

CONSOLIDATED INTERIM
FINANCIAL REPORT
AT 30 JUNE 2017

Unipol Gruppo S.p.A.



Unipol Gruppo S.p.A.
**Consolidated Interim
Financial Report** at 30 June 2017

Company bodies

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INDEPENDENT AUDITORS		PricewaterhouseCoopers SpA

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

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Macroeconomic background and market performance

Macroeconomic background

In the first half of 2017, the global economic growth rate outperformed forecasts (roughly 3.5% on an annual basis). This result was achieved primarily thanks to constant development in China and emerging countries, as well as robust economic trends in the Eurozone.

The recovery in developed countries was driven by domestic demand, accompanied by a certain liveliness in exports due to improvements in international trade.

Geopolitical tensions in the Middle East remain, associated with the threat represented by Islamist terrorism.

In the United States, after a first quarter in which GDP recorded a moderate rise (+1.4% annualised), the second quarter witnessed a good recovery, with a rate of development of 2.6% per year, driven by consumption as well as investments. In June, unemployment came to 4.4% and, due to the weakening of the dollar in the second quarter of the year, net exports also contributed to accelerating economic growth. Headline inflation dropped to 1.9% in May, while the index net of the more volatile components stood at 1.7% on an annual basis. At its June meeting, the Fed decided to hike the official discount rate by another 25 basis points to 1.25% as a result of the improving global economic scenario.

In the first quarter, Eurozone GDP growth exceeded expectations (0.6% quarterly and 1.9% annually). This trend seems to have continued in the second quarter as well, when development is expected to reach around 0.7% for the period. This result was triggered by increasing domestic demand, favoured by the European Central Bank's (ECB) monetary policy and mitigations in the degree of fiscal restriction. The ECB disclosed that it no longer considers it necessary to proceed with further reductions in monetary policy rates as, thanks to gradual economic improvements, the risk of deflation appears to be declining.

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

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

Financial markets

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

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

The performance of the European stock markets in the second quarter of 2017 was for the most part linked to good news relating to economic growth and, as a result, the modest but constant rise in market rates. The Eurostoxx 50 index, representative of the Eurozone securities with the highest level of capitalisation, registered a 1.7% decline (+4.6% in the six month period). The German Dax trend was slightly positive with +0.1% (+7.4% since the beginning of the year). The Italian Stock Exchange appreciated by 0.4% (+7% for the six month period). Finally, the Madrid Ibex lost, in the same period of time, 0.2% (+11.7% since the beginning of 2017).

The Standard & Poor's 500 index, which represents the performance of the largest listed companies in the US, was up 2.6% in the second quarter (+8.2% since the beginning of the year), while in Japan the Nikkei climbed 5.9% in the same period (+4.8% over six months).

Lastly, in relation to the emerging market indices, the most representative index, the Morgan Stanley Emerging Markets, gained 5.8% in the second quarter of the year (+13.7% since the beginning of the year).

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

Insurance sector

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

Life premiums rose by 2.5% (+4.4% in 2015) to \$2,617bn. Premiums in more developed countries were down 0.5%, while they rose rapidly in emerging countries (+17%).

Non-life business growth was stagnant at 3.7% (+4.2% in 2015), reaching \$2,115bn. The deceleration was mainly caused by advanced countries: +2.3% in 2016 after +3.3% in 2015. Life premiums rose by 9.6% in emerging markets (+7.9% in 2015), with this growth mainly attributable to the Chinese market.

Profitability, in the Non-Life and Life segments, was impacted by the continuation of low interest rates, the effects of lower available reserves and an increase in claims caused by natural disasters. However, insurers operating in the Life and Non-Life segments remain adequately capitalised.

In Italy, the figures for the first quarter of 2017 (which include companies belonging to the European Economic Area) showed substantial stability in overall Non-Life premiums compared to the same period of 2016. There was an attenuation in the downsizing of the MV TPL class (-3.5%), the decline of which remains linked to the progressive decrease in the average premium. This has resulted in continuing aggressive competition in this sector. In this regard, it is worth noting the appreciable growth in distance travelled, which has already translated into slight rises in the frequency of claims (5.16% in the first quarter of 2017 against 5.09 in the same period of 2016). The good performance of the automotive market (new vehicle registrations rose, in the first six months, at a rate of 8.5%) is driving up the premiums in the Land Vehicle Hulls segment (+5.4%).

All remaining Non-MV Non-Life business showed a rebound in premiums (+1.8% in the first quarter). Amongst the most significant sectors, there was good development in the Health class, which benefitted from the spread of collective policies linked to contractual agreements between social partners, meant to supplement the benefits provided by the National Healthcare Service.

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

Banking Sector

Again in the first half of 2017, the Italian banking sector was at the centre of significant tensions, particularly due to the instability of two significant Veneto credit institutions, which led the Atlante fund to exhaust its resources.

In the first seven months of 2017, non-performing loans amounting to nearly €60bn were assigned by several banking groups.

In terms of assets brokered, in May a reduction in customer funding was recorded (-2.8% compared to May 2016) and there was a parallel decrease in loans (-2.1%). More specifically, deposits rose (+1.7%), while the process of erosion of bond stock continued (-7.7%). In terms of assets, a rise in loans to households was recorded (+1.6%) and there was a fall in loans to non-financial companies (-2.1%). Funding from abroad fell to €298bn (-9.1%) simultaneous with the rise in exposure to the ECB: it is estimated that during the last TLTRO, Italian banks obtained roughly €67bn. The securities portfolio recorded a decline of 1.1%.

Although credit risk is falling, levels continue to be high: in May the ratio of net doubtful loans to total loans was 4.26%, down compared to 4.64% twelve months before. At the end of the first five months of 2017, gross doubtful loans amounted to around €202bn, the net figure was €76.5bn.

In May, the interest rate applied to new loans to non-financial companies declined compared with one year prior by 18 cents, to 1.60%. The cost of borrowing for new loans to be used to purchase a home fell by nearly 13 cents. Lastly, interest on consumer credit declined by 21 basis points. The remuneration on new deposits, with a pre-set term for households and companies, showed a marginal decline. The remuneration recognised on them was 0.90%, 5 basis points lower than in May 2016.

Bank profitability will be negatively influenced by the reduction in the interest margin, although this should be offset by growth in revenue from services. However, impaired loans will continue to negatively impact profitability. Indeed, the implementation of non-performing loan reduction plans prepared in accordance with ECB guidelines may entail additional adjustments as well as losses from assignments for credit institutions. The return to profit standards more aligned with other European banking systems will require a significant period of time, and could also require an additional phase of Italian banking sector consolidation.

Real Estate market

The Tax Authorities reported that, in the first quarter of 2017, the number of real estate transactions in the residential sector showed an 8.6% increase compared with the same period of 2016. The trend in other sectors was even more relevant: +10.8% for the tertiary and commercial sector (offices and stores), +16.2% for the productive and agricultural sectors (industrial warehouses, industry and real estate linked to agriculture).

As proof of the dynamic nature of this sector, ISTAT reported that in 2016 real estate mortgages grew by 17%.

The recovery in the sales market is struggling to expand: in the first half of 2017, the yoy trend in listings was still negative, ranging between -1.2% for new homes to -1.9% for offices. Rental income, although still negative, seemed to be close to breakeven.

The economic survey on the Italian housing market, carried out by the Bank of Italy on a sample of real estate agents and regarding the status of the housing market, reported, for the first quarter of 2017, an average discount on sale prices compared to the original asking price of 12.1% (a slight increase compared to the previous quarter, when it came to 11.6%). Selling times have fallen to 7.1 months, a low point in the most recent data progression.

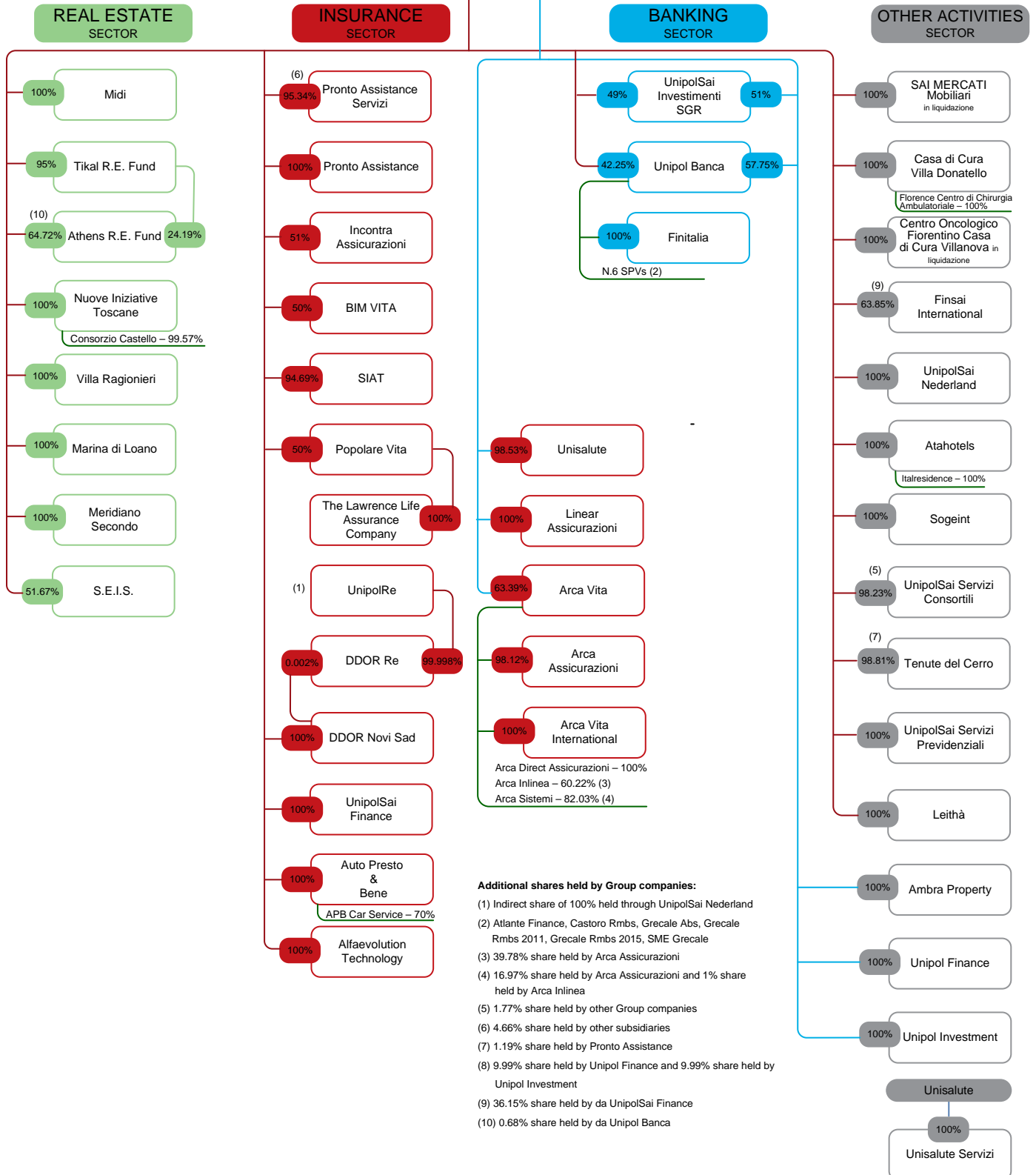
Consolidation Scope at 30 June 2017

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

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



(8) 51.03%



1. Management Report

1 Management Report

Group highlights

	<i>Amounts in €m</i>	30/6/2017	30/6/2016	31/12/2016
Non-Life direct insurance premiums		4,026	4,011	7,809
<i>% variation</i>		<i>0.4</i>	<i>(1.7)</i>	<i>(0.9)</i>
Life direct insurance premiums		2,300	4,396	6,997
<i>% variation</i>		<i>(47.7)</i>	<i>(4.8)</i>	<i>(18.6)</i>
of which Life investment products		328	553	698
<i>% variation</i>		<i>(40.7)</i>	<i>62.4</i>	<i>(26.6)</i>
Direct insurance premiums		6,327	8,408	14,806
<i>% variation</i>		<i>(24.8)</i>	<i>(3.4)</i>	<i>(10.1)</i>
Banking business - direct customer deposits		10,492	9,668	10,535
<i>% variation</i>		<i>(0.4)</i>	<i>(3.5)</i>	<i>5.2</i>
Net gains on financial instruments (*)		27	970	1,823
<i>% variation</i>		<i>(97.2)</i>	<i>(31.5)</i>	<i>(15.1)</i>
Consolidated profit (loss)		(390)	276	535
<i>% variation</i>		<i>(241.4)</i>	<i>(38.1)</i>	<i>(7.6)</i>
Balance on the statement of comprehensive income		(424)	76	318
Investments and cash and cash equivalents		71,145	83,347	83,428
<i>% variation</i>		<i>(14.7)</i>	<i>1.8</i>	<i>1.9</i>
Technical provisions		54,116	64,622	64,110
<i>% variation</i>		<i>(15.6)</i>	<i>2.3</i>	<i>1.5</i>
Financial liabilities		15,124	15,778	16,898
<i>% variation</i>		<i>(10.5)</i>	<i>1.3</i>	<i>8.5</i>
Non-current assets or assets of a disposal group held for sale		11,004	46	208
Liabilities associated with disposal groups held for sale		10,459		
Shareholders' Equity attributable to the owners of the Parent		5,052	5,464	5,649
<i>% variation</i>		<i>(10.6)</i>	<i>(1.1)</i>	<i>2.3</i>
Solvency ratio		133	140	141
No. staff		14,561	14,079	14,109

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

Alternative performance indicators¹

Alternative performance indicators	classes	30/06/2017	30/06/2016	31/12/2016
Loss ratio - direct business (including OTI ratio)	non-life	68.1%	67.6%	67.1%
Expense ratio calculated on written premiums - direct business	non-life	27.2%	27.0%	27.9%
Combined ratio - direct business	non-life	95.3%	94.7%	95.0%
Loss ratio - net of reinsurance (including OTI ratio)	non-life	69.6%	69.3%	68.1%
Expense ratio (calculated on earned premiums) - net of reinsurance	non-life	27.6%	27.0%	27.5%
Combined ratio - net of reinsurance (*)	non-life	97.1%	96.3%	95.6%
Premium retention ratio	non-life	94.1%	94.7%	95.1%
Premium retention ratio	life	99.5%	99.7%	99.8%
Premium retention ratio	total	95.9%	97.1%	97.2%
Group pro-rata APE (amounts in €m)	life	205	265	484
Expense ratio - direct business	life	6.1%	3.4%	4.1%

(*) with expense ratio calculated on earned premiums

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

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

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

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

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

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

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

Unipol Group Performance

Information on significant events during the first six months

Project for streamlining the Group's insurance sector

On 29 June 2017, the Board of Directors of Unipol Gruppo S.p.A. ("Unipol") approved a project that aims to definitively streamline the insurance sector of the Unipol Group (the "Project") through the disposal to UnipolSai Assicurazioni S.p.A. ("UnipolSai") of the following stakes held by Unipol in:

- a) Unisalute S.p.A. ("Unisalute"), an insurance company specialised in the health segment (the top insurance company in Italy by number of customers managed), equal to 98.53% of the share capital, for consideration of €715m;
- b) Compagnia Assicuratrice Linear S.p.A. ("Linear"), an insurance company specialised in the direct sale of non-life products, in particular MV, equal to the entire share capital, for consideration of €160m;

(hereinafter, the "Disposals").

As part of the Project, it is established that, if the conditions and prerequisites are satisfied, the controlling interest, equal to 63.39% of the share capital, held by Unipol in Arca Vita S.p.A. may also be transferred in the upcoming months to UnipolSai.

The Project is meant to aggregate the entire insurance business referring to the Unipol Group under the control of UnipolSai, with a number of benefits in terms of consistency and effectiveness in policy governance and in the organisational and operational coordination of the overall insurance activity.

In particular, the Project will facilitate the development of an integrated multichannel offer model, meant to take into account the evolution of consumer conduct and requirements, while also maintaining the identity and corporate autonomy of the individual companies which operate as the top market leaders in their respective reference sectors.

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

On the same date, the Project was also approved by the subsidiary UnipolSai.

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

Banking sector restructuring plan

The situation of the subsidiary Unipol Banca S.p.A. ("Unipol Banca") has for some time now been a focus of the Parent Unipol, particularly with reference to the critical issues relating to the subsidiary's profitability and the levels of risk implicit in the existing loan portfolio. These issues have also been subject to the attention of the Bank of Italy which, with its letter of 9 March 2017, recommended that Unipol and Unipol Banca, each insofar as it is responsible, intensify efforts to improve the profit profile of the Bank, as well as undertake initiatives meant to decrease the incidence of impaired loans ("**NPL ratio**") to a natural level as soon as possible. To this end, the Bank of Italy requested, *inter alia*, a new plan for the reduction of impaired loans to be previously submitted for the approval of the Board of Directors of Unipol which, without prejudice to the need to avoid the unjustified destruction of asset values, also contemplates extraordinary measures such as assignments of impaired loans (referred to as non-performing loans, or NPL).

In this context, in order to take into account the requests of the Supervisory Authority, on 29 June 2017, the Board of Directors of Unipol, in its capacity as Parent of the banking group of the same name, approved the guidelines of a Group

banking sector restructuring plan (the “**Restructuring Plan**” or the “**Plan**”), which envisages the transfer by means of proportional partial spin-off of Unipol Banca in favour of a newly established company (“**NewCo**” or the “**Beneficiary**”), of a company complex inclusive, *inter alia*, of a portfolio of the doubtful loans of the Bank (the “**Doubtful Loans**”), gross of valuation reserves, for an amount of roughly €3bn, after (i) the adjustment of their value in accordance with the conditions currently prevailing in the market for disposal transactions, and (ii) the strengthening of the average rate of coverage of loans classified as “unlikely to pay” and those classified as “past due”, which will remain within Unipol Banca, to the best levels of the banking industry.

These Doubtful Loans correspond to the entire portfolio of doubtful loans of the Bank at the date of approval of the half-yearly report at 30 June 2017, with the exclusion of those deriving from loans for leases and unsecured commitments.

The transfer of the above-mentioned company complex (the “**Company Complex**”), inclusive of the stock of Doubtful Loans, to a separate business specialised in the collection of these positions, will enable:

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

On 18 July 2017, Unipol transmitted to UnipolSai Assicurazioni S.p.A. (“**UnipolSai**”) and to Unipol Banca a specific note describing the activities and phases for carrying out the Plan which is broken down into the following transactions (overall, the “**Transaction**”):

- i) an increase in rates of coverage of existing impaired loans, taking into account the changed outlooks for their realisation;
- ii) signing by Unipol and Unipol Banca of an agreement for the early termination of the indemnity agreement entered into on 3 August 2011 as subsequently amended and supplemented on non-performing loans meant to be included in the Doubtful Loans subject to transfer;
- iii) following the completion of the transactions described above, the disbursement by Unipol and UnipolSai of capital account payments in favour of the Bank for a total of €900m, in proportion with the stakes in the share capital of Unipol Banca currently held by the same shareholders, in order to replenish the Bank’s capital in line with the capital ratios existing before the adjustments pursuant to the previous point, also taking into account the capital of the bank that will be allocated to NewCo at the time of the Spin-Off;
- iv) following the transactions described above, the proportional partial spin-off of Unipol Banca in favour of NewCo (the “**Spin-Off**”), through the spin-off in favour of the latter, with continuity of carrying amounts, of the Bank’s Company Complex consisting essentially (i) in the assets: of Doubtful Loans (along with specialised personnel for the management and processing of such Doubtful Loans and the functional contracts), the 100% stake in Reoco and deferred tax assets relating to the Company Complex; and (ii) in the liabilities: of shareholders’ equity and several payables relating to the Company Complex including the payable deriving from the Shareholder Loan which will be disbursed to the Bank within the context of the Transaction, subsequent to obtaining the authorisation for the Spin-Off from the Bank of Italy and before the completion thereof.

1 Management Report

The Boards of Directors of UnipolSai and Unipol Banca, which met on 27 and 28 July 2017, respectively, examined and approved the Transaction as outlined by the Parent Unipol.

On 31 July 2017, Unipol and Unipol Banca entered into the Agreement for the Termination of the indemnity agreement, effective as of 30 June 2017, defining the indemnity due from Unipol to Unipol Banca as €670.4m.

As a result of what is set forth above, Unipol Banca and the Unipol Group amended the model for the management of impaired loans existing at 30 June 2017, with regard not only to the Doubtful Loans subject to transfer to NewCo, but also to the remaining NPL portfolio existing at 30 June 2017 and meant to remain with the Bank after the Spin-Off, with a view to facilitating their recovery within a more limited time horizon, also through any future realisation transactions other than the ordinary management of the relationship with the debtor.

This led Unipol Banca to carry out an even more careful analysis of impaired loans, also with a view to identifying specific portfolios in relation to which it could express evaluations concerning any assignments to third parties, determining discontinuity in the cases in which the estimation of collectability of the impaired loans was carried out in previous periods.

In line with the changed model for the management of the existing NPL portfolio, the estimation criteria applied in the valuation of loans at 30 June 2017 were revised.

In this regard, it also incorporated the indications received from Bank of Italy inspectors during the inspection launched by the Supervisory Authority in the second quarter of 2017, with reference to Unipol Banca and with a specific focus on policies for the management of loans in general and impaired loans in particular. The inspection team asked Unipol Banca to revise several classifications in the NPL categories, to supplement the doubtful position coverage levels, to adjust the methodology for calculating the discounting in relation to a more updated estimate of recovery times and to review more in general the impaired loan management and valuation policies.

The overall adjustments introduced in the estimation criteria applied in the valuation of loans at 30 June 2017 were:

- i) updating of the criteria for the classification of impaired loans amongst the various categories (Doubtful, Unlikely to Pay and Past Due), taking into account the most recent available information concerning the debtor's financial situation, also in light of the experience gained in recent years concerning the foreseeable evolution of such classifications as well as the continuation of situations of economic difficulty in certain production sectors;
- ii) adjustment of recovery estimates in relation to the new model for the management of the impaired loans portfolio at 30 June 2017, particularly with regard to positions classified as Doubtful and Unlikely to Pay, taking into account the objective of significantly reducing these assets, within the shortest period of time possible, with the utmost attention paid to not losing value, also on the basis of updates obtained concerning the estimated presumable value of immediate realisation of the assets pledged as collateral against the loans;
- iii) updating of the method for calculating the discounting for the purpose of determining the recoverable amount of the loans, particularly with reference to positions classified as Unlikely to Pay.

Lastly, please note that the amendments introduced in the methods for evaluating impaired loans (Doubtful, Unlikely to Pay, Past Due) constitute, as specified previously, a factor of change resulting from the new information and experience acquired in the changed circumstances outside and within the Group, applicable as noted starting from 2017, and as a result are classified as a change in accounting estimates pursuant to IAS 8 (specifically par. 5, 34 and 35).

The external circumstances also include the orientation expressed by the ECB in the recently issued document "*Guidance to banks on non-performing loans*".

The value adjustments to loans (cash and unsecured) of Unipol Banca in the first half of 2017 amounted to roughly €1,600m, in addition to roughly €16m in losses realised from assignments of receivables. To partially offset these losses, the Bank recognised income deriving from the indemnity agreement totalling €696m, of which €670.4m for the termination of the agreement. Net of this income, losses on loans recognised by the Bank amounted to a total of approximately €920m at 30 June 2017.

