




UnipolSai Assicurazioni
**Consolidated Interim
Financial Report**
at 30 September 2016

UnipolSai
ASSICURAZIONI

UnipolSai Assicurazioni

 **Consolidated Interim Financial Report
at 30 September 2016**

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Company bodies

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

Interim financial report

Preamble

Legislative Decree 25 of 15 February 2016, in force since 18 March 2016, incorporated the new Directive 2013/50/EU (the new *Transparency Directive*, hereinafter also the "Directive") by eliminating the obligation to publish the Interim Financial Report envisaged by Art. 154-ter of Legislative Decree 58/1998.

However, the decree gave CONSOB the right to issue a regulation requiring the publication of additional periodic financial information after the publication of a dedicated impact analysis examining the fulfilment of the conditions laid out by the Directive.

On 14 April 2016, CONSOB launched a preliminary consultation to obtain useful information to check for the fulfilment of the conditions imposed by the legislature for the purpose of exercising the delegation and, therefore, in preparation for a complete impact analysis. After that consultation, on 5 August 2016 CONSOB published a new consultation document containing the impact analysis conducted by the Commission, as well as its proposal to amend CONSOB Regulation no. 11971 prepared by the Commission with a view not to introducing additional periodic disclosure obligations, but rather to defining application principles and criteria for issuers that intend to publish information on a voluntary basis.

Following this last consultation completed in September, by resolution no. 19770 dated 26 October 2016 CONSOB made the resulting amendments to the Issuer's Regulation, in particular introducing the new Article 82-ter.

Based on this standard, listed companies have the right to choose whether to publish additional periodic financial information. If they do choose to publish it on a voluntary basis, they must disclose this decision to the market, specifying the information that they intend to provide, so as to ensure that the decisions adopted are clear and stable over time. Any decision to suspend publication must be justified and made public and will become effective starting from the following financial year.

The regulatory amendments introduced by CONSOB Resolution no. 19770 apply starting on 2 January 2017.

As a result, the UnipolSai Group decided to continue to publish a periodic quarterly disclosure on a voluntary basis temporarily for this year, 2016, merely for reasons of continuity with the past, the form and content of which are the same as disclosures of previous years.

In line with the amendments made in the reference regulatory framework, starting next year the UnipolSai Group will make its quarterly financial disclosure briefer and more focused on its business.

The disclosure will be provided in the form of a dedicated press release, the content of which will be amended with respect to the quarterly periodic press release published until 2016. However, the Group's interim financial report will no longer be published, and as a result the statement of financial position and income statement which are currently an integral part of the press release will not be included.

Therefore, starting in 2017 the content of the voluntary quarterly financial disclosure will regard at least the main quantitative performance indicators, such as:

- Non-Life and Life premium trends;
- Combined ratio;
- Profit (loss) for the period;
- Shareholders' equity;
- Solvency II ratio.

The press release, which will also contain qualitative information regarding trends in the Group's main businesses, will be approved by the Board of Directors and published on the Group's website based on the timing set forth in the regulations previously in force.

Interim financial report

Group highlights

	<i>Amounts in €m</i>	30/9/2016	30/9/2015	31/12/2015
Non-Life direct insurance premiums		5,141	5,252	7,334
<i>% variation</i>		(2.1)	(13.2)	(12.9)
Life direct insurance premiums		3,899	4,911	6,648
<i>% variation</i>		(20.6)	(15.7)	(12.3)
of which Life investment products		529	338	584
<i>% variation</i>		56.5	n.s.	n.s.
Direct insurance premiums		9,040	10,163	13,982
<i>% variation</i>		(11.1)	(14.4)	(12.7)
Consolidated profit (loss)		427	602	738
<i>% variation</i>		(29.1)	1.6	(5.8)
Investments and cash and cash equivalents		64,257	62,914	63,291
<i>% variation</i>		1.5	0.1	0.7
Technical provisions		56,215	55,734	56,095
<i>% variation</i>		0.2	(0.9)	(0.2)
Financial liabilities		4,386	3,582	3,897
<i>% variation</i>		12.6	(6.1)	2.2
Shareholders' Equity attributable to the owners of the Parent		6,188	6,034	6,278
<i>% variation</i>		(1.4)	(4.2)	(0.3)
UnipolSai Assicurazioni Spa Solvency II ratio		190%	n.a.	215%

The percentage changes in the income statement figures refer to the comparison with the ones of the corresponding period of the previous year.
The percentage changes in the balance sheet refer to the comparison with figures at 31/12 of the previous year.

