

Bologna, 12 February 2016

UNIPOL GROUP: 2013-2015 BUSINESS PLAN CONCLUDED AND PRELIMINARY CONSOLIDATED RESULTS FOR 2015 EXAMINED

- **2013-2015 Business Plan concluded:**
 - ✓ Cumulative consolidated profits of €1,272m achieved
 - ✓ Cumulative dividends of €375m¹ distributed
 - ✓ Synergies amounting to approximately €390m reached
- Consolidated net profit of €579m (+14.6% compared to 2014)
- Direct insurance income of €16,476m (-4.2%² compared to 2014 net of the sale of the business unit to Allianz)
 - ✓ Non-Life business: premium income of €7,883m (-4.9%² net of the sale of the business unit to Allianz)
 - ✓ Life business: income of €8,593m (-3.6%)
- Combined ratio at 93.5%³
- Solvency I margin equal to 170%
- Expected dividend of €0.18 per share

The Board of Directors of Unipol Gruppo Finanziario S.p.A, which met yesterday under the chairmanship of Pierluigi Stefanini, examined the preliminary consolidated results for financial year 2015.

The year 2015 concluded the three-year 2013-2015 Business Plan after the acquisition of the Fondiaria-SAI Group in 2012, one of the largest and most complex integration transactions occurring during the period on the Italian market, not only in the insurance industry, and saw the Unipol Group strongly involved in the following activities.

- **Corporate restructuring:** the companies of the Group have almost halved from 2012 to present (from approximately 120 to approximately 60) subsequent to merger, disposal and winding-up transactions
- **Unification of IT systems** supporting management processes and (applications reduced from 41 to 19) and the start-up of the new Group Data Center.

¹ Value including the expected dividend for the year 2015.

² Estimated management figure

³ Combined Ratio of direct business

- **Corporate and shareholding streamlining:** with the transition from 4 to 2 companies listed and from 8 to 2 types of shares (Unipol and UnipolSai).
- **Synergies** amounting to approximately €390m by the end the plan, above the expected target of €349m.
- **Disposal of assets and shareholdings:** the disposal of the business unit as requested by the Antitrust Authority through the sale of 725 agencies, €1.1bn in premiums and 470 employees to Allianz was completed and the major shareholdings in portfolio were disposed of.
- **Average dividend payout** over the three years equal to 78%, in line with the 60/80% range indicated in the plan.

In the 2013-2015 three-year period, cumulative consolidated profits of Unipol Gruppo Finanziario amounted to €1,272m¹ and dividends amounting to €375m were distributed, while for UnipolSai dividends distributed amounted to €1,462m¹, with an average payout on statutory profit of 77%, in line with the 60/80% range indicated in the plan.

Preliminary Consolidated Results 2015

The Unipol Group ended the year 2015 with a **consolidated net profit** of €579m, an increase compared to €505m recorded in the same period of 2014, despite the recognition of an extraordinary negative impact amounting to €159m related to the recalculation of deferred taxes due to the recent variation of the IRES (corporate income tax) rate (from 27.5% to 24%).

During the period under consideration, direct insurance income gross of outwards reinsurance amounted to €16,476m (-7.9% compared to €17,883m in 2014, -4.2%² on a comparable basis net of the sale of the business unit to Allianz).

In 2015, the performance of the Unipol Group was positive in both economic and financial terms, despite the tensions that characterised financial markets on several occasions and the strong competitive pressure recorded in Non-Life business.

The pre-tax result of the insurance business amounted to €1,250m (€1,283m in the same period of 2014, -2.6%). Non-Life business contributed to this result with €907m (€1,009m in 2014) and Life business with €343m (€274m in 2014).

Non-Life Business

Direct premium income of the Group amounted to €7,883m (-12.1% compared to 31 December 2014, i.e. -4.9% on a comparable basis²). The UnipolSai Group contributed to this result with €7,334m (-12.9% compared to 2014, -5.3% on a comparable basis²), while UniSalute, which celebrated its 20th anniversary in 2015, recorded premium income of €301m (+11.3% compared to 31 December 2014). Arca Assicurazioni substantially confirmed the premium income of the previous year (€103m), while Linear recorded a decline due to the competitive dynamics of the business (€145m compared to €172 in 2014).

MV premium income amounted to €4,423m (-15.1% compared to 2014, -7.6% on a comparable basis²). **Non-MV** business held its own, nevertheless influenced by a weak macroeconomic scenario showing slight recovery, with premium income amounting to €3,459m, a decrease of 8.0% (-1.2% on a comparable basis²).

