CONSOLIDATED INTERIM FINANCIAL REPORT AT 30 JUNE 2017

UnipolSai Assicurazioni S.p.A.

UnipolSai Assicurazioni

Consolidated Interim Financial Report at 30 June 2017

Contents

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
		Vittorio Giovetti	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	
MANAGER IN CHARGE OF FINANCIAL REPORTING		Maurizio Castellina	
INDEPENDENT AUDITORS		PricewaterhouseCoopers SpA	

Introduction

Macroeconomic background and market performance

Macroeconomic background

In the first half of 2017, the global economic growth rate outperformed forecasts (roughly 3.5% on an annual basis). This result was achieved primarily thanks to constant development in China and emerging countries, as well as robust economic trends in the Eurozone.
The recovery in developed countries was driven by domestic demand, accompanied by a certain liveliness in exports due to improvements in international trade.
Geopolitical tensions in the Middle East remain, associated with the threat represented by Islamist terrorism.
In the United States, after a first quarter in which GDP recorded a moderate rise (+1.4% annualised), the second quarter witnessed a good recovery, with a rate of development of 2.6% per year, driven by consumption as well as investments. In June, unemployment came to 4.4% and, due to the weakening of the dollar in the second quarter of the year, net exports also contributed to accelerating economic growth. Headline inflation dropped to 1.9% in May, while the index net of the more volatile components stood at 1.7% on an annual basis. At its June meeting, the Fed decided to hike the official discount rate by another 25 basis points to 1.25% as a result of the improving global economic scenario.
In the first quarter, Eurozone GDP growth exceeded expectations (0.6% quarterly and 1.9% annually). This trend seems to have continued in the second quarter as well, when development is expected to reach around 0.7% for the period. This result was triggered by increasing domestic demand, favoured by the European Central Bank's (ECB) monetary policy and mitigations in the degree of fiscal restriction. The ECB disclosed that it no longer considers it necessary to proceed with further reductions in monetary policy rates as, thanks to gradual economic improvements, the risk of deflation appears to be declining.

In the first quarter, the Italian economy reached GDP growth of 0.4% on a quarterly basis (+1.2% annualised). Based on the most recent economic figures, a similar result can also be expected in the second quarter. Unemployment dropped from 11.8% in January to 11.1% in June. Exports seem to be continuing to hold (+5.1% in the first quarter). However, growth in imports (+7.3%) appears to be much more rapid, resulting in a deterioration in the balance of trade with foreign countries. The trend of investments in machinery and equipment (-1.1%) remains disappointing, a not very encouraging sign for future economic growth in Italy.

Oil prices are still fragile, despite the agreements made by the main exporting countries to limit production. At the end of June, the Brent came to $47.08 per barrel, against $55.21 at the end of 2016.

Financial markets

On the currency front, during the second quarter continuing weakness for the dollar allowed the euro to appreciate by 6.9% compared to the US currency, reaching $1.14 at 30 June 2017.

Nominal market rates are still close to their all-time lows due to the modest inflationary trend and the prudent process of normalising monetary policy enacted by the main central banks. In the first six months of the year, the rate curve showed substantial stability on shorter maturities, while there were limited increases on longer maturities: the 20-year IRS rose by roughly 28 basis points to around 1.46% at the end of June. German government rates rose gradually in the first six months of the year. However, in June yields were still negative until the five-year benchmark. Rates on Italian government bonds increased in the first three months and then basically remained at the same values throughout the second quarter. Therefore, for most maturities, at the end of the first half the spread with respect to the same German security returned to the levels reported at the end of 2016.

The performance of the European stock markets in the second quarter of 2017 was for the most part linked to good news relating to economic growth and, as a result, the modest but constant rise in market rates. The Eurostoxx 50 index, representative of the Eurozone securities with the highest level of capitalisation, registered a 1.7% decline

(+4.6% in the six month period). The German Dax trend was slightly positive with +0.1% (+7.4% since the beginning of the year). The Italian Stock Exchange appreciated by 0.4% (+7% for the six month period). Finally, the Madrid Ibex lost, in the same period of time, 0.2% (+11.7% since the beginning of 2017).

The Standard & Poor's 500 index, which represents the performance of the largest listed companies in the US, was up 2.6% in the second quarter (+8.2% since the beginning of the year), while in Japan the Nikkei climbed 5.9% in the same period (+4.8% over six months).
Lastly, in relation to the emerging market indices, the most representative index, the Morgan Stanley Emerging Markets, gained 5.8% in the second quarter of the year (+13.7% since the beginning of the year).

The Itraxx Senior Financial index, representing the average spread of securities issued by financial sector companies with a high credit rating, declined by 35.8 basis points, from 88.6 to 52.8 at the end of the second quarter (in the six month period, a decrease of 40.8 basis points from 93.6 to 52.8 was registered). This improvement is in large part linked to widespread economic growth and the elimination of some risks unique to the banking system.

Insurance sector

In 2016, global premium income rose by 3.1% in real terms, marking a slowdown with respect to +4.3% in 2015. This slowdown was caused by reduced development in advanced countries. The strong increase in insurance business in China supported overall premium growth in the emerging markets which, net of this contribution, also would have shown declining growth.

Life premiums rose by 2.5% (+4.4% in 2015) to $2,617bn. Premiums in more developed countries were down 0.5%, while they rose rapidly in emerging countries (+17%).
Non-life business growth was stagnant at 3.7% (+4.2% in 2015), reaching $2,115bn. The deceleration was mainly caused by advanced countries: +2.3% in 2016 after +3.3% in 2015. Life premiums rose by 9.6% in emerging markets (+7.9% in 2015), with this growth mainly attributable to the Chinese market.
Profitability, in the Non-Life and Life segments, was impacted by the continuation of low interest rates, the effects of lower available reserves and an increase in claims caused by natural disasters. However, insurers operating in the Life and Non-Life segments remain adequately capitalised.

In Italy, the figures for the first quarter of 2017 (which include companies belonging to the European Economic Area) showed substantial stability in overall Non-Life premiums compared to the same period of 2016. There was an attenuation in the downsizing of the MV TPL class (-3.5%), the decline of which remains linked to the progressive decrease in the average premium. This has resulted in continuing aggressive competition in this sector. In this regard, it is worth noting the appreciable growth in distance travelled, which has already translated into slight rises in the frequency of claims (5.16% in the first quarter of 2017 against 5.09 in the same period of 2016). The good performance of the automotive market (new vehicle registrations rose, in the first six months, at a rate of 8.5%) is driving up the premiums in the Land Vehicle Hulls segment (+5.4%).
All remaining Non-MV Non-Life business showed a rebound in premiums (+1.8% in the first quarter). Amongst the most significant sectors, there was good development in the Health class, which benefitted from the spread of collective policies linked to contractual agreements between social partners, meant to supplement the benefits provided by the National Healthcare Service.

In the first six months of 2017, new Life policies for individuals showed a 11.6% decrease (-12.9% fall recorded by Italian companies and -5.2% in cross border operations). From the perspective of the product trend, class I products showed a decline (-26.6% in the first half of 2017) with a contextual increase in unit linked policies (+35.5%), the latter benefitting from the decent performance of the financial markets in this first part of 2017. The low-interest rate environment continues to orient the offer towards class III products. In terms of distribution channels, there was a significant decline in income relating to bank branches (-17.5%), while damages were limited in the agency networks channel (-6.3%). Bucking the trend of the main channels, financial advisors achieved growth of 3%.

Banking sector

Again in the first half of 2017, the Italian banking sector was at the centre of significant tensions, particularly due to the instability of two significant Veneto credit institutions, which led the Atlante fund to exhaust its resources.
In the first seven months of 2017, non-performing loans amounting to nearly €60bn were assigned by several banking groups.
In terms of assets brokered, in May a reduction in customer funding was recorded (-2.8% compared to May 2016) and there was a parallel decrease in loans (-2.1%). More specifically, deposits rose (+1.7%), while the process of erosion of bond stock continued (-7.7%). In terms of assets, a rise in loans to households was recorded (+1.6%) and there was a fall in loans to non-financial companies (-2.1%). Funding from abroad fell to €298bn (-9.1%) simultaneous with the rise in exposure to the ECB: it is estimated that during the last TLTRO, Italian banks obtained roughly €67bn. The securities portfolio recorded a decline of 1.1%.
Although credit risk is falling, levels continue to be high: in May the ratio of net doubtful loans to total loans was 4.26%, down compared to 4.64% twelve months before. At the end of the first five months of 2017, gross doubtful loans amounted to around €202bn, the net figure was €76.5bn.
In May, the interest rate applied to new loans to non-financial companies declined compared with one year prior by 18 cents, to 1.60%. The cost of borrowing for new loans to be used to purchase a home fell by nearly 13 cents. Lastly, interest on consumer credit declined by 21 basis points. The remuneration on new deposits, with a pre-set term for households and companies, showed a marginal decline. The remuneration recognised on them was 0.90%, 5 basis points lower than in May 2016.
Bank profitability will be negatively influenced by the reduction in the interest margin, although this should be offset by growth in revenue from services. However, impaired loans will continue to negatively impact profitability. Indeed, the implementation of non-performing loan reduction plans prepared in accordance with ECB guidelines may entail additional adjustments as well as losses from assignments for credit institutions. The return to profit standards more aligned with other European banking systems will require a significant period of time, and could also require an additional phase of Italian banking sector consolidation.

Real Estate market

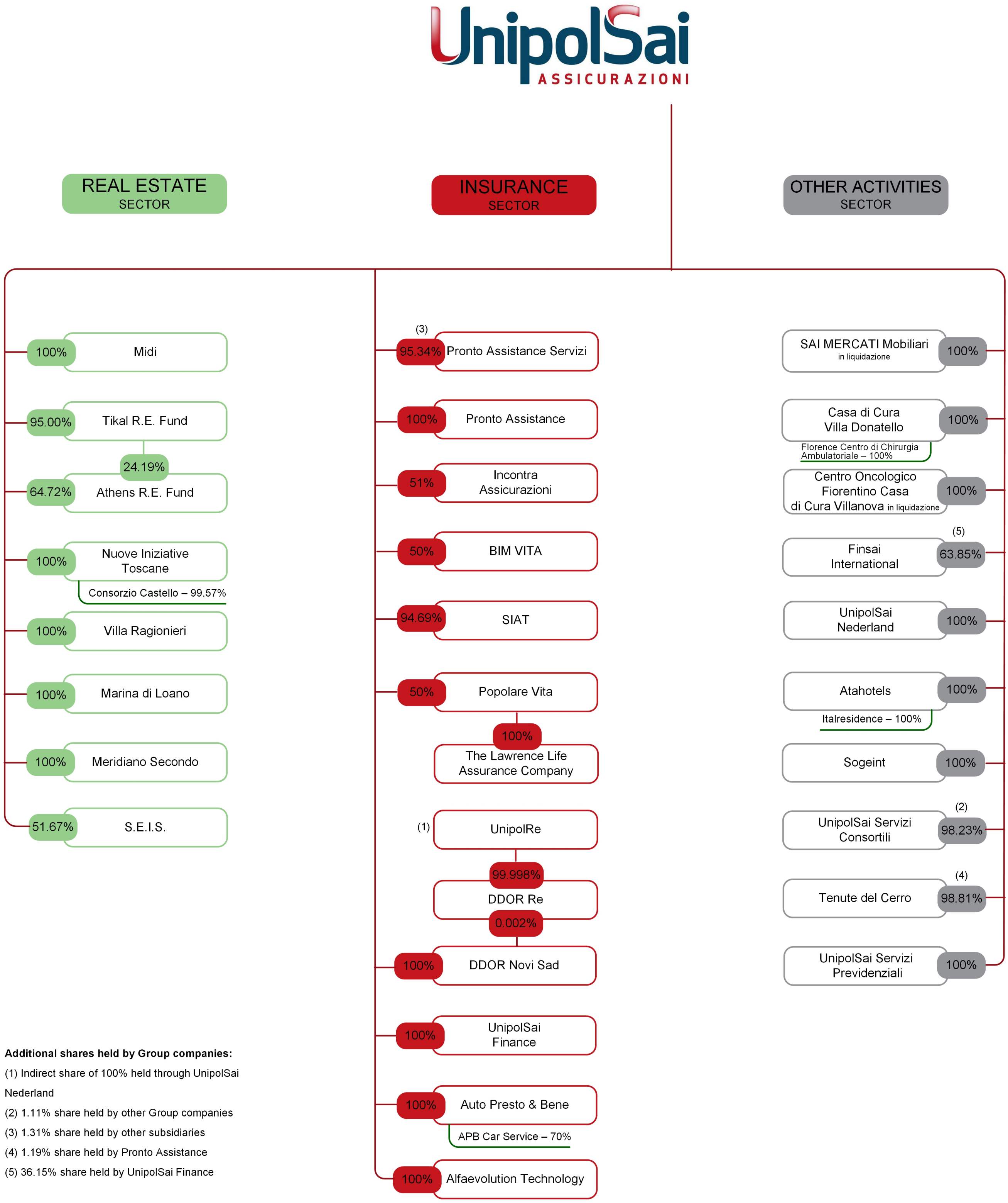
The Tax Authorities reported that, in the first quarter of 2017, the number of real estate transactions in the residential sector showed an 8.6% increase compared with the same period of 2016. The trend in other sectors was even more relevant: +10.8% for the tertiary and commercial sector (offices and stores), +16.2% for the productive and agricultural sectors (industrial warehouses, industry and real estate linked to agriculture).
As proof of the dynamic nature of this sector, ISTAT reported that in 2016 real estate mortgages grew by 17%.
The recovery in the sales market is struggling to expand: in the first half of 2017, the yoy trend in listings was still negative, ranging between -1.2% for new homes to -1.9% for offices. Rental income, although still negative, seemed 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 2017, an average discount on sale prices compared to the original asking price of 12.1% (a slight increase compared to the previous quarter, when it came to 11.6%). Selling times have fallen to 7.1 months, a low point in the most recent data progression.

The Condensed consolidated half-yearly financial statements of UnipolSai Assicurazioni SpA are subject to an audit by independent auditors PricewaterhouseCoopers SpA (PwC), the company tasked with performing the legally-required audit of the consolidated financial statements for the 2013/2021 period.

Consolidation Scope at 30 June 2017

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

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



Additional shares held by Group companies:

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

(2) 1.11% share held by other Group companies

(3) 1.31% share held by other subsidiaries

(4) 1.19% share held by Pronto Assistance

(5) 36.15% share held by UnipolSai Finance

1. Management Report

Group highlights

Amounts in €m	30/6/2017	30/6/2016	31/12/2016
Non-Life direct insurance premiums	3,673	3,685	7,218
% variation	*(0.3)*	*(2.3)*	*(1.6)*
Life direct insurance premiums	1,931	3,036	5,279
% variation	*(36.4)*	*(13.5)*	*(20.6)*
of which Life investment products	116	502	585
% variation	*(76.9)*	*n.s.*	*0.1*
Direct insurance premiums	5,604	6,722	12,497
% variation	*(16.6)*	*(7.7)*	*(10.6)*
Net gains on financial instruments (*)	819	828	1,580
% variation	*(1.0)*	*(36.7)*	*(22.8)*
Consolidated profit (loss)	282	280	527
% variation	*0.8*	*(38.5)*	*(28.5)*
Balance on the statement of comprehensive income	275	88	325
% variation	*n.s.*	*52.9*	*(33.5)*
Investments and cash and cash equivalents	52,315	63,737	63,261
% variation	*(17.3)*	*0.7*	*(0.0)*
Technical provisions	45,923	56,239	55,816
% variation	*(17.7)*	*0.3*	*(0.5)*
Financial liabilities	3,515	4,340	4,681
% variation	*(24.9)*	*11.4*	*20.1*
Non-current assets or assets of a disposal group held for sale	11,004	46	208
Liabilities associated with disposal groups held for sale	10,459		
Shareholders' Equity attributable to the owners of the Parent	6,072	5,940	6,156
% variation	*(1.4)*	*(5.4)*	*(1.9)*
UnipolSai Assicurazioni SpA Solvency II ratio - Partial Internal Model	256%	n.a.	243%
No. Staff	10,681	10,272	10,280

(*) 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	30/6/2017	30/6/2016	31/12/2016
Loss ratio - direct business (including OTI ratio)	Non-Life	67.9%	67.3%	67.0%
Expense ratio (calculated on written premiums) - direct business	Non-Life	28.2%	28.0%	28.7%
Combined ratio - direct business (including OTI ratio)	Non-Life	96.1%	95.3%	95.7%
Loss ratio - net of reinsurance	Non-Life	69.5%	69.0%	68.0%
Expense ratio (calculated on earned premiums) - net of reinsurance	Non-Life	28.3%	27.9%	28.5%
Combined ratio - net of reinsurance (*)	Non-Life	97.9%	96.9%	96.5%
Premium retention ratio	Non-Life	93.2%	93.6%	94.1%
Premium retention ratio	Life	99.8%	99.8%	99.8%
Premium retention ratio	Total	95.3%	96.1%	96.3%
Group pro-rata APE (amounts in €m)	Life	250	272	547
Expense ratio - direct business	Life	5.7%	4.4%	4.8%

(*) with expense ratio calculated on earned premiums

[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.
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.

1 Management Report

Management Report

Operating performance

In the first half of 2017, the profitability of UnipolSai Group operations was up slightly compared to the first half of 2016, despite the negative effects linked to the launch of the banking sector restructuring plan announced by the Parent Unipol at the end of June, which entailed the recognition of considerable adjustments of coverage of impaired loans existing at 30 June 2017 and the determination of a consistent loss for the period of Unipol Banca. The share of this loss attributable to the UnipolSai Group amounted to roughly €105m, determined in relation to the interest in the bank not protected by put/call options, entered into by UnipolSai and Unipol Group, concerning Unipol Banca shares. For further details on this restructuring plan, please refer to what is described below in the "Information on significant events during the first six months" section.

Direct **Non-Life premiums** at 30 June 2017 amounted to €3,673m (€3,685m at 30/06/2016, -0.3%), supported by the Non-MV segment, which marked premiums of €1,599m, up 3.6%. Premiums in the MV TPL business were down again, at €1,749m (-3.9%) due to the continuous competitive pressure on rates, while an increase was confirmed in the Land Vehicle Hulls business with premiums equal to €326m (+1.3%).

With regard to the core companies, Non-Life direct premiums of UnipolSai alone, the Group's main company, stood at €3,506m (-1.4% compared to the first half of 2016), of which €2,053m in the MV classes (-3.3%) and €1,453m in the Non-MV classes (+1.3%).
The main Non-Life subsidiary companies recorded premiums up and even elevated: SIAT, which specialises in the Sea Transport business, recorded €66m in premiums, corresponding to a rise of 16.9%; Incontra (which earns premiums through the Non-Life bancassurance channel) grew to €59m (+81.3%) and the Serbian company DDOR recorded an increase of +5.3%, reaching premiums of €41m.
In terms of Non-Life claims, the constant oversight exercised over claims settlement along with solidity in our provisioning made it possible to offset a good portion of the negative effects linked to the further drop in the average MV TPL premium, the increase in claims from weather events and the increased presence of claims of significant amounts.
At 30 June 2017, the loss ratio for direct business (including the balance of other technical items) was 67.9% against 67.3% at 30 June 2016. The expense ratio for direct business was 28.2%, substantially aligned with 28.0% recorded in the first half of 2016. Overall, the Group's combined ratio of direct business stood at 96.1% compared to 95.3% at 30 June 2016.
The combined ratio net of reinsurance was 97.9% (96.9% at 30/06/2016).

In the **Life business**, within a market environment still characterised by interest rates which are extremely low and negative in the short term, the Group's strategic decision has been confirmed to limit flows of traditional products with returns linked to segregated accounts and to orient sales network offers towards multisegment and linked products. The decline in direct premiums at 30 June 2017, equal to €1,931m, -36.4% compared to the first half of 2016, should therefore be read in light of the limitation of financial risk and in relation to the delay with which the bancassurance channel is being oriented towards the offer of these products. In particular, please note that Popolare Vita, which recently terminated the distribution agreement in place with Banco BPM, with premiums equal to €456m (inclusive of the premiums of the subsidiary The Lawrence Life), recorded a decline of 67%, while BIM Vita stood at €54m, down by 4.2%. The Company UnipolSai recorded direct premiums of €1,416m (-11.1%), characterised by the good commercial success of multisegment products.
New business in terms of APE, net of non-controlling interests, amounted to €250m (€272m at 30/06/2016, -7.8%), of which €65m contributed by bancassurance companies and €186m by traditional companies.

As regards the **management of financial investments**, the first part of 2017 marked a modest overall economic recovery and passed with no particularly significant tensions other than those linked to the various elections in several European countries, which later dissipated.
The gross profitability of the Group's insurance financial investments portfolio produced a particularly significant return in the period in question, equal to 4.2% of invested assets, of which 3.6% relating to the coupons and dividends component, whereas the overall return recorded in the first half of 2016 totalled 3.8%.

Real estate management continued to focus on the renovation of some of the portfolio's properties, particularly in Milan, in order to seek out opportunities to increase value or generate income, as well as structures intended for business use. In the first half of the year under way, several properties were also sold for significant amounts and the first part of a larger block sale was completed, regarding multiple properties owned by Group companies located in various parts of Italy.

The operations of the companies of the **other sectors** in which the Group carries out business continue to be focused on the development of commercial activities.
In particular, as regards the hotel sector, the phase of integrating the Atahotels and Una Hotels structures started following the acquisition of the UNA SpA hotel management business unit in the final days of last year, which resulted in the creation of a new national leader in the Italian hotel sector, the owner of 43 facilities (business and leisure) with a total of 5,500 rooms and turnover in the first half of 2017 exceeding €60m.

UnipolSai closed the first half of 2017 with a consolidated net profit of €282m, in line with €280m recorded at 30 June 2016. Excluding the one-off effects correlated with the restructuring plan of Unipol Banca, on the basis of management figures the consolidated net profit would have been around €387m, favoured by the better contribution of financial management.

Information on significant events during the first six months

Authorisation to the use of the Partial Internal Model in the determination of the solvency capital requirement of UnipolSai

Following the authorisation process launched with the application of 14 November 2016, on 7 February 2017 the Supervisory Authority authorised UnipolSai Assicurazioni to use the Partial Internal Model for calculating the individual Solvency Capital Requirement with effect from 31 December 2016.

Review of the Group structure in the insurance sector and in the banking sector

Project for streamlining the Group's insurance sector

On 29 June 2017, the Board of Directors of UnipolSai Assicurazioni SpA ("UnipolSai") approved the acquisition of the following stakes held by Unipol Gruppo SpA ("Unipol") in:

a) Unisalute SpA ("Unisalute"), an insurance company specialised in the health segment (the top insurance company in Italy by number of customers managed), equal to 98.53% of the share capital, for consideration of €715m;

b) Compagnia Assicuratrice Linear SpA ("Linear"), an insurance company specialised in the direct sale of non-life products, in particular MV, equal to the entire share capital, for consideration of €160m,

(hereinafter, the "Acquisitions").

The Acquisitions are part of a project meant to definitively streamline the Unipol Group's insurance sector (the "Project") through the aggregation of the entire Group insurance business under the control of UnipolSai.
As part of the Project, it is also established that, if the conditions and prerequisites are satisfied, UnipolSai may also subsequently acquire the controlling interest, equal to 63.39% of the share capital, held by Unipol in Arca Vita SpA.
The Acquisitions will enable UnipolSai to develop an integrated multichannel offer model, meant to take into account the evolution of consumer conduct and requirements, while also maintaining the identity and corporate autonomy of the individual companies which operate as the top market leaders in their respective reference sectors.

