CONSOLIDATED INTERIM FINANCIAL REPORT AT 30 JUNE 2018

UnipolSai ASSICURAZIONI

UnipolSai Assicurazioni

Consolidated Interim Financial Report at 30 June 2018

Contents

Company bodies

BOARD OF DIRECTORS	CHAIRMAN	Carlo Cimbri	
	VICE CHAIRMEN	Fabio Cerchiai	
		Pierluigi Stefanini	
	DIRECTORS	Francesco Berardini	Maria Rosaria Maugeri
		Paolo Cattabiani	Maria Lillà Montagnani
		Lorenzo Cottignoli	Nicla Picchi
		Ernesto Dalle Rive	Giuseppe Recchi
		Cristina De Benetti	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	
		Sara Fornasiero	
MANAGER IN CHARGE OF FINANCIAL REPORTING		Maurizio Castellina	
INDEPENDENT AUDITORS		PricewaterhouseCoopers SpA	

Introduction

Macroeconomic background and market performance

Macroeconomic background

The first half of 2018 was characterised by a growth rate in the global economy in line with forecasts - around 3.7% year on year - largely aided by the major expansionary fiscal package fielded by the US Administration and the steady economic scenario in the main emerging countries (China, India, Russia and Brazil), the latter assisted by a significant recovery in oil prices and prices of the main commodities. The essentially accommodating monetary policies represented an additional driving factor.
However, the risks of a halt to global growth increase as a consequence of the threatened imposition of duties and tariffs that would have a negative effect on international trade.
Tensions in the Middle East have heightened, particularly as regards relations between the United States and Iran. Some lightening of the situation, however, is expected in relations between the USA and North Korea as a result of the active role played by Beijing.
In Europe, the migrants issue and the Brexit stalemate exacerbate the different positions among Member States.
In the first quarter, United States Gross Domestic Product (GDP) recorded an annualised 2% increase. For the second quarter, as a result of the expansionary fiscal policy being maintained, the growth in investment spending and unemployment at its lowest in the last 40 years (4% in June), a growth rate in excess of 3% on an annual basis is forecast. As regards US inflation, complicit in the oil price recover and, above all, the continued drop in unemployment rates that drives up labour costs, the Federal Reserve (Fed) now considers the goal of an average 2% rate to have been achieved. Since the start of the year, the Fed has applied two increases by 25 basis points (21 March and 12 June), bringing the discount rate to 2%, with another two similar increases implied as likely before the end of the year.
After a first quarter where economic growth was just short of the forecasts (0.4% actual and 2.5% trend rate), the Euro Area growth is showing signs of slowing, the preliminary estimate for the second quarter indicates a GDP economic increase of 0.3% (2.1% year-on-year). For now, this scenario will not alter the gradual reabsorption of unemployment (8.3% unemployment rate in June). Likewise, the trends for disposable income and, overall, for domestic demand appear satisfactory. This fear emerges as regards developments in international trade, due to growing tensions in trade between the world's major economies. Given the economic situation in the Euro Area and the international context, at its July meeting the European Central Bank (ECB) announced that, unless currently unforeseen events arise, it intends to terminate the quantitative easing in December 2018, with a decrease in the monthly total for security purchases from the current €30bn to €15bn in the last quarter of the year. Against this widely expected decision, however, Mario Draghi has emphasised the need for caution in the timing of the first official rates increase, repeatedly saying that the monetary policy will remain accommodating for quite some time. The ECB chairman has indicated that, at least until the end of summer 2019, the interest rates will not be touched (today, the depo rate is -0.40% and the discount rate 0%).
In this first half, the Italian economy weakened, in line with the macro-economic trends for the Euro Area. In the first quarter, the Gross Domestic Product grew in real terms by 0.3% (+1.4% YoY), whilst forecasts for the second quarter suggest a further slowing (+0.2% compared to the previous quarter). Note that, in the first three months of 2018, net exports made a negative contribution to GDP growth. The trend in public finances seems to be linked to the direction that the government is expected to take with the Stability Act to be issued next autumn.
Oil prices recorded a substantial increase during the second quarter of 2018, reaching USD 70.27 per barrel at the end of March and USD 79.44 on 29 June. Bolstering the oil prices were as much the intentions of the major oil-producing countries as the deteriorating relations between the USA and Iran.

Financial markets

On the currency front, the second quarter saw the US dollar appreciate against the Euro. The Euro spot rate against the US currency fell from 1.23 at 30 March to 1.17 at the end of June, corresponding to a 5.48% revaluation.
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. During the second quarter there was a decrease in medium/long-term rates, bringing the curve at the end of June essentially to the same values recorded at the close of 2017. A not dissimilar path was followed by German government rates, up in the first three months and down in the second quarter: negative yields up to the 7-year benchmark persist in June. Rates on Italian securities saw an opposing trend, with a decline in the first quarter of the year and an upturn in the second. An important role in these changes was played by the outcome of the elections on 4 March and by tensions associated with forming a government supported by parties outside Europe's traditional political areas. Consequently, the spread between Italian and German securities, after an initial narrowing, widened significantly over the last few months. On the 10-year maturities, the spread went from 153 basis points at the close of 2017 to 129 on 30 March, later reaching 238 basis points at the end of June.
The European share markets performance in the second quarter of 2018 was for the most part conditioned by tension associated with the current trade tariffs policy (already applied in part) by the Trump administration and events that happened in the second part of the quarter in Italy, coinciding with the complex and lengthy formation of the new government.
The Eurostoxx 50 index, representative of the Eurozone securities with the highest level of capitalisation, registered, in the period in question, a 1% upturn (-3.1% in the six month period). The German Dax trend was positive with +1.7% (-4.7% since the beginning of the year), while the Italian Stock Exchange fell by 3.5% (-1.0% for the six month period). Finally, the Madrid Ibex gained, in the same period of time, 0.2% (-4.2% since the beginning of 2018).
Looking outside Europe, the Standard & Poor's 500 index, which represents the performance of the largest listed companies in the US, was up 2.9% in the second quarter (+1.7% since the beginning of the year), while in Tokyo the Nikkei index was up by 4% (-2% over six months). Lastly, in relation to the emerging market indices, the most representative index, the Morgan Stanley Emerging Markets, fell by 4.2% in the second quarter (-3.9% since the beginning of the year).
The Itraxx Senior Financial index, representing the average spread of financial sector companies with a high credit rating, rose by 25 basis points, from 65.7 to 90.7 at the end of the second quarter (in the six month period, an increase by 46.7 basis points from 44 to 90.7 was registered). This expansion is attributable in part to the further flattening of the market rate curves as a result of the monetary policy outlined by the ECB, which are not favourable to profitability of the financial system as a whole.

Insurance sector

At global level, real growth in insurance premiums in 2017 (+1.5%) was more limited than in 2016 (+2.2%). Both the Life and Non-Life segments have slowed, but the decline in Life business in advanced economies has been the main cause of deceleration in the global growth of insurance premiums. In the most advanced economies, growth difficulties in the Life segment now date back to the outbreak of the financial crisis. Vice versa, Non-Life business seems to be following the path to recovery of the more general economic context rather well. However, according to Swiss RE analysts, in the next few years the Chinese insurance industry should support a recovery in premiums in both segments.
Global profitability for the insurance business appears to be under pressure as much in the Life as in the Non-Life segments. For Life business, the low interest rates have a negative effect on the returns on investment. At the same time, the competitive climate and newly introduced regulations also contribute to keeping profitability down. As regards Non-Life, the ROE was down for the third year in succession, the effect of a technical performance affected by the increase in natural disaster claims and the year-on-year reduction in tariffs.
In Italy, the figures for the first quarter of 2018 (which include companies belonging to the European Economic Area) showed a slight increase in overall Non-Life premiums compared to the same period of 2017. The downsizing of MV TPL seems to have come to a halt (-0.2%) as a result of interruption of the process of gradual decline in average premiums that characterised recent years. Despite a strong level of competition remaining in the sector, the deterioration of technical accounts seems to be having some effect on insurers' tariff policies. ISTAT recorded year-on-year increase in the cost of MV TPL of 1.38% in May. The good performance of the automotive market in the last few years is still driving up premiums in the Land Vehicle Hulls segment (+6.8% in the first quarter). However, more

recent ACI-ANFIA data (first half of 2018) indicates a -0.7% change in vehicle registrations compared to the same period of the previous year, suggesting a substantial stagnation in sales.
The other Non-MV Non-Life business showed a more marked recovery in premiums (+2.1% in the first quarter). Amongst the most significant sectors, there was good development in the Health class (+3.2%), which benefited from the spread of collective policies linked to contractual agreements between social partners, meant to supplement the benefits provided by the National Healthcare Service. The General TPL result was also good (+4.5%), with growth in the Goods in Transit business being equally interesting (+3.3%), linked to the noticeable level of economic activity in the manufacturing industry.
In the first six months of 2018, the new Life business for individuals essentially repeated the achievement of the same period in 2017 (a +0.2% increase, against a 4.2% growth recorded by Italian companies and a 17.1% decline in cross border operations). From the perspective of the product trend, class I products recovered (+3% in the period) and a good performance of unit-linked products was also recorded (+6.4%). The performances for Class V (+4%) should also be emphasised. If the low-interest rate environment continues to orient the offer towards class III products, investors' search for less volatility tends to support the demand for traditional products. In terms of distribution channels, a strengthening was seen in the presence of bank branches (whose funding rose by 6.7%), a less brilliant performance recorded by the agency networks (+0.8%) and a downturn for financial advisors, whose new business dropped by 5.8% compared to the same period of 2017.

Banking sector

In terms of assets brokered, in May the Italian banking sector showed a considerable reduction in customer funding (-6.4% compared to the same month in 2017) and there was a less marked decrease in loans (-1.3%). More specifically, deposits rose (+5.2%), in parallel with the process of erosion of bond stock (-39.2%). In terms of assets, a rise in loans to households was recorded (+0.5%), whilst loans to non-financial companies declined over the last twelve months (-5.3%). Funding from abroad exceeded €300bn (+5.1%) compared to a considerable decrease in the total bond portfolio (-27.7%).
Credit risk continues to fall: in May the ratio of net doubtful loans to total loans was 2.74% (4.26% in the same month of 2017). At the end of the first five months of 2018, gross doubtful loans amounted to just over €163bn and the net figure was €49.3bn.
In May, the interest rate applied to new loans to non-financial companies declined compared with one year prior by 11 cents, to 1.43%. The cost of borrowing for new loans to be used to purchase a home fell by 29 cents to touch 1.83%. Lastly, the average cost of consumer credit moved in the opposite direction, increasing from 6.57% in May 2017 to 6.71% in the same month a year later. The remuneration on new deposits, with a pre-set term for households and companies, showed a further decline. The remuneration recognised on them was 0.67%, 23 basis points higher than in May 2017.
In the first few months of 2018, the interest margin continued its downward path, linked to the modest expansion in volumes traded and a bank rates spread that is still narrow. A supporting contribution to Italian banks' income statements comes from management, brokerage and advisory activities. In this respect, a significant role is played by asset management commissions. A further contribution to profitability derives from the reduced adjustments on receivables, as a result of the improved financial conditions of businesses and families. Sector profits are forecast to rise, compared to 2017, also encouraged by the cost containment process begun in recent years and focusing on the streamlining of the geographical distribution network.

Real Estate market

The Tax Authorities reported that, in the first quarter of 2018, the number of real estate transactions in the residential sector showed a 4.3% increase compared with the same period of 2017. The trend in other sectors was even more significant: +5.9% for the tertiary and commercial sector (offices and stores), +7.2% for the productive and agricultural sectors (industrial warehouses and real estate linked to agriculture).
However, ISTAT indicates a gradual slowing of growth in the number of mortgages signed in 2017 (+1.6% compared to 2016).
The recovery in the sales market is struggling to spread to prices, and therefore in the first half of 2018 the yoy trend in unit prices was still negative, ranging between -1% (new homes and stores) to -1.5% for offices. Rental income, although still negative, appeared to be close to breakeven, especially for the homes component.
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 2018, an average discount on sale prices compared to the original asking price of 10.9% (a slight increase compared to the previous quarter, when it

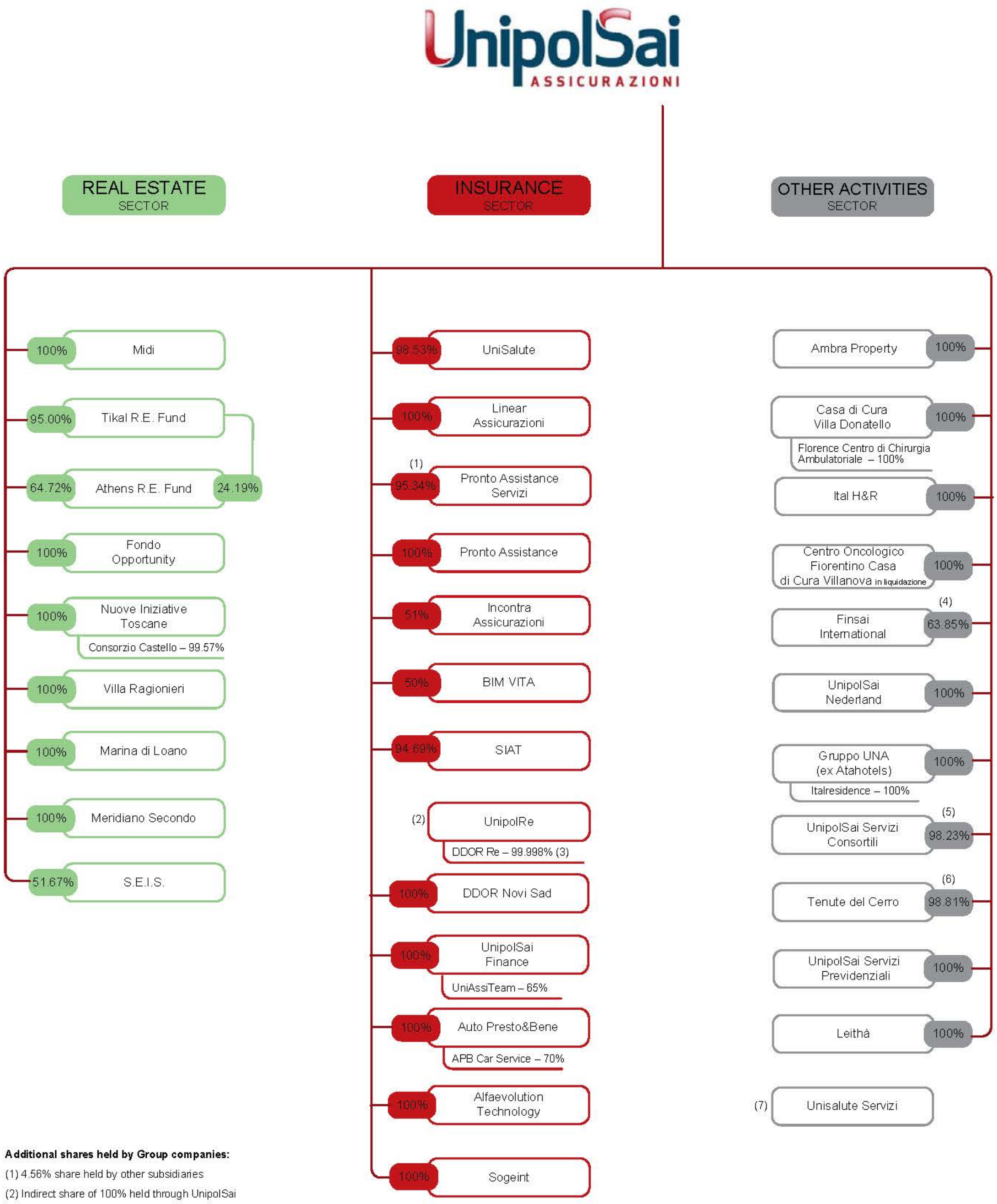
came to 10.6%). Selling times have fallen to 7.1 months. Around 75% of agents stated that they expected prices to settle in the second quarter of this year.

The Condensed consolidated half-yearly financial statements of UnipolSai Assicurazioni SpA are subject to limited review by the 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 2018

(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) 4.56% share held by other subsidiaries

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

(3) 0.002% share held by DDOR Novi Sad

(4) 36.15% share held by UnipolSai Finance

(5) 1.51% share held by other Group companies

(6) 1.19% share held by Pronto Assistance

(7) 100% share held by UniSalute

1.Management Report

Group highlights

Amounts in €m	30/6/2018	30/6/2017	31/12/2017
Non-Life direct insurance premiums	3,946	3,673	7,355
% variation	*7.4*	*(0.3)*	*1.9*
% variation on a like-for-like basis	*(0.6)*		
Life direct insurance premiums	1,681	1,931	3,713
% variation	*(12.9)*	*(36.4)*	*(29.7)*
% variation on a like-for-like basis	*6.9*		
of which Life investment products	137	116	261
% variation	*17.9*	*(76.9)*	*(55.4)*
% variation on a like-for-like basis	*34.8*		
Direct insurance premiums	5,627	5,604	11,068
% variation	*0.4*	*(16.6)*	*(11.4)*
% variation on a like-for-like basis	*1.4*		
Net gains on financial instruments (*)	1,122	819	1,568
% variation	*37.0*	*(1.0)*	*(0.8)*
% variation on a like-for-like basis	*5.1*		
Consolidated profit (loss)	647	282	537
% variation	*129.3*	*0.8*	*1.8*
% variation on a like-for-like basis	*19.6*		
Balance on the statement of comprehensive income	72	275	702
% variation	*(74.0)*	*n.s.*	*116.3*
Investments and cash and cash equivalents	51,551	52,315	51,971
% variation	*(0.8)*	*(17.3)*	*(17.8)*
Technical provisions	45,074	45,923	45,757
% variation	*(1.5)*	*(17.7)*	*(18.0)*
Financial liabilities	4,027	3,515	3,663
% variation	*9.9*	*(24.9)*	*(21.7)*
Non-current assets or assets of a disposal group held for sale	138	11,004	10,569
Liabilities associated with disposal groups held for sale		10,459	10,017
Shareholders' Equity attributable to the owners of the Parent	5,539	6,072	5,869
% variation	*(5.6)*	*(1.4)*	*(4.7)*
UnipolSai Assicurazioni SpA Solvency II ratio - Partial Internal Model	252%	256%	263%
No. Staff	11,960	10,681	11,529

(*) 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

To make the comparisons with the first half of 2017 more significant, the Management Report and the Notes to the financial statements describe the percentage changes on a like-for-like basis separately for the main items in the Income Statements impacted, assessed by comparing the data calculated as follows:

- as regards data as at 30 June 2018, the values contributed by Popolare Vita and The Lawrence Life, sold at the end of March 2018, have been excluded,
- as regards the figures as at 30/6/2017, aside from excluding the values contributed by Popolare Vita and The Lawrence Life, the figures of UniSalute, Linear and Ambra Property, acquired by UnipolSai in the second half of 2017, were included

Furthermore, where deemed necessary for a better representation of the current operating performance, comparisons were made by normalizing the economic result for the first half of 2018 and 2017 from the effects deriving, respectively, from the capital gain due to the disposal of Popolare Vita and the charges related to the banking sector restructuring plan.

Alternative performance indicators[1]

	classes	30/6/2018	30/6/2017	30/6/2017 on a like-for-like basis	31/12/2017
Loss ratio - direct business (including OTI ratio)	Non-Life	66.7%	67.9%	68.6%	67.7%
Expense ratio (calculated on written premiums) - direct business	Non-Life	26.7%	28.2%	27.1%	28.2%
Combined ratio - direct business (including OTI ratio)	Non-Life	93.3%	96.1%	95.6%	95.9%
Loss ratio - net of reinsurance	Non-Life	68.2%	69.5%	69.9%	69.2%
Expense ratio (calculated on earned premiums) - net of reinsurance	Non-Life	27.2%	28.3%	27.6%	28.1%
Combined ratio - net of reinsurance (*)	Non-Life	95.4%	97.9%	97.5%	97.2%
Premium retention ratio	Non-Life	94.4%	93.2%		94.0%
Premium retention ratio	Life	99.8%	99.8%		99.8%
Premium retention ratio	Total	95.8%	95.3%		95.8%
Group pro-rata APE (amounts in €m) (**)	Life	199	250	189	504
Expense ratio - direct business	Life	5.6%	5.7%		5.6%

(*) with expense ratio calculated on earned premiums
(**) the figure at 30/6/2018 was calculated excluding the values contributed by Popolare Vita and The Lawrence Life

[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.

