UnipolSai Assicurazioni
Consolidated Interim
Financial Report
at 30 June 2014

UnipolSai
ASSICURAZIONI

UnipolSai Assicurazioni S.p.A.

Registered office Via Stalingrado 45, Bologna - Share capital €1,996,129,451.62, fully paid-up
Tax Code and registration number in the Bologna Business Register 00818570012 - R.E.A. No. 511469
An authorised insurance company pursuant to Art. 65, Royal Decree No. 966 of 29 April 1923, converted to Law No. 473 of 17 April 1925. Entered in Section I of the Insurance and Reinsurance Companies List at No. 1.00006 and a member of the Unipol Insurance Group, entered in the Register of Insurance Groups - No. 046.
A company subject to management and direction by Unipol Gruppo Finanziario S.p.A.

www.unipolsai.com - www.unipolsai.it

Consolidated Half-Yearly Financial Report at 30 June 2014

Bologna, 6 August 2014

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Company bodies

Board of Directors

Chairman	Fabio Cerchiai (*)	
Vice Chairman	Pierluigi Stefanini (*)	
Chief Executive Officer and General Manager	Carlo Cimbri (*)	
Directors	Francesco Berardini	Maria Rosaria Maugeri
	Milva Carletti	Maria Lillà Montagnani
	Paolo Cattabiani	Maria Antonietta Pasquariello
	Lorenzo Cottignoli	Nicla Picchi (*)
	Ernesto Dalle Rive	Barbara Tadolini
	Ethel Frasinetti	Francesco Vella (*)
	Vanes Galanti	Mario Zucchelli
	Giorgio Ghiglieno	
	Massimo Masotti	
Secretary of the Board of Directors	Roberto Giay	

(*) Members of the Executive Committee

Board of Statutory Auditors

Chairman	Giuseppe Angiolini
Statutory Auditors	Sergio Lamonica
	Giorgio Loli
Alternate Auditors	Domenico Livio Trombone
	Maria Luisa Mosconi
	Giovanni Rizzardi

Audit Firm	PricewaterhouseCoopers S.p.A.

Joint representative of the Class 'A' Savings Shareholders	Dario Trevisan
Joint Representative of the Class 'B' Savings Shareholders	Giuseppe Dolcetti

Manager in charge of financial reporting	Maurizio Castellina

Interim Financial Report

Consolidation Scope at 30 June 2014

(line-by-line method - direct investments held out of total capital)

UnipolSai ASSICURAZIONI

REAL ESTATE SECTOR

- 100% Immobiliare Milano
  - Sintesi Seconda - 100%
- 100% Athens RE Fund
- 100% Campo Carlo Magno
- 95.00% Tikal RE Fund
- 100% UnipolSai Servizi Immobiliari
- 100% Nuove Iniziative Toscane
  - Consorzio Castello - 99.57%
- 100% Meridiano Aurora
- 100% SIM Etoile
- 100% Stimma
- 100% Villa Ragionieri
- 100% International Strategy
- 100% Immobiliare Fondiaria-SAI
  - Bramante - 100%
  - Cascine Trenno - 100%
  - Immobiliare Litorella - 100%
  - IN.V.ED. - 100%
  - Insediamenti Avanzati nel Territorio - 100%
  - Marina di Loano - 100%
  - Meridiano Bellarmino - 100%
  - Meridiano Bruzzano - 100%
  - Meridiano Secondo - 100%
  - Mizar - 100%
  - Progetto Bicocca La Piazza in liquidation - 74%
  - R.EDIL.MO. - 100%
  - S.E.I.S. - 51.67%
  - Trenno Ovest - 100%
- 100% Unifimm
- 100% Punta di ferro
- 100% Midi
  - Covent Garden BO - 100%
  - Comsider - 100%

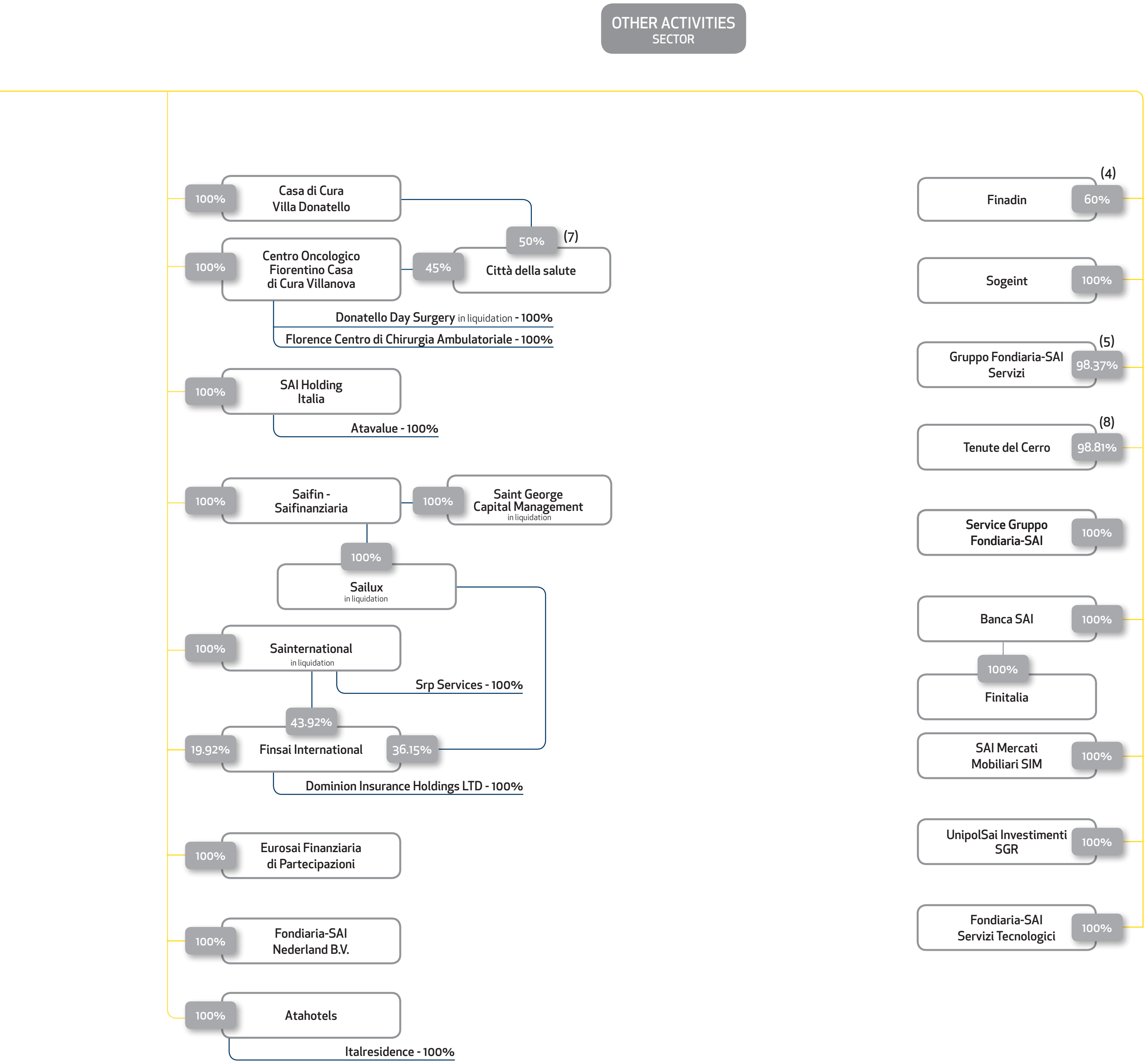
INSURANCE SECTOR

- 100% Systema
- 99.85% Dialogo Assicurazioni
- 99.97% Liguria
  - 100% Liguria Vita
- (6) 65.40% Pronto Assistance Servizi
- 100% Pronto Assistance
- 100% Europa Tutela Giudiziaria
- 51% Incontra Assicurazioni
- 50% BIM Vita
- (1) SIAT
- (2) 24.39% Popolare Vita
  - 100% The Lawrence Life Assurance Company LTD
- (3) The Lawrence RE Ireland LTD
  - 99.998% DDOR RE
- 99.99% DDOR Novi Sad
  - 0.002% DDOR RE
- 100% Smallpart
- 100% Auto Presto & Bene
  - APB Car Service - 70%

Additional investments held by Group companies:

(1) 94.69% indirect holding through SAI Holding Italia
(2) 25.61% indirect holding through SAI Holding Italia
(3) 100% indirect holding through Fondiaria-Sai Nederland wholly-owned by UnipolSai
(4) 40% held by Saifin-Saifinanziaria
(5) 1.63% held by other subsidiaries
(6) 34.6% held by other subsidiaries
(7) 5% held by other subsidiaries
(8) 1.19% held by Pronto Assistance

For more detailed information, please refer to the table appended to the Notes to the financial statements "Consolidation Scope"



Macroeconomic background and market performance

Macroeconomic background

The most recent information available on the economic performance of the Euro Area (relating to the first quarter of 2014) shows a scenario which is still quite weak (GDP up 0.9% on a trend basis). In general, said global economic performance was below expectations (around 2.5% on an annual basis). This figure was affected by adverse weather conditions which impacted the United States in the first few months of the year.

Expectations over a pick-up in the economy in the second half of the year appear to have been called into question by the sudden change in the trend recorded on the financial markets as a result of the crisis suffered recently by the main private Portuguese bank, Banco Espirito Santo. On the other hand, in May, the industrial production index of the Euro Area countries recorded a decrease of 1.1% compared to April. Other factors of uncertainty were recorded, in the form of financial instability in China, due to the excessive debt of the private sector, and the new wave of violence that erupted in the last few weeks in the Middle East, which could be reflected in the price of oil.

In light of this context, the International Monetary Fund has cut growth estimates for the European economy for 2014 from 1.2% in April to 1% in July.
The trend in the US economy appears to be different, with the most recent forecasts indicating a likely rate of growth, in the second quarter, of a little over 3% YoY, also thanks to the improvement in the job market (unemployment rate of 6.1% in June) which should, in the coming months, foster an increase in salaries and consumption. The Federal Reserve continues to apply official interest rates that are close to zero, highlighting a judgment which is still not altogether positive in terms of the level of employment in the United States, and therefore showing itself to be unconcerned about trends in inflation.
The relative easing of fiscal tightening in many European countries should allow some more room for domestic demand, also favoured by an accommodating monetary policy approach.

In its June meeting, the European Central Bank (ECB) adopted an additional set of initiatives aimed at supporting an economic recovery through the provision of credit to the real economy. At the same time, the Frankfurt-based institute is aiming for a partial weakening of the Euro, a move considered capable of reducing the risk of deflation. In particular, the reference rate was cut from 0.25% to 0.15% and, for the first time in its history, the ECB took the deposit rate paid to commercial banks that leave funds in the relative treasury accounts into negative territory, and now stands at -0.10%. Other measures were also defined, like the ‘Targeted Longer-Term Refinancing Operations (TLTRO)’, whose objective is to provide funds to European banks in the medium-term at rates just above zero (0.25%) on the condition, however, that the banks use them to finance the real economy. The President of the European Central Bank, Mario Draghi, confirmed that, should this structured set of measures not deliver the desired results, the ECB could, as a last resort, implement quantitative easing without, however, specifying the timescales and the nature of the assets subject to acquisition.

In the first quarter, Italian GDP suffered another decrease (-0.5% on a trend basis). Expectations of a recovery in economic activity in the second quarter were partially disregarded by the fall in the industrial production index recorded in May (-1.8% on a trend basis). Changes in prices remain at dangerously low levels (+0.3% in June), while the unemployment rate still remains high (12.3% in June, 0.8% above the Euro Area average). In May, the retail sales index fell by 0.5% compared to the same month in 2013.

A less restrictive fiscal policy, stabilisation of employment and a scenario of low inflation should stimulate an impending increase in private consumption, even if the recent slowdown in Italian exports to non-EU countries sparks worries. The management of public finances appears to be persistently complex, gripped between the need to avoid increasing the tax burden on the economy and the commitments to reduce the weight of debt. Debt reached a new high of €2,166bn at the end of May (in absolute terms).

One factor which is destined to have a significant impact on the Italian context is the action that the government may take to implement institutional reforms and, more generally speaking, to make the Public Administration more efficient. The confidence in the actual application of these changes, also called for by a recent document issued by the International Monetary Fund, provides the basis for the interest expressed by foreign investors in our real and financial activities.

Financial Markets

In the first six months of this year, the medium and long-term part of the money market rate curve recorded a clearer decrease (the ten-year rate decreased from 2.16% at 31 December 2013 to 1.44% at the end of June). The short-term part recorded a smaller change, where the 6-month Euribor (0.39% at the end of 2013) firstly went back up to 0.42% at the end of March 2014, then settled at 0.30% on 30 June. As regards Government rates, the first half of the year registered a decrease in the inclination of the US treasury bond yield curve, the result of a reduction in longer maturities and essentially unchanged shorter term maturities. The downward shift of rates on German Government bonds was more consistent, even though in this case too, the biggest changes were the preserve of the longer maturities. A similar translation to German bonds, even if to a less significant extent, was recorded by the yield curve on Italian BTPs (Long-Term Treasury Bond). Consequently, in the first six months of 2014, the spread between the rates of Italian and German Government bonds fell over the entire period of maturities, even if the biggest decrease was recorded in the first quarter of the year.

In the second quarter of 2014, the share markets of the so-called peripheral countries of the Euro Area recorded less stellar performances, hence limiting their recovery with respect to the stock markets of the core countries. The Eurostoxx 50 index, representing Eurozone equities with the highest level of capitalisation, increased by 2.1% (+3.8% in the half year) in the period under review. The performance of the German DAX was positive, at +2.9% (stable from the start of the year), while Borsa Italiana recorded a decrease of 1.9% (+12.2% in the half year). Lastly, the IBEX of Madrid gained 5.6% in the same period (+10.2% since the start of 2014).

Shifting the analysis beyond Europe, the Standard & Poor’s 500 index, representing the main listed US companies, recorded +4.7% growth in the second quarter (+6.1% from the start of the year), while in Japan the Nikkei index partly made up the losses of the first quarter, with +2.3% (-6.9% in the half). Lastly, in relation to the emerging market indices, the most representative index, the Morgan Stanley Emerging Market, rose by +4.2% in the second quarter of the year (+3.3% year to date).
The iTraxx Senior Financial index, representing the average spread of companies in the financial sector with high credit ratings, declined by 25.5 basis points, from 93.4 to 67.9 during the second quarter (in the half, it fell by 18.9 basis points, from 86.8 to 67.9). Most of this improvement was brought about by the set of actions the ECB decided to implement at its June meeting.

Insurance Sector

Worldwide, premiums grew by 1.4% overall in 2013, with a faster growth rate in the Non-Life business (+2.3%) than in the Life business (+0.7%). However, it is important to stress the difference between the performance in advanced economies, where total business grew by a mere 0.3%, and in emerging Countries, where the volumes in the insurance sector expanded by 7.4%. In this environment, Italy is distinguishing itself by strong growth in Life premiums (in the first five months of 2014, the new production of individual Life policies grew by 34.3%) while the ANIA survey for the first quarter of the year pointed to a 2.4% contraction in Non-Life premiums (domestic companies, representative samples of EU and non-EU companies).

The main Non-Life class, MV TPL, recorded a particularly significant decrease (-6.9% in the first quarter). This decrease is attributable predominantly to two phenomena: the fall in tariffs applied to customers and, to a lesser extent, the reduction in the number of insured vehicles. As regards the first point, various surveys confirm the reduction in the average price paid to acquire MV TPL policies. According to ANIA, a YoY decrease of close to 6% was recorded. Comparable conclusions were reached by a similar survey taken by IVASS. The fall in prices is essentially the result of a decrease in the claims frequency, linked, in turn, to the significant fall in average mileage caused by the economic crisis. In this context, increased competitive tension between companies was then triggered, which led to a greater reduction in the average premium than would have been justified exclusively by the technical data. Another factor which causes downward pressure on the average price is the constant search for better terms by policyholders: in 2012, 26% of subscribers of MV TPL policies had changed companies in the last two years. The number of insured vehicles still continued to fall, also combined with behaviour aimed at insurance avoidance: recent ACI estimates put the number of uninsured vehicles at 3.8 million, roughly 8% of vehicles on the road. After years of decreases, vehicle registrations increased by 3.2% in the first six months of 2014, compared to the same period in 2013. This settling of the car market, connected, nonetheless to company purchases, helped avoid another drop in Land Vehicle Hull class premiums, whose decrease was limited to 3%. We should remember that this insurance cover (non-obligatory) represented the prime candidate for family spending cuts.

The remaining non-MV Non-Life classes recorded a recovery in premiums (+2.4% in the first quarter). As regards the most important sectors, we should underline the steady progression of the Illness class (+5.9%) and the Fire class (+3%). The Credit class (+8.2%) felt the effects of heavy pressure from demand, especially regarding the coverage of trade receivables, even though it should be stressed that the bulk of business is now the preserve of specialised companies with offices in countries belonging to the European Economic Area. This dualism is also in evidence for the other classes (the most significant of which General TPL), therefore the increase in the volume of business intermediated by the sub-group of EU countries stood at 3.1%, compared to 2.2% chalked up by the group containing the national companies and representatives of non-EU countries. The desired improvement in the national economic context should also fuel the recovery in Non-Life insurance business more directly connected with companies. There could also be leeway at a later stage for growth in households' financial means, despite the question of Italians' modest propensity to insure, now a structural issue, remaining open. Some steps forward in this direction could also be achieved thanks to the opening of new sales channels (postal branches, banks, large-scale retail trade) able to reach consumers that would otherwise be difficult to reach via traditional channels (such as agents and brokers).

In the first five months of 2014, new production of individual life insurance policies signalled an increase of 34.3%, resulting from growth of 43.5% for domestic companies and a decrease of 4.9% in activities relating to representatives of companies belonging to the European Economic Area. These are extraordinary results, the cornerstone of which was activities at bank and postal branches (growth in new production of the channel - +57.6%). The stagnation of loans, linked to the disappointing trend in domestic production, reducing the need for the procurement of direct funding, allowed banking networks to offer their customers products characterised by a higher profit return through the same intermediaries, typically the various asset management options. In terms of products, Class I products were the most sold products, benefitting from the low interest rates and capital (or yield) guarantees frequently offered by companies.

In 2013, the result for the year of Italian insurance companies was around €5bn, down compared to roughly €6bn in the previous year, in particular due to the fall in the return on investments. Contributions were made to this result by both the life segment and the Non-Life segment, in which, in contrast to a decrease of 3.5% in premiums, a fall of 9.2% was recorded in expenses for claims. An initial assessment of this glimpse into 2014 confirms that insurers will find it difficult to maintain a financial return in 2014 similar to the one in the past year. On the other hand, while the Life segment is achieving exceptional growth, also in terms of net premiums (+€11bn in the first quarter of 2014 alone, compared with €19bn for the whole of 2013), the Non-Life segment will likely record a decrease in technical profitability from the MV TPL class, connected with a reduction in average premiums greater than the fall in claims (in absolute terms). The claims frequency is still down when compared with the first quarter of 2014 and that of the previous year, however, this decrease appears to have slowed considerably and it is possible that the accident levels reached will now be difficult to squeeze any further, at least without structural measures to deal with road traffic. In this context, the need for extreme caution in the underwriting phase is reiterated, in order to avoid compromising the technical balance in Non-Life classes. In the same way a review of the processes able to help improve the efficiency of the activities performed by insurers cannot be overlooked.

Banking and assets under management

The figures taken from the Bank of Italy's Statistical Bulletin show that, in May, the volume of loans to non-financial companies rose by 1% compared to the end of 2013. Direct disbursements to households instead registered a decrease of 0.7%. On the whole, loans granted by Italian banks recorded a decrease of almost €68bn from the start of the year. The securities portfolio also appeared to contract (-4.2%). Liabilities recorded similar changes. Direct funding from residents fell by 3.2% compared to December 2013. The amount of bonds fell considerably (-7.6%), repurchase transactions were down 15.5%, while deposits saw an increase of 0.8%. Funding from overseas continued to fall, down to €308bn. (-5.3% compared to December 2013).

These figures clearly reflect the difficult situation being experienced by the country's economy. The low level of production activities discourages investments and, consequently, also the demand for loans from companies. On the other hand, the higher credit risk still does not appear to be abating: in April, the ratio of bad and doubtful loans to loans to non-financial companies stood at 14.2%, up compared to 13.3% in December 2013. Within this context, it is inevitable that providers will place restrictions on the granting of credit. As regards households, some signs of a pick-up appeared to emerge in terms of an increase in the demand for credit for home purchases. There are those who believe that the real estate market is now close to bottoming out. Consumer credit is the component pushing down loans to households. This segment is impacted by the high level of unemployment and the unsatisfactory trend in disposable income, factors which lead people to put off the decision to purchase durable goods.

In April, the interest rate required on new loans to non-financial companies recorded a decrease. Two contrasting trends lie behind this figure, however: a significant reduction in the pricing of loans of more €1m and an increase in pricing on small loans. It is easy to see, from said trend, that the terms applied to small and medium companies have worsened, adversely impacted by the financial fragility and difficulties in accessing alternative sources of financing to bank credit. Despite the easing of tensions on the sovereign debt market, Italian companies (including large companies) still have to pay higher financial expenses than their competitors operating in other European countries. The reduction in yield spreads on Government bonds created room for a significant recovery of the cost of retail deposits. Returns on new deposits with established maturities for households and companies suffered from this in particular.

The yield spread should register an increase, linked primarily to the positive trend of the mark-down, the result of the aforementioned decrease in rates applied to deposits. This trend would be reflected in a marginal improvement in the interest margin. The services margin is also expected to grow due to the satisfactory performance of net commission income. However, the contribution to profitability from securities trading is expected to fall. On the whole, the banking system's profit is forecast to grow due to the easing of loan adjustments and a reduction in operating expenses.

Pension fund market

A total of six million and three hundred thousand people were subscribed to the various forms of supplementary pension at the end of March 2014. This marked an increase of 1.5% compared to December 2013. This variation is the result of considerable stagnation in member numbers for occupational pension funds (+0.2% in the quarter), significant growth in open-ended funds (+1.8%) and a more sustained trend in subscriptions of ‘new’ Personal Pension Funds (+3.5%). Members of the latter segment (more than two million and two hundred thousand) have now exceeded those of occupational pension funds (just over one million and nine hundred thousand). Managed volumes also rose: in the first three months of 2014, the amount of funds allocated for services touched €119bn, marking an increase of 2.2% compared to December 2013.
Financial management of pension funds registered a moderate performance, generating a return of 1.8% in the quarter, compared to 0.4% guaranteed by Post-employment benefits.

A study by the State General Accounting Office recently certified the financial sustainability of the Italian pension system. According to the calculations of the above Office, the medium/long-term trends in pension spending in relation to GDP emphasise that the Italian pension system reform process succeeded, to a large degree, in offsetting the potential effects of the demographic transition on public spending in the next few decades. The State General Accounting Office then underlined that the introduction of supplementary pensions may make a significant contribution to enhancing the future performance of replacement rates. This is a central aspect as regards pensions, since low replacement rates generate the risk of the further spread of poverty among future retirees. This is the umpteenth recognition of the importance of encouraging greater use of these supplementary pension instruments by workers.

Real Estate Market

In the first few months of 2014, the recovery of the confidence indexes calculated by ISTAT (households and companies) generated undoubted general optimism which was also reflected in the real estate market. Various factors, including GDP for the first quarter of 2014, the weakness of the performance of the industrial production index and the stagnation in employment, subsequently led to greater awareness of the ongoing difficulties of the country’s economic situation and its inevitable repercussions on the real estate sector.
The Nomisma Observatory reported that, in the first quarter of 2014, the prices of new homes fell by 2.2%, while the prices of pre-owned homes fell by 2.6%, with similar variations recorded by offices (-2.7%) and stores (-2.5%). Rental income also followed a similar trend. With respect to the pre-crisis peaks, property values suffered nominal depreciation on average of around 20%.
The Italian Inland Revenue signalled a slight increase in property sales (calculated in terms of the number of normalised transactions) during the first quarter of 2014 (+1.6% compared to the same period in 2013). This figure is the average of an increase achieved by the home segment (+2.2%) and that of commercial enterprises (+4.7). The number of transactions concerning properties for production (-0.8%) and services (-10.3%) use continued to decrease. However, we need to bear in mind that the more favourable tax system, which came into force at the start of 2014, helped postpone the signing of many sales deeds from the fourth quarter of 2013 to the first quarter of 2014, hence determining a statistical inconsistency.

Some encouraging signs emerged on the credit front: in the first quarter, the amount of mortgages provided rose by 5.3% on a trend basis. However, the amount of properties acquired with a mortgage still remained low: less than 40% compared to historical values of close to 60%.
The Bank of Italy’s quarterly survey (‘Italian Housing Market Survey - Short-Term Outlook’), conducted on a sample of real estate agents regarding the status of the housing market, indicates that expectations concerning price trends remain predominantly negative in the first half of 2014 as well. This survey also showed that the average selling time for a property has now exceeded nine months and the average discount requested now comes to 15.5% of the starting price.

Recognition of the business combination and restatement of the previous year's figures

On 6 January 2014 the merger by incorporation of Unipol Assicurazioni, Milano Assicurazioni and Premafin into Fondiaria-SAI took effect, with accounting and tax effects backdated to 1 January 2014. The resulting company took the name of UnipolSai Assicurazioni SpA ('UnipolSai') (the 'Merger').

According to the IAS/IFRS, the Merger is a business combination under common control, as all of the companies participating in the merger were previously controlled by Unipol Gruppo Finanziario (hereinafter, also 'Unipol' or ' UGF').

A business combination under common control is explicitly excluded from application of IFRS 3 and currently is not specifically governed by other international accounting standards or interpretations As no specific provisions of the IFRS were found to be applied to the Merger, based on IAS 8.10 the management must use its judgement in developing and applying an accounting policy that results in information that is relevant and reliable. In making that judgement, the company's management must consider (i) the requirements and application guidance in the IFRS, dealing with similar and related cases and (ii) the definitions, criteria and concepts set out in the Framework.

UnipolSai, in agreement with Unipol, taking into consideration the above, decided that the correct accounting treatment to suitably represent the purposes of the business combination should be based on the following main assumptions:

- the Unipol Group, considered as a single economic entity, changed as a result of the acquisition of the Premafin Group finalised in July 2012;
- in the Unipol Group's plans, the subsequent reorganisation has the sole purpose of rationalising its structure, replicating the image transmitted to the market as much as possible, also at corporate level.

The Unipol Group thus decided to confirm, also with regard to the former Premafin Group, the choice of implementing a sole, comprehensive management, which is suitably expressed in the valuations, estimates and accounting policies adopted in drawing up the financial reports.

UnipolSai thus deems that said sole, comprehensive management may be suitably represented in the consolidated financial statements of UnipolSai exclusively by recognising the values of the acquired assets and liabilities based on the values set out in the consolidated financial statements of the Group the companies belong to.

Thus, the Interim Financial Report at 30 June 2014 was prepared using the same values as the consolidated financial statements of UGF, confirming the effects of the purchase price allocation previously carried out at the time UGF acquired control over the Premafin Group (hereinafter 'Purchase Price Allocation' or 'PPA'). As permitted by IFRS 3, these effects were measured at the end of the measurement period - equal to one year from the acquisition date and reported in the condensed interim consolidated financial statements of UGF at 30 June 2013.

This resulted in the values differing from those in the consolidated financial statements of UnipolSai at 31 December 2013, approved by the Board of Directors on 20 March 2014 and referring to the scope of the Group prior to the Merger. As a result, the values for 2013 reported in this Interim Financial Report as comparative figures for the previous year were restated in line with the accounting criteria applied for the business combination.

Restatement of previous year's figures

Below we provide the reconciliation between the values of the 2013 Consolidated Statement of Financial Position and the Consolidated Income Statement figures at 30 June 2013 of UnipolSai (scope of the Fondiaria-SAI Group prior to the Merger) originally approved and published and the values of the same Group restated as illustrated above.