The considerations of the Acquisitions were determined within the range of values identified with the support of JP Morgan Limited and Mediobanca - Banca di Credito Finanziario SpA, in the capacity of financial advisors, respectively for UnipolSai and Unipol, by applying the estimation methodologies normally used in accordance with the best Italian and international valuation practices.

Considering that Unipol controls UnipolSai, the Acquisitions were qualified by both parties as transactions with related parties "of major significance" pursuant to Consob Regulation no. 17221 of 12 March 2010 and the procedures for transactions with related parties adopted, respectively, by Unipol and UnipolSai.
The Project and the Acquisitions were therefore submitted by UnipolSai and by Unipol (the latter on a voluntary basis) to the respective Committees for transactions with related parties for approval, which were respectively supported, for valuation aspects, by Deloitte Financial Advisory Srl and by Towers Watson Italia Srl, and for legal aspects by BonelliErede and Chiomenti.
With respect to the valuation activities and the determination of the Acquisition consideration, UnipolSai also obtained the independent opinion of Studio Laghi Srl, whereas Unipol obtained the opinion of Colombo & Associati SpA.
The UnipolSai Committee for Transactions with Related Parties expressed its favourable opinion on the Company's interest in carrying out the Acquisitions, as well as on the cost effectiveness and substantial fairness of the relative conditions.

The Acquisitions are expected to be completed by the end of this year, subject to obtaining the necessary authorisations from IVASS.

The Board of Directors of UnipolSai also approved:
- the cancellation of the Distribution Agreement in place with Banco BPM SpA ("Banco BPM"). This cancellation was sent on 30 June 2017 by the subsidiary Popolare Vita SpA ("Popolare Vita");

- the resulting exercise of the put option available to it on the basis of the shareholders' agreement (the "Agreement") in place with Banco BPM, concerning the equity investment held by UnipolSai in Popolare Vita, equal to 50% of its share capital plus one share (the "Equity Investment"). The determination of the Equity Investment sale price is governed within the Agreement by a specific procedure which, *inter alia*, refers the definition of the consideration to two independent experts identified for this purpose (a business bank or a leading auditing firm and an actuarial expert). The experts must proceed with their determinations in application of the methodologies defined in the Agreement. Obviously, UnipolSai and Banco BPM reserve the possibility to initiate discussions to decide on an agreed consideration.

Guidelines of the banking sector restructuring plan

On 30 June 2017, the Parent Unipol announced to the market that the Unipol Board of Directors, which met on 29 June 2017, approved, in its capacity as Parent of the banking group of the same name, the guidelines of a Group banking sector restructuring plan (the "**Restructuring Plan**" or the "**Plan**"), which envisages the transfer by means of proportional partial spin-off of Unipol Banca in favour of a newly established company ("**NewCo**" or the "**Beneficiary**"), of a company complex inclusive, *inter alia*, of a portfolio of the doubtful loans of the Bank (the "**Doubtful Loans**"), gross of valuation reserves, for an amount of roughly €3bn, after (i) the adjustment of their value in accordance with the conditions currently prevailing in the market for disposal transactions, and (ii) the strengthening of the average rate of coverage of loans classified as "unlikely to pay" and those classified as "past due", which will remain within Unipol Banca, to the best levels of the banking industry.
These Doubtful Loans correspond to the entire portfolio of doubtful loans of the Bank at the date of approval of the half-yearly report at 30 June 2017, with the exclusion of those deriving from loans for leases and unsecured commitments.

The transfer of the above-mentioned company complex (the "**Company Complex**"), inclusive of the stock of Doubtful Loans, to a separate business specialised in the collection of these positions, will enable:
- Unipol Banca, as a result of the transfer of the Doubtful Loans and the strengthening of rates of coverage on other impaired loans:
  - to focus on its core activities with a financial position and a reduced risk profile, a necessary condition to guarantee potential growth in profitability for the benefit of all stakeholders;
  - to obtain risk indicators (NPL ratio) at excellent levels within the scope of the domestic banking system;

- the entire Unipol Group:
  - to increase the efficiency of credit collection activities, thanks to specialised structures which are completely dedicated to this activity. In this regard, please note that, in line with what was approved by the Board of Directors of the Parent Unipol on 22 December 2016, Unipol Banca has already established the special purpose vehicle Unipol Reoco S.p.A. ("**Reoco**"), wholly owned by the Bank and now included within the scope of the spin-off in favour of NewCo, which is called upon to concentrate on the acquisition, valuation and sale of the real estate assets pledged as collateral against the Doubtful Loans, in order to facilitate their recovery;
  - to keep with NewCo, and as a result within the Group, the value linked to the future recovery of the Doubtful Loans, also through any future assignments to third parties on the basis of economic conditions deemed consistent, thus avoiding a large-scale assignment of non-performing loans to third party investors which could result in a transfer of value outside the Group;
  - to thus facilitate the pursuit of all possible strategic options that may arise within the process of streamlining and concentration of the Italian banking system.

On 18 July 2017, Unipol transmitted to UnipolSai Assicurazioni S.p.A. ("**UnipolSai**") and to Unipol Banca a specific note describing the activities and phases for carrying out the Plan which is broken down into the following transactions (overall, the "**Transaction**"):
(i) an increase in rates of coverage of existing impaired loans, taking into account the changed outlooks for their realisation;
(ii) signing by Unipol and Unipol Banca of an agreement for the early termination of the indemnity agreement entered into on 3 August 2011 as subsequently amended and supplemented on non-performing loans meant to be included in the Doubtful Loans subject to transfer;
(iii) following the completion of the transactions described above, the disbursement by Unipol and UnipolSai of capital account payments in favour of the Bank, in proportion with the shares of the share capital currently held by the same shareholders in Unipol Banca, in order to replenish the capital of the latter in line with the capital ratios existing before the adjustments pursuant to point (i) above;

(iv) following the transactions described above, the proportional partial spin-off of Unipol Banca in favour of NewCo (the "**Spin-Off**"), through the spin-off in favour of the latter, with continuity of carrying amounts, of the Bank's Company Complex consisting essentially (i) in the assets: of Doubtful Loans (along with specialised personnel for the management and processing of such Doubtful Loans and the functional contracts) the 100% stake in Reoco and deferred tax assets relating to the Company Complex; and (ii) in the liabilities: of shareholders' equity and several payables relating to the Company Complex including the payable deriving from the Shareholder Loan which will be disbursed to the Bank within the context of the Transaction, subsequent to obtaining the authorisation for the Spin-Off from the Bank of Italy and before the completion thereof.

The Boards of Directors of UnipolSai and Unipol Banca, which met on 27 and 28 July 2017, respectively, examined and approved the Transaction as outlined by the Parent Unipol.
On 31 July 2017, Unipol and Unipol Banca entered into the Agreement for the Termination of the indemnity agreement, effective as of 30 June 2017, defining the indemnity due from Unipol to Unipol Banca as €670.4m.
As a result of what is set forth above, Unipol Banca amended the model for the management of impaired loans existing at 30 June 2017, with regard not only to the Doubtful Loans subject to transfer to NewCo, but also to the remaining NPL portfolio existing at 30 June 2017 and meant to remain with the Bank after the Spin-Off, with a view to facilitating their recovery within a more limited time horizon, also through any future realisation transactions other than the ordinary management of the relationship with the debtor.
This led Unipol Banca to carry out an even more careful analysis of impaired loans, also with a view to identifying specific portfolios in relation to which it could express evaluations concerning any assignments to third parties, determining discontinuity in the cases in which the estimation of collectability of the impaired loans was carried out in previous periods.
In line with the changed model for the management of the existing NPL portfolio, Unipol Banca revised the estimation criteria applied in the valuation of loans at 30 June 2017.
In this regard, it also incorporated the indications received from Bank of Italy inspectors during the inspection launched by the Supervisory Authority in the second quarter of 2017, with reference to Unipol Banca and with a specific focus on policies for the management of loans in general and impaired loans in particular. Specifically, the inspection team asked Unipol Banca to revise several classifications in the NPL categories, to supplement the doubtful position coverage levels, to adjust the methodology for calculating the discounting in relation to a more updated estimate of recovery times and to review more in general the impaired loan management and valuation policies.

The value adjustments to loans (cash and unsecured) of Unipol Banca in the first half of 2017 amounted to roughly €1,600m, in addition to roughly €16m in losses realised from assignments of receivables. To partially offset these losses, the Bank recognised income deriving from the indemnity agreement totalling €696m, of which €670.4m for the termination of the agreement. Net of this income, losses on loans recognised by the Bank amounted to a total of approximately €920m at 30 June 2017.
Please note that following the set of assessments conducted, the net carrying amount of the Doubtful loans is consistent with market values resulting from recent transactions for the assignment of similar portfolios and that the coverage of loans classified as Unlikely to Pay and Past Due is aligned with the best levels of the banking system.
Unipol Banca closed the first half of 2017 with a loss for the period of €712.7m. As a result, UnipolSai recognised costs deriving from the equity investment held in the associated company of roughly €105m, taking into account the effects of the put/call option on Unipol Banca shares.

For more detailed information on the trend of transactions set forth in the Plan carried out after 30 June 2017, please also refer to the "Significant events after the reporting period" section at the end of this Report.

Salient aspects of business operations

The UnipolSai Group closed the first half of 2017 with a **net profit of €282m** (€280m at 30/06/2016), net of taxation for the period of €112m.

The **solvency situation of UnipolSai SpA** at 30 June 2017, calculated according to Solvency II Partial Internal Model metrics, showed a ratio of available capital to requested capital of 2.56[2] [3] (2.43 recorded at 31/12/2016).

The **Insurance sector** contributed €302m to consolidated net profit (€294m at 30/06/2016), of which €174m related to Non-Life business (€168m at 30/06/2016), and €128m related to Life business (€125m at 30/06/2016).
The results of the other sectors in which the Group carries out business are as follows:
- the **Other Businesses sector** recorded a -€4m loss (-€5m at 30/06/2016);
- the **Real Estate sector** recorded a -€15m loss (-€9m at 30/06/2016).

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

- **direct insurance premiums**, before reinsurance transfers, totalled €5,604m (€6,722m at 30/06/2016, -16.6%). Non-Life direct premiums amounted to €3,673m (€3,685m at 30/06/2016, -0.3%) whereas Life direct premiums amounted to €1,931m (€3,036m at 30/06/2016, -36.4%), of which €116m was related to Life investment products (€502m at 30/06/2016);

- **premiums earned**, net of reinsurance transfers, amounted to €5,221m (€5,981m at 30/06/2016), of which €3,410m in the Non-Life business (€3,451m at 30/06/2016) and €1,811m in the Life business (€2,531m at 30/06/2016);

- **net charges relating to claims**, net of reinsurance, amounted to €4,356m (€5,092m at 30/06/2016), of which €2,269m from Non-Life business (€2,298m at 30/06/2016) and €2,087m from Life business (€2,794m at 30/06/2016), including €81m in net gains on financial assets and liabilities at fair value (-€36m at 30/06/2016);

- the **loss ratio** of direct Non-Life business was 67.9%, (67.3% at 30/06/2016);

- **operating expenses** amounted to €1,155m (€1,168m at 30/06/2016). In the Non-Life business, operating expenses amounted to €1,003m (€1,010m at 30/06/2016), €123m in the Life business (€134m at 30/06/2016), €31m in the Other Business sector (€28m at 30/06/2016) and €6m in the Real Estate sector (€5m at 30/06/2016);

- the **combined ratio** of direct Non-Life business was 96.1%, (95.3% at 30/06/2016);

- **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 €819m (€828m at 30/06/2016);

- **gross profit** came to €394m (€383m at 30/06/2016), after write-downs of property and available-for-sale assets amounting to €72m (€49m at 30/06/2016), and amortisation of intangible assets amounting to €28m (€35m at 30/06/2016);

- **taxation** for the period constituted a net expense of €112m (net expense of €103m at 30/06/2016). The tax rate was 28.4% (26.9% at 30/06/2016);

[2] Value calculated on the basis of the information available as of today, to be understood as preliminary as the definitive figure will be reported to the Supervisory Authority with the timing required by regulations in force.
[3] Please note that although UnipolSai is an insurance company which is the parent of other insurance and reinsurance companies, it is not required to calculate Group solvency in accordance with IVASS Regulation no. 22 of 1 June 2016. UnipolSai is in turn controlled by Unipol which qualifies, for the effects of the transitional regulation set forth in the above-mentioned IVASS Regulation no. 22, as "Ultimate Italian parent company" which is subject to the rules relating to Group supervision pursuant to Art. 210 et seq. of the Private Insurance Code.

- net of the €17m profit attributable to non-controlling interests, the **profit attributable to the owners of the Parent** at 30 June 2017 was **€265m** (a profit of €269m at 30/06/2016);

- in just the second quarter of 2017, **gross profit** was €185m (a profit of €184m in the second quarter of 2016);

- the **Comprehensive Income Statement** result was a profit of €275m (a profit of €88m at 30/06/2016), even accounting for the decrease in the reserve for gains or losses on available-for-sale financial assets of €17m (negative variation of €203m at 30/06/2016);

- **investments and cash and cash equivalents** amounted to €52,315m (€63,261m at 31/12/2016), after having reclassified €10,794m under assets held for disposal, pursuant to IFRS 5 (€208m at 31/12/2016 referring entirely to properties) relating to assets held by Popolare Vita and The Lawrence Life (€10,729m) and properties (€65m) for which the owner Companies started disposal activities or for which the related preliminary sales contracts have already been executed;

- **technical provisions** and **financial liabilities** amounted to €49,438m (€60,497m in 2016), after reclassifying, pursuant to IFRS 5, under liabilities held for disposal €10,341m relating to Popolare Vita and The Lawrence Life.

A summary of the Consolidated operating Income Statement at 30 June 2017 is illustrated below, broken down by business segment: Insurance (Non-Life and Life), Other Businesses and Real Estate, compared with the figures at 30 June 2016.

Condensed Consolidated Operating Income Statement broken down by business segment

Amounts in €m	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE SECTOR		
	30/6/17	30/6/16	% var.	30/6/17	30/6/16	% var.	30/6/17	30/6/16	% var.
Net premiums	3,410	3,451	*(1.2)*	1,811	2,531	*(28.4)*	5,221	5,981	*(12.7)*
Net commission income		(1)	*(69.2)*	9	10	*(9.8)*	9	9	*(6.0)*
Financial income/expenses (**)	225	247	*(9.0)*	602	597	*0.8*	827	844	*(2.1)*
Net interest income	*197*	*176*		*534*	*532*		*731*	*707*	
Other income and charges	*(47)*	*54*		*8*	*35*		*(39)*	*88*	
Realised gains and losses	*68*	*102*		*100*	*102*		*168*	*204*	
Unrealised gains and losses	*7*	*(85)*		*(40)*	*(71)*		*(33)*	*(156)*	
Net charges relating to claims	(2,269)	(2,298)	*(1.3)*	(2,087)	(2,794)	*(25.3)*	(4,356)	(5,092)	*(14.4)*
Operating expenses	(1,003)	(1,010)	*(0.8)*	(123)	(134)	*(7.8)*	(1,126)	(1,144)	*(1.6)*
Commissions and other acquisition expenses	*(792)*	*(789)*	*0.3*	*(56)*	*(65)*	*(13.7)*	*(848)*	*(855)*	*(0.8)*
Other expenses	*(211)*	*(221)*	*(4.6)*	*(67)*	*(68)*	*(2.1)*	*(278)*	*(290)*	*(4.0)*
Other income/charges	(127)	(163)	*22.0*	(30)	(33)	*8.8*	(158)	(197)	*19.8*
Pre-tax profit (loss)	**235**	**225**	*4.5*	**181**	**176**	*2.6*	**416**	**401**	*3.7*
Income taxes	(61)	(56)	*8.5*	(53)	(51)	*4.8*	(114)	(107)	*6.8*
Profit (loss) from discontinued operations									
Consolidated profit (loss)	**174**	**168**	*3.2*	**128**	**125**	*1.7*	**302**	**294**	*2.6*
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.

(**) Excluding assets and liabilities at fair value relating to insurance contracts issued by insurance companies where the investment risk is borne by policyholders and arising from pension fund management

OTHER BUSINESSES SECTOR			REAL ESTATE SECTOR (*)			INTER-SEGMENT ELIMINATIONS		TOTAL CONSOLIDATED		
30/6/17	30/6/16	*% var.*	**30/6/17**	30/6/16	*% var.*	**30/6/17**	30/6/16	**30/6/17**	30/6/16	*% var.*
								5,221	5,981	*(12.7)*
								9	9	*(5.9)*
			(3)	(2)	*(57.2)*	(4)	(15)	819	828	*(1.0)*
(1)			*(3)*	*(1)*				*728*	*706*	
			5	*7*		*(4)*	*(15)*	*(38)*	*81*	
				(1)				*168*	*204*	
			(5)	*(7)*				*(38)*	*(162)*	
								(4,356)	(5,092)	*(14.4)*
(31)	(28)	*13.5*	(6)	(5)	*18.1*	8	9	(1,155)	(1,168)	*(1.1)*
								(848)	*(855)*	*(0.8)*
(31)	*(28)*	*13.5*	*(6)*	*(5)*	*18.1*	*8*	*9*	*(307)*	*(313)*	*(2.0)*
26	19	*37.6*	(8)	(3)	*(143.8)*	(4)	6	(143)	(175)	*18.1*
(5)	(8)	*33.4*	(17)	(10)	*(64.8)*			394	383	*2.9*
1	3	*(57.9)*	1	1	*22.4*			(112)	(103)	*8.6*
(4)	(5)	*17.8*	(15)	(9)	*(69.2)*			282	280	*0.8*
								265	269	
								17	10	

Insurance Sector

The Group's insurance business closed the period with a **profit of €302m** (€294m at 30/06/2016), of which €174m relating to the Non-Life sector (€168m at 30/06/2016) and €128m relating to the Life sector (€125m at 30/06/2016).

With respect to the Non-Life segment, income of roughly €12m was recorded relating to the indemnity recognised to UnipolSai by UniCredit SpA on the basis of the bancassurance agreements in force in relation to the subsidiary Incontra Assicurazioni. Indeed, as part of the above-mentioned agreements, if the subsidiary did not reach a given volume of actual gross premiums (as defined in the agreement) in the period between 1 January 2012 and 31 December 2016, variable indemnity was agreed upon in favour of UnipolSai based on cumulative premiums during the observation period. The indemnity was paid out in May 2017, following the verification of the degree to which the business objective had been reached by the subsidiary.

At 30 June 2017, Investments and cash and cash equivalents of the Insurance sector, including properties for own use, totalled €50,926m (€61,919m at 31/12/2016), €16,583m of which was from Non-Life business (€16,386m at 31/12/2016) and €34,343m from Life business (€45,534m at 31/12/2016), after reclassifying €10,729m held by Popolare Vita and The Lawrence Life under assets held for disposal, pursuant to IFRS 5.

Financial liabilities amounted to €3,227m (€4,392m at 31/12/2016), €1,486m of which was from Non-Life business (€1,664m at 31/12/2016) and €1,741m from Life business (€2,727m at 31/12/2016), after reclassifying €977m held by Popolare Vita and The Lawrence Life under liabilities held for disposal, pursuant to IFRS 5.

Total premiums (direct and indirect premiums and investment products) at 30 June 2017 amounted to €5,668m (€6,749m at 30/06/2016, -16.0%).
Life premiums amounted to €1,931m (€3,037m at 30/06/2016, -36.4%) and Non-Life premiums totalled €3,738m (€3,712m at 30/06/2016, +0.7%).

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 2017, for €116m, related to Class III (Unit- and Index-Linked policies) and Class VI (pension funds).

Total premiums

Amounts in €m	30/6/2017	*% comp.*	30/6/2016	*% comp.*	*% var.*
Non-Life direct premiums	3,673		3,685		*(0.3)*
Non-Life indirect premiums	64		27		*141.9*
Total Non-Life premiums	**3,738**	***65.9***	**3,712**	***55.0***	***0.7***
Life direct premiums	1,815		2,534		*(28.4)*
Life indirect premiums					*(11.0)*
Total Life premiums	**1,815**	***32.0***	**2,535**	***37.6***	***(28.4)***
Total Life investment products	116	*2.0*	502	*7.4*	*(76.9)*
Total Life business	**1,931**	***34.1***	**3,037**	***45.0***	***(36.4)***
Overall total	**5,668**	***100.0***	**6,749**	***100.0***	***(16.0)***

Premiums in the second quarter of 2017 alone amounted to €2,791m (€3,010m in the second quarter of 2016).

Direct premium income amounted to €5,604m (€6,722m at 30/06/2016, -16.6%), of which Non-Life premiums totalled €3,673m and Life premiums €1,931m.

Amounts in €m	30/6/2017	*% comp.*	30/6/2016	*% comp.*	*% var.*
Non-Life direct premiums	3,673	*65.5*	3,685	*54.8*	*(0.3)*
Life direct premiums	1,931	*34.5*	3,036	*45.2*	*(36.4)*
Total direct premiums	**5,604**	***100.0***	**6,722**	***100.0***	***(16.6)***

Indirect Non-Life and Life premiums totalled €64m at 30 June 2017 (€27m at 30/06/2016), €64m of which referred to premiums from Non-Life business (€27m at 30/06/2016) and €0.3m to the Life business (€0.3m at 30/06/2016).

Amounts in €m	30/6/2017	*% comp.*	30/6/2016	*% comp.*	*% var.*
Non-Life premiums	64	*99.6*	27	*98.9*	*141.9*
Life premiums		*0.4*		*1.1*	*(11.0)*
Total indirect premiums	**64**	***100.0***	**27**	***100.0***	*140.3*

Group **premiums ceded** totalled €259m (€242m at 30/06/2016), €255m of which from Non-Life premiums ceded (€238m at 30/06/2016) and €4m from Life premiums ceded (€4m at 30/06/2016).

Amounts in €m	30/6/2017	*% comp.*	30/6/2016	*% comp.*	*% var.*
Non-Life premiums	255	*98.6*	238	*98.3*	*7.6*
Retention ratio - Non-Life business (%)	*93.2%*		*93.6%*		
Life premiums	4	*1.4*	4	*1.7*	*(7.4)*
Retention ratio - Life business (%)	*99.8%*		*99.8%*		
Total premiums ceded	**259**	***100.0***	**242**	***100.0***	*7.3*
Overall retention ratio (%)	*95.3%*		*96.1%*		

The retention ratio is the ratio of premiums retained (total direct and indirect premiums net of premiums ceded) to total direct and indirect premiums. In calculating the ratio, investment products are not considered.

At 30 June 2017, the technical result of Non-Life premiums ceded was positive for reinsurers, while the technical result of Life premiums ceded was basically break-even.

Non-Life business

Total Non-Life premiums (direct and indirect) at 30 June 2017 amounted to €3,738m (€3,712m at 30/06/2016).

