

Bologna, 4 August 2016

UNIPOL GROUP: RESULTS FOR THE FIRST HALF OF 2016 APPROVED

- Consolidated net profit of €276m (€446m in the first half of 2015, which benefitted extraordinarily from the results of financial management)
- Direct insurance income of €8.4bn (-3.4% compared to the first half of 2015)
 - ✓ Non-Life business: €4.0bn (-1.7%)
 - ✓ Life business: €4.4bn (-4.8%)
- Combined ratio net of reinsurance at 96.3% (97.2% in the first half of 2015)
- Consolidated Solvency II margin equal to 140%¹

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

In the first six months of the year the Unipol Group recorded a **consolidated net profit** of €276m compared to €446m recorded in the first half of 2015, a period benefitting in financial management from significant capital gains concentrated mainly in the first quarter of 2015 and not repeated in the current year.

The **pre-tax result** of the insurance business was a profit of €461m (€784m in the first half of 2015). Non-Life business contributed to this result with €268m (€534m in the first half of 2015) and Life business with €193m (€250m in the first half of 2015).

Direct insurance income during the period, gross of outwards reinsurance, stood at €8,408m (-3.4% compared to €8,701 at 30 June 2015).

Non-Life Business

Non-Life direct premium income amounted to €4,011m at 30 June 2016 (-1.7% compared to €4,082m in the first half of 2015). The UnipolSai Group contributed to this total with €3,685m (-2.3% compared to €3,772m in the first half of 2015) and other direct subsidiaries of Unipol Gruppo Finanziario (UniSalute, Linear and Arca Assicurazioni) with €326m (+5.3% compared to €309m in the first half of 2015). In particular, UniSalute capitalised on its specialist skills, recording premium income of €197m (€177m at 30 June 2015, +11.3%).

¹ Figure calculated according to the Standard Formula with the use of USPs (Undertaking Specific Parameters)

MV premium income amounted to €2,228m (-4.4% compared to €2,331m at 30 June 2015), recording a portfolio increase of approximately 160 thousand policies compared to the first half of 2015. **Non-MV** business recorded greater resilience with premium income amounting to €1,784m (+1.9% compared to €1,751m at 30 June 2015) thanks to the solid performance of business relating to persons. With regard to underwriting profitability, the positive trend recorded by Non-MV business made it possible to offset the continued decline of the average MV TPL premium determined by current strong competitive pressure.

In this scenario, the Unipol Group recorded a **combined ratio**² of 96.3% at 30 June 2016 (94.7% on direct business income), an improvement compared to 97.2% in the same period of 2015. The **loss ratio**² stood at 69.3% (70.3% at 30 June 2015). The **expense ratio**² was equal to 27.0%, in line with 26.9% in the same period of 2015.

The **pre-tax result** of the business was a profit of €268m (€534m in the first half of 2015).

Life Business

Direct income amounted to €4,396m in the first half of 2016, a decrease of 4.8% compared to the first half of 2015. In a market environment still characterised by high volatility and low or even negative short and medium term interest rates, the commercial offer refocused on multi-branch products.

Direct income of UnipolSai amounted to €1,593m (-12.0% compared to €1,799m in the first half of 2015). In the bancassurance channel, the Arca Vita Group recorded direct income of €1,360m (+22.9% compared to €1,107m in the first half of 2015), while the Popolare Vita Group, with income amounting to €1,384m, recorded a decrease of 13.4% (€1,597m in the first half of 2015).

The **pre-tax result** of the business was a profit of €193m (€250m in the same period of 2015).

Banking Business

The **gross economic result** of the banking business at 30 June 2016 was a profit of €2m (€6m in the first half of 2015). At 30 June 2016, direct income of Unipol Banca³ stood at €9,675m (-3.1% compared to the end of 2015). Loans⁴ to customers amounted to €8,665m (€8,766m at the end of 2015, -1.2%). With regard to the portfolio of impaired loans, total gross loans decreased by approximately €40m compared to 31 March 2016 (continuing the downward trend that began at the end of 2015), while the coverage ratio increased to 45.2% overall and 57.8% for non-performing loans.

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

Real Estate Business

Operations continued to be focused on the recovery and redevelopment of certain significant properties in portfolio, in particular in the city of Milan.