Consolidated Statement of Financial Position - Assets

	Amounts in €m	31/12/2013 originally approved	Adjustments to UGF values	31/12/2013 restated
1	INTANGIBLE ASSETS	1,009	-485	524
1.1	Goodwill	970	-970	0
1.2	Other intangible assets	40	484	524
2	PROPERTY, PLANT AND EQUIPMENT	385	138	522
2.1	Property	319	138	457
2.2	Other tangible assets	66	0	66
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	742	0	742
4	INVESTMENTS	33,817	487	34,304
4.1	Investment property	2,065	520	2,584
4.2	Investments in subsidiaries, associates and joint ventures	159	0	159
4.3	Investments held to maturity	627	-1	626
4.4	Loans and receivables	2,855	-108	2,747
4.5	AFS financial assets	22,570	87	22,656
4.6	Financial assets at fair value through profit or loss	5,540	-10	5,531
5	OTHER RECEIVABLES	1,901	0	1,901
5.1	Receivables from direct insurance operations	1,082	0	1,082
5.2	Receivables from reinsurance operations	98	0	98
5.3	Other receivables	721	0	721
6	OTHER ASSETS	1,424	420	1,843
6.1	Non-current assets or disposal groups classified as held for sale	204	-65	139
6.2	Deferred acquisition costs	63	0	63
6.3	Deferred tax assets	695	494	1,189
6.4	Current tax assets	217	0	217
6.5	Other assets	244	-9	235
7	CASH AND CASH EQUIVALENTS	599	0	599
	TOTAL ASSETS	39,875	559	40,434

Consolidated Statement of Financial Position - Liabilities and Shareholders' Equity

	Amounts in €m	31/12/2013 originally approved	Adjustments to UGF values	31/12/2013 restated
1	SHAREHOLDERS' EQUITY	3,226	-160	3,066
1.1	attributable to the Group	2,510	-185	2,325
1.1.1	Share capital	1,195	0	1,195
1.1.2	Other equity instruments	0	0	0
1.1.3	Capital reserves	199	0	199
1.1.4	Retained earnings and other equity reserves	613	-498	116
1.1.5	(Treasury shares)	-68	68	0
1.1.6	Reserve for currency translation differences	-69	73	5
1.1.7	Gains or losses on AFS financial assets	285	212	497
1.1.8	Other gains or losses recorded directly in equity	26	1	26
1.1.9	Profit (loss) for the period attributable to the Group	330	-41	288
1.2	attributable to non-controlling interests	716	25	741
1.2.1	Non-controlling interest capital and reserves	574	-54	521
1.2.2	Gains or losses recorded directly in equity	55	68	123
1.2.3	Profit (loss) for the period attributable to non-controlling interests	87	10	97
2	PROVISIONS	317	3	320
3	TECHNICAL PROVISIONS	32,783	18	32,800
4	FINANCIAL LIABILITIES	2,248	-22	2,226
4.1	Financial liabilities at fair value through profit or loss	554	0	554
4.2	Other financial liabilities	1,694	-22	1,672
5	PAYABLES	655	0	655
5.1	Payables from direct insurance operations	95	0	95
5.2	Payables from reinsurance operations	73	0	73
5.3	Other payables	487	0	487
6	OTHER LIABILITIES	646	720	1,366
6.1	Liabilities of a disposal group held for sale	53	22	74
6.2	Deferred tax liabilities	133	694	827
6.3	Current tax liabilities	68	-1	67
6.4	Other liabilities	393	5	398
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	39,875	559	40,434

INCOME STATEMENT

	Amounts in €m	30/06/2013 originally approved	Adjustments to UGF values	30/06/2013 restated
1.1	Net premiums	5,235	0	5,235
1.1.1	*Gross premiums written*	*5,402*	*0*	*5,402*
1.1.2	*Premiums ceded to re-insurers*	*-168*	*0*	*-168*
1.2	Commission income	6	0	6
1.3	Income and charges from financial instruments at fair value through profit or loss	8	-7	1
1.4	Income from investments in subsidiaries, associates and joint ventures	0	0	0
1.5	Income from other financial instruments and investment property	616	76	691
1.5.1	*Interest income*	*442*	*39*	*481*
1.5.2	*Other income*	*64*	*0*	*64*
1.5.3	*Profits realised*	*107*	*38*	*145*
1.5.4	*Valuation gains*	*2*	*-2*	*0*
1.6	Other income	237	-6	230
1	TOTAL REVENUES AND INCOME	6,101	63	6,164
2.1	Net charges relating to claims	-4,375	-19	-4,394
2.1.2	*Amounts paid and changes in technical provisions*	*-4,468*	*-19*	*-4,487*
2.1.3	*Reinsurers' share*	*94*	*0*	*94*
2.2	Commission expenses	-3	0	-3
2.3	Expenses from investments in subsidiaries, associates and joint ventures	-3	0	-3
2.4	Expenses from other financial instruments and investment property	-183	60	-123
2.4.1	*Interest expense*	*-27*	*-8*	*-35*
2.4.2	*Other charges*	*-34*	*0*	*-34*
2.4.3	*Losses realised*	*-41*	*16*	*-25*
2.4.4	*Valuation losses*	*-81*	*52*	*-29*
2.5	Operating expenses	-800	0	-801
2.5.1	*Commissions and other acquisition expenses*	*-587*	*0*	*-587*
2.5.2	*Investment management expenses*	*-8*	*0*	*-8*
2.5.3	*Other administration expenses*	*-205*	*0*	*-205*
2.6	Other costs	-418	-57	-475
2	TOTAL COSTS AND CHARGES	-5,782	-16	-5,799
	NET PROFIT (LOSS) FOR THE PERIOD BEFORE TAXES	318	47	365
3	Income taxes	-147	-9	-155
	NET PROFIT (LOSS) FOR THE PERIOD AFTER TAXES	172	38	210
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	0	0	0
	CONSOLIDATED PROFIT (LOSS)	172	38	210
	of which attributable to the Group	*118*	*25*	*143*
	of which attributable to non-controlling interests	*54*	*13*	*66*

The main effects on the Statement of Financial Position at 31 December 2013 are summarised below:

- elimination of goodwill relating to the consolidated financial statements of Fondiaria-SAI (amounting to €970m), due to the fact that, following acquisition by UGF, the goodwill was recalculated by UGF based on the PPA;
- fair value measurement of other intangible assets pertaining to the Life and Non-Life classes ('VIF' and 'VOBA') net of the intangible assets already included in the consolidated financial statements of Fondiaria-SAI prior to the acquisition, net of the amortisation recorded up to the reference date (total effect of €484m);
- adjustment to fair value at the purchase date of the property, plant and equipment relating to property used in operations and investment property (totalling €658m) determined based on appraisals by assigned independent experts, net of the changes occurring (including depreciation) up to the reference date;
- adjustment to fair value and reclassification of a portion of financial assets, with the resulting decrease in loans and receivables (of €108m), increase in available-for-sale financial assets (of €87m) and decrease in financial assets at fair value through profit or loss (of €10m). This reclassification was carried out in order to align with the classification criteria used by the UGF Group;
- decrease (of €65m) in non-current assets or disposal groups classified as held for sale, as a result of the changed composition and value of intangible assets attributable to the company portfolio assigned to Allianz;
- increase in provisions for risk due to the recognition of contingent liabilities relating to events occurring prior to the date of acquisition by UGF (€3m);
- recalculation of the technical provisions for adjustments due to the effects of shadow accounting as a result of the different value attributed to financial assets (total effect of €18m);
- fair value adjustment of subordinated loans (amounting to €22m) included under other financial liabilities and recognised at amortised cost;
- increase (of €22m) in non-current liabilities or disposal groups classified as held for sale, mainly as a result of the deferred tax liabilities relating to intangible assets attributable to the company portfolio assigned to Allianz;
- recognition of the tax effects of previous adjustments.

The main effects on the Income Statement at 30 June 2013 are summarised below:

- the impact on income and charges from financial instruments at fair value through profit or loss (-€7m) was due to the standardisation of the measurement method and accounting representation of derivatives;
- the increase in interest income (€39m) related to the recalculation of the amortised cost of AFS financial assets, loans and receivables and investments held to maturity based on the fair value determined at the time of PPA;
- the increase in profits realised (€38m) related to the recalculation of the profit realised based on the fair value of AFS financial assets (totalling +€40m) and investment property (-€1m) calculated at the time of PPA;
- the reduction in valuation gains (€2m) related to the recalculation of the result of the fair value measurement of investment property, carried out at the time of PPA;
- the reduction in other revenues (€6m) is mainly due to the elimination of the capital gain on investments already recorded in shareholders' equity at the time of PPA;
- the increase in item amounts paid and changes in technical provisions (amounting to €19m) is mainly due to the adjustment of shadow accounting relating to the recalculation of the effects on the fair value of financial assets;
- the increase in interest expense (€8m) is due to the recalculation of the amortised cost of subordinated financial liabilities of Fondiaria-SAI and Milano Assicurazioni based on the fair value determined at the time of PPA;
- the reduction in losses realised (€16m) related to the recalculation of the losses realised during the period based on the fair value of AFS financial assets and loans and receivables calculated at the time of PPA;
- the reduction in valuation losses (€52m) related to lower depreciation during the period on investment property due to the recalculation of the fair value at the time of PPA and the standardisation of the

accounting standards (for a total of €12m) and the elimination of valuation losses on AFS financial assets and investment property (€40m);

- the increase in other costs (€57m) was mainly due to the allocation of amortisation of intangible assets, i.e. VIF and VOBA, measured at the time of PPA (amounting to €79m), the reversal of the amortisation of intangible assets posted to the subsidiaries Liguria Assicurazioni and DDOR (€4m) and the elimination of allocations to provisions already included at the time of PPA at 1 July 2012 (€18m);
- recognition of the tax effects of previous adjustments.

Recognition of the business combination: quantitative information

As a result of the Merger, the UnipolSai Group incorporated the assets and liabilities of the former Premafin Group, other than those pertaining to the former Fondiaria SAI Group, and the assets and liabilities of the Unipol Assicurazioni Group.

As previously illustrated, the assets and liabilities acquired through the incorporation were recognised, with accounting effects on 1 January 2014, at the same values assigned in the consolidated financial statements at 31 December 2013 of the joint parent company UGF.

The tables below illustrate the effects of the merger in relation to the opening balances of the UnipolSai consolidated financial statements at 1 January 2014.

UnipolSai ASSICURAZIONI

Consolidated Statement of Financial Position - Assets

	Amounts in €m	31/12/2013 restated	Effects of the merger	Post-merger opening consolidated financial statements
1	INTANGIBLE ASSETS	524	372	896
1.1	Goodwill	0	307	307
1.2	Other intangible assets	524	65	589
2	PROPERTY, PLANT AND EQUIPMENT	522	357	879
2.1	Property	457	324	781
2.2	Other tangible assets	66	32	98
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	742	273	1,015
4	INVESTMENTS	34,304	21,951	56,254
4.1	Investment property	2,584	665	3,249
4.2	Investments in subsidiaries, associates and joint ventures	159	321	480
4.3	Investments held to maturity	626	1,488	2,115
4.4	Loans and receivables	2,747	3,980	6,727
4.5	AFS financial assets	22,656	12,248	34,904
4.6	Financial assets at fair value through profit or loss	5,531	3,248	8,779
5	OTHER RECEIVABLES	1,901	1,196	3,097
5.1	Receivables from direct insurance operations	1,082	714	1,796
5.2	Receivables from reinsurance operations	98	31	129
5.3	Other receivables	721	451	1,172
6	OTHER ASSETS	1,843	419	2,263
6.1	Non-current assets or disposal groups classified as held for sale	139	0	139
6.2	Deferred acquisition costs	63	14	77
6.3	Deferred tax assets	1,189	285	1,474
6.4	Current tax assets	217	5	222
6.5	Other assets	235	115	350
7	CASH AND CASH EQUIVALENTS	599	1,030	1,628
	TOTAL ASSETS	40,434	25,597	66,031

Consolidated Statement of Financial Position - Liabilities and Shareholders' Equity

	Amounts in €m	31/12/2013 restated	Effects of the merger	Post-merger opening consolidated financial statements
1	SHAREHOLDERS' EQUITY	3,066	2,504	5,570
1.1	attributable to the Group	2,325	2,886	5,211
1.2	attributable to non-controlling interests	741	-382	359
2	PROVISIONS	320	196	516
3	TECHNICAL PROVISIONS	32,800	19,894	52,694
4	FINANCIAL LIABILITIES	2,226	2,214	4,440
4.1	Financial liabilities at fair value through profit or loss	554	609	1,163
4.2	Other financial liabilities	1,672	1,605	3,277
5	PAYABLES	655	377	1,033
5.1	Payables from direct insurance operations	95	57	151
5.2	Payables from reinsurance operations	73	10	83
5.3	Other payables	487	311	798
6	OTHER LIABILITIES	1,366	412	1,779
6.1	Liabilities of a disposal group held for sale	74	0	74
6.2	Deferred tax liabilities	827	86	913
6.3	Current tax liabilities	67	46	113
6.4	Other liabilities	398	280	678
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	40,434	25,597	66,031

Group highlights

GROUP HIGHLIGHTS

Amounts in €m

	30/6/2014	30/6/2013 restated	30/6/2013 on a like-for-like basis
Direct Non-Life Insurance Premiums	4,437	3,049	4,774
% variation	*45.5*		
% variation on a like-for-like basis	*-7.1*		
Direct Life Insurance Premiums	4,471	2,284	3,403
% variation	*95.7*		
% variation on a like-for-like basis	*31.4*		
of which Life insurance investment products	*23*	*21*	*30*
% variation	*10.1*		
% variation on a like-for-like basis	*-21.8*		
Direct Insurance Premiums	8,907	5,333	8,177
% variation	*67.0*		
% variation on a like-for-like basis	*8.9*		
Life Classes Annual Premium Equivalent (APE) - Group portion	359	155	281
% variation	*131.5*		
% variation on a like-for-like basis	*27.8*		
Non-Life Classes Loss ratio - direct premiums	67.7%	70.2%	68.8%
Non-Life Expense Ratio - direct premiums	26.3%	22.4%	23.9%
Non-Life Combined Ratio - direct premiums	94.0%	92.6%	92.7%
Net income from financial instruments (excl. Ass. and Liab. designated at FV)	1,039	531	837
% variation	*95.7*		
% variation on a like-for-like basis	*24.2*		
Consolidated result	357	210	342
% variation	*70.3*		
% variation on a like-for-like basis	*4.5*		
Comprehensive income statement result	950	136	292
% variation	*n.s.*		
% variation on a like-for-like basis	*n.s.*		

GROUP HIGHLIGHTS

Amounts in €m

	30/6/2014	31/12/2013 restated	31/12/2013 on a like-for-like basis
Investments and liquidity	62,017	35,359	58,664
% variation	*75.4*		
% variation on a like-for-like basis	*5.7*		
Technical provisions	54,991	32,800	52,694
% variation	*67.7*		
% variation on a like-for-like basis	*4.4*		
Financial liabilities	4,104	2,226	4,440
% variation	*84.3*		
% variation on a like-for-like basis	*-7.6*		
Shareholders' Equity attributable to the Group	5,766	2,325	5,210
% variation	*148.0*		
% variation on a like-for-like basis	*10.7*		
No. Staff	11,659	7,461	11,163

Alternative performance indicators

	classes	30/06/2014	30/06/2013	30/06/2013 on a like-for-like basis
Loss ratio - direct premiums (including OTI ratio)	non-life	67.7%	70.2%	68.8%
Expense ratio - direct premiums	non-life	26.3%	22.4%	23.9%
Combined ratio - direct premiums (including OTI ratio)	non-life	94.0%	92.6%	92.7%
Loss ratio - net of reinsurance	non-life	68.6%	71.1%	69.8%
Expense ratio - net of reinsurance	non-life	26.4%	22.3%	24.2%
Combined ratio - net of reinsurance	non-life	94.9%	93.4%	94.0%
Premium retention ratio	non-life	94.8%	94.8%	95.3%
Premium retention ratio	life	99.8%	99.8%	99.7%
Premium retention ratio	total	97.3%	96.9%	97.1%
Group pro-rata APE (amounts in €m)	life	359	155	281
Expense ratio - direct premiums	life	4.2%	4.6%	4.1%
Expense ratio - direct and indirect premiums	life	4.2%	4.6%	4.1%

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. From 2013, the *OTI ratio* (the ratios of the previous periods were adjusted accordingly) was also included in the Loss ratio.

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

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

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.

Management report

Creation of UnipolSai Assicurazioni

On 6 January 2014 (‘Effective Date’), following the recognition of the associated deed at the competent offices of the Business Register, on 2 January 2014, the merger by incorporation of Unipol Assicurazioni, Milano Assicurazioni and Premafin (jointly the ‘Merged Companies’) into Fondiaria-SAI (the ‘Merging Entity’) took effect, with accounting and tax effects backdated to 1 January 2014. The resulting company simultaneously took the name of UnipolSai Assicurazioni SpA or UnipolSai.

At the Effective Date, all shares of the merged companies were cancelled and exchanged for shares of the Merging Entity, which arranged:

- the assignment of all shares of the Merging Entity owned by the Merged Companies through their redistribution via the share swaps, without ever being acquired as treasury shares of the Merging Entity, and
- for the remainder, to increase its own share capital by €782,960,791.85 through the issue of 1,330,340,830 new ordinary shares and 55,430,483 new Class B savings shares, all without par value and offering regular dividend entitlement, to be assigned to shareholders of Unipol Assicurazioni, Milano Assicurazioni and Premafin, with the following share swap ratio:
  - 0.050 ordinary shares of the Merging Entity for every Premafin ordinary share;
  - 1.497 ordinary shares of the Merging Entity for every Unipol Assicurazioni ordinary share;
  - 0.339 ordinary shares of the Merging Entity for every Milano Assicurazioni ordinary share;
  - 0.549 Class B savings shares of the Merging Entity for every Milano Assicurazioni savings share.

The amendments to the By-Laws associated with the merger entered into force on the Effective Date, and the share capital of UnipolSai is now €1,977,533,765.65 (fully subscribed and paid-up), comprising 2,250,906,752 ordinary shares, 1,276,836 Class A savings shares and 377,193,155 Class B savings shares, all without par value.
The shares previously issued by Milano Assicurazioni and Premafin were delisted with effect from 6 January 2014.

The new issues of ordinary shares and Class B savings shares were listed on the MTA market organised and managed by Borsa Italiana S.p.A. with effect from 6 January 2014, at par with the ordinary shares and Class B savings shares of the Merging Entity outstanding at the time of issue.

No holder of Milano Assicurazioni savings shares exercised the right of withdrawal pursuant to Art. 2437, paragraph 1, letter g) of the Civil Code.

The right of withdrawal was, however, lawfully exercised by the ordinary Premafin shareholders, in relation to a total of 13,975,294 ordinary Premafin shares, corresponding to 0.6495% of the share capital of Premafin, for a total liquidation value of €2,441,483.86.
On 14 January 2014 the rights issue and right of pre-emption (the ‘Rights Issue’) for Premafin shareholders other than withdrawing holders of 13,975,294 ordinary Premafin shares in relation to which the right of withdrawal through the Merger was legitimately exercised and which, in application of the swap ratio, became 698,764 ordinary UnipolSai shares (the latter hereinafter the ‘Shares Subject to Withdrawal’).
On conclusion of the Rights Issue a total of 5,144 Shares Subject to Withdrawal were purchased pursuant to Art. 2437-quater, paragraph 3 of the Civil Code, for €3.494 per Share Subject to Withdrawal, and therefore for a total of €17,973.13.

For the remaining 693,620 Shares Subject to Withdrawal not purchased as part of the Rights Issue (the 'Unsold Shares'), their offer on the MTA market, organised and managed by Borsa Italiana SpA (the 'MTA market') was arranged in accordance with Art. 2437-quater, paragraph 4 of the Civil Code.
The stock exchange offering period concluded on 31 January 2014, following which all 693,620 ordinary UnipolSai shares involved remained unsold.
On 26 February 2014, pursuant to Art. 2437-quater, paragraph 5 of the Civil Code, the Unsold Shares were refunded by UnipolSai via the purchase of treasury shares using the available reserves for €3.494 for each share subject to withdrawal, therefore for a total of €2,423,508.28.

Issue of a convertible bond loan by UnipolSai

On 15 January 2014 the Board of Directors' Meeting of UnipolSai resolved, amongst other things, to implement the powers delegated by the Extraordinary Shareholders' Meeting held on 25 October 2013, pursuant to Articles 2420-ter and 2443 of the Civil Code, concerning the issue of a bond loan convertible to ordinary UnipolSai shares for a total of €201.8m, with subsequent share capital increase to service the conversion for a maximum €201.8m, including share premium to be arranged through the issue of ordinary Company shares without par value, offering regular dividend entitlement and with the same characteristics as those outstanding at the date of issue (the 'Convertible Bond Loan').

The issue of the Convertible Bond Loan was planned from the start as part of the Merger and included in the rescheduling plan for Premafin debt entered into with the lending banks, subject to the effectiveness of the Merger.

The Board of Directors resolved to:

- approve the regulation relating to the Convertible Bond Loan, granting mandate to the Chief Executive Officer to define the final text of the Regulation by inserting the elements missing at 15 January 2014;
- approve the share capital increase - against payment, divisible in one or more parts by the final deadline of 31 December 2015 - to service the Convertible Bond Loan, excluding option rights pursuant to Art. 2441, paragraph 5 of the Civil Code, for a maximum €201.8m, including share premium, to be implemented through the issue of ordinary UnipolSai shares, without par value, with regular coupon payments and with the same characteristics as those outstanding at the date of issue, irrevocably and unconditionally reserved to service the bond conversion and excluding option rights;
- consequently amend Art. 6 of the By-Laws to reflect the exercise of the aforementioned powers.

On 24 April 2014 UnipolSai issued the Convertible Bond Loan, represented by 2,018 bonds with a unit par value of €100,000, for a total of €201.8m. The bond loan was subscribed as follows:

(i) €134.3m by the lending banks that had approved the debt restructuring agreement of the former Premafin, excluding GE Capital Interbanca SpA, which - due to the merger by incorporation of Premafin, Unipol Assicurazioni and Milano Assicurazioni into UnipolSai - became lenders of UnipolSai, and
(ii) €67.5m by the parent company Unipol Gruppo Finanziario.

The bonds issued are bearer bonds, which cannot be split up, and are freely transferable as well as included in the Monte Titoli SpA centralised management system for dematerialised securities. They constitute direct - not guaranteed or subordinated - obligations, accrue gross annual interest (which cannot be capitalised) of 6.971%, calculated on the unit par value, with deferred payment every six months, with the first coupon scheduled for 31 May 2014.
The conversion ratio, equal to 36,630.037 newly issued ordinary UnipolSai shares for each bond held, is calculated as the ratio of (a) the unit par value of the bonds to (b) the initial conversion price (€2.730 per share). Therefore, a maximum number of 73,919,409 shares will be issued to serve the Convertible Bond Loan.

Bondholders have the option to convert the bonds at any time during the period from 24 April 2014 to 22 December 2015 and, in any event, shall be automatically converted into shares on 31 December 2015 (expiry date of the Convertible Bond Loan).

On 5 May 2014 Unipol requested the conversion of all 675 bonds subscribed on issue of the Loan. Following the conversion, which took place according to the terms and conditions of the Loan Regulation, Unipol took ownership of 24,725,274 newly issued ordinary UnipolSai shares. As a result, Unipol's holding in the ordinary capital of UnipolSai increased from 63.00% to 63.41%, equal to 54.38% of total capital.

Issue of subordinated bond securities with an indefinite maturity by UnipolSai

On 11 June 2014, UnipolSai successfully placed subordinated bond securities with an indefinite maturity for a total nominal amount of €750m, targeted exclusively at institutional investors. The transaction registered demand 3 times the amount offered, with offers exceeding €2.2bn, proof of the recognised strength and reliability of the company. Foreign investors accounted for around 70% of the total order portfolio.

These securities meet the requirements for being included in the elements of the available solvency margin of the company up to a maximum limit of 50%, given UnipolSai has obtained the necessary regulatory authorisations in this regard.

The securities pay a fixed coupon of 5.75% until the first early redemption date, set for 18 June 2024. After said date, the coupon will be variable and based on the 3-month Euribor plus a spread of 518 basis points.
The issue price is equal to 100% of the nominal value. The securities were paid on 18 June 2014.

The newly issued securities, as per the prevailing market practice, were listed on the Luxembourg Stock Exchange. The issue was placed by J.P. Morgan Securities plc, Mediobanca SpA and UniCredit Bank AG.

Revenue from the issue was used for the early repayment of subordinated loans with an indefinite maturity disbursed in the past from Mediobanca SpA to Fondiaria-SAI SpA (now UnipolSai) and to merged entities Milano Assicurazioni SpA and Unipol Assicurazioni SpA for a total amount of €750m, all falling within the available solvency margin of the financed companies to the limit of 50%.

The issue transactions and the subsequent repayment, already authorised by IVASS, not only diversify the sources of financing and lengthen the average duration of UnipolSai's subordinated debt, but make it possible to comply with the relevant measures prescribed by the Antitrust Authority at the time of authorisation of the transaction involving the acquisition of control of the former Premafin/Fondiaria-SAI Group, which made provision for the reduction of existing debt with Mediobanca SpA for a total amount of €350m by 2015.

Following the transaction, the incidence of subordinated loans granted by Mediobanca SpA on total subordinated debt fell from 72% to 35%.

Start of programmes for the purchase of ordinary Unipol Gruppo Finanziario shares in service of compensation plans based on financial instruments

On 24 June 2014, a programme was launched for the purchase of the ordinary shares (the 'Shares') of the Parent company Unipol, resolved by the Board of Directors on 15 May 2014 - due to the authorisation for the purchase of shares of the Parent company issued, pursuant to Art. 2359-bis of the Civil Code, by the shareholders' meeting of 29 April 2014, for a maximum period of 18 months and for a maximum spending limit of €50m - regarding the purchase of a maximum number of 4,200,000 shares (equal to around 0.95% of ordinary Unipol share capital), allocated to service the compensation plan based on financial instruments (performance shares) for the years 2013-2015. The purchases were made on 30 June 2014.

Disposals planned in compliance with Provision dated 19 June 2012 of the Antitrust Authority

Agreement for the transfer to Allianz of former Milano Assicurazioni insurance assets

On 30 June 2014, UnipolSai and Allianz signed a definitive contract for the transfer of the insurance business unit, effective from 1 July 2014. As part of said contract, the transfer of the insurance product sales activities took effect immediately, which incorporated, inter alia, a network of 725 agencies and 470 employees dedicated to managing these activities, against the payment by Allianz of a consideration of €200m.
The Non-Life insurance portfolio managed by the agencies transferred also form part of the business unit transferred, with premiums amounting to around €1.1bn (figures at 31 December 2013). The portfolio transfer will take effect in December 2014, following the authorisation by IVASS, against the payment, by Allianz, of an additional fee, calculated on the basis of the amount of the portfolio transferred or renewed, equal to a maximum amount of €240m, and, therefore, a maximum total consideration of €440m.

As regards the non-compliance proceedings launched by the Antitrust Authority, Unipol and UnipolSai, deeming their actions to be proper on the basis of valid arguments in fact and in law, took the necessary defensive actions and submitted an application aimed at obtaining a review of some of the measures set forth by the Provision. As a result of said application, on 30 May 2014, the Antitrust Authority resolved (i) to extend the term for closing the non-compliance proceedings to 30 October 2014 and (ii) the start of proceedings, to be concluded by 30 October 2014, for evaluating the aforementioned review application. With reference to the latter proceedings, it should be noted that, by means of a communication dated 25 July 2014, the Antitrust Authority disclosed the results of a preliminary investigation performed by the competent offices of said Authority (Direzione Settoriale Credito - Credit Division - of the General Competition Department) to Unipol and UnipolSai, by means of which the aforesaid offices held the review application formulated by Unipol and UnipolSai to be acceptable. At the end of the phase of acquisition of evidence, the Antitrust Authority will take its final decision in regards to the application for a review of the measures.

Note that in relation to the extent of business subject to disposal, with effect from the preparation of the condensed interim consolidated financial statements at 30 June 2013 and in relation to the scope of consolidation reported in each instance, IFRS 5 - Non-current Assets Held for sale and Discontinued Operations was applied. For details of these accounting items please refer to paragraph 4.4 of these notes to the financial statements.

Reduction of overall exposure to Mediobanca

It should be noted that the measures imposed by the Antitrust Authority also require the Unipol Group to reduce its overall debt to Mediobanca by €350m over the 2013-2015 period.

As illustrated in the previous pages, on 18 June 2014, UnipolSai arranged for the repayment of subordinated loans with an indefinite maturity disbursed by Mediobanca to said entity and to the merged entities Milano Assicurazioni and Unipol Assicurazioni for a total amount of €750m, all falling within the available solvency margin of the financed companies up to the limit of 50%. Hence, UnipolSai exceeded the specified amount and disclosed the times for implementing said measure.

Other information

Collaboration protocol signed between the Unipol Group and Legambiente: 'Bellezza Italia' is created

On 26 June 2014, the Unipol Group and Legambiente signed the Protocol of Understanding for the project, 'Bellezza Italia - Tuteliamo insieme le meraviglie del Paese'.

The objective of ‘Bellezza Italia’ is to develop places of inestimable value in terms of beauty and historical and archaeological significance, which make Italy unique from both a social and environmental point of view.

Through this project, the Unipol Group and Legambiente intend to propose and implement actions involving the recovery and redevelopment of run-down areas of the country to restore them for public use. In addition, in the coming years, the project will also be a tool for spreading the culture of legality and rights, in order to promote all synergies possible between civil society, businesses and institutions dedicated to damaged or abandoned areas which will be possible to recover and use for the common good.

The first assignment will concern the redevelopment of the archaeological area of Paestum, to make the path that runs from the archaeological site to the sea usable, making it fully secure and accessible to all, in order to give citizens back the landing place of the Greek colonists who founded the city, restoring the ancient and fundamental link between the city and the sea.

Operational performance

The year 2014 started with the completion of the initial project involving the corporate integration of the Unipol Group with the former Premafin/Fondiaria-SAI Group determined by the birth, in the first days of January, of UnipolSai Assicurazioni, a leading company in the domestic Non-Life insurance market, with a leading agency network in Italy in terms of distribution, widespread coverage and actual ability to meet customer requirements. With said transaction having been completed, additional corporate integrations are being implemented, or studied, in order to rationalise the different business sectors in which the Group is present, realising additional cost savings. In particular, several mergers will be completed in the current year between real estate companies controlled by UnipolSai, while authorisation is pending from the Supervisory Authority for going ahead with the merger by incorporation of the subsidiary BancaSai in Unipol Banca, controlled by Unipol Gruppo Finanziario.

Group activities in the first half of 2014 were particularly important and involved:

- transactions connected with some of the restrictions imposed by the Antitrust Authority described previously regarding the transfer to Allianz SpA of an insurance business unit forming part of the former Milano Assicurazioni, and the reduction of existing debt with Mediobanca SpA;
- the integration of UnipolSai in terms of organisation and on the preliminary activities for the sharing of the agency underwriting systems among the various agency networks, an important step with a view to fully exploiting the synergies identified in the Industrial Plan. Actions have also been launched for the release of the new claims management IT system (NSS-ClaimCenter), which is gradually being applied at present to the claims portfolio of the former Unipol Assicurazioni and then, in 2015, will be extended to the claims portfolios of the former Fondiaria-SAI.

From a business perspective, in the first half of 2014 the Unipol Group recorded a particularly positive operating performance in terms of the income statement and the financial position, thanks to the confirmation, also in the second quarter, of a favourable trend in the Non-Life loss ratio and Life business and renewed stability of the financial markets.

In the Non-Life segment, characterised by the expected stabilisation of the policy portfolio following the decrease recorded in 2013, direct premiums fell as a result of the reduction in tariffs in a market context which remains highly competitive. The persistence of the economic crisis is also having an impact, which is reflected in companies' and households' purchasing power. In this scenario, consolidated Non-Life direct premiums came to €4,437m at 30 June 2014 (-7.1% on the like-for-like figures for the first half of 2013).

In the motor vehicle TPL class, commercial policies are aimed at protecting the policy portfolio, also through the continuation of advertising and targeted sales campaigns and instalment-based payments of premiums through zero-interest loans, which are being met with a positive reaction by UnipolSai customers. Premiums in the class came to €2,410m, down 9.4% on the first half of 2013 on a like-for-like basis. The Land Vehicle Hulls Class also declined, with premiums of €361m (-7.5% on a like-for-like basis), which continued to be affected by the recession in the economy. The non-MV segment registered a more contained drop, with respect to the unfavourable macroeconomic scenario, with premiums of €1,665m (-3.4% on a like-for-like basis).
More specifically, an analysis of the Non-Life results of the main Group companies shows that UnipolSai contributed €4,211m to consolidated funding with direct premiums (-6.8% on the aggregate figures after the merger in the first half of 2013). In line with the above trends in the car market, Liguria Assicurazioni recorded a decrease in premiums (€79m, -14.2%), while SIAT, focused on the Goods in Transit classes, particularly the sea vehicles sector, recorded premiums of €54m, down 23.1% due to some mismatches of premiums collected on significant policies.

As regards the Non-Life loss ratio, in the motor vehicle TPL segment technical indicators remained positive thanks to a further regression in claims reported compared to the same period of last year. The trend in the loss ratio of non-MV classes was also positive, where the underwriting policies adopted in the last few years are generating a significant recovery in profit margins.

In this scenario, the consolidated results of UnipolSai recorded at 30 June 2014 a ratio of claims to direct premiums (including the balance of other technical items) of 67.7%, compared to 68.8% calculated on a like-for-like basis at 30 June 2013.
The expense ratio for direct business was 26.3%, a value impacted by the drop in premiums, the commercial efforts made to support the recovery in production and investments in the IT system required during this integration phase, as well as a greater incidence of commissions due to the changes in the product mix and the improvement in technical business which impacts the variable part.
On the whole, the consolidated combined ratio (direct premiums) came to 94.0% in the first half of 2014, compared to 92.7% calculated on a like-for-like basis at 30 June 2013.

In the Life sector, consolidated direct premiums reached €4,471m, +31.4% on the first half of 2013 on a like-for-like basis. This significant rise in premiums, reflected the continuation of the strong trend of expansion focused on traditional guaranteed products identified in 2013, which was favoured by low interest rates and the reduced risk appetite of policyholders.

