



Unipol Gruppo Finanziario
**Consolidated Interim
Financial Report**
at 30 September 2015

Unipol
GRUPPO



UNIPOL GRUPPO FINANZIARIO S.P.A.

Registered and Head Offices at Via Stalingrado 45, Bologna

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 Insurance Groups - No. 046

Parent of the Unipol Banking Group entered in the Register of Banking Groups - No. 20052

www.unipol.it

Consolidated Interim Financial Report at 30 September 2015

(pursuant to Art. 154-ter of Legislative Decree no. 58/1998)

Bologna, 5 November 2015

CONTENTS

Company bodies	5
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INTERIM FINANCIAL REPORT

Consolidation scope at 30 September 2015	8
Group highlights and alternative performance indicators	10
Operating performance	11
Insurance Sector	11
Banking Sector	15
Real Estate Sector	17
Holding and Other Businesses Sector	17
Asset and financial management	19
Shareholders' equity	21
Technical provisions and financial liabilities	21
Business outlook	22

CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position	24
Income statement	26
Condensed operating income statement by business segment	27
Statement of financial position by business segment	28

Statement of the Manager in charge of financial reporting pursuant to Art. 154- <i>bis</i> of Legislative Decree no. 58/1998	31
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Company bodies

Honorary Chairman	Enea Mazzoli																						
Board of Directors																							
Chairman	Pierluigi Stefanini																						
Vice Chairman	Giovanni Antonelli																						
Chief Executive Officer and General Manager	Carlo Cimbri																						
Directors	<table> <tr> <td>Giovanni Battista Baratta</td> <td>Paola Manes</td> </tr> <tr> <td>Francesco Berardini</td> <td>Pier Luigi Morara</td> </tr> <tr> <td>Paolo Cattabiani</td> <td>Milo Pacchioni</td> </tr> <tr> <td>Piero Collina</td> <td>Maria Antonietta Pasquariello</td> </tr> <tr> <td>Sergio Costalli</td> <td>Elisabetta Righini</td> </tr> <tr> <td>Ernesto Dalle Rive</td> <td>Francesco Saporito</td> </tr> <tr> <td>Massimo Di Menna</td> <td>Adriano Turrini</td> </tr> <tr> <td>Guido Galardi</td> <td>Marco Giuseppe Venturi</td> </tr> <tr> <td>Giuseppina Gualtieri</td> <td>Rossana Zambelli</td> </tr> <tr> <td>Claudio Levorato</td> <td>Carlo Zini</td> </tr> <tr> <td>Ivan Malavasi</td> <td>Mario Zucchelli</td> </tr> </table>	Giovanni Battista Baratta	Paola Manes	Francesco Berardini	Pier Luigi Morara	Paolo Cattabiani	Milo Pacchioni	Piero Collina	Maria Antonietta Pasquariello	Sergio Costalli	Elisabetta Righini	Ernesto Dalle Rive	Francesco Saporito	Massimo Di Menna	Adriano Turrini	Guido Galardi	Marco Giuseppe Venturi	Giuseppina Gualtieri	Rossana Zambelli	Claudio Levorato	Carlo Zini	Ivan Malavasi	Mario Zucchelli
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Claudio Levorato	Carlo Zini																						
Ivan Malavasi	Mario Zucchelli																						
Secretary of the Board of Directors	Roberto Giay																						
Board of Statutory Auditors																							
Chairman	Roberto Chiusoli																						
Statutory Auditors	<table> <tr> <td>Silvia Bocci</td> </tr> <tr> <td>Domenico Livio Trombone</td> </tr> </table>	Silvia Bocci	Domenico Livio Trombone																				
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Alternate Auditors	<table> <tr> <td>Carlo Cassamagnaghi</td> </tr> <tr> <td>Chiara Ragazzi</td> </tr> </table>	Carlo Cassamagnaghi	Chiara Ragazzi																				
Carlo Cassamagnaghi																							
Chiara Ragazzi																							
Manager in charge of financial reporting	Maurizio Castellina																						
Independent Auditors	PricewaterhouseCoopers SpA																						