At consolidated level, the adjustments on the portfolio of loans of the Bank impacted the income statement in the first half of 2017 in the amount of €1,025m, inclusive of €105m recognised by the Parent Unipol as a result of the termination of the Indemnity Agreement.

Please note that following the set of assessments conducted, the net carrying amount of the Doubtful loans is consistent with market values resulting from recent transactions for the assignment of similar portfolios and that the coverage of loans classified as Unlikely to Pay and Past Due is aligned with the best levels of the banking system.

The Bank's NPL portfolio at 30 June 2017, including Doubtful Loans subject to transfer to NewCo, is broken down as follows:

<i>Amounts in €m</i>	Gross value	Funds	Net value	% hedged
Doubtfull loans	2.970	(2.376)	594	80,0%
Unlikely to pay	737	(295)	442	40,0%
Non-performing past due	103	(15)	88	15,0%
Total Non-performing loans	3.811	(2.687)	1.124	70,5%

As a result of what is described above, Unipol Banca closed the first half of 2017 with a loss of €712.7m, which nearly eliminated the common equity tier 1 (CET 1) of the Bank and reduced the individual CET 1 Ratio to 0.18% at 30 June 2017. However, please note that, as a result of the capital account payments amounting to a total of €900m made by the shareholders on 31 July 2017, at the date of approval of the half-yearly report the Bank's capital had been replenished and the CET 1 Ratio, redetermined to take into account the above-mentioned capital account payments, came to 15.21%.

After the Spin-Off, which is expected to become effective in the initial months of 2018, part of the risk assets and, to a more significant extent, the own funds of the Bank will be transferred to NewCo, with a resulting reduction in the individual CET 1 Ratio of Unipol Banca estimated at roughly 4.5 percentage points, also taking into account the other effects applicable on the basis of sector regulations as of 1 January 2018.

As regards the Unipol Group, the set of transactions carried out effective by 30 June 2017 entailed a negative effect on the Group's capital ratios at the same date, quantifiable as a reduction of around 12 percentage points in the Solvency Ratio and, limited to the Banking Group, a reduction of around 2.3 percentage points in the CET1 ratio. To complete the transactions set forth in the Plan, also taking into account the expected effects of the project for the streamlining of the Group's insurance sector described in the previous paragraph, a recovery of Group capital adequacy ratios is estimated of roughly 6 percentage points for the Solvency Ratio and, limited to the Banking Group, around 1.4 percentage points for the CET1 ratio.

Evolution of the contractual agreements relating to the subsidiary Popolare Vita

Please note that on 29 June 2017, the Board of Directors of UnipolSai approved the cancellation of the Distribution Agreement in place with Banco BPM S.p.A. ("Banco BPM") and the resulting exercise of the put option available to it on the basis of the shareholders' agreement (the "Agreement") in place with Banco BPM, concerning the equity investment held by UnipolSai in Popolare Vita, equal to 50% of its share capital plus one share. The determination of the Equity Investment sale price is governed within the Agreement by a specific procedure which, *inter alia*, refers the definition of the consideration to two independent experts identified for this purpose (a business bank or a leading auditing firm and an actuarial expert).

The exercise of the put option will entail the loss of the main distribution channel for UnipolSai in the bancassurance sector which, however, may be subject to a broader revision that will allow for the replacement of business flows and the profitability deriving from the Banco BPM network through the review of the Unipol Group's strategic structure in the same sector.

In the statements at 30 June 2017, pursuant to IFRS 5, the assets and liabilities relating to the company Popolare Vita and its subsidiary The Lawrence Life were reclassified respectively to the items Non-current assets or assets of a disposal group held for sale and Liabilities associated with disposal groups held for sale.

Operating performance

The consolidated half-yearly financial statements of the Unipol Group, with insurance business profitability on the rise compared to the first half of 2016, closed with a consolidated loss of €390m due to the write-down of impaired loans carried out as part of the Banking sector restructuring plan described in the previous paragraph.

Excluding these *one-off* effects, on the basis of management figures there would have been a consolidated profit of around €390m, significant growth compared to €276m at 30 June 2016 owing, in particular, to the improved contribution of financial management.

The Insurance sector closed with a consolidated profit of €446m (€332m at 30/6/2016, +34.4%), of which €292m relating to Non-Life business (€196m at 30/6/2016, +48.6%) and €154m to Life business (€135m at 30/6/2016, +13.9%), whereas the Banking sector recorded a loss of €712m, against a profit of €1m at 30 June 2016.

The Holding and Other businesses sector recorded a loss of €109m (-€48m at 30/6/2016), after recognising €105m in losses for the holding company Unipol due to the closure of the credit indemnity agreement in place with the subsidiary Unipol Banca (€10m provision for risks and charges at 30/6/2016).

The Real estate sector recorded a negative result of €15m (-€9m at 30/6/2016).

The Group's **solvency index**, calculated according to **Solvency II** regulations (standard formula with the use of USP – Undertaking Specific Parameters), at 30 June 2017 reported a ratio of own funds to required capital of **1.33 times**², down compared to the figure of 1.41 times recorded at 31 December 2016.

At the level of the Unipol Banking Group, the **CET 1** was **12.6%** (16.8% at 31/12/2016).

The reduction of capital ratios at 30 June 2017 of the Unipol Group and the Unipol Banking Group was impacted, as illustrated in the previous paragraph, by the transactions carried out effective by that date as part of the Banking sector restructuring plan.

Direct **Non-Life premiums** at 30 June 2017 amounted to €4,026m (€4,011m at 30/6/2016, +0.4%), driven by the Non-MV segment, which marked premiums of €1,856m, up 4.1%. Premiums in the MV TPL business were down again, at €1,835m (-3.3%) due to the continuous competitive pressure on rates, while an increase was confirmed in the Land Vehicle Hulls business with premiums equal to €335m (+1.8%).

With regard to the Group's core companies, Non-Life direct premiums of UnipolSai alone, the Group's main company, stood at €3,506m (-1.4% compared to 30/6/2016), of which €2,053m in the MV classes (-3.3%) and €1,453m in the Non-MV classes (+1.3%). There was growth supported by the turnover of the Group's other main companies, with Unisalute which continues to successfully expand its business model with premiums amounting to €210m, up 6.4%, whilst SIAT, focusing on the Sea Vehicles segment, with €66m, recorded growth of 16.9%. The Group's other main company operating in the MV sector, Linear, recorded total premiums of €87m, with development of 17.1% thanks to the relaunch of the new business brokered by aggregator websites, whilst Arca Assicurazioni, operating in the Non-Life bancassurance channel, marked premiums of €56m, up by 3.3% compared to 30 June 2016.

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

At 30 June 2017, the loss ratio for direct business (including the balance of other technical items) was 68.1% against 67.6% at 30 June 2016. The expense ratio for direct business was 27.2%, substantially aligned with 27% recorded in the first half of 2016. Overall, the Group's combined ratio of direct business stood at 95.3% compared to 94.7% at 30 June 2016.

The combined ratio net of reinsurance was 97.1% (96.3% at 30/6/2016).

² Value bases on information available at today's date, to be considered as preliminary as the final data will be communicated to the Supervisory Authority in accordance with the timing provided for by current legislation.

In the **Life business**, the market environment is still characterised by interest rates which are extremely low and negative in the short term, a scenario which confirms the strategic decision to limit flows of traditional products with returns linked to segregated accounts and to orient sales network offers towards multisegment and linked products. The decline in direct premiums at 30 June 2017, equal to €2,300m (-47.7% compared to the first half of 2016), should therefore be read in light of the limitation of financial risk and in relation to the delay with which the bancassurance channel is being oriented towards the offer of these products. In particular, please note that Arca Vita and the subsidiary Arca Vita International posted direct premiums of €370m, marking a decrease of 72.8%, also resulting from the comparison with a particularly intense first part of 2016, whilst Popolare Vita, with premiums of €456m (inclusive of the premiums of the subsidiary The Lawrence Life) recorded a decline of 67%. The Company UnipolSai recorded direct premiums of €1,416m (-11.1%), characterised by the good commercial success of multisegment products.

New business in terms of APE, net of non-controlling interests, amounted to €205m (€265m at 30/6/2016, -22.6%), of which €71m contributed by bancassurance companies and €135m by traditional companies.

As regards the **management of financial investments**, the first part of 2017 marked a modest overall economic recovery and passed with no particularly significant tensions other than those linked to the various elections in several European countries, which later dissipated.

The gross profitability of the Group's insurance financial investments portfolio produced a particularly significant return in the period in question, equal to 3.9% of invested assets, of which 3.5% relating to the coupons and dividends component, whereas the overall return recorded in the first half of 2016 totalled 3.6%.

In the **banking sector**, as already highlighted, the restructuring plan announced to the markets in late June was launched with the resulting significant reinforcement of the coverage of impaired loans in order to transfer the doubtful loans of Unipol Banca to a separate NewCo specialised in the recovery of these positions. In this regard, there was a negative effect of €713m on the Group's consolidated result, net of taxes.

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

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

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Condensed Consolidated Operating Income Statement broken down by business segment

	Non-Life business			Life business			Insurance Sector		
	Jun-17	Jun-16	% var.	Jun-17	Jun-16	% var.	Jun-17	Jun-16	% var.
Amounts in €m									
Net premiums	3,727	3,757	(0.8)	1,962	3,833	(48.8)	5,689	7,591	(25.0)
Net commission income		(1)	(69.2)	13	14	(6.1)	13	13	(3.4)
Financial income/expense (**)	324	258	25.6	718	694	3.6	1,043	952	9.5
<i>Net interest income</i>	209	187		637	625		846	812	
<i>Other income and charges</i>	34	50		29	37		63	87	
<i>Realised gains and losses</i>	69	104		97	97		167	201	
<i>Unrealised gains and losses</i>	11	(83)		(44)	(65)		(33)	(148)	
Net charges relating to claims	(2,487)	(2,515)	(1.1)	(2,291)	(4,145)	(44.7)	(4,778)	(6,660)	(28.3)
Operating expenses	(1,065)	(1,062)	0.3	(142)	(153)	(7.4)	(1,207)	(1,215)	(0.7)
<i>Commissions and other acquisition costs</i>	(833)	(820)	1.5	(61)	(73)	(15.6)	(894)	(893)	0.1
<i>Other expenses</i>	(232)	(242)	(4.0)	(81)	(81)	0.0	(313)	(322)	(3.0)
Other income/charges	(132)	(170)	(22.1)	(48)	(50)	(3.1)	(180)	(219)	(17.8)
Pre-tax profit (loss)	368	268	37.1	212	193	9.9	580	461	25.8
Income taxes	(76)	(72)	5.9	(58)	(57)	0.5	(134)	(129)	3.5
Profit (loss) from discontinued operations									
Consolidated profit (loss)	292	196	48.6	154	135	13.9	446	332	34.4
<i>Profit (loss) attributable to the Group</i>									
<i>Profit (loss) attributable to non-controlling interests</i>									

(*) The real estate sector only includes Group real estate companies

(**) 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

The factors that marked the economic performance of the Group included the following:

- **direct insurance premiums**, before reinsurance transfers, were €6,327m (€8,408m at 30/6/2016, -24.8%). Non-Life direct premiums amounted to €4,026m (€4,011m at 30/6/2016, +0.4%) and Life direct premiums amounted to €2,300m (€4,396m at 30/6/2016, -47.7%), of which €328m related to investment products in the Life business (€553m at 30/6/2016);
- **net premiums earned**, after reinsurance transfers, amounted to €5,689m (€7,591m at 30/6/2016, -25%), of which €3,727m in the Non-Life business (€3,757m at 30/6/2016, -0.8%) and €1,962m in the Life business (€3,833m at 30/6/2016, -48.8%);
- **net charges relating to claims**, after reinsurance transfers, amounted to €4,778m (€6,660m at 30/6/2016, -28.3%), of which €2,487m from Non-Life business (€2,515m at 30/6/2016, -1.1%) and €2,291m from Life business (€4,145m at 30/6/2016, -44.7%), including €82m in net gains on financial assets and liabilities at fair value (€36m in net losses at 30/6/2016);
- **operating expenses** amounted to €1,352m (€1,363m at 30/6/2016). In the Non-Life business, operating expenses amounted to €1,065m (€1,062m at 30/6/2016), €142m in the Life business (€153m at 30/6/2016), €153m in the Banking sector (€159m at 30/6/2016), €56m in the Holding and Other Businesses sector (€51m at 30/6/2016) and €6m in the Real Estate sector (€5m at 30/6/2016). Intersegment eliminations amounted to €70m (€67m at 30/6/2016);
- the **combined ratio**, net of reinsurance, of Non-Life business was 97.1% (96.3% at 30/6/2016);

Banking Sector			Holding and Other businesses Sector			Real Estate Sector (*)			Intersegment elimination		Total Consolidated		
Jun-17	Jun-16	% var.	Jun-17	Jun-16	% var.	Jun-17	Jun-16	% var.	Jun-17	Jun-16	Jun-17	Jun-16	% var.
											5,689	7,591	(25.0)
63	49	30.0	12	13	(3.2)			28.5	(27)	(26)	61	49	25.2
(850)	105		(24)	(35)	(31.3)	(3)	(2)	85.9	(138)	(50)	27	970	(97.2)
110	110		(21)	(29)		(3)	(1)		(25)	(22)	907	870	
1	1		(4)	(3)		5	7		(8)	(18)	57	74	
	15		1	2			(1)				168	216	
(962)	(21)		1	(6)		(5)	(7)		(105)	(10)	(1,105)	(191)	
											(4,778)	(6,660)	(28.3)
(153)	(159)	(3.7)	(56)	(51)	9.8	(6)	(5)	18.1	70	67	(1,352)	(1,363)	(0.9)
									29	26	(865)	(867)	(0.3)
(153)	(159)	(3.7)	(56)	(51)	9.8	(6)	(5)	18.1	41	41	(487)	(496)	(1.9)
1	8		(71)	15		(8)	(3)	124.5	95	9	(164)	(191)	(14.2)
(940)	2		(139)	(58)	(138.7)	(17)	(10)	(65.1)			(516)	394	
228	(1)		30	11	180.4	1	1	22.4			126	(118)	
(712)	1		(109)	(48)	129.4	(15)	(9)	69.6			(390)	276	
											(489)	160	
											98	116	

- **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 €27m (€970m at 30/6/2016), after write-downs relating to the portfolio of loans of Unipol Banca of €1,025m (€26m at 30/6/2016);
- the **gross loss** was -€516m (+€394m at 30/6/2016);
- **taxation** for the period constituted a net income of €126m (net expense of €118m at 30/6/2016);
- net of the €98m profit attributable to non-controlling interests, the **loss attributable to the owners of the Parent** at 30 June 2017 was €489m (profit of €160m at 30/6/2016);
- in just the second quarter of 2017, the gross loss was €741m (a profit of €176m in the second quarter of 2016).

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Insurance Sector performance

The Group's insurance business closed the period with a **total pre-tax profit of €580m** (€461m at 30/6/2016), of which €368m relating to the Non-Life sector (€268m at 30/6/2016) and €212m relating to the Life sector (€193m at 30/6/2016).

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

Investments and cash and cash equivalents of the Insurance sector totalled, at 30 June 2017, €60,419m (€71,336m at 31/12/2016), of which €17,476m in the Non-Life business (€17,162m at 31/12/2016) and €42,943m in the Life business (€54,175m at 31/12/2016).

Following the application of IFRS 5, €10,795m was reclassified under Non-current assets or assets of a disposal group held for sale (€191m at 31/12/2016 in properties), relating, for €10,729m, to Investments and cash and cash equivalents of the companies Popolare Vita and The Lawrence Life and, for €64m, to properties for which disposal activities have begun.

Technical provisions amounted to €54,116m (€64,110m at 31/12/2016), of which €15,870m in the Non-Life business (€15,862m at 31/12/2016) and €38,246m in the Life business (€48,248m at 31/12/2016).

The technical provisions reclassified pursuant to IFRS 5 amounted to €9,364m, primarily in the Life business.

Financial liabilities amounted to €4,490m (€5,511m at 31/12/2016), of which €1,493m in the Non-Life business (€1,665m at 31/12/2016) and €2,997m in the Life business (€3,845m at 31/12/2016).

Life business Financial liabilities of €977m were reclassified pursuant to IFRS 5.

Total premiums (direct and indirect premiums and investment products) at 30 June 2017 amounted to €6,389m (€8,434m at 30/6/2016), a decrease of 24.2%. Non-Life premiums amounted to €4,088m (€4,037m at 30/6/2016, +1.3%) and Life premiums amounted to €2,301m (€4,397m at 30/6/2016, -47.7%), of which €328m related to investment products (€553m at 30/6/2016).

The overall premium income for just the second quarter of 2017 was €3,137m (€3,633m in the second quarter of 2016).

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 2017 worth €328m related to Class III (Unit- and Index-Linked policies) and Class VI (pension funds).

Direct premium income amounted to €6,327m (€8,408m at 30/6/2016, -24.8%), of which Non-Life premiums totalled €4,026m (+0.4%) and Life premiums €2,300m (-47.7%).

	Amounts in €m	30/6/2017	% comp.	30/6/2016	% comp.	% var.
Non-Life direct premiums		4,026	63.6	4,011	47.7	0.4
Life direct premiums		2,300	36.4	4,396	52.3	(47.7)
Total direct premium income		6,327	100.0	8,408	100.0	(24.8)

Indirect Non-Life and Life premiums totalled €62m at 30 June 2017 (€26m at 30/6/2016), nearly entirely relating to the Non-Life business.

	Amounts in €m	30/6/2017	% comp.	30/6/2016	% comp.	% var.
Non-Life indirect premiums		61.8	99.6	25.7	98.9	140.0
Life indirect premiums		0.3	0.4	0.3	1.1	(11.0)
Total indirect premiums		62	100.0	26	100.0	138.3

Group premiums ceded totalled €250m (€226m at 30/6/2016), €240m of which from Non-Life premiums ceded (€216m at 30/6/2016) and €11m from Life premiums ceded (€10m at 30/6/2016). The retention ratios remained substantially stable in the Non-Life and Life businesses.

	Amounts in €m	30/6/2017	% comp.	30/6/2016	% comp.	% var.
Non-Life ceded premiums		240	95.8	216	95.4	11.1
<i>Retention ratio - Non-Life business (%)</i>		<i>94.1%</i>		<i>94.7%</i>		
Life ceded premiums		11	4.2	10	4.6	0.4
<i>Retention ratio - Life business (%)</i>		<i>99.5%</i>		<i>99.7%</i>		
Total premiums ceded		250	100.0	226	100.0	10.6
<i>Overall retention ratio (%)</i>		<i>95.9%</i>		<i>97.1%</i>		

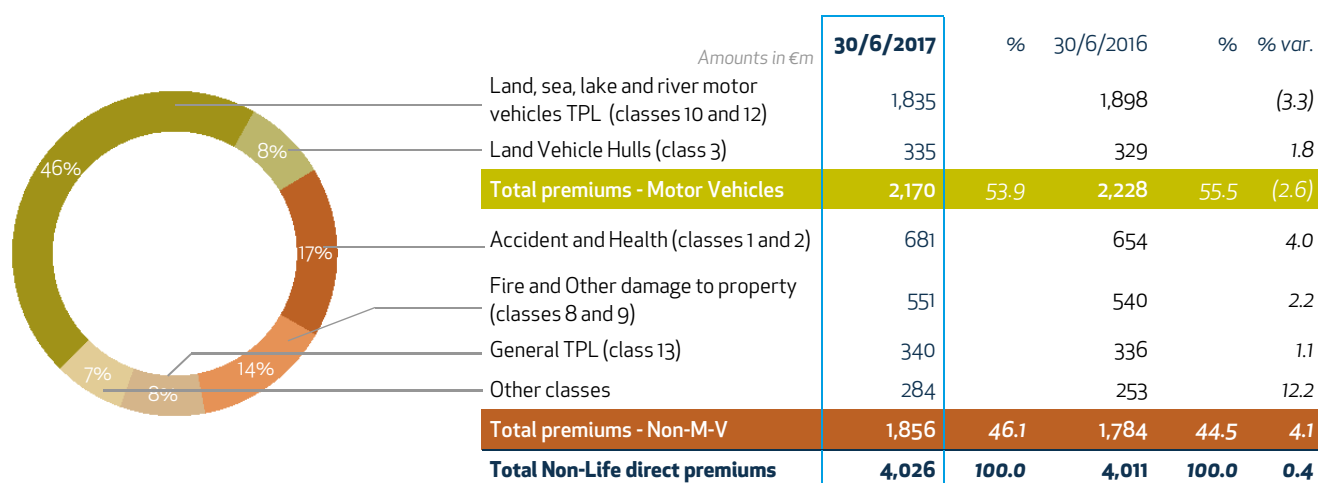
The retention ratio is the ratio of premiums retained (total direct and indirect premiums net of premiums ceded) to total direct and indirect premiums. Investment products are not included in calculating this ratio.

At 30 June 2017 the premiums ceded in the Non-Life business generated an overall positive result for reinsurers, while the Life business basically broke even.

Non-Life business

Total Non-Life premiums (direct and indirect) at 30 June 2017 amounted to €4,088m (€4,037m at 30/06/2016, +1.3%). **Direct business premiums** alone amounted to €4,026m (€4,011m at 30/06/2016, +0.4%).

Non-Life business direct premiums



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In the **MV segment**, MV TPL premiums were €1,835m, down by 3.3% on 30 June 2016. An increase of 1.8% was instead reported in the Land Vehicle Hulls business with premiums equal to €335m (€329m at 30/6/2016). The **Non-MV segment**, with premiums of €1,856m, recorded 4.1% growth.

Non-Life claims

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

The **loss ratio** (for Non-Life direct business alone), including the OTI ratio, stood at 68.1% (67.6% at 30/6/2016).

The number of claims reported, without considering the MV TPL class, rose by 7.1%.

Number of claims reported (excluding MV TPL)

	30/6/2017	30/6/2016	var.%
Land Vehicle Hulls (class 3)	156,546	146,156	7.1
Accident (class 1)	73,145	76,632	(4.6)
Health (class 2)	1,839,907	1,705,733	7.9
Fire and Other damage to property (classes 8 and 9)	143,073	139,125	2.8
General TPL (class 13)	47,615	47,468	0.3
Other classes	235,005	214,608	9.5
Total	2,495,291	2,329,722	7.1

As regards the MV TPL class, where the CARD³ agreement is applied, in the first six months of 2017 cases relating to "fault" claims (Non-Card, Debtor Card or Natural Card) reported totalled 343,168, up 0.1% (342,789 at 30/6/2016).

Claims reported that present at least one Debtor Card claims handling numbered 200,213, down 1.17% compared to the same period in the previous year.

Handler Card claims were 261,864 (including 60,451 Natural Card claims, i.e. claims between policyholders at the same company), up by 1.6%. The settlement rate for the first half of 2017 was 66.1% as compared to 67% recorded in the same period of the previous year.

The weight of cases to which the Card agreement may be applied (both Handler Card and Debtor Card claims) out of total cases (Non-Card + Handler Card + Debtor Card) at June 2017 came to 84.9% (in line with June 2016).

The **expense ratio** for Non-Life direct business was 27.2% (27% at 30/6/2016).

The **combined ratio**, based on direct business, was 95.3% at 30 June 2017 (94.7% at 30/6/2016).

