/15 | *% var.* |
| Acquisition commissions | 620.6 | 601.0 | *3.2* | 41.4 | 75.3 | *(45.0)* | 662.0 | 676.3 | *(2.1)* |
| Other acquisition costs | 158.8 | 197.3 | *(19.5)* | 22.4 | 20.0 | *11.8* | 181.1 | 217.3 | *(16.6)* |
| Change in deferred acquisition costs | (1.0) | (7.2) | *(85.7)* | (1.9) | 1.1 | *n.s.* | (3.0) | (6.1) | *(51.4)* |
| Collection commissions | 81.6 | 83.8 | *(2.5)* | 3.8 | 4.6 | *(18.2)* | 85.4 | 88.4 | *(3.4)* |
| Profit sharing and other commissions from reinsurers | (70.8) | (66.7) | *6.1* | (0.2) | (1.0) | *(79.9)* | (70.9) | (67.7) | *4.8* |
| Investment management expenses | 46.3 | 29.7 | *56.1* | 21.7 | 21.4 | *1.6* | 68.0 | 51.1 | *33.3* |
| Other administrative expenses | 174.9 | 171.2 | *2.2* | 46.8 | 56.6 | *(17.4)* | 221.6 | 227.8 | *(2.7)* |
| **Total operating expenses** | **1,010.4** | **1,009.0** | ***0.1*** | **133.9** | **178.0** | ***(24.8)*** | **1,144.3** | **1,187.0** | ***(3.6)*** |

## 2.6 Other costs

| *Amounts in €m* | 30/6/2016 | 30/6/2015 | *% var.* |
|---|---|---|---|
| Other technical charges | 158.2 | 139.4 | *13.5* |
| Impairment losses on receivables | 3.5 | 3.5 | *1.1* |
| Other charges | 232.0 | 236.0 | *(1.7)* |
| **Total other costs** | **393.7** | **378.9** | ***3.9*** |

# 3. Income tax

Against pre-tax profit of €383.0m, taxes pertaining to the year of €103.1m were recorded, corresponding to a tax rate of 26.9% (29.5% at 30/06/2015).

# 4. Other information

## 4.1 Hedge Accounting

Fair value hedging concerns bonds linked to European inflation, for which the actual interest rate risk was hedged through Inflation Swap IRS (Interest Rate Swaps).

### Fair value hedges

UnipolSai Assicurazioni: in the first half of 2016, no new transactions were carried out concerning fair value hedging.

Existing positions at 30 June 2016 are related to IRS contracts, for a nominal value of €250m to hedge bond assets recorded in Loans and Receivables, with a hedged synthetic notional value equal to €130.4m.

At 30 June 2016, compared to 31 December 2015, the fair value change related to the hedged risk of bonds came to a positive €32.2m, while the fair value change of IRS amounted to a negative €38.6m, with a negative net economic effect of €6.4m, including the tax effect of €2.0m.
At 30 June 2016, hedging was effective since the ratios between the respective variations in fair value were still within the range 80%-125%.

### Cash flow hedges

The objective of the existing hedges is to transform the interest rate on financial assets/liabilities from a floating rate to a fixed rate, stabilising the cash flows.

UnipolSai Assicurazioni - cash flow hedges on hybrid perpetual loans through IRSs for a notional value of €200.0m (€200.0m at 31/12/2015). The cumulative positive effect on Shareholders' Equity in the Hedging reserve for gains or losses on cash flow hedges was €15.9m (€12.6m at 31/12/2015): net of tax, the impact was €11.0m (€8.7m at 31/12/2015).

UnipolSai Assicurazioni - cash flow hedges on bond securities recorded in the Available-for-sale asset portfolio through the sale of IRSs for a notional value of €1,075.8m (€1,075.8m at 31/12/2015).
The cumulative positive effect on Shareholders' Equity in the Hedging reserve for gains or losses on cash flow hedges was €48.2m (€22.7m at 31/12/2015): net of tax, the impact was €33.3m (€15.7m at 31/12/2015).

UnipolSai Assicurazioni - cash flow hedges on bond securities recorded in the Loans and receivables portfolio through IRSs for a notional value of €250.0m (250.0m at 31/12/2015).
The cumulative positive effect on Shareholders' Equity in the Hedging reserve for gains or losses on cash flow hedges was €15.8m (€4.4m at 31/12/2015): net of tax, the impact was €10.9m (€3.0m at 31/12/2015).

Tikal - cash flow hedges on debt exposures to banks through IRSs for a notional €55m (€55m at 31/12/2015): the cumulative positive effect on Shareholders' Equity, in the Hedging reserve, for gains or losses on cash flow hedges was €3.9m (€3.1m at 31/12/2015).

## 4.2 Earnings (loss) per share

### Ordinary shares - basic and diluted

| | 30/6/2016 | 30/6/2015 |
|---|---|---|
| Profit/loss allocated to ordinary shares (€m) | 269.4 | 437.9 |
| Weighted average of ordinary shares outstanding during the year (no./m) | 2,776.2 | 2,223.5 |
| **Diluted earnings (loss) per share (€ per share)** | **0.10** | **0.20** |

## 4.3 Dividends

In view of the profit for the year made by the Company at 31 December 2015 (as shown in the financial statements drawn up in accordance with Italian GAAP), the Shareholders' Meeting of UnipolSai SpA held on 27 April 2016, resolved on the distribution of dividends corresponding to €0.15 per Ordinary Share. The total amount set aside for dividends, including treasury shares held by UnipolSai, amounted to €423,7m.
The Shareholders' Meeting also set the dividend payment date for 24 May 2016 (ex-dividend date 23 May 2016 and record date 24 May 2016).

## 4.4 Non-current assets or assets of a disposal group held for sale

Reclassifications made in application of IFRS 5 pertain to some properties for which the relative preliminary sales contracts have already been signed, totalling €46.0m (€16.5m at 31/12/2015).

## 4.5 Transactions with related parties

Group companies that render services of various types to other Group companies are as follows: UnipolSai, Siat, Auto Presto & Bene, UnipolSai Servizi Previdenziali, UnipolRe, UnipolSai Investimenti Sgr, Pronto Assistance Servizi, UnipolSai Servizi Consortili, Alfaevolution and Unipol Banca.
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. The services provided by Auto Presto & Bene and UnipolRe involve fixed prices.

UnipolSai and Unipol Banca second staff to the Group companies in order to optimise synergies within the Group.

Financial and commercial transactions between Unipol Banca, its subsidiaries, and other Group companies, 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 the provision of auxiliary banking services in general. These transactions were usually carried out at the market terms applied to prime customers.

As regards the main transactions "of minor relevance" carried out during 2016, reference is made to the interim Management Report.

The following table shows transactions with related parties (holding company, associates, affiliates and others) carried out during the first half of 2016, as laid down in IAS 24 and in Consob Communication DEM/6064293/2006.

Transactions with subsidiaries have not been recognised since in drawing up the consolidated financial statements transactions among Group companies consolidated using the line-by-line method have been eliminated as part of the normal consolidation process.

## Information on transactions with related parties

| *Amounts in €m* | Holding company | Indirect holding company | Associates | Affiliates | Total | *% inc. (1)* | *% inc. (2)* |
|---|---|---|---|---|---|---|---|
| Loans and receivables | 267.8 | | 9.7 | | 277.5 | *0.4* | *27.4* |
| Sundry receivables | 37.6 | 0.0 | 31.2 | 14.7 | 83.5 | *0.1* | *8.2* |
| Other assets | 0.0 | 0.1 | 52.1 | 0.3 | 52.4 | *0.1* | *5.2* |
| Cash and cash equivalents | | | 338.0 | | 338.0 | *0.5* | *33.3* |
| **Total Assets** | **305.4** | **0.1** | **430.9** | **14.9** | **751.4** | ***1.1*** | ***74.1*** |
| Technical provisions | | | | 17.4 | 17.4 | *0.0* | *1.7* |
| Other financial liabilities | | | 7.4 | | 7.4 | *0.0* | *0.7* |
| Sundry payables | 9.0 | 0.0 | 8.5 | 19.3 | 36.7 | *0.1* | *3.6* |
| **Total Liabilities** | **9.0** | **0.0** | **15.9** | **36.7** | **61.6** | ***0.1*** | ***6.1*** |
| Net premiums | | | | 14.7 | 14.7 | *5.2* | *1.4* |
| Commission income | | | 3.4 | | 3.4 | *1.2* | *0.3* |
| Gains on other financial instruments and investment property | 1.1 | | 0.0 | | 1.1 | *0.4* | *0.1* |
| Other revenue | 2.7 | | 2.6 | 8.9 | 14.2 | *5.1* | *1.4* |
| **Total Revenues and Income** | **3.8** | | **6.1** | **23.6** | **33.4** | ***11.9*** | ***3.3*** |
| Net charges relating to claims | | | | (2.9) | (2.9) | *(1.0)* | *(0.3)* |
| Losses on other financial instruments and investment property | | | 0.1 | | 0.1 | *0.0* | *0.0* |
| Operating expenses | 0.2 | 0.2 | 98.4 | (3.4) | 95.5 | *34.1* | *9.4* |
| Other costs | 3.4 | 0.0 | 2.0 | 0.9 | 6.4 | *2.3* | *0.6* |
| **Total Costs and Expenses** | **3.7** | **0.2** | **100.5** | **(5.3)** | **99.1** | ***35.4*** | ***9.8*** |

(1) Percentage based on total assets in the consolidated statement of financial position recognised under Shareholders' Equity, and based on the net consolidated profit (loss) for the year for income statement items.

(2) The percentage on total net cash flow from operating activities mentioned in the statement of cash flows.