Management Report

Information on significant events during the first six months

Project for streamlining the Group's insurance sector

In the first half of the year, the project to streamline the insurance sector of the Unipol Group continued (the "Project"), approved by the Boards of Directors of Unipol and UnipolSai on 29 June 2017, as part of which the purchase of UniSalute SpA and Linear SpA by UnipolSai from Unipol was finalised in 2017.
On 22 March 2018, the Board of Directors approved the acquisition by UnipolSai Assicurazioni of the controlling interest held by Unipol Gruppo in Arca Vita SpA, equal to 63.39% of the share capital, for a price of €475m (the "Acquisition").
As part of the Project, in addition to acquisition of the investments in UniSalute SpA and Linear SpA, finalised on 16 November 2017, it was envisaged that if certain conditions and requirements were met the investment held by Unipol Gruppo in Arca Vita (and with it the subsidiaries, particularly the insurance companies Arca Vita International DAC and Arca Assicurazioni SpA) would also be transferred to UnipolSai Assicurazioni.
These requirements were satisfied on the early renewal of the strategic bancassurance partnership between Unipol Gruppo, BPER Banca SpA and Banca Popolare di Sondrio S.c.p.A. in the Life and Non-Life segments and the signing on 8 November 2017 of a new five-year agreement, expiring on 31 December 2022 and renewable if agreed by the parties.
The Acquisition will help to strengthen the product mix of UnipolSai Assicurazioni in the bancassurance channel as a whole, particularly reconfirming UnipolSai's presence as a major operator in the bancassurance business as well as in the Life and Non-Life segments, also given the intervening conclusion of the bancassurance partnership with Banco BPM SpA for Life business.
Specifically, the transfer of Arca Vita to UnipolSai Assicurazioni will facilitate the growth process to ensure constant adequacy of the product mix offered by Arca Vita and its insurance subsidiaries, also in view of the opportunities offered by technological innovation and considered developments of the reference market.
The Acquisition prices were determined within the range of values identified with the support of JP Morgan Limited and Mediobanca - Banca di Credito Finanziario SpA, in their capacity as financial advisors, respectively for UnipolSai and Unipol Gruppo, by applying the estimation methodologies normally used in accordance with the best Italian and international valuation practices.
Considering that Unipol Gruppo controls UnipolSai Assicurazioni and also taking into account its organisation as a whole in relation to the Project, the Acquisition qualified for 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. For further information on this issue, please see the section "Transactions with related parties" in this report.
After obtaining the necessary authorisations form the competent authorities, the Acquisition became effective on 7 August 2018.

Banking sector restructuring plan

The first half of the year saw the completion of the banking sector Restructuring Plan, announced to the market at the end of June 2017, a full disclosure on which was provided in the 2017 Financial Statements. The final phases of this plan implemented in the first few months of 2018 can be summarised as follows:

a) on 16 January 2018, the agreement was signed for the proportional partial spin-off (the "Spin-off") of Unipol Banca SpA ("Unipol Banca" or the "Company Divided") through the establishment of a new company, UnipolReC, beneficiary of a corporate complex (the "Complex involved in the division"), amongst other things including the entire portfolio of bad and doubtful loans of Unipol Banca at the approval date of the Half-yearly Financial Report 2017, except for loans deriving from lease transactions and unsecured loans (the "Bad and Doubtful Loans");

b) on 31 January 2018, before the Spin-Off to UnipolReC SpA became effective, Unipol and UnipolSai disbursed a **shareholder loan** to Unipol Banca for €173m and €127m, respectively, and therefore a **total of €300m** which, as envisaged in the Spin-Off Plan, was included in the Complex involved in the division transferred to UnipolReC;

c) on 1 February 2018 (the "**Effective Date**"), the proportional spin-off took effect of Unipol Banca to UnipolReC SpA ("**UnipolReC" or the "Beneficiary Company")**, a credit recovery company operating pursuant to Article 115 of

Italian Royal Decree 773 of 18 June 1931 (TULPS), established on the same date. UnipolReC has the same shareholders as Unipol Banca in the same proportions, i.e., Unipol holds 57.75% and UnipolSai 42.25%, and is a special purpose vehicle of the Unipol Banking Group. The Complex involved in the division was transferred from Unipol Banca to UnipolReC for a shareholders' equity value of €313.2m, comprising €290.1m share capital and around €23m capital reserves. As a result of the Spin-Off, the share capital and capital reserves of Unipol Banca reduced by corresponding amounts, with no change in the number of Unipol Banca shares without nominal value outstanding. Pursuant to the contractual agreements in force, the aforementioned put/call option, in place between Unipol and UnipolSai and involving Unipol Banca shares, was automatically extended to UnipolReC shares issued at the time of the Spin-Off for a share corresponding to 27.49% of UnipolReC's total share capital, without triggering any changes on the total put exercise price;

d) on 15 March 2018, Unipol Banca and UnipolReC entered into a dedicated deed recognising the exact amount of the statement of financial position asset and liability elements transferred to the Beneficiary Company at the Effective Date, which lays out an adjustment in cash of €32.2m, due to UnipolReC from Unipol Banca. Indeed, the Spin-Off deed calls for the differences arising in the amount of the statement of financial position asset and liability elements constituting the Complex involved in the division between 30 June 2017 and the Effective Date, resulting from company trends and/or a more specific identification of such elements, to be settled between the Company being divided and the Beneficiary Company with debit and credit items and/or with adjustments in cash, without entailing changes in the equity value of the Complex involved in the division. The amount of Bad and Doubtful Loans included in the Complex involved in the division at the Effective Date was €2,900.8m gross of value adjustments and €553m net of value adjustments.

Sale of the equity investment in Popolare Vita

On 11 January 2018, the agreement was signed for disposal of the investment in Popolare Vita (21,960,001 shares, equal to 50%+1 share of the share capital) to the banking partner Banco BPM, following failure to renew the distribution agreements and subsequent exercise of the put option envisaged in the Shareholders' Agreement. On 29 March 2018, following manifestation of the contractually envisaged conditions precedent, the shares were transferred and the price of €535.5m was collected, at consolidated level realising a net capital gain of €308.6m.

Bond loan issues and redemptions

On 2 February 2018 UnipolSai published the update to the EMTN Programme for a nominal total of €3bn, as part of which 22 February 2018 saw the placement launch of a subordinated bond loan for €500m targeting qualified investors only. The bond loan, qualifying as Tier 2 own funds for the purpose of Solvency II regulations and listed on the Luxembourg stock exchange, was issued on 1 March 2018 with the following characteristics: €500m principal, maturing in March 2028, issue price at par, coupon of 3.875% and a spread on the benchmark rate of 274.5 basis points.
Later, on 3 May 2018, two subordinated loans were repaid in full for a total of €300m, disbursed in the past by Mediobanca - Banca di Credito Finanziario SpA and originally maturing in 2025 and 2026, both of which recognisable among Tier 2 own funds for the purpose of Solvency II regulations.

Upgrading of the rating assigned by Fitch and Moody's

On 9 May 2018, Fitch Ratings announced its upgrade of the Long-Term Issuer Default Rating (IDR) assigned to Unipol Gruppo SpA and UnipolSai Assicurazioni SpA to "BBB" from "BBB-", with stable outlook. Consequently, the ratings of the debt securities issued by the Unipol Group were also upgraded: the Unipol Gruppo SpA senior loans to "BBB-" from "BB+", the subordinated loans with maturity of UnipolSai Assicurazioni SpA to "BBB-" from "BB+" and the perpetual bond loan of UnipolSai Assicurazioni SpA to "BB+" from "BB". At the same time, the rating agency confirmed the Insurer Financial Strength (IFS) rating of UnipolSai Assicurazioni SpA as "BBB" with stable outlook.
On 31 May 2018, Moody's Investor Services announced the upgrade of the Long-Term Issuer Rating assigned to Unipol Gruppo SpA (Unipol Gruppo) to Ba1 from Ba2.

Operating performance

UnipolSai closed the first half of 2018 with a **consolidated net profit** of €647m, contributing to which was the €309m capital gain generated from disposal of the investment in Popolare Vita SpA for the price of €535.5m. As the disposal took place on 29 March 2018, note that this consolidated half-yearly financial report includes the balances and economic results achieved by Popolare Vita and the subsidiary The Lawrence Life during the first quarter of 2018.

It should be pointed out that the consolidated result for the first half of 2017 had been €282m as a result of the negative impact by €104m of the economic effects of the banking sector restructuring.

Excluding the effects of the aforementioned non-recurring components from the two periods under review, and restating the consolidated profits on a like-for-like basis, i.e. in the two periods excluding the contribution of Popolare Vita and its subsidiary The Lawrence Life, as well as integrating the values for the first half of 2017 with the results achieved by Linear, UniSalute and Ambra Property (companies acquired during the second half of 2017 with contributions to the consolidated income statement only from the fourth quarter of 2017), the consolidated net profit for the first half of 2018 would be €326m, compared to €377m in the first half of 2017 which had benefited from a higher contribution of net income from investments.

At 30 June 2018, **direct insurance premiums**, gross of reinsurance, totalled €5,627m, in line with the €5,604m of 30 June 2017. The variation on a like-for-like basis was +1.4%;

Direct **Non-Life** premiums at 30 June 2018 amounted to €3,946m, a change of -0.6% on a like-for-like basis. The MV segment continues to suffer from competitive pressure from the market, though easing during this year, amounting to €2,139m (-0.6% on a like-for-like basis). In the non-MV segment, with premiums totalling €1,806m (-0.6% on a like-for-like basis), a slight decline was seen once again, albeit recovering noticeably compared to the first quarter of 2018 (-1.9%), the results of disposal of contracts with a negative technical performance.
The above performances affected UnipolSai in particular, whilst the other main Group companies recorded a growth in premiums. UniSalute continues to successfully expand its business model, recording premiums amounting to €226m, up 7.8%. Linear, the other main Group company operating in the MV segment, totalled €93m in premiums (+6.2%), with notable success of the new business brokered by the aggregator websites. SIAT, focusing on the Sea Vehicles segment, recorded premiums for €68m (+3.1%). Incontra, a company with distribution through Unicredit bank branches, with premiums of €51m (-13.8%), recorded a strongly performing 2017 production (+81.3%).

In terms of Non-Life claims, note the improved performances of MV TPL as a result of the positive trend in claims frequency and the related average cost, values affected by the growing contribution, in line with actions envisaged in the Business Plan, from the use of technology (the Unibox black box) installed on 37% of vehicles insured by UnipolSai S.p.A. (but with even higher percentages in areas with a higher claims frequency), which offers better control in combating fraud and the correct quantification of damages. An improvement was also seen in the Non-MV segment due to the lower incidence of significant claims and a careful risk selection policy. The combined ratio for the Group's direct business stood at 93.3% (95.4% net of reinsurance), recording a significant improvement on the 96.1% achieved at 30 June 2017 (95.6% on a like-for-like basis), due to a loss ratio of 66.7%, compared to 67.9% (68.6% on a like-for-like basis) in the first half of 2017 and an expense ratio on direct business of 26.7% of premiums written, compared to 28.2% (27.1% on a like-for-like basis) at 30 June 2017.
The pre-tax result for the Non-Life segment was €312m, compared to €235m in the first six months of 2017. The normalised profit, excluding non-recurring components and on a like-for-like basis, amounted to €310m at 30 June 2018 and €349m at 30 June 2017 when, as previously mentioned, there had been a higher contribution to profitability from investments.

In the **Life business**, on a like-for-like basis, Group turnover grew significantly. Direct premiums at 30 June 2018 amounted to €1,577m (+6.9% compared to 30/6/2017), as a result of UnipolSai's contribution which achieved direct premiums of €1,533m (+8.3%), whilst the bancassurance channel of BIM Vita achieved direct premiums of €36m, -32.4% on the first half of 2017.
New business in terms of APE, net of non-controlling interests, amounted to €199m (€189m at 30/6/2017, +5.5% on a like-for-like basis).

The pre-tax result for the Life segment was €503m (€181m in the first six months of 2017). The normalised profit for the first half of 2018 on a like-for-like basis amounted to €181m, compared to €159m for the same period of 2017.

As regards the **management of financial investments**, in the first half of 2018 strong volatility of the financial markets - especially the world's major stock exchanges - was triggered by geopolitical tensions and fears of a slowing in the economy due to trade tariff escalation between the USA, China and the EU. Italy also felt the effects of tension caused by the political elections that resulted in a widening of spreads for our government securities. Despite this context, the gross profitability of the Group's insurance financial investments portfolio produced a return in the period in question, equal to 4.2% of invested assets (4.2% at 30/6/2017), of which 3.4% relating to the coupons and dividends component.
30/6
Real estate management continued to focus on the renovation of a number of properties, particularly in Milan, in order to seek out opportunities to increase value or generate income, as well as structures intended for business use. Note the write-down for €36m in the first half of the year of land in the Castello Area (Florence) subject to a preliminary sale agreement with Toscana Aeroporti SpA provided certain conditions are satisfied.

The operations of the companies of the **other sectors** in which the Group carries out business, particularly the hotels sector (UNA Group), continue to be focused on the development of commercial activities to consolidate market positioning, with constant efficiency improvement action. The revenue trends were also up in the medical clinics and agricultural sectors.

The pre-tax result of the Real Estate and Other Business sectors was a -€50m loss (-€22m at 30/6/2017), affected by the write-down of land as reported previously.

At 30 June 2018, **consolidated shareholders' equity** amounted to €5,634m (€6,194m at 31/12/2017). The incremental effects associated with the profit for the period were more than offset by the decline in the valuation reserve for AFS securities, linked in particular to the widening spread on Italian government securities, dividend distributions, the decrease in non-controlling interests following the deconsolidation of Popolare Vita. Shareholders' Equity attributable to the owners of the Parent amounted to €5,539m (€5,869m at 31/12/2017).

The individual **solvency ratio** of UnipolSai at 30 June 2018 was 252% of the capital requirement (263% at 31/12/2017). The consolidated solvency ratio based on economic capital was 206% of the capital requirement (210% at 31/12/2017). The decrease recorded in the first half of 2018 is due in particular to the widening spread on Italian government securities.

Salient aspects of business operations

The UnipolSai Group closed the first half of 2018 with a **net profit of €647m** (€282m at 30/6/2017), net of taxation for the period of €119m. On a like-for-like basis and net of one-off transactions carried out in the two half-years compared, the profit at 30 June 2018 would have been €326m, compared to €377m at 30 June 2017.

The **solvency situation of UnipolSai SpA** at 30 June 2018, calculated according to Solvency II Partial Internal Model metrics, showed a ratio of available capital to requested capital of 2.52[2,3] (2.63 recorded at 31/12/2017).

The **Insurance sector** contributed €686m to consolidated net profit (€302m at 30/6/2017), of which €237m related to Non-Life business (€174m at 30/6/2017), and €450m related to Life business (€128m at 30/6/2017). On a like-for-like basis and net of one-off transactions carried out in the two half-years compared, the results would have been as follows:

- Insurance sector: €366m at 30 June 2018 (€397m at 30/6/2017);
- Non-Life business: €234m at 30 June 2018 (€279m at 30/6/2017);
- Life business: €132m at 30 June 2018 (€118m at 30/6/2017).

The results of the other sectors in which the Group carries out business are as follows:

- the **Other Businesses sector** recorded a -€2m loss (-€4m at 30/6/2017);
- the **Real Estate sector** recorded a -€38m loss (-€15m at 30/6/2017).

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

- **direct insurance premiums**, before reinsurance transfers, totalled €5,627m (€5,604m at 30/6/2017, +0.4%; +1.4% on a like-for-like basis). Non-Life direct premiums amounted to €3,946m (€3,673m at 30/6/2017, +7.4%; -0.6% on a like-for-like basis) and Life direct premiums amounted to €1,681m (€1,931m at 30/6/2017, -12.9%; on a like-for-like basis +6.9%), of which €137m related to investment products in the Life business (€116m at 30/6/2017);

- **net premiums earned**, net of reinsurance, amounted to €5,242m (€5,221m at 30/6/2017, +0.4%; on a like-for-like basis +1.6%), of which €3,701m in the Non-Life business (€3,410m at 30/6/2017, +8.5%; on a like-for-like basis +0.4%) and €1,541m in the Life business (€1,811m at 30/6/2017, -14.9%; on a like-for-like basis +4.9%);

- **net charges relating to claims**, net of reinsurance, were €4,302m (€4,356m at 30/6/2017, -1.2%; on a like-for-like basis +2.2%), of which €2,433m in the Non-Life business (€2,269m at 30/6/2017, +7.2%; -1.5% on a like-for-like basis) and €1,670m in the Life business (€2,087m at 30/6/2017, -10.4%; on a like-for-like basis +7.8%), including -€62m of net income on financial assets and liabilities at fair value (+€81m at 30/6/2017);

- the **loss ratio** of direct Non-Life business was 66.7% (67.9% at 30/6/2017; on a like-for-like basis 68.6%);

- **operating expenses** amounted to €1,183m (€1,155m at 30/6/2017). In the Non-Life business, operating expenses amounted to €1,041m (€1,003m at 30/6/2017), €107m in the Life business (€123m at 30/6/2017), €30m in the Other Business sector (€31m at 30/6/2017) and €11m in the Real Estate sector (€6m at 30/6/2017);

- the **combined ratio** of direct Non-Life business was 93.3%, (96.1% at 30/6/2017; 95.6% on a like-for-like basis);

[2] Value calculated on the basis of the information unavailable as of today, considered preliminary as the final figure will be disclosed to the Supervisory Authority in accordance with timing imposed under current regulations.

[3] Note that, despite being an insurance company with control over other insurers and reinsurers, UnipolSai is not required to calculate Group solvency pursuant to IVASS Regulation no. 22 of 1 June 2016. UnipolSai is in turn controlled by Unipol which, for the purpose of the transitional rules envisaged in IVASS Regulation no. 22, qualifies as the "ultimate Italian parent" to which the regulations concerning Group supervision apply in accordance with art. 210 et seq. of the Private Insurance Code.

- **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 €1,122m (€819m at 30/6/2017);

- the **gross profit** came to €765m (€394m at 30/6/2017), after write-downs of property and available-for-sale assets amounting to €44m (€72m at 30/6/2017), and amortisation of intangible assets amounting to €24m (€28 at 30/6/2017);

- **taxes** for the period represented a net expense of €119m (expense of €112m at 30/6/2017). The tax rate was 15.5% (28.4% at 30/6/2017), positively affected by the capital gain realised from the sale of Popolare Vita;

- net of the €29m profit attributable to non-controlling interests, the **profit attributable to the owners of the Parent** at 30 June 2018 was **€618m** (a profit of €265m at 30/6/2017);

- in just the second quarter of 2018, the **gross profit** was €222m (a profit of €185m in the second quarter of 2017);

- the **Comprehensive Income Statement** result was €72m (€275m at 30/6/2017), even accounting for the decrease in the reserve for gains or losses on available-for-sale financial assets of €566m (negative variation of €17m at 30/6/2017);

- **investments and cash and cash equivalents** amounted to €51,551m (€51,971m at 31/12/2017), after having reclassified €138m under assets held for disposal, pursuant to IFRS 5 relating to properties for which the owner Companies started disposal activities or for which the related preliminary sales contracts have already been signed (€104m from property disposals at 31/12/2017, in addition to the assets held by Popolare Vita and The Lawrence Life at the same date);

- **technical provisions** and **financial liabilities** amounted to €49,102m (€49,420m in 2017).

A summary of the Consolidated operating Income Statement at 30 June 2018 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 2017.