³ 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.

Non-Life premiums of the main Group insurance companies

The direct premiums of only **UnipolSai**, the Group's main company, stood at €3,506m (-1.4%), of which €2,053m in the MV classes (-3.3%) and €1,453m in the Non-MV classes (+1.3%).

UnipolSai Assicurazioni Spa - Non-Life business direct premiums

<i>Amounts in €m</i>	30/6/2017	% comp.	30/6/2016	% comp.	% var.
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)	1,734		1,806		(4.0)
Land Vehicle Hulls (class 3)	319		316		1.1
Total premiums - Motor Vehicles	2,053	58.6	2,122	59.7	(3.3)
Accident and Health (classes 1 and 2)	418		416		0.4
Fire and Other damage to property (classes 8 and 9)	525		514		2.2
General TPL (class 13)	333		330		0.9
Other classes	178		175		1.8
Total premiums - Non-M-V	1,453	41.4	1,434	40.3	1.3
Total Non-Life premiums	3,506	100.0	3,556	100.0	(1.4)

In the **MV** classes, €1,734m related to premiums in the MV TPL class and Sea, Lake and River Vessels TPL class (€1,806m at 30/6/2016, -4%). The significant contraction in premiums was determined by the reduction of the average premium, which is continuing although it is gradually and constantly reducing. The number of contracts in the portfolio was stable with respect to the end of last year. The market is experiencing a continuous slowdown in the decline in prices which, although to a lesser extent than in the past, are still down. The number of claims was down slightly and the cost of claims recorded a more significant drop.

With reference to the **Land Vehicle Hulls business**, premiums recorded a positive trend in line with the good results of the automotive industry, which is resulting in a gradual renewal of the fleet of vehicles on the road. The number of claims and the relative cost rose slightly, particularly in the part of the portfolio characterised by products which are being gradually phased out and replaced with other more recent ones.

In the **Non-MV** businesses, the growing trend of premiums (+1.3%) was confirmed, with a widespread increase amongst the various segments.

With reference to the Fire class, the growth in premiums in the first half of 2017 can be ascribed to the increase in coverage for the Individuals segment, while the Businesses segment was down.

With reference to Health, the half closed with an increase in premiums despite the loss of several contracts which had unsatisfactory performance. There was a significant decline in the number of claims reported, the amount paid out and also total charges, triggering an improvement in margins in this class compared to the first half of 2016.

The company **SIAT**, focusing on the Sea Vehicles segment, achieved direct premiums amounting to €66m (+16.9%).

Arca Assicurazioni recorded direct premiums of €56m (+3.3%), with a considerable increase in the Non-MV classes (+8.7%) and a further reduction in MV segment premiums (-7.4%).

Unisalute achieved direct premiums of €210m (€197m at 30/6/2016), marking an increase of 6.4%. In the first half of the year, new policies acquired in the portfolio included: CariGe, CariFe, Fondo Gomma Plastica, Volkswagen Group, Fendi Group and La Perla.

The number of customers is greater than 5.7m (5.4m at 31/12/2016), of which around 5m belong to the Health class (around 4.5m at 31/12/2016).

In terms of collective policies, UniSalute enhanced its offerings with a new service named Monitor Salute for monitoring chronic illnesses such as hypertension, diabetes and chronic obstructive pulmonary disease. This is an at-home remote service that monitors the values characterising these illnesses, managed based on an exclusive agreement with a leading manufacturer of *health devices*.

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Linear recorded direct premiums of €87m, (€74m at 30/6/2016, +17.1%). MV premiums totalled €78m (+16.8%) and Non-MV premiums were €9m (+19.8%). Contracts in the portfolio at the end of the first half of 2017 were around 528,000 (roughly 466,000 at 31/12/2016).

New products

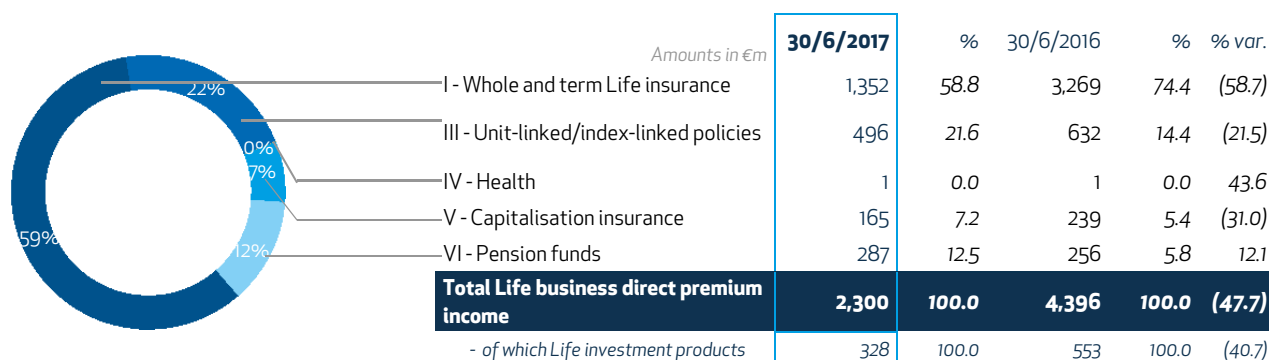
The following new products began being marketed in the first half of 2017:

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

Life business

Life business **direct premiums**, representing nearly all of the premium income, amounted to a total of €2,300m (€4,396m at 30/6/2016, -47.7%), of which €328m in investment products primarily relating to class III (€553m at 30/6/2016), broken down as follows:

Life business direct premiums



The Group has confirmed its strategic decision to limit flows of traditional products with returns linked to segregated accounts and to orient sales network offers towards multisegment and linked products.

New business in terms of **APE**, net of non-controlling interests, amounted to €205m at 30 June 2017 (€265m at 30/6/2016, -22.6%), of which €71m contributed by bancassurance companies and €135m by traditional companies.

The **expense ratio** for Life direct business stood at 6.1% (3.4% at 30/6/2016).

Pension Funds

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

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

At 30 June 2017 the assets of the **Open-ended Pension Funds** managed by the companies UnipolSai, Popolare Vita and BIM (UnipolSai Previdenza FPA, Fondo Pensione Aperto Popolare Vita, Fondo Pensione Aperto BIM Vita) reached a total of €893m with 44,855 members. At 31 December 2016, the assets of the Open-ended Pension Funds amounted to €881m, with 45,133 members.

Life premiums of the main Group insurance companies

Direct premiums for **UnipolSai** alone were equal to €1,416m (€1,593m at 30/6/2016, -11.1%). Class VI Pension Funds, with premiums of €284m, rose by 12.2%, while Class I Traditional Policies, which with €910m accounted for 64.3% of total premiums, declined by 19.2%. Class V Capitalisation policies were also down (-24.1%).

UnipolSai Assicurazioni Spa - Life business direct premiums

	30/6/2017	% comp.	30/6/2016	% comp.	% var.
<i>Amounts in €m</i>					
I Whole and term life insurance	910	64.3	1,126	70.7	(19.2)
III Unit-linked/index-linked policies	73	5.1	18	1.1	302.7
- of which investment products	73	5.1	18	1.1	303.8
IV Health	1	0.1	1	0.0	48.3
V Capitalisation insurance	147	10.4	194	12.2	(24.1)
VI Pension funds	284	20.1	253	15.9	12.2
- of which investment products	13	0.9	14	0.9	(9.5)
Total Life business	1,416	100.0	1,593	100.0	(11.1)
- of which investment products	86	6.0	32	2.0	166.1

As a result of the gradual shifting of the Life offer from traditional products to products with more financial content, business in the individual policy segment contracted by 20.5%, due mainly to the decline in premiums from traditional products in Class V (-32.5%) and in Class I (-25.4%), linked to the segregated accounts. On the other hand, income rose for Unit-linked and Multisegment (Class III) products, which posted an increase in first year premiums (+42.3%) as a result of the good performance of the recurring single premium multisegment product.

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

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The bancassurance channel, consisting of the companies of the Arca Vita Group and the Popolare Vita Group, achieved direct premiums of €826m (-69.9%), with premiums of the **Arca Group** (Arca Vita and Arca Vita International) totalling €370m (-72.8%) and those of the **Popolare Vita Group** (Popolare Vita and The Lawrence Life) totalling €456m (-67%).

As already noted, on 29 June 2017 UnipolSai approved the cancellation of the distribution agreement in place with Banco BPM and the simultaneous exercise of the put option on the stake held in Popolare Vita.

Reinsurance

Unipol Group reinsurance policy

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

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

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

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

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

Banking Sector performance

As already illustrated extensively in the Information on significant events during the first six months section, at the end of the first half the Group's banking sector was subject to a Restructuring plan which significantly impacted its profit. Please refer to the above-mentioned section for detailed information. Meanwhile, the following table shows the main items in the **income statement of the Banking sector**, set out in the layout specified for banks:

Income Statement - Banking business

	<i>Amounts in €m</i>	30/6/2017	30/6/2016	% var.
Net interest income		110	110	0.2
Net commission income		63	49	30.0
Other net financial income		1	15	(93.2)
Gross operating income		174	174	0.2
Net reversals due to impairment of financial assets		(962)	(21)	
Net financial income		(787)	153	
Operating expenses		152	151	
Pre-tax profit (loss)		(940)	2	

The **pre-tax result** of the Banking Sector at 30 June 2017 was a loss of €940m (profit of €2m at 30/6/2016), after making net value adjustments on financial assets of €962m (€21m at 30/6/2016), of which €920m relating to the Unipol Banca loan portfolio and €38m on available-for-sale financial assets.

At 30 June 2017, **Investments and cash and cash equivalents** of the Banking sector totalled €11,272m (€11,873m at 31/12/2016), of which €8,620m in Loans and receivables from bank customers (€9,165m at 31/12/2016).

Bank direct customer deposits amounted to €10,492m (€10,535m at 31/12/2016), of which:

- €395m in subordinated loans (€491m at 31/12/2016);
- €1,998m in debt securities issued (€1,999m at 31/12/2016);
- €8,099m in payables to customers (€8,044m at 31/12/2016).

Interbank payables totalled €503m (€695m at 31/12/2016).

Operating performance of Unipol Banca

In the first half of 2017, the Bank surpassed the threshold of 500,000 customers (510,614 at 30 June 2017, +2.6% compared to the end of 2016) and the number of ordinary accounts rose by 3.1% compared to the end of 2016 (equal to 374,254). On the other hand, business from the agency channel remained stable (+0.2%). Overall, new current accounts (equal to around 27,000) fell by 5.1% with respect to the first half of 2016, with an *acquisition rate* of 14.9% (16.4% in the first half of 2016). The figure on account closures improved to around 15,700 during the half (-2.1% compared to June 2016) and the *churn rate* was 8.7%, a clear improvement with respect to 9.3% in the first half of 2016.

Direct funding at 30 June 2017 remained stable at €10.5bn (-0.4%) with the volumes of the Unipol Group (+€226m) partially offsetting the decline recorded for ordinary customers (-€267m).

The analysis by type of technical form showed a recovery in fixed-term deposits (+€554m, of which €357m relating to Unipol Group companies), to the detriment of sight deposits (-€499m, of which €251m from Businesses). The medium/long-term component (bonds and securities issued by securitisation vehicles placed in the market) was down €95m (-3.8% with respect to the end of 2016) to €2.4bn, equal to 23.1% of total direct deposits (23.9% in December 2016). In particular, in terms of Unipol Banca bonds, during the semester notes of €526m were repaid compared to €180m in new placings and €16m in repurchases from customers (net of sales). To partly cover the deficit generated on bonds, notes of

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€407m (nominal value) issued by the vehicle Grecale RMBS 2015 were sold to institutional customers as part of the securitisation completed in 2016 (previously repurchased by the Bank).

Indirect funding at 30 June 2017 totalled €51.4bn, up by €783m (+1.5% compared to the end of 2016), due to the growth recorded for ordinary customers (+€882m, +18.5%) while the Unipol Group remained stable (-0.2%).

Within the assets under management of ordinary customers, equal to €2,669m (+11.8%), there was significant growth in mutual investment funds of €1.6bn (+19.4%) and in managed portfolios of €220m (+6.9%), while life policies remained stable at €800m. Funds under custody amounted to €2,975m, marking an increase of 25.2%.

At 30 June 2017, **receivables from customers**, gross of value adjustments, were €11.3bn, up €1bn (+9.9%) with respect to 2016 due, *inter alia*, to the recognition of a receivable from the parent Unipol of €670.4m relating to the price agreed for the early termination of the indemnity agreement. Receivables from customers, net of valuation reserves, up significantly due to the decision to increase coverage on impaired loans, amounted to €8.5bn (-6% compared to 2016). Performing loans, gross of value adjustments, rose by 14.5%. On the other hand, medium/long-term loans were down, with mortgage loans declining by €204m (-4.8%) and other mortgages and loans by €19m (-2.6%). Part of these decreases can be attributed to transfers to doubtful status.

During the half, gross **impaired loans** rose by 2% (for a total of €74m) and totalled €3,811m. Doubtful loans rose by €335m, primarily due to reclassifications from unlikely to pay and past due loans. Thanks to the increase in valuation reserves and the growth in total loans, the percentage of net impaired loans out of total loans improved from 27.8% at the end of 2016 to 13.2% in June 2017. Please note that nearly the entire doubtful loan portfolio will be included within the set of assets subject to the spin-off and transferred to NewCo.

At 30 June 2017 the net balance towards the banking system was positive for €918m, marking growth of €273m compared to €645m in December 2016. **Receivables from banks** are represented by the balance deposited with the Bank of Italy for the Mandatory Provision (ROB), totalling €1.4bn (up by €235m) and to a residual extent by €58m in deposits and current accounts (€207m at the end of 2016). **Payables to banks** consist of €400m from the ECB (residual amount from the TLTRO auction, after repaying another €240m received at the end of 2016) and €103m in current accounts and deposits (€54m at the end of 2016).

The reclassified **gross operating income** fell by 1.6% to €158m, despite the growth in commission income (net commissions +26.1%) from assets under management. Indeed, other components of the margin were down, with net interest declining by 1.1% (equal to €1m) due to the continuation of negative interbank rates, and financial management which has dropped significantly (-74.2%, equal to €15m) as a result of the elimination of trading activities on the proprietary portfolio. Value adjustments amounted to €958m (€16m at 30/6/2016), including adjustments of Available-for-sale assets of €38m. On the other hand, operating expenses (+0.6%), totalling €143m, were stable.

At 30 June 2017, the result gross of taxes was a loss of €943m (profit of roughly €2m in June 2016), while the net loss was €713m (profit of €2m at 30/6/2016).

Real Estate Sector performance

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

Income Statement - Real Estate Sector

	<i>Amounts in €m</i>	30/6/2017	30/6/2016	% var.
Gains (losses) on financial instruments at fair value through profit or loss			(1)	(100.0)
Gains on other financial instruments and investment property		15	18	(15.2)
Other revenue		14	6	154.8
Total revenue and income		30	23	29.9
Losses on other financial instruments and investment property		(18)	(19)	(3.1)
Operating expenses		(6)	(5)	18.1
Other costs		(22)	(9)	143.3
Total costs and expenses		(46)	(33)	40.6
Pre-tax profit (loss) for the year		(17)	(10)	65.1

The **pre-tax result** at 30 June 2017 was a loss of €17m (-€10m at 30/6/2016), after having effected property write-downs and depreciation of €18m (€10m at 30/6/2016).

Investments and cash and cash equivalents of the Real Estate sector (including instrumental properties for own use) totalled €1,255m at 30 June 2017 (€1,232m at 31/12/2016), consisting of investment property amounting to €545m (€491m at 31/12/2016) and properties for own use totalling €599m (€658m at 31/12/2016).

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

Please note that, on 4 January 2017, upon maturity, Unipol Banca took over for Mediobanca in the disbursement of the €112m loan in favour of the Tikal Closed Real Estate Fund (amount substantially unchanged with respect to 31/12/2016).

Main property transactions

The Group continues to be committed to the development, renovation and requalification of several buildings, some with a view to a subsequent increase in value through their sale or lease, and others for utilisation by the companies in the Group. The main projects, which all began in previous years, have been concentrated in the Milan area, and include:

- the construction of a new multi-storey building for business use in piazza Gae Aulenti (Porta Nuova Garibaldi area);
- activities in preparation for the requalification and completion of a headquarters building for business use in via De Castilia (Porta Nuova-Garibaldi area);
- the requalification of Torre Galfa, via Fara 41, a historical property located at via Pantano 26/Corso di Porta Romana 19 and the office complex located at via Dei Missaglia 97 (named Milano Business Park).

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

As regards sales, in the first half of the year the majority of a broader transaction for the disposal of more than 500 property units owned by Group companies located in various parts of Italy was completed.

In addition, amongst other transactions, two properties located in Genoa (office) and Milan (office/commercial), respectively, were sold for significant amounts and residential units were sold in Milan at via Dei Missaglia (Le Terrazze complex) and via Castellanza.

As regards acquisitions, during the half Unipol Banca, with a view to protecting the value of the assets in the portfolio, acquired several residential property units that were part of larger real estate complexes located in Florence and Padua.

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Holding and Other Businesses Sector Performance

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

Income Statement - Holding and Other Businesses Sector

	<i>Amounts in €m</i>	30/6/2017	30/6/2016	% var.
Commission income		13	13	(3.3)
Gains (losses) on financial instruments at fair value through profit or loss			(6)	(108.4)
Gains on other financial instruments and investment property		4	6	(31.3)
Other revenue		105	93	12.5
Total revenue and income		122	107	14.1
Losses on investments in subsidiaries, associates and interests in joint ventures				(5.1)
Losses on other financial instruments and investment property		(29)	(36)	(19.8)
Operating expenses		(56)	(51)	9.8
Other costs		(177)	(78)	125.9
Total costs and expenses		(262)	(166)	58.0
Pre-tax profit (loss) for the year		(139)	(58)	138.7

The **pre-tax result** at 30 June 2017 was a loss of €139m (-€58m at 30/6/2016) due in particular to the cost of €105m recognised by the holding company Unipol as a result of the termination of the credit indemnity agreement with the subsidiary Unipol Banca.

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

At 30 June 2017 the **Investments and the cash and cash equivalents** of the Holding and Other Businesses sector (including properties for own use for €172m) were €1,192m (€1,600m at 31/12/2016). During the period the subsidiary Unipol Investment purchased shares of UnipolSai for €236m.

Financial liabilities were €1,616m (€1,948m at 31/12/2016) and mainly consist of the following:

- for €1,278m by two senior bond loans issued by Unipol with a total nominal value of €1,317m (€1,609m at 31/12/2016, relating to three bond loans with a total nominal value of €1,616m). On 11 January 2017, the senior bond loan with a 7-year duration and a fixed interest rate of 5% was repaid upon maturity for €299m;
- for €268m by loans payable in place with the subsidiary UnipolSai (unchanged compared to 31/12/2016).

As regards the **hotel sector** in particular, activities were launched for the integration of the Atahotels and Una Hotels structures following the acquisition of the UNA SpA hotel management business unit in the final days of last year.

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

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

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

The pre-tax profit that the **holding company Unipol** recorded at 30 June 2017 was €175m (€255m at 30/6/2016) and included dividends collected from Group companies, eliminated in the consolidation process, of €280m (€297m at 31/12/2016).

Following the above-mentioned early termination of the credit indemnity agreement with the subsidiary Unipol Banca, Unipol recognised an expense of €105m (provision for risks and charges of €10m recognised at 30/6/2016). Commission income accrued over the period amounted to €13m, in line with 30 June 2016.

Interest expense on the bond loans issued was €27m at 30 June 2017 (€34m at 30/6/2016).

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Asset and financial performance

Investments and cash and cash equivalents

At 30 June 2017, Group **Investments and cash and cash equivalents** totalled €71,145m (€83,428m at 31/12/2016), after reclassifying €10,772m pursuant to IFRS 5, with the following breakdown by business segment:

Investments and cash and cash equivalents - Breakdown by business segment

	Amounts in €m	30/6/2017	% comp.	31/12/2016	% comp.	% var.
Insurance sector		60,419	84.9	71,336	85.5	(15.3)
Banking sector		11,272	15.8	11,873	14.2	(5.1)
Holding and other businesses sector		1,192	1.7	1,600	1.9	(25.5)
Real Estate sector		1,255	1.8	1,232	1.5	1.9
Intersegment eliminations		(2,993)	(4.2)	(2,612)	(3.1)	14.6
Total Investments and cash and cash equivalents		71,145	100.0	83,428	100.0	(14.7)

The breakdown for investment category is the following:

	Amounts in €m	30/6/2017	% comp.	31/12/2016	% comp.	% var.
Property (*)		3,883	5.5	3,873	4.6	0.3
Investments in subsidiaries, associates and interests in joint ventures		90	0.1	86	0.1	4.9
Held-to-maturity investments		1,204	1.7	1,319	1.6	(8.7)
Loans and receivables		13,622	19.1	14,823	17.8	(8.1)
<i>Debt securities</i>		4,060	5.7	4,358	5.2	(6.8)
<i>Loans and receivables from bank customers</i>		7,607	10.7	8,527	10.2	(10.8)
<i>Interbank loans and receivables</i>		1,422	2.0	1,335	1.6	6.5
<i>Deposits with ceding companies</i>		21	0.0	21	0.0	1.0
<i>Other loans and receivables</i>		512	0.7	583	0.7	(12.1)
Available-for-sale financial assets		44,938	63.2	52,540	63.0	(14.5)
Financial assets at fair value through profit or loss		6,910	9.7	10,285	12.3	(32.8)
<i>of which held for trading</i>		469	0.7	309	0.4	52.0
<i>of which at fair value through profit or loss</i>		6,441	9.1	9,976	12.0	(35.4)
Cash and cash equivalents		499	0.7	503	0.6	(0.9)
Total investments and cash and cash equivalents		71,145	100.0	83,428	100.0	(14.7)

(*) Including properties for own use

Transactions carried out in the first half of 2017

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

In the first half of 2017 the investment policies adhered, 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 Investment Policy. To that end, transactions 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 standard of portfolio quality through a process for the selection of issuers based on the criteria of issuer diversification and strength, placing particular attention on the liquidity profile.

The **bond segment** was the main focus of operations, mainly affecting Italian government bonds and non-government bonds, applying a medium/long-term investment approach.

During the half, exposure to the securities of government issuers decreased by roughly €1,031m, of which €751m in the Life sector and around €280m in the Non-Life sector, and concerned primarily Italian government bonds, with a view to boosting the diversification of the government issuers present in the portfolio. In the Life sector, measures were taken in line with the ALM requirements of the Segregated Funds and to continue the rationalisation of the maturity dates of liabilities with covering assets. This activity, which took into account contractual commitments and the goals of the Business Plan, was also implemented by using zero-coupon government bonds, which allow the monitoring of minimum guaranteed returns.

In the Non-Life portfolio, positions in derivatives were increased marginally to mitigate the risk of a rise in interest rates.

The non-government component of bonds saw a modest increase in overall exposure, €114m primarily in the Life sector. The policies for the management of this asset class were greater issuer diversification and optimising the risk/return profile of the existing portfolio. Transactions involved primarily financial and industrial securities, both senior and subordinated.

Asset portfolio simplification activities also continued during the first half of 2017. There was a €10.6m overall reduction in exposure to Level 2 and 3 structured bonds.

