Unipol Gruppo Finanziario

Consolidated Interim Financial Report at 30 June 2016

Unipol GRUPPO

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Company bodies

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

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

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 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, 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 sector, 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 class (-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 class (+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 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).

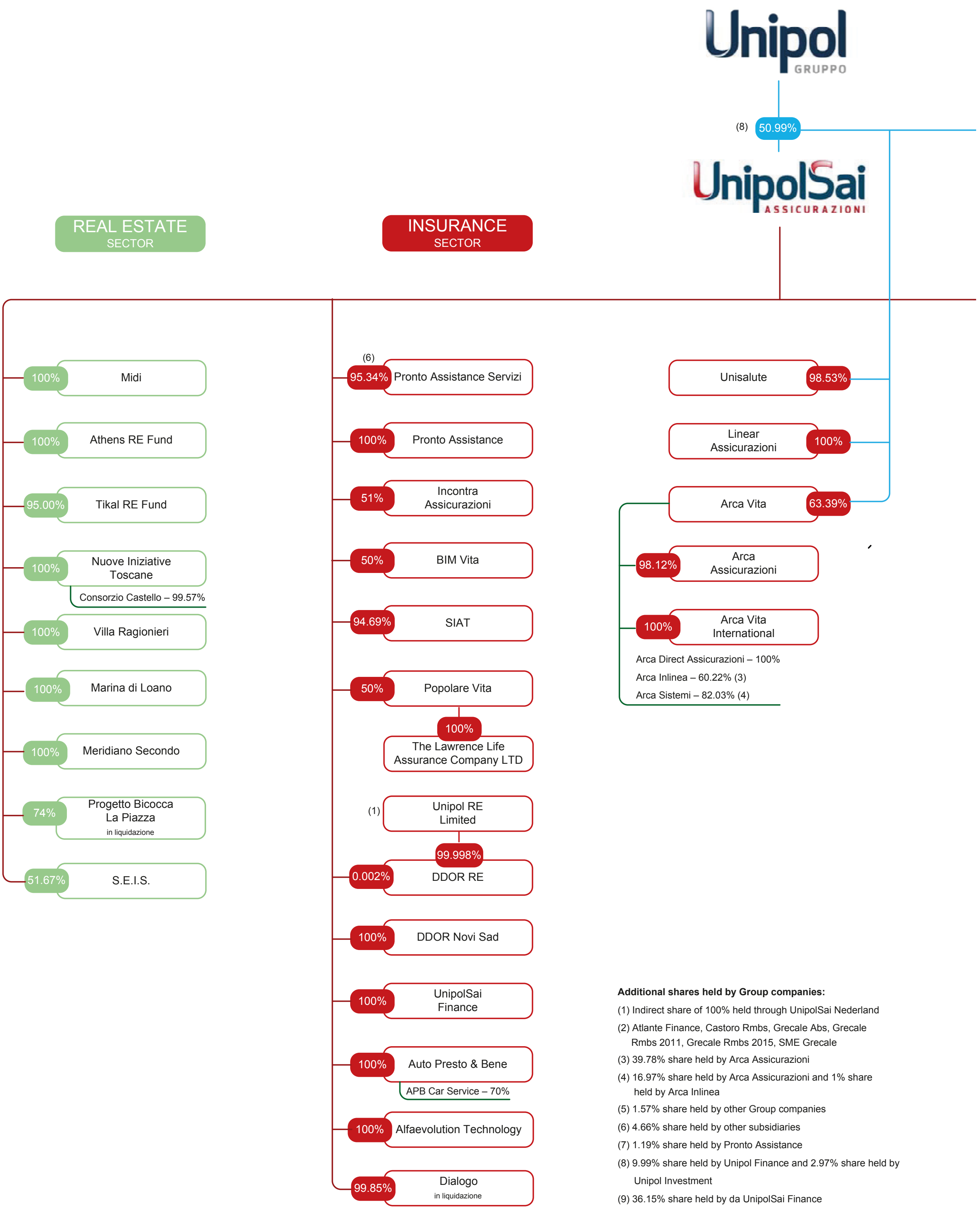
Real Estate market

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.

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) Atlante Finance, Castoro Rmbs, Grecale Abs, Grecale Rmbs 2011, Grecale Rmbs 2015, SME Grecale

(3) 39.78% share held by Arca Assicurazioni

(4) 16.97% share held by Arca Assicurazioni and 1% share held by Arca Inlinea

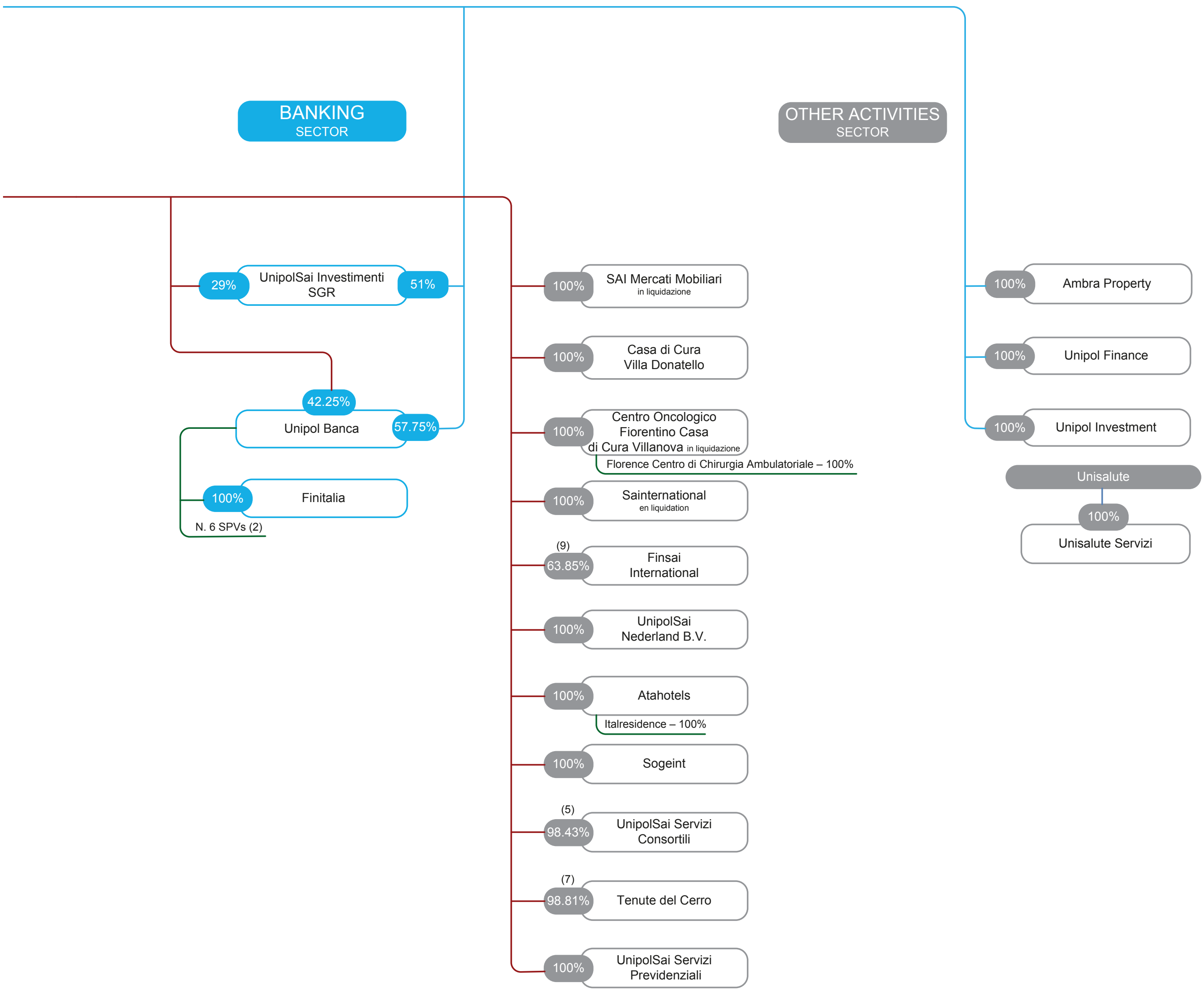
(5) 1.57% share held by other Group companies

(6) 4.66% share held by other subsidiaries

(7) 1.19% share held by Pronto Assistance

(8) 9.99% share held by Unipol Finance and 2.97% share held by Unipol Investment

(9) 36.15% share held by da UnipolSai Finance


BANKING
SECTOR
29%
UnipolSai Investimenti SGR
51%
42.25%
Unipol Banca
57.75%
100%
Finitalia
N. 6 SPVs (2)
OTHER ACTIVITIES
SECTOR
100%
SAI Mercati Mobiliari
in liquidazione
100%
Casa di Cura Villa Donatello
100%
Centro Oncologico Fiorentino Casa di Cura Villanova in liquidazione
Florence Centro di Chirurgia Ambulatoriale – 100%
100%
Sainternational
en liquidation
(9)
63.85%
Finsai International
100%
UnipolSai Nederland B.V.
100%
Atahotels
Italresidence – 100%
100%
Sogeint
(5)
98.43%
UnipolSai Servizi Consortili
(7)
98.81%
Tenute del Cerro
100%
UnipolSai Servizi Previdenziali
100%
Ambra Property
100%
Unipol Finance
100%
Unipol Investment
Unisalute
100%
Unisalute Servizi

1. Management Report

Group highlights

Amounts in €m	**30/6/2016**	30/6/2015	31/12/2015
Non-Life direct insurance premiums	4,011	4,082	7,883
% variation	*(1.7)*	*(14.1)*	*(12.1)*
Life direct insurance premiums	4,396	4,619	8,593
% variation	*(4.8)*	*(13.1)*	*(3.6)*
of which Life investment products	553	340	951
% variation	*62.4*	*339.1*	*573.1*
Direct insurance premiums	**8,408**	**8,701**	**16,476**
% variation	*(3.4)*	*(13.6)*	*(7.9)*
Banking business - direct customer deposits	**9,668**	**10,308**	**10,015**
% variation	*(3.5)*	*0.5*	*(2.4)*
Net gains on financial instruments (*)	**970**	**1,415**	**2,147**
% variation	*(31.5)*	*36.5*	*26.5*
Consolidated profit (loss)	**276**	**446**	**579**
% variation	*(38.1)*	*86.1*	*14.6*
Balance on the statement of comprehensive income	**76**	**12**	**345**
Investments and cash and cash equivalents	**83,347**	**80,889**	**81,840**
% variation	*1.8*	*1.1*	*2.3*
Technical provisions	64,622	62,212	63,150
% variation	*2.3*	*0.5*	*2.0*
Financial liabilities	15,778	15,973	15,571
% variation	*1.3*	*3.3*	*0.7*
Shareholders' Equity attributable to the owners of the Parent	5,464	5,368	5,524
% variation	*(1.1)*	*(5.7)*	*(2.9)*
Solvency II ratio	**1.40**	**n.a.**	**1.50**
No. staff	**14,079**	**14,374**	**13,864**

(*) 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	67.6%	68.7%	65.6%
Expense ratio (calculated on written premiums) - direct business	non-life	27.0%	26.6%	27.9%
Combined ratio - direct business (including OTI ratio)	non-life	94.7%	95.3%	93.5%
Loss ratio - net of reinsurance	non-life	69.3%	70.3%	66.6%
Expense ratio (calculated on premiums earned) - net of reins.	non-life	27.0%	26.9%	27.3%
Combined ratio - net of reinsurance (*)	non-life	96.3%	97.2%	93.9%
Premium retention ratio	non-life	94.7%	94.5%	95.0%
Premium retention ratio	life	99.7%	99.8%	99.8%
Premium retention ratio	total	97.1%	97.2%	97.4%
Group pro-rata APE (amounts in €m)	life	265	248	473
Expense ratio - direct business	life	3.4%	4.0%	4.0%

(*) 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 plagued 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 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 Unipol 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 business** was still positive, despite the impact on premiums of continuing competitive pressure on prices, in particular in the MV TPL class, where the Group is the market leader. The measures taken in terms of relaunching products, including the sale of a new MV product from UnipolSai called "KM&SERVIZI" from 1 March 2016, which emphasises the on-line content of the product and the direct repair option through an authorised network, led to the significant recovery of the contract portfolio.

Direct Non-Life premiums at 30 June 2016 amounted to €4,011m (€4,082m at 30/6/2015, -1.7%). More specifically, premiums in the MV TPL class stood at €1,898m, 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 €329m (+2.3%), while the Non-MV class recorded premiums of €1,784m, a rise of 1.9%.
With regard to the core companies, Non-Life direct premiums of UnipolSai alone, the Group's main company, stood at €3,556m (-2.4%, including, at 30/6/2015, the premiums of Liguria Assicurazioni and of Systema and Europa Tutela Giudiziaria, the former incorporated on 31/01/2016 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%).
Direct premiums of Unisalute, which amounted to €197m, were up by 11.3%, while those of SIAT, which focuses on the Maritime Transport business, rose by 19%. On the other hand, a decline was recorded for the Group's other main companies, operating mostly in the MV business, such as Linear and Arca Assicurazioni, due to the competitive trend within the MV class, which is reflected in the generalised fall of the average premium of contracts in the portfolio.

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 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 67.6% against 68.7% at 30 June 2015.

The *expense ratio* of direct business was slightly up on the same period of last year (27% against 26.6%), reflecting the fall in premiums and the increase in commissions paid following the standardisation of pay and incentive schemes for the various agency networks that are part of UnipolSai.

Overall, the Group's *combined ratio* (direct business) therefore stood, at the end of the first six months of 2016, at 94.7%, an improvement on the 95.3% recorded at 30 June 2015.

At 30 June 2016, a slowdown in production was recorded for the **Life business**, following the uptrend encountered in the first quarter of the year, especially in the bancassurance sector. Total Life direct premiums for the first half of 2016 were €4,396m, down 4.8% 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.
In this segment, the major Group companies recorded different trends. In particular, as regards the bancassurance channel, the Arca Vita Group reported direct premiums of €1,360m, marking an increase of 22.9% on the previous year, while the Popolare Vita Group recorded premiums of €1,384m, corresponding to a loss of 13.4%. UnipolSai recorded direct premiums of €1,593m (-12% if the premiums of Liguria Vita, incorporated on 31 January 2016 are included in the figure for 30 June 2015).

New business in terms of APE, net of non-controlling interests, amounted to €265m (€248m at 30/6/2015, +7%), of which €143m contributed by bancassurance companies and €122m 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 for their exit from the European Union (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 Group 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 3.6%), although considerably lower than those recorded in the first half of 2015 (5.8%), which had been significantly influenced by gains resulting from the sale at maturity of several securities.

The current scenario of low interest rates is also having an impact on the profitability of the **banking business** of the Group, which continues to maintain a prudent approach to lending, and to seek to boost the sale of services. Activities favouring retail customers and SMEs continued, seeking to increase the insurance customer base through the financing of insurance premiums and the sale of banking products through the agency channel.
In the first half of 2016, a reduction in impaired loans was recorded with respect to the stock levels at the end of 2015. Consequently, in the first six months of 2016, the Banking business made a slightly positive contribution to Group results.

As regards the **Real estate business**, 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 (€1m) 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 continue with operations in an economically sustainable manner.

The Unipol Group closed the first half of 2016 with a **consolidated net profit** of **€276m**, in line with expectations, even though down compared to €446m recorded at 30 June 2015, which included, as mentioned previously, significant financial gains that were not repeated this year.

Information on significant events during the first six months

2016-2018 Business Plan approved

On 12 May 2016, the Boards of Directors of Unipol and 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 sector**, 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 sector** (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 sector, 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 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 the Group's institutional website, www.unipol.it, 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 Assicurazioni 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 in 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

The subsidiary company 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.

The 2015 Sustainability Report was submitted:

On 23 June 2016, at the "The Enterprise in 2020: Between sustainability, engagement and social innovation" Convention held in Milan, the 2015 Sustainability Report and the Group's new Sustainability Plan, integrated for the first time with the Plan, were presented. More specifically the Sustainability Plan envisages increasing Welfare cover and a greater percentage of products with social and environmental value.

The Unipol Group, as responsible for improving the quality of life of its *stakeholders*, has always sought to manage its business in a profitable and sustainable manner over time, which also enables it to fulfil its social role. Being a market leader means knowing how to provide and receive trust, because when creating value for all stakeholders, you can work competently, simply and quickly. The main indicators featured in the **2015 Sustainability Report** (available on the company's website www.unipol.it, Sustainability section) are summarised below:

- 14.3% of premiums related to products targeted to meet social and environmental needs:
    - +40%, compared to 2014, premiums related to Long Term Care cover;
    - +30%, compared to 2014, earthquake cover contracts;
    - the first Italian Cat bond against seismic risk was launched.
- €57bn of assets managed meet environmental and social criteria;
- Reduction of the climate-changing emissions of Group property, certified on the basis of standard ISO 50001.

The new guidelines of the **Sustainability Plan for the three-year period 2016-2018** are:

- To implement insurance/banking products that are able to meet the needs of the so-called weaker brackets, such as precarious workers, single parents, temporary immigrants, all parties that have healthcare problems at present and will have pension problems in the future;
- To increase the penetration of welfare cover for citizens to 25%;
- To increase the percentage of products of social and environmental value to 20%;
- To review the offer to the third sector, in the light of the recently approved reform;
- To launch risk assessment and risk awareness services and tools, with regard to the risks generated by climatic change, above all to the vulnerability of Small and Medium Enterprises in terms of environmental damage.

Salient aspects of business operations

The Unipol Group closed the first half of 2016 with a **consolidated net profit of €276m**, down compared to €446m recorded at 30 June 2015 (-38.1%), which included significant net capital gains (€514m, against €216m at 30/6/2016, before tax).

The Insurance sector contributed €332m to consolidated net profit (€553m at 30/6/2015): of this, €196m related to Non-Life business (€374m at 30/6/2015, of which €246m of net capital gains, before tax) and €135m related to Life business (€179m at 30/6/2015, of which €258m of net capital gains, before tax).

The other businesses in which the Group operates, recorded the following results at 30 June 2016:
- the Banking sector recorded a profit of €1m (€4m at 30/6/2015);
- the Holding and Other businesses sector recorded a loss of €48m (-€52m at 30/6/2015);
- the Real Estate Sector, which no longer includes the subsidiary UnipolSai Real Estate, merged into UnipolSai – Non-Life business, reported a loss of €9m (-€59m at 30/6/2015, of which -€39m can be attributed to UnipolSai Real Estate).

The Group's **solvency index**, calculated according to **Solvency II** regulations, at 30 June 2016, reported a ratio of own funds to required capital of **1.40 times**, compared to the figure of 1.50 times 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.

At the level of the Unipol Banking Group, the **CET 1** was **16.3%** (18.6% at 31/12/2015). The reduction reflects the various effects of the transitory regime applicable to 2016 with respect to those applied in the previous year.

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

- **direct insurance premiums,** before reinsurance transfers, were €8,408m (€8,701m at 30/6/2015, -3.4%). Non-Life direct premiums amounted to €4,011m (€4,082m at 30/6/2015, -1.7%) and Life direct premiums amounted to €4,396m (€4,619m at 30/6/2015, -4.8%), of which €553m related to investment products in the Life business (€340m at 30/6/2015);
- **net premiums earned**, after reinsurance transfers, amounted to €7,591m (€8,090m at 30/6/2015), of which €3,757m in the Non-Life business (€3,820m at 30/6/2015) and €3,883m in the Life business (€4,269m at 30/6/2015);
- **bank direct customer deposits** amounted to €9,668m (€10,015m at 31/12/2015, -3.5%);
- **net charges relating to claims**, after reinsurance transfers, amounted to €6,660m (€7,335m at 30/6/2015), of which €2,515m from Non-Life business (€2,597m at 30/6/2015) and €4,145m from Life business (€4,737m at 30/6/2015), including -€36m in net losses on financial assets and liabilities at fair value (€135m in net gains at 30/6/2015);
- **loss ratio** (including the OTI ratio) of direct Non-Life business was 67.6% (68.7% at 30/6/2015);
- **operating expenses** amounted to €1,363m (€1,400m at 30/6/2015). In the Non-Life business, operating expenses amounted to €1,062m (€1,057m at 30/6/2015), €153m in the Life business (€194m at 30/6/2015), €159m in the Banking sector (€148m at 30/6/2015), €51m in the Holding and Other Businesses sector (€56m at 30/6/2015) and €5m in the Real Estate sector (€14m at 30/6/2015);
- the **combined ratio** of direct Non-Life business (including the OTI ratio) was 94.7% (95.3% at 30/6/2015);
- **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 €970m (€1,415m at 30/6/2015);
- **pre-tax profit (loss)** amounted to €394m (€647m at 30/6/2015);
- **taxation** for the period constituted a net expense of €118m (€202m at 30/6/2015). The tax rate for the first half of 2016 was 30% (31.1% at 30/6/2015);
- net of the €116m profit attributable to non-controlling interests, the **profit attributable to the owners of the Parent** at 30 June 2016 was **€160m** (€255m at 30/6/2015);

- in just the second quarter of 2016, gross profit was €126m (€134m in the second quarter of 2015);
- the **Comprehensive Income Statement** result was a profit of €76m (€12m at 30/6/2015), even accounting for the decrease in the reserve for gains or losses on available-for-sale financial assets of €213m (negative variation of €408m at 30/6/2015);
- **investments** and **cash and cash equivalents** amounted to €83,347m (€81,840m at 31/12/2015);
- **technical provisions** and **financial liabilities** amounted to €80,400m (€78,721m at 31/12/2015).