Condensed Consolidated Operating Income Statement broken down by business segment

Amounts in €m	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE SECTOR		
	30/6/18	30/6/17	*% var.*	30/6/18	30/6/17	*% var.*	30/6/18	30/6/17	*% var.*
Net premiums	3,701	3,410	*8.5*	1,541	1,811	*(14.9)*	5,242	5,221	*0.4*
Net commission income	(1)		*n.s.*	7	9	*(20.2)*	6	9	*(33.8)*
Financial income/expenses (**)	213	225	*(5.2)*	952	602	*58.2*	1,165	827	*40.9*
Net interest income	*169*	*197*		*467*	*534*		*637*	*731*	
Other income and charges	*26*	*(47)*		*32*	*8*		*58*	*(39)*	
Realised gains and losses	*52*	*68*		*456*	*100*		*508*	*168*	
Unrealised gains and losses	*(34)*	*7*		*(3)*	*(40)*		*(38)*	*(33)*	
Net charges relating to claims	(2,433)	(2,269)	*7.2*	(1,870)	(2,087)	*(10.4)*	(4,302)	(4,356)	*(1.2)*
Operating expenses	(1,041)	(1,003)	*3.8*	(107)	(123)	*(13.5)*	(1,148)	(1,126)	*1.9*
Commissions and other acquisition expenses	*(818)*	*(792)*	*3.3*	*(48)*	*(56)*	*(15.6)*	*(865)*	*(848)*	*2.0*
Other expenses	*(223)*	*(211)*	*5.9*	*(59)*	*(67)*	*(11.7)*	*(283)*	*(278)*	*1.6*
Other income/charges	(126)	(127)	*0.8*	(21)	(30)	*31.7*	(147)	(158)	*6.7*
Pre-tax profit (loss)	**312**	**235**	*32.8*	**503**	**181**	*n.s.*	**815**	**416**	*96.0*
Income taxes	(76)	(61)	*23.3*	(53)	(53)	*0.3*	(129)	(114)	*12.6*
Profit (loss) from discontinued operations									
Consolidated profit (loss)	**237**	**174**	*36.2*	**450**	**128**	*n.s.*	**686**	**302**	*127.6*
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		
30/6/18	30/6/17	% var.	30/6/18	30/6/17	% var.	30/6/18	30/6/17	30/6/18	30/6/17	% var.
								5,242	5,221	0.4
								6	9	(34.1)
(1)		(116.3)	(38)	(3)	n.s.	(4)	(4)	1,122	819	37.0
(1)	(1)		(3)	(3)				633	728	
			7	5		(4)	(4)	61	(38)	
			1					509	168	
			(43)	(5)				(80)	(38)	
								(4,302)	(4,356)	(1.2)
(30)	(31)	(3.3)	(11)	(6)	81.3	6	8	(1,183)	(1,155)	2.4
								(865)	(848)	2.0
(30)	(31)	(3.3)	(11)	(6)	81.3	6	8	(318)	(307)	3.5
28	26	8.8	1	(8)	n.s.	(1)	(4)	(119)	(143)	17.0
(2)	(5)	55.9	(48)	(17)	n.s.			765	394	94.3
1	1	(57.2)	10	1	n.s.			(119)	(112)	6.0
(2)	(4)	55.5	(38)	(15)	(145.2)			647	282	129.3
								618	265	
								29	17	

Insurance Sector

The Group's insurance business closed the period with a **profit of €686m** (€302m at 30/6/2017), of which €237m relating to the Non-Life sector (€174m at 30/6/2017) and €450m relating to the Life sector (€128m at 30/6/2017). It should be remembered that the first half of 2018 had benefited from the capital gain on disposal of Popolare Vita which had a total impact of €309m (€306m in the life segment and €3m in the non-life segment). On a like-for-like basis and net of one-off transactions carried out in the two half-years compared, the results would have been as follows:

- Insurance sector: €366m at 30 June 2018 (€397m at 30/6/2017);
- Non-Life business: €234m at 30 June 2018 (€279m at 30/6/2017);
- Life business: €132m at 30 June 2018 (€118m at 30/6/2017).

Investments and cash and cash equivalents of the Insurance sector, including properties for own use, at 30 June 2018 totalled €50,199m (€50,498m at 31/12/2017), of which €16,420m in the Non-Life business (€16,525m at 31/12/2017) and €33,779m in the Life business (€33,973m at 31/12/2017).

Financial liabilities amounted to €3,730m (€3,365m at 31/12/2017), of which €1,595m in the Non-Life business (€1,510m at 31/12/2017) and €2,135m in the Life business (€1,855m at 31/12/2017). The change refers to the issue by UnipolSai of a non-convertible, subordinated and non-guaranteed bond loan of €500m, exclusively targeted to qualified investors, and to the early settlement for a nominal €300m of subordinated loans disbursed by Mediobanca to UnipolSai.

Total premiums (direct and indirect premiums and investment products) at 30 June 2018 amounted to €5,763m (€5,668m at 30/6/2017, +1.7%; on a like-for-like basis +2.7%).
Life premiums amounted to €1,681m (€1,931m at 30/6/2017, -12.9%; +6.9% on a like-for-like basis) and Non-Life premiums totalled €4,082m (€3,738m at 30/6/2017, +9.2%; +1.2% on a like-for-like basis).

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 regards Life premiums, investment products at 30 June 2018, for €137m, related to Class III (Unit- and Index-Linked policies) and Class VI (pension funds).

Total premiums

Amounts in €m	30/6/2018	*% comp.*	30/6/2017	*% comp.*	*% var.*
Non-Life direct premiums	3,946		3,673		*7.4*
Non-Life indirect premiums	136		64		*112.7*
Total Non-Life premiums	**4,082**	***70.8***	**3,738**	***65.9***	***9.2***
Life direct premiums	1,544		1,815		*(14.9)*
Life indirect premiums					*19.5*
Total Life premiums	**1,545**	***26.8***	**1,815**	***32.0***	***(14.9)***
Total Life investment products	137	*2.4*	116	*2.0*	*17.9*
Total Life business	**1,681**	***29.2***	**1,931**	***34.1***	***(12.9)***
Overall total	**5,763**	***100.0***	**5,668**	***100.0***	***1.7***

Premiums in the second quarter of 2018 alone amounted to €2,774m (€2,791m in the second quarter of 2017; €2,463m on a like-for-like basis).

Direct premiums amounted to €5,627m (€5,604m at 30/6/2017, +0.4%; on a like-for-like basis +1.4%), of which Non-Life premiums totalled €3,946m and Life premiums €1,681m.

Amounts in €m	30/6/2018	*% comp.*	30/6/2017	*% comp.*	*% var.*
Non-Life direct premiums	3,946	*70.1*	3,673	*65.5*	*7.4*
Life direct premiums	1,681	*29.9*	1,931	*34.5*	*(12.9)*
Total direct premiums	**5,627**	***100.0***	**5,604**	***100.0***	***0.4***

Indirect Non-Life and Life premiums totalled €137m at 30 June 2018 (€64m at 30/6/2017, +112.3%; +114.7% on a like-for-like basis), €136m of which referred to premiums from Non-Life business (€64m at 30/6/2017, +112.7%; +115.3% on a like-for-like basis) and €0.3m to Life business premiums (€0.3m at 30/6/2017, +19.5%; +8.5% on a like-for-like basis).

Amounts in €m	30/6/2018	*% comp.*	30/6/2017	*% comp.*	*% var.*
Non-Life premiums	136	*99.8*	64	*99.6*	*112.7*
Life premiums		*0.2*		*0.4*	*19.5*
Total indirect premiums	**137**	***100.0***	**64**	***100.0***	*112.3*

Group **premiums ceded** totalled €234m (€259m at 30/6/2017, -9.7%; +0.4% on a like-for-like basis), €231m of which from Non-Life premiums ceded (€255m at 30/6/2017, -9.8%; +0.4% on a like-for-like basis) and €4m from Life premiums ceded (€4m at 30/6/2017, -3.5%; -3.3% on a like-for-like basis).

Amounts in €m	30/6/2018	*% comp.*	30/6/2017	*% comp.*	*% var.*
Non-Life premiums	231	*98.5*	255	*98.6*	*(9.8)*
Retention ratio - Non-Life business (%)	*94.4%*		*93.2%*		
Life premiums	4	*1.5*	4	*1.4*	*(3.5)*
Retention ratio - Life business (%)	*99.8%*		*99.8%*		
Total premiums ceded	**234**	***100.0***	**259**	***100.0***	***(9.7)***
Overall retention ratio (%)	*95.8%*		*95.3%*		

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 2018, 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 2018 amounted to €4,082m (€3,738m at 30/6/2017, +9.2%; +1.2% on a like-for-like basis).

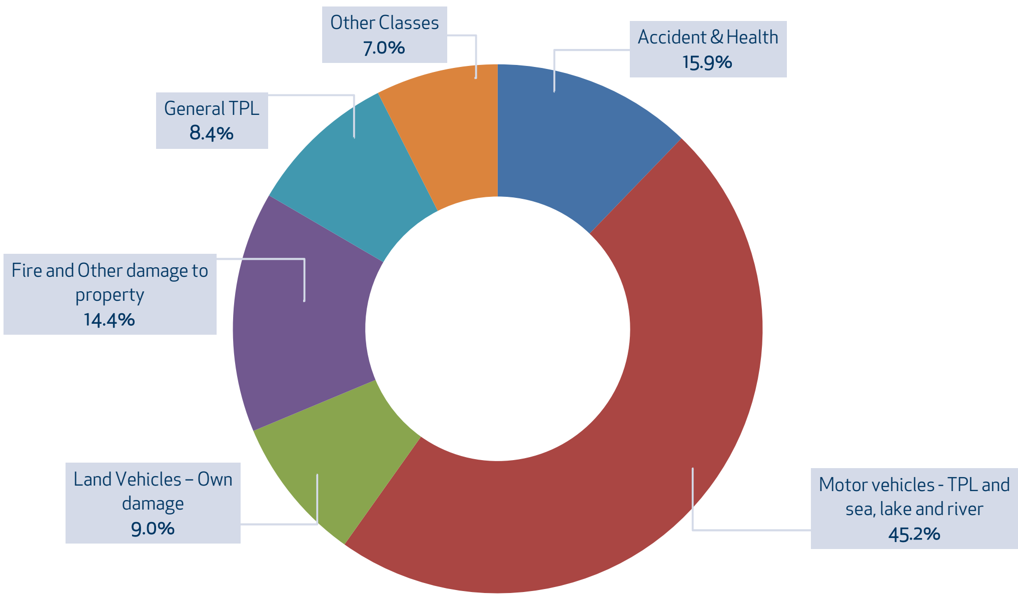
Direct business premiums alone amounted to €3,946m (€3,673m at 30/6/2017, +7.4%; -0.6% on a like-for-like basis). **Indirect business** premiums were €136m (€64m at 30/6/2017, +112.7%; +115.3% on a like-for-like basis).

The breakdown of direct business for the main classes and the changes with respect to 30 June 2017 is shown in the following table:

Non-Life business direct premiums

Amounts in €m	30/6/2018	*% comp.*	30/6/2017	*% comp.*	*% var.*
Motor vehicles - TPL and sea, lake and river (classes 10 and 12)	1,783		1,749		*1.9*
Land Vehicle Hulls (Class 3)	356		326		*9.4*
Total premiums - Motor vehicles	2,139	*54.2*	2,075	*56.5*	*3.1*
Accident & Health (Classes 1 and 2)	628		449		*40.1*
Fire and Other damage to property (Classes 8 and 9)	568		541		*5.1*
General TPL (Class 13)	333		335		*(0.6)*
Other classes	277		274		*0.9*
Total premiums - Non-Motor vehicles	1,806	*45.8*	1,599	*43.5*	*13.0*
Total Non-Life direct premiums	3,946	*100.0*	3,673	*100.0*	*7.4*

% breakdown of Non-Life direct business premiums



In the first half of 2018, the direct premiums of the UnipolSai Group amounted to €3,946m (+7.4%, -0.6% on a like-for-like basis). Premiums in the MV TPL business were €1,783m, down 2.0% compared to the first half of 2017. An increase was reported in the Land Vehicle Hulls business with premiums equal to €356m, +9.4% (+6.8% on a like-for-like basis); premiums in the Non-MV segment were down slightly to €1,806m, -0.6% on a like-for-like basis.

Non-Life claims

The positive performance of the claims frequency and related average premium, which were affected by actions envisaged in the Business Plan, allowed an improvement in MV TPL. A careful risk selection policy also offered an improvement in claims in the Non-MV segment.

The **loss ratio** (for Non-Life direct business alone), including the OTI ratio, stood at 66.7% (67.9% at 30/6/2017; on a like-for-like basis 68.6%).

The number of claims reported, without considering the MV TPL class, grew slightly (+1.0%) on a like-for-like basis: the table with the changes per class is provided below.

Number of claims reported (excluding MV TPL)

	30/6/2018	30/6/2017 on a like-for-like basis	30/6/2017	*% var.*	*% var. on a like-for-like basis*
Land Vehicle Hulls (Class 3)	165,375	155,588	153,345	*7.8*	*6.3*
Accident (Class 1)	68,840	72,070	67,551	*1.9*	*(4.5)*
Health (Class 2)	1,856,492	1,835,781	209,213	*787.4*	*1.1*
Fire and Other damage to Property (Classes 8 and 9)	150,757	141,540	141,471	*6.6*	*6.5*
General TPL (Class 13)	47,672	47,115	47,084	*1.2*	*1.2*
Other classes	246,427	233,758	223,501	*10.3*	*5.4*
Total	**2,535,563**	**2,485,852**	**842,165**	***201.1***	***2.0***

As regards the MV TPL class, where the CARD[4] agreement is applied, in the first six months of 2018 cases relating to "fault" claims (Non-Card, Debtor Card or Natural Card) reported totalled 327,944, down 3.7% compared to the figure at 30/6/2017 on a like-for-like basis.
Claims reported that present at least Debtor Card claims handling numbered 191,035, down 3.5% compared to the same period in the previous year.
Handler Card claims totalled 252,916 (including 56,007 Natural Card claims, claims between policyholders at the same company), down by 2.6%. The settlement rate for the first half of 2018 was 68.1% compared to 66% 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 2018 came to 84.6% (84.8% at June 2017).

The **expense ratio** for Non-Life direct business was 26.7% (28.2% at 30/6/2017; 27.1% on a like-for-like basis).

The **combined ratio**, based on direct business, was 93.3% at 30 June 2018 (96.1% at 30/6/2017; 95.6% on a like-for-like business).

[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 2018 is summarised in the following table:

Amounts in €m	Premiums written	*% Var.*	Investments	Gross Technical Provisions
NON-LIFE INSURANCE SECTOR				
UNIPOLSAI ASSICURAZIONI SpA	3,470	*(1.1)*	16,042	13,693
DDOR NOVI SAD ADO	43	*3.6*	78	86
INCONTRA ASSICURAZIONI SpA	51	*(13.8)*	143	215
COMPAGNIA ASSICURATRICE LINEAR SpA	93	*6.2*	363	290
UNISALUTE SpA	261	*9.5*	389	359
PRONTO ASSISTANCE SpA	71	*2.4*	38	1
SIAT SpA	78	*2.4*	120	254

The direct premiums of only UnipolSai, the Group's main company, stood at €3,464m (€3,506m at 30/6/2017, -1.2%), of which €2,033m in the MV classes (€2,053m at 30/6/2017, -1%) and €1,431m in the Non-MV classes (€1,453m at 30/6/2017, -1.5%).
Also considering indirect business, premiums acquired at 30 June 2018 amounted to €3,470m (-1.1%).

In the MV classes, €1,692m related to premiums in the MV TPL class and Sea, Lake and River Vessels TPL class (€1,734m at 30/6/2017, -2.4%).
The decrease in premiums was the results of the significant decline in the number of insured vehicles in certain major fleets. The number of individual policies increased compared to that recorded at year end, and the average premium is gradually stabilising.
With reference to the Land Vehicle Hulls business, premiums recorded a positive trend in line with the good results of the automotive industry.
In the Non-MV classes there was a decline in premiums, mainly caused by the Accident and Health coverage. In particular, for the latter class the decrease was attributable to the collection time offset for significant policies after leaving following the tender for a high-premium collective policy.
As regards the Other Damage to Property class, the growth was largely attributable to the Hail sector which was affected by various aspects: the increase in average coverage rates following the negative performance of 2017, the higher ministerial prices for agricultural products and, lastly, a portfolio increase designed to improve risk diversification from a geographical point of view. The Theft component and the accessory guarantees for Fire, particularly in the homes segment, also recorded a growth.

In the first six months of 2018, Compagnia Assicuratrice Linear, specialised in the direct sale of insurance products online (Internet and phone sales), issued premiums for €92.6m, up 6.2% on the same period of the previous year (€87.2m at 30/6/2017), mainly concentrated in the MV classes, recording an increase in profit at 30 June 2018 of €4.4m (€3.1m at 30/6/2017). Contracts in the portfolio were close to 579k units (+10% on June 2017). Also note that the combined ratio stood at 97.0%, a decrease of 1.8 percentage points on the first half of 2017 and 2.1 percentage points on year end 2017.

DDOR Novi Sad recorded a total loss (Non-Life and Life segments) at 30 June 2018 of -€0.8m (profit of €0.4m at 30/6/2017), compared to an increase in premiums (Non-Life and Life segments) rising from €46m at 30 June 2017 (of which €41m in the Non-Life segment) to €50m at 30 June 2018 (of which roughly €43m in the Non-Life segment). The considerable decrease in the result for the half-year is mainly attributable to the technical component, following the overall decline in claims for exceptional weather events that affected the Serbian agricultural segment. The greatest increases in premiums are mainly to be attributed in the Non-Life segment to MV and Other Damage to Property classes, and in the Life segment to its direct premiums.

Incontra Assicurazioni recorded a €2.8m profit at 30 June 2018 (€5m at 30/6/2017), with a decrease in premiums compared to the previous year, i.e. from €59.0m at the end of the first half of 2017 to €50.8m at 30 June 2018, mainly concentrated in the Health and Pecuniary Losses classes. At 30 June 2018, the volume of total investments reached roughly €143m (in line with 31/12/2017), while gross technical provisions reached €215m (€199m at 31/12/2017).

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 2018 with a profit of €2.4m (in line with that recorded in the first half of 2017). At 30 June 2018 there were total premiums amounting to €70.9m (€69.2m at 30/6/2017), with an increase of around 2.4% mainly referred to the indirect business taken by Group companies.

SIAT recorded a €5.3m profit in the first half of 2018 (a net improvement on the profit of €2.1m at 30/6/2017) with total gross premiums (direct and indirect) at €78.1m (€76.2m at 30/6/2017). The change is essentially attributable to the Aviation sector which became operational from the fourth quarter of 2017. The appreciable increase in profit for the half-year is mainly due to the technical component, following the overall improvement in claims, particularly in the Hulls sector, despite operating in an international context of strong uncertainty linked to fluctuating oil prices and the trade war between China and the USA (after the introduction of customs tariffs that could also extend to the European Union). The largely domestic Goods in Transit sector continues to suffer from the overcapacity of insurance compared to demand, in view of the many competitors present on the market and harsh competition, with strongly decreased premiums compared to the extensive guarantees granted.
In terms of outward reinsurance, at market level there were some signs of professional operators becoming more selective with a growing interest in the technical validity of the business they undertake.
The market continues to offer high capacity, despite a phase of change or realignment, following the difficult global trends of recent years.

UniSalute, an insurance company specialising in the health segment, recorded premiums for €260.6m at 30 June 2018, up 9.5% on 30 June 2017 (€238.0m). The first half of 2018 recorded a profit of around €19m, compared to €17.5m at 30 June 2017. More specifically, in the first half of 2018, new policies acquired in the portfolio included Banca 5 and Banca Apulia from the Supplementary Healthcare Fund of the Intesa Sanpaolo Group. Lastly, note that the service level (calls handled out of the total received) was 80.7%, stable compared to the first half of 2017, whilst the calls managed in the first half of 2018 rose by 1.9%, achieving a volume exceeding 1.5 million telephone calls.

New products

With reference to the MV TPL and Land Vehicle Hulls segments of UnipolSai, the first half of 2018 was affected mainly by tariff adjustments. The Vehicle "Dynamic Pricing" project also continued for the KM&Servizi product, which from February 2018 envisages the application of differentiated discounts.

From 1 January 2018, the minimum legal limits for MV TPL were increased to €30m for personal injuries and €2m for damage to property, due to the combined provisions of the Ministry for Economic Development Decree of 9 June 2017 and Law no. 124 of 4 August 2017.

As regards the Non-MV Non-Life price list of UnipolSai, the following new products were marketed from the first half of 2018:

- UnipolSai Albergo&Servizi, suited to the insurance needs of a wide range of accommodation types, from the more traditional hotels to the more numerous non-hotel accommodation, and among the main new elements, in addition to special guarantee packages also dedicated to beach facilities, is a "SalvaStagione" (Season Saver) guarantee that indemnifies any loss of earnings caused by rain.
- Copertura Rivalsa Colpa Grave Esercenti Professioni Sanitarie (Italian Law no. 24 of 8 March 2017 - Gelli-Bianco Law), offering coverage against professional TPL for health professionals pending completion of the implementing regulations for the Gelli Law.
  Specifically, the main new aspects introduced are:
  - guarantees for health professionals in relation to charges or subrogated action that could be taken against them by the healthcare facility or its insurer claiming damages caused due to serious misconduct;
  - envisage decennial liability in the event of cessation of professional activities.
- UnipolSai Condominio&Servizi, which offers a simple and innovative response to the need for protection of the product's different reference targets, combining insurance guarantees, services and assistance.

Life business

Total Life premiums (direct and indirect) were €1,681m (€1,931m at 30/6/2017, -12.9%; +6.9% on a like-for-like basis).