In this context, the Unipol Group recorded a **combined ratio** (direct business) of 93.5% (93.9% net of reinsurance) as at 31 December 2015, compared to 94.7% recorded in 2014 (94% net of reinsurance). The **loss ratio** (direct business) stood at 65.6%, contained compared to 68.0% recorded in 2014. The **expense ratio** (direct business) was equal to 27.9% despite a reduction of 6% in terms of the absolute value of overhead items, and was impacted by the effect of the drop in premiums and shift in the production mix towards Non-MV business, characterised by higher commissions and the greater incidence of variable commissions directly related to technical performance (26.7% in 2014).

The **pre-tax result** of the business was a profit of €907m (€1,009m in 2014).

Life Business

In Life business, a market environment characterised by low interest rates favoured production allowing lower capital absorption in terms of Solvency II. Direct income amounted to €8,593m as at 31 December 2015, a slight decrease (-3.6%) compared to the same period of the previous year. In particular, with regard to the main companies of the Group operating in Life business, UnipolSai recorded income equal to €3,418m (-7.5%), the Popolare Vita Group €3,043m, a decrease of 17% compared to the increase of 44.6% recorded at the end of 2014, while income of the Arca Vita Group increased significantly, amounting to €1,943m (+46.2% compared to 2014).

The **pre-tax result** of the business was a profit of €343m (€274m in 2014).

Banking Business

The banking business recorded a positive **gross income** of €6m as at 31 December 2015 (-€101m in 2014). Direct income of Unipol Banca⁴ amounted to €9,987m (-0.5% compared to 31 December 2014). The banking business benefitted from the improvement of the macroeconomic situation and the confirmation of a prudential credit granting policy, which resulted in a decline of loans to customers compared to December 2014 (-6.8%), which amounted to €8,766m⁵. Stability of impaired loans was recorded (€3,918m compared to €3,923m in 2014), also favoured by certain disposals without recourse that did not have a significant impact on the income statement. The coverage ratio of non-performing loans continued to grow reaching 57.3%.

The CET1 of the Unipol Banking Group as at 31 December 2015 was equal to 17.8%.

Real Estate Business

Operations remained focused on the restoration and redevelopment of certain properties in portfolio. Renovation activities were financed by planned disposals, which mainly concerned the Porta Nuova area in Milan and the subsidiary Punta di Ferro, owner of a property in Forlì used as a shopping centre.

The **pre-tax result** of the business was a loss of €95m (-€74m in 2014) and was influenced by write-downs for approximately €73m.

⁴ Including subsidiaries and excluding collateralised deposits at Cassa Compensazione e Garanzia

⁵ Net of provisions by UGF S.p.A.

Holdings and Other Business

In 2015, the commercial development of diversified companies continued. These activities, together with the restructuring initiatives implemented in previous years and still in progress, led to results that show gradual improvement.

It should be noted that in the hotel business, Atahotels recorded a profit of approximately €2m as at 31 December 2015.

The **pre-tax result** of the business was a loss of €203m (-€308m in 2014).

Financial Management

With regard to the management of financial investments, also in 2015 stock markets were marked by tensions, especially in the second half of the year, triggered by the slowdown of the Chinese economy, the fall in raw material prices and, in Italy, the effects of the bailout of certain banks. The company's securities portfolio, characterised by the significant presence of Italian government bonds, maintained substantial appreciation throughout the year, favoured by the ECB's anti-deflation initiative resulting from the launch of Quantitative Easing. The profitability of the Group's securities portfolio, despite aiming to preserve the risk/return profile of assets and consistency between assets and liabilities underwritten with policyholders, achieved a significant yield in the period under consideration, equal to approximately 4.6% of invested assets. The disposal policy adopted by the Group subsequent to operations implemented to increase the diversification profile of financial assets and the completion, during the first part of the year, of forward sales transactions for certain securities agreed upon in 2014 contributed to this result.

Balance Sheet

Consolidated shareholders' equity amounted to €8,445m (€8,440m as at 31 December 2014) of which €5,524 attributable to the Group. The AFS reserve amounted to €982m in 2015 (€1,234m as at 31 December 2014).