² Net of reinsurance

³ Including its subsidiaries and excluding income collateralised at CC&G

⁴ Net of provisions by U.G.F. S.p.A.

The **pre-tax result** of the business was a loss of €10m (-€81m at 30 June 2015).

Holdings and Other Business

The commercial development of diversified companies and measures for the cost efficiency of the parent company continued. These activities, together with the restructuring initiatives implemented in previous years and still underway, made it possible to achieve gradually improving results.

In particular, in the hotel industry the results of Atahotels were positive, recording a profit of approximately €2m at 30 June 2016. Moreover, the winding up of Centro Oncologico Fiorentino should be noted.

The **pre-tax result** of the business was a loss of €58m (-€61m in the first half of 2015).

Financial Management

The profitability of the portfolio, despite being made with a view to preserving the risk/return profile of assets and consistency between assets and liabilities underwritten with policyholders, achieved a significant yield during the period, equal to 3.6% of invested assets.

Furthermore, the policy adopted to gradually decrease the incidence of domestic government bonds as a part of the progressive diversification towards a selective increase of corporate securities and other financial assets continued.

Balance Sheet

Shareholders' equity amounted to €8,006m at 30 June 2016 (€8,445m at 31 December 2015) of which €5,464 attributable to the Group. The AFS reserve amounted to €769m in the first half of 2016 (€982m at 31 December 2015).

The **solvency margin of the Group**, calculated in accordance with Solvency II regulations, was equal to 140%¹, a decrease compared to 150%¹ at the end of 2015 due to effects mainly arising from financial market performance in this first part of the year.

Presentation of the Results to the Financial Community

A conference call will be held at 10:00 am today during which financial analysts and institutional investors may submit questions to the Group CEO and Senior Management on the results at 30 June 2016. The phone numbers to dial to attend the event are: +39/02/8020911 (from Italy and all other countries), +1/718/7058796 (from the US) and +44/121/2818004 (from the UK).

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

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

Glossary

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

COMBINED RATIO: sum of loss ratio and expense ratio

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

LOSS RATIO: ratio of Non-Life claims and premiums

AFS RESERVE: reserves on assets classified as "available-for-sale"

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Unipol Gruppo Finanziario S.p.A.

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

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

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

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

Consolidated Balance Sheet – Assets

Amounts in €m

		30/6/2016	31/12/2015
1	INTANGIBLE ASSETS	2,040.7	2,071.0
1.1	Goodwill	1,581.9	1,581.9
1.2	Other intangible assets	458.8	489.1
2	PROPERTY, PLANT AND EQUIPMENT	1,734.0	1,757.0
2.1	Property	1,582.1	1,619.1
2.2	Other items of property, plant and equipment	151.9	137.9
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	919.8	897.4
4	INVESTMENTS	80,970.5	79,346.6
4.1	Investment property	2,291.4	2,350.2
4.2	Investments in subsidiaries and associates and interests in joint ventures	73.7	90.0
4.3	Held-to-maturity investments	1,448.8	1,528.4
4.4	Loans and receivables	13,881.9	14,549.2
4.5	Available-for-sale financial assets	53,477.4	50,915.8
4.6	Financial assets at fair value through profit or loss	9,797.2	9,913.1
5	SUNDRY RECEIVABLES	2,944.2	3,214.6
5.1	Receivables relating to direct insurance business	1,205.1	1,593.5
5.2	Receivables relating to reinsurance business	99.7	80.7
5.3	Other receivables	1,639.5	1,540.5
6	OTHER ASSETS	1,841.7	1,612.2
6.1	Non-current assets held for sale or disposal groups	46.0	16.5
6.2	Deferred acquisition costs	89.8	86.9
6.3	Deferred tax assets	961.3	919.5
6.4	Current tax assets	62.0	53.6
6.5	Other assets	682.6	535.7
7	CASH AND CASH EQUIVALENTS	794.5	874.4
	TOTAL ASSETS	91,245.5	89,773.3

