



# Consolidated interim financial report

at 30 june 2020





**Unipol Gruppo S.p.A.  
Consolidated Interim  
Financial Report at 30 June 2020**

*Translation from the Italian original solely for the convenience of international readers*



## Company bodies

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	<b>STATUTORY AUDITORS</b>	Silvia Bocci Roberto Chiusoli
	<b>ALTERNATE AUDITORS</b>	Massimo Gatto Rossella Porfido
<b>MANAGER IN CHARGE OF FINANCIAL REPORTING</b>		Maurizio Castellina
<b>INDEPENDENT AUDITORS</b>		PricewaterhouseCoopers SpA



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# Macroeconomic background and market performance

## Macroeconomic background and market performance

2019 was a positive year for global growth, which came to around 2.5% on an annual basis, but that upward momentum was interrupted in the first quarter of 2020 by the Covid-19 pandemic. At 30 June 2020, global growth came to -10.2% compared to 30 June 2019, after closing the first quarter at -3.5%, compared to +2.8% in the first quarter of 2019.

The decline in US economic activity in the second quarter of 2020 should bring GDP to a 9.6% reduction on the same period of the previous year, after closing the first quarter of 2020 with growth of 0.2% (against 2.6% in the first quarter of 2019). This reduction regarded primarily private consumption and domestic demand, against an increase in public investments and expenditure. The brusque slowdown in economic activity translated into significant job loss (unemployment rate of 12.9% at 30/6/2020, compared to 3.6% in the same period of the previous year) and an inflation rate which should come to 0.2% in the second quarter of 2020 against 1.8% in the same period of the previous year. In this scenario, the Federal Reserve responded with an expansionary monetary policy, cutting the Fed Funds rate from 1.25% to 0.25% on 15 March 2020 and maintaining the government bond buying programme for a potentially unlimited amount at least until the end of 2020.

China, the first country struck by the Covid-19 pandemic, has also suffered from a slowdown in its economic activity. GDP growth in the second quarter of 2020 is expected to be 0.5% compared to the second quarter of 2019, after closing the first quarter of 2020 at -6.8% compared to the same period of the previous year. These values represent the lowest level since 1992. The slowdown is to be attributed in large part to the pandemic, in addition to the dip in international trade and the trade war still under way with the United States. These events have significantly impacted the manufacturing sector, resulting in a strong drop in production and a resulting increase in unemployment, which in the second quarter of 2020 should come to 3.1% compared to the same period of the previous year. The difficulties in the manufacturing sector led to a drop in private demand, and in particular investments, only partially offset by the positive contribution of investments of public companies. The annual inflation rate is down: in June 2020 it should be 2.9% after reaching 4.9% in March 2020.

The emerging countries were also struck by the global crisis generated by the Covid-19 pandemic. In 2020, GDP should decline by 6.4%, against growth of 2.2% in 2019.

Japan, after closing 2019 with growth of 0.7%, saw its GDP decline by 9.4% in the second quarter of 2020 due to the spread of the Covid-19 pandemic, after closing the first quarter of 2020 at -2.2%, although unconventional, strongly expansionary monetary policies enacted by the Bank of Japan have remained in effect. Despite the expansion in the assets held by the central bank and the extremely high employment levels (unemployment was at 3.1% in the second quarter of 2020 compared to the same period of the previous year, against 2.3% in 2019), the annual inflation rate at 30 June 2020 is expected to be negative, at -0.3%, after 2019 ended with inflation stable at 0.5%.

The second quarter of 2020 saw the Eurozone GDP reduce by 15.4% on the second quarter of 2019, accentuating the trend of the previous quarter, which closed down 1.4%. The recession is basically due to the spread of the Covid-19 pandemic, alongside uncertainty relating to developments concerning Brexit. In the second quarter of 2020, the unemployment rate rose to 9.4%, up by nearly two percentage points compared to the second quarter of 2019 (7.6%), very far from the long-term levels of 6.5% (i.e. the NAIRU). Given the strong recession and inflation considerably below the 2% target (at 30/6/2020 it was 0.5%), the ECB modified the tone of its monetary policy by adopting additional expansionary stimulus measures. Specifically, at its June meeting, the ECB's governing council confirmed all expansionary measures announced previously while also deciding to increase the overall extent of its pandemic emergency purchase programme (PEPP) to €1,350bn and extend its duration at least until June 2021.

After closing 2019 with growth of 0.3%, the Italian economy is in a strong recession due to the effects of the Covid-19 pandemic. Indeed, after the first quarter of 2020 ended down 5.4%, the second quarter should record a 20.1% drop compared to the same period of the previous year, especially due to the sharp decline in private consumption and investments. Nonetheless, thanks to the employment support measures deployed by the government, in the second quarter of 2020, the unemployment rate was 8.8%. In June 2020, the inflation rate should dip into negative territory for the first time since 2016, -0.3%, after closing the first quarter of 2020 at 0.3%.

## ***Financial markets***

In the first half of 2020, the broad package of monetary expansion measures announced by the ECB to offset the recessive effects of the Covid-19 pandemic and the lockdown on production activities drove all European interest rate curves down. The 3M Euribor rate closed the first half of 2020 at 0.42%, down 4 basis points compared to the end of 2019. In the same period, the 10-year swap rate declined by 39 basis points, coming to -0.18% at the end of June. The interest rate curve on German government bonds experienced modest volatility on short-term maturities (+5 basis points on the one-year rate), while the 10-year Bund declined by 30 basis points compared to the values recorded in late 2019, closing the first half at -0.47%.

The ECB's expansionary measures were also effective in compressing yields on Italian government bonds. The 10-year BTP rate closed the first half of the year at 1.26% against 1.40% at the end of 2019, while the 10-year BTP-Bund spread in the same period was up by 16 basis points (from 157 at the end of 2019 to 173 basis points at the end of June 2020) due to the above-mentioned reduction in the 10-year Bund.

In the first half of 2020, the European stock indexes saw sharp declines, limited only in part by the expansionary fiscal and monetary policies announced to combat the recession. The Eurostoxx 50, referring to the Eurozone indexes, closed June 2020 down 13.6% compared to the values at the end of 2019, while the FTSE MIB, referring to Italian listed companies, lost 17.8% in the same period.

In the first half of 2020 the Fed also announced a broad programme of expansionary measures for a potentially unlimited amount, reactivating the Quantitative Easing government bond buying programme. The measures announced by the Fed enabled the S&P 500 to be the index least penalised by the effects of the pandemic at international level (-3.4% in June 2020 compared to the end of 2019), although the contagion is not yet fully under control in the United States. In the same period, the emerging market indexes (the Morgan Stanley Emerging Markets index) lost 10.7% compared to the end of 2019.

## ***Insurance Sector***

In the first quarter of 2020, the Italian insurance market recorded premiums of €34.39bn, down 5.9% compared to the first quarter of 2019.

In the first quarter of 2020, Italian direct business Life premiums amounted to €26.2bn, down (-3.3%) compared to the first quarter of 2019. The decline in the Life business is due to class I (-15.7%) and class VI (-1.2%), while class III, class IV and class V recorded significant increases, of +36.3%, +24.7% and +11%, respectively. In the first quarter of 2020, the balance between Life inflows and outflows was a positive €5.7bn, down 11.2% compared to the first quarter of 2019. In the same period, the total amount of outflows fell by 0.8% compared to the previous year, amounting to €20.5bn. Life technical provisions at the end of the first quarter of 2020 totalled €723.9bn, up 3.3% compared to the same period of 2019 but down 1.7% compared to the end of the previous quarter.

At the end of the first quarter of 2020, total premiums of the Italian direct portfolio in the Non-Life segment amounted to €9.4bn, up slightly (+0.2%) compared to the end of the first quarter of 2019. In the same period, MV TPL premiums amounted to €3.3bn (-5.5%), while Land Vehicle Hulls premiums amounted to €0.8bn (+0.7%), and the average premium of renewed policies dipped slightly, from €343 to €339. The other Non-Life classes confirmed the positive trend of recent years, accounting for more than €4.2bn in premiums at the end of the first quarter of 2020, with a growth rate of 2.7%. In particular, the general classes that recorded an above average improvement from March 2019 to March 2020 were: Aircraft (+126.2%), Marine Vessels TPL (+67.5%), Sea Vessels (+50.7%) and Aircraft TPL (+30.0%). The following recorded more limited, albeit above average, growth: Legal Expenses (+11.1%), Health (+6.1%), Railway Rolling Stock (+4.5%) and Credit (+4.2%).

According to forecasts, the phase of contraction in the Italian insurance market will also continue in the second quarter, with premiums down compared to the previous year (-7.4% for 2020). This contraction is expected for both Non-Life premiums (-5.8%) and Life premiums (-7.9%). The downward trend in the Non-Life business should continue in 2020 for all classes

except for Health and Assistance, the premiums of which should remain substantially stable. Also within the Life business, growth is expected only in classes IV and VI in 2020.

In June, the ISTAT index of MV TPL prices, the values of which are comparable to the list prices, showed a -0.69% contraction, on an annual basis, reaching 127.81.

### ***Real Estate market***

According to the Real Estate Market Observatory of the Tax Authorities, in the first half of 2020 sales in the residential sector inverted the positive growth trend recorded over the last 5 years. Indeed, due to the block in real estate activities in April to limit the Covid-19 pandemic, home sales fell by 21.5%.

Following the collapse in economic expectations of businesses in April and May, the expectations of real estate agents also significantly deteriorated in the first half of the year, with more than half of real estate agents expecting a drop in prices. As expected, Nomisma reports an average decrease in used housing prices of 1.0% in the 13 major Italian cities.

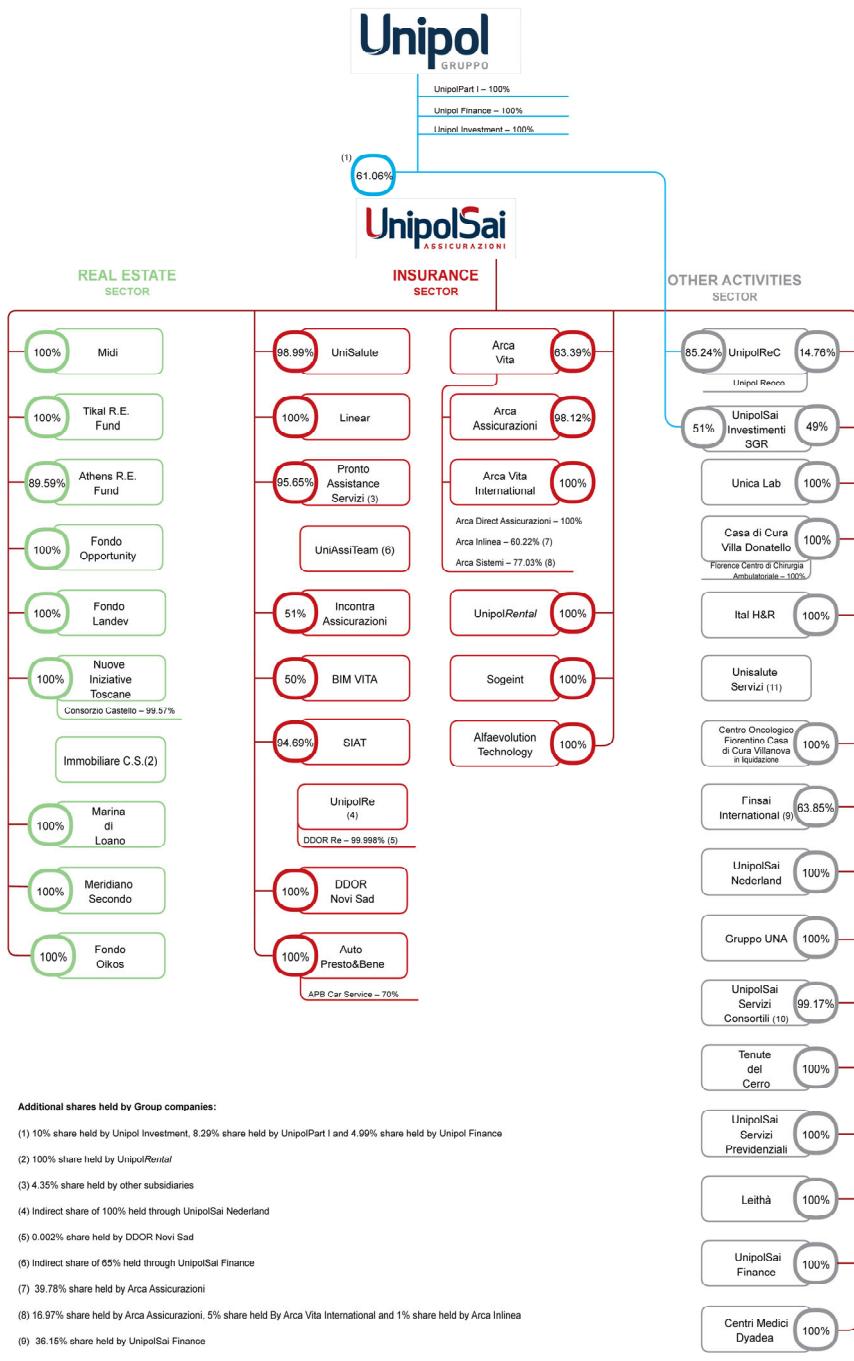
The pandemic was instead slower to impact home rent payments. Indeed, real estate agent expectations are more positive and, in the first half of 2020, rent payments in the 13 major cities showed a rather modest decline (-0.4%). In the first half of 2020, the cap rates therefore rose to 5.24% (from 5.22% in 2019).

The effects of the suspension of activities were more noticeable in the non-residential sector than in the residential sector. Indeed, in the first half of 2020, sales in the non-residential sector were down by 24.4%, with a loss concerning the production segment (-29.3%), as well as the tertiary-residential segment (-23.2%), or a decline of 24.9% for offices and 22.7% for stores.

The decrease in prices of offices and stores, ongoing for 25 half-years now, became more considerable in the first half of 2020. The prices of stores decreased by 1.4% (compared to 0.6% in 2019) and the prices of offices by 1.3% (against 0.9% in 2019). Rents are also down, but at slightly lower rates than prices (1.0% for offices and 1.3% for stores, respectively). In the first half of 2020, cap rates rose to 5.13% (from 5.12% in 2019) for offices, while they remained stable at 7.34% for stores.

## Consolidation Scope at 30 June 2020

(line-by-line method - direct holding out of total share capital).  
For more details see the table appended to the Notes "Consolidation Scope"



# **1. Management Report**

# 1 Management Report

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## Group highlights

	Amounts in €m	30/6/2020	30/6/2019	31/12/2019
Non-Life direct insurance premiums		3,927	4,109	8,167
% variation		(4.4)	2.6	2.7
Life direct insurance premiums		2,173	3,185	5,847
% variation		(31.8)	41.5	33.0
of which Life investment products		241	162	393
% variation		49.4	(43.5)	(22.6)
<b>Direct insurance premiums</b>		<b>6,100</b>	<b>7,294</b>	<b>14,014</b>
% variation		(16.4)	16.6	13.5
<b>Net gains on financial instruments (*)</b>		<b>660</b>	<b>1,219</b>	<b>2,097</b>
% variation		(45.8)	n.s.	6.5
<b>Consolidated profit (loss)</b>		<b>617</b>	<b>773</b>	<b>1,087</b>
% variation		(20.3)	n.s.	n.s.
<b>Balance on the statement of comprehensive income</b>		<b>(65)</b>	<b>1,474</b>	<b>2,199</b>
<b>Investments and cash and cash equivalents</b>		<b>66,408</b>	<b>64,683</b>	<b>67,757</b>
% variation		(2.0)	8.8	14.0
<b>Technical provisions</b>		<b>56,843</b>	<b>55,902</b>	<b>57,567</b>
% variation		(1.3)	5.0	8.2
<b>Financial liabilities</b>		<b>7,494</b>	<b>7,229</b>	<b>7,772</b>
% variation		(3.6)	4.4	12.3
<b>Non-current assets or assets of a disposal group held for sale</b>		<b>194</b>	<b>10,829</b>	<b>189</b>
<b>Liabilities associated with disposal groups held for sale</b>		<b>3</b>	<b>9,597</b>	<b>3</b>
<b>Shareholders' Equity attributable to the owners of the Parent</b>		<b>6,674</b>	<b>6,122</b>	<b>6,687</b>
% variation		(0.2)	21.6	32.9
<b>Solvency ratio</b>		<b>188</b>	<b>153</b>	<b>187</b>
<b>No. staff</b>		<b>11,957</b>	<b>14,696</b>	<b>12,337</b>

(\*) 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

Please note that the income statement and the state of financial position figures at 30 June 2019, provided for comparative purposes in this consolidated financial report, have been restated compared to those set forth in the condensed consolidated half-yearly financial statements approved and published at that date, to retroactively represent the effect of the initial final accounting for the acquisition of an interest with significant influence in BPER Banca. In particular, this restatement entailed an increase of €33.2m in the item Gains on investments in subsidiaries, associates and interests in joint ventures, with a corresponding impact on consolidated profit.

## Alternative performance indicators<sup>1</sup>

Alternative performance indicators	classes	30/06/2020	30/06/2019	31/12/2019
Loss ratio - direct business (including OTI ratio)	non-life	53.1%	65.8%	66.1%
Expense ratio calculated on written premiums - direct business	non-life	27.4%	27.4%	27.7%
Combined ratio - direct business	non-life	80.5%	93.2%	93.7%
Loss ratio - net of reinsurance (including OTI ratio)	non-life	54.6%	66.7%	66.3%
Expense ratio (calculated on earned premiums) - net of reinsurance	non-life	27.4%	27.9%	27.9%
Combined ratio - net of reinsurance (*)	non-life	82.1%	94.6%	94.2%
Premium retention ratio	non-life	93.3%	94.0%	94.7%
Premium retention ratio	life	99.4%	99.6%	99.7%
Premium retention ratio	total	95.3%	96.3%	96.7%
Group pro-rata APE (amounts in €m)	life	184	260	493
Expense ratio - direct business	life	4.6%	3.4%	3.8%

(\*) with expense ratio calculated on earned premiums

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

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

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

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

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

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

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

# 1 Management Report

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## Unipol Group Performance

### Information on significant events during the first six months

#### Covid-19 - Impacts and initiatives of the Group

The first half of 2020 was characterised by the progressive spread of the Covid-19 pandemic, which initially arose in China at the end of 2019 and then spread globally, becoming a pandemic, in the early months of 2020, with significant repercussions on global economic and financial market trends. For information in this regard, please refer to the Introduction of this Report, "Macroeconomic background and market performance" section.

A disclosure is provided below, also in compliance with the recommendations of Consob laid out in the informational notes no. 6/20 of 9 April 2020 and no. 8/20 of 16 July 2020, concerning "Covid-19 - Informational note on financial reporting" (hereinafter, also the "**Consob informational notes**"), concerning the effects on operations and the initiatives enacted by the Group to deal with the emergency.

The spread of the Covid-19 pandemic in Italy starting from the end of February and the resulting lockdown put into place to combat it caused a significant decline in premiums, which was promptly handled by raising the level of liquidity and intensifying its monitoring in order to deal with any tensions in company cash flows. In reality, as regards cash flows, during the half-year there were no particular tensions in the Group's insurance sector, taking into account the liquidity of our assets and the behaviour of our customers, particularly in the Life business, which did not make greater recourse than in the past to the contractual right to early surrender of the policies taken out.

After the lockdown period, there was a recovery in collections, although to an insufficient extent to avoid a decline compared to the previous year. Premiums in the Non-Life segment in the first half of this year indeed decreased compared to the first half of 2019 (-4.4%), which we believe is completely due to the effects of the Covid-19 pandemic and the ensuing national economic crisis. Life premiums were also down (-31.8%), although in this segment a decline was expected compared to the previous year, due to commercial decisions as well as the comparison with 2019 in which there was strong growth resulting from one-off contracts of significant amounts.

On the other hand, the first half year closed with a Combined Ratio net of reinsurance that improved by roughly 12 points compared to the first half of 2019, as a result especially of the significant decline in claims recorded during the lockdown period and the slow resumption of normal life afterward.

The improvement in the Combined Ratio can also be attributed to the decline in overhead costs, particularly for personnel due to the trade union agreements which, against reduced company operations during the half-year, permitted the use of back holidays and recourse to the Inter-Sector Fund. There were also lower costs due to the suspension of overtime, travel and employee training in the classroom. On the other hand, expenses increased (roughly €8m) due to increasingly intensive sanitisation and cleaning of the offices and the costs/investments linked to the IT equipment which enabled the majority of the Group's personnel to work remotely.

Against the technical improvements recorded, linked to not using vehicles or using them less during the lockdown period, the Company UnipolSai decided to give its customers (individual policies) a discount equal to one month (1/12) of the premium paid previously when they renewed their MV TPL policies. The discount can be activated using a voucher that can be downloaded from the UnipolSai app. In this regard, considering that the benefits deriving from the ban on the circulation of vehicles during the lockdown were exhausted in the first half of 2020, the overall cost expected from the initiative, calculated on the basis of the portfolio of existing policies, taking into account the estimated likelihood of use of that voucher, was recognised in full at 30 June 2020, also by adding to the provision for unexpired risks.

The most significant effects within the Group were seen for the company Gruppo UNA, active in the hotel sector, on which the Covid-19 pandemic had a very significant impact. Already at the end of February, the company closed the majority of its hotels (27 out of a total of 31) concentrated in major Italian cities and in some tourist areas, and made recourse to the Salary Integrity Fund for all office and hotel employees. Despite some selective re-openings towards the end of the half, it closed with a loss in the income statement of roughly €16m. Although prompt and considerable cost curbing measures were taken, they were and will be unable to neutralise the effects of the significant losses in revenue until normal international flows

linked to tourism and business resume. All of this also impacted the company's liquidity, as the closure of hotels and the decline in revenue significantly modified the business's self-financing capacity.

The other Group companies, active in other types of businesses and moreover with sizes that are not particularly relevant within our Group, did not record significant impacts in terms of the Income Statement for the period.

In drafting the Consolidated Interim Financial Report at 30 June 2020, the Group performed the appropriate analyses to carefully consider what is laid out in the Consob informational notes, particularly with regard to the measurement of assets pursuant to IAS 36 and the identification of any impacts, due to risks and uncertainties linked to Covid-19, on the going concern assumption, strategic planning and plan targets.

In particular, with regard to the impairment test, having reviewed the values recorded at 30 June 2020 and taking into account the nature and characteristics of the Group's businesses, there are no elements that would lead us to believe that the effects of Covid-19 could significantly preclude the achievement of the strategic objectives presented to the market and/or compromise our ability to continue to operate as a going concern.

Furthermore, on the basis of the information currently available, a 2020 forecast was developed based on the values recorded in the first half of 2020, showing that significant revisions are not necessary of the consolidated 2020-2024 economic and financial projections of UnipolSai, approved by the Board of Directors on 19 March 2020 and used for the impairment test performed at 31 December 2019.

This being said, some sensitivity analyses were carried out relating to the results of the impairment testing performed at 31 December 2019, with reference to the recoverable amount of goodwill allocated to the Non-Life and Life CGUs. The simulations showed the stability of the value of goodwill recognised in the financial statements, even when the parameters subject to analysis change. For a complete description of the analyses performed and the relative results, please refer to section 4.11 "Analysis of the recoverability of goodwill with indefinite useful life (impairment test)" in the Notes to the Financial Statements.

In the month of March, taking into account the high volatility and uncertainty triggered by the spread of the pandemic, also in response to specific requests from the Supervisory Authority, careful monitoring was also activated of the solvency situation, to make it possible to promptly take any required risk profile optimisation measures.

### **Main initiatives of the Group in response to the health emergency in the first half of 2020**

At operating level, the Group implemented actions and initiatives, adapting them over time as the health emergency evolved and as the various regulatory measures were issued.

At the end of February 2020, an internal task force was formed, dedicated to managing the emergency through:

- initiatives for employees, subject to disclosure and dialogue with the company's insurance sector trade union representatives;
- initiatives for agents, with the creation of a permanent roundtable with the representation of agents, intended to provide support to their liquidity situation (e.g., early payment of contributions and fees, deferment of payment plans due from agents) and safety (e.g., provision of masks and sanitising gel).

As far as **employees** are concerned, a series of initiatives were promptly activated to limit the risks of contagion, including: suspension of travel and limitation of all forms of assembly, intensification of office disinfection activities, expansion of flexibility in entry and exit times, parental leave, as well as daily monitoring of the situation by the task force.

As the health emergency worsened, in March all offices throughout the country were gradually closed. At the same time, activities were launched to progressively enable smart working by employees, until reaching 9,300 employees in the Group (roughly 90%) of which 6,800 employees at UnipolSai (roughly 97%).

Furthermore, resources and structures for which presence at the office was required to ensure business continuity were identified, and dedicated authorisations, managed by the task force, were issued for them to guarantee the minimisation of people present at the office and respect for safety protocols.

In relation to the temporary decrease in business volumes at the beginning of the emergency period, also in order to facilitate the contractual management of employment relationships pending the large-scale implementation of smart working for employees, leave paid by the company was first recognised along with the use of holidays, and minimum sizing possibilities were then formulated to guarantee the functioning of the operating mechanism, resulting in a reduction in working days through the use by workers of holidays and the paid contractual options available, or unpaid leave jointly with leave paid by the company.

# 1 Management Report

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Taking into account the continuing decline in business, following the signing of dedicated trade union agreements, in the main companies applying the national insurance agreement, from 4 May to 9 August 2020 18 days of suspension from work activities were provided for, first through the use of holidays accrued and unused at 31 March 2020 and subsequently recourse to the ordinary Inter-Sector Solidarity Fund, guaranteeing full protection for wages and the correlated contributions by supplementing the allowance disbursed by the Fund.

In some of the diversified companies, like Gruppo UNA, Midi and Tenute del Cerro, based on specific trade union agreements, recourse was made to the social safety nets established for the respective sectors (FIS and CISOA, respectively), due to the temporary interruption in production activities.

In view of the national launch of "Phase 2", analyses have started in preparation for the possibility of safely reopening the offices. After a detailed analysis of the logistics and the capacity of all Group offices, enacting the necessary safety interventions (e.g., installation of thermal scanners, acquisition of personal protection equipment and sanitising gel dispensers) and verifying the effectiveness of smart working, on 13 July 2020 a pilot return project was launched, with alternating presence in the management offices and a limited number of local offices, involving roughly 1,500 workers; at the same time, it was also once again permitted under controlled circumstances for sales and technical personnel to travel in order to guarantee the support required to the Agencies.

**Initiatives to support the agency network** acted on two fronts, with the goal of ensuring adequate liquidity to the agencies while also providing support so they could continue to operate safely.

The liquidity support actions included:

- early payment of commission incentives and contributions for the year 2019;
- suspension until the end of the year of the reimbursement repayment plans, with the possibility to defer the entire plan with no additional costs for agents;
- extraordinary support to agencies with liquidity issues by paying fees early commensurate with the estimated reduction in collections in the March-June 2020 period compared to the same period of the previous year.