A summary of the Consolidated Income Statement at 30June 2016 is illustrated below, broken down by business segment: Insurance (Life and Non-Life), Banking, Holding and Other Businesses and Real Estate, compared with the figures at 30 June2015.

Condensed Consolidated operating Income Statement broken down by business segment

	Non-Life business			Life business			Insurance Sector		
Amounts in €m	Jun-16	Jun-15	*% var.*	Jun-16	Jun-15	*% var.*	Jun-16	Jun-15	*% var.*
Net premiums	3,757	3,820	*(1.6)*	3,833	4,269	*(10.2)*	7,591	8,090	*(6.2)*
Net commission income	(1)			14	5	*184.1*	13	5	*169.3*
Financial income/expense (excl. assets/liabilities designated at fair value)	258	504	*(48.8)*	694	945	*(26.6)*	952	1,450	*(34.3)*
Net interest income	*187*	*184*		*625*	*609*		*812*	*792*	
Other gains and losses	*50*	*40*		*37*	*35*		*87*	*76*	
Realised gains and losses	*104*	*246*		*97*	*258*		*201*	*504*	
Unrealised gains and losses	*(83)*	*34*		*(65)*	*44*		*(148)*	*78*	
Net charges relating to claims	(2,515)	(2,597)	*(3.2)*	(4,145)	(4,737)	*(12.5)*	(6,660)	(7,335)	*(9.2)*
Operating expenses	(1,062)	(1,057)	*0.4*	(153)	(194)	*(21.1)*	(1,215)	(1,252)	*(2.9)*
Commissions and other acquisition costs	*(820)*	*(840)*	*(2.3)*	*(73)*	*(106)*	*(31.1)*	*(893)*	*(945)*	*(5.5)*
Other expenses	*(242)*	*(218)*	*11.0*	*(81)*	*(89)*	*(9.1)*	*(322)*	*(306)*	*5.2*
Other gains and losses	(170)	(136)	*24.9*	(50)	(38)	*30.0*	(219)	(174)	*26.0*
Pre-tax profit (loss)	**268**	**534**	***(49.8)***	**193**	**250**	***(22.8)***	**461**	**784**	***(41.2)***
Income tax	(72)	(160)	*(55.3)*	(57)	(70)	*(18.4)*	(129)	(230)	*(44.0)*
Profit (loss) from discontinued operations									
Consolidated profit (loss)	**196**	**374**	***(47.5)***	**135**	**179**	***(24.5)***	**332**	**553**	***(40.0)***
Profit (loss) attributable to the owners of the Parent									
Profit (loss) attributable to non-controlling interests									

(*) The real estate sector only includes Group real estate companies
At 30/6/2015 the real estate sector included the amounts referring to UnipolSai Real Estate, which merged into UnipolSai - Insurance sector, Non-Life business on 31 December 2015.

Banking Sector			Holding and Other business Sector			Real Estate (*) Sector			Intersegment eliminations		TOTAL CONSOLIDATED		
Jun-16	Jun-15	*% var.*	Jun-16	Jun-15	*% var.*	Jun-16	Jun-15	*% var.*	Jun-16	Jun-15	Jun-16	Jun-15	*% var.*
											7,591	8,090	*(6.2)*
49	48	*1.1*	13	14	*(6.4)*			*(29.9)*	(26)	(5)	49	61	*(20.6)*
105	101	*3.9*	(35)	(26)	*(36.5)*	(2)	(48)	*96.9*	(50)	(61)	970	1,415	*(31.5)*
110	*124*		*(29)*	*(24)*		*(1)*	*(1)*		*(22)*	*(20)*	*870*	*871*	
1			*(3)*	*(4)*		*7*	*20*		*(18)*	*(21)*	*74*	*71*	
15	*8*		*2*	*3*		*(1)*	*(1)*				*216*	*514*	
(21)	*(32)*		*(6)*			*(7)*	*(67)*		*(10)*	*(20)*	*(191)*	*(41)*	
											(6,660)	(7,335)	*(9.2)*
(159)	(148)	*7.5*	(51)	(56)	*(8.4)*	(5)	(14)	*(64.4)*	67	70	(1,363)	(1,400)	*(2.6)*
									26	*21*	*(867)*	*(925)*	*(6.2)*
(159)	*(148)*	*7.5*	*(51)*	*(56)*	*(8.4)*	*(5)*	*(14)*	*(64.4)*	*41*	*49*	*(496)*	*(475)*	*4.5*
8	5	*53.9*	15	7	*115.4*	(3)	(19)	*(81.6)*	9	(4)	(191)	(184)	*3.6*
2	**6**	***(66.0)***	**(58)**	**(61)**	***4.1***	**(10)**	**(81)**	***87.7***			**394**	**647**	***(39.1)***
(1)	(2)	*(50.9)*	11	9	*23.1*	1	22	*(95.7)*			(118)	(202)	*(41.3)*
1	**4**	***(73.4)***	**(48)**	**(52)**	***8.6***	**(9)**	**(59)**	***84.6***			**276**	**446**	***(38.1)***
											160	*255*	
											116	*191*	

Insurance Sector

The Group's insurance business closed the period with a **total pre-tax profit of €461m** (€784m at 30/6/2015), of which €268m relating to the Non-Life sector (€534m at 30/6/2015) and €193m relating to the Life sector (€250m at 30/6/2015).

Investments and cash and cash equivalents of the Insurance sector totalled, at 30 June 2016, €72,075m (€70,295m at 31/12/2015), of which €17,723m in the Non-Life business (€18,403m at 31/12/2015) and €54,352m in the Life business (€51,892m at 31/12/2015).

Financial liabilities amounted to €5,305m (€4,884m at 31/12/2015), €1,565m of which in the Non-Life business (€1,543 at 31/12/2015) and €3,740m in the Life business (€3,341m 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, which at 30 June 2016 amounted to €2,775m (€2,380m at 31/12/2015).

Total premiums (direct and indirect premiums and investment products) at 30 June 2016 amounted to €8,434m (€8,727m at 30/6/2015, -3.4%. Non-Life premiums amounted to €4,037m (€4,107m at 30/6/2015, -1.7%) and Life premiums totalled €4,397m (€4,620m at 30/6/2015, -4.8%).

Consolidated premiums

Amounts in €m	30/6/2016	*% comp.*	30/6/2015	*% comp.*	*% var.*
Non-Life direct premiums	4,011		4,082		*(1.7)*
Non-Life indirect premiums	26		25		*3.8*
Total Non-Life premiums	**4,037**	***47.9***	**4,107**	***47.1***	***(1.7)***
Life direct premiums	3,844		4,279		*(10.2)*
Life indirect premiums			1		*(68.8)*
Total Life business premium income	**3,844**	***45.6***	**4,280**	***49.0***	***(10.2)***
Total Life investment products	553	*6.6*	340	*3.9*	*62.4*
Total Life business premium income	**4,397**	***52.1***	**4,620**	***52.9***	***(4.8)***
Overall total	**8,434**	***100.0***	**8,727**	***100.0***	***(3.4)***

The overall premium income for just the second quarter of 2016 was €3,633m (€4,200m 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 €553m, related to Class III (Unit- and Index-Linked policies) and Class VI (pension funds).

Direct premium income amounted to €8,408m (€8,701m at 30/6/2015, -3.4%), of which Non-Life premiums totalled €4,011m and Life premiums €4,396m.

Amounts in €m	30/6/2016	*% comp.*	30/6/2015	*% comp.*	*% var.*
Non-Life direct premiums	4,011	*47.7*	4,082	*46.9*	*(1.7)*
Life direct premiums	4,396	*52.3*	4,619	*53.1*	*(4.8)*
Total direct premium income	**8,408**	***100.0***	**8,701**	***100.0***	***(3.4)***

Indirect Non-Life and Life premiums totalled €26m at 30 June 2016 (€26m at 30/6/2015), €0.3m of which referred to Life business.

Amounts in €m	**30/6/2016**	*% comp.*	30/6/2015	*% comp.*	*% var.*
Non-Life indirect premiums	26	*98.9*	25	*96.4*	*3.8*
Life indirect premiums		*1.1*	1	*3.6*	*(68.8)*
Total indirect premiums	**26**	***100.0***	**26**	***100.0***	***1.2***

Group **premiums ceded** totalled €226m (€236m at 30/6/2015), €216m of which from Non-Life premiums ceded (€226m at 30/6/2015) and €10m from Life premiums ceded (€11m at 30/6/2015).

Amounts in €m	**30/6/2016**	*% comp.*	30/6/2015	*% comp.*	*% var.*
Non-Life premiums ceded	216	*95.4*	226	*95.5*	*(4.3)*
Retention ratio - Non-Life business (%)	*94.7%*		*94.5%*		
Life premiums ceded	10	*4.6*	11	*4.5*	*(1.1)*
Retention ratio - Life business (%)	*99.7%*		*99.8%*		
Total premiums ceded	**226**	***100.0***	**236**	***100.0***	***(4.1)***
Overall retention ratio (%)	*97.1%*		*97.2%*		

At 30 June 2016 the premiums ceded generated an overall positive result for reinsurers, both in the Non-Life business and in the Life business.

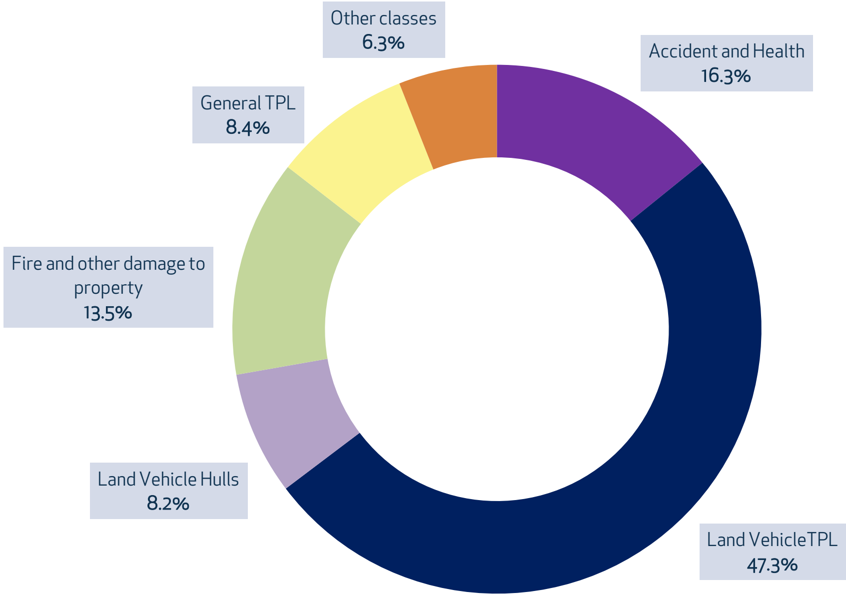
Rami Danni

Direct business premiums amounted to €4,011m (€4,082m at 30/6/2015), slightly down by 1.7%, broken down as follows:

Non-Life business direct premium income

Amounts in €m	**30/6/2016**	*% comp.*	30/6/2015	*% comp.*	*% var.*
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)	1,898		2,009		*(5.5)*
Land Vehicle Hulls (class 3)	329		322		*2.3*
Total premiums - Motor vehicles	**2,228**	***55.5***	**2,331**	***57.1***	***(4.4)***
Accident and Health (classes 1 and 2)	654		621		*5.3*
Fire and Other damage to property (classes 8 and 9)	540		532		*1.4*
General TPL (class 13)	336		345		*(2.6)*
Other classes	253		252		*0.3*
Total premiums - Non-Motor vehicles	**1,784**	***44.5***	**1,751**	***42.9***	***1.9***
Total Non-Life direct premiums	**4,011**	***100.0***	**4,082**	***100.0***	***(1.7)***

% breakdown of Non-Life direct business premiums



In the **MV segment**, premiums of MV TPL were €1,898m, down by 5.5% on 30 June 2015. A 2.3% growth was instead reported in the Land Vehicle Hulls business with premiums equal to €329m (€322m at 30/6/2015). The **Non-MV segment,** with premiums of €1,784m, recorded 1.9% growth.

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 market situation.

The **loss ratio** for Non-Life direct business alone, including the OTI ratio, stood at 67.6% (68.7% at 30/6/2015). The number of claims reported, without considering the MV TPL class, reported a 12.3% increase, due to the Health (+17%) and Assistance classes (22.5%), with decreases in all other classes.

Number of claims reported (excluding MV TPL)

	30/6/2016	30/6/2015	% var.
Land Vehicle Hulls (class 3)	146,156	148,269	*(1.4)*
Accident (class 1)	76,632	78,075	*(1.8)*
Health (class 2)	1,705,733	1,457,724	*17.0*
Fire and Other damage to property (classes 8 and 9)	139,125	156,524	*(11.1)*
General TPL (class 13)	47,468	53,282	*(10.9)*
Other classes	214,608	179,810	*19.4*
Total	**2,329,722**	**2,073,684**	***12.3***

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 342,789, down 0.5% (346,292 at June 2015). Claims reported that present at least Debtor Card claims handling numbered 202,584, down 1.3% compared to the same period in the previous year.
Handler Card claims were 257,856 (including 60,123 Natural Card claims, claims between policyholders at the same company), up by 3.4%. The settlement rate for the first half of 2016 was 67% as compared to 66.9% 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 84.9% (84.4% at June 2015).

The **expense ratio** for Non-Life direct business was 27% (26.6% at 30/6/2015), 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 94.7% at 30 June 2016 (95.3% at 30/6/2015).

Non-Life premiums of the main Group insurance companies

The Non-Life direct premiums of the **UnipolSai Group** totalled €3,685m (€3,772m at 30/6/2015, -2.3%).

UnipolSai Group - Non-life business direct premiums

Amounts in €m	30/6/2016	*% comp.*	30/6/2015	*% comp.*	*% var.*
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)	1,821		1,926		*(5.5)*
Land Vehicle Hulls (class 3)	321		313		*2.5*
Total premiums - Motor vehicles	**2,142**	***58.1***	**2,240**	***59.4***	***(4.3)***
Accident and 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 premiums	**3,685**	***100.0***	**3,772**	***100.0***	***(2.3)***

Direct premiums relating to **UnipolSai** alone, the Group's main company, totalled €3,556m (-0.7% and -2.4% considering in the data at 30/6/2015 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 (-4.1% on a like-for-like basis) and €1,434m in the Non-MV classes (+0.2% on a like-for-like basis).

[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.

UnipolSai Assicurazioni Spa - Non-Life business direct premium income

Amounts in €m	30/6/2016	*% comp.*	30/6/2015	*% comp.*	*% var.*
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)	1,806		1,869		*(3.4)*
Land Vehicle Hulls (class 3)	316		305		*3.6*
Total premiums - Motor vehicles	**2,122**	***59.7***	**2,174**	***60.7***	***(2.4)***
Accident and Health (classes 1 and 2)	416		408		*2.0*
Fire and Other damage to property (classes 8 and 9)	514		503		*2.1*
General TPL (class 13)	330		335		*(1.6)*
Other classes	175		162		*7.8*
Total premiums - Non-Motor vehicles	**1,434**	***40.3***	**1,408**	***39.3***	***1.8***
Total Non-Life premiums	**3,556**	***100.0***	**3,583**	***100.0***	***(0.7)***

In the **MV** segment, 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. The Land Vehicle Hulls class grew owing to the resumption in new registrations and the consequent gradual "rejuvenation" of the fleet on the road. In March the new Km&Servizi product was launched. 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.
Recovery in terms of number of policies was seen in the **Non-MV** classes, particularly in the personal sector compared to the company sector.

The company **SIAT**, focusing on the Sea Vehicles segment, achieved direct premiums that amounted to €57m (+19%).

The Arca Vita Group, with the Non-Life company **Arca Assicurazioni,** recorded direct premiums of €54m, slightly down compared to 30 June 2015 (-0.4%), with a considerable increase in the Non-MV classes (+5.2%) and reduced MV segment premiums (-9.8%).

Unisalute, in an increasingly competitive market context, continued to optimise its specialised skills and Health business management abilities and reported a volume of direct premiums in the period of €197m (€177m at 30/6/2015), 11.3% higher. Particularly noteworthy of the new contracts that were included in the portfolio of the first half were: Safilo, Umbra Cuscinetti, Corpo Nazionale Vigili del Fuoco, Roche Diabetes Care Italy, University of Pavia, Autovie Venete and Amiacue.
The number of Company customers totalled 5.1 million, of which around 4.2 million belong to the Health class and around 0.9 million to the Assistance class.

Linear recorded direct premium for €74m (€87m at 30/6/2015, including the premiums of Dialogo Assicurazioni, whose insurance company was acquired on 31/12/2015, -14%). Contracts in the portfolio at the end of the first half of 2016 were close to 456k units (+9%, on a like-for-like basis -1%) The drop in premiums was therefore attributable to the contraction in average premium of the reference market, to which the entry of a new player and the heated price competition on the online sales channel contributed.

Performance of life Premiums

The Life **direct premiums** amounted to a total of €4,396m (€4,619m at 30/6/2015, -4.8%) and breaks down as follows:

Life business direct premium income

Amounts in €m	30/6/2016	*% comp.*	30/6/2015	*% comp.*	*% var.*
Total premium income					
I - Whole and term Life insurance	3,269	*74.4*	2,784	*60.3*	*17.4*
III - Unit-linked/index-linked policies	632	*14.4*	1,222	*26.4*	*(48.3)*
IV - Health	1	*0.0*	1	*0.0*	*23.3*
V - Capitalisation insurance	239	*5.4*	374	*8.1*	*(36.2)*
VI - Pension funds	256	*5.8*	239	*5.2*	*7.4*
Total Life business direct premium income	**4,396**	***100.0***	**4,619**	***100.0***	***(4.8)***
of which Premiums (IFRS 4)					
I - Whole and term Life insurance	3,269	*85.0*	2,784	*65.1*	*17.4*
III - Unit-linked/index-linked policies	96	*2.5*	903	*21.1*	*(89.4)*
IV - Health	1	*0.0*	1	*0.0*	*23.3*
V - Capitalisation insurance	239	*6.2*	374	*8.8*	*(36.2)*
VI - Pension funds	239	*6.2*	217	*5.1*	*10.4*
Total Life business premium income	**3,844**	***100.0***	**4,279**	***100.0***	***(10.2)***
of which Investment products (IAS 39)					
III - Unit-linked/index-linked policies	536	*96.9*	318	*93.5*	*68.3*
VI - Pension funds	17	*3.1*	22	*6.5*	*(22.4)*
Total Life investment products	**553**	***100.0***	**340**	***100.0***	***62.4***

There was an increase in the premiums of Class I (+17.4%) and Class VI (+7.4%), while Class III (-48.3%) and Class V (-36.2%) were down.

New business in terms of **APE**, net of non-controlling interests, amounted to €265m at 30 June 2016 (€248m at 30/6/2015, +7%), of which €143m contributed by bancassurance companies and €122m by traditional companies.

The **expense ratio** for Life direct business stood at 3.4% (4% at 30/6/2015).

Pension Funds

The Unipol Group retained its leading position in the supplementary pension market, despite a difficult competitive scenario.
UnipolSai Assicurazioni managed a total of 22 occupational pension fund mandates at 30 June2016 (15 of them for accounts "with guaranteed capital and/or minimum return").
On the same date resources under management totalled €4,034m (€3,112m 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 altogether managed by the Unipol Group through UnipolSai, Popolare Vita and BIM (UnipolSai Previdenza FPA, Fondo Pensione Aperto Popolare Vita, Fondo Pensione Aperto BIM Vita) reached a total of €850m with 45,347 members.

Life premiums of the main Group insurance companies

The Life direct premiums of the **UnipolSai Group** totalled €3,036m (€3,512m at 30/6/2015, -13.5%).

UnipolSai Group - life business direct premium income

	Amounts in €m	30/6/2016	*% comp.*	30/6/2015	*% comp.*	*% var.*
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)*
	of which investment products	*485*	*16.0*	*2*	*0.1*	*20,115.0*
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*
	of which investment products	*17*	*0.6*	*22*	*0.6*	*(22.4)*
Total life business		**3,036**	***100.0***	**3,512**	***100.0***	***(13.5)***
of which investment products		***502***	***16.5***	***24***	***0.7***	***1,953.7***

Direct premiums for **UnipolSai** alone were equal to €1,593m (€1,811m at 30/6/2015, considering also the Liguria Vita premiums, -12%).