Consolidated Balance Sheet – Equity and Liabilities

Amounts in €m

		30/6/2016	31/12/2015
1	EQUITY	8,006.1	8,444.5
1.1	attributable to the owners of the Parent	5,463.7	5,523.6
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	-276.7	-426.0
1.1.5	(Treasury shares)	-35.3	-34.7
1.1.6	Translation reserve	2.1	2.4
1.1.7	Gains or losses on available-for-sale financial assets	482.7	589.1
1.1.8	Other gains or losses recognised directly in equity	41.0	31.1
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	160.0	271.8
1.2	attributable to non-controlling interests	2,542.4	2,921.0
1.2.1	Share capital and reserves attributable to non-controlling interests	2,122.3	2,206.4
1.2.2	Gains or losses recognised directly in equity	303.9	407.6
1.2.3	Profit (loss) for the year attributable to non-controlling interests	116.1	307.0
2	PROVISIONS	508.5	550.1
3	TECHNICAL PROVISIONS	64,622.3	63,149.6
4	FINANCIAL LIABILITIES	15,777.6	15,571.4
4.1	Financial liabilities at fair value through profit or loss	3,111.7	2,657.8
4.2	Other financial liabilities	12,665.9	12,913.6
5	PAYABLES	1,108.9	917.7
5.1	Payables arising from direct insurance business	122.0	146.9
5.2	Payables arising from reinsurance business	149.2	87.6
5.3	Other payables	837.7	683.2
6	OTHER LIABILITIES	1,222.1	1,139.9
6.1	Liabilities associated with disposal groups held for sale	0.0	0.0
6.2	Deferred tax liabilities	55.1	49.4
6.3	Current tax liabilities	49.3	42.4
6.4	Other liabilities	1,117.7	1,048.1
	TOTAL EQUITY AND LIABILITIES	91,245.5	89,773.3

Consolidated Income Statement

Amounts in €m

		30/6/2016	30/6/2015
1.1	Net premiums	7,590.7	8,089.6
1.1.1	<i>Gross premiums</i>	7,808.1	8,304.1
1.1.2	<i>Ceded premiums</i>	-217.4	-214.5
1.2	Fee and commission income	68.3	79.9
1.3	Gains and losses on financial instruments at fair value through profit or loss	-197.5	371.9
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	3.6	3.7
1.5	Gains on other financial instruments and investment property	1,450.8	1,659.4
1.5.1	<i>Interest income</i>	988.4	1,002.7
1.5.2	<i>Other gains</i>	93.6	89.9
1.5.3	<i>Realised gains</i>	293.8	487.1
1.5.4	<i>Unrealised gains</i>	74.9	79.8
1.6	Other revenue	234.2	242.8
1	TOTAL REVENUE AND INCOME	9,150.0	10,447.3
2.1	Net charges relating to claims	-6,624.0	-7,469.4
2.1.1	<i>Amounts paid and changes in technical provisions</i>	-6,689.4	-7,568.7
2.1.2	<i>Reinsurers' share</i>	65.4	99.3
2.2	Fee and commission expense	-19.5	-18.5
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	-2.1	-7.8
2.4	Losses on other financial instruments and investment property	-321.3	-477.5
2.4.1	<i>Interest expense</i>	-117.9	-136.7
2.4.2	<i>Other charges</i>	-27.2	-23.2
2.4.3	<i>Realised losses</i>	-72.3	-90.2
2.4.4	<i>Unrealised losses</i>	-103.9	-227.4
2.5	Operating expenses	-1,363.5	-1,399.5
2.5.1	<i>Commissions and other acquisition costs</i>	-867.1	-924.6
2.5.2	<i>Investment management expenses</i>	-53.9	-38.8
2.5.3	<i>Other administrative expenses</i>	-442.4	-436.2
2.6	Other costs	-425.2	-427.2
2	TOTAL COSTS AND EXPENSES	-8,755.6	-9,799.9
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	394.4	647.4
3	Income tax	-118.3	-201.5
	POST-TAX PROFIT (LOSS) FOR THE YEAR	276.2	445.9
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	0.0	0.0
	CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	276.2	445.9
	attributable to the owners of the Parent	160.0	254.9
	attributable to non-controlling interests	116.1	191.0