The actions to support operations included:

- enabling all Agencies to make mobile remote sales by strengthening multichannelling functions;
- activation of the dedicated Unisalute Medical Operation Centre service for all agents, sub-agents, producers and employees of the agency networks;
- establishment within the Sales Department of dedicated crisis units to handle any closures of agencies or points of sale on the basis of measures of the Health Authorities;
- support with the provision of health materials and personal protection equipment for the Agencies.

Aside from the initiatives in favour of employees and agents, the Group also enacted a series of **interventions to support customers and communities**, summarised below.

## Initiatives in support of customers

- **Un Mese Per Te [One Month for You]**: as mentioned previously, considering the improved incidence of claims due to the lockdown, UnipolSai provided its customers with a voucher worth 1/12 of the MV TPL premium paid on policies effective when the initiative was launched, which can be used when the policy is renewed, valid until 31 May 2021.
- **Extension of the expiration of terms for the payment of premiums from 15 to 30 days** from the date of expiry for all Non-Life policies (MV and Non-MV). Extension to 90 days for the payment of premiums on Life policies falling due during the lockdown period.
- **Free extension to cover customers** insured with health policies with daily indemnities also following at-home quarantines after testing positive for Covid-19.
- **Medical consulting on Covid-19 24/7** through the Unisalute medical operation centre for policyholders with a health policy.

## New products to protect customers

- **#Andràtuttobene** → #Andràtuttobene (Businesses) and #Andràtuttobene Premium (Retail), which include both specific coverage (e.g., daily benefits for hospitalisation, indemnity for intensive care hospitalisation) and dedicated services (including telephone assistance, video consultations and psychological support).
- **#Andràtuttobenefree**: free UnipolSai policy for customers dealing with hospitalisation caused by Covid-19. Free for customers who renew a Non-Life (MV or Non-MV) policy expiring in March, April or May 2020 and register or access the Private Area.

- **#Sicuriripartiamo CARD** → the new card designed for the world of work, which offers businesses a package of useful services to be shared safely and to guarantee the protection and safeguarding of the health of all workers. The card provides many benefits, including access to health services at special rates, and is dedicated to all types of businesses: from large enterprises, to small companies, to retail establishments with a VAT number.

#### Initiatives in support of the community

In March 2020, the Group, through UnipolSai, set aside €20m to deal with the coronavirus emergency in the most impacted areas of Italy.

In close agreement with the Regional Authorities, Civil Protection and all institutional stakeholders involved in managing the emergency, the Group allocated those resources to increase the availability of beds in hospitals, particularly those in intensive and sub-intensive care, and for the acquisition of the health equipment required to deal with the spread of the pandemic. In agreement with the Lombardy Region, €6m was disbursed for:

- the extraordinary purchase of pulmonary ventilators and consumables such as masks, protective suits, disinfectants and the instruments needed by healthcare facilities to limit the opportunities for contagion;
- the creation of a new emergency medical facility in the Fiera Milano City pavilions.

At the same time, the Group offered its support to the community of Bergamo, one of those most impacted by the Covid-19 emergency, by supporting the activities of the humanitarian organisation Cesvi. The Company donated €1m to purchase a mobile CT scanner, a machine that was fundamental during the emergency phase, for the field hospital set up by the Italian Alpine soldiers in Bergamo.

Furthermore, in agreement with the Emilia-Romagna region, €5.6m was donated for:

- the construction of a new pavilion at Sant'Orsola Hospital in Bologna, dedicated to treating patients suffering from coronavirus, with 90 beds of which 44 for intensive and sub-intensive care;
- the creation of new recovery areas at Bellaria Hospital in Bologna with 88 beds, of which 73 for intensive and sub-intensive care and the strengthening of the emergency medicine area.

Support was also provided to the law enforcement authorities for the efforts taken to deal with the emergency, with €1m distributed equally between the Carabinieri, the State Police, the Italian Tax Police and the Fire Brigades, and another €1m to Civil Protection to acquire protection equipment.

Another €1m was donated to Civil Protection for a specific initiative to support the families of doctors and healthcare workers who died as a result of the Covid-19 pandemic.

A €1m contribution was made to support initiatives to handle the emergency in the Marche Region and €0.2m was provided to the City of Turin local health authority for the acquisition of protection equipment and materials for the Intensive Care Unit at Martini Hospital.

Thanks to the donations made by Group employees, agents and their associates, it was also possible to donate two million meals that were distributed, in the form of groceries, by the Food Bank through 7,500 associations and charitable groups that offer aid to people in need throughout Italy.

#### **Mergers/spin-offs of subsidiaries**

As part of the transactions aimed at rationalising and simplifying the corporate structures of the Unipol Group, as resolved by the Board of the Directors on 21 June 2019, a deed of merger by incorporation of Pronto Assistance SpA in UnipolSai was signed on 21 January 2020 (the "Merger"). The Merger took effect for legal purposes on 1 February 2020, and from 1 January 2020 for accounting and tax purposes.

Also on 21 January 2020, deeds were signed regarding (i) the global spin-off of Ambra Property Srl in favour of UnipolSai, Gruppo UNA SpA and Midi Srl, (ii) the global spin-off of Villa Ragionieri Srl in favour of UnipolSai and Casa di Cura Villa Donatello SpA and (iii) the partial spin-off of the latter in favour of UnipolSai. The global spin-offs became effective from 1 February 2020, effective from 1 January 2020 for accounting and tax purposes. The partial spin-off of Casa di Cura Villa Donatello took effect on 1 February 2020, effective from the same date for accounting and tax purposes.

Please note that as the transactions in question were carried out between subsidiaries, they did not have economic and financial effects at consolidated level, with the exception of possible reallocations of assets and liabilities subject to such transactions within different Group business segments.

# 1 Management Report

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## Establishment of Unica Lab Srl, the UnipolSai knowledge and training company

On 26 February 2020, the sole member company Unica Lab Srl a socio unico (100% UnipolSai Assicurazioni) was registered with the Register of Companies, in order to leverage the skills developed over the years by Unica by offering training courses and services to customers outside the Group. Unica Lab is the new company that makes available the skills and expertise of the Unipol Group, gained in its role as a leader in the Italian financial and insurance market, to support managerial development and foster growth in the business world in general.

## Fitch updates UnipolSai's rating to "BBB"

On 7 May 2020, the rating agency Fitch Ratings automatically revised the Insurer Financial Strength Rating (IFSR) of UnipolSai Assicurazioni SpA to "BBB" from "BBB+" after Italy's sovereign rating was downgraded. As a result, the Long-Term Issuer Default Rating (IDR) assigned to Unipol Gruppo SpA also fell from "BBB" to "BBB-", along with the ratings of the Unipol Group's debt issues, all updated by 1 notch:

- the senior bonds of Unipol Gruppo SpA are now "BB+";
- the subordinated bonds maturing in 2021 and 2023 of UnipolSai Assicurazioni SpA are now "BB+";
- the subordinated bond maturing in 2028 of UnipolSai Assicurazioni SpA is now "BB";
- the perpetual subordinated bond of UnipolSai Assicurazioni SpA is now "BB".

At the same time, the rating agency improved the outlook of the above-mentioned ratings, transitioning them from "negative" to "stable".

## Operating performance

The Unipol Group closed the first half of 2020 with a **consolidated net profit** of €617m (normalised profit of €353m at 30/6/2019). The profit for the first half of 2020 was positively impacted by a reduction in claims resulting from the lockdown period ordered to combat the Covid-19 emergency, as already commented on in the section "Covid-19 - Impacts and initiatives of the Group", which should be referred to for the details. The normalised profit for the first half of 2019 was determined by removing from the actual profit of €773m the definitive effects, equal to €421m (of which €176m attributed to the Non-Life business and €244m attributed to the Holding and Other Businesses Sector), of the initial consolidation with the equity method of the investment in BPER Banca.

In the first half of 2020, **direct insurance premiums**, before transfers to reinsurance, stood at €6,100m (€7,294m at 30/6/2019, -16.4%).

Direct **Non-Life** premiums at 30 June 2020, amounting to €3,927m, were impacted by the slowdown in commercial activities due to the health emergency, marking a decline of 4.4% compared to €4,109m in the first half of 2019. This figure includes MV premiums of €2,041m, down 5.1% on the first half of 2019, and Non-MV premiums of €1,887m, with a more limited decline (-3.6%), also thanks to the marketing of specific products linked to the health emergency. UnipolSai premiums were down, with Non-Life premiums at €3,354m, -3.6% compared to 30 June 2019. UniSalute basically confirmed its revenue from 30 June 2019, recording premiums of €239m (+0.2%), as did Linear, another major Group company operating in the MV segment, which recorded premiums of €96m, up by 0.3%; SIAT, focusing on the Marine Vessels segment, declined by 8.4% with premiums of €71m. In the Non-Life bancassurance segment, Arca Assicurazioni's premiums came to €69m, basically in line with the first half of the previous year. The premiums of Incontra Assicurazioni amounted to €51m, a considerable decrease compared to €102m at 30 June 2019, which however represented growth of 101%.

The Group's **combined ratio**, net of reinsurance, was 82.1%, with a loss ratio of 54.6%, against 66.7% in the first half of 2019 and an expense ratio at 27.4% of premiums for the period (27.9% in the first half of 2019). These values were positively impacted by the block of the majority of economic activity as well as road traffic imposed on a generalised basis from the second week of March until early May, as well as the slow resumption of normal life thereafter. In light of these events, in April UnipolSai promoted an initiative for its MV TPL customers, offering them a discount of 1/12 (one month) of the premium previously paid when they renew their policy, the estimated cost of which is included in the technical result for the first half of 2020.

The **pre-tax result** for the Non-Life segment was €810m (€563m in the first six months of 2019, €386m net of the goodwill relating to BPER Banca).

In the **Life business**, the Unipol Group recorded direct premiums of €2,173m in the first half of this year, marking a decline of 31.8% due not only to the effects of the health emergency, but also to the commercial policies adopted during the period in order to limit risks, as well as the comparison with the first half of 2019, when there was a particularly high volume of business.

The company UnipolSai recorded direct premiums of €1,507m (-35.3%), while in the bancassurance channel, Arca Vita, along with its subsidiary Arca Vita International, had direct premiums of €632m (-22.1% compared to €811m in the first half of 2019).

The **pre-tax result** of the Life segment was €14m, against €139m in the first six months of 2019, down due to the lower contribution of financial income from the companies influenced by the realisation of some capital losses on the portfolio not covering segregated funds.

As far as **financial investment management** is concerned, in the first part of 2020 the main financial asset classes recorded impairment and extremely high peaks of volatility although, towards the end of the half, the actions taken by the Central Banks, characterised by monetary policies destined to remain highly expansionary for an extended period of time, expectations for a European plan to favour the economic recovery (Recovery Fund) and the improvement, at least in Europe, of the health situation, made it possible to partially recover these values. In this context, the gross profitability of the Group's portfolio of insurance financial investments maintained a return of 2.9% of the assets invested (3.5% at 30/6/2019), despite some capital losses from security disposals, also intended to improve the Group's risk profile.

With reference to **real estate management**, in June properties owned by UnipolSai were contributed to the Tikal and Oikos funds (the units of which are 100% held by UnipolSai itself) for a total value of roughly €690m. The contribution represents the first and most significant tranche of a transaction with a total estimated value of around €850m, which will be completed by the end of this year. As a result of this contribution, the value of the contributed properties was transferred from the insurance sector to the real estate sector. With the exception of this transaction, which had no economic effects at consolidated level, there were no important changes, while the development of owned properties located in various Italian markets continues, to subsequently leverage the refurbished properties in order to lease them or use them in the business.

As regards the **other sectors** in which the Group operates, the Covid-19 emergency is having particularly negative repercussions in the hotel sector where, during the period considered, nearly all of the Gruppo UNA hotels (27 out of 31 under direct management) remained closed, making recourse to the Salary Integrity Fund for all office and hotel employees. Some selective re-openings took place towards the end of the half, which however closed with a loss of around €16m, as the cost curbing actions, albeit prompt and significant, were unable to neutralise the effects of significant revenue losses. On the other hand, UnipolRec once again posted a good result, with a profit of €4.1m, and the other businesses basically reached the break-even point.

The **pre-tax result** of the Real Estate, Holding and Other Businesses sectors, which also includes UnipolRec, was a -€70m loss (€193m at 30/6/2019; normalised result of -€51m).

At 30 June 2020, **consolidated shareholders' equity** amounted to €7,934m (€8,305m at 31/12/2019). The decline was mainly due to the decrease in the provision for gains and losses on available-for-sale financial assets, net of both the related deferred tax liabilities and the part attributable to the policyholders and charged to insurance liabilities. On the other hand, the result for the period caused an increase in shareholders' equity, only partially absorbed by the distribution of dividends to third parties by subsidiaries. Shareholders' equity attributable to the owners of the Parent amounted to €6,674m (€6,687m at 31/12/2019).

As regards the Group's **solvency ratio** at 30 June 2020, the ratio between own funds and the capital requirement was 1.88, a significant improvement compared to 1.55 at 31 March 2020 and up even compared to the 1.87 recorded at 31 December 2019. In the second quarter, it was impacted by positive financial market performance and the de-risking actions taken by the Group.

# 1 Management Report

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## Condensed Consolidated Operating Income Statement broken down by business segment

	Amounts in €m	Non-Life business			Life business			Insurance Sector		
		Jun-20	Jun-19	% var.	Jun-20	Jun-19	% var.	Jun-20	Jun-19	% var.
Net premiums	3,756	3,885	(3.3)		1,920	3,012	(36.3)	5,676	6,897	(17.7)
Net commission income	(1)	(1)	22.4		8	7	14.8	7	6	13.7
Financial income/expense (**)	171	396	(56.7)		526	614	(14.4)	697	1,010	(31.0)
Net interest income	127	162			515	534		642	696	
Other income and charges	41	278			51	45		92	323	
Realised gains and losses	44	77			(64)	74		(20)	152	
Unrealised gains and losses	(40)	(122)			24	(39)		(16)	(161)	
Net charges relating to claims	(1,960)	(2,502)	(21.6)		(2,279)	(3,334)	(31.6)	(4,240)	(5,836)	(27.4)
Operating expenses	(1,060)	(1,115)	(4.9)		(111)	(122)	(9.2)	(1,171)	(1,238)	(5.3)
Commissions and other acquisition costs	(837)	(872)	(4.0)		(47)	(57)	(17.6)	(884)	(929)	(4.8)
Other expenses	(223)	(243)	(8.2)		(64)	(65)	(1.9)	(287)	(308)	(6.8)
Other income/charges	(95)	(100)	4.6		(49)	(38)	(29.2)	(145)	(138)	(4.7)
<b>Pre-tax profit (loss)</b>	<b>810</b>	<b>563</b>	<b>43.9</b>		<b>14</b>	<b>139</b>	<b>(89.8)</b>	<b>824</b>	<b>701</b>	<b>17.5</b>
Income taxes	(232)	(84)	176.0		(4)	(39)	(89.5)	(236)	(123)	92.1
Profit (loss) from discontinued operations										
<b>Consolidated profit (loss)</b>	<b>578</b>	<b>479</b>	<b>20.7</b>		<b>10</b>	<b>100</b>	<b>(90.0)</b>	<b>588</b>	<b>578</b>	<b>1.6</b>
Profit (loss) attributable to the Group										
Profit (loss) attributable to non-controlling interests										

(\*) 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, totalled €6,100m (€7,294m at 30/6/2019, -16.4%). Non-Life direct premiums amounted to €3,927m (€4,109m at 30/6/2019, -4.4%) whereas Life direct premiums amounted to €2,173m (€3,185m at 30/6/2019, -31.8%), of which €241m was related to Life investment products (€162m at 30/6/2019, +49.4%);
- **net premiums earned**, net of reinsurance transfers, amounted to €5,676m (€6,897m at 30/6/2019, -17.7%), of which €3,756m in the Non-Life business (€3,885m at 30/6/2019, -3.3%) and €1,920m in the Life business (€3,012m at 30/6/2019, -36.3%);
- **net charges relating to claims**, net of reinsurance, amounted to €4,240m (€5,836m at 30/6/2019, -27.4%), of which €1,960m from Non-Life business (€2,502m at 30/6/2019, -21.6%) and €2,279m from Life business (€3,334m at 30/6/2019, -31.6%), including €24m in net gains on financial assets and liabilities at fair value (net gains of €122m at 30/6/2019);
- **operating expenses** amounted to €1,245m (€1,330m at 30/6/2019, -6.4%). In the Non-Life business, they amounted to €1,060m (€1,115m at 30/6/2019, -4.9%), in the Life business they amounted to €111m (€122m at 30/6/2019, -9.2%), in the Holding and Other businesses sector, they amounted to €74m (€95m at 30/6/2019) and in the real estate sector, they amounted to €11m (€10m at 30/6/2019). Intersegment eliminations amounted to €11m (€12m at 30/6/2019);
- the **combined ratio**, net of reinsurance, of the Non-Life business was 82.1% (94.6% at 30/6/2019);

Holding and Other businesses Sector			Real Estate Sector (*)			Intersegment elimination		Total Consolidated		
Jun-20	Jun-19	% var.	Jun-20	Jun-19	% var.	Jun-20	Jun-19	Jun-20	Jun-19	% var.
3	4	(24.9)	(8)	(19)	(55.3)	(3)	(4)	5,676	6,897	(17.7)
(21)	239	n.s.	(1)	(3)		(7)	(10)	660	1,219	(45.8)
(23)	(34)		(1)	(3)				618	659	
23	248		7	7		(17)	(10)	104	568	
1	27		(9)			11		(17)	179	
(23)	(3)		(6)	(23)				(45)	(186)	
(74)	(95)	(21.8)	(11)	(10)	4.0	11	12	(1,245)	(1,330)	(6.4)
(74)	(95)	(21.8)	(11)	(10)	4.0	2		(883)	(929)	(5.0)
32	72	(55.3)	9	3	n.s.	10	12	(362)	(401)	(9.7)
(60)	219	n.s.	(10)	(26)	62.1	(1)	2	(105)	(62)	(68.9)
98	1	n.s.	1	1	56.8			(137)	(121)	13.2
<b>38</b>	<b>221</b>	<b>(82.9)</b>	<b>(9)</b>	<b>(26)</b>	<b>65.5</b>			<b>617</b>	<b>773</b>	<b>(20.3)</b>
								514	657	
								102	117	

- **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 €660m (€1,219m at 30/6/2019, including the effect of the initial consolidation of BPER with the equity method, equal to €421m);
- **taxes** for the year represented a net expense of €137m (expense of €121m at 30/6/2019).

# 1 Management Report

## Insurance Sector performance

The Group's insurance business closed the period with a total **pre-tax profit of €824m** (€701m at 30/6/2019, +16.0%), of which €810m relating to the Non-Life sector (€563m at 30/6/2019, including €176m deriving from the initial consolidation at equity of the investment in BPER Banca, +42.1%) and €14m relating to the Life sector (€139m at 30/6/2019, -89.8%).

At 30 June 2020, **Investments and cash and cash equivalents** of the Insurance sector amounted to €62,715m (€64,685m at 31/12/2019), of which €15,349m from the Non-Life business (€16,783m at 31/12/2019) and €47,366m from the Life business (€47,902m at 31/12/2019).

**Technical provisions** amounted to €56,843m (€57,567m at 31/12/2019), of which €14,697m in the Non-Life business (€15,067m at 31/12/2019) and €42,147m in the Life business (€42,500m at 31/12/2019).

**Financial liabilities** amounted to €5,627m (€5,852m at 31/12/2019), of which €1,918m in the Non-Life business (€2,133m at 31/12/2019 of which €208m in loan repurchase agreements not present at 30/6/2020) and €3,709m in the Life business (€3,719m at 31/12/2019).

**Total premiums** (direct and indirect premiums and investment products) at 30 June 2020 amounted to €6,259m (€7,473m at 30/6/2019, -16.2%). Non-Life premiums amounted to €4,086m (€4,288m at 30/6/2019, -4.7%) and Life premiums amounted to €2,173m (€3,185m at 30/6/2019, -31.8%), of which €241m related to investment products (€162m at 30/6/2019, +49.4%).

All Non-Life premiums of the Group insurance companies are classified under insurance premiums, as they meet the requirements of the IFRS 4 standard (presence of significant insurance risk).

As for Life premiums, investment products at 30 June 2020, for €241m, related to Class III (Unit- and Index-Linked policies) and Class VI (pension funds).

**Direct premiums** amounted to €6,100m (€7,294m at 30/6/2019, -16.4%), of which Non-Life premiums totalled €3,927m (-4.4%) and Life premiums €2,173m (-31.8%).

	Amounts in €m	30/6/2020	% comp.	30/6/2019	% comp.	% var.
Non-Life direct premiums		3,927	64.4	4,109	56.3	(4.4)
Life direct premiums		2,173	35.6	3,185	43.7	(31.8)
<b>Total direct premium income</b>		<b>6,100</b>	<b>100.0</b>	<b>7,294</b>	<b>100.0</b>	<b>(16.4)</b>

**Indirect premiums** from Non-Life and Life businesses at 30 June 2020 amounted to €158m (€179m at 30/6/2019, -11.5%), almost entirely attributable to the Non-Life business.

	Amounts in €m	30/6/2020	% comp.	30/6/2019	% comp.	% var.
Non-Life indirect premiums		158	99.9	179	99.9	(11.5)
Life indirect premiums			0.1		0.1	(21.3)
<b>Total indirect premiums</b>		<b>158</b>	<b>100.0</b>	<b>179</b>	<b>100.0</b>	<b>(11.5)</b>

Group **premiums ceded** totalled €284m (€270m at 30/6/2019), €272m of which from Non-Life premiums ceded (€258m at 30/6/2019) and €12m from Life premiums ceded (€11m at 30/6/2019). Retention ratio remained substantially stable in both the Non-Life and Life businesses.

	Amounts in €m	<b>30/6/2020</b>	% comp.	30/6/2019	% comp.	% var.
Non-Life ceded premiums	272	95.8	258	95.8	5.3	
<i>Retention ratio - Non-Life business (%)</i>	<i>93.3%</i>			<i>94.0%</i>		
Life ceded premiums	12	4.2	11	4.2	4.8	
<i>Retention ratio - Life business (%)</i>	<i>99.4%</i>			<i>99.6%</i>		
<b>Total premiums ceded</b>	<b>284</b>	<b>100.0</b>	<b>270</b>	<b>100.0</b>	<b>5.3</b>	
<i>Overall retention ratio (%)</i>	<i>95.3%</i>			<i>96.3%</i>		

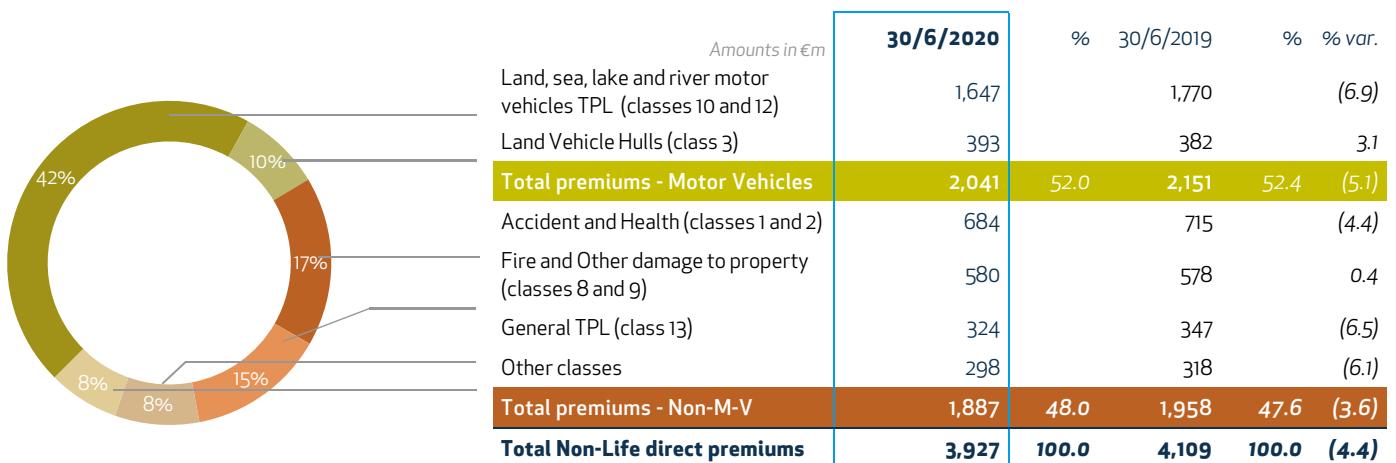
The retention ratio is the ratio of premiums retained (total direct and indirect premiums net of premiums ceded) to total direct and indirect premiums. Investment products are not included in calculating this ratio.

At 30 June 2020, the transfers to reinsurance from the Non-Life and Life businesses generated a profit for the reinsurers.

## Non-Life business

Total Non-Life premiums (direct and indirect) at 30 June 2020 were €4,086m (€4,288m at 30/6/2019, -4.7%). **Direct business** premiums alone were €3,927m (€4,109m at 30/6/2019, -4.4%).

### Non-Life business direct premiums



In the **MV segment**, MV TPL premiums were €1,647m, down by 6.9% on 30 June 2019. An increase of 3.1% was instead reported in the Land Vehicle Hulls class with premiums equal to €393m (€382m at 30/6/2019). The **Non-MV segment**, with premiums amounting to €1,887m, recorded a 3.6% decline.

# 1 Management Report

## Non-Life claims

As already mentioned previously, the lockdown period ordered to combat the Covid-19 emergency resulted in a net reduction in claims.

The **claim ratio** (*loss ratio* of the direct business for Non-Life segment), including the OTI *ratio*, stood at 53.1% (65.8% at 30/6/2019).

The number of claims reported, without considering the MV TPL class, fell by 23.1%.

**Number of claims reported (excluding MV TPL)**

	<b>30/6/2020</b>	30/6/2019	var.%
Land Vehicle Hulls (class 3)	125,256	176,845	(29.2)
Accident (class 1)	50,271	73,344	(31.5)
Health (class 2)	1,667,000	2,164,427	(23.0)
Fire and Other damage to property (classes 8 and 9)	134,170	147,012	(8.7)
General TPL (class 13)	39,199	47,244	(17.0)
Other classes	186,063	255,016	(27.0)
<b>Total</b>	<b>2,201,959</b>	<b>2,863,888</b>	<b>(23.1)</b>

As regards the MV TPL class, where the CARD agreement<sup>2</sup> is applied, in the first six months of 2020, cases relating to "fault" claims (Non-Card, Debtor Card or Natural Card) totalled 211,984, down by 35.8% compared to 30 June 2019.

Claims reported that present at least a Debtor Card claim numbered 121,358, down 37.2% compared to 30 June 2019.

Handler Card claims totalled 155,938 (including 35,554 Natural Card claims, claims between policyholders at the same company), down by 38.0% compared to 30 June 2019. Settlement rate in the first six months of 2020 was 69.2% against 68.7% 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 the total cases (Non-Card + Handler Card + Debtor Card) at June 2020 was equal to 83.4% (84.7% at June 2019).