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

Life business direct premiums

Amounts in €m	30/6/2018	*% comp.*	30/6/2017	*% comp.*	*% var.*
Total direct premiums					
I – Whole and term Life insurance	954	*56.7*	1,194	*61.8*	*(20.1)*
III - Unit-linked/index-linked policies	149	*8.8*	284	*14.7*	*(47.6)*
IV - Health	2	*0.1*	1	*0.1*	*54.8*
V - Capitalisation insurance	236	*14.0*	165	*8.5*	*43.4*
VI - Pension funds	341	*20.3*	287	*14.9*	*18.7*
Total Life business direct premiums	1,681	*100.0*	1,931	*100.0*	*(12.9)*
of which Premiums (IFRS 4)					
I – Whole and term Life insurance	954	*61.8*	1,194	*65.8*	*(20.1)*
III - Unit-linked/index-linked policies	28	*1.8*	184	*10.1*	*(84.9)*
IV - Health	2	*0.1*	1	*0.1*	*54.8*
V - Capitalisation insurance	236	*15.3*	165	*9.1*	*43.4*
VI - Pension Funds	325	*21.0*	271	*14.9*	*19.8*
Total Life business premiums	1,544	*100.0*	1,815	*100.0*	*(14.9)*
of which Investment products (IAS 39)					
III - Unit-linked/index-linked policies	121	*88.5*	100	*86.3*	*20.9*
VI - Pension funds	16	*11.5*	16	*13.7*	*(0.9)*
Total Life investment products	137	*100.0*	116	*100.0*	*17.9*

New business in terms of APE, net of non-controlling interests, amounted to €199m at 30 June 2018 (€250m at 30/6/2017).

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 24 **Occupational Pension Fund** mandates at 30 June 2018 (18 of them for accounts "with guaranteed capital and/or minimum return"). On the same date resources under management totalled €3,670m (€3,055m with guaranteed capital). At 31 December 2017, UnipolSai managed a total of 23 Occupational Pension Fund mandates (17 of which "with guaranteed capital and/or minimum return"); resources under management totalled €3,509m (of which €2,897m with guaranteed capital).

As regards **Open Pension Funds**, at 30 June 2018 the UnipolSai Group managed 2 Open-Ended Pension Funds (UnipolSai Previdenza FPA and Fondo Pensione Aperto BIM Vita) that at that date amounted to a total of 43,801 members for total assets of €893m. At 31 December 2017, there were 3 Open Pension Funds with total assets of €908m and a total of 44,442 members.

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

The performance of the main Group companies at 30 June 2018 is summarised in the following table:

Amounts in €m	Premiums written (*)	*% Var.*	Investments	Gross Technical Provisions
LIFE INSURANCE SECTOR				
UNIPOLSAI ASSICURAZIONI SpA	1,405	*5.6*	32,646	29,432
BIM VITA SpA	29	*(25.3)*	628	543

(*) excluding financial products

UnipolSai collected a total of direct premiums amounting to €1,404m (€1,330m at 30/6/2017, +5.6%), in addition to financial products amounting to €128m (€86m at 30/6/2017).

Individual policies recorded a 9.1% increase, mainly attributable to the good performance of the Unit and Multisegment products (Class III) which saw a significant growth of +57.7%. Among the multisegment products, also note the excellent performance of the new PIP UnipolSai Previdenza Futura, marketed from 9 October 2017.
The incidence of Class III and Class VI premiums on the total individual business is therefore increasing constantly (14% in the first half of 2018 compared to 10% in the same period of 2017).
The good result achieved by Class V business (+88.1%) was conditioned by issue of the FUN-linked capitalisation policy (Fondo Unico Nazionale LTC) for a value of around €45m.
Again in the individual sector, Class IV premiums continued to increase (+75.7%) which, albeit not significant in absolute terms, shows a growing interest in products with long-term care coverage.

Premiums on collective policies increased slightly relative to the figure for the first half of 2017 (+7.1%) as a result in particular to growth in Class VI (19.5%).

BIM Vita recorded a profit of €0.6m at 30 June 2018 (€1.7m at 30/6/2017). Premiums amounted to €28.9m (€38.8m at 30/6/2017, -25.3%). The volume of total investments reached the amount of €628m (€666m at 31/12/2017).

New products

1 January 2018 saw the completion of the streamlining project for UnipolSai Individual Pension Plans in run off for incorporation into the PIP Unipol Futuro Presente.

The overall mix of UnipolSai annual premium products was updated in the first half of 2018.

The sales catalogue is divided into three products:
- UnipolSai Risparmio Protetto, characterised by a hybrid savings plan with a high degree of protection and the option of adding complementary or accessory coverage.
- UnipolSai Risparmio Bonus, a solution which, through a savings plan, maximises the capital payable on maturity (deferred capital), with the option of deciding whether to convert the capital into an annuity based on fixed, guaranteed ratios.
- UnipolSai Risparmio Giovane, a long-term savings plan that aims to guarantee children (or grandchildren) have economic support to use, for example, for their university studies, a master's course in Italy or abroad, a business start-up, house purchase or other major expense, and envisages the option of paying additional amounts.

Along with the new products, a series of actions common to all the products was carried out:
- change in the level of financial guarantee offered by reducing the rate from 0.75% to 0%;
- change in the segregated funds of reference, in line with changes associated with financial management logic and cash flow optimisation;
- updating of the demographic tables and reduction in fractioning costs.

Reinsurance

UnipolSai Group reinsurance policy

As regards the risks underwritten in the Non-Life classes, the reinsurance strategy adopted in recent years has remained constant, geared to developing synergies and economies of scale by acquiring standardised insurance coverage for all companies of the Group, obtaining not only the optimisation of overall capacities, but also improved cost efficiency.

The main reinsurance policies taken out by the Group in 2018 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, Fire (by risk and by event), Accident, Aircraft TPL, Transport and Bonds portfolios;
- stop loss treaty for Hail risk;
- proportional treaties for Technological risk (C.A.R. - Contractors' All Risks -, Erection all Risks and Decennale Postuma - Ten-year Building Guarantee), Bonds (the retention of which is then protected by a "risk attaching" excess of loss), Aviation (Accident, Aircraft and TPL, the retention of which is protected by a "loss attaching" excess of loss), Assistance, Legal Expenses, "D & O" TPL and hulls and freight transport.

The risks underwritten in the Life business in 2018 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, especially in Milan and Florence, 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	30/6/2018	30/6/2017	*% var.*
Gains on other financial instruments and investment property	13	15	*(18.9)*
Other revenue	18	14	*26.9*
Total revenue and income	**31**	**30**	***3.2***
Losses on other financial instruments and investment property	(50)	(18)	*174.0*
Operating expenses	(11)	(6)	*81.3*
Other costs	(17)	(22)	*(22.5)*
Total costs and expenses	**(78)**	**(47)**	***68.5***
Pre-tax profit (loss) for the year	**(48)**	**(17)**	***(186.0)***

The pre-tax result at 30 June 2018 was negative for €48m (-€17m at 30/6/2017), after carrying out write-downs of properties for €43m (€6m at 30/6/2017) and depreciation of real estate investments and tangible assets for €12m (€12m at 30/6/2017).

Investments and cash and cash equivalents of the Real Estate sector (including instrumental properties for own use) totalled €1,158m at 30 June 2018 (€1,277m at 31/12/2017), consisting mainly of Investment property and Properties for own use amounting to €1,052m (€1,168m at 31/12/2017).

Financial liabilities amounted to €328m at 30 June 2018 (unchanged from 31/12/2017).

Main property transactions

The main projects, some of which 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). The project entails building an approximately 100 metre tall office tower, for which laying of the foundations has already been completed. The construction site is set to open in the second half of the year;
- completion and requalification of a headquarters building for business use in via De Castilia (Porta Nuova-Garibaldi area);
- the refurbishment - now nearing completion - of Torre Galfa, Via Fara 41, for which lease agreements have already been entered into for almost all the leasable surface area;
- the renovation activities on the office complexes located in Milan, Via Dei Missaglia 97 and Via Crespi 57, in order to arrange leasing of the vacant office space;
- the commencement of upgrading works on a number of hotels, the main works referring to the hotels in Via De Cristoforis, Milan, and in Giardini Naxos, Messina.

As regards sales, in the first half of the year deeds of sale were signed as part of a broader transaction, launched in the previous year, for the disposal of more than 500 property units owned by Group companies located in various parts of Italy.
In addition, a number of properties, among others, were sold for a total sale value of around €53m.
The preliminary contract was finalised in the first half of the year for the disposal by a Group company to Toscana Aeroporti SpA of a piece of land in the Castello Area of the Municipality of Florence covering around 128 hectares. The

sale price was €75m plus taxes. The preliminary contract is subject to two conditions precedent, one of which arose on 26 June 2018.
Lastly, note that during the first half of the year one of the Group companies was awarded a property for industrial use located in Bologna for around €3.1m.

Other Businesses Sector

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

Income Statement - Other Businesses Sector

Amounts in €m	30/6/2018	30/6/2017	*% var.*
Other revenue	99	90	*9.6*
Total revenue and income	**99**	**91**	***9.3***
Losses on other financial instruments and investment property	(1)	(1)	*12.8*
Operating expenses	(30)	(31)	*(3.3)*
Other costs	(70)	(64)	*9.9*
Total costs and expenses	**(101)**	**(96)**	***5.6***
Pre-tax profit (loss) for the year	**(2)**	**(5)**	***55.9***

The pre-tax result at 30 June 2018 was a loss of €2m (-€5m at 30/6/2017).
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 2018, Investments and cash and cash equivalents of the Other Businesses sector (including properties for own use of €204m) totalled €275m (€277m at 31/12/2017).

Financial liabilities amounted to €49m (€51m at 31/12/2017).

The activities of diversified companies continue to focus on developing sales as well as constant efficiency improvements to the various operating platforms.

With reference to the **hotel sector**, through implementation of the company's new brand identity, consolidation continues of the UNA Group's market positioning with revenues for the first half recording a 3% increase, from around €57.8m in the first half of 2017 (adjusted to take into account the two hotels closed at the end of 2017) to approximately €60.5m at 30 June 2018.

As regards the **hub of medical clinics**, at 30 June 2018 the subsidiary Villa Donatello recorded revenues up by around 15%, from €10.9m to €12.5m. 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). Note that in June 2018 a number of the company's health and clinic activities were transferred to the property at Via Ragionieri 101, Florence (Villa Ragionieri).

As regards **agricultural activities**, the sales of the subsidiary Tenute del Cerro rose by around 10% compared to 30 June 2017 (from around €3.2m to €3.5m).

Asset and financial management

Investments and cash and cash equivalents

At 30 June 2018, Group **Investments and cash and cash equivalents** totalled €51,551m (€51,971m at 31/12/2017), with the following breakdown by business segment:

Investments and cash and cash equivalents - Breakdown by business segment

Amounts in €m	30/6/2018	*% comp.*	31/12/2017	*% comp.*	*% var.*
Insurance sector	50,199	*97.4*	50,498	*97.2*	*(0.6)*
Other Businesses sector	275	*0.5*	277	*0.5*	*(0.8)*
Real Estate sector	1,158	*2.2*	1,277	*2.5*	*(9.3)*
Inter-segment eliminations	(80)	*(0.2)*	(81)	*(0.2)*	*(1.0)*
Total Investments and cash and cash equivalents (*)	**51,551**	***100.0***	**51,971**	***100.0***	***(0.8)***

(*) including properties for own use

The breakdown by investment category is as follows:

Amounts in €m	30/6/2018	*% comp.*	31/12/2017	*% comp.*	*% var.*
Property (*)	**3,648**	***7.1***	**3,754**	***7.2***	***(2.8)***
Investments in subsidiaries, associates and interests in joint ventures	**790**	***1.5***	**804**	***1.5***	***(1.7)***
Held-to-maturity investments	**488**	***0.9***	**540**	***1.0***	***(9.5)***
Loans and receivables	**4,308**	***8.4***	**4,489**	***8.6***	***(4.0)***
Debt securities	3,358	*6.5*	3,713	*7.1*	*(9.6)*
Deposits with ceding companies	27	*0.1*	19	*0.0*	*40.8*
Other loans and receivables	923	*1.8*	757	*1.5*	*22.0*
Available-for-sale financial assets	**35,826**	***69.5***	**36,043**	***69.4***	***(0.6)***
Financial assets at fair value through profit or loss	**5,113**	***9.9***	**4,938**	***9.5***	***3.5***
held for trading	296	*0.6*	330	*0.6*	*(10.3)*
at fair value through profit or loss	4,817	*9.3*	4,608	*8.9*	*4.5*
Cash and cash equivalents	**1,378**	***2.7***	**1,404**	***2.7***	***(1.8)***
Total Investments and cash and cash equivalents	**51,551**	***100.0***	**51,971**	***100.0***	***(0.8)***

(*) including properties for own uses

Transactions carried out in the first half of 2018

This section provides information on financial transactions referring to Group investments other than those for which the risk is borne by customers, the only exclusion being portfolios held by the foreign companies DDOR and DDOR Re, the values of which in the Group's total portfolio are of little significance.

In the first half of 2018 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.
During the first half of 2018, the exposure to government securities recorded a modest increase of €50m. These assets concerned primarily government bonds and securities issued by European supranational entities, aiming to increase the diversification and credit ratings of government issuers present in the portfolio.

Asset portfolio simplification activities continued during the first half of the year, with a reduction of €46m in exposure to level 2 and 3 structured bonds.

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

	30/6/2018			31/12/2017			variation	
Amounts in €m	Carrying amount	Market value	Implied +/-	Carrying amount	Market value	Implied +/-	Carrying amount	Market value
Structured securities - Level 1	38	37	(1)	66	66		(28)	(30)
Structured securities - Level 2	669	607	(62)	666	624	(41)	3	(18)
Structured securities - Level 3	214	176	(38)	263	249	(14)	(49)	(73)
Total structured securities	**921**	**820**	**(101)**	**995**	**940**	**(55)**	**(74)**	**(120)**

Share exposure increased in the first half of 2018 by around €140m; the put options on the Eurostoxx50 index are still active on the equity portfolio, and were revalued during the first half of the year to mitigate volatility and preserve the value of the portfolio. 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 €959m, an increase of approximately €244m compared to 31 December 2017.
Currency transactions were carried out mainly to hedge the currency risk of outstanding equity and bond positions.

The overall Group portfolio duration stood at 5.64 years, up compared to the end of 2017 (5.30 years). The Non-Life duration was 2.85 years (3.02 years at the end of 2017); the Life duration was 6.90 years (6.10 years at the end of 2017). The fixed rate and floating rate components of the bond portfolio amounted respectively to 85.7% and 14.3%. The government component accounted for approximately 67.6% of the bond portfolio whilst the corporate component accounted for the remaining 32.4%, split into 25.4% financial and 7.1% industrial credit.

86.5% of the bond portfolio was invested in securities with ratings above BBB-.

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	30/6/2018	*% comp.*	30/6/2017	*% comp.*	*% var.*
Gains/losses on investment property	(28)	*(2.4)*	12	*1.4*	*n.s.*
Gains/losses on investments in subsidiaries and associates and interests in joint ventures	315	*26.9*	(102)	*(11.8)*	*n.s.*
Net gains on held-to-maturity investments	11	*1.0*	19	*2.3*	*(42.2)*
Net gains on loans and receivables	70	*6.0*	62	*7.2*	*13.1*
Net gains on available-for-sale financial assets	854	*73.1*	829	*96.1*	*3.0*
Net gains on held-for-trading financial assets and at fair value through profit or loss (*)	(55)	*(4.7)*	41	*4.8*	*n.s.*
Total net gains on financial assets, cash and cash equivalents	**1,169**	***100.0***	**863**	***100.0***	***35.4***
Net losses on other financial liabilities	(46)		(44)		*5.8*
Total net losses on financial liabilities	**(46)**		**(44)**		***5.8***
Total net gains (*)	**1,122**		**819**		***37.0***
Net gains on financial assets at fair value (**)	(73)		101		
Net losses on financial liabilities at fair value (**)	10		(20)		
Total net gains on financial instruments at fair value (**)	**(62)**		**81**		
Total net gains on investments and net financial income	**1,060**		**901**		***17.7***

(*) 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 2018, impairment losses on financial instruments classified in the available-for-sale asset category for €0.3m (€65m at 30/6/2017) and write-downs on investment property for €38m (€1m at 30/6/2017) were recognised in the income statement.

Shareholders' equity

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

Amounts in €m	30/6/2018	31/12/2017	*var. in amount*
Share capital	2,031	2,031	
Capital reserves	347	347	
Income-related and other equity reserves	2,229	2,129	*99*
(Treasury shares)	(46)	(52)	*6*
Reserve for foreign currency translation differences	5	5	
Gains/losses on available-for-sale financial assets	373	913	*(540)*
Other gains and losses recognised directly in equity	(18)	(9)	*(9)*
Profit (loss) for the year	618	504	*113*
Total shareholders' equity attributable to the owners of the Parent	**5,539**	**5,869**	***(330)***

Movements in shareholders' equity recognised during the year with respect to 31 December 2017 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 €403m;
- a decrease as a result of the fall in the reserve for gains and losses on available-for-sale financial assets €540m, net of both the related deferred tax liabilities and the part attributable to the policyholders and charged to insurance liabilities;
- an increase of €618m for Group profit for the period.

Shareholders' Equity attributable to non-controlling interests was €95m (€325m at 31/12/2017). The decrease recording in the half-year was mainly due to the effect of disposal of the equity investment in Popolare Vita (€227m).

Treasury shares and shares of the holding company

At 30 June 2018, UnipolSai held a total of 50,042,345 treasury shares, of which 1,800,000 directly and 48,242,345 indirectly through the subsidiaries UnipolSai Finance (38,454,775), UnipolSai Nederland (9,443,258), Pronto Assistance (344,312).
The change compared to the end of the previous year (55,349,685 treasury shares held at 31/12/2017) is due to the fact that UnipolSai sold 5,205,640 shares on the market and that Popolare Vita, which held 101,700 UnipolSai shares, is no longer within the consolidation scope.

At 30 June 2018 UnipolSai held a total of 2,467,696 shares issued by the parent company Unipol Gruppo Finanziario SpA, of which 2,374,398 directly, and the remainder indirectly through the following subsidiaries: SIAT (31,384), UnipolSai Servizi Consortili (24,871), UniSalute (16,838), Linear (14,743) and Auto Presto & Bene (5,462).
The change, compared to 2,486,663 treasury shares held at 31 December 2017, is due to the deconsolidation of Popolare Vita (the company held 24,728 Unipol Gruppo shares) and the purchase of 5,761 shares as part of the compensation plan based on financial instruments (performance share type), intended for the Company executives.
On 2 July 2018, 1,237,916 shares were assigned to Company executives as part of the aforementioned compensation plan.

Technical provisions and financial liabilities

At 30 June 2018, technical provisions amounted to €45,074m (€45,757m at 31/12/2017) and financial liabilities amounted to €4,027m (€3,663m at 31/12/2017).

Technical provisions and financial liabilities

Amounts in €m	30/6/2018	31/12/2017	*% var.*
Non-Life technical provisions	15,077	15,220	*(0.9)*
Life technical provisions	29,997	30,537	*(1.8)*
Total technical provisions	**45,074**	**45,757**	***(1.5)***
Financial liabilities at fair value	**1,349**	**1,172**	***15.1***
Investment contracts - insurance companies	987	895	*10.2*
Other	362	277	*30.9*
Other financial liabilities	**2,678**	**2,491**	***7.5***
Subordinated liabilities	2,215	2,028	*9.2*
Other	463	463	*0.1*
Total financial liabilities	**4,027**	**3,663**	***9.9***
Total	**49,102**	**49,420**	***(0.6)***

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 an increase in debt of €187m.

Amounts in €m	30/6/2018	31/12/2017	*var. in amount*
Subordinated liabilities	2,215	2,028	*187*
Payables to banks and other lenders	300	300	
Total debt	**2,515**	**2,328**	***187***

With reference to the **Subordinated Liabilities** issued by UnipolSai, the change is mainly due to:

- the issue on 1 March 2018 of a 10-year non-convertible, subordinated and non-guaranteed bond loan with a 3.875% coupon, exclusively targeted to qualified investors, for €500m. The bond loan characteristics make it eligible for inclusion among Tier 2 own funds for Solvency II purposes;
- the early redemption on 3 May 2018 of the Tier 2 loans for a total principal of €300m maturing 2025 and 2026, disbursed to the Company by Mediobanca - Banca di Credito Finanziario SpA.

Payables to banks and other lenders, totalling €300m (unchanged since 31/12/2017), 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 "Related Parties Procedure"), prepared in accordance with Art. 4 of Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments (the "Regulation"), initially approved on 30 November 2010, was most recently approved by UnipolSai Assicurazioni SpA's Board of Directors on 6 October 2016 with effect from that date. The objective of the Procedure - published on the UnipolSai web site (www.unipolsai.com) in the Governance section - 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, directly or via subsidiaries.

With regard to transactions with related parties **"of major significance"**, note that on 22 March 2018, the Board of Directors of UnipolSai approved the purchase by the parent Unipol Gruppo of the equity investment held in Arca Vita S.p.A., equal to 63.39% of the share capital, and - indirectly - of the interests held by the latter in the share capital of Arca Assicurazioni S.p.A., Arca Vita International DAC and a number of auxiliary companies (the "Acquisition").
The Acquisition price was determined within the range of values identified with the support of JP Morgan Limited and Mediobanca - Banca di Credito Finanziario SpA, in their capacity as 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 Acquisition was qualified by both parties as a transaction 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 Acquisition was 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 Studio BonelliErede and Studio Legale Chiomenti. In addition, as regards verification of the fairness of the principles and estimation methods applied to the transaction by the financial advisors appointed by the Board of Directors and the Committee for Transactions with Related Parties compared to the standards commonly adopted for similar transactions, UnipolSai obtained the independent opinion of Studio Laghi Srl and Unipol from Colombo & Associati Srl.