UnipolSai Assicurazioni Spa - Life business direct premium income

	Amounts in €m	30/6/2016	*% comp.*	30/6/2015	*% comp.*	*% var.*
I	Whole and term life insurance	1,126	*70.7*	1,207	*67.1*	*(6.7)*
III	Unit-linked/index-linked policies	18	*1.1*	3	*0.1*	*612.0*
	- of which investment products	*18*	*1.1*	*2*	*0.1*	*679.1*
IV	Health	1	*0.0*	1	*0.0*	*19.3*
V	Capitalisation insurance	194	*12.2*	353	*19.6*	*(45.0)*
VI	Pension funds	253	*15.9*	236	*13.1*	*7.5*
	- of which investment products	*14*	*0.9*	*19*	*1.1*	*(25.7)*
Total Life business		**1,593**	***100.0***	**1,799**	***100.0***	***(11.5)***
- of which investment products		***32***	***2.0***	***21***	***1.2***	***50.8***

The bancassurance companies of the UnipolSai Group, **Popolare Vita** and its subsidiary **The Lawrence Life**, collected premiums amounting respectively to €1,018m (€1,191m at 30/6/2015, -14.5%) and €365m (€406m at 30/6/2015, -10.1%). Overall, premiums at the Popolare Vita Group decreased by 13.4%.
Premiums of The Lawrence Life consist entirely of investment products, whereas they were entirely insurance contracts at 30 June 2015.
At 30 June 2016, the Life companies of the **Arca Group** (Arca Vita and Arca Vita International) with premiums totalling €1,360m had grown significantly compared to the same period of the previous year (+22.9%), due mostly to class I (+65.2%), while class III marked an 83.9% decrease mainly due to Arca Vita International (€19m at 30/6/2016 versus €301m at 30/6/2015).

Arca Vita Group - life business direct premium income

Amounts in €m	30/6/2016	*% comp.*	30/6/2015	*% comp.*	*% var.*
I I Whole and term life insurance	1,302	*95.7*	788	*71.2*	*65.2*
III Unit-linked/index-linked policies	51	*3.7*	316	*28.5*	*(83.9)*
of which investment products	*51*	*3.7*	*316*	*28.5*	*(84.0)*
V Capitalisation insurance	8	*0.6*	3	*0.3*	*145.9*
Total life business	**1,360**	***100.0***	**1,107**	***100.0***	***22.9***
of which investment products	***51***	***3.7***	***316***	***28.5***	***(84.0)***

Unipol 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.

Banking Sector

Operating performance of Unipol Banca

Direct deposits at 30 June 2016, which totalled €9.6bn, were down compared to 31 December 2015 (-3.4%). Funds decreased on both ordinary customers (-2.5%) and on Unipol Group companies (-7.2%). At 30 June 2016, the volumes attributable to Unipol Group companies represented 12.6% of total direct deposits (13.1% at 31/12/2015). Current accounts increased over 2015 by €107m, while the medium/long term component was down by €279m owing to repayment of securitisation notes, maturity of bonds not entirely offset by new placings and repurchases of bonds issued by the bank.

Indirect deposits at 30 June 2016 came to €48.9bn, down 4.4% due to the negative trend of the markets. The reduction in volumes concerned both the Unipol Group companies (-4.3%) and ordinary customers (-5.5%). As regards ordinary customers, assets under management recorded an increase compared to the 2015 year-end figure (+3.7%), particularly in the mutual investment funds (+7.2%) and in the managed portfolios (+12%). Life policies were also down (-2.4%). On the other hand, funds under custody decreased by 14.4%, mainly due to the investments on the equity market (-32.6%).

At 30 June 2016, **receivables from customers**, including value adjustments, were €10.4bn, down 0.9% with respect to the December 2015 value. Including also the valuation reserves, receivables were equal to €9.2bn (-0.9%). Gross **impaired loans** at 30 June 2016 amounted to €3.8bn, down further with respect to December 2015 (-1.5%). At 30 June 2016, net non-performing exposures covered by the indemnity agreement with the parent company Unipol amounted to €829m (of which €4.5m on endorsement loans), mostly referring to counterparties in the real estate sector. At 30 June 2016 the coverage rate of total impaired loans (excluding endorsement loans), inclusive of the provisions made by the holding company Unipol, was equal to 45.2% (44.46% at 31/12/2015).

At 30 June 2016 the net balance towards the banking system was negative for €146m, compared to the positive balance of €163m at 31 December 2015. The decrease in **receivables from banks** is mainly due to the fewer deposits with the Bank of Italy for the Mandatory Provision (ROB), which amounted to €63m compared to €288m at 31 December 2015. Current accounts and deposits also decreased, from €305m in December 2015 to €221m in June 2016. Bank bonds remained unchanged, amounting to €5m at 30 June 2016.

Bank payables on the whole were stable. Exposure to the ECB decreased following the early repayment of €415m of the first TLTRO auction, with concomitant participation in the new auction for €400m.

As for the **income statement**, on the whole the **gross operating income** at 30 June 2016 amounted to €161m, down 3.7% compared to 30 June 2015. In particular, the interest margin (€90m) recorded a considerable reduction of 14% for the fewer deposits intermediated and for the additional significant drop in interbank rates, which led to a consequent erosion of the spread between rates receivable and rates payable to customers, the first mostly index-linked to variable rates and the latter now limited to zero threshold. Net commission income, €51m, were up 2.5% and in spite of the fewer volumes invested in securities that reduced transactions on the market, financial operations also recorded improvement compared to the first half of 2015, particularly due to the good result achieved on the sale of securities (+€7m) and the capital gain posted for the sale of the investment in VISA Europe for €7m.

Value adjustments at 30 June 2016, which amounted to €17m, were down by 34.6% compared to the first half of 2015. This was due to impaired loan performance, which among other things allowed a few reversals (€12m) for positions reclassified as performing loans. The cost of annualised credit risk, equal to 37.6 basis points, was down with respect to 2015 (55 basis points).

Operating expenses at 30 June 2016 amounted to €142m, 6.1% higher than the 30 June 2015 figure. This was especially due to provisions of €18m not present at 30 June 2015, of which €10m went to the solidarity fund, €5m to the termination fund and €3m to the deposit guarantee fund. Operating expenses net of these extraordinary items would have recorded a 7.6% reduction.

The incidence of operating expenses on gross operating income increased by 8.1 percentage points, from 80.2% in the first six months of 2015 to 88.3% in 2016.

The following table shows the main items in the income statement of the Banking sector, set out in the layout specified for banks.

Banking business

Amounts in €m	30/6/2016	30/6/2015	*% var.*
Net interest income	110	124	*(11.4)*
Net commission income	49	48	*1.0*
Other net financial income	15	7	*129.3*
Gross operating income	**174**	**179**	***(2.8)***
Net reversals due to impairment of financial assets	(21)	(30)	*(31.4)*
Net financial income	**153**	**148**	***3.1***
Operating expenses	151	143	*5.6*
Cost/income	*86.8%*	*79.8%*	*8.7*
Pre-tax profit (loss)	**2**	**6**	***(66.0)***

The **pre-tax result** of the Banking Sector at 30 June 2016 was a profit of €2m (€6m at 30/6/2015).

The Investments and cash and cash equivalents of the Banking sector totalled €10,929m at 30 June 2016 (€11,100m at 31/12/2015).

Financial liabilities amounted to €10,110m (€10,459m at 31/12/2015) and were mainly comprised by:
- €494m in subordinated loans (€538m at 31/12/2015);
- €2,241m in debt securities issued (€2,482m at 31/12/2015);
- €6,934m in payables to customers (€6,995m at 31/12/2015);
- €436m in interbank payables (unchanged compared to 31/12/2015).

Real estate Sector

With regard to the real estate business, the major Group projects mainly 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 key economic figures regarding the real estate sector are provided below and include only the Group's real estate companies:

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)	(75)	*(75.0)*
Operating expenses	(5)	(14)	*(64.4)*
Other costs	(9)	(29)	*(69.0)*
Total costs and expenses	**(33)**	**(124)**	***(73.4)***
Pre-tax profit (loss) for the year	**(10)**	**(81)**	***(87.7)***

Pre-tax result at 30 June 2016 was negative for €10m (-€81m at 30/6/2015, of which -€42m related to the former UnipolSai Real Estate, now incorporated into UnipolSai Non-life Sector), after carrying out write-downs and depreciation of properties for €10m (€67m at 30/6/2015).

Investments and cash and cash equivalents of the Real Estate sector (including instrumental properties for own use) totalled €905m at 30 June 2016 (€920m at 31/12/2015), consisting mainly of Investment property amounting to €460m (€474m at 31/12/2015) and Properties for own use totalling €346m (€348m at 31/12/2015).

Financial liabilities amounted to €203m at 30 June 2016 (unchanged from 31/12/2015).

The most significant transactions particularly involved properties owned by the company 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, where the Group offices will be located. 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

Holding and other Businesses Sector

Commercial 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 led to 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 30/6/2015), 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 of 2016, 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, whereas the company Centro Oncologico Fiorentino's shareholders' meeting resolved its being placed 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 30/6/2015).

The profit that the **holding company Unipol** recorded at 30 June 2016 was €255m (profit of €331m at 30/6/2015), particularly due to the collection of €297m in dividends from subsidiaries (€376m at 30/6/2015), eliminated in the consolidation process. As regards the credit indemnity agreement with the subsidiary Unipol Banca, €10m was allocated to provisions for risks during the half year (€20m at 30/6/2015) and net commission income of €13m was collected (€14m at 30/6/2015). Interest expense on the bond loans issued were €34m at 30 June 2016 (€26m at 30/6/2015).
Please note that as part of the reorganisation operations aimed at bringing back the company's activities to solely managing investments, on 1 January 2016 the labour agreements concerning 62 employees were transferred to the subsidiary UnipolSai.

The main income statement figures of the Holding and Other Businesses sector are shown below:

Income Statement - Holding and other Businesses Sector

Amounts in €m	**30/6/2016**	30/6/2015	*% var.*
Commission income	13	14	*(6.1)*
Gains (losses) on financial instruments at fair value through profit or loss	(6)		*2,985.7*
Gains on other financial instruments and investment property	6	6	*(0.5)*
Other revenue	93	132	*(29.3)*
Total revenue and income	**107**	**152**	***(29.5)***
Losses on other financial instruments and investment property	(36)	(32)	*13.2*
Operating expenses	(51)	(56)	*(8.4)*
Other costs	(78)	(125)	*(37.5)*
Total costs and expenses	**(166)**	**(213)**	***(22.2)***
Pre-tax profit (loss) for the year	**(58)**	**(61)**	***(4.1)***

The pre-tax result at 30 June 2016 was a loss of €58m (-€61m at 30/6/2015).

At 30 June 2016 the investments and the cash and cash equivalents of the Holding and Other Businesses sector (including properties for own use for €180m) were €1,687m (€1,801m at 31/12/2015). The decrease is due to the purchase of shares of the subsidiary UnipolSai by the subsidiaries Unipol Finance and Unipol Investment (formerly Linear Life) during the period for €200m.

Financial liabilities were €1,888m (€1,907m at 31/12/2015) and mainly consist of the following:
- for €1,574m by three senior bond loans issued by Unipol with a total nominal value of €1,616m (€1,599m at 31/12/2015, for a nominal value of €1,616m).
- for €268m by loans payable in place with the subsidiary UnipolSai (unchanged compared to 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 investment policies pursued, in a medium-long term perspective, general standards of prudence and preservation of asset quality in accordance with the Guidelines defined in the Group Investment Policy. These objectives have been achieved both through activities geared towards reaching profitability targets consistent with the return profile of the assets and with the trend in liabilities in a multi-year time frame, and by preserving a high-quality portfolio achieved by selecting issuers on the basis of diversification and soundness criteria, giving special attention to 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 half-year period, exposure to government bonds recorded a decrease of over €680m, for €1,530m due to the negative net balance of the Non-Life sector, for €898m to the positive net balance of the Life sector, and for about €50m to sales made by the holding company Unipol.
Purchases on the Life sector 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 government bonds, which allow the monitoring of minimum guaranteed returns and the coupon reinvestment risk.
Sales on the Non-Life sector involved mostly short-term or floating rate securities, while repurchases mostly focused on securities index-linked to inflation. The positions in derivative contracts to mitigate the risk of a rise in interest rates were also marginally increased.
The non-government component of bonds saw an increase in exposure by approximately €2bn, which affected both the Life sector (€1,128m) and the Non-Life sector (€880m); the exposure of the holding company decreased by about €10m. Transactions mainly involved financial and industrial securities, both *senior* and subordinated.
Asset portfolio simplification activities continued during the first half year of 2016. There was an approximately €241m overall reduction in exposure to Level 2 and 3 structured bonds.

	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	6,938	6,806	(132)	5,404	5,387	(17)	1,534	1,419
Structured securities - Level 2	1,146	1,113	(34)	1,257	1,267	10	(111)	(154)
Structured securities - Level 3	390	369	(21)	521	499	(22)	(131)	(130)
Total structured securities	**8,474**	**8,287**	**(187)**	**7,181**	**7,153**	**(28)**	**1,293**	**1,134**

Share exposure increased by little less than €200m. The put options on the Eurostoxx50 index are still active on the equity portfolio, and were revalued during the half year. Their purpose is 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, Hedge Funds and investments in Real Assets, amounted to €555m, recording a net increase of €161m during the first half of 2016.

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

The overall Group duration was 5.62 years, a modest increase with respect to the 5.42 years at the end of 2015. The Non-Life duration in the Group insurance portfolio was 3.49 years (3.40 years at the end of 2015); in Life business, duration was 6.45 years (6.3 years at the end of 2015). The Holding duration was 0.90 years, down compared to the end of last year (0.96 years) due to the liquidity suitably held in the portfolio.

The fixed rate and floating rate components of the bond portfolio stood at 82.5% and 17.5% respectively. The government component accounted for approximately 73% of the bond portfolio whilst the corporate component accounted for the remaining 27%, split into 20.9% financial and 6.1% industrial credit.

89.3% of the bond portfolio was invested in securities with ratings above BBB-. 1.3% of the total is positioned in classes AAA to AA-, while 4.4% of securities had an A rating. The exposure to securities in the BBB rating class was 83.6%. Italian government bonds accounted for 64.6% of the total bond portfolio.

At 30 June 2016, Group **Investments** and **cash and cash equivalents** totalled €83,347m (€81,840m at 31/12/2015), with the following breakdown by business segment:

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

Amounts in €m	**30/6/2016**	*% comp.*	31/12/2015	*% comp.*	*% var.*
Insurance	72,075	*86.5*	70,295	*85.9*	*2.5*
Banking Sector	10,929	*13.1*	11,100	*13.6*	*(1.5)*
Other Business	1,687	*2.0*	1,801	*2.2*	*(6.3)*
Real Estate	905	*1.1*	920	*1.1*	*(1.6)*
Intersegment eliminations	(2,249)	*(2.7)*	(2,276)	*(2.8)*	*(1.2)*
Total Investments and cash and cash equivalents (*)	**83,347**	***100.0***	**81,840**	***100.0***	***1.8***

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

Amounts in €m	**30/6/2016**	*% comp.*	31/12/2015	*% comp.*	*% var.*
Property (*)	**3,874**	***4.6***	**3,969**	***4.9***	***(2.4)***
Investments in subsidiaries, associates and interests in joint ventures	**74**	***0.1***	**90**	***0.1***	***(18.0)***
Held-to-maturity investments	**1,449**	***1.7***	**1,528**	***1.9***	***(5.2)***
Loans and receivables	**13,882**	***16.7***	**14,549**	***17.8***	***(4.6)***
Debt securities	*4,409*	*5.3*	*4,530*	*5.5*	*(2.7)*
Loans and receivables from bank customers	*8,149*	*9.8*	*8,322*	*10.2*	*(2.1)*
Interbank loans and receivables	*285*	*0.3*	*594*	*0.7*	*(52.1)*
Deposits with ceding companies	*22*	*0.0*	*24*	*0.0*	*(7.5)*
Other loans and receivables	*1,017*	*1.2*	*1,079*	*1.3*	*(5.8)*
Available-for-sale financial assets	**53,477**	***64.2***	**50,916**	***62.2***	***5.0***
Financial assets at fair value through profit or loss	**9,797**	***11.8***	**9,913**	***12.1***	***(1.2)***
held for trading	*373*	*0.4*	*407*	*0.5*	*(8.3)*
at fair value through profit or loss	*9,424*	*11.3*	*9,506*	*11.6*	*(0.9)*
Cash and cash equivalents	**795**	***1.0***	**874**	***1.1***	***(9.1)***
Total investments and cash and cash equivalents	**83,347**	***100.0***	**81,840**	***100.0***	***1.8***

(*) Including properties for own use

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 and charges is shown in the table below:

Net investment income

Amounts in €	30/6/2016	30/6/2015	% var.
Investment property	(3)	(47)	
Gains/losses on investments in subsidiaries and associates and interests in joint ventures	2	(4)	
Net gains on held-to-maturity investments	31	37	
Net gains on loans and receivables	214	200	
Net gains on available-for-sale financial assets	1,009	1,133	
Net gains on held-for-trading financial assets and at fair value through profit or loss (*)	(157)	239	
Balance on cash and cash equivalents	1	1	
Total net gains on financial assets, cash and cash equivalents	**1,096**	**1,559**	***(29.7)***
Net losses on held-for-trading financial liabilities and at fair value through profit or loss (*)	(5)	(2)	
Net losses on other financial liabilities	(122)	(142)	
Total net losses on financial liabilities	**(126)**	**(144)**	***(12.3)***
Total net gains (*)	**970**	**1,415**	***(31.5)***
Net gains on financial assets at fair value (**)	(66)	202	
Net losses on financial liabilities at fair value (**)	29	(67)	
Total net gains on financial instruments at fair value (**)	**(36)**	**135**	***(126.9)***
Total net gains on investments and net financial income	**933**	**1,550**	***(39.8)***

(*) 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 write-downs were booked to the income statement: write-downs of Loans and Receivables related to the banking business for €30m (€50m at 30/6/2015) and write-downs due to impairment on financial instruments classified in the Available-for-sale asset category for €7m, in line with 30 June 2015. Investment property included €18m in depreciation and €5m in write-downs (respectively €21m and €51m at 30/6/2015).
Net gains on held-for-trading financial assets were negative for €157m, as compared to €239m of positive net gains at 30 June 2015, due to both the fewer net capital gains realised for €121m greater net write-downs for €273m.

Shareholders' equity

At 30 June 2016, shareholders' equity amounted to €8,006m (€8,445m at 31/12/2015).

Shareholders' equity attributable to the owners of the Parent amounted to €5,464m (€5,524m at 31/12/2015). The main changes over the year were as follows:

- a decrease of €128m due to dividend distribution;
- a decrease by €106m owing to the decrease in the Provision for gains and losses on available-for-sale financial assets, from €589m at 31/12/2015 to €483m at 30 June 2016;
- an increase of €10m owing to the increase in the provision for Other gains or losses recognised directly in equity;
- an increase by €160m as a result of the Group profit at 30 June 2016.

Shareholders' equity attributable to non-controlling interests was €2,542m (€2,921m at 31/12/2015). The main changes over the year were as follows

- a decrease by €104m owing to the decrease in the reserve for Gains or losses recognised directly in equity;
- a decrease of €182m for payment of dividends to third parties;
- a decrease of €205m due to the change in interests in the subsidiary UnipolSai following the acquisition of 111 million shares by the companies Unipol Finance and Unipol Investment;
- an increase of €116m as the profit for the period attributable to non-controlling interests.

Treasury shares

At 30 June 2016, the ordinary treasury shares held by Unipol and its subsidiaries totalled 9,818,375 (9,593,375 at 31/12/2015), of which 6,319,814 were held directly. The changes during the first half of 2016 concerned 225,000 shares purchased by the subsidiaries SIAT, UnipolSai Servizi Consortili, Popolare Vita and Auto Presto & Bene, in service of the compensation plans based on financial instruments (performance share type) for the executive staff.

In executing the compensation plans based on financial instruments, on 1 July 2016 the third and final tranche of shares of the 2010-2012 Plan and the first tranche of the 2013-2015 Plan were assigned to the Unipol Group executives, totalling 3,691,319 Unipol shares.

Technical provisions and financial liabilities

At 30 June 2016, technical provisions amounted to €64,622m (€63,150m at 31/12/2015) and financial liabilities amounted to €15,778m (€15,571m at 31/12/2015).