Alternative performance indicators¹

	classes	30/9/2016	30/9/2015	31/12/2015
Loss ratio - direct business (including OTI ratio)	non-life	67.3%	67.4%	65.4%
Expense ratio (calculated on written premiums) - direct business	non-life	28.9%	28.3%	28.5%
Combined ratio - direct business (including OTI ratio)	non-life	96.2%	95.7%	93.9%
Loss ratio - net of reinsurance	non-life	68.6%	68.9%	66.4%
Expense ratio (calculated on premiums earned) - net of reinsurance	non-life	27.4%	26.7%	28.2%
Combined ratio - net of reinsurance (*)	non-life	96.0%	95.7%	94.6%
Group pro-rata APE (amounts in €m)	life	375	401	568

(*) with expense ratio calculated on premiums earned

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

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

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

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

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

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

Operating performance

In the first nine months of 2016, the UnipolSai Group continued to achieve positive economic and financial performance despite a complex macroeconomic and sector situation characterised by low interest rates, high volatility in the financial markets and strong competitive pressures, particularly in the MV segment, in which the Group is the market leader.

UnipolSai closed the third quarter of 2016 with a **consolidated profit of €427m**, which, although it met expectations, was down compared to €602m at 30/9/2015, which included significant capital gains (€533m compared to €256m at 30 September 2016, gross of the tax effect).

Insurance sector

The **net profit** of the Insurance Sector was €449m (€673m at 30/9/2015), of which:

- €272m relating to the Non-Life sector (€455m at 30/9/2015);
- and €177m relating to the Life sector (€218m at 30/9/2015).

At 30 September 2016, Investments and cash and cash equivalents of the Insurance sector, including properties for own use, totalled €63,237m (€62,183m at 31/12/2015), of which €17,159m from the Non-Life business (€17,673m at 31/12/2015) and €46,078m from the Life business (€44,510m at 31/12/2015).

Financial liabilities amounted to €4,266m (€3,777m at 31/12/2015), of which €1,568m in the Non-Life business (€1,542m at 31/12/2015) and €2,698m in the Life business (€2,235m at 31/12/2015). The increase in the Life business was due mainly to Financial liabilities for contracts issued by insurance companies, whose investment risk is borne by customers (€1,768m at 30 September 2016 compared to €1,301m at 31/12/2015).

Technical provisions amounted to €56,215m (€56,095m at 31/12/2015), of which €15,155m in the Non-Life business (€15,748m at 31/12/2015) and €41,060m in the Life business (€40,347m at 31/12/2015).

Total premiums (direct and indirect premiums and investment products) at 30 September 2016 amounted to €9,080m (€10,195m at 30/9/2015, -10.9%).

Life premiums amounted to €3,899m (€4,912m at 30/9/2015, -20.6%) and Non-Life premiums totalled €5,181m (€5,283m at 30/9/2015, -1.9%).

Direct premiums

<i>Amounts in €m</i>	30/9/2016	<i>% comp.</i>	30/9/2015	<i>% comp.</i>	<i>% var.</i>
Non-Life direct premiums	5,141	56.9	5,252	51.7	(2.1)
Life direct premiums	3,899	43.1	4,911	48.3	(20.6)
Total direct premiums	9,040	100.0	10,163	100.0	(11.1)

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Indirect premiums

<i>Amounts in €m</i>	30/9/2016	% comp.	30/9/2015	% comp.	% var.
Non-Life premiums	40	98.9	31	96.9	29.7
Life premiums	0	1.1	1	3.1	(55.5)
Total indirect premiums	41	100.0	32	100.0	27.0

Non-Life business

In the Non-Life sector, actions meant to reinvigorate the product lines supported a recovery in premiums in the Non-MV segment and significant growth in the MV TPL contract portfolio, although continuous competitive pressure on rates sparked a decline in premiums for the sector, which was also reflected in total premiums.

Non-Life direct premiums totalled €5,141m (-2.1% compared to 30/9/2015). MV TPL premiums stood at €2,575m, down 5.7% compared to 30/9/2015. A slight recovery was reported in the Land Vehicle Hulls class, with premiums equal to €448m (+2.4%), while the Non-MV segment recorded premiums of €2,118m, up 1.7%.