Interim Financial Report

Consolidation Scope at 30 September 2015

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

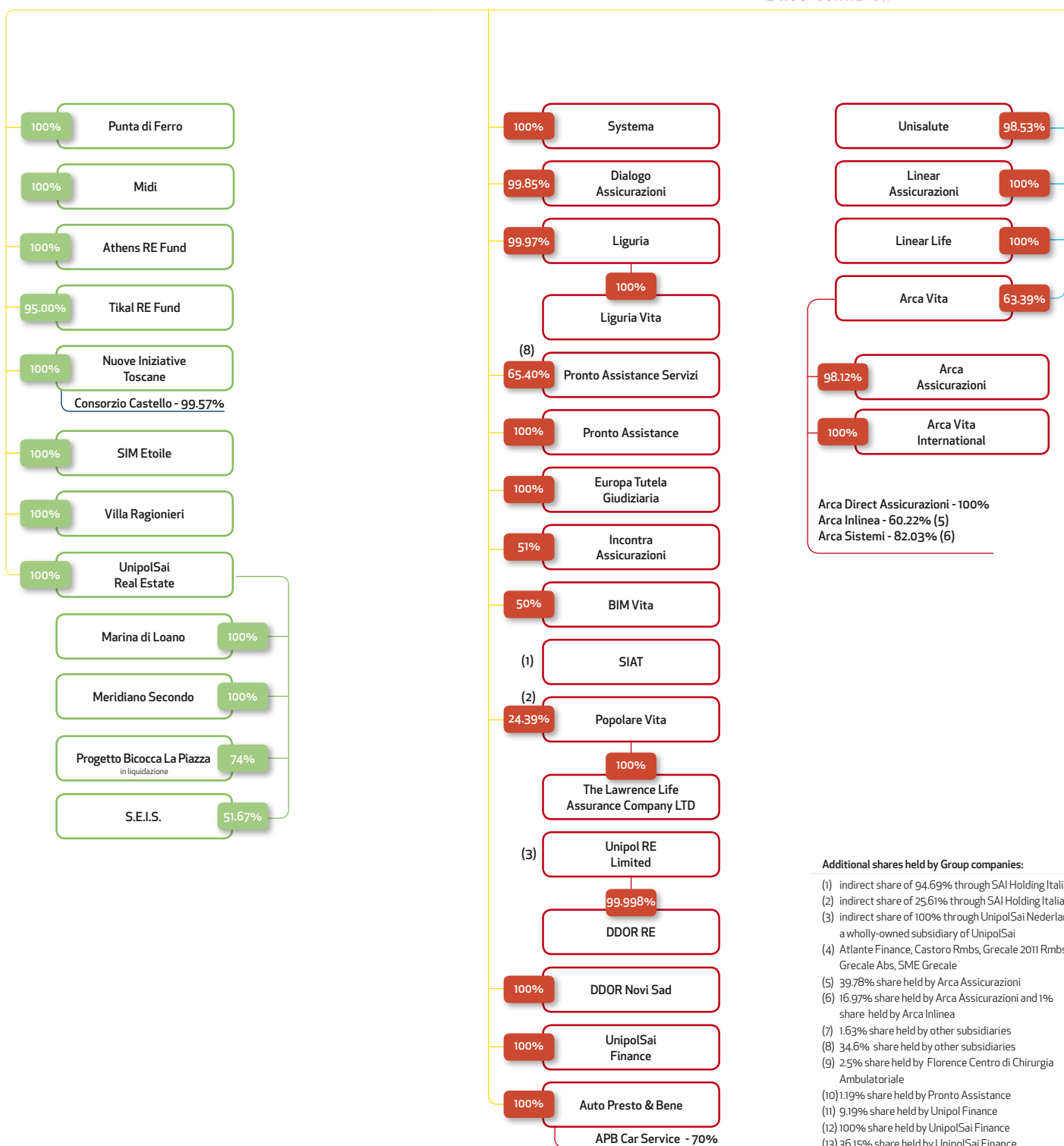
REAL ESTATE
SECTOR

INSURANCE
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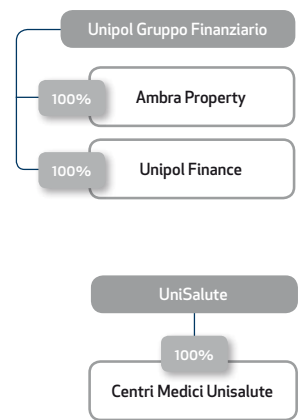
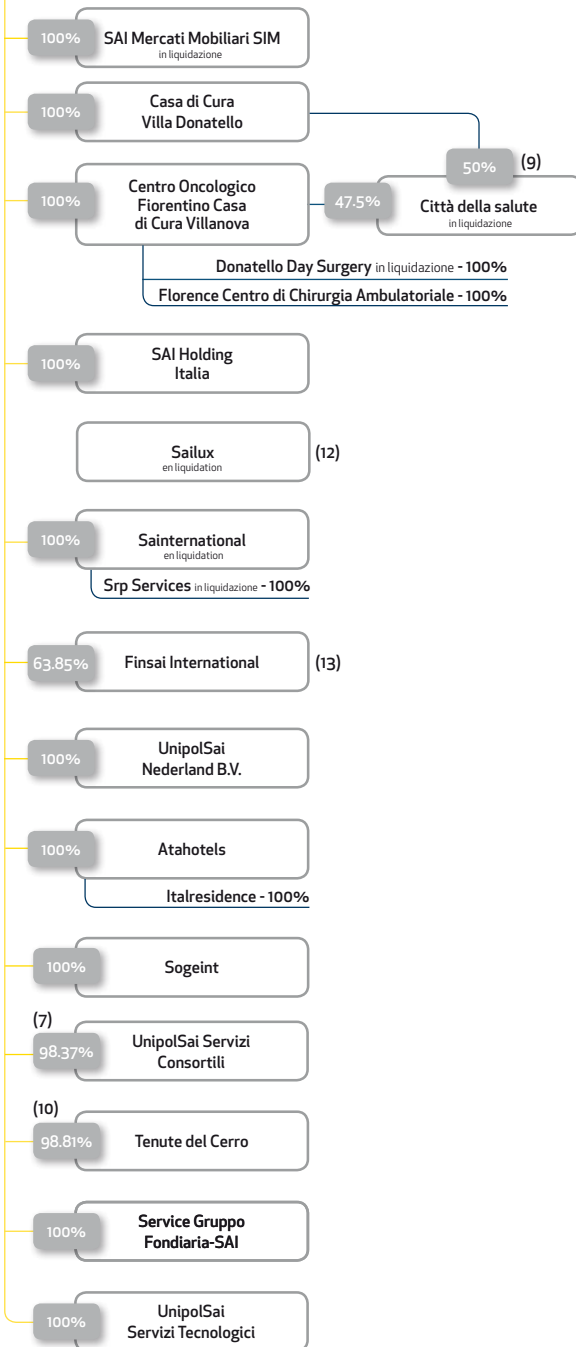
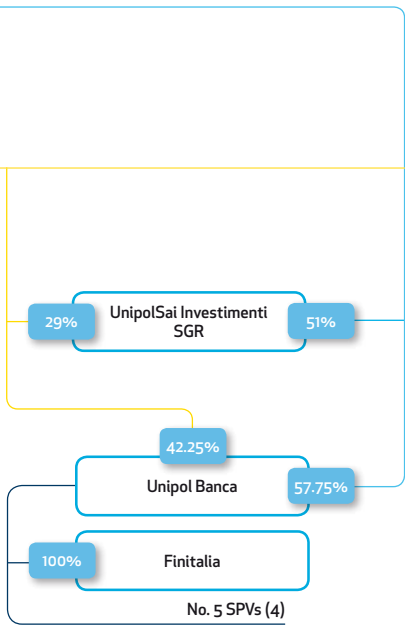
(11) 51.91%

UnipolSai
ASSICURAZIONI



BANKING SECTOR

OTHER ACTIVITIES SECTOR



GROUP HIGHLIGHTS

	<i>Amounts in €m</i>	30/9/2015	30/9/2014	31/12/2014
Non-Life direct insurance premiums		5,671	6,479	8,969
<i>% variation</i>		-12.5	-8.2	-8.7
Life direct insurance premiums		6,411	6,877	8,915
<i>% variation</i>		-6.8	33.9	27.7
<i>of which Life investment products</i>		693	107	141
<i>% variation</i>		547.0	-18.2	-16.2
Direct insurance premiums		12,082	13,356	17,883
<i>% variation</i>		-9.5	9.6	6.4
Banking business - direct customer deposits		10,315	10,915	10,261
<i>% variation</i>		0.5	1.0	-5.0
Consolidated profit (loss)		594	431	505
<i>% variation</i>		37.8	18.7	
Investments and cash and cash equivalents		81,377	79,821	79,985
<i>% variation</i>		1.7	7.7	7.9
Technical provisions		62,405	60,681	61,895
<i>% variation</i>		0.8	6.7	8.8
Financial liabilities		15,620	15,689	15,459
<i>% variation</i>		1.0	-2.2	-3.6
Shareholders' Equity attributable to the owners of the Parent		5,493	5,748	5,691
<i>% variation</i>		-3.5	6.2	5.1
Group solvency margin (Solvency I ratio)		170%	168%	166%

Alternative performance indicators – Non-Life business ¹

	30/09/2015	30/09/2014	31/12/2014
Loss ratio - direct business (including OTI ratio)	67.6%	67.3%	68.0%
Expense ratio (calculated on written premiums) - direct business	27.5%	26.5%	26.7%
Combined ratio - direct business (including OTI ratio)	95.0%	93.8%	94.7%
Loss ratio - net of reinsurance	69.2%	68.5%	68.6%
Expense ratio (calculated on premiums earned) - net of reins.	25.9%	24.2%	25.4%
Combined ratio (with exp. ratio calculated on premiums earned) - net of reins.	95.1%	92.7%	94.0%

¹ Alternative performance 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 segment. This is the ratio of the cost of claims for the period to earned premiums.