Specifically, the consolidated results of UnipolSai were boosted by the growth in the bancassurance channel, represented by the insurance companies of the Popolare Vita Group and the subsidiary The Lawrence Life which increased their premiums by 55% in the first half 2014 to €2,472m. The UnipolSai insurance company, with premiums of €1,906m, also reported growth (+10.4%), despite the fact that this period lacked several significant receipts from contracts which had positively influenced the first half of 2013. Despite the highly positive performance in 2013, Bim Vita reported an increase in business of +10.1%, contributing €76m in premiums written.

As a result of the above, the volume of new business in terms of pro-quota APE stood at €359m in the first half of 2014, of which €227m contributed by the traditional companies and €133m relating to bancassurance companies.

As regards the management of financial investments in the insurance segment, the first half of the year was marked by the markets' renewed confidence in Italy, despite the possibilities of a recovery in the economic cycle remaining fragile, as confirmed by the worrying trend in the unemployment rate. The performance of the financial markets was also helped by the outcome of the European elections in May, which allayed the fear of a new phase of political instability in Italy, and the ECB's commitment to combat the risk of deflation and kick-start lending to companies. This benefitted the Group's securities portfolio, a considerable portion of which is made up of Italian government bonds, which registered a significant increase in value. In this context, also supported by good share market performance, the Group's insurance financial investments obtained a significant return of approximately 5.3% of the assets invested, even while working to maintain portfolio profitability and consistency between assets and liabilities assumed with respect to policyholders.
A reduction was recorded in the book value of the portfolio of structured level 2 and 3 bonds, therefore the more complex ones, amounting to €1,108m, which involved the recognition of a gain of €24m in the income statement.

Operations in the Real Estate segment focused on rationalising the real estate portfolio and searching for opportunities to increase its value, despite the presence of market conditions still influenced by the economic crisis and the reduction in the disbursement of loans. Certain properties were, nonetheless, disposed of, prevalently in a fractioned manner, and activities were launched for the restoration and renovation of properties in order to generate income from them.

The results recorded by companies in the other sectors in which the Group conducts business, particularly in the hotel and clinical sectors, were still negative, although were reduced with respect to the past due to redevelopment initiatives implemented by the new management, resulting in improved operations. By contrast, a positive contribution of around €15m was made by the banking segment headed up by BancaSai, also thanks to a greater contribution from the bank's financial management and the industrial results of Finitalia, active in financing MV TPL policies.

The **consolidated result** at 30 June 2014 reached €357m compared to €342m in the same period in the previous year (figure calculated on a like-for-like basis).
The consolidated solvency margin at 30 June 2014 was estimated at approximately 1.6 times the required minimum, slight growth compared to the end of 2013.

The Condensed Consolidated Half-yearly Financial Statements of Unipol Assicurazioni SpA are subject to a limited audit by independent auditors PricewaterhouseCoopers SpA (PwC), the company tasked with performing the legally-required audit of the consolidated financial statements for the 2013/2021 period.

Salient aspects of business operations

The first half of 2014 closed with **consolidated profit of €357m** for the UnipolSai Group, compared to a result of €210m in the same period of last year (€342m on a like-for-like basis).

The **consolidated profit before taxes** amounted to €560m (€365m at 30/6/2013, €561m on a like-for-like basis), attributable to the Insurance sector for €583m (€410m at 30/6/2013, €610m on a like-for-like basis), comprising €453m relating to the Non-Life classes (€245m at 30/6/2013, €407m on a like-for-like basis) and €129m relating to the Life classes (€165m at 30/6/2013, €203m on a like-for-like basis).

The pre-tax results of the other sectors in which the Group carries on business are as follows:

- €8m for the Other Activities Sector (-€34m at 30/6/2013, -€40m on a like-for-like basis). The result was positively impacted by the realisation of gains deriving from the transfer of Available-for-sale financial assets and the effects of the process of redevelopment of Group companies carrying out activities other than insurance core business. It should also be pointed out that the first half of 2013 was impacted by the allocation of expenses for the restructuring of some contracts in place with third parties, in respect of which activities commenced for a review, and, if necessary, termination,
- -€30m for the Real Estate Sector (-€11m at 30/6/2013, -€10m on a like-for-like basis), a result impacted, for an amount of €21m, by the write-downs of property investments (absent at 30/6/2013).

The important factors that marked the performance of the Group included the following:

- **direct premiums in the insurance sector**, gross of reinsurance ceded amounted to €8,907m (€5,333m at 30/6/2013 and €8,177m on a like-for-like basis, +8.9%). Direct Non-Life premiums amounted to €4,437m (€3,049m at 30/6/2013, €4,774m on a like-for-like basis, -7.1%), and direct Life premiums amounted to €4,471m (€2,284m at 30/6/2013 and €3,403m on a like-for-like basis, +31.4%), comprising €23m relating to Life class investment products (€21m at 30/6/2013 and €30m on a like-for-like basis);
- **premiums earned**, net of reinsurance ceded, amounted to €8,790m (€5,235m at 30/6/2013 and €8,092m on a like-for-like basis), comprising €4,350m in the Non-Life classes (€2,976m at 30/6/2013, €4,726m on a like-for-like basis) and €4,440m in the Life classes (€2,259m at 30/6/2013 and €3,366m on a like-for-like basis);
- **net charges relating to claims**, net of reinsurance ceded, amounted to €7,684m (€4,358m at 30/6/2013, €6,789m on a like-for-like basis), comprising €2,932m in the Non-Life classes (€2,025m at 30/6/2013, €3,204m on a like-for-like basis) and €4,752m in the Life classes (€2,333m at 30/6/2013, €3,585m on a like-for-like basis), including €272m in net income from financial assets and liabilities designated at fair value through profit or loss (€36m at 30/6/2013, €50m on a like-for-like basis);
- the **claims/premiums ratio of direct premiums** in the Non-Life segment was equal to 67.7% (70.2% at 30/6/2013, 68.8% on a like-for-like basis);
- **operating expenses** amounted to €1,375m (€801m at 30/6/2013, €1,319m on a like-for-like basis). In the Non-Life classes these amounted to €1,139m (€649m at 30/6/2013, €1,119m on a like-for-like basis); in the Life classes they were equal to €203m (€107m at 30/6/2013, €150m on a like-for-like basis); in the Other Activities sector they amounted to €38m (€162m at 30/6/2013, €165m on a like-for-like basis) and in the Real Estate sector to €7m (€0m at 30/6/2013, €3m on a like-for-like basis);
- the **combined ratio** of direct premiums in the Non-Life segment was equal to 94.0% (92.6% at 30/6/2013, 92.7% on a like-for-like basis);
- **net income from asset and financial management** (excluding net income from financial assets and liabilities designated at fair value through profit or loss relating to the Life sector) amounted to €1,039m

(€531m at 30/6/2013, €837m on a like-for-like basis);

- the **gross result** amounted to €560m (€365m at 30/6/2013, €561m on a like-for-like basis);
- **taxes** for the period constituted a net charge of €202m (€155m at 30/06/2013, €219m on a like-for-like basis), with a tax rate of 36.1% (42.6% at 30/6/2013, 39.0% on a like-for-like basis), including €21m allocated for the increase, pursuant to Art. 4 Decree Law no. 66 of 24 April 2014, on the substitute tax owed on gains posted on Bank of Italy shares, up from 12% to 26%.
  The change in the IRAP rate resulted, on the one hand, in lower expense for current taxes and, on the other, in higher expenses of around €1m due to the recalculation of the deferred tax assets recognised previously;
- net of the profit attributable to non-controlling interests of €25m, the **profit attributable to the Group** at 30 June 2014 came to **€333m** (profit of €143m at 30/6/2013 and profit of €309m on a like-for-like basis);
- **comprehensive income** came to €950m (€136m at 30/6/2013, €292m on a like-for-like basis), as a result of the increase in the reserve for gains/losses on AFS financial assets;
- the amount of **investments and liquidity** was €62,017m (€35,359m at 31/12/2013, €58,664m on a like-for-like basis), following the reclassification of €100m under assets held for sale, pursuant to IFRS 5;
- **technical provisions** and **financial liabilities** amounted to €59,095m (€35,026m at 31/12/2013, €57,134m on a like-for-like basis), following the reclassification of €78m of Non-Life technical provisions under liabilities held for sale, pursuant to IFRS 5;
- following the application of IFRS 5, €181m was reclassified under **Non-current assets or disposal groups** (€139m at 31/12/2013), of which €158m relating to the disposals ex ACGM Ruling (€114m at 31/12/2013) and €21m for properties, and €2m relating to the assets of the company Saint George Capital Management SA in liquidation (€3m at 31/12/2013), and €123m reclassified under **Liabilities associated with disposal groups** (€74m at 31/12/2013), of which €122m relating to the disposals ex ACGM Ruling (€73m at 31/12/2013), €1m relating to the liabilities of the company Saint George Capital Management SA in liquidation (€1m at 31/12/2013).

Below is a summary of the consolidated income statement at 30 June 2014, broken down by business segment: insurance (life and Non-Life), other activities and real estate, compared with the figures at 30 June 2013.

UnipolSai ASSICURAZIONI

Condensed Consolidated Operating Income Statement broken down by business segment

	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE SECTOR			OTHER ACTIVITIES SECTOR			REAL ESTATE SECTOR			Inter-segment eliminations			CONSOLIDATED TOTAL		
Amounts in €m	30/06/2014	30/06/2013	*% var.*	30/06/2014	30/06/2013	*% var.*	30/06/2014	30/06/2013	*% var.*	30/06/2014	30/06/2013	*% var.*	30/06/2014	30/06/2013	*% var.*	30/06/2014	30/06/2013	*% var.*	30/06/2014	30/06/2013	*% var.*
Net premiums	4,350	2,976	*46.2*	4,440	2,259	*96.6*	8,790	5,235	*67.9*									*0.0*	8,790	5,235	*67.9*
Net commissions	0	0		0	0	*64.2*	0	0	*-54.5*	5	8	*-38.0*	0	0		-6	-6	*7.1*	-1	3	*-135.9*
Financial income/expenses (excl. assets/liab. designated at fair value through profit or loss)	346	129	*167.4*	686	401	*70.9*	1,032	531	*94.4*	33	17	*96.3*	-16	-1		-10	-16	*-35.9*	1,039	531	*95.7*
Net interest	*202*	*114*		*540*	*319*		*742*	*433*		*30*	*22*	*31.6*	*-1*	*-1*				*-96.4*	*770*	*448*	
Other income and charges	*31*	*9*		*-11*	*2*		*19*	*11*		*1*	*0*		*19*	*11*		*-10*	*-10*	*4.1*	*30*	*13*	
Realised gains and losses	*153*	*39*		*150*	*79*		*304*	*118*		*8*	*-2*		*0*	*-1*				*0.0*	*311*	*115*	
Valuation gains and losses	*-40*	*-32*		*7*	*1*		*-33*	*-31*		*-5*	*-3*		*-34*	*-10*		*0*	*0*	*0.0*	*-72*	*-45*	
Net charges relating to claims	-2,932	-2,025	*44.8*	-4,752	-2,333	*103.7*	-7,684	-4,358	*76.3*									*0.0*	-7,684	-4,358	*76.3*
Operating expenses	-1,139	-649	*75.4*	-203	-107	*90.0*	-1,343	-756	*77.5*	-38	-162	*-76.7*	-7	0	*n.s.*	13	118	*-89.1*	-1,375	-801	*71.7*
Commissions and other acquisition expenses	*-913*	*-520*	*75.5*	*-128*	*-67*	*91.2*	*-1,041*	*-587*	*77.3*							*0*	*0*	*0.0*	*-1,041*	*-587*	*77.2*
Other expenses	*-226*	*-129*	*75.3*	*-75*	*-40*	*88.0*	*-301*	*-169*	*78.4*	*-38*	*-162*	*-76.7*	*-7*	*0*	*n.s.*	*13*	*118*	*-89.3*	*-334*	*-213*	*56.7*
Other income/charges	-171	-185	*-8.0*	-43	-55	*-23.4*	-213	-241	*-11.5*	7	103	*-93.4*	-7	-11	*-35.4*	3	-96	*-103.5*	-210	-245	*-14.3*
Profit (loss) before taxes	453	245	*85.1*	129	165	*-21.8*	583	410	*42.0*	8	-34	*122.1*	-30	-11		0	0	*-100.0*	560	365	*53.5*
Income taxes	-153	-98	*55.5*	-49	-54	*-10.2*	-201	-152	*32.1*	-7	-3	*154.2*	7	0	*n.s.*	0	0	*0.0*	-202	-155	*30.1*
Profit (loss) from discontinued operations	0	0	*0.0*	0	0	*0.0*	0	0	*0.0*	-1	0	*0.0*	0	0	*0.0*	0	0	*0.0*	-1	0	
Consolidated profit (loss)	301	147	*105.0*	81	111	*-27.5*	381	258	*47.9*	-1	-37	*-97.7*	-23	-11	*104.5*	0	0	*-100.0*	357	210	*70.3*
Profit (loss) attributable to the Group																			*333*	*143*	
Profit (loss) attributable to non-controlling interests																			*25*	*66*	

Insurance Sector

Overall, the Group's insurance business closed with **profit before taxes of €583m** (€410m at 30/6/2013, €610m a on a like-for-like basis), comprising €453m relating to the Non-Life classes (€245m at 30/6/2013, €407m on a like-for-like basis) and €129m relating to the Life classes (€165m at 30/6/2013, €203m on a like-for-like basis).

Total premiums (direct and indirect premiums and investment products) amounted to €8,933m at 30 June 2014 (€5,337m at 30/6/2013 and €8,206m on a like-for-like basis). Life premiums amounted to €4,472m (€2,285m at 30/6/2013 and €3,404m on a like-for-like basis) and Non-Life premiums to €4,460m (€3,052m at 30/6/2013 and €4,802m on a like-for-like basis).

All premiums in the Non-Life classes of Group insurance companies are classified under insurance premiums, as they meet the requirements of IFRS 4 (presence of significant insurance risk).
As regards Life premiums, €23m of investment products at 30 June 2014 related to Class III (Unit and Index-Linked policies) and Class VI (pension funds).

Consolidated premiums (direct and indirect)						
Amounts in €m	30/6/2014	*% comp.*	30/6/2013	*% comp.*	*% var.*	*% var. on a like-for-like basis*
Non-Life direct premiums	4,437		3,049		*45.5*	*-7.1*
Non-Life indirect premiums	24		3		*779.0*	*-13.8*
Total Non-Life premiums	4,460	*49.9*	3,052	*57.2*	*46.2*	*-7.1*
Life direct premiums	4,447		2,263		*96.5*	*31.9*
Life indirect premiums	1		0		*172.6*	*8.4*
Total Life premiums	4,449	*49.8*	2,264	*42.4*	*96.5*	*31.8*
Total Life investment products	23	*0.3*	21	*0.4*	*10.1*	*-21.8*
Total Life business	4,472	*50.1*	2,285	*42.8*	*95.7*	*31.4*
Overall total	8,933	*100.0*	5,337	*100.0*	*67.4*	*8.9*

Direct premiums amounted to €8,907m (€5,333m at 30/6/2013, and €8,177m on a like-for-like basis), of which Non-Life premiums totalled €4,437m and Life premiums €4,471m.

Direct premiums						
Amounts in €m	30/6/2014	*% comp.*	30/6/2013	*% comp.*	*% var.*	*% var. on a like-for-like basis*
Direct Non-Life Premiums	4,437	*49.8*	3,049	*57.2*	*45.5*	*-7.1*
Direct Life Premiums	4,471	*50.2*	2,284	*42.8*	*95.7*	*31.4*
Total direct premiums	8,907	*100.0*	5,333	*100.0*	*67.0*	*8.9*

Direct business premiums amounted to €4,805m in the second quarter of 2014 solely (€2,704m in the second quarter of 2013, €4,158m on a like-for-like basis).
As regards the **Non-Life loss ratio**, in the motor vehicle TPL segment technical indicators remained positive thanks to a further regression in claims reported, albeit more contained when compared to the same period of the previous year.
The trend in the loss ratio of non-MV classes was also positive.

The **loss ratio** solely for Non-Life direct business, including the OTI ratio, stood at 67.7% (70.2% at 30/6/2013, 68.8% on a like-for-like basis).

The number of claims reported, without considering the MV TPL class, fell by 6.6% on a like-for-like basis.

Number of claims reported (excluding Motor TPL)				
	30/6/2014	30/6/2013	*% var.*	*% var. on a like-for-like basis*
Motor vehicles – other classes (Class 3)	170,295	118,460	*43.8*	*-9.1*
Accident (Class 1)	74,726	36,387	*105.4*	*-0.2*
Health (Class 2)	227,479	146,840	*54.9*	*-26.5*
Fire and Property (Classes 8 and 9)	163,538	100,874	*62.1*	*4.7*
General TPL (Class 13)	61,695	42,482	*45.2*	*-9.5*
Other classes	182,040	72,222	*152.1*	*25.1*
Total	879,773	517,265	*70.1*	*-6.6*
Total net of the Health class	652,294	370,425	*76.1*	*3.2*

As regards the MV-TPL class, where the Card agreement is applied[1], at 30 June 2014 cases relating to 'fault' claims (Non-Card, Debtor-Card or Natural-Card) reported totalled 388,221, down 9.6% (426,292 in June 2013).

Claims reported that present at least a Debtor-Card claim numbered 232,036, down 18.8% compared to the same period in the previous year (from 2014, claims between Unipol, FonSai and Milano are to be considered as 'Natural' and therefore classified solely as Handler-Card).

Handler-Card cases totalled 283,797 (including 63,677 Natural-Card claims between policyholders of the same company), down by 7.1%. The settlement rate in the first half of 2014 was 67.54%, compared to 68.4% in the same period of the previous year.
The weight of cases to which the Card agreement may be applied (both Handler- and Debtor-Card claims) out of total cases (Non-Card + Handler-Card + Debtor-Card) in June 2014 came to 84.8% (84.5% in June 2013).

The **expense ratio** for direct Non-Life business was 26.3% (22.4% at 30/6/2013, 23.9% on a like-for-like basis), a value impacted by the drop in both premiums and investments in the IT system and the marketing campaigns at UnipolSai, required during this corporate integration phase, as well as a greater incidence of variable commissions linked to the improvement in technical business.
The **combined ratio**, calculated on direct premiums, was equal to 94.0% at 30 June 2014 (92.6% at 30/6/2013, 92.7% on a like-for-like basis).

[1] CARD - *Convenzione tra Assicuratori per il Risarcimento Diretto* - Agreement between Insurers for Direct Compensation: Motor TPL claims may be classified into one of three cases of claims managed:
- 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 payout ('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 payout ('Handler Flat Rate').

However, it must be noted that this classification is a simplified representation because, in effect, each individual claim may contain damages included in each of the three above cases.

In the Life segment, the expense ratio of 4.2% was essentially stable compared to the first half of 2013.

Non-Life business performance

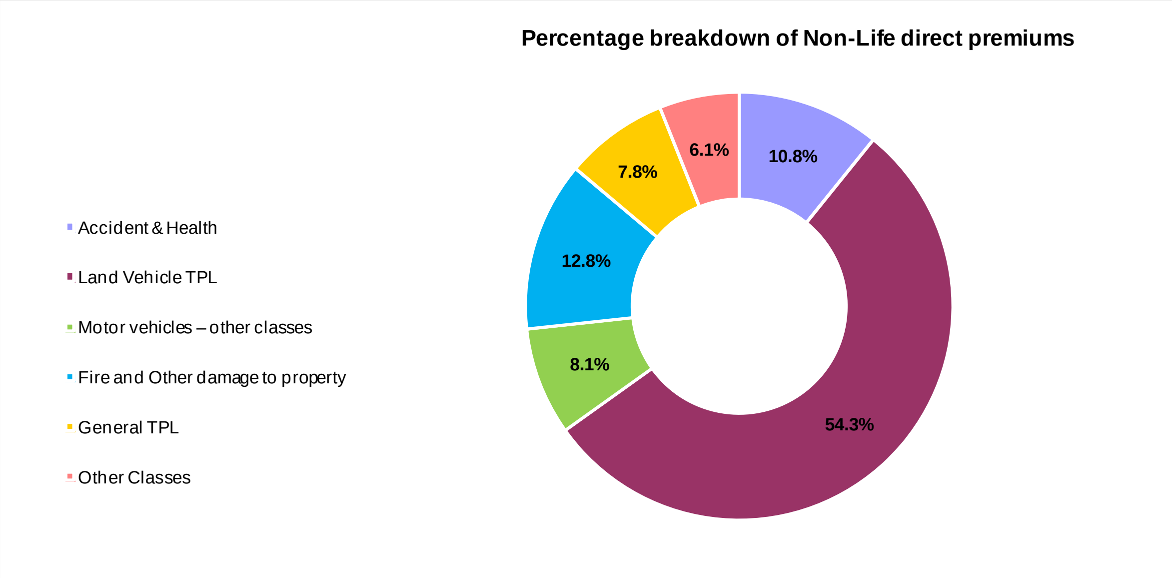
Total Non-Life premiums (direct and indirect premiums) at 30 June 2014 amounted to €4,460m (€3,052m at 30/6/2013 and €4,802m on a like-for-like basis, -7.1%).

Premiums only from **direct business** amounted to €4,437m (€3,049m at 30/6/2013, and €4,774m on a like-for-like basis, -7.1%). Premiums only from **indirect business** amounted to €24m (€3m at 30/6/2013, and €28m on a like-for-like basis).

The breakdown of direct premiums for the main classes, and the changes compared to 30 June 2013, are shown in the table below:

Non-Life business direct premiums

Amounts in €m	30/6/2014	*% comp.*	30/6/2013	*% comp.*	*% var.*	*% var. on a like-for-like basis*
Motor vehicles - TPL and sea, lake and river (classes 10 and 12)	2,410		1,717		*40.4*	*-9.4*
Motor vehicles – other classes (Class 3)	361		261		*38.3*	*-7.5*
Total premiums - Motor vehicles	2,772	*62.5*	1,978	*64.9*	*40.1*	*-9.1*
Accident & Health (Classes 1 and 2)	480		298		*60.9*	*-7.0*
Fire and Other damage to property (Classes 8 and 9)	569		380		*49.8*	*-1.3*
General TPL (Class 13)	347		208		*66.9*	*-3.8*
Other classes	269		185		*45.3*	*-0.5*
Total premiums - Non-Motor vehicles	1,665	*37.5*	1,071	*35.1*	*55.4*	*-3.4*
Total Non-Life direct premiums	4,437	*100.0*	3,049	*100.0*	*45.5*	*-7.1*



Direct premiums continued to be impacted by a highly competitive market environment, which pushed down average premiums, particularly in the motor vehicle TPL class, as well as the continuing economic crisis, which had repercussions for businesses as well as households.
In the motor vehicle TPL class (direct premiums of €2,410m, -9.4%), commercial policies are aimed at protecting the policy portfolio, including by supporting advertising campaigns and new targeted sales proposals, such as zero-interest loans, which are meeting with a positive reception by UnipolSai customers.
Premiums in the Land Vehicle Hulls class also fell, amounting to €361m (-7.5%, which remains conditioned by the recessionary trend in the economy).
The non-MV segment showed greater staying power with respect to the unfavourable macroeconomic scenario, recording premiums of €1,665m, marking and a slight dip of 3.4%.

The direct premiums of UnipolSai only, the Group's main company, stood at €4,211m (€4,519m at 30/6/2013, -6.8%), of which €2,689m in the MV classes (€2,943m at 30/6/2013, -8.6%) and €1,522m in the non-MV classes (€1,576m at 30/6/2013, -3.5%).

In the MV classes, premiums included €2,338m in the MV TPL class (€2,565m at 30/6/2013, -8.9%), down due mainly to the reduction in average premiums as a result of actions aimed at restoring the competitiveness of the offer and €352m in the Land Vehicle Hulls class (€378m at 30/6/2013, -6.9%), which continues to be shaped by the reduction in insurance spending for non-mandatory guarantees and the ageing of vehicles on the road.
As regards the MV TPL class, despite the market context being characterised by a marked competitive drive, the stability of the portfolio in terms of the number of contracts made it possible, from 1 April, to apply tariffs whose objective is to contain the decrease in the average premiums, especially on renewals. The initiatives aimed at improving renewal conditions and information communications to the customer are delivering satisfactory results in terms of increased customer loyalty with positive profitability.
The MV policy financing initiative launched in July 2013 continued, which allows premiums to be paid in monthly instalments without any additional costs for the policyholder, adequately supported by a national advertising campaign. The initiative, targeted at both new contracts and those already in the portfolio attracted a huge number of customer subscriptions: in June 2014, around 434,000 contracts were financed.
In the fleet sector, the focus on the technical margin, both in the phase of assumption of new risks and during the phase of renewal of the portfolio in progress, was also confirmed for 2014.

The decrease in premiums in the Non-MV classes concerned both businesses and individuals, due to the persistence of the economic crisis and redevelopment actions which affected the portfolios of the Fondiaria-Sai, Milano, Previdente and Nuova Maa Divisions.
In the half, during the integration process, UnipolSai defined a new organisational model, moving from a branch/product approach to a customer/market segment one, focusing the activities of all segments on a better definition and understanding of the insurance needs of its customers.

The performance of the main subsidiaries in the first half of 2014 is summarised in the following table:

(amounts in €m)	Premiums written	Chg.	Investments	Gross Technical Provisions
NON-LIFE INSURANCE SECTOR				
INCONTRA ASSICURAZIONI SPA	37	66.18%	117	133
DDOR NOVI SAD ADO	40	3.10%	37	69
DIALOGO ASSICURAZIONI SpA	11	-10.00%	42	50
LIGURIA ASS.NI SpA	79	-14.14%	367	375
PRONTO ASSISTANCE SpA	40	40.91%	15	1
SIAT SpA	64	-21.15%	121	264
THE LAWRENCE RE IRELAND Ltd.	17	-49.95%	257	325

DDOR Novi Sad registered a loss of €2m at 30 June 2014 (an improvement compared to -€4m at 30/6/2013), in the presence of an increase in gross premiums. In particular, the MV TPL class recorded growth of 15.6%, while the Other damage to property class recorded an increase of around 10%, despite a persistently depressed macroeconomic situation in Serbia.

Dialogo Assicurazioni, active in the placement, through the call centre and Internet channels, of motor insurance products and Personal and Wealth protection, closed the half under review with an improvement in current year claims, while as the regards the claims of previous years, settlement and valuation activities in respect of said claims involved a negative impact on the income statement. Operating expenses also saw a slight decrease, even though their incidence on premiums earned remained stable due to the reduction in the portfolio. The first half of 2014 recorded a loss of €2m (-€3m at 30/6/2013).

Liguria Società di Assicurazioni closed the period ended 30 June 2014 with a net profit of €6m, compared to an essentially break-even result at 30 June 2013. Premiums totalled €79m, down compared to the first half of the previous year (roughly €92m). With regard to technical performance, an improvement was recorded in the first half in the development of current-generation claims managed in the MV TPL class. In this class, the indicators of the claims managed registered an improvement, with reported claims down 13.0%, the claims frequency down from 5.9% in 2013 to 5.5% in 2014 and the incidence of claims with physical damages down from 19.6% at 30 June 2013 to 17.2% at 30 June 2014.

SIAT recorded a profit of €3m in the period under review (€4m at 30/6/2013), with total premiums of €64m (€81m in the first half of 2013). The ongoing recessionary economic phase, combined with a more selective approach to underwriting risks, had a negative impact on direct premiums in the Goods in Transit class. Direct premiums in the Sea, Lake and River Vehicle Hull classes recorded a significant decrease, mainly due to the accounting misalignment connected with certain multi-year policies, which are expected to be renewed in the second half of 2014, while direct premiums in Other Classes were essentially stable.

Performance of Life premiums

Life business (direct and indirect premiums) amounted to a total of €4,472m (€2,285m at 30/06/2013, €3,404m on a like-for-like basis, +31.4%). **Direct premiums**, which comprise almost all premiums, break down as follows:

Life direct premiums

Amounts in €m	30/6/2014	% comp.	30/6/2013	% comp.	% var.	% var. on a like-for-like basis
Premiums						
I – Whole and term life insurance	2,883	64.8	1,113	49.2	159.0	76.9
II - Marriage, birth	0	0.0	0	0.0	0.0	0.0
III - Unit-linked/index-linked insurance	1,125	25.3	1,011	44.7	11.3	11.3
IV - Health	1	0.0	0	0.0	54.2	n.s.
V - Capitalisation insurance	233	5.2	139	6.1	67.9	-55.6
VI - Pension Funds	206	4.6	0	0.0	0.0	-0.1
Total Life premiums	4,447	100.0	2,263	100.0	96.5	31.9
Investment products						
I – Whole and term life insurance	0	0.0	0	0.0	0.0	0.0
III - Unit-linked/index-linked insurance	4	16.2	4	16.5	8.5	-5.9
V - Capitalisation insurance	0	0.0	0	0.0		
VI - Pension Funds	20	83.8	18	83.5	10.4	-20.6
Total Life investment products	23	100.0	21	100.0	10.1	-21.8
Total premiums						
I – Whole and term life insurance	2,883	64.5	1,113	48.7	159.0	76.9
II - Marriage, birth	0	0.0	0	0.0	0.0	0.0
III - Unit-linked/index-linked insurance	1,129	25.2	1,014	44.4	11.3	11.2
IV - Health	1	0.0	0	0.0	54.2	n.s.
V - Capitalisation insurance	233	5.2	139	6.1	67.9	-55.7
VI - Pension Funds	225	5.0	18	0.8	1164.9	-2.3
Total Life direct premiums	4,471	100.0	2,284	100.0	95.7	31.4

This significant rise in premiums, in line with the market, reflected the continuation of the trend of traditional product expansion already occurring in 2013, which was favoured by low rates and the reduced risk appetite of policyholders. Class I rose by 76.9% on a like-for-like basis, from €1,630m at 30 June 2013 to €2,883m at 30 June 2014, while class V was down, again on a like-for-like basis, in relation to capitalisation transactions.

In particular, the UnipolSai Group benefitted from the growth in the bancassurance channel, which recorded total direct premiums of €2,548m (+53% over the first half of 2013). With €1,906m in premiums, UnipolSai also experienced growth of 22% despite the fact that some considerable collections on policies which positively impacted the first half of 2013 were not repeated.

At 30 June 2014 the new business volume in terms of **APE**, net of non-controlling interests, came to €359m (€155m at 30/6/2013, €281m on a like-for-like basis, +27.8%).

The direct premiums of **UnipolSai** only stood at €1,906m (€1,727m at 30/6/2013, +10.4%), of which €1,452m in class I (€975m at 30/6/2013, +48.9%), confirming the growing trend in traditional products. Class V - capitalisation recorded a drop in premiums of €227m (€520m at 30/6/2013, -56.3).