The breakdown of direct business for the main classes and the changes with respect to 30/9/2015 are shown in the following table:

Non-Life business direct premiums

<i>Amounts in €m</i>	30/9/2016	% comp.	30/9/2015	% comp.	% var.
Motor vehicles - TPL and sea, lake and river (classes 10 and 12)	2,575		2,731		(5.7)
Land Vehicles Hulls (Class 3)	448		438		2.4
Total premiums - Motor vehicles	3,023	58.8	3,169	60.3	(4.6)
Accident & Health (Classes 1 and 2)	615		589		4.3
Fire and Other damage to property (Classes 8 and 9)	709		698		1.5
General TPL (Class 13)	443		448		(1.0)
Other classes	351		348		1.0
Total premiums - Non-Motor vehicles	2,118	41.2	2,083	39.7	1.7
Total Non-Life direct premiums	5,141	100.0	5,252	100.0	(2.1)

As regards **Non-Life claims**, positive trends continue in the Non-MV classes, which were not significantly impacted by the serious earthquake events that took place in Central Italy in August. The MV TPL business suffered from the sharp, continuous decline in the average premium as a result of the market situation.

In this context, the **loss ratio** for the Non-Life direct business alone, including the OTI ratio, stood at 67.3%, in line with the ratio of 67.4% at 30/9/2015.

The **expense ratio** of direct business was up compared to the same period of the previous year (28.9% against 28.3%), reflecting the decline 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.

The **combined ratio**, based on direct business, was 96.2% at 30 September 2016 (95.7% at 30/9/2015).

Non-Life premiums of the main Group insurance companies

The direct premiums of only **UnipolSai**, the Group's main company, stood at €4,951m (€5,060m at 30/9/2015 considering in the data at 30/9/2015 the premiums of Liguria Assicurazioni and the companies Systema and Europa Tutela Giudiziaria, the first incorporated on 31/1/2016 and the others on 31/12/2015, -2.1%), of which €2,992m in the MV classes (€3,127m at 30/9/2015, -4.3% on a like-for-like basis) and €1,959m in the Non-MV classes (€1,933m at 30/9/2015, +1.4% on a like-for-like basis).

In the **MV classes**, premiums amounted to €2,552m in the MV TPL class (€2,697m at 30/9/2015 on a like-for-like basis, -5.4%) and €440m in the Land Vehicle Hulls class (€429m at 30/9/2015 on a like-for-like basis, +2.4%).

Among the other Non-Life companies, the direct premiums of **SIAT**, amounting to €87m (€75m at 30/9/2015), recorded an increase of 16.5%, benefitting from new business as well as several temporal mismatches in the issue of significant policies; there was also an increase in the premiums of the subsidiary **DDOR** (€56m at 30 September 2016, +3.8%), while the subsidiary **Incontra** recorded a decline (€45m at 30 September 2016, -9.0%).

Life business

In the Life business, the slowdown already seen in the second quarter of 2016 became more pronounced in the bancassurance sector. Within a market environment still characterised by interest rates which are extremely low or even negative in the short/medium-term, we are seeking to orient the commercial offering towards Unit and Multisegment products to improve the risk profile.

The consolidated **direct premiums** of UnipolSai at 30 September 2016 reached €3,899m, down 20.6% compared to 30/9/2015, and is broken down as follows:

Life business direct premiums

<i>Amounts in €m</i>	30/9/2016	% comp.	30/9/2015	% comp.	% var.
Total premiums					
I - Whole and term Life insurance	2,532	64.9	2,828	57.6	(10.5)
III - Unit-linked/index-linked policies	703	18.0	1,299	26.4	(45.9)
IV - Health	1	0.0	1	0.0	25.2
V - Capitalisation insurance	280	7.2	438	8.9	(36.1)
VI - Pension funds	383	9.8	346	7.0	10.8
Total Life business direct premiums	3,899	100.0	4,911	100.0	(20.6)
of which Premiums (IFRS 4)					
I - Whole and term Life insurance	2,532	75.1	2,828	61.8	(10.5)
III - Unit-linked/index-linked policies	197	5.9	992	21.7	(80.1)
IV - Health	1	0.0	1	0.0	25.2
V - Capitalisation insurance	280	8.3	438	9.6	(36.1)
VI - Pension Funds	360	10.7	314	6.9	14.5
Total Life business premiums	3,370	100.0	4,573	100.0	(26.3)
of which Investment products (IAS 39)					
III - Unit-linked/index-linked policies	506	95.6	306	90.7	65.0
VI - Pension funds	23	4.4	31	9.3	(26.3)
Total Life investment products	529	100.0	338	100.0	56.5

New business in terms of **APE**, net of non-controlling interests, amounted to €375m at 30 September 2016 (€401m at 30/9/2015, -6.4%), of which €267m contributed by traditional companies and €109m by bancassurance companies.