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 earned premiums.

Expense ratio: percentage indicator of the ratio of operating expenses to premiums written.

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

Operating performance

During the current year, the last one of the 2013-2015 Business Plan, integration activities continued and are now at an advanced stage for the simplification of the consolidation scope, the convergence of the IT systems supporting the processes of UnipolSai and of the agency network, and the streamlining of the Group's offices in major locations. In particular, in the third quarter:

- the migration of the agency systems was completed for all the insurance agencies of the former Premafin Group, numbering over 1,700;
- the logistical organisation of the offices in the city of Milan was substantially completed.

Moreover, in October UnipolSai received the authorisations from IVASS for the mergers by incorporation of Liguria Assicurazioni and of other smaller subsidiaries, together with other subsidiaries including UnipolSai Real Estate, the latter for the purpose of concentrating and streamlining the management of the Group's real estate assets.

From a business perspective, at 30 September 2015, the Unipol Group confirmed its positive operating performance in terms of the income statement and financial position, in spite of the tensions that characterised the financial and stock markets in the last quarter and the persistence, on the domestic market, of strong competitive pressure in the Non-Life business.

The Unipol Group ended the first nine months of 2015 with a **consolidated profit of €594m**, up compared to €431m recorded at 30 September 2014; this figure benefited from a net gain of €74m resulting from the realisation of the first phase of the sale of a portion of the Milano Assicurazioni portfolio to Allianz.

The estimated consolidated solvency position at 30 September 2015 showed a ratio between available capital and required capital of 1.7 times, in line with the final figures at 31 December 2014. Bearing in mind the convertible loan issued by UnipolSai, with mandatory conversion into UnipolSai ordinary shares by 31 December 2015, the estimated Solvency I ratio rises to 1.73.

At the level of the Unipol Banking Group, the CET 1, at 30 September 2015, was 17.6%.

Insurance Sector

The **net profit** of the Insurance Sector was €731m (€610m at 30/9/2014, +19.8%), of which:

- €512m relating to the Non-Life segment (€487m at 30/9/2014);
- and €218m relating to the Life segment (€122m at 30/9/2014).

At 30 September 2015, Investments and cash and cash equivalents of the Insurance sector totalled €68,615m (€67,354m at 31/12/2014), €18,043m of which was from Non-Life business (€18,555m at 31/12/2014) and €50,572m from Life business (€48,799m at 31/12/2014).

Financial liabilities amounted to €4,582m (€4,620m at 31/12/2014), €1,524m of which in the Non-Life business (€1,820m at 31/12/2014) and €3,058m in the Life business (€2,800m at 31/12/2014), whose increase is particularly due to the Financial liabilities relating to contracts issued by insurance companies where the investment risk is borne by policyholders.

Total premiums (direct and indirect premiums and investment products) at 30 September 2015 amounted to €12,113m (€13,383m at 30/9/2014). Premiums of the third quarter of 2015 alone amounted to €3,386m (€3,288m in

the third quarter of 2014).

Non-Life premiums amounted to €5,701m (€6,505m at 30/9/2014) and Life premiums totalled €6,412m (€6,878m at 30/9/2014).

Direct premiums

Direct premium income						
	<i>Amounts in €m</i>	30/9/2015	<i>% comp.</i>	30/9/2014	<i>% comp.</i>	<i>% var.</i>
Non-Life direct premiums		5,671	46.9	6,479	48.5	-12.5
Life direct premiums		6,411	53.1	6,877	51.5	-6.8
Total direct premium income		12,082	100.0	13,356	100.0	-9.5

On the basis of estimated operating figures, Non-Life direct premiums declined by 5.5%.

Indirect premiums

Indirect business						
	<i>Amounts in €m</i>	30/9/2015	<i>% comp.</i>	30/9/2014	<i>% comp.</i>	<i>% var.</i>
Non-Life premiums		30	96.8	26	94.9	16.8
Life premiums		1	3.2	1	5.1	-28.5
Total indirect premiums		31	100.0	27	100.0	14.4

Non-Life business

Premiums at 30 September 2015, as is forecast for the entire year as well, declined, fully reflecting the effects of the sale of the business unit pertaining to some of the agencies of the former Milano Assicurazioni to Allianz, which started in the second half of 2014 and was completed, with the transfer of the related existing portfolio, at the end of 2014.

The breakdown of **direct business** relating to the main classes compared with 30 September 2014 is illustrated in the following table:

Non-Life business direct premium income						
	<i>Amounts in €m</i>	30/9/2015	<i>% comp.</i>	30/9/2014	<i>% comp.</i>	<i>% var.</i>
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)		2,848		3,443		-17.3
Land Vehicle Hulls (class 3)		450		504		-10.6
Total premiums - Motor vehicles		3,298	58.2	3,946	60.9	-16.4
Accident and Health (classes 1 and 2)		850		892		-4.7
Fire and Other damage to property (classes 8 and 9)		711		770		-7.6
General TPL (class 13)		453		477		-5.0
Other classes		359		394		-9.0
Total premiums - Non-Motor vehicles		2,373	41.8	2,533	39.1	-6.3
Total Non-Life direct premiums		5,671	100.0	6,479	100.0	-12.5

Competition in MV TPL tariffs continues to be very keen, as attested by a change in the average market premium, in the second quarter of 2015, of -7.8% year on year², reflected, especially for the Unipol Group as the market leader, in the progressive decline in premiums from this class.

In this scenario, the Non-Life premiums of the Group amounted to €5,671m (-12.5% compared to the data at the third quarter of 2014). Based on management assessments, the overall decline in the Non-Life direct premiums, estimated by excluding the effects resulting from the aforementioned transfer of the portfolio (hereinafter "*estimated operating figure*") stood at approximately -5.5%.

The MV TPL class recorded direct premiums of €2,848m, down by 17.3% (*-8.9% is the estimated operating figure*), recovering from the first half of 2015 thanks to the actions taken from the second quarter onwards with the goal of making the offer more competitive both in terms of new customers and of renewals.

The Land Vehicle Hulls class also recorded a decline, with premiums of €450m (-10.6% and *estimated operating figure -2.8%*) as a direct effect of the current trend in the MV TPL class, as well as of the reduction in expenditure for non-mandatory insurance and the ageing of the vehicle fleet on the road.

The Non-MV class showed more resilience despite the persistently weak macroeconomic scenario, with premiums of €2,373m, down by 6.3% (*estimated operating figure -1.6%*).

The **loss ratio** solely for Non-Life direct business, including the OTI ratio, stood at 67.6% (67.3% at 30/9/2014). In the MV TPL class the technical indicators remain positive thanks to the constant control of average costs and to the stability of the provisions for previous year claims. The decline in frequency continued, albeit at a slower rate, and was reflected in the further decrease in the number of claims.