**Expense ratio** of the Non-Life direct business was 27.4% (27.4% at 30/6/2019).

The **Combined ratio**, calculated on direct business, was at 30 June 2020 equal to 80.5% (93.2% at 30/6/2019).

<sup>2</sup> Below is a brief description of the terms used:

- 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 **UnipolSai**, the Group's main company, stood at €3,354m (-3.6%), of which €1,913m in the MV classes (-5.4%) and €1,442m in the Non-MV classes (-1.1%).

### UnipolSai Assicurazioni Spa - Non-Life business direct premiums

	Amounts in €m	30/6/2020	% comp.	30/6/2019	% comp.	% var.
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)	1,539			1,660		(7.2)
Land Vehicle Hulls (class 3)	373			362		3.0
<b>Total premiums - Motor Vehicles</b>	<b>1,913</b>		<b>57.0</b>	<b>2,022</b>	<b>58.1</b>	<b>(5.4)</b>
Accident and Health (classes 1 and 2)	382			379		0.8
Fire and Other damage to property (classes 8 and 9)	543			546		(0.6)
General TPL (class 13)	314			338		(7.1)
Other classes	204			196		3.8
<b>Total premiums - Non-M-V</b>	<b>1,442</b>		<b>43.0</b>	<b>1,458</b>	<b>41.9</b>	<b>(1.1)</b>
<b>Total Non-Life premiums</b>	<b>3,354</b>		<b>100.0</b>	<b>3,480</b>	<b>100.0</b>	<b>(3.6)</b>

In the MV classes, €1,539m related to premiums in the MV TPL class and Sea, Lake and River Vessels TPL class (€1,660m at 30/6/2019, -7.2%).

In the **MV** segment, the reduction in premiums was driven by the MV TPL class (-7.3%) primarily as a result of the decline in the average premium, also impacted by the facilitation provided to customers as part of the **#UnMesePerTe** campaign, while there was sustained growth for the Land Vehicle Hulls component during the period. This performance, even more satisfactory considering the ongoing emergency, can be attributed to individual as well as cumulative policies.

In the **Non-MV** area, the limited reduction in premiums derived from offsetting between the various Business, primarily down, and Individual, basically in line with last year, macro-segments. Specifically, Accidents premiums were up slightly compared to the previous year. In the retail realm, there were many premium payment deferrals for contracts already in the portfolio, granted to help customers in difficulty, alongside a decline in new business. At the same time, the pandemic triggered a considerable reduction in the number of claims as well as the total cost of claims. This was caused by the measures limiting road traffic and the block on activities for certain sectors characterised by high frequency and limited average cost, such as sports risks and scholastic activities. In the last part of the half-year, signs of a recovery were already being seen, which may be further consolidated by the numerous commercial initiatives and actions to support both the sales network and customers, which were promptly activated to jump start growth. Premiums were also up in the Health class. As concerns claims, the relative number declined due to issues connected to the health emergency, which reduced requests for benefits, especially for diagnostics/specialists.

**Arca Assicurazioni** had direct premiums of around €69m (in line with the first half of 2019). Specifically, there was an increase in the Non-MV segment (roughly +1%) and a decline in the MV segment (around -6%). In terms of the result for the period, this company recorded a net profit of €17.8m, higher than the profit at end of the first half of 2019 (€12.7m).

**Compagnia Assicuratrice Linear**, specialised in the direct sale of insurance products through "electronic" channels (internet and call centre), issued premiums totalling €96.3m in the first six months of 2020, basically aligned with the same period of the previous year (+0.3% with €96.1m) and marking a recovery compared to the first quarter, mainly concentrated in the MV classes. Contracts in the portfolio were close to 639k units (+4.4% on June 2019), while the combined ratio was 71.7%, down 24.8 percentage points on the first half of 2019. At 30 June 2020, it recorded a profit of €20.4m (up compared to €4.6m at 30/6/2019).

**DDOR Novi Sad** recorded a total profit (Non-Life and Life segments) at 30 June 2020 of €4.6m (€2.8m at 30/6/2019), thanks to an increase in premiums (Non-Life and Life segments) rising from €52.5m at 30 June 2019 (of which roughly €45m in the Non-Life segment) to €55.1m at 30 June 2020 (of which roughly €47m in the Non-Life segment). The increase in direct business can mainly be attributed to the MV and Other Damage to Property classes (which increased by around 3% and around 10%, respectively), while direct Life premiums were aligned with 30 June 2019.

# 1 Management Report

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**Incontra Assicurazioni** recorded an €8.4m profit at 30 June 2020 (around €5m at 30/6/2019), with a decrease in premiums compared to the previous year, i.e. from €102.2m at the end of the first half of 2019 to €51.1m at 30 June 2020, mainly concentrated in the Health and Pecuniary Losses classes. At 30 June 2020, the volume of total investments reached roughly €248m (around €256m at 31/12/2019), while gross technical provisions reached €334m (€325m at 31/12/2019).

In the first half of 2020, **SIAT** recorded a profit of €2.8m (profit of €0.6m at 30/6/2019), with a significant recovery basically due to the technical result, to which the "Hulls" segment contributed to a considerable extent due to the restructuring actions taken during the period. Total gross premiums (direct and indirect) decreased by more than 9% to €78.7m (€86.9m at 30/6/2019): this decline can basically be attributed to the portfolio selection carried out in the "Hulls" sector, as part of initiatives undertaken to improve the technical balance.

**UniSalute**, an insurance company specialising in the health segment, recorded premiums for €253.0m at 30 June 2020, also including indirect business, marking a slight decrease compared to 30 June 2019 (€261.1m). The first half of 2020 recorded a profit of €44.3m, compared to €15m at 30 June 2019. Business was significantly concentrated on two fronts in the first half of 2020: on one hand, the reform of health plans already in the portfolio (primarily Health Funds, such as San.arti, Fondo EST and Sanimoda), and on the other the distribution of specific Covid-19 products, which made it possible to consolidate relationships with existing customers, such as Cassa Forense, Cassa Geometri and Sanimoda, while also acquiring new customers such as the State Police, Ferrovie dello Stato and the Italian Tax Police.

## New products

During the first half of 2020, the new anti-abandonment device **Qshino**, created by UnipolSai in partnership with AlfaEvolution Technology, was introduced in the **MV** segment, to combat the phenomenon of children being forgotten in the car. The device, developed to boost growth in the Mobility ecosystem, is certified and compliant with the technical requirements of decree no.122 of 2 October 2019, called "Salva Bebè", which made the installation of anti-abandonment devices compulsory for those who drive with children under 4 years old in the car.

As concerns the **Non-MV** product line, specific Health products were created in order to combat the Covid-19 health emergency, as already mentioned above and described below:

- **"Health Policy - #AndràTuttoBene"** and **"UnipolSai Health Hospitalisation - #AndràTuttoBene Premium"**, designed as the insurance response to the Covid-19 emergency and intended, as concerns the former, for businesses wishing to insure their employees (with the possibility of extending coverage to family members as well) and as regards the latter for natural persons and their nuclear families (free of charge for children from 0 to 14 years of age), in the case of hospitalisation and subsequent convalescence and for assistance services as a result of the Covid-19 virus.
- **#SicuriRipartiamo Health Card** designed for the business world. To provide concrete support to companies in living with coronavirus, UnipolSai, with the support of UniSalute, decided to further expand its range of products and services dedicated to protection from the risks of contagion through **#SicuriRipartiamo**.

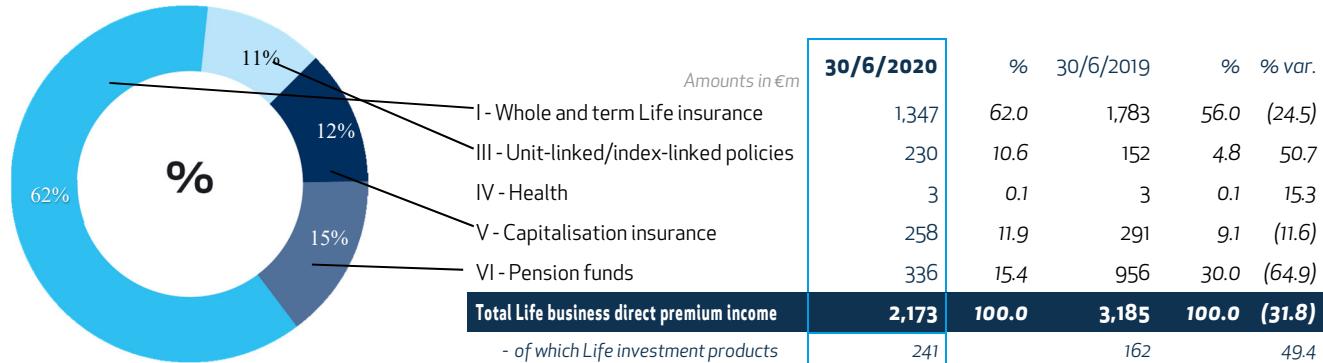
In the first half of 2020, **Compagnia Assicuratrice Linear** launched the new product "**Poste guidare sicuri LN**", based on the partnership between the Unipol Group and Poste. It is a complete product for MV TPL, Other MV risks and Land Vehicle Hulls insurance, available for sale at the post office network. In addition, "Direct Repair" was also launched, or the activation of compensation in kind for MV TPL and Other MV Risks guarantees, as was the "**LinearFlex**" product, offering the possibility to pay for all Linear MV products in instalments.

In order to innovate on its offering in the Health segment with comprehensive healthcare coverage, in June **Arca Assicurazioni** launched the sale of the new product "**ACUORE**", to replace its previous products ("Orizzonte Salute" and "Sistema Salute"). **ACUORE** offers customers a broad range of coverage for improved health care, with differentiated rates based on the policyholder's age range.

## Life business

Life **direct premiums**, which represent almost the entirety of premiums, amounted to a total €2,173m (€3,185m at 30/6/2019) of which €241m in investment products concerning primarily Class III (€162m at 30/6/2019), and were composed of the following:

### Life business direct premiums



New business in terms of **APE**, net of non-controlling interests, amounted to €184m at 30 June 2020 (€260m at 30/6/2019, -29.1%), of which €35m contributed by bancassurance companies and €148m by traditional companies.

**Expense ratio** of Life direct business was 4.6% (3.4% at 30/6/2019).

### Pension Funds

In the first half of 2020, UnipolSai, due to the unfavourable financial market conditions, decided not to participate in the tenders to renew several management mandates with guaranteed results that were expiring. As a result, the management mandates with guaranteed results in place with the Cometa Pension Fund were not renewed.

At 30 June 2020, UnipolSai was managing a total of 21 **Occupational pension fund** mandates (17 of them for accounts "with guaranteed capital and/or minimum return"). On the same date resources under management totalled €3,759m (€3,195m with guaranteed capital). At 31 December 2019, UnipolSai managed a total of 25 Occupational Pension Fund mandates (19 of which "with guaranteed capital and/or minimum return"); resources under management totalled €4,777m (of which €4,093m with guaranteed capital).

As regards **Open Pension Funds**, at 30 June 2020 the Group managed 2 Open-Ended Pension Funds (UnipolSai Previdenza FPA and Fondo Pensione Aperto BIM Vita) that at that date amounted to a total of 41,608 members for total assets of €878m. At 31 December 2019, those Funds had total assets of €908m and a total of 42,277 members.

# 1 Management Report

## Life premiums of the main Group insurance companies

Direct premiums for **UnipolSai** were equal to €1,507m (€2,327m at 30/6/2019, -35.3%).

### UnipolSai Assicurazioni Spa - life business direct premiums

		Amounts in €m	30/6/2020	% comp.	30/6/2019	% comp.	% var.
I	Whole and term life insurance		853	56.6	1,020	43.8	(16.4)
III	Unit-linked/index-linked policies		59	3.9	59	2.5	0.1
	<i>of which investment products</i>		59	3.9	59	2.5	0.1
IV	Health		3	0.2	3	0.1	15.3
V	Capitalisation insurance		258	17.1	291	12.5	(11.6)
VI	Pension funds		334	22.2	954	41.0	(64.9)
	<i>of which investment products</i>		14	1.0	13	0.5	12.2
<b>Total life business</b>			<b>1,507</b>	<b>100.0</b>	<b>2,327</b>	<b>100.0</b>	<b>(35.3)</b>
<i>of which investment products</i>			73	4.9	72	3.1	2.3

The sector of **individual policies** decreased by 18.2%, mainly as a result of the drop in Class I single premiums. The product UnipolSai Investimento Garantito, initially limited to customers who reinvested sums deriving from benefits due from the Company on the basis of other insurance contracts, was subsequently involved in an extraordinary campaign targeting all potential customers. In the first half of the year, there was also an increase in Class III premiums (+13.4%) thanks to the good performance of single-premium Unit-linked and Multisegment products. Again in the individual sector, Class IV premiums continued to increase (+21.5%) which, albeit not significant in absolute terms, shows the growing interest in products with long-term care coverage.

**Collective policy** premiums were down significantly compared to the same period of the previous year (-50.2%), particularly due to Class VI (-65.7%), which in 2019 had benefitted from the entry of two new pension funds for a total of €630m while, in 2020, it was impacted by the Company's decision not to renew some agreements that were expiring.

**BIM Vita** recorded a profit of €0.7m at 30 June 2020 (€0.8m at 30/6/2019). Its premiums amounted to around €21m (roughly €30m at 30/6/2019, -31.4%), in addition to financial products for €6m (€9m at 30/6/2019). The volume of total investments stood at €614m (€638m at 31/12/2019).

The **Arca Vita Group's** bancassurance channel (Arca Vita and Arca Vita International) posted direct premiums of around €632m (roughly €811m at 30/6/2019, -22.1%), a significant decline compared to the first half of last year, primarily attributable to Class I products. The decrease was due to Arca Vita SpA, as the Irish subsidiary Arca Vita International Dac recorded a 42.3% increase in the same period (from around €10m to roughly €15m).

## New products

The update of the Class I product range in the first quarter with the new version of the **Investimento Garantito Fidelity** product introduced as its main new feature the recognition of financial guarantees in the case of surrender starting from the tenth anniversary with a minimum benefit equal to the capital invested. At the same time, a minimum contract duration of 15 years was established.

In Class V, the new version of the **Investimento Capital Fidelity** product introduced the recognition of the financial guarantee only at the end of the contract, with a minimum benefit equal to the premium paid plus 0.1%.

In the second quarter, the **Investimento Gestimix** multisegment product was restyled to incorporate, as regards the part of investments linked to financial management, the same elements as those introduced in **Investimento Garantito Fidelity**, establishing, in the case of surrender starting from the tenth anniversary, the recognition of a minimum benefit equal to the invested capital and an increase in the minimum contract duration to 15 years.

With reference to **Arca Vita**, in May the placement of a new range of whole-life Class I products began with the assignment to the main distributing banks of a business limit. On the other hand, at the end of June the investment possibilities offered

by the “**Cromla 2.0**” multisegment product were expanded, with the addition of two investment portfolios to the external funds that may be individually subscribed.

## Reinsurance

### Unipol Group reinsurance policy

With regard to the risks underwritten in the Non-Life business, the Group reinsurance strategy proposed the same cover structures in place in 2019, maximising the effectiveness of the most operational of the main non-proportional treaties. The renewal for 2020 took place to ensure continuity with those expiring, with the following improvements implemented from a risk mitigation perspective:

- extension of the capacity of the Property XL Treaty per Event, which increased to €1.9bn, with a view to capital relief optimisation;
- acquisition of cover against natural events (atmospheric events, over-abundance of snow, flood) with XL Treaty in aggregate Atmos Re.;
- acquisition of “Bridge” cover, whilst waiting for the evaluation of a new issue of a Cat Bond Azzurro Re. II.

At Group level, the following cover was negotiated and acquired:

- excess of loss treaties for the protection of MV TPL, General TPL, Fire (by risk and by event), Land Vehicle Hull Atmospheric Events, Theft, Accident and Transport portfolios;
- stop loss treaty for the Hail class;
- 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), Legal Expenses, “D & O” and “Cyber” third-party liability.

To minimise counterparty risk, reinsurance coverage continued to be spread out and placed with the major professional reinsurers that have been given a high credit rating by major rating agencies, in order to provide a comprehensive and competitive service. The risks of the Legal Expenses and part of Transport classes were instead ceded to specialised reinsurers and/or specialist Group companies.

As regards the Life business, the renewal of reinsurance covers relating to 2020 occurred fully in line with that expiring, therefore the risks underwritten are mainly 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. There are also two proportional covers for LTC guarantees, one proportional cover for Individual Serious Illnesses and one for Weighted Risks.

# 1 Management Report

## Real Estate Sector performance

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

### Income Statement - Real Estate Sector

	Amounts in €m	30/6/2020	30/6/2019	% var.
Gains on other financial instruments and investment property	15	12	21.7	
Other revenue	21	16	31.8	
<b>Total revenue and income</b>	<b>36</b>	<b>29</b>	<b>27.4</b>	
Losses on investments in subsidiaries, associates and interests in joint ventures	(10)			
Losses on other financial instruments and investment property	(13)	(31)	(58.0)	
Operating expenses	(11)	(10)	4.0	
Other costs	(12)	(13)	(9.7)	
<b>Total costs and expenses</b>	<b>(46)</b>	<b>(55)</b>	<b>(15.6)</b>	
<b>Pre-tax profit (loss) for the year</b>	<b>(10)</b>	<b>(26)</b>	<b>62.1</b>	

The **pre-tax result** at 30 June 2020 was negative for €10m (-€26m at 30/6/2019), after depreciation of real estate investments and tangible assets for €13m (€12m at 30/6/2019).

**Investments and cash and cash equivalents** of the Real Estate sector (including properties for own use) totalled €2,035m at 30 June 2020 (€1,423m at 31/12/2019), consisting mainly of Investment property and Properties for own use amounting to €1,974m (€1,372m at 31/12/2019). The increase can be attributed primarily to the disposal of several properties owned by UnipolSai and, as such, previously recognised in the insurance sector, for a total of €690m, to the Tikal and Oikos real estate funds, managed by UnipolSai Investimenti SGR, the units of which are 100% held by UnipolSai. Those disposals did not result in the recognition of gains or losses on sale at consolidated level as they were carried out between Unipol Group entities.

**Financial liabilities**, at 30 June 2020, were €210m (€232m at 31/12/2019).

### Main property transactions

During the first half of the year, the Company continued to develop its owned property assets in order to subsequently leverage the refurbished properties with a view to leasing or use for business purposes.

The main projects developed during the first half year regard the properties located in the Milan area, including:

- continued construction of a new multi-storey headquarters building in Piazza Gae Aulenti (Porta Nuova Garibaldi area);
- the completion of renovation works on the office property on via De Castillia;
- continuation of the renovation works on a building to be used as a hotel on Via De Cristoforis (Milano Verticale UNA Esperienze);
- continuation of the renovation works on a building to be used as a hotel on Via Tucidide.

Furthermore, renovation works have begun on a Trieste property on Riva Tommaso Gulli to be used for student housing.

Other residential and office property requalification activities were developed in various Italian cities mainly in order to subsequently generate income through leasing.

As regards sales, a tourism/hotel property in Milan, an office property in Scandicci (FI) and a farm (land and buildings) in Cisterna di Latina were disposed of, in addition to several real estate units located in Turin, Florence, Rome and the province of Mantua.

## Holding and Other Businesses Sector Performance

The main **income statement figures for the Holding and Other Businesses sector** are summarised below:

### Income Statement - Holding and Other Businesses Sector

	Amounts in €m	30/6/2020	30/6/2019	% var.
Commission income		3	4	(23.7)
Gains (losses) on financial instruments at fair value through profit or loss		(20)	1	n.s.
Gains on investments in subsidiaries, associates and interests in joint ventures		24	247	n.s.
Gains on other financial instruments and investment property		37	46	(20.1)
Other revenue		59	129	(54.2)
<b>Total revenue and income</b>		<b>103</b>	<b>427</b>	<b>(75.9)</b>
Losses on other financial instruments and investment property		(62)	(55)	13.4
Operating expenses		(74)	(95)	(21.8)
Other costs		(27)	(57)	(52.9)
<b>Total costs and expenses</b>		<b>(163)</b>	<b>(207)</b>	<b>(21.1)</b>
<b>Pre-tax profit (loss) for the year</b>		<b>(60)</b>	<b>219</b>	<b>n.s.</b>

The **pre-tax result** at 30 June 2020 was a loss of €60m (€219m at 30/6/2019). It should be noted that the profit at 30 June 2019 benefitted from income of €244m deriving from the effects of the first time consolidation of the investment held in BPER Banca, according to the equity method.

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

At 30 June 2020, **Investments and cash and cash equivalents** of the Holding and Other Businesses sector (including properties for own use of €118m) totalled €2,517m (€2,442m at 31/12/2019).

**Financial liabilities** amounted to €2,517m (€2,481m at 31/12/2019) and mainly consist of the following:

- for €1,811m by three senior bond loans issued by Unipol with a total nominal value of €1,817m (€1,813m at 31/12/2019, nominal value unchanged);
- for €617m of current loans granted to the subsidiaries Unipol and UnipolReC, payable to UnipolSai (€636m at 31/12/2019).

In the **hotel sector**, revenue of the subsidiary Gruppo UNA declined by 71% compared to the first half of 2019, from around €57m to roughly €17m, due to the closure of practically all of its hotels (27 out of 31) for nearly 4 months. Despite the reduction in operating expenses, limited however to 48% given the high fixed costs component, the company closed the first half of 2020 with a loss of roughly €16m.

In the **health sector**, Casa di Cura Villa Donatello closed the first half of 2020 with revenue of €13.9m, up by around 6.4% compared to 30 June 2019 (€13.1m). Revenue performance confirms the positive trend in hospitalisations, and a substantial alignment for outpatient surgery, visits and diagnostics. The company posted a profit of €0.12m, down compared to 30 June 2019 (€0.3m).

As regards **agricultural activities**, the sales of wine by the company Tenute del Cerro generated a 13.9% decrease compared to the figure at 30 June 2019, from €2.99m to €2.58m. Total revenue showed an 18.5% decrease compared to 30 June 2019, from €3.63m to €2.96m. Rigorous operating expense reduction in any event made it possible to close the half-year with a profit of around €0.15m.

# 1 Management Report

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## Asset and financial performance

### Investments and cash and cash equivalents

At 30 June 2020, Group **Investments and cash and cash equivalents** totalled €66,408m (€67,757m at 31/12/2019), after reclassifying €193m pursuant to IFRS 5 (€189m at 31/12/2019):

#### **Investments and cash and cash equivalents - Breakdown by business segment**

	Amounts in €m	<b>30/6/2020</b>	% comp.	31/12/2019	% comp.	% var.
Insurance sector	62,715	94.4	64,685	95.5	(3.0)	
Holding and other businesses sector	2,517	3.8	2,442	3.6	3.1	
Real Estate sector	2,035	3.1	1,423	2.1	43.0	
Intersegment eliminations	(859)	(1.3)	(794)	(1.2)	8.3	
<b>Total Investments and cash and cash equivalents</b>	<b>66,408</b>	<b>100.0</b>		<b>67,757</b>	<b>100.0</b>	<b>(2.0)</b>

The breakdown by investment category is as follows:

	Amounts in €m	<b>30/6/2020</b>	% comp.	31/12/2019	% comp.	% var.
<b>Property (*)</b>	<b>3,569</b>	<b>5.4</b>		<b>3,624</b>	<b>5.3</b>	<b>(1.5)</b>
Investments in subsidiaries, associates and interests in joint ventures	1,001	1.5	1,003	1.5	n.s.	
Held-to-maturity investments	415	0.6	455	0.7	(8.8)	
<b>Loans and receivables</b>	<b>4,458</b>	<b>6.7</b>		<b>4,007</b>	<b>5.9</b>	<b>11.3</b>
<i>Debt securities</i>	3,893	5.9	3,471	5.1	12.1	
<i>Deposits with ceding companies</i>	74	0.1	63	0.1	17.3	
<i>Other loans and receivables</i>	491	0.7	472	0.7	3.9	
<b>Financial assets at amortised cost</b>	<b>475</b>	<b>0.7</b>		<b>516</b>	<b>0.8</b>	<b>(8.0)</b>
<i>Loans and receivables from bank customers</i>	475	0.7	516	0.8	(8.0)	
<b>Available-for-sale financial assets</b>	<b>47,793</b>	<b>72.0</b>		<b>48,620</b>	<b>71.8</b>	<b>(1.7)</b>
<b>Financial assets at fair value through OCI</b>	<b>840</b>	<b>1.3</b>		<b>689</b>	<b>1.0</b>	<b>21.8</b>
<b>Financial assets at fair value through profit or loss</b>	<b>6,953</b>	<b>10.5</b>		<b>7,836</b>	<b>11.6</b>	<b>(11.3)</b>
<i>of which held for trading</i>	297	0.4	284	0.4	4.6	
<i>of which at fair value through profit or loss</i>	6,583	9.9	7,466	11.0	(11.8)	
<i>of which mandatorily at fair value</i>	73	0.1	86	0.1	(15.0)	
<b>Cash and cash equivalents</b>	<b>905</b>	<b>1.4</b>		<b>1,007</b>	<b>1.5</b>	<b>(10.1)</b>
<b>Total investments and cash and cash equivalents</b>	<b>66,408</b>	<b>100.0</b>		<b>67,757</b>	<b>100.0</b>	<b>(2.0)</b>

(\*) Including properties for own use

### Transactions carried out in the first half of the year

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

In the first six months of 2020, the investment policies adopted in the financial area continued to apply, in the medium/long-term, a general criteria of prudence and preservation of asset quality, in compliance with the Guidelines defined in the Group Investment Policy.

Specifically, financial operations were geared towards reaching profitability targets consistent with the asset return profile and with the trend in liabilities over the long-term, maintaining a high-quality portfolio through a process of selecting issuers on the basis of their diversification and strength, with a particular focus on the liquidity profile.

Taking into account the unique market environment, during the half-year an approach of greater prudence was taken, decreasing risks in the portfolio and taking a positioning consistent with the increase in uncertainties generated by the Covid-19 pandemic.

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 half-year was characterised by a restructuring of the exposure to government bonds and a reduction in exposure to Italian government bonds, partially offset by the acquisition of bonds issued by other European countries.

The non-governmental bond component increased in both insurance segments during the half-year.

Asset portfolio simplification activities continued in the first half of 2020. There was a €66m reduction in exposure to Level 2 and 3 structured bonds.

Amounts in €m	30/6/2020			31/12/2019			variation	
	Carrying amount	Market value	Implied +/-	Carrying amount	Market value	Implied +/-	Carrying amount	Market value
Structured securities - Level 1	40	39	(1)	40	40			(1)
Structured securities - Level 2	488	450	(38)	517	497	(20)	(29)	(47)
Structured securities - Level 3	127	95	(33)	164	138	(25)	(36)	(44)
<b>Total structured securities</b>	<b>655</b>	<b>583</b>	<b>(72)</b>	<b>721</b>	<b>676</b>	<b>(45)</b>	<b>(66)</b>	<b>(92)</b>

**Share exposure** decreased during the first half of 2020 by around €254m (carrying amounts). Sales regarded primarily European bonds belonging to the banking sector, both ETFs (Exchange Traded Funds) and single stocks. Almost all equity instruments belong to the main European share indexes. Hedges in options on the Eurostoxx50 index on the equity portfolio, in order to mitigate volatility and preserve the value of the portfolio, were closed.