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Life premiums of the main Group insurance companies

As regards the main companies operating in the Life business, direct premiums relating to **UnipolSai** alone stood at €2,210m (€2,379m, considering the premiums of Liguria Vita, incorporated on 31/1/2016, in the data at 30/9/2015, -7.1%). Class I Traditional Policies, which, at €1,568m, accounted for 70.9% of premiums (€1,620m at 30/9/2015 on a like-for-like basis), declined by 3.2%. Class V Capitalisation policies were also down, with premiums equal to €229m (-44.6%), while an increase of 11.0% was recorded in Class VI Pension funds, with premiums of €379m (€341m at 30/9/2015).

The **Popolare Vita Group** achieved premiums of €1,611m, down 33% compared to 30/9/2015 (€2,404m).

The premiums of Popolare Vita totalled €1,202m (-37.5%), of which €938m in Class I Traditional Policies (-21%) and €217m in Class III unit and index linked Policies (-69.5%). The Lawrence Life recorded premiums of €409m (-14.7%) relating only to Class III unit and index linked Policies.

The other bancassurance company, **Bim Vita**, with premiums totalling €72m, recorded a 41.8% decline compared to 30/9/2015.

Real Estate sector

The **net loss** at 30 September 2016 of the Real Estate Sector, which includes only the real estate companies and their investees, was -€14m (-€66m at 30/9/2015, of which -€42m related to the former UnipolSai Real Estate, incorporated on 31/12/2015 into UnipolSai - Non-Life Business, with accounting and tax effects from 1/1/2015). Operations in this sector continued to focus on the renovation of some of the portfolio's more important properties, particularly in Milan, in order to seek out opportunities to increase value or generate income.

Investments and cash and cash equivalents of the Real Estate sector (including instrumental properties for own use) totalled €900m at 30 September 2016 (€923m at 31/12/2015) and consisted mainly of Investment property amounting to €482m (€498m at 31/12/2015) and Properties for own use totalling €326m (€327m at 31/12/2015).

At 30 September 2016, Financial liabilities totalled €204m (€203m at 31/12/2015).

Other Businesses sector

With regard to the other companies included in the Other businesses sector, it is worth mentioning the profit of the hotel business and the liquidation of Centro Oncologico Fiorentino, given the impossibility to make the company's operations economically sustainable.

The **net loss** at 30 September 2016 of the Other Businesses Sector came to -€8m (-€4m at 30/9/2015).

At 30 September 2016, Investments and cash and cash equivalents of the Other Businesses sector (including properties for own use of €120m) totalled €220m (€234m at 31/12/2015).

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

Asset and financial management

Again in the third quarter of 2016 there was no lack of tension in the financial markets, particularly the equity markets, due to fears regarding the stability of the credit systems in European countries and the possible impacts of any future relaxation of the expansive monetary policies adopted to date by the main central banks.

In 2016, in accordance with the strategic guidelines set in the Business Plan, the policy to gradually reduce the share of government bonds continued to be implemented, with a view to gradual diversification towards a selective increase of corporate securities and other financial assets. During the period in question, while the financial portfolio recorded good returns (equal to 3.7%), they were considerably lower than those recorded in the first nine months of 2015 (5.2%), which were significantly influenced by capital gains, partly resulting from the forward sale of several securities.

The **bond segment** was the main focus of operations, mainly involving government bonds and non-government bonds, with a medium/long-term investment approach. During the first nine months of the year, exposure to government bonds decreased by more than €1.6bn due exclusively to the Non-Life sector, as this exposure rose marginally in the Life sector. Italian government bonds accounted for 62.4% of the total bond portfolio.

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

The non-government bond component saw an increase in overall exposure by approximately €2.2bn in the first nine months of the year; approximately 80% of the increased exposure from new purchases/subscriptions regarded financial issuers, while the remaining 20% regarded industrial issuers.

Asset portfolio simplification activities continued: the exposure to Level 2 and 3 structured bonds was reduced by €255m.

The investment in **equities** rose in the first nine months of the year by around €170m; put options on the Eurostoxx50 index, meant to mitigate volatility and preserve the value of the portfolio, remain active in the equity portfolio and were revalued in the first half of the year. Transactions were broken down based on individual shares and ETFs (Exchange Traded Funds) representing share indexes.