In the Non-MV classes, the loss ratio improved, after a first quarter affected by significant material damages caused by an exceptionally severe weather event (wind storm) which hit Tuscany in early March.

The **expense ratio** for direct business was 27.5% (26.5% at 30/9/2014), despite the drop in operating costs in absolute terms; the value was impacted by the decline in premiums and by the shift of the sales mix towards business that offers higher commissions; another factor was the greater incidence of variable commissions directly linked to the technical improvement.

The **combined ratio**, based on direct business, was 95% at 30 September 2015 (93.8% at 30/9/2014).

Non-Life premiums of the main Group insurance companies

The Non-Life direct premiums of the **UnipolSai Group** totalled €5,252m (€6,052m at 30/9/2014, -13.2% and *estimated operating figure -5.8%*).

The direct premiums relating solely to **UnipolSai**, the Group's main insurance company, amounted to €4,984m (€5,735m at 30/9/2014, -13.1%, and *estimated operating figure -5.2%*), of which.

- €3,079m in the MV classes (€3,673m at 30/9/2014, -16.2%, and *estimated operating figure -7.1%*).
- €1,904m in the Non-MV classes (€2,062m at 30/9/2014, -7.6%, and *estimated operating figure -1.8%*).

At 30 September 2015 **Arca Assicurazioni**, the Non-Life company in the Arca Group, recorded direct premiums of €75m, down 2.3% compared to 30 September 2014.

The **specialist companies** (Linear and Unisalute) recognised total direct premiums of €344m at 30 September 2015 (-1.8% compared to 30/9/2014). Unisalute grew by 7.4%, while Linear declined by 17%.

² Source: IVASS, IPER Statistical Bulletin no.3

Life Business

The breakdown of **direct business** relating to the main classes compared with 30 September 2014 is illustrated in the following table.

Life business direct premium income						
	<i>Amounts in €m</i>	30/9/2015	<i>% comp.</i>	30/9/2014	<i>% comp.</i>	<i>% var.</i>
Premiums						
I - Whole and term Life insurance		3,963	69.3	4,754	70.2	-16.6
III - Unit-linked/index-linked policies		993	17.4	1,314	19.4	-24.4
IV - Health		1	0.0	1	0.0	17.8
V - Capitalisation insurance		448	7.8	391	5.8	14.4
VI - Pension funds		314	5.5	310	4.6	1.4
Total Life business premium income		5,719	100.0	6,770	100.0	-15.5
Investment products						
III - Unit-linked/index-linked policies		661	95.5	79	73.7	737.8
VI - Pension funds		31	4.5	28	26.3	11.7
Total Life investment products		693	100.0	107	100.0	547.0
Total premium income						
I - Whole and term Life insurance		3,963	61.8	4,754	69.1	-16.6
III - Unit-linked/index-linked policies		1,654	25.8	1,393	20.2	18.7
IV - Health		1	0.0	1	0.0	17.8
V - Capitalisation insurance		448	7.0	391	5.7	14.4
VI - Pension funds		346	5.4	338	4.9	2.3
Total Life business direct premium income		6,411	100.0	6,877	100.0	-6.8

Within the **Life segment**, in a market environment characterised by low interest rates, the aim is to favour higher quality production and contain financial risks, also in compliance with Solvency II. At 30 September 2015, a significant amount of premiums, amounting to €6,411m, was recorded, albeit with a 6.8% decline when compared with the same period of the previous year.

New business in terms of **APE**³, net of non-controlling interests, amounted to €342m at 30 September 2015 (€374m at 30/9/2014, -8.5%), of which €164m contributed by traditional companies and €178m by bancassurance companies.

³ 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 regular 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.

Life premiums of the main Group insurance companies

The Life direct premiums of the **UnipolSai Group** totalled €4,911m (€5,827m at 30/9/2014, -15.7%). The decrease was due in particular to class I Traditional Policies (-25.4%), which, with €2,828m, represent 57.6% of total premiums. Class III Unit- and Index-Linked Policies had premiums of €1,299m (-1.5%), while class V Capitalisation Policies grew (+14.9%) along with Class VI Pension Funds (+2.3%), respectively with premiums of €438m and €346m.

Direct premiums relating to **UnipolSai** alone stood at €2,363m (€2,583m at 30/9/2014), -8.5% compared to 30 September 2014. Growth was experienced by Class V Capitalisation Policies, with premiums of €414m (+13.9%) and Class VI Pension Funds, with premiums of €341m (+2.1%), whereas Class I Traditional Policies declined by 14.7%, with premiums of €1,604m.

The bancassurance companies of the UnipolSai Group, **Popolare Vita** and its subsidiary **The Lawrence Life**, collected premiums amounting respectively to €1,925m (€2,425m at 30/9/2014, -20.6%) and €479m (€682m at 30/9/2014, -29.7%). Overall, the **Popolare Vita Group** declined by 22.6%.

At 30 September 2015 the Life companies of the **Arca Group** (Arca Vita and Arca Vita International), with premiums of €1,498m, recorded significant growth of 42.8%, mainly attributable to the Class III products placed by the subsidiary Arca Vita International.

Banking Sector

The **Banking Sector** benefited from the improvement of the macroeconomic environment and the confirmation of a prudential lending policy, which entailed a contraction in loans compared to December 2014. The first signals of a reduction in impaired loans are being observed, thanks in part to some assignments without recourse that did not cause any significant impacts on the income statement. The commercial offering favours retail customers and SMEs, seeking also to increase cross selling on the insurance customer base, through the financing of insurance premiums and the sale of banking products through the agency channel. Consequently, the banking sector in the first nine months of 2015 contributed positive results to the Group.

At 30 September 2015, the **net profit** of the Banking sector was €6m (€7m at 30/9/2014).

The Investments and cash and cash equivalents of the Banking sector totalled €11,452m at 30 September 2015 (€11,814m at 31/12/2014).

Financial liabilities amounted to €10,967m (€11,152m at 31/12/2014).

Operating performance of Unipol Banca

At 30 September 2015 **direct deposits**, totalling €10,292m, were stable compared to the 2014 year end value (+0.4%), due to greater deposits by Group companies (+24.8%) in the form of current accounts (+€95m) and time deposits (+€184m). Net of volumes attributable to Group companies and to Cassa Compensazione e Garanzia, direct deposits attributable to ordinary customers decreased by 1.3% (amounting to €112m), with a decline in both the Retail component (-1.8%) and the Business market (-0.6%). At 30 September 2015, the volumes attributable to Group companies represented 13.7% of total deposits (11% at the end of 2014).

Indirect deposits at 30 September 2015 amounted to €49.9bn, up by 1.7% compared to the end of 2014 (€49.1bn). Net of Group volumes, indirect deposits totalled €4bn, up by 12.9% compared to 31 December 2014

On the whole, **assets under management** amounted to €2.1bn at 30 September 2015 (€1.9bn at 31/12/2014), divided into managed portfolios (€0.2bn, +1.3%), mutual funds (€1bn, +11.4%) and Life insurance policies (€0.8bn, +14.8%). Growth was experienced by both the Retail market (+12.3%) and the Business market (+11.3%).