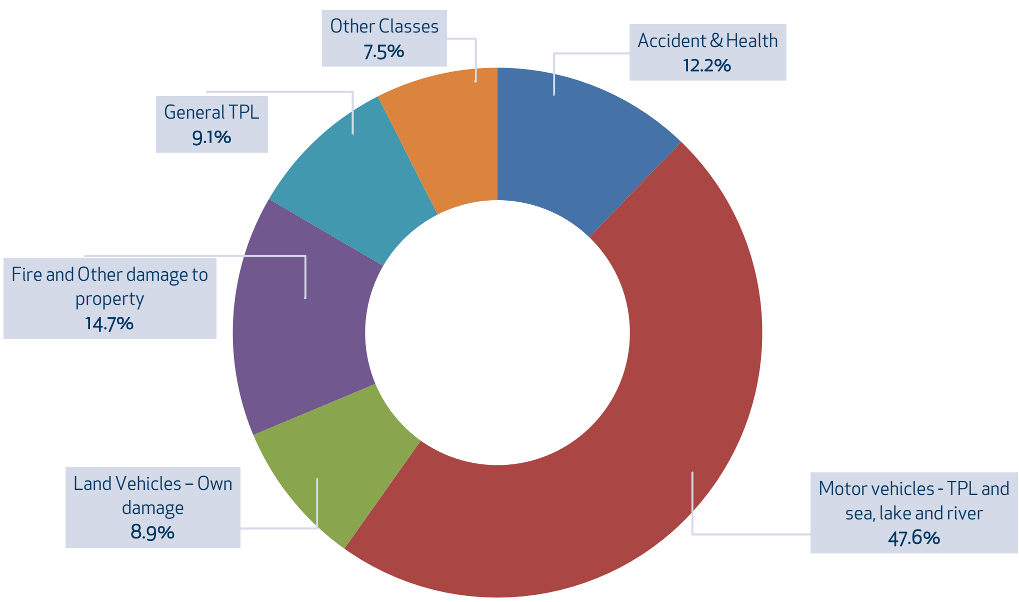
Direct business premiums alone amounted to €3,673m (€3,685m at 30/06/2016). **Indirect business premiums** were €64m (€27m at 30/06/2016).

The breakdown of direct business for the main classes and the changes with respect to 30 June 2016 is shown in the following table:

Non-Life business direct premiums

Amounts in €m	30/6/2017	*% comp.*	30/6/2016	*% comp.*	*% var.*
Motor vehicles - TPL and sea, lake and river (classes 10 and 12)	1,749		1,821		*(3.9)*
Land Vehicle Hulls (Class 3)	326		321		*1.3*
Total premiums - Motor vehicles	**2,075**	***56.5***	**2,142**	***58.1***	***(3.2)***
Accident & Health (Classes 1 and 2)	449		436		*2.8*
Fire and Other damage to property (Classes 8 and 9)	541		530		*2.0*
General TPL (Class 13)	335		332		*0.9*
Other classes	274		245		*12.1*
Total premiums - Non-Motor vehicles	**1,599**	***43.5***	**1,543**	***41.9***	***3.6***
Total Non-Life direct premiums	**3,673**	***100.0***	**3,685**	***100.0***	***(0.3)***

% breakdown of Non-Life direct business premiums



In the first half of 2017, the direct premiums of the UnipolSai Group amounted to €3,673m (-0.3%). Premiums in the MV TPL business were €1,749m, down 3.9% compared to the first half of 2016. A slight increase was also reported in the Land Vehicle Hulls business with premiums equal to €326m, +1.3%; income in the Non-MV segment was up, with premiums totalling €1,599m, +3.6%.

Non-Life claims

The constant oversight exercised over claims settlement along with solidity in our provisioning made it possible to offset a good portion of the negative effects linked to the further drop in the average MV TPL premium, the increase in claims from weather events and the increased presence of claims of significant amounts.

The **loss ratio** (for Non-Life direct business alone), including the OTI ratio, stood at 67.9% (67.3% at 30/06/2016).

The number of claims reported, without considering the MV TPL class, fell by 3.4%: the table with the changes by class is provided below.

Number of claims reported (excluding MV TPL)

	30/6/2017	30/6/2016	*% var.*
Land Vehicle Hulls (Class 3)	153,345	143,176	*7.1*
Accident (Class 1)	67,551	70,278	*(3.9)*
Health (Class 2)	209,213	266,812	*(21.6)*
Fire and Other damage to Property (Classes 8 and 9)	141,471	137,741	*2.7*
General TPL (Class 13)	47,084	46,986	*0.2*
Other classes	223,501	206,510	*8.2*
Total	**842,165**	**871,503**	***(3.4)***

As regards the MV TPL class, where the Card[4] agreement is applied, in the first six months of 2017, cases relating to "fault" claims (Non-Card, Debtor Card or Natural Card) reported totalled 324,213, down 0.2% compared to 30 June 2016.
Claims reported that present at least one Debtor Card claims handling numbered 186,445, down 1.6% compared to the same period in the previous year.
Handler Card claims totalled 246,244 (including 60,118 Natural Card claims, i.e. claims between policyholders at the same company), up by 1.3%. The settlement rate for the first half of 2017 was 65.9% as compared to 66.8% 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 2017 came to 84.8% (unchanged with respect to June 2016).

The **expense ratio** for Non-Life direct business was 28.2% (28.0% at 30/06/2016).

The **combined ratio**, based on direct business, was 96.1% at 30 June 2017 (95.3% at 30/06/2016).

[4] - CARD - Convenzione tra Assicuratori per il Risarcimento Diretto - Agreement between Insurers for Direct Compensation: MV TPL claims may be classified as one of three cases of claims managed:
- Non-Card claims: claims governed by the ordinary regime, to which CARD is not applied;
- Debtor Card claims: claims governed by CARD where "our" policyholder is fully or partially liable, which are settled by the counterparty's insurance companies, to which "our" insurance company must pay a flat rate pay-out ("Debtor Flat Rate");
- Handler Card claims: claims governed by CARD where "our" policyholder is fully or partially not liable, which are settled by "our" insurance company, to which the counterparty's insurance companies must pay a flat rate pay-out ("Handler Flat Rate").
However, it must be noted that this classification is a simplified representation because, in reality, each individual claim may contain damages included in each of the three above-indicated cases.

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

The performance of the main Group companies in the first half of 2017 is summarised in the following table:

Amounts in €m	Premiums written	*% Var.*	Investments	Gross Technical Provisions
NON-LIFE INSURANCE SECTOR				
UNIPOLSAI ASSICURAZIONI SpA	3,510	*(1.4)*	16,558	14,402
DDOR NOVI SAD ADO	41	*5.3*	59	75
INCONTRA ASSICURAZIONI SpA	59	*81.3*	146	185
PRONTO ASSISTANCE SpA	69	*9.6*	37	1
SIAT SpA	76	*14.7*	121	255

The direct premiums of only UnipolSai, the Group's main company, stood at €3,506m (€3,556m at 30/06/2016, -1.4%), of which €2,053m in the MV classes (€2,122m at 30/06/2016, -3.3%) and €1,453m in the Non-MV classes (€1,434m at 30/06/2016, +1.3%).
Also considering indirect business, premiums acquired at 30 June 2017 amounted to €3,510m (-1.4%).

In the MV classes, €1,734m related to premiums in the MV TPL class and Sea, Lake and River Vessels TPL class (€1,806m at 30/6/2016, -4.0%).
The significant contraction in premiums was determined by the reduction of the average premium, which is continuing although it is gradually and constantly reducing. The number of contracts in the portfolio was stable with respect to the end of last year. The market is experiencing a continuous slowdown in the decline in prices which, although to a lesser extent than in the past, are still down. The number of claims was down slightly and the cost of claims recorded a more significant drop.
With reference to the Land Vehicle Hulls business, premiums recorded a positive trend in line with the good results of the automotive industry, which is resulting in a gradual renewal of the fleet of vehicles on the road. The number of claims and the relative cost rose slightly, particularly in the part of the portfolio characterised by products which are being gradually phased out and replaced with other more recent ones.
In the Non-MV businesses, the growing trend of premiums, already recorded in the first half of 2016, was confirmed: the increase was spread amongst the various segments.
With reference to the Fire class, the growth in premiums in the first half of 2017 can be ascribed to the increase in coverage for the Individuals segment, while the Businesses segment was down.
With reference to Health, the half closed with an increase in premiums despite the loss of several contracts which had unsatisfactory performance. There was a significant decline in the number of claims reported, the amount paid out and also total charges, triggering an improvement in margins in this class compared to the first half of 2016.

DDOR Novi Sad recorded a €0.4m profit at 30 June 2017 (an improvement compared to the break-even achieved at 30/06/2016) with total premiums (Non-Life and Life segments) rising from €43m at 30 June 2016 (of which €39m in the Non-Life segment) to €46m at 30 June 2017 (of which roughly €41m in the Non-Life segment), despite the macroeconomic uncertainty that continues to impact the Serbian insurance market. The greatest increases in premiums are mainly to be attributed to the MV and Other Damage to Property classes.

Incontra Assicurazioni recorded a €5m profit at 30 June 2017 (an improvement compared to €4m at 30/6/2016), with considerably increasing premiums compared to the previous year, i.e. from €32.5m at the end of the first half of 2016 to €59.0m at 30 June 2017, mainly concentrated in the Health and Pecuniary Losses classes. At 30 June 2017, the volume of total investments reached roughly €146m (€144m at 31/12/2016), while gross technical provisions reached €185m (€161m at 31/12/2016): the ratio between gross technical provisions and written premiums was 314%.

Pronto Assistance, active in placing assistance services insurance policies in the home, health, MV and business segments, personalisable to meet the customer's needs, closed the first half of 2017 with a profit of €2.5m (profit of €3.1m recorded in the first half of 2016). At 30 June 2017 there were total premiums amounting to €69.2m (€63.2m at 30/6/2016), with an increase of around 9.6% mainly referred to the indirect business taken by Group companies.

SIAT recorded a €2.1m profit in the first half of 2017 (€3.0m at 30/06/2016) with total gross premiums (direct and indirect) at €76.2m (€66.4m at 30/06/2016). The considerable deterioration in the result for the half can primarily be

ascribed to the technical component, as a result of the increase in claims in the "Land Vehicle Hulls" segment, frustrating the appreciable rise in premiums in that same sector, which was influenced by the acquisition of new customers as well as the increase in co-insurance shares, in addition to certain time mismatches in the renewal of the policies of some significant fleets with a duration exceeding twelve months. Within this context, the portfolio of Italian and foreign mandates, which represent the backbone of the sector, remained unchanged. At the same time, the renewal of certain unsatisfactory portions of the historical series was refused and new subscriptions without sufficient profitability indicators were avoided.
There were no significant changes in the "Goods" sector, but the decline in business (primarily due to portfolio selection) experienced in previous years came to an end.

New products

The following new products began being marketed in the first half of 2017:
- KM&SERVIZI 2Ruote, which introduces important innovations consisting of the possibility of activating a rate per kilometre, ITC services and new methods that can be used to suspend the policy or block the insured value of the vehicle in the event of a total loss, for up to 24 months in the case of a new registration.
- UnipolSai Casa&Servizi dedicated to the protection of families and homes which, with respect to previous home multi-risk products, features significant new innovative elements, such as:
  - the possibility of insuring earthquake risk to an indemnity limit equal to 100% of the insured amount and extending flood risk to contents;
  - the introduction of the UniboxC@sa technological solution for reporting emergencies (such as fires, flooding or intrusions) which automatically activates assistance services when required;
  - direct repair services for the most common claims, through a network of selected craftsmen.
- UnipolSai C@ne&G@tto dedicated to protecting dogs and cats as well as providing protection from the risks associated with the ownership of these pets. The following guarantees are provided:
  - Assistance, which includes a basic guarantee and a plus guarantee inclusive of the technological component (the Unibox PETs device for locating the pet);
  - Third-party damages, covering TPL for damages caused by the insured's pet to third parties: one significant new feature is the extension of the guarantee to children of the insured below 14 years of age or the person who temporarily and occasionally has custody of the animal;
  - Legal protection, for the coverage of legal expenses in relation to pet ownership or custody;
  - Veterinary expenses for surgery, for the expenses that the insured needs to incur if the pet has an accident or illness that requires surgical intervention.

Life business

Life business (direct and indirect premiums) amounted to a total of €1,931m (€3,037m at 30/06/2016), with a contribution coming from the bancassurance companies amounting to €510m (-64.6%). The Group has confirmed its strategic decision to limit flows of traditional products with returns linked to segregated accounts and to orient sales network offers towards multisegment and linked products.

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

Life business direct premiums

Amounts in €m	30/6/2017	*% comp.*	30/6/2016	*% comp.*	*% var.*
Total direct premiums					
I – Whole and term Life insurance	1,194	*61.8*	1,967	*64.8*	*(39.3)*
III - Unit-linked/index-linked policies	284	*14.7*	581	*19.1*	*(51.2)*
IV - Health	1	*0.1*	1	*0.0*	*43.6*
V - Capitalisation insurance	165	*8.5*	231	*7.6*	*(28.8)*
VI - Pension funds	287	*14.9*	256	*8.4*	*12.1*
Total Life business direct premiums	**1,931**	***100.0***	**3,036**	***100.0***	***(36.4)***
of which Premiums (IFRS 4)					
I – Whole and term Life insurance	1,194	*65.8*	1,967	*77.6*	*(39.3)*
III - Unit-linked/index-linked policies	184	*10.1*	96	*3.8*	*91.3*
IV - Health	1	*0.1*	1	*0.0*	*43.6*
V - Capitalisation insurance	165	*9.1*	231	*9.1*	*(28.8)*
VI - Pension Funds	271	*14.9*	239	*9.4*	*13.5*
Total Life business premiums	1,815	*100.0*	2,534	*100.0*	*(28.4)*
of which Investment products (IAS 39)					
III - Unit-linked/index-linked policies	100	*86.3*	485	*96.6*	*(79.4)*
VI - Pension funds	16	*13.7*	17	*3.4*	*(7.1)*
Total Life investment products	116	*100.0*	502	*100.0*	*(76.9)*

New business in terms of APE, net of non-controlling interests, amounted to €250m at 30 June 2017 (€272m at 30/06/2016).

Pension Funds

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

UnipolSai Assicurazioni managed a total of 22 **occupational pension fund** mandates at 30 June 2017 (16 of them for accounts "with guaranteed capital and/or minimum return"). On the same date resources under management totalled €4,099m (€3,510m with guaranteed capital). At 31 December 2016, UnipolSai managed a total of 23 Occupational Pension Fund mandates (16 of which “with guaranteed capital and/or minimum return”; resources under management totalled €4,340m (of which €3,375m with guaranteed capital).

As regards **Open Pension Funds**, at 30 June 2017 the Unipol Group managed 3 Open-Ended Pension Funds (UnipolSai Previdenza FPA, Fondo Pensione Aperto Popolare Vita, Fondo Pensione Aperto BIM Vita) that at that date amounted to a total of 44,855 members for total assets of €893m. At 31 December 2016, there were 3 Open Pension Funds with total assets of €881m and a total of 45,133 members.

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

The performance of the main Group companies at 30 June 2017 is summarised in the following table:

Amounts in €m	Premiums written (*)	*% Var.*	Investments	Gross Technical Provisions
LIFE INSURANCE SECTOR				
UNIPOLSAI ASSICURAZIONI SpA	1,330	*(14.8)*	33,842	30,308
BIM VITA SpA	39	*(14.7)*	696	603
POPOLARE VITA SpA	412	*(55.4)*	8,893	7,960
THE LAWRENCE LIFE DAC	29	*n.d.*	1,858	1,404

(*) excluding financial products

UnipolSai collected a total of direct premiums amounting to €1,330m (€1,560m at 30/06/2016, -14.8%), in addition to financial products amounting to €86m (€32m at 30/06/2016). The most significant element of the first half of the year was the decrease of 20.5% in the individual policy segment, due mainly to the decline in premiums from traditional products in Class V (-32.5%) and in Class I (-25.4%) linked to segregated accounts. In particular, please note that the "Investimento Garantito" single-premium revaluable product was removed from the price list as of 31 January 2017. It was decided that it would be made available in the course of 2017 for ad hoc campaigns. The sale of the "Investimento Capital" class V product was limited to only Legal Entity policyholders.

In addition, the significant increase in premiums from Unit and Multisegment (Class III) products continued as a result of the gradual shifting of the Life offer from traditional products towards products with more financial content.
In particular, first year premiums were up (+42.3%) as a result of the good performance of the recurring single premium multisegment product.

Premiums on collective policies increased slightly relative to 30 June 2016 (+7.6%).

Popolare Vita recorded a profit of €30.8m at 30 June 2017 (€17.8m at 30/6/2016), of which €0.9m came from the valuation of the subsidiary Lawrence Life (roughly €1m at 30/6/2016). Premiums amounted to €412m (€925m at 30/6/2016, -55.4%). The volume of total investments (Non-Life and Life sectors) reached the amount of €8,897m, (€9,156m at 31/12/2016), of which €72.4m referred to the value of the interest in Lawrence Life (€74.0m at 31/12/2016).

Lawrence Life recorded a profit of €0.9m at the end of the first half of the year, basically in line with 30 June 2016. During the first half of the year, the Company earned total premiums (including investment products) of €30.8m (€365.2m at 30/6/2016, -91.6%). The volume of total investments reached the amount of €1,858m (€2,089m at 31/12/2016).

BIM Vita recorded a profit of €1.7m at 30 June 2017 (€1.6m at 30/6/2016). Premiums amounted to €38.8m (€45.4m at 30/06/2016, -14.7%). The volume of total investments reached the amount of €696m (€739m at 31/12/2016).

New products

UnipolSai Risparmio Energy, a new unit-linked single recurring premium product with the possibility to make additional payments, was launched on 31 January 2017.
This product expands the range of solutions dedicated to savings, completing the price list with a class III financial-insurance product.
In the initial phase, UnipolSai Risparmio Energy - like UnipolSai Investimento Energy - will be connected to two Internal Funds managed by the Group Finance Department: Comparto 3 Azionario Globale and Comparto 2 Bilanciato. They are benchmark funds, thus with a precise indication with regard to asset allocation and the investment policy. During the year, for both Energy line products, an offer enhancement is planned through the introduction of new Internal Funds, so as to offer customers additional investment opportunities. Customers will be able to choose a free combination between the available internal funds.

With a view to continuing along the path of streamlining forms of supplementary pensions, as of 31 January 2017 Unipol Futuro Presente (Covip registry number 5050) became the only personal pension fund accepting new subscriptions through the UnipolSai Assicurazioni network.

In February, UnipolSai eliminated the Class I investment product UnipolSai Investimento Garantito from the catalogue; it will be sold only during campaigns with a pre-established plafond. In April "UnipolSai Investimento Garantito Extra", a single premium revaluable Class I product, was put on the market.
The main features are as follows:
- a revaluation attributed on the basis of the "best of" mechanism, which envisages upon maturity of the policy, as well as in the case of death of the Insured or total redemption before maturity, the settlement of the higher value of either the initial insured capital, adjusted on the basis of the annual adjustment measure attributed on a yearly basis in light of the positive or negative performance of the segregated accounts, or the initial insured capital;
- the possibility to activate or deactivate, at any moment, a plan of scheduled partial redemptions, of variable amounts depending on the percentage selected by the Policyholder from amongst those offered;
- with no possibility to make additional payments.

Reinsurance

UnipolSai Group reinsurance policy

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

The main reinsurance policies taken out by the Group in 2017 were the following:

- "Multipol" Multiline Aggregate Excess of Loss treaty, which maximises the efficiency and effectiveness of the most operational part 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, Atmospheric Events, Land Vehicle Hulls, 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.

The risks underwritten in the Life business in 2017 were covered at Group level with two proportional treaties, one for individual risks and one for collective risks in excess of the risk premium. Retention is protected with a non-proportional cover in excess of loss by event that regards the Life and/or Accident classes.

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

Real Estate Sector

The Group continues to be committed to the development, renovation and requalification of several buildings, some with a view to a subsequent increase in value through their sale or lease, and others for utilisation by the companies in the Group.

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

Income Statement - Real Estate Sector

Amounts in €m	30/6/2017	30/6/2016	*% var.*
Gains (losses) on financial instruments at fair value through profit or loss		(1)	*100.0*
Gains on other financial instruments and investment property	15	18	*(15.2)*
Other revenue	14	6	*154.8*
Total revenue and income	**30**	**23**	***29.9***
Losses on other financial instruments and investment property	(18)	(19)	*(4.3)*
Operating expenses	(6)	(5)	*18.1*
Other costs	(22)	(9)	*150.9*
Total costs and expenses	**(47)**	**(33)**	***40.5***
Pre-tax profit (loss) for the year	**(17)**	**(10)**	***(64.8)***

The pre-tax result at 30 June 2017 was negative for €17m (-€10m at 30/06/2016), after carrying out write-downs of properties for €6m (€2m at 30/06/2016) and depreciation of real estate investments and tangible assets for €12m (€9m at 30/06/2016).

Investments and cash and cash equivalents of the Real Estate sector (including instrumental properties for own use) totalled €1,258m at 30 June 2017 (€1,234m at 31/12/2016), consisting mainly of Investment property and Properties for own use amounting to €1,147m (€1,152m at 31/12/2016).

At 30 June 2017 financial liabilities were €328m (€358m at 31/12/2016).

Main property transactions

The Group continues to be committed to the development, renovation and requalification of several buildings, some with a view to a subsequent increase in value through their sale or lease, and others for utilisation by the companies in the Group.
The main projects, which all began in previous years, have been concentrated in the Milan area, and include:
- the construction of a new multi-storey building for business use in piazza Gae Aulenti (Porta Nuova Garibaldi area);
- activities in preparation for the requalification and completion of a headquarters building for business use in via De Castilia (Porta Nuova-Garibaldi area);
- the requalification of Torre Galfa, via Fara 41, a historical property located at via Pantano 26/Corso di Porta Romana 19 and the office complex located at via Dei Missaglia 97 (named Milano Business Park).

Other residential and office property requalification activities were also launched in Florence in order to subsequently generate income through a lease.

As regards sales, in the first half of the year the majority of a broader transaction for the disposal of more than 500 property units owned by Group companies located in various parts of Italy was completed.
In addition, amongst other transactions, two properties located in Genoa (office) and Milan (office/commercial), respectively, were sold for significant amounts and residential units were sold in Milan at via Dei Missaglia (Le Terrazze complex) and via Castellanza.

Other Businesses Sector

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

Income Statement - Other Businesses Sector

Amounts in €m	30/6/2017	30/6/2016	*% var.*
Gains on other financial instruments and investment property		1	*(22.5)*
Other revenue	90	81	*11.4*
Total revenue and income	**91**	**82**	***10.8***
Losses on other financial instruments and investment property	(1)		*118.7*
Operating expenses	(31)	(28)	*13.5*
Other costs	(64)	(62)	*3.3*
Total costs and expenses	**(96)**	**(90)**	***6.8***
Pre-tax profit (loss) for the year	**(5)**	**(8)**	***33.4***

The pre-tax result at 30 June 2017 was a loss of €5m (-€8m at 30/06/2016).

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

At 30 June 2017, Investments and cash and cash equivalents of the Other Businesses sector (including properties for own use of €114m) totalled €216m (€221m at 31/12/2016).

Financial liabilities amounted to €44m (€45m at 31/12/2016).

The activities of the diversified companies continue to be focused on the development of commercial activities and as regards the hotel sector, the launch of the phase of integrating the Atahotels and Una Hotels structures following the acquisition of the UNA SpA hotel management business unit in the final days of last year.

The **hotel business**, benefitting from the integration with Una Hotels, saw the subsidiary Atahotels more than double its revenues, from roughly €29m in the first half of 2016 to around €61m at 30 June 2017. In addition, it posted an improvement in excess of 80% in EBIT, which from -€10.6m in the first half of 2016 reached -€1.6m at 30 June 2017. The net profit for the second quarter of 2017 was roughly €2.8m, bringing the net loss for the first half of 2017 to -€1.9m.