The performance of the main subsidiaries in the first half of 2014 is summarised in the following table:

(amounts in €m)	Premiums written	Var.	Investments	Gross Technical Provisions
LIFE INSURANCE SECTOR				
BIM VITA SpA	76	14.22%	612	549
DDOR NOVI SAD ADO	3	9.19%	14	15
LIGURIA VITA SpA	14	56.83%	142	132
POPOLARE VITA SpA	1,800	179.50%	7,647	7,225
THE LAWRENCE LIFE ASS. CO Ltd	672	-29.36%	3,387	3,401

Popolare Vita recorded a profit for the period of €52m (€56m at 30/6/2013), of which €8m deriving from the valuation of the subsidiary Lawrence Life. Gross premiums written amounted to €1,800m (€644m at 30/6/2013). The total volume of investments (Life and Non-Life sectors) came to €7,651m (€6,706m at 31/12/2013), of which €80m relating to the value of the investment in Lawrence Life.

Pension Funds

The UnipolSai Group, through the Parent Company, retained its leading position in the supplementary pension market, despite a difficult competitive context.
In the Occupational Pension Fund segment, it managed a total of 21 mandates at 30 June 2014 (12 of them for accounts 'with guaranteed capital and/or minimum return').
Resources under management totalled €3,627m (€2,474m with guaranteed capital). The number of mandates fell by two compared to the previous year (of which one guaranteed) due to non-renewal on expiry. At 31 December 2013, it managed a total of 23 mandates (13 of them for accounts 'with guaranteed capital and/or minimum return') and total resources managed came to €3,681m (of which €2,269m with guaranteed capital).

The Unipol Group managed 8 Open-Ended Pension Funds (Unipol Insieme, Unipol Previdenza, Conto Previdenza, Fondiaria Previdente, Fondo Pensione Aperto Sai, Fondo Pensione Aperto Milano Assicurazioni, Fondo Pensione Aperto Popolare Vita, Fondo Pensione Aperto BIM Vita).
At 30 June 2014, these Open-Ended Funds had a total of 44,847 members and total assets of €756m.
At 31 December 2013, there were 8 Open-Ended Pension Funds for total assets of €723m and total member numbers of 45,533.

Reinsurance

Indirect Premiums

Non-Life and Life **indirect premiums** at 30 June 2014 amounted to a total of €25m (€3m at 30/6/2013 and €29m on a like-for-like basis), composed of €24m in premiums for Non-Life classes (€3m at 30/6/2013 and €28m on a like-for-like basis) and €1m in premiums for Life classes (€0m at 30/6/2013 and €1m on a like-for-like basis).

Indirect Premiums						
Amounts in €m	30/6/2014	*% comp.*	30/6/2013	*% comp.*	*% var.*	*% var. on a like-for-like basis*
Non-Life premiums	24	*95.0*	3	*85.4*	*779.0*	*-13.8*
Life premiums	1	*5.0*	0	*14.6*	*172.6*	*8.4*
Total indirect premiums	25	*100.0*	3	*100.0*	*690.5*	*-12.9*

Renewals in 2014 were heavily focused on indirect business in the market.

Reinsurance ceded

Group **premiums ceded** totalled €238m (€164m at 30/6/2013 and €269m on a like-for-like basis), comprising €230m in premiums ceded in Non-Life classes (€159m at 30/6/2013 and €260m on a like-for-like basis) and €8m in premiums ceded in Life classes (€5m at 30/6/2013 and €9m on a like-for-like basis).

Premiums ceded						
Amounts in €m	30/6/2014	*% comp.*	30/6/2013	*% comp.*	*% var.*	*% var. on a like-for-like basis*
Non-Life premiums	230	*96.5*	159	*97.1*	*44.9*	*-11.6*
Non-Life premium retention ratio (%)	*94.8%*		*94.8%*			
Life premiums	8	*3.5*	5	*2.9*	*75.2*	*-3.4*
Life premium retention ratio (%)	*99.8%*		*99.8%*			
Total premiums ceded	238	*100.0*	164	*100.0*	*45.8*	*-11.3*
Overall retention ratio (%)	*97.3%*		*96.9%*			

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.

UnipolSai Group reinsurance policy

As regards the risks underwritten in the Non-Life classes, the reinsurance strategy of the new Group focused, from the 2013 renewal, on developing synergies and economies of scales by acquiring standard insurance coverage for all companies in the new perimeter. This process was further developed with the 2014 renewal, by obtaining not only an increase in overall capacities, but a reasonable cost saving.

The following Group cover was negotiated and acquired:

- excess of loss treaties for the protection of MV TPL, General TPL, Fire (by risk and by event), Theft and Accident portfolios;
- stop loss treaty for the Hail class;

- proportional treaties for risks in the technological sector (C.A.R. - Contractors' All Risks-, Erection all Risks and Decennale Postuma - Ten-year Building Guarantee), for 'D & O' policies in the TPL sector and for new 'multi-risk' policies underwritten in the Hail class.

Therefore, there are still separate insurance policies for the Unipol Division and for the Fondiaria-SAI divisions and the associated affiliates in the Credit and Bonds classes, protected with proportional agreements. In addition, for the Goods in Transit class, the renewal of the excess of loss agreement due to expire was negotiated for the Unipol Division, while the Fondiaria-SAI Divisions and the associated affiliates continue to cede on a proportional basis to the specialist company of the Siat Group. Lastly, the policies of the Assistance and Legal Expenses classes were ceded by each of the Divisions to specialised reinsurers and/or specialist Group companies.

In order to reduce the counterparty risk to a minimum, reinsurance continues to be fragmented and placed with leading professional reinsurers rated very sound financially by the main rating agencies, for the purposes of a comprehensive and competitive service.

As regards the risks underwritten in the Life classes, the reinsurance strategy involves the same forms of cover as 2013.
In particular, the Unipol Division continues to protect itself with automatic proportional types of cover and the Fondiaria and Sai Divisions (and the associated affiliates) continue to cede on a proportional basis to the subsidiary Lawrence Re, which in turn is protected on the market with non-proportional retrocessions in the form of excess of loss and stop loss.

In the half considered, reinsurance ceded generated a generally positive result for reinsurers, with the exception of the Bond class (Non-Life part), always aligned with that of the company's direct business.

Other Activities Sector

In 2014 actions continued for the turnaround and development of the diversified company sector, via the consolidation of rationalisation activities initiated in 2013 and the launch of new commercial development initiatives.

The actions implemented over the last two years are starting to produce benefits. In fact, the pre-tax result in the first half of 2014 returned to being positive (€8m), compared to a loss recorded in the first half of 2013 (-€34m, -€40m on a like-for-like basis).

BancaSai contributed to this performance, whose result was positively impacted by both the profit deriving from the sale of Available-for-sale financial assets and the strong performance of the subsidiary Finitalia, and the better performance of health structures and the hotels segment. It should also be pointed out that the first half of 2013 was impacted by the allocation of expenses for the restructuring of some contracts in place with third parties, in respect of which activities commenced for a review, and, if necessary, termination,

In the hotels segment, although Atahotels reported a loss (-€8m), its result improved in comparison with the same period of 2013 (-€10m), due to the ongoing purchase rationalisation activities and consumption savings, with a subsequent reduction of costs relating to internal catering and consumables.
On 28 March 2014 Atahotels Bologna - a new business hotel - opened for business, located in Via Larga, Bologna. The structure leased to Atahotels belongs to a recently built real estate complex owned by a Group company.
On 25 February, UnipolSai effected a share capital increase payment of €45.6m, resolved by the Extraordinary Shareholders' Meeting of Atahotels on 5 February 2014. The recapitalisation was carried out in order to cover the loss for 2013 and allow the full payment of the past due trade payables to UnipolSai and to the other Group companies.

As regards clinics, the result of Centro Oncologico Fiorentino (-€5m) recorded a net improvement compared to the previous period in 2013 (-€8m). The reduction in the loss for the period was brought about by not only the increase in revenues, but also the introduction of some production cost monitoring measures. These measures, also thanks to a new internal organisation, produced the first positive effects in terms of cost savings and an increase in structures' efficiency. It should be noted that, as part of the share capital increase resolved in favour of Centro Oncologico Fiorentino by the Holding Company in 2013, for a total of €16m, UnipolSai paid the second and final tranche of €3m in May.

The result of Villa Donatello (essentially break-even), which includes the results of Donatello Day Surgery (company placed into liquidation at the start of 2014 and whose activities, primarily ophthalmology, were transferred to Villa Donatello) was better than the first half of 2013 (-€1m), which was hugely impacted by the write-down of the Villino Guadagni property unit.

The result of agricultural business, though negative, improved on the same period of the previous year: in fact, the result of the company Tenute Del Cerro went from -€2m at 30 June 2013 to -€1m at 30 June 2014. The change was due to the cost reductions implemented (-20% on the first half of 2013) and an increase in the value of production (+10% compared to the same period of 2013). The result was negatively impacted by the contracting of a loan by the Holding Company at the end of 2013 under market conditions, to purchase the land of Tenuta del Cerro, previously rented. Also note that the Extraordinary Shareholders' Meeting of Saiagricola, held on 19 March 2014, resolved to change the company name from Saiagricola SpA to Tenute del Cerro SpA.

The main income statement figures of the Holding and Other Activities sector are shown below:

Other Activities Sector Income Statement

Amounts in €m	30/6/2014	30/6/2013	% var.	% var on a like-for-like basis
Commission income	9	11	-14.7	-57.6
Income from other financial instruments and investment property	42	28	51.0	50.7
Other income	154	305	-49.6	-49.7
Total revenues and income	205	344	-40.3	-40.6
Commission expenses	-4	-3	53.0	53.0
Expenses from other financial instruments and investment property	-9	-11	-21.3	-41.9
Operating expenses	-38	-162	-76.7	-77.1
Other costs	-147	-202	-27.2	-27.5
Total costs and charges	-198	-378	-47.7	-48.7
Net profit (loss) for the period before taxes	8	-34	-122.1	118.7

At 30 June 2014 investments and liquidity in the Other Activities sector (including property for own use of €135m) amounted to €1,624m (€1,522m at 31/12/2013, €1,564m on a like-for-like basis).

Financial liabilities amounted to €922m (€915m at 31/12/2013, €1,363m on a like-for-like basis; the latter figure includes €379m in amounts due to banks of the former Premafin, now incorporated into UnipolSai and attributed to the Non-Life sector.

Operational performance of BancaSai

As part of the more general project for the aggregation of the **banking segment** within the Group, it should be noted that the Board of Directors of Banca Sai, in its meeting of 30 June 2014, voted in favour of the project for the integration with Unipol Banca via merger by incorporation into the latter. This project was transmitted to the Supervisory Authority for the necessary authorisations: the merger will therefore be completed after the authorisation of the Bank of Italy is obtained.

At 30 June 2014, **assets managed** by the bank amounted to €1,819m, versus €20,505m in the previous year. This sharp reduction is due to the reorganisation of the securities portfolios within the Unipol Group.

With regard to **direct deposits and funding policies**, during the first half the number of current accounts declined from 13,563 at the end of 2013 to 13,305, marking a 2% decrease, while total direct customer deposits in current accounts reached €765m (€728m at 31/12/2013). Non-Group company customers accounted for 25% of deposits, equal to €189m (€163m in 2013). Within current account products, Time Deposits decreased from €18m at the end of 2013 to the current €11m at 30 June 2014. Bond loans amounted to €13m (€21m at the end of 2013).

Total **indirect deposits** amounted to €983m, compared to €19,664m at the end of 2013. These were composed of **funds under custody** totalling €854m (of which €691m relating to the companies in the Unipolsai Group) and assets under management (€128m).

In the first half of 2014, the contraction of **loans** to third parties continued, with activities more closely focused on the management of existing loans in order to minimise the credit risk. Lending (mortgages and uses of various credit lines, before value adjustments) amounted to €768m at the end of the half (€782m at 31/12/2013).
Net of exposure to the subsidiary Finitalia (€298m relating to a current account overdraft), lending to third parties decreased from €560m at the end of 2013 to €470m (-€91m). In the first half of 2014, the reduction in credit facilities (net of Finitalia) was also recorded, which fell from €471m at the end of 2013 to €457m. Facilities granted to the subsidiary Finitalia, on the other hand, increased to €500m, in support of the expansion policy on premium lending business to companies in the Unipol Group. The bank continued to focus special attention on selectiveness in the management of loan portfolio, in order to adjust the amount and quality of credit facilities provided to customers into line with the latter's risk profile.

In consideration of the operating situation, the credit risk remains the main component of risk to which the bank is currently exposed.[2] In 2014, for the first time, non-performing loans decreased, from €175m to €168m, as a consequence of the greater efforts dedicated to the management of the current loan portfolio, and the 'current' (performing) loans portfolio grew from 77% to 80%. The net non-performing loans/net loans ratio therefore decreased from 11.6% to 9.6%. Individual positions were all adequately managed and prudentially written down. The level of coverage of non-performing loans increased slightly, from 55% to 57%.

The period closed with **net pre-tax profit** of €14m (€1m at 30/6/2013). The positive performance is mainly due to the transfer of AFS financial assets.

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[2]Credit risk means the risk - related to credit granting activities - relating to the probability of principal or interest losses originating from the debtor's insolvency status. Credit risk is measured and monitored in terms of the maximum total credit facility, represented by the sum of all risk assets - denominated in whichever currency - to customers or groups of customers connected by economic or legal relations.

Real Estate Sector

In the first half of 2014, the rationalisation of the real estate portfolio continued according to the indications of the 2013-2015 Business Plan. Thus, the disposal of a portion of the real estate portfolio was completed through a series of transactions involving both properties held for sale in fractions and individual properties located throughout Italy.

In terms of operations aimed at optimising properties' profitability, design activities commenced concerning some of the properties that will undergo renovation works.

In relation to the renovation and enhancement of the building located in Milan, via Fara 41 ('Torre Galfa'), completely vacant since 2001, the design phase is currently ongoing and will be completed in the coming months. Negotiations with a potential leaseholder, of primary standing, for the lease of the portion of the building for hospitality use are at an advanced stage.

Investments continued, both directly and through a subsidiary, for the creation of the real estate development project in the area known as 'Porta Nuova' in Milan, structured into the independent projects Porta Nuova Garibaldi, Porta Nuova Varesine and Porta Nuova Isola.

Lastly, with a view to simplifying the corporate structure of the Group, the Board of Directors of UnipolSai approved the planned merger by incorporation into Immobiliare Fondiaria-Sai of the subsidiaries and associates Immobiliare Milano Assicurazioni, IN.V.ED, Mizar, R.EDIL.MO., Bramante, Cascine Trenno, Trenno Ovest, IAT, Meridiano Bellarmino, Immobiliare Litorella, Meridiano Bruzzano, Meridiano Aurora, Campo Carlo Magno, Sintesi Seconda, Stimma, UnipolSai Servizi Immobiliari, International Strategy and Unifimm. The Board of Directors of UnipolSai also approved an additional simplification project entailing the incorporation of the subsidiaries Covent Garden and Comsider into the subsidiary Midi.

The mergers, which should be completed in the second half of the current year, are subordinated to the approval of the Boards of Director and of the Shareholders' Meetings of the involved companies.

The key financial data for the Real Estate sector are summarised below:

Real Estate Sector Income Statement				
Amounts in €m	30/6/2014	30/6/2013	*% var.*	*% var on a like-for-like basis*
Gains (losses) on financial instruments at fair value through profit or loss	0	-1	*-83.5*	*-91.7*
Income from other financial instruments and investment property	38	27	*37.3*	*21.1*
Other income	11	10	*2.6*	*-42.1*
Total revenues and income	48	37	*30.0*	*-1.2*
Expenses from investments in subsidiaries, associates and joint ventures	-2	0	*n.s.*	*n.s.*
Expenses from other financial instruments and investment property	-51	-27	*88.5*	*56.0*
Operating expenses	-7	0	*n.s.*	*115.3*
Other costs	-18	-21	*-16.5*	*-20.1*
Total costs and charges	-78	-48	*61.2*	*33.7*
Net profit (loss) for the period before taxes	-30	-11	*163.3*	*-212.2*

The pre-tax result at 30 June 2014 was a negative €30m (-€11m at 30/6/2013, -€10m on a like-for-like basis), a result impacted, for an amount of €21m, by the write-downs of investment property (absent at 30/6/2013).

Investments and liquidity in the Real Estate sector (including property for own use) amounted to €1,895m at 30 June 2014 (€1,437m at 31/12/2013, €1,912m on a like-for-like basis), mainly comprised of investment property and property for own use of €1,691m (€1,262m at 31/12/2013, €1,718m on a like-for-like basis).

Financial liabilities amounted to €174m at 30 June 2014 (€172m at 31/12/2013, €175m on a like-for-like basis).

Real estate transactions in the half

The first half of 2014 saw the following sales of property units owned by UnipolSai in Turin (via Gobetti 19, via Soleri 2, via Gramsci 15 and corso Dante 119), Florence (via Benivieni 1/3), Rome (via Sistina 91), Crema (via Matteotti 56), Moncalieri (piazza Vittorio Emanuele 8), Modena (via Stanguellini) and Cagliari (viale Bonaria 90): in addition to minor units in Rome, Saluzzo, Oristano and Milan. The book value of the properties sold came to roughly €23m.

In relation to the transfers of land and buildings not subject to a split sale, it should be recalled that in 2013 a preliminary sale contract for a property in Milan viale Boezio no. 20 (accommodation facilities closed since 2009) was signed with a major international real estate company, whose completion is subject to the obtainment of an authorisation from the Municipality of Milan regarding the change of use, an authorisation which is expected to be issued during the current year.

In terms of operations aimed at optimising properties' profitability, design activities commenced concerning some of the properties that will undergo renovation works. The increases and the improvements made to property assets held directly and indirectly by UnipolSai due to maintenance and renovation works and the purchases of new buildings totalled roughly €25m, of which €6m relates to works on the property in Assago, Strada 6 – Building A, in preparation of the leasing of a sizeable part of the property to leading leaseholders.
During the first half, a property located in Ancona (via Mamiani 4-6) was purchased for €0.9m, for which a down payment of €0.05m had already been made in 2013.

In the first half of 2014, the shareholding in Hines Italia SGR SpA was transferred, corresponding to 386,866 Class C shares, for a total sale price of €1.4m (book value of €0.6m) and the shareholding in Acacia 2000 Srl. was transferred, corresponding to 15,000 shares for a total sale price of €11.5m (book value of €11.1m).

Castello Area

As regards the areas involved in the property initiatives, on the Castello area, covering 170 hectares on the northern outskirts of Florence, a change to the initiative's detailed plan is currently under consideration, in order to align the initial project, which called for a residential and office development, to current demand in the real estate market, by enhancing (in quantitative and qualitative terms) certain functions already included in the PUE (including the commercial function) and the inclusion of new functions (among the most significant ones: crafts/production, play/recreation, exhibitions) as noted in the observations to the Town Planning Regulations adopted by the Municipality of Florence in April 2014, in addition to the implications generated by the introduction, in 2013, of town planning legislation resulting from the Tuscany Region's adoption of the PIT (Regional Spatial Plan).

Asset and financial management

Investments and liquidity

Operations in the first half of 2014

During the first half of 2014 the investment policies adopted in the finance area took a generally prudent approach, with a medium/long-term view, aiming to preserve asset quality in line with the Investment Policy Guidelines. These objectives were achieved through:

- business conducted in line with the indications provided by the Group Investment Committee and the Financial Investments Committee, based on analyses conducted by the competent departments;
- operations aimed at achieving profitability targets in line with the returns on assets and the trend in liabilities over a long-term time horizon.

The guidelines that form the basis of investing activities were kept at a very high standard of quality of the portfolio, by selecting issuers based on criteria of issuer diversification and soundness, placing particular attention on the aspect of liquidity.

The main object of the operations was the bond segment. During the half, the increase in exposure to government bonds, prevalently issued by the Italian treasury, amounted to €829m at IAS book values. Purchases of government bonds mainly regarded fixed-rate bonds for the Life segment, while for the Non-Life segment, which presented a net negative balance of exposure to government bonds, floating rate and inflation-linked bonds were purchased, against sales of fixed rate nominal bonds.

In the Life segment, the rationalisation of expiries of liabilities continued during the quarter, through hedging activities. This action, structured in line with the contractual obligations and objectives of the industrial plan, was also implemented using zero coupon government bonds - BTP strips, offering oversight of the guaranteed minimums and the coupon reinvestment risk in a scenario of low interest rates.

The non-government component of bond securities saw an increase in overall exposure of roughly €594m, with an increase in exposure to financial issuers and a marginal decrease in exposure to corporate issuers. Operations mainly focused on subordinated financial securities and hybrid industrial securities in the Non-Life segment and purchases of senior or subordinated LT2 securities in the Life segment. On the whole, net exposure to subordinated securities increased by approximately €601m.

Asset portfolio simplification activities continued during the half year. A reduction was recorded in the book value of the structured level 2 and 3 bonds amounting to €1,108m, with the recognition of a gain of €24m in the income statement.

Equity exposure increased during the first quarter by €68m in book value. Operations were conducted both on individual equities and on ETF (Exchange Traded Funds), representing equity indices. The portfolio includes securities for which future profits are expected and with high flows of returns. Almost all of the equity securities held in the portfolio belong to the main European equity indices.

Exposure to alternative funds, a category that includes Private Equity Funds and Hedge Funds, amounted to €393m at IAS book values, up by €173m during the half as a result of subscriptions of Hedge funds. The new funds selected largely meet the criteria of the UCITS IV EU regulations. There were no new subscriptions of private equity funds.

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

The overall duration of investments for the Group was 4.97 years. In the Group's insurance portfolio, the Non-Life segment duration came to 3.56 years, and the Life segment duration was 5.66 years, while the duration for the Other Activities segment was 3.77 years.
The fixed rate and floating rate components of the bond portfolio stood at 81.1% and 18.9% respectively.
The government bond component constituted approximately 80.8% of the bond portfolio, while corporate bonds were complementary, constituting 19.2%, broken down into financial receivables of 14.6% and industrial receivables of 4.6%.
95.4% of the bond portfolio was invested in securities with ratings higher than BBB-. 3.3% of the total were positioned in classes 'AAA' to 'AA-', while 5.2% of securities had a rating in the 'A' class. Exposure to securities with a rating in the 'BBB' class stood at 86%; Italian government bonds accounted for 75.2% of the total bond portfolio.

Liquidity in the portfolio amounted to €1.46bn.

At 30 June 2014 Group **Investments and cash and cash equivalents** reached a total of €62,017m (€35,359m at 31/12/2013 and €58,664m on a like-for-like basis), with the following breakdown by business segment:

Investments and cash and cash equivalents by sector

Amounts in €m	30/06/2014	% comp.	31/12/2013	% comp.	% var.	% var. on a like-for-like basis
Insurance Sector	59,382	95.8	33,231	94.0	78.7	5.9
Other Activities Sector	1,624	2.6	1,522	4.3	6.7	3.8
Real Estate Sector	1,895	3.1	1,437	4.1	31.8	-0.9
Inter-segment eliminations	-884	-1.4	-831	-2.4	6.3	0.8
Total Investments and liquidity	62,017	100.0	35,359	100.0	75.4	5.7

The breakdown by investment category is as follows:

Investments and cash and cash equivalents

Amounts in €m	30/6/2014	% comp.	31/12/2013	% comp.	% var.	% var. on a like-for-like basis
Property (*)	3,939	6.4	3,041	8.6	29.5	-2.3
Investments in subsidiaries, associates and joint ventures	500	0.8	159	0.5	213.8	4.2
Financial assets (excl. those designated at fair value through profit or loss)	47,898	77.2	26,131	73.9	83.3	8.5
Investments held to maturity	1,747	2.8	626	1.8	178.9	-17.4
Loans and receivables	6,206	10.0	2,747	7.8	126.0	-7.7
Debt securities	4,550	7.3	1,637	4.6	177.9	-10.8
Loans and receivables from bank customers	442	0.7	460	1.3	-3.9	-3.9
Interbank loans and receivables	6	0.0	1	0.0	n.s.	n.s.
Deposits held by ceding companies	54	0.1	19	0.1	185.3	53.9
Other loans and receivables	1,153	1.9	629	1.8	83.3	2.0
AFS financial assets	39,557	63.8	22,656	64.1	74.6	13.3
Financial assets held for trading	388	0.6	101	0.3	282.8	-0.2
Financial assets designated at fair value through profit or loss	8,526	13.7	5,429	15.4	57.0	1.6
Cash and cash equivalents	1,154	1.9	599	1.7	92.8	-29.1
Total Investments and Liquidity	62,017	100.0	35,359	100.0	75.4	5.7

(*) including Owner-occupied property

Pursuant to IFRS 5, Property of €21m (same at 31/12/2013) and Cash and cash equivalents of €78m (€23m at 31/12/2013) were reclassified to Assets held for disposal, pursuant to IFRS 5.

Net income from asset and financial management

The breakdown of net asset and financial income and charges is shown in the table below:

Net income

Values in €m	30/6/2014	*% comp.*	30/6/2013	*% comp.*	*% var.*	*% var. on a like-for-like basis*
Investment property	-41	-3.7	-6	-1.0		n.s.
Income/charges from investments in subsidiaries, associates and joint ventures	-7	-0.6	-3	-0.5		n.s.
Net income from investments held to maturity	37	3.4	9	1.6		-9.7
Net income from loans and receivables	51	4.7	53	9.2		-57.6
Net income from AFS financial assets	1,169	107.2	541	94.0		52.3
Net income from financial assets held for trading	-122	-11.2	-24	-4.1		n.s.
Result of cash and cash equivalents	3	0.3	5	0.8		-37.0
Total net income from financial assets and cash and cash equivalents	1,091	100.0	575	100.0	89.8	20.9
Net charges from financial liabilities held for trading	13		-11			-225.2
Net charges from other financial liabilities	-65		-33			15.6
Total net charges from financial liabilities	-52		-44		18.1	-21.5
Total net income (excluding instruments designated at fair value through profit or loss)	1,039		531		95.7	24.2
Net income from financial assets designated at fair value through profit or loss	293		36			
Net charges from financial liabilities designated at fair value through profit or loss	-21		0			
Total net income from financial instruments designated at fair value through profit or loss	272		36			
Total net income from asset and financial management	1,311		567		131.4	47.8

At 30 June 2014, the following were booked to the income statement; write-downs of investment property amounting to €56m (not present at 30/6/2013), write-downs of impairment on financial instruments classified in the AFS category totalling €7m (€3m at 30/6/2013, €28m on a like-for-like basis) and write-downs of loans and receivables, attributable to banking activities for €5m (€3m at 30/6/2013 and on a like-for-like basis).

Shareholders' equity

Shareholders' equity, excluding non-controlling interests, breaks down as follows:

Amounts in €m	30/6/2014	31/12/2013	*var. in amount*	*var. in amount on a like-for-like basis*
Share capital	1,996	1,195	*802*	
Other equity instruments	0	0	*0*	
Capital reserves	248	199	*49*	
Retained earnings and other equity reserves	2,167	116	*2,051*	
(Treasury shares)	-50	0	*-49*	
Reserve for currency translation differences	4	5	*-1*	
Gains/losses on AFS financial assets	1,073	497	*576*	
Other gains and losses recorded directly in equity	-5	26	*-31*	
Profit (loss) for the period	333	288	*44*	
Total Shareholders' Equity attributable to the Group	5,766	2,325	*3,440*	*556*

Movements in shareholders' equity recognised during the year with respect to 31 December 2013 are set out in the attached statement of changes in shareholders' equity.
The main changes in the year, on a like-for-like basis, were as follows:

- decrease due to dividend distribution for €565m;
- increase due to a positive change in the provision for gains and losses on available-for-sale financial assets, net of the related deferred tax liability, both for the part attributable to the policyholders and allocated to the insurance liabilities for the amount of €577m;
- €173m increase for the component attributable to an instrument representing equity of a convertible bond loan issued by UnipolSai;
- a change of €333m owing to Group profit for the period.

Treasury shares

At 30 June 2014 UnipolSai held a total of 53,549,686 ordinary treasury shares, comprising 725,620 held directly and 52,824,066 indirectly through the subsidiaries Finadin (38,451,446), Fondiaria-SAI Nederland (9,443,258), SAI Holding (3,225,720), Sainternational (1,254,300), Pronto Assistance (344,313), Popolare Vita (101,700) and Saifin (3,329).

Technical provisions and financial liabilities

At 30 June 2014 technical provisions amounted to €54,991m (€32,800m at 31/12/2013 and €52,694m on a like-for-like basis) and financial liabilities amounted to €4,104m (€2,226m at 31/12/2013 and €4,440m on a like-for-like basis). Non-Life technical provisions for €78m were reclassified to the item Liabilities held for disposal, pursuant to IFRS 5 (€19m at 31/12/2013).

Technical provisions and financial liabilities

Amounts in €m	30/6/2014	31/12/2013	var. in amount	var. in amount on a like-for-like basis
Non-Life technical provisions	17,445	11,603	50.4	-2.1
Life technical provisions	37,546	21,197	77.1	7.7
Total technical provisions	54,991	32,800	67.7	4.4
Financial liabilities at fair value	1,168	554	110.8	0.5
Investment contracts with insurance companies	761	503	51.2	1.4
Other	408	51	696.1	-1.2
Other financial liabilities	2,936	1,672	75.6	-10.4
Subordinated liabilities	2,013	1,029	95.6	1.4
Payables to bank customers	252	165	53.4	53.9
Other	671	479	40.1	-40.5
Total financial liabilities	4,104	2,226	84.3	-7.6
Total	59,095	35,026	68.7	3.4

UnipolSai 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. Therefore liabilities constituting operating debt, i.e. liabilities directly or indirectly associated with assets, are excluded.

The situation is summarised in the table below, which highlights a reduction in debt of approximately €306m on a like-for-like basis.

Group debt (excluding Net Interbank funding)

Amounts in €m	30/6/2014	31/12/2013	var. in amount	var. in amount on a like-for-like basis
Subordinated liabilities	2,013	1,029	984	28
Due to banks and other borrowings	375	305	70	-334
Total debt	2,387	1,334	1,054	-306

The reduction in debt was mainly due to the reduction of the loan agreement and payment of the interest-bearing shareholder loan of former Premafin for a total value of €214m, the maturity of the repurchase agreement funding of Unipol Assicurazioni of approximately €103m, the repayment by Finadin of two loan agreements entered into with Banca Popolare di Milano and Banco Popolare for a total book value of approximately €12m, in addition to the decrease in debt securities issued by Banca Sai of approximately €5m.