	30/06/2017			31/12/2016			variation	
	Carrying amount	Market value	Implied +/-	Carrying amount	Market value	Implied +/-	Carrying amount	Market value
Structured securities - Level 1	81	80		82	81	(1)	(1)	(1)
Structured securities - Level 2	942	896	(46)	947	904	(43)	(5)	(8)
Structured securities - Level 3	356	336	(20)	361	326	(35)	(5)	10
Total structured securities	1,379	1,313	(66)	1,390	1,310	(80)	(11)	3

Share exposure increased during the first half of 2017 by €659m. Transactions were broken down based on individual shares and ETFs (Exchange Traded Funds), representing share indexes. Almost all equity instruments belong to the main European share indexes. The put options on the Eurostoxx50 index were also revalued on the equity portfolio in order to mitigate volatility and preserve the value of the portfolio.

Exposure to **alternative funds**, a category that includes Private Equity Funds, Hedge Funds and investments in Real Assets, amounted to €668m, a net increase by €27m relative to 31 December 2016. During the half, the Atlante Fund was written down to an extent corresponding to the impairment estimated as a result of the elimination of the value of the investee Veneto Banks, with a negative impact of roughly €61.6m.

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

1 Management Report

The overall portfolio duration was 5.25 years for the Group, a marginal reduction with respect to 5.37 years at the end of 2016. In the Group's insurance portfolio, the Non-Life duration was 3.20 years (3.48 years at the end of 2016), the Life duration was 6.03 years (6.12 years at the end of 2016) and the Holding duration was 1.04 years, up with respect to the end of last year (0.69) due to the decrease in liquidity held in the portfolio as a result of the repayment, upon maturity, of a bond loan at the start of the year.

The fixed rate and floating rate components of the bond portfolio amounted respectively to 85.3% and 14.7%. The government component accounted for approximately 70.8% of the bond portfolio whilst the corporate component accounted for the remaining 29.2%, split into 22.6% *financial* and 6.6% *industrial* credit.

88.9% of the bond portfolio was invested in securities with ratings above BBB-. 2.5% of the total is positioned in classes AAA to AA-, while 5.8% of securities had an A rating. The exposure to securities in the BBB rating class was 80.6%. Italian government bonds accounted for 59.8% of the total bond portfolio.

Net gains on investments and financial income

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

Net investment income

	<i>Amounts in €</i>	30/6/2017	30/6/2016	% var.
Investment property		8	(3)	(409.7)
Gains/losses on investments in subsidiaries and associates and interests in joint ventures		3	2	61.6
Net gains on held-to-maturity investments		26	31	(15.6)
Net gains on loans and receivables		(856)	214	(500.3)
Net gains on available-for-sale financial assets		914	1,009	(9.4)
Net gains on held-for-trading financial assets and at fair value through profit or loss (*)		35	(157)	(122.3)
Balance on cash and cash equivalents			1	(56.2)
Total net gains on financial assets, cash and cash equivalents		129	1,096	(88.2)
Net losses on held-for-trading financial liabilities and at fair value through profit or loss (*)		(1)	(5)	(78.7)
Net losses on other financial liabilities		(101)	(122)	(17.2)
Total net losses on financial liabilities		(102)	(126)	(19.5)
Total net gains (*)		27	970	(97.2)
Net gains on financial assets at fair value (**)		121	(66)	
Net losses on financial liabilities at fair value (**)		(39)	29	
Total net gains on financial instruments at fair value (**)		82	(36)	
Total net gains on investments and net financial income		109	933	(88.3)

(*) 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 for which investment risk is borne by customers (index- and unit-linked) and arising from pension fund management

Net income at 30 June 2017, totalling €27m compared to €970m at 30 June 2016, included the write-downs of €1,025m relating to the portfolio of loans of Unipol Banca, carried out as part of the Group's Banking sector restructuring plan described previously (€26m at 30/6/2016).

Impairment losses on financial instruments classified in the available-for-sale asset category amounted to €64m (€7m at 30/6/2016), of which €61.6m relating to the Atlante Fund. Investment property included €17m in depreciation and €1m in write-downs (respectively €18m and €5m at 30/6/2016).

Shareholders' equity

At 30 June 2017, shareholders' equity amounted to €7,182m (€8,134m at 31/12/2016). **Shareholders' equity attributable to the owners of the Parent** amounted to €5,052m (€5,649m at 31/12/2016) and was broken down as follows:

<i>Amounts in €m</i>	30/06/2017	31/12/2016	<i>variation in amount</i>
Share capital	3,365	3,365	
Capital reserves	1,729	1,725	5
Income-related and other equity reserves (Treasury shares)	(68)	(282)	214
Reserve for foreign currency translation differences	3	2	1
Gains/losses on available-for-sale financial assets	551	536	16
Other gains or losses recognised directly in equity	(13)	1	(14)
Profit (loss) for the year	(489)	330	(818)
Total shareholders' equity attributable to the owners of the Parent	5,052	5,649	(597)

The main changes over the year were as follows:

- a decrease of €128m due to dividend distribution;
- an increase of €16m owing to the increase in the provision for gains and losses on available-for-sale financial assets, from €536m at 31 December 2016 to €551m at 30 June 2017;
- €14m decrease owing to the decrease in the reserve for Other gains or losses recognised directly in equity;
- €489m decrease due to the Group loss at 30 June 2017.

Shareholders' equity attributable to non-controlling interests was €2,130m (€2,485m at 31/12/2016). During the half, dividends of €190m were paid to non-controlling interests and 115,740,000 UnipolSai shares were acquired for consideration of €236m.

Treasury shares

At 30 June 2017 treasury shares held by Unipol and its subsidiaries were equal to 8,612,056 (8,587,056 at 31/12/2016), of which 4,760,207 held directly (equal to around 0.66% of the share capital). The increase of 25,000 shares related to the acquisition by the subsidiary Finitalia in the service of compensation plans based on financial instruments (performance share type), intended for Company executives.

On 3 July 2017 the second tranche was allocated in implementation of the compensation plan based on financial instruments for the period 2013-2015 (3,328,591 Unipol shares).

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Technical provisions and financial liabilities

At 30 June 2017, technical provisions amounted to €54,116m (€64,110m at 31/12/2016) after reclassifying €9,364m in technical provisions almost exclusively relating to the Life business pursuant to IFRS 5, and financial liabilities amounted to €15,124m, after reclassifying financial liabilities of €977m pursuant to IFRS 5 (€16,898m at 31/12/2016).

Technical provisions and financial liabilities

	Amounts in €m	30/6/2017	31/12/2016	% var.
Non-Life technical provisions		15,870	15,862	0.1
Life technical provisions		38,246	48,248	(20.7)
Total technical provisions		54,116	64,110	(15.6)
Financial liabilities at fair value		2,295	3,265	(29.7)
<i>Investment contracts - insurance companies</i>		2,021	2,820	(28.3)
<i>Other</i>		274	445	(38.4)
Other financial liabilities		12,829	13,633	(5.9)
<i>Subordinated liabilities</i>		2,400	2,519	(4.7)
<i>Payables to bank customers</i>		6,292	6,313	(0.3)
<i>Interbank payables</i>		503	695	(27.6)
<i>Other</i>		3,633	4,107	(11.5)
Total financial liabilities		15,124	16,898	(10.5)
Total		69,240	81,008	(14.5)

Unipol Group Debt

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

Group debt structure (excluding net interbank business)

	Amounts in €m	30/6/2017	31/12/2016	variation in amount
Subordinated liabilities issued by UnipolSai		2,006	2,027	(21)
Subordinated liabilities issued by Unipol Banca		394	491	(97)
Debt securities issued by Unipol Banca		1,996	1,996	
Debt securities issued by Unipol		1,271	1,602	(331)
Other loans		164	275	(111)
Total debt		5,831	6,392	(560)

Debt securities issued by Unipol decreased as a result of the repayment upon maturity of the 2017 unsecured senior bond loan with a nominal value of €299m.

With respect to **Other loans**, equal to €164m (€275m at 31/12/2016), €159m related to the loan obtained by the Athens Real Estate Fund 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, eliminated during the consolidation process). The decrease of €111m referred to the repayment upon maturity of the Tikal Real Estate Fund loan, which was subscribed in full with Unipol Banca on 4 January 2017 and therefore eliminated in the consolidation process.

Transactions with related parties

The "Procedure for related party transactions" (the "Procedure"), prepared in accordance with Art. 4 of Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments, was approved by Unipol's Board of Directors on 6 October 2016 with effect from that date. The Procedure is published on Unipol's website (www.unipol.it), in the Section Corporate Governance/Related party transactions.

The Procedure defines the rules, methods and principles that ensure the transparency and substantive and procedural fairness of the transactions with related parties executed by Unipol, either directly or through its subsidiaries.

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

Considering that Unipol controls UnipolSai, both the Project as a whole and the Disposals were qualified:

- i) by both parties as transactions with related parties "of major significance" pursuant to Consob Regulation no. 17221 of 12 March 2010 and the procedures for transactions with related parties adopted, respectively, by Unipol and UnipolSai;
- ii) by Unipol, also as transactions with an associated party pursuant to Bank of Italy Circular no. 263 of 27 December 2006, Title V, Chapter 5 and the "Procedure for the management of related party transactions" applicable to Unipol in its capacity as Parent of the Unipol Banking Group.

Having assessed the characteristics of the Project, to further guarantee the substantive and procedural fairness of the entire decision-making process, Unipol decided to apply, on a voluntary basis, the corporate and procedural oversight mechanisms established for related party transactions of major significance and for transactions with associated parties, although it was specifically exempted from such procedures.

The Project and the Disposals were therefore submitted by Unipol and by UnipolSai to the respective Committees for transactions with related parties for approval, which were respectively supported, for valuation aspects, by Towers Watson Italia S.r.l. and by Deloitte Financial Advisory S.r.l., and for legal aspects by Chiomenti and BonelliErede.

With respect to the valuation activities and the determination of the Disposal consideration, Unipol also obtained the independent opinion of Colombo & Associati S.p.A., whereas UnipolSai obtained the opinion of Studio Laghi S.r.l.

The Unipol Committee for Transactions with Related Parties expressed its favourable opinion (i) on the Project and the Disposals, (ii) on the cost effectiveness and substantial fairness of the relative economic, financial and legal conditions and (iii) on the fairness of the preliminary investigation and decision-making procedures followed by the Company.

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

In the first half of 2017, no transactions with related parties of minor relevance were carried out. Exempt transactions included the following:

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

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

Other Information

Authorisation to the use of the Partial Internal Model in the determination of the solvency capital requirement for the companies UnipolSai and Arca Vita

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

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

On 30 January 2017, FTSE Russell (a partnership brand of FTSE International Limited and Frank Russell Company) confirmed that UnipolSai Assicurazioni satisfies the requirements to be included in the FTSE4Good Index Series.

This index measures the performance of companies that apply rigorous environmental, social and governance (ESG) practices and, therefore, their conduct in areas such as the fight against climate change, governance, respect for human rights and the fight against corruption.

The UnipolSai security obtained an absolute score of 3.4 out of 5. This milestone was achieved thanks to constant monitoring of all activities and sustainability results, which represent an important element of credibility and transparency in the dialogue with our stakeholders.

A company's presence within the sustainability indexes is of increasing interest in the assessments of investors which ever more frequently consider non-financial parameters in their portfolio decisions, as sustainable businesses are considered less risky in the medium/long term.

Partnership between UnipolSai Assicurazioni and Ducati Corse for the MotoGP World Championship

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

Significant events after the reporting period and business outlook

Significant events after the reporting period

Banking sector restructuring plan

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

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

- on 31 July 2017, Unipol and Unipol Banca entered into the **Agreement for the early Termination of the credit indemnity agreement**, signed on 3 August 2011, and as subsequently amended, effective as of 30 June 2017, defining the indemnity due from Unipol to Unipol Banca as €670.4m. A first tranche equal to €170.4m was paid by Unipol to Unipol Banca on the same date; the remainder, of €500m, will be paid in 10 annual instalments of €50m each at 31 July of each year starting on 31 July 2018, plus interest to be calculated in arrears at an annual rate of 2.75% and without prejudice to Unipol's right to pay the remaining amount early, in a lump sum, at each annual interest payment due date;

- on 31 July 2017, Unipol and UnipolSai Assicurazioni made a **non-repayable capital account contribution** (which therefore will not be repeated and is not reimbursable) to Unipol Banca for a total of **€900m**, respectively for €519.74m and €380.26m, in order to replenish the capital of Unipol Banca to no lower than the Bank's capital ratios preceding the write-downs on loans recognised, also taking into account the capital of the Bank which will be allocated to NewCo at the time of the Spin-Off. As these payments are not repayable, they are eligible for calculation for supervisory purposes amongst the elements of the bank's individual highest quality own funds (CET 1).

Pursuant to the put/call option contract in place between Unipol and UnipolSai on a share of 27.49% of the share capital of Unipol Banca (with a put exercise price of €331.6m at 30 June 2017), it is established that in the case of payments and/or contributions of any nature whatsoever, provided there is no repayment obligation, that definitively increase the shareholders' equity of Unipol Banca, the consideration of the put will be increased by the corresponding amount. Please recall that the five-year option contract will expire on 6 January 2019;

- on 2 August 2017, Unipol Banca approved the **Project for the proportional partial spin-off** in favour of a NewCo to be established, of a company complex inclusive, inter alia, of a portfolio of doubtful loans in the amount of €2,936m, gross of value adjustments, and €587m net of value adjustments.

The actual amount of the Doubtful loans to be transferred was determined on the basis of the bank's half-yearly accounting statement at 30 June 2017, after the (i) adjustment of the value of the Doubtful loans, in accordance with conditions currently prevailing in the market for disposal transactions, and (ii) the strengthening of the average rate of coverage of unlikely to pay positions, which remained within Unipol Banca, to the best levels of the banking system. The NewCo will have the same shareholders as Unipol Banca in equal proportions, i.e., Unipol will hold 57.75% and UnipolSai 42.25%.

Pursuant to the contractual agreements in force, the put/call option referenced above on the Unipol Banca shares also automatically extends to the shares issued at the time of the spin-off for a share corresponding to 27.49%, without triggering any changes on the put exercise price.

In addition, before the Spin-Off becomes effective, but after obtaining the necessary authorisations from the competent Authorities, it is established that Unipol and UnipolSai will disburse a shareholder loan to Unipol Banca for a total of €300m, which will be included in the assets subject to the spin-off to be transferred to NewCo.

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

1 Management Report

Other information

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

Business outlook

After 30 June 2017 there were no significant changes in the macroeconomic scenario. At its meeting on 20 July, the ECB, in light of the ongoing economic recovery in the Eurozone, confirmed its current monetary policy, without specifying the timing for removing the monetary stimulus measures, pending growth in inflation. All this reflects on financial investments and on the financial management, which continues to be aimed at the consistency of assets and liabilities, optimising the risk-return profile of the portfolio and pursuing selectively an adequate diversification of the risks.

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

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

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

In the Banking sector, the weeks following 30 June 2017, the date of the announcement to the market of the restructuring transaction, saw the companies concerned involved in analyses and in the preparation of the set of information required for discussions with the various Authorities to obtain the necessary authorisations.

Bologna, 3 August 2017

The Board of Directors

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

Tables of Consolidated Financial Statements

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

2 Consolidated Financial Statements

Statement of Financial Position

Assets

		<i>Amounts in €m</i>	30/6/2017	31/12/2016
1	INTANGIBLE ASSETS		1,981.1	2,019.0
1.1	Goodwill		1,590.8	1,591.7
1.2	Other intangible assets		390.3	427.3
2	PROPERTY, PLANT AND EQUIPMENT		1,853.5	1,886.0
2.1	Property		1,610.6	1,648.8
2.2	Other tangible assets		242.9	237.2
3	TECHNICAL PROVISIONS - REINSURERS' SHARE		938.8	878.0
4	INVESTMENTS		69,035.9	81,276.0
4.1	Investment property		2,272.0	2,223.8
4.2	Investments in subsidiaries, associates and interests in joint ventures		89.7	85.6
4.3	Held-to-maturity investments		1,204.0	1,319.3
4.4	Loans and receivables		13,621.7	14,822.9
4.5	Available-for-sale financial assets		44,937.9	52,539.6
4.6	Financial assets at fair value through profit or loss		6,910.5	10,284.8
5	SUNDRY RECEIVABLES		2,563.2	3,324.9
5.1	Receivables relating to direct insurance business		1,083.0	1,498.0
5.2	Receivables relating to reinsurance business		116.7	99.7
5.3	Other receivables		1,363.4	1,727.2
6	OTHER ASSETS		13,043.0	2,010.0
6.1	Non-current assets or assets of a disposal group held for sale		11,003.7	207.8
6.2	Deferred acquisition costs		88.2	90.5
6.3	Deferred tax assets		1,164.5	1,007.9
6.4	Current tax assets		20.1	36.1
6.5	Other assets		766.6	667.6
7	CASH AND CASH EQUIVALENTS		498.6	503.1
	TOTAL ASSETS		89,914.0	91,896.9

Statement of Financial Position

Shareholders' equity and liabilities

		<i>Amounts in €m</i>	30/6/2017	31/12/2016
1	SHAREHOLDERS' EQUITY		7,181.8	8,133.6
1.1	attributable to the owners of the Parent		5,052.0	5,648.8
1.1.1	Share capital		3,365.3	3,365.3
1.1.2	Other equity instruments			
1.1.3	Capital reserves		1,729.4	1,724.6
1.1.4	Income-related and other equity reserves		(67.6)	(281.7)
1.1.5	(Treasury shares)		(27.9)	(27.8)
1.1.6	Reserve for foreign currency translation differences		3.0	2.2
1.1.7	Gains or losses on available-for-sale financial assets		551.4	535.5
1.1.8	Other gains or losses recognised directly in equity		(13.0)	1.0
1.1.9	Profit (loss) for the year attributable to the owners of the Parent		(488.6)	329.6
1.2	attributable to non-controlling interests		2,129.8	2,484.8
1.2.1	Share capital and reserves attributable to non-controlling interests		1,793.5	2,004.8
1.2.2	Gains or losses recognised directly in equity		238.1	274.6
1.2.3	Profit (loss) for the year attributable to non-controlling interests		98.3	205.4
2	PROVISIONS		436.3	480.7
3	TECHNICAL PROVISIONS		54,115.9	64,109.8
4	FINANCIAL LIABILITIES		15,123.9	16,897.9
4.1	Financial liabilities at fair value through profit or loss		2,294.7	3,264.8
4.2	Other financial liabilities		12,829.2	13,633.0
5	PAYABLES		1,239.1	954.9
5.1	Payables arising from direct insurance business		125.5	150.4
5.2	Payables arising from reinsurance business		128.4	76.4
5.3	Other payables		985.3	728.1
6	OTHER LIABILITIES		11,817.0	1,320.0
6.1	Liabilities associated with disposal groups held for sale		10,459.5	
6.2	Deferred tax liabilities		27.0	33.2
6.3	Current tax liabilities		28.8	53.1
6.4	Other liabilities		1,301.7	1,233.6
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			89,914.0	91,896.9

2 Consolidated Financial Statements

Income Statement

		<i>Amounts in €m</i>	
		30/6/2017	30/6/2016
1.1	Net premiums	5,689.4	7,590.7
1.1.1	<i>Gross premiums earned</i>	5,892.7	7,808.1
1.1.2	<i>Earned premiums ceded to reinsurers</i>	(203.3)	(217.4)
1.2	Commission income	83.1	68.3
1.3	Gains and losses on financial instruments at fair value through profit or loss	115.6	(197.5)
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	3.0	3.6
1.5	Gains on other financial instruments and investment property	1,366.1	1,450.8
1.5.1	<i>Interest income</i>	1,005.1	988.4
1.5.2	<i>Other income</i>	98.9	93.6
1.5.3	<i>Realised gains</i>	247.5	293.8
1.5.4	<i>Unrealised gains</i>	14.7	74.9
1.6	Other revenue	270.4	234.2
1	TOTAL REVENUE AND INCOME	7,527.6	9,150.0
2.1	Net charges relating to claims	(4,860.1)	(6,624.0)
2.1.1	<i>Amounts paid and changes in technical provisions</i>	(4,954.7)	(6,689.4)
2.1.2	<i>Reinsurers' share</i>	94.5	65.4
2.2	Commission expense	(22.0)	(19.5)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	(0.5)	(2.1)
2.4	Losses on other financial instruments and investment property	(1,375.0)	(321.3)
2.4.1	<i>Interest expense</i>	(98.9)	(117.9)
2.4.2	<i>Other charges</i>	(25.9)	(27.2)
2.4.3	<i>Realised losses</i>	(66.9)	(72.3)
2.4.4	<i>Unrealised losses</i>	(1,183.3)	(103.9)
2.5	Operating expenses	(1,351.7)	(1,363.5)
2.5.1	<i>Commissions and other acquisition costs</i>	(864.9)	(867.1)
2.5.2	<i>Investment management expenses</i>	(45.1)	(53.9)
2.5.3	<i>Other administrative expenses</i>	(441.7)	(442.4)
2.6	Other costs	(434.3)	(425.2)
2	TOTAL COSTS AND EXPENSES	(8,043.6)	(8,755.6)
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	(516.0)	394.4
3	Income taxes	125.6	(118.3)
	PROFIT (LOSS) FOR THE YEAR AFTER TAXES	(390.4)	276.2
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		
	CONSOLIDATED PROFIT (LOSS)	(390.4)	276.2
	<i>of which attributable to the owners of the Parent</i>	(488.6)	160.0
	<i>of which attributable to non-controlling interests</i>	98.3	116.1

Comprehensive Income Statement

	Amounts in €m	30/6/2017	30/6/2016
CONSOLIDATED PROFIT (LOSS)		(390.4)	276.2
Other income items net of taxes not reclassified to profit or loss		(17.7)	(18.2)
Change in the shareholders' equity of the investees		3.7	(15.1)
Change in the revaluation reserve for intangible assets			
Change in the revaluation reserve for property, plant and equipment		(20.7)	
Gains and losses on non-current assets or disposal groups held for sale			
Actuarial gains and losses and adjustments relating to defined benefit plans		(0.7)	(3.1)
Other items			
Other income items net of taxes reclassified to profit or loss		(16.2)	(182.3)
Change in the reserve for foreign currency translation differences		0.9	(0.7)
Gains or losses on available-for-sale financial assets		(24.0)	(212.6)
Gains or losses on cash flow hedges		6.9	30.9
Gains or losses on hedges of a net investment in foreign operations			
Change in the shareholders' equity of the investees			
Gains and losses on non-current assets or disposal groups held for sale			
Other items			
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)		(33.9)	(200.5)
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE)		(424.3)	75.7
<i>of which attributable to the owners of the Parent</i>		<i>(486.1)</i>	<i>63.2</i>
<i>of which attributable to non-controlling interests</i>		<i>61.8</i>	<i>12.4</i>