As regards the Florentine **hub of medical clinics**, as part of the process of liquidating the company Centro Oncologico Fiorentino, it sold a healthcare facility located in Florence to another Group company.
At 30 June 2017, the company Villa Donatello closed the half with an improvement of roughly 10% in revenue, from €9.9m to €10.9m, and with a net profit (roughly €0.1m), in line with the same period in 2016. Revenue trends show a continuation of positive performance in the core business, for hospitalisation (hospital stays and outpatient surgery) as well as clinic activities (visits and diagnostics).

As regards **agricultural activities**, the sales of the company Tenute del Cerro rose in the first half of 2017 with respect to 30 June 2016 by roughly 10% (from around €2.9m to €3.2m). Although EBIT was negative, it improved by roughly 40% compared to the first half of 2016. In addition, Tenute del Cerro achieved a net profit of around €60k in the second quarter of 2017 (compared to the loss in the first quarter), marking an improvement compared to the first half of 2016 of roughly €0.4m.

Asset and financial management

Investments and cash and cash equivalents

At 30 June 2017, Group **Investments and cash and cash equivalents** totalled €52,315m (€63,291m at 31/12/2016), with the following breakdown by business segment:

Investments and cash and cash equivalents - Breakdown by business segment

Amounts in €m	30/6/2017	*% comp.*	31/12/2016	*% comp.*	*% var.*
Insurance sector	50,926	*97.3*	61,919	*97.9*	*(17.8)*
Other Businesses sector	216	*0.4*	221	*0.3*	*(2.3)*
Real Estate sector	1,258	*2.4*	1,234	*2.0*	*1.9*
Inter-segment eliminations	(85)	*(0.2)*	(113)	*(0.2)*	*(25.2)*
Total Investments and cash and cash equivalents (*)	52,315	*100.0*	63,261	*100.0*	*(17.3)*

(*) including properties for own use

At 30 June 2017, pursuant to IFRS 5, €10,729m relating to assets held by Popolare Vita and The Lawrence Life was reclassified to assets held for disposal.

The breakdown by investment category is as follows:

Amounts in €m	30/6/2017	*% comp.*	31/12/2016	*% comp.*	*% var.*
Property (*)	3,761	***7.2***	3,774	***6.0***	***(0.3)***
Investments in subsidiaries, associates and interests in joint ventures	426	***0.8***	527	***0.8***	***(19.2)***
Held-to-maturity investments	879	***1.7***	892	***1.4***	***(1.5)***
Loans and receivables	4,963	***9.5***	5,050	***8.0***	***(1.7)***
Debt securities	3,855	*7.4*	4,172	*6.6*	*(7.6)*
Deposits with ceding companies	21	*0.0*	21	*0.0*	*1.0*
Other loans and receivables	1,086	*2.1*	857	*1.4*	*26.8*
Available-for-sale financial assets	35,768	***68.4***	43,172	***68.2***	***(17.2)***
Financial assets at fair value through profit or loss	5,674	***10.8***	9,186	***14.5***	***(38.2)***
held for trading	468	*0.9*	306	*0.5*	*52.9*
at fair value through profit or loss	5,206	*10.0*	8,880	*14.0*	*(41.4)*
Cash and cash equivalents	844	***1.6***	661	***1.0***	***27.8***
Total Investments and cash and cash equivalents	52,315	***100.0***	63,261	***100.0***	***(17.3)***

(*) including properties for own uses

Transactions carried out in the first half of 2017

The scope of the disclosure on financial transactions, in terms of the breakdown of investments, does not include investments the risk of which is borne by the policyholders and customers and, in terms of companies, does not include the foreign companies DDor, DDor Re and Lawrence Life and the banking sector, the investment values of which are of little significance on the whole within the Group's overall portfolio.

In the first half of 2017 the investment policies continued to adhere, in terms of medium/long-term investments, to the general criteria of prudence and of preserving asset quality consistent with the Guidelines defined in the Group Investment Policy.
Specifically, financial operations were geared towards reaching profitability targets consistent with the asset return profile and with the trend in liabilities over the long-term, maintaining a high-quality portfolio through a process of selecting issuers on the basis of their diversification and strength, with a particular focus on the liquidity profile.

The **bond segment** was the main focus of operations, mainly affecting Italian government bonds and non-government bonds, applying a medium/long-term investment approach.
In the first half of 2017, exposure to government bonds decreased by €834m as a result of the Life sector (€498m) as well as the Non-Life sector (€336m): this reduction concerned primarily Italian government bonds and contributed to increasing the diversification of government issuers present in the portfolio. In the Life sector, measures were taken in line with the ALM requirements of the Segregated Funds and to continue the rationalisation of the maturity dates of liabilities with covering assets. This activity, which took into account 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.
In the Non-Life portfolio, positions in derivatives were increased marginally to mitigate the risk of a rise in interest rates.

The non-government bond component was modestly reduced by €36m, concerning to an almost equal extent financial and industrial senior and subordinated issuers: the policies for the management of this asset class were greater issuer diversification and optimising the risk/return profile of the existing portfolio.

Asset portfolio simplification activities continued during the first half of the year, with a reduction of €11m in exposure to level 2 and 3 structured bonds.

The following table shows the Group's exposure to structured securities:

	30/06/2017			31/12/2016			variation	
Amounts in €m	Carrying amount	Market value	Implied +/-	Carrying amount	Market value	Implied +/-	Carrying amount	Market value
Structured securities - Level 1	70	70		70	69	(1)		1
Structured securities - Level 2	885	838	(47)	890	845	(45)	(5)	(7)
Structured securities - Level 3	335	316	(19)	333	298	(35)	1	17
Total structured securities	**1,290**	**1,223**	**(66)**	**1,293**	**1,212**	**(81)**	**(3)**	**11**

Share exposure rose in the first half of 2017 by €663m. 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 €638m, an increase by approximately €22m relative to 31 December 2016. During the half, the Atlante Fund was written down to an extent corresponding to the impairment estimated as a result of the elimination of the value of the investee Veneto Banks, with a negative impact of roughly €61.6m.

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

The overall Group portfolio duration stood at 5.12 years, down compared to the end of 2016 (5.36 years). The Non-Life duration in the Group insurance portfolio was 3.21 years (3.52 years at the end of 2016); in Life business, duration was 5.85 years (6.03 years at the end of 2016). The fixed rate and floating rate components of the bond portfolio amounted respectively to 86% and 14%. The government component accounted for approximately 69.2% of the bond portfolio whilst the corporate component accounted for the remaining 30.8%, split into 23.7% financial and 7.1% industrial credit.

88.4% of the bond portfolio was invested in securities rated above BBB-, 2.2% of the total was positioned in classes AAA to AA-, while 5.7% of securities had an A rating. The exposure to securities in the BBB rating class was 80.5%. Italian government bonds accounted for 60.1% of the total bond portfolio.

Net gains on investments and financial income

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

Net investment income

Amounts in €m	30/6/2017	*% comp.*	30/6/2016	*% comp.*	*% var.*
Investment property	12	*1.4*		*0.0*	*n.s.*
Gains/losses on investments in subsidiaries and associates and interests in joint ventures	(102)	*(11.8)*	2	*0.2*	*n.s.*
Net gains on held-to-maturity investments	19	*2.3*	23	*2.7*	*(16.9)*
Net gains on loans and receivables	62	*7.2*	116	*13.5*	*(46.3)*
Net gains on available-for-sale financial assets	829	*96.1*	876	*102.0*	*(5.4)*
Net gains on held-for-trading financial assets and at fair value through profit or loss (*)	41	*4.8*	(159)	*(18.5)*	*n.s.*
Total net gains on financial assets, cash and cash equivalents	**863**	***100.0***	**859**	***100.0***	***0.5***
Net losses on held-for-trading financial liabilities and at fair value through profit or loss (*)			(2)		*(100.0)*
Net losses on other financial liabilities	(44)		(29)		*48.5*
Total net losses on financial liabilities	**(44)**		**(31)**		***40.3***
Total net gains (*)	**819**		**828**		***(1.0)***
Net gains on financial assets at fair value (**)	101		(64)		
Net losses on financial liabilities at fair value (**)	(20)		28		
Total net gains on financial instruments at fair value (**)	**81**		**(36)**		
Total net gains on investments and net financial income	**901**		**791**		***13.8***

(*) 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 2017, impairment losses on financial instruments classified in the available-for-sale asset category for €65m (€16m at 30/06/2016), of which €61.6m relating to the Atlante Fund, and write-downs on investment property for €1m (€5m at 30/06/2016) were recognised in the income statement.

Shareholders' equity

Shareholders' equity, excluding non-controlling interests, breaks down as follows:

Amounts in €m	30/6/2017	31/12/2016	*var. in amount*
Share capital	2,031	2,031	
Capital reserves	347	347	
Income-related and other equity reserves	2,746	2,593	*153*
(Treasury shares)	(52)	(52)	
Reserve for foreign currency translation differences	4	3	*1*
Gains/losses on available-for-sale financial assets	738	752	*(14)*
Other gains and losses recognised directly in equity	(6)	(15)	*9*
Profit (loss) for the period	265	497	*(233)*
Total shareholders' equity attributable to the owners of the Parent	**6,072**	**6,156**	***(83)***

Movements in shareholders' equity recognised during the year with respect to 31 December 2016 are set out in the attached Statement of changes in Shareholders' equity.
The main changes in the year in the Group's shareholders' equity were as follows:
- decrease due to dividend distribution for €347m;
- a decrease as a result of the fall in the reserve for gains and losses on available-for-sale financial assets of €14m, net of both the related tax liabilities and the part attributable to the policyholders and charged to insurance liabilities;
- an increase of €265m for Group profit of the period.

Shareholders' Equity attributable to non-controlling interests was €309m (€379m at 31/12/2016).

Treasury shares and shares of the holding company

At 30 June 2017, UnipolSai held a total of 55,349,685 treasury shares, of which 7,005,640 directly and 48,344,045 indirectly through the subsidiaries UnipolSai Finance (38,454,775), UnipolSai Nederland (9,443,258), Pronto Assistance (344,312) and Popolare Vita (101,700).

At 30 June 2017 UnipolSai held a total of 3,718,920 shares issued by the parent company Unipol Gruppo Finanziario SpA, of which 3,565,504 directly, and indirectly through the subsidiaries SIAT (43,192), UnipolSai Servizi Consortili (45,129), Popolare Vita (54,864) and Auto Presto & Bene (10,231).
On 3 July 2017, 1,262,690 shares were assigned as part of the compensation plan based on financial instruments (performance share type), intended for the Company executives.

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

Technical provisions and financial liabilities

At 30 June 2017, technical provisions amounted to €45,923m (€55,816m at 31/12/2016) and financial liabilities amounted to €3,515m (€4,681m at 31/12/2016).

Technical provisions and financial liabilities

Amounts in €m	30/6/2017	31/12/2016	*% var.*
Non-Life technical provisions	14,990	15,036	*(0.3)*
Life technical provisions	30,932	40,780	*(24.1)*
Total technical provisions	**45,923**	**55,816**	***(17.7)***
Financial liabilities at fair value	**1,035**	**2,140**	***(51.6)***
Investment contracts - insurance companies	778	1,716	*(54.7)*
Other	257	424	*(39.4)*
Other financial liabilities	**2,480**	**2,541**	***(2.4)***
Subordinated liabilities	2,006	2,027	*(1.1)*
Other	474	513	*(7.6)*
Total financial liabilities	**3,515**	**4,681**	***(24.9)***
Total	**49,438**	**60,497**	***(18.3)***

UnipolSai Group Debt

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

The situation is summarised in the following table, which shows a decrease in debt of €23m.

Amounts in €m	30/6/2017	31/12/2016	*var. in amount*
Subordinated liabilities	2,006	2,027	*(21)*
Payables to banks and other lenders	291	292	*(1)*
Total debt	**2,297**	**2,319**	***(23)***

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

Payables to banks and other lenders, totalling €291m (€292m at 31/12/2016), related primarily to:
- the loan obtained for the acquisition of properties and for improvement works by the Closed Real Estate Fund Athens R.E. Fund for a nominal value of €170m disbursed, through the company Loan Agency Service Srl, by a pool of 13 banks including Unipol Banca (the latter for a nominal value of €10m);
- the loan of €112m taken out by the Closed Real Estate Fund Tikal R.E. from Unipol Banca.

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, initially approved on 30 November 2010, was most recently amended by UnipolSai Assicurazioni SpA's Board of Directors, with the favourable opinion of the Committee of Independent Directors, on 3 August 2016, effective as of that date. The Procedure is published on UnipolSai's website (www.unipolsai.com), in the Corporate Governance section.

The objective of the Procedure is to define, in compliance with the Regulation and also taking into account the indications and guidelines outlined by Consob in communication dated 24 September 2010, a procedural system to ensure greater transparency and correctness in the preliminary phase of negotiations and approval of related party transactions carried out by UnipolSai Assicurazioni S.p.A., directly or via subsidiaries.

On 29 June 2017, the Board of Directors of UnipolSai approved the acquisition of the equity investments held by Unipol in Unisalute and Linear (the "Acquisitions") as part of the Project that aims to streamline the insurance sector of the Unipol Group (the "Project").

Considering that Unipol controls UnipolSai, both the Project as a whole and the Acquisitions were qualified by both parties as transactions with related parties "of major significance" pursuant to Consob Regulation no. 17221 of 12 March 2010 and the procedures for transactions with related parties adopted, respectively, by Unipol and UnipolSai.
The Project and the Acquisitions were therefore submitted by UnipolSai and by Unipol (the latter on a voluntary basis) to the respective Committees for transactions with related parties for approval, which were respectively supported, for valuation aspects, by Deloitte Financial Advisory Srl and by Towers Watson Italia Srl, and for legal aspects by BonelliErede and Chiomenti.
With respect to the valuation activities and the determination of the Acquisition consideration, UnipolSai also obtained the independent opinion of Studio Laghi Srl, whereas Unipol obtained the opinion of Colombo & Associati SpA.

The UnipolSai Committee for Transactions with Related Parties expressed its favourable opinion on the Company's interest in carrying out the Acquisitions, as well as on the cost effectiveness and substantial fairness of the relative conditions.

For further information, please refer to the Information Document on related party transactions of major significance required by Art. 5 of Consob Regulation no. 17221/2010, published on 7 July 2017 on the website www.UnipolSai.com in the Governance/Related Party Transactions section.

In the first half of 2017, the following transactions with related parties of minor relevance were carried out:
- on 10 May 2017, the acquisition of 100% of the share capital of Ambra Property by the parent Unipol was approved, for consideration of €56m. The execution of this transaction is subject to authorisation from IVASS;
- on 29 June 2017, an agreement was approved, *a latere* to that relating to the Unipol tax consolidation, which gives the parent Unipol the right to ask UnipolSai to issue collateral through the establishment of a pledge restriction on Italian government bonds within the limits of the amount of the tax payable transferred to the tax consolidation and, in any event, up to a maximum amount of €100m. At 30 June 2017, securities with a nominal value of €80m were pledged.

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

Other Information

UnipolSai Assicurazioni included in FTSE4Good – A recognition of its environmental, social and governance practices

On 30 January 2017, FTSE Russell (a partnership brand of FTSE International Limited and Frank Russell Company) confirmed that UnipolSai Assicurazioni satisfies the requirements to be included in the FTSE4Good Index Series.
This index measures the performance of companies that apply rigorous environmental, social and governance (ESG) practices and, therefore, their conduct in areas such as the fight against climate change, governance, respect for human rights and the fight against corruption.
The UnipolSai security obtained an absolute score of 3.4 out of 5. This milestone was achieved thanks to constant monitoring of all activities and sustainability results, which represent an important element of credibility and transparency in the dialogue with our stakeholders.
A company's presence within the sustainability indexes is of increasing interest in the assessments of investors which ever more frequently consider non-financial parameters in their portfolio decisions, as sustainable businesses are considered less risky in the medium/long term.

New partnership between UnipolSai Assicurazioni and Ducati Corse for the MotoGP World Championship

On 20 January 2017, UnipolSai Assicurazioni announced a new partnership, in which it is the official sponsor of Ducati Corse for the MotoGP World Championship 2017, that took off on 26 March at the Losail circuit in Qatar.
In its partnership with the Borgo Panigale (Bologna) team, the UnipolSai brand is present on the tail of the Desmosedici GP of the Spanish multi-time world champion Jorge Lorenzo and the Italian Andrea Dovizioso, on the racers' uniforms, on the helmet and on other Ducati Corse materials within the paddock for each of the 18 races on the schedule and for the official tests.

Significant events after the reporting period and business outlook

Significant events after the reporting period

Project for streamlining the insurance sector

On 7 July 2017, UnipolSai announced to the market that it had made available to the public the information document relating to the acquisition by UnipolSai of the equity investments held by the Parent Unipol in the companies UniSalute SpA and Compagnia Assicuratrice Linear SpA.

Banking sector restructuring plan

On 27 and 28 July 2017, the Boards of Directors of UnipolSai and Unipol Banca examined and approved the Banking sector restructuring plan of the Unipol Group as outlined by the Parent Unipol and as illustrated in the section Information on significant events during the first six months.

Therefore, the following transactions were concluded based on the resolutions passed:

- on 31 July 2017, Unipol and Unipol Banca entered into the **Agreement for the early Termination of the credit indemnity agreement**, signed on 3 August 2011, and as subsequently amended, effective as of 30 June 2017, defining the indemnity due from Unipol to Unipol Banca as €670.4m. A first tranche equal to €170.4m was paid by Unipol to Unipol Banca on the same date; the remainder, of €500m, will be paid in 10 annual instalments of €50m each at 31 July of each year starting on 31 July 2018, plus interest to be calculated in arrears at an annual rate of 2.75% and without prejudice to Unipol's right to pay the remaining amount early, in a lump sum, at each annual interest payment due date;
- on 31 July 2017, Unipol and UnipolSai Assicurazioni made a **non-repayable capital account contribution** (which therefore will not be repeated and is not reimbursable) to Unipol Banca for a total of **€900m**, respectively for €519.74m and €380.26m, in order to replenish the capital of Unipol Banca to no lower than the Bank's capital ratios preceding the write-downs on loans recognised, also taking into account the capital of the Bank which will be allocated to NewCo at the time of the Spin-Off. As these payments are not repayable, they are eligible for calculation for supervisory purposes amongst the elements of the bank's individual highest quality own funds (CET 1).
- Pursuant to the put/call option contract in place between Unipol and UnipolSai on a share of 27.49% of the share capital of Unipol Banca (with a put exercise price of €331.6m at 30 June 2017), it is established that in the case of payments and/or contributions of any nature whatsoever, provided there is no repayment obligation, that definitively increase the shareholders' equity of Unipol Banca, the consideration of the put will be increased by the corresponding amount. Please recall that the five-year option contract will expire on 6 January 2019.
- on 2 August 2017, Unipol Banca approved the **Project for the proportional partial spin-off** in favour of a NewCo to be established, of a company complex inclusive, *inter alia*, of a portfolio of doubtful loans in the amount of €2,936m, gross of value adjustments, and €587m net of value adjustments.
- The actual amount of the Doubtful loans to be transferred was determined on the basis of the bank's half-yearly accounting statement at 30 June 2017, after the (i) adjustment of the value of the Doubtful loans, in accordance with conditions currently prevailing in the market for disposal transactions, and (ii) the strengthening of the average rate of coverage of unlikely to pay positions, which remained within Unipol Banca, to the best levels of the banking system.
  The NewCo will have the same shareholders as Unipol Banca in equal proportions, i.e., Unipol will hold 57.75% and UnipolSai 42.25%.
  Pursuant to the contractual agreements in force, the put/call option referenced above on the Unipol Banca shares also automatically extends to the shares issued at the time of the spin-off for a share corresponding to 27.49%, without triggering any changes on the put exercise price.
  In addition, before the Spin-Off becomes effective, but after obtaining the necessary authorisations from the competent Authorities, it is established that Unipol and UnipolSai will disburse a shareholder loan to Unipol Banca for a total of €300m, which will be included in the assets subject to the spin-off to be transferred to NewCo.

The transaction is expected to be completed by the end of January 2018, subject to obtaining the necessary authorisations from the Bank of Italy.

Other information

In July 2017, following the resolution passed by UnipolSai on 29 June 2017, the capital of the subsidiary UnipolRe DAC was strengthened by means of a share capital increase of €100m carried out through the subsidiary UnipolSai Nederland, which was for this purpose endowed with capital in the same amount by UnipolSai.

Business outlook

After 30 June there were no significant changes in the macroeconomic scenario. At its meeting on 20 July, the ECB, in light of the ongoing economic recovery in the Eurozone, confirmed its current monetary policy, without specifying the timing for removing the monetary stimulus measures, pending growth in inflation. All this reflects on our financial investments and on the financial management, which continues to be aimed at the consistency of assets and liabilities, optimising the risk-return profile of the portfolio and pursuing selectively an adequate diversification of the risks.

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

In the **Non-Life business**, even though the market remains strongly competitive, the Group is carrying out sales initiatives and settlement policies aimed at maintaining positive technical margins.

In the **Life business**, in consideration of the situation of the financial markets and of the need to assure a prospective balance to the profitability of segregated funds, all production networks confirmed policies aimed at limiting premiums on traditional products in favour of multisegment products with a non-guaranteed investment component.

The operating result at the end of the period is expected to be positive and in continuity with the trend seen in the first part of the year.