The main characteristics of existing **Subordinated Liabilities** are shown below:

- €750m - relating to the subordinated bond loan with indefinite duration issued on 18 June 2014 and listed on the Luxembourg Stock Exchange, with the option of early repayment, based on prior authorisation of the Supervisory Authority, starting from the tenth year. Interest accrues on the loan at a fixed rate of 5.75% for the first 10 years while after said date, the coupon will be variable and based on the 3-month Euribor plus a spread of 518 basis points. The characteristics of the loan mean it can be calculated in the elements that make up the solvency margin up to a limit of 50%.
  On the same date, Mediobanca loans with the same hybrid characteristics were repaid for a nominal amount equal to the new issue of €750,000k. The following Mediobanca loans were repaid:
  - €400m (former Unipol Assicurazioni SpA) – subordinated hybrid loan granted by Mediobanca – Banca di Credito Finanziario SpA
  - €250m (former Fondiaria-SAI SpA) – subordinated hybrid loan granted by Mediobanca – Banca di Credito Finanziario SpA
  - €100m (former Milano Assicurazioni SpA) – subordinated hybrid loan granted by Mediobanca – Banca di Credito Finanziario SpA
- €400m - loan granted in July 2003 by Mediobanca – Banca di Credito Finanziario SpA, for a twenty year term and with the option of early repayment, based on prior authorisation of the Supervisory Authority, starting from the tenth year. The interest rate was 2.209% at 30 June 2014 (6-month Euribor plus 180 basis points). A interest rate hedge was stipulated in 2009, whose effects were felt in May 2010, which expired in July 2013. The characteristics of the loan mean it can be calculated in the elements that make up the solvency margin up to a limit of 50%.
- €300m - subordinated bond loan issued in June 2001 by the holding company Unipol Gruppo Finanziario, in respect of which Unipol Assicurazioni took over as issuer in 2009. The loan has a twenty year term with the option of early repayment each three months starting from June 2011. The interest rate was 2.804% at 30 June 2014 (3-month Euribor plus 250 basis points). The loan, which is listed on the Luxembourg Stock Exchange, has characteristics as such that allow it to be calculated in the elements that make up the solvency margin up to a limit of 25%;
- €300m - subordinated bond loan issued in July 2003 by the holding company Unipol Gruppo Finanziario, in respect of which Unipol Assicurazioni took over as issuer in 2009. The loan has a twenty year term with the option of early repayment from July 2013. The interest rate, fixed and equal to 5.66% until 28 July 2013, stood at 2.837% at 30 June 2014, equal to the 3-month Euribor plus 250 basis points. The loan, which is listed on the Luxembourg Stock Exchange, has characteristics as such that allow it to be calculated in the elements that make up the solvency margin up to a limit of 25%. The company holds part of said loan under portfolio assets for a nominal value of €38,311k, acquired at the end of 2009 from the holding company Unipol Gruppo Finanziario. Therefore, the actual debt of said loan amounts to €261,689k;
- €150m - subordinated loan granted by Mediobanca – in July 2006 with a twenty year term and with the option of early repayment, based on prior authorisation of the Supervisory Authority, starting from the fifth year. The interest rate was 2.190% at 30 June 2014 (6-month Euribor plus 180 basis points). An interest rate hedge was stipulated in 2008, whose effects were felt in January 2009, with expiry in July 2016. The characteristics of the loan mean it can be calculated in the elements that make up the solvency margin up to a limit of 25%;
- €100m - loan granted in December 2005 by Mediobanca – Banca di Credito Finanziario SpA, for a twenty year term and with the option of early repayment, based on prior authorisation of the Supervisory Authority, starting from the tenth year. The interest rate was 2.192% at 30 June 2014 (6-month Euribor plus 180 basis points). An interest rate hedge was stipulated in 2009, whose effects were felt

in June 2009, with expiry in December 2015. The characteristics of the loan mean it can be calculated in the elements that make up the solvency margin up to a limit of 25%;

- €50m - loan granted in July 2006 by Mediobanca – Banca di Credito Finanziario SpA (original amount of €150m, of which €100m repaid in 2008), for a twenty year term and with the option of early repayment, based on prior authorisation of the Supervisory Authority, starting from the tenth year. The interest rate was 2.190% at 30 June 2014 (6-month Euribor plus 180 basis points). An interest rate hedge was stipulated in 2008, whose effects were felt in January 2009, with expiry in July 2016. The characteristics of the loan mean it can be calculated in the elements that make up the solvency margin up to a limit of 25%.
- €134.3m - relating to the Convertible Bond Loan issued on 24 April 2014 for a total of €201.8m, at a fixed rate of 6.971%. The loan was subscribed (i) for €134.3m by the lending banks that had approved the debt restructuring agreement of the former Premafin, excluding GE Capital Interbanca SpA, which - due to the merger by incorporation of Premafin HP SpA, Unipol Assicurazioni and Milano Assicurazioni into UnipolSai - became lenders of UnipolSai Assicurazioni SpA and (ii) for €67.5m, by the parent company Unipol Gruppo Finanziario SpA, converted on 22 May 2014.
  Pursuant to IAS 32.15, the items relating to debt include the sole component classifiable as financial liabilities (€14m): the component attributable to equity instruments was recognised as an increase in Shareholders' Equity.

With reference to Banks and other lenders, amounting to €375m, the most significant amounts are detailed below:

- €178m (€392m at 31/12/2013) referred to the loan granted by a pool of banks, within the scope of the 'former Premafin' Debt Rescheduling Agreement entered into on 13 June 2012, with Unicredit serving as Agent. The loan consists of €138m (of which €19m of Equity Swap) relating to the 'Amended Post-Integration Loan Agreement', with maturity on 31 December 2018 and of €39m relating to the 'GE Capital Agreement', with maturity on 31 December 2020;
- €111m (€111m at 31/12/2013) refers to the loan of the Tikal R.E. Closed-end Real Estate Fund with Mediobanca as Agent Bank. The loan, originally for €119m, was granted for the purchase of property and improvements. The cost of the loan is at the 6-month Euribor rate plus a credit spread of 90 basis points. Since 2008, the Fund has utilised derivative instruments to implement a hedging policy on the potential risk of an increase in interest rates on the loan granted;
- €53m (€54m at 31/12/2013) refers entirely to the debt of the subsidiary Immobiliare Fondiaria-SAI. This refers principally to the bank loan entered into by Marina di Loano with Intesa Sanpaolo as the agent bank reaching maturity and an interest rate of 3M Euribor +300 basis points. The company utilised a derivative instrument to implement a hedging policy on the potential risk of an increase in interest rates on the loan granted.

At 30 June 2014 debt securities issued by BancaSai SpA, net of intra-group subscriptions of €200k, amounted to €13m, compared to €18m at 31 December 2013 (intra-group subscriptions of €3m).

Transactions with related parties

No transactions 'of major relevance' with related parties took place in the first half of 2014 and neither did any transactions that, according to Art. 2427, Par. 2 of the Italian Civil Code, had any significant effect on UnipolSai's financial position and income.

The 'Procedure for transactions with related parties' is published on UnipolSai's website (www.unipolsai.com), in the Corporate Governance section.

The information required by IAS 24 is contained in paragraph 4.5 of the Notes to the financial statements – Transactions with related parties.

Significant events after the reporting period and business outlook

Significant events after the reporting period

Offer of policies payable in instalments at zero interest rate (TAN 0%, TAEG 0%)

UnipolSai decided to extend to 31 December 2014 the option to pay motor policies in monthly instalments at zero interest rate, intended both for current and new customers, whereby the policyholders will not incur any additional costs because all financial expenses will be borne by UnipolSai (TAN, or annual nominal rate: 0.00%; TAEG, or annual percentage rate: 0.00%; purchase fees: 0.00%).

Continuing with the successful experience matured in MV TPL, in July UnipolSai extended the option to pay the premium in instalments at zero interest rate to numerous other Non-MV products. In this period of prolonged economic crisis, which is having a significant impact on household and business spending power, the ability further to facilitate traditional premium payment methods confirms our focus on customer needs and is a distinctive element of our commercial offering.

Business outlook

Concerning the performance of the Non-Life insurance segment, to date there have been no significant changes relative to the trends in the first half, except those induced since 1 July, on current year premiums and claims, by the transfer of 725 agencies to Allianz, in compliance, as reported above, with Provision dated 19 June 2012 of the Antitrust Authority.

In the Life segment, affected to a lesser extent by the transfer of the agencies, premiums continue to grow markedly, continuing to benefit from the performance of financial markets, where Government bond yields reached record lows in July.

Concerning financial management, the financial markets are exhibiting fairly good stability, although the ongoing crises in several regions throughout the world could lead to an increase in volatility. In this environment, operations remain directed at consistency between assets and liabilities and at maintaining a high quality standard of the portfolio through issuer diversification criteria that focus on their soundness and liquidity.

The Group is determinedly continuing the integration of the companies merged into UnipolSai and the additional corporate simplification activities, already identified, to achieve the objectives of the Business Plan.

Bologna, 6 August 2014

The Board of Directors

Condensed Consolidated Half-yearly Financial Statements at 30/06/2014

Consolidated financial statements:

- *Statement of financial position*
- *Income statement and comprehensive income statement*
- *Statement of changes in shareholders' equity*
- *Statement of cash flows*

Consolidated Statement of Financial Position - Assets

	Amounts in €m	30/6/2014	31/12/2013
1	INTANGIBLE ASSETS	844.1	523.9
1.1	Goodwill	306.7	0.0
1.2	Other intangible assets	537.4	523.9
2	PROPERTY, PLANT AND EQUIPMENT	1,136.6	522.3
2.1	Property	1,026.4	456.8
2.2	Other tangible assets	110.2	65.6
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	1,029.9	741.7
4	INVESTMENTS	59,835.9	34,303.6
4.1	Investment property	2,912.2	2,584.5
4.2	Investments in subsidiaries, associates and interests in joint ventures	500.2	159.4
4.3	Investments held to maturity	1,747.2	626.5
4.4	Loans and receivables	6,206.2	2,746.5
4.5	Available-for-sale financial assets	39,556.7	22,656.2
4.6	Financial assets at fair value through profit or loss	8,913.5	5,530.5
5	SUNDRY RECEIVABLES	3,134.4	1,900.9
5.1	Receivables relating to direct insurance business	1,506.0	1,081.7
5.2	Receivables relating to reinsurance business	111.0	98.4
5.3	Other receivables	1,517.4	720.8
6	OTHER ASSETS	2,672.0	1,843.3
6.1	Non-current assets held for sale or disposal groups	180.7	138.9
6.2	Deferred acquisition costs	79.6	63.3
6.3	Deferred tax assets	1,994.1	1,189.1
6.4	Current tax assets	122.6	217.0
6.5	Other assets	294.9	234.9
7	CASH AND CASH EQUIVALENTS	1,154.2	598.5
	TOTAL ASSETS	69,807.0	40,434.2

Consolidated Statement of Financial Position - Shareholders' Equity and Liabilities

	Amounts in €m	30/6/2014	31/12/2013
1	SHAREHOLDERS' EQUITY	6,089.3	3,066.2
1.1	attributable to the owners of the Parent	5,765.6	2,325.2
1.1.1	Share capital	1,996.1	1,194.6
1.1.2	Other equity instruments	0.0	0.0
1.1.3	Equity-related reserves	247.8	198.9
1.1.4	Retained earnings and other equity reserves	2,166.6	115.6
1.1.5	(Treasury shares)	-49.5	-0.1
1.1.6	Reserve for currency translation differences	3.8	4.7
1.1.7	Gains or losses on available-for-sale financial assets	1,073.1	496.9
1.1.8	Other gains or losses recognised directly in equity	-5.0	26.3
1.1.9	Profit (loss) for the period attributable to the owners of the Parent	332.7	288.4
1.2	attributable to non-controlling interests	323.7	741.0
1.2.1	Share capital and reserves attributable to non-controlling interests	259.5	521.0
1.2.2	Gains or losses recorded directly in equity	39.7	122.9
1.2.3	Profit (loss) for the period attributable to non-controlling interests	24.5	97.2
2	PROVISIONS	555.0	319.9
3	TECHNICAL PROVISIONS	54,990.6	32,800.0
4	FINANCIAL LIABILITIES	4,103.9	2,226.3
4.1	Financial liabilities at fair value through profit or loss	1,168.2	554.1
4.2	Other financial liabilities	2,935.8	1,672.2
5	PAYABLES	1,391.7	655.4
5.1	Payables arising from direct insurance business	291.9	94.8
5.2	Payables arising from reinsurance business	88.7	73.4
5.3	Other payables	1,011.1	487.1
6	OTHER LIABILITIES	2,676.4	1,366.4
6.1	Liabilities associated with disposal groups	123.1	74.2
6.2	Deferred tax liabilities	1,772.3	827.4
6.3	Current tax liabilities	34.8	67.0
6.4	Other liabilities	746.2	397.9
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	69,807.0	40,434.2

Consolidated Income Statement

	Amounts in €m	30/6/2014	30/6/2013
1.1	Net premiums	8,790.4	5,234.9
1.1.1	*Gross premiums earned*	*9,005.9*	*5,402.5*
1.1.2	*Earned premiums ceded to reinsurers*	*-215.5*	*-167.6*
1.2	Commission income	7.7	5.7
1.3	Gains and losses on financial instruments at fair value through profit or loss	162.8	1.1
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	2.4	0.1
1.5	Gains on other financial instruments and investment property	1,473.4	691.4
1.5.1	*Interest income*	*794.4*	*481.3*
1.5.2	*Other income*	*113.7*	*64.4*
1.5.3	*Realised gains*	*496.7*	*145.2*
1.5.4	*Unrealised gains*	*68.5*	*0.4*
1.6	Other income	203.1	230.5
1	TOTAL REVENUE AND INCOME	10,639.7	6,163.6
2.1	Net charges relating to claims	-7,955.6	-4,393.6
2.1.1	*Amounts paid and changes in technical provisions*	*-8,044.5*	*-4,487.4*
2.1.2	*Reinsurers' share*	*88.9*	*93.8*
2.2	Commission expenses	-8.7	-3.1
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	-9.3	-2.9
2.4	Losses on other financial instruments and investment property	-318.0	-123.1
2.4.1	*Interest expense*	*-28.5*	*-35.0*
2.4.2	*Other costs*	*-61.3*	*-34.2*
2.4.3	*Realised losses*	*-133.8*	*-25.0*
2.4.4	*Unrealised losses*	*-94.3*	*-29.0*
2.5	Operating expenses	-1,374.9	-800.6
2.5.1	*Commissions and other acquisition expenses*	*-1,040.9*	*-587.4*
2.5.2	*Investment management expenses*	*-43.5*	*-8.0*
2.5.3	*Other administrative expenses*	*-290.6*	*-205.2*
2.6	Other costs	-412.9	-475.3
2	TOTAL COSTS AND EXPENSES	-10,079.2	-5,798.5
	PRE-TAX PROFIT (LOSS) FOR THE PERIOD	560.5	365.1
3	Income tax	-202.1	-155.4
	PROFIT (LOSS) FOR THE PERIOD AFTER TAXES	358.4	209.8
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	-1.1	0.0
	CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	357.3	209.8
	of which attributable to the owners of the Parent	*332.7*	*143.3*
	of which attributable to non-controlling interests	*24.5*	*66.5*

Comprehensive Income Statement

Amounts in €m	30/6/2014	30/6/2013
CONSOLIDATED PROFIT (LOSS)	357.3	209.8
Other income components net of taxes without reclassification to the income statement	0.0	9.2
Variation in the shareholders' equity of the investees	4.5	7.0
Variation in the revaluation reserve for intangible assets	0.0	0.0
Variation in the revaluation reserve for property, plant and equipment	0.0	0.0
Gains and losses on non-current assets held for sale or disposal groups	0.0	0.0
Actuarial gains and losses and adjustments relating to defined-benefit plans	-3.3	2.0
Other items	-1.2	0.2
Other income components net of taxes with reclassification to the income statement	592.9	-83.3
Variation in the reserve for currency translation differences	-4.0	-0.6
Gains or losses on available-for-sale financial assets	569.6	-100.1
Gains or losses on cash flow hedges	27.3	17.4
Gains or losses on hedges of a net investment in foreign operations	0.0	0.0
Variation in the shareholders' equity of the investees	0.0	0.0
Gains and losses on non-current assets held for sale or disposal groups	0.0	0.0
Other items	0.0	0.0
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	592.9	-74.1
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE)	950.1	135.7
of which attributable to the owners of the Parent	*933.9*	*95.8*
of which attributable to non-controlling interests	*16.3*	*39.9*

The changes in the Comprehensive Income Statement referring to the first half of 2014 do not include the amounts allocated at 1st January 2014 arising from the merger (-€132m).

Consolidated Statement of Changes in Shareholders’ Equity

	Amounts in €m	Balance at 31/12/2012	Changes to closing balances	Amounts allocated	Reclass. to the Income Statement	Transfers	Balance at 30/6/2013
Shareholders' Equity attributable to the owners of the Parent	Share capital	1,194.6					1,194.6
	Other equity instruments						
	Equity-related reserves	669.6		-470.7			198.9
	Retained earnings and other equity reserves	-465.3		578.2			112.9
	(Treasury shares)	-0.1					-0.1
	Profit (loss) for the period	112.7		30.6			143.3
	Other comprehensive income/(expense)	577.2		-9.2	-38.4		529.7
	Total attributable to the owners of the Parent	2,088.6	0.0	129.0	-38.4	0.0	2,179.2
Shareholders' Equity attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	508.1		12.9			521.0
	Profit (loss) for the period	63.0		53.4		-49.8	66.5
	Other comprehensive income/(expense)	138.4		-13.7	-12.8		111.8
	Total attributable to non-controlling interests	709.4	0.0	52.5	-12.8	-49.8	699.3
Total		2,798.0	0.0	181.5	-51.2	-49.8	2,878.5

		Balance at 31/12/2013	Changes to closing balances	Amounts allocated	Reclass. to the Income Statement	Transfers	Balance at 30/06/2014
Shareholders' Equity attributable to the owners of the Parent	Share capital	1,194.6		801.6			1,996.1
	Other equity instruments						0.0
	Equity-related reserves	198.9		48.9			247.8
	Retained earnings and other equity reserves	115.6		2,427.4		-376.3	2,166.6
	(Treasury shares)	-0.1		-49.4			-49.5
	Profit (loss) for the period	288.4		222.9		-178.5	332.7
	Other comprehensive income/(expense)	527.9		477.8	66.2		1,071.9
	Total attributable to the owners of the Parent	2,325.2	0.0	3,929.1	66.2	-554.9	5,765.6
Shareholders' Equity attributable to non-controlling interests	Share capital and reserves attributable to non-	521.0		-261.5			259.5
	Profit (loss) for the period	97.2		4.7		-77.3	24.5
	Other comprehensive income/(expense)	122.9		-69.7	-13.4		39.7
	Total attributable to non-controlling interests	741.0	0.0	-326.6	-13.4	-77.3	323.7
Total		3,066.2	0.0	3,602.5	52.8	-632.2	6,089.3

STATEMENT OF CASH FLOWS (indirect method)		
Amounts in €m	30/06/2014	30/06/2013
Pre-tax profit (loss) for the period	560.5	365.1
Change in non-monetary items	1,096.0	-498.0
Change in non-life premium provision	-126.4	-81.9
Change in claims provision and other non-life technical provisions	-217.8	-386.9
Change in mathematical provisions and other life technical provisions	1,667.7	14.2
Change in deferred acquisition costs	-1.8	-10.2
Change in provisions	41.9	13.3
Non-monetary gains and losses on financial instruments, investment property and investments	-508.9	-129.0
Other changes	241.4	82.5
Change in receivables and payables generated by operating activities	549.5	-25.4
Change in receivables and payables relating to direct insurance and reinsurance	416.5	103.6
Change in other receivables and payables	133.1	-129.0
Paid taxes	-294.0	-30.9
Net cash flows generated by/used for monetary items from investing and financing activities	95.8	273.3
Liabilities from financial contracts issued by insurance companies	-13.6	-1.6
Payables to bank and interbank customers	88.4	19.5
Loans and receivables from banks and interbank customers	12.5	22.1
Other financial instruments at fair value through profit or loss	8.5	233.3
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	2,007.8	84.1

Net cash flow generated by/used for investment property	-0.9	-26.0
Net cash flow generated by/used for investments in subsidiaries, associates and interests in joint ventures	-36.8	-19.3
Net cash flow generated by/used for loans and receivables	449.3	18.4
Net cash flow generated by/used for held-to-maturity investments	377.5	38.5
Net cash flow generated by/used for available-for-sale financial assets	-2,279.7	50.8
Net cash flow generated by/used for property, plant and equipment and intangible assets	-23.7	25.3
Other net cash flows generated by/used for investing activities	0.0	0.0
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	-1,514.2	87.7

Net cash flow generated by/used for equity instruments attributable to the owners of the Parent	172.7	0.0
Net cash flow generated by/used for treasury shares	0.0	0.0
Dividends distributed attributable to the owners of the Parent	-564.5	
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	-77.3	
Net cash flow generated by/used for subordinated liabilities and equity instruments	14.4	
Net cash flow generated by/used for other financial liabilities	-457.9	-38.7
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	-912.7	-38.7

Effect of exchange rate gains/losses on cash and cash equivalents	-0.3	-0.4

CASH AND CASH EQUIVALENTS AT 1 JANUARY (*)	1,651.7	560.2
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-419.4	132.7
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (**)	1,232.4	693.0

(*) Cash and cash equivalents at 1 January 2014 correspond to the cash and cash equivalents at 31 December 2013 increased by €1,029.8m due to the merger. They also include the cash and cash equivalents of non-current assets or those of a disposal group held for sale or disposal groups (€23.4m).

(**) Cash and cash equivalents at the end of the year include the cash and cash equivalents of non-current assets or those of a disposal group held for sale (€78.2m at 30 June 2014, €23.4m at 30 June 2013).

Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of presentation

The condensed consolidated half-yearly financial statements at 30 June 2014 of the UnipolSai Group 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 Ruling 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 consolidated financial statements at 31 December 2013.

The condensed consolidated half-yearly financial statements are made up of:
- Statement of financial position;
- Income statement and statement of comprehensive income;
- 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 layout conforms to the provisions of ISVAP Ruling 7 of 13 July 2007, Part III as amended, relating to the layout of the consolidated financial statements of insurance and reinsurance companies that must adopt IFRS.
The comprehensive income statement was prepared considering the amendments to paragraph 82A of IAS 1, introduced by Regulation (EU) no. 475 of 5 June 2012.

The information requested in CONSOB Communication DEM/6064293 of 28 July 2006 is also provided.

The consolidation principles and classification and measurement criteria, as well as the consolidation principles applied when drafting the condensed consolidated half-yearly financial statements at 30 June 2014, are consistent with those used for the consolidated financial statements at 31 December 2013, to which you are referred and which are to be considered an integral part of these Notes, save for the effects of the business combination, illustrated in the Interim Management Report, recognised in compliance with the accounting principles of the Parent company Unipol Gruppo Finanziario and presented in its Consolidated Financial Statements at 31 December 2013.

When drawing up the condensed consolidated half-yearly financial statements at 30 June 2014, since it is an interim report company Management had to resort to valuations, estimates and assumptions that affect application of the accounting standards and the amounts of the assets, liabilities, costs and revenues recognised in the financial statements to a greater extent. Nonetheless, it is pointed out that as it is a question of estimates, the results obtained will not necessarily be the same as those provided herein. Said estimates and assumptions are reviewed on a regular basis. Any changes arising from the review of the accounting estimates are recognised in the period when the review is carried out and in the relevant future periods.

New accounting policies

IFRS 10, 11, 12, amendments to IAS 27 and to IAS 28

On 12 May 2011, the IASB published the standards:
- IFRS 10 "Consolidated Financial Statements", which replaced IAS 27 concerning the paragraph on the consolidated financial statements, and the interpretation SIC12;

- IFRS 11 “Joint arrangements” which replaced IAS 31;
- IFRS 12 “Disclosure on interests in other entities” which contains accounting disclosure requirements for IFRS 10 and 11;
- IAS 27 “Separate financial statements”;
- IAS 28 “Investments in associates and joint ventures”.

According to IFRS 10, an investor has control over another company when it jointly has:
- decision-making power to manage “significant activities” (which influence economic returns);
- exposure or rights to variable returns deriving from the relationship with the investee;
- the ability to use its power over the investee to affect the amount of the investor's return.

IFRS 11 defines a joint arrangement as an arrangement of which two or more parties have joint control.
It distinguishes between a joint operation and a joint venture:
- a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. For accounting purposes, assets and liabilities forming part of the arrangement are reflected in the financial statements using the reference accounting standard;
- a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. These parties are defined as joint venturers. For accounting purposes, joint ventures are consolidated using the equity method

The objective of IFRS 12 is to require entities to disclose information that enables users of financial statements to evaluate:
- the nature of, and risks associated with, its interests in other entities;
- the effects of those interests on its financial position, financial performance and cash flows.

The purpose of the new IAS 27 “Separate financial statements” is to regulate accounting treatment of investments in subsidiaries, associates and joint ventures in the separate financial statements.

The new IAS 28 “Investments in associates and joint ventures” defines the accounting of interests in associates and the requirements for the application of the equity method for accounting for investments in associates and joint ventures.

IFRS 10, 11, 12, IAS 27 and IAS 28 were approved with Regulation (EU) no. 1254 of 11 December 2012 and entered into force on 1 January 2014.

IAS 32 Financial Instruments: presentation

Regulation 1256/2012 of the European Commission of 13 December 2012, published in the Official Journal of the European Union no. 360 of 29 December 2012, made amendments to IAS 32, with reference to the necessary requirements for offsetting financial assets and liabilities. The amendments are applicable from 1 January 2014.

Amendments to IFRS 10 and 12, and to IAS 27 - Investment Entities

On 31 October 2012 the IASB published the document “Investment Entities”, containing amendments to IFRS 10 “Consolidated Financial Statements”, to IFRS 12 “Disclosure of Interests in Other Entities” and to IAS 27 “Separate Financial Statements”; the aforesaid document amends IFRS 10 to require investment entities to measure their subsidiaries at fair value through profit or loss rather than consolidating them, the better to represent their business model. Following this logic, IFRS 12 was amended to impose, if the exception to consolidation is applied, specific disclosure about the significant judgements and assumptions made by the entity in determining whether it is an investment entity. Consequently, IAS 27 was amended to provide an exception from the requirements of consolidation for "investment entities", which instead are required to file their own separate financial statements as the sole financial statements and that, if they must nonetheless prepare the consolidated financial statements, they shall account for their investment in a subsidiary as a net investment measured at fair value through profit or loss in the consolidated financial statements in the same way as in the separate financial statements.

The aforesaid amendments were endorsed with Regulation (EU) No. 1174 of 20 November 2013 and they have been in force since 1 January 2014.

Amendments to IFRS 10, 11 and 12 - Transition Guidance

Commission Regulation (EU) No. 313/2013 published in the Official Journal of the European Union, L 95 of 5 April 2013 endorses the amendments introduced by the document published by the IASB on 28 June 2012, limiting the requirement to provide adjusted comparative information to only the preceding comparative period in case of consolidation, as a result of the first application of IFRS 10, of previously unconsolidated investments (this transition relief is also extended to the transitional provisions of IFRS 11 and 12).

The amendments have been in force since 1 January 2014.

Amendment to IAS 36 – Recoverable amount disclosures for non-financial assets

On 29 May 2013 the IASB published amendments to IAS 36 "Impairment of Assets", to clarify that the disclosures required about the recoverable amount of the assets, when said amount is based on fair value less costs of disposal, pertain only to assets for which the entity has recognised an impairment loss during the reporting period.

These amendments were endorsed with Regulation (EU) No. 1374 of 19 November 2013 and they have been in force since 1 January 2014.

Amendment to IAS 39 - Novation of OTC derivatives and continuing designation for hedge accounting

On 27 June 2013 the IASB published several amendments to its international accounting standard IAS 39 that set out to regulate the situations in which a derivative designated as a hedging instruments undergoes novation from one counterparty to a main counterparty as a consequence of rules or regulations. In this way hedge accounting can continue regardless of the novation, which otherwise would not have been allowed without the amendment.

The amendments were endorsed with Regulation (EU) No. 1375 of 19 December 2013 and they have been in force since 1 January 2014.

Application of the new accounting standards described had no significant impact on the result and financial position of the Group.

The presentation currency is the euro and all the amounts shown in the Notes to the financial statements are 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 2014 are subject to a limited audit by independent auditors PricewaterhouseCoopers SpA (PwC), the company tasked with performing the legally-required audit for the 2013-2021 period.

Consolidation scope

Changes in the consolidation scope compared with 31 December 2013 and other transactions

Please note that the subsidiaries and associates of Unipol Assicurazioni SpA and the companies not falling within the scope of consolidation of Fondiaria-SAI SpA, directly controlled by Premafin Spa, joined the UnipolSai Group after Unipol Assicurazioni SpA, Milano Assicurazioni SpA and Premafin SpA were incorporated into Fondiaria-SAI SpA (today UnipolSai SpA). Moreover, the companies held by Milano Assicurazioni SpA are now 100% owned.

Changes in the consolidation scope:

- On 14 January 2014 the company Scontofin Sa in Liquidation with offices in Luxembourg, controlled by Finadin SpA and Sailux Sa 70% and 19%, respectively, was deleted from the Business Register.

Transactions carried out on capital that did not modify the consolidation scope:

- 5 March 2014. Share capital increase in favour of the subsidiary Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere SpA of €45.6m following which the ownership structure of the Company remained unchanged;
- 31 March 2014. Share capital increase in favour of the associate company Funivie del Piccolo San Bernardo SpA of €2.5m. Immobiliare Fondiaria-SAI Srl has not yet participated in the share capital increase. Its percentage interest has changed from 27.38% to 23.55%.
- 19 April 2014. Share capital decrease of the subsidiary Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere SpA, currently €37.8m. The ownership structure has remained unaltered;
- 1 May 2014. UnipolSai purchased the entire interest in Fondiaria-SAI Servizi Tecnologici SpA;
- 25 June 2014. Share capital increase in favour of the subsidiary Unipol Banca of €100m following which the ownership structure of the Company is: Unipol Gruppo Finanziario SpA 67.75% and UnipolSai 32.25%;

it should also be noted that:

- 13 February 2014. The company Donatello Day Surgery Srl was placed in liquidation;
- 26 March 2014. The company name of Saiagricola SpA - Società Agricola was changed to Tenute del Cerro SpA - Società Agricola;
- 24 April 2014. The company name of Immobiliare Lombarda SpA was changed to UnipolSai Servizi Immobiliari SpA;
- 9 May 2014. The company name of Sai Investimenti SGR SpA was changed to UnipolSai Investimenti SGR SpA;
- 13 June 2014. Saint George Capital Management S.A. was placed in liquidation.

Segment information

The scope of segment information is based on the major types of business in which the Group operates:

- Non-Life;
- Life;
- Real estate;
- Other assets.

No segment information based on geographical areas has been produced since the Group operates mainly on a national level and there appears to be no significant difference in the risks and benefits, according to the type of business activity carried out, that can be correlated with the economic situation in the individual regions.

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

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 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 disposal are shown respectively under items 6.1 in Assets and 6.1 under Liabilities.

ASSETS

1. Intangible assets

Amounts in €m	30/06/2014	31/12/2013	*var. in amount*	*var. on a like-for-like basis*
Goodwill	306.7	0.0	*306.7*	*0.0*
from business combinations	306.7	0.0	*306.7*	*0.0*
Other intangible assets	537.4	523.9	*13.5*	*-51.4*
portfolios acquired under business combinations	435.2	488.3	*-53.1*	*-53.1*
software and licenses	73.0	6.3	*66.6*	*5.5*
other intangible assets	29.3	29.3	*0.0*	*-3.8*
Total intangible assets	844.1	523.9	*320.2*	*-51.4*

1.1 Goodwill

The item, totalling €306.7m, consists of the goodwill generated after Unipol Assicurazioni, Milano Assicurazioni and Premafin Finanziaria were integrated into Fondiaria-SAI (today UnipolSai); of this item, €177.0m refers to the Non-Life sector and €129.7m to the Life sector.

