

Bologna, 11 November 2016

UNIPOL GROUP: RESULTS FOR THE FIRST NINE MONTHS OF 2016 APPROVED

- Consolidated net profit of €439m (€594m in the first nine months of 2015, which benefitted from the extraordinary results of financial management)
- Direct insurance income of €11.1bn (-7.8% compared to the first nine months of 2015)
 - ✓ Non-Life business: €5.6bn (-1.4%)
 - ✓ Life business: €5.5bn (-13.4%)
- Combined ratio net of reinsurance at 95.0% (95.1% in the first nine months of 2015)
- Return on invested assets equal to 3.6%
- Consolidated Solvency II margin equal to 137%¹

The Board of Directors of Unipol Gruppo Finanziario S.p.A., which met yesterday under the chairmanship of Pierluigi Stefanini, approved the consolidated results of the Group as at 30 September 2016.

In the first nine months of the year, the Unipol Group recorded a **consolidated net profit** of €439m, compared to €594m in the same period of 2015, which benefitted, in financial management, from significant capital gains mainly concentrated in the first three months of 2015 and not repeated in the current year.

In the period under review, **direct insurance income**, gross of outwards reinsurance, stood at €11,142m (-7.8% compared to €12,082m as at 30 September 2015).

Non-Life Business

Direct premium income as at 30 September 2016 amounted to €5,590m (-1.4% compared to €5,671m in the first nine months of 2015). The UnipolSai Group contributed to this amount with €5,141m (-2.1% compared to €5,252m in the first nine months of 2015) while the other companies directly controlled by Unipol Gruppo Finanziario (UniSalute, Linear and Arca Assicurazioni) with €450m (+7.3% compared to €419m for the same period of 2015). In particular, UniSalute was able to capitalise on its expertise, recording premium income of €265m (€233m as at 30 September 2015, +13.4%).

¹ Figure calculated according to the Standard Formula with the use of USPs (*Undertaking Specific Parameters*), considered preliminary since the definitive figure shall be notified to Supervisory Authority according to the terms of applicable law.

MV premium income amounted to €3,147m (-4.6% compared to €3,298m as at 30 September 2015) and recorded an increase of approximately 200,000 policies compared to the number in portfolio as at 31 December 2015. **Non-MV** premium income amounted to €2,443m (+3.0% compared to €2,373m as at 30 September 2015), thanks to the strong performance of the business linked to persons. With regard to underwriting profitability, the positive performance recorded by Non-MV business made it possible to offset the continuous decline in average MV TPL premiums resulting from strong competitive pressure.

In this context, as at 30 September 2016 the Unipol Group recorded a **combined ratio**² of 95.0% (95.3% direct business) substantially in line with 95.1% recorded in the same period of 2015. The **loss ratio**² stood at 68.5% (69.2% as at 30 September 2015). The **expense ratio**² was equal to 26.5% (compared to 25.9% in the same period of 2015).

The **pre-tax result** of the sector was a profit of €470m (€734m in the first nine months of 2015, which was influenced by the capital gains realized during the year).

Life Business

A slowdown in production is underway, already reported in the second quarter of 2016, after the acceleration observed in the first quarter of the year. This phenomenon, relating mainly to the bancassurance channel, is attributable to the commercial policy adopted by the Company aimed at maintaining the production of traditional policies at a level compatible with the financial balance of segregated accounts over a multi-year period. In the first nine months of 2016, total **direct income** amounted to €5,552m (-13.4% compared to €6,411m in the first nine months of 2015). In a market environment still characterised by very low or even negative interest rates in the short and medium term, the commercial offer was consequently geared towards unit-linked and multi-branch products.

The direct income of UnipolSai amounted to €2,210m (-7.1% compared to the first nine months of 2015). In the bancassurance channel, the Arca Vita Group recorded direct income of €1,653m (+10.4% compared to €1,498m in the same period of 2015) while Popolare Vita Group, with income amounting to €1,611m, recorded a decrease of 33% (€2,404m in the first nine months of 2015).