Loans and receivables due from the holding company relate to two loan agreements between the former Unipol Assicurazioni and the holding company Unipol Gruppo Finanziario executed during 2009 after Unipol Assicurazioni's takeover of the role of issuer for the UGF 7% and UGF 5.66% subordinated bond loans issued by UGF.
Loans and receivables from associates comprise €2.0m of bonds issued by Unipol Banca and subscribed by UnipolSai and €7.6m of interest-free loans disbursed by UnipolSai to associates Borsetto (€6.7m), Penta Domus (€0.8m) and Butterfly Am (€0.1m).
Sundry receivables from the holding company comprised amounts related to the tax consolidation.
The item "Sundry receivables from associates" included €25.6m in receivables due from insurance brokerage agencies for commissions.
The item "Sundry receivables from affiliates" included receivables for seconded staff and services supplied by UnipolSai.
Other assets related to current accounts, temporarily unavailable, that UnipolSai has opened with Unipol Banca.

Cash and cash equivalents included the balances of current accounts opened by Group companies at the associate Unipol Banca.
Technical provisions regard the reinsurance business of UnipolSai with Unipol Gruppo Finanziario subsidiaries.
Other financial liabilities due to associates referred to loans provided by Unipol Banca to Group companies.
Sundry payables included:

- as for relations with the holding company, the payable for IRES on the income for the year of the companies participating in the tax consolidation and the payable for Unipol Gruppo Finanziario staff seconded to Group companies;
- as for relations with associates, the payable due for interest to Finitalia for the split payment of policies;
- as for relations with the affiliates, the payables for reinsurance and coinsurance transactions.

The items Net premiums and Net charges for claims regard the reinsurance business of UnipolSai at Unipol Gruppo Finanziario subsidiaries.
Commission income refers to the bank relations between the Group companies and the associate Unipol Banca.
Gains on other financial instruments and investment property include, as for relations with the holding company, the interest income on loans provided by UnipolSai to Unipol Gruppo Finanziario.
The item Other Revenue due from the holding company and from the affiliates mainly included income for staff secondment; other revenue due from associates relate to relations of the Group companies with Unipol Banca and Finitalia for banking services and policy premium instalments.
Operating expenses comprise:

- as for associates, costs on commissions paid to insurance brokerage agencies (€51.5m), costs paid to Finitalia for instalments of policies issued by the Group companies (€24.6m) and bank relations operating costs (€22.3m).
- as for transactions with affiliates, the revenues for commissions deriving from reinsurance.

The item Other costs primarily relates to staff secondment.

## 4.6 Fair value measurements– IFRS 13

As regards the fair value measurement criteria and criteria to determine the fair value hierarchy, reference is made to the Consolidated Financial Statements of the UnipolSai Group at 31 December 2015, in the Notes, chapter 2 - Main accounting standards.

### Fair value measurement on a recurring and non-recurring basis

The table below shows a comparison between the assets and liabilities measured at fair value at 30 June 2016 and 31 December 2015, broken down based on fair value hierarchy level.

### Assets and liabilities at fair value on a recurring and non-recurring basis: breakdown by fair value level

| | | Level 1 | | Level 2 | | Level 3 | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| *Amounts in €m* | | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 |
| **Assets and liabilities at fair value on a recurring basis** | | | | | | | | | |
| Available-for-sale financial assets | | 42,453.3 | 41,538.8 | 519.3 | 553.9 | 763.3 | 711.8 | 43,735.9 | 42,804.5 |
| Financial assets at fair value through profit or loss | Held for trading financial assets | 154.1 | 120.0 | 181.2 | 160.0 | 29.8 | 91.9 | 365.1 | 371.9 |
| | Financial assets at fair value through profit or loss | 8,142.5 | 7,697.4 | 10.5 | 24.0 | 210.5 | 698.2 | 8,363.5 | 8,419.5 |
| Investment property | | | | | | | | | |
| Property, plant and equipment | | | | | | | | | |
| Intangible assets | | | | | | | | | |
| *Total assets at fair value on a recurring basis* | | *50,749.9* | *49,356.2* | *711.0* | *737.9* | *1,003.6* | *1,501.8* | *52,464.5* | *51,595.9* |
| Financial liabilities at fair value through profit or loss | Held for trading financial liabilities | 37.8 | 44.6 | 244.3 | 192.7 | 16.7 | 4.4 | 298.8 | 241.8 |
| | Financial liabilities at fair value through profit or loss | | | | | 1,721.6 | 1,301.4 | 1,721.6 | 1,301.4 |
| *Total liabilities measured at fair value on a recurring basis* | | *37.8* | *44.6* | *244.3* | *192.7* | *1,738.3* | *1,305.8* | *2,020.5* | *1,543.2* |
| **Assets and liabilities at fair value on a non-recurring basis** | | | | | | | | | |
| Non-current assets or assets of disposal groups held for sale | | | | | | | | | |
| Liabilities associated with disposal groups | | | | | | | | | |

The amount of financial instruments classified in Level 3 at 30 June 2016 stood at €1,003.6m.

Details of changes in Level 3 financial assets and liabilities in the same period are shown below.

## Details of changes in level 3 financial assets and liabilities at fair value on a recurring basis

| Amounts in €m | Available-for-sale financial assets | Financial assets at fair value through profit or loss | | Investment property | Property, plant and equipment | Intangible assets | Financial liabilities at fair value through profit or loss | |
|---|---|---|---|---|---|---|---|---|
| | | Held for trading financial assets | Financial assets at fair value through profit or loss | | | | Held for trading financial liabilities | Financial liabilities at fair value through profit or loss |
| **Opening balance** | 711.8 | 91.9 | 698.2 | | | | 4.4 | 1,301.4 |
| Acquisitions/Issues | 69.8 | 0.1 | | | | | | |
| Disposals/Repurchases | (5.5) | | (41.6) | | | | | |
| Repayments | (0.5) | (0.1) | (435.8) | | | | | |
| Gains or losses recognised through profit or loss | | (3.4) | (2.6) | | | | 12.2 | |
| - of which unrealised gains/losses | | (3.4) | (2.6) | | | | 12.2 | |
| Gains or losses recognised in the statement of other comprehensive income | (8.4) | | | | | | | |
| Transfers to level 3 | | | | | | | | |
| Transfers to other levels | (3.7) | (58.5) | | | | | | |
| Other changes | (0.2) | (0.2) | (7.6) | | | | | 420.2 |
| **Closing balance** | 763.3 | 29.8 | 210.5 | | | | 16.7 | 1,721.6 |

The transfers from Level 1 to Level 2 which occurred during the reference period were insignificant.

## Analysis and stress testing of non-observable parameters (Level 3)

The table below shows, for Level 3 financial assets and liabilities measured at fair value, the effects of the change in the non-observable parameters used in the fair value measurement.

With reference to "assets measured at fair value on a recurring basis" and belonging to Level 3, the stress test of non-observable parameters is performed with reference to financial instruments valued on a Mark to Model basis and on which the measurement is carried out through one or more non-observable parameters.

The portion of securities subject to analysis has a market value of €193.9m at 30 June 2016.

The non-observable parameters subject to a shock are benchmark spread curves constructed to assess bonds of issuers for which the prices of the bonds issued or Credit Default Swap curves are unavailable.

The following table shows the results of the shocks:

| Amounts in €m | Curve Spread | | | |
|---|---|---|---|---|
| Fair value | | | | |
| Shock | +10 bps | -10 bps | +50 bps | -50 bps |
| Fair Value delta | (1.19) | 1.19 | (5.93) | 5.99 |
| Fair Value delta % | (0.01) | 0.01 | (0.03) | 0.03 |

## Fair value measurements in compliance with the disclosure requirements of other standards

IFRS 13 governs the fair value measurement and the associated disclosure also for assets and liabilities not measured at fair value on a recurring basis.
For these assets and liabilities, fair value is calculated only for the purposes of information requirements for the market.
Furthermore, since these assets and liabilities are not typically traded, their fair value is largely based on the use of internal parameters that cannot be directly observed in the market, with the sole exception of listed securities classified as Held-to-maturity investments.

## Assets and liabilities not measured at fair value: breakdown by fair value level

| | Carrying amount | | *Fair value* | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Level 1 | | Level 2 | | Level 3 | | Total | |
| *Amounts in €m* | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 |
| **Assets** | | | | | | | | | | |
| Held-to-maturity investments | 1,021.2 | 1,100.0 | 1,035.8 | 1,020.4 | 164.0 | 245.0 | 3.3 | | 1,203.1 | 1,265.4 |
| Loans and receivables | 5,074.3 | 5,250.7 | | 4.8 | 4,041.6 | 4,127.0 | 1,459.8 | 1,376.1 | 5,501.4 | 5,507.9 |
| Investments in subsidiaries, associates and interests in joint ventures | 513.3 | 528.1 | | | | | 513.3 | 528.1 | 513.3 | 528.1 |
| Investment property | 2,473.5 | 2,535.3 | | | | | 2,597.2 | 2,665.2 | 2,597.2 | 2,665.2 |
| Property, plant and equipment | 1,414.8 | 1,432.6 | | | | | 1,525.5 | 1,506.8 | 1,525.5 | 1,506.8 |
| **Total assets** | **10,497.1** | **10,846.7** | **1,035.8** | **1,025.2** | **4,205.6** | **4,372.0** | **6,099.1** | **6,076.2** | **11,340.5** | **11,473.5** |
| **Liabilities** | | | | | | | | | | |
| Other financial liabilities | 2,320.0 | 2,353.7 | 1,223.8 | 1,286.7 | | | 954.2 | 1,041.1 | 2,178.0 | 2,327.8 |

## 4.7 Information on personnel

| | 30/6/2016 | 31/12/2015 | *Variation* |
|---|---|---|---|
| **Total number of UnipolSai Group employees** | 10,272 | 9,951 | *321* |
| of which on a fixed-term contract | 748 | 418 | *330* |
| Full Time Equivalent - FTE | 9,807 | 9,535 | *273* |

The foreign company employees (1,385) include 554 insurance agents.