Bologna, 3 August 2017

The Board of Directors

2.Condensed Consolidated Half-Yearly Financial Statements at 30/06/2017

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	30/6/2017	31/12/2016
1	INTANGIBLE ASSETS	668.8	703.2
1.1	Goodwill	315.7	316.6
1.2	Other intangible assets	353.0	386.6
2	PROPERTY, PLANT AND EQUIPMENT	1,545.2	1,595.9
2.1	Property	1,326.7	1,385.8
2.2	Other tangible assets	218.5	210.2
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	906.2	848.8
4	INVESTMENTS	50,144.1	61,214.9
4.1	Investment property	2,434.4	2,387.8
4.2	Investments in subsidiaries, associates and interests in joint ventures	426.2	527.3
4.3	Held-to-maturity investments	878.6	892.3
4.4	Loans and receivables	4,962.7	5,049.6
4.5	Available-for-sale financial assets	35,767.7	43,171.7
4.6	Financial assets at fair value through profit or loss	5,674.4	9,186.1
5	SUNDRY RECEIVABLES	2,266.2	3,114.4
5.1	Receivables relating to direct insurance business	975.6	1,418.7
5.2	Receivables relating to reinsurance business	116.0	95.1
5.3	Other receivables	1,174.7	1,600.6
6	OTHER ASSETS	11,952.4	1,110.5
6.1	Non-current assets or assets of a disposal group held for sale	11,003.7	207.8
6.2	Deferred acquisition costs	88.1	90.4
6.3	Deferred tax assets	248.3	259.8
6.4	Current tax assets	15.8	31.3
6.5	Other assets	596.4	521.2
7	CASH AND CASH EQUIVALENTS	844.0	660.6
	TOTAL ASSETS	68,326.9	69,248.4

Statement of Financial Position
Shareholders' Equity and Liabilities

	Amounts in €m	30/6/2017	31/12/2016
1	SHAREHOLDERS' EQUITY	6,381.2	6,534.7
1.1	**attributable to the owners of the Parent**	**6,072.5**	**6,155.6**
1.1.1	Share capital	2,031.5	2,031.5
1.1.2	Other equity instruments		
1.1.3	Capital reserves	346.8	346.8
1.1.4	Income-related and other equity reserves	2,746.2	2,593.1
1.1.5	(Treasury shares)	(52.3)	(52.3)
1.1.6	Reserve for foreign currency translation differences	4.1	3.1
1.1.7	Gains or losses on available-for-sale financial assets	738.0	751.5
1.1.8	Other gains or losses recognised directly in equity	(6.4)	(15.5)
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	264.6	497.4
1.2	**attributable to non-controlling interests**	**308.7**	**379.1**
1.2.1	Share capital and reserves attributable to non-controlling interests	263.5	317.6
1.2.2	Gains or losses recognised directly in equity	27.8	31.3
1.2.3	Profit (loss) for the year attributable to non-controlling interests	17.5	30.1
2	PROVISIONS	390.4	442.4
3	TECHNICAL PROVISIONS	45,922.7	55,816.4
4	FINANCIAL LIABILITIES	3,515.3	4,680.7
4.1	Financial liabilities at fair value through profit or loss	1,035.0	2,140.1
4.2	Other financial liabilities	2,480.3	2,540.6
5	PAYABLES	895.2	864.9
5.1	Payables arising from direct insurance business	101.6	107.4
5.2	Payables arising from reinsurance business	128.5	92.3
5.3	Other payables	665.2	665.2
6	OTHER LIABILITIES	11,222.1	909.2
6.1	Liabilities associated with disposal groups held for sale	10,459.5	
6.2	Deferred tax liabilities	18.3	26.0
6.3	Current tax liabilities	19.7	45.1
6.4	Other liabilities	724.7	838.2
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	68,326.9	69,248.4

Income Statement

	Amounts in €m	30/6/2017	30/6/2016
1.1	Net premiums	5,221.1	5,981.2
1.1.1	Gross premiums earned	5,434.3	6,212.4
1.1.2	Earned premiums ceded to reinsurers	(213.2)	(231.2)
1.2	Commission income	17.0	16.1
1.3	Gains and losses on financial instruments at fair value through profit or loss	122.9	(197.0)
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	3.7	3.9
1.5	Gains on other financial instruments and investment property	1,113.0	1,151.6
1.5.1	Interest income	767.5	744.8
1.5.2	Other income	102.4	94.6
1.5.3	Realised gains	243.2	268.8
1.5.4	Unrealised gains	0.0	43.4
1.6	Other revenue	261.3	218.9
1	TOTAL REVENUE AND INCOME	6,739.0	7,174.5
2.1	Net charges relating to claims	(4,437.9)	(5,055.7)
2.1.1	Amounts paid and changes in technical provisions	(4,536.3)	(5,151.1)
2.1.2	Reinsurers' share	98.5	95.3
2.2	Commission expenses	(8.5)	(7.0)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	(105.8)	(2.1)
2.4	Losses on other financial instruments and investment property	(233.1)	(164.9)
2.4.1	Interest expense	(41.7)	(40.5)
2.4.2	Other charges	(21.4)	(22.5)
2.4.3	Realised losses	(62.9)	(60.0)
2.4.4	Unrealised losses	(107.1)	(42.0)
2.5	Operating expenses	(1,155.3)	(1,168.1)
2.5.1	Commissions and other acquisition costs	(848.0)	(854.6)
2.5.2	Investment management expenses	(60.0)	(69.9)
2.5.3	Other administrative expenses	(247.3)	(243.6)
2.6	Other costs	(404.4)	(393.7)
2	TOTAL COSTS AND EXPENSES	(6,345.0)	(6,791.5)
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	394.0	383.0
3	Income taxes	(112.0)	(103.1)
	PROFIT (LOSS) FOR THE YEAR AFTER TAXES	282.1	279.9
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		
	CONSOLIDATED PROFIT (LOSS)	282.1	279.9
	of which attributable to the owners of the Parent	264.6	269.4
	of which attributable to non-controlling interests	17.5	10.5

Comprehensive Income Statement

Amounts in €m	30/6/2017	30/6/2016
CONSOLIDATED PROFIT (LOSS)	282.1	279.9
Other income items net of taxes not reclassified to profit or loss	3.0	(16.4)
Change in the shareholders' equity of the investees	3.5	(13.9)
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 assets of a disposal group held for sale		
Actuarial gains and losses and adjustments relating to defined benefit plans	(0.5)	(2.5)
Other items		
Other income items net of taxes reclassified to profit or loss	(10.0)	(175.0)
Change in the reserve for foreign currency translation differences	1.0	(0.7)
Gains or losses on available-for-sale financial assets	(17.2)	(202.9)
Gains or losses on cash flow hedges	6.2	28.6
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 assets of a disposal group held for sale		
Other items		
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	(7.1)	(191.4)
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE)	275.0	88.5
of which attributable to the owners of the Parent	261.1	77.5
of which attributable to non-controlling interests	13.9	11.0

Statement of Changes in Shareholders' Equity

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

		Balance at 31/12/2016	Changes to closing balances	Amounts allocated	Adjustments from reclassif. to profit or loss	Transfers	Changes in investments	Balance at 30/6/2017
Shareholders' Equity attributable to the owners of the Parent	Share capital	2,031.5						2,031.5
	Other equity instruments							
	Capital reserves	346.8						346.8
	Income-related and other equity reserves	2,593.1		259.8		(106.7)		2,746.2
	(Treasury shares)	(52.3)						(52.3)
	Profit (loss) for the year	497.4		114.0		(346.8)		264.6
	Other comprehensive income/(expense)	739.2	(0.0)	80.9	(84.4)			735.7
	Total attributable to the owners of the Parent	**6,155.6**	**(0.0)**	**454.8**	**(84.4)**	**(453.5)**		**6,072.5**
Shareholders' Equity attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	317.6		(54.1)				263.5
	Profit (loss) for the year	30.1		70.8		(83.5)		17.5
	Other comprehensive income/(expense)	31.3	(0.0)	(0.1)	(3.5)			27.8
	Total attributable to non-controlling interests	**379.1**	**(0.0)**	**16.6**	**(3.5)**	**(83.5)**		**308.7**
Total		6,534.7	(0.0)	471.4	(87.9)	(537.0)		6,381.2

Statement of Cash Flows (indirect method)

Amounts in €m	30/6/2017	30/6/2016
Pre-tax profit (loss) for the year	**394.0**	**383.0**
Change in non-monetary items	**(128.4)**	**263.9**
Change in Non-Life premium provision	71.2	0.5
Change in claims provision and other Non-Life technical provisions	(177.0)	(344.7)
Change in mathematical provisions and other Life technical provisions	(102.0)	17.2
Change in deferred acquisition costs	(4.4)	(2.9)
Change in provisions	(51.5)	(47.7)
Non-monetary gains and losses on financial instruments, investment property and investments	129.5	236.5
Other changes	5.8	405.1
Change in receivables and payables generated by operating activities	**502.7**	**132.8**
Change in receivables and payables relating to direct insurance and reinsurance	380.0	332.7
Change in other receivables and payables	122.7	(199.8)
Paid taxes	**(64.7)**	**(5.1)**
Net cash flows generated by/used for monetary items from investing and financing activities	**(191.1)**	**239.7**
Liabilities from financial contracts issued by insurance companies	19.4	419.6
Payables to bank and interbank customers		
Loans and receivables from banks and interbank customers		0.0
Other financial instruments at fair value through profit or loss	(210.5)	(179.8)
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	512.6	1,014.4
Net cash flow generated by/used for investment property	(22.0)	(12.4)
Net cash flow generated by/used for investments in subsidiaries, associates and interests in joint ventures	(0.1)	0.2
Net cash flow generated by/used for loans and receivables	(66.4)	(47.8)
Net cash flow generated by/used for held-to-maturity investments	16.5	85.8
Net cash flow generated by/used for available-for-sale financial assets	160.7	(452.3)
Net cash flow generated by/used for property, plant and equipment and intangible assets	(57.8)	(216.0)
Other net cash flows generated by/used for investing activities	145.2	13.1
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	176.1	(629.4)
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	(0.0)	0.0
Net cash flow generated by/used for treasury shares		
Dividends distributed attributable to the owners of the Parent	(346.8)	(416.4)
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	(83.5)	(24.2)
Net cash flow generated by/used for subordinated liabilities and equity instruments	(0.0)	
Net cash flow generated by/used for other financial liabilities	(28.1)	(2.5)
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	(458.4)	(443.2)
Effect of exchange rate gains/losses on cash and cash equivalents	**0.4**	**(0.2)**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	660.6	957.4
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	230.7	(58.5)
CASH AND CASH EQUIVALENTS AT 30 JUNE (*)	891.3	899.0

(*) Cash and cash equivalents at 30 of June 2017 include €47.3m of non-current assets or those 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 UnipolSai Group at 30 June 2017 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 2016.

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 international accounting standards.
With IVASS Measure no. 53 of 6 December 2016, which also amended Regulation no. 7 of 2007, some statements were eliminated from the consolidated Half-Yearly Financial Report.

The details that are no longer included in the consolidated Half-Yearly Financial Report of the UnipolSai Group are listed hereunder. The related information, if required in application of IAS 34, has already been given in the Notes to the financial statements:
- Details of property, plant and equipment and intangible assets;
- Details of technical provisions – reinsurers' share;
- Details of financial assets;
- Details of assets and liabilities relating to insurance contracts where the investment risk is borne by policyholders and arising from pension fund management;
- Details of technical provisions;
- Details of financial liabilities;
- Assets and liabilities at fair value on a recurring and non-recurring basis: breakdown by fair value level;
- Details of changes in level 3 financial assets and liabilities at fair value on a recurring basis;
- Assets and liabilities not measured at fair value: breakdown by fair value level.

The condensed consolidated half-yearly financial statements at 30 June 2017 of the UnipolSai Group comprise the following:
- 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 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 2017, are consistent with those used for the consolidated financial statements at 31 December 2016, to which reference is expressly made herein and which are to be considered an integral part of these Notes.

Following the exercise of the put option on the entire stake held in Popolare Vita, equal to 50% the share capital plus one share, in these consolidated half-yearly financial statements, the financial items regarding Popolare Vita, and its subsidiary The Lawrence Life, are disclosed in compliance with IFRS 5. In particular, in the consolidated half-yearly financial statements, all the assets of the company to be sold are reclassified as "Non-current assets or assets of a disposal group held for sale (item 6.1 of the Assets) and the liabilities are similarly reclassified under the single item "Liabilities associated with disposal groups" (item 6.1 of the Liabilities). Both items are measured net of intercompany transactions.
By reason of the fact that Popolare Vita cannot be considered as a "discontinued operation", given that the UnipolSai Group continues to operate in the bancassurance business with the companies Bim Vita and Incontra, the items in the Income Statement are disclosed pursuant to the normal rules of a line-by-line consolidation.

While drawing up the condensed consolidated half-yearly financial statements at 30 June 2017, 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 2017 are subject to a limited audit by the company PricewaterhouseCoopers SpA, charged to audit the accounts for the years 2013 to 2021.

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 2016 and other transactions

On 16 March 2017, the company UniAssiTeam Srl was recorded at the Register of Companies. The company was incorporated by UnipolSai Finance SpA with public deed of 14 March 2017 and its registered office is in Bologna (Italy). The share capital amounted to €200,000 at 30 June 2017, in which UnipolSai holds 65% interest. The company's corporate scope is the insurance agency activity for the insurance brokerage of Life and Non-Life business.

On 11 April 2017, the Chamber of Commerce in Milan, upon request filed by the liquidator, provided for the write-off from the Register of Companies of the company Metropolis SpA in liquidation.

On 21 April 2017, the Centro Oncologico Fiorentino Srl in liquidation sold the entire equity investment in the company Florence Centro di Chirurgia Ambulatoriale Srl to the associate Casa di Cura Villa Donatello SpA, at a price of €536,000.

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;
- Real estate business;
- Other assets.

Segment reporting is carried out by separately consolidating the accounting items for the individual subsidiaries and associates that belong to each identified segment, eliminating intragroup balances between companies in the same segment and cancelling, where applicable, the carrying amount of the investments against the corresponding portion of shareholders' equity.

In the column "Intersegment eliminations", the intragroup balances between companies in different sectors are eliminated.

This rule does not apply in the following cases:
- investment relations between companies in different sectors, since the elimination of the investment takes place directly in the sector of the company that holds the investment, while any consolidation difference is attributed to the sector of the investee;
- collected dividends, eliminated in the sector of the company that collects the dividend;
- realised profits and expenses, since the elimination takes place directly in the sector of the company that realises the capital gain or loss.

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.

Information about business combinations

It should be noted that, on 29 December 2016, Atahotels and UnipolSai Investimenti SGR (the latter on behalf of Real Estate Investment Fund Athens R.E. Fund) began execution of the agreements signed with Una Hotels S.p.A. ("Una") on 25 May 2015 regarding the acquisition, through two separate transactions, respectively of the hotel management unit of Una and the corresponding property portfolio held for hotel purposes.
As regards the hotel business, measurement of assets acquired and liabilities undertaken was still ongoing at 30 June 2017 and, compared to 31 December 2016, the corresponding amounts have not undergone significant changes.

Amounts in €m	30/6/2017	31/12/2016
Goodwill	9.0	9.9
Other intangible assets	0.6	0.6
Other tangible assets	19.3	19.3
Investments in subsidiaries, associates and interests in joint ventures	0.8	0.8
Other receivables	10.6	11.5
Other assets	0.7	0.7
Provisions	(0.2)	(0.2)
Other payables	(14.9)	(15.1)
Total Net identifiable assets	**25.9**	**27.5**

New accounting standards

No new accounting standards or amendments to standards in force are to be reported as from the year 2017. In particular, the amendments to IAS 12 - Income taxes and IAS 7 - Statement of Cash Flows, whose date of first adoption should have been 1 January 2017, have not yet been endorsed by the European Union.

Approval of IFRS 17 - Insurance Contracts

Following the numerous public consultations (in 2007, 2010 and 2013), on 18 May 2017 the IASB published a final text of the new IFRS 17 standard, aimed at improving investors' understanding of risk exposure, as well as of profitability and financial exposure of insurers by defining measurement and accounting standards of insurance products. IFRS 17 will supersede IFRS 4, an interim standard issued in 2004, which envisaged the application of local accounting practices, which entailed a difficult comparison of financial results of companies.
Very briefly, the new IFRS 17 standard will introduce the following novelties:

a) Change in aggregation criteria of insurance contracts: the new accounting model envisages an increase in the number of portfolios of insurance contracts that bear similar characteristics (so-called Units of Account), according to which the financial and equity components should be determined;
b) Market-consistent values: insurance liabilities shall be measured at current values (based on updated information), weighted for their possible realisation;
c) Explicit measurement of risk adjustment: it shall be estimated in a distinct way from liabilities related to cash flows estimated to fulfil contract obligations undertaken;
d) Recognition of the estimated profit that is implicit in the insurance contracts in portfolio: the so-called "Contractual service margin" (CSM), estimated as the difference between the premiums collected by the company and the aggregate contract charges undertaken, including risk adjustment. This amount, if positive, i.e. in case of non-onerous contracts at the subscription date, will be recognised in the Income Statement over the entire period of the insurance coverage, with the function of suspending the expected profit;
e) Profit or loss based on margins: a new way of disclosing profit in the Income Statement was introduced by envisaging a recognition based on margin (divided by subscription assets and investment assets);
f) Disclosure: to complete information reported in the Income Statement and in the Statement of Financial Position, various statements shall be drawn up showing the changes occurred during the year related to the single components making up the insurance liabilities.

The standard will be applicable on 1 January 2021. Early application is permitted only if IFRS 9 and IFRS 15 have already been adopted by the entity. The Unipol Group has started a thorough assessment, involving the main corporate functions, with the aim of defining the possible impact of this standard and measuring the gaps in terms of process, IT systems, accounting, actuarial calculations, business and risk.

2. Notes to the Statement of Financial Position

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

In application of IFRS 5, assets and liabilities held for disposal are shown respectively under items 6.1 in Assets and 6.1 under Liabilities. As regards Non-current assets or assets of a disposal group held for sale, please refer to paragraph 4.4, for more information on their composition and measurement criteria.

ASSETS

1. Intangible assets

Amounts in €m	30/6/2017	31/12/2016	*var. in amount*
Goodwill	315.7	316.6	*(0.9)*
resulting from business combinations	315.7	316.6	*(0.9)*
Other intangible assets	353.0	386.6	*(33.5)*
portfolios acquired under business combinations	192.6	228.8	*(36.2)*
software and licenses	154.4	155.7	*(1.4)*
other intangible assets	6.1	2.0	*4.1*
Total intangible assets	668.8	703.2	*(34.4)*

With respect to the item **Goodwill** - resulting from business combinations, the change, amounting to €0.9m, is due to the acquisition of the business unit regarding the hotel management business of a joint-stock company, whose measurement is still provisional. The value of the goodwill paid for the acquisition of the hotel business shall be defined within December 2017 (12 months from acquisition), as envisaged by IFRS 3.

It should be however underlined that, upon approval of this half-year financial statements, no new elements emerged, compared to those already considered as at 31 December 2016, that show that goodwill has undergone an impairment loss (“trigger event”).

In relation to the item **Portfolios acquired as a result of business combinations**, the decrease with respect to 31 December 2016, amounting to €36.2m, is due for €15.7m to annual amortisation on amounts of the Non-Life portfolios acquired and, for €11.2m, on the Life portfolios, as well as to the reclassification, pursuant to IFRS 5, of €9.4m to item Non-current assets or assets of a disposal group held for sale, related to the portion attributable to Popolare Vita and The Lawrence Life.

2. Property, plant and equipment

At 30 June 2017, the item Property, plant and equipment, less the related accumulated depreciation, amounted to €1,545.2m (€1,595.9m at 31/12/2016) and it is composed of:
- property for own use amounting to €1,326.7m (€1,385.8m at 31/12/2016);
- other tangible assets amounting to €218.5m (€210.2m at 31/12/2016).

3. Technical provisions - Reinsurers' share

The reinsurers' share of Non-Life technical provisions, at 30 June 2017, amounted to €906.2m (€848.8m at 31 December 2016), and it is broken down as follows:

- Non-Life provisions, in the amount of €841.3m (€781.2m at 31/12/2016), of which €233.4m related to premium provisions (€187.0m at 31/12/2016), and €607.9m related to claims provisions (€594.2m at 31/12/2016);
- Life provisions, in the amount of €64.9m (€67.6m at 31/12/2016), of which €62.8m related to mathematical provisions (€65.7m at 31/12/2016), and €2.1m related to provisions for amounts payable (€1.9m at 31/12/2016).

4. Investments

At 30 June 2017, total investments (investment property, equity investments and financial assets) amounted to €50,144.1m (€61,214.9m at 31/12/2016).

Amounts in €m	30/6/2017	*% comp.*	31/12/2016	*% comp.*	*% var.*
Investment property	2,434.4	*4.9*	2,387.8	*3.9*	*1.9*
Investments in subsidiaries, associates and interests in joint ventures	426.2	*0.8*	527.3	*0.9*	*(19.2)*
Financial assets (excluding those at fair value through profit or loss)	42,077.0	*83.9*	49,419.7	*80.7*	*(14.9)*
Held-to-maturity investments	*878.6*	*1.8*	*892.3*	*1.5*	*(1.5)*
Loans and receivables	*4,962.7*	*9.9*	*5,049.6*	*8.2*	*(1.7)*
Available-for-sale financial assets	*35,767.7*	*71.3*	*43,171.7*	*70.5*	*(17.2)*
Held-for-trading financial assets	*467.9*	*0.9*	*306.1*	*0.5*	*52.9*
Financial assets at fair value through profit or loss	5,206.5	*10.4*	8,880.0	*14.5*	*(41.4)*
Total Investments	50,144.1	*100.0*	61,214.9	*100.0*	*(18.1)*

Pursuant to IFRS 5, at 30 June 2017 Investments attributable to Popolare Vita and The Lawrence Life, equal to €10,682m were reclassified under item Non-current assets or assets of a disposal group held for sale:

- Loans and receivables, in the amount of €144.9m;
- Available-for-sale financial assets, in the amount of €6,873.8m;
- Financial assets at fair value through profit or loss, in the amount of €3,663.4m.

On a like-for-like basis the variation was -0.6%, compared to 31/12/2016.

Financial assets - items 4.3, 4.4, 4.5 and 4.6 (excluding Financial assets at fair value through profit or loss)

Amounts in €m	30/6/2017	% comp.	31/12/2016	% comp.	% var.
Held-to-maturity investments	**878.6**	*2.1*	**892.3**	*1.8*	*(1.5)*
Listed debt securities	731.1		748.3		*(2.3)*
Unlisted debt securities	147.6		144.0		*2.5*
Loans and receivables	**4,962.7**	*11.8*	**5,049.6**	*10.2*	*(1.7)*
Unlisted debt securities	3,855.5		4,172.3		*(7.6)*
Deposits with ceding companies	20.9		20.6		*1.0*
Other loans and receivables	1,086.4		856.7		*26.8*
Available-for-sale financial assets	**35,767.7**	*85.0*	**43,171.7**	*87.4*	*(17.2)*
Equity instruments at cost	9.1		38.2		*(76.2)*
Listed equity instruments at fair value	661.4		436.7		*51.5*
Unlisted equity instruments at fair value	197.2		168.3		*17.2*
Listed debt securities	32,561.2		40,536.4		*(19.7)*
Unlisted debt securities	441.1		573.3		*(23.1)*
UCITS units	1,897.8		1,418.8		*33.8*
Held-for-trading financial assets	**467.9**	*1.1*	**306.1**	*0.6*	*52.9*
Listed equity instruments at fair value	14.1		12.7		*10.5*
Listed debt securities	101.0		90.1		*12.1*
Unlisted debt securities	45.5		47.8		*(4.7)*
UCITS units	15.2		28.3		*(46.1)*
Derivatives	292.1		127.2		*129.6*
Total financial assets	**42,077.0**	*100.0*	**49,419.7**	*100.0*	*(14.9)*

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

Amounts in €m	30/6/2017	% comp.	31/12/2016	% comp.	% var.
Financial assets at fair value through profit or loss	**5,206.5**	*100.0*	**8,880.0**	*100.0*	*(41.4)*
Listed equity instruments at fair value	187.3	*3.6*	226.0	*2.5*	*(17.1)*
Listed debt securities	3,362.7	*64.6*	4,395.0	*49.5*	*(23.5)*
Unlisted debt securities	3.5	*0.1*	130.2	*1.5*	*(97.3)*
UCITS units	835.5	*16.0*	3,596.8	*40.5*	*(76.8)*
Other financial assets	817.5	*15.7*	532.0	*6.0*	*53.7*

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

5. Sundry receivables

Amounts in €m	30/6/2017	*% comp.*	31/12/2016	*% comp.*	*% var.*
Receivables relating to direct insurance business	975.6	*43.0*	1,418.7	*45.6*	*(31.2)*
Receivables relating to reinsurance business	116.0	*5.1*	95.1	*3.1*	*21.9*
Other receivables	1,174.7	*51.8*	1,600.6	*51.4*	*(26.6)*
Total sundry receivables	**2,266.2**	***100.0***	**3,114.4**	***100.0***	***(27.2)***

The item Other receivables included:
- tax receivables amounting to €422.7m (€445.4m at 31/12/2016);
- substitute tax receivables on the mathematical provisions totalling €212.2m (€258.1m at 31/12/2016);
- trade receivables amounting to €146.4m (€187.7m at 31/12/2016);
- payments made as cash collateral to safeguard derivatives totalling €102.1m (€352.6m at 31/12/2016).