The **pre-tax result** of the business was a profit of €279m (€305m in the same period of 2015).

Banking Business

The **gross financial result** of the banking business as at 30 September 2016 was a profit of €3m (€8m as at 30 September 2015). Direct income as at 30 September 2016 amounted to €9,983m (-0.3% compared to the end of 2015). Loans³ to customers amounted to €8,616m (-1.7% compared to €8,766m at the end of 2015). With regard to the non-performing loans portfolio, gross impaired loans fell by approximately €68 million compared to 30 June 2016 (continuing the downward trend in the recent quarters) and the coverage ratio rose to 45.3% overall and to 57.7% for non-performing loans.

The CET1 of the Unipol Banking Group was equal to 16.3%.

² Net of reinsurance

³ Net of provisions by UGF S.p.A.

Real Estate Business

Operations in the sector remained affected by the difficult situation in the real estate market and remained focused on the restoration and redevelopment of several important properties in portfolio, particularly in the city of Milan.

The **pre-tax result** of the business was a loss of €16m (-€90m as at 30 September 2015).

Holdings and Other Business

The commercial development of diversified companies continued during the period as well as the reduction of costs by the parent company.

In the still weak market environment of the specific sectors, the positive result of the hotel business by Atahotels was confirmed, despite the lack of contribution from certain structures for which lease contracts were not renewed and pending completion of the agreement for the acquisition of the hotel business of UNA spa, which will enable significant recovery in turnover.

The **pre-tax result** of the business was a loss of €97m (-€92m as at 30 September 2015).

Financial Management

The profitability of the portfolio, despite aiming to preserve the risk/return profile of the assets and consistency between the assets and liabilities underwritten with policyholders, achieved a significant yield in the period under consideration, equal to approximately 3.6% of invested assets.

Moreover, in the first nine months of 2016, the policy for the gradual reduction of domestic government bonds continued as part of progressive diversification towards a selective increase in corporate securities and other financial assets.

Balance Sheet

Shareholders' equity as at 30 September 2016 amounted to €8,271m (€8,445m as at 31 December 2015), of which €5,635 attributable to the Group. The AFS reserve stood at €912m (€982m as at 31 December 2015).

The **Group solvency margin**, calculated according to Solvency II requirements, was equal to 137%¹, a decrease compared to 150%¹ at the end of 2015 mainly due to the effects of the greater reduction in the discount curve of liabilities in proportion to that of the bond market.

Business Outlook

With regard to the performance of the business in which the Group operates, the recent earthquake that affected Central Italy in October had a marginal impact.

In light of the foregoing and on the basis of the information currently available, a positive result is nevertheless expected at the end of this financial year, except in case of the occurrence of unforeseeable exceptional events.

Interim Publication of Quarterly Financial Data

The legislative changes that came into force in Italy on 18 March 2016 incorporated the amendments to the Transparency Directive of the European Union and eliminated the obligation to report quarterly financial data to the market.

On 26 October 2016, with Resolution No. 19770, CONSOB made the following changes to the Issuers' Regulation, introducing in particular the new Article 82-*ter*. According to this provision, listed companies are entitled to choose whether or not to publish additional interim financial data. If they choose to publish the same on a voluntary basis, the companies must notify the market of such decision, specifying the information they intend to provide, so that the decisions adopted remain clear and stable over time. Any decision to stop publishing such information must be substantiated and made public, becoming effective as of the following year. The regulatory changes introduced by CONSOB Resolution No. 19770 shall apply as of 2 January 2017.

In this context, the Unipol Group decided to continue publishing, temporarily for financial year 2016, on a voluntary basis and for reasons of mere continuity with the past, interim quarterly reports with the same form and content as those published in previous years.

In line with the amendments to the regulatory framework of reference, starting next year the Unipol Group will make its quarterly financial reporting more concise, with a greater focus on its business.