The increase in the Group employees compared with 31 December 2015 (+321, of which +2 on foreign companies) is primarily due to:

- decrease of 309 employees (86 in foreign companies) for retirement, retirements and adhesions to the Solidarity Fund or to other employee leaving incentives.
- increase of 275 new hirings (88 in foreign companies);
- increase of 278 temporary workers for the companies Atahotels, Marina di Loano and Tenute del Cerro.

## Share-based compensation plans

The UnipolSai Group pays additional benefits (long-term incentives) to senior executives under closed share-based compensation plans by which Unipol and UnipolSai shares (performance shares) are granted if specific targets of Gross Profit and solvency capital requirement, as well as individual targets are achieved .

On 29 April 2013, the Shareholders' Meeting of the former Fondiaria-SAI (now UnipolSai) approved the "2013-2015 compensation plan
based on financial instruments (performance share type)", intended for the members of the senior management and Company executives, later amended by the Shareholders' Meeting of 29 April 2014. Similar resolutions were adopted in 2013 by the Company Bodies of the main Group companies.
The compensation plan based on financial instruments (Unipol shares) for the period 2013-2015 ended on 31 December 2015. The first tranche of 1,474,940 shares will be paid to those entitled on 1 July 2016 and the second and third tranche, will be paid on 1 July 2017 and 1 July 2018, respectively.

On 27 April 2016, the Shareholders' Meeting of UnipolSai approved the new compensation plan based on financial instruments (performance share type), which envisages the assignment of UnipolSai and Unipol shares over three years with effect from 1 July 2019.
The Information Document, prepared pursuant to Art. 114-bis of the Consolidated Law on Finance and Art. 84-bis of the CONSOB Issuer's Regulation no. 11971/1999, is available on the relevant websites, in the Corporate Governance/Shareholders meetings/Meeting April 2016 section.

## 4.8 Non-recurring significant transactions and events

During the first half of 2016, no significant non-recurring events or transactions are to be reported.

## 4.9 Atypical and/or unusual positions or transactions

In the first half of 2016, there were no atypical and/or unusual transactions that, because of their significance, importance, nature of the counterparties involved in the transaction, transfer pricing procedures, or occurrence close to the end of the year, could give rise to doubts relating to: the accuracy and completeness of the information in these Consolidated Financial Statements, a conflict of interest, the safeguarding of the company's assets or the protection of non-controlling shareholders.

## 4.10 Risk Report

The purpose of the Risk Report is to provide additional supporting information to allow stakeholders to make an assessment of the Group's equity and financial situation in the perspective of a Risk Management that operates in accordance with the general principles contained in ISVAP Regulation no. 20/2008 and in the Solvency II regulation, which entered into force from 1 January 2016 onwards.

During the first half of 2016, the activities related to the completion of the pre-application phase continued, and the request for application was submitted concerning the approval by the insurance Supervisory Authority of the Partial Internal Model for the calculation of the minimum solvency capital requirement.

As regards the Internal control and risk management system adopted by the Company, as well as monitoring procedures (company internal committees) and capital allocation policies, reference is expressly made to paragraph 5.14 of the Notes to the 2015 Consolidated Financial Statements.

As regards the financial risks at 30 June 2016, the level of sensitivity of the UnipolSai Group's portfolios of financial assets to the main market risk factors is shown below. Sensitivity is calculated as a variation in the market value of the assets following a:
- parallel change in the interest rate curve of +10 bps;
- - 20% change in the share prices;
- +10 bps change in the credit spread.

| 30/06/2016 | INSURANCE BUSINESS | | REAL ESTATE AND OTHER BUSINESSES | | TOTAL | |
|---|---|---|---|---|---|---|
| *Amounts in €m* | Impact on Income Statement | Impact on Statement of financial position | Impact on Income Statement | Impact on Statement of financial position | Impact on Income Statement | Impact on Statement of financial position |
| UnipolSai Group | | | | | | |
| Interest rate sensitivity (+10 bps) | 20.56 | (270.87) | | (0.01) | 20.56 | (270.88) |
| Credit spread sensitivity (+10 bps) | (0.97) | (295.22) | | (0.01) | (0.97) | (295.23) |
| Equity sensitivity (-20%) | 22.23 | (374.95) | | (10.48) | 22.23 | (385.43) |

The values include the hedging derivatives, including tax effects.

## Information relating to exposure to sovereign debt securities referred to in Consob Communication DEM/11070007 of 5 August 2011

| | Balance at 30 June 2016 | | |
|---|---|---|---|
| *Amounts in €m* | Nominal value | Carrying amount | Market value |
| **Italy** | **29,349.0** | **31,625.5** | **32,050.0** |
| Available-for-sale financial assets | 25,483.7 | 27,960.0 | 27,960.0 |
| Financial assets at fair value through profit or loss | 166.9 | 83.7 | 83.7 |
| Held-to-maturity investments | 827.3 | 824.8 | 998.8 |
| Loans and receivables | 2,871.1 | 2,757.0 | 3,007.4 |
| **Spain** | **2,046.6** | **2,106.4** | **2,100.2** |
| Available-for-sale financial assets | 1,965.8 | 2,036.4 | 2,036.4 |
| Held-to-maturity investments | 31.0 | 31.9 | 34.9 |
| Loans and receivables | 49.8 | 38.1 | 28.9 |
| **Portugal** | **286.4** | **299.5** | **304.1** |
| Available-for-sale financial assets | 233.4 | 247.0 | 247.0 |
| Held-to-maturity investments | 53.0 | 52.4 | 57.1 |
| **Ireland** | **116.0** | **133.5** | **133.5** |
| Available-for-sale financial assets | 116.0 | 133.5 | 133.5 |
| **Slovenia** | **71.8** | **77.8** | **77.8** |
| Available-for-sale financial assets | 71.8 | 77.8 | 77.8 |
| **Serbia** | **58.6** | **59.3** | **61.0** |
| Held-to-maturity investments | 53.7 | 54.5 | 56.1 |
| Loans and receivables | 4.9 | 4.9 | 4.9 |
| **Belgium** | **56.0** | **58.8** | **59.1** |
| Available-for-sale financial assets | 31.0 | 33.3 | 33.3 |
| Held-to-maturity investments | 25.0 | 25.6 | 25.8 |
| **Germany** | **48.4** | **57.3** | **57.3** |
| Available-for-sale financial assets | 48.4 | 57.3 | 57.3 |
| **Mexico** | **41.0** | **43.5** | **43.5** |
| Available-for-sale financial assets | 41.0 | 43.5 | 43.5 |
| **Canada** | **32.3** | **36.4** | **36.4** |
| Available-for-sale financial assets | 32.3 | 36.4 | 36.4 |
| **Latvia** | **25.5** | **30.1** | **30.1** |
| Available-for-sale financial assets | 25.5 | 30.1 | 30.1 |
| **Chile** | **26.0** | **27.8** | **27.8** |
| Available-for-sale financial assets | 26.0 | 27.8 | 27.8 |
| **Cyprus** | **20.0** | **21.5** | **21.5** |
| Available-for-sale financial assets | 20.0 | 21.5 | 21.5 |
| **Slovakia** | **15.8** | **17.4** | **17.4** |
| Available-for-sale financial assets | 15.8 | 17.4 | 17.4 |

| Amounts in €m | Balance at 30 June 2016 | | |
|---|---|---|---|
| | Nominal value | Carrying amount | Market value |
| Austria | 11.5 | 12.7 | 12.7 |
| Available-for-sale financial assets | 11.5 | 12.7 | 12.7 |
| France | 6.6 | 7.1 | 7.1 |
| Available-for-sale financial assets | 6.6 | 7.1 | 7.1 |
| Poland | 6.5 | 6.8 | 6.8 |
| Available-for-sale financial assets | 6.5 | 6.8 | 6.8 |
| USA | 5.9 | 6.9 | 6.9 |
| Available-for-sale financial assets | 5.9 | 6.9 | 6.9 |
| Finland | 5.0 | 5.2 | 5.2 |
| Available-for-sale financial assets | 5.0 | 5.2 | 5.2 |
| Netherlands | 5.0 | 5.9 | 5.9 |
| Available-for-sale financial assets | 5.0 | 5.9 | 5.9 |
| Lithuania | 5.0 | 5.4 | 5.4 |
| Available-for-sale financial assets | 5.0 | 5.4 | 5.4 |
| Romania | 4.0 | 4.3 | 4.3 |
| Available-for-sale financial assets | 4.0 | 4.3 | 4.3 |
| Singapore | 4.0 | 4.1 | 4.1 |
| Available-for-sale financial assets | 4.0 | 4.1 | 4.1 |
| Switzerland | 3.7 | 4.3 | 4.3 |
| Available-for-sale financial assets | 3.7 | 4.3 | 4.3 |
| Sweden | 2.0 | 2.1 | 2.1 |
| Available-for-sale financial assets | 2.0 | 2.1 | 2.1 |
| Great Britain | 1.2 | 1.6 | 1.6 |
| Available-for-sale financial assets | 1.2 | 1.6 | 1.6 |
| Hungary | 0.5 | 0.5 | 0.5 |
| Available-for-sale financial assets | 0.5 | 0.5 | 0.5 |
| TOTAL | 32,254.3 | 34,661.9 | 35,086.7 |

The table shows details of Sovereign exposures (i.e. bonds issued by central and local governments and by government organisations and loans granted to them) held by the UnipolSai Group at 30 June 2016.