At 30 June 2017, Popolare Vita and The Lawrence Life recorded Other receivables, equal to €126.5m, reclassified under item Non-current assets or assets of a disposal group held for sale: on a like-for-like basis, the variation under item Sundry receivables was equal to -23.2%.

6. Other assets

Amounts in €m	30/6/2017	*% comp.*	31/12/2016	*% comp.*	*% var.*
Non-current assets or assets of a disposal group held for sale	11,003.7	*92.1*	207.8	*18.7*	*n.s.*
Deferred acquisition costs	88.1	*0.7*	90.4	*8.1*	*(2.5)*
Deferred tax assets	248.3	*2.1*	259.8	*23.4*	*(4.4)*
Current tax assets	15.8	*0.1*	31.3	*2.8*	*(49.5)*
Other assets	596.4	*5.0*	521.2	*46.9*	*14.4*
Total other assets	**11,952.4**	***100.0***	**1,110.5**	***100.0***	***n.s.***

As already described, after exercising the put option, having the equity investment in Popolare Vita as object matter, the item Non-current assets or assets of a disposal group held for sale includes assets related to Popolare Vita and The Lawrence Life. Some real estate properties, owned by Group companies, are also included. For details please refer to paragraph 4.4 of these Notes to the financial statements.

The item Deferred tax assets is shown net of the compensation carried out, pursuant to IAS 12, with the corresponding taxes (IRES or IRAP) recorded in deferred tax liabilities, as described in Chapter 2 Main accounting standards adopted in the consolidated financial statements at 31/12/2016.

The item Other assets includes, inter alia, deferred commission expense, prepayments and accrued income and miscellaneous items to be settled.

At 30 June 2017, Other assets attributable to Polopare Vita and The Lawrence Life, reclassified as Non-current assets or assets of a disposal group held for sale, amounted to €73.1m. On a like-for-like basis the variation was -2.1%.

7. Cash and cash equivalents

At 30 June 2017, Cash and cash equivalents amounted to €844.0m (€660.6m at 31 December 2016), less €47.3m owned by Popolare Vita and The Lawrence Life and reclassified as Non-current assets or assets of a disposal group held for sale.

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	30/6/2017	31/12/2016	*var. in amount*
Share capital	2,031.5	2,031.5	
Capital reserves	346.8	346.8	
Income-related and other equity reserves	2,746.2	2,593.1	*153.1*
(Treasury shares)	(52.3)	(52.3)	
Reserve for foreign currency translation differences	4.1	3.1	*1.0*
Gains/losses on available-for-sale financial assets	738.0	751.5	*(13.6)*
Other gains and losses recognised directly in equity	(6.4)	(15.5)	*9.1*
Profit (loss) for the year	264.6	497.4	*(232.8)*
Total shareholders' equity attributable to the owners of the Parent	**6,072.5**	**6,155.6**	***(83.2)***

At 30 June 2017, UnipolSai's share capital was €2,031.5m, fully paid-up, and consisted of 2,829,717,372 ordinary shares without nominal value (unchanged compared to 31/12/2016).

Movements in shareholders' equity recognised during the period with respect to 31/12/2016 are set out in the attached statement of changes in shareholders' equity.
The main changes in the year in the Group's shareholders' equity were as follows:
- decrease due to dividend distribution for €346.8m;
- decrease as a result of the fall in the reserve for gains and losses on available-for-sale financial assets, net of both the related tax liabilities and the part attributable to the policyholders and charged to insurance liabilities for €13.6m;
- increase of €264.6m for Group profit of the period.

Shareholders' Equity attributable to non-controlling interests was €308.7m (€379.1m at 31/12/2016).

Treasury shares or quotas

At 30 June 2017, UnipolSai held a total of 55,349,685 ordinary treasury shares, of which 7,005,640 directly and 48,344,045 indirectly through the subsidiaries UnipolSai Finance (38,454,775), UnipolSai Nederland (9,443,258), Pronto Assistance (344,312) and Popolare Vita (101,700).

2. Provisions and potential liabilities

The item "Provisions" totalled €390.4m at 30 June 2017 (€442.4m at 31/12/2016) 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 2017 are worth reporting herein. For exhaustive information on the ongoing causes and contingent liabilities, reference is made to information given in the 2016 Consolidated Financial Statements.

Relations with the Tax Authorities

UnipolSai

In June 2016 two reports on findings were notified at completion of the audits performed by the Province Direction I of Turin on the former real estate company Fondiaria-SAI (merged in UnipolSai), for the years 2011 and 2012. These comments substantially concerned some transactions carried out at that time with related parties (IM.CO and ICEIN). In December 2016, an assessment notice was issued for the year 2011, promptly challenged before the Provincial Tax Commission of Turin. During the first half of 2017, the entire dispute was settled through the assessment procedure, while benefiting from the reductions of the penalties prescribed by the measures to avoid tax disputes. The previously allocated provision for risks was used.
At the end of 2016, the assessment notices were notified as a result of the audits conducted by the Regional Tax Authority of Piedmont on the company Immobiliare Milano Assicurazioni (merged in UnipolSai), for the years 2010 and 2011. The remarks substantially concerned intercompany services pertaining to the previous management and other less relevant objections. The settlement proposals were concluded in the first half of 2017, while benefiting from the reductions of the penalties prescribed by the measures to avoid tax disputes. The previously allocated provision for risks was used.

Other tax disputes

As regards the assessment notices received by Group Companies regarding VAT on active and passive coinsurance contracts entered into with other companies in the insurance sector, notified until 30 June 2017, all duly challenged with the competent tax commissions, taking into account the prevalent favourable jurisprudence on these matters, no provisions have been allocated.
On this issue, the recent sentences no. 22429/16 and no. 5885/17 of the Supreme Cassation Court are to be highlighted. In both sentences, while ordering that the dispute be referred back to the competent Regional Tax Commission for a ruling on the merits, the Court expressed principles indicating that the case will probably have a positive outcome.

Ongoing disputes with investors

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 2017, two causes were still pending before the Supreme Cassation Court. Special provisions were provided with respect of the above-mentioned legal disputes. The amounts were deemed as adequate.
Moreover, as reported in the Consolidated Financial Statements ended 31 December 2016, some investors have autonomously initiated civil proceedings for damages. In these proceedings, the plaintiffs summarily stated that they had purchased and subscribed Fondiaria-SAI shares as they were prompted by the information in the information prospectuses published by Fondiaria-SAI on 24/06/2011 and 12/07/2012 in relation to the increases in share capital under option resolved by the company on 14/05/2011, 22/06/2011 and 19/03/2012 respectively, and in the financial statements of Fondiaria-SAI relating to the years 2007-2012. UnipolSai (former Fondiaria-SAI) appeared at all Civil

Proceedings and disputed the plaintiffs' claims. A first civil proceeding initiated before the Court of Turin ended with a final decision rejecting the merits of the Plaintiff's demands, acquitting UnipolSai from all compensation claims. On 18 May 2017, the Milan Court has instead partially upheld the compensation claims of another shareholder. The Company has already granted its lawyers a mandate to appeal the sentence before the Milan Court of Appeal. Of the remaining proceedings, some are in the decision stage and some in the introductory/preliminary stage.

Provisions deemed suitable were made in relation to the disputes with investors described above.

3. Technical provisions

Amounts in €m	30/6/2017	*% comp.*	31/12/2016	*% comp.*	*% var.*
Non-Life premium provisions	2,826.2	*18.9*	2,708.5	*18.0*	
Non-Life claims provisions	12,146.1	*81.0*	12,310.1	*81.9*	
Other Non-Life technical provisions	18.1	*0.1*	17.6	*0.1*	
Total Non-Life provisions	**14,990.5**	***100.0***	**15,036.2**	***100.0***	***(0.3)***
Life mathematical provisions	24,347.8	*78.7*	30,622.5	*75.1*	
Provisions for amounts payable (Life business)	258.5	*0.8*	379.3	*0.9*	
Technical provisions where the investment risk is borne by policyholders and arising from pension fund management	4,418.4	*14.3*	7,167.9	*17.6*	
Other Life technical provisions	1,907.5	*6.2*	2,610.6	*6.4*	
Total Life provisions	**30,932.3**	***100.0***	**40,780.3**	***100.0***	***(24.1)***
Total technical provisions	**45,922.7**		**55,816.4**		***(17.7)***

At 30 June 2017, Popolare Vita and The Lawrence Life own technical reserves amounting to €9,363.9m, reclassified under item Liabilities associated with disposal groups. On a like-for-like basis, the change would have been -1,2% as regards the Life provisions and -0,9% as regards the total of Technical provisions.

4. Financial liabilities

Financial liabilities amounted to €3,515.3m (€4,680.7m at 31/12/2016).

4.1 Financial liabilities at fair value through profit or loss

The item, which amounted to €1,035.0m (€2,140.1m at 31/12/2016), is broken down as follows:
- Financial liabilities held for trading totalled €244.5m (€411.3m at 31/12/2016);
- Financial liabilities designated at fair value through profit or loss totalled €790.5m (€1,728.8m at 31/12/2016). This category included investment contracts issued by insurance companies where the investment risk was borne by the policyholders and the insurance risk borne by the Group did not exceed 10% (some types of Class III, Class V and Class VI contracts).

At 30 June 2017, Popolare Vita and The Lawrence Life owned €976.9m of financial liabilities designated to be measured at fair value recognised in the Income Statement and reclassified as Liabilities associated with disposal groups.

4.2 Other financial liabilities

Amounts in €m	30/6/2017	*% comp.*	31/12/2016	*% comp.*	*% var.*
Subordinated liabilities	2,005.9	*80.9*	2,027.3	*79.8*	*(1.1)*
Deposits received from reinsurers	183.2	*7.4*	220.7	*8.7*	*(17.0)*
Other loans obtained	286.4	*11.5*	287.8	*11.3*	*(0.5)*
Sundry financial liabilities	4.8	*0.2*	4.8	*0.2*	*(0.0)*
Total other financial liabilities	**2,480.3**	***100.0***	**2,540.6**	***100.0***	***(2.4)***

Details of Subordinated liabilities are shown in the table below:

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

(*) 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.

5. Payables

Amounts in €m	30/6/2017	*% comp.*	31/12/2016	*% comp.*	*% var.*
Payables arising from direct insurance business	101.6	*11.3*	107.4	*12.4*	*(5.4)*
Payables arising from reinsurance business	128.5	*14.4*	92.3	*10.7*	*39.1*
Other payables	665.2	*74.3*	665.2	*76.9*	*(0.0)*
Policyholders' tax due	124.1	*13.9*	161.2	*18.6*	*(23.0)*
Sundry tax payables	32.6	*3.6*	41.3	*4.8*	*(21.2)*
Trade payables	211.0	*23.6*	189.5	*21.9*	*11.3*
Post-employment benefits	65.0	*7.3*	64.5	*7.5*	*0.8*
Social security charges payable	30.5	*3.4*	35.0	*4.0*	*(12.8)*
Sundry payables	202.0	*22.6*	173.7	*20.1*	*16.3*
Total payables	895.2	*100.0*	864.9	*100.0*	*3.5*

At 30 June 2017, Popolare Vita and The Lawrence Life owned €70.4m of Payables, reclassified as Liabilities associated with disposal groups. On a like-for-like basis the variation was +11.6%.

6. Other liabilities

Amounts in €m	30/6/2017	% comp.	31/12/2016	% comp.	% var.
Current tax liabilities	19.7	*0.2*	45.1	*5.0*	*(56.4)*
Deferred tax liabilities	18.3	*0.2*	26.0	*2.9*	*(29.6)*
Liabilities associated with disposal groups held for sale	10,459.5	*93.2*			
Commissions on premiums under collection	81.0	*0.7*	99.7	*11.0*	*(18.8)*
Deferred commission income	0.6	*0.0*	23.2	*2.6*	*(97.5)*
Accrued expenses and deferred income	54.1	*0.5*	45.4	*5.0*	*19.3*
Other liabilities	589.0	*5.2*	669.9	*73.7*	*(12.1)*
Total other liabilities	**11,222.1**	***100.0***	**909.2**	***100.0***	***n.s.***

The item Deferred tax assets is shown net of the compensation carried out, pursuant to IAS 12, with the corresponding taxes (IRES or IRAP) recorded in deferred tax assets, as described in Chapter 2 Main accounting standards adopted in the consolidated financial statements at 31/12/2016.

At 30 June 2017, item Other liabilities related to Popolare Vita and The Lawrence Life amounted to €47.8m. On a like-for-like basis the variation was -10.9%.

3. Notes to the Income Statement

Comments and further information on the items in the income statement and the variations that took place compared with 30/06/2016 are given below (the numbering of the notes relates to the mandatory layout for the preparation of the income statement).

REVENUE

1.1 Net premiums

Amounts in €m	30/6/2017	30/6/2016	*% var.*
Non-Life earned premiums	3,619.3	3,677.8	*(1.6)*
Non-Life written premiums	3,737.5	3,712.0	*0.7*
Changes in Non-Life premium provision	(118.2)	(34.1)	*n.s.*
Life written premiums	1,815.0	2,534.5	*(28.4)*
Non-Life and Life gross earned premiums	5,434.3	6,212.4	*(12.5)*
Non-Life earned premiums ceded to reinsurers	(209.4)	(227.2)	*(7.8)*
Non-Life premiums ceded to reinsurers	(255.5)	(237.5)	*7.6*
Changes in Non-Life premium provision - reinsurers' share	46.1	10.3	*n.s.*
Life premiums ceded to reinsurers	(3.7)	(4.0)	*(7.4)*
Non-Life and Life earned premiums ceded to reinsurers	(213.2)	(231.2)	*(7.8)*
Total net premiums	5,221.1	5,981.2	*(12.7)*

1.2 Commission income

Amounts in €m	30/6/2017	30/6/2016	*% var.*
Commission income from investment contracts	11.4	10.2	*11.7*
Other commission income	5.6	5.8	*(4.0)*
Total commission income	17.0	16.1	*6.0*

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

Amounts in €m	30/6/2017	30/6/2016	*% var.*
on held-for trading financial assets	41.5	(158.9)	
on held-for trading financial liabilities		(1.7)	
on financial assets/liabilities at fair value through profit or loss	81.4	(36.4)	
Total net gains/losses	122.9	(197.0)	*n.s.*

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

These totalled €3.7m (€3.9m at 30/06/2016).

1.5 Gains on other financial instruments and investment property

Amounts in €m	30/6/2017	30/6/2016	*% var.*
Interests	767.5	744.8	*3.0*
on held-to-maturity investments	19.5	23.4	*(16.9)*
on loans and receivables	78.6	77.4	*1.6*
on available-for-sale financial assets	665.0	642.2	*3.6*
on sundry receivables	4.1	1.3	*n.s.*
on cash and cash equivalents	0.3	0.5	*(34.9)*
Other income	102.4	94.6	*8.3*
from investment property	44.6	44.3	*0.7*
from available-for-sale financial assets	57.8	50.3	*14.9*
Realised gains	243.2	268.8	*(9.5)*
on investment property	7.6	2.5	*n.s.*
on loans and receivables	1.2	7.4	*(83.3)*
on available-for-sale financial assets	234.3	258.8	*(9.5)*
Unrealised gains and reversals of impairment losses	0.0	43.4	*(100.0)*
on other financial assets and liabilities	0.0	43.4	*(100.0)*
Total item 1.5	1,113.0	1,151.6	*(3.3)*

1.6 Other revenue

Amounts in €m	30/6/2017	30/6/2016	var.%
Sundry technical income	46.2	57.7	*(20.0)*
Exchange rate differences	5.3	5.7	*(7.3)*
Extraordinary gains	18.9	30.1	*(37.3)*
Other income	191.0	125.4	*52.5*
Total other revenue	**261.3**	**218.9**	***19.4***

COSTS

2.1 Net charges relating to claims

Amounts in €m	30/6/2017	30/6/2016	% var.
Net charges relating to claims - direct and indirect business	**4,536.3**	**5,151.1**	***(11.9)***
Non-Life business	**2,363.2**	**2,392.8**	***(1.2)***
Non-Life amounts paid	2,571.4	2,791.2	
changes in Non-Life claims provision	(157.8)	(346.5)	
changes in Non-Life recoveries	(51.1)	(51.2)	
changes in other Non-Life technical provisions	0.7	(0.7)	
Life business	**2,173.2**	**2,758.3**	***(21.2)***
Life amounts paid	2,213.1	2,937.7	
changes in Life amounts payable	(62.8)	(415.0)	
changes in mathematical provisions	23.2	749.4	
changes in other Life technical provisions	5.8	(29.8)	
changes in provisions where the investment risk is borne by policyholders and arising from pension fund management	(6.2)	(484.0)	
Charges relating to claims - reinsurers' share	**(98.5)**	**(95.3)**	***3.3***
Non-Life business	**(93.9)**	**(94.6)**	***(0.7)***
Non-Life amounts paid	(73.0)	(108.9)	
changes in Non-Life claims provision	(25.4)	12.0	
changes in Non-Life recoveries	4.5	2.4	
Life business	**(4.5)**	**(0.7)**	***n.s.***
Life amounts paid	(7.3)	(11.5)	
changes in Life amounts payable	(0.2)	3.3	
changes in mathematical provisions	2.9	7.4	
Total net charges relating to claims	**4,437.9**	**5,055.7**	***(12.2)***

2.2 Commission expense

Amounts in €m	30/6/2017	30/6/2016	*% var.*
Commission expense from investment contracts	5.1	2.6	*93.5*
Other commission expense	3.5	4.4	*(21.5)*
Total commission expense	**8.5**	**7.0**	***21.3***

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

They amounted to €105.8m (€2.1m at 30 June 2016) and mainly relate to the portion of loss reported by Unipol Banca over the six-month period.

2.4 Losses on other financial instruments and investment property

Amounts in €m	30/6/2017	30/6/2016	% var.
Interests:	41.7	40.5	*3.0*
on other financial liabilities	40.9	40.2	*1.8*
on payables	0.8	0.3	*n.s.*
Other charges:	21.4	22.5	*(4.7)*
from investment property	19.5	20.3	*(3.7)*
from available-for-sale financial assets	1.2	1.6	*(22.9)*
from cash and cash equivalents	0.1	0.1	*67.3*
from other financial liabilities	0.5	0.5	*3.9*
from sundry payables	0.0	0.0	*9.5*
Realised losses:	62.9	60.0	*4.8*
on investment property	0.2	0.1	*n.s.*
on loans and receivables	0.9	2.4	*(62.0)*
on available-for-sale financial assets	61.7	57.5	*7.3*
Unrealised losses and impairment losses:	107.1	42.0	*n.s.*
on investment property	20.1	26.1	*(23.2)*
on loans and receivables	20.1		
on available-for-sale financial assets	64.7	15.9	*n.s.*
on other financial liabilities	2.2		
Total item 2.4	233.1	164.9	*41.3*

The Unrealised losses and impairment losses relating to investment property included amortisation that totalled €19.0m (€21.1m at 30/06/2016) and write-downs amounting to €1.1m (€5.1m at 30/06/2016).

2.5 Operating expenses

Amounts in €m	30/6/2017	30/6/2016	*% var.*
Insurance Sector	1,126.1	1,144.3	*(1.6)*
Other Businesses Sector	31.3	27.6	*13.5*
Real Estate Sector	6.0	5.1	*18.1*
Intersegment eliminations	(8.0)	(8.8)	*(9.7)*
Total operating expenses	**1,155.3**	**1,168.1**	***(1.1)***

Below are details of Operating expenses in the Insurance sector:

	Non-Life			Life			Total		
Amounts in €m	30/6/2017	30/6/2016	*% var.*	30/6/2017	30/6/2016	*% var.*	30/6/2017	30/6/2016	*% var.*
Acquisition commissions	639.4	620.6	*3.0*	33.2	41.4	*(19.9)*	672.6	662.0	*1.6*
Other acquisition costs	157.6	158.8	*(0.7)*	21.7	22.4	*(3.1)*	179.3	181.1	*(1.0)*
Change in deferred acquisition costs	(3.0)	(1.0)	*n.s.*	(1.4)	(1.9)	*(30.0)*	(4.3)	(3.0)	*45.5*
Collection commissions	79.5	81.6	*(2.7)*	3.4	3.8	*(10.9)*	82.8	85.4	*(3.0)*
Profit sharing and other commissions from reinsurers	(82.0)	(70.8)	*15.9*	(0.4)	(0.2)	*99.5*	(82.4)	(70.9)	*16.1*
Investment management expenses	36.5	46.3	*(21.2)*	21.1	21.7	*(2.7)*	57.6	68.0	*(15.3)*
Other administrative expenses	174.5	174.9	*(0.2)*	45.9	46.8	*(1.8)*	220.4	221.6	*(0.5)*
Total operating expenses	**1,002.6**	**1,010.4**	***(0.8)***	**123.5**	**133.9**	***(7.8)***	**1,126.1**	**1,144.3**	***(1.6)***

2.6 Other costs

Amounts in €m	30/6/2017	30/6/2016	*% var.*
Other technical charges	162.5	158.2	*2.7*
Impairment losses on receivables	6.3	3.5	*79.5*
Other charges	235.6	232.0	*1.6*
Total other costs	**404.4**	**393.7**	***2.7***

3. Income taxes

Against a pre-tax profit of €394.0m, taxes pertaining to the year of €112.0m were recorded, corresponding to a tax rate of 28.4% (26.9% at 30/06/2016). Over the period, €7.6m of net gains were recognised for the tax recognition of goodwill generated following the merger of Liguria Assicurazioni and Liguria Vita into UnipolSai, occurred on 31 January 2016 (Art. 15, paragraph 10, of Law Decree 185/2008).

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 (Interest Rate Swaps).

UnipolSai Assicurazioni: during the first half of 2017, no new transactions were carried out concerning fair value hedging.
Existing positions at 30 June 2017 are related to IRS contracts, for a nominal value of €250.0m to hedge bond assets recorded in Loans and Receivables, with a hedged synthetic notional value equal to €130.4m.
At 30 June 2017, compared to 31/12/2016, the fair value change related to the hedged risk of bonds came to a negative €20.1m, while the fair value change of IRS amounted to a positive €23.0m, with a positive net economic effect of €2.9m, including the tax effect of €0.9m.
At 30 June 2017, hedging was effective since the ratios between the respective variations in fair value were still within the range 80%-125%.

Cash flow hedges

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

UnipolSai Assicurazioni: cash flow hedges on bond securities recorded in the Available-for-sale asset portfolio through the sale of IRSs for a notional value of €1,053.8m (€1,053.8m at 31/12/2016).
The cumulative negative effect on Shareholders' Equity in the Hedging reserve for gains or losses on cash flow hedges was €2.6m (€8.9m at 31/12/2016): net of tax, the impact was -€1.8m (-€6.2m at 31/12/2016).

UnipolSai Assicurazioni: cash flow hedges on bond securities recorded in the Loans and Receivables portfolio through IRSs for a notional value of €250.0m (€250.0m at 31/12/2016).
The cumulative negative effect on Shareholders' Equity in the Hedging reserve for gains or losses on cash flow hedges was €0.5m (-€3.1m at 31/12/2016): net of tax, the impact was -€0.4m (-€2.2m at 31/12/2016).