Exposure to **alternative funds** (private equity, hedge funds and investments in real assets) amounted to €607m, recording a net increase of €233m at 30 September 2016, also following the investments made in the Atlante fund in the first half of the year.

The overall duration stood at 5.55 years for the Group, a modest increase compared to the end of 2015 (5.45 years). The Non-Life duration in the Group insurance portfolio was 3.47 years (3.43 years at the end of 2015); the Life duration was 6.30 years (6.24 years at the end of 2015).

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At 30 September 2016, Group **Investments and Cash and cash equivalents** totalled €64,257m (€63,291m at 31/12/2015), with the following breakdown by business segment:

Investments and cash and cash equivalents - Breakdown by business segment

<i>Amounts in €m</i>	30/9/2016	% comp.	31/12/2015	% comp.	% var.
Insurance	63,237	98.4	62,183	98.3	1.7
Other Businesses	220	0.3	234	0.4	(5.9)
Real Estate	900	1.4	923	1.5	(2.5)
Inter-segment eliminations	(99)	(0.2)	(49)	(0.1)	102.3
Total Investments and cash and cash equivalents (*)	64,257	100.0	63,291	100.0	1.5

(*) including properties for own use

The breakdown by investment category is as follows:

<i>Amounts in €m</i>	30/9/2016	% comp.	31/12/2015	% comp.	% var.
Property (*)	3,756	5.8	3,859	6.1	(2.7)
Investments in subsidiaries, associates and interests in joint ventures	519	0.8	528	0.8	(1.8)
Held-to-maturity investments	876	1.4	1,100	1.7	(20.4)
Loans and receivables	5,270	8.2	5,251	8.3	0.4
Debt securities	4,269	6.6	4,324	6.8	(1.3)
Deposits with ceding companies	22	0.0	24	0.0	(6.5)
Other loans and receivables	979	1.5	903	1.4	8.4
Available-for-sale financial assets	44,530	69.3	42,804	67.6	4.0
Financial assets at fair value through profit or loss	8,736	13.6	8,791	13.9	(0.6)
held for trading	296	0.5	372	0.6	(20.5)
at fair value through profit or loss	8,440	13.1	8,420	13.3	0.2
Cash and cash equivalents	572	0.9	957	1.5	(40.3)
Total Investments and cash and cash equivalents	64,257	100.0	63,291	100.0	1.5

(*) including properties for own uses

Net financial income (excluding net income from financial assets and liabilities, whose investment risk is borne by customers) amounted to €1,235m at 30 September 2016, compared to €1,645m at 30/9/2015. This decrease was caused by lower net gains on trading.

Shareholders' equity

At 30 September 2016, Shareholders' equity amounted to €6,519m (€6,615m at 31/12/2015), of which:

- shareholders' equity attributable to the owners of the Parent amounted to €6,188m (€6,278m at 31/12/2015);
- shareholders' equity attributable to non-controlling interests was €331m (€337m at 31/12/2015).

Technical provisions and financial liabilities

At 30 September 2016, Technical provisions amounted to €56,215m (€56,095m at 31/12/2015) and Financial liabilities totalled €4,386m (€3,897m at 31/12/2015).

Technical provisions and financial liabilities

<i>Amounts in €m</i>	30/9/2016	31/12/2015	% var.
Non-Life technical provisions	15,155	15,748	(3.8)
Life technical provisions	41,060	40,347	1.8
Total technical provisions	56,215	56,095	0.2
Financial liabilities at fair value	2,056	1,543	33.2
Investment contracts - insurance companies	1,754	1,289	36.1
Other	302	254	18.8
Other financial liabilities	2,330	2,354	(1.0)
Subordinated liabilities	2,015	2,027	(0.5)
Other	314	327	(3.9)
Total financial liabilities	4,386	3,897	12.6
Total	60,601	59,992	1.0

Interim financial report

Business outlook

Serious volatility continued in the financial markets in the period immediately following 30 September 2016 due to multiple factors such as the banking crisis, especially the events surrounding Deutsche Bank and the capitalisation issues of Italian banks, tensions provoked by the elections in the US and the referendum in Italy, the effects of a possible reversal of Central Bank monetary policies, trends arising after the UK referendum on 23 June, etc. In October, investors took on a more favourable attitude, favouring a recovery in share prices.

In this complex macroeconomic environment, 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 issuer diversification criteria, with a particular focus on their strength and liquidity.