The UnipolSai Committee for Transactions with Related Parties expressed its favourable opinion on the Company's interest in the Acquisition, 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 29 March 2018 on the website www.unipolsai.com in the Governance/Related Party Transactions section.

In turn, the Unipol Committee for Transactions with Related Parties also expressed its favourable opinion, on a voluntary basis, on Unipol's interest in disposing of its investment in Arca Vita, as well as on the cost effectiveness and substantial fairness of the conditions applied.

The disposal was finalised on 7 August 2018 after obtaining the necessary legal authorisations.

In the first half of 2018, the following transactions **"of minor relevance"** were carried out:
- the release, by UnipolSai to Unipol Banca SpA and in the interests of the Company and of Tikal R.E. Fund, of two collateral guarantees to mitigate the risk of Unipol Banca exposure to the Company, as the "Associated party", identified pursuant to Bank of Italy Circular no. 263/2006, 9th update;
- the lease agreement between the subsidiary Midi Srl and UnipolReC SpA, a company with the majority of its share capital held by Unipol, relating to a portion of the property owned by Midi at Via Stalingrado 37, Bologna;

- the signing of a lease agreement by UnipolSai with the parent Unipol, in relation to office space at Corso di Porta Romana 19, Milan.

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

Tax audits in progress

The Bologna Tax Police began a tax audit on the 2015 tax year on 22 February 2018 in relation to Direct Taxes, VAT and other taxes of UnipolSai Assicurazioni SpA. At the reporting date, the audit was still in progress.

MF Innovation Award 2017

As part of the MF Innovation Award, the award promoted by the financial newspaper MF in partnership with Accenture for innovation, everyday customer service, simplicity and usability, the product "UnipolSai Km&Servizi 2Ruote" won the Innovation award in the "Motor Vehicles and Mobility" category and the product "Monitor Salute", the remote monitoring service of chronic diseases promoted by UniSalute, was winner in the "Health&Prevention" category. It also received a mention in the "Home and Family" category for the product "UnipolSai Cane&Gatto".

MotoGP 2018 Championship: UnipolSai still in the saddle with Ducati

After a truly amazing 2017 championship in terms of results achieved by the Ducati Team and brand visibility, UnipolSai renewed its partnership with Ducati Corse for the 2018 MotoGP championship.

Loyalty Magazine Award

At a ceremony held in London on 19 June, UnipolSai Assicurazioni and Advice Group, Italy's first progress marketing company, were winners of the Loyalty Magazine Award - the highest award in the sector at international level - in the "Loyalty without a name" category.
Specifically, the "Ghost Loyalty" campaign managed for UnipolSai Assicurazioni by Advice Group, was recognised for its ability of "having best known how to develop loyalty mechanisms, without a real programme in the traditional sense of the term".
The strategy used, studied to improve the bond between brand and user, involved customers through frequent co-marketing initiatives, thereby increasing the opportunities for interaction with their agents and steering customers through a personalised engagement and loyalty path throughout the entire relationship.

UnipolSai Official Partner at the 2018 Rimini Meeting

For the fourth consecutive year, UnipolSai Assicurazioni will be the Official Partner of the Meeting for Friendship among Peoples, to be held in Rimini from 19 to 25 August 2018, this year's 39th edition being entitled "The forces that move history are the same that make man happy".
A great international event that has always brought to the fore the knowledge and the encounter of man with different cultures, religions, and experiences that will be debated and shared during the Meeting.
For UnipolSai, being Official Partner to the Rimini Meeting is the continuation of a coherent path towards a decision to be close to people and socially responsible.

Significant events after the reporting period and business outlook

Significant events after the reporting period

Project for streamlining the Group's insurance sector

As reported in the paragraph "Information on significant events during the first six months", to which reference should be made for further details, on 7 August 2018, the purchase by UnipolSai of the controlling interest, equal to 63.39% of the share capital, held by Unipol in Arca Vita SpA, was finalised for the price of €475m.

Business outlook

After 30 June 2018 there were no significant changes in the international macroeconomic scenario which continues to see an economic recovery, even though uncertainties triggered by the escalation on tariffs imposed by the USA and, in Italy, the Government's decisions regarding public debt are worrying. In this framework, the financial operations of the Group continue to aim for consistency between assets and liabilities and to maintain a high standard of portfolio quality through issuer diversification criteria, maintaining a particular focus on their strength and liquidity.
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**, in a market context that remains strongly competitive, the Group is carrying out sales initiatives and settlement policies aimed at maintaining positive technical margins.

For **Life business**, the sales policies adopted allow our customers the opportunity to enjoy a complete range of products and, at the same time, guarantee future prospects of a balance in returns from segregated funds.

The performance recorded in the first half of the year is expected to continue to year end, in the absence of exceptional and unforeseeable events, with operating profit in line with the goals established in the 2016-2018 Business Plan.

Bologna, 9 August 2018

The Board of Directors

2.Condensed Consolidated Half-Yearly Financial Statements at 30/06/2018

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	30/6/2018	31/12/2017
1	INTANGIBLE ASSETS	664.0	691.3
1.1	Goodwill	327.8	327.8
1.2	Other intangible assets	336.2	363.5
2	PROPERTY, PLANT AND EQUIPMENT	1,761.5	1,719.3
2.1	Property	1,526.4	1,482.9
2.2	Other tangible assets	235.0	236.4
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	871.9	846.0
4	INVESTMENTS	48,647.1	49,084.8
4.1	Investment property	2,121.2	2,271.4
4.2	Investments in subsidiaries, associates and interests in joint ventures	790.2	803.8
4.3	Held-to-maturity investments	488.2	539.6
4.4	Loans and receivables	4,308.1	4,489.1
4.5	Available-for-sale financial assets	35,826.5	36,042.7
4.6	Financial assets at fair value through profit or loss	5,112.9	4,938.2
5	SUNDRY RECEIVABLES	2,183.3	2,662.8
5.1	Receivables relating to direct insurance business	1,018.5	1,421.6
5.2	Receivables relating to reinsurance business	140.0	100.6
5.3	Other receivables	1,024.8	1,140.6
6	OTHER ASSETS	1,103.6	11,342.7
6.1	Non-current assets or assets of a disposal group held for sale	138.2	10,569.1
6.2	Deferred acquisition costs	96.2	85.0
6.3	Deferred tax assets	370.7	217.1
6.4	Current tax assets	8.9	9.4
6.5	Other assets	489.6	462.0
7	CASH AND CASH EQUIVALENTS	1,377.8	1,403.6
	TOTAL ASSETS	56,609.3	67,750.4

Statement of Financial Position
Shareholders' Equity and Liabilities

	Amounts in €m	30/6/2018	31/12/2017
1	SHAREHOLDERS' EQUITY	5,634.0	6,193.7
1.1	**attributable to the owners of the Parent**	**5,538.9**	**5,869.0**
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	2,228.7	2,129.5
1.1.5	(Treasury shares)	(46.2)	(52.3)
1.1.6	Reserve for foreign currency translation differences	4.8	4.8
1.1.7	Gains or losses on available-for-sale financial assets	373.3	913.4
1.1.8	Other gains or losses recognised directly in equity	(17.6)	(8.9)
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	617.6	504.2
1.2	**attributable to non-controlling interests**	**95.2**	**324.7**
1.2.1	Share capital and reserves attributable to non-controlling interests	65.7	265.5
1.2.2	Gains or losses recognised directly in equity	0.3	26.7
1.2.3	Profit (loss) for the year attributable to non-controlling interests	29.2	32.6
2	PROVISIONS	374.4	382.3
3	TECHNICAL PROVISIONS	45,074.3	45,757.0
4	FINANCIAL LIABILITIES	4,027.4	3,663.0
4.1	Financial liabilities at fair value through profit or loss	1,349.4	1,172.3
4.2	Other financial liabilities	2,678.0	2,490.7
5	PAYABLES	798.1	915.3
5.1	Payables arising from direct insurance business	94.2	104.7
5.2	Payables arising from reinsurance business	101.4	93.6
5.3	Other payables	602.5	717.0
6	OTHER LIABILITIES	701.1	10,839.1
6.1	Liabilities associated with disposal groups held for sale		10,016.5
6.2	Deferred tax liabilities	8.8	25.1
6.3	Current tax liabilities	22.4	24.1
6.4	Other liabilities	669.9	773.4
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	56,609.3	67,750.4

Income Statement

		30/6/2018	30/6/2017
	Amounts in €m		
1.1	Net premiums	5,241.7	5,221.1
1.1.1	Gross premiums earned	5,433.9	5,434.3
1.1.2	Earned premiums ceded to reinsurers	(192.2)	(213.2)
1.2	Commission income	12.4	17.0
1.3	Gains and losses on financial instruments at fair value through profit or loss	(116.7)	122.9
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	315.2	3.7
1.5	Gains on other financial instruments and investment property	1,018.7	1,113.0
1.5.1	Interest income	679.1	767.5
1.5.2	Other income	88.5	102.4
1.5.3	Realised gains	249.1	243.2
1.5.4	Unrealised gains	2.0	0.0
1.6	Other revenue	302.1	261.3
1	TOTAL REVENUE AND INCOME	6,773.4	6,739.0
2.1	Net charges relating to claims	(4,240.1)	(4,437.9)
2.1.1	Amounts paid and changes in technical provisions	(4,314.7)	(4,536.3)
2.1.2	Reinsurers' share	74.6	98.5
2.2	Commission expenses	(6.8)	(8.5)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	(0.4)	(105.8)
2.4	Losses on other financial instruments and investment property	(156.4)	(233.1)
2.4.1	Interest expense	(48.3)	(41.7)
2.4.2	Other charges	(16.6)	(21.4)
2.4.3	Realised losses	(35.5)	(62.9)
2.4.4	Unrealised losses	(56.0)	(107.1)
2.5	Operating expenses	(1,183.4)	(1,155.3)
2.5.1	Commissions and other acquisition costs	(865.3)	(848.0)
2.5.2	Investment management expenses	(58.6)	(60.0)
2.5.3	Other administrative expenses	(259.5)	(247.3)
2.6	Other costs	(420.8)	(404.4)
2	TOTAL COSTS AND EXPENSES	(6,008.0)	(6,345.0)
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	765.4	394.0
3	Income taxes	(118.7)	(112.0)
	PROFIT (LOSS) FOR THE YEAR AFTER TAXES	646.8	282.1
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		
	CONSOLIDATED PROFIT (LOSS)	646.8	282.1
	of which attributable to the owners of the Parent	617.6	264.6
	of which attributable to non-controlling interests	29.2	17.5

Comprehensive Income Statement

Amounts in €m	30/6/2018	30/6/2017
CONSOLIDATED PROFIT (LOSS)	646.8	282.1
Other income items net of taxes not reclassified to profit or loss	(8.0)	3.0
Change in the shareholders' equity of the investees	(6.5)	3.5
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	(1.5)	(0.5)
Other items	(0.0)	
Other income items net of taxes reclassified to profit or loss	(567.2)	(10.0)
Change in the reserve for foreign currency translation differences	0.0	1.0
Gains or losses on available-for-sale financial assets	(566.4)	(17.2)
Gains or losses on cash flow hedges	(0.8)	6.2
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)	(575.2)	(7.1)
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE)	71.6	275.0
of which attributable to the owners of the Parent	68.7	261.1
of which attributable to non-controlling interests	2.8	13.9

Statement of Changes in Shareholders' Equity

	Amounts in €m	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

		Balance at 31/12/2017	Changes to closing balances	Amounts allocated	Adjustments from reclassif. to profit or loss	Transfers	Changes in investments	Balance at 30/6/2018
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	2,129.5	(7.2)	106.5				2,228.7
	(Treasury shares)	(52.3)		6.1				(46.2)
	Profit (loss) for the year	504.2		516.4		(403.1)		617.6
	Other comprehensive income/(expense)	909.4	2.7	(413.1)	(138.5)			360.5
	Total attributable to the owners of the Parent	**5,869.0**	**(4.4)**	**215.8**	**(138.5)**	**(403.1)**		**5,538.9**
Shareholders' Equity attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	265.5		27.1		(226.9)		65.7
	Profit (loss) for the year	32.6		2.1		(5.5)		29.2
	Other comprehensive income/(expense)	26.7		(4.5)	(21.8)			0.3
	Total attributable to non-controlling interests	**324.7**		**24.7**	**(21.8)**	**(232.4)**		**95.2**
Total		6,193.7	(4.4)	240.5	(160.3)	(635.4)		5,634.0

Statement of Cash Flows (indirect method)

Amounts in €m	30/6/2018	30/6/2017
Pre-tax profit (loss) for the year	765.4	394.0
Change in non-monetary items	(217.3)	(128.4)
Change in Non-Life premium provision	161.7	71.2
Change in claims provision and other Non-Life technical provisions	(332.9)	(177.0)
Change in mathematical provisions and other Life technical provisions	(537.6)	(102.0)
Change in deferred acquisition costs	(11.2)	(4.4)
Change in provisions	(7.9)	(51.5)
Non-monetary gains and losses on financial instruments, investment property and investments	(224.7)	129.5
Other changes	735.2	5.8
Change in receivables and payables generated by operating activities	(21.7)	502.7
Change in receivables and payables relating to direct insurance and reinsurance	297.5	380.0
Change in other receivables and payables	(319.2)	122.7
Paid taxes	(105.5)	(64.7)
Net cash flows generated by/used for monetary items from investing and financing activities	(123.5)	(191.1)
Liabilities from financial contracts issued by insurance companies	102.1	19.4
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	(225.6)	(210.5)
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	297.4	512.6
Net cash flow generated by/used for investment property	(29.4)	(22.0)
Net cash flow generated by/used for investments in subsidiaries, associates and interests in joint ventures	10.2	(0.1)
Net cash flow generated by/used for loans and receivables	164.0	(66.4)
Net cash flow generated by/used for held-to-maturity investments	44.1	16.5
Net cash flow generated by/used for available-for-sale financial assets	(910.9)	160.7
Net cash flow generated by/used for property, plant and equipment and intangible assets	(17.7)	(57.8)
Other net cash flows generated by/used for investing activities	572.1	145.2
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	(167.6)	176.1
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	10.3	
Dividends distributed attributable to the owners of the Parent	(403.1)	(346.8)
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	(5.5)	(83.5)
Net cash flow generated by/used for subordinated liabilities and equity instruments	200.0	(0.0)
Net cash flow generated by/used for other financial liabilities	(9.0)	(28.1)
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	(207.3)	(458.4)
Effect of exchange rate gains/losses on cash and cash equivalents	0.0	0.4
CASH AND CASH EQUIVALENTS AT 1 JANUARY (*)	1,455.3	660.6
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(77.5)	230.7
CASH AND CASH EQUIVALENTS AT 30 JUNE (**)	1,377.8	891.3

(*) Cash and cash equivalents at 1 of January 2018 include €51.7m of non-current assets or those of a disposal group held for sale.
(*) 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 2018 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 2017.

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.

The condensed consolidated half-yearly financial statements at 30 June 2018 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 2018, are consistent with those used for the consolidated financial statements at 31 December 2017, except for what is expressly specified in the following section New Accounting Standards.

While drawing up the condensed consolidated half-yearly financial statements at 30 June 2018, 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 2018 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 2017 and other transactions

On 1 February 2018, the proportional spin-off of Unipol Banca took effect in favour of the newco UnipolReC SpA.
The share capital of UnipolReC SpA (equal to €290,122,715) is divided in 290,122,715 shares without nominal value, 57.75% of which held by Unipol and 42.25% by UnipolSai. Upon spin-off, the put/call option was extended to the stake of shares assigned to UnipolSai, equal to 27.49% of total shares of UnipoReC. This option was already in place between Unipol and UnipolSai pertaining to Unipol Banca shares.

The company Assicoop Grosseto SpA in liquidazione was cancelled from the Register of Companies on 8 February 2018.

On 29 March 2018, the entire equity investment held by UnipolSai (21,960,001 shares, equal to 50%+1 share of the share capital), in Popolare Vita SpA was sold to the banking partner Banco BPM. As a result of this sale, also the subsidiary The Lawrence Life Assurance Company Dac, 100% investee of Popolare Vita Dac, was excluded from the Group consolidation scope.

The company Sai Mercati Mobiliari SpA in liquidazione was cancelled from the Register of Companies on 5 April 2018.

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.

New accounting standards

The newly issued accounting standards and amendments to previous ones, effective from 1 January 2018, are listed below.
The most important provisions to the Unipol Group are the standard "IFRS 9 - Financial instruments" and provisions regarding the "Applying IFRS 9 - Financial Instruments with IFRS 4 - Insurance Contracts", whose effects are described in special paragraphs.
As regards the other regulatory developments, no impact is worth reporting.

IFRS 15 - Revenue from contracts with customers
IFRS 15, endorsed through the EU Regulation 2016/1905 of 22 September 2016 and effective on 1 January 2018, replaced IAS 18 "Revenue", IAS 11 "Construction contracts", SIC 31 "Revenue - Barter transactions involving advertising services", IFRIC 13 "Customer loyalty programmes", and IFRIC 15 "Agreements for the construction of real estate".
Amendments to IFRS 15 "Revenue from Contracts with Customers - Clarifications to IFRS 15", adopted with EU Regulation 2017/1987, which aim to specify several requirements and provide a further transitional provision for companies that apply the standard, were also effective as from the year 2018.

Amendments to IFRS 1 and IAS 28 - Annual Improvements to IFRSs - 2014-2016 Cycle
The aforementioned Regulation 2018/182 of 7 February 2018 adopted number of amendments forming part of the Annual Improvements to IFRSs - 2014-2016 Cycle in reference to the following standards:
- IFRS 1 "First-time Adoption of International Financial Reporting Standards": removes the short-term exemptions prescribed by Appendix E for First Time Adopters with regard to the supplemental disclosure to be provided on financial instruments;
- IAS 28 "Investments in Associates and Joint Ventures": specifies that measurement of the investees at fair value to profit and loss is a decision that must be made for each individual investment (not for categories or classes of investment).

Amendments to IFRS 2 - Share-based payments
The Regulation EU 2018/289 of 26 February 2018 endorsed the amendments of IFRS 2 "Share-based payments", issued by IASB on 21 June 2016, to clarify the recognition of certain types of specific transactions, especially on the terms and conditions of the share-based payment.

Amendments to IFRIC 22 - Foreign Currency Transactions and Advance Consideration
The Interpretation to IFRIC 22 "Foreign Currency Transactions and Advance Consideration" was adopted with Regulation EU 2018/519, to clarify the recognition of certain transactions, which include the reception or payment of advance consideration in foreign currency.

Amendments to IAS 40 – Investment Property
On 15 March 2018, Regulation 2018/400 was published in the EU Official Journal, which adopted the Amendments to IAS 40 "Investment Property - Changes in use of investment property".

IFRS 9 - Financial instruments
The standard IFRS 9 - Financial Instrument was effective at the beginning of 2018. This standard was issued by IASB at end July 2014 and was endorsed by the EU Regulation 2016/2067, which reformed provisions envisaged by IAS 39 on the following main issues:
- *Classification and Measurement*: classification categories were envisaged for financial assets, based on a business model and the characteristics of the contractual cash flows;
- *Impairment*: an incurred loss model is replaced by an expected loss model, with the introduction of a new concept of staging allocation;
- *Hedge Accounting*: thanks to this new model, hedge accounting is further aligned to risk management processes.

In particular, as regards Classification and Measurement, unlike in the IAS 39, which requires mainly the analysis of the type of financial asset or liability, as well as the related holding period, the IFRS 9 standard introduced classification criteria of financial instruments based on the measurement of the related business model, as well as the analysis of the characteristics of the contractual cash flows resulting from the instruments themselves, with the application of the so-called SPPI test, aimed at verifying the position of Solely Payments of Principal and Interest. Moreover, in view of measuring what Business model should be assigned to the financial instrument, the IFRS 9

envisages more objective parameters, based on various requirements such as: performance, risk, remuneration and turnover.
The new regulations also revised some guidelines on the possible reassignment of the business model that must however be very uncommon and shall meet special conditions involving significant changes, both "internal" with respect to the company and "demonstrable" (basic condition) with respect to external parties.