At 30 June 2016, the carrying amount of the sovereign exposures represented by debt securities totalled €34,661.9m (€35,397.4m at 31/12/2015), 91% being accounted for by securities issued by the Italian State (93% at 31/12/2015).

Bologna, 3 August 2016

The Board of Directors

# 4. Tables appended to the Notes to the Financial Statements

# 4 Tables appended to the Notes to the Financial Statements

## Consolidation scope

| Name | Country of registered office | Registered office | Country of operations (5) | Operating office | Method(1) | Assets (2) |
|---|---|---|---|---|---|---|
| UnipolSai Assicurazioni Spa | 086 Italy | Bologna | | | G | 1 |
| Pronto Assistance Spa | 086 Italy | Turin | | | G | 1 |
| Siat-Società Italiana Assicurazioni e Riassicurazioni - per Azioni | 086 Italy | Genoa | | | G | 1 |
| Bim Vita Spa | 086 Italy | Turin | | | G | 1 |
| Finsai International Sa | 092 Luxembourg | Luxembourg | | | G | 11 |
| | | | | | | |
| Tenute del Cerro Spa - Società Agricola | 086 Italy | Bologna | | | G | 11 |
| | | | | | | |
| Sainternational Sa en Liquidation | 092 Luxembourg | Luxembourg | | | G | 11 |
| Consorzio Castello | 086 Italy | Florence | | | G | 10 |
| Dialogo Spa in Liquidazione | 086 Italy | Milan | | | G | 11 |
| UnipolSai Nederland Bv | 050 Netherlands | Amsterdam (NL) | | | G | 11 |
| UnipolSai Servizi Previdenziali Srl | 086 Italy | Florence | | | G | 11 |
| Nuove Iniziative Toscane - Società a Responsabilità Limitata | 086 Italy | Florence | | | G | 10 |
| UnipolRe Limited | 040 Ireland | Dublin (Ireland) | | | G | 5 |
| The Lawrence Life Assurance Company Ltd | 040 Ireland | Dublin (Ireland) | | | G | 2 |
| UnipolSai Servizi Consortili Società Consortile a Responsabilità Limitata | 086 Italy | Bologna | | | G | 11 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Villa Ragionieri Srl | 086 Italy | Florence | | | G | 10 |
| Meridiano Secondo Srl | 086 Italy | Turin | | | G | 10 |
| Casa di Cura Villa Donatello - Spa | 086 Italy | Florence | | | G | 11 |
| Centro Oncologico Fiorentino Casa di Cura Villanova Srl in Liquidazione | 086 Italy | Sesto Fiorentino (FI) | | | G | 11 |
| Apb Car Service Srl | 086 Italy | Turin | | | G | 11 |
| Marina di Loano Spa | 086 Italy | Milan | | | G | 10 |
| Progetto Bicocca la Piazza Srl in Liquidazione | 086 Italy | Milan | | | G | 10 |

| % Direct holding | % Indirect holding | % Total participating interest (3) | % Votes available at Ordinary General Meetings (4) | % Consolidation |
|---|---|---|---|---|
| | | | | 100.00% |
| 100.00% | | 100.00% | | 100.00% |
| 94.69% | | 94.69% | | 100.00% |
| 50.00% | | 50.00% | | 100.00% |
| 63.85% | | 100.00% | | 100.00% |
| | 36.15% UnipolSai Finance SpA | | | |
| 98.81% | | 100.00% | | 100.00% |
| | 1.19% Pronto Assistance Spa | | | |
| 100.00% | | 100.00% | | 100.00% |
| | 99.57% Nuove Iniziative Toscane - Società a Responsabilità Limitata | 99.57% | | 100.00% |
| 99.85% | | 99.85% | | 100.00% |
| 100.00% | | 100.00% | | 100.00% |
| 100.00% | | 100.00% | | 100.00% |
| 100.00% | | 100.00% | | 100.00% |
| | 100.00% UnipolSai Nederland Bv | 100.00% | | 100.00% |
| | 100.00% Popolare Vita Spa | 50.00% | | 100.00% |
| 98.43% | | 99.51% | | 100.00% |
| | 0.90% Pronto Assistance Spa | | | |
| | 0.11% Siat-Società Italiana Assicurazioni e Riassicurazioni - per Azioni | | | |
| | 0.02% Bim Vita Spa | | | |
| | 0.02% UnipolRe Limited | | | |
| | 0.02% Pronto Assistance Servizi Scarl | | | |
| | 0.02% Incontra Assicurazioni Spa | | | |
| | 0.02% Auto Presto & Bene Spa | | | |
| 100.00% | | 100.00% | | 100.00% |
| 100.00% | | 100.00% | | 100.00% |
| 100.00% | | 100.00% | | 100.00% |
| 100.00% | | 100.00% | | 100.00% |
| | 70.00% Auto Presto & Bene Spa | 70.00% | | 100.00% |
| 100.00% | | 100.00% | | 100.00% |
| 74.00% | | 74.00% | | 100.00% |

## Consolidation scope

| Name | Country of registered office | | Registered office | Country of operations (5) | Operating office | Method(1) | Assets (2) |
|---|---|---|---|---|---|---|---|
| Pronto Assistance Servizi Scarl | 086 | Italy | Turin | | | G | 11 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Sai Mercati Mobiliari Spa in Liquidazione | 086 | Italy | Milan | | | G | 11 |
| Sogeint Società a Responsabilità Limitata | 086 | Italy | Milan | | | G | 11 |
| Tikal R.E. Fund | 086 | Italy | | | | G | 10 |
| Florence Centro di Chirurgia Ambulatoriale Srl | 086 | Italy | Florence | | | G | 11 |
| Incontra Assicurazioni Spa | 086 | Italy | Milan | | | G | 1 |
| Popolare Vita Spa | 086 | Italy | Verona | | | G | 1 |
| Società Edilizia Immobiliare Sarda - S.E.I.S. Società per Azioni | 086 | Italy | Milan | | | G | 10 |
| Ddor Novi Sad | 289 | Serbia | Novi Sad (Serbia) | | | G | 3 |
| Auto Presto & Bene Spa | 086 | Italy | Turin | | | G | 11 |
| Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa | 086 | Italy | Milan | | | G | 11 |
| Athens R.E. Fund | 086 | Italy | | | | G | 10 |
| Ddor Re | 289 | Serbia | Novi Sad (Serbia) | | | G | 6 |
| | | | | | | | |
| Italresidence Srl | 086 | Italy | Milan | | | G | 11 |
| UnipolSai Finance SpA | 086 | Italy | Bologna | | | G | 9 |
| Midi Srl | 086 | Italy | Bologna | | | G | 10 |
| Alfaevolution Technology Spa | 086 | Italy | Bologna | | | G | 11 |

(1) Consolidation method: G=on a line-by-line basis; P=proportional=P; U=on a line-by-line basis as per unitary management.

2) 1=Italian insurers; 2=EU insurers; 3=non-EU insurers; 4=insurance holdings; 4.1=mixed financial holding companies; 5=EU reinsurers; 6=non-EU reinsurers; 7=banks; 8=asset management companies; 9=other holdings; 10=real estate companies; 11=other.

(3) The product of investment relations concerning all companies which, positioned in an investment chain, may be between the company responsible for the consolidated financial statements and the company in question. If the latter is a direct investee of multiple subsidiaries, add together the individual products first.

4) Total % availability of votes at ordinary general meetings if different from the direct or indirect investment.

(5) This disclosure is required only if the country of operations is different from the country of the registered office.

| % Direct holding | % Indirect holding | | % Total participating interest (3) | % Votes available at Ordinary General Meetings (4) | % Consolidation |
|---|---|---|---|---|---|
| 95.34% | | | 96.50% | | 100.00% |
| | 0.31% | Pronto Assistance Spa | | | |
| | 0.10% | UnipolSai Servizi Consortili Società Consortile a Responsabilità Limitata | | | |
| | 0.25% | Apb Car Service Srl | | | |
| | 0.15% | Incontra Assicurazioni Spa | | | |
| | 0.25% | Auto Presto & Bene Spa | | | |
| | 0.25% | Alfaevolution Technology Spa | | | |
| 100.00% | | | 100.00% | | 100.00% |
| 100.00% | | | 100.00% | | 100.00% |
| 95.00% | | | 95.00% | | 100.00% |
| | 100.00% | Centro Oncologico Fiorentino Casa di Cura Villanova Srl | 100.00% | | 100.00% |
| 51.00% | | | 51.00% | | 100.00% |
| 50.00% | | | 50.00% | | 100.00% |
| 51.67% | | | 51.67% | | 100.00% |
| 100.00% | | | 100.00% | | 100.00% |
| 100.00% | | | 100.00% | | 100.00% |
| 100.00% | | | 100.00% | | 100.00% |
| 100.00% | | | 100.00% | | 100.00% |
| | 100.00% | UnipolRe Limited | 100.00% | | 100.00% |
| | 0.00% | Ddor Novi Sad | | | |
| | 100.00% | Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa | 100.00% | | 100.00% |
| 100.00% | | | 100.00% | | 100.00% |
| 100.00% | | | 100.00% | | 100.00% |
| 100.00% | | | 100.00% | | 100.00% |

## Consolidation scope: interests in entities with material non-controlling interests

| Name | % non-controlling interests | % Votes available at Ordinary General Meetings to non-controlling interests | Consolidated profit (loss) attributable to non-controlling interests | Shareholders' Equity attributable to non-controlling interests |
|---|---|---|---|---|
| Popolare Vita Spa | 50.00% | 50.00% | 8.9 | 257.6 |
| The Lawrence Life Assurance Company Ltd | 50.00% | 0.00% | | |

| Summary income and financial position data | | | | | | | |
|---|---|---|---|---|---|---|---|
| Total assets | Investments | Technical provisions | Financial liabilities | Shareholders' equity | Profit (loss) for the year | Dividends distributed to non-controlling interests | Gross premiums written |
| 9,235.2 | 9,035.4 | 8,116.3 | 536.9 | 515.1 | 17.9 | 22.9 | 924.7 |
| 2,118.2 | 2,045.0 | 1,574.9 | 444.1 | 72.7 | 1.2 | | |