Exposure to **alternative funds**, a category to which Private Equity, Hedge Fund and investments in Real Asset belong, stood at €949m, thus recording a net increase of €175m, during the first half of 2020.

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

The overall Group duration stood at 6.68 years, up compared to the end of 2019 (6.65 years). The Non-Life segment duration was 3.20 years (3.89 years at the end of 2019); the Life duration was 7.95 years (7.64 years at the end of 2019). The Holding portfolio duration was 0.84 years, up compared to the end of the previous year (0.30 years). The fixed rate and floating rate components of the bond portfolio amounted respectively to 89.1% and 10.9%. The government component accounted for approximately 68.2% of the bond portfolio whilst the corporate component accounted for the remaining 31.8%, split into 23.5% financial and 8.3% industrial credit.

88.7% of the bond portfolio was invested in securities with ratings above BBB-.

# 1 Management Report

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## Net gains on investments and financial income

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

<b>Net investment income</b>	Amounts in €	30/6/2020	30/6/2019	% var.
Gains/losses on investment property	15	13	12.2	
Gains/losses on investments in subsidiaries and associates and interests in joint ventures	19	485	(96.1)	
Net gains on held-to-maturity investments	9	9	(1.2)	
Net gains on loans and receivables	50	44	14.1	
Net gains on financial assets recognised at amortised cost	13	20	(36.6)	
Net gains on available-for-sale financial assets	910	958	(5.0)	
Net gains on financial assets at fair value through OCI	6	19	(68.6)	
Net gains on financial assets at fair value through profit or loss (*)	(275)	(246)	12.2	
<b>Total net gains on financial assets, cash and cash equivalents</b>	<b>747</b>	<b>1,303</b>	<b>(42.7)</b>	
Net losses on held-for-trading financial liabilities and at fair value through profit or loss (*)	(86)	(1)	(32.4)	
Net losses on other financial liabilities	(87)	(84)	3.2	
<b>Total net losses on financial liabilities</b>	<b>660</b>	<b>(84)</b>	<b>3.0</b>	
<b>Total net gains (*)</b>	<b>660</b>	<b>1,219</b>	<b>(45.8)</b>	
Net gains on financial assets at fair value (**)	(119)	292		
Net losses on financial liabilities at fair value (**)	95	(170)		
<b>Total net gains on financial instruments at fair value (**)</b>	<b>(24)</b>	<b>122</b>		
<b>Total net gains on investments and net financial income</b>	<b>636</b>	<b>1,341</b>	<b>(52.5)</b>	

(\*) 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

Please recall that Net gains at 30 June 2019 amounted to €1,219m and included net gains for €421m deriving from the effects of first-time consolidation according to the equity method of the interest with significant influence in BPER Banca.

Impairment losses on financial instruments classified in the Available-for-sale asset category amounted to €3m (€8m at 30/6/2019). The item Gains/losses on investment property included €17m in depreciation (€16m at 30/6/2019).

## Shareholders' equity

At 30 June 2020, Shareholders' equity amounted to €7,934m (€8,305m at 31/12/2019). **Shareholders' equity** attributable to the owners of the Parent, standing at €6,674m (€6,687m at 31/12/2019), was composed of:

	Amounts in €m	<b>30/6/2020</b>	31/12/2019	variation in amount
Share capital		3,365	3,365	
Capital reserves		1,639	1,639	
Income-related and other equity reserves		785	(127)	912
(Treasury shares)		(4)	(3)	
Reserve for foreign currency translation differences		5	4	
Gains/losses on available-for-sale financial assets		434	936	(503)
Gains/losses on financial assets at fair value through OCI		(1)	9	(9)
Other gains or losses recognised directly in equity		(64)	(38)	(26)
Profit (loss) for the year		514	903	(388)
<b>Total shareholders' equity attributable to the owners of the Parent</b>		<b>6,674</b>	<b>6,687</b>	(14)

The main changes over the year were as follows:

- a decrease of €503m as a result of the decrease in the provision for gains and losses on available-for-sale financial assets;
- an increase of €514m due to a Group positive economic result at 30 June 2020.

Shareholders' equity attributable to non-controlling interests was €1,260m (€1,617m at 31/12/2019). The significant decrease recorded in the first half of the year is due to the increase in the share held by the Parent in the subsidiary UnipolSai, the negative change in income-related reserves, recognised directly in Shareholders' Equity and the distribution of dividends by subsidiaries, only partially offset by the profit for the period attributable to non-controlling interests.

## Treasury shares

At 30 June 2020, the ordinary treasury shares held by Unipol and its subsidiaries totalled 1,097,673 (953,413 at 31/12/2019), of which 392,549 shares held directly. The changes during the first half of the year concerned the following transactions being carried out in execution of Compensation Plans based on financial instruments of a performance share type, intended for the executives of Unipol and of its subsidiaries:

- purchase of 2,255,500 Unipol shares by Unipol and its subsidiaries;
- allocation on 27 April 2020 of 2,092,674 Unipol shares relating to the second tranche of the compensation plan based on financial instruments for the period 2016-2018;
- disposal in the market of 18,566 Unipol shares carried out by Arca Assicurazioni.

# 1 Management Report

## Technical provisions and financial liabilities

At 30 June 2020, Technical provisions amounted to €56,843m (€57,567m at 31/12/2019) and Financial liabilities amounted to €7,494m (€7,772m at 31/12/2019).

### Technical provisions and financial liabilities

	Amounts in €m	31/12/2019	% var.
	30/6/2020		
Non-Life technical provisions	14,697	15,067	(2.5)
Life technical provisions	42,147	42,500	(0.8)
<b>Total technical provisions</b>	<b>56,843</b>	<b>57,567</b>	<b>(1.3)</b>
<b>Financial liabilities at fair value</b>	<b>2,960</b>	<b>2,914</b>	<b>1.6</b>
<i>Investment contracts - insurance companies</i>	2,710	2,662	1.8
Other	250	253	(1.2)
<b>Financial liabilities at amortised cost</b>	<b>4,534</b>	<b>4,858</b>	<b>(6.7)</b>
<i>Subordinated liabilities</i>	2,137	2,168	(1.4)
Other	2,397	2,690	(10.9)
<b>Total financial liabilities</b>	<b>7,494</b>	<b>7,772</b>	<b>(3.6)</b>
<b>Total</b>	<b>64,338</b>	<b>65,339</b>	<b>(1.5)</b>

## 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.

### Group debt structure (excluding net interbank business)

	Amounts in €m	31/12/2019	variation in amount
	30/6/2020		
Subordinated liabilities issued by UnipolSai	2,137	2,168	(31)
Debt securities issued by Unipol	1,804	1,813	(9)
Other loans	423	517	(94)
<b>Total debt</b>	<b>4,364</b>	<b>4,498</b>	<b>(134)</b>

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

The **Debt securities issued by Unipol**, net of intragroup subscriptions, totalled €1,804m and related to three senior unsecured bonds listed on the Luxembourg Stock Exchange, with a total nominal value of €1,817m.

**Other loans**, standing at €423m (€517m at 31/12/2019), refer primarily to:

- a loan obtained for the purchase of properties and restructuring works by Fondo Chiuso Immobiliare Athens R.E. Fund for a nominal value of €170m;
- the financial liabilities deriving from the present value of future lease payments due for lease agreements accounted for on the basis of IFRS 16.

## Transactions with related parties

The Procedure for related-party transactions (the “**Procedure**”) - prepared pursuant to Art. 4 of Consob Regulation no. 17221 of 12 March 2010 as amended (the “**Consob Regulation**”) and published on Unipol’s web site ([www.unipol.it](http://www.unipol.it)) in the *Governance/Related Party Transactions* section - 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.

This being said, in the course of the first half of 2020, Unipol did not approve or carry out, directly or through subsidiaries, any related-party transactions qualified as of “Major Significance” and/or “Minor Significance”. As regards the disclosure required by IAS 24 and Consob Communication DEM/6064293/2006, please refer to paragraph 4.5 - Transactions with related parties in the Notes to the financial statements.

# 1 Management Report

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## Other Information

### **Trade union agreement on pre-retirement arrangements**

As part of the activities for implementing the 2019-2021 Business Plan, at 31 July 2020 the trade union agreement on pre-retirement arrangements signed on 20 November 2019 resulted in the early departure of 507 Group employees, of whom:

- 377 stopped working on 29 February 2020, with access to the Solidarity Fund;
- 130 stopped working between 31 January and 31 July 2020 to receive the retirement incentive.

### **Partnership renewed between UnipolSai and Ducati Corse for the MotoGP World Championship 2020**

On 27 January 2020, UnipolSai confirmed its partnership that will once again see the company as the official sponsor of Ducati Corse in the MotoGP 2020 World Championship. The partnership with the Ducati Team will entail the UnipolSai brand appearing on the tail of the two red sport bikes of Borgo Panigale and on the team uniforms.

### **Sustainable Agencies: the agency environmental certification project**

On 22 April 2020, to mark the 50th anniversary of Earth Day, the launch of the Sustainable Agencies project was announced, promoted by the Sustainability Department and the Sales Department of the Unipol Group, which has always been sensitive to environmental matters. The project is part of the 2019-2021 Strategic Plan and meets the needs of the "Guidelines on reporting climate-related information" published by the European Commission in 2019. The goal is to enhance the agencies with a "certification" of their environmental and social sustainability, within a context in which attention to environmental matters is constantly on the rise. The certifications will be issued in partnership with Legambiente, a recognised and well-established tertiary sector player, and may be exhibited by the agencies as a veritable "label of quality". The project began with a pilot phase involving 56 agencies located throughout the country, which were provided with a tool to map their virtuous behaviours in order to obtain the certification, and it will be gradually extended during the year.

### **UnipolSai "Always one step ahead" advertising campaign**

On 21 June 2020, UnipolSai returned to the airwaves with a new subject in its "Always one step ahead" advertising campaign. After the ads dedicated to the car world and in particular Unibox and the UnipolSai app, this time home security is taking centre stage in the new communication blitz. Indeed, it is thanks to Unibox Casa and the linked electronic devices that Alessandro Gassman, once again the campaign's spokesman, is able to "look ahead", anticipating future events. The new ad, on the air on all of the main national television networks and with a radio version as well, has maintained the reassuring mood and refined cinematographic styling selected for this creative concept. At the same time, the campaign highlights the prestige, expertise and reliability of UnipolSai and its innovative focus, which takes shape through the offer of insurance solutions combined with cutting-edge technological services, not only for vehicles, but for home security as well.

### **Unipol in first place in Italy by reputation: leader in the insurance and banking sector for four years running**

For the fourth year in a row, the Unipol Group came in first in terms of reputation in the insurance and banking sectors in the 2020 ranking. The ranking is based on the measurement, across multiple stakeholders, of the reputation of roughly 400 companies operating in Italy.

The classification was issued on 25 June by The RepTrak Company, a global leader in corporate reputation measurement and management.

Unipol has consolidated its leadership and entered the "strong" reputational bracket (which includes companies with a score above 70 points) with a score of 73.0 (it was 67.6 in 2019), increasing the gap compared to the average of insurance sector companies in Italy to nearly 6 points (+3.6 points vs 2019) and compared to the average of financial sector companies to 7.5 points (+5.4 points vs 2019).

## Significant events after the reporting period and business outlook

### Significant events after the reporting period

#### Repayment of the second tranche of the Mediobanca Tier 1 subordinated loan

In July 2020, UnipolSai Assicurazioni repaid the second tranche of €80m of the Mediobanca Tier 1 subordinated loan. Annual repayments in equal amounts will follow for the next 3 years until the full repayment of the €400m loan issued by Mediobanca in 2003.

#### Issue of Azzurro Re II CAT-Bond

Also in July 2020, through the sponsorship of UnipolSai, the issue of a CAT-Bond was finalised for a nominal amount of €100m by Azzurro Re II DAC, a multi-agreement Irish Special Purpose Reinsurance Vehicle. The issue provides UnipolSai with €100m in collateralised protection against earthquakes in Italy and bordering countries for a duration of 3.5 years. Azzurro Re II is the first multi-agreement vehicle authorised by the Central Bank of Ireland for CAT-Bond transactions and will enable UnipolSai to sponsor future CAT-Bond transactions rapidly and more cost effectively.

#### Agreements with Intesa San Paolo - Public Purchase and Exchange Offer promoted by Intesa Sanpaolo on UBI Banca concluded successfully

On 30 July 2020, the Public Purchase and Exchange Offer promoted by Intesa Sanpaolo on UBI Banca shares was successfully concluded. The completion of this transaction was one of the conditions laid out in the agreement signed by Unipol and UnipolSai with Intesa San Paolo and BPER Banca on 17 February 2020 concerning, *inter alia*, the subsequent acquisition by UnipolSai, directly or through a subsidiary, of business units referring to one or more insurance companies that are currently investees of UBI Banca.

#### UnipolRental, the commercial brand of long-term rental

On 31 July 2020 Car Server, a leader in the Italian long-term rental market for company car fleets and, more generally, in the management of business mobility, acquired by UnipolSai in August 2019, changed its name to UnipolRental/SpA.

# 1 Management Report

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## Business outlook

The period subsequent to 30 June was characterised by rapid negotiations on the structure of the Recovery Fund, which turned out to be a test case for the very stability of the entire European project. The agreement, defined on 21 July, made resources totalling €750bn available to the various countries, which is indispensable to attenuate the strong impact that the Covid-19 pandemic is having and will continue to have on the economy and debt of many countries, including Italy, which is one of the European nations most struck by the health emergency and the resulting economic recession.

In our country, which will receive €209bn in non-repayable subsidies and loans, the agreement reached favoured a limitation of the spread on our government bonds which, in the days following the agreement, fell to below the level recorded at the end of 2019.

In this framework, the financial operations of the Group continue to aim for consistency between assets and liabilities and the maintenance of a high standard of portfolio quality through issuer diversification criteria, maintaining a particular focus on their strength and liquidity and safeguarding the Group's solvency position.

With regard to the trends of the business sectors in which the Group operates, there are no particularly significant events to report. In the insurance segment, within a market environment in any event impacted by the effects of the health emergency and which remains highly competitive, the Group is committed to commercial actions aiming to reinforce its relationship with customers, also by using remote contact channels integrated around the centrality of the agency network. The ongoing global spread of the Covid-19 pandemic and the risk of possible new outbreaks in our country, with the resulting potential impacts on the economy, could also have repercussions on the Group's reference markets. Nonetheless, the performance recorded in the first half of the year and the information currently available enable the Group, also strong from its solid capital position, to confirm that its income trends for the year under way are in line with the objectives laid out in the 2019-2021 Business Plan.

Bologna, 6 August 2020

The Board of Directors

## **2. Condensed Consolidated Half-Yearly Financial Statements at 30 June 2020**

### **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

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### Statement of Financial Position

#### Assets

		Amounts in €m	30/6/2020	31/12/2019
<b>1</b>	<b>INTANGIBLE ASSETS</b>			
1.1	Goodwill		2,011.4	2,012.1
1.2	Other intangible assets		1,625.0	1,625.0
<b>2</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		<b>2,403.8</b>	<b>2,484.2</b>
2.1	Property		1,567.5	1,633.2
2.2	Other tangible assets		836.3	851.1
<b>3</b>	<b>TECHNICAL PROVISIONS - REINSURERS' SHARE</b>		<b>925.9</b>	<b>989.6</b>
<b>4</b>	<b>INVESTMENTS</b>		<b>63,935.3</b>	<b>65,116.9</b>
4.1	Investment property		2,001.7	1,991.1
4.2	Investments in subsidiaries, associates and interests in joint ventures		1,001.1	1,003.4
4.3	Held-to-maturity investments		414.7	454.6
4.4	Loans and receivables		4,457.5	4,006.6
4.4bis	Financial assets at amortised cost		475.1	516.1
4.5	Available-for-sale financial assets		47,792.7	48,620.0
4.5bis	Financial assets at fair value through OCI		839.8	689.5
4.6	Financial assets at fair value through profit or loss		6,952.6	7,835.6
4.6.1	<i>Held-for-trading financial assets</i>		296.8	283.8
4.6.2	<i>Financial assets at fair value</i>		6,582.6	7,465.6
4.6.3	<i>Other financial assets mandatorily at fair value</i>		73.2	86.1
<b>5</b>	<b>SUNDRY RECEIVABLES</b>		<b>2,848.2</b>	<b>3,184.0</b>
5.1	Receivables relating to direct insurance business		1,229.1	1,456.2
5.2	Receivables relating to reinsurance business		260.0	260.8
5.3	Other receivables		1,359.2	1,467.1
<b>6</b>	<b>OTHER ASSETS</b>		<b>1,454.5</b>	<b>1,308.0</b>
6.1	Non-current assets or assets of a disposal group held for sale		193.6	189.2
6.2	Deferred acquisition costs		105.8	101.2
6.3	Deferred tax assets		589.3	510.9
6.4	Current tax assets		20.5	3.9
6.5	Other assets		545.4	502.7
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>		<b>904.9</b>	<b>1,007.0</b>
	<b>TOTAL ASSETS</b>		<b>74,484.0</b>	<b>76,101.9</b>

## Statement of Financial Position

### Shareholders' equity and liabilities

		Amounts in €m	<b>30/6/2020</b>	31/12/2019
<b>1</b>	<b>SHAREHOLDERS' EQUITY</b>			
1.1	<b>attributable to the owners of the Parent</b>		<b>7,933.7</b>	<b>8,304.6</b>
1.1.1	Share capital		6,673.5	6,687.5
1.1.2	Other equity instruments		3,365.3	3,365.3
1.1.3	Capital reserves		1,639.4	1,639.4
1.1.4	Income-related and other equity reserves		785.0	(127.2)
1.1.5	(Treasury shares)		(3.8)	(3.4)
1.1.6	Reserve for foreign currency translation differences		4.5	4.1
1.1.7	Gains or losses on available-for-sale financial assets		433.5	936.2
1.1.7bis	Gains or losses on financial assets at fair value through OCI		(1.0)	8.5
1.1.8	Other gains or losses recognised directly in equity		(63.6)	(37.9)
1.1.9	Profit (loss) for the year attributable to the owners of the Parent		514.2	902.5
1.2	<b>attributable to non-controlling interests</b>		<b>1,260.1</b>	<b>1,617.1</b>
1.2.1	Share capital and reserves attributable to non-controlling interests		1,064.8	1,196.4
1.2.2	Gains or losses recognised directly in equity		92.8	236.6
1.2.3	Profit (loss) for the year attributable to non-controlling interests		102.4	184.1
<b>2</b>	<b>PROVISIONS</b>		<b>431.7</b>	<b>476.9</b>
<b>3</b>	<b>TECHNICAL PROVISIONS</b>		<b>56,843.3</b>	<b>57,567.3</b>
<b>4</b>	<b>FINANCIAL LIABILITIES</b>		<b>7,494.2</b>	<b>7,772.0</b>
4.1	Financial liabilities at fair value through profit or loss		2,960.1	2,914.4
4.1.1	<i>Financial liabilities held-for trading</i>		249.6	252.6
4.1.2	<i>Financial liabilities at fair value</i>		2,710.5	2,661.8
4.2	Other financial liabilities		4,534.1	4,857.7
<b>5</b>	<b>PAYABLES</b>		<b>852.0</b>	<b>1,012.6</b>
5.1	Payables arising from direct insurance business		131.1	164.7
5.2	Payables arising from reinsurance business		112.1	96.6
5.3	Other payables		608.8	751.3
<b>6</b>	<b>OTHER LIABILITIES</b>		<b>929.2</b>	<b>968.4</b>
6.1	Liabilities associated with disposal groups held for sale		3.3	3.3
6.2	Deferred tax liabilities		56.8	83.0
6.3	Current tax liabilities		38.6	50.9
6.4	Other liabilities		830.5	831.2
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>			<b>74,484.0</b>	<b>76,101.9</b>

## 2 Consolidated Financial Statements

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### Income Statement

	Amounts in €m	30/6/2020	30/6/2019
1.1 Net premiums	5,675.7	6,897.2	
1.1.1 Gross premiums earned	5,906.0	7,115.2	
1.1.2 Earned premiums ceded to reinsurers	(230.3)	(218.0)	
1.2 Commission income	16.7	17.5	
1.3 Gains and losses on financial instruments at fair value through profit or loss	(299.9)	(124.3)	
1.4 Gains on investments in subsidiaries, associates and interests in joint ventures	29.5	485.7	
1.5 Gains on other financial instruments and investment property	1,311.2	1,233.0	
1.5.1 Interest income	693.9	740.0	
1.5.2 Other income	87.9	109.4	
1.5.3 Realised gains	289.9	320.0	
1.5.4 Unrealised gains	239.5	63.6	
1.6 Other revenue	412.0	325.2	
<b>1 TOTAL REVENUE AND INCOME</b>	<b>7,145.2</b>	<b>8,834.3</b>	
2.1 Net charges relating to claims	(4,215.7)	(5,958.0)	
2.1.1 Amounts paid and changes in technical provisions	(4,305.5)	(6,072.0)	
2.1.2 Reinsurers' share	89.8	113.9	
2.2 Commission expense	(9.9)	(11.1)	
2.3 Losses on investments in subsidiaries, associates and interests in joint ventures	(10.7)	(0.3)	
2.4 Losses on other financial instruments and investment property	(393.7)	(253.0)	
2.4.1 Interest expense	(78.7)	(84.1)	
2.4.2 Other charges	(19.5)	(20.4)	
2.4.3 Realised losses	(255.3)	(101.1)	
2.4.4 Unrealised losses	(40.1)	(47.5)	
2.5 Operating expenses	(1,245.2)	(1,330.5)	
2.5.1 Commissions and other acquisition costs	(882.8)	(929.2)	
2.5.2 Investment management expenses	(59.8)	(58.7)	
2.5.3 Other administrative expenses	(302.6)	(342.7)	
2.6 Other costs	(516.7)	(387.2)	
<b>2 TOTAL COSTS AND EXPENSES</b>	<b>(6,391.9)</b>	<b>(7,940.2)</b>	
<b>PRE-TAX PROFIT (LOSS) FOR THE YEAR</b>	<b>753.3</b>	<b>894.1</b>	
3 Income taxes	(136.7)	(120.8)	
<b>PROFIT (LOSS) FOR THE YEAR AFTER TAXES</b>	<b>616.6</b>	<b>773.3</b>	
<b>4 PROFIT (LOSS) FROM DISCONTINUED OPERATIONS</b>			
<b>CONSOLIDATED PROFIT (LOSS)</b>	<b>616.6</b>	<b>773.3</b>	
of which attributable to the owners of the Parent	514.2	656.5	
of which attributable to non-controlling interests	102.4	116.8	

## Comprehensive Income Statement

	Amounts in €m	30/6/2020	30/6/2019
<b>CONSOLIDATED PROFIT (LOSS)</b>		<b>616.6</b>	<b>773.3</b>
Other income items net of taxes not reclassified to profit or loss		(51.1)	6.0
Change in the shareholders' equity of the investees		(14.0)	6.8
Change in the revaluation reserve for intangible assets			
Change in the revaluation reserve for property, plant and equipment			
Gains and losses on non-current assets or disposal groups held for sale			
Actuarial gains and losses and adjustments relating to defined benefit plans		(2.2)	(1.9)
Gains or losses on equity instruments at fair value through OCI		(35.0)	1.1
Reserve deriving from variation on credit risk on financial liabilities at fair value through profit or loss			
Other items			
Other income items net of taxes reclassified to profit or loss		(630.1)	694.7
Change in the reserve for foreign currency translation differences		0.3	0.1
Gains or losses on available-for-sale financial assets		(646.1)	658.0
Gains or losses on financial assets (other than equity instruments) at fair value through OCI		3.9	18.3
Gains or losses on cash flow hedges		19.6	18.2
Gains or losses on hedges of a net investment in foreign operations			
Change in the shareholders' equity of the investees		(7.8)	
Gains and losses on non-current assets or disposal groups held for sale			
Other items			
<b>TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)</b>		<b>(681.2)</b>	<b>700.7</b>
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE)</b>		<b>(64.6)</b>	<b>1,474.0</b>
of which attributable to the owners of the Parent		(23.3)	1,219.9
of which attributable to non-controlling interests		(41.3)	254.1

## 2 Consolidated Financial Statements

### Statement of Changes in Shareholders' equity

	<b>Amounts in €m</b>	<b>Balance at 31/12/2018</b>	<b>Changes to closing balances</b>	<b>Amounts allocated</b>	<b>Adjustments from reclassificati on to profit or loss</b>	<b>Transfers</b>	<b>Changes in investments</b>	<b>Balance at 30/6/2019</b>
<b>Equity attributable to the owners of the Parent</b>	Share capital	3,365.3						3,365.3
	Other equity instruments							
	Capital reserves	1,729.4		(90.1)				1,639.4
	Income-related and other equity reserves	(478.0)		422.9		(62.8)	(1.5)	(119.4)
	(Treasury shares)	(6.1)		2.4				(3.7)
	Profit (loss) for the year	401.4		321.3		(66.2)		656.5
	Other comprehensive income (expense)	20.4	0.0	606.8	(43.3)	(0.0)	(0.1)	583.7
	<b>Total attributable to the owners of the Parent</b>	<b>5,032.4</b>	<b>0.0</b>	<b>1,263.3</b>	<b>(43.3)</b>	<b>(129.0)</b>	<b>(1.7)</b>	<b>6,121.9</b>
<b>Equity attributable to non-controlling</b>	Share capital and reserves attributable to non-controlling interests	1,052.3		135.2			1.8	1,189.2
	Profit (loss) for the year	226.8		(18.5)		(91.6)		116.8
	Other comprehensive income (expense)	15.2	(0.0)	147.4	(10.3)	0.0	0.1	152.5
	<b>Total attributable to non-controlling interests</b>	<b>1,294.3</b>	<b>(0.0)</b>	<b>264.1</b>	<b>(10.3)</b>	<b>(91.6)</b>	<b>1.9</b>	<b>1,458.5</b>
<b>Total</b>	<b>6,326.7</b>			<b>1,527.5</b>	<b>(53.6)</b>	<b>(220.5)</b>	<b>0.3</b>	<b>7,580.4</b>