Technical provisions and financial liabilities

Amounts in €m	**30/6/2016**	31/12/2015	*% var.*
Non-Life technical provisions	16,279	16,574	*(1.8)*
Life technical provisions	48,343	46,575	*3.8*
Total technical provisions	**64,622**	**63,150**	***2.3***
Financial liabilities at fair value	**3,112**	**2,658**	***17.1***
Investment contracts - insurance companies	2,775	2,380	*16.6*
Other	336	278	*20.9*
Other financial liabilities	**12,666**	**12,914**	***(1.9)***
Investment contracts - insurance companies			*(18.4)*
Subordinated liabilities	2,499	2,565	*(2.6)*
Payables to bank customers	5,598	5,506	*1.7*
Interbank payables	436	436	*0.0*
Other	4,132	4,407	*(6.2)*
Total financial liabilities	**15,778**	**15,571**	***1.3***
Total	**80,400**	**78,721**	***2.1***

Unipol 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.

Group debt structure (excluding net interbank business)

Amounts in €m	**30/6/2016**	31/12/2015	*variation in amount*
Subordinated liabilities issued by UnipolSai	2,005	2,027	*(21)*
Subordinated liabilities issued by Unipol Banca	494	538	*(45)*
Debt securities issued by Unipol Banca	2,239	2,480	*(242)*
Debt securities issued by Unipol	1,568	1,593	*(25)*
Other loans	117	118	
Total debt	**6,423**	**6,755**	***(333)***

The **Debt securities issued by Unipol Banca** decreased mainly due to bonds expired and not offset by new issues.

With regard to **Other loans**, totalling €117m (€118m at 31/12/2015), €112m refer to the loan stipulated by the Closed-End Real Estate Fund Tikal R.E. with Mediobanca acting as Agent Bank (amount unchanged compared to 31/12/2015).

Information on transactions with related parties

The “Procedure for related party transactions” (the “Procedure”), prepared in accordance with Art. 4 of Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments, was approved by Unipol’s Board of Directors on 6 August 2015 with effect from that date. The Procedure is published on Unipol’s website (www.unipol.it), in the Section Corporate Governance/ Related party transactions.
The Procedure defines the rules, methods and principles that ensure the transparency and substantive and procedural fairness of the transactions with related parties executed by Unipol, either directly or through its subsidiaries.

No 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 Italian Civil Code, had any significant effect on the Unipol Group’s financial position and results of operations.

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.

The information required by IAS 24 and Consob Communication DEM/6064293/2006 is contained in paragraph 4.5 - Transactions with related parties in the Notes to the financial statements.

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 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 European Union'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 with particular 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 sustaining 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 Statement at 30 June 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**	**2,040.7**	**2,071.0**
1.1	Goodwill	1,581.9	1,581.9
1.2	Other intangible assets	458.8	489.1
2	**PROPERTY, PLANT AND EQUIPMENT**	**1,734.0**	**1,757.0**
2.1	Property	1,582.1	1,619.1
2.2	Other tangible assets	151.9	137.9
3	**TECHNICAL PROVISIONS - REINSURERS' SHARE**	**919.8**	**897.4**
4	**INVESTMENTS**	**80,970.5**	**79,346.6**
4.1	Investment property	2,291.4	2,350.2
4.2	Investments in subsidiaries, associates and interests in joint ventures	73.7	90.0
4.3	Held-to-maturity investments	1,448.8	1,528.4
4.4	Loans and receivables	13,881.9	14,549.2
4.5	Available-for-sale financial assets	53,477.4	50,915.8
4.6	Financial assets at fair value through profit or loss	9,797.2	9,913.1
5	**SUNDRY RECEIVABLES**	**2,944.2**	**3,214.6**
5.1	Receivables relating to direct insurance business	1,205.1	1,593.5
5.2	Receivables relating to reinsurance business	99.7	80.7
5.3	Other receivables	1,639.5	1,540.5
6	**OTHER ASSETS**	**1,841.7**	**1,612.2**
6.1	Non-current assets or assets of a disposal group held for sale	46.0	16.5
6.2	Deferred acquisition costs	89.8	86.9
6.3	Deferred tax assets	961.3	919.5
6.4	Current tax assets	62.0	53.6
6.5	Other assets	682.6	535.7
7	**CASH AND CASH EQUIVALENTS**	**794.5**	**874.4**
	TOTAL ASSETS	**91,245.5**	**89,773.3**

Statement of Financial Position

Shareholders' equity and liabilities

	Amounts in €m	30/6/2016	31/12/2015
1	SHAREHOLDERS' EQUITY	8,006.1	8,444.5
1.1	**attributable to the owners of the Parent**	**5,463.7**	**5,523.6**
1.1.1	Share capital	3,365.3	3,365.3
1.1.2	Other equity instruments		
1.1.3	Capital reserves	1,724.6	1,724.6
1.1.4	Income-related and other equity reserves	(276.7)	(426.0)
1.1.5	(Treasury shares)	(35.3)	(34.7)
1.1.6	Reserve for foreign currency translation differences	2.1	2.4
1.1.7	Gains or losses on available-for-sale financial assets	482.7	589.1
1.1.8	Other gains or losses recognised directly in equity	41.0	31.1
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	160.0	271.8
1.2	**attributable to non-controlling interests**	**2,542.4**	**2,921.0**
1.2.1	Share capital and reserves attributable to non-controlling interests	2,122.3	2,206.4
1.2.2	Gains or losses recognised directly in equity	303.9	407.6
1.2.3	Profit (loss) for the year attributable to non-controlling interests	116.1	307.0
2	PROVISIONS	508.5	550.1
3	TECHNICAL PROVISIONS	64,622.3	63,149.6
4	FINANCIAL LIABILITIES	15,777.6	15,571.4
4.1	Financial liabilities at fair value through profit or loss	3,111.7	2,657.8
4.2	Other financial liabilities	12,665.9	12,913.6
5	PAYABLES	1,108.9	917.7
5.1	Payables arising from direct insurance business	122.0	146.9
5.2	Payables arising from reinsurance business	149.2	87.6
5.3	Other payables	837.7	683.2
6	OTHER LIABILITIES	1,222.1	1,139.9
6.1	Liabilities associated with disposal groups		
6.2	Deferred tax liabilities	55.1	49.4
6.3	Current tax liabilities	49.3	42.4
6.4	Other liabilities	1,117.7	1,048.1
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	91,245.5	89,773.3

Income Statement

	Amounts in €m	30/6/2016	30/6/2015
1.1	Net premiums	7,590.7	8,089.6
1.1.1	*Gross premiums earned*	*7,808.1*	*8,304.1*
1.1.2	*Earned premiums ceded to reinsurers*	*(217.4)*	*(214.5)*
1.2	Commission income	68.3	79.9
1.3	Gains and losses on financial instruments at fair value through profit or loss	(197.5)	371.9
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	3.6	3.7
1.5	Gains on other financial instruments and investment property	1,450.8	1,659.4
1.5.1	*Interest income*	*988.4*	*1,002.7*
1.5.2	*Other income*	*93.6*	*89.9*
1.5.3	*Realised gains*	*293.8*	*487.1*
1.5.4	*Unrealised gains*	*74.9*	*79.8*
1.6	Other revenue	234.2	242.8
1	**TOTAL REVENUE AND INCOME**	**9,150.0**	**10,447.3**
2.1	Net charges relating to claims	(6,624.0)	(7,469.4)
2.1.1	*Amounts paid and changes in technical provisions*	*(6,689.4)*	*(7,568.7)*
2.1.2	*Reinsurers' share*	*65.4*	*99.3*
2.2	Commission expense	(19.5)	(18.5)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	(2.1)	(7.8)
2.4	Losses on other financial instruments and investment property	(321.3)	(477.5)
2.4.1	*Interest expense*	*(117.9)*	*(136.7)*
2.4.2	*Other charges*	*(27.2)*	*(23.2)*
2.4.3	*Realised losses*	*(72.3)*	*(90.2)*
2.4.4	*Unrealised losses*	*(103.9)*	*(227.4)*
2.5	Operating expenses	(1,363.5)	(1,399.5)
2.5.1	*Commissions and other acquisition costs*	*(867.1)*	*(924.6)*
2.5.2	*Investment management expenses*	*(53.9)*	*(38.8)*
2.5.3	*Other administrative expenses*	*(442.4)*	*(436.2)*
2.6	Other costs	(425.2)	(427.2)
2	**TOTAL COSTS AND EXPENSES**	**(8,755.6)**	**(9,799.9)**
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	**394.4**	**647.4**
3	Income tax	(118.3)	(201.5)
	PROFIT (LOSS) FOR THE YEAR AFTER TAXES	**276.2**	**445.9**
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		
	CONSOLIDATED PROFIT (LOSS)	**276.2**	**445.9**
	of which attributable to the owners of the Parent	*160.0*	*254.9*
	of which attributable to non-controlling interests	*116.1*	*191.0*

Comprehensive Income Statement

Amounts in €m	30/6/2016	30/6/2015
CONSOLIDATED PROFIT (LOSS)	**276.2**	**445.9**
Other income items net of taxes not reclassified to profit or loss	**(18.2)**	**10.4**
Change in the shareholders' equity of the investees	(15.1)	7.1
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	(3.1)	3.3
Other items		0.0
Other income items net of taxes reclassified to profit or loss	**(182.3)**	**(444.7)**
Change in the reserve for foreign currency translation differences	(0.7)	0.0
Gains or losses on available-for-sale financial assets	(212.6)	(407.9)
Gains or losses on cash flow hedges	30.9	(36.7)
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)	**(200.5)**	**(434.2)**
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE)	**75.7**	**11.6**
of which attributable to the owners of the Parent	*63.2*	*(57.0)*
of which attributable to non-controlling interests	*12.4*	*68.7*

Statement of Changes in Shareholders' equity

	Amounts in €m	**Balance at 31/12/2014**	Changes to closing balances	Amounts allocated	Adjustments from reclassification to profit or loss	Transfer	Changes in investments	**Balance at 30/6/2015**
Equity attributable to the owners of the Parent	Share capital	3,365.3						3,365.3
	Other equity instruments							
	Capital reserves	1,724.6						1,724.6
	Income-related and other equity reserves	(355.6)		71.4		(0.3)	(145.1)	(429.6)
	(Treasury shares)	(35.7)						(35.7)
	Profit (loss) for the year	192.3		188.9		(126.3)		254.9
	Other comprehensive income (expense)	800.2		(101.1)	(169.0)	(7.2)	(34.6)	488.2
	Total attributable to the owners of the Parent	**5,691.2**		**159.2**	**(169.0)**	**(133.8)**	**(179.8)**	**5,367.8**
Equity attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	1,971.9		88.9			145.1	2,205.9
	Profit (loss) for the year	312.9		102.3		(224.2)		191.0
	Other comprehensive income (expense)	463.8		(43.2)	(113.7)		34.6	341.5
	Total attributable to non-controlling interests	**2,748.6**		**148.0**	**(113.7)**	**(224.2)**	**179.8**	**2,738.4**
Total		**8,439.8**		**307.2**	**(282.7)**	**(358.0)**	**0.0**	**8,106.2**

		Balance at 31/12/2015	Changes to closing balances	Amounts allocated	Adjustments from reclassification to profit or loss	Transfers	Changes in investments	**Balance at 30/6/2016**
Equity attributable to the owners of the Parent	Share capital	3,365.3						3,365.3
	Other equity instruments							
	Capital reserves	1,724.6						1,724.6
	Income-related and other equity reserves	(426.0)		112.7		32.3	4.3	(276.7)
	(Treasury shares)	(34.7)		(0.6)				(35.3)
	Profit (loss) for the year	271.8		16.2		(128.0)		160.0
	Other comprehensive income (expense)	622.6	(0.0)	43.9	(92.3)	(11.0)	(37.4)	525.8
	Total attributable to the owners of the Parent	**5,523.6**	**(0.0)**	**172.3**	**(92.3)**	**(106.8)**	**(33.1)**	**5,463.7**
Equity attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	2,206.4		120.6			(204.6)	2,122.3
	Profit (loss) for the year	307.0		(9.1)		(181.7)		116.1
	Other comprehensive income (expense)	407.6	0.0	(88.7)	(52.6)	0.2	37.4	303.9
	Total attributable to non-controlling interests	**2,921.0**	**0.0**	**22.7**	**(52.6)**	**(181.5)**	**(167.2)**	**2,542.4**
Total		**8,444.5**	**0.0**	**195.0**	**(144.9)**	**(288.3)**	**(200.3)**	**8,006.1**

Statement of Cash Flows (indirect method)

Amounts in €m	30/6/2016	30/6/2015
Pre-tax profit (loss) for the year	**394.4**	**647.4**
Change in non-monetary items	**664.0**	**318.0**
Change in Non-Life premium provision	31.8	51.4
Change in claims provision and other Non-Life technical provisions	(357.4)	(434.7)
Change in mathematical provisions and other Life technical provisions	1,119.9	1,434.2
Change in deferred acquisition costs	(2.9)	(6.1)
Change in provisions	(41.7)	(71.2)
Non-monetary gains and losses on financial instruments, investment property and investments	119.8	(82.1)
Other changes	(205.4)	(573.5)
Change in receivables and payables generated by operating activities	**456.9**	**671.4**
Change in receivables and payables relating to direct insurance and reinsurance	406.0	474.2
Change in other receivables and payables	50.8	197.2
Paid taxes	**(6.5)**	**(107.2)**
Net cash flows generated by/used for monetary items from investing and financing activities	**935.7**	**(522.3)**
Liabilities from financial contracts issued by insurance companies	423.7	283.9
Payables to bank and interbank customers	92.4	(103.1)
Loans and receivables from banks and interbank customers	484.8	193.2
Other financial instruments at fair value through profit or loss	(65.3)	(896.3)
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	**2,444.6**	**1,007.3**
Net cash flow generated by/used for investment property	(13.1)	(10.0)
Net cash flow generated by/used for investments in subsidiaries, associates and interests in joint ventures	0.2	72.9
Net cash flow generated by/used for loans and receivables	43.3	(184.8)
Net cash flow generated by/used for held-to-maturity investments	85.8	346.7
Net cash flow generated by/used for available-for-sale financial assets	(1,788.9)	(1,283.9)
Net cash flow generated by/used for property, plant and equipment and intangible assets	(221.3)	(35.0)
Other net cash flows generated by/used for investing activities	11.7	175.1
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	**(1,882.3)**	**(919.1)**
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	0.0	
Net cash flow generated by/used for treasury shares	(0.6)	
Dividends distributed attributable to the owners of the Parent	(128.0)	(126.3)
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	(382.0)	(223.5)
Net cash flow generated by/used for subordinated liabilities and equity instruments	(44.6)	0.6
Net cash flow generated by/used for other financial liabilities	(87.0)	607.7
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	**(642.3)**	**258.5**
Effect of exchange rate gains/losses on cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT 1 JANUARY	874.4	674.4
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(79.9)	346.8
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	794.5	1,021.2

(*) Cash and cash equivalents at the start of the year include the cash and cash equivalents of non-current assets or assets of a disposal group held for sale

3. Notes to the Financial Statements

1. Basis of presentation

The condensed consolidated half-yearly financial statements of the Unipol 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 31December 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.

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 2012 to 2020.

Consolidation scope

Investments consolidated on a line-by-line basis and those measured using the equity method are listed in the tables showing the Consolidation scope and Details of unconsolidated investments, respectively, which are appended to these Notes.

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 Assicurazioni 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.

The 100% subsidiaries Unipol Finance and Unipol Investments acquired 111 million UnipolSai shares for the total consideration of €200.3m during the half year. The participating interest therefore rose from 61.18% to 65.15% (+4%).

Segment reporting

Segment reporting is provided according to the provisions of IFRS 8 and structured on the basis of the major business segments in which the Group operates:
- Non-Life insurance business;
- Life insurance business;
- Banking business;
- Real estate business;
- Holding and Other Businesses.

No segment reporting based on geographical area has been provided since the Group operates mainly at the national level and there appears to be no significant diversification of risks and benefits, for a given type of business activity, based on the economic situation of the individual regions.
The segment reporting layout conforms to the provisions of ISVAP Regulation no. 7/2007.

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 Unipol 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

Regulation (EU) 28/2015, issued by the Commission on 17 December 2014 and published in the Official Journal on 9 January 2015, amending Regulation (EU) 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 vice versa), 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

Regulation (EU) 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.

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).

ASSETS

1. Intangible assets

Amounts in €m	30/6/2016	31/12/2015	*variation in amount*
Goodwill	**1,581.9**	**1,581.9**	
resulting from business combinations	1,581.6	1,581.6	
other	0.3	0.3	
other intangible assets	**458.8**	**489.1**	***(30.3)***
portfolios acquired as a result of business combinations	276.8	312.5	*(35.7)*
software and user licences	153.3	154.9	*(1.6)*
other intangible assets	28.7	21.7	*7.0*
Total intangible assets	**2,040.7**	**2,071.0**	***(30.3)***

The item "Goodwill resulting from business combinations", amounting to €1,581.6m, remained unchanged compared with 31 December 2015, and is broken down as follows:
- CGU, Non-Life business, €1,198m;
- CGU, Life business, €383.6m;

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", which amounted to €276.8m at 30 June 2016 (€312.5m at 31/12/2015), the decrease with respect to 31 December 2015, amounting to €35.7m, is due for €20m to amortisation for the year of values of the Non-Life portfolios acquired (€51m at 31/12/2015) and €15.7m on the Life portfolios (€38.8m at 31/12/2015).

2. Property, plant and equipment

At 30 June 2016, property, plant and equipment, net of accumulated depreciation, amounted to €1,734m (€1,757m at 31/12/2015), €1,582.1m of which of property for own use (€1,619.1m at 31/12/2015) and €151.9m was other tangible assets (€137.9m at 31/12/2015).

3. Technical provisions - Reinsurers' share

The balance of the item at 30 June 2016 was equal to €919.8m (€897.4m at 31/12/2015). Details are set out in the appropriate appendix.

4. Investments

At 30 June 2016, total investments (investment property, equity investments and financial assets) amounted to €80,970.5m (€79,346.6m at 31/12/2015), broken down as follows:

Amounts in €m	30/6/2016	*% comp.*	31/12/2015	*% comp.*	*% var.*
Investment property	**2,291.4**	***2.8***	**2,350.2**	***3.0***	***(2.5)***
Investments in subsidiaries, associates and interests in joint ventures	**73.7**	***0.1***	**90.0**	***0.1***	***(18.0)***
Financial assets (excl. those at fair value through profit or loss)	69,181.0	*85.4*	67,400.2	*84.9*	*2.6*
Held-to-maturity investments	*1,448.8*	*1.8*	*1,528.4*	*1.9*	*(5.2)*
Loans and receivables	*13,881.9*	*17.1*	*14,549.2*	*18.3*	*(4.6)*
Available-for-sale financial assets	*53,477.4*	*66.0*	*50,915.8*	*64.2*	*5.0*
Held-for-trading financial assets	*372.9*	*0.5*	*406.8*	*0.5*	*(8.3)*
Financial assets at fair value through profit or loss	**9,424.3**	***11.6***	**9,506.3**	***12.0***	***(0.9)***
Total Investments	**80,970.5**	***100.0***	**79,346.6**	***100.0***	***2.0***

For information on fair value, reference should be made to paragraph 4.6 of Section 4 "Other information" of these notes to the financial statements.

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	**1,448.8**	***2.1***	**1,528.4**	***2.3***	***(5.2)***
Listed debt securities	1,288.8		1,271.8		*1.3*
Unlisted debt securities	160.0		256.6		*(37.7)*
Loans and receivables	**13,881.9**	***20.1***	**14,549.2**	***21.6***	***(4.6)***
Unlisted debt securities	4,409.3		4,529.5		*(2.7)*
Loans and receivables from bank customers	8,149.0		8,322.3		*(2.1)*
Interbank loans and receivables	284.7		593.9		*(52.1)*
Deposits with ceding companies	22.2		24.0		*(7.5)*
Other loans and receivables	1,016.7		1,079.5		*(5.8)*
Available-for-sale financial assets	**53,477.4**	***77.3***	**50,915.8**	***75.5***	***5.0***
Equity instruments at cost	72.9		69.8		*4.4*
Listed equity instruments at fair value	594.8		503.5		*18.1*
Unlisted equity instruments at fair value	177.7		178.4		*(0.4)*
Listed debt securities	50,272.2		47,733.5		*5.3*
Unlisted debt securities	866.6		853.5		*1.5*
UCITS units	1,493.3		1,577.1		*(5.3)*
Held-for-trading financial assets	**372.9**	***0.5***	**406.8**	***0.6***	***(8.3)***
Listed equity instruments at fair value	0.1		0.1		*47.4*
Listed debt securities	78.9		81.3		*(3.0)*
Unlisted debt securities	61.0		113.9		*(46.4)*
UCITS units	29.8		31.2		*(4.2)*
Derivatives	203.0		180.4		*12.5*
Total financial assets	**69,181.0**	***100.0***	**67,400.2**	***100.0***	***2.6***

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	**9,424.3**	**100.0**	**9,506.3**	**100.0**	**(0.9)**
Listed equity instruments at fair value	173.9	1.8	175.1	1.8	(0.7)
Listed debt securities	4,064.9	43.1	3,670.1	38.6	10.8
Unlisted debt securities	204.7	2.2	673.3	7.1	(69.6)
UCITS units	4,557.7	48.4	4,737.5	49.8	(3.8)
Other financial assets	423.2	4.5	250.3	2.6	69.1

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	31/12/2015	% var.
Receiv ables relating to direct insurance business	1,205.1	1,593.5	(24.4)
Receivables relating to reinsurance business	99.7	80.7	23.6
Other receivables	1,639.5	1,540.5	6.4
Total sundry receivables	**2,944.2**	**3,214.6**	**(8.4)**

Other receivables included:
- tax receivables amounting to €659.4m (€735.9m at 31/12/2015);
- payments made by UnipolSai as cash collateral to safeguard derivatives totalling €125.3m (€119.7m at 31/12/2015);
- trade receivables amounting to €174.5m (€171.1m at 31/12/2015);
- substitute tax receivables on the mathematical provisions totalling €351m (€211.3m at 31/12/2015).