4.2 Earnings (loss) per share

	30/6/2017	30/6/2016
Profit/loss per share (€m)	264.6	269.4
Weighted average of shares outstanding during the year (no./m)	2,774.4	2,776.2
Basic and diluted earnings (loss) per share (€ per share)	**0.10**	**0.10**

4.3 Dividends

In view of the profit for the year made by the Company at 31/12/2016 (as shown in the financial statements drawn up in accordance with Italian GAAP), the Shareholders' Meeting of UnipolSai SpA held on 27 April 2017, resolved on the distribution of dividends corresponding to €0.125 per share. The total amount set aside for dividends, including treasury shares held by UnipolSai, amounted to €353m.

The Shareholders' Meeting also set the dividend payment date for 24 May 2017 (ex-dividend date 22 May 2017 and record date 23 May 2017).

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

On 29 June 2017, UnipolSai resolved on the termination of the Distribution Agreement in place with Banco BPM SpA and the consequent exercise of the put option, pertaining to the entire equity investment held in Popolare Vita.
Pursuant to IFRS 5, assets and liabilities from Popolare Vita (which holds 100% of The Lawrence Life) were reclassified, respectively, in the Assets, under item 6.1 "Non-current assets or assets of a disposal group held for sale" and in the Liabilities, under item 6.1 " Liabilities associated with disposal groups".

At 30 June 2017, reclassifications made in application of IFRS 5, under item 6.1 of the Assets, amounted to €11,003.7m (€207.8m at 31 December 2016, exclusively related to real estate properties) and are related, in the amount of €10,938.7m, to assets attributable to Popolare Vita and The Lawrence Life, and in the amount of €65m, to properties held for sale.
Liabilities reclassified under item 6.1 Liabilities associated with disposal groups, amounted to €10,459.5m, entirely from discontinuing operations.

The following table shows values of the main items related to Assets and Liabilities held for sale.

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

	Amounts in €m	Popolare Vita	The Lawrence Life	Other reclass. IFRS5	Total reclassifications IFRS 5
		30/6/2017	30/6/2017	30/6/2017	30/6/2017
1	INTANGIBLE ASSETS	9.4	0.0		9.4
1.2	Other intangible assets	9.4	0.0		9.4
2	PROPERTY, PLANT AND EQUIPMENT	0.0	0.3	23.2	23.5
2.1	Property			23.2	23.2
2.2	Other tangible assets	0.0	0.3		0.3
4	INVESTMENTS	8,824.2	1,857.9	41.9	10,723.9
4.1	Investment property			41.9	41.9
4.4	Loans and receivables	144.9			144.9
4.5	Available-for-sale financial assets	6,827.4	46.3		6,873.8
4.6	Financial assets at fair value through profit or loss	1,851.8	1,811.5		3,663.4
5	SUNDRY RECEIVABLES	102.7	23.9		126.5
5.3	Other receivables	102.7	23.8		126.5
6	OTHER ASSETS	59.3	13.8		73.1
6.2	Deferred acquisition costs	6.5	0.2		6.7
6.3	Deferred tax assets	4.8			4.8
6.4	Current tax assets	10.3	0.9		11.2
6.5	Other assets	37.7	12.7		50.5
7	CASH AND CASH EQUIVALENTS	23.9	23.4		47.3
TOTAL NON-CURRENT ASSETS OR ASSETS OF A DISPOSAL GROUP HELD FOR SALE		9,019.4	1,919.3	65.0	11,003.7

Liabilities associated with disposal groups held for sale

	Amounts in €m	Popolare Vita	The Lawrence Life	Other reclass. IFRS5	Total reclassifications IFRS 5
		30/6/2017	30/6/2017	30/6/2017	30/6/2017
2	PROVISIONS	0.5			0.5
3	TECHNICAL PROVISIONS	7,960.1	1,403.8		9,363.9
4	FINANCIAL LIABILITIES	553.0	423.9		976.9
4.1	Financial liabilities at fair value through profit or loss	553.0	423.9		976.9
5	PAYABLES	61.0	9.3		70.4
5.1	Payables arising from direct insurance operations	5.2	2.4		7.6
5.3	Other payables	55.8	6.9		62.7
6	OTHER LIABILITIES	38.2	9.7		47.8
6.2	Deferred tax liabilities	6.0	0.4		6.4
6.3	Current tax liabilities	13.4			13.4
6.4	Other liabilities	18.8	9.3		28.1
LIABILITIES ASSOCIATED WITH DISPOSAL GROUPS HELD FOR SALE		8,612.8	1,846.7		10,459.5

4.5 Transactions with related parties

Group companies that render services of various types to other Group companies are as follows: UnipolSai, Siat, Auto Presto & Bene, UnipolSai Servizi Previdenziali, UnipolRe, UnipolSai Investimenti Sgr, Pronto Assistance Servizi, UnipolSai Servizi Consortili, Alfaevolution and Unipol Banca.
No atypical or unusual transactions were carried out in the execution of these services.

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

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

The following elements are specifically taken into consideration:

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

The costs for financing activities are calculated by applying a fee on managed volumes. The services provided by Auto Presto & Bene and UnipolRe involve fixed prices.

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

As regards the main transactions "of minor relevance" carried out during the first half of 2017, reference is made to the interim Management Report.

The following table shows transactions with related parties (holding company, associates, affiliates and others) carried out during the first half of 2017, as laid down in IAS 24 and in Consob Communication DEM/6064293/2006.

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

Information on transactions with related parties

Amounts in €m	Holding company	Indirect holding company	Associates	Affiliates	Total	*% inc. (1)*	*% inc. (2)*
Loans and receivables	267.8		376.5	0.0	644.4	*0.9*	*(10.7)*
Sundry receivables	23.3	0.1	55.5	16.2	95.1	*0.1*	*(1.6)*
Other assets		0.1	42.8	0.4	43.3	*0.1*	*(0.7)*
Cash and cash equivalents			585.4		585.4	*0.9*	*(9.7)*
Total Assets	**291.2**	**0.1**	**1,060.3**	**16.6**	**1,368.1**	***2.0***	***(22.7)***
Provisions			0.4		0.4	*0.0*	*(0.0)*
Technical provisions				10.3	10.3	*0.0*	*(0.2)*
Other financial liabilities			127.4		127.4	*0.2*	*(2.1)*
Sundry payables	23.1	0.0	13.8	12.7	49.6	*0.1*	*(0.8)*
Other liabilities	0.0	(0.0)	20.3	0.1	20.4	*0.0*	*(0.3)*
Total Liabilities	**23.2**	**0.0**	**161.8**	**23.1**	**208.1**	***0.3***	***(3.5)***
Net premiums			0.1	(24.0)	(23.8)	*(6.1)*	*0.4*
Commission income			3.1		3.1	*0.8*	*(0.1)*
Gains and losses on financial instruments at fair value through profit or loss	0.7				0.7	*0.2*	*(0.0)*
Gains on other financial instruments and investment property	0.9	0.0	5.3	2.9	9.2	*2.3*	*(0.2)*
Other revenue	2.4	0.0	5.2	8.8	16.4	*4.2*	*(0.3)*
Total Revenue and Income	**4.0**	**0.1**	**13.7**	**(12.3)**	**5.5**	***1.4***	***(0.1)***
Net charges relating to claims				(8.6)	(8.6)	*(2.2)*	*0.1*
Losses on other financial instruments and investment property			3.3		3.3	*0.8*	*(0.1)*
Operating expenses	0.0	0.7	105.0	(9.0)	96.6	*24.5*	*(1.6)*
Other costs	5.8	0.0	5.3	1.1	12.3	*3.1*	*(0.2)*
Total Costs and Expenses	**5.8**	**0.7**	**113.6**	**(16.4)**	**103.6**	***26.3***	***(1.7)***

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

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

Loans and receivables due from the holding company relate to two loan agreements between the former Unipol Assicurazioni and the holding company Unipol executed during 2009 after Unipol Assicurazioni's takeover of the role of issuer for the UGF 7% and UGF 5.66% subordinated bond loans issued by Unipol.
Loans and receivables from associates comprise €357.0m of time deposits above 15 days held by the companies of the Group with Unipol Banca, €2.0m of bonds issued by Unipol Banca and subscribed by UnipolSai and €8.2m of interest-free loans disbursed by UnipolSai to the associates Borsetto (€6.3m), Penta Domus (€1.8m) and Butterfly Am (€0.1m).
Sundry receivables from the holding company comprised amounts related to the tax consolidation and for services rendered.

The item Sundry receivables from associates included €30.3m in receivables from Finitalia for premiums it had advanced for the service concerning the split payment of policies and €18.4m in receivables due from insurance brokerage agencies for commissions.
The item Sundry receivables from affiliates included receivables for seconded staff and services supplied by UnipolSai.
Other assets related to current accounts, temporarily unavailable, that UnipolSai has opened with Unipol Banca.
Cash and cash equivalents included the balances of current accounts opened by Group companies at the associate Unipol Banca.
Technical provisions regard the reinsurance business of UnipolSai with Unipol subsidiaries.
Other financial liabilities due to associates referred to mortgages provided by Unipol Banca to Group companies.
Sundry payables included:

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

The items Net premiums and Net charges for claims regard the reinsurance business of UnipolSai at Unipol's subsidiaries.
Commission income refers to the bank relations between the Group companies and the associate Unipol Banca.
Gains on other financial instruments and investment property include:

- as for relations with the holding company, the interest income on loans provided by UnipolSai to Unipol;
- as for relations with associates, the interest income on bank deposits held by the Group companies at Unipol Banca and rents paid to UnipolSai for use of the properties where their business is conducted.

The item Other revenue due from the holding company and from the affiliates mainly included income for staff secondment; other revenue due from associates relates mainly to relations of the Group companies with Unipol Banca and Finitalia for banking services and policy premium instalments.
The item Charges resulting from other financial instruments and investment property are related to interest paid to Unipol Banca for loans granted by the bank to real estate Funds Tikal RE and Athens RE.
Operating expenses comprise:

- as for associates, costs on commissions paid to insurance brokerage agencies (€57.9m), costs paid to Finitalia for instalments of policies issued by the Group companies (€27.9m) and bank relations operating costs (€18.0m).
- as for transactions with affiliates, the revenues for commissions deriving from reinsurance.

The item Other costs primarily relates to staff secondment.

4.6 Fair value measurements – IFRS 13

As regards the fair value measurement criteria and criteria to determine the fair value hierarchy, reference is made to the Consolidated Financial Statements of the UnipolSai Group at 31 December 2016, in the Notes, chapter 2 - Main accounting standards.

Fair value measurement on a recurring and non-recurring basis

The table below shows a comparison between the assets and liabilities measured at fair value at 30 June 2017 and 31 December 2016, broken down based on fair value hierarchy level.

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

		Level 1		Level 2		Level 3		Total	
	Amounts in €m	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016
Assets and liabilities at fair value on a recurring basis									
Available-for-sale financial assets		34,590.9	41,891.7	403.2	495.1	773.7	784.9	35,767.7	43,171.7
Financial assets at fair value through profit or loss	Held for trading financial assets	148.7	125.4	203.1	147.9	116.1	32.8	467.9	306.1
	Financial assets at fair value through profit or loss	5,192.4	8,735.7	10.6	10.2	3.4	134.2	5,206.5	8,880.0
Investment property									
Property, plant and equipment									
Intangible assets									
Total assets at fair value on a recurring basis		*39,931.9*	*50,752.8*	*617.0*	*653.2*	*893.2*	*951.9*	*41,442.1*	*52,357.9*
Financial liabilities at fair value through profit or loss	Held for trading financial liabilities	24.3	6.3	217.6	312.6	2.7	92.4	244.5	411.3
	Financial liabilities at fair value through profit or loss					790.5	1,728.8	790.5	1,728.8
Total liabilities at fair value on a recurring basis		*24.3*	*6.3*	*217.6*	*312.6*	*793.2*	*1,821.3*	*1,035.0*	*2,140.1*
Assets and liabilities at fair value on a non-recurring basis									
Non-current assets or assets of disposal groups held for sale									
Liabilities associated with a disposal group held for sale									

The amount of financial assets classified in Level 3 at 30 June 2017 stood at €893.2m.

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

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

Amounts in €m	Available-for-sale financial assets	Financial assets at fair value through profit or loss		Investment property	Property, plant and equipment	Intangible assets	Financial liabilities at fair value through profit or loss	
		Held for trading financial assets	At fair value through profit or loss				Held for trading financial liabilities	At fair value through profit or loss
Opening balance	784.9	32.8	134.2				92.4	1,728.8
Acquisitions/Issues	117.5	0.0						
Sales/Repurchases	(26.5)	(1.2)	(0.8)					
Repayments	(20.3)						(1.1)	
Gains or losses recognised through profit or loss		83.1	(1.0)				(89.4)	
- of which unrealised gains/losses		83.1	(1.0)				(89.4)	
Gains or losses recognised in the statement of other comprehensive income	(61.5)							
Transfers to level 3								
Transfers to other levels	(20.6)							
Other changes	0.1	1.4	(128.9)				0.7	(938.3)
Closing balance	773.7	116.1	3.4				2.7	790.5

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 €33.5m at 30 June 2017.
The non-observable parameters subject to a shock are benchmark spread curves constructed to assess bonds of issuers for which the prices of the bonds issued or Credit Default Swap curves are unavailable.

The following table shows the results of the shocks:

Amounts in €m	Curve Spread			
Fair value				
Shock	+10 bps	-10 bps	+50 bps	-50 bps
Fair Value delta	(0.24)	0.24	(1.16)	1.16
Fair Value delta %	*(0.72)*	*0.72*	*(3.46)*	*3.46*

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

IFRS 13 also governs the fair value measurement of assets and liabilities not measured at fair value in the statement of financial position, but for which a fair value disclosure is required in the notes to the financial statements in compliance with other international accounting standards.
Furthermore, since these assets and liabilities are not typically traded, their fair value is largely based on the use of internal parameters that cannot be directly observed in the market, with the sole exception of listed securities classified as Held-to-maturity investments.

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

	Carrying amount		*Fair value*							
			Level 1		Level 2		Level 3		Total	
Amounts in €m	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016
Assets										
Held-to-maturity investments	878.6	892.3	830.4	876.2	148.7	148.1			979.0	1,024.3
Loans and receivables	4,962.7	5,049.6			3,507.4	3,934.6	1,764.0	1,254.1	5,271.4	5,188.6
Investments in subsidiaries, associates and interests in joint ventures	426.2	527.3					426.2	527.3	426.2	527.3
Investment property	2,434.4	2,387.8					2,516.7	2,478.2	2,516.7	2,478.2
Property, plant and equipment	1,545.2	1,595.9					1,646.8	1,686.8	1,646.8	1,686.8
Total assets	10,247.1	10,453.0	830.4	876.2	3,656.1	4,082.6	6,353.6	5,946.4	10,840.1	10,905.2
Liabilities										
Other financial liabilities	2,480.3	2,540.6	1,300.9	1,268.4			1,179.8	1,159.5	2,480.7	2,427.9

4.7 Information on personnel

	30/6/2017	31/12/2016	*Variation*
Total number of UnipolSai Group employees	10,681	10,280	*401*
of which on a fixed-term contract	842	462	*380*
Full Time Equivalent - FTE	10,198	9,833	*365*

The foreign company employees (1,426) include 569 insurance agents.

The increase in the Group employees compared with 31/12/2016 (+401, of which +30 on foreign companies) is due to:
- decrease of 211 employees for retirement, resignation and other reasons for termination of office;
- increase of 612 new hirings (508 on fixed-term contract).

Share-based compensation plans

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

The compensation plan based on financial instruments (Unipol shares) for the period 2013-2015 ended on 31 December 2015. The first tranche, comprising 1,474,940 shares, was paid to those entitled on 1 July 2016, the second tranche, comprising 1,262,690 will be paid on 3 July 2017 and the third tranche will be paid on 1 July 2018.

On 27 April 2016, the Shareholders' Meeting of UnipolSai approved the new 2016-2018 compensation plan based on financial instruments (performance share type), which envisages the assignment of UnipolSai and Unipol shares over three years with effect from April 2019.
Similar resolutions were adopted in 2016 by the Company Bodies of the other Group companies.

4.8 Non-recurring significant transactions and events

Non-recurring significant transactions carried out over the period are related to the Restructuring Plan of the banking business of the Unipol Group. As regards the financial and equity impact of these transactions, reference is made to the Management Report/Information on significant events of the half-year.

4.9 Atypical and/or unusual positions or transactions

In the first half of 2017 there were no atypical and/or unusual transactions that, because of their significance, importance, nature of the counterparties involved in the transaction, transfer pricing procedures, or occurrence close to the end of the year, could give rise to doubts relating to: the accuracy and completeness of the information in these Consolidated Financial Statements, a conflict of interest, the safeguarding of the company's assets or the protection of non-controlling shareholders.

4.10 Risk Report

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

As regards the Internal control and risk management system adopted by the Group, 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 2016 Consolidated Financial Statements.

As regards the financial risks at 30 June 2017, the level of sensitivity of the UnipolSai Group's portfolios of financial assets to the main market risk factors is shown below. Sensitivity is calculated as a variation in the market value of the assets following a:

- parallel change in the interest rate curve of +10 bps;
- -20% change in the share prices;
- +10 bps change in the credit spread.

31/12/2016	INSURANCE BUSINESS		REAL ESTATE AND OTHER BUSINESSES		TOTAL	
Amounts in €m	Impact on Income Statement	Impact on Statement of financial position	Impact on Income Statement	Impact on Statement of financial position	Impact on Income Statement	Impact on Statement of financial position
UnipolSai Group						
Interest rate sensitivity (+10 bps)	17.38	(244.29)		(0.00)	17.38	(244.29)
Credit spread sensitivity (+10 bps)	(1.07)	(262.08)		(0.00)	(1.07)	(262.09)
Equity sensitivity (-20%)	33.62	(513.89)		(6.24)	33.62	(520.12)

The values include the hedging derivatives, excluding tax effects.

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

	Balance at 30 June 2017		
Amounts in €m	Nominal value	Carrying amount	Market value
Italy	**26,961.8**	**27,642.2**	**27,791.0**
Available-for-sale financial assets	23,496.8	24,330.1	24,330.1
Financial assets at fair value through profit or loss	172.4	77.9	77.9
Held-to-maturity investments	696.9	691.4	786.5
Loans and receivables	2,595.7	2,542.8	2,596.5
Spain	**2,308.5**	**2,275.7**	**2,264.6**
Available-for-sale financial assets	2,154.7	2,129.3	2,129.3
Held-to-maturity investments	31.0	32.0	33.6
Loans and receivables	122.8	114.3	101.7
Netherlands	**305.0**	**306.1**	**306.1**
Available-for-sale financial assets	305.0	306.1	306.1
Portugal	**293.0**	**308.3**	**310.9**
Available-for-sale financial assets	240.0	255.5	255.5
Held-to-maturity investments	53.0	52.8	55.4
Ireland	**212.1**	**225.2**	**225.2**
Available-for-sale financial assets	212.1	225.2	225.2
Slovenia	**145.0**	**149.2**	**149.2**
Available-for-sale financial assets	145.0	149.2	149.2
France	**121.6**	**111.8**	**111.8**
Available-for-sale financial assets	121.6	111.8	111.8
Serbia	**68.6**	**70.3**	**71.9**
Held-to-maturity investments	68.6	70.3	71.9
Cyprus	**67.2**	**74.7**	**74.7**
Available-for-sale financial assets	67.2	74.7	74.7
Belgium	**63.0**	**63.5**	**63.5**
Available-for-sale financial assets	63.0	63.5	63.5
Germany	**47.3**	**54.0**	**54.0**
Available-for-sale financial assets	47.3	54.0	54.0
Israel	**40.5**	**41.5**	**41.5**
Available-for-sale financial assets	40.5	41.5	41.5
Slovakia	**37.6**	**38.6**	**38.6**
Available-for-sale financial assets	37.6	38.6	38.6
Canada	**31.7**	**34.1**	**34.1**
Available-for-sale financial assets	31.7	34.1	34.1
Latvia	**26.5**	**30.1**	**30.1**
Available-for-sale financial assets	26.5	30.1	30.1

Amounts in €m	Balance at 30 June 2017		
	Nominal value	Carrying amount	Market value
China	23.5	23.4	23.4
Available-for-sale financial assets	23.5	23.4	23.4
Mexico	15.0	16.0	16.0
Available-for-sale financial assets	15.0	16.0	16.0
Chile	14.1	15.0	15.0
Available-for-sale financial assets	14.1	15.0	15.0
Austria	8.5	9.3	9.3
Available-for-sale financial assets	8.5	9.3	9.3
Poland	6.4	6.8	6.8
Available-for-sale financial assets	6.4	6.8	6.8
Finland	5.2	5.4	5.4
Available-for-sale financial assets	5.2	5.4	5.4
Lithuania	5.0	5.2	5.2
Available-for-sale financial assets	5.0	5.2	5.2
Singapore	4.0	4.0	4.0
Available-for-sale financial assets	4.0	4.0	4.0
Switzerland	3.7	4.1	4.1
Available-for-sale financial assets	3.7	4.1	4.1
USA	2.3	3.0	3.0
Available-for-sale financial assets	2.3	3.0	3.0
Sweden	2.0	2.0	2.0
Available-for-sale financial assets	2.0	2.0	2.0
Denmark	0.2	0.2	0.2
Available-for-sale financial assets	0.2	0.2	0.2
TOTAL	30,819.0	31,519.9	31,661.8

The table shows details of Sovereign exposures (i.e. bonds issued by central and local governments and by government organisations and loans granted to them) held by the UnipolSai Group at 30 June 2017. Securities of Popolare Vita and The Lawrence Life are included in the scope of consolidation, as they are disclosed before reclassification under item 6.1, pursuant to IFRS 5.

At 30 June 2017, the carrying amount of the sovereign exposures represented by debt securities totalled €31,519.9m (€33,043.4m at 31/12/2016), 88% being accounted for by securities issued by the Italian State (90% at 31/12/2016). Moreover, the bonds issued by the Italian State account for 52% of total investments of the UnipolSai Group.