	<b>Amounts in €m</b>	<b>Balance at 31/12/2019</b>	<b>Changes to closing balances</b>	<b>Amounts allocated</b>	<b>Adjustments from reclassificati on to profit or loss</b>	<b>Transfers</b>	<b>Changes in investments</b>	<b>Balance at 30/6/2020</b>
<b>Equity attributable to the owners of the Parent</b>	Share capital	3,365.3						3,365.3
	Other equity instruments							
	Capital reserves	1,639.4						1,639.4
	Income-related and other equity reserves	(127.2)		928.1			(15.8)	785.0
	(Treasury shares)	(3.4)		(0.4)				(3.8)
	Profit (loss) for the year	902.5		(388.3)				514.2
	Other comprehensive income (expense)	910.9		(318.4)	(214.8)		(4.3)	373.4
	<b>Total attributable to the owners of the Parent</b>	<b>6,687.5</b>		<b>221.0</b>	<b>(214.8)</b>		<b>(20.1)</b>	<b>6,673.5</b>
<b>Equity attributable to non-controlling</b>	Share capital and reserves attributable to non-controlling interests	1,196.4		57.9			(189.5)	1,064.8
	Profit (loss) for the year	184.1		14.4		(96.1)		102.4
	Other comprehensive income (expense)	236.6		(106.2)	(41.9)		4.3	92.8
	<b>Total attributable to non-controlling interests</b>	<b>1,617.1</b>		<b>(33.9)</b>	<b>(41.9)</b>	<b>(96.1)</b>	<b>(185.2)</b>	<b>1,260.1</b>
<b>Total</b>	<b>8,304.6</b>			<b>187.1</b>	<b>(256.7)</b>	<b>(96.1)</b>	<b>(205.3)</b>	<b>7,933.7</b>

## Statement of Cash Flows (indirect method)

	Amounts in €M	30/06/2020	30/06/2019
<b>Pre-tax profit (loss) for the year</b>	<b>753.3</b>	<b>894.1</b>	
<b>Change in non-monetary items</b>	<b>(499.6)</b>	<b>(341.4)</b>	
Change in Non-Life premium provision	55.7	146.3	
Change in claims provision and other Non-Life technical provisions	(359.5)	(159.9)	
Change in mathematical provisions and other Life technical provisions	(356.5)	2,660.4	
Change in deferred acquisition costs	(4.6)	(7.9)	
Change in provisions	(45.3)	(17.8)	
Non-monetary gains and losses on financial instruments, investment property and investments	179.5	(1,034.6)	
Other changes	31.0	(1,928.0)	
<b>Change in receivables and payables generated by operating activities</b>	<b>(159.3)</b>	<b>556.2</b>	
Change in receivables and payables relating to direct insurance and reinsurance	146.8	136.9	
Change in other receivables and payables	(306.1)	419.2	
<b>Paid taxes</b>	<b>(46.7)</b>	<b>(1.7)</b>	
<b>Net cash flows generated by/used for monetary items from investing and financing activities</b>	<b>604.6</b>	<b>(406.7)</b>	
Liabilities from financial contracts issued by insurance companies	85.5	135.3	
Payables to bank and interbank customers	41.1	368.4	
Loans and receivables from banks and interbank customers	41.1	(68.7)	
Other financial instruments at fair value through profit or loss	478.1	(841.7)	
<b>TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>652.3</b>	<b>700.5</b>	
Net cash flow generated by/used for investment property	(136.3)	55.3	
Net cash flow generated by/used for investments in subsidiaries, associates and interests in joint	2.0	(93.4)	
Net cash flow generated by/used for loans and receivables	(533.5)	(13.8)	
Net cash flow generated by/used for financial assets at amortised cost	59.3		
Net cash flow generated by/used for held-to-maturity investments	40.3	8.7	
Net cash flow generated by/used for available-for-sale financial assets	163.4	(285.6)	
Net cash flow generated by/used for financial assets at fair value through OCI	(194.9)	(100.3)	
Net cash flow generated by/used for property, plant and equipment and intangible assets	(136.8)	(94.9)	
Other net cash flows generated by/used for investing activities	7.0	22.8	
<b>TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES</b>	<b>(729.5)</b>	<b>(501.1)</b>	
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	0.0		
Net cash flow generated by/used for treasury shares	(1.1)	2.4	
Dividends distributed attributable to the owners of the Parent		(129.0)	
Net cash flow generated by/used for share capital and reserves attributable to non-controlling	(96.1)	(91.6)	
Net cash flow generated by/used for subordinated liabilities and equity instruments		(1.3)	
Net cash flow generated by/used for financial liabilities at amortised cost	72.3	(78.2)	
<b>TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES</b>	<b>(24.9)</b>	<b>(297.6)</b>	
<b>Effect of exchange rate gains/losses on cash and cash equivalents</b>			
CASH AND CASH EQUIVALENTS AT 1 JANUARY	1,007.2	358.8	
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (*)	(102.1)	(98.3)	
CASH AND CASH EQUIVALENTS AT 30 JUNE (**)	905.1	260.5	

(\*) Cash and cash equivalents at the start of the year include the cash and cash equivalents of non-current assets or assets of a disposal group held for sale (€0.2M at the start of the year 2020 and €94.2M at the start of the year 2019).

(\*\*) Cash and cash equivalents at the end of the first half include the cash and cash equivalents of non-current assets or assets of a disposal group held for sale (€0.2M at 30 June 2020 and €77.0M at 30 June 2019).



### **3. Notes to the Financial Statements**

### **3 Notes to the Financial Statements**

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#### **1. Basis of presentation**

The condensed consolidated half-yearly financial statements of the Unipol Group at 30 June 2020 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 2019.

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

It is noted that the Unipol Group availed itself of the faculty envisaged by Art. 4, paragraph 2-quater of the Regulation<sup>3</sup> and therefore supplemented the consolidated financial statements with the special items envisaged for the reporting of financial instruments measured in compliance with IFRS 9, as set out by the Regulation in relation to the insurance companies that opted for a deferral in the application of IFRS 9.

The condensed, consolidated half-yearly financial statements of the Unipol Group at 30 June 2020 consist of:

- 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 accounting standards used, to which special reference is made and that are an integral part hereof, the recognition and measurement criteria, as well as the consolidation principles applied in drawing up the condensed, consolidated half-yearly Financial Statements at 30 June 2020, conform to those adopted in preparing the Consolidated Financial Statements at 31 December 2019, except for expressly specified in the following section "New accounting standards".

While drawing up the condensed consolidated half-yearly financial statements at 30 June 2020, 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 2020 are subject to a limited audit by the Audit Firm PricewaterhouseCoopers SpA, charged to audit the accounts for the years 2012 to 2020.

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<sup>3</sup>Article 4, paragraph 2-quarter of the Regulation sets out the following: "As per article 3, paragraph 1, letter c-bis of this Regulation, financial conglomerates that, for accounting periods beginning on 1 January 2021, elect not to apply IFRS 9 to entities operating in the insurance sector, pursuant to article 2 of the Commission Regulation (EU) 2017/1988 of 3 November 2017, shall integrate financial statements, as per attachments 5 and 7, with differential items taken from statements 5bis and 7bis, respectively, while clarifying the accounting principle applied to each single item".

## 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 2019 and other transactions

As part of the transactions aimed at rationalising and simplifying the corporate structures of the Unipol Group, as resolved by the Board of the Directors on 21 June 2019, a deed of merger by incorporation of Pronto Assistance SpA in UnipolSai was signed on 21 January 2020: the merger did not involve a share capital increase of the merging company to service the share swap given that the entire share capital of the merged company was already held directly by UnipolSai. The merger took effect for legal purposes on 1 February 2020, and from 1 January 2020 for accounting and tax purposes.

On 21 January 2020, deeds were signed regarding (i) the global spin-off of Ambra Property Srl in favour of UnipolSai, Gruppo UNA SpA and Midi Srl, (ii) the global spin-off of Villa Ragionieri Srl in favour of UnipolSai and Casa di Cura Villa Donatello SpA and (iii) the partial spin-off of the latter in favour of UnipolSai. These spin-off operations did not involve an increase in the share capital of the beneficiary companies in service of the share swap given that the entire share capital of the spun off company was already held directly by UnipolSai, as was that of the various beneficiary companies other than the said company. The global spin-offs became effective from 1 February 2020, effective from 1 January 2020 for accounting and tax purposes. The partial spin-off of Casa di Cura Villa Donatello took effect on 1 February 2020, effective from the same date for accounting and tax purposes.

February saw the conclusion of the bankruptcy proceedings of the company Butterfly AM Srl in liquidation and the aforementioned company was struck off the Register of Companies. The company settled the payables set out in the bankruptcy plan and the shareholders did not receive any allocation.

On 24 February 2020, UnipolSai incorporated Unica Lab, a company set up to supply training services and organise training events, through the payment of share capital of €1,000,000.

On 24 April 2020, the entire equity investment of Società Edilizia Immobiliare Sarda SpA, equal to 51.667% of the share capital, was transferred to third parties together with the receivables relating to shareholder's loans paid.

During the half-year, the subsidiary Unipol Finance Srl acquired 92,842,500 UnipolSai Assicurazioni SpA shares on the regulated market: at 30 June 2020, Unipol Finance holds 141,127,500 UnipolSai shares, equal to 4.99% of share capital.

Lastly, it should be noted that, following the contribution of properties by UnipolSai to the property funds already mentioned in the management report, the Oikos fund joined the Group's scope of consolidation in the first half of 2020, managed by UnipolSai Investimenti Sgr and whose shares are wholly-owned by UnipolSai.

### 3 Notes to the Financial Statements

#### Effects of the definitive accounting of the acquisition of Car Server and an interest with significant influence in BPER

##### Acquisition of control of Car Server

As reported in the consolidated financial statements as at 31 December 2019, UnipolSai completed the purchase, on 1 August 2019, of 100% of the share capital of Car Server SpA (from 31 July 2020 renamed UnipolRental SpA), for a consideration of €96.1m, which was provisionally accounted for in said financial statements based on the consolidated accounting position of Car Server as at 30 June 2019 reported below.

	Amounts in €m	<b>30/6/2019</b>
Other intangible assets		2.4
Property, plant and equipment		609.1
Available for sales		0.5
Other receivables		96.1
Deferred tax assets		10.1
Other assets		5.1
Cash and cash equivalents		6.8
Other financial liabilities		(588.5)
Other payables		(86.2)
Current tax liabilities		(0.7)
Other liabilities		(1.9)
<b>Total Net identifiable assets</b>		<b>52.8</b>

Based on the analyses conducted, no significant differences were recorded between the current value of the identifiable assets and liabilities and the value reported in the accounting position shown above.

The difference between the cost of the acquisition (€96.1m) and the net identifiable assets therefore definitively confirmed the recognition of goodwill of €43.3m, without making it necessary, as far as relating to the purchase of Car Server, to modify the comparative data of the previous period reported in the condensed consolidated half-yearly financial statements.

##### Acquisition of an interest with significant influence in BPER

In 2019, due to the fact that the equity investment in BPER was increased to a total of 19.97% of the Bank's share capital, and also taking into account the relevant transactions already performed and in place between the Unipol Group and BPER itself, the Unipol Group qualified, from June 2019, its interests held as interests with significant influence. The determination of the effects of the initial accounting of said interest with significant influence, and, more precisely, of the positive difference (badwill) existing between the value of the Unipol Group's interest in BPER and cost of the purchase of said investment, was determined definitively in the consolidated financial statements as at 31 December 2019, retrospectively adjusting the amount provisionally recorded in the interim consolidated financial statements at 30 June 2019.

As a result of the initial definitive recalculation of badwill at €483m, it was therefore necessary to recalculate the comparative economic and equity values relating to 30 June 2019 with respect to those originally approved, which included badwill provisionally estimated at €451m. The effect of this recalculation involved an increase of €33m in the item Income from investments in subsidiaries, associates and joint ventures as at 30/6/2019 (from €453m to €486m), and a corresponding impact on the profit for the year as of said date.

## Segment reporting

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

- Non-Life insurance business;
- Life insurance business;
- Real estate business;
- Holding and other businesses.

No segment reporting based on geographical area has been provided since the Group operates mainly at the national level and there appears to be no significant diversification of risks and benefits, for a given type of business activity, based on the economic situation of the individual regions.

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

## New accounting standards

The changes to the accounting standards previously in force are summarised below, whose application took effect from 1 January 2020, for which no accounting impacts worthy of note were recorded.

### **IFRS 3 Amendments - Definition of a business**

Regulation EU 2020/551 of 21 April 2020 amended IFRS 3 "Business Combinations", in order to provide support to entities in determining whether a transaction is an acquisition of a business or a group of assets that does not satisfy the definition of business pursuant to IFRS 3.

### **IAS 1 and IAS 8 Amendments - Definition of material**

Regulation EU 2019/2104 of 29 November 2019, which amended IAS 1 "Presentation of the financial statements" and IAS 8 "Accounting standards, changes in the accounting estimates and errors", better clarified the definition of "material" as part of the general measurement criteria of the disclosure to be provided in the financial statements. In particular, an item of information qualifies as material if it is reasonable to presume that its omission, misstatement or concealment could influence the decisions of the main financial statements users.

### **Reform of IBOR Interest rates - Amendments to IAS 39, IFRS 9 and IFRS 7 - Financial Instruments**

On 15 January 2020, Regulation EU 2020/34 acknowledged a number of amendments to the standards IFRS 9, IAS 39 and IFRS 7 with the name of removing uncertainties deriving from the reform of the IBOR (Inter Bank Offered Rate) indexes, allowing a certain easing of deadlines envisaged in the standards mentioned during the period prior to the change in benchmark indexes. The amendments introduced mainly concern the accounting practice of hedge accounting and the associated disclosures, as well as the pricing of financial assets and liabilities connected to these indexes.

### **Amendments to the *Conceptual Framework for Financial Reporting***

Regulation EU 2019/2075 of 29 November 2019 acknowledged, as part of the various references in the different IAS/IFRS accounting standards, the amendments introduced by the IASB to the IFRS Conceptual Framework Revised. The main changes introduced by said new conceptual framework with respect to the version previously in force concern:

- new concepts for measurements, presentation, transparency and the elimination from the financial statements of the values recognised previously;
- updates for the definition of assets and liabilities as well as for the concept of recognition of financial assets and liabilities;
- greater clarity for the concepts of prudence, uncertainty in measurements, substance over form and directors' responsibility.

### 3 Notes to the Financial Statements

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

### ASSETS

#### 1 Intangible assets

	Amounts in €m	30/6/2020	31/12/2019	variation in amount
<b>Goodwill</b>		<b>1,625.0</b>	<b>1,625.0</b>	
resulting from business combinations		1,624.8	1,624.8	
other		0.2	0.2	
<b>Other intangible assets</b>		<b>386.3</b>	<b>387.1</b>	<b>(0.7)</b>
portfolios acquired under business combinations		75.9	90.3	(14.4)
software and user licences		292.6	278.5	14.1
other intangible assets		17.9	18.3	(0.4)
<b>Total intangible assets</b>		<b>2,011.4</b>	<b>2,012.1</b>	<b>(0.7)</b>

The item **Portfolios acquired as a result of business combinations**, equal to €75.9m (€90.3m in 2019), decreased by €14.4m due to amortisation for the year on the values related to the acquired Non-Life (€8.2m) and Life portfolios (€6.1m).

#### 2. Property, plant and equipment

At 30 June 2020, Property, plant and equipment, net of accumulated depreciation, amounted to €2,403.8m (€2,484.2m in 2019), €1,567.5m of which was property for own use (€1,633.2m in 2019) and €836.3m was other tangible assets (€851.1m in 2019).

#### 3. Technical provisions - Reinsurers' share

The reinsurers' share of Non-Life technical provisions, at 30 June 2020, amounted to €925.9m (€989.6m in 2019), and it is broken down as follows:

- Non-Life provisions, in the amount of €883.3m (€950.0m at 31/12/2019), of which €279.8m related to premium provisions (€227.4m at 31/12/2019), and €603.5m related to claims provisions (€722.6m at 31/12/2019);
- Life provisions, in the amount of €42.6m (€39.7m at 31/12/2019), of which €37.3m related to mathematical provisions (€34.6m at 31/12/2019), and €5.3m related to provisions for amounts payable (€5.0m at 31/12/2019).

## 4. Investments

At 30 June 2020, total investments (investment property, equity investments and financial assets) amounted to €63,935.3m (€65,116.9m in 2019), broken down as follows:

	Amounts in €m	<b>30/6/2020</b>	% comp.	31/12/2019	% comp.	% var.
<b>Investment property</b>		<b>2,001.7</b>	3.1	<b>1,991.1</b>	3.1	0.5
<b>Investments in subsidiaries, associates and interests in joint ventures</b>		<b>1,001.1</b>	1.6	<b>1,003.4</b>	1.5	n.s.
<b>Financial assets (excl. those at fair value through profit or loss)</b>		<b>54,349.9</b>	85.0	<b>54,656.8</b>	83.9	(0.6)
<i>Held-to-maturity investments</i>		<i>414.7</i>	0.6	<i>454.6</i>	0.7	(8.8)
<i>Loans and receivables</i>		<i>4,457.5</i>	7.0	<i>4,006.6</i>	6.2	11.3
<i>Financial assets at amortised cost</i>		<i>475.1</i>	0.7	<i>516.1</i>	0.8	(8.0)
<i>Available-for-sale financial assets</i>		<i>47,792.7</i>	74.8	<i>48,620.0</i>	74.7	(1.7)
<i>Financial assets at fair value through OCI</i>		<i>839.8</i>	1.3	<i>689.5</i>	1.1	21.8
<i>Held-for-trading financial assets</i>		<i>296.8</i>	0.5	<i>283.8</i>	0.4	4.6
<i>Financial assets mandatorily at fair value</i>		<i>73.2</i>	0.1	<i>86.1</i>	0.1	(15.0)
<b>Financial assets at fair value through profit or loss</b>		<b>6,582.6</b>	<b>10.3</b>	<b>7,465.6</b>	<b>11.5</b>	<b>(11.8)</b>
<b>Total Investments</b>		<b>63,935.3</b>	<b>100.0</b>	<b>65,116.9</b>	<b>100.0</b>	<b>(1.8)</b>

The item Investments in subsidiaries, associates and interests in joint ventures includes the interests with significant influence in BPER Banca (€922.4m).

### 3 Notes to the Financial Statements

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

	Amounts in €m	30/6/2020	% comp.	31/12/2019	% comp.	% var.
<b>Held-to-maturity investments</b>		<b>414.7</b>	<b>0.8</b>	<b>454.6</b>	<b>0.8</b>	<b>(8.8)</b>
Listed debt securities	414.7			422.6		(1.9)
Unlisted debt securities	(0.0)			32.0		(100.0)
<b>Loans and receivables</b>		<b>4,457.5</b>	<b>8.2</b>	<b>4,006.6</b>	<b>7.3</b>	<b>11.3</b>
Unlisted debt securities	3,893.0			3,471.4		12.1
Deposits with ceding companies	73.8			62.9		17.3
Other loans and receivables	490.7			472.3		3.9
<b>Financial assets at amortised cost</b>		<b>475.1</b>	<b>0.9</b>	<b>516.1</b>	<b>0.9</b>	<b>(8.0)</b>
Loans and receivables from bank customers	475.1			516.1		(8.0)
<b>Available-for-sale financial assets</b>		<b>47,792.7</b>	<b>87.9</b>	<b>48,620.0</b>	<b>89.0</b>	<b>(1.7)</b>
Equity instruments at cost	4.8			4.8		
Listed equity instruments at fair value	445.6			516.7		(13.8)
Unlisted equity instruments at fair value	195.2			197.3		(1.1)
Listed debt securities	43,738.3			44,582.6		(1.9)
Unlisted debt securities	496.8			407.3		22.0
UCITS units	2,912.0			2,911.4		0.0
<b>Financial assets at fair value through OCI</b>		<b>839.8</b>	<b>1.5</b>	<b>689.5</b>	<b>1.3</b>	<b>21.8</b>
Listed equity instruments at fair value	51.1			240.1		(78.7)
Listed debt securities	788.7			449.4		75.5
<b>Held-for-trading financial assets</b>		<b>296.8</b>	<b>0.5</b>	<b>283.8</b>	<b>0.5</b>	<b>4.6</b>
Listed debt securities	139.4			90.6		53.8
Unlisted debt securities	2.4			3.5		(29.6)
UCITS units	2.5			6.1		(58.4)
Derivatives	152.4			183.6		(17.0)
<b>Financial assets at fair value through profit or loss</b>		<b>73.2</b>	<b>0.1</b>	<b>86.1</b>	<b>0.2</b>	<b>(15.0)</b>
Listed debt securities	13.3			10.5		26.6
UCITS units	59.9			75.7		(20.8)
<b>Total financial assets</b>		<b>54,349.9</b>	<b>100.0</b>	<b>54,656.8</b>	<b>100.0</b>	<b>(0.6)</b>

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

	Amounts in €m	30/6/2020	% comp.	31/12/2019	% comp.	% var.
<b>Financial assets at fair value through profit or loss</b>		<b>6,582.6</b>	<b>100.0</b>	<b>7,465.6</b>	<b>100.0</b>	<b>(11.8)</b>
Listed equity instruments at fair value	142.3		2.2	164.6	2.2	(13.5)
Listed debt securities	3,337.5		50.7	4,374.4	58.6	(23.7)
Unlisted debt securities	2.3		0.0	2.3	0.0	(0.6)
UCITS units	2,590.3		39.4	2,576.4	34.5	0.5
Other financial assets	510.1		7.7	347.9	4.7	46.6

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.

## 5. Sundry receivables

	Amounts in €m	<b>30/6/2020</b>	31/12/2019	% var.
Receivables relating to direct insurance business		1,229.1	1,456.2	(15.6)
Receivables relating to reinsurance business		260.0	260.8	(0.3)
Other receivables		1,359.2	1,467.1	(7.4)
<b>Total sundry receivables</b>		<b>2,848.2</b>	<b>3,184.0</b>	<b>(10.5)</b>

The item Other receivables included:

- €491.2m related to tax receivables (€710.4m at 31/12/2019);
- substitute tax receivables on the mathematical provisions totalling €365.3m (€302.6m at 31/12/2019);
- €194.5m related to trade receivables (€212.4m at 31/12/2019);
- payments made as cash collateral to guarantee the exposure to derivatives totalling €160.9m (€166.8m at 31/12/2019).

## 6. Other assets

	Amounts in €m	<b>30/6/2020</b>	31/12/2019	% var.
Non-current assets or assets of a disposal group held for sale		193.6	189.2	2.3
Deferred acquisition costs		105.8	101.2	4.5
Deferred tax assets		589.3	510.9	15.3
Current tax assets		20.5	3.9	431.1
Other assets		545.4	502.7	8.5
<b>Total other assets</b>		<b>1,454.5</b>	<b>1,308.0</b>	<b>11.2</b>

Non-current assets or assets of a disposal group held for sale include the assets primarily represented by investment properties. For more information reference is made to paragraph 4.4 of these notes to the financial statements.

The item Deferred tax assets is shown net of the compensation carried out, pursuant to IAS 12, with the corresponding taxes (IRES or IRAP) recorded in Deferred tax liabilities, as described in chapter 2 "Main accounting standards" in the Consolidated Financial Statements at 31 December 2019.

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

## 7. Cash and cash equivalents

At 30 June 2020, Cash and cash equivalents amounted to €904.9m (€1,007m at 31/12/2019).

### 3 Notes to the Financial Statements

## LIABILITIES

### 1. Shareholders' equity

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

	Amounts in €m	30/6/2020	31/12/2019	variation in amount
Share capital		3,365.3	3,365.3	
Capital reserves		1,639.4	1,639.4	
Income-related and other equity reserves		785.0	(127.2)	912.3
(Treasury shares)		(3.8)	(3.4)	(0.4)
Reserve for foreign currency translation differences		4.5	4.1	0.4
Gains/losses on available-for-sale financial assets		433.5	936.2	(502.7)
Gains/losses on financial assets at fair value through OCI		(1.0)	8.5	(9.5)
Other gains or losses recognised directly in equity		(63.6)	(37.9)	(25.7)
Profit (loss) for the year		514.2	902.5	(388.3)
<b>Total shareholders' equity attributable to the owners of the Parent</b>		<b>6,673.5</b>	<b>6,687.5</b>	<b>(13.9)</b>

At 30 June 2020, 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 31/12/2019).

The main changes over the period in the Shareholders' equity attributable to the owners of the Parent were as follows:

- a decrease of €502.7m as a result of the decrease in the provision for gains and losses on available-for-sale financial assets;
- an increase of €514.2m due to a Group positive economic result at 30 June 2020.

Shareholders' Equity attributable to non-controlling interests was €1,260.1m (€1,617.1m at 31/12/2019). The significant decrease recorded in the first half of the year is due to the increase in the share held by the Parent in the subsidiary UnipolSai, the negative change in income-related reserves recognised directly to the Shareholders' Equity and the distribution of dividends by subsidiaries, only partially offset by the profit for the period attributable to non-controlling interests.

### Treasury shares or quotas

At 30 June 2020, the treasury shares held directly or indirectly by Unipol totalled 1,097,673 (953,413 at 31/12/2019), of which 392,549 shares were held directly and 705,124 shares held by the following subsidiaries:

- UnipolSai Assicurazioni held 526,491;
- SIAT held 48,356;
- UniSalute held 39,632;
- UnipolSai Servizi Consortili held 36,980;
- Leithà held 15,272;
- Linear Assicurazioni held 14,743;
- Gruppo UNA held 11,908;
- Arca Vita held 10,006;
- AlfaEvolution Technology held 1,736.

## 2. Provisions

The item "Provisions" totalled €431.7m at 30 June 2020 (€476.9m at 31/12/2019) 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 2020 are worth reporting herein. For exhaustive information on the ongoing causes and contingent liabilities, reference is made to information given in the 2019 Integrated Consolidated Financial Statements.

### Relations with the Tax Authorities

#### UnipolSai

Amounts deemed fair to cover the potential estimated liabilities deriving from already formalised charges, for which no tax dispute has yet been brought or has not yet been formalised, were allocated to the income tax provision and the provision for sundry risks and charges. In particular, it includes the expected expense for the settlement of the long-standing dispute deriving from the application of VAT on the delegation fees relating to the years 2013-2018, with reference to which contact has already been established with the competent Regional Departments of the Italian Revenue Agency for the closure of pre-dispute relations and pending disputes with approval or through conciliation, with the payment of solely tax.

#### Disputes with investors

With reference to the civil proceedings brought independently by some investors with the claim for compensation of damages still pending as at 31 December 2019, it should be noted that, during the half-year, the proceedings brought before the Court of Rome were concluded. As in the case of the two similar proceedings already closed before the Court of Turin, the judgment of the Court of Rome, announced on 12 May 2020, rejected the merits of the plaintiff's claims, absolving UnipolSai from all claims for compensation. The two judgments of the Court of Turin became final given unchallenged by the counterparties, while the terms for challenging the judgment of the Court of Rome are still pending.