Applying IFRS 9 - Financial instruments with IFRS 4 - Insurance contracts
On 12 September 2016, the IASB published the official version of the amendment document of IFRS 4 "*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4*", aimed at finally solve the critical issues resulting from the application of IFRS 9 - Financial Instruments, before the entry into force of the new IFRS 17 standard[5] on insurance contracts.
In detail, the IASB provided two transitional solutions for the insurance sector, both optional (hereinafter also "**IASB Deferral**"): the "deferral approach", which provides for a deferral in implementing IFRS 9, to no later than 1 January 2021, for entities or groups exercising a "predominant" insurance activity, and the "overlay approach", which requires the application of IFRS 9 from 1 January 2018 and allows the reclassification, from income statement to OCI (Other Comprehensive Income), of the difference between the amount of some financial instruments measured in accordance with IFRS 9 and recorded in the income statement and the amount that would have been recognised in the income statement for the same financial instruments on the basis of IAS 39. As regards the deferral approach, the IASB specifies that the exercise or non-exercise of this option, with subsequent adoption of IFRS 9, for consolidated financial statements, must be standardised across all the entities that are consolidated[6] on a line-by-line basis and hold financial instruments.
The EU Regulation 2017/1988, published on the EU Official Journal on 9 November 2017, adopted the amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" but extended the possible deferral for the application of IFRS 9 (hereinafter also "**EU Deferral**") to further cases that were not envisaged in the amendments to IFRS 4 approved by the IASB. In particular, Art. 2 of the above-mentioned Regulation, allows the parent companies of the financial conglomerate (as defined by Directive 2002/87/EC) to prepare consolidated financial statements while deferring the application of IFRS 9 for entities operating in the insurance sector, provided that:

- no financial assets are transferred (other than financial instruments measured at fair value with changes recognised in the income statement) between the insurance sector and the other sectors of the financial conglomerate itself (except for transactions subject to intragroup netting);
- the group's entities that apply IAS 39 are specified in the consolidated financial statements;
- the additional information requested by IFRS 7 is provided separately for the insurance sector, which applies IAS 39, and for the rest of the group, which applies IFRS 9.

Unlike provisions envisaged by the IASB Deferral, the application of the EU Deferral, therefore substantially allows the parent company of a financial conglomerate to prepare consolidated financial statements by applying non-uniform accounting criteria, with reference to the classification and measurement of financial instruments held by the entities consolidated on a line-by-line basis. More specifically, as regards the financial instruments held by the insurance entities, it is still possible to apply IAS 39, while as regards the financial instruments held by other entities, the application of IFRS 9 is required.
The amendments to IFRS 4, as supplemented by the above-mentioned EU Regulation 2017/1988, are applicable as from 1 January 2018, for both insurance groups and financial conglomerates.

Application of IFRS 9 by the UnipolSai Group

Based on the quantity and quality analyses, specified in the reference regulations, within the UnipolSai Group the insurance activities are widely "predominant" with the meaning specified in the amended IFRS 4, as described in the previous paragraph. Specifically, the percentage of the total accounting value of liabilities for the UnipolSai Group, related to insurance activities, is largely higher than 90% of the total accounting value of all liabilities.
Within this context, for the purpose of the drawing up of its consolidated financial statements, the UnipolSai Group decided to avail from the deferral option in applying IFRS 9, as envisaged by the IASB (IASB Deferral), based on the deferral approach mode. As a consequence, except for entities being part of the Unipol Banking Group, consolidated at equity and for which the application of IFRS 9 is mandatory on a separate basis (UnipolSai Sgr, UnipolReC SpA and

[5] As envisaged by the IASB, the IFRS 17 standard will be effective on 1 January 2021. The effective date will depend on the result of the European Union endorsement process, which is still underway.
[6] A non-standardisation of accounting principles is however permitted for equity investments in associates or joint ventures, measured at equity, which might apply the IFRS 9 standard also in the event the group avails of the IASB Deferral.

the Unipol Banca Group), all entities consolidated on a line-by-line basis or at equity continued to apply IAS 39 in drawing up their consolidated financial statements.

The effects, at 1 January 2018, of the first-time application of IFRS 9 on the consolidated Shareholders' Equity of the UnipolSai Group are therefore attributable only to the recalculation of the Shareholders' Equity at the same date of the investees included in the Unipol Banking Group and bound to apply IFRS 9, on separate and consolidated basis, with the equity method by reason of the interests held by the Group itself.

As reported in the column Changes to closing balances in the Statement of changes in shareholders' equity, the application of IFRS 9 to investees of the Banking Group determined a negative effect on the Group's Shareholders' Equity, equal to €4.4m, due mainly to the increase in adjustments for impairment loss on receivables from banking services, partially offset by the positive effects resulting from the reclassification of some financial assets, measured at amortised cost according to IAS 39 and then measured at fair value according to IFRS 9.

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	30/6/2018	31/12/2017	*var. in amount*
Goodwill	327.8	327.8	
resulting from business combinations	327.8	327.8	
Other intangible assets	336.2	363.5	*(27.3)*
portfolios acquired under business combinations	146.1	166.9	*(20.7)*
software and licenses	174.7	180.2	*(5.5)*
other intangible assets	15.4	16.5	*(1.1)*
Total intangible assets	664.0	691.3	*(27.3)*

In relation to the item **Portfolios acquired as a result of business combinations**, the decrease with respect to 31 December 2017, amounting to €20.7m, is due to amortisation for the year on the values related to the acquired Non-Life (€12.5m) and Life portfolios (€8.2m).

2. Property, plant and equipment

At 30 June 2018, the item Property, plant and equipment, less the related accumulated depreciation, amounted to €1,761.5m (€1,719.3m at 31/12/2017) and it is composed of:
- property for own use amounting to €1,526.4m (€1,482.9m at 31/12/2017);
- other tangible assets amounting to €235.0m (€236.4m at 31/12/2017).

3. Technical provisions - Reinsurers' share

The reinsurers' share of technical provisions, at 30 June 2018, amounted to €871.9m (€846.0m at 31 December 2017), and it is broken down as follows:
- Non-Life provisions, in the amount of €824.9m (€796.0m at 31/12/2017), of which €257.8m related to premium provisions (€216.3m at 31/12/2017), and €567.1m related to claims provisions (€579.7m at 31/12/2017);
- Life provisions, in the amount of €47.1m (€49.9m at 31/12/2017), of which €45.7m related to mathematical provisions (€48.3m at 31/12/2017), and €1.4m related to provisions for amounts payable (€1.6m at 31/12/2017).

4. Investments

At 30 June 2018, total investments (investment property, equity investments and financial assets) amounted to €48,647.1m (€49,084.8m at 31/12/2017).

Amounts in €m	30/6/2018	*% comp.*	31/12/2017	*% comp.*	*% var.*
Investment property	2,121.2	*4.4*	2,271.4	*4.6*	*(6.6)*
Investments in subsidiaries, associates and interests in joint ventures	790.2	*1.6*	803.8	*1.6*	*(1.7)*
Financial assets (excluding those at fair value through profit or loss)	40,918.7	*84.1*	41,401.4	*84.3*	*(1.2)*
Held-to-maturity investments	*488.2*	*1.0*	*539.6*	*1.1*	*(9.5)*
Loans and receivables	*4,308.1*	*8.9*	*4,489.1*	*9.1*	*(4.0)*
Available-for-sale financial assets	*35,826.5*	*73.6*	*36,042.7*	*73.4*	*(0.6)*
Held-for-trading financial assets	*295.9*	*0.6*	*330.0*	*0.7*	*(10.3)*
Financial assets at fair value through profit or loss	4,817.0	*9.9*	4,608.2	*9.4*	*4.5*
Total Investments	48,647.1	*100.0*	49,084.8	*100.0*	*(0.9)*

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	30/6/2018	*% comp.*	31/12/2017	*% comp.*	*% var.*
Held-to-maturity investments	**488.2**	*1.2*	**539.6**	*1.3*	*(9.5)*
Listed debt securities	456.2		507.6		*(10.1)*
Unlisted debt securities	32.0		32.0		*0.0*
Loans and receivables	**4,308.1**	*10.5*	**4,489.1**	*10.8*	*(4.0)*
Unlisted debt securities	3,357.8		3,712.8		*(9.6)*
Deposits with ceding companies	26.8		19.1		*40.8*
Other loans and receivables	923.4		757.2		*22.0*
Available-for-sale financial assets	**35,826.5**	*87.6*	**36,042.7**	*87.1*	*(0.6)*
Equity instruments at cost	8.8		9.1		*(3.2)*
Listed equity instruments at fair value	698.0		696.2		*0.3*
Unlisted equity instruments at fair value	197.5		197.2		*0.2*
Listed debt securities	31,788.4		32,462.4		*(2.1)*
Unlisted debt securities	505.2		464.9		*8.7*
UCITS units	2,628.5		2,212.9		*18.8*
Held-for-trading financial assets	**295.9**	*0.7*	**330.0**	*0.8*	*(10.3)*
Listed equity instruments at fair value	16.9		25.7		*(34.1)*
Listed debt securities	79.0		77.1		*2.4*
Unlisted debt securities	33.7		51.5		*(34.6)*
UCITS units	13.6		14.1		*(4.1)*
Derivatives	152.7		161.5		*(5.5)*
Total financial assets	**40,918.7**	*100.0*	**41,401.4**	*100.0*	*(1.2)*

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

Amounts in €m	30/6/2018	% comp.	31/12/2017	% comp.	% var.
Financial assets at fair value through profit or loss	**4,817.0**	***100.0***	**4,608.2**	***100.0***	***4.5***
Listed equity instruments at fair value	215.5	*4.5*	185.6	*4.0*	*16.1*
Listed debt securities	3,275.1	*68.0*	2,994.8	*65.0*	*9.4*
Unlisted debt securities	2.1	*0.0*	2.5	*0.1*	*(18.1)*
UCITS units	971.9	*20.2*	935.0	*20.3*	*3.9*
Derivatives			2.8	*0.1*	*(100.0)*
Other financial assets	352.4	*7.3*	487.5	*10.6*	*(27.7)*

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	30/6/2018	% comp.	31/12/2017	% comp.	% var.
Receivables relating to direct insurance business	1,018.5	*46.6*	1,421.6	*53.4*	*(28.4)*
Receivables relating to reinsurance business	140.0	*6.4*	100.6	*3.8*	*39.2*
Other receivables	1,024.8	*46.9*	1,140.6	*42.8*	*(10.2)*
Total sundry receivables	**2,183.3**	***100.0***	**2,662.8**	***100.0***	***(18.0)***

The item Other receivables included:
- payments made as cash collateral to guarantee derivatives exposure totalling €278.0m (€206.6m at 31/12/2017);
- substitute tax receivables on the mathematical provisions totalling €203.2m (€190.8m at 31/12/2017);
- tax receivables amounting to €159.8m (€388.7m at 31/12/2017);
- trade receivables amounting to €155.4m (€144.6m at 31/12/2017);

There is also a receivable from Avvenimenti e Sviluppo Alberghiero Srl (a wholly-owned subsidiary of Im.Co.) that amounted to €103.2m (before the value adjustments), of which €101.7m as advances paid by the former Milano Assicurazioni pursuant to a contract for the purchase of future property pertaining to a property complex in Rome, Via Fiorentini. As regards this amount due, the most suitable recovery initiatives are being assessed and value adjustments related to this receivable were recognised in previous years, for a total amount of €73.8m. As a result of the write-downs carried out, the net value of this receivable recognised in the financial statements at 30 June 2018 amounted to €29.4m.

6. Other assets

Amounts in €m	30/6/2018	% comp.	31/12/2017	% comp.	% var.
Non-current assets or assets of a disposal group held for sale	138.2	*12.5*	10,569.1	*93.2*	*(98.7)*
Deferred acquisition costs	96.2	*8.7*	85.0	*0.7*	*13.2*
Deferred tax assets	370.7	*33.6*	217.1	*1.9*	*70.8*
Current tax assets	8.9	*0.8*	9.4	*0.1*	*(5.1)*
Other assets	489.6	*44.4*	462.0	*4.1*	*6.0*
Total other assets	**1,103.6**	***100.0***	**11,342.7**	***100.0***	***(90.3)***

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 31/12/2017.

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

7. Cash and cash equivalents

At 30 June 2018, Cash and cash equivalents amounted to €1,377.8m (€1.403,6m at 31 December 2017).

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	30/6/2018	31/12/2017	*var. in amount*
Share capital	2,031.5	2,031.5	
Capital reserves	346.8	346.8	
Income-related and other equity reserves	2,228.7	2,129.5	*99.3*
(Treasury shares)	(46.2)	(52.3)	*6.1*
Reserve for foreign currency translation differences	4.8	4.8	*0.0*
Gains/losses on available-for-sale financial assets	373.3	913.4	*(540.1)*
Other gains and losses recognised directly in equity	(17.6)	(8.9)	*(8.8)*
Profit (loss) for the year	617.6	504.2	*113.4*
Total shareholders' equity attributable to the owners of the Parent	**5,538.9**	**5,869.0**	***(330.1)***

At 30 June 2018, 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 31/12/2017.

Movements in shareholders' equity recognised during the period with respect to 31 December 2017 are set out in the special 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 €403.1m;
- a decrease, as a result of the decrease in the provision for gains and losses on available-for-sale financial assets, net of both the related tax liabilities and the portion attributable to the policyholders and charged to insurance liabilities for €540.1m;
- an increase of €617.6m in Group profit for the period.

Shareholders' Equity attributable to non-controlling interests was €95.2m (€324.7m at 31/12/2017): the change is attributable to the exit of Popolare Vita and The Lawrence Life in the consolidation scope.

Treasury shares or quotas

At 30 June 2018, UnipolSai held a total of 50,042,345 treasury shares, of which 1,800,000 directly and 48,242,345 indirectly through the subsidiaries UnipolSai Finance (38,454,775), UnipolSai Nederland (9,443,258), Pronto Assistance (344,312).
The change, compared to 55,349,685 treasury shares held at 31 December 2017, is due to the fact that UnipolSai sold 5,205,640 shares on the market and that Popolare Vita, which held 101,700 UnipolSai shares, is no longer within the consolidation scope.

2. Provisions and potential liabilities

The item "Provisions" totalled €374.4m at 30 June 2018 (€382.3m at 31/12/2017) and mainly consisted of provisions for litigation, various disputes, charges relating to the sales network, provisions for salary policies and personnel leaving-incentive schemes.

Ongoing disputes and contingent liabilities

This section reports updated information on proceedings, whose developments in the first six months of 2018 are worth reporting herein. For exhaustive information on the ongoing causes and contingent liabilities, reference is made to information given in the 2017 Consolidated Financial Statements.

Proceedings initiated by the Antitrust Authority (AGCM)

In the initial months of 2017, the proceeding initiated by the AGCM ended with a positive outcome, with the Decision of 14 November 2012, relating to preliminary proceedings no. I/744 against UnipolSai for alleged violations of Art. 2, Law 287/1990 and/or Art. 101 of the Treaty on the Functioning of the European Union ("TFUE"). The State Council rejected the Antitrust Authority's appeal before the Regional Administrative Court and, by decision dated 1 December 2016 published on 7 March 2017, confirmed cancellation of the penalty previously inflicted. In June 2018, the competent Ministry repaid the amount paid at the time by the Company.

Ongoing disputes with investors

UnipolSai Assicurazioni SpA is a party in criminal and civil proceedings referring to events occurred during the previous management of Fondiaria-SAI and Milano Assicurazioni.
The criminal proceeding Gen. Criminal Records Reg. no. 14442/14, with the defendants Gioacchino Paolo Ligresti, Pier Giorgio Bedogni and Fulvio Gismondi accused of false corporate communications (Art. 2622 of the Civil Code) and market manipulation (Art. 185 of the Consolidated Law on Finance) and, for Fulvio Gismondi only, in which UnipolSai was cited for civil liability, false official statement in certificates (Art. 481 of the Criminal Code), ended in the first instance, at the end of the shortened and simplified proceedings, with the decision of 16 December 2015 acquitting the defendants because the fact does not exist. The decision was appealed by the General Prosecutor's Office at the Court of Appeal of Milan and by the civil claimant Consob. It is noted that on 10 July 2018, the Milan Court of Appeal confirmed the first instance absolving ruling and upheld the similar acquittal request by the Public Prosecutor's Office.

3. Technical provisions

Amounts in €m	30/6/2018	*% comp.*	31/12/2017	*% comp.*	*% var.*
Non-Life premium provisions	3,123.0	*20.7*	2,919.8	*19.2*	
Non-Life claims provisions	11,908.7	*79.0*	12,247.5	*80.5*	
Other Non-Life technical provisions	45.5	*0.3*	52.3	*0.3*	
Total Non-Life provisions	**15,077.2**	***100.0***	**15,219.6**	***100.0***	***(0.9)***
Life mathematical provisions	24,607.9	*82.0*	24,471.2	*80.1*	
Provisions for amounts payable (Life business)	286.5	*1.0*	334.9	*1.1*	
Technical provisions where the investment risk is borne by policyholders and arising from pension fund management	3,832.6	*12.8*	3,715.9	*12.2*	
Other Life technical provisions	1,270.1	*4.2*	2,015.5	*6.6*	
Total Life provisions	**29,997.0**	***100.0***	**30,537.5**	***100.0***	***(1.8)***
Total technical provisions	**45,074.3**		**45,757.0**		***(1.5)***

4. Financial liabilities

Financial liabilities amounted to €4,027.4 m (€3,663.0m at 31/12/2017).

4.1 Financial liabilities at fair value through profit or loss

The item, which amounted to €1,349.4m (€1,172.3m at 31/12/2017), is broken down as follows:
- Financial liabilities held for trading totalled €362.2m (€276.8m at 31/12/2017);
- Financial liabilities designated at fair value through profit or loss totalled €987.1m (€895.5m at 31/12/2017). 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).

4.2 Other financial liabilities

Amounts in €m	30/6/2018	*% comp.*	31/12/2017	*% comp.*	*% var.*
Subordinated liabilities	2,215.1	*82.7*	2,028.1	*81.4*	*9.2*
Deposits received from reinsurers	162.6	*6.1*	161.7	*6.5*	*0.6*
Other loans obtained	300.3	*11.2*	296.0	*11.9*	*1.5*
Sundry financial liabilities			4.9	*0.2*	*(100.0)*
Total other financial liabilities	**2,678.0**	***100.0***	**2,490.7**	***100.0***	***7.5***

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 + 251,5 b.p. (*)	NL
UnipolSai	€500.0m	tier II	2028		fixed rate 3.875%	L
UnipolSai	€750.0m	tier I	in perpetuity	every 3 months from 18/06/2024	fixed rate 5.75% (**)	L

(*) 6m nominal Euribor rate + 180 b.p., increased by 71.5 b.p., as an indemnity defined between the parties, starting from 2014, in relation to the "Additional Costs Clauses" provided for in the Loan Agreement.
(**) From June 2024 floating rate of 3M Euribor + 518 b.p.

5. Payables

Amounts in €m	30/6/2018	% comp.	31/12/2017	% comp.	% var.
Payables arising from direct insurance business	94.2	*11.8*	104.7	*11.4*	*(10.0)*
Payables arising from reinsurance business	101.4	*12.7*	93.6	*10.2*	*8.3*
Other payables	602.5	*75.5*	717.0	*78.3*	*(16.0)*
Policyholders' tax due	131.4	*16.5*	156.3	*17.1*	*(15.9)*
Sundry tax payables	35.3	*4.4*	32.0	*3.5*	*10.3*
Trade payables	151.2	*18.9*	174.2	*19.0*	*(13.2)*
Post-employment benefits	63.8	*8.0*	65.1	*7.1*	*(1.9)*
Social security charges payable	32.1	*4.0*	36.9	*4.0*	*(12.9)*
Sundry payables	188.6	*23.6*	252.6	*27.6*	*(25.3)*
Total payables	798.1	*100.0*	915.3	*100.0*	*(12.8)*

6. Other liabilities

Amounts in €m	30/6/2018	% comp.	31/12/2017	% comp.	% var.
Current tax liabilities	22.4	*3.2*	24.1	*0.2*	*(6.7)*
Deferred tax liabilities	8.8	*1.3*	25.1	*0.2*	*(64.8)*
Liabilities associated with disposal groups held for sale			10,016.5	*92.4*	*(100.0)*
Commissions on premiums under collection	88.6	*12.6*	105.6	*1.0*	*(16.0)*
Deferred commission income	1.7	*0.2*	1.0	*0.0*	*70.3*
Accrued expenses and deferred income	56.6	*8.1*	53.6	*0.5*	*5.6*
Other liabilities	522.9	*74.6*	613.2	*5.7*	*(14.7)*
Total other liabilities	701.1	*100.0*	10,839.1	*100.0*	*(93.5)*

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 31/12/2017.

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 30/6/2017 are given below (the numbering of the notes relates to the mandatory layout for the preparation of the income statement).

To make comparisons with the first half of 2017 more significant, the changes on a like-for-like basis and separately for the main items impacted, are reported calculated as shown in the note at the end of the "Group highlights" table included at the beginning of the Management Report.