At a formal level, the information will be reported in a specific press release, the content of which will differ from the quarterly press releases published up to 2016. Instead, the Interim Management Report of the Group will not be published and consequently nor will the balance sheets and income statements currently forming part of the present press release.

Therefore, as of financial year 2017, the content of the voluntary quarterly financial reporting will include at least the key quantitative performance indicators, namely:

- Non-Life and life income;
- Combined ratio;
- Net profit for the period;
- Shareholders' equity;
- Solvency II ratio.

The press release, which shall also contain qualitative information on the performance of the main businesses of the group, will be approved by the Board of Directors and published on the website of the Group according to the deadlines of the previous legislation.

Presentation of Results to the Financial Community

A conference call will be held at 12:00 pm today during which financial analysts and institutional investors may submit questions to the Group CEO and senior management on the results at 30 September 2016. The phone numbers to dial to attend the event are: +39/02/8020911 (from Italy and all other countries), +1/718/7058796 (from the US) and +44/121/2818004 (from the UK). Multimedia

files containing the recorded comment of the results is in any case already available on under the investor relations section of the website www.unipol.it.

The Interim Management Report as at 30 September 2016 will be available, as provided by law, at the registered office, on the website of the Company www.unipol.it and on the website of the Italian Stock Exchange www.borsaitaliana.it.

In order to allow more complete disclosure of the results at 30 September 2016, please find attached hereto the Consolidated Balance Sheet, the Consolidated Income Statement, the summary of the Consolidated Income Statement by Business Segment and the Balance Sheet by Business Segment.

Maurizio Castellina, Manager in charge of financial reporting of Unipol Gruppo Finanziario S.p.A. and UnipolSai Assicurazioni S.p.A., declares, pursuant to Article 154-*bis*, paragraph 2, of the Consolidated Law on Finance, that the accounting information contained in the presentation corresponds to the figures in corporate accounting records, ledgers and documents.

Glossary

CET1: Common Equity Tier 1, core measure of banking financial strength Basel III
COMBINED RATIO: sum of loss ratio and expense ratio
EXPENSE RATIO: ratio of Non-Life operating expenses and premiums calculated on earned premiums
LOSS RATIO: ratio of Non-Life claims and premiums
AFS RESERVE: reserves on assets classified as "available-for-sale"

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Unipol Gruppo Finanziario S.p.A.

Unipol is one of the leading insurance groups in Europe with a total income amounting to approximately €16.5bn, of which €7.9bn in Non-Life Business and €8.6bn in Life Business (2015 figures). Unipol adopts an integrated offer strategy and covers a complete range of insurance and financial products, operating primarily through its subsidiary UnipolSai Assicurazioni S.p.A., founded at the beginning of 2014, Italian leader in Non-Life Business, in particular in MV TPL insurance.

The Group is also active in direct vehicle insurance (Linear Assicurazioni), health protection (UniSalute), supplementary pensions and has a strong presence in the bancassurance channel (Arca Vita Group and Popolare Vita Group).

Finally, Unipol operates in the banking business through the network of Unipol Banca branches and manages significant diversified businesses in the real estate, hotel (Atahotels) and agricultural (Tenute del Cerro) sectors.

Unipol Gruppo Finanziario S.p.A. is listed on the Italian Stock Exchange.