As far as the performance of the Group's businesses is concerned, in late October an earthquake again struck Central Italy, causing significant damage to real estate assets. Claims connected to the insurance coverage provided by Group companies are currently being surveyed.

The numerous actions for diversifying the commercial offering in the Life sector towards new products and for supporting a recovery in the Non-Life sector continue, albeit in a highly competitive environment.

In light of the above, unless exceptional, currently unforeseeable events take place, it is likely that a profit will be achieved at the end of the year under way.

Bologna, 10 November 2016

The Board of Directors

Consolidated Financial Statements

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Consolidated Financial Statements

Statement of Financial Position Assets

		<i>Amounts in €m</i>	30/9/2016	31/12/2015
1	INTANGIBLE ASSETS		718	751
1.1	Goodwill		307	307
1.2	Other intangible assets		412	444
2	PROPERTY, PLANT AND EQUIPMENT		1,429	1,433
2.1	Property		1,280	1,323
2.2	Other tangible assets		149	109
3	TECHNICAL PROVISIONS - REINSURERS' SHARE		855	869
4	INVESTMENTS		62,406	61,010
4.1	Investment property		2,475	2,535
4.2	Investments in subsidiaries, associates and interests in joint ventures		519	528
4.3	Held-to-maturity investments		876	1,100
4.4	Loans and receivables		5,270	5,251
4.5	Available-for-sale financial assets		44,530	42,804
4.6	Financial assets at fair value through profit or loss		8,736	8,791
5	SUNDRY RECEIVABLES		2,309	2,958
5.1	Receivables relating to direct insurance business		908	1,519
5.2	Receivables relating to reinsurance business		69	76
5.3	Other receivables		1,332	1,364
6	OTHER ASSETS		948	747
6.1	Non-current assets or assets of a disposal group held for sale		41	17
6.2	Deferred acquisition costs		88	87
6.3	Deferred tax assets		221	187
6.4	Current tax assets		28	45
6.5	Other assets		569	412
7	CASH AND CASH EQUIVALENTS		572	957
	TOTAL ASSETS		69,237	68,724

Statement of Financial Position Shareholders' Equity and Liabilities

		<i>Amounts in €m</i>	30/9/2016	31/12/2015
1	SHAREHOLDERS' EQUITY		6,519	6,615
1.1	attributable to the owners of the Parent		6,188	6,278
1.1.1	Share capital		2,031	2,031
1.1.2	Other equity instruments			
1.1.3	Capital reserves		347	347
1.1.4	Income-related and other equity reserves		2,592	2,297
1.1.5	(Treasury shares)		(52)	(50)
1.1.6	Reserve for foreign currency translation differences		3	4
1.1.7	Gains or losses on available-for-sale financial assets		842	903
1.1.8	Other gains or losses recognised directly in equity		16	34
1.1.9	Profit (loss) for the year attributable to the owners of the Parent		409	711
1.2	attributable to non-controlling interests		331	337
1.2.1	Share capital and reserves attributable to non-controlling interests		279	278
1.2.2	Gains or losses recorded directly in equity		33	33
1.2.3	Profit (loss) for the year attributable to non-controlling interests		18	26
2	PROVISIONS		498	519
3	TECHNICAL PROVISIONS		56,215	56,095
4	FINANCIAL LIABILITIES		4,386	3,897
4.1	Financial liabilities at fair value through profit or loss		2,056	1,543
4.2	Other financial liabilities		2,330	2,354
5	PAYABLES		765	807
5.1	Payables arising from direct insurance business		98	115
5.2	Payables arising from reinsurance business		98	97
5.3	Other payables		568	595
6	OTHER LIABILITIES		853	792
6.1	Liabilities associated with disposal groups		2	
6.2	Deferred tax liabilities		53	41
6.3	Current tax liabilities		31	35
6.4	Other liabilities		768	717
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		69,237	68,724