1.2 Other intangible assets

The item, totalling €537.4m (€523.9m at 31/12/2013, €588.8m on a like-for-like basis), is composed primarily of the value of the Life and Non-Life portfolios acquired as part of the business combinations for €435.2m (€488.3m at 31/12/2013 and on a like-for-like basis), and other costs (including software, licences, consultancy and the customisation of software programs) for €102.3m (€35.6m at 31/12/2013, €100.5m on a like-for-like basis).

In relation to the item ‘Portfolios acquired under business combinations’, generated by the above-mentioned integration of Unipol Assicurazioni, Milano Assicurazioni and Premafin Finanziaria into Fondiaria-SAI (today UnipolSai), the decrease with respect to 31 December 2013, amounting to €53.1m, is due mainly (for -€9.0m) to the smaller share of the value of the Non-Life portfolio reclassified in accordance with IFRS 5 (€53.8m at 30/6/2014 and €62.8m at 31/12/2013), and, for €62.1m, to portions of amortisation of the values of the Non-Life (€41.1m) and Life (€21.0m) portfolios acquired.

2. Property, plant and equipment

At 31 June 2014 property, plant and equipment, net of accumulated depreciation, amounted to €1,136.6m (€522.3m at 31/12/2013, €879.1m, on a like-for-like basis), and consist of:

- owner-occupied property for €1,026.4m (€456.8m at 31/12/2013 and €781.2m on a like-for-like basis). The increase primarily refers to transfer of property from the item ‘Investment property’;
- other property, plant and equipment for €110.2m (€65.6m at 31/12/2013 and €97.9m on a like-for-like basis).

3. Technical provisions - reinsurers’ share

The balance of the item amounts to €1,029.9m (€741.7m at 31/12/2013 and €1,014.7m on a like-for-like basis).

4. Investments

Amounts in €m	30/6/2014	*% comp.*	31/12/2013	*% comp.*	*% var.*	*% var. on a like-for-like basis*
Investment property	2,912.2	*4.9*	2,584.5	*7.5*	*12.7*	*-10.4*
Investments in subsidiaries, associates and joint ventures	500.2	*0.8*	159.4	*0.5*	*213.8*	*4.2*
Financial assets (excl. those designated at fair value through profit or loss)	47,897.9	*80.0*	26,130.6	*76.2*	*83.3*	*8.5*
Investments held to maturity	1,747.2	*2.9*	626.5	*1.8*	*178.9*	*-17.4*
Loans and receivables	6,206.2	*10.4*	2,746.5	*8.0*	*126.0*	*-7.7*
AFS financial assets	39,556.7	*66.1*	22,656.2	*66.0*	*74.6*	*13.3*
Financial assets held for trading	387.8	*0.6*	101.3	*0.3*	*282.8*	*-0.2*
Financial assets designated at fair value through profit or loss	8,525.7	*14.2*	5,429.2	*15.8*	*57.0*	*1.6*
Total Investments	59,835.9	*100.0*	34,303.6	*100.0*	*74.4*	*6.4*

Details of Financial assets (excluding those designated at fair value through profit or loss) by investment type:

Amounts in €m	30/6/2014	% comp.	31/12/2013	% comp.	% var.	% var.on a like-for-like basis
Investments held to maturity	1,747.2	3.6	626.5	2.4	178.9	-17.4
Listed debt securities	1,403.8		511.0		174.7	-12.8
Unlisted debt securities	343.4		115.5		197.3	-32.0
Loans and receivables	6,206.2	13.0	2,746.5	10.5	126.0	-7.7
Unlisted debt securities	4,550.2		1,637.4		177.9	-10.8
Loans and receivables from bank customers	442.3		460.2		-3.9	-3.9
Interbank loans and receivables	5.9		0.5		n.s.	n.s.
Deposits held by ceding companies	54.5		19.1		185.3	53.9
Other loans and receivables	1,151.2		600.1		91.9	4.5
Other financial investments	2.1		29.2		-92.8	-92.8
AFS financial assets	39,556.7	82.6	22,656.2	86.7	74.6	13.3
Equity securities measured at cost	40.4		0.0		0.0	-21.6
Listed equity securities measured at fair value	941.8		429.8		119.1	-4.0
Unlisted equity securities measured at fair value	286.0		235.2		21.6	-3.4
Listed debt securities	36,200.4		21,486.9		68.5	13.4
Unlisted debt securities	1,197.6		57.9		n.s.	13.0
Fund units	890.4		446.4		99.5	46.7
Financial assets held for trading	387.8	0.8	101.3	0.4	282.8	-0.2
Listed equity securities measured at fair value	31.8		0.0		n.s.	n.s.
Listed debt securities	114.1		40.2		184.0	-9.6
Unlisted debt securities	140.7		47.0		199.6	17.9
Fund units	48.3		0.0		n.s.	-20.1
Derivatives	52.8		14.1		274.1	-23.2
Total financial assets	47,897.9	100.0	26,130.6	100.0	83.3	8.5

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

Amounts in €m	30/6/2014	% comp.	31/12/2013	% comp.	% var.	% var.on a like-for-like basis
Financial assets designated at fair value through profit or loss	8,525.7	100.0	5,429.2	100.0	57.0	1.6
Listed equity securities measured at fair value	164.4	1.9	59.1	1.1	177.9	62.4
Listed debt securities	3,477.2	40.8	658.8	12.1	427.8	4.9
Unlisted debt securities	1,983.9	23.3	2,843.4	52.4	-30.2	-30.6
Fund units	2,739.6	32.1	1,769.6	32.6	54.8	39.0
Derivatives	35.6	0.4	53.5	1.0	-33.4	-33.4
Other financial assets	125.0	1.5	44.7	0.8	179.6	36.5

The information required by paragraphs 12 and 12A of IFRS 7 is contained in the appendix 'Details of reclassified financial assets and the effects on the income statement and comprehensive income'.

5. Other receivables

Amounts in €m	30/6/2014	% comp.	31/12/2013	% comp.	% var.	% var. on a like-for-like basis
Receivables from direct insurance operations	1,506.0	48.0	1,081.7	56.9	39.2	-16.1
Receivables from reinsurance operations	111.0	3.5	98.4	5.2	12.8	-14.3
Other receivables	1,517.4	48.4	720.8	37.9	110.5	29.5
Total other receivables	3,134.4	100.0	1,900.9	100.0	64.9	1.2

The item 'Other receivables' includes €674.0m for tax receivables (€330.5m at 31/12/2013 and €541.1m on a like-for-like basis), and €285.5m for trade receivables.

6. Other assets

Amounts in €m	30/6/2014	% comp.	31/12/2013	% comp.	% var.	% var. on a like-for-like basis
Non-current assets or disposal groups classified as held for sale	180.7	6.8	138.9	7.5	30.1	30.1
Deferred acquisition costs	79.6	3.0	63.3	3.4	25.8	3.0
Deferred tax assets	1,994.1	74.6	1,189.1	64.5	67.7	35.3
Current tax assets	122.6	4.6	217.0	11.8	-43.5	-44.7
Other assets	294.9	11.0	234.9	12.7	25.5	-15.8
Total other assets	2,672.0	100.0	1,843.3	100.0	45.0	18.1

The item 'Non-current assets or disposal groups classified as held for sale' is composed, for €158.1m, of assets regarding the scope subject to disposal in compliance with Antitrust Authority Measure dated 19 June 2012; for €21.0m, of property held for sale, the preliminary contracts of which have already been drawn up; and for €1.6m, of assets of the company Saint George Capital Management Sa in liquidation.
For details of these assets and liabilities, please refer to paragraph 4.4 of these notes to the financial statements.

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

7. Cash and cash equivalents

At 30 June 2014, Cash and cash equivalents amounted to €1,154.2m (€598.5m at 31/12/2013, €1,628.3m on a like-for-like basis). An amount of €78.2m (€23.4m as at 31/12/2013) was reclassified in application of IFRS 5.

LIABILITIES

1. Shareholders' equity

1.1 Shareholders' Equity attributable to the Group

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

Amounts in €m	30/6/2014	31/12/2013	*var. in amount*	*var. in amount on a like-for-like basis*
Share capital	1,996.1	1,194.6	*801.6*	
Capital reserves	247.8	198.9	*48.9*	
Retained earnings and other equity reserves	2,166.6	115.6	*2,051.0*	
(Treasury shares)	-49.5	-0.1	*-49.4*	
Reserve for currency translation differences	3.8	4.7	*-0.9*	
Gains/losses on AFS financial assets	1,073.1	496.9	*576.2*	
Other gains and losses recorded directly in equity	-5.0	26.3	*-31.3*	
Profit (loss) for the period	332.7	288.4	*44.3*	
Total Shareholders' Equity attributable to the Group	5,765.6	2,325.2	*3,440.4*	*555.9*

At 30 June 2014 UnipolSai's share capital, entirely subscribed, was €1,996.1m and was made up of 2,654,102,017 shares, 2,275,632.026 of which were ordinary shares, 1,276,836 Class A savings shares and 377,193,155 Class B savings shares.

Movements in shareholders' equity recognised during the year with respect to 31 December 2013 are set out in the attached statement of changes in shareholders' equity.
The main changes in the year, on a like-for-like basis, were as follows:

- decrease due to dividend distribution for €564.5m;
- increase due to a positive change in the provision for gains and losses on available-for-sale financial assets, net of the related deferred tax liability, both for the part attributable to the policyholders and allocated to the insurance liabilities for the amount of €576.9m;
- €172.7m increase for the component attributable to an instrument representing equity of a convertible bond loan issued by UnipolSai;
- a change of €332.7m owing to Group profit for the period.

2. Provisions

The item 'Provisions' totalled €555.0m at 30 June 2014 (€319.9m at 31/12/2013, €515.7m on a like-for-like basis) and mainly consisted of provisions for litigation, disputes with agencies and other charges relating to the sales network, provisions for salary policies and staff-leaving incentives.

Ongoing disputes and contingent liabilities

Relations with the Tax Authorities

UnipolSai

former Unipol Assicurazioni

After the business unit Aurora was transferred to Unipol Assicurazioni, in 2013 Unipol Assicurazioni was served an assessment notice similar to those of UGF regarding the periods 2005-2007. In January 2014 an Ipec request for the deduction of previous tax losses available was presented through the consolidating entity Finsoe, and at the same the assessment notice was contested by resorting to the provincial tax commission of Bologna. Amounts deemed sufficient for facing the possible claims of the Financial Administration have been allocated to the financial statements reserves.

former Fondiaria-SAI

The competent Regional Tax Authority of Piedmont requested information on the years 2009 to 2011 with regard to fees paid to Mr Salvatore Ligresti for consultancy assignments, to fees paid to several directors, including the chairman Jonella Ligresti and the chief executive officer Fausto Marchionni, and to some sponsorship costs. The in-depth investigations originated from the report of the ad acta Commissioner prepared as part of his assigned responsibility from IVASS, from the Board of Statutory Auditors Reports pursuant to Art. 2408 of the Civil Code of 18 April 2012, 26 October 2012 and 16 March 2013, from Order of Sanctions no. 12096145 of 11 December 2012 issued by CONSOB and from action taken by the Public Prosecutor's Office of the Court of Florence. The company has already defined the tax periods from 2004 to 2008 for similar cases. The cost estimated for the assessment risk has been specially allocated to a reserve already allocated in previous years.

Atahotels

Last May the company was notified a report on findings with which lease instalments considered excessive and several advertising costs are questioned relating to IRES, IRAP and VAT. With respect to these claims, the company presented a special brief pursuant to Art. 12 of the Taxpayers' Charter. The company and UnipolSai allocated risk provisions deemed sufficient to meet any costs arising from these disputes in their half-yearly statements.

AP&B

The company was notified a report on findings claiming insufficiency of charges made to the group company for services rendered in 2009 relating to VAT, IRES and IRAP. The company presented a special brief pursuant to Art. 12 of the Taxpayers' Charter, and verifications are now under way with the competent Provincial Department of Turin in order to check the possibility of subscribing to assessments through settlement for the year involved and for the subsequent years 2011 and 2011. The company and UnipolSai have already allocated risk provisions deemed sufficient to meet any costs arising from these disputes in their financial statements of previous years.

Proceedings in progress with the Antitrust Authority

By means of Measure dated 14 November 2012, the Antitrust Authority started preliminary proceedings no. I/744 against Unipol Assicurazioni SpA and Fondiaria-SAI SpA (now UnipolSai), and Assicurazioni Generali SpA and INA Assitalia SpA, to ascertain the existence of alleged violations of Art. 2 of Law 287/1990 and/or Art. 101 of the Treaty on the Functioning of the European Union, in the assumption of coordination between said insurance companies aimed at limiting the competition between said parties in participation in tenders called by certain Local Public Transport Companies regarding MV TPL insurance coverage services for vehicles that are used to provide said transportation service. The deadline for the conclusion of these proceedings, initially planned for 16 December 2013 was postponed first of all to 30 June 2014 and then to 30 November 2014.

In addition, by means of Measure dated 5 June 2013, the Antitrust Authority launched preliminary proceedings no. I/702 against Unipol Gruppo Finanziario SpA and Fondiaria-SAI SpA (now UnipolSai), and the other leading insurance companies operating in Italy, to ascertain the existence of alleged violations of Art. 101 of the Treaty on the Functioning of the European Union (prohibition of understandings restricting the freedom of competition), with particular reference to the prohibition of the exclusivity constraint in agency contracts for the distribution of insurance services relating to all Non-Life classes.
Unipol, Unipol Assicurazioni e Fondiaria-SAI (now UnipolSai), deeming that they acted in full compliance with legality and correctness for both positions being carefully inspected by the Antitrust Authority, conferred a joint assignment to leading legal practices for the protection of their rights.

As for the second preliminary proceedings focussed on the specific clauses in the aforesaid agency contracts that the Antitrust Authority deems capable of deterring agents from taking on two or more insurance distribution mandates (so-called "multi-firm agents"), the companies have submitted an itemised proposal of commitments (the "Commitments") to the Antitrust Authority, filing the final version on 16 December 2013, pursuant to Art. 14-ter of Law 287/1990. After the proceedings to assess the Commitments was completed, on 20 May 2014 the Antitrust Authority resolved to (i) consider the Commitments suitable for eliminating all competition concerns initially expressed, and (ii) close the preliminary proceedings without ascertaining any infringement while ordering, pursuant to Art. 14-ter, parag. 1 of Italian Law no. 287/1990, the compulsoriness of the Commitments and in this way making them binding to Unipol and all subsidiary insurance companies, which have already taken steps to ensure they are strictly and precisely observed.

Writs of summons by shareholders of La Fondiaria Assicurazioni (Tender Offer legal cases)

From 2003 a number of La Fondiaria Assicurazioni SpA ("Fondiaria") shareholders decided to file a series of legal proceedings claiming, albeit on different legal grounds and justifications, compensation for damages allegedly suffered due to failure to launch the takeover bid on Fondiaria shares by SAI Società Assicuratrice Industriale SpA ("SAI") in 2002.
On the whole, 16 proceedings were brought against the Company, and 13 were pending at 30 June 2014, with UnipolSai and Mediobanca Banca di Credito Finanziario SpA ("Mediobanca") the co-respondents.

With regard to the pending proceedings, the breakdown is as follows:
- three proceedings are pending in first instance before the Court of Milan;
- for one proceeding, the deadline is pending for appeal before the Milan Court of Appeal following the ruling in favour of the Company;
- four proceedings are pending before the Milan Court of Appeal, three of which adjourned;
- five proceedings are pending before the Supreme Court.

With regard to the contents of the judgments, it should be emphasised that:
- all the judgments (except those pronounced by the Court of Florence in favour of the defendant companies, and that pronounced in August 2013 by the Court of Milan which confirmed legal time-barring of the proceedings) have, with different reasons as to why, accepted the plaintiff claims and ordered the defendants to pay consistent amounts by way of compensation for damages. All decisions issued by the Milan Court of Appeal accepted the appeals proposed by the defendant companies;
- in the three judgments filed in August 2012, and in the one filed in September 2013, the Court of Cassation upheld the appeals, reversed the second instance ruling and adjourned the cases to the Milan Court of Appeal in order for it to re-examine the merits of them and also provide for the costs of the legitimacy judgment.

  The four Court of Cassation judgments pronounced in 2012 and 2013 indicate a different legal stance adopted by the Supreme Court with respect to the positions of the defendant companies, which even now are constantly agreed by Court of Appeal case law. In fact, the four Court of Cassation judgments confirmed the legal principle that, in the event of violation of mandatory takeover bid regulations by those who - after acquisitions - become holders of more than 30% of the share capital, it is the responsibility of the shareholders which should be the target of the takeover bid to claim the right to compensation for damages if they can demonstrate potential loss of earnings. Therefore, as confirmation of the complexity of the issue in question, it should be remember that in 2013, downstream of the aforementioned Supreme Court judgments of 2012, the Florence Court of Appeal rejected the appeals brought by a number of Fondiaria-SAI shareholders against the first instance judgment in favour of the defendants and the Milan Court of Appeal accepted the appeal brought by Premafin, rejecting the opposing party claims.

Bankruptcy order of Im.Co. SpA in liquidation and Sinergia Holding di Partecipazioni SpA in liquidation

By means of judgment issued on 14 June 2012, the companies belonging to the Sinergia Holding di Partecipazioni SpA Group in liquidation ("Sinergia"), including the subsidiary Immobiliare Costruzioni Im.Co. SpA in liquidation ("Im.Co."), were declared bankrupt by the second civil section of the Court of Milan. Europrogetti Srl was also declared bankrupt on 14 December 2012.

Note that the book values at 30 June 2014 of UnipolSai Group receivables due from Sinergia or Im.Co. or from entities associated with them, the amounts of which remain unchanged since 31 December 2013, were as follows:

- payments on account paid by the former Milano Assicurazioni to Im.Co. or Sinergia, or their subsidiaries, pursuant to purchase contracts for future real estate asset purchases amounting to:
  - €101.7m due to the former Milano Assicurazioni from Avvenimenti e Sviluppo Alberghiero Srl ("ASA"), a wholly-owned subsidiary of Im.Co., relating to the purchase of a property complex in Rome, Via Fiorentini. The carrying amount of this receivable at 30 June 2014 came to €52.9m;
  - €77.4m due to the former Milano Assicurazioni from Im.Co., relating to the purchase of a property complex in Milan, Via De Castillia. The carrying amount of this receivable at 30 June 2014 came to €25.5m;
  - €23.3m due to Immobiliare Fondiaria-SAI from Im.Co., relating to the purchase of a property complex in Parma, Località San Pancrazio Parmense. The carrying amount of this receivable at 30 June 2014 came to €7.8m;
- advances on design works for €7.2m, due to Nuove Iniziative Toscane from Europrogetti Srl. This receivable was fully written-down;
- receivables due to BancaSai from the Im.Co. – Sinergia Group amounting to €21.4m, €10.7m of which represented by unsecured credit positions. This receivable was completely written-down.

Lastly, worthy of note is an additional exposure of €5.3m, net of the reinsurance effect, to surety policies to guarantee the commitments assumed by companies in the Im.Co. – Sinergia Group.

On 14 June 2012, in disclosing the Sinergia and Im.Co. credit positions to the market after they were declared insolvent, Fondiaria-SAI and Milano Assicurazioni declared (i) their acknowledgment of the judgment of insolvency pronounced against Im.Co. and Sinergia and that creditor claims for payment from liquidation assets would be filed, and (ii) they reserved the right to take further action, including liability action, as necessary or appropriate, also in reference to inquiries made by the Board of Statutory Auditors of Fondiaria-SAI following the claim pursuant to Art. 2408 of the Civil Code filed by the shareholder Amber Capital Investment Management.

In relation to the above receivables (with the exception of the receivable of €101.7m due from ASA, given that company is presently in a performing position), applications were presented for the proof of debts of the Im.Co. and Sinergia bankruptcies for a total of €151m, €111.4m of which was recognised as debts, in the form of unsecured loans, at 31 December 2013. In relation to the liability actions subsequently launched by the acting

Commissioner of Fondiaria-SAI, late applications were filed for proof of debts of the Im.Co. and Sinergia bankruptcies totalling €392.7m. These claims were rejected by the bankruptcy court and the companies involved have challenged the related rejections.

In addition, with regard to the former Premafin, the only significant relations between this company and those declared insolvent is that relating to statements guaranteeing non-liability released by Im.Co. and its subsidiaries in relation to potential charges/liability arising from the commitment to sell sites located in the Municipality of Milan to third parties. In this respect, pursuant to Art. 98 of the Bankruptcy Act Premafin had claimed listing as creditor in the Im.Co. liquidation, given that the Appointed Judge's pronouncement of 28 November 2012 had declared it enforceable, rejecting Premafin's claim to be held harmless from any charges/liability resulting from the aforementioned sale commitment. Following the first hearing held on 9 June 2013, the Judge set the date of the final hearing as 6 May 2014 (then deferred to 20 May). At the hearing of 20 May 2014, the receivers told the judge that the arrangement with creditors, which comprises Premafin's waiver of the guarantee for which the proceedings are brought, is about to be defined. The judge deferred to the hearing of 3 December 2014 to verify whether or not the proposal will be approved by the creditors of the Im.Co. bankruptcy and approved by the Court in order to be able to decide whether to declare the subject matter of the dispute discontinued or to issue a ruling.

According to the information disclosed to the market, based on an initiative of the main bank creditors of the bankrupt companies, Unicredit and Banca Popolare di Milano incorporated the company Visconti Srl, with the objective of proposing a bankruptcy agreement to settle the insolvency of the companies Im.Co. and Sinergia.
On 3 October 2013, the Unipol Group signed an agreement with Visconti Srl regarding the settlement, also as a compromise, of the receivables due to Unipol Group companies from Im.Co. and Sinergia and their subsidiary ASA, as part of the bankruptcy agreement applications of said parties Im.Co. and Sinergia. The effectiveness of this agreement is subject to certain conditions, including the approval by final order of the arrangements with creditors of Im.Co. and Sinergia.
Visconti Srl filed appeals against the bankruptcy agreement applications of Im.Co. and Sinergia, on 7 and 31 October 2013 respectively.

Following the above-mentioned filing, Visconti had to acknowledge the note of the Municipality of Milan dated 5 February 2014, with which the deadline of the Integrated Intervention Programme concerning the construction and localisation of Centro Europeo di Ricerca Biomedica Avanzata was declared past due to all intents and purposes, and therefore, it had to acknowledge that the premises and guidelines of the composition plan had significantly diverged, and to such an extent as to render it impracticable as it had originally been presented. In view of the above, Visconti has discussed with the creditor banks and with the Companies of the Unipol Group the possibility of implementing a new composition plan.

On 16 May 2014, Visconti and the Companies of the Unipol Group executed a new agreement, replacing the first agreement signed on 3 October 2013, which provides, inter alia: (i) that all the assets and liabilities of the bankrupt companies (with the sole exception of the properties, which shall be transferred directly from the Im.Co. Bankrupcty to Immobiliare Fondiaria-SAI and to UnipolSai) shall be transferred to Visconti; (ii) a new division of the creditor classes; (iii) the need for participating banks to remove a portion of their own receivables from the bankrupt companies before the receivables are taken over by Visconti.

On the basis of the new composition plan, Visconti filed the deeds amending the composition proposals of Im.Co. and Sinergia that are currently pending before the Bankruptcy Court of Milan.

As regards the receivables due to the Group from Im.Co. and Sinergia, deriving from advances paid in accordance with contracts for the purchase of future properties (totalling, net of write-downs effected, €86.2m and representing the bulk of receivables recorded in the financial statements), it should be noted that the carrying amount of these receivables at 30 June 2014 was determined on the basis of an assessment of the recoverability of said receivables, carried out in 2012 by an independent expert, and reflects the present value of the underlying property initiatives.

With regard to Premafin, the aim of the arrangements is to allow acquisition of all the real estate areas included in the litigation pending between the Municipality of Milan and Premafin, given the possible amicable settlement of the litigation.

Dispute with the Municipality of Milan

UnipolSai is involved in a dispute with the Municipality of Milan relating to a commitment for the transfer of areas at pre-established prices, entered into by the absorbed company Premafin Finanziaria. In May 2008, the Court of Appeal partially reversed the first instance judgment which had sentenced Premafin to compensate the damages caused by the failure to acquire the areas, recognising, in only two of the exectued deeds, the nature of a genuine preliminary sales agreement for the respective areas at the centre of the dispute and confirming the criterion for the quantification of the damages, to be settled in separate proceedings. In this regard, in 2008, Premafin had therefore proceeded, within the prescribed terms, to lodge an appeal before the Court of Cassation. On 28 April 2014 the hearing for the case was held before the Court of Cassation, and the publication of the decision is currently awaited.
Having said that - considering that the judgement of the Court of Appeal is provisionally enforceable - in October 2012, the Municipality of Milan summoned Premafin to the Court of Milan for the quantification and settlement of the damages incurred. During said proceedings, a court-appointed expert witness was arranged and the case was adjourned to the hearing on 12 February 2015 for the statement of final pleas.
In respect of a claim for around €37m, Protos SpA (company appointed by Premafin in 2012) performed an estimate of the potential damages incurred by the Municipality of Milan, quantifying the amount at approximately €13.2m.

Following the bankruptcy of the company Im.Co., which had issued declarations of indemnity in favour of Premafin, the company lodged an appeal for the proof of debt and, subsequently, owing to the dismissal of the application, filed an opposition appeal to the bankruptcy claim condition pursuant to Art. 98 of the Bankruptcy Law. The first hearing set for the appearance of the parties was held on 9 May 2013 and conciliation was attempted; it was not possible to reach an agreement and the judge set the hearing for final pleas on 6 May 2014 (subsequently postponed to 20 May). At the hearing of 20 May 2014, the receivers told the judge that the arrangement with creditors, which comprises Premafin's waiver of the guarantee for which the proceedings are brought, is about to be defined. The judge deferred to the hearing of 3 December 2014 to verify whether or not the proposal will be approved by the creditors of the Im.Co. bankruptcy and approved by the Court in order to be able to decide whether to declare the subject matter of the dispute discontinued or to issue a ruling.

In relation to this case, although the appeal is pending before the Supreme Court, having acknowledged the summons notified by the Municipality of Milan, following in-depth investigations and meetings with independent real estate experts regarding the quantification of possible damages, and having considered the risks of the non-effectiveness of the declarations of indemnity issued by Im.Co. (bankrupt company) and its subsidiaries, and in spite of the opposition appeal against Premafin's unsuccessful application to be included in Im.Co.'s creditors, the company estimated the current value of total liabilities at approximately €12.2m.

In relation to a possible settlement for said dispute, please refer to the contents of the previous paragraph "Im.Co. and Sinergia bankruptcy".

Consob sanction proceedings

By means of communications dated 19 April 2013, Consob commenced two separate penalty proceedings against Fondiaria-SAI and Milano Assicurazioni for charges relating to their respective 2010 Consolidated financial statements.

Pursuant to Art. 187-septies, parag 1 of the Consolidated Law on Finance, Consob notified Ms. Jonella Ligresti and Mr. Emanuele Erbetta, for the offices held in Fondiaria-SAI at the time of the events, of the violation set forth in Art. 187-ter, parag 1, of the Consolidated Law on Finance. Fondiaria-SAI is also charged with this violation as a party bearing joint and several liability; Fondiaria-SAI is also charged with the offence set forth in Art. 187-*quinquies*, paragraph 1, letter a), of the Consolidated Law on Finance for the aforementioned violation of Art. 187-ter, paragraph 1 of the Consolidated Law on Finance by Ms. Jonella Ligresti and Mr. Emanuele Erbetta, acting in the abovementioned capacities.

A similar notification was also served by Consob to Milano Assicurazioni. In this regard, pursuant to Art. 187-*septies*, paragraph 1 of the Consolidated Law on Finance, the Commission charged Mr. Emanuele Erbetta, for the role he held in the subsidiary at the time of the events, with the violation established in Art. 187-*ter*, paragraph 1 of the Consolidated Law on Finance.
Milano Assicurazioni is also charged with this violation as a party bearing joint and several liability; Milano Assicurazioni is also charged with the offence set forth in Art. 187-quinquies, paragraph 1, letter a), of the Consolidated Law on Finance for the aforementioned violation of Art. 187-ter, paragraph 1 of the Consolidated Law on Finance by Mr. Emanuele Erbetta, acting in the abovementioned capacity.

Fondiaria-SAI and Milano Assicurazioni, assisted by their legal representatives, presented their conclusions, asking that the administrative penalties set out in Articles 187-ter, 187-quinquies and 187-septies of the Consolidated Law on Finance not be imposed on the companies. On 20 March 2014 the Consob issued a resolution whereby, not deeming that the parties' defences deserved to be accepted, it ordered:

- Jonella Ligresti to pay €250,000 and to be disqualified from office for four months;
- Emanuele Erbetta to pay €400,000 and to be disqualified from office for eight months;
- UnipolSai to pay €650,000.

The Company duly challenged the decision before the Court of Appeal of Bologna, which set the hearing for the appearance of the parties on 10 October 2014.

Corporate liability action against certain former directors and statutory auditors decided by the Shareholders' Meetings of Fondiaria-SAI and Milano Assicurazioni

On 17 October 2011, Amber Capital LP, fund manager of Amber Global Opportunities Master Fund Ltd, a Fondiaria-SAI shareholder, in accordance with Art. 2408 of the Civil Code, informed the Board of Statutory Auditors of Fondiaria-SAI of various transactions carried out by companies in the Fondiaria-SAI Group with "related" companies attributable to the Ligresti family, criticising the "non-market" conditions and "anomalies" of said transactions.

On 16 March 2012 the Board of Statutory Auditors of Fondiaria-SAI issued an initial response in its "Report pursuant to Art. 2408, paragraph 2 of the Civil Code", after which by letter dated 26 March 2012 the shareholder Amber Capital requested further investigation.

The Board of Statutory Auditors therefore performed further controls and investigations. On 15 June 2012 IVASS served Provision no. 2985 upon Fondiaria-SAI by which the Authority defined the proceedings launched pursuant to Art. 238 of the Private Insurance Code, and through IVASS Communication prot. no. 32-12-000057 of the same date charged Fondiaria-SAI with significant irregularities pursuant to Art. 229 of the Private Insurance Code, with particular reference to a number of transactions implemented by Fondiaria-SAI and its subsidiaries with counterparties qualifying as related parties of Fondiaria-SAI, and assigning a fifteen-day deadline for the effects of these transactions to be permanently removed.
IVASS considered that the actions proposed or implemented by the Company were not suitable to correct the situation which led to the charges cited in the notice of 15 June 2012, prolonging – according to the Institute – the inability of Fondiaria-SAI to remedy the violations and the relative effects.

Therefore by Provision no. 3001 of 12 September 2012 (the "IVASS Provision"), IVASS appointed Prof. Matteo Caratozzolo as *ad acta* commissioner of Fondiaria-SAI (the "Commissioner") and of the parent company, considering the requirements of Art. 229, Legislative Decree no. 209 of 7 September 2005 to be met.
In particular, with regard to the disputed transactions considered not only on an individual basis but as a whole, IVASS tasked the Commissioner with (i) specifically identifying the individuals responsible for the transactions carried out to the detriment of Fondiaria-SAI SpA and its subsidiaries; (ii) determining the damage suffered by the same; (iii) promoting or encouraging the promotion of all necessary initiatives, including judicial, at Fondiaria-SAI SpA and its subsidiaries, suitable, in relation to the disputed transactions, to safeguard and reintegrate the assets of Fondiaria-SAI SpA and its subsidiaries; (iv) exercising the powers held by Fondiaria-SAI SpA as parent and as a shareholder in the shareholders' meetings of the subsidiaries.