2 Consolidated Financial Statements

Statement of Changes in Shareholders' equity

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

		Balance at 31/12/2016	Changes to closing balances	Amounts allocated	Adjustments from reclassificati on to profit or loss	Transfers	Changes in investments	Balance at 30/6/2017
		<i>Amounts in €m</i>						
Equity attributable to the owners of the Parent	Share capital	3,365.3						3,365.3
	Other equity instruments							
	Capital reserves	1,724.6		4.8				1,729.4
	Income-related and other equity reserves (Treasury shares)	(281.7) (27.8)		306.9 (0.1)		(106.7)	14.0	(67.6) (27.9)
	Profit (loss) for the year	329.6		(690.6)		(127.6)		(488.6)
	Other comprehensive income (expense)	538.8	(0.0)	114.2	(60.3)	(20.9)	(30.4)	541.3
	Total attributable to the owners of the Parent	5,648.8	(0.0)	(264.8)	(60.3)	(255.2)	(16.4)	5,052.0
	Equity attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	2,004.8		15.2			(226.5)
Profit (loss) for the year		205.4		83.1		(190.2)		98.3
Other comprehensive income (expense)		274.6	(0.0)	(40.2)	(26.7)	(0.0)	30.4	238.1
Total attributable to non-controlling interests		2,484.8	(0.0)	58.1	(26.7)	(190.2)	(196.1)	2,129.8
Total	8,133.6	(0.0)	(206.8)	(87.0)	(445.5)	(212.6)	7,181.8	

Statement of Cash Flows (indirect method)

	Amounts in €m	30/06/2017	30/06/2016
Pre-tax profit (loss) for the year		(516.0)	394.4
Change in non-monetary items		1,164.2	664.0
Change in Non-Life premium provision		120.1	31.8
Change in claims provision and other Non-Life technical provisions		(171.8)	(357.4)
Change in mathematical provisions and other Life technical provisions		(200.3)	1,119.9
Change in deferred acquisition costs		2.3	(2.9)
Change in provisions		(43.9)	(41.7)
Non-monetary gains and losses on financial instruments, investment property and investments		896.1	119.8
Other changes		561.7	(205.4)
Change in receivables and payables generated by operating activities		988.8	456.9
Change in receivables and payables relating to direct insurance and reinsurance		432.6	406.0
Change in other receivables and payables		556.3	50.8
Paid taxes		(72.2)	(6.5)
Net cash flows generated by/used for monetary items from investing and financing activities		(547.8)	935.7
Liabilities from financial contracts issued by insurance companies		157.7	423.7
Payables to bank and interbank customers		(211.7)	92.4
Loans and receivables from banks and interbank customers		(215.4)	484.8
Other financial instruments at fair value through profit or loss		(278.5)	(65.3)
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES		1,017.0	2,444.6
Net cash flow generated by/used for investment property		(21.9)	(13.1)
Net cash flow generated by/used for investments in subsidiaries, associates and interests in joint ventures		(0.6)	0.2
Net cash flow generated by/used for loans and receivables		(111.2)	43.3
Net cash flow generated by/used for held-to-maturity investments		116.5	85.8
Net cash flow generated by/used for available-for-sale financial assets		320.0	(1,788.9)
Net cash flow generated by/used for property, plant and equipment and intangible assets		(84.6)	(221.3)
Other net cash flows generated by/used for investing activities		145.2	11.7
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES		363.5	(1,882.3)
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		(0.1)	(0.6)
Dividends distributed attributable to the owners of the Parent		(127.6)	(128.0)
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests		(426.1)	(382.0)
Net cash flow generated by/used for subordinated liabilities and equity instruments		(97.1)	(44.6)
Net cash flow generated by/used for other financial liabilities		(686.8)	(87.0)
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES		(1,337.7)	(642.3)
Effect of exchange rate gains/losses on cash and cash equivalents			
CASH AND CASH EQUIVALENTS AT 1 JANUARY		503.1	874.4
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (*)		42.9	(79.9)
CASH AND CASH EQUIVALENTS AT 30 JUNE (*)		545.9	794.5

(*) Cash and cash equivalents at 30 June 2017 include Cash and cash equivalents of non-current assets or assets of a disposal group held for sale (€47.3m)

3. Notes to the Financial Statements

1. Basis of presentation

The condensed consolidated half-yearly financial statements of the Unipol Group at 30 June 2017 are drawn up in application of IAS 34 and in compliance with the provisions of Art.154-ter of Italian Legislative Decree 58/1998 (Consolidated Law on Finance) and with ISVAP Regulation no. 7 of 13 July 2007. They do not comprise all the information required for the annual financial statements and must be read together with the integrated consolidated financial statements at 31 December 2016.

The layout conforms to the provisions of ISVAP Regulation no. 7 of 13 July 2007, Part III as amended, relating to the layout of the Consolidated Financial Statements of insurance and reinsurance companies that must adopt international accounting standards.

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

The details that are no longer included in the consolidated Half-Yearly Financial Report of the Unipol Group are listed hereunder. The related information, if required in application of IAS 34, has already been included in the Notes to the financial statements:

- Details of property, plant and equipment and intangible assets;
- Details of technical provisions – reinsurers' share;
- Details of financial assets;
- Details of assets and liabilities relating to insurance contracts where the investment risk is borne by policyholders and arising from pension fund management;
- Details of technical provisions;
- Details of financial liabilities;
- Assets and liabilities at fair value on a recurring and non-recurring basis: breakdown by fair value level;
- Details of changes in level 3 financial assets and liabilities at fair value on a recurring basis;
- Assets and liabilities not measured at fair value: breakdown by fair value level.

The condensed consolidated half-yearly financial statements at 30 June 2017 of the Unipol Group comprise the following:

- Statement of Financial Position;
- Income Statement and Comprehensive Income Statement;
- Statement of Changes in Shareholders' Equity;
- Statement of cash flows;
- Notes to the Financial Statements;
- Tables appended to the Notes to the financial statements.

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

The consolidation principles and classification and measurement criteria, as well as the consolidation principles applied when drafting the condensed consolidated half-yearly financial statements at 30 June 2017, are consistent with those used for the consolidated financial statements at 31 December 2016, to which reference is expressly made herein and which are to be considered an integral part of these Notes.

Following the exercise of the put option, by the subsidiary UnipolSai, on the entire stake held in Popolare Vita, equal to 50% of the share capital plus one share, in these consolidated half-yearly financial statements, the financial items regarding the subsidiary Popolare Vita, and its subsidiary The Lawrence Life are disclosed in compliance with IFRS 5. In particular, in the consolidated half-yearly financial statements, all the assets of the company to be sold are reclassified as "Non-current assets or assets of a disposal group held for sale (item 6.1 of the Assets) and the liabilities are similarly reclassified under the single item "Liabilities associated with disposal groups" (item 6.1 of the Liabilities). Both items are measured net of intercompany transactions.

3 Notes to the Financial Statements

By reason of the fact that Popolare Vita cannot be considered as a “discontinued operation”, given that the Unipol Group continues to operate in the bancassurance business with the companies Bim Vita and Incontra of the Arca Group, the items in the Income Statement are disclosed pursuant to the normal rules of a line-by-line consolidation.

While drawing up the condensed consolidated half-yearly financial statements at 30 June 2017, by reason of the fact that it is an interim report, the Management had to make a greater use of evaluations, estimates and assumptions that affect the application of the accounting standards and the amounts related to assets and liabilities, as well as costs and revenue recognised in the accounts. However, it should be noted that, as these are estimates, not necessarily the final results will be the same as amounts disclosed herein. These estimates and assumptions are reviewed on a regular basis. Any changes resulting from the review of the accounting estimates are recognised in the period in which such review is performed and in the related future periods.

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

The condensed consolidated half-yearly financial statements at 30 June 2017 are subject to a limited audit by the company PricewaterhouseCoopers SpA, charged to audit the accounts for the years 2012 to 2020.

Consolidation scope

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

Changes in the consolidation scope compared with 31 December 2016 and other transactions

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

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

On 21 April 2017, the Centro Oncologico Fiorentino Srl in liquidation sold the entire equity investment in the company Florence Centro di Chirurgia Ambulatoriale Srl to the associate Casa di Cura Villa Donatello Spa, at a price of €536,000.00.

On 5 May 2017, the company Unipol Reoco Spa with Sole Shareholder (held 100% by Unipol Banca Spa) was established, with registered office in Bologna, Via Stalingrado no. 37, and share capital of €500,000. The company's scope is the purchase, management, exploitation, restructuring, rationalization, transformation and sale of real estate properties and assets and, more generally, the exercise of real estate activities of any kind whatsoever. In any case, the core business of the company is real estate business that is supplementary to the banking business of the Group to which it belongs.

During the first six months of 2017, the Parent Unipol made three payments for a future capital increase in favour of the subsidiary Unipol Investment, totalling €220,000,000, for the purchase of 115,740,000 shares in UnipolSai, equal to 4.09% of the share capital. Therefore, at 30 June 2017, the percentage of share capital in UnipolSai was 9.99%.

Segment reporting

Segment reporting is provided according to the provisions of IFRS 8 and structured on the basis of the major business segments in which the Group operates:

- Non-Life insurance business;
- Life insurance business;
- Banking business;
- Real estate business;
- Holding and Other Businesses.

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

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

Information about business combinations

It should be noted that, on 29 December 2016, Atahotels and UnipolSai Investimenti SGR (the latter on behalf of Real Estate Investment Fund Athens R.E. Fund) began execution of the agreements signed with Una Hotels S.p.A. ("Una") on 25 May 2015 regarding the acquisition, through two separate transactions, respectively of the hotel management unit of Una and the corresponding property portfolio held for hotel purposes.

As regards the hotel business, measurement of assets acquired and liabilities undertaken was still ongoing at 30 June 2017 and, compared to 31 December 2016, the corresponding amounts have not undergone significant changes.

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

New accounting standards

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

3 Notes to the Financial Statements

Approval of IFRS 17 - Insurance Contracts

On 18 May 2017, the IASB published a final text of the new IFRS 17 standard, aimed at improving investors' understanding of risk exposure, as well as of profitability and financial exposure of insurers by defining measurement and accounting standards of insurance products. IFRS 17 will supersede IFRS 4, an interim standard issued in 2004, which envisaged the application of local accounting practices, which entailed a difficult comparison of financial results of companies.

Very briefly, the new IFRS 17 standard will introduce the following novelties:

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

The standard will be applicable on 1 January 2021. Early application is permitted only if IFRS 9 and IFRS 15 have already been adopted by the entity.

The Unipol Group has started a thorough assessment, involving the main corporate functions, with the aim of defining the possible impact of this standard and measuring the gaps in terms of process, IT systems, accounting, actuarial calculations, business and risk.

2. Notes to the Statement of Financial Position

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

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

ASSETS

1 Intangible assets

	<i>Amounts in €m</i>	30/06/2017	31/12/2016	<i>variation in amount</i>
Goodwill		1,590.8	1,591.7	(0.9)
resulting from business combinations		1,590.6	1,591.4	(0.9)
other		0.2	0.2	
Other intangible assets		390.3	427.3	(37.0)
portfolios acquired under business combinations		202.1	240.7	(38.6)
software and user licences		175.1	177.1	(2.0)
other intangible assets		13.1	9.5	3.6
Total intangible assets		1,981.1	2,019.0	(37.9)

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

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

In relation to the item **Portfolios acquired as a result of business combinations**, equal to €202.1m (€240.7m in 2016), the decrease of €38.6m, is due for €15.7m to amortisation on amounts of the Non-Life portfolios acquired and, for €13.6m, on the Life portfolios, as well as to the reclassification, pursuant to IFRS 5, of €9.4m to item Non-current assets or assets of a disposal group held for sale, related to the portion attributable to Popolare Vita and The Lawrence Life.

2. Property, plant and equipment

At 30 June 2017, the item Property, plant and equipment, less the related accumulated depreciation, amounted to €1,853.5m (€1,886m in 2016), including €1,610.6m of Property for own use (1,648.8m in 2016) and €242.9m of Other tangible assets (€237.2m in 2016).

3 Notes to the Financial Statements

3. Technical provisions - Reinsurers' share

The reinsurers' share of Non-Life technical provisions, at 30 June 2017, amounted to €938.8m (€878m in 2016), and it is broken down as follows:

- Non-Life provisions, in the amount of €859.2m (€799.3m at 31/12/2016), of which €239m related to premium provisions (€191.4m at 31/12/2016), and €620.2m related to claims provisions (€607.8m at 31/12/2016);
- Life provisions, in the amount of €79.6m (€78.7m at 31/12/2016), of which €73.7m related to mathematical provisions (€73.9m at 31/12/2016), and €5.8m related to provisions for amounts payable (€4.8m at 31/12/2016).

4. Investments

At 30 June 2017, total investments (investment property, equity investments and financial assets) amounted to €69,035.9m (€81,276m in 2016), broken down as follows:

<i>Amounts in €m</i>	30/6/2017	<i>% comp.</i>	31/12/2016	<i>% comp.</i>	<i>% var.</i>
Investment property	2,272.0	3.3	2,223.8	2.7	2.2
Investments in subsidiaries, associates and interests in joint	89.7	0.1	85.6	0.1	4.9
Financial assets (excl. those at fair value through profit or loss)	60,232.8	87.2	68,990.5	84.9	(12.7)
<i>Held-to-maturity investments</i>	<i>1,204.0</i>	1.7	<i>1,319.3</i>	1.6	(8.7)
<i>Loans and receivables</i>	<i>13,621.7</i>	19.7	<i>14,822.9</i>	18.2	(8.1)
<i>Available-for-sale financial assets</i>	<i>44,937.9</i>	65.1	<i>52,539.6</i>	64.6	(14.5)
<i>Held-for-trading financial assets</i>	<i>469.1</i>	0.7	<i>308.7</i>	0.4	52.0
Financial assets at fair value through profit or loss	6,441.4	9.3	9,976.1	12.3	(35.4)
Total Investments	69,035.9	100.0	81,276.0	100.0	(15.1)

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

- o Loans and receivables, in the amount of €144.9m;
- o Available-for-sale financial assets, in the amount of €6,873.8m;
- o Financial assets at fair value through profit or loss, in the amount of €3,663.2m.

Investment property, totalling €41.9m, were also reclassified. On a like-for-like basis the variation was -1.9%, compared to 31/12/2016.

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

	30/6/2017	% comp.	31/12/2016	% comp.	% var.
<i>Amounts in €m</i>					
Held-to-maturity investments	1,204.0	2.0	1,319.3	1.9	(8.7)
Listed debt securities	1,056.4		1,175.2		(10.1)
Unlisted debt securities	147.6		144.0		2.5
Loans and receivables	13,621.7	22.6	14,822.9	21.5	(8.1)
Unlisted debt securities	4,060.4		4,357.6		(6.8)
Loans and receivables from bank customers	7,606.6		8,526.9		(10.8)
Interbank loans and receivables	1,421.9		1,335.1		6.5
Deposits with ceding companies	20.9		20.6		1.0
Other loans and receivables	512.1		582.7		(12.1)
Available-for-sale financial assets	44,937.9	74.6	52,539.6	76.2	(14.5)
Equity instruments at cost	42.5		73.2		(42.0)
Listed equity instruments at fair value	686.9		445.4		54.2
Unlisted equity instruments at fair value	198.1		169.2		17.1
Listed debt securities	41,343.1		49,461.0		(16.4)
Unlisted debt securities	674.1		836.7		(19.4)
UCITS units	1,993.2		1,554.1		28.3
Held-for-trading financial assets	469.1	0.8	308.7	0.4	52.0
Listed equity instruments at fair value	1.8		2.1		(15.2)
Listed debt securities	103.8		92.9		11.7
Unlisted debt securities	54.7		56.9		(4.0)
UCITS units	15.2		28.3		(46.1)
Derivatives	293.7		128.6		128.4
Total financial assets	60,232.8	100.0	68,990.5	100.0	(12.7)

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

	30/6/2017	% comp.	31/12/2016	% comp.	% var.
<i>Amounts in €m</i>					
Financial assets at fair value through profit or loss	6,441.4	100.0	9,976.1	100.0	(35.4)
Listed equity instruments at fair value	187.3	2.9	226.0	2.3	(17.1)
Listed debt securities	3,366.3	52.3	4,395.4	44.1	(23.4)
Unlisted debt securities	3.5	0.1	130.2	1.3	(97.3)
UCITS units	2,057.9	31.9	4,684.3	47.0	(56.1)
Other financial assets	826.3	12.8	540.2	5.4	53.0

For information relating to the valuation of Receivables from bank customers, please refer to the "Banking sector restructuring plan" section of the Management Report.

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".

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

3 Notes to the Financial Statements

5. Sundry receivables

	<i>Amounts in €m</i>	30/6/2017	31/12/2016	% var.
Receivables relating to direct insurance business		1,083.0	1,498.0	(27.7)
Receivables relating to reinsurance business		116.7	99.7	17.1
Other receivables		1,363.4	1,727.2	(21.1)
Total sundry receivables		2,563.2	3,324.9	(22.9)

The item Other receivables included:

- tax receivables amounting to €520.2m (€512.4m at 31/12/2016);
- payments made as cash collateral to safeguard derivatives totalling €102.1m (€352.6m at 31/12/2016).
- trade receivables amounting to €131.6m (€188m at 31/12/2016);
- substitute tax receivables on the mathematical provisions totalling €308.5m (€329.2m at 31/12/2016).

At 30 June 2017, Popolare Vita and The Lawrence Life owned €126.5m of Other receivables, reclassified as Assets of a disposal group held for sale. On a like-for-like basis the variation in item Sundry receivables was -19.1%.

6. Other assets

	<i>Amounts in €m</i>	30/6/2017	31/12/2016	% var.
Non-current assets or assets of a disposal group held for sale		11,003.7	207.8	5,194.9
Deferred acquisition costs		88.2	90.5	(2.5)
Deferred tax assets		1,164.5	1,007.9	15.5
Current tax assets		20.1	36.1	(44.4)
Other assets		766.6	667.6	14.8
Total other assets		13,043.0	2,010.0	548.9

As already described, after exercising the put option, having the equity investment in Popolare Vita as object matter, the item Non-current assets or assets of a disposal group held for sale includes assets related to Popolare Vita and The Lawrence Life, as envisaged by IFRS 5. Properties for which disposal activities have begun are also included.

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.

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.

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

At 30 June 2017, Other assets attributable to Popolare Vita and The Lawrence Life, reclassified as Non-current assets or assets of a disposal group held for sale, amounted to €73.1m.

7. Cash and cash equivalents

At 30 June 2017, Cash and cash equivalents amounted to €498.6m (€503.1m at 31/12/2016), less €47.3m owned by Popolare Vita and The Lawrence Life and reclassified as Non-current assets or assets of a disposal group held for sale.

LIABILITIES

1. Shareholders' equity

1.1 Shareholders' Equity attributable to the owners of the Parent

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

	<i>Amounts in €m</i>	30/06/2017	31/12/2016	variation in amount
Share capital		3,365.3	3,365.3	
Capital reserves		1,729.4	1,724.6	4.8
Income-related and other equity reserves		(67.6)	(281.7)	214.1
(Treasury shares)		(27.9)	(27.8)	(0.1)
Reserve for foreign currency translation differences		3.0	2.2	0.8
Gains/losses on available-for-sale financial assets		551.4	535.5	15.8
Other gains or losses recognised directly in equity		(13.0)	1.0	(14.0)
Profit (loss) for the year		(488.6)	329.6	(818.2)
Total shareholders' equity attributable to the owners of the Parent		5,052.0	5,648.8	(596.8)

At 30 June 2017, the Parent Unipol's share capital amounted to €3,365.3m, fully paid-up, and was made up of 717,473,508 ordinary shares (unchanged compared with 31/12/2016).

The main changes over the year were as follows:

- a decrease of €127.6m due to dividend distribution;
- an increase of €15.8m as a result of the increase in the provision for gains and losses on available-for-sale financial assets;
- €14m decrease owing to the decrease in the reserve for Other gains or losses recognised directly in equity;
- €488.6m decrease due to Group profit at 30 June 2017.

Shareholders' Equity attributable to non-controlling interests was €2,129.8m (€2,484.8m at 31/12/2016). The main changes occurred over the period were due to the payment of dividends, in the amount of €190.2m, as well as to the change in Unipol's interest held in the subsidiary UnipolSai (the Group's share rose from 68.3% to 72.4%) following the purchase of 115,740,000 shares by the subsidiary Unipol Investment, for a total consideration of €235.9 m. The profit for the period attributable to non-controlling interests amounted to €98.3m.

Treasury shares or quotas

At 30 June 2017, the treasury shares held by Unipol and its subsidiaries totalled 8,612,056 (8,587,056 at 31/12/2016), of which 4,760,207 shares were held directly and 3,851,849 held by the following subsidiaries:

- UnipolSai Assicurazioni held 3,565,504;
- Unisalute held 32,528;
- Linear Assicurazioni held 14,743;
- Arca Vita held 42,092;
- Arca Assicurazioni held 18,566;
- SIAT held 43,192;
- Auto Presto & Bene held 10,231;
- Popolare Vita held 54,864;
- Unipolsai Servizi Consortili held 45,129;
- Finitalia held 25,000.

3 Notes to the Financial Statements

On 3 July 2017, to implement the 2013-2015 Compensation Plan based on financial instruments, 3,328,591 of Unipol shares were assigned.

2. Provisions

The item "Provisions" totalled €436.3m at 30 June 2017 (€480.7m at 31/12/2016) and mainly consisted of provisions for litigation, various disputes, charges relating to the sales network, provisions for salary policies and employee leaving incentives.

Ongoing disputes and contingent liabilities

This section reports updated information on the proceedings whose developments in the first six months of 2017 are worth reporting herein. For exhaustive information on the ongoing causes and contingent liabilities, reference is made to information given in the 2016 Consolidated Financial Statements.

Relations with the Tax Authorities

UnipolSai

In June 2016 two reports on findings were notified at completion of the audits performed by the Province Direction I of Turin on the former real estate company Fondiaria-SAI (merged in UnipolSai), for the years 2011 and 2012. These comments substantially concerned some transactions carried out at that time with related parties (IM.CO and ICEIN). In December 2016, an assessment notice was issued for the year 2011, promptly challenged before the Provincial Tax Commission of Turin. During the first half of 2017, the entire dispute was settled through the assessment procedure, while benefiting from the reductions of the penalties prescribed by the measures to avoid tax disputes. The previously allocated provision for risks was used.

At the end of 2016, the assessment notices were notified as a result of the audits conducted by the Regional Tax Authority of Piedmont on the company Immobiliare Milano Assicurazioni (merged in UnipolSai), for the years 2010 and 2011. The remarks substantially concerned intercompany services pertaining to the previous management and other less relevant objections. The settlement proposals were concluded in the first half of 2017, while benefiting from the reductions of the penalties prescribed by the measures to avoid tax disputes. The previously allocated provision for risks was used.

Other tax disputes

As regards the assessment notices received by Group Companies regarding VAT on active and passive coinsurance contracts entered into with other companies in the insurance sector, notified until 30 June 2017, all duly challenged with the competent tax commissions, taking into account the prevalent favourable jurisprudence on these matters, no provisions have been allocated.

On this issue, the recent sentences no. 22429/16 and no. 5885/17 of the Supreme Cassation Court are to be highlighted. In both sentences, while ordering that the dispute be referred back to the competent Regional Tax Commission for a ruling on the merits, the Court expressed principles indicating that the case will probably have a positive outcome.

Unipol Banca execution of orders on financial transactions

As regards the dispute in place between Unipol Banca and some customers on the execution of orders on OTC derivatives, with reference to the 2016 Consolidated Financial Statements for any details on the evolution of the ongoing legal cases, it is worth noting that, following the hearing of appeal held on 4 April 2017, in which the conclusions were specified, the Court granted legal terms to the parties for the submission of pleadings and the filing of the reply briefs (within 5 and 23 June 2017, respectively). On 25 July 2017, the Judge ordered an official technical expertise on accounts, aimed at assessing the correct application of interest on the plaintiffs' bank relations.