6. Other assets

Amounts in €m	30/6/2016	31/12/2015	% var.
Non-current assets or assets of a disposal group held for sale	46.0	16.5	178.0
Deferred acquisition costs	89.8	86.9	3.4
Deferred tax assets	961.3	919.5	4.5
Current tax assets	62.0	53.6	15.7
Other assets	682.6	535.7	27.4
Total other assets	**1,841.7**	**1,612.2**	**14.2**

7. Cash and cash equivalents

At 30 June 2016, Cash and cash equivalents amounted to €794.5m (€874.4m 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	*variation in amount*
Share capital	3,365.3	3,365.3	
Capital reserves	1,724.6	1,724.6	
Income-related and other equity reserves	(276.7)	(426.0)	***149.2***
(Treasury shares)	(35.3)	(34.7)	***(0.6)***
Reserve for foreign currency translation differences	2.1	2.4	***(0.3)***
Gains/losses on available-for-sale financial assets	482.7	589.1	***(106.4)***
Other gains and losses recognised directly in equity	41.0	31.1	***9.9***
Profit (loss) for the year	160.0	271.8	***(111.8)***
Total shareholders' equity attributable to the owners of the Paren	**5,463.7**	**5,523.6**	***(59.9)***

At 30 June 2016, the Parent Unipol's share capital amounted to €3,365.3m, fully paid-up, and was made up of 717,473,508 ordinary shares (unchanged compared with 31/12/2015).

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 were as follows:
- a decrease of €128m due to dividend distribution;
- a decrease by €106.4m owing to the decrease in the Provision for gains and losses on available-for-sale financial assets, from €589.1m at 31 December 2015 to €482.7m at 30 June 2016;
- an increase of €9.9m owing to the increase in the provision for Other gains or losses recognised directly in equity;
- an increase by €160m as a result of the Group profit at 30 June 2016.

Shareholders' Equity attributable to non-controlling interests was €2,542.4m (€2,921m at 31/12/2015). Decreases are related to changes in Gains or losses recognised directly in equity, amounting to €103.7m, the payment of dividends to third parties, amounting to €181.7m, and the change in the participating interest in the subsidiary UnipolSai following the purchase of 111 million shares by the companies Unipol Finance and Unipol Investment, amounting to €204.6m. The increase is related to the profit for the period attributable to non-controlling interests, amounting to €116.1m.

Treasury shares or quotas

At 30 June 2016, the ordinary treasury shares held by Unipol and its subsidiaries totalled 9,818,375 (9,593,375 at 31/12/2015). The increase of 225,000 shares is due to purchases made by some subsidiaries with respect to financial instrument-based compensation plans in place. Shares directly held by Unipol amounted to 6,319,814 and shares held by the following subsidiaries totalled 3,498,561:
- UnipolSai Assicurazioni - 3,108,860 (unchanged compared with 31/12/2015);
- Unisalute - 51,244 (unchanged compared with 31/12/2015);
- Linear Assicurazioni - 14,743 (unchanged compared with 31/12/2015);
- Arca Vita - 80,148 (unchanged compared with 31/12/2015);
- Arca Assicurazioni - 18,566 (unchanged compared with 31/12/2015);
- Popolare Vita - 85,000 (acquired in June 2016);
- Siat Assicurazioni - 55,000 (acquired in June 2016);
- UnipolSai Servizi Consortili - 70,000 (acquired in June 2016);
- Auto Presto & Bene - 15,000 (acquired in June 2016).

2. Provisions

The item "Provisions" totalled €508.5m at 30 June 2016 (€550.1m 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 an exhaustive information on the ongoing causes and contingent liabilities, reference is made to information given in the 2015 Consolidated Financial Statements.

Unipol Banca execution of orders on financial transactions

As regards ongoing disputes between Unipol Banca and other customers, started in 2007 and 2009, concerning alleged irregularities and illegal activities carried out by Unipol Banca in execution of orders regarding OTC derivative financial instruments, with judgement published on 17 May 2016 the Court of Bologna, up-held the counterclaims filed by the Bank and ordered the claimants to pay the Bank the amount of €23.9m for the cases of a more relevant amount and €1.1m for the case of a minor amount, added with interest at 30 September 2015, and refund of legal fees.

In the meanwhile, the counterparties proposed the challenge against the judgement published in June 2015 by the Court of Bologna, which rejected all requests filed by plaintiffs with respect to the Bank. At the first instance hearing for the case of considerable amount, held on 1 March 2016, the Bank insisted for the rejection of the opposing challenges, objecting to the inadmissibility of the new claims and opposing arguments. The Court postponed the hearing of 4 April 2017 to clarify the conclusions. For the case of lower amount being challenged, having acknowledged the requests to reject the opposing appeal and the objections of inadmissibility of the new claims, the Court postponed the hearing of 17 April 2018 to clarify the conclusions.

Given that the first instance sentences were provisionally enforceable, the Bank served the claimants with the injunction and the distraint to third parties in order to obtain the recovery of the amounts receivable. In addition, the Bank obtained the issue of the provisionally enforceable interim order on further receivables from one the aforesaid claimants that objected the sentence. As regards the objection to the interim order, the first hearing was fixed on 29 September 2016. As regards the objection to execution, at the hearing of 11 July 2016 the Bank appeared before the Court and asked the rejection of the counterparty's claims and of the related suspension of execution. The Bank also asked the assignment of some amounts from garnishees. The Judge postponed the hearing on 25 October 2016 to acquire further declarations from the garnishee as per Art. 547 of the Italian Code of Civil Procedure, as well as to continue the evaluation of the objection case to the execution order.

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 Italian Law 287/1990 and/or Art. 101 of the Treaty on the Functioning of the European Union ("TFUE"), 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, the Antitrust Authority 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.

With Measure no.36446, notified to Unipol Banca together with assessment inspections performed on 26 May 2016, the Antitrust Authority decided to initiate the proceeding PS10295 aimed at assessing any infringement of Articles 20-22 of the Italian Legislative Decree n. 206 of 6 September 2005, reporting the Consumer Code (as subsequently amended). Based on the "*claim of a consumer*", the Proceeding assumed that the Bank, "*in selling to consumers variable rate mortgage products, both concerning properties and cash*", performed a deceiving commercial practice consisting in the "*lack or deceiving reporting of the minimum thresholds of the annual nominal interest rate in the pre-contract and contract modules of such products*". On 30 June 2016, the Bank filed a structured reply to the request for information submitted by the Antitrust Authority, giving precise reasons to support the correctness of its conduct. The hearing with the Authority was held on 22 July. On this occasion the Bank gave further explanations and information on the reasons for its behaviour.

Bankruptcy of Im.Co. SpA in liquidazione and Sinergia Holding di Partecipazioni SpA in liquidazione
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. With respect to the aforesaid receivable, the recovery of which is being evaluated, in previous years value adjustments were recognised 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 Italian Legislative Decree 231/2001 in relation to the offence set out in Art. 319 and Art. 321 of the Italian Criminal Code, which punishes the crime of corruption of 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 which, with final sentence of 6 May 2016, rejected the ruling of the Florence Court of Appeal and acquitted all defendants. The Company, acquitted 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 sentence of the Court of Appeal that up-held the acquittance sentenced in the first instance.

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 into 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 provisions for tax disputes was created to cover estimated liabilities.

3. Technical provisions

Amounts in €m	**30/6/2016**	31/12/2015	*% var.*
Non-Life premium provisions	2,979.0	2,912.0	
Non-Life claims provisions	13,260.6	13,619.6	
Other Non-Life technical provisions	39.4	42.8	
Total Non-life provisions	**16,279.0**	**16,574.3**	***(1.8)***
Life mathematical provisions	36,987.1	34,946.7	
Provisions for amounts payable (Life business)	396.0	845.7	
Technical provisions where the investment risk is borne by policyholders and arising from pension fund management	6,651.3	7,131.2	
Other Life technical provisions	4,309.0	3,651.6	
Total life provisions	**48,343.3**	**46,575.2**	***3.8***
Total technical provisions	**64,622.3**	**63,149.6**	***2.3***

4. Financial liabilities

Financial liabilities amounted to €15,777.6m at 30 June 2016 (€15,571.4m at 31/12/2015).

4.1 Financial liabilities at fair value through profit or loss

The item, which amounted to €3,111.7m (€2,657.8m at 31/12/2015), is broken down as follows:
- Financial liabilities held for trading totalled €323.6m (€266m at 31/12/2015);
- Financial liabilities designated at fair value through profit or loss totalled €2,788.1m (€2,391.7m 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 insurance 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**	31/12/2015	*% var.*
Subordinated liabilities	2,498.9	2,564.7	*(2.6)*
Liabilities from financial contracts issued by insurance companies	0.4	0.5	*(18.4)*
Deposits received from reinsurers	208.7	216.0	*(3.4)*
Debt securities issued	3,806.5	4,073.1	*(6.5)*
Payables to bank customers	5,598.0	5,505.7	*1.7*
Interbank payables	436.2	436.1	*0.0*
Other loans obtained	111.4	111.9	*(0.5)*
Sundry financial liabilities	5.7	5.6	*1.9*
Total other financial liabilities	**12,665.9**	**12,913.6**	***(1.9)***

Details of **Subordinated liabilities** are shown in the table below:

Issuer	Nominal amount outstanding	Subord. level	Year of maturity	call	Rate	L/NL
UnipolSai	€300.0m	tier II	2021	every 3 months	3M Euribor + 250 b.p.	Q
UnipolSai	€261.7m	tier II	2023	every 3 months	3M Euribor + 250 b.p.	Q
UnipolSai	€400.0m	tier I	2023	every 6 months	6M Euribor + 180 b.p. (***)	NQ
UnipolSai	€100.0m	tier II	2025	every 6 months	6M Euribor + 180 b.p. (***)	NQ
UnipolSai	€150.0m	tier I	2026	every 6 months from 14/07/2016	6M Euribor + 180 b.p. (*) (***)	NQ
UnipolSai	€50.0m	tier II	2026	every 6 months from 14/07/2016	6M Euribor + 180 b.p. (*) (***)	NQ
UnipolSai	€750.0m	tier I	in perpetuity	every 3 months from 18/6/2024	fixed rate 5,75% (**)	NQ
Unipol Banca	€14.9m	tier II	2017		fixed rate 4,4%	NQ
Unipol Banca	€84.4	tier II	2017		3M Euribor + 20 b.p.	NQ
Unipol Banca	€7.0m	tier II	2017		fixed rate 4,8%	NQ
Unipol Banca	€62.7m	tier II	2017		3M Euribor + 30 b.p.	NQ
Unipol Banca	€23.9m	tier II	2019		fixed rate 4,5%	NQ
Unipol Banca	€48.3m	tier II	2019		fixed rate 4,5%	NQ
Unipol Banca	€253m	tier II	2019		quarterly average 3M Euribor + 640 b.p.	NQ

(*) 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 Subordinated liabilities of the UnipolSai Group amounted to €2,005.4m at 30 June 2016 (€2,026.5m at 31/12/2015), whilst Unipol Banca outstanding subordinated liabilities totalled €493.6m (€538.2m at 31/12/2015).

The item **"Interbank payables"** included €400m in subsidised loans obtained by Unipol Banca through participation in the ECB's LTRO new auction (€415m at 31/12/2015 previously reimbursed).

Debt securities issued - Other loans obtained - Sundry financial liabilities

At 30 June 2016, **debt securities issued by Unipol**, net of intragroup subscriptions, totalling €1,567.8m (€1,592.7m at 31/12/2015) were related to three senior unsecured bonds listed on the Luxembourg Stock Exchange, with a total nominal value of €1,616m (unchanged compared to 31/12/2015):

- €299m of nominal value, 5% fixed rate, 7 year duration, maturity in 2017;
- €317m of nominal value, 4.375% fixed rate, 7 year duration, maturity in 2021;
- €1,000m of nominal value, 3% fixed rate, 10 year duration, maturity in 2025.

The outstanding **debt securities issued by Unipol Banca** amounted to €2,238.6m (€2,480.3m at 31/12/2015).

With regard to **Other loans obtained** and **Sundry financial liabilities**, totalling €117.1m (€117.6m at 31/12/2015), €110.7m refer to the loan stipulated by the Closed-End Real Estate Fund Tikal R.E. with Mediobanca acting as Agent Bank (amount unchanged compared to 31/12/2015). The loan, originally for €119m, 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 risk of an increase in interest rates on the loan taken out.

5. Payables

Amounts in €m	30/6/2016	31/12/2015	*% var.*
Payables arising from direct insurance business	**122.0**	**146.9**	***(17.0)***
Payables arising from reinsurance business	**149.2**	**87.6**	***70.3***
Other payables	**837.7**	**683.2**	***22.6***
Policyholders' tax due	136.3	173.4	*(21.4)*
Sundry tax payables	226.7	63.4	*257.7*
Trade payables	230.7	201.6	*14.4*
Post-employment benefits	80.2	83.3	*(3.7)*
Social security charges payable	39.2	43.0	*(8.8)*
Sundry payables	124.5	118.5	*5.1*
Total payables	**1,108.9**	**917.7**	***20.8***

6. Other liabilities

Amounts in €m	30/6/2016	31/12/2015	*% var.*
Current tax liabilities	49.3	42.4	*16.1*
Deferred tax liabilities	55.1	49.4	*11.7*
Commissions on premiums under collection	78.1	100.8	*(22.5)*
Deferred commission income	25.9	17.8	*45.4*
Accrued expense and deferred income	32.1	12.0	*168.0*
Other liabilities	981.6	917.5	*7.0*
Total other liabilities	**1,222.1**	**1,139.9**	***7.2***

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 the previous year 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

Valori in milioni di euro

Amounts in €m	30/6/2016	30/6/2015	% var.
Non-life earned premiums	**3,964.2**	**4,024.1**	***(1.5)***
Non-Life written premiums	4,037.0	4,106.6	*(1.7)*
Changes in Non-Life premium provision	(72.9)	(82.5)	*(11.6)*
life written premiums	**3,844.0**	**4,279.9**	***(10.2)***
Non-life and life gross earned premiums	**7,808.1**	**8,304.1**	***(6.0)***
Non-life earned premiums ceded to reinsurers	**(206.9)**	**(203.9)**	***1.5***
Non-Life premiums ceded to reinsurers	(215.9)	(225.5)	*(4.3)*
changes in Non-Life premium provision - reinsurers' share	9.0	21.6	*(58.3)*
life premiums ceded to reinsurers	**(10.5)**	**(10.6)**	***(1.1)***
Non-life and life earned premiums ceded to reinsurers	**(217.4)**	**(214.5)**	***1.3***
Total net premiums	**7,590.7**	**8,089.6**	***(6.2)***

1.2 Commission income

Amounts in €m	30/6/2016	30/6/2015	% var.
Commission income from banking business	46.8	69.9	*(33.1)*
Commission income from investment contracts	17.5	9.0	*93.6*
Other commission income	4.1	1.0	*307.5*
Total commission income	**68.3**	**79.9**	***(14.5)***

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.
Net gains/losses:			
from held-for trading financial assets	(156.7)	238.8	
from held-for trading financial liabilities	(4.6)	(1.6)	
from financial assets/liabilities at fair value through profit or loss	(36.3)	134.7	
Total net income/expenses	**(197.5)**	**371.9**	***(153.1)***

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

These totalled €3.6m (€3.7m at 30/6/2015).

1.5 Gains on other financial instruments and investment property

Amounts in €m	**30/6/2016**	30/6/2015	*% var.*
Interest	**988.4**	**1,002.7**	***(1.4)***
on held-to-maturity investments	30.8	37.0	*(16.6)*
on loans and receivables	206.0	239.0	*(13.8)*
on available-for-sale financial assets	749.6	723.4	*3.6*
on sundry receivables	1.4	1.9	*(25.6)*
on cash and cash equivalents	0.6	1.5	*(59.1)*
Other income	**93.6**	**89.9**	***4.1***
from investment property	38.7	39.5	*(1.9)*
from available-for-sale financial assets	54.8	50.4	*8.8*
Realised gains	**293.8**	**487.1**	***(39.7)***
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	283.5	475.3	*(40.3)*
on other financial liabilities	0.4	0.1	*234.6*
Unrealised gains and reversals of impairment losses	**74.9**	**79.8**	***(6.1)***
on available-for-sale financial assets	0.0	31.3	*(100.0)*
on other financial assets and liabilities	74.9	48.5	*54.5*
Total item 1.5	**1,450.8**	**1,659.4**	***(12.6)***

1.6 Other revenue

Amounts in €m	**30/6/2016**	30/6/2015	*% var.*
Sundry technical income	60.1	56.0	*7.4*
Exchange rate differences	9.8	9.2	*6.5*
Extraordinary gains	32.9	13.2	*149.2*
Other income	131.3	164.4	*(20.2)*
Total other revenue	**234.2**	**242.8**	***(3.6)***

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	**6,689.4**	**7,568.7**	***(11.6)***
Non-life business	**2,575.3**	**2,692.3**	***(4.3)***
Non-Life amounts paid	3,000.2	3,219.9	
changes in Non-Life claims provision	(372.2)	(460.7)	
changes in Non-Life recoveries	(52.2)	(67.6)	
changes in other Non-Life technical provisions	(0.6)	0.7	
Life business	**4,114.1**	**4,876.4**	***(15.6)***
Life amounts paid	3,181.3	3,276.8	
changes in Life amounts payable	(450.6)	282.3	
changes in mathematical provisions	1,893.9	1,088.2	
changes in other Life technical provisions	(26.5)	149.1	
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	**(65.4)**	**(99.3)**	***(34.2)***
Non-life business	**(60.2)**	**(94.8)**	***(36.5)***
Non-Life amounts paid	(90.9)	(115.5)	
changes in Non-Life claims provision	28.3	20.3	
changes in Non-Life recoveries	2.3	0.4	
Life business	**(5.2)**	**(4.5)**	***14.9***
Life amounts paid	(12.9)	(11.8)	
changes in Life amounts payable	2.8	0.5	
changes in mathematical provisions	5.3	7.0	
changes in other Life technical provisions	(0.4)	(0.3)	
Total net charges relating to claims	**6,624.0**	**7,469.4**	***(11.3)***

2.2 Commission expense

Amounts in €m	**30/6/2016**	30/6/2015	*% var.*
Commission expense from banking business	7.2	10.8	*(33.2)*
Commission expense from investment contracts	7.1	4.5	*60.5*
Other commission expense	5.1	3.2	*58.9*
Total commission expense	**19.5**	**18.5**	***5.5***

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

At 30 June 2016 these totalled €2.1m (€7.8m at 30/6/2015).