REVENUE

1.1 Net premiums

Amounts in €m	30/6/2018	30/6/2017	*% var.*
Non-Life earned premiums	3,889.2	3,619.3	*7.5*
Non-Life written premiums	4,082.0	3,737.5	*9.2*
Changes in Non-Life premium provision	(192.7)	(118.2)	*63.0*
Life written premiums	1,544.7	1,815.0	*(14.9)*
Non-Life and Life gross earned premiums	5,433.9	5,434.3	*(0.0)*
Non-Life earned premiums ceded to reinsurers	(188.6)	(209.4)	*(9.9)*
Non-Life premiums ceded to reinsurers	(230.5)	(255.5)	*(9.8)*
Changes in Non-Life premium provision - reinsurers' share	41.9	46.1	*(9.0)*
Life premiums ceded to reinsurers	(3.6)	(3.7)	*(3.5)*
Non-Life and Life earned premiums ceded to reinsurers	(192.2)	(213.2)	*(9.8)*
Total net premiums	5,241.7	5,221.1	*0.4*

On a like-for-like basis, the variation of net Premiums was equal to +1.6% (+0.4% Non-Life business and +4.9% Life business).

1.2 Commission income

Amounts in €m	30/6/2018	30/6/2017	*% var.*
Commission income from investment contracts	7.9	11.4	*(31.0)*
Other commission income	4.5	5.6	*(20.0)*
Total commission income	12.4	17.0	*(27.4)*

On a like-for-like basis the variation of Commission income was +29.5%.

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

Amounts in €m	30/6/2018	30/6/2017	*% var.*
on held-for trading financial assets	(54.6)	41.5	
on financial assets/liabilities at fair value through profit or loss	(62.1)	81.4	
Total net gains/losses	(116.7)	122.9	*n.s.*

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

They amounted to €315.2m (€3.7m at 30/06/2017), of which €308.6m attributable to the capital gain from the sale of the equity interest in Popolare Vita.

1.5 Gains on other financial instruments and investment property

Amounts in €m	30/6/2018	30/6/2017	*% var.*
Interests	679.1	767.5	*(11.5)*
on held-to-maturity investments	11.3	19.5	*(42.2)*
on loans and receivables	69.3	78.6	*(11.8)*
on available-for-sale financial assets	597.0	665.0	*(10.2)*
on sundry receivables	1.2	4.1	*(71.0)*
on cash and cash equivalents	0.4	0.3	*20.7*
Other income	88.5	102.4	*(13.6)*
from investment property	32.1	44.6	*(28.0)*
from available-for-sale financial assets	56.3	57.8	*(2.5)*
Realised gains	249.1	243.2	*2.5*
on investment property	12.2	7.6	*61.1*
on loans and receivables	0.7	1.2	*(46.6)*
on available-for-sale financial assets	236.2	234.3	*0.8*
Unrealised gains and reversals of impairment losses	2.0	0.0	*n.s.*
on other financial assets and liabilities	2.0	0.0	*n.s.*
Total item 1.5	1,018.7	1,113.0	*(8.5)*

1.6 Other revenue

Amounts in €m	**30/6/2018**	30/6/2017	*var.%*
Sundry technical income	41.0	46.2	*(11.2)*
Exchange rate differences	1.2	5.3	*(78.1)*
Extraordinary gains	6.9	18.9	*(63.3)*
Other income	253.0	191.0	*32.3*
Total other revenue	**302.1**	**261.3**	***15.6***

On a like-for-like basis the overall variation of Other revenue was +12.6%.

COSTS

2.1 Net charges relating to claims

Amounts in €m	**30/6/2018**	30/6/2017	% var.
Net charges relating to claims - direct and indirect business	**4,314.7**	**4,536.3**	***(4.9)***
Non-Life business	**2,504.6**	**2,363.2**	***6.0***
Non-Life amounts paid	2,874.0	2,571.4	
changes in Non-Life claims provision	(331.8)	(157.8)	
changes in Non-Life recoveries	(38.4)	(51.1)	
changes in other Non-Life technical provisions	0.8	0.7	
Life business	**1,810.0**	**2,173.2**	***(16.7)***
Life amounts paid	1,934.5	2,213.1	
changes in Life amounts payable	(34.7)	(62.8)	
changes in mathematical provisions	28.8	23.2	
changes in other Life technical provisions	61.2	5.8	
changes in provisions where the investment risk is borne by policyholders and arising from pension fund management	(179.7)	(6.2)	
Charges relating to claims - reinsurers' share	**(74.6)**	**(98.5)**	***(24.3)***
Non-Life business	**(72.0)**	**(93.9)**	***(23.3)***
Non-Life amounts paid	(91.4)	(73.0)	
changes in Non-Life claims provision	12.4	(25.4)	
changes in Non-Life recoveries	7.0	4.5	
Life business	**(2.5)**	**(4.5)**	***(44.5)***
Life amounts paid	(5.4)	(7.3)	
changes in Life amounts payable	0.2	(0.2)	
changes in mathematical provisions	2.6	2.9	
Total net charges relating to claims	**4,240.1**	**4,437.9**	***(4.5)***

On a like-for-like basis the overall variation of Net charges relating to claims was +0.7%.

2.2 Commission expense

Amounts in €m	30/6/2018	30/6/2017	*% var.*
Commission expense from investment contracts	2.0	5.1	*(59.6)*
Other commission expense	4.7	3.5	*36.2*
Total commission expense	6.8	8.5	*(20.7)*

On a like-for-like basis the overall variation of Commission expense was +30.0%.

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

They amounted to €0.4m (€105.8m at 30/6/2017, including €104.5m for the portion of loss recorded by Unipol Banca).

2.4 Losses on other financial instruments and investment property

Amounts in €m	30/6/2018	30/6/2017	% var.
Interests:	48.3	41.7	*15.8*
on other financial liabilities	47.4	40.9	*16.0*
on payables	0.8	0.8	*7.1*
Other charges:	16.6	21.4	*(22.4)*
from investment property	13.6	19.5	*(30.6)*
from available-for-sale financial assets	2.3	1.2	*87.5*
from cash and cash equivalents	0.0	0.1	*(96.4)*
from other financial liabilities	0.7	0.5	*41.2*
from sundry payables	0.1	0.0	*38.4*
Realised losses:	35.5	62.9	*(43.5)*
on investment property	2.9	0.2	*n.s.*
on loans and receivables	0.0	0.9	*(98.0)*
on available-for-sale financial assets	32.6	61.7	*(47.1)*
Unrealised losses and impairment losses:	56.0	107.1	*(47.7)*
on investment property	55.7	20.1	*n.s.*
on loans and receivables		20.1	*(100.0)*
on available-for-sale financial assets	0.3	64.7	*(99.6)*
on other financial liabilities	0.0	2.2	*(99.9)*
Total item 2.4	156.4	233.1	*(32.9)*

The Unrealised losses and impairment losses relating to investment property included amortisation that totalled €17.4m (€19.0m at 30/6/2017) and write-downs amounting to €38.4m (€1.1m at 30/6/2017).

2.5 Operating expenses

Amounts in €m	30/6/2018	30/6/2017	*% var.*
Insurance Sector	1,147.9	1,126.1	*1.9*
Other Businesses Sector	30.2	31.3	*(3.3)*
Real Estate Sector	10.8	6.0	*81.3*
Intersegment eliminations	(5.5)	(8.0)	*(30.5)*
Total operating expenses	**1,183.4**	**1,155.3**	***2.4***

On a like-for-like basis the overall variation of Operating expense was -1.0%.

Below are details of Operating expenses in the Insurance sector:

	Non-Life			Life			Total		
Amounts in €m	30/6/2018	30/6/2017	*% var.*	30/6/2018	30/6/2017	*% var.*	30/6/2018	30/6/2017	*% var.*
Acquisition commissions	620.0	639.4	*(3.0)*	25.2	33.2	*(23.9)*	645.3	672.6	*(4.1)*
Other acquisition costs	178.8	157.6	*13.4*	19.2	21.7	*(11.5)*	198.0	179.3	*10.4*
Change in deferred acquisition costs	(2.7)	(3.0)	*(9.4)*	1.3	(1.4)	*n.s.*	(1.4)	(4.3)	*(67.6)*
Collection commissions	82.7	79.5	*4.0*	3.0	3.4	*(10.3)*	85.7	82.8	*3.5*
Profit sharing and other commissions from reinsurers	(61.2)	(82.0)	*(25.4)*	(1.1)	(0.4)	*n.s.*	(62.2)	(82.4)	*(24.5)*
Investment management expenses	34.0	36.5	*(6.9)*	20.7	21.1	*(1.8)*	54.7	57.6	*(5.0)*
Other administrative expenses	189.4	174.5	*8.5*	38.4	45.9	*(16.2)*	227.8	220.4	*3.4*
Total operating expenses	**1,041.1**	**1,002.6**	***3.8***	**106.8**	**123.5**	***(13.5)***	**1,147.9**	**1,126.1**	***1.9***

2.6 Other costs

Amounts in €m	30/6/2018	30/6/2017	*% var.*
Other technical charges	144.8	162.5	*(10.9)*
Impairment losses on receivables	4.8	6.3	*(23.8)*
Other charges	271.2	235.6	*15.1*
Total other costs	**420.8**	**404.4**	***4.1***

On a like-for-like basis the variation of Other costs was +4.3%.

3. Income taxes

Against a pre-tax profit of €765.4m, taxes pertaining to the year and amounting to €118.7m were recorded, corresponding to a tax rate of 15.5% (28.4% at 30/6/2017), which was positively affected by the exempt capital gains on the sale of the equity investment in Popolare Vita.

4. Other information

4.1 Hedge Accounting

Fair value hedges

During the first half of 2018, no new transactions were carried out concerning fair value hedging and at 30 June 2018 no open positions were reported.

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 €1,013.5m (€1,013.5m at 31/12/2017).
The cumulative negative effect on Shareholders' Equity in the Hedging reserve for gains or losses on cash flow hedges was €10.1m (€8.8m at 31/12/2017): net of tax, the impact was -€7.0m (-€6.1m at 31/12/2017).

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 31/12/2017).
The cumulative negative effect on Shareholders' Equity in the Hedging reserve for gains or losses on cash flow hedges was €2.9m (-€3.0m at 31/12/2017): net of tax, the impact was -€2.0m (-€2.1m at 31/12/2017).

4.2 Earnings (loss) per share

	30/6/2018	30/6/2017
Profit/loss allocated to ordinary shares (€m)	617.6	264.6
Weighted average of shares outstanding during the year (no./m)	2,778.3	2,774.4
Basic and diluted earnings (loss) per share (€ per share)	**0.22**	**0.10**

4.3 Dividends

In view of the profit for the year made by the Company at 31/12/2017 (as shown in the financial statements drawn up in accordance with Italian GAAP), the Shareholders' Meeting of UnipolSai SpA held on 23 April 2018, resolved on the distribution of dividends corresponding to €0.145 per share. The total amount set aside for dividends, including treasury shares held by UnipolSai, amounted to €410m.
The Shareholders' Meeting also set the dividend payment date for 23 May 2018 (ex-dividend date 21 May 2018 and record date 22 May 2018).

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

At 30 June 2018, reclassifications made in application of IFRS 5, under item 6.1 of the Assets, amounted to €138.2m, exclusively related to properties held for sale.
At 31 December 2017, the restated amount was equal to €10,569.1m referable, in the amount of €10,465.2m, to assets held by Popolare Vita and The Lawrence Life and, in the amount of €103.9m, to properties held for sale. At the same

date, reclassifications made under item 6.1 Liabilities associated with disposal groups, amounted to €10,016.5m, entirely from discontinued operations.

4.5 Transactions with related parties

Group companies that render services of various types to other Group companies are as follows: UnipolSai, UniSalute, Siat, Auto Presto & Bene, UnipolSai Servizi Previdenziali, UnipolRe, UnipolSai Investimenti Sgr, Leithà, 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 UnipolSai for real estate asset management, UniSalute (except operating services provided to Unisalute Servizi for which the costs are split), Auto Presto & Bene, UnipolSai Investimenti SGR and UnipolRe involve fixed prices.
As regards services rendered by Leithà, the consideration was determined to the extent equal to costs, as above defined, to which a mark-up was applied, which is the operating margin for the service rendered.
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 companies in the Group, were the usual types of transaction carried out within a complex group and related to services, deposit accounts or corporate financing and finance lease agreements. Agreements were also entered into for the sale and/or management of banking, financial and insurance products and services and the provision of auxiliary banking services in general. These transactions were usually carried out at the market terms applied to prime customers.

As regards the transactions "of major and minor relevance" carried out during the first half of 2018, 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 2018, as laid down in IAS 24 and in Consob Communication DEM/6064293/2006. It should be noted that the application scope of the Procedure to perform transactions with related parties, adopted pursuant to Consob Regulation no. 17221 of 12 March 2010, as amended ("Regulation"), also includes some counterparties that are included, on a voluntary basis, pursuant to Art. 4 thereof. The above also includes OICs, in which the Company, or one of its related parties, holds more than 20% of the equity rights.

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	Associates	Affiliates	Total	*% inc. (1)*	*% inc. (2)*
Loans and receivables	267.8	161.5		429.4	*0.8*	*29.0*
Sundry receivables	21.1	65.5	4.7	91.3	*0.2*	*6.2*
Other assets	0.6	43.4		44.0	*0.1*	*3.0*
Cash and cash equivalents		1,031.6		1,031.6	*1.8*	*69.6*
Total Assets	**289.6**	**1,302.0**	**4.7**	**1,596.3**	***2.8***	***107.7***
Provisions		0.4		0.4	*0.0*	*0.0*
Technical provisions			1.8	1.8	*0.0*	*0.1*
Other financial liabilities	1.1	135.1		136.2	*0.2*	*9.2*
Sundry payables	53.1	0.7	0.0	53.9	*0.1*	*3.6*
Other liabilities	0.0	5.7		5.7	*0.0*	*0.4*
Total Liabilities	**54.2**	**141.9**	**1.9**	**198.0**	***0.3***	***13.4***
Net premiums		0.0	1.7	1.7	*0.2*	*0.1*
Commission income		3.1		3.1	*0.4*	*0.2*
Gains on other financial instruments and investment property	1.1	4.2		5.3	*0.7*	*0.4*
Other revenue	2.4	6.0	4.0	12.4	*1.6*	*0.8*
Total Revenue and Income	**3.5**	**13.2**	**5.7**	**22.4**	***2.9***	***1.5***
Net charges relating to claims			0.5	0.5	*0.1*	*0.0*
Commission expenses		0.1		0.1	*0.0*	*0.0*
Losses on other financial instruments and investment property		2.0		2.0	*0.3*	*0.1*
Operating expenses	0.1	108.1	0.9	109.0	*14.2*	*7.4*
Other costs	6.1	5.4	0.3	11.9	*1.6*	*0.8*
Total Costs and Expenses	**6.2**	**115.6**	**1.7**	**123.5**	***16.1***	***8.3***

(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 comprised €128.4m related to the shareholders' loan supplied to the associate UnipolReC, €17.0m of time deposits above 15 days held by the companies of the Group with Unipol Banca, €9.1m relating to receivables from Assicoops (Corporate Agencies) for agents' reimbursements and €6.5m of interest-free loans disbursed by UnipolSai to the associates Borsetto (€6.3m) and Penta Domus (€0.2m).

Sundry receivables from the holding company comprised amounts related to the tax consolidation and for services rendered.
The item Sundry receivables from associates included €34.8m in receivables from Finitalia for premiums it had advanced for the service concerning the split payment of policies and €22.7m 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 were 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 regarded the reinsurance business of UnipolSai with respect of Unipol subsidiaries.
Other financial liabilities due to associates referred to mortgages provided by Unipol Banca to Group companies.
Sundry payables comprised, 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.
The items Net premiums and Net charges for claims regarded the reinsurance business of UnipolSai with respect to Unipol subsidiaries.
Commission income refers to the bank relations between 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 and rents paid to UnipolSai for properties leased to Unipol;
- as for relations with associates, the interest income on bank deposits held by the Group companies at Unipol Banca, interests of the loan supplied by UnipolSai to Unipol ReC 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 (€62.8m), costs paid to Finitalia for instalments of policies issued by the Group companies (€17.9m) 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 2017, 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 2018 and 31 December 2017, 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	30/6/2018	31/12/2017	30/6/2018	31/12/2017	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Assets and liabilities at fair value on a recurring basis									
Available-for-sale financial assets		34,309.0	34,737.3	456.7	382.0	1,060.8	923.3	35,826.5	36,042.7
Financial assets at fair value through profit or loss	Held for trading financial assets	123.5	112.6	149.9	157.0	22.5	60.4	295.9	330.0
	Financial assets at fair value through profit or loss	4,812.2	4,594.3	2.8	11.5	2.0	2.4	4,817.0	4,608.2
Investment property									
Property, plant and equipment									
Intangible assets									
Total assets at fair value on a recurring basis		*39,244.7*	*39,444.2*	*609.4*	*550.6*	*1,085.3*	*986.1*	*40,939.3*	*40,981.0*
Financial liabilities at fair value through profit or loss	Held for trading financial liabilities	26.7	17.3	274.2	252.8	61.3	6.7	362.2	276.8
	Financial liabilities at fair value through profit or loss					987.1	895.5	987.1	895.5
Total liabilities at fair value on a recurring basis		*26.7*	*17.3*	*274.2*	*252.8*	*1,048.5*	*902.2*	*1,349.4*	*1,172.3*
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 2018 stood at €1,085.3m.

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	923.3	60.4	2.4				6.7	895.5
Acquisitions/Issues	145.4							
Sales/Repurchases	(78.4)	(0.4)	(0.2)					
Repayments	(1.0)	(1.7)						
Gains or losses recognised through profit or loss		(0.1)	(0.1)					
- of which unrealised gains/losses		(0.1)	(0.1)					
Gains or losses recognised in the statement of other comprehensive income	69.6							
Transfers to level 3								
Transfers to other levels		(14.2)						
Other changes	1.8	(21.4)	(0.1)				54.6	91.7
Closing balance	1,060.8	22.5	2.0				61.3	987.1

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

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

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

With reference to "assets 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 €32.8m at 30 June 2018.
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	(0.18)	0.19	(0.87)	0.95
Fair Value delta %	*(0.54)*	*0.58*	*(2.66)*	*2.88*

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	30/6/2018	31/12/2017	30/6/2018	31/12/2017	30/6/2018	31/12/2017	30/6/2018	31/12/2017	30/6/2018	31/12/2017
Assets										
Held-to-maturity investments	488.2	539.6	534.2	605.8	33.0	32.8			567.3	638.6
Loans and receivables	4,308.1	4,489.1			2,801.8	3,231.8	1,629.5	1,368.8	4,431.4	4,600.7
Investments in subsidiaries, associates and interests in joint ventures	790.2	803.8					790.2	803.8	790.2	803.8
Investment property	2,121.2	2,271.4					2,221.1	2,389.0	2,221.1	2,389.0
Property, plant and equipment	1,761.5	1,719.3					1,916.8	1,861.6	1,916.8	1,861.6
Total assets	9,469.3	9,823.1	534.2	605.8	2,834.9	3,264.7	6,557.6	6,423.2	9,926.7	10,293.6
Liabilities										
Other financial liabilities	2,678.0	2,490.7	1,705.9	1,390.3			869.8	1,189.0	2,575.7	2,579.3

4.7 Information on personnel

	30/6/2018	31/12/2017	*Variation*
Total number of UnipolSai Group employees	11,960	11,529	*431*
of which on a fixed-term contract	891	495	*396*
Full Time Equivalent - FTE	11,331	10,907	*425*

The foreign company employees (1,439) include 578 insurance agents.

The increase in the Group employees compared with 31 December 2017 (+431), net of transfers to fixed-term contracts or for seasonal work that began and ended in the course of the year, is due to 663 resources hired, 227 departures and a negative balance of 5 employees for intragroup mobility processes. Specifically, during the year, 136 new employees were hired permanently, 527 were hired on fixed-term contracts or for seasonal work during the year and counted among the workforce at 30 June 2018. The 227 departures were due to resignations, incentivised departures and other reasons for termination.

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 1,237,690 was paid on 3 July 2017 and the third tranche, comprising 1,237,916 shares, will be paid on 2 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 envisaged 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

In the first half of 2018, it is worth noting the sale of the equity investment held in Popolare Vita, completed on 29 March 2018.

4.9 Atypical and/or unusual positions or transactions

In the first half of 2018 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 Risk Report aims to provide an overview of the risk management system, the internal risk assessment and solvency assessment processes and the Unipol Group risk profile, in compliance with the principles introduced in the European Solvency II regulations that entered into force from 1 January 2016.

Activities by the competent corporate organisations of the Group were carried out in the first half in compliance with Solvency II regulations and the supervisory provisions issued by IVASS.

As regards the Internal control and risk management system adopted by the Company, as well as monitoring procedures (company internal committees) and capital allocation policies, reference is expressly made to paragraph 5.14 of the Notes to the 2017 Consolidated Financial Statements.