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		
	jun-16	jun-15	var.%	jun-16	jun-15	var.%	jun-16	jun-15	var.%	jun-16	jun-15	var.%	jun-16	jun-15	var.%	jun-16	jun-15	var.%	jun-16	jun-15	jun-16	jun-15	var.%
Net premiums	3,757	3,820	-1.6	3,833	4,269	-10.2	7,591	8,090	-6.2	0	0		0	0		0	0		0	0	7,591	8,090	-6.2
Net fees and commissions	-1	0		14	5	184.1	13	5	169.3	49	48	1.1	13	14	-6.4	0	0	-29.9	-26	-5	49	61	-20.6
Financial income/expense (excl. Assets/ liabilities at fair value) (**)	258	504	-48.8	694	945	-26.6	952	1,450	-34.3	105	101	3.9	-35	-26	-36.5	-2	-48	96.9	-50	-61	970	1,415	-31.5
<i>Net interest</i>	187	184		625	609		812	792		110	124		-29	-24		-1	-1		-22	-20	870	871	
<i>Other income and expenses</i>	50	40		37	35		87	76		1	0		-3	-4		7	20		-18	-21	74	71	
<i>Realised gains and losses</i>	104	246		97	258		201	504		15	8		2	3		-1	-1		0	0	216	514	
<i>Unrealised gains and losses</i>	-83	34		-65	44		-148	78		-21	-32		-6	0		-7	-67		-10	-20	-191	-41	
Net charges relating to claims	-2,515	-2,597	-3.2	-4,145	-4,737	-12.5	-6,660	-7,335	-9.2	0	0		0	0		0	0		0	0	-6,660	-7,335	-9.2
Operating expenses	-1,062	-1,057	0.4	-153	-194	-21.1	-1,215	-1,252	-2.9	-159	-148	7.5	-51	-56	-8.4	-5	-14	-64.4	67	70	-1,363	-1,400	-2.6
<i>Commissions and other acquisition costs</i>	-820	-840	-2.3	-73	-106	-31.1	-893	-945	-5.5	0	0		0	0		0	0		26	21	-867	-925	-6.2
<i>Other expenses</i>	-242	-218	11.0	-81	-89	-9.1	-322	-306	5.2	-159	-148	7.5	-51	-56	-8.4	-5	-14	-64.4	41	49	-496	-475	4.5
Other income / expense	-170	-136	24.9	-50	-38	30.0	-219	-174	26.0	8	5	53.9	15	7	115.4	-3	-19	-81.6	9	-4	-191	-184	3.6
Pre-tax profit (loss)	268	534	-49.8	193	250	-22.8	461	784	-41.2	2	6	-66.0	-58	-61	4.1	-10	-81	87.7	0	0	394	647	-39.1
Income tax	-72	-160	-55.3	-57	-70	-18.4	-129	-230	-44.0	-1	-2	-50.9	11	9	23.1	1	22	-95.7	0	0	-118	-202	-41.3
Profit (loss) on discontinued operations	0	0		0	0		0	0		0	0		0	0	0.0	0	0		0	0	0	0	
Consolidated profit (loss) for the period	196	374	-47.5	135	179	-24.5	332	553	-40.0	1	4	-73.4	-48	-52	8.6	-9	-59	84.6	0	0	276	446	-38.1
<i>Profit (loss) attributable to the owners of the Parent</i>																					160	255	
<i>Profit (loss) attributable to non-controlling interests</i>																					116	191	

(*) Real Estate business only includes real estate companies controlled by the Group. At 30/06/2015, the sector included figures for the company UnipolSai Real Estate, which merged into UnipolSai on 31 December 2015 - Insurance sector, Non-Life business.