2.4 Losses on other financial instruments and investment property

Amounts in €m	30/6/2016	30/6/2015	% var.
Interest:	**117.9**	**136.7**	***(13.8)***
on other financial liabilities	117.0	136.3	*(14.1)*
on payables	0.9	0.5	*95.6*
Other charges:	**27.2**	**23.2**	***17.3***
from investment property	20.3	14.6	*38.8*
from available-for-sale financial assets	1.9	3.1	*(40.8)*
from cash and cash equivalents	0.1	0.1	*(44.6)*
from other financial liabilities	5.0	5.3	*(6.7)*
Realised losses:	**72.3**	**90.2**	***(19.8)***
on investment property	0.1	0.1	*(51.2)*
on loans and receivables	2.4	0.6	*331.7*
on available-for-sale financial assets	69.5	88.5	*(21.5)*
on other financial liabilities	0.4	1.0	*(61.5)*
Unrealised losses and impairment losses:	**103.9**	**227.4**	***(54.3)***
on investment property	23.4	72.9	*(67.9)*
on held-to-maturity investments			
on loans and receivables	72.4	98.8	*(26.8)*
on available-for-sale financial assets	8.1	55.6	*(85.5)*
Total item 2.4	**321.3**	**477.5**	***(32.7)***

2.5 Operating expenses

Amounts in €m	30/6/2016	% comp.	30/6/2015	% comp.	% var.
Insurance sector	1,215.4	*89.1*	1,251.6	*89.4*	*(2.9)*
Banking sector	159.0	*11.7*	147.9	*10.6*	*7.5*
Holding and Other Businesses Sector	51.1	*3.7*	55.8	*4.0*	*(8.4)*
Real Estate Sector	5.1	*0.4*	14.2	*1.0*	*(64.4)*
Intersegment eliminations	(67.0)	*(4.9)*	(70.0)	*(5.0)*	*(4.3)*
Total operating expenses	**1,363.5**	***100.0***	**1,399.5**	***100.0***	***(2.6)***

Below are details of **Operating expenses in the Insurance sector**

	Non- Life			Life			Total		
Amounts in €m	Jun-16	Jun-15	% var.	Jun-16	Jun-15	% var.	Jun-16	Jun-15	% var.
Acquisition commissions	638.8	616.2	*3.7*	46.1	77.7	*(40.6)*	684.9	693.8	*(1.3)*
Other acquisition costs	174.1	214.7	*(18.9)*	25.7	23.8	*8.1*	199.8	238.5	*(16.2)*
Changes in deferred acquisition costs	(1.0)	(7.2)	*(85.7)*	(1.9)	1.1	*(271.4)*	(3.0)	(6.1)	*(51.4)*
Collection commissions	81.8	83.9	*(2.5)*	4.1	5.0	*(17.0)*	85.9	88.8	*(3.3)*
Profit sharing and other commissions from reinsurers	(73.3)	(67.9)	*7.9*	(1.3)	(2.0)	*(34.4)*	(74.6)	(69.9)	*6.7*
Investment management expenses	47.1	30.4	*54.9*	24.2	23.3	*4.0*	71.4	53.7	*32.8*
Other administrative expenses	194.4	187.1	*3.9*	56.6	65.6	*(13.8)*	251.0	252.7	*(0.7)*
Total operating expenses	**1,061.9**	**1,057.2**	***0.4***	**153.5**	**194.4**	***(21.1)***	**1,215.4**	**1,251.6**	***(2.9)***

2.6 Other costs

Amounts in €m	**30/6/2016**	30/6/2015	*% var.*
Other technical charges	182.1	162.2	*12.3*
Impairment losses on receivables	3.5	3.6	*(1.5)*
Other charges	239.6	261.4	*(8.3)*
Total other costs	**425.2**	**427.2**	***(0.5)***

3. Income tax

Against pre-tax income of €394.4m, taxes pertaining to the period of €118.3m were recorded, corresponding to a tax rate of 30% (31.1% at 30/6/2015).

4. Other Information

4.1 Hedge Accounting

Fair value hedges

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

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 liabilities from a floating rate to a fixed rate, stabilising the cash flows.

Cash flow hedge at 30 June 2016

Amount in €m

Company	Hedged financial instruments	Notional amount hedged	Derivative	Gross effect recognised in shareholders' equity	Net tax effect
UnipolSai	Hybrid bonds in perpetuity issued	200.0	IRS	15.9	11.0
UnipolSai	AFS bonds	1,075.8	IRS	48.2	33.3
UnipolSai	Bond loans issued	250.0	IRS	15.8	10.9
Arca Vita	AFS bonds	33.0	IRS	1.6	1.1
Unipol Banca	Bond loans issued	132.0	IRS	(4.6)	(3.1)
Tikal	Bank loans	55.0	IRS	3.9	3.9
Total				**80.7**	**57.1**

At 30 June 2016, the gross effect on Shareholders' Equity, in Gains or losses on cash flow hedges, was a positive €80.7m (€57.1m net of tax). At 31 December 2015, it was a positive €36.3m (€26.2m net of tax).

4.2 Earnings (loss) per share

Ordinary shares - basic and diluted

	30/6/2016	30/6/2015
Profit/loss allocated to ordinary shares (€m)	160.0	254.9
Weighted average of ordinary shares outstanding during the year (no./m)	707.7	707.6
Basic earnings (loss) per share (€ per share)	**0.23**	**0.36**

4.3 Dividends

In view of the profit for the year made by the Parent Unipol SpA at 31 December 2015 of €165.5m (as shown in the financial statements drawn up in accordance with Italian GAAP), the Shareholders' Meeting of Unipol SpA held on 28 April 2016, resolved on the distribution of dividends totalling €128m, corresponding to €0.18 per Ordinary Share, taking account of treasury shares.

The Shareholders' Meeting also set the dividend payment date for 25 May 2016 (ex-dividend date 23/05/2016).

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

Reclassifications made in application of IFRS 5, totalling €46m (€16.5m at 31/12/2015), concern only property for which the relative preliminary sales contracts have already been signed.

4.5 Transactions with related parties

Group companies that render services of the various type to other Group companies are as follows: UnipolSai, Unisalute, Siat, Auto Presto & Bene, UnipolSai Servizi Previdenziali, UnipolRe, UnipolSai Investimenti Sgr, Pronto Assistance Servizi, UnipolSai Servizi Consortili, Alphaevolution, Arca Vita, Arca Inlinea, Arca Sistemi 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. Unisalute, Auto Presto & Bene, and UnipolRe provide services for a flat fee.

Unipol, UnipolSai, Unipol Banca, Arca Vita and Arca Assicurazioni, second their staff to other Group companies to optimise the synergies within the Group.

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

It should be noted that, in accordance with Art. 2497 et seq. of the Italian Civil Code, none of the shareholders of the Parent Unipol carries out management and coordination activities. At 30 June 2016, Finsoe SpA held an investment in Unipol equal to 31.404% of the ordinary share capital (unchanged compared to 31/12/2015): this represents a controlling investment, as defined in Art. 2359, paragraph 1.2 of the Italian Civil Code. Finsoe does not exercise powers of management or coordination, either technical or financial, on Unipol.

Credit indemnity agreement between Unipol and the subsidiary Unipol Banca
In relation to the credit indemnity agreement between Unipol and the subsidiary Unipol Banca, in the first half of 2016, Unipol allocated an additional amount of €10m to the related provision, which at 30 June 2016, totalled €576.3m. Commissions accrued over the period and due by Unipol Banca to Unipol were €13m.

Information on transactions with related parties

Amounts in €m	Holding company	Associates	Others	Total	*% inc. (1)*	*% inc. (2)*
Loans and receivables		26.8	96.9	123.7	*0.1*	*5.1*
Sundry receivables	2.2	25.8		28.0	*0.0*	*1.1*
Other assets	0.2			0.2	*0.0*	*0.0*
Total Assets	**2.4**	**52.6**	**96.9**	**152.0**	***0.2***	***6.2***
Other financial liabilities	0.4	25.3	2.6	28.2	*0.0*	*1.2*
Other liabilities	0.1		0.4	0.4	*0.0*	*0.0*
Total liabilities	**0.4**	**25.3**	**3.0**	**28.7**	***0.0***	***1.2***
Gains on other financial instruments and investment property	0.0	0.3	1.0	1.3	*0.5*	*0.1*
Total revenue and income	**0.0**	**0.3**	**1.0**	**1.3**	***0.5***	***0.1***
Operating expenses	0.5	51.5	0.2	52.2	*18.9*	*2.1*
Total costs and expenses	**0.5**	**51.5**	**0.2**	**52.2**	***18.9***	***2.1***

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

Loans and receivables for €123.7m refer to the loans granted by Unipol Banca to associates for €26.8m and to loans granted by Unipol Banca to other related parties for €96.9m, €83.8 of which to the Goethe Fund (Mutual Real Estate Investment Fund) and €12.3 to IGD.
The item "Sundry receivables from associates" included €25.8m in receivables due from insurance brokerage agencies for commissions.
The item "Other financial liabilities due to associates" referred to bank deposits at Unipol Banca totalling €25.3m.
Operating expenses due to associates for €51.5m include mainly costs on commissions paid to insurance brokerage agencies.

4.6 Fair value measurements – IFRS 13

For the disclosure of fair value measurement criteria and criteria to determine the fair value adopted by the Unipol Group, reference is made to Chapter 2, Accounting Standards adopted in the 2015 Consolidated Financial Statements.

Fair value measurement on a 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	Jun-16	Dec-15	Jun-16	Dec-15	Jun-16	Dec-15	Jun-16	Dec-15
Assets and liabilities at fair value on a recurring basis								
Available-for-sale financial assets	51,801.9	49,307.8	716.4	707.9	959.2	900.2	53,477.4	50,915.8
Financial assets at fair value through profit or loss:								
- held for trading	152.8	121.2	181.2	184.1	38.8	101.5	372.9	406.8
- at fair value through profit or loss	9,203.3	8,784.1	10.5	24.0	210.5	698.2	9,424.3	9,506.3
Investment property								
Property, plant and equipment								
Intangible assets								
Total assets at fair value on a recurring basis	***61,158.1***	***58,213.1***	***908.1***	***916.0***	***1,208.5***	***1,699.8***	***63,274.6***	***60,828.9***
Financial liabilities at fair value through profit or loss:								
- held for trading	57.1	57.5	249.7	200.4	16.7	8.2	323.6	266.0
- at fair value through profit or loss					2,788.1	2,391.7	2,788.1	2,391.7
Total liabilities at fair value on a recurring basis	***57.1***	***57.5***	***249.7***	***200.4***	***2,804.8***	***2,399.9***	***3,111.7***	***2,657.8***
Assets and liabilities at fair value on a non-recurring basis								
Non-current assets or assets of a disposal group held for sale								
Liabilities associated with disposal groups								

The amount of financial instruments classified in Level 3 at 30 June 2016 stood at €1,208.5m. 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

	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	at fair value through profit or loss				held for trading	at fair value through profit or loss
Opening balance	**900.2**	**101.5**	**698.2**				**8.2**	**2,391.7**
Acquisitions/Issues	78.6	0.1						
Sales/Repurchases	(10.7)		(41.6)					
Repayments	(0.5)	(0.1)	(435.8)					
Gains or losses recognised through profit or loss		(4.3)	(2.3)				8.5	
- of which unrealised gains/losses		*(4.3)*	*(2.3)*				*8.5*	
Gains or losses recognised in the comprehensive income statement	(12.2)							
Transfers to level 3	7.3							
Transfers to other levels	(3.7)	(58.5)						
Other changes	0.3	0.2	(8.0)					396.4
Closing balance	**959.2**	**38.8**	**210.5**				**16.7**	**2,788.1**

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 €227m 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 CDS 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	(1.33)	1.33	(6.61)	6.67
Fair Value delta %	*(0.01)*	*0.01*	*(0.03)*	*0.03*

Fair value measurement on a non-recurring basis

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	Jun-16	Dec-15	Jul-05	Dec-15	Jun-16	Dec-15	Jun-16	Dec-15	Jul-05	Dec-15
Assets										
Held-to-maturity investments	1,448.8	1,528.4	1,509.8	1,494.2	164.0	245.0	3.3		1,677.1	1,739.2
Loans and receivables	13,881.9	14,549.2	4.9	9.9	4,200.3	4,284.2	10,579.5	11,215.3	14,784.7	15,509.4
Investments in subsidiaries, associates and interests in joint ventures	73.7	90.0					73.7	90.0	73.7	90.0
Investment property	2,291.4	2,350.2					2,393.9	2,462.2	2,393.9	2,462.2
Property, plant and equipment	1,734.0	1,757.0					1,867.6	1,849.5	1,867.6	1,849.5
Total assets	**19,429.9**	**20,274.8**	**1,514.8**	**1,504.1**	**4,364.3**	**4,529.2**	**14,918.0**	**15,616.9**	**20,797.0**	**21,650.2**
Liabilities										
Other financial liabilities	12,665.9	12,913.6	2,851.2	2,932.3			9,898.1	9,788.5	12,749.4	12,720.8

4.7 Information on personnel

The total number of Group employees at 30 June 2016 was 14,079 (-215 compared with 31/12/2015).

	30/6/2016	31/12/2015	*variation*
Total number of Unipol Group employees	**14,079**	**13,864**	***215***
of which on a fixed-term contract	*817*	*462*	*355*
Full Time Equivalent - FTE	13,399	13,242	*156*

The foreign company employees (1,392) include 554 insurance agents.

The increase in the Group employees compared with 31 December 2015 (+215, of which +2 on foreign companies) is primarily due to:
- decrease of 417 employees (89 in foreign companies) for retirement, resignations and adhesions to the Solidarity Fund or to other employee leaving incentives.
- increase of 354 newly hired employees (91 in foreign companies);
- increase of 278 temporary workers for the companies Atahotels, Marina di Loano and Tenute del Cerro.

Share-based compensation plans

The Unipol Group pays additional benefits (long-term incentives) to the Chief Executive Officer and Key Managers and other senior executives under closed three-year, 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.

The compensation plan based on financial instruments (Unipol shares) for the period 2010-2012 ended on 31 December 2012. The first tranche, amounting to 282,793 shares, was paid to those entitled on 1 July 2014 and the second tranche, amounting to 281,456 shares, was paid on 1 July 2015. The third and last tranche was paid on 1 July 2016

The compensation plan based on financial instruments (Unipol shares) for the period 2013-2015 ended on 31 December 2015. The first tranche was paid to those entitled on 1 July 2016 and the second and third tranches, will be paid on 1 July 2017 and 1 July 2018, respectively.

On 1 July 2016, 3,691,319 Unipol shares were paid to those entitled, as settlement to the last tranche of shares, related to the 2010-2012 Compensation Plan, and of the first tranche of shares related to the 2013-2015 Compensation Plan.

The Shareholders' Meetings of UnipolSai and Unipol, held on 27 and 28 April 2016, respectively, approved the new 2016-2018 Compensation Plan based on financial instruments (performance shares), which envisage the assignment of UnipolSai and Unipol shares in three years starting from 1 July 2019.

The Information Documents, 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, are available on the relevant websites, in the Corporate Governance/Shareholders meetings/Meeting April 2016 section.

Similar resolutions were adopted in 2016 by the Company Bodies of the other Group companies.

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 period, could give rise to doubts relating to: the accuracy and completeness of the information in these condensed consolidated half-yearly 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, activities continued on the finalization of the pre-application phase and submission of the request for application to the Supervisory Authority related to the approval of the Partial Internal Model for the determination of the Solvency Capital Requirements.

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 Unipol 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.

	Insurance Business	
Amounts in €m	**Impact on Income Statement**	**Impact on Statement of financial position**
Unipol Group		
Interest rate sensitivity (+10 bps)	20.56	(327.39)
Credit spread sensitivity (+10 bps)	(1.00)	(359.47)
Equity sensitivity (-20%)	22.95	(383.80)

	Banking Business	
Amounts in €m	**Impact on Income Statement**	**Impact on Statement of financial position**
Unipol Group		
Interest rate sensitivity (+10 bps)	0.00	(3.37)
Credit spread sensitivity (+10 bps)	0.00	(4.74)
Equity sensitivity (-20%)	(0.01)	(7.65)

	Holding and Other Business Sector	
Amounts in €m	**Impact on Income Statement**	**Impact on Statement of financial position**
Unipol Group		
Interest rate sensitivity (+10 bps)		(0.90)
Credit spread sensitivity (+10 bps)		(1.51)
Equity sensitivity (-20%)		(17.59)

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

The following 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 Unipol Group at 30 June 2016.

	Balance at 30 June 2016		
Amounts in €m	Nominal value	Carrying amount	Market value
Italy	**36,157.6**	**38,946.0**	**39,417.4**
Available-for-sale financial assets	31,867.3	34,842.5	34,842.5
Financial assets at fair value through profit or loss	166.9	83.7	83.7
Held-to-maturity investments	1,242.3	1,252.4	1,472.7
Loans and receivables	2,881.1	2,767.4	3,018.5
Spain	**2,997.0**	**3,085.6**	**3,079.4**
Available-for-sale financial assets	2,916.2	3,015.6	3,015.6
Held-to-maturity investments	31.0	31.9	34.9
Loans and receivables	49.8	38.1	28.9
Portugal	**371.3**	**387.0**	**391.7**
Available-for-sale financial assets	318.3	334.6	334.6
Held-to-maturity investments	53.0	52.4	57.1
Ireland	**221.5**	**250.2**	**250.2**
Available-for-sale financial assets	221.5	250.2	250.2
Germany	**48.4**	**57.3**	**57.3**
Available-for-sale financial assets	48.4	57.3	57.3
Canada	**32.3**	**36.4**	**36.4**
Available-for-sale financial assets	32.3	36.4	36.4
Belgium	**61.0**	**64.0**	**64.3**
Available-for-sale financial assets	36.0	38.5	38.5
Held-to-maturity investments	25.0	25.6	25.8
Slovenia	**116.3**	**127.7**	**127.7**
Available-for-sale financial assets	116.3	127.7	127.7
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
Poland	**8.5**	**8.9**	**8.9**
Available-for-sale financial assets	8.5	8.9	8.9
Latvia	**40.5**	**45.5**	**45.5**
Available-for-sale financial assets	40.5	45.5	45.5
Chile	**26.0**	**27.8**	**27.8**
Available-for-sale financial assets	26.0	27.8	27.8

Amounts in €m	Balance at 30 June 2016		
	Nominal value	Carrying amount	Market value
Cyprus	**20.0**	**21.5**	**21.5**
Available-for-sale financial assets	20.0	21.5	21.5
France	**32.6**	**37.3**	**37.3**
Available-for-sale financial assets	32.6	37.3	37.3
Austria	**19.5**	**21.6**	**21.6**
Available-for-sale financial assets	19.5	21.6	21.6
Lithuania	**10.0**	**10.8**	**10.8**
Available-for-sale financial assets	10.0	10.8	10.8
Finlandia	**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
Switzerland	**3.7**	**4.3**	**4.3**
Available-for-sale financial assets	3.7	4.3	4.3
USA	**5.9**	**6.9**	**6.9**
Available-for-sale financial assets	5.9	6.9	6.9
Sweden	**2.0**	**2.1**	**2.1**
Available-for-sale financial assets	2.0	2.1	2.1
Slovakia	**30.8**	**33.9**	**33.9**
Available-for-sale financial assets	30.8	33.9	33.9
Hungary	**0.5**	**0.5**	**0.5**
Available-for-sale financial assets	0.5	0.5	0.5
Great Britain	**1.2**	**1.6**	**1.6**
Available-for-sale financial assets	1.2	1.6	1.6
Mexico	56.0	59.1	59.1
Available-for-sale financial assets	56.0	59.1	59.1
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
TOTAL	40,339.2	43,314.7	43,786.6

At 30 June 2016, the carrying amount of the sovereign exposures represented by debt securities totalled €43,314.7m (€42,759.5m at 31/12/2015), 90% being accounted for by securities issued by the Italian State (92% at 31/12/2015).