As regards the financial risks at 30 June 2018, 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 change in the market value of the assets further to the shocks resulting from a:

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

30/6/2018	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)	22.68	(228.24)			22.68	(228.24)
Credit spread sensitivity (+10 bps)	(1.16)	(243.44)			(1.16)	(243.44)
Equity sensitivity (-20%)	55.05	(669.08)		(5.98)	55.05	(675.06)

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 2018		
Amounts in €m	Nominal value	Carrying amount	Market value
Italy	**20,258.9**	**19,821.0**	**19,832.1**
Available-for-sale financial assets	18,114.8	17,809.4	17,809.4
Financial assets at fair value through profit or loss	132.9	34.8	34.8
Held-to-maturity investments	365.6	351.0	426.8
Loans and receivables	1,645.7	1,625.8	1,561.1
Spain	**3,358.1**	**3,421.3**	**3,436.6**
Available-for-sale financial assets	2,991.8	3,044.4	3,044.4
Financial assets at fair value through profit or loss	13.0	15.2	15.2
Held-to-maturity investments	31.0	32.2	32.3
Loans and receivables	322.3	329.5	344.7
Portugal	**476.2**	**527.3**	**527.1**
Available-for-sale financial assets	464.9	516.6	516.6
Loans and receivables	11.4	10.7	10.5
Ireland	**209.8**	**230.1**	**230.1**
Available-for-sale financial assets	209.8	230.1	230.1
France	**154.2**	**149.4**	**149.4**
Available-for-sale financial assets	154.2	149.4	149.4
Slovenia	**144.8**	**155.7**	**155.7**
Available-for-sale financial assets	144.8	155.7	155.7
Germany	**126.3**	**134.0**	**134.0**
Available-for-sale financial assets	126.3	134.0	134.0
Belgium	**107.6**	**110.5**	**110.5**
Available-for-sale financial assets	107.6	110.5	110.5
Serbia	**71.7**	**73.5**	**76.6**
Available-for-sale financial assets	0.3	0.3	0.3
Held-to-maturity investments	71.3	73.2	76.3
Cyprus	**62.0**	**68.7**	**68.7**
Available-for-sale financial assets	62.0	68.7	68.7
Slovakia	**58.6**	**62.4**	**62.4**
Available-for-sale financial assets	58.6	62.4	62.4
Israel	**45.6**	**47.7**	**47.7**
Available-for-sale financial assets	45.6	47.7	47.7
Latvia	**26.5**	**29.8**	**29.8**
Available-for-sale financial assets	26.5	29.8	29.8
Austria	**19.5**	**20.7**	**20.7**
Available-for-sale financial assets	19.5	20.7	20.7

Amounts in €m	Balance at 30 June 2018		
	Nominal value	Carrying amount	Market value
Canada	17.8	18.6	18.6
Available-for-sale financial assets	17.8	18.6	18.6
China	15.5	15.6	15.6
Available-for-sale financial assets	15.5	15.6	15.6
Mexico	15.0	16.8	16.8
Available-for-sale financial assets	15.0	16.8	16.8
Chile	14.1	14.8	14.8
Available-for-sale financial assets	14.1	14.8	14.8
Poland	8.3	8.6	8.6
Available-for-sale financial assets	8.3	8.6	8.6
Finland	6.0	6.2	6.2
Available-for-sale financial assets	6.0	6.2	6.2
Lithuania	5.0	5.2	5.2
Available-for-sale financial assets	5.0	5.2	5.2
Netherlands	5.0	5.6	5.6
Available-for-sale financial assets	5.0	5.6	5.6
Switzerland	3.5	3.7	3.7
Available-for-sale financial assets	3.5	3.7	3.7
Great Britain	3.4	3.5	3.5
Available-for-sale financial assets	3.4	3.5	3.5
USA	2.2	2.7	2.7
Available-for-sale financial assets	2.2	2.7	2.7
Sweden	2.0	2.0	2.0
Available-for-sale financial assets	2.0	2.0	2.0
TOTAL	25,217.6	24,955.6	24,984.9

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 2018.

At 30 June 2018, the carrying amount of the sovereign exposures represented by debt securities totalled €24,955.6m (€25,697.6m at 31/12/2017), 79% being accounted for by securities issued by the Italian State (83% at 31/12/2017). Moreover, the bonds issued by the Italian State account for 44% of total investments of the UnipolSai Group.

Bologna, 9 August 2018

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	Montepulciano (SI)			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
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%
98.23%			99.71%		100.00%
	0.90%	Pronto Assistance Spa			
	0.11%	Siat-Societa' Italiana 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			
	0.20%	UniSalute Spa			
	0.20%	Compagnia Assicuratrice Linear 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%			99.75%		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			
	0.25%	UniSalute Spa			
	3.00%	Compagnia Assicuratrice Linear Spa			

Consolidation scope

Name	Country of registered office		Registered office	Country of operations (5)	Operating office	Method(1)	Business activity (2)
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
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
Gruppo UNA 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
Ital H&R Srl	086	Italy	Bologna			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
Leithà Srl	086	Italy	Bologna			G	11
UniAssiTeam Srl	086	Italy	Bologna			G	11
Fondo Opportunity	086	Italy				G	10
UniSalute Spa	086	Italy	Bologna			G	1
Compagnia Assicuratrice Linear Spa	086	Italy	Bologna			G	1
Unisalute Servizi Srl	086	Italy	Bologna			G	11
Ambra Property Srl	086	Italy	Bologna			G	11

(1) Consolidation method: G=on a line-by-line basis; P=proportional; 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%
95.00%			95.00%		100.00%
	100.00%	Casa di Cura Villa Donatello - Spa	100.00%		100.00%
51.00%			51.00%		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%	Gruppo UNA 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%
100.00%			100.00%		100.00%
	65.00%	UnipolSai Finance Spa	65.00%		100.00%
100.00%			100.00%		100.00%
98.53%			98.53%		100.00%
100.00%			100.00%		100.00%
	100.00%	UniSalute Spa	98.53%		100.00%
100.00%			100.00%		100.00%

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 in Liquidazione	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
Isola Sca	092	Luxembourg	Luxembourg			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
Unipol Banca Spa	086	Italy	Bologna			7	b
Assicoop Bologna Metropolitana 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
UnipolReC Spa	086	Italy	Bologna			11	b

(1) 1=Italyn 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%		10.7
28.57%			28.57%		32.9
37.65%			37.74%		0.2
	0.09%	Siat-Societa' Italiana Assicurazioni e Riassicurazioni - per Azioni			
	0.00%	Incontra Assicurazioni Spa			
	0.00%	Compagnia Assicuratrice Linear Spa			
23.55%			23.55%		2.4
44.93%			44.93%		0.3
32.00%			32.00%		3.6
20.00%			20.00%		0.2
24.66%			24.66%		
	100.00%	Ddor Novi Sad	100.00%		0.0
	32.46%	Ddor Novi Sad	40.00%		0.6
	7.54%	Ddor Re			
28.57%			28.57%		0.0
29.56%			29.56%		
	46.77%	UnipolSai Finance Spa	46.77%		1.3
	45.00%	UnipolSai Finance Spa	45.00%		5.5
100.00%			100.00%		0.3
42.25%			42.25%		449.5
	49.19%	UnipolSai Finance Spa	49.19%		8.5
49.00%			49.00%		
	43.75%	UnipolSai Finance Spa	43.75%		6.8
	50.00%	UnipolSai Finance Spa	50.00%		6.3
	50.00%	UnipolSai Finance Spa	50.00%		5.9
	40.32%	Gruppo UNA Spa	40.32%		0.8
42.25%			42.25%		254.3

Statement of financial position by business segment

		Non-Life business		Life business	
	Amounts in €m	30/6/2018	31/12/2017	30/6/2018	31/12/2017
1	INTANGIBLE ASSETS	439.6	457.6	213.3	222.1
2	PROPERTY, PLANT AND EQUIPMENT	915.1	868.2	34.6	33.4
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	824.9	796.0	47.1	49.9
4	INVESTMENTS	15,377.0	15,474.2	32,857.3	33,093.3
4.1	Investment property	1,634.8	1,672.6	3.8	3.8
4.2	Investments in subsidiaries, associates and interests in joint ventures	531.6	543.3	257.8	259.7
4.3	Held-to-maturity investments	54.3	53.5	433.9	486.1
4.4	Loans and receivables	1,954.7	1,820.2	2,424.2	2,747.5
4.5	Available-for-sale financial assets	11,090.3	11,244.4	24,736.1	24,798.3
4.6	Financial assets at fair value through profit or loss	111.3	140.2	5,001.5	4,797.9
5	SUNDRY RECEIVABLES	1,731.0	2,153.0	395.2	455.0
6	OTHER ASSETS	898.2	834.8	115.0	10,555.4
6.1	Deferred acquisition costs	42.3	30.5	53.9	54.6
6.2	Other assets	855.9	804.3	61.1	10,500.9
7	CASH AND CASH EQUIVALENTS	323.4	379.3	887.1	846.0
	TOTAL ASSETS	20,509.2	20,963.0	34,549.5	45,255.2
1	SHAREHOLDERS' EQUITY				
2	PROVISIONS	346.4	352.6	16.4	16.7
3	TECHNICAL PROVISIONS	15,077.2	15,219.6	29,997.0	30,537.5
4	FINANCIAL LIABILITIES	1,594.7	1,510.5	2,135.1	1,854.7
4.1	Financial liabilities at fair value through profit or loss	104.5	42.4	1,244.9	1,129.8
4.2	Other financial liabilities	1,490.3	1,468.1	890.2	724.8
5	PAYABLES	665.1	766.8	72.3	85.1
6	OTHER LIABILITIES	604.2	699.9	118.5	10,224.6
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				

Other businesses		Real Estate		Inter-segment eliminations		Total	
30/6/2018	31/12/2017	30/6/2018	31/12/2017	30/6/2018	31/12/2017	30/6/2018	31/12/2017
11.0	11.5	0.1	0.2			664.0	691.3
204.9	205.9	606.9	611.8			1,761.5	1,719.3
						871.9	846.0
34.3	34.3	458.6	563.9	(80.0)	(80.9)	48,647.1	49,084.8
33.1	33.1	449.6	561.9			2,121.2	2,271.4
0.8	0.8					790.2	803.8
						488.2	539.6
0.3	0.3	9.0	2.0	(80.0)	(80.9)	4,308.1	4,489.1
0.0	0.0	0.0	0.0			35,826.5	36,042.7
0.1	0.1					5,112.9	4,938.2
88.9	88.0	16.6	15.9	(48.4)	(49.1)	2,183.3	2,662.8
16.9	14.5	127.6	42.4	(54.2)	(104.5)	1,103.6	11,342.7
						96.2	85.0
16.9	14.5	127.6	42.4	(54.2)	(104.5)	1,007.4	11,257.6
70.3	71.4	97.0	106.9			1,377.8	1,403.6
426.3	425.7	1,306.9	1,341.1	(182.6)	(234.5)	56,609.3	67,750.4
						5,634.0	6,193.7
6.6	8.0	5.0	5.0			374.4	382.3
						45,074.3	45,757.0
49.0	51.0	328.3	327.9	(79.6)	(81.0)	4,027.4	3,663.0
						1,349.4	1,172.3
49.0	51.0	328.3	327.9	(79.6)	(81.0)	2,678.0	2,490.7
80.2	68.7	34.3	37.0	(53.9)	(42.3)	798.1	915.3
15.0	12.9	12.5	12.9	(49.1)	(111.2)	701.1	10,839.1
						56,609.3	67,750.4

Income statement by business segment

		Non-Life business		Life business	
	Amounts in €m	30/6/2018	30/6/2017	30/6/2018	30/6/2017
1.1	Net premiums	3,700.6	3,409.8	1,541.1	1,811.3
1.1.1	*Gross premiums earned*	*3,889.2*	*3,619.3*	*1,544.7*	*1,815.0*
1.1.2	*Earned premiums ceded to reinsurers*	*(188.6)*	*(209.4)*	*(3.6)*	*(3.7)*
1.2	Commission income	3.1	2.9	9.3	14.1
1.3	Gains and losses on financial instruments at fair value through profit or loss	(45.7)	24.0	(71.0)	98.8
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	7.9	2.7	307.2	1.0
1.5	Gains on other financial instruments and investment property	318.8	396.2	692.0	706.4
1.6	Other revenue	190.7	168.5	26.1	26.3
1	TOTAL REVENUE AND INCOME	4,175.4	4,004.3	2,504.7	2,657.8
2.1	Net charges relating to claims	(2,432.6)	(2,269.2)	(1,807.5)	(2,168.6)
2.1.1	*Amounts paid and changes in technical provisions*	*(2,504.6)*	*(2,363.2)*	*(1,810.0)*	*(2,173.2)*
2.1.2	*Reinsurers' share*	*72.0*	*93.9*	*2.5*	*4.5*
2.2	Commission expenses	(4.4)	(3.1)	(2.3)	(5.4)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	(0.3)	(86.0)	(0.2)	(19.8)
2.4	Losses on other financial instruments and investment property	(67.7)	(112.3)	(38.1)	(103.0)
2.5	Operating expenses	(1,041.1)	(1,002.6)	(106.8)	(123.5)
2.6	Other costs	(317.1)	(295.9)	(46.8)	(56.7)
2	TOTAL COSTS AND EXPENSES	(3,863.1)	(3,769.2)	(2,001.7)	(2,476.9)
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	312.3	235.1	503.0	180.9

Other businesses		Real Estate		Intersegment eliminations		Total	
30/6/2018	30/6/2017	30/6/2018	30/6/2017	30/6/2018	30/6/2017	30/6/2018	30/6/2017
						5,241.7	5,221.1
						5,433.9	*5,434.3*
						(192.2)	*(213.2)*
						12.4	17.0
(0.0)	0.0					(116.7)	122.9
(0.0)						315.2	3.7
0.3	0.5	12.5	15.5	(4.9)	(5.6)	1,018.7	1,113.0
98.6	90.0	18.3	14.4	(31.6)	(37.9)	302.1	261.3
98.9	**90.5**	**30.8**	**29.9**	**(36.5)**	**(43.5)**	**6,773.4**	**6,739.0**
						(4,240.1)	(4,437.9)
						(4,314.7)	*(4,536.3)*
						74.6	*98.5*
(0.0)	(0.0)	(0.0)	(0.0)			(6.8)	(8.5)
	(0.0)					(0.4)	(105.8)
(0.8)	(0.7)	(50.4)	(18.4)	0.5	1.4	(156.4)	(233.1)
(30.2)	(31.3)	(10.8)	(6.0)	5.5	8.0	(1,183.4)	(1,155.3)
(70.2)	(63.8)	(17.2)	(22.2)	30.4	34.2	(420.8)	(404.4)
(101.3)	**(95.9)**	**(78.4)**	**(46.5)**	**36.5**	**43.5**	**(6,008.0)**	**(6,345.0)**
(2.4)	**(5.4)**	**(47.5)**	**(16.6)**			**765.4**	**394.0**

Details of technical insurance items

	Amounts in €m	30/6/2018	30/6/2017
Non-Life business			
NET PREMIUMS		3,700.6	3,409.8
a	Written premiums	3,851.4	3,482.0
b	Change in premium provision	(150.8)	(72.2)
NET CHARGES RELATING TO CLAIMS		(2,432.6)	(2,269.2)
a	Amounts paid	(2,782.6)	(2,498.3)
b	Change in claims provision	319.4	183.2
c	Change in recoveries	31.4	46.6
d	Change in other technical provisions	(0.8)	(0.7)
Life business			
NET PREMIUMS		1,541.1	1,811.3
NET CHARGES RELATING TO CLAIMS		(1,807.5)	(2,168.6)
a	Amounts paid	(1,929.1)	(2,205.8)
b	Change in provision for amounts payable	34.4	63.0
c	Change in mathematical provisions	(31.4)	(26.1)
d	Change in technical provisions where the investment risk is borne by policyholders and arising from pension fund management	179.7	6.2
e	Change in other technical provisions	(61.2)	(5.8)

Investment income and charges

Amounts in €m	Interests	Other income	Other charges	Realised gains	Realised losses
Balance on investments	710.0	162.3	(105.3)	587.0	(71.2)
a Arising from investment property		32.1	(13.6)	12.2	(2.9)
b Arising from investments in subsidiaries, associates and interests in joint ventures		5.9	(0.4)	309.3	(0.0)
c Arising from held to maturity investments	11.3		(0.0)		
d Arising from loans and receivables	69.3		(0.0)	0.7	(0.0)
e Arising from available-for-sale financial assets	597.0	56.3	(2.3)	236.2	(32.6)
f Arising from held-for-trading financial assets	2.0	45.7	(61.6)	9.3	(23.6)
g Arising from financial assets at fair value through profit or loss	30.5	22.2	(27.4)	19.3	(12.1)
Balance on sundry receivables	1.2				
Balance on cash and cash equivalents	0.4		(0.0)		
Balance on financial liabilities	(47.4)		(0.7)		
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	(47.4)		(0.7)		
Balance on payables	(0.8)		(0.1)		
Total	663.3	162.3	(106.1)	587.0	(71.2)

Total realised gains and losses	Unrealised gains: Unrealised capital gains	Unrealised gains: Write-backs	Unrealised losses: Unrealised capital losses	Unrealised losses: Impairment	Total unrealised gains and losses	Total gains and losses 30/6/2018	Total gains and losses 30/6/2017
1,282.7	**53.3**	**0.0**	**(202.0)**	**(38.6)**	**(187.4)**	**1,095.4**	**960.4**
27.9			(17.4)	(38.4)	(55.7)	(27.8)	12.4
314.7						314.7	(102.1)
11.3						11.3	19.5
70.0		0.0			0.0	70.0	58.9
854.6				(0.3)	(0.3)	854.4	829.4
(28.3)	19.3		(45.6)		(26.3)	(54.6)	41.5
32.5	34.0		(139.1)		(105.1)	(72.5)	100.9
1.2						**1.2**	**4.1**
0.4						**0.4**	**0.2**
(48.2)	**12.6**		**(0.2)**		**12.4**	**(35.8)**	**(63.2)**
	10.7		(0.2)		10.4	10.4	(19.5)
(48.2)	2.0		(0.0)		2.0	(46.2)	(43.6)
(0.9)						**(0.9)**	**(0.8)**
1,235.2	**65.9**	**0.0**	**(202.2)**	**(38.6)**	**(175.0)**	**1,060.3**	**900.7**

Details of insurance business expenses

Amounts in €m	Non-Life business 30/6/2018	Non-Life business 30/6/2017	Life business 30/6/2018	Life business 30/6/2017
Gross commissions and other acquisition costs net of commissions and profit-sharing from reinsurers	(817.7)	(791.6)	(47.6)	(56.5)
Investment management expenses	(34.0)	(36.5)	(20.7)	(21.1)
Other administrative expenses	(189.4)	(174.5)	(38.4)	(45.9)
Total	**(1,041.1)**	**(1,002.6)**	**(106.8)**	**(123.5)**

Details of other consolidated comprehensive income statement

Amounts in €m	Amounts allocated		Adjustments from reclassification to profit or loss	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
Other income items not reclassified to profit or loss	(10.7)	3.0		
Reserve deriving from changes in the shareholders' equity of the investees	(9.2)	3.5		
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	(1.5)	(0.5)		
Other items	(0.0)			
Other income items reclassified to profit or loss	(406.9)	77.8	(160.3)	(87.9)
Reserve for foreign currency translation differences	0.0	1.0		
Gains or losses on available-for-sale financial assets	(406.1)	70.6	(160.3)	(87.9)
Gains or losses on cash flow hedges	(0.8)	6.2		
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)	(417.6)	80.8	(160.3)	(87.9)

Other changes		Total changes		Income taxes		Balance	
30/6/2018	30/6/2017	30/6/2018	30/6/2017	30/6/2018	30/6/2017	30/6/2018	31/12/2017
2.7		(8.0)	3.0	0.7	0.1	(8.6)	(0.7)
2.7		(6.5)	3.5			11.9	18.4
		(1.5)	(0.5)	0.7	0.1	(20.5)	(19.0)
		(0.0)					0.0
	(0.0)	(567.2)	(10.0)	252.6	4.5	369.5	936.7
		0.0	1.0			4.8	4.8
	(0.0)	(566.4)	(17.2)	252.3	7.3	373.6	940.1
		(0.8)	6.2	0.4	(2.8)	(9.0)	(8.2)
2.7	(0.0)	(575.2)	(7.1)	253.3	4.7	360.8	936.0

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 2018.

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 2018 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 2018:

   - 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, 9 August 2018

The Chairman

Carlo Cimbri

The Manager in charge of

financial reporting

Maurizio Castellina

(signed on the original)

6. Independent Auditors' report

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Review report on condensed consolidated half-yearly financial statements

To the Shareholders of
UnipolSai Assicurazioni SpA

Condensed consolidated half-yearly financial statements as of 30 June 2018

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 2018, 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 2018 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

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332285039 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

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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 2018 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 2018

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.

UnipolSai Assicurazioni S.p.A.

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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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