## Details of unconsolidated investments

| Name | Country of registered office | | Registered office | Country of operations (5) | Operating office | Assets (1) | Type (2) |
|---|---|---|---|---|---|---|---|
| UnipolSai Investimenti Sgr Spa | 086 | Italy | Turin | | | 8 | b |
| Fin.Priv. Srl | 086 | Italy | Milan | | | 11 | b |
| Uci - Ufficio Centrale Italiano | 086 | Italy | Milan | | | 11 | b |
| | | | | | | | |
| | | | | | | | |
| Funivie del Piccolo San Bernardo Spa | 086 | Italy | La Thuile (AO) | | | 11 | b |
| Borsetto Srl | 086 | Italy | Turin | | | 10 | b |
| Garibaldi Sca | 092 | Luxembourg | Luxembourg | | | 11 | b |
| Metropolis Spa - in Liquidazione | 086 | Italy | Milan | | | 10 | b |
| Servizi Immobiliari Martinelli Spa | 086 | Italy | Cinisello Balsamo (MI) | | | 10 | b |
| Penta Domus Spa | 086 | Italy | Turin | | | 10 | b |
| Ddor Auto - Limited Liability Company | 289 | Serbia | Novi Sad (Serbia) | | | 3 | a |
| Ddor Garant | 289 | Serbia | Beograd (Serbia) | | | 11 | b |
| | | | | | | | |
| Butterfly Am Sàrl | 092 | Luxembourg | Luxembourg | | | 11 | b |
| Hotel Terme di Saint Vincent - Srl | 086 | Italy | La Thuile (AO) | | | 11 | a |
| Ital H&R Srl | 086 | Italy | Bologna | | | 11 | a |
| Isola Sca | 092 | Luxembourg | Luxembourg | | | 11 | b |
| Assicoop Imola Spa | 086 | Italy | Imola (BO) | | | 11 | b |
| Assicoop Toscana Spa | 086 | Italy | Siena | | | 11 | b |
| Pegaso Finanziaria Spa | 086 | Italy | Bologna | | | 9 | b |
| Fondazione Unipolis | 086 | Italy | Bologna | | | 11 | a |
| Assicoop Grosseto Società per Azioni in Liquidazione | 086 | Italy | Grosseto | | | 11 | b |
| Unipol Banca Spa | 086 | Italy | Bologna | | | 7 | b |
| Euresa Holding SA en Liquidation | 092 | Luxembourg | Luxembourg | | | 4 | b |
| Assicoop Bologna Spa | 086 | Italy | Bologna | | | 11 | b |
| Hotel Villaggio Città del Mare Spa in Liquidazione | 086 | Italy | Modena | | | 11 | b |

| % Direct holding | % Indirect holding | | % Total participating interest (3) | % Votes available at Ordinary General Meetings (4) | Carrying amount (€m) |
|---|---|---|---|---|---|
| 29.00% | | | 29.00% | | 6.7 |
| 28.57% | | | 28.57% | | 21.7 |
| 37.84% | | | 37.92% | | 0.2 |
| | 0.09% | Siat-Società Italiana Assicurazioni e Riassicurazioni - per Azioni | | | |
| | 0.00% | Incontra Assicurazioni Spa | | | |
| 23.55% | | | 23.55% | | 2.2 |
| 44.93% | | | 44.93% | | 0.9 |
| 32.00% | | | 32.00% | | 4.5 |
| 29.71% | | | 29.71% | | |
| 20.00% | | | 20.00% | | 0.2 |
| 24.66% | | | 24.66% | | |
| | 100.00% | Ddor Novi Sad | 100.00% | | 0.0 |
| | 32.46% | Ddor Novi Sad | 40.00% | | 0.6 |
| | 7.54% | Ddor Re | | | |
| 28.57% | | | 28.57% | | 2.3 |
| | 100.00% | Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa | 100.00% | | 0.4 |
| 100.00% | | | 100.00% | | 0.1 |
| 29.56% | | | 29.56% | | 0.1 |
| | 47.33% | UnipolSai Finance SpA | 47.33% | | 3.0 |
| | 46.77% | UnipolSai Finance SpA | 46.77% | | 1.3 |
| | 45.00% | UnipolSai Finance SpA | 45.00% | | 5.2 |
| 100.00% | | | 100.00% | | 0.3 |
| | 50.00% | UnipolSai Finance SpA | 50.00% | | 0.8 |
| 42.25% | | | 42.25% | | 439.8 |
| 25.00% | | | 25.00% | | 0.1 |
| | 50.00% | UnipolSai Finance SpA | 50.00% | | 4.7 |
| 49.00% | | | 49.00% | | |

# 4 Tables appended to the Notes to the Financial Statements

## Details of unconsolidated investments

| Name | Country of registered office | | Registered office | Country of operations (5) | Operating office | Assets (1) | Type (2) |
|---|---|---|---|---|---|---|---|
| Assicoop Modena & Ferrara Spa | 086 | Italy | Modena | | | 11 | b |
| Assicoop Romagna Futura Srl | 086 | Italy | Ravenna | | | 11 | b |
| Assicoop Emilia Nord Srl | 086 | Italy | Parma | | | 11 | b |

(1) 1=Italian insurers; 2=EU insurers; 3=non-EU insurers; 4=insurance holdings; 4.1=mixed financial holding companies; 5=EU reinsurers; 6=non-EU reinsurers; 7=banks; 8=asset management companies; 9=other holdings; 10=real estate companies; 11=other.

(2) a=subsidiaries (IFRS10); b= associates (IAS28); c=joint ventures (IFRS11). Please mark with an asterisk (*) any companies classified as held for sale pursuant to IFRS 5 and add the key below the statement.

(3) the product of investment relations concerning all companies which, positioned in an investment chain, may be between the company responsible for the consolidated financial statements and the company in question. If the latter is a direct investee of multiple subsidiaries, add together the individual products first.

4) total % availability of votes at ordinary general meetings if different from the direct or indirect investment.

(5) this disclosure is required only if the country of operations is different from the country of the registered office.

| % Direct holding | % Indirect holding | | % Total participating interest (3) | % Votes available at Ordinary General Meetings (4) | Carrying amount (€m) |
|---|---|---|---|---|---|
| | 43.75% | UnipolSai Finance SpA | 43.75% | | 6.2 |
| | 50.00% | UnipolSai Finance SpA | 50.00% | | 5.9 |
| | 50.00% | UnipolSai Finance SpA | 50.00% | | 6.1 |

## Statement of financial position by business segment

| | Amounts in €m | Non-life business 30/6/2016 | Non-life business 31/12/2015 | Life business 30/6/2016 | Life business 31/12/2015 |
|---|---|---|---|---|---|
| 1 | INTANGIBLE ASSETS | 455.9 | 469.0 | 264.7 | 278.9 |
| 2 | PROPERTY, PLANT AND EQUIPMENT | 913.4 | 923.2 | 34.0 | 34.1 |
| 3 | TECHNICAL PROVISIONS - REINSURERS' SHARE | 807.1 | 786.8 | 71.3 | 82.1 |
| 4 | INVESTMENTS | 15,684.8 | 16,478.3 | 45,366.8 | 44,016.1 |
| 4.1 | Investment property | 1,939.1 | 1,986.2 | 9.2 | 9.4 |
| 4.2 | Investments in subsidiaries, associates and interests in joint ventures | 355.3 | 370.4 | 157.6 | 157.3 |
| 4.3 | Held-to-maturity investments | 309.9 | 355.1 | 711.3 | 744.9 |
| 4.4 | Loans and receivables | 2,117.7 | 2,139.6 | 3,004.6 | 3,158.6 |
| 4.5 | Available-for-sale financial assets | 10,816.5 | 11,470.7 | 32,902.0 | 31,310.8 |
| 4.6 | Financial assets at fair value through profit or loss | 146.4 | 156.4 | 8,582.0 | 8,635.1 |
| 5 | SUNDRY RECEIVABLES | 2,057.2 | 2,332.4 | 544.4 | 623.1 |
| 6 | OTHER ASSETS | 924.4 | 713.2 | 126.6 | 125.9 |
| 6.1 | Deferred acquisition costs | 37.8 | 36.8 | 51.9 | 50.0 |
| 6.2 | Other assets | 886.6 | 676.3 | 74.7 | 75.9 |
| 7 | CASH AND CASH EQUIVALENTS | 450.0 | 354.3 | 303.1 | 460.2 |
| | TOTAL ASSETS | 21,292.9 | 22,057.1 | 46,710.9 | 45,620.3 |
| 1 | SHAREHOLDERS' EQUITY | | | | |
| 2 | PROVISIONS | 411.1 | 453.3 | 27.7 | 28.4 |
| 3 | TECHNICAL PROVISIONS | 15,423.9 | 15,747.8 | 40,815.4 | 40,347.4 |
| 4 | FINANCIAL LIABILITIES | 1,559.2 | 1,541.8 | 2,661.1 | 2,234.9 |
| 4.1 | Financial liabilities at fair value through profit or loss | 123.5 | 62.0 | 1,896.1 | 1,479.4 |
| 4.2 | Other financial liabilities | 1,435.8 | 1,479.7 | 765.0 | 755.5 |
| 5 | PAYABLES | 680.5 | 617.6 | 131.6 | 128.9 |
| 6 | OTHER LIABILITIES | 616.4 | 625.7 | 361.2 | 292.0 |
| | TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |

| Other businesses | | Real Estate | | Intersegment eliminations | | Total | |
|---|---|---|---|---|---|---|---|
| 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 |
| 2.1 | 2.4 | 0.2 | 0.3 | | | 723.0 | 750.6 |
| 136.5 | 141.4 | 330.9 | 334.0 | | | 1,414.8 | 1,432.6 |
| | | | | | | 878.5 | 868.9 |
| 43.9 | 43.9 | 500.6 | 520.6 | (49.3) | (48.8) | 61,546.8 | 61,010.1 |
| 41.6 | 41.6 | 483.6 | 498.0 | | | 2,473.5 | 2,535.3 |
| 0.4 | 0.2 | | 0.3 | | | 513.3 | 528.1 |
| | | | | | | 1,021.2 | 1,100.0 |
| 1.4 | 1.4 | | | (49.3) | (48.8) | 5,074.3 | 5,250.7 |
| 0.5 | 0.7 | 17.0 | 22.3 | | | 43,735.9 | 42,804.5 |
| 0.1 | | | | | | 8,728.5 | 8,791.5 |
| 73.5 | 69.6 | 28.2 | 28.6 | (102.9) | (95.6) | 2,600.5 | 2,958.0 |
| 31.5 | 29.7 | 29.5 | 25.4 | (166.1) | (147.7) | 945.9 | 746.5 |
| | | | | | | 89.7 | 86.8 |
| 31.5 | 29.7 | 29.5 | 25.4 | (166.1) | (147.7) | 856.2 | 659.7 |
| 62.8 | 67.5 | 83.0 | 75.4 | | | 899.0 | 957.4 |
| 350.4 | 354.5 | 972.3 | 984.2 | (318.2) | (292.1) | 69,008.3 | 68,724.0 |
| | | | | | | 6,263.1 | 6,614.5 |
| 23.6 | 21.0 | 8.4 | 15.9 | | | 470.9 | 518.6 |
| | | | | | | 56,239.3 | 56,095.2 |
| 15.1 | 14.1 | 203.4 | 203.3 | (98.3) | (97.3) | 4,340.4 | 3,896.9 |
| | | 0.9 | 1.7 | | | 2,020.5 | 1,543.2 |
| 15.1 | 14.1 | 202.5 | 201.6 | (98.3) | (97.3) | 2,320.0 | 2,353.7 |
| 72.5 | 79.7 | 26.8 | 23.1 | (53.8) | (42.5) | 857.7 | 806.9 |
| 13.0 | 14.3 | 12.4 | 12.2 | (166.1) | (152.2) | 836.9 | 792.0 |
| | | | | | | 69,008.3 | 68,724.0 |

## Income statement by business segment

| | | Non-life business | | Life business | |
|---|---|---|---|---|---|
| | *Amounts in €m* | 30/6/2016 | 30/6/2015 | 30/6/2016 | 30/6/2015 |
| 1.1 | Net premiums | 3,450.6 | 3,528.6 | 2,530.5 | 3,483.6 |
| *1.1.1* | *Gross premiums earned* | *3,677.8* | *3,754.2* | *2,534.5* | *3,488.2* |
| *1.1.2* | *Earned premiums ceded to reinsurers* | *(227.2)* | *(225.6)* | *(4.0)* | *(4.7)* |
| 1.2 | Commission income | 3.2 | 3.4 | 12.8 | 1.1 |
| 1.3 | Gains and losses on financial instruments at fair value through profit or loss | (110.1) | 206.6 | (86.0) | 167.8 |
| 1.4 | Gains on investments in subsidiaries, associates and interests in joint ventures | 3.4 | 3.5 | 0.2 | 7.8 |
| 1.5 | Gains on other financial instruments and investment property | 459.0 | 435.4 | 689.5 | 895.6 |
| 1.6 | Other revenue | 135.2 | 116.8 | 24.4 | 32.6 |
| | TOTAL REVENUE AND INCOME | 3,941.3 | 4,294.3 | 3,171.4 | 4,588.5 |
| 2.1 | Net charges relating to claims | (2,298.2) | (2,396.2) | (2,757.5) | (4,047.7) |
| *2.1.1* | *Amounts paid and changes in technical provisions* | *(2,392.8)* | *(2,509.7)* | *(2,758.3)* | *(4,048.3)* |
| *2.1.2* | *Reinsurers' share* | *94.6* | *113.5* | *0.7* | *0.6* |
| 2.2 | Commission expenses | (3.8) | (3.3) | (3.2) | (0.8) |
| 2.3 | Losses on investments in subsidiaries, associates and interests in joint ventures | (1.9) | (0.2) | (0.1) | (1.9) |
| 2.4 | Losses on other financial instruments and investment property | (103.4) | (156.9) | (42.7) | (49.1) |
| 2.5 | Operating expenses | (1,010.4) | (1,009.0) | (133.9) | (178.0) |
| 2.6 | Other costs | (298.6) | (246.8) | (57.7) | (60.1) |
| 2 | TOTAL COSTS AND EXPENSES | (3,716.3) | (3,812.4) | (2,995.2) | (4,337.6) |
| | PRE-TAX PROFIT (LOSS) FOR THE YEAR | 224.9 | 481.9 | 176.3 | 250.9 |

| Other businesses | | Real Estate | | Intersegment eliminations | | Total | |
|---|---|---|---|---|---|---|---|
| 30/6/2016 | 30/6/2015 | 30/6/2016 | 30/6/2015 | 30/6/2016 | 30/6/2015 | 30/6/2016 | 30/6/2015 |
| | | | | | | 5,981.2 | 7,012.2 |
| | | | | | | *6,212.4* | *7,242.4* |
| | | | | | | *(231.2)* | *(230.2)* |
| | | | | | | 16.1 | 4.5 |
| (0.0) | | (0.9) | (0.8) | | | (197.0) | 373.6 |
| 0.3 | (0.0) | | | | | 3.9 | 11.2 |
| 0.6 | 1.3 | 18.2 | 33.1 | (15.7) | (20.5) | 1,151.6 | 1,345.0 |
| 80.8 | 113.5 | 5.7 | 10.5 | (27.1) | (50.9) | 218.9 | 222.5 |
| **81.7** | **114.8** | **23.0** | **42.8** | **(42.8)** | **(71.4)** | **7,174.5** | **8,968.9** |
| | | | | | | (5,055.7) | (6,443.8) |
| | | | | | | *(5,151.1)* | *(6,558.0)* |
| | | | | | | *95.3* | *114.2* |
| (0.1) | (0.0) | (0.0) | (0.0) | | | (7.0) | (4.1) |
| (0.0) | (0.0) | | (5.1) | | | (2.1) | (7.3) |
| (0.3) | (0.8) | (19.2) | (76.9) | 0.7 | 4.5 | (164.9) | (279.2) |
| (27.6) | (20.7) | (5.1) | (14.3) | 8.8 | 11.8 | (1,168.1) | (1,210.2) |
| (61.8) | (99.0) | (8.8) | (27.9) | 33.3 | 55.1 | (393.7) | (378.9) |
| **(89.8)** | **(120.6)** | **(33.1)** | **(124.3)** | **42.8** | **71.4** | **(6,791.5)** | **(8,323.5)** |
| **(8.1)** | **(5.8)** | **(10.1)** | **(81.5)** | | | **383.0** | **645.5** |

# Tables appended to the Notes to the Financial Statements

## Details of property, plant and equipment and intangible assets

| *Amounts in €m* | At cost | At restated value or at fair value | Total carrying amount |
|---|---|---|---|
| Investment property | 2,473.5 | | 2,473.5 |
| Other property | 1,290.9 | | 1,290.9 |
| Other tangible assets | 123.9 | | 123.9 |
| Other intangible assets | 416.2 | | 416.2 |

## Details of financial assets

| | Investments held to maturity | | Loans and receivables | | Available-for-sale financial assets | |
|---|---|---|---|---|---|---|
| *Amounts in €m* | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 |
| Equity instruments and derivatives at cost | | | | | 38.2 | 38.2 |
| Equity instruments at fair value | | | | | 734.2 | 674.9 |
| *listed securities* | | | | | *556.5* | *496.5* |
| Debt securities | 1,021.2 | 1,100.0 | 4,223.4 | 4,323.8 | 41,607.9 | 40,658.7 |
| *listed securities* | *861.2* | *843.4* | | | *41,009.8* | *40,021.9* |
| UCITS units | | | | | 1,355.7 | 1,432.6 |
| Loans and receivables from bank customers | | | | | | |
| Interbank loans and receivables | | | | | | |
| Deposits with ceding companies | | | 22.2 | 24.0 | | |
| Financial receivables on insurance contracts | | | | | | |
| Other loans and receivables | | | 828.7 | 903.0 | | |
| Non-hedging derivatives | | | | | | |
| Hedging derivatives | | | | | | |
| Other financial investments | | | | | | |
| **Total** | 1,021.2 | 1,100.0 | 5,074.3 | 5,250.7 | 43,735.9 | 42,804.5 |

| Financial assets at fair value through profit or loss | | | | Total carrying amount | |
|---|---|---|---|---|---|
| Held-for-trading financial assets | | Financial assets at fair value through profit or loss | | | |
| 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 |
| | | | | 38.2 | 38.2 |
| 6.9 | 14.4 | 173.9 | 175.0 | 914.9 | 864.4 |
| *6.9* | *14.4* | *173.9* | *175.0* | *737.3* | *686.0* |
| 128.4 | 147.4 | 4,268.6 | 4,342.4 | 51,249.5 | 50,572.4 |
| *76.3* | *66.6* | *4,063.9* | *3,669.1* | *46,011.1* | *44,601.0* |
| 29.8 | 31.2 | 3,502.4 | 3,658.2 | 4,887.9 | 5,122.0 |
| | | | | | |
| | | | | | |
| | | | | 22.2 | 24.0 |
| | | 391.0 | 174.7 | 391.0 | 174.7 |
| | | | | 828.7 | 903.0 |
| 176.0 | 168.5 | | | 176.0 | 168.5 |
| 23.9 | 10.4 | | | 23.9 | 10.4 |
| | | 27.6 | 69.1 | 27.6 | 69.1 |
| 365.1 | 371.9 | 8,363.5 | 8,419.5 | 58,560.0 | 57,946.7 |