Bologna, 3 August 2016

The Board of Directors

4. Tables appended to the Notes to the Financial Statements

Consolidation scope

Name	Country of registered office			Country of operations (5)	Method (1)	Business activity (2)
Unipol Gruppo Finanziario Spa	086	Italy	Bologna		G	4
Compagnia Assicuratrice Linear Spa	086	Italy	Bologna		G	1
Unisalute Spa	086	Italy	Bologna		G	1
Midi Srl	086	Italy	Bologna		G	10
Unipol Banca Spa	086	Italy	Bologna		G	7
Unisalute Servizi Srl	086	Italy	Bologna		G	11
UnipolSai Finance SpA	086	Italy	Bologna		G	9
Grecale Abs Srl (*)	086	Italy	Bologna		G	11
Unipol Investment Spa	086	Italy	Bologna		G	9
Castoro Rmbs Srl (*)	086	Italy	Milan		G	11
Atlante Finance Srl (*)	086	Italy	Milan		G	11
Ambra Property Srl	086	Italy	Bologna		G	11
Arca Vita Spa	086	Italy	Verona		G	1
Arca Assicurazioni Spa	086	Italy	Verona		G	1
Arca Vita International Ltd	040	Ireland	Dublin		G	2
Arca Direct Assicurazioni Srl	086	Italy	Verona		G	11
Arca Inlinea Scarl	086	Italy	Verona		G	11
Arca Sistemi Scarl	086	Italy	Verona		G	11
Grecale RMBS 2011 srl (*)	086	Italy	Bologna		G	11
SME Grecale Srl (*)	086	Italy	Bologna		G	11
UnipolSai Assicurazioni Spa	086	Italy	Bologna		G	1
Bim Vita Spa	086	Italy	Turin		G	1
Dialogo Spa in Liquidazione	086	Italy	Milan		G	11
Incontra Assicurazioni Spa	086	Italy	Milan		G	1
Pronto Assistance Spa	086	Italy	Turin		G	1
Siat-Società Italiana Assicurazioni e Riassicurazioni - per Azioni	086	Italy	Genoa		G	1
Ddor Novi Sad	289	Serbia	Novi Sad		G	3

% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
				100.00%
100.00%		100.00%		100.00%
98.53%		98.53%		100.00%
	100.00% UnipolSai Assicurazioni Spa	65.18%		100.00%
57.75% 	 42.25% UnipolSai Assicurazioni Spa	85.29%		100.00%
	100.00% Unisalute Spa	98.53%		100.00%
	100.00% UnipolSai Assicurazioni Spa	65.18%		100.00%
	0.00% Unipol Banca Spa 10.00% UnipolSai Finance SpA	6.52%		100.00%
100.00%		100.00%		100.00%
	0.00% Unipol Banca Spa			100.00%
	0.00% Unipol Banca Spa			100.00%
100.00%		100.00%		100.00%
63.39%		63.39%		100.00%
	98.12% Arca Vita Spa	62.20%		100.00%
	100.00% Arca Vita Spa	63.39%		100.00%
	100.00% Arca Vita Spa	63.39%		100.00%
	60.22% Arca Vita Spa 39.78% Arca Assicurazioni Spa	62.92%		100.00%
	82.03% Arca Vita Spa 16.97% Arca Assicurazioni Spa 1.00% Arca Inlinea Scarl	63.19%		100.00%
	0.00% Unipol Banca Spa			100.00%
	0.00% Unipol Banca Spa			100.00%
51.09%	 1.36% UnipolSai Finance SpA 2.97% Unipol Investment Spa 0.01% Pronto Assistance Spa 0.004% Popolare Vita Spa 0.33% UnipolSai Nederland Bv 10.01% Unipol Finance Srl	65.18%		100.00%
	50.00% UnipolSai Assicurazioni Spa	32.59%		100.00%
	99.85% UnipolSai Assicurazioni Spa	65.09%		100.00%
	51.00% UnipolSai Assicurazioni Spa	33.24%		100.00%
	100.00% UnipolSai Assicurazioni Spa	65.18%		100.00%
	94.69% UnipolSai Assicurazioni Spa	61.73%		100.00%
	100.00% UnipolSai Assicurazioni Spa	65.18%		100.00%

Consolidation scope

Name	Country of registered office			Country of operations (5)	Method (1)	Business activity (2)
Ddor Re	289	Serbia	Novi Sad		G	6
Popolare Vita Spa	086	Italy	Verona		G	1
The Lawrence Life Assurance Company Ltd	040	Ireland	Dublin		G	2
UnipolRe Limited	040	Ireland	Dublin		G	5
Finitalia Spa	086	Italy	Milan		G	11
UnipolSai Nederland Bv	050	Nederland	Amsterdam		G	11
Sainternational Sa en Liquidation	092	Luxembourg	Luxembourg		G	11
Finsai International Sa	092	Luxembourg	Luxembourg		G	11
UnipolSai Investimenti Sgr Spa	086	Italy	Turin		G	8
Sai Mercati Mobiliari Spa in Liquidazione	086	Italy	Milan		G	11
Apb Car Service Srl	086	Italy	Turin		G	11
Auto Presto & Bene Spa	086	Italy	Turin		G	11
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
Florence Centro di Chirurgia Ambulatoriale Srl	086	Italy	Florence		G	11
UnipolSai Servizi Consortili Società Consortile a Responsabilità Limitata	086	Italy	Bologna		G	11

% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
	0.002% Ddor Novi Sad 100.00% UnipolRe Limited	65.18%		100.00%
	50.00% UnipolSai Assicurazioni Spa	32.59%		100.00%
	100.00% Popolare Vita Spa	32.59%		100.00%
	100.00% UnipolSai Nederland Bv	65.18%		100.00%
	100.00% Unipol Banca Spa	85.29%		100.00%
	100.00% UnipolSai Assicurazioni Spa	65.18%		100.00%
	100.00% UnipolSai Assicurazioni Spa	65.18%		100.00%
	36.15% UnipolSai Finance SpA 63.85% UnipolSai Assicurazioni Spa	65.18%		100.00%
51.00%	29.00% UnipolSai Assicurazioni Spa	69.90%		100.00%
	100.00% UnipolSai Assicurazioni Spa	65.18%		100.00%
	70.00% Auto Presto & Bene Spa	45.63%		100.00%
	100.00% UnipolSai Assicurazioni Spa	65.18%		100.00%
	100.00% UnipolSai Assicurazioni Spa	65.18%		100.00%
	100.00% UnipolSai Assicurazioni Spa	65.18%		100.00%
	100.00% Centro Oncologico Fiorentino Casa di Cura Villanova Srl in Liquidazione	65.18%		100.00%
0.02%	0.20% Compagnia Assicuratrice Linear Spa 0.20% Unisalute Spa 0.02% Unipol Banca Spa 98.43% UnipolSai Assicurazioni Spa 0.02% Bim Vita Spa 0.02% Incontra Assicurazioni Spa 0.90% Pronto Assistance Spa 0.11% Siat-Società Italiana Assicurazioni e Riassicurazioni - per Azioni 0.02% UnipolRe Limited 0.02% Finitalia Spa 0.02% Auto Presto & Bene Spa 0.02% Pronto Assistance Servizi Scarl	65.32%		100.00%

Consolidation scope

Name	Country of registered office			Country of operations (5)	Method (1)	Business activity (2)
Tenute del Cerro Spa - Società Agricola	086	Italy	Bologna		G	11
UnipolSai Servizi Previdenziali Srl	086	Italy	Florence		G	11
Sogeint Società a Responsabilità Limitata	086	Italy	Milan		G	11
Pronto Assistance Servizi Scarl	086	Italy	Turin		G	11
Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	086	Italy	Milan		G	11
Consorzio Castello	086	Italy	Florence		G	10
Italresidence Srl	086	Italy	Milan		G	11
Marina di Loano Spa	086	Italy	Milan		G	10
Meridiano Secondo Srl	086	Italy	Turin		G	10
Nuove Iniziative Toscane - Società a Responsabilità Limitata	086	Italy	Florence		G	10
Progetto Bicocca la Piazza Srl in Liquidazione	086	Italy	Milan		G	10
Società Edilizia Immobiliare Sarda - S.E.I.S. Società per Azioni	086	Italy	Milan		G	10
Villa Ragionieri Srl	086	Italy	Florence		G	10
Tikal R.E. Fund	086	Italy			G	10
Athens R.E. Fund	086	Italy			G	10
Unipol Finance Srl	086	Italy	Bologna		G	9
Grecale RMBS 2015 srl (*)	086	Italy	Bologna		G	11
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 mana- gement 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.

(*) Securitisation SPVs which, though not subsidiaries, are consolidated as essentially all risks and benefits are retained.

% Direct holding	% Indirect holding		% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
	98.81%	UnipolSai Assicurazioni Spa	65.18%		100.00%
	1.19%	Pronto Assistance Spa			
	100.00%	UnipolSai Assicurazioni Spa	65.18%		100.00%
	100.00%	UnipolSai Assicurazioni Spa	65.18%		100.00%
	3.00%	Compagnia Assicuratrice Linear Spa	66.23%		100.00%
	0.25%	Unisalute Spa			
	0.10%	Unipol Banca Spa			
	95.34%	UnipolSai Assicurazioni Spa			
	0.15%	Incontra Assicurazioni Spa			
	0.31%	Pronto Assistance Spa			
	0.25%	Apb Car Service Srl			
	0.25%	Auto Presto & Bene Spa			
	0.10%	UnipolSai Servizi Consortili Società Consortile a Responsabilità Limitata			
	0.25%	Alfaevolution Technology Spa			
	100.00%	UnipolSai Assicurazioni Spa	65.18%		100.00%
	99.57%	Nuove Iniziative Toscane - Società a Responsabilità Limitata	64.90%		100.00%
	100.00%	Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	65.18%		100.00%
	100.00%	UnipolSai Assicurazioni Spa	65.18%		100.00%
	100.00%	UnipolSai Assicurazioni Spa	65.18%		100.00%
	100.00%	UnipolSai Assicurazioni Spa	65.18%		100.00%
	74.00%	UnipolSai Assicurazioni Spa	48.24%		100.00%
	51.67%	UnipolSai Assicurazioni Spa	33.68%		100.00%
	100.00%	UnipolSai Assicurazioni Spa	65.18%		100.00%
	95.00%	UnipolSai Assicurazioni Spa	61.93%		100.00%
	100.00%	UnipolSai Assicurazioni Spa	65.18%		100.00%
100.00%			100.00%		100.00%
	0.00%	Unipol Banca Spa			100.00%
	100.00%	UnipolSai Assicurazioni Spa	65.18%		100.00%

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

Amounts in €m

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
UnipolSai Assicurazioni Spa	34.82%		97.9	1,941.8
Popolare Vita Spa	67.41%		(2.7)	304.9
The Lawrence Life Assurance Company Ltd	67.41%		0.9	49.0

Details of unconsolidated investments

Name	Country of registered office			Country of operations (5)	Business activity (1)
Hotel Villaggio Città del Mare Spa in Liquidazione	086	Italy	Modena		11
Euresa Holding SA en Liquidation	092	Luxembourg	Luxembourg		4
Assicoop Modena & Ferrara Spa	086	Italy	Modena		11
Assicoop Bologna Spa	086	Italy	Bologna		11
Fondazione Unipolis	086	Italy	Bologna		11
Uci - Ufficio Centrale Italiano	086	Italy	Milan		11
Assicoop Imola Spa	086	Italy	Imola (BO)		11
Assicoop Toscana Spa	086	Italy	Siena		11
Pegaso Finanziaria Spa	086	Italy	Bologna		9
SCS Azioninnova Spa	086	Italy	Bologna		11
Promorest Srl	086	Italy	Castenaso (BO)		11
Assicoop Grosseto Spa in Liquidazione	086	Italy	Grosseto		11
Assicoop Emilia Nord Srl	086	Italy	Parma		11
Assicoop Romagna Futura Srl	086	Italy	Ravenna		11
Garibaldi Sca	092	Luxembourg	Luxembourg		11
Isola Sca	092	Luxembourg	Luxembourg		11
Fin.Priv. Srl	086	Italy	Milan		11
Ddor Auto - Limited Liability Company	289	Serbia	Novi Sad		3
Funivie del Piccolo San Bernardo Spa	086	Italy	La Thuile (AO)		11

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
56,545.4	50,475.9	45,324.2	3,174.3	6,082.8	289.3	149.0	5,120.6
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		

Type (2)	% Direct holding	% Indirect holding		% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	Carrying amount (€m)
b		49.00%	UnipolSai Assicurazioni Spa	31.94%		
b		25.00%	UnipolSai Assicurazioni Spa	16.30%		0.1
b		43.75%	UnipolSai Finance SpA	28.52%		6.2
b		50.00%	UnipolSai Finance SpA	32.59%		4.7
a		100.00%	UnipolSai Assicurazioni Spa	65.18%		0.3
b		0.0002%	Compagnia Assicuratrice Linear Spa	24.73%		0.2
		0.01%	Arca Assicurazioni Spa			
		37.84%	UnipolSai Assicurazioni Spa			
		0.002%	Incontra Assicurazioni Spa			
		0.091%	Siat-Società Italiana Assicurazioni e Riassicurazioni - per Azioni			
b		47.33%	UnipolSai Finance SpA	30.85%		3.0
b		46.77%	UnipolSai Finance SpA	30.49%		1.3
b		45.00%	UnipolSai Finance SpA	29.33%		5.2
b		42.85%	Unipol Banca Spa	36.55%		2.0
b		49.92%	Unipol Banca Spa	42.58%		5.1
b		50.00%	UnipolSai Finance SpA	32.59%		0.8
b		50.00%	UnipolSai Finance SpA	32.59%		6.1
b		50.00%	UnipolSai Finance SpA	32.59%		5.9
b		32.00%	UnipolSai Assicurazioni Spa	20.86%		4.5
b		29.56%	UnipolSai Assicurazioni Spa	19.27%		0.1
b		28.57%	UnipolSai Assicurazioni Spa	18.62%		21.7
a		100.00%	Ddor Novi Sad	65.18%		0.0
b		23.55%	UnipolSai Assicurazioni Spa	15.35%		2.2

Details of unconsolidated investments

Name	Country of registered office			Country of operations (5)	Business activity (1)
Ddor Garant	289	Serbia	Belgrado		11
Hotel Terme di Saint Vincent - Srl	086	Italy	La Thuile (AO)		11
Ital H&R Srl	086	Italy	Bologna		11
Borsetto Srl	086	Italy	Turin		10
Butterfly Am Sàrl	092	Luxembourg	Luxembourg		11
Servizi Immobiliari Martinelli Spa	086	Italy	Cinisello Balsamo (MI)		10
Metropolis Spa - in Liquidazione	086	Italy	Milan		10
Penta Domus Spa	086	Italy	Turin		10

(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.

Type (2)	% Direct holding	% Indirect holding		% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	Carrying amount (€m)
b		32.46%	Ddor Novi Sad	26.07%		0.6
		7.54%	Ddor Re			
a		100.00%	Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	65.18%		0.4
a		100.00%	UnipolSai Assicurazioni Spa	65.18%		0.1
b		44.93%	UnipolSai Assicurazioni Spa	29.29%		0.9
b		28.57%	UnipolSai Assicurazioni Spa	18.62%		2.3
b		20.00%	UnipolSai Assicurazioni Spa	13.04%		0.2
b		29.71%	UnipolSai Assicurazioni Spa	19.37%		
b		24.66%	UnipolSai Assicurazioni Spa	16.07%		

Statement of financial position by business segment

		Non-Life business		Life business	
	Amounts in €m	30/6/2016	31/12/2015	30/6/2016	31/12/2015
1	INTANGIBLE ASSETS	1,479.8	1,492.6	545.9	563.0
2	PROPERTY, PLANT AND EQUIPMENT	1,075.3	1,088.1	86.7	88.1
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	834.7	804.5	85.1	92.9
4	INVESTMENTS	16,208.5	16,951.5	53,899.6	51,294.9
	4.1 Investment property	1,779.0	1,823.3	9.9	10.1
	4.2 Investments in subsidiaries, associates and interests in joint ventures	61.8	77.9	4.6	4.7
	4.3 Held-to-maturity investments	309.9	355.1	711.3	744.9
	4.4 Loans and receivables	2,131.1	2,153.2	3,089.3	3,303.5
	4.5 Available-for-sale financial assets	11,786.3	12,399.6	40,427.8	37,473.1
	4.6 Financial assets at fair value through profit or loss	140.3	142.4	9,656.7	9,758.5
5	SUNDRY RECEIVABLES	2,162.4	2,424.0	627.2	692.0
6	OTHER ASSETS	960.6	757.6	132.0	132.1
	6.1 Deferred acquisition costs	37.8	36.8	51.9	50.0
	6.2 Other assets	922.7	720.7	80.1	82.1
7	CASH AND CASH EQUIVALENTS	542.5	447.9	370.4	515.0
	TOTAL ASSETS	23,263.9	23,966.1	55,746.9	53,378.1
1	SHAREHOLDERS' EQUITY	3,664.8		3,090.0	
2	PROVISIONS	412.2	454.7	28.3	28.9
3	TECHNICAL PROVISIONS	16,279.0	16,574.3	48,343.3	46,575.2
4	FINANCIAL LIABILITIES	1,565.4	1,542.6	3,740.1	3,341.0
	4.1 Financial liabilities at fair value through profit or loss	123.8	62.7	2,962.8	2,573.0
	4.2 Other financial liabilities	1,441.6	1,479.9	777.3	768.0
5	PAYABLES	694.3	621.5	157.5	168.6
6	OTHER LIABILITIES	648.2	638.5	387.8	299.6
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	23,263.9		55,746.9	

Banks		Holding and 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	30/6/2016	31/12/2015
8.2	7.8	7.7	8.9	0.2	0.3	(1.1)	(1.5)	2,040.7	2,071.0
14.8	13.9	204.0	210.1	352.1	355.4	1.1	1.5	1,734.0	1,757.0
								919.8	897.4
10,840.1	10,998.2	491.2	672.8	476.8	496.5	(945.6)	(1,067.2)	80,970.5	79,346.6
1.2	1.1	41.6	41.6	459.8	474.0			2,291.4	2,350.2
7.0	7.0	0.4	0.2		0.3			73.7	90.0
427.6	428.4							1,448.8	1,528.4
9,511.9	9,914.5	88.6	238.5			(939.1)	(1,060.5)	13,881.9	14,549.2
892.1	647.2	360.7	380.4	17.0	22.3	(6.6)	(6.7)	53,477.4	50,915.8
0.2	0.1		12.0					9,797.2	9,913.1
97.3	92.1	244.7	223.2	28.2	28.6	(215.5)	(245.3)	2,944.2	3,214.6
424.0	411.6	527.2	515.4	29.5	25.4	(231.6)	(229.9)	1,841.7	1,612.2
								89.8	86.9
424.0	411.6	527.2	515.4	29.5	25.4	(231.6)	(229.9)	1,751.9	1,525.3
88.3	100.9	1,015.2	945.3	83.0	75.4	(1,304.9)	(1,210.1)	794.5	874.4
11,472.6	11,624.5	2,490.0	2,575.6	969.7	981.6	(2,697.6)	(2,752.5)	91,245.5	89,773.3
747.3		(214.5)		718.6				8,006.1	8,444.5
30.0	23.2	601.6	590.1	8.4	15.9	(572.1)	(562.7)	508.5	550.1
								64,622.3	63,149.6
10,110.4	10,459.4	1,888.2	1,906.6	203.4	203.3	(1,729.9)	(1,881.5)	15,777.6	15,571.4
5.4	7.5	18.9	12.9	0.9	1.7			3,111.7	2,657.8
10,105.1	10,451.9	1,869.3	1,893.7	202.5	201.6	(1,729.9)	(1,881.5)	12,665.9	12,913.6
153.5	73.5	196.8	179.5	26.8	23.1	(120.0)	(148.5)	1,108.9	917.7
431.3	330.1	18.0	19.6	12.4	12.0	(275.6)	(159.9)	1,222.1	1,139.9
11,472.6		2,490.0		969.7		(2,697.6)		91,245.5	89,773.3

Income statement by business segment

Amounts in €m		Non-Life business		Life business	
		30/6/2016	30/6/2015	30/6/2016	30/6/2015
1.1	Net premiums	3,757.2	3,820.2	3,833.5	4,269.3
	1.1.1 Gross premiums earned	*3,964.2*	*4,024.1*	*3,844.0*	*4,279.9*
	1.1.2 Earned premiums ceded to reinsurers	*(206.9)*	*(203.9)*	*(10.5)*	*(10.6)*
1.2	Commission income	3.2	3.4	21.7	10.0
1.3	Gains and losses on financial instruments at fair value through profit or loss	(102.5)	204.7	(86.2)	168.1
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	3.3	3.5	(0.0)	0.1
1.5	Gains on other financial instruments and investment property	460.7	451.9	783.2	972.3
1.6	Other revenue	134.9	116.8	31.2	41.0
	TOTAL REVENUE AND INCOME	**4,256.9**	**4,600.4**	**4,583.4**	**5,460.8**
2.1	Net charges relating to claims	(2,515.0)	(2,597.5)	(4,108.9)	(4,871.9)
	2.1.1 Amounts paid and changes in technical provisions	*(2,575.3)*	*(2,692.3)*	*(4,114.1)*	*(4,876.4)*
	2.1.2 Reinsurers' share	*60.2*	*94.8*	*5.2*	*4.5*
2.2	Commission expense	(3.8)	(3.3)	(7.7)	(5.1)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	(1.9)	(0.5)	(0.1)	(2.0)
2.4	Losses on other financial instruments and investment property	(101.4)	(155.1)	(39.5)	(58.7)
2.5	Operating expenses	(1,061.9)	(1,057.2)	(153.5)	(194.4)
2.6	Other costs	(304.6)	(252.7)	(80.9)	(79.1)
2	**TOTAL COSTS AND EXPENSES**	**(3,988.7)**	**(4,066.2)**	**(4,390.7)**	**(5,211.3)**
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	**268.2**	**534.2**	**192.7**	**249.6**

Details of property, plant and equipment and intangible assets

Amounts in €m	At cost	At restated or fair value	Total carrying amount
Investment property	2,291.4		2,291.4
Other property	1,582.1		1,582.1
Other tangible assets	151.9		151.9
Other intangible assets	458.8		458.8