Funds under custody totalled €47.9bn at 30 September 2015, having grown by €0.7bn (+1.3%), of which €0.4bn pertained to Group volumes. The Business market grew significantly (+43.7% amounting to +€0.4bn), offsetting the decrease by €0.1bn (-12.3%) of the Retail market.

At 30 September 2015, **receivables from customers** were €9,402m, down by 4.3% from the figure at the end of 2014. In September, mortgage loans amounting to €718m were securitised.

Gross **impaired loans** at 30 September 2015 amounted to €3,847m, down by 1.3% compared to €3,896m at 31 December 2014. The good result was obtained, in part, to the closing of some impaired positions included in the indemnity agreement with the Parent Unipol (at the end of 2014 they were covered for €70m) which made it possible to absorb the flow of new entries into the impaired loans. At 30 September 2015, the value of the covered portfolio was €833m (€908m at 31/12/2014).

During the period, the coverage ratio grew by 0.4 percentage points, reaching 30% in spite of the exit from the aforementioned positions which had lower coverage thanks to said agreement (29.6% at 31/12/2014). At the end of the quarter, the coverage ratio, including the provisions made by the Parent Unipol on the total credit indemnities, grew to 42.7% (42.3% at 31/12/2014).

At 30 September 2015 the **net balance due to the banking system** was negative by €41m, a significant decrease compared to -€450m at the end of 2014, having offset the excess deposits with interbank loans.

As to the income statement, the **profit after taxes** at 30 September 2015 amounted to €8m, a sharp improvement over the same period of 2014, which had ended with a loss of €14m. The comparison on a like-for-like basis is also positive (considering the result of Banca Sai at 30/9/2014), as it would have led to substantial break-even (-€1m).

The gross operating income at 30 September 2015 amounted to €226m, in decline, on a like-for-like basis, by 18.4%, as a result of the reduction, on a like-for-like basis, in net interest income by €153m (-8.1%) and in net commission income by €74m (-2.4%), and of the effects of the transfer of some credit positions relating to the indemnity agreement with the Parent Unipol, which generated losses on disposal of €25m, offset by other operating income recognised under Operating expenses, for the exercise of the indemnity request. In addition, lower gains by €13m were realised on the proprietary portfolio.

Impaired loan performance was positive, with a decline compared to the values at the end of 2014 (-1.3% calculated on the value before provisions), which did not need the same level of cost of risk as in 2014, thus requiring lower adjustments by €23m (including €8m of write-downs on financial assets and other assets).

Real Estate Sector

The Real Estate sector, which includes only real estate companies and their investees, recorded a net loss of €66m at 30 September 2015 (-€33m at 30/9/2014), which was affected by write-downs of approximately €69m (pre-tax and already recognised in the first half), pertaining to some assets, pending value enhancement in the medium term.

Investments and cash and cash equivalents of the Real Estate sector (including instrumental properties for own use) totalled €1,762m at 30 September 2015 (€1,855m at 31/12/2014), consisting mainly of Investment property amounting to €1,042m (€1,157m at 31/12/2014) and Properties for own use totalling €512m (€481m at 31/12/2014).

Financial liabilities amounted to €163m at 30 September 2015, substantially unchanged from 31/12/2014.

The activities pertaining to the execution of the main real estate projects currently ongoing in the Milan area are continuing:

- restoration and enhancement of the "Torre Galfa" property, located in via Fara 41;
- requalification of the "Torre Velasca" property;
- requalification of the property in via Pantano 26/Corso di Porta Romana 19;
- construction of a new multi-storey building for its own use at via Melchiorre Gioia and via Don Sturzo, located in the urban redevelopment zone known as "Porta Nuova Garibaldi".

In addition, during the quarter in question, the process to dispose of a portion of the portfolio continued, by means of several transactions, which regarded, in particular, individual properties located throughout the country. Of note is the sale of the property, for hospitality use, located in Milan in via Caldera, 21.

Lastly, with reference to the investment in the real estate development project for the area called "Porta Nuova", reference is made to the information provided within the Consolidated Half-Yearly Financial Report at 30 June 2015.

Holding and Other Businesses Sector

The Holding and Other Businesses sector at 30 September 2015 recorded a net loss of €77m (loss of €153m at 30/9/2014). In particular, the Unipol holding, in relation to the Credit Indemnity Agreement with the subsidiary Unipol Banca, allocated €20m to provisions for risks at 30 September 2015, versus €130m at 30 September 2014.

At 30 September 2015, Investments and cash and cash equivalents of the Holding and Other Businesses sector (including properties for own use for €185m) totalled €2,015m (€1,220m at 31/12/2014).

Financial Liabilities amounted to €1,906m (€1,280m at 31/12/2014). The increase compared to 31 December 2014 is attributable to the outcome of the Exchange Offer promoted by Unipol on two senior unsecured bond loans expiring in 2017 and 2021, and the simultaneous issue, on 18 March 2015, of a new bond loan maturing in 2025.

Commercial development activities of the diversified companies continued in the third quarter of 2015. These activities, along with redevelopment actions implemented in previous years and still in progress, achieved better results than in the previous year, despite continued weakness in the market environment.



In particular, in the hotels segment Atahotels, at 30 September 2015, achieved a net profit of €4m, versus the loss of €3m at 30 September 2014, also by effect of the performance of the facilities in the Milan area involved by the 2015 Milan Expo.

With regard to the project of acquiring the "UNA" hotel management business and the related portfolio of hotel properties, the Group is waiting for completion of some operating processes necessary for the closing of the acquisition.

Though they did improve, the results of the medical clinics and of the farming company Tenute del Cerro were still negative.

Asset and financial management

As regards the **management of financial investments**, in spite of the severe tensions experienced in the third quarter on the stock markets as a result of the slow-down of the Chinese economy, the Group's securities portfolio, characterised by a significant presence of Italian government securities, maintained a significant increase in value in the third quarter of 2015, boosted by the intensification, announced in early September by the ECB, of the anti-deflationary action brought about by the launch of Quantitative Easing.

Even with a conservative risk/return profile of the assets and maintaining consistency between assets and liabilities towards the insured, the portfolio profitability showed a significant return over the period considered i.e. approximately 4.9% of the invested assets. Said result was contributed by the realisation policy adopted by the Group, consequent to the operations carried out to increase the diversification profile of financial assets and the completion, in the first part of the year, of forward sales of some securities agreed in 2014.

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.

The exposure to government bonds during the first nine months increased by approximately €620m. During the period, the net balance of Government bonds was positive on the Life segment, i.e. €1,522m, whereas it was negative on the Non-Life segment, where the decrease amounted to €1,255m. Purchases on the holding amounted to approximately €350m.