## Details of assets and liabilities relating to insurance contracts where the investment risk is borne by policyholders and arising from pension fund management

| | Benefits linked to investment funds and market indices | | Benefits linked to pension fund management | | Total | |
|---|---|---|---|---|---|---|
| *Amounts in €m* | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 |
| Recognised assets | 4,393.2 | 4,759.4 | 3,957.4 | 3,647.9 | 8,350.6 | 8,407.3 |
| Intragroup assets * | | | | | | |
| **Total assets** | 4,393.2 | 4,759.4 | 3,957.4 | 3,647.9 | 8,350.6 | 8,407.3 |
| Recognised financial liabilities | 1,151.0 | 740.5 | 547.6 | 547.5 | 1,698.6 | 1,288.0 |
| Recognised technical provisions | 3,244.0 | 4,019.0 | 3,409.8 | 3,100.5 | 6,653.8 | 7,119.5 |
| Intragroup liabilities * | | | | | | |
| **Total liabilities** | 4,395.0 | 4,759.5 | 3,957.4 | 3,648.0 | 8,352.3 | 8,407.5 |

* Assets and liabilities eliminated on consolidation.

## Details of technical provisions – reinsurers' share

| | Total carrying amount | |
|---|---|---|
| *Amounts in €m* | 30/6/2016 | 31/12/2015 |
| **Non-Life provisions** | 807.1 | 786.8 |
| **Life provisions** | 71.3 | 82.1 |
| Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management | | |
| Mathematical provisions and other technical provisions | 71.3 | 82.1 |
| **Total technical provisions - reinsurers' share** | 878.5 | 868.9 |

## Details of technical provisions

| | Total carrying amount | |
|---|---|---|
| *Amonut in €m* | 30/6/2016 | 31/12/2015 |
| **Non-Life provisions** | 15,423.9 | 15,747.8 |
| Premium provision | 2,781.4 | 2,753.2 |
| Claims provision | 12,631.9 | 12,978.9 |
| Other provisions | 10.6 | 15.7 |
| *including provisions allocated as a result of the liability adequacy test* | | |
| **Life provisions** | 40,815.4 | 40,347.4 |
| Provision for amounts payable | 361.5 | 775.6 |
| Mathematical provisions | 30,377.8 | 29,482.0 |
| Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management | 6,651.3 | 7,131.2 |
| Other provisions | 3,424.8 | 2,958.6 |
| *including provisions allocated as a result of the liability adequacy test* | | |
| *including deferred liabilities to policyholders* | *3,318.7* | *2,850.1* |
| **Total technical provisions** | 56,239.3 | 56,095.2 |

## Details of financial liabilities

| | Financial liabilities at fair value through profit or loss | | | | Other financial liabilities | | Total carrying amount | |
|---|---|---|---|---|---|---|---|---|
| | Held-for-trading financial liabilities | | Financial liabilities at fair value through profit or loss | | | | | |
| *Amounts in €m* | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 |
| Equity instruments | | | | | | | | |
| Subordinated liabilities | | | | | 2,005.4 | 2,026.5 | 2,005.4 | 2,026.5 |
| Liabilities from financial contracts issued by insurance companies | | | 1,708.7 | 1,289.2 | | | 1,708.7 | 1,289.2 |
| *Arising from contracts where the investment risk is borne by policyholders* | | | *1,160.7* | *740.5* | | | *1,160.7* | *740.5* |
| *Arising from pension fund management* | | | *548.0* | *548.7* | | | *548.0* | *548.7* |
| *Arising from other contracts* | | | | | | | | |
| Deposits received from reinsurers | | | | | 190.9 | 203.8 | 190.9 | 203.8 |
| Financial items payable on insurance contracts | | | | | | | | |
| Debt securities issued | | | | | | | | |
| Payables to bank customers | | | | | | | | |
| Interbank payables | | | | | | | | |
| Other loans obtained | | | | | 118.8 | 118.8 | 118.8 | 118.8 |
| Non-hedging derivatives | 149.6 | 97.8 | 12.9 | 12.2 | | | 162.5 | 110.1 |
| Hedging derivatives | 149.2 | 143.9 | | | | | 149.2 | 143.9 |
| Sundry financial liabilities | | | | | 4.9 | 4.5 | 4.9 | 4.5 |
| **Total** | 298.8 | 241.8 | 1,721.6 | 1,301.4 | 2,320.0 | 2,353.7 | 4,340.4 | 3,896.9 |

## Details of technical insurance items

| | *Amounts in €m* | 30/6/2016 | 30/6/2015 |
|---|---|---|---|
| Non-Life business | | | |
| NET PREMIUMS | | 3,450.6 | 3,528.6 |
| a | Written premiums | 3,474.5 | 3,548.1 |
| b | Change in premium provision | (23.8) | (19.5) |
| NET CHARGES RELATING TO CLAIMS | | (2,298.2) | (2,396.2) |
| a | Amounts paid | (2,682.2) | (2,914.8) |
| b | Change in claims provision | 334.5 | 452.8 |
| c | Change in recoveries | 48.8 | 66.5 |
| d | Change in other technical provisions | 0.7 | (0.6) |
| Life business | | | |
| NET PREMIUMS | | 2,530.5 | 3,483.6 |
| NET CHARGES RELATING TO CLAIMS | | (2,757.5) | (4,047.7) |
| a | Amounts paid | (2,926.2) | (3,043.2) |
| b | Change in provision for amounts payable | 411.7 | (299.9) |
| c | Change in mathematical provisions | (756.8) | (467.2) |
| d | Change in technical provisions where the investment risk is borne by policyholders and arising from pension fund management | 484.0 | (80.0) |
| e | Change in other technical provisions | 29.8 | (157.3) |

## Investment income and charges

| *Amounts in €m* | Interest | Other income | Other charges | Realised gains | Realised losses |
|---|---|---|---|---|---|
| **Balance on investments** | **781.0** | **202.4** | **(119.5)** | **307.9** | **(79.4)** |
| a Arising from investment property | | 44.3 | (20.3) | 2.5 | (0.1) |
| b Arising from investments in subsidiaries, associates and interests in joint ventures | | 3.6 | (1.0) | 0.3 | (0.0) |
| c Arising from held to maturity investments | 23.4 | | | | |
| d Arising from loans and receivables | 77.4 | | | 7.4 | (2.4) |
| e Arising from available-for-sale financial assets | 642.2 | 50.3 | (1.6) | 258.8 | (57.5) |
| f Arising from held-for-trading financial assets | 1.7 | 56.4 | (50.6) | 3.7 | (7.5) |
| g Arising from financial assets at fair value through profit or loss | 36.3 | 47.8 | (46.1) | 35.2 | (11.9) |
| **Balance on sundry receivables** | **1.3** | | | | |
| **Balance on cash and cash equivalents** | **0.5** | | **(0.1)** | | |
| **Balance on financial liabilities** | **(40.2)** | | **(0.5)** | | **(1.7)** |
| a Arising from held-for-trading financial liabilities | | | | | (1.7) |
| b Arising from financial liabilities at fair value through profit or loss | | | | | |
| c Arising from financial liabilities | (40.2) | | (0.5) | | |
| **Balance on payables** | **(0.3)** | | **(0.0)** | | |
| Total | 742.4 | 202.4 | (120.1) | 307.9 | (81.1) |

| | Unrealised gains | | Unrealised losses | | | | |
|---|---|---|---|---|---|---|---|
| Total realised gains and losses | Unrealised capital gains | Write-backs | Unrealised capital losses | Impairment | Total unrealised gains and losses | Total gains and losses 30/6/2016 | Total gains and losses 30/6/2015 |
| 1,092.4 | 131.3 | 0.1 | (408.8) | (22.0) | (299.4) | 793.0 | 1,511.0 |
| 26.4 | | | (21.1) | (5.1) | (26.1) | 0.3 | (44.7) |
| 2.9 | | | | (1.1) | (1.1) | 1.8 | 4.0 |
| 23.4 | | | | | | 23.4 | 28.3 |
| 82.4 | 32.0 | 0.1 | | | 32.1 | 114.6 | 98.2 |
| 892.2 | 0.0 | | (0.0) | (15.9) | (15.9) | 876.3 | 1,032.1 |
| 3.8 | 32.1 | | (194.8) | | (162.7) | (158.9) | 238.1 |
| 61.3 | 67.2 | | (193.0) | | (125.8) | (64.5) | 154.9 |
| 1.3 | | | | | | 1.3 | 1.4 |
| 0.4 | | | | | | 0.4 | 1.1 |
| (42.4) | 39.5 | | (0.1) | | 39.4 | (3.0) | (69.6) |
| (1.7) | | | | | | (1.7) | 0.6 |
| | 28.2 | | (0.1) | | 28.1 | 28.1 | (20.0) |
| (40.7) | 11.3 | | | | 11.3 | (29.4) | (50.2) |
| (0.3) | | | | | | (0.3) | (0.4) |
| 1,051.4 | 170.8 | 0.1 | (408.9) | (22.0) | (260.0) | 791.4 | 1,443.4 |