Consolidated Balance Sheet – Assets

Amounts in €m

		9/30/2016	12/31/2015
1	INTANGIBLE ASSETS	2,034	2,071
1.1	Goodwill	1,582	1,582
1.2	Other intangible assets	452	489
2	PROPERTY, PLANT AND EQUIPMENT	1,747	1,757
2.1	Property	1,570	1,619
2.2	Other items of property, plant and equipment	177	138
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	895	897
4	INVESTMENTS	82,308	79,347
4.1	Investment property	2,295	2,350
4.2	Investments in subsidiaries and associates and interests in joint ventures	76	90
4.3	Held-to-maturity investments	1,303	1,528
4.4	Loans and receivables	14,471	14,549
4.5	Available-for-sale financial assets	54,342	50,916
4.6	Financial assets at fair value through profit or loss	9,821	9,913
5	SUNDRY RECEIVABLES	2,699	3,215
5.1	Receivables relating to direct insurance business	982	1,593
5.2	Receivables relating to reinsurance business	70	81
5.3	Other receivables	1,646	1,540
6	OTHER ASSETS	1,824	1,612
6.1	Non-current assets held for sale or disposal groups	41	17
6.2	Deferred acquisition costs	88	87
6.3	Deferred tax assets	959	919
6.4	Current tax assets	33	54
6.5	Other assets	703	536
7	CASH AND CASH EQUIVALENTS	573	874
	TOTAL ASSETS	92,079	89,773

Consolidated Balance Sheet – Equity and Liabilities

Amounts in €m

		9/30/2016	12/31/2015
1	EQUITY	8,271	8,445
1.1	attributable to the owners of the Parent	5,635	5,524
1.1.1	Share capital	3,365	3,365
1.1.2	Other equity instruments		
1.1.3	Equity-related reserves	1,725	1,725
1.1.4	Income-related and other reserves	-289	-426
1.1.5	(Treasury shares)	-28	-35
1.1.6	Translation reserve	2	2
1.1.7	Gains or losses on available-for-sale financial assets	576	589
1.1.8	Other gains or losses recognised directly in equity	22	31
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	261	272
1.2	attributable to non-controlling interests	2,636	2,921
1.2.1	Share capital and reserves attributable to non-controlling interests	2,115	2,206
1.2.2	Gains or losses recognised directly in equity	342	408
1.2.3	Profit (loss) for the year attributable to non-controlling interests	178	307
2	PROVISIONS	533	550
3	TECHNICAL PROVISIONS	64,807	63,150
4	FINANCIAL LIABILITIES	16,101	15,571
4.1	Financial liabilities at fair value through profit or loss	3,163	2,658
4.2	Other financial liabilities	12,938	12,914
5	PAYABLES	1,070	918
5.1	Payables arising from direct insurance business	114	147
5.2	Payables arising from reinsurance business	93	88
5.3	Other payables	863	683
6	OTHER LIABILITIES	1,297	1,140
6.1	Liabilities associated with disposal groups held for sale	2	
6.2	Deferred tax liabilities	63	49
6.3	Current tax liabilities	37	42
6.4	Other liabilities	1,196	1,048
	TOTAL EQUITY AND LIABILITIES	92,079	89,773

Consolidated Income Statement

Amounts in €m

		9/30/2016	9/30/2015
1.1	Net premiums	10,518	11,393
1.1.1	Gross premiums	10,807	11,712
1.1.2	Ceded premiums	-288	-319
1.2	Fee and commission income	107	90
1.3	Gains and losses on financial instruments at fair value through profit or loss	-109	215
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	4	8
1.5	Gains on other financial instruments and investment property	2,066	2,324
1.5.1	Interest income	1,484	1,486
1.5.2	Other gains	132	141
1.5.3	Realised gains	368	612
1.5.4	Unrealised gains	81	85
1.6	Other revenue	352	395
1	TOTAL REVENUE AND INCOME	12,938	14,425
2.1	Net charges relating to claims	-9,214	-10,228
2.1.1	Amounts paid and changes in technical provisions	-9,329	-10,347
2.1.2	Reinsurers' share	115	120
2.2	Fee and commission expense	-29	-23
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	-2	-7
2.4	Losses on other financial instruments and investment property	-460	-717
2.4.1	Interest expense	-174	-202
2.4.2	Other charges	-37	-40
2.4.3	Realised losses	-98	-205
2.4.4	Unrealised losses	-151	-270
2.5	Operating expenses	-1,985	-2,054
2.5.1	Commissions and other acquisition costs	-1,261	-1,324
2.5.2	Investment management expenses	-71	-57
2.5.3	Other administrative expenses	-653	-673
2.6	Other costs	-607	-529
2	TOTAL COSTS AND EXPENSES	-12,298	-13,559
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	640	866
3	Income tax	-201	-272
	POST-TAX PROFIT (LOSS) FOR THE YEAR	439	594
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		
	CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	439	594
	attributable to the owners of the Parent	261	335
	attributable to non-controlling interests	178	259