Purchases on the Life portfolio involved mainly fixed rate securities, and were useful to meet the ALM requirements of the Segregated Accounts, continuing the rationalisation of the maturity dates of liabilities with covering assets. This activity, carried out on the basis of the contractual commitments and the goals of the Business Plan, was also implemented by using zero coupon type government bonds, primarily Italian and Spanish, which allow the protection of minimum guaranteed returns and of the coupon reinvestment risk. Risk hedges were set in place for the Life portfolio to hedge the risk of a rise in interest rates, through derivative contracts focused on specific ALM requirements of several Segregated Accounts.

Activities involving Government bonds on the Non-Life segment were characterised by a sharp reduction in exposure in absolute value through a re-modulation of the due dates in the portfolio. Sales involved medium/long-term fixed rate securities; repurchases focused on the very short-term portion (treasury bills and CTZ) or on floating rate securities (treasury credit certificates), index-linked to inflation. Operations in derivatives were also undertaken for the Non-Life portfolio to mitigate the risk of a rise in interest rates.

The non-government component of bonds saw an increase of €1,347m in overall exposure during the nine months. This increase affected both the Life segment (€568m) and Non-Life segment (€803m); exposure to the Holding decreased by approximately €24m. Transactions mainly involved financial and industrial securities, both senior unsecured and subordinated.

Asset portfolio simplification activities continued during the nine months. Level 2 and 3 structured bonds saw an overall reduction in exposure of €575m.

Investment in equities increased by approximately €200m in the first nine months of 2015. The increase was accompanied by the purchase of put options directed at mitigating volatility and maintaining the value of the portfolio. Transactions were broken down based on individual shares and ETFs (Exchange Traded Funds), representing share indexes. The portfolio contained bonds with a good scope for future profits and a high income flow. Almost all equity instruments belong to the main European share indexes.

The investment in alternative funds, a category that includes Private Equity Funds and Hedge Funds, amounted to €381m.

Currency operations were mainly conducted to hedge the currency risk of outstanding equity and bond positions.

The overall duration of the Group is 5.4 years, slightly longer than 5.23 years at the end of 2014. The Non-Life duration in the Group insurance portfolio was 3.26 years (3.13 years at the end of 2014); in Life business, duration was 6.38 years (6.15 years at the end of 2014). The Holding duration was 0.93 years, down compared to the end of last year (1.05 years) due to the liquidity suitably held in the portfolio.

The fixed rate and floating rate components of the bond portfolio amounted respectively to 79.4% and 20.6%. The government component accounted for approximately 77% of the bond portfolio whilst the corporate component accounted for the remaining 23%, split into 17.4% financial and 5.6% industrial credit. Italian government bonds accounted for 70.5% of the total bond portfolio.

90.9% of the bond portfolio was invested in securities with ratings higher than BBB-. 2% of the total was positioned in classes AAA to AA-, while 4.7% of securities had an A rating. The exposure to securities in the BBB rating class was 84.3%.

At 30 September 2015, Group **Investments and cash and cash equivalents** totalled €81,377m (€79,985m at 31/12/2014), with the following breakdown by business segment:

Investments and cash and cash equivalents -Breakdown by business segment						
	<i>Amounts in €m</i>	30/09/2015	<i>% comp.</i>	31/12/2014	<i>% comp.</i>	<i>% var.</i>
Insurance		68,615	84.3	67,354	84.2	1.9
Banking		11,452	14.1	11,814	14.8	-3.1
Holding and Services		2,015	2.5	1,220	1.5	65.3
Real Estate		1,762	2.2	1,855	2.3	-5.0
Intersegment eliminations		-2,467	-3.0	-2,259	-2.8	9.2
Total investments and cash and cash equivalents		81,377	100.0	79,985	100.0	1.7

The breakdown by investment category is as follows:

	<i>Amounts in €m</i>	30/9/2015	<i>% comp.</i>	31/12/2014	<i>% comp.</i>	<i>% var.</i>
Property (*)		3,889	4.8	4,010	5.0	-3.0
Investments in subsidiaries, associates and interests in joint ventures		89	0.1	178	0.2	-49.9
Held-to-maturity investments		1,589	2.0	2,238	2.8	-29.0
Loans and receivables		14,712	18.1	14,658	18.3	0.4
<i>Debt securities</i>		4,583	5.6	4,414	5.5	3.8
<i>Loans and receivables from bank customers</i>		8,562	10.5	9,006	11.3	-4.9
<i>Interbank loans and receivables</i>		593	0.7	338	0.4	75.3
<i>Deposits with ceding companies</i>		28	0.0	31	0.0	-9.7
<i>Other loans and receivables</i>		947	1.2	868	1.1	9.0
Available-for-sale financial assets		50,145	61.6	48,378	60.5	3.7
Financial assets at fair value through profit or loss		10,065	12.4	9,849	12.3	2.2
<i>held for trading</i>		514	0.6	392	0.5	31.1
<i>at fair value through profit or loss</i>		9,551	11.7	9,457	11.8	1.0
Cash and cash equivalents		888	1.1	674	0.8	31.7
Total investments and cash and cash equivalents		81,377	100.0	79,985	100.0	1.7

(*) including properties for own use

Net financial income (not including net income from financial assets and liabilities, whose investment risk is borne by policyholders) amounted to €1,802m at 30 September 2015, compared to €1,484m at 30 September 2014 (+23.2%).

Shareholders' equity

Shareholders' Equity attributable to the owners of the Parent amounted to €5,493m (€5,691m at 31/12/2014). The main changes in the period were as follows:

- a decrease of €126m due to dividend distribution;
- a decrease of €145m of the Income-related and other equity reserves due to the change in the share of participating interests in the UnipolSai Group after the conversion of category A savings shares;
- a decrease of €281m owing to the decrease in the Provision for gains and losses on available-for-sale financial assets, from €777m at 31 December 2014 to €496m at 30 September 2015;
- a decrease of €11m owing to the decrease in the reserve for Other gains or losses recognised directly in equity;
- an increase of €335m as a result of the Group profit at 30 September 2015.

Shareholders' Equity attributable to non-controlling interests amounted to €2,818m (€2,749m at 31/12/2014).

On 1 July 2015, 281,456 shares were assigned to the Managers of the Unipol Group in accordance with the compensation plans based on financial instruments for the period 2010-2012.

At 30 September 2015 there were 9,593,375 treasury shares in the portfolio (9,874,831 at 31/12/2014).

Technical provisions and financial liabilities

At 30 September 2015 technical provisions amounted to €62,405m (€61,895m at 31/12/2014) and financial liabilities totalled €15,620m (€15,459m at 31/12/2014).