Banks		Holding and 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	**30/6/2016**	30/6/2015
								7,590.7	8,089.6
								7,808.1	*8,304.1*
								(217.4)	*(214.5)*
72.9	73.2	13.0	13.8			(42.5)	(20.5)	68.3	79.9
(2.3)	0.0	(5.7)	(0.2)	(0.9)	(0.8)			(197.5)	371.9
0.1	0.2	0.3						3.6	3.7
224.4	245.0	6.3	6.4	18.2	33.1	(42.0)	(49.3)	1,450.8	1,659.4
15.1	16.3	93.4	132.1	5.7	10.5	(46.1)	(73.8)	234.2	242.8
310.1	**334.7**	**107.3**	**152.1**	**23.0**	**42.8**	**(130.6)**	**(143.6)**	**9,150.0**	**10,447.3**
								(6,624.0)	(7,469.4)
								(6,689.4)	*(7,568.7)*
								65.4	*99.3*
(24.4)	(25.2)	(0.1)	(0.0)	(0.0)	(0.0)	16.5	15.2	(19.5)	(18.5)
(0.0)	(0.0)	(0.0)	(0.0)		(5.1)			(2.1)	(7.8)
(117.6)	(144.6)	(36.4)	(32.2)	(18.9)	(75.3)	(7.5)	(11.7)	(321.3)	(477.5)
(159.0)	(147.9)	(51.1)	(55.8)	(5.1)	(14.2)	67.0	70.0	(1,363.5)	(1,399.5)
(7.1)	(11.1)	(78.1)	(125.0)	(9.1)	(29.5)	54.7	70.2	(425.2)	(427.2)
(308.1)	**(328.9)**	**(165.7)**	**(213.0)**	**(33.1)**	**(124.1)**	**130.6**	**143.6**	**(8,755.6)**	**(9,799.9)**
2.0	**5.9**	**(58.4)**	**(60.9)**	**(10.0)**	**(81.3)**			**394.4**	**647.4**

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	5,453.4	5,845.0	3,957.4	3,647.9	9,410.8	9,493.0
Intragroup assets *						
Total Assets	**5,453.4**	**5,845.0**	**3,957.4**	**3,647.9**	**9,410.8**	**9,493.0**
Recognised financial liabilities	2,211.2	1,826.2	547.6	547.5	2,758.8	2,373.7
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	**5,455.2**	**5,845.2**	**3,957.4**	**3,648.0**	**9,412.5**	**9,493.2**

* Assets and liabilities netted on consolidation

Details of financial assets

Amounts in €m	Held-to-maturity investments 30/6/2016	Held-to-maturity investments 31/12/2015	Loans and receivables 30/6/2016	Loans and receivables 31/12/2015	Available-for-sale financial assets 30/6/2016	Available-for-sale financial assets 31/12/2015
Equity instruments and derivatives at cost					72.9	69.8
Equity instruments at fair value					772.5	681.9
of which: listed securities					*594.8*	*503.5*
Debt securities	1,448.8	1,528.4	4,409.3	4,529.5	51,138.8	48,587.0
of which: listed securities	*1,288.8*	*1,271.8*			*50,272.2*	*47,733.5*
UCITS units					1,493.3	1,577.1
Loans and receivables from bank customers			8,149.0	8,322.3		
Interbank loans and receivables			284.7	593.9		
Deposits with ceding companies			22.2	24.0		
Financial receivables on insurance contracts						
Other loans and receivables			1,016.7	1,079.5		
Non-hedging derivatives						
Hedging derivatives						
Other financial investments						
Total	**1,448.8**	**1,528.4**	**13,881.9**	**14,549.2**	**53,477.4**	**50,915.8**

Details of technical provisions - reinsurers' share

Amounts in €m	Total carrying amount 30/6/2016	Total carrying amount 31/12/2015
Non-Life provisions	**834.7**	**804.5**
Life provisions	**85.1**	**92.9**
Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management		
Mathematical provisions and Other technical provisions	85.1	92.9
Total technical provisions - reinsurers' share	**919.8**	**897.4**

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
0.0	0.0			72.9	69.8
0.1	0.1	173.9	175.1	946.4	857.0
0.1	*0.1*	*173.9*	*175.1*	*768.7*	*678.6*
139.9	195.2	4,269.5	4,343.4	61,406.3	59,183.5
78.9	*81.3*	*4,064.9*	*3,670.1*	*55,704.8*	*52,756.6*
29.8	31.2	4,557.7	4,737.5	6,080.8	6,345.8
				8,149.0	8,322.3
				284.7	593.9
				22.2	24.0
		395.6	181.2	395.6	181.2
				1,016.7	1,079.5
177.5	169.6			177.5	169.6
25.5	10.8			25.5	10.8
		27.6	69.1	27.6	69.1
372.9	**406.8**	**9,424.3**	**9,506.3**	**78,605.3**	**76,906.5**

Details of technical provisions

	Total carrying amount	
Amounts in €m	**30/6/2016**	31/12/2015
Non-Life provisions	**16,279.0**	**16,574.3**
Premium provision	2,979.0	2,912.0
Claims provision	13,260.6	13,619.6
Other technical provisions	39.4	42.8
including provisions allocated as a result of the liability adequacy test		
Life provisions	**48,343.3**	**46,575.2**
Provision for amounts payable	396.0	845.7
Mathematical provisions	36,987.1	34,946.7
Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management	6,651.3	7,131.2
Other technical provisions	4,309.0	3,651.6
including provisions allocated as a result of the liability adequacy test		
including deferred liabilities to policyholders	*4,178.4*	*3,522.4*
Total technical provisions	**64,622.3**	**63,149.6**

Details of financial liabilities

Amounts in €m	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					
	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					2,498.9	2,564.7	2,498.9	2,564.7
Liabilities from financial contracts issued by insurance companies			2,775.2	2,379.5	0.4	0.5	2,775.6	2,380.0
Arising from contracts where the investment risk is borne by policyholders			*2,227.2*	*1,830.9*			*2,227.2*	*1,830.9*
Arising from pension fund management			*548.0*	*548.7*			*548.0*	*548.7*
Arising from other contracts					*0.4*	*0.5*	*0.4*	*0.5*
Deposits received from reinsurers					208.7	216.0	208.7	216.0
Financial items payable on insurance contracts								
Debt securities issued					3,806.5	4,073.1	3,806.5	4,073.1
Payables to bank customers					5,598.0	5,505.7	5,598.0	5,505.7
Interbank payables					436.2	436.1	436.2	436.1
Other loans obtained					111.4	111.9	111.4	111.9
Non-hedging derivatives	168.8	114.5	12.9	12.2			181.7	126.7
Hedging derivatives	154.7	151.6					154.7	151.6
Sundry financial liabilities					5.7	5.6	5.7	5.6
Total	**323.6**	**266.0**	**2,788.1**	**2,391.7**	**12,665.9**	**12,913.6**	**15,777.6**	**15,571.4**

Details of technical insurance items

		Amounts in €m **30/6/2016**	30/6/2015
Non-Life business			
NET PREMIUMS		**3,757.2**	**3,820.2**
a	Written premiums	3,821.1	3,881.1
b	Change in premium provision	(63.9)	(60.8)
NET CHARGES RELATING TO CLAIMS		**(2,515.0)**	**(2,597.5)**
a	Amounts paid	(2,909.3)	(3,104.4)
b	Change in claims provision	343.8	440.4
c	Change in recoveries	49.8	67.2
d	Change in other technical provisions	0.6	(0.7)
Life business			
NET PREMIUMS		**3,833.5**	**4,269.3**
NET CHARGES RELATING TO CLAIMS		**(4,108.9)**	**(4,871.9)**
a	Amounts paid	(3,168.4)	(3,265.0)
b	Change in provision for amounts payable	447.8	(282.8)
c	Change in mathematical provisions	(1,899.2)	(1,095.3)
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	26.8	(148.8)

Investment income and charges

Amounts in €m	Interest	Other income	Other charges	Realised gains	Realised losses
Balance on investments	**1,024.9**	**207.4**	**(132.0)**	**336.8**	**(94.0)**
a Arising from investment property		38.7	(20.3)	2.5	(0.1)
b Arising from investments in subsidiaries, associates and interests in j-v		3.4	(1.0)	0.3	(0.0)
c Arising from held-to-maturity investments	30.8				
d Arising from loans and receivables	206.0		(0.0)	7.4	(2.4)
e Arising from available-for-sale financial assets	749.6	54.8	(1.9)	283.5	(69.5)
f Arising from held-for-trading financial assets	2.2	56.9	(51.3)	4.9	(8.5)
g Arising from financial assets at fair value through profit or loss	36.3	53.6	(57.6)	38.2	(13.6)
Balance on sundry receivables	**1.4**				**(0.0)**
Balance on cash and cash equivalents	**0.6**		**(0.1)**		
Balance on financial liabilities	**(119.4)**	**5.8**	**(9.4)**	**0.4**	**(2.1)**
a Arising from held-for-trading financial liabilities	(2.4)				(1.7)
b Arising from financial liabilities at fair value through profit or loss		5.8	(4.4)		
c Arising from other financial liabilities	(117.0)		(5.0)	0.4	(0.4)
Balance on payables	**(0.9)**		**(0.0)**		
Total	**906.6**	**213.2**	**(141.5)**	**337.2**	**(96.1)**

Total realised gains and losses	Unrealised gains		Unrealised losses		Total unrealised gains and losses	**Total gains and losses 30/6/2016**	Total gains and losses 30/6/2015
	Unrealised capital gains	Write-backs	Unrealised capital losses	Impairment			
1,343.1	**191.3**	**0.2**	**(487.9)**	**(17.2)**	**(313.7)**	**1,029.5**	**1,758.2**
20.9			(18.4)	(5.1)	(23.4)	(2.6)	(47.2)
2.7				(1.1)	(1.1)	1.5	(4.0)
30.8						30.8	37.0
211.0	74.6	0.2	(68.3)	(4.1)	2.4	213.4	198.7
1,016.7	0.0		(1.1)	(7.0)	(8.0)	1,008.7	1,133.1
4.2	32.4		(193.3)		(160.8)	(156.7)	238.8
56.9	84.3		(206.9)		(122.6)	(65.7)	201.8
1.4						**1.4**	**1.9**
0.5						**0.5**	**1.4**
(124.7)	**28.4**		**(0.6)**		**27.8**	**(96.9)**	**(211.2)**
(4.1)			(0.5)		(0.5)	(4.6)	(1.6)
1.4	28.2		(0.1)		28.1	29.5	(67.1)
(122.0)	0.2				0.2	(121.8)	(142.5)
(1.0)						**(1.0)**	**(0.5)**
1,219.4	**219.7**	**0.2**	**(488.5)**	**(17.2)**	**(285.9)**	**933.5**	**1,549.7**

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
Commissions and profit-sharing received from insurers	(820.3)	(839.6)	(72.7)	(105.6)
Investment management expenses	(47.1)	(30.4)	(24.2)	(23.3)
Other administrative expenses	(194.4)	(187.1)	(56.6)	(65.6)
Total	**(1,061.9)**	**(1,057.2)**	**(153.5)**	**(194.4)**

Details of the consolidated comprehensive income statement

	Amounts allocated		Adjustments from reclassification to profit or loss	
Amounts in €m	30/6/2016	30/6/2015	30/6/2016	30/6/2015
Other income items not reclassified to profit or loss	**(17.7)**	**10.4**		
Reserve deriving from changes in the shareholders' equity of the investees	(15.1)	7.1		
Revaluation reserve for intangible assets				
Revaluation reserve for property, plant and equipment				
Gains and losses on non-current assets or assets of a disposal group held for sale				
Actuarial gains and losses and adjustments relating to defined benefit plans	(2.6)	3.3		
Other items		0.0		
Other income items reclassified to profit or loss	**(27.1)**	**(154.8)**	**(144.9)**	**(282.7)**
Reserve for foreign currency translation differences	(0.7)	0.0		
Gains or losses on available-for-sale financial assets	(55.8)	(118.1)	(144.9)	(282.7)
Gains or losses on cash flow hedges	29.4	(36.7)		(0.0)
Gains or losses on hedges of a net investment in foreign operations				
Reserve deriving from changes in the shareholders' equity of the investees				
Gains and losses on non-current assets or assets of a disposal group held for sale				
Other items				
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	**(44.8)**	**(144.3)**	**(144.9)**	**(282.7)**

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
(0.5)	**0.0**	**(18.2)**	**10.4**	**1.4**	**(2.0)**	**0.0**	**18.2**
		(15.1)	7.1			2.0	17.1
						20.7	20.7
(0.5)	0.0	(3.1)	3.3	1.4	(2.0)	(22.7)	(19.6)
			0.0			0.0	0.0
(10.3)	**(7.2)**	**(182.3)**	**(444.7)**	**80.4**	**228.3**	**829.7**	**1,012.0**
0.0		(0.7)	0.0			3.2	3.9
(11.8)	(7.2)	(212.6)	(407.9)	93.9	208.8	769.3	981.9
1.5		30.9	(36.7)	(13.5)	19.5	57.1	26.2
(10.8)	**(7.2)**	**(200.5)**	**(434.2)**	**81.9**	**226.3**	**829.7**	**1,030.2**

Details of reclassified financial assets and their effects on the income statement and comprehensive income statement

Categories of financial assets subject to reclassification		Type of asset	Amount of assets reclassified in 2014 at the reclassification date	Carrying amount at 30/6/2016 of reclassified assets		Fair value at 30/6/2016 of reclassified assets	
from	to			Assets reclassified during the period	Assets reclassified up to 30/6/2016	Assets reclassified during the period	Assets reclassified up to 30/6/2016
At fair value through profit or loss	Loans and receivables	debt securities			252.8		232.7
At fair value through profit or loss	Loans and receivables	other fin. instr.					
Available-for-sale	Loans and receivables	debt securities			289.4		276.3
Available-for-sale	Loans and receivables	other fin. instr.					
At fair value through profit or loss	Available-for-sale	equity instruments					
At fair value through profit or loss	Available-for-sale	debt securities					
At fair value through profit or loss	Available-for-sale	other fin. instr.					
At fair value through profit or loss	Held-to-maturity investments	debt securities					
At fair value through profit or loss	Held-to-maturity investments	other fin. instr.					
Available-for-sale	Held-to-maturity investments	debt securities					
Available-for-sale	Held-to-maturity investments	other fin. instr.					
Total					542.2		509.0

Assets reclassified during the period		Assets reclassified up to 30/6/2016		Assets reclassified during the period		Assets reclassified up to 30/6/2016	
Gains or losses recognised through profit or loss	Gains or losses recognised in the comprehensive income statement	Gains or losses recognised through profit or loss	Gains or losses recognised in the comprehensive income statement	Profit or loss that would have been recognised in the income statement if there had been no reclassification	Profit or loss that would have been recognised in the comprehensive income statement if there had been no reclassification	Profit or loss that would have been recognised in the income statement if there had been no reclassification	Profit or loss that would have been recognised in the comprehensive income statement if there had been no reclassification
			0.0			12.6	0.0
							(8.9)
			0.0			12.6	(8.9)

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		51,801.9	49,307.8	716.4	707.9	959.2	900.2	53,477.4	50,915.8
Financial assets at fair value through profit or loss	Held-for-trading financial assets	152.8	121.2	181.2	184.1	38.8	101.5	372.9	406.8
	Financial assets at fair value through profit or loss	9,203.3	8,784.1	10.5	24.0	210.5	698.2	9,424.3	9,506.3
Investment property									
Property, plant and equipment									
Intangible assets									
Total assets at fair value on a recurring basis		***61,158.1***	***58,213.1***	***908.1***	***916.0***	***1,208.5***	***1,699.8***	***63,274.6***	***60,828.9***
Financial liabilities at fair value through profit or loss	Held-for-trading financial liabilities	57.1	57.5	249.7	200.4	16.7	8.2	323.6	266.0
	Financial liabilities at fair value through profit or loss					2,788.1	2,391.7	2,788.1	2,391.7
Total liabilities at fair value on a recurring basis		***57.1***	***57.5***	***249.7***	***200.4***	***2,804.8***	***2,399.9***	***3,111.7***	***2,657.8***
Assets and liabilities at fair value on a non-recurring basis									
Non-current assets or assets of a disposal group held for sale									
Liabilities associated with disposal groups									

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

Amounts in €	Available-for-sale financial assets	Financial assets at fair value through profit or loss: Held-for-trading financial assets	Financial assets at fair value through profit or loss: Financial assets at fair value through profit or loss	Investment property	Property, plant and equipment	Intangible assets	Financial liabilities at fair value: Held-for-trading financial liabilities	Financial liabilities at fair value: Financial liabilities at fair value through profit or loss
Opening balance	**900.2**	**101.5**	**698.2**				**8.2**	**2,391.7**
Acquisitions/Issues	78.6	0.1						
Sales/Repurchases	(10.7)		(41.6)					
Repayments	(0.5)	(0.1)	(435.8)					
Gains or losses recognised through profit or loss		(4.3)	(2.3)				8.5	
- of which unrealised gains/losses		(4.3)	(2.3)				8.5	
Gains or losses recognised in the statement of other comprehensive income	(12.2)							
Transfers to level 3	7.3							
Transfers to other levels	(3.7)	(58.5)						
Other changes	0.3	0.2	(8.0)					396.4
Closing balance	**959.2**	**38.8**	**210.5**				**16.7**	**2,788.1**

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	**30/6/16**	31/12/15	**30/6/16**	31/12/15	**30/6/16**	31/12/15	**30/6/16**	31/12/15	**30/6/16**	31/12/15
Assets										
Held-to-maturity investments	1,448.8	1,528.4	1,509.8	1,494.2	164.0	245.0	3.3		1,677.1	1,739.2
Loans and receivables	13,881.9	14,549.2	4.9	9.9	4,200.3	4,284.2	10,579.5	11,215.3	14,784.7	15,509.4
Investments in subsidiaries, associates and interests in j-v	73.7	90.0					73.7	90.0	73.7	90.0
Investment property	2,291.4	2,350.2					2,393.9	2,462.2	2,393.9	2,462.2
Property, plant and equipment	1,734.0	1,757.0					1,867.6	1,849.5	1,867.6	1,849.5
Total assets	**19,429.9**	**20,274.8**	**1,514.8**	**1,504.1**	**4,364.3**	**4,529.2**	**14,918.0**	**15,616.9**	**20,797.1**	**21,650.2**
Liabilities										
Other financial liabilities	12,665.9	12,913.6	2,851.2	2,932.3			9,898.1	9,788.5	12,749.4	12,720.8

5. Statement on the Consolidated Half-Yearly Financial Statements in accordance with Art. 81-ter of Consob Regulation 11971/1999

Statement on the Consolidated Financial Statements

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 Chief Executive Officer, and Maurizio Castellina, as Manager in charge of financial reporting of Unipol Gruppo Finanziario S.p.A., hereby certify, also taking into account the provisions of art. 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998:

    - the adequacy in relation to the characteristics of the company and
    - the effective application

    of the administrative and accounting procedures for preparation of the 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 at 30 June 2016 is based on a process defined by Unipol Gruppo Finanziario S.p.A., inspired by the COSO Framework (Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations 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:

    - were drafted in compliance with the IAS/IFRS International Accounting Standards adopted by the European Union in accordance with EC Regulation no. 1606/2002, and Italian Legislative Decree no. 38/2005, Italian Legislative Decree no. 209/2005 and the applicable IVASS provisions, regulations and circulars;
    - 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 report on operations 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 report on operations also includes a reliable analysis of the information on significant related party transactions.

Bologna, 3 August 2016

The Chief Executive Officer

Carlo Cimbri

The Manager in charge of financial reporting

Maurizio Castellina

(signed on the original)

6. Independent Auditors' Report

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REVIEW REPORT ON CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

To the Shareholders of
Unipol Gruppo Finanziario SpA

CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS AS OF 30 JUNE 2016

Foreword

We have reviewed the accompanying condensed consolidated half-yearly financial statements of Unipol Gruppo Finanziario SpA and its subsidiaries (the Unipol Group) as of 30 June 2016, comprising the statement of financial position, the income statement, the comprehensive income statement, the statement of changes in shareholders' equity, the statement of cash flow and the related notes. The Directors are responsible for the preparation of condensed consolidated half-yearly financial statements as of 30 June 2016 in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the condensed consolidated half-yearly financial statements based on our review.

Scope of review

We conducted our review in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) in Resolution No. 10867 of 31 July 1997. A review of condensed consolidated half-yearly financial statements consists of making enquiries, primarily of entity's person responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated half-yearly financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated half-yearly financial statements of the Unipol Group as of 30 June 2016 are not prepared, in all material respects, in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Basis of preparation

As described in the notes, the condensed consolidated half-yearly financial statements have been prepared also to meet the reporting requirements of ISVAP's Rule No. 7 dated 13 July 2007.

Milan, 9 August 2016

PricewaterhouseCoopers SpA

Signed by

Angelo Giudici
(Partner)

This report is only a translation from the original report in Italian, issued in accordance with Italian law.

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

Parent of the Unipol Insurance Group
Entered in the Register of Insurance Groups – No. 046

Parent of the Unipol Banking Group
Entered in the Register of Banking Groups

www.unipol.it

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