Following the in-depth examinations conducted regarding the above-mentioned transactions, entered into by the Fondiaria-SAI Group primarily in the property segment in the 2003-2011 period, which directly involved members of the Ligresti family and certain SPVs attributable to said family, the Commissioner asked the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni to call the respective shareholders' meetings, placing on the agenda the proposed corporate liability action, pursuant to Articles 2392 and 2393 of the Civil Code, against some directors and statutory auditors of the companies (jointly with other parties).

On 5 February 2013, the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni, having examined the respective reports drafted by the Commissioner in accordance with Art. 125-ter of the Consolidated Law on Finance, resolved, following the aforementioned request, to call the shareholders' meetings of the two companies for 13 and 14 March 2013, on first and second call respectively.
The Shareholders' Meetings, held on second call on 14 March 2013, resolved to promote corporate liability action against the persons indicated in the reports prepared for the Meetings by the Commissioner and made these resolutions public in accordance with law.
As a result of the aforementioned resolutions, the ad acta Commissioner appointed his own legal advisors who arranged for civil proceedings to be brought before the Court of Milan against the parties identified as responsible for the transactions described above. The proceedings are currently at preliminary investigation stage.
In relation to the aforementioned transactions, the companies requested and, on 20 December 2013, obtained a seizure order from the Court of Milan against some of the defendants in the above proceedings. The Company made arrangements to enforce the attachment through the parties concerned and through third parties, and the related enforcement proceedings are still in progress.
The attachment was challenged by the counterparties and on 24 March 2014 the court of Milan, sitting en banc, confirmed the precautionary provision, rejecting all complaints filed by the counterparties.
Furthermore, with reference to the other transactions involved in the complaint from Amber Capital LP, not included in the Commissioner's mandate ("Minor Transactions"), on the invitation of the Board of Statutory Auditors of Fondiaria-SAI pursuant to Art. 2408 of the Civil Code, the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni conducted investigations and checks, which showed that Minor Transactions were also carried out by companies in the Fondiaria-SAI Group with "related" companies attributable to the Ligresti family with various breaches of directors' and statutory auditors' duties. In particular, the investigations and checks highlighted both breaches of directors' and statutory auditors' duties and damages to the company assets of the Fondiaria-SAI Group.
The persons who, as a result of the checks performed by the Boards of Directors, were deemed responsible for the Minor Transactions are (i) members of the Ligresti family, who exercised control over the Fondiaria-SAI Group companies involved, and who would have pursued their own personal interests to the detriment of said companies in violation of Articles 2391 and 2391-bis of the Civil Code and the procedure governing "related party" transactions; (ii) the former "executive" directors, who would have proposed and implemented the transactions in question, and the administrators on the internal control committees of Fondiaria-SAI and Milano Assicurazioni, who would also have been responsible for the violation of said regulations and procedures; (iii) the statutory auditors who would have also been responsible for the damages suffered by the companies in

the Fondiaria-SAI Group due to the violation of Articles 2403 and 2407 of the Civil Code and Art. 149 of the Consolidated Law on Finance.
The liability of members of the Ligresti family in relation to the transaction in question (as with the transactions already involved in the liability actions of the Commissioner) would derive not only from the violation of their duties of the offices of director formally held in Fondiaria-SAI and Milano Assicurazioni but also (aa) from the "unitary management" they would have illegitimately exercised over companies in the Fondiaria-SAI Group by helping to approve and implement the transactions constituting a "conflict of interests" and "in violation of the principles of correct corporate and business management" (pursuant to Art. 2497 of the Civil Code); (bb) the de facto interference (in particular from Mr. Salvatore Ligresti) in the administration of the companies in the Fondiaria-SAI Group (in accordance with Art. 2392 of the Civil Code).

Consequently, on 30 July 2013 the ordinary Shareholders' Meetings of Fondiaria-SAI and Milano Assicurazioni resolved to promote corporate liability action pursuant to Articles 2392 and 2393 of the Civil Code and, to the extent they may apply, Articles 2043 and 2497 of the Civil Code, against certain former de facto and official directors of Fondiaria-SAI and Milano Assicurazioni, regardless of their particular offices held and even if no formal office was held; certain former directors of Fondiaria-SAI and Milano Assicurazioni and, pursuant to Art. 2407 of the Civil Code, against certain members of the Board of Statutory Auditors of Fondiaria-SAI and Milano Assicurazioni.
In relation to the aforementioned resolutions, the company's lawyers were charged with preparing the writs.

Castello Area

On 6 March 2013, the Court of Florence acquitted Fondiaria-SAI on all counts (because the fact does not exist) in the criminal proceedings concerning the urbanisation of the Castello area (Florence).
In this regard, it should be noted that the company was accused, in the criminal proceedings launched in 2008 by the Public Prosecutor's Office of Florence, of the crime of corruption, which involved other defendants that included some representatives of Fondiaria-SAI, certain professionals and some public administrators.
Fondiaria-SAI was accused of unlawful administration set forth in Articles 5 and 25 of Legislative Decree 231/2001 in relation to the offence set out in Articles 319 and 321 of the criminal code, which punishes the crime of corruption by a public official.
The Court also arranged for the release from seizure and return of the Castello area which had been subject to a precautionary seizure order in November 2008. The Public Prosecutor's Office filed an appeal against the ruling.

IVASS assessments

On 2 July 2014, IVASS sent to UnipolSai the order of sanctions at the end of the proceeding started in 2012 against Unipol Assicurazioni on the matter of the measurement of the claims provisions of the MV TPL and Boats classes. The imposed penalty amounted to €27,500. Since UnipolSai does not deem the conclusions of the Institute to be acceptable in any way, it shall appeal against this decision before the Regional Administrative Court (TAR).

Other pending civil and criminal proceedings

With reference to facts attributable to the previous management of Fondiaria-SAI and Milano Assicurazioni, on the reporting date, compensation applications have been submitted to the civil court by two parties (the "Civil Cases") and the criminal court in proceedings Gen. criminal records reg. 21713/13 and Gen. criminal records reg. 24630/2013 (the "Criminal Cases") by various investors who had acquired shares of Fondiaria-SAI, Milano Assicurazioni and Premafin as well as by various "entities representing widespread interests", numbering approximately 2,760 parties.

In the Civil Cases, the plaintiffs summarily stated that they had purchased and subscribed Fondiaria-SAI shares as they were prompted by the information in the information prospectuses published by Fondiaria-SAI on 24 June 2011 and 12 July 2012 in relation to the increases in share capital under option resolved by the company on 14 May 2011, 22 June 2011 and 19 March 2012 respectively. UnipolSai (formerly Fondiaria-SAI) appeared before the court in both Civil Cases and disputed the plaintiffs' claims. The Civil Cases are at the introductory phase.

Currently, the following Criminal Cases are pending:

(a) Criminal Case (Gen. criminal records reg. 21713/13) with a fast-track trial against defendants Salvatore Ligresti, Jonella Ligresti, Antonio Talarico, Fausto Marchionni and Emanuele Erbetta, accused of the offences of false corporate communications (Art. 2622 of the Italian Civil Code) and market manipulation (Art. 185 of the Consolidated Law on Finance);

(b) Criminal Case (Gen. criminal records reg. 24630/2013 with ordinary trial, originally with the defendants Gioacchino Paolo Ligresti, Piergiorgio Bedogni, Fulvio Gismondi, Benito Giovanni Marino, Marco Spadacini, Antonino D'Ambrosio, Riccardo Ottaviani and Ambrogio Virgilio accused of false corporate communications (Art. 2622 of the Italian Civil Code) and, with regard to G.P. Ligresti, Bedogni and Gismondi, also accused of market manipulation (Art. 185 of the Consolidated Law on Finance) and, for Gismondi only, false official statement in certificates (Art. 481 of the Italian Criminal Code) and UnipolSai as allegedly liable pursuant to Italian Legislative Decree no. 231/2001 in relation to the accusation of market manipulation offence against the former Company senior managers,

(c) Criminal Case (Gen. criminal records reg. 14442/14 in the investigation phase before the Court of Milan as a result of the separation of certain positions originally included in the criminal proceeding as per (b) above because of the declared lack of territorial jurisdiction of the Court of Turin (these were the positions of Messrs. G.P. Ligresti, Bedogni, Gismondi and UnipolSai).

In Criminal Case No. 21713/13, approximately 2,788 parties had appeared before the court as civil claimants against the defendants, 2,780 of whom were authorised to summon UnipolSai as "civilly liable" for the offences with which the defendants are charged. Of these, UnipolSai was served with 2,766 summons.

A preliminary and summary analysis of the records shows that the parties appearing as civil claimants lodged compensation applications, in many cases without quantifying the alleged damages, whereby they affirmed, in brief: (i) in some cases that they were "*investors in securities of Fondiaria Sai*" and "*Milano Assicurazioni*" and "*injured parties*" in the Criminal Cases; (ii) in other cases, that they had acquired Fondiaria-SAI and Milano Assicurazioni shares because they were "induced" by the allegedly "misleading" Fondiaria-SAI 2010 financial statements; (iii) that they were entitled to compensation for damages.

Within the scope of Criminal Case no. 21713/13, at the hearing of 18 July 2014, UnipolSai appeared before the court as civilly liable and the Company's legal counsel claimed that the summons was invalid because it was late, multiple civil claimants were not entitled to sue and, otherwise, the Court of Turin lacked territorial jurisdiction, which rested with the Court of Florence or, otherwise, with the Court of Milan. The next hearing is set for 9 October 2014.

Additionally, as regards the criminal proceedings in question, during the investigation stage (on 10 August 2013) the Preliminary Investigations Judge issued the attachment order concerning assets up to the value of €251,600,000 against Salvatore, Jonella, Gioacchino Paolo and Giulia Maria Ligresti, Antonio Talarico, Emanuele Erbetta, Fausto Marchionni and the Company in relation to the charge pursuant to Art. 25-*sexies* of Legislative Decree 231/2001 in accordance with Articles 9 and 19 of Legislative Decree 231/2001. On 12 September 2013 the Company had requested a review of that measure from the Court of Turin, as it considered groundless and unfair both the precautionary measure and that it was possible to identify profit earned by the Company equal to the change in value of the security allegedly caused by stock manipulation. The Court of review of Turin issued an order on 1 October 2013 accepting the request for review because of the very aspect claimed by the Company's defence team. The Public Prosecutor's Office lodged an appeal before the Supreme Court against that measure on 10 October 2013. The Supreme Court, Fifth Criminal Division rejected the appeal on 3 April 2014.

Taking into account the status of the proceedings described above and the knowledge acquired by the Company thus far, also on the basis of legal opinions and information obtained, it is not currently necessary to recognise provisions for risks and charges in relation to any requirement to pay compensation that could arise for UnipolSai in the hypothetical case that it were found guilty in the Civil and Criminal Cases.

In fact, on the basis of international accounting standards (IAS 37), a provision should be recognised for an obligation if "*it is probable (i.e. the event is more likely than not to occur) that an outflow of resources embodying economic benefits will be required to settle the obligation*" and, furthermore, if "*a reliable estimate can be made of the amount of the obligation*".

In the case in question, these conditions are not met, in that, because of multiple reasons and assessments, including legal ones, currently:

(i) the risk that UnipolSai will be ordered to pay the damages claimed by the counterparties, both in the Civil and Criminal Cases, is not deemed "likely";

(ii) it is not possible to estimate with "sufficient reliability" the extent of the damage that UnipolSai may be ordered to pay to investors in case of adverse outcome of the Civil and Criminal Cases.

3. Technical provisions

Amounts in €m	30/6/2014	*% comp.*	31/12/2013	*% comp.*	*% var.*	*% var. on a like-for-like basis*
Non-Life Premium provision	3,322.5	*19.0*	2,203.7	*19.0*		
Non-Life Claims provision	14,109.7	*80.9*	9,392.1	*80.9*		
Other Non-Life technical provisions	12.8	*0.1*	6.8	*0.1*		
Total Non-Life provisions	17,444.9	*100.0*	11,602.6	*100.0*	*50.4*	*-2.1*
Life actuarial provisions	27,587.2	*73.5*	15,572.5	*73.5*		
Life provisions for sums to be paid	544.6	*1.5*	285.4	*1.3*		
Technical provisions where investment risk is borne by policyholders and comes from pension fund management	7,765.6	*20.7*	4,926.2	*23.2*		
Other Life technical provisions	1,648.2	*4.4*	413.4	*2.0*		
Total Life provisions	37,545.7	*100.0*	21,197.5	*100.0*	*77.1*	*7.7*
Total technical provisions	54,990.6		32,800.0		*67.7*	*4.4*

In application of IFRS 5, technical provisions of the Non-Life classes were reclassified. They primarily consist of Premium provisions amounting to €77.6m (€18.7m at 31/12/2013).

4. Financial liabilities

Financial liabilities amounted to €4,103.9m (€2,226.3m at 31/12/2013, €4,439.8m on a like-for-like basis).

4.1 Financial liabilities at fair value through profit or loss

The item, which amounted to €1,168.2m (€554.1m at 31/12/2013, €1,162.6 on a like-for-like basis), is broken down as follows:

- Financial liabilities held for trading for €407.7m (€48.3m at 31/12/2013, €409.5m on a like-for-like basis).
- Financial liabilities to be measured at fair value through profit or loss for €760.5m (€505.8m at 31/12/2013, €753.1m on a like-for-like basis). This category included investment contracts issued by insurance

companies where the investment risk was borne by the policyholders and the insurance risk borne by the Group did not exceed 10% (some types of Class III, Class V and Class VI contracts).

4.2 Other financial liabilities

Amounts in €m	30/6/2014	% comp.	31/12/2013	% comp.	% var.	% var. on a like-for-like basis
Subordinated liabilities	2,012.7	68.6	1,028.8	61.5	95.6	1.4
Deposits received from reinsurers	286.5	9.8	135.0	8.1	112.3	8.4
Debt securities issued	13.2	0.4	18.4	1.1	-28.3	-28.3
Payables to bank customers	252.4	8.6	164.5	9.8	53.4	53.9
Other loans obtained	310.4	10.6	122.8	7.3	152.9	139.6
Other financial liabilities	60.6	2.1	202.7	12.1	-70.1	-91.5
Total other financial liabilities	2,935.8	100.0	1,672.2	100.0	75.6	-10.4

Details of subordinated liabilities are shown in the table below:

Issuer	Par value of those outstanding	subord. level	Maturity year	call	Rate	L/NL
UnipolSai	€300.0 million	tier II	2021	every 3 months	euribor 3m + 250 b.p.	L
UnipolSai	€261.7 million	tier II	2023	every 3 months	euribor 3m + 250 b.p.	L
UnipolSai	€400.0 million	tier I	2023	every 6 months	euribor 6m + 180 b.p.	NL
UnipolSai	€100.0 million	tier II	2025	every 6 months from 30/12/2015	euribor 6m + 180 b.p. (*)	NL
UnipolSai	€150.0 million	tier II	2026	every 6 months from 14/07/2016	euribor 6m + 180 b.p. (*)	NL
UnipolSai	€50.0 million	tier II	2026	every 6 months from 14/07/2016	euribor 6m + 180 b.p. (*)	NL
UnipolSai	€750.0 million	tier I	perpetual	every 3 months from 18/06/2024	fixed 5.75% (**)	L
UnipolSai	€134.0 million	tier I	2015 (***)		fixed 6.971	NL

(*) loans covered by IRS with maturity same as call date (these instruments turn the variable rate into fixed rate).

(**) from June 2024 variable rate same as euribor 3m + 518 b.p.

(***) the bondholders can optionally convert the bonds at any time between 24 April 2014 and 22 December 2015

With reference to the convertible loan that Unipol Sai issued on 24 April 2014, please note that in accordance with IAS 32.15, the item “Other financial liabilities” includes only the component classifiable as financial liability, which at 30 June 2014 amounted to €14.4m.

At 30 June 2014 debt securities issued by BancaSai SpA, net of intra-group subscriptions of €0.2m, amounted to €13.4m, compared to €18.4m at 31 December 2013 (intra-group subscriptions of €2.6m).

The Group’s debt is composed of subordinated liabilities (please refer to the Report for details) and other payables to banks and other lenders, totalling €429.3m (€325.4m at 31/12/2013, €844.4 on a like-for-like basis), which are mainly composed as follows:

- €177.6m (€391.9m at 31/12/2013) refers to the Amended Pre-Merger Loan Agreement of the former Premafin, subject of the Debt Rescheduling Agreement entered into on 13 June 2012 as part of the rescue plan pursuant to Art. 67 of the Bankruptcy Act;
  The new exposure consists of:

- €138.4m relating to the “Amended Post-Integration Loan Agreement”, with maturity on 31 December 2018, six-month euribor interest rate plus 150 basis points;

- €39.2m relating to the “GE Capital Agreement”, with maturity on 31 December 2020, six-month euribor interest rate plus 75 basis points in addition to pik interest of 25 basis points;

- €111.5m (€111.4m at 31/12/2013) refers to the loan stipulated by the Closed-End Real Estate Fund Tikal R.E. with Mediobanca acting as agent bank. The loan, originally for €119m, was granted for the purchase of property and improvements. The cost of the loan is at the 6M Euribor rate plus a credit spread of 90 basis points. Since 2008, the Fund has utilised derivative instruments to implement a hedging policy on the potential risk of an increase in interest rates on the loan granted;
- €53.4m (€53.6m at 31/12/2013) refers entirely to the debt of the subsidiary Immobiliare Fondiaria-SAI. This refers principally to the bank loan entered into by Marina di Loano with Intesa Sanpaolo as the agent bank reaching maturity and an interest rate of 3M Euribor +300 basis points. The company utilised a derivative instrument to implement a hedging policy on the potential risk of an increase in interest rates on the loan granted.

5. Payables

Amounts in €m	30/6/2014	% comp.	31/12/2013	% comp.	% var.	% var. on a like-for-like basis
Payables from direct insurance operations	291.9	21.0	94.8	14.5	207.8	92.8
Payables from reinsurance operations	88.7	6.4	73.4	11.2	20.8	6.3
Other payables	1,011.1	72.7	487.1	74.3	107.6	26.8
Policyholders' tax due	91.3	6.6	80.3	12.2	13.8	-40.9
Other taxes due	206.3	14.8	82.9	12.7	148.7	119.7
Payables to suppliers	194.0	13.9	229.9	35.1	-15.6	-25.9
Employee post-employment benefits	81.0	5.8	52.1	7.9	55.4	-3.0
Social security and welfare institutions	21.9	1.6	18.2	2.8	20.0	-27.1
Other payables	416.7	29.9	23.7	3.6	n.s.	139.8
Total payables	1,391.7	100.0	655.4	100.0	112.4	34.8

6. Other liabilities

Amounts in €m	30/6/2014	% comp.	31/12/2013	% comp.	% var.	% var. on a like-for-like basis
Current tax liabilities	34.8	1.3	67.0	4.9	-48.0	-69.1
Deferred tax liabilities	1,772.3	66.2	827.4	60.6	114.2	94.1
Liabilities of a disposal group held for sale	123.1	4.6	74.2	5.4	66.0	66.0
Commissions on premium collection	105.7	4.0	88.7	6.5	19.2	-21.8
Deferred commission income	0.9	0.0	0.0	0.0	n.s.	-28.9
Accrued expenses and deferred income	1.8	0.1	0.0	0.0	0.0	160.7
Other liabilities	637.7	23.8	309.1	22.6	106.3	17.5
Total other liabilities	2,676.4	100.0	1,366.4	100.0	95.9	50.3

The item Liabilities associated with a disposal group held for sale is composed, for €122.4m, of liabilities identified on the basis of the transfer perimeter forming part of the contract stipulated on 15 March 2014 between UnipolSai and Allianz, and for €0.7m by other liabilities held for disposal.
For details of these liabilities please refer to paragraph 4.4 of these notes to the financial statements.

3. Notes to the income statement

Comments and further information on the items in the income statement and the changes that took place compared to 30 June 2013 are given below (the numbering of the notes relates to the mandatory layout for the preparation of the income statement).

REVENUES

1.1 Net premiums

Amounts in €m	30/6/2014	30/6/2013	*% var.*	*% var. on a like-for-like basis*
Non-Life earned premiums	4,557.3	3,138.9	45.2	-7.6
Non-Life written premiums	4,460.5	3,051.7	46.2	-7.1
variation in Non-Life premium provision	96.9	87.3	11.0	-25.1
Life written premiums	4,448.6	2,263.5	96.5	31.8
Non-Life and Life gross earned premiums	9,005.9	5,402.5	66.7	8.4
Non-Life premiums ceded to re-insurers	-207.3	-162.9	27.3	1.3
Non-Life premiums ceded	-230.2	-158.8	44.9	2.2
variation in Non-Life premium reserve - reinsurers' share	22.9	-4.0		
Life premiums ceded	-8.3	-4.7	75.2	-3.4
Non-Life and Life earned premiums ceded	-215.5	-167.6	28.6	1.1
Total net premiums	8,790.4	5,234.9	67.9	8.6

1.2 Commission income

Amounts in €m	30/6/2014	30/6/2013	*% var.*	*% var. on a like-for-like basis*
Commission income from banking business	5.2	5.3	-1.7	-1.7
Commission income from investment contracts	0.4	0.5	-22.6	-40.3
Other commission income	2.2	0.0	0.0	-54.6
Total commission income	7.7	5.7	34.5	-27.7

1.3 Income and charges from financial instruments at fair value through profit or loss

Amounts in €m	30/6/2014	30/6/2013	*% var.*	*% var. on a like-for-like basis*
from financial assets held for trading	-121.9	-23.6		
from financial liabilities held for trading	12.7	-10.8		
from financial assets/liabilities designated at fair value through profit or loss	272.0	35.6		
Total net Income/Charges	162.8	1.1	n.s.	-89.5

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

This item amounts to €2.4m (€0.1m at 30 June 2013 and €2.1m on a like-for-like basis).

1.5 Income from other financial instruments and investment property

Amounts in €m	30/6/2014	30/6/2013	*% var.*	*% var. on a like-for-like basis*
Interest	794.4	481.3	*65.1*	*3.1*
from investments held to maturity	34.7	9.3		
from loans and receivables	110.4	54.2		
from AFS financial assets	645.1	408.8		
from other receivables	0.8	4.0		
from cash and cash equivalents	3.5	5.1		
Other income	113.7	64.4	*76.5*	*10.6*
from investment property	59.9	44.6		
from AFS financial assets	53.8	19.8		
Profits realised	496.7	145.2	*242.1*	*106.6*
from investment property	5.8	0.0		
from investments held to maturity	2.7	0.0		
from loans and receivables	36.2	0.0		
from AFS financial assets	451.9	145.2		
from other financial liabilities	0.0	0.0		
Valuation gains and reversals of impairment losses	68.5	0.4	*n.s.*	*n.s.*
from AFS financial assets	68.4	0.0		
from other financial assets and liabilities	0.1	0.4		
Total item 1.5	1,473.4	691.4	*113.1*	*32.3*

1.6 Other income

Amounts in €m	30/6/2014	30/6/2013	*% var.*	*% var. on a like-for-like basis*
Sundry technical income	44.5	35.5	*25.3*	*-1.1*
Exchange differences	3.2	0.4	*n.s.*	*n.s.*
Extraordinary gains	20.7	5.1	*n.s.*	*n.s.*
Other income	134.7	189.4	*-28.9*	*-34.3*
Total other income	203.1	230.5	*-11.9*	*-21.4*

UnipolSai ASSICURAZIONI

COSTS

2.1 Net charges relating to claims

Amounts in €m	30/6/2014	30/6/2013	% var.	% var. on a like-for-like basis
Net charges relating to claims - direct and indirect business	8,044.5	4,487.4	79.3	16.0
Non-Life business	3,012.7	2,114.9	42.5	-8.4
Non-Life amounts paid	3,332.3	2,563.6		
change in Non-Life claims provision	-254.2	-386.4		
change in Non-Life recoveries	-66.0	-62.0		
change in other Non-Life technical provisions	0.7	-0.3		
Life business	5,031.8	2,372.4	112.1	38.1
Life sums paid	3,488.2	2,314.1		
change in Life sums to be paid	144.3	183.3		
change in actuarial provisions	1,165.5	94.0		
change in other life technical provisions	91.5	18.0		
change in provisions where investment risk is borne by policyholders and comes from pension fund management	142.2	-236.9		
Charges relating to claims - reinsurers' share	-88.9	-93.8	-5.2	-4.9
Non-Life business	-80.7	-89.5	-9.9	-6.5
Non-Life amounts paid	-118.2	-90.3		
change in Non-Life claims provision	35.2	0.0		
change in Non-Life recoveries	2.3	0.7		
Life business	-8.2	-4.3	92.6	14.3
Life sums paid	-14.7	-10.3		
change in Life sums to be paid	1.2	-0.3		
change in actuarial provisions	5.3	6.3		
change in other life technical provisions	0.0	0.0		
Total net charges relating to claims	7,955.6	4,393.6	81.1	16.3

2.2 Commission expense

Amounts in €m	30/6/2014	30/6/2013	% var.	% var. on a like-for-like basis
Commission expenses from banking business	4.3	2.8	52.5	52.5
Commission expenses from investment contracts	0.4	0.3	42.8	9.3
Other commission expenses	3.9	0.0	0.0	-12.4
Total commission expenses	8.7	3.1	178.5	12.3

2.3 Expenses from investments in subsidiaries, associates and interests in joint ventures

This item amounts to €9.3m (€2.9m at 30/6/2013 and €4.6m on a like-for-like basis), of which €7.4m regards the write-down of Euromilano SpA, today classified amidst the Assets Available for Sale.

2.4 Expenses from other financial instruments and investment property

Amounts in €m	30/6/2014	30/6/2013	*% var.*	*% var. on a like-for-like basis*
Interest:	28.5	35.0	*-18.5*	*-50.7*
from other financial liabilities	27.3	32.7		
from payables	1.2	2.3		
Other charges:	61.3	34.2	*79.5*	*59.3*
from investment property	20.8	28.5		
from investments held to maturity	0.0	0.2		
from AFS financial assets	3.0	4.9		
from cash and cash equivalents	0.3	0.2		
from other financial liabilities	37.2	0.3		
Losses realised:	133.8	25.0	*435.8*	*253.5*
from investment property	4.2	0.0		
from investments held to maturity	0.7	0.0		
from loans and receivables	89.8	0.0		
from AFS financial assets	39.0	24.9		
Valuation losses and impairment:	94.3	29.0	*225.8*	*-10.7*
from investment property	81.4	22.4		
from loans and receivables	5.2	3.3		
from AFS financial assets	7.8	3.3		
Total item 2.4	318.0	123.1	*158.4*	*32.6*

The unrealised losses on available for sale financial assets totally regard value reductions on stocks.
The value reductions in investment property are due to depreciation accrued in the period amounting to €25.8m (€22.4m at 30/6/2013 and €31.3m on a like-for-like basis), and to value reductions amounting to €55.6m (none at 30/6/2013 and on a like-for-like basis).

2.5 Operating expenses

Amounts in €m	30/6/2014	30/6/2013	*% var.*	*% var. on a like-for-like basis*
Insurance Sector	1,342.6	756.4	*77.5*	*5.8*
Other Activities Sector	37.8	162.2	*-76.7*	*-77.1*
Real Estate Sector	7.4	0.1	*n.s.*	*115.3*
Inter-segment eliminations	-12.9	-118.1	*-89.1*	*-89.1*
Total operating expenses	1,374.9	800.6	*71.7*	*4.2*

Below are details of Operating expenses in the Insurance business:

	NON-LIFE		*% var.*	LIFE		*% var.*	TOTAL		*% var.*	*% var. on a like-for-like basis*
Amounts in €m	30/6/2014	30/06/2013		30/6/2014	30/06/2013		30/6/2014	30/06/2013		
Acquisition commissions	681.5	403.0	*69.1*	104.2	57.5	*81.0*	785.7	460.5	*70.6*	*2.6*
Other acquisition expenses	195.0	98.1	*98.7*	21.1	12.7	*65.4*	216.0	110.9	*94.9*	*11.7*
Change in deferred acquisition costs	-1.8	-4.8		-0.8	-5.4	*-85.3*	-2.6	-10.2	*-74.2*	*-71.0*
Collection commissions	95.1	64.1	*48.3*	4.7	2.7	*77.6*	99.8	66.8	*49.5*	*-6.7*
Reinsurers' commissions and profit sharing	-56.5	-39.9	*41.5*	-1.4	-0.7	*89.3*	-57.8	-40.6	*42.3*	*9.5*
Investment management expenses	24.5	3.9	*520.8*	19.0	4.1	*368.0*	43.5	8.0	*443.4*	*72.8*
Other administrative expenses	201.6	125.0	*61.3*	56.4	36.0	*56.5*	258.0	161.0	*60.2*	*7.5*
Total operating expenses	1,139.4	649.5	*75.4*	203.1	106.9	*90.0*	1,342.6	756.4	*77.5*	*5.8*

2.6 Other costs

Amounts in €m	30/6/2014	30/6/2013	*% var.*	*% var. on a like-for-like basis*
Other technical charges	107.6	152.0	*-29.2*	*-36.9*
Write-down of receivables	14.8	39.6	*-62.6*	*-63.5*
Other charges	290.4	283.7	*2.4*	*-6.3*
Total other costs	412.9	475.3	*-13.1*	*-20.8*

3. Income taxes

Against pre-tax income of €560.5m, taxes pertaining to the period of €202.1m were recorded, corresponding to a tax rate of 36.1% (42.6% at 30/6/2013 and 39.0% on a like-for-like basis), including €21m allocated for the increase, pursuant to Art. 4 Decree Law no. 66 of 24 April 2014, on the substitute tax owed on gains posted on Bank of Italy shares, up from 12% to 26%.

4. Other information

4.1 Hedge Accounting

Fair value hedging concerns fixed-rate bonds, transformed to a floating rate via Interest Rate Swaps.

Fair value hedges

UnipolSai Assicurazioni: the financial instruments designated as hedging instruments were Interest Rate Swaps, whose fair value at 30 June 2014 was a negative €269.4m, with a fair value measurement since the start date of the current hedges of €67.9m. The change in the fair value of the bonds hedged classified under Available-for-sale assets, recognised in the hedge validity period, was a positive €68.4m.
At 30 June 2014 hedging was effective since the ratios between the respective variations in fair value were still within the range 80%-125%.
The economic effects pertaining to the first half of 2014 amounted to a positive €68.4m as regards the change in the fair value of the underlying assets and a negative €67.9m as regards the change in the fair value of the IRSs, with a positive net economic effect of €0.5m.

Banca Sai: at 31 December 2013 an Interest Rate Swap was extant, with a notional value of €25m, hedging interest rate risk deriving from fixed-rate loans to customers. The position was closed in February 2014.