Technical provisions and financial liabilities				
	<i>Amounts in €m</i>	30/9/2015	31/12/2014	<i>% var.</i>
Non-Life technical provisions		16,947	17,636	-3.9
Life technical provisions		45,458	44,259	2.7
Total technical provisions		62,405	61,895	0.8
Financial liabilities at fair value		2,353	2,277	3.3
<i>Investment contracts - insurance companies</i>		2,116	1,608	31.6
<i>Other</i>		237	670	-64.6
Other financial liabilities		13,267	13,182	0.6
<i>Investment contracts - insurance companies</i>		0	7	-93.6
<i>Subordinated liabilities</i>		2,558	2,623	-2.5
<i>Payables to bank customers</i>		5,558	5,717	-2.8
<i>Interbank payables</i>		642	796	-19.3
<i>Other</i>		4,509	4,039	11.6
Total financial liabilities		15,620	15,459	1.0
Total		78,025	77,354	0.9



Business outlook

In October, the ECB's statements on maintaining the accommodating bias of its monetary policy, directed at stimulating inflation and the economic recovery, promoted a recovery of the financial markets and a new reduction in the spread between BTp and Bund.

The objective of financial operations continues to be to achieve consistency between assets and liabilities and to maintain a high standard of portfolio quality through criteria of diversification of the issuers that maintain particular focus on their strength and liquidity.

As far as the performance of the businesses in which the Group operates is concerned, there were no significant events to report in a scenario that, particularly in the Non-Life insurance business, remains highly competitive.

The Group is completing the integration activities defined in the 2013-2015 Business Plan and it is defining the Strategic Guidelines supporting the preparation of the new Business Plan for the years 2016-2018.

Bologna, 5 November 2015

The Board of Directors

Consolidated Financial Statements:

- Statement of financial position
 - Income statement
 - Condensed operating income statement by business segment
 - Statement of financial position by business segment
-

Consolidated Statement of Financial Position - Assets

		<i>Amounts in €m</i>	30/9/2015	31/12/2014
1	INTANGIBLE ASSETS		2,073	2,133
1.1	Goodwill		1,582	1,582
1.2	Other intangible assets		491	551
2	PROPERTY, PLANT AND EQUIPMENT		1,488	1,522
2.1	Property		1,354	1,364
2.2	Other tangible assets		134	157
3	TECHNICAL PROVISIONS - REINSURERS' SHARE		947	988
4	INVESTMENTS		79,134	77,946
4.1	Investment property		2,535	2,646
4.2	Investments in subsidiaries, associates and interests in joint ventures		89	178
4.3	Held-to-maturity investments		1,589	2,238
4.4	Loans and receivables		14,712	14,658
4.5	Available-for-sale financial assets		50,145	48,378
4.6	Financial assets at fair value through profit or loss		10,065	9,849
5	SUNDRY RECEIVABLES		2,895	3,594
5.1	Receivables relating to direct insurance business		1,124	1,692
5.2	Receivables relating to reinsurance business		68	95
5.3	Other receivables		1,703	1,807
6	OTHER ASSETS		1,932	1,770
6.1	Non-current assets or assets of a disposal group held for sale		15	9
6.2	Deferred acquisition costs		82	76
6.3	Deferred tax assets		948	1,044
6.4	Current tax assets		76	120
6.5	Other assets		810	521
7	CASH AND CASH EQUIVALENTS		888	674
	TOTAL ASSETS		89,358	88,627

Consolidated Statement of Financial Position - Shareholders' Equity and Liabilities

		<i>Amounts in €m</i>	30/9/2015	31/12/2014
1	SHAREHOLDERS' EQUITY		8,311	8,440
1.1	attributable to the owners of the Parent		5,493	5,691
1.1.1	Share capital		3,365	3,365
1.1.2	Other equity instruments		0	0
1.1.3	Capital reserves		1,725	1,725
1.1.4	Income-related and other equity reserves		-428	-356
1.1.5	(Treasury shares)		-35	-36
1.1.6	Reserve for foreign currency translation differences		2	2
1.1.7	Gains or losses on available-for-sale financial assets		496	777
1.1.8	Other gains or losses recognised directly in equity		31	20
1.1.9	Profit (loss) for the year attributable to the owners of the Parent		335	192
1.2	attributable to non-controlling interests		2,818	2,749
1.2.1	Share capital and reserves attributable to non-controlling interests		2,206	1,972
1.2.2	Gains or losses recognised directly in equity		353	464
1.2.3	Profit (loss) for the year attributable to non-controlling interests		259	313
2	PROVISIONS		582	643
3	TECHNICAL PROVISIONS		62,405	61,895
4	FINANCIAL LIABILITIES		15,620	15,459
4.1	Financial liabilities at fair value through profit or loss		2,353	2,277
4.2	Other financial liabilities		13,267	13,182
5	PAYABLES		1,299	933
5.1	Payables arising from direct insurance business		208	154
5.2	Payables arising from reinsurance business		140	44
5.3	Other payables		950	735
6	OTHER LIABILITIES		1,141	1,257
6.1	Liabilities associated with disposal groups		0	0
6.2	Deferred tax liabilities		35	102
6.3	Current tax liabilities		36	28
6.4	Other liabilities		1,070	1,127
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		89,358	88,627

Consolidated Income Statement

		<i>Amounts in €m</i>	30/9/2015	30/9/2014
1.1	Net premiums		11,393	13,512
1.1.1	<i>Gross premiums earned</i>		11,712	13,859
1.1.2	<i>Earned premiums ceded to reinsurers</i>		-319	-347
1.2	Commission income		90	94
1.3	Gains and losses on financial instruments at fair value through profit or loss		215	158
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures		8	3
1.5	Gains on other financial instruments and investment property		2,324	2,598
1.5.1	<i>Interest income</i>		1,486	1,589
1.5.2	<i>Other income</i>		141	147
1.5.3	<i>Realised gains</i>		612	690
1.5.4	<i>Unrealised gains</i>		85	171
1.6	Other revenue		395	454
1	TOTAL REVENUE AND INCOME		14,425	16,819
2.1	Net charges relating to claims		-10,228	-12,300
2.1.1	<i>Amounts paid and changes in technical provisions</i>		-10,347	-12,441
2.1.2	<i>Reinsurers' share</i>		120	141
2.2	Commission expense		-23	-28
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures		-7	-10
2.4	Losses on other financial instruments and investment property		-717	-901
2.4.1	<i>Interest expense</i>		-202	-234
2.4.2	<i>Other charges</i>		-40	-80
2.4.3	<i>Realised losses</i>		-205	-274
2.4.4	<i>Unrealised losses</i>		-270	-313
2.5	Operating expenses		-2,054	-2,214
2.5.1	<i>Commissions and other acquisition costs</i>		-1,324	-1,475
2.5.2	<i>Investment management expenses</i>		-57	-57
2.5.3	<i>Other administrative expenses</i>		-673	-682
2.6	Other costs		-529	-604
2	TOTAL COSTS AND EXPENSES		-13,559	-16,058
	PRE-TAX PROFIT (LOSS) FOR THE YEAR		866	761
3	Income tax		-272	-329
	PROFIT (LOSS) FOR THE YEAR AFTER TAXES		594	432
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS		0	-1
	CONSOLIDATED PROFIT (LOSS)		594	431
	<i>of which attributable to the owners of the Parent</i>		<i>335</i>	<i>200</i>
	<i>of which attributable to non-controlling interests</i>		<i>259</i>	<i>231</i>