## 3. Technical provisions

	Amounts in €m	30/6/2020	31/12/2019	% var.
Non-Life premium provisions		3,444.6	3,336.5	
Non-Life claims provisions		11,213.0	11,703.4	
Other Non-Life technical provisions		39.1	27.2	
<b>Total Non-life provisions</b>		<b>14,696.7</b>	<b>15,067.2</b>	<b>(2.5)</b>
Life mathematical provisions		33,834.4	33,111.5	
Provisions for amounts payable (Life business)		389.5	413.4	
Technical provisions where the investment risk is borne by policyholders and arising from pension fund management		3,882.2	4,817.2	
Other Life technical provisions		4,040.5	4,158.0	
<b>Total life provisions</b>		<b>42,146.6</b>	<b>42,500.2</b>	<b>(0.8)</b>
<b>Total technical provisions</b>		<b>56,843.3</b>	<b>57,567.3</b>	<b>(1.3)</b>

## 4. Financial liabilities

Financial liabilities, at 30 June 2020, were €7,494.2m (€7,772m at 31/12/2019).

### 3 Notes to the Financial Statements

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#### 4.1 Financial liabilities measured at fair value through profit or loss

This item, which amounted to €2,960.1m (€2,914.4m at 31/12/2019), is broken down as follows:

- Held-for-trading financial liabilities totalled €249.6m (€252.6m at 31/12/2019);
- Financial liabilities designated at fair value totalled €2,710.5m (€2,661.8m at 31/12/2019). This category included investment contracts issued by insurance companies where the investment risk was borne by the policyholders, which do not contain a significant insurance risk borne by the Group (some types of class III, class V and class VI contracts).

#### 4.2 Financial liabilities at amortised cost

	Amounts in €m	30/6/2020	31/12/2019	% var.
Subordinated liabilities		2,136.9	2,167.6	(1.4)
Deposits received from reinsurers		169.9	150.4	13.0
Debt securities issued		1,804.0	1,813.0	(0.5)
Other loans obtained		422.7	517.7	(18.4)
Sundry financial liabilities		0.5	208.9	(99.8)
<b>Total other financial liabilities</b>		<b>4,534.1</b>	<b>4,857.7</b>	<b>(6.7)</b>

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

Issuer	Nominal amount outstanding	Subord. level	Year of maturity	call	Rate	L/NL
UnipolSai	€300.0 m	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	€320.0m (***)	tier I	2023	every 6 months	6M Euribor + 180 b.p. (**)	NQ
UnipolSai	€500.0m	tier II	2028		fixed rate 3.875%	Q
UnipolSai	€750.0m	tier I	in perpetuity	every 3 months from 18/06/2024	fixed rate 5.75% (*)	Q

(\*) 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 modify a Loan Agreement to cover the subordinated loan expiring in 2023. 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 Agreement

(\*\*\*) on 24 July 2019 the first tranche of 80.0 million euro was repaid as indicated in the planned amortisation plan contractually

Subordinated liabilities of the UnipolSai Group, at 30 June 2020, were €2,136.9m (€2,167.6m at 31/12/2019).

### Debt securities issued - Other loans obtained - Sundry financial liabilities

At 30 June 2020, **Debt securities issued by Unipol**, net of intragroup subscriptions, totalling €1,804m (€1,813m at 31/12/2019) were related to three senior unsecured bonds listed on the Luxembourg Stock Exchange, with a total nominal value of €1,817m (unchanged compared to 31/12/2019):

- €317m of nominal value, 4.375% fixed rate, 7 year duration, maturity in 2021;
- €1,000m of nominal value, 3% fixed rate, 10 year duration, maturity in 2025;
- €500m of nominal value, 3.5% fixed rate, 10 year duration, maturity in 2027;

**Other loans obtained** totalled €422.7m (€517.7m at 31/12/2019). The sub-item includes €268.2m in financial liabilities for leases accounted for using the financial method based on IFRS 16.

## 5. Payables

	Amounts in €m	30/6/2020	31/12/2019	% var.
<b>Payables arising from direct insurance business</b>		<b>131.1</b>	<b>164.7</b>	<b>(20.4)</b>
<b>Payables arising from reinsurance business</b>		<b>112.1</b>	<b>96.6</b>	<b>16.1</b>
<b>Other payables</b>		<b>608.8</b>	<b>751.3</b>	<b>(19.0)</b>
Policyholders' tax due		127.8	163.0	(21.6)
Sundry tax payables		40.2	70.1	(42.7)
Trade payables		220.6	254.3	(13.3)
Post-employment benefits		56.7	66.1	(14.3)
Social security charges payable		41.0	38.8	5.7
Sundry payables		122.5	159.0	(22.9)
<b>Total payables</b>		<b>852.0</b>	<b>1,012.6</b>	<b>(15.9)</b>

## 6. Other liabilities

	Amounts in €m	30/6/2020	31/12/2019	% var.
Current tax liabilities		38.6	50.9	(24.1)
Deferred tax liabilities		56.8	83.0	(31.7)
Liabilities associated with disposal groups held for sale		3.3	3.3	(0.9)
Commissions on premiums under collection		95.8	114.3	(16.2)
Deferred commission income		5.2	4.4	16.8
Accrued expense and deferred income		61.2	60.0	1.9
Other liabilities		668.4	652.5	2.4
<b>Total other liabilities</b>		<b>929.2</b>	<b>968.4</b>	<b>(4.1)</b>

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.

### 3 Notes to the Financial Statements

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#### 3. Notes to the Income Statement

Comments and further information on the items in the income statement and the variations that took place compared with 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

	Amounts in €m	<b>30/6/2020</b>	30/6/2019	% var.
<b>Non-life earned premiums</b>		<b>3,974.4</b>	<b>4,091.6</b>	<b>(2.9)</b>
Non-Life written premiums		4,085.7	4,287.5	(4.7)
Changes in Non-Life premium provision		(111.3)	(195.9)	(43.2)
<b>Life written premiums</b>		<b>1,931.6</b>	<b>3,023.6</b>	<b>(36.1)</b>
<b>Non-life and life gross earned premiums</b>		<b>5,906.0</b>	<b>7,115.2</b>	<b>(17.0)</b>
<b>Non-life earned premiums ceded to reinsurers</b>		<b>(218.5)</b>	<b>(206.7)</b>	<b>5.7</b>
Non-Life premiums ceded to reinsurers		(272.2)	(258.5)	5.3
Changes in Non-Life premium provision - reinsurers' share		53.7	51.8	3.7
<b>Life premiums ceded to reinsurers</b>		<b>(11.8)</b>	<b>(11.3)</b>	<b>4.8</b>
<b>Non-life and life earned premiums ceded to reinsurers</b>		<b>(230.3)</b>	<b>(218.0)</b>	<b>5.7</b>
<b>Total net premiums</b>		<b>5,675.7</b>	<b>6,897.2</b>	<b>(17.7)</b>

###### 1.2 Commission income

	Amounts in €m	<b>30/6/2020</b>	30/6/2019	% var.
Commission income from investment contracts		14.9	13.6	10.0
Other commission income		1.8	4.0	(54.9)
<b>Total commission income</b>		<b>16.7</b>	<b>17.5</b>	<b>(4.7)</b>

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

	Amounts in €m	<b>30/6/2020</b>	30/6/2019	% var.
Net gains/losses:				
on held-for trading financial assets		(266.2)	(246.2)	(8.1)
on held-for trading financial liabilities		(0.4)	(0.6)	32.4
on other financial assets mandatorily at fair value		(9.3)	0.6	n.s.
on financial assets/liabilities at fair value through profit or loss		(24.0)	121.9	n.s.
<b>Total net gains/losses</b>		<b>(299.9)</b>	<b>(124.3)</b>	<b>(141.2)</b>

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

At 30 June 2020, these totalled €29.5m (€485.7m at 30/06/2019, primarily relating to the initial recognition of the interest with significant influence in BPER Banca with the equity method).

## 1.5 Gains on other financial instruments and investment property

	Amounts in €m	<b>30/6/2020</b>	30/6/2019	% var.
<b>Interests</b>		<b>693.9</b>	<b>740.0</b>	<b>(6.2)</b>
on held-to-maturity investments	9.2	9.3	(1.2)	
on loans and receivables	45.7	49.3	(7.5)	
on financial assets at amortised cost	11.1	0.2	n.s.	
on available-for-sale financial assets	625.2	672.5	(7.0)	
on financial assets at fair value through OCI	1.1	7.2	n.s.	
on sundry receivables	1.0	1.0	1.1	
on cash and cash equivalents	0.6	0.5	35.9	
<b>Other income</b>	<b>87.9</b>	<b>109.4</b>	<b>(19.6)</b>	
from investment property	30.1	25.8	16.8	
from available-for-sale financial assets	54.0	78.3	(31.0)	
from financial assets at fair value through OCI	3.8	5.4	(29.0)	
<b>Realised gains</b>	<b>289.9</b>	<b>320.0</b>	<b>(9.4)</b>	
on investment property	0.8	6.2	(87.7)	
on loans and receivables	4.4	3.5	n.s.	
on financial assets at amortised cost	16.5	24.0	(31.4)	
on available-for-sale financial assets	265.9	279.6	(4.9)	
on financial assets at fair value through OCI	2.3	6.6	n.s.	
<b>Unrealised gains and reversals of impairment losses</b>	<b>239.5</b>	<b>63.6</b>	<b>n.s.</b>	
on investment property	13.9	29.0	(52.1)	
on financial assets at amortised cost		1.7	(100.0)	
on available-for-sale financial assets	224.4	32.1	599.2	
on other financial liabilities	1.1	0.8	n.s.	
<b>Total item 1.5</b>	<b>1,311.2</b>	<b>1,233.0</b>	<b>6.3</b>	

## 1.6 Other revenue

	Amounts in €m	<b>30/6/2020</b>	30/6/2019	% var.
Sundry technical income	33.1	41.2	(19.5)	
Exchange rate differences	16.9	9.5	78.2	
Extraordinary gains	4.4	10.3	(57.6)	
Other income	357.3	264.3	35.2	
<b>Total other revenue</b>	<b>412.0</b>	<b>325.2</b>	<b>26.7</b>	

### 3 Notes to the Financial Statements

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## COSTS

### 2.1 Net charges relating to claims

	Amounts in €m	30/6/2020	30/6/2019	% var.
<b>Net charges relating to claims - direct and indirect business</b>		<b>4,305.5</b>	<b>6,072.0</b>	<b>(29.1)</b>
<b>Non-life business</b>		<b>2,040.0</b>	<b>2,608.5</b>	<b>(21.8)</b>
Non-Life amounts paid		2,575.0	2,863.8	
changes in Non-Life claims provision		(476.4)	(178.5)	
changes in Non-Life recoveries		(59.6)	(78.4)	
changes in other Non-Life technical provisions		0.9	1.6	
<b>life business</b>		<b>2,265.4</b>	<b>3,463.5</b>	<b>(34.6)</b>
Life amounts paid		2,458.4	2,439.1	
changes in Life amounts payable		(25.3)	230.5	
changes in mathematical provisions		719.6	(85.9)	
changes in other Life technical provisions		26.3	15.4	
changes in provisions where the investment risk is borne by policyholders and arising from pension fund management		(913.6)	864.4	
<b>Charges relating to claims - reinsurers' share</b>		<b>(89.8)</b>	<b>(113.9)</b>	<b>(21.2)</b>
<b>Non-life business</b>		<b>(79.6)</b>	<b>(106.7)</b>	<b>(25.4)</b>
Non-Life amounts paid		(198.6)	(130.9)	
changes in Non-Life claims provision		115.7	19.3	
changes in Non-Life recoveries		3.3	4.9	
<b>life business</b>		<b>(10.2)</b>	<b>(7.2)</b>	<b>41.2</b>
Life amounts paid		(7.2)	(6.5)	
changes in Life amounts payable		(0.3)	(0.4)	
changes in other Life technical provisions		(0.4)	(0.4)	
<b>Total net charges relating to claims</b>		<b>4,215.7</b>	<b>5,958.0</b>	<b>(29.2)</b>

## 2.2 Commission expense

	Amounts in €m	30/6/2020	30/6/2019	% var.
Commission expense from investment contracts		6.8	6.5	4.9
Other commission expense		3.1	4.6	(32.6)
<b>Total commission expense</b>		<b>9.9</b>	<b>11.1</b>	<b>(10.5)</b>

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

At 30 June 2020, these totalled €10.7m (€0.4m at 30/6/2019).

## 2.4 Losses on other financial instruments and investment property

	Amounts in €m	30/6/2020	30/6/2019	% var.
<b>Interests:</b>				
on other financial liabilities		78.7	84.1	(6.4)
on payables		78.0	77.1	1.2
		0.6	7.0	(90.8)
<b>Other charges:</b>		<b>19.5</b>	<b>20.4</b>	<b>(4.1)</b>
from investment property		13.2	13.1	0.1
from available-for-sale financial assets		1.3	2.2	(38.6)
from other financial liabilities		5.0	5.0	0.1
from sundry payables		0.0	0.0	10.2
<b>Realised losses:</b>		<b>255.3</b>	<b>101.1</b>	<b>152.7</b>
on investment property		0.0	0.2	(90.9)
on loans and receivables		0.0	2.7	n.s.
on financial assets at amortised cost		5.0	3.9	27.8
on available-for-sale financial assets		250.2	94.2	165.5
<b>Unrealised losses and impairment losses:</b>		<b>40.1</b>	<b>47.5</b>	<b>(15.6)</b>
on investment property		16.7	34.4	(51.5)
on financial assets at amortised cost		10.0	2.0	386.9
on available-for-sale financial assets		7.7	8.1	(5.0)
on financial assets at fair value through OCI		1.3	0.6	122.7
on other financial liabilities		4.5	2.4	n.s.
<b>Total item 2.4</b>		<b>393.7</b>	<b>253.0</b>	<b>55.6</b>

The Unrealised losses and impairment losses relating to investment property related entirely to amortisation (as at 30 June 2019, they included €15.7m in amortisation and €18.6m in write-downs).

### 3 Notes to the Financial Statements

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#### 2.5 Operating expenses

Amounts in €m	<b>30/6/2020</b>	% comp.	30/6/2019	% comp.	% var.
Insurance sector	1,171.5	94.1	1,237.5	93.0	(5.3)
Holding and Other Businesses Sector	74.2	6.0	95.0	7.1	(21.8)
Real Estate Sector	10.7	0.9	10.3	0.8	4.0
Intersegment eliminations	(11.3)	(0.9)	(12.3)	(0.9)	(8.6)
<b>Total operating expenses</b>	<b>1,245.2</b>	<b>100.0</b>	<b>1,330.5</b>	<b>100.0</b>	<b>(6.4)</b>

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

Amounts in €m	<b>Non- Life</b>			<b>Life</b>			<b>Total</b>		
	Jun-20	Jun-19	% var.	Jun-20	Jun-19	% var.	Jun-20	Jun-19	% var.
Acquisition commissions	652.2	686.5	(5.0)	27.3	34.8	(21.6)	679.5	721.4	(5.8)
Other acquisition costs	178.7	178.3	0.3	17.8	22.0	(19.0)	196.6	200.3	(1.9)
Changes in deferred acquisition costs	(1.3)	(1.4)	(3.8)	0.0	(1.3)	(102.6)	(1.3)	(2.7)	(52.1)
Collection commissions	76.4	78.6	(2.7)	3.0	3.1	(2.4)	79.4	81.7	(2.7)
Profit sharing and other commissions from reinsurers	(68.7)	(69.8)	(1.6)	(1.0)	(1.3)	(27.2)	(69.7)	(71.2)	(2.1)
Investment management expenses	30.2	30.7	(1.8)	23.5	19.8	18.3	53.6	50.6	6.1
Other administrative expenses	192.9	212.3	(9.1)	40.4	45.3	(10.7)	233.4	257.5	(9.4)
<b>Total operating expenses</b>	<b>1,060.4</b>	<b>1,115.1</b>	<b>(4.9)</b>	<b>111.1</b>	<b>122.4</b>	<b>(9.2)</b>	<b>1,171.5</b>	<b>1,237.5</b>	<b>(5.3)</b>

#### 2.6 Other costs

Amounts in €m	<b>30/6/2020</b>	30/6/2019	% var.
Other technical charges		166.0	162.8
Impairment losses on receivables		10.9	153
Other charges		339.9	209.1
<b>Total other costs</b>	<b>516.7</b>	<b>387.2</b>	<b>33.4</b>

#### 3. Income tax

Against a pre-tax profit of €753.3m, taxes pertaining to the period amounting to €136.7m were recorded, corresponding to a tax rate of 18.1%, (13.5% at 30/6/2019, positively affected by the first measurement at equity of the interest with significant influence in BPER Banca).

## 4. Other Information

### 4.1 Hedge Accounting

#### Fair value hedges

During the first half of 2020, new transactions were carried out concerning fair value hedging.

The fair value hedges in place concern both fixed-rate bonds held by UnipolSai, for which the interest rate risk was hedged through Interest Rate Swaps, and equities (Mediobanca) for which the risk of changes in market prices was hedged.

#### Positions existing as at 30 June 2020

These relate to:

- IRS contracts for a nominal value of €1,150m to hedge bond assets classified under Assets available for sale, whose synthetic hedged notional value is €948.5m; at 30 June 2020, the fair value change related to the hedged risk of bonds came to a positive €192.3m, while the fair value change of IRS amounted to a negative €213.1m, with a negative net economic effect of €20.8m, including the tax effect of €6.4m.
- purchase of put options and sale of call options, with the same strike, quantity and maturity, for a notional value of €10m, to hedge the Mediobanca shares classified under Financial assets available for sale; at 30 June 2020, the fair value change of the hedged shares was a negative €4.7m, while the fair value change of the options was a positive €4.7m, with a nil economic effect.

At 30 June 2020, hedging was effective since the ratios between the respective variations in fair value were still within the range 80%-125%.

#### Positions closed at 30 June 2020

In relation to the hedges entered into through Interest Rate Swaps, note that in the second quarter of 2020, some contracts in place at 31 December 2019 for a nominal value of €320m were terminated early to bond asset, for a synthetic notional value of €248.7m, classified under Financial assets available for sale.

The fair value change between 31/12/2019 and the closing date of the hedging instruments, was a negative €38m, offset by a positive change of €36m, booked through profit and loss based on the fair value change of the synthetic asset hedged during the same period.

#### Cash flow hedges

The objective of the existing hedges is to transform the interest rate on financial assets from a floating rate to a fixed rate, stabilising the cash flows. Below is a summary of the hedging transactions in place as at 30 June 2020.

UnipolSai Assicurazioni: cash flow hedges on bond securities recorded in the Available-for-sale asset portfolio through the sale of IRSs for a notional value of €1,113.5m (unchanged at 31/12/2019).

The cumulative positive effect on Shareholders' equity in the Hedging reserve for gains or losses on cash flow hedges was €40.7m (€15.7m positive effect at 31/12/2019): net of tax, the positive impact was €28.1m (€10.9m, positive effect at 31/12/2019).

UnipolSai Assicurazioni: cash flow hedges on bond securities recorded in the Loans and Receivables portfolio through IRSs for a notional value of €250m (unchanged compared to 31/12/2019).

The cumulative positive effect on Shareholders' equity in the Hedging reserve for gains or losses on cash flow hedges was €4.7m (-€1.4m at 31/12/2019): net of tax, the positive impact was €3.3m (-€0.9m at 31/12/2019).

Arca Vita: cash flow hedges on bond securities recorded in the Available-for-sale asset portfolio through the sale of IRSs for a notional value of €30m (unchanged compared to 31/12/2019).

The cumulative effect on shareholders' equity is irrelevant.

### 3 Notes to the Financial Statements

#### 4.2 Earnings/Loss per share

Amounts in €m	<b>30/6/2020</b>	30/6/2019
Profit/loss allocated to ordinary shares (€m)	514.2	656.5
Weighted average of shares outstanding during the year (no./m)	715.9	715.5
<b>Basic earnings (loss) per share (€ per share)</b>	<b>0.72</b>	<b>0.92</b>

#### 4.3 Dividends

In the first half of the year 2020, Unipol Gruppo did not pay out any dividends.

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

At 30 June 2020, the reclassifications carried out in application of IFRS 5 to item 6.1 of assets amounted to €193.6m (€189.2m at 31/12/2019), of which €193.2m relating to property held for sale; the liabilities reclassified to item 6.1 Liabilities associated with disposal groups, amounted to €3.3m (€3.3m at 31/12/2019).

#### 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, APB Car Service, UnipolSai Servizi Previdenziali, Pronto Assistance Servizi, Car Server (now UnipolRental), UnipolRe, UnipolSai Investimenti Sgr, UnipolReC, Alfaevolution Technology, Leithà, UnipolSai Servizi Consortili, Arca Vita, Arca In linea, Arca Sistemi and Arca Direct Assicurazioni.

For a detailed description of the services provided, please make reference to the 2019 Integrated Consolidated Financial Statements.

Furthermore, note that the group companies, also including companies not mentioned above, enter into ordinary relations with one another regarding:

- insurance and reinsurance;
- leasing of property;
- long-term vehicle rental;
- agency mandates;
- secondment of personnel.

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 previously defined, to which a 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 for which the costs are split), Auto Presto & Bene, UnipolSai Investimenti SGR and UnipolRe involve fixed prices.

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

The Parent Unipol exercised the Group tax consolidation option governed by Title II, Chapter II, Section II of Italian Presidential Decree 917/86 (the Consolidated Income Tax Act, Articles 117 et seq.) as consolidating entity, jointly with the companies belonging to the Unipol Group meeting the established regulatory requirements over time. The option has a three-year duration and is renewed automatically unless cancelled.

The following table shows transactions with related parties (associates and other companies) carried out during the first half of 2020, as laid down in IAS 24 and in Consob Communication DEM/6064293/2006. It should be noted that the application scope of the Procedure to perform transactions with related parties, adopted pursuant to Consob Regulation no. 17221 of 12 March 2010, as amended, also includes some counterparties that are included, on a voluntary basis, pursuant to Art. 4 thereof (shown, together with other items, in the following table under item "Other"). The above also includes OICs, in which the Company, or one of its related parties, holds more than 20% of the equity rights, the company Coop Alleanza 3.0 Società Cooperativa.

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

### Information on transactions with related parties

	Amounts in €m	Associates	Others	Total	% inc. (1)	% inc. (2)
Loans and receivables	36.5			36.5	0.0	5.4
Available-for-sale financial assets						
Sundry receivables	25.5	0.2		25.7	0.0	3.8
Other assets	19.3			19.3	0.0	2.9
Cash and cash equivalents	723.0			723.0	1.0	107.8
<b>Total assets</b>	<b>804.3</b>	<b>0.2</b>		<b>804.5</b>	<b>1.1</b>	<b>119.9</b>
Other financial liabilities	12.1			12.1	0.0	1.8
Sundry payables	8.8	0.3		9.1	0.0	1.4
Other liabilities	0.1			0.1	0.0	0.0
<b>Total liabilities</b>	<b>22.2</b>	<b>0.3</b>		<b>22.4</b>	<b>0.0</b>	<b>3.3</b>
Net premiums	0.1			0.1	0.0	0.0
Commission income	1.5			1.5	0.2	0.2
Gains on other financial instruments and investment property	2.8			2.8	0.4	0.4
Other revenue	0.4	0.2		0.6	0.1	0.1
<b>Total revenue and income</b>	<b>4.9</b>	<b>0.2</b>		<b>5.1</b>	<b>0.7</b>	<b>0.8</b>
Commission expense	5.6			5.6	0.7	0.8
Losses on other financial instruments and investment property	0.3			0.3	0.0	0.0
Operating expenses	86.8	0.3		87.2	11.6	13.0
Other costs	16.4			16.4	2.2	2.5
<b>Total costs and expenses</b>	<b>109.1</b>	<b>0.3</b>		<b>109.4</b>	<b>14.5</b>	<b>16.3</b>

Net charges relating to claims

(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.

### 3 Notes to the Financial Statements

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Loans and receivables from associates comprised €19.5m in time deposits above 15 days held by the companies of the Group with BPER Banca, €10.2m relating to receivables from Assicoop for agents' reimbursements and €6.1m of interest-free loans disbursed by UnipolSai to the associate Borsetto.

The item Sundry receivables from associates included €18.9m in receivables due from insurance brokerage agencies for commissions.

Other assets were related to current accounts, temporarily unavailable, that UnipolSai has opened with BPER Banca.

Cash and cash equivalents included the balances of current accounts opened by Group companies at BPER Banca.

Financial liabilities at amortised cost referred to bank deposits held by other related parties with BPER Banca.

Sundry payables to associates included payables for commissions to be paid to BPER Banca for the placement of insurance products.

Commission income referred to the bank relations between Group companies and BPER Banca.

Gains on other financial instruments and investment property include interest income on the bank deposits held by Group companies at BPER Banca.

Commission expense referred to bank relations between the Group companies and BPER Banca.

Operating expenses include, as regards the associates, costs on commissions paid to insurance brokerage agencies (€53.2m) and bank transaction operating costs (€18.9m).

#### 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 2019 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 2020 and 31 December 2019, broken down by fair value hierarchy level.

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

	Level 1		Level 2		Level 3		Total	
	Amounts in €m	Jun-20	Dec-19	Jun-20	Dec-19	Jun-20	Dec-19	Jun-20
<b>Assets and liabilities at fair value on a recurring basis</b>								
Available-for-sale financial assets	45,659.0	46,713.2	412.7	338.5	1,721.0	1,568.3	47,792.7	48,620.0
Financial assets at fair value through OCI	839.8	689.5					839.8	689.5
Financial assets at fair value through profit or loss:								
- held for trading	93.7	111.5	185.8	157.7	17.3	14.7	296.8	283.8
- at fair value through profit or loss	6,581.9	7,465.0			0.6	0.6	6,582.6	7,465.6
- mandatorily at fair value	72.8	85.7			0.4	0.4	73.2	86.1
<b>Total assets at fair value on a recurring basis</b>	<b>53,247.3</b>	<b>55,064.8</b>	<b>598.5</b>	<b>496.2</b>	<b>1,739.3</b>	<b>1,584.1</b>	<b>55,585.1</b>	<b>57,145.1</b>
Financial liabilities at fair value through profit or loss:								
- held for trading	38.3	20.7	204.8	220.6	6.5	11.3	249.6	252.6
- at fair value through profit or loss					2,710.5	2,661.8	2,710.5	2,661.8
<b>Total liabilities at fair value on a recurring basis</b>	<b>38.3</b>	<b>20.7</b>	<b>204.8</b>	<b>220.6</b>	<b>2,717.0</b>	<b>2,673.0</b>	<b>2,960.1</b>	<b>2,914.4</b>

The amount of financial instruments classified in Level 3 at 30 June 2020 stood at €1,739.3m. Details of changes in Level 3 financial assets and liabilities in the same period are shown below.

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

	Available-for-sale financial assets	Financial assets at fair value through OCI	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	mandatorily at fair value				held for trading	at fair value through profit or loss
Amounts in €m										
<b>Opening balance</b>	1,568.3		14.7	0.6	0.4				11.3	2,661.8
Acquisitions/Issues	203.0									
Sales/Repurchases	(5.9)									
Repayments	(1.9)									
Gains or losses recognised through profit or loss - of which unrealised gains/losses			(2.8)	(0.0)	(0.0)				0.6	0.6
Gains or losses recognised in the statement of other transfers	(41.2)		(2.8)	(0.0)	(0.0)					
Transfers to level 3										
Transfers to other levels										
Other changes	(1.3)		5.5						(5.4)	48.7
<b>Closing balance</b>	<b>1,721.0</b>		<b>17.3</b>	<b>0.6</b>	<b>0.4</b>				<b>6.5</b>	<b>2,710.5</b>

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

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

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

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

The portion of securities subject to analysis has a market value of €44.0m at 30 June 2020.