Consolidated Financial Statements

Income Statement

		<i>Amounts in €m</i>	30/9/2016	30/9/2015
1.1	Net premiums		8,485	9,818
1.1.1	Gross premiums earned		8,799	10,162
1.1.2	Earned premiums ceded to reinsurers		(314)	(344)
1.2	Commission income		24	7
1.3	Gains and losses on financial instruments at fair value through profit or loss		(107)	223
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures		4	17
1.5	Gains on other financial instruments and investment property		1,632	1,864
1.5.1	Interest income		1,121	1,108
1.5.2	Other income		135	145
1.5.3	Realised gains		332	579
1.5.4	Unrealised gains		44	32
1.6	Other revenue		333	343
1	TOTAL REVENUE AND INCOME		10,371	12,271
2.1	Net charges relating to claims		(7,267)	(8,714)
2.1.1	Amounts paid and changes in technical provisions		(7,407)	(8,862)
2.1.2	Reinsurers' share		139	148
2.2	Commission expenses		(10)	(7)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures		(2)	(7)
2.4	Losses on other financial instruments and investment property		(232)	(430)
2.4.1	Interest expense		(60)	(68)
2.4.2	Other charges		(33)	(36)
2.4.3	Realised losses		(83)	(167)
2.4.4	Unrealised losses		(56)	(159)
2.5	Operating expenses		(1,693)	(1,770)
2.5.1	Commissions and other acquisition costs		(1,237)	(1,298)
2.5.2	Investment management expenses		(94)	(82)
2.5.3	Other administrative expenses		(361)	(390)
2.6	Other costs		(562)	(484)
2	TOTAL COSTS AND EXPENSES		(9,767)	(11,413)
	PRE-TAX PROFIT (LOSS) FOR THE YEAR		605	858
3	Income tax		(177)	(256)
	PROFIT (LOSS) FOR THE PERIOD AFTER TAXES		427	602
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS			
	CONSOLIDATED PROFIT (LOSS)		427	602
	of which attributable to the owners of the Parent		409	579
	of which attributable to non-controlling interests		18	24

Consolidated Financial Statements

Condensed Consolidated Operating Income Statement broken down by business segment

	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE SECTOR		
	30/9/16	30/9/15	% var.	30/9/16	30/9/15	% var.	30/9/16	30/9/15	% var.
<i>Amounts in €m</i>									
Net premiums	5,120	5,252	(2.5)	3,365	4,565	(26.3)	8,485	9,818	(13.6)
Net commissions				14		n.s.	14		n.s.
Financial income/expenses (excl. assets/liab. designated at fair value through profit or loss)	366	552	(33.7)	890	1,163	(23.4)	1,257	1,715	(26.7)
<i>Net interest</i>	266	254		799	792		1,065	1,046	
<i>Other income and charges</i>	71	61		50	61		121	123	
<i>Realised gains and losses</i>	134	255		123	279		257	534	
<i>Valuation gains and losses</i>	(105)	(18)		(82)	31		(187)	13	
Net charges relating to claims	(3,421)	(3,543)	(3.4)	(3,787)	(5,150)	(26.5)	(7,208)	(8,693)	(17.1)
Operating expenses	(1,460)	(1,446)	1.0	(195)	(247)	(21.0)	(1,656)	(1,693)	(2.2)
<i>Commissions and other acquisition expenses</i>	(1,144)	(1,161)	(1.5)	(93)	(136)	(31.7)	(1,237)	(1,298)	(4.7)
<i>Other expenses</i>	(316)	(284)	11.2	(102)	(111)	(7.8)	(418)	(395)	5.9
Other income/charges	(224)	(163)	(37.4)	(35)	(30)	(18.5)	(260)	(193)	(34.5)
Profit (loss) before taxes	381	653	(41.7)	252	301	(16.3)	633	954	(33.7)
Income taxes	(109)	(197)	(44.8)	(75)	(83)	(10.5)	(184)	(281)	(34.6)
Profit (loss) from discontinued operations									
Consolidated profit (loss)	272	455	(40.3)	177	218	(18.6)	449	673	(33.3)
Profit (loss) attributable to the Group									
Profit (loss) attributable to non-controlling interests									

(*) The Real Estate sector only includes real estate companies controlled by UnipolSai. At 30 September 2015, the sector included the values of the company UnipolSai Real Estate, merged at 31 December 2015, into UnipolSai - Insurance sector, Non-Life business