The consolidated solvency margin as at 31 December 2015, calculated on Solvency I metrics, was equal to 170% the regulatory capital requirement, compared to 169% at the end of 2014. With regard to the new prudential supervisory regime, Solvency II, which came into force on 1 January 2016, it should be noted that the Company has been authorised by the competent Supervisory Authority (IVASS, Italian Insurance Supervisory Authority) to use Undertaking Specific Parameters (USP) for the quantification of the solvency capital requirement for Non-Life and Health technical insurance risks. The use of USPs shall allow the Company - pending authorisation to apply the internal model, for which pre application procedures continue - to better represent its risk profile, thus allowing more effective capital management.

Estimated Individual Accounting Records and Dividends for the Year 2015

It should be noted, moreover, that the individual accounting results of Unipol Gruppo Finanziario S.p.A, still preliminary, give an estimated profit as at 31 December 2015 of €166m (€167m as at 31

December 2014). Taking this into account, the distribution of a dividend for the year 2015 equal to €0.18 per ordinary share.

In this regard, it should also be noted that the approval of the draft statutory and consolidated financial statements of Unipol Gruppo Finanziario as at 31 December 2015, as well as the proposed allocation of the result of the period to be submitted to the Shareholders' Meeting, is scheduled for 10 March. Therefore, the information contained herein is to be considered preliminary and refers to the date hereof and, as such, may be subject to changes. The auditing firm has not yet completed the verification of these figures required in order to issue its own audit report.

Finally, it should be noted that the since Shareholders' Meeting for the approval of the financial statements for the year 2015 is scheduled for 28 April 2016, the eventual ex-dividend date based on the results of such year is scheduled for the month of May.

Results Conference Call

At 12:00 pm today, a conference call is scheduled during which financial analysts and institutional investors may submit questions to the Chief Executive Officer and top management with regard to the results as at 31 December 2015. The phone numbers to dial to attend the event are: +39/02/8020911 (from Italy and other countries), +1/718/7058796 (from the U.S.), +44/121/2818004 (from the UK).

In order to allow a more complete disclosure of the preliminary results for the year 2015, please find attached hereto the preliminary Consolidated Balance Sheet, Consolidated Income Statement and summary of the Consolidated Income Statement Broken Down by Business Segment.

Maurizio Castellina, Manager in charge of financial reporting of Unipol Gruppo Finanziario S.p.A., declares, pursuant to Article 154-bis, Paragraph 2, of the "Consolidated Law on Financial Intermediation", that the accounting information contained in this document corresponds to the figures in corporate accounting records, ledgers and documents.

Glossary

CET1: Common Equity Tier 1, core measure of banking financial strength Basel III

COMBINED RATIO: sum of loss ratio and expense ratio

EXPENSE RATIO: ratio of Non-Life operating expenses and premiums calculated on earned premiums

LOSS RATIO: ratio of Non-Life claims and premiums

AFS RESERVE: reserve for assets classified as "Available-For-Sale"

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Unipol Gruppo Finanziario S.p.A.

Unipol is one of the leading insurance groups in Europe with a total income amounting to approximately €17.8bn, of which €8.9bn in Non-Life Business and €8.9bn in Life Business (2014 figures).

Unipol adopts an integrated offer strategy and covers a complete range of insurance and financial products, operating primarily through its subsidiary UnipolSai Assicurazioni S.p.A., founded at the beginning of 2014, Italian leader in Non-Life Business, in particular in vehicle liability insurance.

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

Finally, Unipol operates in the banking business through the network of Unipol Banca branches and manages significant diversified businesses in the real estate, hotel (Atahotels) and agricultural (Tenute del Cerro) sectors. Unipol Gruppo Finanziario S.p.A. is listed on the Italian Stock Exchange.

Consolidated Balance Sheet – Assets

Amounts in €m

		Preliminary at 31/12/2015	31/12/2014
1	INTANGIBLE ASSETS	2,071.0	2,133.2
1.1	Goodwill	1,581.9	1,581.9
1.2	Other intangible assets	489.1	551.2
2	PROPERTY, PLANT AND EQUIPMENT	1,757.0	1,521.6
2.1	Property	1,619.1	1,364.2
2.2	Other items of property, plant and equipment	137.9	157.4
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	897.4	988.4
4	INVESTMENTS	79,346.6	77,946.0
4.1	Investment property	2,350.2	2,645.6
4.2	Investments in subsidiaries and associates and interests in joint ventures	90.0	177.8
4.3	Held-to-maturity investments	1,528.4	2,238.0
4.4	Loans and receivables	14,549.2	14,657.7
4.5	Available-for-sale financial assets	50,915.8	48,378.1
4.6	Financial assets at fair value through profit or loss	9,913.1	9,848.8
5	SUNDRY RECEIVABLES	3,057.0	3,594.0
5.1	Receivables relating to direct insurance business	1,593.5	1,691.9
5.2	Receivables relating to reinsurance business	80.7	95.0
5.3	Other receivables	1,382.9	1,807.1
6	OTHER ASSETS	1,612.2	1,769.8
6.1	Non-current assets held for sale or disposal groups	16.5	9.4
6.2	Deferred acquisition costs	86.9	75.6
6.3	Deferred tax assets	919.5	1,043.5
6.4	Current tax assets	53.6	119.9
6.5	Other assets	535.7	521.4
7	CASH AND CASH EQUIVALENTS	874.4	674.4
	TOTAL ASSETS	89,615.7	88,627.3