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.

### 3 Notes to the Financial Statements

The following table shows the results of the shocks:

	Amounts in €m		Curve Spread		
Fair Value	Shock	+10 bps	-10 bps	+50 bps	-50 bps
<b>Fair Value delta</b>	<b>(0.14)</b>	<b>0.15</b>	<b>(0.65)</b>	<b>0.72</b>	
<i>Fair Value delta %</i>	(0.31)	0.34	(1.49)	1.64	

## 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.

For these assets and liabilities, fair value is calculated only for the purpose of market disclosure requirements. 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**

	Fair value										
	Carrying amount		Level 1		Level 2		Level 3		Total		
	Amounts in €m		Jun-20	Dec-19	Jun-20	Dec-19	Jun-20	Dec-19	Jun-20	Dec-19	
Assets											
Held-to-maturity investments		414.7	454.6	540.3	543.2	5.9	37.9	2.2	2.2	548.4	583.2
Loans and receivables		4,457.5	4,006.6			3,298.6	2,854.5	1,323.4	1,330.0	4,622.0	4,184.4
Financial assets at amortised cost		475.1	516.1					475.1	516.1	475.1	516.1
Investments in subsidiaries, associates and interests in joint ventures		1,001.1	1,003.4	416.5	649.7			78.7	93.3	495.2	743.1
Investment property		2,003.0	1,991.1					2,161.7	2,167.8	2,161.7	2,167.8
Property, plant and equipment		2,402.6	2,484.2					2,545.6	2,624.5	2,545.6	2,624.5
<b>Total assets</b>		<b>10,753.9</b>	<b>10,456.0</b>	<b>956.8</b>	<b>1,192.9</b>	<b>3,304.5</b>	<b>2,892.4</b>	<b>6,586.6</b>	<b>6,733.8</b>	<b>10,847.9</b>	<b>10,819.1</b>
Liabilities											
<b>Other financial liabilities</b>		<b>4,534.1</b>	<b>4,857.7</b>	<b>3,682.6</b>	<b>3,915.9</b>			<b>1,062.6</b>	<b>1,365.3</b>	<b>4,745.2</b>	<b>5,281.2</b>

## 4.7 Information on personnel

	30/6/2020	31/12/2019	variation
<b>Total number of Unipol Group employees</b>	<b>11,957</b>	<b>12,337</b>	<b>(380)</b>
of which on a fixed-term contract	582	523	59
Full Time Equivalent - FTE	11,360	11,724	(364)

The foreign company employees (1,422) include 530 insurance agents.

The decrease of 380 in the number of personnel as at 30 June 2020 compared to 31/12/2019 is due, net of changes to fixed-term contracts or for seasonal work started and completed in the year and intercompany transfers of business units, to 264 entries (including new hires, reinstatements, incoming intragroup mobility) and 644 exits (for retirements, resignations and other causes of termination).

### 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 requirements, as well as individual targets are achieved.

The 2016-2018 compensation plan based on financial instruments (performance share type) envisages the assignment of UnipolSai and Unipol shares over three years with effect from April 2019.

The first tranche, for 2,065,453 UnipolSai shares and 2,227,601 Unipol shares, was paid to entitled parties on 25 April 2019; the second tranche, for 1,938,683 UnipolSai Shares and 2,092,674 Unipol shares, was paid to entitled parties on 27 April 2020.

### 4.8 Non-recurring significant transactions and events

There were no non-recurring significant transactions and events during the half-year.

### 4.9 Atypical and/or unusual positions or transactions

In the first half of 2020, there were no atypical and/or unusual transactions that, because of their significance, importance, nature of the counterparties involved in the transaction, transfer pricing procedures, or occurrence close to the end of the year, could give rise to doubts relating to: the accuracy and completeness of the information in these condensed consolidated half-yearly financial statements, a conflict of interest, the safeguarding of the company's assets or the protection of non-controlling shareholders.

### 4.10 Additional information on the temporary exemption from IFRS 9

As indicated in the paragraph Notes to the consolidated financial statements at 31 December 2019, in these condensed consolidated half-yearly financial statements, the IAS 39 standard was applied with reference to financial instruments held by UnipolSai and its subsidiaries. Below are tables containing the information necessary for comparison with the insurance companies that do apply IFRS 9.

#### Fair value at 30 June 2020, changes in fair value of financial investments recognised according to IAS 39 which passed the SPPI Test and other financial investments

Amounts in €m	Consolidated carrying amount at 30/6/2020	Fair value at 30/6/2020	Change in Fair value for the period
Financial investments passing the SPPI test, other than financial assets at fair value through profit or loss (a)	43,949.4	44,330.0	27.6
Other financial investments (b)	15,663.0	16,063.4	(815.6)
<b>Total (a) + (b)</b>	<b>59,612.4</b>	<b>60,393.4</b>	<b>(788.0)</b>

### 3 Notes to the Financial Statements

#### Significant credit risk concentration

#### Main exposures by counterpart of investments passing the SPPI test

Counterpart	Amounts in €m
Italian Treasury	27,083.3
Spanish Treasury	3,798.0
Portuguese Treasury	526.9
French Treasury	518.5
German Treasury	483.2
Irish Treasury	370.5
Barclays PLC	341.1
Deutsche Bank AG	308.6
Royal Bank of Scotland Group	306.2
Commerzbank AG	297.4
Other Counterparts	9,915.7
<b>Total Financial investments passing the SPPI test, other than financial assets at fair value through profit or loss</b>	<b>43,949.4</b>

#### Rating class of financial investments recognised according to IAS 39 which passed the SPPI Test

Rating class	IAS 39 carrying amount at 30/6/2020 before any adjustment for impairment	Fair value at 30/6/2020	Amounts in €m
AAA	553.2	539.7	553.2
AA	1,114.1	993.0	1,114.1
A	6,272.8	5,634.2	6,352.7
BBB	33,087.8	29,128.9	33,354.8
<b>Total low credit risk financial investments (1)</b>	<b>41,027.9</b>	<b>36,295.8</b>	<b>41,374.8</b>
BB	2,431.2	2,413.2	2,472.9
B	166.2	172.7	166.2
Lower rating	101.9	113.4	101.9
With no rating	222.3	222.3	214.2
<b>Total financial investments other than low credit risk investments (2)</b>	<b>2,921.5</b>	<b>2,921.5</b>	<b>2,955.2</b>
<b>Financial investments passing the SPPI test, other than financial assets at fair value through profit or loss (1) + (2)</b>	<b>43,949.4</b>	<b>39,217.3</b>	<b>44,330.0</b>

## 4.11 Analysis of recoverability of goodwill with indefinite useful life (impairment test)

Taking account of the evolution of the economic and financial context in the first half of 2020 deriving from the Covid-19 pandemic, the impairment analyses already carried out with reference to the consolidated financial statements as at 31/12/2019 were subject to updates and specific sensitivity analyses whose results are summarised below.

With regard to the impairment test, having reviewed the values recorded at 30 June 2020 and taking into account the nature and characteristics of the Group's businesses, there are no elements that would lead us to believe that the effects of Covid-19 could significantly preclude the achievement of the strategic objectives presented to the market.

In particular, on the basis of the information currently available, a 2020 forecast was developed based on the values recorded in the first half of 2020, showing that there is no need for significant revisions of the consolidated 2020-2024 economic and financial projections of UnipolSai, approved by the Board of Directors on 19 March 2020 and used for the impairment test performed at 31 December 2019.

This being said, some sensitivity analyses were carried out relating to the results of the impairment testing performed at 31 December 2019, with reference to the recoverable amount of goodwill allocated to the Non-Life and Life CGUs.

To this end, in applying the same methodological approach adopted at the time of the impairment test as at 31 December 2019, the sensitivity analyses developed took into consideration the following determining factors:

**Non-life CGU:** (i) update as at 30 June 2020 of Own Funds and of the Solvency Capital Requirement ("SCR") (ii) update of SCR 31/12/2020 estimate taking into account a "Covid-19" Scenario; (iii) update of the discount rate at 30 June 2020 (in the risk-free rate, risk premium, Beta components) of the prospective cash flows theoretically available and of the terminal value, to take account of the developments in the first half of 2020;

**Life CGU:** update as at 30 June 2020 of the assumptions relating to the structure of the interest rates and the estimate of the actuarial balances used to determine the Recoverable Value of the Life CGU.

These simulations show the staying power of the book value of the aforementioned goodwill, booked to the consolidated financial statements of Unipol Gruppo at 31/12/2019 and at 30/6/2020, also upon a change in the parameters subject to analysis.

The development in the discount rate (cost of capital) is reported below, taking into account the changes in the first half year:

	31/12/2019	30/6/2020
Risk free rate (a)	1.91%	1.33%
Risk Premium (b)	5.49%	5.48%
Beta average adj (c)	0.86	0.97
<b>Cost of capital</b>	<b>6.63%</b>	<b>6.65%</b>

(a): Average 1Y yield on 10-year BTP

(b): Exponentially weighted moving average (exponential smoothing) of the last three values, recorded on the half-yearly basis, of the "current risk premium for a mature equity market" estimated by Mr. Damodaran in the twelve months prior to the measurement date

(c) Adjusted 2-year beta relating to a sample of European listed companies considered comparable

### 3 Notes to the Financial Statements

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The comparison between the results at 31/12/2019 and those deriving from the sensitivity analysis at 30 June 2020 are reported below:

<i>Amounts in €m 31/12/2019</i>	<b>Recoverable amount (a)</b>	<b>Allocation of goodwill</b>	<b>Goodwill included in equity per recoverable amount (b)</b>	<b>Goodwill to be tested</b>	<b>Excess</b>
Non-Life CGU	4,801	1,303	(303)	1,000	3,801
Life CGU	1,248	322	(204)	117	1,131
<b>Total</b>	<b>6,050</b>	<b>1,625</b>	<b>(508)</b>	<b>1,117</b>	<b>4,933</b>

(a): Recoverable amount obtained as the difference between the pro-rata value of the CGU and the pro-rata Adjusted Shareholders' equity

(b): Goodwill already included in Adjusted Shareholders' equity, considered in the recoverable amount estimation

<i>Amounts in €m Sensitivity 30/6/2020</i>	<b>Recoverable amount (a)</b>	<b>Allocation of goodwill</b>	<b>Goodwill included in equity per recoverable amount (b)</b>	<b>Goodwill to be tested</b>	<b>Excess</b>
Non-Life CGU	4,526	1,303	(303)	1,000	3,526 (c)
Life CGU	1,192	322	(204)	117	1,074
<b>Total</b>	<b>5,717</b>	<b>1,625</b>	<b>(508)</b>	<b>1,117</b>	<b>4,600</b>

(a): Recoverable amount obtained as the difference between the pro-rata value of the CGU and the pro-rata Adjusted Shareholders' equity.

(b): Goodwill already included in Adjusted Shareholders' equity, considered in the recoverable amount estimation

(c): The excess indicated provides for a g rate of 1.7%; with a g rate equal to 0% this excess would equal to €2,839m; it should also be noted that the discount rate that would eliminate the excess indicated is equal respectively to 13.91% (with a g rate of 1.7%) and 13.97% (with a g rate of 0%)

#### 4.12 Information on Covid-19

As regards the impacts of the Covid-19 pandemic on the Group, please refer to the information contained in the appropriate section of the Management Report.

## 4.13 Risk Report

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

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

As regards the Internal control and risk management system adopted by the Company, reference is expressly made to paragraph 5.16 of the Notes to the 2019 Integrated Consolidated Financial Statements.

As regards the financial risks at 30 June 2020, 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 further to the shocks resulting from a:

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

Insurance Business		
Amounts in €m	Impact on Income Statement	Impact on Statement of financial position
<b>Unipol Group</b>		
Interest rate sensitivity (+10 bps)	29.9	(357.0)
Credit spread sensitivity (+10 bps)	(1.0)	(371.2)
Equity sensitivity (-20%)	14.1	(700.4)

Holding and other business		
Amounts in €m	Impact on Income Statement	Impact on Statement of financial position
<b>Unipol Group</b>		
Interest rate sensitivity (+10 bps)	(0.1)	(1.2)
Credit spread sensitivity (+10 bps)	(0.1)	(1.6)
Equity sensitivity (-20%)	(12.0)	(16.2)

The values include the hedging derivatives, including tax effects.

### 3 Notes to the Financial Statements

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#### 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 2020.

	Amounts in €m	<b>Balance at 30 June 2020</b>		
		<b>Nominal value</b>	<b>Carrying amount</b>	<b>Market value</b>
<b>Italy</b>		<b>26,256.4</b>	<b>27,587.8</b>	<b>27,739.1</b>
Available-for-sale financial assets		24,093.0	25,551.7	25,551.7
Financial assets at fair value through OCI		188.7	190.6	190.6
Financial assets at fair value through profit or loss		104.1	11.6	11.6
Held-to-maturity investments		362.7	350.2	479.0
Loans and receivables		1,508.0	1,483.7	1,506.2
<b>Spain</b>		<b>3,365.3</b>	<b>3,824.2</b>	<b>3,862.3</b>
Available-for-sale financial assets		3,060.8	3,506.8	3,506.8
Financial assets at fair value through OCI		20.0	26.2	26.2
Loans and receivables		284.5	291.2	329.3
<b>Portugal</b>		<b>425.2</b>	<b>526.9</b>	<b>527.7</b>
Available-for-sale financial assets		407.8	513.3	513.3
Loans and receivables		17.4	13.6	14.4
<b>Great Britain</b>		<b>35.2</b>	<b>37.1</b>	<b>37.1</b>
Available-for-sale financial assets		35.2	37.1	37.1
<b>Ireland</b>		<b>299.3</b>	<b>370.5</b>	<b>370.5</b>
Available-for-sale financial assets		299.3	370.5	370.5
<b>Germany</b>		<b>733.7</b>	<b>738.3</b>	<b>738.3</b>
Available-for-sale financial assets		403.7	407.6	407.6
Financial assets at fair value through OCI		330.0	330.7	330.7
<b>Canada</b>		<b>9.7</b>	<b>9.8</b>	<b>9.8</b>
Available-for-sale financial assets		9.7	9.8	9.8
<b>Belgium</b>		<b>201.2</b>	<b>217.5</b>	<b>218.1</b>
Available-for-sale financial assets		151.2	163.7	163.7
Loans and receivables		50.0	53.9	54.4
<b>Slovenia</b>		<b>209.3</b>	<b>244.5</b>	<b>244.5</b>
Available-for-sale financial assets		209.3	244.5	244.5
<b>Serbia</b>		<b>82.3</b>	<b>87.5</b>	<b>92.3</b>
Available-for-sale financial assets		22.6	25.2	25.2
Held-to-maturity investments		59.7	62.3	67.2
<b>Israel</b>		<b>83.0</b>	<b>90.4</b>	<b>90.4</b>
Available-for-sale financial assets		83.0	90.4	90.4
<b>Mexico</b>		<b>8.0</b>	<b>8.6</b>	<b>8.6</b>
Available-for-sale financial assets		8.0	8.6	8.6
<b>Poland</b>		<b>8.2</b>	<b>8.9</b>	<b>8.9</b>
Available-for-sale financial assets		8.2	8.9	8.9
<b>Latvia</b>		<b>48.5</b>	<b>59.7</b>	<b>59.7</b>
Available-for-sale financial assets		48.5	59.7	59.7
<b>Chile</b>		<b>13.0</b>	<b>13.9</b>	<b>13.9</b>
Available-for-sale financial assets		13.0	13.9	13.9

*cont. from previous page*

	Amounts in €m	<b>Balance at 30 June 2020</b>		
		<b>Nominal value</b>	<b>Carrying amount</b>	<b>Market value</b>
<b>Cyprus</b>		<b>86.0</b>	<b>90.1</b>	<b>90.1</b>
Available-for-sale financial assets		86.0	90.1	90.1
<b>France</b>		<b>471.5</b>	<b>518.5</b>	<b>518.5</b>
Available-for-sale financial assets		471.5	518.5	518.5
<b>Austria</b>		<b>12.5</b>	<b>13.2</b>	<b>13.2</b>
Available-for-sale financial assets		12.5	13.2	13.2
<b>Finland</b>		<b>7.0</b>	<b>7.2</b>	<b>7.2</b>
Available-for-sale financial assets		7.0	7.2	7.2
<b>Netherlands</b>		<b>442.3</b>	<b>444.6</b>	<b>444.6</b>
Available-for-sale financial assets		242.3	244.3	244.3
Financial assets at fair value through OCI		200.0	200.3	200.3
<b>Switzerland</b>		<b>3.8</b>	<b>3.9</b>	<b>3.9</b>
Available-for-sale financial assets		3.8	3.9	3.9
<b>USA</b>		<b>6.9</b>	<b>8.1</b>	<b>8.1</b>
Available-for-sale financial assets		6.9	8.1	8.1
<b>Slovakia</b>		<b>98.1</b>	<b>123.5</b>	<b>123.5</b>
Available-for-sale financial assets		98.1	123.5	123.5
<b>Lithuania</b>		<b>10.0</b>	<b>10.9</b>	<b>10.9</b>
Available-for-sale financial assets		10.0	10.9	10.9
<b>China</b>		<b>18.0</b>	<b>17.8</b>	<b>17.8</b>
Available-for-sale financial assets		18.0	17.8	17.8
<b>Croatia</b>		<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
Available-for-sale financial assets		5.0	5.0	5.0
<b>Romania</b>		<b>23.0</b>	<b>23.0</b>	<b>23.0</b>
Available-for-sale financial assets		23.0	23.0	23.0
<b>TOTAL</b>		<b>32,962.2</b>	<b>35,091.1</b>	<b>35,286.8</b>

The carrying amount of the sovereign exposures represented by debt securities at 30 June 2020 totalled €35,091.1m, 79% of which is concentrated on securities issued by the Italian State (81% at 31/12/2019). Moreover, the bonds issued by the Italian State account for 49% of total investments of the Unipol Group, down 3% compared to 31/12/2019.

Bologna, 6 August 2020

**The Board of Director**



## **4. Tables appended to the Notes to the Financial Statements**

## 4 Tables appended to the Notes to the Financial Statements

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### 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
Unisalute Servizi Srl	086 Italy	Bologna		G	11
UnipolSai Finance Spa	086 Italy	Bologna		G	9
Unipol Investment Spa	086 Italy	Bologna		G	9
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 In linea Scarl	086 Italy	Verona		G	11
Arca Sistemi Scarl	086 Italy	Verona		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
Siat-Societa' Italyna Assicurazioni e Riassicurazioni - per Azioni	086 Italy	Genoa		G	1
Ddor Novi Sad	289 Serbia	Novi Sad (Serbia)		G	3
Ddor Re	289 Serbia	Novi Sad (Serbia)		G	6
UnipolRe Dac	040 Ireland	Dublin (Ireland)		G	5
UnipolSai Nederland Bv	050 Netherlands	Amsterdam (NL)		G	11
Finsai International Sa	092 Luxembourg	Luxembourg		G	11
UnipolSai Investimenti Sgr Spa	086 Italy	Turin		G	8
App Car Service Srl	086 Italy	Turin		G	11

% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
				100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	98.99% UnipolSai Assicurazioni Spa	83.50%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	100.00% UniSalute Spa	83.50%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
100.00%		100.00%		100.00%
	63.39% UnipolSai Assicurazioni Spa	53.47%		100.00%
	98.12% Arca Vita Spa	52.46%		100.00%
	100.00% Arca Vita Spa	53.47%		100.00%
	100.00% Arca Vita Spa	53.47%		100.00%
	60.22% Arca Vita Spa	53.07%		100.00%
	39.78% Arca Assicurazioni Spa			
	77.03% Arca Vita Spa	53.30%		100.00%
	16.97% Arca Assicurazioni Spa			
	5.00% Arca Vita International Dac			
	1.00% Arca In linea Scarl			
61.06%		84.35%		100.00%
	0.00% UniSalute Spa			
	10.00% Unipol Investment Spa			
	0.00% Arca Vita Spa			
	0.00% Siat-Societa' Italyna Assicurazioni e Riassicurazioni - per Azioni			
	UnipolSai Servizi Consortili Societa' Consortile a Responsabilita' Limitata			
	0.00% Gruppo UNA Spa			
	4.99% Unipol Finance Srl			
	0.00% Alfaevolution Technology Spa			
	0.00% Leithà Srl			
	8.29% UnipolPart I SpA			
	50.00% UnipolSai Assicurazioni Spa	42.17%		100.00%
	51.00% UnipolSai Assicurazioni Spa	43.02%		100.00%
	94.69% UnipolSai Assicurazioni Spa	79.87%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	0.00% Ddor Novi Sad	84.35%		100.00%
	100.00% UnipolRe Dac			
	100.00% UnipolSai Nederland Bv	84.35%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	36.15% UnipolSai Finance Spa	84.35%		100.00%
	63.85% UnipolSai Assicurazioni Spa			
51.00%		92.33%		100.00%
	49.000% UnipolSai Assicurazioni Spa			
	70.00% Auto Presto & Bene SpA	59.04%		100.00%

## **4 Tables appended to the Notes to the Financial Statements**

## Consolidation scope

% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	100.00% Casa di Cura Villa Donatello - Spa	84.35%		100.00%
0.02%		84.27%		100.00%
	0.20% Compagnia Assicuratrice Linear Spa			
	0.20% UniSalute Spa			
	0.20% Arca Vita Spa			
	99.17% UnipolSai Assicurazioni Spa			
	0.02% BIM Vita Spa			
	0.02% Incontra Assicurazioni Spa			
	0.11% Siat-Societa' Italyna Assicurazioni e Riassicurazioni - per Azioni			
	0.02% UnipolRe Dac			
	0.02% Auto Presto & Bene Spa			
	0.02% Pronto Assistance Servizi Scarl			
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	3.00% Compagnia Assicuratrice Linear Spa	84.19%		100.00%
	0.25% UniSalute Spa			
	0.10% Arca Assicurazioni Spa			
	95.65% UnipolSai Assicurazioni Spa			
	0.15% Incontra Assicurazioni Spa			
	0.25% Apb Car Service Srl			
	0.25% Auto Presto & Bene Spa			
	UnipolSai Servizi Consortili Societa' Consortile a Responsabilita' Limitata			
	0.10%			
	0.25% Alfaevolution Technology Spa			
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	99.57% Nuove Iniziative Toscane - Societa' a Responsabilita' Limitata	83.99%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	89.59% UnipolSai Assicurazioni Spa	75.57%		100.00%
100.00%		100.00%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%
	100.00% UnipolSai Assicurazioni Spa	84.35%		100.00%

## 4 Tables appended to the Notes to the Financial Statements

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### Consolidation scope

Name	Country of registered office	Registered office	Country of operations (5)	Method (1)	Business activity (2)
UniAssiTeam Srl	086 Italy	Bologna		G	11
Unipol Reoco Spa	086 Italy	Bologna		G	11
Fondo Opportunity	086 Italy			G	10
UnipolReC Spa	086 Italy	Bologna		G	11
UnipolPart I Spa	086 Italy	Bologna		G	9
Fondo Landev	086 Italy			G	10
Car Server Spa	086 Italy	Reggio Emilia		G	11
Immobiliare C.S. Srl	086 Italy	Reggio Emilia		G	10
Centri Medici Dyadea Srl	086 Italy	Bologna		G	11
Unica Lab Srl	086 Italy	Bologna		G	11
Fondo Oikos	086 Italy			G	10

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

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

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

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

% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
	65.00% UnipolSai Finance Spa	54.83%		100.00%
	100.00% UnipolReC SpA	97.69%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.35%		100.00%
85.24%		97.69%		100.00%
	14.76% UnipolSai Assicurazioni SpA			
100.00%		100.00%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.35%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.35%		100.00%
	100.00% Car Server SpA	84.35%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.35%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.35%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.35%		100.00%

## 4 Tables appended to the Notes to the Financial Statements

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

Name	Amounts in €m			
	% 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	15.65%		83.6	1,069.9

### 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 Metropolitana Spa	086 Italy	Bologna		11
Fondazione Unipolis	086 Italy	Bologna		11
Uci - Ufficio Centrale Italyno	086 Italy	Milan		11
Assicoop Toscana Spa	086 Italy	Siena		11
Pegaso Finanziaria Spa	086 Italy	Bologna		9
SCS Azioninnova Spa	086 Italy	Bologna		11
Promorest Srl	086 Italy	Castenaso (BO)		11
Assicoop Emilia Nord Srl	086 Italy	Parma		11
Assicoop Romagna Futura Spa	086 Italy	Ravenna		11
Garibaldi Sca	092 Luxembourg	Luxembourg		11
Isola Sca	092 Luxembourg	Luxembourg		11
Fin.Priv.Srl	086 Italy	Milan		11
Ddor Auto - Limited Liability Company	289 Serbia	Novi Sad (Serbia)		3
Funivie del Piccolo San Bernardo Spa	086 Italy	La Thuile (AO)		11
Ddor Garant	289 Serbia	Belgrado (Serbia)		11
Borsetto Srl	086 Italy	Turin		10
Servizi Immobiliari Martinelli Spa	086 Italy	Cinisello Balsamo (MI)		10
Golf Club Poggio dei Medici Spa Societa' Dilettantistica Sportiva	086 Italy	San Piero (FI)		11
BPER Banca Spa	086 Italy	Modena		7

(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=holdings; 10=real estate companies; 11=other.

(2) a=subsidiaries (IFRS10); b= associates (IAS28); c=joint ventures (IFRS11)

\* Investments held for sale pursuant to IFRS 5

(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 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.