Condensed Consolidated Income Statement by Business Segment

Amounts in €m

	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE BUSINESS			BANKING BUSINESS			HOLDINGS/SERVICES/ OTHER BUSINESSES			REAL ESTATE BUSINESS (*)			Intersegment Elimination		CONSOLIDATED TOTAL				
	Sep-16	Sep-15	var.%	Sep-16	Sep-15	var.%	Sep-16	Sep-15	var.%	Sep-16	Sep-15	var.%	Sep-16	Sep-15	var.%	Sep-16	Sep-15	var.%	Sep-16	Sep-15	Sep-16	Sep-15	var.%		
Net premiums	5,585	5,688	-1.8	4,934	5,705	-13.5	10,518	11,393	-7.7												10,518	11,393	-7.7		
Net fees and commissions				21	7	209.8	20	7	200.9	74	73	2.3	19	20	-4.2						-36	-33	78	66	17.1
Financial income/expense (excl. Assets/ liabilities at fair value) (**)	386	579	-33.3	1,040	1,275	-18.4	1,427	1,854	-23.1	148	125	18.3	-52	-52	0.4	0	-45	-100.2	-85	-81	1,438	1,802	-20.2		
<i>Net interest</i>	283	272		942	908		1,225	1,180		162	179		-43	-38		-1	-1		-31	-30	1,310	1,290			
<i>Other income and expenses</i>	65	61		53	63		119	124		2	0		-5	-16		12	30		-24	-31	104	107			
<i>Realised gains and losses</i>	139	258		119	272		258	529		20	-7		3	3		-1	-1				280	524			
<i>Unrealised gains and losses</i>	-102	-11		-74	32		-175	21		-36	-48		-6			-9	-72		-30	-20	-256	-119			
Net charges relating to claims	-3,721	-3,844	-3.2	-5,432	-6,362	-14.6	-9,154	-10,207	-10.3				-77	-121	-36.0	-9	-23	-61.3	95	98	-9,154	-10,207	-10.3		
Operating expenses	-1,538	-1,516	1.5	-224	-272	-17.7	-1,762	-1,787	-1.4	-233	-220	5.6	-77	-121	-36.0	-9	-23	-61.3	33	28	-1,985	-2,054	-3.3		
<i>Commissions and other acquisition costs</i>	-1,192	-1,207	-1.3	-103	-145	-29.0	-1,294	-1,352	-4.2												-1,261	-1,324	-4.7		
<i>Other expenses</i>	-346	-309	12.2	-121	-127	-4.9	-467	-436	7.2	-233	-220	5.6	-77	-121	-36.0	-9	-23	-61.3	62	70	-724	-730	-0.8		
Other income / expense	-241	-172	39.9	-60	-47	27.1	-301	-220	37.1	14	31	-54.9	13	60	-78.7	-7	-22	-69.5	26	16	-255	-134	89.7		
Pre-tax profit (loss)	470	734	-36.1	279	305	-8.5	749	1,040	-28.0	3	8	-60.3	-97	-92	-5.3	-16	-90	82.7			640	866	-26.1		
Income tax	-138	-222	-37.8	-84	-87	-2.7	-223	-309	-27.9	-1	-2	-42.5	21	15	40.8	2	24	-91.9			-201	-272	-26.2		
Profit (loss) on discontinued operations																									
Consolidated profit (loss) for the period	331	512	-35.3	195	218	-10.8	526	731	-28.0	2	6	-65.4	-76	-77	-1.7	-14	-66	-79.4			439	594	-26.1		
<i>Profit (loss) attributable to the owners of the Parent</i>																						261	335		
<i>Profit (loss) attributable to non-controlling interests</i>																						178	259		

(*) Real Estate business only includes real estate companies controlled by the Group. At 30/09/2015, the sector included figures for the company UnipolSai Real Estate, which merged into UnipolSai on 31 December 2015 - Insurance sector, Non-Life business.