Ongoing disputes with investors

From 2003 onwards, a number of La Fondiaria Assicurazioni ("Fondiaria") shareholders have initiated a series of legal proceedings claiming, albeit on different legal grounds and justifications, compensation for damages allegedly suffered due to failure to launch the takeover bid on Fondiaria shares by SAI Società Assicuratrice Industriale SpA ("SAI") in 2002.

On the whole, 16 proceedings were brought against the Company. At 30 June 2017, two causes were still pending before the Supreme Cassation Court. Special provisions were provided with respect of the above-mentioned legal disputes. The amounts were deemed as adequate.

Moreover, as reported in the Financial Statements ended 31 December 2016, some investors have autonomously initiated civil proceedings for damages. In these proceedings, the plaintiffs summarily stated that they had purchased and subscribed Fondiaria-SAI shares as they were prompted by the information in the information prospectuses published by Fondiaria-SAI on 24/06/2011 and 12/07/2012 in relation to the increases in share capital under option resolved by the company on 14/05/2011, 22/06/2011 and 19/03/2012 respectively, and in the financial statements of Fondiaria-SAI relating to the years 2007-2012. UnipolSai (former Fondiaria-SAI) appeared at all Civil Proceedings and disputed the plaintiffs' claims. A first civil proceeding initiated before the Court of Turin ended with a final decision rejecting the merits of the Plaintiff's demands, acquitting UnipolSai from all compensation claims. On 18 May 2017, the Milan Court has instead partially upheld the compensation claims of another shareholder. The Company has already granted its lawyers a mandate to appeal the sentence before the Milan Court of Appeal. Of the remaining proceedings, some are in the decision stage and some in the introductory/preliminary stage.

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

3. Technical provisions

	<i>Amounts in €m</i>	30/6/2017	31/12/2016	% var.
Non-Life premium provisions		3,041.5	2,873.9	
Non-Life claims provisions		12,779.6	12,936.1	
Other Non-Life technical provisions		48.6	51.7	
Total Non-life provisions		15,869.7	15,861.7	0.1
Life mathematical provisions		31,027.4	37,343.5	
Provisions for amounts payable (Life business)		294.1	446.7	
Technical provisions where the investment risk is borne by policyholders and arising from pension fund management		4,418.4	7,167.9	
Other Life technical provisions		2,506.2	3,290.0	
Total life provisions		38,246.2	48,248.1	(20.7)
Total technical provisions		54,115.9	64,109.8	(15.6)

At 30 June 2017, Popolare Vita and The Lawrence Life owned €9,363.9m of Technical provisions, mainly related to the Life business and reclassified as Liabilities associated with disposal groups. On a like-for-like basis, the change in Life provisions was equal to -1.3%, and the change in Total technical provisions was equal to -1%.

4. Financial liabilities

Financial liabilities were, at 30 June 2017, €15,123.9m (€16,897.9m at 31/12/2016).

4.1 Financial liabilities at fair value through profit or loss

The item, which amounted to €2,294.7m (€3,264.8m at 31/12/2016), is broken down as follows:

- Financial liabilities held for trading totalled €261.3m (€431.8m at 31/12/2016);
- Financial liabilities designated at fair value through profit or loss totalled €2,033.4m (€2,833.1m at 31/12/2016). This category included investment contracts issued by insurance companies where the investment risk was borne by the

3 Notes to the Financial Statements

policyholders, which do not contain a significant insurance risk borne by the Group (some types of Class III, Class V and Class VI contracts).

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

4.2 Other financial liabilities

	<i>Amounts in €m</i>	30/6/2017	31/12/2016	% var.
Subordinated liabilities		2,400.2	2,518.7	(4.7)
Liabilities from financial contracts issued by insurance companies		0.1	0.3	(81.3)
Deposits received from reinsurers		202.0	233.1	(13.3)
Debt securities issued		3,267.1	3,598.0	(9.2)
Payables to bank customers		6,292.5	6,312.6	(0.3)
Interbank payables		503.0	694.5	(27.6)
Other loans obtained		159.0	270.4	(41.2)
Sundry financial liabilities		5.3	5.3	(0.0)
Total other financial liabilities		12,829.2	13,633.0	(5.9)

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

Issuer	Nominal amount outstanding	Subord. level	Year of maturity	call	Rate	L/NL
UnipolSai	€300.0m	tier II	2021	every 3 months	3M Euribor + 250 b.p.	Q
UnipolSai	€261.7m	tier II	2023	every 3 months	3M Euribor + 250 b.p.	Q
UnipolSai	€400.0m	tier I	2023	every 6 months	6M Euribor + 180 b.p. (**)	NQ
UnipolSai	€100.0m	tier II	2025	every 6 months	6M Euribor + 180 b.p. (**)	NQ
UnipolSai	€150.0m	tier II	2026	every 6 months	6M Euribor + 180 b.p. (**)	NQ
UnipolSai	€50.0m	tier II	2026	every 6 months	6M Euribor + 180 b.p. (**)	NQ
UnipolSai	€750.0m	tier I	in perpetuity	every 3 months from 18/06/2024	fixed rate 5,75% (*)	Q
Unipol Banca	€7.0m	tier II	2017		fixed rate 4,8%	NQ
Unipol Banca	€63.0m	tier II	2017		3M Euribor + 30 b.p.	NQ
Unipol Banca	€23.5m	tier II	2019		fixed rate 4,5%	NQ
Unipol Banca	€47.2m	tier II	2019		fixed rate 4,5%	NQ
Unipol Banca	€253.0m	tier II	2019		quarterly average 3M Euribor + 640 b.p.	NQ

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

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

The Subordinated liabilities of the UnipolSai Group amounted to €2,005.9m at 30 June 2017 (€2,027.3m at 31/12/2016), whilst Unipol Banca outstanding subordinated liabilities totalled €394.3m (€491.4m at 31/12/2016).

Debt securities issued - Other loans obtained - Sundry financial liabilities

At 30 June 2017, **Debt securities issued by Unipol**, net of intragroup subscriptions, totalling €1,271m (€1,601.9m at 31/12/2016) were related to two senior unsecured bonds listed on the Luxembourg Stock Exchange, with a total nominal value of €1,317m (€1,616m at 31/12/2016):

- €317m of nominal value, 4.375% fixed rate, 7 year duration, maturity in 2021 (unchanged with respect to 31/12/2016);
- €1,000m of nominal value, 3% fixed rate, 10 year duration, maturity in 2025 (unchanged with respect to 31/12/2016).

On 11 January 2017, the subordinated senior unsecured loan was redeemed upon maturity. The nominal value of the loan was €299 million, 5% fixed rate, 7-year duration.

The outstanding debt securities issued by Unipol Banca amounted to €1,996.1m (unchanged with respect to 31/12/2016).

As regards **Other loans obtained** and **Sundry financial liabilities**, totalling €164.3m (€275.8m at 31/12/2016), €159m were related to the loan entered by Fondo Immobiliare Athens and supplied, through the company Loan Agency Service Srl, by a pool of 13 banks, including Unipol Banca (the latter for a nominal value of €10m, written off within the consolidation process). The decrease of €111.4m was related to the redemption, according to maturity terms, of the loan entirely subscribed by Fondo Immobiliare Tikal with Unipol Banca on 4 January 2017, and which was written-off within the consolidation process.

5. Payables

	<i>Amounts in €m</i>	30/6/2017	31/12/2016	% var.
Payables arising from direct insurance business		125.5	150.4	(16.6)
Payables arising from reinsurance business		128.4	76.4	68.0
Other payables		985.3	728.1	35.3
Policyholders' tax due		128.0	164.9	(22.4)
Sundry tax payables		336.3	67.7	397.1
Trade payables		224.6	217.3	3.4
Post-employment benefits		81.1	80.4	0.8
Social security charges payable		37.6	44.4	(15.3)
Sundry payables		177.7	153.4	15.8
Total payables		1,239.1	954.9	29.8

At 30 June 2017, Popolare Vita and The Lawrence Life owned €70.4m of Payables, reclassified as Liabilities associated with disposal groups. On a like-for-like basis the variation was +37.1%.

6. Other liabilities

	<i>Amounts in €m</i>	30/6/2017	31/12/2016	% var.
Current tax liabilities		28.8	53.1	(45.8)
Deferred tax liabilities		27.0	33.2	(18.8)
Liabilities associated with disposal groups held for sale		10,459.5		
Commissions on premiums under collection		84.4	103.8	(18.7)
Deferred commission income		1.7	24.2	(92.8)
Accrued expense and deferred income		56.2	46.8	19.9
Other liabilities		1,159.4	1,058.8	9.5
Total other liabilities		11,817.0	1,320.0	795.2

The item Liabilities associated with disposal groups included liabilities related to Popolare Vita and The Lawrence Life, in application of IFRS 5. 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.

3 Notes to the Financial Statements

The item Deferred tax liabilities is shown net of the compensation carried out, pursuant to IAS 12, with the corresponding taxes (IRES or IRAP) recorded in deferred tax assets.

At 30 June 2017, Other liabilities attributable to Popolare Vita and The Lawrence Life, reclassified as Liabilities associated with disposal groups, amounted to €47.8m.

3. Notes to the Income Statements

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

REVENUE

1.1 Net premiums

	<i>Amounts in €m</i>	30/6/2017	30/6/2016	% var.
Non-life earned premiums		3,920.1	3,964.2	(1.1)
Non-Life written premiums		4,088.2	4,037.0	1.3
Changes in Non-Life premium provision		(168.0)	(72.9)	130.6
Life written premiums		1,972.6	3,844.0	(48.7)
Non-life and life gross earned premiums		5,892.7	7,808.1	(24.5)
Non-life earned premiums ceded to reinsurers		(192.8)	(206.9)	(6.8)
Non-Life premiums ceded to reinsurers		(239.9)	(215.9)	11.1
Changes in Non-Life premium provision - reinsurers' share		47.1	9.0	422.3
Life premiums ceded to reinsurers		(10.5)	(10.5)	0.4
Non-life and life earned premiums ceded to reinsurers		(203.3)	(217.4)	(6.5)
Total net premiums		5,689.4	7,590.7	(25.0)

1.2 Commission income

	<i>Amounts in €m</i>	30/6/2017	30/6/2016	% var.
Commission income from banking business		59.4	46.8	27.0
Commission income from investment contracts		21.2	17.5	21.4
Other commission income		2.5	4.1	(37.6)
Total commission income		83.1	68.3	21.7

1.3 Net gains on financial instruments at fair value through profit or loss

	<i>Amounts in €m</i>	30/6/2017	30/6/2016	% var.
Net gains/losses:				
on held-for trading financial assets		34.9	(156.7)	
on held-for trading financial liabilities		(1.0)	(4.6)	
on financial assets/liabilities at fair value through profit or loss		81.7	(36.3)	
Total net gains/losses		115.6	(197.5)	(158.5)

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

At 30 June 2017, these totalled €3m (€3.6m at 30/6/2016).

3 Notes to the Financial Statements

1.5 Gains on other financial instruments and investment property

	<i>Amounts in €m</i>	30/6/2017	30/6/2016	% var.
Interests		1,005.1	988.4	1.7
on held-to-maturity investments		26.0	30.8	(15.6)
on loans and receivables		191.6	206.0	(7.0)
on available-for-sale financial assets		783.0	749.6	4.5
on sundry receivables		4.1	1.4	196.1
on cash and cash equivalents		0.3	0.6	(44.1)
Other income		98.9	93.6	5.6
from investment property		37.8	38.7	(2.5)
from available-for-sale financial assets		61.1	54.8	11.3
Realised gains		247.5	293.8	(15.8)
on investment property		7.6	2.5	206.5
on loans and receivables		1.2	7.4	(83.3)
on available-for-sale financial assets		238.5	283.5	(15.9)
on other financial liabilities		0.2	0.4	(55.8)
Unrealised gains and reversals of impairment losses		14.7	74.9	(80.4)
on available-for-sale financial assets		0.0	0.0	7.3
on other financial assets and liabilities		14.6	74.9	(80.5)
Total item 1.5		1,366.1	1,450.8	(5.8)

1.6 Other revenue

	<i>Amounts in €m</i>	30/6/2017	30/6/2016	% var.
Sundry technical income		47.7	60.1	(20.6)
Exchange rate differences		6.1	9.8	(37.5)
Extraordinary gains		20.0	32.9	(39.4)
Other income		196.5	131.3	49.7
Total other revenue		270.4	234.2	15.5

COSTS

2.1 Net charges relating to claims

	<i>Amounts in €m</i>	30/6/2017	30/6/2016	% var.
Net charges relating to claims - direct and indirect business		4,954.7	6,689.4	(25.9)
Non-life business		2,571.4	2,575.3	(0.2)
Non-Life amounts paid		2,773.5	3,000.2	
changes in Non-Life claims provision		(150.6)	(372.2)	
changes in Non-Life recoveries		(52.3)	(52.2)	
changes in other Non-Life technical provisions		0.8	(0.6)	
life business		2,383.3	4,114.1	(42.1)
Life amounts paid		2,497.0	3,181.3	
changes in Life amounts payable		(94.6)	(450.6)	
changes in mathematical provisions		(19.0)	1,893.9	
changes in other Life technical provisions		6.0	(26.5)	
changes in provisions where the investment risk is borne by policyholders and arising from pension fund management		(6.2)	(484.0)	
Charges relating to claims - reinsurers' share		(94.5)	(65.4)	44.6
Non-life business		(84.4)	(60.2)	40.2
Non-Life amounts paid		(65.3)	(90.9)	
changes in Non-Life claims provision		(23.7)	28.3	
changes in Non-Life recoveries		4.6	2.3	
life business		(10.1)	(5.2)	96.1
Life amounts paid		(9.3)	(12.9)	
changes in Life amounts payable		(1.0)	2.8	
changes in mathematical provisions		0.6	5.3	
changes in other Life technical provisions		(0.4)	(0.4)	
Total net charges relating to claims		4,860.1	6,624.0	(26.6)

2.2 Commission expense

	<i>Amounts in €m</i>	30/6/2017	30/6/2016	% var.
Commission expense from banking business		7.3	7.2	1.6
Commission expense from investment contracts		10.4	7.1	46.2
Other commission expense		4.2	5.1	(17.6)
Total commission expense		22.0	19.5	12.9

3 Notes to the Financial Statements

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

At 30 June 2017, these totalled €0.5 m (€2.1m at 30/6/2016).

2.4 Losses on other financial instruments and investment property

	<i>Amounts in €m</i>	30/6/2017	30/6/2016	% var.
Interests:		98.9	117.9	(16.1)
on other financial liabilities		96.0	117.0	(17.9)
on payables		2.9	0.9	210.6
Other charges:		25.9	27.2	(4.9)
from investment property		19.5	20.3	(3.7)
from loans and receivables		0.0	0.0	20.1
from available-for-sale financial assets		1.5	1.9	(18.6)
from cash and cash equivalents		0.1	0.1	67.3
from other financial liabilities		4.7	5.0	(5.5)
Realised losses:		66.9	72.3	(7.5)
on investment property		0.2	0.1	257.6
on loans and receivables		0.9	2.4	(62.0)
on available-for-sale financial assets		65.6	69.5	(5.6)
on other financial liabilities		0.2	0.4	(45.5)
Unrealised losses and impairment losses:		1,183.3	103.9	1039.3
on investment property		17.6	23.4	(24.7)
on loans and receivables		1,063.5	72.4	1369.6
on available-for-sale financial assets		102.0	8.1	1166.2
on other financial liabilities		0.1		
Total item 2.4		1,375.0	321.3	327.9

At 30 June 2017, the unrealised losses and impairment losses totalled €1,183.3m (€103.9m at 30/6/2016), due, in the amount of €1,040m, to write-downs relating to the loan portfolio of Unipol Banca, carried out within the Restructuring Plan of the banking business, as thoroughly described in the Management Report Net of reversals, shown in item 1.5 Gains on other financial instruments, of around €15m, losses relating to the Unipol Banca loan portfolio amounted to €1,025m.

Write-downs due to impairment of financial instruments recognised as Available-for-sale assets (shares and UCITs) for €102m (€8.1m at 31/12/2016), were related, in the amount of €38.1m, to the banking business (€1m at 30/6/2016) and €63.9m to the insurance business (€7m at 30/6/2016), of which €61.6m related to write-downs on the Atlante I Fund.

2.5 Operating expenses

	<i>Amounts in €m</i>	30/6/2017	% comp.	30/6/2016	% comp.	% var.
Insurance sector		1,206.7	89.3	1,215.4	89.1	(0.7)
Banking sector		153.1	11.3	159.0	11.7	(3.7)
Holding and Other Businesses Sector		56.1	4.1	51.1	3.7	9.8
Real Estate Sector		6.0	0.4	5.1	0.4	18.1
Intersegment eliminations		(70.1)	(5.2)	(67.0)	(4.9)	4.6
Total operating expenses		1,351.7	100.0	1,363.5	100.0	(0.9)

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

<i>Amounts in €m</i>	Non-Life			Life			Total		
	Jun-17	Jun-16	<i>% var.</i>	Jun-17	Jun-16	<i>% var.</i>	Jun-17	Jun-16	<i>% var.</i>
Acquisition commissions	660.5	638.8	3.4	35.5	46.1	(23.1)	695.9	684.9	1.6
Other acquisition costs	173.4	174.1	(0.4)	24.5	25.7	(4.5)	197.9	199.8	(0.9)
Changes in deferred acquisition costs	(3.0)	(1.0)	186.1	(1.4)	(1.9)	(30.0)	(4.3)	(3.0)	45.5
Collection commissions	79.8	81.8	(2.5)	3.7	4.1	(10.2)	83.5	85.9	(2.9)
Profit sharing and other commissions from reinsurers	(77.9)	(73.3)	6.3	(1.0)	(1.3)	(21.7)	(78.9)	(74.6)	5.8
Investment management expenses	37.3	47.1	(20.9)	23.8	24.2	(1.9)	61.1	71.4	(14.5)
Other administrative expenses	194.6	194.4	0.1	57.0	56.6	0.9	251.6	251.0	0.3
Total operating expenses	1,064.6	1,061.9	0.3	142.2	153.5	(7.4)	1,206.7	1,215.4	(0.7)

2.6 Other costs

<i>Amounts in €m</i>	30/6/2017	30/6/2016	<i>% var.</i>
Other technical charges	183.9	182.1	1.0
Impairment losses on receivables	6.4	3.5	80.0
Other charges	244.0	239.6	1.8
Total other costs	434.3	425.2	2.1

3. Income taxes

Against a pre-tax loss of €516m, an income of €125.6m, for taxes pertaining to the period, was recognised. Over the period, €7.6m of net gains were recognised for the tax recognition of goodwill generated following the merger of Liguria Assicurazioni and Liguria Vita into UnipolSai, occurred on 31 January 2016 (Art. 15, paragraph 10, of Law Decree 185/2008).

3 Notes to the Financial Statements

4. Other Information

4.1 Hedge Accounting

Fair value hedges

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

UnipolSai Assicurazioni: during the first half of 2017, no new transactions were carried out concerning fair value hedging. Existing positions at 30 June 2017 are related to IRS contracts, for a nominal value of €250m to hedge bond assets recorded in Loans and Receivables, with a hedged synthetic notional value equal to €130.4m. Compared to 31 December 2016, the fair value change related to the hedged risk of bonds came to a negative €20.1m, while the fair value change of IRS amounted to a positive €23.0m, with a positive net economic effect of €2.9m, including the tax effect of €0.9m. At 30 June 2017, hedging was effective since the ratios between the respective variations in fair value were still within the range 80%-125%.

Cash flow hedges

The objective of the existing hedges is to transform the interest rate from a floating rate to a fixed rate, stabilising the cash flows. The details by company of existing positions are provided below:

Amounts in €m

Company	Hedged financial instruments	Notional amount hedged	Derivative	Gross effect recognised in shareholders' equity	Net tax effect
UnipolSai	AFS bonds	1,053.8	IRS	(2.6)	(1.8)
UnipolSai	Bond loans issued	250.0	IRS	(0.5)	(0.4)
Arca Vita	AFS bonds	30.0	IRS	0.0	0.0
Unipol Banca	Bond loans issued	56.0	IRS	(0.9)	(0.6)
Total				(4.0)	(2.8)

In 2017, an IRS of Unipol Banca expires, for a notional value of €76m hedging bond loans.

4.2 Earnings/Loss per share

<i>Amounts in €m</i>	30/6/2017	30/6/2016
Profit/loss per shares (€m)	(488.6)	160.0
Weighted average of shares outstanding during the year (no./m)	708.7	707.7
Basic earnings (loss) per share (€ per share)	(0.69)	0.23

4.3 Dividends

In view of the profit for the year made by the Parent Unipol at 31 December 2016 of €159.9m (as shown in the financial statements drawn up in accordance with Italian GAAP), the Shareholders' Meeting of Unipol held on 28 April 2017, resolved on the distribution of dividends totalling €128.3m (€0.7m paid to Group companies), corresponding to €0.18m per Ordinary Share, taking account of treasury shares.

The Shareholders' Meeting also set the dividend payment date for 24 May 2017 (ex-dividend date 22/5/2017).

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

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

At 30 June 2017, reclassifications made in application of IFRS 5, under item 6.1 of the Assets, amounted to €11,003.7m (€207.8m at 31/12/2016, exclusively related to real estate properties) and are related, in the amount of €10,938.7m, to assets attributable to Popolare Vita and The Lawrence Life, and in the amount of €65m, to properties held for sale. Liabilities reclassified under item 6.1 Liabilities associated with disposal groups, amounted to €10,459.5m, entirely from discontinuing operations.

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

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

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

3 Notes to the Financial Statements

Liabilities associated with disposal groups held for sale

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

4.5 Transactions with related parties

Group companies that render services of various types to other Group companies are as follows: UnipolSai, Unisalute, Siat, Auto Presto & Bene, UnipolSai Servizi Previdenziali, UnipolRe, UnipolSai Investimenti Sgr, Pronto Assistance Servizi, UnipolSai Servizi Consortili, Alfaevolution, Arca Vita, Arca Inlinea, Arca Sistemi, Leithà 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.).

As regards services rendered by Leithà, the consideration was determined to the extent equal to costs, as above defined, to which a 5% mark-up was applied, which is the operating margin for the service rendered.

The costs for financing activities are calculated by applying a fee on managed volumes.

The services provided by Unisalute (except operating services provided to UniSalute Servizi), Auto Presto & Bene and UnipolRe involve fixed prices.

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

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

It should be noted that, in accordance with Art. 2497 et seq. of the Civil Code, none of the shareholders of the Parent Unipol carries out management and coordination activities.

Finsoe SpA holds an investment in Unipol equal to 31.404% (31.404% at 31/12/2016); this represents a controlling investment, as defined in Art. 2359, paragraph 1.2 of the Italian Civil Code.

Finsoe does not exercise powers of management or coordination, either technical or financial, on Unipol.

Termination of the credit indemnity agreement between Unipol and the subsidiary Unipol Banca

Following the subscription, made on 31 July 2017, of the Termination Agreement of the credit indemnity agreement between Unipol and Unipol Banca, effective from 30 June 2017, which set out the indemnity of €670.4m due by Unipol to Unipol Banca, on 30 June 2017, Unipol recognised €105.4m as costs pertaining to the half year. Commissions accrued and due by Unipol Banca to Unipol were €12.5m.