Bologna, 3 August 2017

The Board of Directors

4. Tables appended to the Notes to the Financial Statements

Consolidation scope

Name	Country of registered office	Registered office	Country of operations (5)	Operating office	Method(1)	Business activity (2)
UnipolSai Assicurazioni Spa	086 Italy	Bologna			G	1
Pronto Assistance Spa	086 Italy	Turin			G	1
Siat-Societa' Italiana Assicurazioni e Riassicurazioni - per Azioni	086 Italy	Genoa			G	1
BIM VITA Spa	086 Italy	Turin			G	1
Finsai International Sa	092 Luxembourg	Luxembourg			G	11
Tenute del Cerro Spa - Societa' Agricola	086 Italy	Bologna			G	11
Consorzio Castello	086 Italy	Florence			G	10
UnipolSai Nederland Bv	050 Netherlands	Amsterdam (NL)			G	11
UnipolSai Servizi Previdenziali Srl	086 Italy	Florence			G	11
Nuove Iniziative Toscane - Societa' a Responsabilita' Limitata	086 Italy	Florence			G	10
UnipolRe Dac	040 Ireland	Dublin (Ireland)			G	5
The Lawrence Life Assurance Company Dac	040 Ireland	Dublin (Ireland)			G	2
UnipolSai Servizi Consortili Societa' Consortile a Responsabilita' Limitata	086 Italy	Bologna			G	11
Villa Ragionieri Srl	086 Italy	Florence			G	10
Meridiano Secondo Srl	086 Italy	Turin			G	10
Casa di Cura Villa Donatello - Spa	086 Italy	Florence			G	11
Centro Oncologico Fiorentino Casa di Cura Villanova Srl in Liquidazione	086 Italy	Sesto Fiorentino (FI)			G	11
Apb Car Service Srl	086 Italy	Turin			G	11
Marina di Loano Spa	086 Italy	Loano (SV)			G	10
Pronto Assistance Servizi Scarl	086 Italy	Turin			G	11

% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at Ordinary General Meetings (4)	% Consolidation
				100.00%
100.00%		100.00%		100.00%
94.69%		94.69%		100.00%
50.00%		50.00%		100.00%
63.85%		100.00%		100.00%
	36.15% UnipolSai Finance SpA			
98.81%		100.00%		100.00%
	1.19% Pronto Assistance Spa			
	99.57% Nuove Iniziative Toscane - Societa' a Responsabilita' Limitata	99.57%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
	100.00% UnipolSai Nederland Bv	100.00%		100.00%
	100.00% Popolare Vita Spa	50.00%		100.00%
98.23%		99.31%		100.00%
	0.90% Pronto Assistance Spa			
	0.11% Siat-Societa' Italyna Assicurazioni e Riassicurazioni - per Azioni			
	0.02% Bim Vita Spa			
	0.02% UnipolRe Dac			
	0.02% Pronto Assistance Servizi Scarl			
	0.02% Incontra Assicurazioni Spa			
	0.02% Auto Presto & Bene Spa			
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
100.00%		100.00%		100.00%
	70.00% Auto Presto & Bene Spa	70.00%		100.00%
100.00%		100.00%		100.00%
95.34%		96.50%		100.00%
	0.31% Pronto Assistance Spa			
	0.10% UnipolSai Servizi Consortili Societa' Consortile a Responsabilita' Limitata			
	0.25% Apb Car Service Srl			
	0.15% Incontra Assicurazioni Spa			
	0.25% Auto Presto & Bene Spa			
	0.25% Alfaevolution Technology Spa			

4 Tables appended to the Notes to the Financial Statements

Consolidation scope

Name	Country of registered office	Registered office	Country of operations (5)	Operating office	Method(1)	Business activity (2)
SAI MERCATI Mobiliari Spa in Liquidazione	086 Italy	Milan			G	11
Sogeint Societa' a Responsabilita' Limitata	086 Italy	San Donato Milanese (MI)			G	11
Tikal R.E. Fund	086 Italy				G	10
Florence Centro di Chirurgia Ambulatoriale Srl	086 Italy	Florence			G	11
Incontra Assicurazioni Spa	086 Italy	Milan			G	1
Popolare Vita Spa	086 Italy	Novara			G	1
Societa' Edilizia Immobiliare Sarda - S.E.I.S. Societa' per Azioni	086 Italy	Bologna			G	10
Ddor Novi Sad	289 Serbia	Novi Sad (Serbia)			G	3
Auto Presto & Bene Spa	086 Italy	Turin			G	11
Atahotels - Compagnia Italyna Aziende Turistiche Alberghiere Spa	086 Italy	Milan			G	11
Athens R.E. Fund	086 Italy				G	10
Ddor Re	289 Serbia	Novi Sad (Serbia)			G	6
Italresidence Srl	086 Italy	Milan			G	11
UnipolSai Finance SpA	086 Italy	Bologna			G	9
Midi Srl	086 Italy	Bologna			G	10
Alfaevolution Technology Spa	086 Italy	Bologna			G	11
Leitha' Srl	086 Italia	Bologna			G	11

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

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

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

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

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

% Direct holding	% Indirect holding		% Total participating interest (3)	% Votes available at Ordinary General Meetings (4)	% Consolidation
100.00%			100.00%		100.00%
100.00%			100.00%		100.00%
95.00%			95.00%		100.00%
	100.00%	Casa di Cura Villa Donatello - Spa	100.00%		100.00%
51.00%			51.00%		100.00%
50.00%			50.00%		100.00%
51.67%			51.67%		100.00%
100.00%			100.00%		100.00%
100.00%			100.00%		100.00%
100.00%			100.00%		100.00%
64.72%			87.70%		100.00%
	24.19%	Tikal R.E. Fund			
	100.00%	UnipolRe Dac	100.00%		100.00%
	0.00%	Ddor Novi Sad			
	100.00%	Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	100.00%		100.00%
100.00%			100.00%		100.00%
100.00%			100.00%		100.00%
100.00%			100.00%		100.00%
100.00%			100.00%		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
Popolare Vita Spa	50.00%	50.00%	14.4	206.0
The Lawrence Life Assurance Company Dac	50.00%	0.00%		

Summary income and financial position data							
Total assets	Investments	Technical provisions	Financial liabilities	Shareholders' equity	Profit (loss) for the year	Dividends distributed to non-controlling interests	Gross premiums written
9,082.7	8,896.7	7,960.1	553.0	415.2	30.8	76.0	412.0
1,919.3	1,857.9	1,403.8	423.9	72.4	0.9		29.1

Details of unconsolidated investments

Name	Country of registered office		Registered office	Country of operations (5)	Operating office	Business activity (1)	Type (2)
UnipolSai Investimenti Sgr Spa	086	Italy	Turin			8	b
Fin.Priv. Srl	086	Italy	Milan			11	b
Uci - Ufficio Centrale Italiano	086	Italy	Milan			11	b
Funivie del Piccolo San Bernardo Spa	086	Italy	La Thuile (AO)			11	b
Borsetto Srl	086	Italy	Turin			10	b
Garibaldi Sca	092	Luxembourg	Luxembourg			11	b
Servizi Immobiliari Martinelli Spa	086	Italy	Cinisello Balsamo (MI)			10	b
Penta Domus Spa	086	Italy	Turin			10	b
Ddor Auto - Limited Liability Company	289	Serbia	Novi Sad (Serbia)			3	a
Ddor Garant	289	Serbia	Beograd (Serbia)			11	b
Butterfly Am Sarl	092	Luxembourg	Luxembourg			11	b
Hotel Terme di Saint Vincent - Srl	086	Italy	La Thuile (AO)			11	a
Ital H&R Srl	086	Italy	Bologna			11	a
Isola Sca	092	Luxembourg	Luxembourg			11	b
Assicoop Imola Spa	086	Italy	Imola (BO)			11	b
Assicoop Toscana Spa	086	Italy	Siena			11	b
Pegaso Finanziaria Spa	086	Italy	Bologna			9	b
Fondazione Unipolis	086	Italy	Bologna			11	a
Assicoop Grosseto Spa in Liquidazione	086	Italy	Grosseto			11	b
Unipol Banca Spa	086	Italy	Bologna			7	b
Assicoop Bologna Spa	086	Italy	Bologna			11	b
Hotel Villaggio Citta' del Mare Spa in Liquidazione	086	Italy	Modena			11	b
Assicoop Modena & Ferrara Spa	086	Italy	Modena			11	b
Assicoop Romagna Futura Srl	086	Italy	Ravenna			11	b
Assicoop Emilia Nord Srl	086	Italy	Parma			11	b
Golf Club Poggio dei Medici Spa Societa' Dilettantistica Sportiva	086	Italy	San Piero (FI)			11	b
UniAssiTeam Srl	086	Italia	Bologna			11	a

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

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

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

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

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

% Direct holding	% Indirect holding		% Total participating interest (3)	% Votes available at Ordinary General Meetings (4)	Carrying amount (€m)
49.00%			49.00%		10.6
28.57%			28.57%		35.7
37.84%			37.92%		0.2
	0.09%	Siat-Societa' Italiana Assicurazioni e Riassicurazioni - per Azioni			
	0.00%	Incontra Assicurazioni Spa			
23.55%			23.55%		2.3
44.93%			44.93%		0.7
32.00%			32.00%		4.1
20.00%			20.00%		0.2
24.66%			24.66%		0.3
	100.00%	Ddor Novi Sad	100.00%		0.0
	32.46%	Ddor Novi Sad	40.00%		0.6
	7.54%	Ddor Re			
28.57%			28.57%		2.3
	100.00%	Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	100.00%		0.4
100.00%			100.00%		0.1
29.56%			29.56%		
	47.33%	UnipolSai Finance SpA	47.33%		3.2
	46.77%	UnipolSai Finance SpA	46.77%		1.2
	45.00%	UnipolSai Finance SpA	45.00%		5.4
100.00%			100.00%		0.3
	50.00%	UnipolSai Finance SpA	50.00%		0.8
42.25%			42.25%		333.6
	50.00%	UnipolSai Finance SpA	50.00%		5.0
49.00%			49.00%		
	43.75%	UnipolSai Finance SpA	43.75%		6.4
	50.00%	UnipolSai Finance SpA	50.00%		6.0
	50.00%	UnipolSai Finance SpA	50.00%		5.8
	40.32%	Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	40.32%		0.8
	65.00%	UnipolSai Finance SpA	65.00%		0.1

Statement of financial position by business segment

		Non-Life business		Life business	
	Amounts in €m	30/6/2017	31/12/2016	30/6/2017	31/12/2016
1	INTANGIBLE ASSETS	424.0	440.6	229.2	250.3
2	PROPERTY, PLANT AND EQUIPMENT	771.5	748.7	33.4	34.0
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	841.3	781.2	64.9	67.6
4	INVESTMENTS	15,627.5	15,624.1	33,999.9	45,146.6
4.1	Investment property	1,842.4	1,849.3	6.2	6.7
4.2	Investments in subsidiaries, associates and interests in joint ventures	283.9	366.3	141.1	160.0
4.3	Held-to-maturity investments	173.8	192.2	704.9	700.1
4.4	Loans and receivables	1,929.9	2,026.0	3,109.1	3,128.3
4.5	Available-for-sale financial assets	11,166.9	11,069.2	24,595.0	32,086.6
4.6	Financial assets at fair value through profit or loss	230.6	121.1	5,443.6	9,064.9
5	SUNDRY RECEIVABLES	1,843.7	2,396.0	403.3	643.3
6	OTHER ASSETS	936.8	1,014.1	11,044.5	131.3
6.1	Deferred acquisition costs	35.6	32.5	52.5	57.9
6.2	Other assets	901.2	981.5	10,992.0	73.4
7	CASH AND CASH EQUIVALENTS	370.4	183.7	309.3	353.6
	TOTAL ASSETS	20,815.2	21,188.2	46,084.5	46,626.9
1	SHAREHOLDERS' EQUITY				
2	PROVISIONS	355.6	400.0	16.6	20.9
3	TECHNICAL PROVISIONS	14,990.5	15,036.2	30,932.3	40,780.3
4	FINANCIAL LIABILITIES	1,486.1	1,664.5	1,741.3	2,727.1
4.1	Financial liabilities at fair value through profit or loss	47.0	152.7	988.0	1,987.4
4.2	Other financial liabilities	1,439.0	1,511.8	753.3	739.7
5	PAYABLES	743.5	635.0	102.4	171.9
6	OTHER LIABILITIES	530.5	696.5	10,778.4	295.3
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				

Other businesses		Real Estate		Inter-segment eliminations		Total	
30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016
15.4	12.1	0.2	0.2			668.8	703.2
141.2	154.5	599.1	658.7			1,545.2	1,595.9
						906.2	848.8
36.1	36.0	565.3	521.4	(84.7)	(113.2)	50,144.1	61,214.9
33.2	33.2	552.7	498.7			2,434.4	2,387.8
1.2	1.0					426.2	527.3
						878.6	892.3
1.4	1.4	7.0	7.0	(84.7)	(113.2)	4,962.7	5,049.6
0.2	0.2	5.6	15.8			35,767.7	43,171.7
0.2	0.2					5,674.4	9,186.1
90.6	85.4	18.1	38.2	(89.4)	(48.4)	2,266.2	3,114.4
38.0	28.3	33.0	47.0	(99.9)	(110.1)	11,952.4	1,110.5
						88.1	90.4
38.0	28.3	33.0	47.0	(99.9)	(110.1)	11,864.3	1,020.1
66.2	64.0	98.0	59.3			844.0	660.6
387.5	380.2	1,313.7	1,324.8	(273.9)	(271.7)	68,326.9	69,248.4
						6,381.2	6,534.7
12.1	15.9	6.1	5.6			390.4	442.4
						45,922.7	55,816.4
44.4	44.6	327.9	357.7	(84.4)	(113.1)	3,515.3	4,680.7
						1,035.0	2,140.1
44.4	44.6	327.9	357.7	(84.4)	(113.1)	2,480.3	2,540.6
82.0	77.8	33.8	31.2	(66.5)	(51.0)	895.2	864.9
24.2	13.8	12.1	11.2	(123.1)	(107.6)	11,222.1	909.2
						68,326.9	69,248.4

Income statement by business segment

		Non-Life business		Life business	
	Amounts in €m	30/6/2017	30/6/2016	30/6/2017	30/6/2016
1.1	Net premiums	3,409.8	3,450.6	1,811.3	2,530.5
1.1.1	*Gross premiums earned*	*3,619.3*	*3,677.8*	*1,815.0*	*2,534.5*
1.1.2	*Earned premiums ceded to reinsurers*	*(209.4)*	*(227.2)*	*(3.7)*	*(4.0)*
1.2	Commission income	2.9	3.2	14.1	12.8
1.3	Gains and losses on financial instruments at fair value through profit or loss	24.0	(110.1)	98.8	(86.0)
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	2.7	3.4	1.0	0.2
1.5	Gains on other financial instruments and investment property	396.2	459.0	706.4	689.5
1.6	Other revenue	168.5	135.2	26.3	24.4
1	TOTAL REVENUE AND INCOME	4,004.3	3,941.3	2,657.8	3,171.4
2.1	Net charges relating to claims	(2,269.2)	(2,298.2)	(2,168.6)	(2,757.5)
2.1.1	*Amounts paid and changes in technical provisions*	*(2,363.2)*	*(2,392.8)*	*(2,173.2)*	*(2,758.3)*
2.1.2	*Reinsurers' share*	*93.9*	*94.6*	*4.5*	*0.7*
2.2	Commission expenses	(3.1)	(3.8)	(5.4)	(3.2)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	(86.0)	(1.9)	(19.8)	(0.1)
2.4	Losses on other financial instruments and investment property	(112.3)	(103.4)	(103.0)	(42.7)
2.5	Operating expenses	(1,002.6)	(1,010.4)	(123.5)	(133.9)
2.6	Other costs	(295.9)	(298.6)	(56.7)	(57.7)
2	TOTAL COSTS AND EXPENSES	(3,769.2)	(3,716.3)	(2,476.9)	(2,995.2)
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	235.1	224.9	180.9	176.3

Other businesses		Real Estate		Intersegment eliminations		Total	
30/6/2017	30/6/2016	**30/6/2017**	30/6/2016	**30/6/2017**	30/6/2016	**30/6/2017**	30/6/2016
						5,221.1	5,981.2
						5,434.3	*6,212.4*
						(213.2)	*(231.2)*
						17.0	16.1
0.0	(0.0)		(0.9)			122.9	(197.0)
	0.3					3.7	3.9
0.5	0.6	15.5	18.2	(5.6)	(15.7)	1,113.0	1,151.6
90.0	80.8	14.4	5.7	(37.9)	(27.1)	261.3	218.9
90.5	**81.7**	**29.9**	**23.0**	**(43.5)**	**(42.8)**	**6,739.0**	**7,174.5**
						(4,437.9)	(5,055.7)
						(4,536.3)	*(5,151.1)*
						98.5	*95.3*
(0.0)	(0.1)	(0.0)	(0.0)			(8.5)	(7.0)
(0.0)	(0.0)					(105.8)	(2.1)
(0.7)	(0.3)	(18.4)	(19.2)	1.4	0.7	(233.1)	(164.9)
(31.3)	(27.6)	(6.0)	(5.1)	8.0	8.8	(1,155.3)	(1,168.1)
(63.8)	(61.8)	(22.2)	(8.8)	34.2	33.3	(404.4)	(393.7)
(95.9)	**(89.8)**	**(46.5)**	**(33.1)**	**43.5**	**42.8**	**(6,345.0)**	**(6,791.5)**
(5.4)	**(8.1)**	**(16.6)**	**(10.1)**			**394.0**	**383.0**

Details of technical insurance items

	Amounts in €m	30/6/2017	30/6/2016
Non-Life business			
NET PREMIUMS		3,409.8	3,450.6
a	Written premiums	3,482.0	3,474.5
b	Change in premium provision	(72.2)	(23.8)
NET CHARGES RELATING TO CLAIMS		(2,269.2)	(2,298.2)
a	Amounts paid	(2,498.3)	(2,682.2)
b	Change in claims provision	183.2	334.5
c	Change in recoveries	46.6	48.8
d	Change in other technical provisions	(0.7)	0.7
Life business			
NET PREMIUMS		1,811.3	2,530.5
NET CHARGES RELATING TO CLAIMS		(2,168.6)	(2,757.5)
a	Amounts paid	(2,205.8)	(2,926.2)
b	Change in provision for amounts payable	63.0	411.7
c	Change in mathematical provisions	(26.1)	(756.8)
d	Change in technical provisions where the investment risk is borne by policyholders and arising from pension fund management	6.2	484.0
e	Change in other technical provisions	(5.8)	29.8

Investment income and charges

Amounts in €m	Interests	Other income	Other charges	Realised gains	Realised losses
Balance on investments	**810.5**	**192.3**	**(227.2)**	**273.5**	**(103.2)**
a Arising from investment property		44.6	(19.5)	7.6	(0.2)
b Arising from investments in subsidiaries, associates and interests in joint ventures		3.7	(105.8)	0.0	
c Arising from held to maturity investments	19.5		(0.0)		
d Arising from loans and receivables	78.6			1.2	(0.9)
e Arising from available-for-sale financial assets	665.0	57.8	(1.2)	234.3	(61.7)
f Arising from held-for-trading financial assets	2.0	44.9	(62.2)	7.1	(19.4)
g Arising from financial assets at fair value through profit or loss	45.4	41.4	(38.5)	23.3	(20.9)
Balance on sundry receivables	**4.1**				
Balance on cash and cash equivalents	**0.3**		**(0.1)**		
Balance on financial liabilities	**(40.9)**		**(0.5)**		
a Arising from held-for-trading financial liabilities					
b Arising from financial liabilities at fair value through profit or loss					
c Arising from financial liabilities	(40.9)		(0.5)		
Balance on payables	**(0.8)**		**(0.0)**		
Total	773.2	192.3	(227.9)	273.5	(103.2)

Total realised gains and losses	Unrealised gains		Unrealised losses		Total unrealised gains and losses	Total gains and losses	Total gains and losses
	Unrealised capital gains	Write-backs	Unrealised capital losses	Impairment		30/6/2017	30/6/2016
946.0	**193.4**		**(93.1)**	**(85.9)**	**14.4**	**960.4**	**793.0**
32.4			(19.0)	(1.1)	(20.1)	12.4	0.3
(102.1)				(0.0)	(0.0)	(102.1)	1.8
19.5						19.5	23.4
78.9				(20.1)	(20.1)	58.9	114.6
894.2	0.0			(64.7)	(64.7)	829.4	876.3
(27.6)	87.2		(18.1)		69.1	41.5	(158.9)
50.7	106.1		(56.0)		50.2	100.9	(64.5)
4.1						**4.1**	**1.3**
0.2						**0.2**	**0.4**
(41.4)	**0.0**		**(21.8)**		**(21.8)**	**(63.2)**	**(3.0)**
							(1.7)
	0.0		(19.5)		(19.5)	(19.5)	28.1
(41.4)	0.0		(2.2)		(2.2)	(43.6)	(29.4)
(0.8)						**(0.8)**	**(0.3)**
908.0	**193.4**		**(114.8)**	**(85.9)**	**(7.3)**	**900.7**	**791.4**

Details of insurance business expenses

	Non-Life business		Life business	
Amounts in €m	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Gross commissions and other acquisition costs net of commissions and profit-sharing from reinsurers	(791.6)	(789.2)	(56.5)	(65.4)
Investment management expenses	(36.5)	(46.3)	(21.1)	(21.7)
Other administrative expenses	(174.5)	(174.9)	(45.9)	(46.8)
Total	**(1,002.6)**	**(1,010.4)**	**(123.5)**	**(133.9)**

Details of other consolidated comprehensive income statement

	Amounts allocated		Adjustments from reclassification to profit or loss	
Amounts in €m	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Other income items not reclassified to profit or loss	3.0	(16.4)		
Reserve deriving from changes in the shareholders' equity of the investees	3.5	(13.9)		
Revaluation reserve for intangible assets				
Revaluation reserve for property, plant and equipment				
Gains or 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	(0.5)	(2.5)		
Other items				
Other income items reclassified to profit or loss	77.8	(27.3)	(87.9)	(147.7)
Reserve for foreign currency translation differences	1.0	(0.7)		
Gains or losses on available-for-sale financial assets	70.6	(55.2)	(87.9)	(147.7)
Gains or losses on cash flow hedges	6.2	28.6		
Gains or losses on hedges of a net investment in foreign operations				
Reserve deriving from changes in the shareholders' equity of investees				
Gains or losses on non-current assets or assets of a disposal group held for sale				
Other items				
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	80.8	(43.7)	(87.9)	(147.7)

Other changes		Total changes		Income taxes		Balance	
30/6/2017	30/6/2016	30/6/2017	30/6/2016	30/6/2017	30/6/2016	30/6/2017	31/12/2016
		3.0	(16.4)	0.1	1.4	(4.1)	(7.1)
		3.5	(13.9)			14.2	10.7
		(0.5)	(2.5)	0.1	1.4	(18.4)	(17.8)
						0.0	0.0
(0.0)	0.0	(10.0)	(175.0)	4.5	79.4	767.6	777.6
		1.0	(0.7)			4.1	3.1
(0.0)	0.0	(17.2)	(202.9)	7.3	91.7	765.7	782.9
		6.2	28.6	(2.8)	(12.4)	(2.2)	(8.4)
(0.0)	0.0	(7.1)	(191.4)	4.7	80.8	763.5	770.5

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

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

1. The undersigned, Carlo Cimbri, as Chairman appointed for the purpose, and Maurizio Castellina, as Manager in charge of financial reporting of UnipolSai Assicurazioni S.p.A., hereby certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998;

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

of the administrative and accounting procedures for the preparation of the condensed consolidated half-yearly financial statements for the first half of 2017.

2. The assessment of the adequacy of the administrative and accounting procedures for preparing the condensed consolidated half-yearly financial statements for the period ended 30 June 2017 is based on a process defined by UnipolSai Assicurazioni S.p.A., inspired by the COSO *Framework (Internal Control – Integrated Framework*, issued by the *Committee of Sponsoring Organizations of the Treadway Commission* and, as regards the IT component, by the *COBIT Framework (Control OBjectives for IT and related technology)*, unanimously recognized as the reference standards for the implementation and evaluation of internal control systems.

3. It is also certified that:

    3.1. the Condensed Consolidated Half-yearly Financial Statements at 30 June 2017:

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

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

Bologna, 3 August 2017

The Chairman

Carlo Cimbri

The Manager in charge of

financial reporting

Maurizio Castellina

(signed on the original)

6. Independent Auditors' report

pwc

REVIEW REPORT ON CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

To the Shareholders of
UnipolSai Assicurazioni SpA

CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS AS OF 30 JUNE 2017

Foreword

We have reviewed the accompanying condensed consolidated half-yearly financial statements of UnipolSai Assicurazioni SpA and its subsidiaries (the UnipolSai Group) as of 30 June 2017, 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 2017 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.

PricewaterhouseCoopers SpA

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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 UnipolSai Group as of 30 June 2017 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.

Milan, 10 August 2017

PricewaterhouseCoopers SpA

Signed by

Antonio Dogliotti
(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
€2,031,456,338.00 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 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
the parent companies – No. 046

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