(**) Excluding assets/liabilities at fair value related to contracts issued by insurance companies with investment risk borne by customers and arising from pension fund management

Unipol Gruppo Finanziario - Balance Sheet by Business Segment

Amounts in €m

	Non-Life Business		Life Business		Banking Business		Holdings/Other Businesses		Real Estate Business (*)		Intersegment Elimination		Total		
	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	
1	INTANGIBLE ASSETS	1,482	1,493	537	563	8	8	7	9	0	0	-1	-1	2,034	2,071
2	TANGIBLE ASSETS	1,090	1,088	87	88	15	14	202	210	353	355	1	1	1,747	1,757
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	812	804	83	93	0	0	0	0	0	0	0	0	895	897
4	INVESTMENTS	16,690	16,951	54,574	51,295	11,140	10,998	425	673	474	497	-994	-1,067	82,308	79,347
4.1	Investment property	1,784	1,823	10	10	1	1	42	42	458	474	0	0	2,295	2,350
4.2	Investments in subsidiaries, associates and joint ventures	64	78	5	5	7	7	0	0	0	0	0	0	76	90
4.3	Held-to-maturity investments	185	355	691	745	427	428	0	0	0	0	0	0	1,303	1,528
4.4	Loans and receivables	2,232	2,153	3,232	3,304	9,906	9,914	89	239	0	0	-988	-1,061	14,471	14,549
4.5	Available-for-sale financial assets	12,309	12,400	40,932	37,473	799	647	293	380	16	22	-7	-7	54,342	50,916
4.6	Financial assets at fair value through profit or loss	116	142	9,704	9,759	0	0	1	12	0	0	0	0	9,821	9,913
5	SUNDRY RECEIVABLES	1,835	2,424	624	692	88	92	329	223	28	29	-204	-245	2,699	3,215
6	OTHER ASSETS	951	758	118	132	408	412	527	515	36	25	-216	-230	1,824	1,612
6.1	Deferred acquisition costs	35	37	53	50	0	0	0	0	0	0	0	0	88	87
6.2	Other assets	916	721	66	82	408	412	527	515	36	25	-216	-230	1,736	1,525
7	CASH AND CASH EQUIVALENTS	308	448	328	515	87	101	1,079	945	76	75	-1,306	-1,210	573	874
	TOTAL ASSETS	23,168	23,966	56,353	53,378	11,744	11,624	2,568	2,576	967	982	-2,721	-2,753	92,079	89,773
1	EQUITY													8,271	8,445
2	PROVISIONS	442	455	28	29	28	23	622	590	6	16	-593	-563	533	550
3	TECHNICAL PROVISIONS	15,987	16,574	48,820	46,575	0	0	0	0	0	0	0	0	64,807	63,150
4	FINANCIAL LIABILITIES	1,574	1,543	3,794	3,341	10,428	10,459	1,904	1,907	204	203	-1,804	-1,881	16,101	15,571
4.1	Financial liabilities at fair value through profit or loss	104	63	3,036	2,573	4	8	18	13	1	2	0	0	3,163	2,658
4.2	Other financial liabilities	1,470	1,480	758	768	10,424	10,452	1,886	1,894	203	202	-1,804	-1,881	12,938	12,914
5	PAYABLES	629	621	163	169	167	74	262	180	29	23	-180	-148	1,070	918
6	OTHER LIABILITIES	639	638	393	300	374	330	22	20	14	12	-145	-160	1,297	1,140
	TOTAL EQUITY AND LIABILITIES													92,079	89,773

(*) Real Estate business only includes real estate companies controlled by the Group