Condensed Consolidated Operating Income Statement by business segment

	NON-LIFE BUSINESS		LIFE BUSINESS		INSURANCE SECTOR		BANKING SECTOR		HOLDING AND OTHER BUSINESSES SECTOR		REAL ESTATE (*) SECTOR		Intersegment eliminations		TOTAL CONSOLIDATED				
	30/9/15	30/9/14	% var.	30/9/15	30/9/14	% var.	30/9/15	30/9/14	% var.	30/9/15	30/9/14	% var.	30/9/15	30/9/14	% var.	30/9/15	30/9/14		
	Amounts in €m																		
Net premiums	5,688	6,757	-15.8	5,705	6,755	-15.5	11,393	13,512	-15.7	20	13	54.1	0	0	0	11,393	13,512	-15.7	
Net commission income	0	0	-130.9	7	6	17.6	7	6	22.7	73	80	-9.4	0	0	0	66	65	1.8	
Financial income/expense (excl. assets/liabilities at fair value)	579	425	36.2	1,275	1,126	13.2	1,854	1,551	19.5	125	160	-21.8	-45	-8	-484.3	1,802	1,484	21.4	
Net interest income	272	310		908	917		1,180	1,227		179	191		-1	-1		1,290	1,363		
Other gains and losses	61	49		63	-4		124	45		0	0		30	31		107	41		
Realised gains and losses	258	121		272	180		529	301		-7	41		-1	-1		524	341		
Unrealised gains and losses	-11	-55		32	33		21	-21		-48	-73		-72	-37		-119	-261		
Net charges relating to claims	-3,844	-4,599	-16.4	-6,362	-7,338	-13.3	-10,207	-11,937	-14.5	-121	-87	38.9	-23	-11	104.6	-10,207	-11,937	-14.5	
Operating expenses	-1,516	-1,672	-9.4	-272	-299	-9.0	-1,787	-1,971	-9.3	-220	-228	-3.4	-23	-11	104.6	-2,054	-2,214	-7.2	
Commissions and other acquisition costs	-1,207	-1,327	-9.1	-145	-173	-16.7	-1,352	-1,501	-9.9	-220	-228	-3.4	-23	-11	104.6	-1,324	-1,475	-10.2	
Other expenses	-309	-345	-10.5	-127	-125	1.5	-436	-470	-7.3	31	10	194.2	-22	-15	41.6	-730	-739	-1.2	
Other gains and losses	-172	-131	31.4	-47	-58	-18.1	-220	-189	16.3	60	-93	-164.3	-22	-15	41.6	-134	-150	-10.1	
Pre-tax profit (loss)	734	779	-5.8	305	193	58.5	1,040	972	7.0	8	22	-65.0	-90	-34	-161.6	0	866	761	13.7
Income tax	-222	-292	-23.9	-87	-70	23.8	-309	-362	-14.7	15	46	-67.0	24	2	1,338.1	0	-272	-329	-17.4
Profit (loss) from discontinued operations	0	0		0	0		0	0		0	-1		0	0		0	0	-1	
Consolidated profit (loss)	512	487	5.1	218	122	78.4	731	610	19.8	6	7	-15.0	-66	-33	-101.8	0	594	431	37.8
Profit (loss) attributable to the owners of the Parent																335	200		
Profit (loss) attributable to non-controlling interests																259	231		

Statement of financial position by business segment

	Non-Life business		Life business		Banks		Holding and Other Businesses		Real Estate		Intersegment eliminations		Total	
	30/9/2015	31/12/2014	30/9/2015	31/12/2014	30/9/2015	31/12/2014	30/9/2015	31/12/2014	30/9/2015	31/12/2014	30/9/2015	31/12/2014	30/9/2015	31/12/2014
	Amounts in €m													
1	1,480	1,503	572	603	8	11	14	19	0	1	-2	-2	2,073	2,133
2	674	713	60	62	13	16	215	234	523	495	2	2	1,488	1,522
3	851	873	97	115									947	988
4	16,896	17,617	50,122	48,226	11,354	11,713	1,033	424	1,123	1,263	-1,392	-1,298	79,134	77,946
4.1	1,436	1,432	11	11	1	1	45	45	1,042	1,157			2,535	2,646
4.2	70	62	4	95	7	7	0	0	8	13			89	178
4.3	399	639	762	781	428	818							1,589	2,238
4.4	2,105	2,109	3,295	3,253	10,054	10,226	605	323	39	36	-1,386	-1,290	14,712	14,658
4.5	12,681	13,257	36,244	34,375	821	652	371	44	34	57	-7	-7	50,145	48,378
4.6	205	118	9,805	9,711	43	8	12	12					10,065	9,849
5	2,132	2,814	513	739	84	85	301	132	59	37	-193	-212	2,895	3,594
6	748	738	132	200	690	418	575	579	41	25	-254	-189	1,932	1,770
6.1	34	27	48	48									82	76
6.2	714	710	84	152	690	418	575	579	41	25	-254	-189	1,850	1,694
7	547	300	396	518	96	100	798	608	128	111	-1,077	-963	888	674
	23,328	24,558	51,891	50,462	12,246	12,342	2,936	1,996	1,873	1,931	-2,917	-2,662	89,358	88,627
1													8,311	8,440
2	480	558	29	25	26	17	512	512	18	22	-483	-490	582	643
3	16,947	17,636	45,458	44,259									62,405	61,895
4	1,524	1,820	3,058	2,800	10,967	11,152	1,906	1,280	163	164	-1,997	-1,757	15,620	15,459
4.1	48	185	2,294	2,002	8	84	3	3	3	3			2,353	2,277
4.2	1,477	1,635	764	798	10,958	11,067	1,906	1,278	160	161	-1,997	-1,757	13,267	13,182
5	853	774	214	196	156	75	273	97	56	55	-254	-264	1,299	933
6	644	736	267	267	363	356	34	47	17	2	-183	-151	1,141	1,257
													89,358	88,627

Statement of the Manager in charge of financial reporting

(pursuant to Art. 154-bis of Legislative Decree 58/1998)



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

**RE: Interim Financial Report of Unipol Gruppo Finanziario S.p.A. as at
30 September 2015**

The undersigned, Maurizio Castellina, Manager in charge of financial reporting of Unipol Gruppo Finanziario S.p.A.

HEREBY DECLARES

pursuant to Article 154-bis, paragraph 2 of the Consolidated Act on Financial Intermediation, that the Interim Financial Report as at 30 September 2015 is consistent with the accounting records, ledgers and documents.

Bologna, 5 November 2015

The Manager in charge of
financial reporting
Maurizio Castellina

(signed on the original)

Unipol Gruppo Finanziario S.p.A.

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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. 160304

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

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

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