OTHER BUSINESSES SECTOR			REAL ESTATE SECTOR (*)			Inter-segment eliminations		TOTAL CONSOLIDATED		
30/9/16	30/9/15	% var.	30/9/16	30/9/15	% var.	30/9/16	30/9/15	30/9/16	30/9/15	% var.
								8,485	9,818	(13.6)
								14		n.s.
0	1	(61.9)	0	(47)	(99.1)	(21)	(24)	1,235	1,645	(24.9)
0	1		(1)	(1)				1,064	1,045	
			12	30		(21)	(24)	112	129	
			(1)	(1)				256	533	
			(9)	(74)				(197)	(62)	
								(7,208)	(8,693)	(17.1)
(42)	(70)	(40.4)	(9)	(23)	(61.4)	14	17	(1,693)	(1,770)	(4.4)
								(1,237)	(1,298)	(4.7)
(42)	(70)	(40.4)	(9)	(23)	(61.4)	14	17	(455)	(472)	(3.5)
29	64	(54.4)	(6)	(19)	68.2	7	7	(229)	(142)	(61.8)
(13)	(6)	(125.2)	(16)	(90)	82.7			605	858	(29.5)
4	1	n.s.	2	24	(91.9)			(177)	(256)	(30.6)
(8)	(4)	(90.1)	(14)	(66)	79.3			427	602	(29.1)
								409	579	
								18	24	

Consolidated Financial Statements

Statement of financial position by business segment

	Non-Life business		Life business	
	30/9/2016	31/12/2015	30/9/2016	31/12/2015
<i>Amounts in €m</i>				
1 INTANGIBLE ASSETS	458	469	258	279
2 PROPERTY, PLANT AND EQUIPMENT	929	923	34	34
3 TECHNICAL PROVISIONS - REINSURERS' SHARE	785	787	70	82
4 INVESTMENTS	16,144	16,478	45,820	44,016
4.1 Investment property	1,943	1,986	9	9
4.2 Investments in subsidiaries, associates and interests in joint ventures	358	370	161	157
4.3 Held-to-maturity investments	185	355	691	745
4.4 Loans and receivables	2,220	2,140	3,148	3,159
4.5 Available-for-sale financial assets	11,315	11,471	33,199	31,311
4.6 Financial assets at fair value through profit or loss	124	156	8,612	8,635
5 SUNDRY RECEIVABLES	1,745	2,332	544	623
6 OTHER ASSETS	906	713	116	126
6.1 Deferred acquisition costs	35	37	53	50
6.2 Other assets	870	676	64	76
7 CASH AND CASH EQUIVALENTS	215	354	225	460
TOTAL ASSETS	21,181	22,057	47,066	45,620
1 SHAREHOLDERS' EQUITY				
2 PROVISIONS	441	453	27	28
3 TECHNICAL PROVISIONS	15,155	15,748	41,060	40,347
4 FINANCIAL LIABILITIES	1,568	1,542	2,698	2,235
4.1 Financial liabilities at fair value through profit or loss	104	62	1,952	1,479
4.2 Other financial liabilities	1,465	1,480	746	756
5 PAYABLES	603	618	144	129
6 OTHER LIABILITIES	608	626	361	292
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				

(*) The Real Estate sector only includes real estate companies controlled by UnipolSai.

Other businesses		Real Estate (*)		Inter-segment eliminations		Total	
30/9/2016	31/12/2015	30/9/2016	31/12/2015	30/9/2016	31/12/2015	30/9/2016	31/12/2015
2	2					718	751
135	141	332	334			1,429	1,433
						855	869
44	44	497	521	(99)	(49)	62,406	61,010
42	42	482	498			2,475	2,535
						519	528
						876	1,100
1	1			(99)	(49)	5,270	5,251
	1	16	22			44,530	42,804
						8,736	8,791
73	70	28	29	(80)	(96)	2,309	2,958
31	30	36	25	(142)	(148)	948	747
						88	87
31	30	36	25	(142)	(148)	860	660
56	67	76	75			572	957
341	354	969	984	(320)	(292)	69,237	68,724
						6,519	6,615
24	21	6	16			498	519
						56,215	56,095
15	14	204	203	(99)	(97)	4,386	3,897
		1	2			2,056	1,543
15	14	203	202	(99)	(97)	2,330	2,354
69	80	29	23	(80)	(43)	765	807
12	14	14	12	(142)	(152)	853	792
						69,237	68,724

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



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

**RE: Interim Financial Report of UnipolSai Assicurazioni S.p.A. as at
30 September 2016**

The undersigned, Maurizio Castellina, Manager in charge of financial reporting of UnipolSai Assicurazioni S.p.A.

HEREBY DECLARES,

pursuant to Article 154-bis, paragraph 2 of the Consolidated Act on Financial Intermediation, that the Interim Financial Report as at 30 September 2016 is consistent with the accounting records, ledgers and documents.

Bologna, 10 November 2016

The Manager in charge of
financial reporting
Maurizio Castellina

(signed on the original)

UnipolSai Assicurazioni S.p.A.

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

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

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