Consolidated Balance Sheet – Equity and Liabilities

Amounts in €m

		Preliminary at 31/12/2015	31/12/2014
1	EQUITY	8,444.5	8,439.8
1.1	attributable to the owners of the Parent	5,523.6	5,691.2
1.1.1	Share capital	3,365.3	3,365.3
1.1.2	Other equity instruments	0.0	0.0
1.1.3	Equity-related reserves	1,724.6	1,724.6
1.1.4	Income-related and other reserves	-426.0	-355.6
1.1.5	(Treasury shares)	-34.7	-35.7
1.1.6	Translation reserve	2.4	2.5
1.1.7	Gains or losses on available-for-sale financial assets	589.1	777.4
1.1.8	Other gains or losses recognised directly in equity	31.1	20.3
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	271.8	192.3
1.2	attributable to non-controlling interests	2,921.0	2,748.6
1.2.1	Share capital and reserves attributable to non-controlling interests	2,206.4	1,971.9
1.2.2	Gains or losses recognised directly in equity	407.6	463.8
1.2.3	Profit (loss) for the year attributable to non-controlling interests	307.0	312.9
2	PROVISIONS	550.1	643.2
3	TECHNICAL PROVISIONS	63,149.6	61,894.8
4	FINANCIAL LIABILITIES	15,571.4	15,459.4
4.1	Financial liabilities at fair value through profit or loss	2,657.8	2,277.1
4.2	Other financial liabilities	12,913.6	13,182.2
5	PAYABLES	760.2	933.0
5.1	Payables arising from direct insurance business	146.9	153.7
5.2	Payables arising from reinsurance business	87.6	44.1
5.3	Other payables	525.6	735.2
6	OTHER LIABILITIES	1,139.9	1,257.2
6.1	Liabilities associated with disposal groups held for sale	0.0	0.1
6.2	Deferred tax liabilities	49.4	101.7
6.3	Current tax liabilities	42.4	28.2
6.4	Other liabilities	1,048.1	1,127.2
	TOTAL EQUITY AND LIABILITIES	89,615.7	88,627.3

Consolidated Income Statement

Amounts in €m

		Preliminary at 31/12/2015	31/12/2014
1.1	Net premiums	15,261.4	17,766.0
1.1.1	Gross premiums	15,683.1	18,214.3
1.1.2	Ceded premiums	-421.8	-448.3
1.2	Fee and commission income	117.2	116.8
1.3	Gains and losses on financial instruments at fair value through profit or loss	369.4	84.3
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	17.6	7.7
1.5	Gains on other financial instruments and investment property	3,036.2	3,421.1
1.5.1	Interest income	1,988.1	2,109.2
1.5.2	Other gains	178.5	179.7
1.5.3	Realised gains	754.7	833.9
1.5.4	Unrealised gains	114.9	298.2
1.6	Other revenue	560.3	857.8
1	TOTAL REVENUE AND INCOME	19,362.0	22,253.7
2.1	Net charges relating to claims	-13,635.7	-16,024.8
2.1.1	Amounts paid and changes in technical provisions	-13,825.2	-16,272.8
2.1.2	Reinsurers' share	189.5	248.0
2.2	Fee and commission expense	-33.0	-38.4
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	-14.1	-13.1
2.4	Losses on other financial instruments and investment property	-1,097.0	-1,382.1
2.4.1	Interest expense	-264.5	-304.8
2.4.2	Other charges	-53.8	-101.0
2.4.3	Realised losses	-303.1	-336.3
2.4.4	Unrealised losses	-475.5	-640.0
2.5	Operating expenses	-2,804.0	-3,024.7
2.5.1	Commissions and other acquisition costs	-1,831.7	-2,016.6
2.5.2	Investment management expenses	-87.4	-71.6
2.5.3	Other administrative expenses	-884.9	-936.5
2.6	Other costs	-820.2	-969.5
2	TOTAL COSTS AND EXPENSES	-18,403.9	-21,452.5
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	958.1	801.2
3	Income tax	-379.4	-293.8
	POST-TAX PROFIT (LOSS) FOR THE YEAR	578.7	507.4
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	0.0	-2.2
	CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	578.7	505.2
	attributable to the owners of the Parent	271.8	192.3
	attributable to non-controlling interests	307.0	312.9