## Details of insurance business expenses

| | Non-Life business | | Life business | |
|---|---|---|---|---|
| *Amounts in €m* | 30/6/2016 | 30/6/2015 | 30/6/2016 | 30/6/2015 |
| Gross commissions and other acquisition costs net of commissions and profit-sharing from reinsurers | (789.2) | (808.1) | (65.4) | (100.1) |
| Investment management expenses | (46.3) | (29.7) | (21.7) | (21.4) |
| Other administrative expenses | (174.9) | (171.2) | (46.8) | (56.6) |
| **Total** | (1,010.4) | (1,009.0) | (133.9) | (178.0) |

## Details of other consolidated comprehensive income

| Amounts in €m | Amounts allocated | | Adjustments from reclassification to the Income Statement adjustments | |
|---|---|---|---|---|
| | 30/6/2016 | 30/6/2015 | 30/6/2016 | 30/6/2015 |
| **Other income items not reclassified to profit or loss** | (16.4) | 10.1 | | |
| Reserve deriving from changes in the shareholders' equity of the investees | (13.9) | 3.8 | | |
| Revaluation reserve for intangible assets | | | | |
| Revaluation reserve for property, plant and equipment | | | | |
| Gains or losses on non-current assets or disposal groups held for sale | | | | |
| Actuarial gains and losses and adjustments relating to defined benefit plans | (2.5) | 6.3 | | |
| Other items | | 0.0 | | |
| **Other income items reclassified to profit or loss** | (27.3) | (128.3) | (147.7) | (279.0) |
| Reserve for foreign currency translation differences | (0.7) | 0.0 | | |
| Gains or losses on available-for-sale financial assets | (55.2) | (93.6) | (147.7) | (279.0) |
| Gains or losses on cash flow hedges | 28.6 | (34.7) | | |
| Gains or losses on hedges of a net investment in foreign operations | | | | |
| Reserve deriving from changes in the shareholders' equity of investees | | | | |
| Gains or losses on non-current assets or disposal groups held for sale | | | | |
| Other items | | | | |
| TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE) | (43.7) | (118.2) | (147.7) | (279.0) |

| Other changes | | Total changes | | Income tax | | Balance | |
|---|---|---|---|---|---|---|---|
| 30/6/2016 | 30/6/2015 | 30/6/2016 | 30/6/2015 | 30/6/2016 | 30/6/2015 | 30/6/2016 | 31/12/2015 |
| | | (16.4) | 10.1 | 1.4 | (3.1) | (13.0) | 3.4 |
| | | (13.9) | 3.8 | | | 1.6 | 15.6 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | (2.5) | 6.3 | 1.4 | (3.1) | (14.6) | (12.2) |
| | | | 0.0 | | | 0.0 | 0.0 |
| 0.0 | | (175.0) | (407.3) | 79.4 | 210.4 | 794.9 | 970.0 |
| | | (0.7) | 0.0 | | | 3.2 | 3.9 |
| 0.0 | | (202.9) | (372.6) | 91.7 | 191.8 | 732.6 | 935.5 |
| | | 28.6 | (34.7) | (12.4) | 18.5 | 59.1 | 30.6 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 0.0 | | (191.4) | (397.2) | 80.8 | 207.2 | 781.9 | 973.4 |

## Assets and liabilities at fair value on a recurring and non-recurring basis: breakdown by fair value level

| | | Level 1 | | Level 2 | | Level 3 | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| *Amounts in €m* | | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 |
| **Assets and liabilities at fair value on a recurring basis** | | | | | | | | | |
| Available-for-sale financial assets | | 42,453.3 | 41,538.8 | 519.3 | 553.9 | 763.3 | 711.8 | 43,735.9 | 42,804.5 |
| Financial assets at fair value through profit or loss | Held for trading financial assets | 154.1 | 120.0 | 181.2 | 160.0 | 29.8 | 91.9 | 365.1 | 371.9 |
| | Financial assets at fair value through profit or loss | 8,142.5 | 7,697.4 | 10.5 | 24.0 | 210.5 | 698.2 | 8,363.5 | 8,419.5 |
| Investment property | | | | | | | | | |
| Property, plant and equipment | | | | | | | | | |
| Intangible assets | | | | | | | | | |
| *Total assets at fair value on a recurring basis* | | *50,749.9* | *49,356.2* | *711.0* | *737.9* | *1,003.6* | *1,501.8* | *52,464.5* | *51,595.9* |
| Financial liabilities at fair value through profit or loss | Held for trading financial liabilities | 37.8 | 44.6 | 244.3 | 192.7 | 16.7 | 4.4 | 298.8 | 241.8 |
| | Financial liabilities at fair value through profit or loss | | | | | 1,721.6 | 1,301.4 | 1,721.6 | 1,301.4 |
| *Total liabilities measured at fair value on a recurring basis* | | *37.8* | *44.6* | *244.3* | *192.7* | *1,738.3* | *1,305.8* | *2,020.5* | *1,543.2* |
| **Assets and liabilities at fair value on a non-recurring basis** | | | | | | | | | |
| Non-current assets or assets of disposal groups held for sale | | | | | | | | | |
| Liabilities associated with disposal groups | | | | | | | | | |

## Details of changes in level 3 assets and liabilities at fair value on a recurring basis

| | Available-for-sale financial assets | Financial assets at fair value through profit or loss | | Investment property | Property, plant and equipment | Intangible assets | Financial liabilities at fair value through profit or loss | |
|---|---|---|---|---|---|---|---|---|
| *Amounts in €m* | | Held for trading financial assets | Financial assets at fair value through profit or loss | | | | Held for trading financial liabilities | Financial liabilities at fair value through profit or loss |
| **Opening balance** | 711.8 | 91.9 | 698.2 | | | | 4.4 | 1,301.4 |
| Acquisitions/Issues | 69.8 | 0.1 | | | | | | |
| Disposals/Repurchases | (5.5) | | (41.6) | | | | | |
| Repayments | (0.5) | (0.1) | (435.8) | | | | | |
| Gains or losses recognised through profit or loss | | (3.4) | (2.6) | | | | 12.2 | |
| - of which unrealised gains/losses | | (3.4) | (2.6) | | | | 12.2 | |
| Gains or losses recognised in the statement of other comprehensive income | (8.4) | | | | | | | |
| Transfers to level 3 | | | | | | | | |
| Transfers to other levels | (3.7) | (58.5) | | | | | | |
| Other changes | (0.2) | (0.2) | (7.6) | | | | | 420.2 |
| **Closing balance** | 763.3 | 29.8 | 210.5 | | | | 16.7 | 1,721.6 |

## Assets and liabilities not measured at fair value: breakdown by fair value level

| | Carrying amount | | *Fair value* | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Level 1 | | Level 2 | | Level 3 | | Total | |
| *Amounts in €m* | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 | 30/6/2016 | 31/12/2015 |
| **Assets** | | | | | | | | | | |
| Held-to-maturity investments | 1,021.2 | 1,100.0 | 1,035.8 | 1,020.4 | 164.0 | 245.0 | 3.3 | | 1,203.1 | 1,265.4 |
| Loans and receivables | 5,074.3 | 5,250.7 | | 4.8 | 4,041.6 | 4,127.0 | 1,459.8 | 1,376.1 | 5,501.4 | 5,507.9 |
| Investments in subsidiaries, associates and interests in joint ventures | 513.3 | 528.1 | | | | | 513.3 | 528.1 | 513.3 | 528.1 |
| Investment property | 2,473.5 | 2,535.3 | | | | | 2,597.2 | 2,665.2 | 2,597.2 | 2,665.2 |
| Property, plant and equipment | 1,414.8 | 1,432.6 | | | | | 1,525.5 | 1,506.8 | 1,525.5 | 1,506.8 |
| **Total assets** | 10,497.1 | 10,846.7 | 1,035.8 | 1,025.2 | 4,205.6 | 4,372.0 | 6,099.1 | 6,076.2 | 11,340.5 | 11,473.5 |
| **Liabilities** | | | | | | | | | | |
| Other financial liabilities | 2,320.0 | 2,353.7 | 1,223.8 | 1,286.7 | | | 954.2 | 1,041.1 | 2,178.0 | 2,327.8 |

# 5. Statement on the Condensed Consolidated Half-yearly Financial Statements (in accordance with art. 81-ter, Consob Regulation No. 11971/1999)

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

1. The undersigned, Carlo Cimbri, as Chairman entrusted for the purpose, and Maurizio Castellina, as Manager in charge of financial reporting of UnipolSai Assicurazioni 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 condensed consolidated half-yearly financial statements for the first half of 2016.

2. The assessment of the adequacy of the administrative and accounting procedures for preparing the condensed consolidated half-yearly financial statements for the period ended 30 June 2016 is based on a process defined by UnipolSai Assicurazioni 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. We also declare that:

   3.1. the Condensed Consolidated Half-yearly Financial Statements at 30 June 2016:

   - are drawn up in accordance with the International Accounting Standards endorsed by the European Community in conformity with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
   - correspond to the underlying accounting documents and records;
   - are suitable to provide a true and fair view of the equity, economic and financial situation of the issuer and of the consolidated companies;

   3.2. The Interim Management Report includes a reliable analysis of the references to the significant events that occurred in the first six months of the year and their impact on the condensed consolidated half-yearly financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The Interim Management Report also includes a reliable analysis of the information on significant related party transactions.

Bologna, 3 August 2016

| | |
|---|---|
| The Chairman | The Manager in charge |
| *Carlo Cimbri* | of financial reporting |
| | *Maurizio Castellina* |

*(signed on the original)*

**UnipolSai Assicurazioni S.p.A.**

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Share capital
€2,031,454,951.73 fully paid-up
Bologna Register of Companies
Tax and VAT No. 00818570012
R.E.A. No. 511469

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

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