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

Unipol Gruppo Finanziario - Balance Sheet by Business Segment

Amounts in €m

		Non-Life Business		Life Business		Banking Business		Holdings/Other Businesses		Real Estate Business		Intersegment Elimination		Total	
		30/6/2016	31/12/2015	30/6/2016	31/12/2015	30/6/2016	31/12/2015	30/6/2016	31/12/2015	30/6/2016	31/12/2015	30/6/2016	31/12/2015	30/6/2016	31/12/2015
1	INTANGIBLE ASSETS	1,479.8	1,492.6	545.9	563.0	8.2	7.8	7.7	8.9	0.2	0.3	-1.1	-1.5	2,040.7	2,071.0
2	TANGIBLE ASSETS	1,075.3	1,088.1	86.7	88.1	14.8	13.9	204.0	210.1	352.1	355.4	1.1	1.5	1,734.0	1,757.0
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	834.7	804.5	85.1	92.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	919.8	897.4
4	INVESTMENTS	16,208.5	16,951.5	53,899.6	51,294.9	10,840.1	10,998.2	491.2	672.8	476.8	496.5	-945.6	-1,067.2	80,970.5	79,346.6
4.1	Investment property	1,779.0	1,823.3	9.9	10.1	1.2	1.1	41.6	41.6	459.8	474.0	0.0	0.0	2,291.4	2,350.2
4.2	Investments in subsidiaries, associates and joint ventures	61.8	77.9	4.6	4.7	7.0	7.0	0.4	0.2	0.0	0.3	0.0	0.0	73.7	90.0
4.3	Held-to-maturity investments	309.9	355.1	711.3	744.9	427.6	428.4	0.0	0.0	0.0	0.0	0.0	0.0	1,448.8	1,528.4
4.4	Loans and receivables	2,131.1	2,153.2	3,089.3	3,303.5	9,511.9	9,914.5	88.6	238.5	0.0	0.0	-939.1	-1,060.5	13,881.9	14,549.2
4.5	Available-for-sale financial assets	11,786.3	12,399.6	40,427.8	37,473.1	892.1	647.2	360.7	380.4	17.0	22.3	-6.6	-6.7	53,477.4	50,915.8
4.6	Financial assets at fair value through profit or loss	140.3	142.4	9,656.7	9,758.5	0.2	0.1	0.0	12.0	0.0	0.0	0.0	0.0	9,797.2	9,913.1
5	SUNDRY RECEIVABLES	2,162.4	2,424.0	627.2	692.0	97.3	92.1	244.7	223.2	28.2	28.6	-215.5	-245.3	2,944.2	3,214.6
6	OTHER ASSETS	960.6	757.6	132.0	132.1	424.0	411.6	527.2	515.4	29.5	25.4	-231.6	-229.9	1,841.7	1,612.2
6.1	Deferred acquisition costs	37.8	36.8	51.9	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	89.8	86.9
6.2	Other assets	922.7	720.7	80.1	82.1	424.0	411.6	527.2	515.4	29.5	25.4	-231.6	-229.9	1,751.9	1,525.3
7	CASH AND CASH EQUIVALENTS	542.5	447.9	370.4	515.0	88.3	100.9	1,015.2	945.3	83.0	75.4	-1,304.9	-1,210.1	794.5	874.4
	TOTAL ASSETS	23,263.9	23,966.1	55,746.9	53,378.1	11,472.6	11,624.5	2,490.0	2,575.6	969.7	981.6	-2,697.6	-2,752.5	91,245.5	89,773.3
1	EQUITY													8,006.1	8,444.5
2	PROVISIONS	412.2	454.7	28.3	28.9	30.0	23.2	601.6	590.1	8.4	15.9	-572.1	-562.7	508.5	550.1
3	TECHNICAL PROVISIONS	16,279.0	16,574.3	48,343.3	46,575.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	64,622.3	63,149.6
4	FINANCIAL LIABILITIES	1,565.4	1,542.6	3,740.1	3,341.0	10,110.4	10,459.4	1,888.2	1,906.6	203.4	203.3	-1,729.9	-1,881.5	15,777.6	15,571.4
4.1	Financial liabilities at fair value through profit or loss	123.8	62.7	2,962.8	2,573.0	5.4	7.5	18.9	12.9	0.9	1.7	0.0	0.0	3,111.7	2,657.8
4.2	Other financial liabilities	1,441.6	1,479.9	777.3	768.0	10,105.1	10,451.9	1,869.3	1,893.7	202.5	201.6	-1,729.9	-1,881.5	12,665.9	12,913.6
5	PAYABLES	694.3	621.5	157.5	168.6	153.5	73.5	196.8	179.5	26.8	23.1	-120.0	-148.5	1,108.9	917.7
6	OTHER LIABILITIES	648.2	638.5	387.8	299.6	431.3	330.1	18.0	19.6	12.4	12.0	-275.6	-159.9	1,222.1	1,139.9
	TOTAL EQUITY AND LIABILITIES													91,245.5	89,773.3