Condensed Consolidated Income Statement by Business Segment

Amounts in €m

	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE BUSINESS			BANKING BUSINESS			HOLDINGS/SERVICES/ OTHER BUSINESSES			REAL ESTATE BUSINESS (*)			Intersegment Elimination		CONSOLIDATED TOTAL		
	dec-15	dec-14	var.%	dec-15	dec-14	var.%	dec-15	dec-14	var.%	dec-15	dec-14	var.%	dec-15	dec-14	var.%	dec-15	dec-14	var.%	dec-15	dec-14	dec-15	dec-14	var.%
Net premiums	7,634	9,012	-15.3	7,628	8,754	-12.9	15,261	17,766	-14.1	0	0		0	0		0	0		0	0	15,261	17,766	-14.1
Net fees and commissions	0	0	-244.7	10	7	43.5	11	7	50.7	99	108	-8.8	27	19	44.0	0	0	0.0	-52	-55	84	78	7.4
Financial income/expenses **	654	502	30.4	1,626	1,485	9.5	2,280	1,987	14.8	178	77	130.2	-90	-45	-98.5	-47	-32	-48.7	-174	-290	2,147	1,697	26.5
<i>Net interest</i>	369	424		1,220	1,232		1,589	1,656		234	255		-52	-38		-2	-2		-38	-56	1,732	1,814	
<i>Other income and expenses</i>	85	62		68	-3		153	60		0	0		-27	-5		26	34		-36	-40	116	49	
<i>Realised gains and losses</i>	335	119		299	237		634	356		3	78		3	0		-1	-1		0	0	638	432	
<i>Unrealised gains and losses</i>	-135	-103		39	18		-97	-86		-59	-255		-14	-2		-70	-63		-100	-193	-339	-599	
Net charges relating to claims	-4,970	-6,092	-18.4	-8,501	-9,512	-10.6	-13,470	-15,604	-13.7	0	0		0	0		0	0		0	0	-13,470	-15,604	-13.7
Operating expenses	-2,148	-2,348	-8.5	-364	-385	-5.3	-2,513	-2,733	-8.1	-316	-304	3.9	-100	-121	-17.5	-13	-10	33.3	138	143	-2,804	-3,025	-7.3
<i>Commissions and other acquisition costs</i>	-1,688	-1,857	-9.1	-186	-216	-13.8	-1,874	-2,073	-9.6	0	0		0	0		0	0		42	57	-1,832	-2,017	-9.2
<i>Other expenses</i>	-461	-491	-6.2	-178	-169	5.6	-639	-660	-3.2	-316	-304	3.9	-100	-121	-17.5	-13	-10	33.3	95	87	-972	-1,008	-3.6
Other income / expense	-263	-64	310.2	-55	-75	-26.4	-319	-139	128.5	45	18	153.5	-39	-160	-75.4	-35	-32	9.3	88	202	-260	-112	132.8
Pre-tax profit (loss)	907	1,009	-10.1	343	274	25.4	1,250	1,283	-2.6	6	-101	-106.0	-203	-308	34.1	-95	-74	-29.4	0	0	958	801	19.6
Income tax	-271	-311	-12.9	-108	-103	5.8	-379	-413	-8.3	-1	17	-103.9	-26	74	-135.5	27	29	-6.3	0	0	-379	-294	29.1
Profit (loss) on discontinued operations	0	0		0	0		0	0		0	0		0	-1		0	-1		0	0	0	-2	
Consolidated profit (loss) for the period	636	699	-8.9	235	171	37.1	871	870	0.2	5	-83	-106.4	-229	-235	2.6	-69	-46	-48.8	0	0	579	505	14.6
<i>Profit (loss) attributable to the owners of the Parent</i>																					272	192	
<i>Profit (loss) attributable to non-controlling interests</i>																					307	313	

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

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