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
56,802.5	51,351.3	44,542.1	3,665.4	6,775.9	545.9	70.8	4,914.6

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		41.33%		
b	43.75%	UnipolSai Finance Spa		36.91%		7.5
b	49.19%	UnipolSai Finance Spa		41.49%		8.9
a	100.00%	UnipolSai Assicurazioni Spa		84.35%		0.3
b	0.0002%	Compagnia Assicuratrice Linear Spa		31.48%		0.2
	0.01%	Arca Assicurazioni Spa				
	37.22%	UnipolSai Assicurazioni Spa				
	0.002%	Incontra Assicurazioni Spa				
	0.09%	Siat-Societa' Italiana Assicurazioni e Riassicurazioni - per Azioni				
b	46.77%	UnipolSai Finance Spa		39.45%		1.8
b	45.00%	UnipolSai Finance Spa		37.96%		5.5
b	42.85%	UnipolSai Finance Spa		36.15%		2.7
b	49.92%	UnipolSai Finance Spa		42.11%		5.0
b	50.00%	UnipolSai Finance Spa		42.17%		6.0
b	50.00%	UnipolSai Finance Spa		42.17%		6.4
b	32.00%	UnipolSai Assicurazioni Spa		26.99%		3.2
b	29.56%	UnipolSai Assicurazioni Spa		24.93%		
b	28.57%	UnipolSai Assicurazioni Spa		24.10%		26.4
a	100.00%	Ddor Novi Sad		84.35%		0.0
b	23.55%	UnipolSai Assicurazioni Spa		19.86%		2.5
b	32.46%	Ddor Novi Sad		33.74%		0.6
	7.54%	Ddor Re				
b	44.93%	UnipolSai Assicurazioni Spa		37.90%		0.5
b	20.00%	UnipolSai Assicurazioni Spa		16.87%		0.2
b	40.32%	Gruppo UNA Spa		34.01%		0.8
b	9.98%			19.74%		922.4
	9.76%	UnipolSai Assicurazioni Spa				

## 4 Tables appended to the Notes to the Financial Statements

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### Statement of financial position by business segment

	Amounts in €m	Non-Life business		Life business	
		30/6/2020	31/12/2019	30/6/2020	31/12/2019
<b>1</b>	<b>INTANGIBLE ASSETS</b>	<b>1,603.0</b>	<b>1,595.9</b>	<b>394.6</b>	<b>401.7</b>
<b>2</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,564.3</b>	<b>1,595.9</b>	<b>74.6</b>	<b>74.5</b>
<b>3</b>	<b>TECHNICAL PROVISIONS - REINSURERS' SHARE</b>	<b>883.3</b>	<b>950.0</b>	<b>42.6</b>	<b>39.7</b>
<b>4</b>	<b>INVESTMENTS</b>	<b>14,302.3</b>	<b>15,697.0</b>	<b>46,991.8</b>	<b>47,476.0</b>
4.1	Investment property	580.0	1,189.3	6.5	6.5
4.2	Investments in subsidiaries, associates and interests in joint ventures	486.6	494.3	3.2	3.4
4.3	Held-to-maturity investments	44.6	83.0	370.1	371.6
4.4	Loans and receivables	2,234.9	2,029.7	2,940.8	2,672.0
4.4bis	Financial assets at amortised cost				
4.5	Available-for-sale financial assets	10,804.8	11,724.9	36,943.2	36,848.8
4.5bis	Available-for-sale financial assets				
4.6	Financial assets at fair value through OCI	151.4	175.9	6,727.9	7,573.6
<b>5</b>	<b>SUNDY RECEIVABLES</b>	<b>2,156.9</b>	<b>2,428.5</b>	<b>605.2</b>	<b>695.4</b>
<b>6</b>	<b>OTHER ASSETS</b>	<b>942.7</b>	<b>805.5</b>	<b>72.0</b>	<b>88.5</b>
6.1	Deferred acquisition costs	46.7	42.1	59.1	59.1
6.2	Other assets	896.0	763.4	12.9	29.3
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>260.1</b>	<b>285.7</b>	<b>302.2</b>	<b>354.3</b>
	<b>TOTAL ASSETS</b>	<b>21,712.5</b>	<b>23,358.5</b>	<b>48,483.0</b>	<b>49,130.0</b>
<b>1</b>	<b>SHAREHOLDERS' EQUITY</b>				
<b>2</b>	<b>PROVISIONS</b>	<b>358.6</b>	<b>403.4</b>	<b>19.5</b>	<b>20.1</b>
<b>3</b>	<b>TECHNICAL PROVISIONS</b>	<b>14,696.7</b>	<b>15,067.2</b>	<b>42,146.6</b>	<b>42,500.2</b>
<b>4</b>	<b>FINANCIAL LIABILITIES</b>	<b>1,917.5</b>	<b>2,133.5</b>	<b>3,709.2</b>	<b>3,718.9</b>
4.1	Financial liabilities at fair value through profit or loss	117.4	65.6	2,842.7	2,848.8
4.2	Financial liabilities at amortised cost	1,800.1	2,067.9	866.5	870.1
<b>5</b>	<b>PAYABLES</b>	<b>838.3</b>	<b>880.6</b>	<b>131.7</b>	<b>168.9</b>
<b>6</b>	<b>OTHER LIABILITIES</b>	<b>678.9</b>	<b>733.5</b>	<b>296.7</b>	<b>282.9</b>
	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>				

Holding and Other businesses		Real Estate		Intersegment eliminations		Total	
30/6/2020	31/12/2019	30/6/2020	31/12/2019	30/6/2020	31/12/2019	30/6/2020	31/12/2019
13.8	14.5	0.0	0.0			2,011.4	2,012.1
166.3	198.9	598.5	615.0			2,403.8	2,484.2
						925.9	989.6
2,072.7	1,955.6	1,427.8	782.0	(859.3)	(793.7)	63,935.3	65,116.9
32.9	35.7	1,382.3	759.5			2,001.7	1,991.1
511.2	505.8					1,001.1	1,003.4
						414.7	454.6
111.0	91.9	23.5		(852.6)	(787.0)	4,457.5	4,006.6
475.1	516.1					475.1	516.1
29.4	30.6	21.9	22.5	(6.7)	(6.7)	47,792.7	48,620.0
839.8	689.5					839.8	689.5
73.2	86.1					6,952.6	7,835.6
306.5	231.7	13.8	8.4	(234.2)	(180.0)	2,848.2	3,184.0
406.6	404.1	127.4	124.9	(94.1)	(115.0)	1,454.5	1,308.0
						105.8	101.2
406.6	404.1	127.4	124.9	(94.1)	(115.0)	1,348.7	1,206.8
326.9	338.4	15.7	28.6			904.9	1,007.0
3,292.9	3,143.3	2,183.2	1,558.9	(1,187.7)	(1,088.7)	74,484.0	76,101.9
						7,933.7	8,304.6
48.9	48.9	4.7	4.5			431.7	476.9
						56,843.3	57,567.3
2,516.7	2,481.1	210.0	231.9	(859.2)	(793.3)	7,494.2	7,772.0
						2,960.1	2,914.4
2,516.7	2,481.1	210.0	231.9	(859.2)	(793.3)	4,534.1	4,857.7
75.3	110.6	37.2	35.0	(230.5)	(182.4)	852.0	1,012.6
32.3	50.2	19.2	14.8	(98.0)	(113.0)	929.2	968.4
						74,484.0	76,101.9

## 4 Tables appended to the Notes to the Financial Statements

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### Income statement by business segment

	Amounts in €m	Non-Life business		Life business	
		30/6/2020	30/6/2019	30/6/2020	30/6/2019
1.1 Net premiums	3,755.8	3,884.9	1,919.8	3,012.3	
1.1.1 <i>Gross premiums earned</i>	3,974.4	4,091.6	1,931.6	3,023.6	
1.1.2 <i>Earned premiums ceded to reinsurers</i>	(218.5)	(206.7)	(11.8)	(11.3)	
1.2 Commission income	1.5	3.0	15.3	14.0	
1.3 Gains and losses on financial instruments at fair value through profit or loss	(242.4)	(187.9)	(48.2)	63.0	
1.4 Gains on investments in subsidiaries, associates and interests in joint ventures	10.9	238.9	5.5	0.0	
1.5 Gains on other financial instruments and investment property	528.4	470.9	743.7	718.7	
1.6 Other revenue	343.9	193.6	22.9	28.9	
<b>TOTAL REVENUE AND INCOME</b>	<b>4,398.1</b>	<b>4,603.6</b>	<b>2,658.9</b>	<b>3,836.9</b>	
2.1 Net charges relating to claims	(1,960.5)	(2,501.8)	(2,255.2)	(3,456.2)	
2.1.1 <i>Amounts paid and changes in technical provisions</i>	(2,040.0)	(2,608.5)	(2,265.4)	(3,463.5)	
2.1.2 <i>Reinsurers' share</i>	79.6	106.7	10.2	7.2	
2.2 Commission expenses	(2.6)	(3.9)	(7.0)	(6.8)	
2.3 Losses on investments in subsidiaries, associates and interests in joint ventures	(0.1)	(0.0)	(0.2)	(0.1)	
2.4 Losses on other financial instruments and investment property	(125.5)	(126.4)	(199.1)	(45.6)	
2.5 Operating expenses	(1,060.4)	(1,115.1)	(111.1)	(122.4)	
2.6 Other costs	(439.4)	(293.7)	(72.3)	(67.2)	
<b>2 TOTAL COSTS AND EXPENSES</b>	<b>(3,588.4)</b>	<b>(4,041.0)</b>	<b>(2,644.9)</b>	<b>(3,698.3)</b>	
<b>PRE-TAX PROFIT (LOSS) FOR THE YEAR</b>	<b>809.7</b>	<b>562.6</b>	<b>14.1</b>	<b>138.5</b>	

Holding and Other businesses		Real Estate		Intersegment eliminations		Total	
30/6/2020	30/6/2019	30/6/2020	30/6/2019	30/6/2020	30/6/2019	30/6/2020	30/6/2019
						5,675.7	6,897.2
						5,906.0	7,115.2
						(230.3)	(218.0)
3.4	4.4			(3.4)	(3.9)	16.7	17.5
(9.2)	0.6			0.0	0.0	(299.9)	(124.3)
2.4	246.8			10.7		29.5	485.7
36.8	46.1	15.2	12.5	(12.9)	(15.1)	1,311.2	1,233.0
58.9	128.8	21.3	16.1	(35.0)	(42.3)	412.0	325.2
<b>92.3</b>	<b>426.7</b>	<b>36.4</b>	<b>28.6</b>	<b>(40.6)</b>	<b>(61.3)</b>	<b>7,145.2</b>	<b>8,834.3</b>
						(4,215.7)	(5,958.0)
						(4,305.5)	(6,072.0)
						89.8	113.9
(0.3)	(0.4)	(0.0)	(0.0)			(9.9)	(11.1)
(0.0)	(0.2)	(10.4)				(10.7)	(0.3)
(62.2)	(54.8)	(13.1)	(31.3)	6.2	5.0	(393.7)	(253.0)
(74.2)	(95.0)	(10.7)	(10.3)	11.3	12.3	(1,245.2)	(1,330.5)
(26.8)	(56.9)	(12.1)	(13.4)	33.8	44.0	(516.7)	(387.2)
<b>(163.5)</b>	<b>(207.2)</b>	<b>(46.4)</b>	<b>(55.0)</b>	<b>51.3</b>	<b>61.3</b>	<b>(6,391.9)</b>	<b>(7,940.2)</b>
<b>(71.2)</b>	<b>219.5</b>	<b>(10.0)</b>	<b>(26.4)</b>	<b>10.7</b>		<b>753.3</b>	<b>894.1</b>

## 4 Tables appended to the Notes to the Financial Statements

### Details of technical insurance items

Amounts in €m	30/6/2020			30/6/2019		
	Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
<b>Non-Life business</b>						
<b>NET PREMIUMS</b>	<b>3,974.4</b>	<b>(218.5)</b>	<b>3,755.8</b>	<b>4,091.6</b>	<b>(206.7)</b>	<b>3,884.9</b>
a Written premiums	4,085.7	(272.2)	3,813.4	4,287.5	(258.5)	4,029.1
b Change in premium provision	(111.3)	53.7	(57.6)	(195.9)	51.8	(144.2)
<b>NET CHARGES RELATING TO CLAIMS</b>	<b>(2,040.0)</b>	<b>79.6</b>	<b>(1,960.5)</b>	<b>(2,608.5)</b>	<b>106.7</b>	<b>(2,501.8)</b>
a Amounts paid	(2,575.0)	198.6	(2,376.4)	(2,863.8)	130.9	(2,732.9)
b Change in claims provision	476.4	(115.7)	360.6	178.5	(19.3)	159.1
c Change in recoveries	59.6	(3.3)	56.3	78.4	(4.9)	73.5
d Change in other technical provisions	(0.9)		(0.9)	(1.6)		(1.6)
<b>Life business</b>						
<b>NET PREMIUMS</b>	<b>1,931.6</b>	<b>(11.8)</b>	<b>1,919.8</b>	<b>3,023.6</b>	<b>(11.3)</b>	<b>3,012.3</b>
<b>NET CHARGES RELATING TO CLAIMS</b>	<b>(2,265.4)</b>	<b>10.2</b>	<b>(2,255.2)</b>	<b>(3,463.5)</b>	<b>7.2</b>	<b>(3,456.2)</b>
a Amounts paid	(2,458.4)	7.2	(2,451.2)	(2,439.1)	6.5	(2,432.6)
b Change in provision for amounts payable	25.3	0.3	25.6	(230.5)	0.4	(230.2)
c Change in mathematical provisions	(719.6)	2.3	(717.3)	85.9	0.0	85.9
Change in technical provisions where the investment risk is borne by policyholders and arising from pension fund management	913.6		913.6	(864.4)		(864.4)
e Change in other technical provisions	(26.3)	0.4	(25.9)	(15.4)	0.4	(15.0)

### Investment income and charges

Amounts in €m	Interests	Other income	Other charges	Realised gains	Realised losses
	Amounts in €m	Amounts in €m	Amounts in €m	Amounts in €m	Amounts in €m
<b>Balance on investments</b>	<b>726.0</b>	<b>189.9</b>	<b>(91.4)</b>	<b>313.4</b>	<b>(354.0)</b>
a Arising from investment property		30.1	(13.2)	0.8	(0.0)
b Arising from investments in subsidiaries, associates and interests in joint ventures		29.5	(0.2)		(10.4)
c Arising from held-to-maturity investments	9.2		(0.0)	0.0	
d Arising from loans and receivables	45.7		(0.0)	4.4	(0.0)
e Arising from financial assets at amortised cost	11.1			16.5	(5.0)
f Arising from available-for-sale financial assets	625.2	54.0	(1.3)	265.9	(250.2)
g Arising from financial assets at fair value through OCI	1.1	3.8		2.3	(0.1)
h Arising from held-for-trading financial assets	2.7	52.9	(46.6)	1.8	(41.0)
i Arising from financial assets at fair value through profit or loss	30.7	19.3	(30.1)	14.3	(37.9)
l Arising from financial assets mandatorily at fair value	0.4	0.3	(0.0)	7.5	(9.3)
<b>Balance on sundry receivables</b>	<b>1.0</b>				
<b>Balance on cash and cash equivalents</b>	<b>0.6</b>		<b>(0.0)</b>		
<b>Balance on financial liabilities</b>	<b>(78.0)</b>	<b>57.9</b>	<b>(5.0)</b>		
a Arising from held-for-trading financial liabilities					
b Arising from financial liabilities at fair value		57.9	(0.0)		
c Arising from financial liabilities at amortised cost	(78.0)		(5.0)		
<b>Balance on payables</b>	<b>(0.6)</b>		<b>(0.0)</b>		
<b>Total</b>	<b>649.0</b>	<b>247.8</b>	<b>(96.5)</b>	<b>313.4</b>	<b>(354.0)</b>

Total realised gains and losses	Unrealised gains		Unrealised losses		Total unrealised gains and losses	<b>Total gains and losses 30/6/2020</b>	Total gains and losses 30/6/2019
	Unrealised capital gains	Write-backs	Unrealised capital losses	Impairment			
783.9	281.2	13.9	(437.1)	(14.3)	(156.3)	627.6	1,600.9
17.7		13.9	(16.7)		(2.7)	14.9	13.3
18.8						18.8	485.4
9.2						9.2	9.3
50.0		0.0			0.0	50.0	50.1
22.6				(10.0)	(10.0)	12.6	19.9
693.6	224.4		(4.7)	(3.0)	216.7	910.3	958.0
7.2	0.0			(1.3)	(1.3)	5.9	18.7
(30.3)	6.7		(242.7)		(236.0)	(266.2)	(246.2)
(3.7)	49.8		(164.8)		(115.0)	(118.7)	291.8
(1.2)	0.2		(8.3)		(8.1)	(9.3)	0.6
<b>1.0</b>						<b>1.0</b>	<b>1.0</b>
<b>0.6</b>						<b>0.6</b>	<b>0.5</b>
(25.1)	<b>37.9</b>		(4.9)		<b>33.0</b>	<b>7.9</b>	<b>(254.2)</b>
			(0.4)		(0.4)	(0.4)	(0.6)
57.9	36.8				36.8	94.7	(169.9)
(83.0)	1.1		(4.5)		(3.4)	(86.4)	(83.7)
(0.7)						(0.7)	(7.0)
<b>759.7</b>	<b>319.1</b>	<b>13.9</b>	<b>(442.0)</b>	<b>(14.3)</b>	<b>(123.2)</b>	<b>636.5</b>	<b>1,341.1</b>

## 4 Tables appended to the Notes to the Financial Statements

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### Details of insurance business expenses

Amounts in €m	Non-Life business		Life business	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
<b>Gross commissions and other acquisition costs</b>	<b>(906.0)</b>	<b>(942.0)</b>	<b>(48.2)</b>	<b>(58.6)</b>
a Acquisition commissions	(652.2)	(686.5)	(27.3)	(34.8)
b Other acquisition costs	(178.7)	(178.3)	(17.8)	(22.0)
c Change in deferred acquisition costs	1.3	1.4	(0.0)	1.3
d Collection commissions	(76.4)	(78.6)	(3.0)	(3.1)
<b>Commissions and profit-sharing received from insurers</b>	<b>68.7</b>	<b>69.8</b>	<b>1.0</b>	<b>1.3</b>
<b>Investment management expenses</b>	<b>(30.2)</b>	<b>(30.7)</b>	<b>(23.5)</b>	<b>(19.8)</b>
<b>Other administrative expenses</b>	<b>(192.9)</b>	<b>(212.3)</b>	<b>(40.4)</b>	<b>(45.3)</b>
<b>Total</b>	<b>(1,060.4)</b>	<b>(1,115.1)</b>	<b>(111.1)</b>	<b>(122.4)</b>

### Details of other consolidated comprehensive income statement

Amounts in €m	Amounts allocated		Adjustments from reclassification to profit or loss	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
<b>Other income items not reclassified to profit or loss</b>	<b>(51.1)</b>	<b>6.0</b>		
Reserve deriving from changes in the shareholders' equity of the investees	(14.0)	6.8		
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	(2.2)	(1.9)		
Gains or losses on equity instruments at fair value through OCI	(35.0)	1.1		
Reserve deriving from variation on credit risk on financial liabilities at fair value through profit or loss				
Other items				
<b>Other income items reclassified to profit or loss</b>	<b>(373.4)</b>	<b>748.2</b>	<b>(256.7)</b>	<b>(53.6)</b>
Reserve for foreign currency translation differences	0.3	0.1		
Gains or losses on available-for-sale financial assets	(389.4)	706.5	(256.7)	(48.5)
Gains or losses on financial assets (other than equity instruments) at fair value through OCI	3.9	23.3	0.0	(5.1)
Gains or losses on cash flow hedges	19.6	18.2		
Gains or losses on hedges of a net investment in foreign operations				
Reserve deriving from changes in the shareholders' equity of the investees	(7.8)			
Gains and losses on non-current assets or of a disposal group held for sale				
Other items				
<b>TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)</b>	<b>(424.6)</b>	<b>754.2</b>	<b>(256.7)</b>	<b>(53.6)</b>

Other changes		Total changes		Income taxes		Balance	
30/6/2020	30/6/2019	30/6/2020	30/6/2019	30/6/2020	30/6/2019	30/6/2020	31/12/2019
(0.0)	0.0	(51.1)	6.0	5.1	0.8	(94.2)	(43.1)
(0.0)	0.0	(14.0)	6.8			(2.1)	11.9
0.0	(2.2)	(1.9)	0.8	0.8	(32.9)	(30.7)	
	(35.0)	1.1	4.2		(60.6)	(25.6)	
						1.3	1.3
	(630.1)	694.7	277.9	(304.0)	560.5	1,190.6	
	0.3	0.1			5.4	5.1	
	(646.1)	658.0	287.9	(290.1)	525.0	1,171.1	
	3.9	18.3	(1.2)	(5.8)	4.0	0.1	
	19.6	18.2	(8.7)	(8.1)	31.5	11.8	
	(7.8)				(5.3)	2.5	
(0.0)	0.0	(681.2)	700.7	283.0	(303.2)	466.3	1,147.5

## 4 Tables appended to the Notes to the Financial Statements

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### 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	Date of reclassification (*)	Amount of assets reclassified during the semester at the reclassification date	Carrying amount at 30/6/2020 of reclassified assets		Fair value at 30/6/2020 of reclassified assets	
from	to				Assets reclassified during the semester	Assets reclassified up to 30/6/2019	Assets reclassified during the semester	Assets reclassified up to 30/6/2019
At FV through profit or loss	Loans and receivables	debt securities				172.8		144.8
At FV through profit or loss	Loans and receivables	other fin. instr.						
Available-for-sale	Loans and receivables	debt securities				142.2		116.9
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.						
<b>Total</b>						<b>315.1</b>		<b>261.8</b>

(\*) Applicable only to financial assets classified according to IFRS9





## **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 2020.
2. The assessment of the adequacy of the administrative and accounting procedures for preparing the condensed consolidated half-yearly financial statements at 30 June 2020 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 Organisations of the Treadway Commission*, internationally recognised 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 2020:
    - 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, 6 August 2020

The Manager in charge of financial reporting

Maurizio Castellina

The Chief Executive Officer and Group CEO

Carlo Cimbri

(signed on the original)

Unipol Gruppo S.p.A.

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Capitale sociale i.v. Euro 3.365.292.408,03 - Registro delle Imprese di Bologna, C.F. 00284160371 - P. IVA 03740811207 - R.E.A. 160304  
Capogruppo del Gruppo Assicurativo Unipol Iscritto all'Albo delle società capogruppo al n. 046  
[www.unipol.it](http://www.unipol.it)



## **6. Independent Auditors' Report**



### ***Review report on condensed consolidated half-yearly financial statements***

To the Shareholders of  
Unipol Gruppo SpA

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### ***Condensed consolidated half-yearly financial statements as of 30 June 2020***

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#### ***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 2020, comprising the statement of financial position, the income statement, the comprehensive income statement, the statement of changes in Shareholders' equity, the statement of cash flows and the related notes. The Directors of Unipol Gruppo SpA are responsible for the preparation of the condensed consolidated half-yearly financial statements 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 these 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 persons 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.

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#### ***PricewaterhouseCoopers SpA***

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: Ancona 60131 Via Sandro Totti 1 Tel. 0712132311 - Bari 70122 Via Abate Gimma 72 Tel. 0805640211 - Bergamo 24121 Largo Belotti 5 Tel. 035229691 - Bologna 40126 Via Angelo Finelli 8 Tel. 0516186211 - Brescia 25121 Viale Duca d'Aosta 28 Tel. 0303697501 - Catania 95129 Corso Italia 302 Tel. 0957532311 - Firenze 50121 Viale Gramsci 15 Tel. 0552482811 - Genova 16121 Piazza Piccapietra 9 Tel. 01029041 - Napoli 80121 Via dei Mille 16 Tel. 08136181 - Padova 35138 Via Vicenza 4 Tel. 049873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091349737 - Parma 43121 Viale Tanara 20/A Tel. 0521275911 - Pescara 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - Roma 00154 Largo Fochetti 29 Tel. 06570251 - Torino 10122 Corso Palestro 10 Tel. 011556771 - Trento 38122 Viale della Costituzione 33 Tel. 0461237004 - Treviso 31100 Viale Felisent 90 Tel. 0422696911 - Trieste 34125 Via Cesare Battisti 18 Tel. 0403480781 - Udine 33100 Via Poscolle 43 Tel. 043225789 - Varese 21100 Via Albuzzi 43 Tel. 0332285039 - Verona 37135 Via Francia 21/C Tel. 0458263001 - Vicenza 36100 Piazza Pontelandro 9 Tel. 0444393311

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**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated half-yearly financial statements of Unipol Group as of 30 June 2020 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, 7 August 2020

PricewaterhouseCoopers SpA

*Signed by*

Antonio Dogliotti  
(Partner)

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***This report has been translated into English from the Italian original solely for the convenience of international readers***



**Unipol Gruppo S.p.A.**

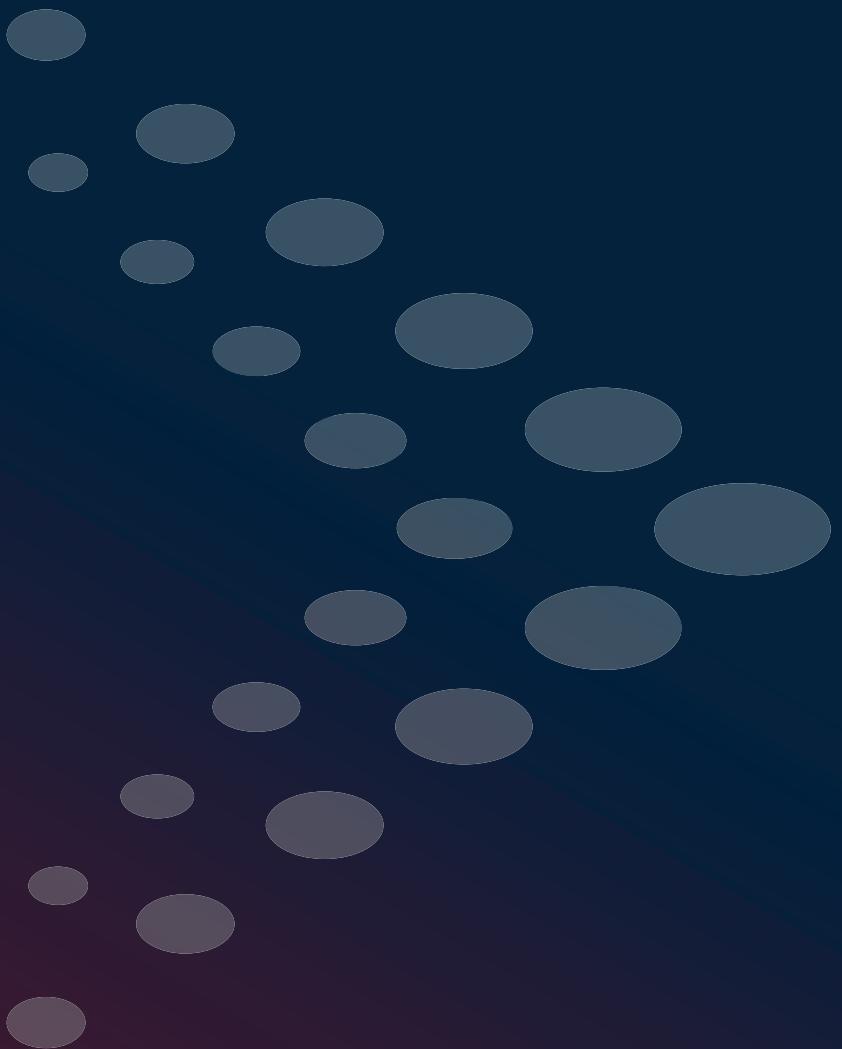
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Share capital  
€3,365,292,408.03 fully paid-up  
Bologna Register of Companies  
Tax No. 00284160371  
VAT No. 0374081207  
R.E.A. No.160304

Parent company of the Unipol Insurance Group  
entered in the Register of the parent companies at No. 046

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

[unipol.it](http://unipol.it)



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