Tax regime for taxation of group income (so-called "tax consolidation")

From 2015 the Parent Unipol opted, as consolidating company, for the tax consolidation governed by Title II, Chapter II, Section II of the Consolidated Income Tax Act (Articles 117-129) for the three-year period 2015-2017. All companies in the Unipol Group that meet the regulatory requirements take part in this regime as consolidated companies.

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

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

Information on transactions with related parties

<i>Amounts in €m</i>	Holding company	Associates	Others	Total	% inc. (1)	% inc. (2)
Loans and receivables		31.9	86.8	118.7	0.1	11.7
Available-for-sale financial assets			35.7	35.7	0.0	3.5
Sundry receivables	2.2	19.2	0.3	21.7	0.0	2.1
Other assets	0.3	0.4		0.6	0.0	0.1
Total assets	2.5	51.4	122.8	176.8	0.2	17.4
Provisions		1.1		1.1	0.0	0.1
Other financial liabilities	1.9	25.8	1.9	29.6	0.0	2.9
Sundry payables	0.0	0.1		0.1	0.0	0.0
Other liabilities	0.0	0.3		0.3	0.0	0.0
Total liabilities	1.9	27.2	1.9	31.1	0.0	3.1
Net premiums		0.1		0.1	(0.0)	0.0
Gains on other financial instruments and investment property	0.0	3.0	3.2	6.3	(1.2)	0.6
Other revenue	0.0	0.7		0.8	(0.2)	0.1
Total revenue and income	0.1	3.9	3.2	7.2	(1.4)	0.7
Operating expenses	1.0	57.9	0.2	59.1	(11.5)	5.8
Other costs	0.0	0.5		0.5	(0.1)	0.0
Total costs and expenses	1.0	58.4	0.2	59.6	(11.5)	5.9

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

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

Loans and receivables, totalling €118.7m referred, in the amount of €31.8m, to the loans granted to associates by Unipol Banca and, in the amount of €86m, to loans granted by Unipol Banca to the Goethe Fund (Mutual Real Estate Investment Fund).

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The item Available-for-sale financial assets amounted to €35.6m, including €24.8m of quotas related to Alpha Amber Equity Ucits and Core Italian Properties Fund, subscribed by the Arca Group companies, and €10.9m of fund quotas of Uni Hs Abitare A-PT and Uno Fondo Sviluppo, subscribed by Unipol Banca.

The item Sundry receivables from associates included €18.4m in receivables due from insurance brokerage agencies for commissions.

The item Other financial liabilities due to associates referred to bank deposits at Unipol Banca totalling €25.8m.

Operating expenses due to associates for €57.8m included costs on commissions paid to insurance brokerage agencies.

4.6 Fair value measurements – IFRS 13

For the disclosure of fair value measurement criteria and criteria to determine the fair value adopted by the Unipol Group, reference is made to Chapter 2, Accounting Standards adopted in the 2016 Consolidated Financial Statements.

Fair value measurement on a recurring basis

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

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

	Level 1		Level 2		Level 3		Total	
	Jun-17	Dec-16	Jun-17	Dec-16	Jun-17	Dec-16	Jun-17	Dec-16
<i>Amounts in €m</i>								
Assets and liabilities at fair value on a recurring basis								
Available-for-sale financial assets	43,434.6	50,874.9	575.3	686.5	928.0	978.2	44,937.9	52,539.6
Financial assets at fair value through profit or loss:								
- held for trading	139.8	117.8	203.3	148.8	126.0	42.1	469.1	308.7
- at fair value through profit or loss	6,427.3	9,831.8	10.6	10.2	3.4	134.2	6,441.4	9,976.1
Total assets at fair value on a recurring basis	50,001.8	60,824.5	789.2	845.5	1,057.5	1,154.4	51,848.4	62,824.4
Financial liabilities at fair value through profit or loss:								
- held for trading	26.1	6.6	217.9	316.7	17.4	108.5	261.3	431.8
- at fair value through profit or loss					2,033.4	2,833.1	2,033.4	2,833.1
Total liabilities at fair value on a recurring basis	26.1	6.6	217.9	316.7	2,050.8	2,941.6	2,294.7	3,264.8

The amount of financial instruments classified in Level 3 at 30 June 2017 stood at €1,057.5m. Details of changes in Level 3 financial assets and liabilities in the same period are shown below.

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

	Available-for-sale financial assets	Financial assets at fair value through profit or loss		Investment property	Property, plant and equipment	Intangible assets	Financial liabilities at fair value through profit or loss	
		held for trading	at fair value through profit or loss				held for trading	at fair value through profit or loss
<i>Amounts in €m</i>								
Opening balance	978.2	42.1	134.2				108.5	2,833.1
Acquisitions/Issues	132.1	7.2					14.7	
Sales/Repurchases	(25.4)	(4.1)	(0.8)					
Repayments	(20.3)						(16.7)	
Gains or losses recognised through profit or loss		79.4	(1.0)				(89.7)	
- of which unrealised gains/losses		79.4	(1.0)				(89.7)	
Gains or losses recognised in the statement of other comprehensive income statement	(108.6)							
Transfers to level 3								
Transfers to other levels	(28.0)							
Other changes	0.1	1.4	(128.9)				0.7	(799.7)
Closing balance	928.0	126.0	3.4				17.4	2,033.4

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

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

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

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

The portion of securities subject to analysis has a market value of €78.3m at 30 June 2017.

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

The following table shows the results of the shocks:

Fair Value	Curve Spread				
	Shock	+10 bps	-10 bps	+50 bps	-50 bps
Fair Value delta		(0.52)	0.51	(2.54)	2.56
<i>Fair Value delta %</i>		<i>(0.01)</i>	<i>0.01</i>	<i>(0.03)</i>	<i>0.03</i>

Fair value measurement on a non-recurring basis

IFRS 13 governs the fair value measurement and the associated disclosure also for assets and liabilities not measured at fair value on a recurring basis.

3 Notes to the Financial Statements

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

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

	Carrying amount		Fair value							
			Level 1		Level 2		Level 3		Total	
	Jun-17	Dec-16	Jun-17	Dec-16	Jun-17	Dec-16	Jun-17	Dec-16	Jun-17	Dec-16
<i>Amounts in €m</i>										
Assets										
Held-to-maturity investments	1,204.0	1,319.3	1,182.8	1,337.8	148.7	148.1			1,331.4	1,485.9
Loans and receivables	13,621.7	14,822.9		5.0	3,713.2	4,093.1	10,354.5	11,220.1	14,067.7	15,318.2
Investments in subsidiaries, associates and interests in joint ventures	89.7	85.6					89.7	85.6	89.7	85.6
Investment property	2,272.0	2,223.8					2,339.1	2,300.6	2,339.1	2,300.6
Property, plant and equipment	1,853.5	1,886.0					1,975.6	1,994.4	1,975.6	1,994.4
Total assets	19,040.9	20,337.6	1,182.8	1,342.8	3,861.9	4,241.2	14,758.9	15,600.7	19,803.5	21,184.6
Liabilities										
Other financial liabilities	12,829.2	13,633.0	2,658.2	2,935.8			10,503.2	10,929.6	13,161.4	13,865.4

4.7 Information on personnel

	30/6/2017	31/12/2016	variation
Total number of Unipol Group employees	14,561	14,109	452
<i>of which on a fixed-term contract</i>	<i>966</i>	<i>543</i>	<i>423</i>
Full Time Equivalent - FTE	13,858	13,442	416

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

The increase in the Group employees compared with 31/12/2016 (+452, of which +30 on foreign companies) is due to:

- decrease of 432 employees for retirement, resignation and other reasons for termination of office;
- increase of 884 employees for new hirings.

Share-based compensation plans

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

The compensation plan based on financial instruments (Unipol shares) for the period 2013-2015 ended on 31 December 2015. The first tranche was paid to those entitled on 1 July 2016, the second tranche, comprising 3,328,591 shares, was paid on 3 July 2017 and the third and last tranche will be paid on 1 July 2018.

4.8 Non-recurring significant transactions and events

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

4.9 Atypical and/or unusual positions or transactions

In the first half of 2017 there were no atypical and/or unusual transactions that, because of their significance, importance, nature of the counterparties involved in the transaction, transfer pricing procedures, or occurrence close to the end of the period, 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.

3 Notes to the Financial Statements

4.10 Risk Report

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

As regards the Internal control and risk management system adopted by the Group, as well as monitoring procedures (company internal committees) and capital allocation policies, reference is expressly made to paragraph 5.14 of the Notes to the 2016 Consolidated Financial Statements.

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

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

Insurance Business		
<i>Amounts in €m</i>	Impact on income statement	Impact on statement of financial position
Unipol Group		
Interest rate sensitivity (+10 bps)	17.3	(298.0)
Credit spread sensitivity (+10 bps)	(1.1)	(321.7)
Equity sensitivity (-20%)	(33.9)	(523.4)

Banking Business		
<i>Amounts in €m</i>	Impact on income statement	Impact on statement of financial position
Unipol Group		
Interest rate sensitivity (+10 bps)	0.0	(2.9)
Credit spread sensitivity (+10 bps)	0.0	(4.3)
Equity sensitivity (-20%)	0.0	(7.1)

Holding and Other Business		
<i>Amounts in €m</i>	Impact on income statement	Impact on statement of financial position
Unipol Group		
Interest rate sensitivity (+10 bps)	0.00	(0.7)
Credit spread sensitivity (+10 bps)	0.00	(1.1)
Equity sensitivity (-20%)	0.00	(8.7)

The values include the hedging derivatives, excluding tax effects.

Information relating to exposure to sovereign debt securities

The following table shows details of Sovereign exposures (i.e. bonds issued by central and local governments and by government organisations and loans granted to them) held by the Unipol Group at 30 June 2017. Securities of Popolare Vita and The Lawrence Life are included, before reclassification under item 6.1 Non-current assets or assets of a disposal group held for sale, pursuant to IFRS 5.

	Balance at 30 June 2017			
	<i>Amounts in €m</i>	Nominal value	Carrying amount	Market value
Italy		32,826.1	33,669.4	33,845.4
Available-for-sale financial assets		29,036.2	30,021.8	30,021.8
Financial assets at fair value through profit or loss		172.4	77.9	77.9
Held-to-maturity investments		1,011.9	1,016.8	1,138.9
Loans and receivables		2,605.7	2,553.0	2,606.8
Spain		3,459.4	3,429.8	3,419.2
Available-for-sale financial assets		3,283.6	3,261.2	3,261.2
Held-to-maturity investments		7.0	7.2	7.2
Loans and receivables		31.0	32.0	33.6
Portugal		394.9	415.3	418.0
Available-for-sale financial assets		341.9	362.6	362.6
Held-to-maturity investments		53.0	52.8	55.4
Ireland		288.6	305.9	305.9
Available-for-sale financial assets		288.6	305.9	305.9
Germany		47.3	54.0	54.0
Available-for-sale financial assets		47.3	54.0	54.0
Canada		31.7	34.1	34.1
Available-for-sale financial assets		31.7	34.1	34.1
Belgium		71.5	72.1	72.1
Available-for-sale financial assets		71.5	72.1	72.1
Slovenia		232.0	239.8	239.8
Available-for-sale financial assets		232.0	239.8	239.8
Serbia		68.6	70.3	71.9
Held-to-maturity investments		68.6	70.3	71.9
Israel		60.5	61.9	61.9
Available-for-sale financial assets		60.5	61.9	61.9
Mexico		15.0	16.0	16.0
Available-for-sale financial assets		15.0	16.0	16.0
Poland		6.4	6.8	6.8
Available-for-sale financial assets		6.4	6.8	6.8
Latvia		41.5	44.4	44.4
Available-for-sale financial assets		41.5	44.4	44.4
Chile		14.1	15.0	15.0
Available-for-sale financial assets		14.1	15.0	15.0

3 Notes to the Financial Statements

cont. from previous page

	Balance at 30 June 2017		
<i>Amounts in €m</i>	Nominal value	Carrying amount	Market value
Cyprus	67.2	74.7	74.7
Available-for-sale financial assets	67.2	74.7	74.7
France	258.5	227.0	227.0
Available-for-sale financial assets	258.5	227.0	227.0
Austria	11.5	12.7	12.7
Available-for-sale financial assets	11.5	12.7	12.7
Denmark	0.2	0.2	0.2
Available-for-sale financial assets	0.2	0.2	0.2
Finland	5.2	5.4	5.4
Available-for-sale financial assets	5.2	5.4	5.4
Netherlands	415.0	416.3	416.3
Available-for-sale financial assets	415.0	416.3	416.3
Switzerland	3.7	4.1	4.1
Available-for-sale financial assets	3.7	4.1	4.1
USA	2.3	3.0	3.0
Available-for-sale financial assets	2.3	3.0	3.0
Sweden	2.0	2.0	2.0
Available-for-sale financial assets	2.0	2.0	2.0
Slovakia	63.1	64.7	64.7
Available-for-sale financial assets	63.1	64.7	64.7
Singapore	4.0	4.0	4.0
Available-for-sale financial assets	4.0	4.0	4.0
Lithuania	10.0	10.5	10.5
Available-for-sale financial assets	10.0	10.5	10.5
China	30.5	30.4	30.4
Available-for-sale financial assets	30.5	30.4	30.4
TOTAL	38,430.5	39,289.8	39,459.4

At 30 June 2017, the carrying amount of the sovereign exposures represented by debt securities totalled €39,289.8m (€41,255.9m at 31/12/2016), 86% being accounted for by securities issued by the Italian State (88% at 31/12/2016). Moreover, the bonds issued by the Italian State account for 53% of total investments of the Unipol Group.

Bologna, 03 August 2017

The Board of Director

4. Tables appended to the Notes to the Financial Statements

4 Tables appended to the Notes to the Financial Statements

Consolidation scope

Name	Country of registered office	Registered office	Country of operations (5)	Method (1)	Business activity (2)
Unipol Gruppo Spa	086 Italy	Bologna		G	4
Compagnia Assicuratrice Linear Spa	086 Italy	Bologna		G	1
Unisalute Spa	086 Italy	Bologna		G	1
Midi Srl	086 Italy	Bologna		G	10
Unipol Banca Spa	086 Italy	Bologna		G	7
Unisalute Servizi Srl	086 Italy	Bologna		G	11
UnipolSai Finance Spa	086 Italy	Bologna		G	9
Grecale Abs Srl (*)	086 Italy	Bologna		G	11
Unipol Investment Spa	086 Italy	Bologna		G	9
Castoro Rmbs Srl (*)	086 Italy	Milan		G	11
Atlante Finance Srl (*)	086 Italy	Milan		G	11
Ambra Property Srl	086 Italy	Bologna		G	11
Arca Vita Spa	086 Italy	Verona		G	1
Arca Assicurazioni Spa	086 Italy	Verona		G	1
Arca Vita International Dac	040 Ireland	Dublin		G	2
Arca Direct Assicurazioni Srl	086 Italy	Verona		G	11
Arca Inlinea Scarl	086 Italy	Verona		G	11
Arca Sistemi Scarl	086 Italy	Verona		G	11
Grecale RMBS 2011 srl (*)	086 Italy	Bologna		G	11
SME Grecale Srl (*)	086 Italy	Bologna		G	11
UnipolSai Assicurazioni Spa	086 Italy	Bologna		G	1
BIM VITA Spa	086 Italy	Turin		G	1
Incontra Assicurazioni Spa	086 Italy	Milan		G	1
Pronto Assistance Spa	086 Italy	Torino		G	1
Siat-Societa' Italiana Assicurazioni e Riassicurazioni - per Azioni	086 Italy	Genoa		G	1
Ddor Novi Sad	289 Serbia	Novi Sad		G	3
Ddor Re	289 Serbia	Novi Sad		G	6
Popolare Vita Spa	086 Italy	Novara		G	1

% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
				100.00%
100.00%		100.00%		100.00%
98.53%		98.53%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
57.75%	42.25% UnipolSai Assicurazioni Spa	88.35%		100.00%
	100.00% Unisalute Spa	98.53%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	Unipol Banca Spa	7.24%		100.00%
	10.00% UnipolSai Finance Spa			
100.00%		100.00%		100.00%
	Unipol Banca Spa			100.00%
	Unipol Banca Spa			100.00%
100.00%		100.00%		100.00%
63.39%		63.39%		100.00%
	98.12% Arca Vita Spa	62.20%		100.00%
	100.00% Arca Vita Spa	63.39%		100.00%
	100.00% Arca Vita Spa	63.39%		100.00%
	60.22% Arca Vita Spa	62.92%		100.00%
	39.78% Arca Assicurazioni Spa			
	82.03% Arca Vita Spa	63.19%		100.00%
	16.97% Arca Assicurazioni Spa			
	1.00% Arca Inlinea Scarl			
	Unipol Banca Spa			100.00%
	Unipol Banca Spa			100.00%
51.15%		72.43%		100.00%
	1.36% UnipolSai Finance Spa			
	10.02% Unipol Investment Spa			
	0.01% Pronto Assistance Spa			
	0.004% Popolare Vita Spa			
	0.33% UnipolSai Nederland Bv			
	10.02% Unipol Finance Srl			
	50.00% UnipolSai Assicurazioni Spa	36.22%		100.00%
	51.00% UnipolSai Assicurazioni Spa	36.94%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	94.69% UnipolSai Assicurazioni Spa	68.59%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	0.002% Ddor Novi Sad	72.43%		100.00%
	100.00% UnipolRe Dac			
	50.00% UnipolSai Assicurazioni Spa	36.22%		100.00%

4 Tables appended to the Notes to the Financial Statements

Consolidation scope

Name	Country of registered office	Registered office	Country of operations (5)	Method (1)	Business activity (2)
The Lawrence Life Assurance Company Dac	040 Ireland	Dublin (Ireland)		G	2
UnipolRe Dac	040 Ireland	Dublin (Ireland)		G	5
Finitalia Spa	086 Italy	Milan		G	11
UnipolSai Nederland Bv	050 Nederland	Amsterdam		G	11
Finsai International Sa	092 Luxembourg	Luxembourg		G	11
UnipolSai Investimenti Sgr Spa	086 Italy	Turin		G	8
SAI MERCATI Mobiliari Spa in Liquidazione	086 Italy	Milan		G	11
Apb Car Service Srl	086 Italy	Turin		G	11
Auto Presto & Bene Spa	086 Italy	Turin		G	11
Casa di Cura Villa Donatello - Spa	086 Italy	Florence		G	11
Centro Oncologico Fiorentino Casa di Cura Villanova Srl in Liquidazione	086 Italy	Sesto Fiorentino (FI)		G	11
Florence Centro di Chirurgia Ambulatoriale Srl	086 Italy	Florence		G	11
UnipolSai Servizi Consortili Societa' Consortile a Responsabilita' Limitata	086 Italy	Bologna		G	11
Tenute del Cerro Spa - Societa' Agricola	086 Italy	Bologna		G	11
UnipolSai Servizi Previdenziali Srl	086 Italy	Florence		G	11
Sogeint Societa' a Responsabilita' Limitata	086 Italy	San Donato Milanese		G	11

% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
	100.00% Popolare Vita Spa	36.22%		100.00%
	100.00% UnipolSai Nederland Bv	72.43%		100.00%
	100.00% Unipol Banca Spa	88.35%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	36.15% UnipolSai Finance Spa	72.43%		100.00%
	63.85% UnipolSai Assicurazioni Spa			
51.00%	49.00% UnipolSai Assicurazioni Spa	86.49%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	70.00% Auto Presto & Bene Spa	50.70%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	100.00% Casa di Cura Villa Donatello - Spa	72.43%		100.00%
0.02%	0.20% Compagnia Assicuratrice Linear Spa	72.52%		100.00%
	0.20% Unisalute Spa			
	0.02% Unipol Banca Spa			
	0.20% Arca Vita Spa			
	98.23% UnipolSai Assicurazioni Spa			
	0.02% BIM VITA Spa			
	0.02% Incontra Assicurazioni Spa			
	0.90% Pronto Assistance Spa			
	0.11% Siat-Societa' Italiana Assicurazioni e Riassicurazioni - per Azioni			
	0.02% UnipolRe Dac			
	0.02% Finitalia Spa			
	0.02% Auto Presto & Bene Spa			
	0.02% Pronto Assistance Servizi Scarl			
	98.81% UnipolSai Assicurazioni Spa	72.43%		100.00%
	1.19% Pronto Assistance Spa			
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%

4 Tables appended to the Notes to the Financial Statements

Consolidation scope

Name	Country of registered office	Registered office	Country of operations (5)	Method (1)	Business activity (2)
Pronto Assistance Servizi Scarl	086 Italy	Turin		G	11
Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	086 Italy	Milan		G	11
Consorzio Castello	086 Italy	Florence		G	10
Italresidence Srl	086 Italy	Milan		G	11
Marina di Loano Spa	086 Italy	Loano (SV)		G	10
Meridiano Secondo Srl	086 Italy	Turin		G	10
Nuove Iniziative Toscane - Societa' a Responsabilita' Limitata	086 Italy	Florence		G	10
Societa' Edilizia Immobiliare Sarda - S.E.I.S. Societa' per Azioni	086 Italy	Bologna		G	10
Villa Ragionieri Srl	086 Italy	Florence		G	10
Tikal R.E. Fund	086 Italy			G	10
Athens R.E. Fund	086 Italy			G	10
Unipol Finance Srl	086 Italy	Bologna		G	9
Grecale RMBS 2015 srl (*)	086 Italy	Bologna		G	11
Alfaevolution Technology Spa	086 Italy	Bologna		G	11
Leithà 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.

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

% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
	3.00% Compagnia Assicuratrice Linear Spa	73.23%		100.00%
	0.25% Unisalute Spa			
	0.10% Unipol Banca Spa			
	95.34% UnipolSai Assicurazioni Spa			
	0.15% Incontra Assicurazioni Spa			
	0.31% Pronto Assistance Spa			
	0.25% Apb Car Service Srl			
	0.25% Auto Presto & Bene Spa			
	0.10% UnipolSai Servizi Consortili Societa' Consortile a Responsabilita' Limitata			
	0.25% Alfaevolution Technology Spa			
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	99.57% Nuove Iniziative Toscane - Societa' a Responsabilita' Limitata	72.12%		100.00%
	100.00% Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	72.43%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	51.67% UnipolSai Assicurazioni Spa	37.42%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	95.00% UnipolSai Assicurazioni Spa	68.81%		100.00%
	0.68% Unipol Banca Spa	64.13%		100.00%
	64.72% UnipolSai Assicurazioni Spa			
	24.19% Tikal R.E. Fund			
100.00%		100.00%		100.00%
	Unipol Banca Spa			100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%
	100.00% UnipolSai Assicurazioni Spa	72.43%		100.00%

4 Tables appended to the Notes to the Financial Statements

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

Amounts in €m

Name	% non-controlling interests	% Votes available at Ordinary General Meetings to non-controlling interests	Consolidated profit (loss) attributable to non-controlling interests	Shareholders' Equity attributable to non-controlling interests
UnipolSai Assicurazioni Spa	27,57%		72.4	1,595.3
Popolare Vita Spa	63,78%		(24.8)	224.7
The Lawrence Life Assurance Company Ltd	63,78%		0.7	46.2

Details of unconsolidated investments

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

Summary income and financial position data

Total assets	Investments	Technical provisions	Financial liabilities	Shareholders' equity	Profit (loss) for the year	Dividends distributed to non-controlling interests	Gross premiums written
55,994.5	50,400.4	44,710.1	3,148.4	6,292.4	373.6	95.6	4,839.9
9,082.7	8,896.7	7,960.1	553.0	415.2	30.8	76.0	412.0
1,919.3	1,857.9	1,403.8	423.9	72.4	0.9		29.1

Type (2)	% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	Carrying amount (€m)
b		49.00% UnipolSai Assicurazioni Spa	35.49%		
b		43.75% UnipolSai Finance Spa	31.69%		6.4
b		50.00% UnipolSai Finance Spa	36.22%		5.0
a		100.00% UnipolSai Assicurazioni Spa	72.43%		0.3
b		0.0002% Compagnia Assicuratrice Linear Spa 0.01% Arca Assicurazioni Spa 37.76% UnipolSai Assicurazioni Spa 0.002% Incontra Assicurazioni Spa 0.09% Siat-Societa' Italiana Assicurazioni e Riassicurazioni - per Azioni	27.42%		0.2
b		47.33% UnipolSai Finance Spa	34.28%		3.2
b		46.77% UnipolSai Finance Spa	33.88%		1.2
b		45.00% UnipolSai Finance Spa	32.59%		5.4
b		42.85% Unipol Banca Spa	37.86%		2.2
b		49.92% Unipol Banca Spa	44.10%		5.1
b		50.00% UnipolSai Finance Spa	36.22%		0.8
b		50.00% UnipolSai Finance Spa	36.22%		5.8
b		50.00% UnipolSai Finance Spa	36.22%		6.0
b		32.00% UnipolSai Assicurazioni Spa	23.18%		4.1
b		29.56% UnipolSai Assicurazioni Spa	21.41%		
b		28.57% UnipolSai Assicurazioni Spa	20.69%		35.7
a		100.00% Ddor Novi Sad	72.43%		0.0
b		23.55% UnipolSai Assicurazioni Spa	17.06%		2.3
b		32.46% Ddor Novi Sad 7.54% Ddor Re	28.97%		0.6
a		100.00% Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	72.43%		0.4

4 Tables appended to the Notes to the Financial Statements

Details of unconsolidated investments

Name	Country of registered office	Registered office	Country of operations (5)	Business activity (1)
Ital H&R Srl	086 Italy	Bologna		11
Borsetto Srl	086 Italy	Turin		10
Butterfly Am Sarl	092 Luxembourg	Luxembourg		11
Servizi Immobiliari Martinelli Spa	086 Italy	Cinisello Balsamo (MI)		10
Penta Domus Spa	086 Italy	Turin		10
Golf Club Poggio dei Medici Spa Societa' Dilettantistica Sportiva	086 Italy	San Piero (FI)		11
UniAssiTeam Srl	086 Italy	Bologna		11
Unipol Reoco Spa	086 Italy	Bologna		11

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

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

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

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

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

Type (2)	% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	Carrying amount (€m)
a		100.00% UnipolSai Assicurazioni Spa	72.43%		0.1
b		44.93% UnipolSai Assicurazioni Spa	32.54%		0.7
b		28.57% UnipolSai Assicurazioni Spa	20.69%		2.3
b		20.00% UnipolSai Assicurazioni Spa	14.49%		0.2
b		24.66% UnipolSai Assicurazioni Spa	17.86%		0.3
b		40.32% Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	29.21%		0.8
a		65.00% UnipolSai Finance Spa	47.08%		0.1
a		100.00% Unipol Banca Spa	88.35%		0.5

4 Tables appended to the Notes to the Financial Statements

Statement of financial position by business segment

	Non-Life business		Life business	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016
<i>Amounts in €m</i>				
1 INTANGIBLE ASSETS	1,448.4	1,464.8	505.7	529.7
2 PROPERTY, PLANT AND EQUIPMENT	930.3	909.3	75.1	76.7
3 TECHNICAL PROVISIONS - REINSURERS' SHARE	859.2	799.3	79.6	78.7
4 INVESTMENTS	16,284.7	16,119.2	42,470.2	53,637.7
4.1 Investment property	1,685.2	1,690.5	7.3	7.9
4.2 Investments in subsidiaries, associates and interests in joint ventures	76.7	73.4	4.1	4.1
4.3 Held-to-maturity investments	173.8	192.2	704.9	700.1
4.4 Loans and receivables	1,958.2	2,038.4	3,252.0	3,213.3
4.5 Available-for-sale financial assets	12,173.6	12,015.8	31,810.6	39,535.5
4.6 Financial assets at fair value through profit or loss	217.2	108.8	6,691.2	10,176.9
5 SUNDRY RECEIVABLES	1,960.6	2,487.4	507.9	724.0
6 OTHER ASSETS	989.2	1,055.6	11,048.5	134.4
6.1 Deferred acquisition costs	35.6	32.6	52.5	57.9
6.2 Other assets	953.6	1,023.0	10,995.9	76.4
7 CASH AND CASH EQUIVALENTS	448.9	305.8	401.5	465.2
TOTAL ASSETS	22,921.3	23,141.4	55,088.4	55,646.5
1 SHAREHOLDERS' EQUITY				
2 PROVISIONS	359.6	403.9	17.4	21.5
3 TECHNICAL PROVISIONS	15,869.7	15,861.7	38,246.2	48,248.1
4 FINANCIAL LIABILITIES	1,492.9	1,665.2	2,997.2	3,845.5
4.1 Financial liabilities at fair value through profit or loss	47.4	153.1	2,231.5	3,093.3
4.2 Other financial liabilities	1,445.5	1,512.0	765.8	752.2
5 PAYABLES	771.2	634.6	122.4	225.5
6 OTHER LIABILITIES	561.4	723.8	10,794.8	298.0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				

Banks		Holding and Other businesses		Real Estate		Intersegment eliminations		Total	
30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016	30/6/2017	31/12/2016
7.1	7.7	20.1	17.3	0.2	0.2	(0.5)	(0.8)	1,981.1	2,019.0
37.1	14.6	206.3	220.8	604.1	663.7	0.5	0.8	1,853.5	1,886.0
								938.8	878.0
11,162.6	11,782.3	292.8	261.6	557.7	513.8	(1,732.2)	(1,038.6)	69,035.9	81,276.0
1.2	1.2	33.2	33.2	545.1	491.1			2,272.0	2,223.8
7.8	7.0	1.2	1.0					89.7	85.6
325.4	426.9							1,204.0	1,319.3
10,042.3	10,505.6	87.8	87.6	7.0	7.0	(1,725.7)	(1,028.9)	13,621.7	14,822.9
785.9	841.5	168.7	137.7	5.6	15.8	(6.6)	(6.7)	44,937.9	52,539.6
0.1	0.1	1.9	2.0				(2.9)	6,910.5	10,284.8
80.3	82.2	159.7	138.0	18.1	38.2	(163.3)	(145.1)	2,563.2	3,324.9
579.6	461.3	653.3	519.6	33.0	47.0	(260.5)	(207.8)	13,043.0	2,010.0
								88.2	90.5
579.6	461.3	653.3	519.6	33.0	47.0	(260.5)	(207.8)	12,954.9	1,919.5
84.1	89.5	727.1	1,157.9	98.0	59.3	(1,261.0)	(1,574.7)	498.6	503.1
11,950.8	12,437.6	2,059.4	2,315.3	1,311.2	1,322.3	(3,417.0)	(2,966.1)	89,914.0	91,896.9
								7,181.8	8,133.6
38.3	28.2	15.0	608.4	6.1	5.6		(586.9)	436.3	480.7
								54,115.9	64,109.8
10,996.2	11,232.3	1,616.0	1,948.4	327.9	357.7	(2,306.2)	(2,151.1)	15,123.9	16,897.9
1.1	2.8	14.7	15.6					2,294.7	3,264.8
10,995.0	11,229.5	1,601.2	1,932.7	327.9	357.7	(2,306.2)	(2,151.1)	12,829.2	13,633.0
337.0	65.3	949.3	118.6	33.8	31.2	(974.6)	(120.2)	1,239.1	954.9
549.3	369.5	35.5	25.4	12.1	11.2	(136.3)	(107.9)	11,817.0	1,320.0
								89,914.0	91,896.9

4 Tables appended to the Notes to the Financial Statements

Income statement by business segment

	Non-Life business		Life business	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	<i>Amounts in €m</i>			
1.1 Net premiums	3,727.4	3,757.2	1,962.1	3,833.5
<i>1.1.1 Gross premiums earned</i>	<i>3,920.1</i>	<i>3,964.2</i>	<i>1,972.6</i>	<i>3,844.0</i>
<i>1.1.2 Earned premiums ceded to reinsurers</i>	<i>(192.8)</i>	<i>(206.9)</i>	<i>(10.5)</i>	<i>(10.5)</i>
1.2 Commission income	2.9	3.2	23.9	21.7
1.3 Gains and losses on financial instruments at fair value through profit or loss	21.7	(102.5)	95.5	(86.2)
1.4 Gains on investments in subsidiaries, associates and interests in joint ventures	2.7	3.3	0.0	0.0
1.5 Gains on other financial instruments and investment property	407.9	460.7	809.8	783.2
1.6 Other revenue	166.6	134.9	30.4	31.2
TOTAL REVENUE AND INCOME	4,329.3	4,256.9	2,921.8	4,583.4
2.1 Net charges relating to claims	(2,487.0)	(2,515.0)	(2,373.2)	(4,108.9)
<i>2.1.1 Amounts paid and changes in technical provisions</i>	<i>(2,571.4)</i>	<i>(2,575.3)</i>	<i>(2,383.3)</i>	<i>(4,114.1)</i>
<i>2.1.2 Reinsurers' share</i>	<i>84.4</i>	<i>60.2</i>	<i>10.1</i>	<i>5.2</i>
2.2 Commission expenses	(3.1)	(3.8)	(10.8)	(7.7)
2.3 Losses on investments in subsidiaries, associates and interests in joint ventures	(0.5)	(1.9)		(0.1)
2.4 Losses on other financial instruments and investment property	(107.6)	(101.4)	(105.3)	(39.5)
2.5 Operating expenses	(1,064.6)	(1,061.9)	(142.2)	(153.5)
2.6 Other costs	(298.8)	(304.6)	(78.6)	(80.9)
2 TOTAL COSTS AND EXPENSES	(3,961.5)	(3,988.7)	(2,710.0)	(4,390.7)
PRE-TAX PROFIT (LOSS) FOR THE YEAR	367.8	268.2	211.8	192.7

Banks		Holding and Other businesses		Real Estate		Intersegment eliminations		Total	
30/6/2017	30/6/2016	30/6/2017	30/6/2016	30/6/2017	30/6/2016	30/6/2017	30/6/2016	30/6/2017	30/6/2016
								5,689.4	7,590.7
								5,892.7	7,808.1
								(203.3)	(217.4)
86.8	72.9	12.5	13.0			(43.1)	(42.5)	83.1	68.3
(2.1)	(2.3)	0.5	(5.7)		(0.9)			115.6	(197.5)
0.2	0.1		0.3					3.0	3.6
165.3	224.4	4.4	6.3	15.5	18.2	(36.8)	(42.0)	1,366.1	1,450.8
14.6	15.1	105.0	93.4	14.4	5.7	(60.7)	(46.1)	270.4	234.2
264.8	310.1	122.4	107.3	29.9	23.0	(140.6)	(130.6)	7,527.6	9,150.0
								(4,860.1)	(6,624.0)
								(4,954.7)	(6,689.4)
								94.5	65.4
(23.7)	(24.4)	(0.0)	(0.1)	(0.0)	(0.0)	15.6	16.5	(22.0)	(19.5)
(0.0)	(0.0)	(0.0)	(0.0)					(0.5)	(2.1)
(1,013.7)	(117.6)	(29.2)	(36.4)	(18.3)	(18.9)	(100.8)	(7.5)	(1,375.0)	(321.3)
(153.1)	(159.0)	(56.1)	(51.1)	(6.0)	(5.1)	70.1	67.0	(1,351.7)	(1,363.5)
(13.9)	(7.1)	(176.5)	(78.1)	(22.2)	(9.1)	155.7	54.7	(434.3)	(425.2)
(1,204.4)	(308.1)	(261.9)	(165.7)	(46.5)	(33.1)	140.6	130.6	(8,043.6)	(8,755.6)
(939.6)	2.0	(139.5)	(58.4)	(16.6)	(10.0)		0.0	(516.0)	394.4

4 Tables appended to the Notes to the Financial Statements

Details of technical insurance items

Amounts in €m	30/6/2017			30/6/2016		
	Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
Non-Life business						
NET PREMIUMS	3,920.1	(192.8)	3,727.4	3,964.2	(206.9)	3,757.2
a Written premiums	4,088.2	(239.9)	3,848.3	4,037.0	(215.9)	3,821.1
b Change in premium provision	(168.0)	47.1	(120.9)	(72.9)	9.0	(63.9)
NET CHARGES RELATING TO CLAIMS	(2,571.4)	84.4	(2,487.0)	(2,575.3)	60.2	(2,515.0)
a Amounts paid	(2,773.5)	65.3	(2,708.3)	(3,000.2)	90.9	(2,909.3)
b Change in claims provision	150.6	23.7	174.3	372.2	(28.3)	343.8
c Change in recoveries	52.3	(4.6)	47.8	52.2	(2.3)	49.8
d Change in other technical provisions	(0.8)		(0.8)	0.6		0.6
Life business						
NET PREMIUMS	1,972.6	(10.5)	1,962.1	3,844.0	(10.5)	3,833.5
NET CHARGES RELATING TO CLAIMS	(2,383.3)	10.1	(2,373.2)	(4,114.1)	5.2	(4,108.9)
a Amounts paid	(2,497.0)	9.3	(2,487.7)	(3,181.3)	12.9	(3,168.4)
b Change in provision for amounts payable	94.6	1.0	95.6	450.6	(2.8)	447.8
c Change in mathematical provisions	19.0	(0.6)	18.4	(1,893.9)	(5.3)	(1,899.2)
d Change in technical provisions where the investment risk is borne by policyholders and arising from pension fund management	6.2		6.2	484.0		484.0
e Change in other technical provisions	(6.0)	0.4	(5.6)	26.5	0.4	26.8

Investment income and charges

Amounts in €m	Interests	Other income	Other charges	Realised gains	Realised losses
Balance on investments	1,048.4	195.8	(128.7)	286.4	(109.2)
a Arising from investment property		37.8	(19.5)	7.6	(0.2)
b Arising from investments in subsidiaries, associates and interests in joint ventures		3.0	(0.5)	0.0	
c Arising from held-to-maturity investments	26.0		(0.0)		
d Arising from loans and receivables	191.6		(0.0)	1.2	(0.9)
e Arising from available-for-sale financial assets	783.0	61.1	(1.5)	238.5	(65.6)
f Arising from held-for-trading financial assets	2.3	45.0	(63.1)	7.7	(20.8)
g Arising from financial assets at fair value through profit or loss	45.4	49.0	(44.1)	31.4	(21.8)
Balance on sundry receivables	4.1				
Balance on cash and cash equivalents	0.3		(0.1)		
Balance on financial liabilities	(97.2)	0.0	(24.3)	0.4	(0.2)
a Arising from held-for-trading financial liabilities	(1.2)			0.2	
b Arising from financial liabilities at fair value through profit or loss		0.0	(19.6)		
c Arising from other financial liabilities	(96.0)		(4.7)	0.2	(0.2)
Balance on payables	(2.9)		(0.0)		
Total	952.7	195.8	(153.2)	286.7	(109.4)

Total realised gains and losses	Unrealised gains		Unrealised losses		Total unrealised gains and losses	Total gains and losses 30/6/2017	Total gains and losses 30/6/2016
	Unrealised capital gains	Write-backs	Unrealised capital losses	Impairment			
1,292.6	232.0	0.1	(1,187.4)	(88.6)	(1,043.9)	248.8	1,029.5
25.6			(16.6)	(1.1)	(17.6)	8.0	(2.6)
2.5				(0.0)	(0.0)	2.5	1.5
26.0						26.0	30.8
192.0	14.5	0.1	(1,040.0)	(23.5)	(1,049.0)	(857.0)	213.4
1,015.5	0.0		(38.1)	(63.9)	(102.0)	913.5	1,008.7
(29.0)	86.6		(22.7)		63.9	34.9	(156.7)
59.9	131.0		(70.0)		60.9	120.9	(65.7)
4.1						4.1	1.4
0.2						0.2	0.5
(121.4)	0.1		(19.7)		(19.6)	(140.9)	(96.9)
(1.0)	0.0				0.0	(1.0)	(4.6)
(19.6)	0.0		(19.5)		(19.5)	(39.1)	29.5
(100.8)	0.1		(0.1)		(0.0)	(100.8)	(121.8)
(2.9)						(2.9)	(1.0)
1,172.6	232.1	0.1	(1,207.1)	(88.6)	(1,063.4)	109.2	933.5

4 Tables appended to the Notes to the Financial Statements

Details of insurance business expenses

<i>Amounts in €m</i>	Non-Life business		Life business	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Gross commissions and other acquisition costs	(910.6)	(893.7)	(62.4)	(74.0)
a Acquisition commissions	(660.5)	(638.8)	(35.5)	(46.1)
b Other acquisition costs	(173.4)	(174.1)	(24.5)	(25.7)
c Change in deferred acquisition costs	3.0	1.0	1.4	1.9
d Collection commissions	(79.8)	(81.8)	(3.7)	(4.1)
Commissions and profit-sharing received from insurers	77.9	73.3	1.0	1.3
Investment management expenses	(37.3)	(47.1)	(23.8)	(24.2)
Other administrative expenses	(194.6)	(194.4)	(57.0)	(56.6)
Total	(1,064.6)	(1,061.9)	(142.2)	(153.5)

Details of other consolidated comprehensive income statement

<i>Amounts in €m</i>	Amounts allocated		Adjustments from reclassification to profit or loss	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Other income items not reclassified to profit or loss	3.0	(17.7)		
Reserve deriving from changes in the shareholders' equity of the investees	3.7	(15.1)		
Revaluation reserve for intangible assets				
Revaluation reserve for property, plant and equipment				
Gains and losses on non-current assets or assets of a disposal group held for sale				
Actuarial gains and losses and adjustments relating to defined benefit plans	(0.7)	(2.6)		
Other items				
Other income items reclassified to profit or loss	71.0	(27.1)	(87.0)	(144.9)
Reserve for foreign currency translation differences	0.9	(0.7)		
Gains or losses on available-for-sale financial assets	63.2	(55.8)	(87.0)	(144.9)
Gains or losses on cash flow hedges	6.9	29.4		
Gains or losses on hedges of a net investment in foreign operations				
Reserve deriving from changes in the shareholders' equity of the investees				
Gains and losses on non-current assets or of a disposal group held for sale				
Other items				
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	74.0	(44.8)	(87.0)	(144.9)

Other changes		Total changes		Income taxes		Balance	
30/6/2017	30/6/2016	30/6/2017	30/6/2016	30/6/2017	30/6/2016	30/6/2017	31/12/2016
(20.7)	(0.5)	(17.7)	(18.2)	0.2	1.4	(11.7)	6.0
		3.7	(15.1)			16.2	12.5
(20.7)		(20.7)					20.7
(0.0)	(0.5)	(0.7)	(3.1)	0.2	1.4	(27.9)	(27.2)
						0.0	0.0
(0.2)	(10.3)	(16.2)	(182.3)	7.2	80.4	791.1	807.3
	0.0	0.9	(0.7)			4.1	3.2
(0.2)	(11.8)	(24.0)	(212.6)	10.3	93.9	789.8	813.9
	1.5	6.9	30.9	(3.1)	(13.5)	(2.8)	(9.7)
(20.9)	(10.8)	(33.9)	(200.5)	7.4	81.9	779.4	813.3

4 Tables appended to the Notes to the Financial Statements

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

Categories of financial assets subject to reclassification		Type of asset	Amount of assets reclassified during the semester at the reclassification date	Carrying amount at 30/6/2017 of reclassified assets		Fair value at 30/6/2017 of reclassified assets	
from	to			Assets reclassified during the semester	Assets reclassified up to 30/6/2017	Assets reclassified during the semester	Assets reclassified up to 30/6/2017
At FV through profit or loss	Loans and receivables	debt securities			251.7		233.6
At FV through profit or loss	Loans and receivables	other fin. instr.					
Available-for-sale	Loans and receivables	debt securities			209.2		192.6
Available-for-sale	Loans and receivables	other fin. instr.					
At FV through profit or loss	Available-for-sale	equity instruments					
At FV through profit or loss	Available-for-sale	debt securities					
At FV through profit or loss	Available-for-sale	other fin. instr.					
At FV through profit or loss	Held-to-maturity investments	debt securities					
At FV through profit or loss	Held-to-maturity investments	other fin. instr.					
Available-for-sale	Held-to-maturity investments	debt securities					
Available-for-sale	Held-to-maturity investments	other fin. instr.					
Total					460.9		426.2

Assets reclassified during the semester		Assets reclassified up to 30/6/2017		Assets reclassified during the semester		Assets reclassified up to 30/6/2017	
Gains or losses recognised through profit or loss	Gains or losses recognised in the statement of other comprehensive income	Gains or losses recognised through profit or loss	Gains or losses recognised in the statement of other comprehensive income	Profit or loss that would have been recognised through profit or loss if there had been no reclassification	Profit or loss that would have been recognised in the statement of other comprehensive income if there had been no reclassification	Profit or loss that would have been recognised through profit or loss if there had been no reclassification	Profit or loss that would have been recognised in statement of other comprehensive income if there had been no reclassification
			0.0			18,5	0.0
							2.5
			0.0			18,5	2.5

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

Statement on the Consolidated Financial Statements



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

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

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

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

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

3. It is also certified that:

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

- were drafted in compliance with the IAS/IFRS International Accounting Standards adopted by the European Union in accordance with EC Regulation no. 1606/2002, and Italian Legislative Decree no. 38/2005, Italian Legislative Decree no. 209/2005 and the applicable IVASS provisions, regulations and circulars;
- correspond to the book results and accounting records;
- are suitable to provide a true and fair view of the equity, economic and financial situation of the issuer and of the consolidated companies;

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

Bologna, 3 August 2017

The Chief Executive Officer

Carlo Cimbri

(signed on the original)

The Manager in charge of

financial reporting

Maurizio Castellina

6. Independent Auditors' Report



REVIEW REPORT ON CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

To the Shareholders of
Unipol Gruppo SpA

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

Foreword

We have reviewed the accompanying condensed consolidated half-yearly financial statements of Unipol Gruppo SpA and its subsidiaries (the Unipol Group) as of 30 June 2017, comprising the statement of financial position, the income statement, the comprehensive income statement, the statement of changes in shareholders' equity, the statement of cash flow and the related notes. The Directors are responsible for the preparation of condensed consolidated half-yearly financial statements as of 30 June 2017 in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the condensed consolidated half-yearly financial statements based on our review.

Scope of review

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

PricewaterhouseCoopers SpA

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated half-yearly financial statements of the Unipol Group as of 30 June 2017 are not prepared, in all material respects, in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, 10 August 2017

PricewaterhouseCoopers SpA

Signed by

Angelo Giudici
(Partner)

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

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

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

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

unipol.it



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