Cash flow hedges

UnipolSai Assicurazioni - cash flow hedges on hybrid perpetual loans through IRSs for a notional value of €300m: the cumulative positive effect on Shareholders' equity, in the Hedging reserve, for gains or losses on cash flow hedges was €7.3m (€4.8m net of tax).
At 31 December 2013, the figure for the former Unipol Assicurazioni was a negative €44.8m (€29.4m net of tax) and it pertained to hybrid perpetual loans for a nominal amount of €400m. During the half year, said hybrid perpetual loans were closed along with the related connected IRSs with equal nominal value.
At 31 December 2013, the figure for the former Fondiaria-Sai Assicurazioni was a positive €4.1m (€3.0m net of tax) and it pertained to subordinated loans for a nominal amount of €500m. During the half year, hybrid perpetual loans for a nominal amount of €250m were closed along with the related connected IRSs with equal nominal value.
At 31 December 2013, the figure for the former Milano Assicurazioni was a positive €0.4m (€0.2m net of tax) and it pertained to subordinated loans for a nominal amount of €150m. During the half year, the hybrid perpetual loan for a nominal amount of €100m along with the related IRS with equal nominal value were closed.

Unipol Assicurazioni - cash flow hedge on bond securities recorded in the Available-for-sale asset portfolio through the sale of IRSs for a notional value of €417.3m.
The cumulative negative effect on Shareholders' equity, in the Hedging reserve, for gains or losses on cash flow hedges was €4.5m (€3m net of tax).
At 31 December 2013, the figure related only to the former Unipol Assicurazioni for nominal €327m of bond securities and was positive for €0.5, (€0.3m net of tax).

4.2 Earnings (loss) per share

Basic	30/6/2014	30/6/2013
Profit/loss attributed to ordinary shares (€m)	292.4	106.6
Weighted average of outstanding ordinary shares during the year (no./m)	2,264.3	920.4
Basic profit/loss per share (€ per share)	0.13	0.12

Diluted	30/6/2014	30/6/2013
Profit/loss attributed to ordinary shares (€m)	292.4	106.6
Weighted average of outstanding ordinary shares during the year (no./m)	2,264.3	920.4
Diluted profit/loss per share (€ per share)	0.13	0.12

4.3 Dividends

In view of the profit for the year made by UnipolSai SpA at 31 December 2013 (as shown in the financial statements drawn up in accordance with Italian GAAP), the Shareholders' Meeting of UnipolSai SpA held on 30 April 2014 resolved the distribution of dividends totalling €550.0m, €25.1m of which to class "A" Savings Shares, €84.8m to class "B" Savings Shares and €440.1m to Ordinary Shares, corresponding to €19.64133 per class "A" Savings Share, €0.22497 per class "B" Savings Share and €0.19559 per Ordinary Share.
After the 675 bonds issued by UnipolSai were partially converted on 5 May 2014 and subscribed by the parent Unipol Gruppo Finanziario SpA, the dividends paid to the Ordinary Shares further increased by €4.8m: as a result, the dividends distributed as a whole amount to €554.9m, of which €444.9m are attributable to the Ordinary Shares.

The Shareholders' Meeting also set the dividend payment start date for 22 May 2014 (coupon detachment 19 May 2014).

In compliance with the terms and conditions set out in the regulations of the Convertible Loan, some bonds still not converted, €9.6m by way of Manufactured Dividend, were also paid to the bond holders.

4.4 Non-current assets or disposal groups classified as held for sale

Disposals planned in compliance with Provision dated 19 June 2012 of the Antitrust Authority

On 30 June 2014, UnipolSai and Allianz signed a definitive contract for the transfer of the insurance business unit, effective from 1 July 2014. As part of said contract, the transfer of the insurance product sales activities took effect immediately, which incorporated, inter alia, a network of 725 agencies and 470 employees dedicated to managing these activities, against the payment by Allianz of a consideration of €200m.
The non-life insurance portfolio managed by the agencies transferred also form part of the business unit transferred, with premiums amounting to around €1.1bn (figures at 31/12/2013). The portfolio transfer will take effect in December 2014, following the authorisation by IVASS, against the payment, by Allianz, of an additional fee, calculated on the basis of the amount of the portfolio transferred or renewed, equal to a maximum amount of €240m, and, therefore, a maximum total consideration of €440m.
The application of IFRS 5 has had no effect on the consolidated income statement or on consolidated shareholders' equity.

Other disposals

The other reclassifications made in application of IFRS 5 regard the assets (€1.6m) and liabilities (€0.7m) of the company Saint George Capital Management (indirect 100% subsidiary of UnipolSai through the subsidiary Saifin-Saifinanziaria SpA) and certain properties for which the relative preliminary sales contracts have already been signed (€21.0m).

The tables below show the details of the reclassified assets and liabilities.

Non-current assets or disposal groups classified as held for sale

Amounts in €m		*disposals pursuant to Antitrust Authority Prov.*		*other reclass. IFRS 5*		Total reclass. IFRS 5	
		30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
1	INTANGIBLE ASSETS	53.8	62.8	-	0.0	53.8	62.9
1.1	Goodwill	-	-	-	-	-	-
1.2	Other intangible assets	53.8	62.8	-	0.0	53.8	62.9
2	PROPERTY, PLANT AND EQUIPMENT	0.1	0.1	0.0	0.2	0.1	0.2
2.1	Property	-	-	-	-	-	-
2.2	Other tangible assets	0.1	0.1	0.0	0.2	0.1	0.2
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	-	-	-	-	-	-
4	INVESTMENTS	0.3	0.9	21.1	21.5	21.4	22.4
4.1	Investment property	-	-	21.0	21.4	21.0	21.4
4.2	Investments in subsidiaries, associates and joint ventures	-	-	-	-	-	-
4.3	Investments held to maturity	-	-	-	-	-	-
4.4	Loans and receivables	0.3	0.9	-	-	0.3	0.9
4.5	AFS financial assets	-	-	0.1	0.1	0.1	0.1
4.6	Financial assets at fair value through profit or loss	-	-	-	-	-	-
5	OTHER RECEIVABLES	26.3	26.5	0.0	0.0	26.4	26.5
5.1	Receivables from direct insurance operations	26.3	26.5	-	-	26.3	26.5
5.2	Receivables from reinsurance operations	-	-	-	-	-	-
5.3	Other receivables	-	0.0	0.0	0.0	0.0	0.0
6	OTHER ASSETS	0.8	3.1	0.0	0.4	0.9	3.5
6.2	Deferred acquisition costs	0.8	0.5	-	-	0.8	0.5
6.3	Deferred tax assets	-	-	-	-	-	-
6.4	Current tax assets	-	-	0.0	-	0.0	-
6.5	Other assets	-	2.6	0.0	0.4	0.0	3.0
7	CASH AND CASH EQUIVALENTS	76.8	20.7	1.4	2.7	78.2	23.4
	NON-CURRENT ASSETS OR DISPOSAL GROUPS	158.1	114.1	22.7	24.8	180.7	138.9

Liabilities of a disposal group held for sale

Amounts in €m

		disposals pursuant to Antitrust Authority Prov.		other reclass. IFRS 5		Total reclass. IFRS 5	
		30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
2	PROVISIONS	16.3	15.1	0.1	-	16.4	15.1
3	TECHNICAL PROVISIONS	77.6	18.7	-	-	77.6	18.7
4	FINANCIAL LIABILITIES	-	-	-	-	-	-
4.1	Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
4.2	Other financial liabilities	-	-	-	-	-	-
5	PAYABLES	4.3	5.2	0.6	1.2	4.9	6.4
5.1	Payables from direct insurance operations	-	0.6	-	-	-	0.6
5.2	Payables from reinsurance operations	-	-	-	-	-	-
5.3	Other payables	4.3	4.6	0.6	1.2	4.9	5.8
6	OTHER LIABILITIES	24.1	33.8	0.0	0.1	24.2	33.9
6.2	Deferred tax liabilities	18.2	21.6	-	-	18.2	21.6
6.3	Current tax liabilities	-	-	-	0.0	-	0.0
6.4	Other liabilities	6.0	12.3	0.0	0.1	6.0	12.4
	LIABILITIES OF A DISPOSAL GROUP	122.4	72.8	0.7	1.3	123.1	74.2

Technical provisions, amounting to €77.6m, refer solely to the Non-Life class (for the most part premium provisions).

Liabilities associated to a disposal group - Other IFRS 5 reclassifications, also include €0.7m in liabilities relating to the company subject to divestment Saint George Capital Management Sa in liquidation.

4.5 Transactions with related parties

Since the start of 2014, most service contracts have been centralised into UnipolSai.

UnipolSai Assicurazioni provided services relating to the following areas:
- Governance (services supporting internal control, risk management and compliance);
- Anti-money laundering and Anti-terrorism;
- Finance;
- Communications;
- Assessment of Investments;
- Human Resources and Organisation (external selection, training, development, remuneration policies and systems, personnel management, industrial relations and disputes, safety, organisation);
- Claims Settlement;
- Insurance (distribution regulations and insurance processes, tariffs and auto portfolio management, reinsurance, marketing, economical contractual management of the network);
- Life (procedures applications and regulatory, products, settlements and bancassurance);
- Legal (corporate affairs, group legal, anti-fraud, legal insurance advice, privacy, general legal and disputes, corporate legal, complaints and specialist assistance to customers, management of equity investments, institutional relations);
- IT services;

- Administrative (accounting, tax, administrative and financial statements services, insurance and economic management control, purchases and general services);
- Real estate (logistics, asset and investment management and banking portfolio).

SIAT performs the following services in favour of UnipolSai:

– Technical assistance in the negotiation and stipulation of agreements in the transport sector;
– Portfolio management for agreements in the transport sector;
– Claims investigation, management and settlement;
– Administrative management in the transport sector.

In 2014 the Gruppo Fondiaria-SAI Servizi consortium continued only in the management of some supply and service agreements:

- Information Technology;
- Procurement;
- Logistical and organisational services;
- Claims BPO (Business Process Outsourcing);
- Assistance to agency networks;
- General services.

None of the above transactions are atypical or unusual.

Fees are based on external costs incurred, for example for products and services acquired from suppliers, and on the costs arising from the activities of the companies themselves, i.e. generated by their own staff, and taking account of:

– the performance objectives that provision of the service to the Company must achieve;
– the strategic investments to be implemented in order to ensure the agreed levels of service.

The following elements are specifically taken into consideration:

– staffing costs;
– operating costs (logistics etc.);
– general costs (IT, consultancy etc.).

UnipolSai seconded staff to the Group companies.

Financial and commercial transactions between BancaSai and the other companies in the Group were the usual types of transaction carried out by a complex group and related to services, deposit accounts or corporate financing and finance lease agreements. Agreements were also entered into for the sale and/or management of banking, financial and insurance products and services and for the provision of auxiliary banking services in general. The financial effects of these transactions were governed by the market terms applied to major customers.

Execution by Unipol Gruppo Finanziario of the Convertible Bond Loan issued by UnipolSai and subsequent conversion

On 24 April 2014 UnipolSai issued a Convertible Bond Loan, represented by 2,018 bonds with a unit par value of €100,000, for a total of €201.8m, of which €67.5m subscribed by the parent company Unipol Gruppo Finanziario. For additional details about the aforesaid transaction, please refer to the thorough discussion provided in the Management Report.

On 5 May 2014 Unipol Gruppo Finanziario requested the conversion of all 675 bonds subscribed on issue of the loan. Following the conversion, which took place according to the terms and conditions of the Loan

Regulation, Unipol took ownership of 24,725,274 newly issued ordinary UnipolSai shares. As a result, Unipol's holding in the ordinary capital of UnipolSai increased from 63.00% to 63.41%.

Put and call options on the investment in Unipol Banca

As part of the Merger, on 31 December 2013 Unipol Gruppo Finanziario granted Fondiaria-SAI a put option on the interest formerly held by the merging company Unipol Assicurazioni in Unipol Banca SpA, equal to 32.25% of its share capital, to be exercised on expiry of the fifth year after the statutory effective date of the Merger, at a price no lower than the present carrying amount of said interest, i.e. approximately €331.6m (thus increased from the previous year as a result of the pro-rata subscription on 25 June 2014 of the capital increase resolved by the investee on 23 April 2014).

In view of the above, Fondiaria-SAI granted Unipol Gruppo Finanziario a corresponding call option on said interest, at the same price, but providing Unipol Gruppo Finanziario with the possibility of exercising the option for the entire period running between the statutory effective date of the Merger and the expiry of the fifth year after said date.

The following table shows transactions with related parties (parent companies, associated companies and group companies) carried out during the first half of 2014, as laid down in IAS 24 and in Consob Communication DEM/6064293/2006.

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

Amounts in €m	Parent company	Indirect parent company	Associates	Group companies	Total	*% inc. (1)*	*% inc. (2)*
Technical provisions – Reinsurers' share	0.0	0.0	0.0	2.3	2.3	0.0	0.0
Loans and receivables	267.8	0.0	50.9	0.1	318.7	0.5	1.7
Other receivables	0.5	0.1	25.3	5.8	31.7	0.0	0.2
Other assets	0.9	0.0	7.0	0.0	7.9	0.0	0.0
Cash and cash equivalents	0.0	0.0	649.6	0.0	649.6	0.9	3.6
TOTAL ASSETS	269.1	0.1	732.9	8.1	1,010.2	1.4	5.5
Technical provisions	0.0	0.0	0.0	1.1	1.1	0.0	0.0
Other financial liabilities	0.0	0.0	11.4	0.0	11.5	0.0	0.1
Other payables	6.9	0.0	1.5	5.0	13.3	0.0	0.1
TOTAL LIABILITIES	6.9	0.0	12.9	6.1	25.9	0.0	0.1
Net premiums	0.0	0.0	0.0	-1.5	-1.5	-0.4	0.0
Commission income	0.0	0.0	2.4	0.0	2.4	0.7	0.0
Income from other financial instruments and investment property	1.8	0.0	1.7	0.0	3.5	1.0	0.0
Other income	2.8	0.0	0.1	0.0	2.9	0.8	0.0
TOTAL REVENUES AND INCOME	4.5	0.0	4.2	-1.5	7.2	2.0	0.0
Net charges relating to claims	0.0	0.0	0.0	-0.8	-0.8	-0.2	0.0
Commission expenses	0.0	0.0	3.7	0.0	3.7	1.0	0.0
Operating expenses	0.0	0.1	65.9	-0.7	65.2	18.3	0.4
Other costs	8.9	0.1	0.0	0.0	9.0	2.5	0.0
TOTAL COSTS AND CHARGES	8.9	0.1	69.6	-1.6	77.1	21.6	0.4

(1) Percentage based on total assets in the consolidated statement of financial position recognised under Equity, and based on the consolidated profit/(loss) for the year under financial items.
(2) The percentage on total net cash flow from operating activities mentioned in the statement of cash flows.

The loans and receivables from the parent company concern two loan agreements entered into by the former Unipol Assicurazioni and the parent Unipol Gruppo Finanziario during 2009 following the Unipol Assicurazioni's entry in the role of issuer of the UGF 7% and UGF 5.66% subordinated bond loans issued by UGF.
Loans and receivables from associates include €9.9m of non-interest bearing loans provided by Immobiliare Milano (to Borsetto Srl, €8.1m, and to Pentadomus SpA, €1.8m) and €40.2m of bond securities issued by Unipol Banca and subscribed by UnipolSai.
The item Sundry receivables from associates contained €17.3m in receivables due from insurance brokerage agencies for commissions.

Cash and cash equivalents include the balances of current accounts opened by the Group companies at the associate Unipol Banca.

The item Other financial liabilities due to associates referred to bank deposits at Unipol Banca.

Commission income and expenses refer to current banking relationships between the Group companies and the associate Unipol Banca.

Operating expenses due to associates regard the operating expenses of banking relationships.

The item Other costs mostly regards employees seconded by the parent Unipol Gruppo Finanziario.

Relationships with Group companies regard reinsurance or service contracts between UnipolSai and Unipol Gruppo Finanziario companies.

4.6 Fair value measurements – IFRS 13

Regulation No. 1255/2012 endorsed IFRS 13 - Fair value measurement, which became effective on 1 January 2013. IFRS 13, which is applied prospectively, did not expand the area of application of fair value measurements; rather, it explains how to measure the fair value of financial instruments and non-financial assets and liabilities when such measurement is required or permitted under other IFRSs.

In 2013, the Unipol Group adjusted itself into line with the requirements of the new accounting standard IFRS 13 relating to Fair value measurement. This standard:

a) defines fair value;
b) groups into a single accounting standard the rules for measuring fair value;
c) requires disclosures about fair value measurements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction in the main market of reference under current market conditions (i.e. the exit price).
Measurement of the fair value presumes that the transaction to sell the asset or transfer the liability may take place:

- in the main market;
- without the main market, in the most advantageous market for the assets and liabilities being measured.

Fair value is a market-based measurement, not an entity-specific measurement. As such, the measurements must be based on the primary assumptions and models used by market participants, including assumptions regarding the risk of the asset or liability being measured. When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

The fair value hierarchy also defined in IFRS 13 is based on the observability of the inputs used in the fair value measurement techniques.

Chapter 2, the Accounting standards adopted, outlines the fair value measurement policies and criteria adopted by the UnipolSai Group.

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 2014 and 31 December 2013, broken down based on fair value hierarchy level.

Assets and liabilities measured at fair value on a recurring basis and on a non-recurring basis: breakdown by fair value levels								
	Level 1		Level 2		Level 3		Total	
Amounts in €m	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013
Assets and liabilities measured at fair value on a recurring basis								
AFS financial assets	37,577.9	21,994.2	666.0	38.7	1,312.8	623.4	39,556.7	22,656.2
Financial assets at fair value through profit or loss:								
- held for trading	167.7	40.2	111.1	34.1	109.0	27.0	387.8	101.3
- at fair value through profit or loss	6,465.5	2,465.5	365.0	1,085.8	1,695.1	1,877.9	8,525.7	5,429.2
Investment property	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets measured at fair value on a recurring	*44,211.1*	*24,499.9*	*1,142.1*	*1,158.6*	*3,117.0*	*2,528.3*	*48,470.2*	*28,186.7*
Financial liabilities at fair value through profit or loss								
- held for trading	37.8	0.0	367.5	48.3	2.4	0.0	407.7	48.3
- at fair value through profit or loss	0.0	0.0	0.0	505.8	760.5	0.0	760.5	505.8
Total liabilities measured at fair value on a recurri	*37.8*	*0.0*	*367.5*	*554.1*	*762.9*	*0.0*	*1,168.2*	*554.1*
Assets and liabilities measured at fair value on a non-recurring basis								
Non-current assets or of disposal groups classified as held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities of a disposal group held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The amount of financial instruments classified in Level 3 at 30 June 2014 stood at €3,119.1m.

Details of changes in Level 3 financial assets and liabilities in the same period are shown below.

Detail of changes in level 3 assets and liabilities measured at fair value on a recurring basis								
		Financial assets at fair value through profit or loss					Financial liabilities at fair value	
Amounts in €m	AFS financial assets	Financial assets held for trading	Financial assets at fair value through profit or loss	Investment property	Property, plant and equipment	Intangible assets	Financial liabilities held for trading	Financial liabilities at fair value through profit or loss
Opening balance	623.4	27.0	1,877.9	0.0	0.0	0.0	0.0	0.0
Acquisitions/Issues	30.2	1.1	0.0	0.0	0.0	0.0	0.0	0.0
Sales/Repurchases	-38.6	-6.2	-184.1	0.0	0.0	0.0	0.0	0.0
Reimbursements	-0.1	-0.8	-63.3	0.0	0.0	0.0	0.0	0.0
Gains or losses recognised through profit or loss	0.0	16.7	-8.8	0.0	0.0	0.0	0.0	0.0
- of which valuation gains/losses	0.0	16.7	-8.8	0.0	0.0	0.0	0.0	0.0
Gains or losses recognised in other comprehensive income statement items	82.3			0.0	0.0	0.0	0.0	0.0
Transfers to level 3	2.4		121.6	0.0	0.0	0.0	0.0	0.0
Transfers to other levels	-7.5			0.0	0.0	0.0	0.0	0.0
Other changes	620.8	71.2	-48.2	0.0	0.0	0.0	2.4	760.5
Closing balance	1,312.8	109.0	1,695.1	0.0	0.0	0.0	2.4	760.5

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

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 measured 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 had a market value of €434.9m at 30 June 2014.

The non-observable parameters subject to a shock are as follows:

– benchmark spread curves constructed to assess bonds of issuers for which the prices of the bonds issued or CDS curves are unavailable;
– credit risk parameters such as the recovery rate and probability of default.

The following table shows the results of the shocks:

Amounts in €m	Curve Spread				Recovery Rate			
Fair value	24.29				410.61			
Shock	+10 bps	-10 bps	+50 bps	-50 bps	+10 bps	-10 bps	+50 bps	-50 bps
Delta Fair value	-0.11	0.11	-0.53	0.55	3.38	-3.21	18.74	-14.62
Delta Fair value %	-0.44%	0.45%	-2.19%	2.28%	0.82%	- 0.01	0.05	- 0.04

Fair value measurement on a non-recurring basis

IFRS 13 also governs the fair value measurement and disclosure for assets and liabilities not measured at fair value on a recurring basis.
The fair value of these assets and liabilities is measured only to comply with 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 Investments held to maturity.

Assets and liabilities not measured at fair value: breakdown by fair value levels
Amounts in €m

	Book value		*Fair value*							
			Level 1		Level 2		Level 3		Total	
Amounts in €m	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013
Assets										
Investments held to maturity	1,747.2	626.5	1,519.0	509.8	368.8	136.4			1,887.8	646.2
Loans and receivables	6,206.2	2,746.5	1.0		4,035.4	1,748.4	2,348.1	1,143.4	6,384.4	2,891.8
Investments in subsidiaries, associates and joint ventures	500.2	159.4					500.2	159.4	500.2	159.4
Investment property	2,912.2	2,584.5					3,067.0	2,638.6	3,067.0	2,638.6
Property, plant and equipment	1,136.6	522.3					1,197.0	532.1	1,197.0	532.1
Total assets	12,502.4	6,639.2	1,520.0	509.8	4,404.2	1,884.8	7,112.3	4,473.5	13,036.4	6,868.1
Liabilities										
Other financial liabilities	2,935.8	1,672.2	1,301.5				1,656.8	1,672.2	2,958.3	1,672.2

4.7 Information on personnel

Human Resources				
	30/6/2014	31/12/2013	*Var..*	*Var. on a like-for-like basis*
Total number UnipolSai Group employees	11,659	7,461	*4,198*	*496*
of which temporary	*868*	*338*	*530*	*524*
Full Time Equivalent - FTE	11,173	7,113	*4,060*	*509*

There are 1,462 employees of foreign companies, of which 584 are insurance agents.

The increase in the number of Group employees compared to 31 December 2013 (+496) on a like-for-like basis is mainly due to:

- decrease of 209 employees of UnipolSai who adhered to the Solidarity Fund and the call for retirement;
- increase of 245 employees of Unipol Gruppo Finanziario transferred to UnipolSai;

- increase of 531 seasonal employees of the Atahotels hotel chain.

A total number of 634 employees adhered to the Solidarity Fund and the call for retirement.

Share-based compensation plans

The Group pays additional benefits to senior executives under a closed share-based compensation plan under which Unipol Ordinary shares are granted if specific targets are achieved (performance shares).
The Ordinary Shareholders' Meeting of 30 April 2013 approved the new share-based incentive plan in favour of the members of the senior management and of the executives of Unipol Gruppo Finanziario (the "2013-2015 Plan"). Similar resolutions were adopted in 2013 by the Corporate Bodies of the Group's main insurance and banking companies.
The previous 2010-2012 Plan ended in 2012 (last year of the Plan) and, as required by the Plan regulation, the Unipol shares will be delivered in three tranches starting in July 2014.
The 2013-2015 plan, like the previous plan, is for three years, ending in 2015, and provides for benefits to be paid if the following targets are met:

- overall growth in consolidated gross profit for the three-year period;
- increase in the value of Unipol Ordinary securities over the three years;
- an indicator of financial stability.

It is also dependent on individual short-term targets being met.
The assignment of the ordinary Unipol shares to the recipients will take place over several years, starting in 2016.

4.8 Non-recurring significant transactions and events

The transactions carried out during the half year are summarised below; they have already been thoroughly discussed in the Management Report, to which reference is made for additional details.

Issue of a Convertible Bond Loan by UnipolSai

On 24 April 2014 UnipolSai issued a Convertible Bond Loan, represented by 2,018 bonds with a unit par value of €100,000, for a total of €201.8m, subscribed:

- €134.3m by the lending banks that had approved the debt restructuring agreement of the former Premafin, excluding GE Capital Interbanca SpA, and
- €67.5m by the parent company Unipol.

On 5 May 2014 Unipol requested the conversion of all 675 bonds subscribed on issue of the Loan. Following the conversion, Unipol took ownership of 24,725,274 newly issued ordinary UnipolSai shares.

Issue of subordinated bond securities with an indefinite maturity by UnipolSai and early repayment of subordinated loans with indefinite maturity

On 11 June 2014, UnipolSai, within the scope of the Medium Term Issue Programme (EMTN) for a total nominal amount of €3bn, placed subordinated bond securities with indefinite maturity for a total nominal amount of €750m, targeted exclusively at institutional investors. The securities, listed on the Luxembourg Stock Exchange, were issued at 100% of the nominal value, with settlement date 18 June 2014.
On the same date, UnipolSai proceeded with the early repayment of subordinated loans with indefinite maturity disbursed in the past from Mediobanca to Fondiaria-SAI (now UnipolSai) and to merged entities Milano Assicurazioni and Unipol Assicurazioni for a total amount of €750m.

4.9 Atypical and/or unusual positions or transactions

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 this document, conflict of interest, the safeguarding of the company's assets or the protection of non-controlling shareholders.

4.10 Risk Report

The purpose of the Risk Report is to provide additional supporting information to allow stakeholders to make an assessment of the Group's equity and financial situation in the perspective of a Risk Management that operates in accordance with the general principles contained in ISVAP Regulation no. 20/2008 and in the Solvency II regulation, whose new provisions shall be incorporated in national regulations no later than 31 March 2015, with actual entry into force from 1 January 2016 onwards.
Last April, the IVASS, implementing the EIOPA guidelines in order to attain complete and timely readiness for the new Solvency II rules, issued:

(i) Instruction no. 17 of 15 April 2014, which amended and supplemented the current ISVAP Regulation no. 20/2008 governing internal controls and risk management and ISVAP Regulation no. 36/2011 concerning investments and assets covering technical provisions;

(ii) the Letter to the Market of 15 April 2014 entitled: "*Solvency II*- application of EIOPA guidelines regarding governance systems, forward-looking risk assessment (based on ORSA principles), transmission of information to the national competent authorities and pre-application for internal models".

In this regard the competent corporate organisations of the Group have been carrying out activities to make corporate processes compliant with the Solvency II regulations and with the new IVASS supervisory provisions referenced above. In particular, the Group has carried out the necessary activities to start, on the basis of the new consolidation scope, the pre-application phase with respect to the process for the approval, by IVASS, of the Internal Model directed, *inter alia*, to the calculation of the minimum solvency capital requirement.

With regard to the system of internal controls, risk governance, monitoring procedures (internal corporate committees), the risk management system and the capital allocation policies, reference is expressly made to section G of the Explanatory Notes to the 2013 Consolidated Financial Statements.

As for financial risks at 30 June 2014, the level of sensitivity of the UnipolSai Group's portfolios of financial assets to the main market risk factors is shown below. Sensitivity is calculated as the change in market value of the assets when there are shocks following a:

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

	Other Assets		Insurance Sector		Total	
Amounts in €m	Economic impact	Capital impact	Economic impact	Capital impact	Economic impact	Capital impact
UNIPOLSAI GROUP						
Interest rate sensitivity (+10 bps)	-	-0.05	12.88	-220.13	12.88	-220.18
Credit spread sensitivity (+10 bps)	-	-0.05	0.71	-242.23	0.71	-242.29
Equity sensitivity (-20%)	-	-0.12	-10.09	-360.95	-10.09	-361.08

The values include the hedging derivatives and they are before tax.

UnipolSai ASSICURAZIONI

Information relating to exposure to sovereign debt securities referred to in Consob Communication DEM/11070007 of 5 August 2011

Details on sovereign debt exposures, i.e. bonds issued by central and local governments and government entities as well as loans granted to them, held by the UnipolSai Group at 30 June 2014.

	Balance at 30 June 2014		
Amounts in €m	Par value	Book value	Market value
Italy	**32,948.4**	**33,523.9**	**33,837.1**
AFS financial assets	28,497.5	29,463.1	29,463.1
Investments held to maturity	992.8	986.7	1,104.7
Loans and receivables	3,193.1	3,023.9	3,219.1
Financial assets at fair value through profit or loss	265.0	50.2	50.2
Spain	**748.9**	**783.4**	**785.3**
AFS financial assets	643.1	698.9	698.9
Investments held to maturity	56.0	56.7	62.3
Loans and receivables	49.8	27.8	24.0
Germany	**286.3**	**302.5**	**309.6**
AFS financial assets	106.3	118.0	118.0
Investments held to maturity	180.0	184.5	191.6
Portugal	**121.0**	**128.3**	**134.4**
AFS financial assets	68.0	76.5	76.5
Investments held to maturity	53.0	51.8	57.9
Ireland	**81.0**	**88.0**	**88.2**
AFS financial assets	71.0	77.9	77.9
Loans and receivables	10.0	10.1	10.3
France	**64.8**	**65.5**	**68.1**
AFS financial assets	14.8	15.2	15.2
Investments held to maturity	50.0	50.4	53.0
Belgium	**44.0**	**45.4**	**47.7**
AFS financial assets	19.0	20.3	20.3
Investments held to maturity	25.0	25.1	27.4
Canada	**36.3**	**40.6**	**40.6**
AFS financial assets	36.3	40.6	40.6
Serbia	**10.5**	**37.9**	**37.9**
AFS financial assets	1.8	1.7	1.7
Loans and receivables	0.1	12.2	12.2
Financial assets at fair value through profit or loss	8.7	24.1	24.1
Poland	**30.6**	**33.2**	**33.2**
AFS financial assets	30.6	33.2	33.2
Greece	**30.1**	**30.2**	**30.2**
AFS financial assets	30.1	30.2	30.2
Investments held to maturity	-	-	-
The Netherlands	**20.6**	**22.9**	**22.9**
AFS financial assets	20.6	22.9	22.9
Latvia	**20.0**	**20.8**	**20.8**
AFS financial assets	20.0	20.8	20.8
Slovenia	**16.7**	**18.1**	**18.1**
AFS financial assets	16.7	18.1	18.1
Austria	**15.5**	**16.6**	**16.6**
AFS financial assets	15.5	16.6	16.6
Finland	**6.5**	**6.7**	**6.7**
AFS financial assets	6.5	6.7	6.7
Switzerland	**4.9**	**5.4**	**5.4**
AFS financial assets	4.9	5.4	5.4
USA	**3.8**	**4.4**	**4.4**
AFS financial assets	3.8	4.4	4.4
Mexico	**2.5**	**2.6**	**2.6**
AFS financial assets	2.5	2.6	2.6
Sweden	**2.0**	**2.0**	**2.0**
AFS financial assets	2.0	2.0	2.0
Hungary	**0.5**	**0.5**	**0.5**
AFS financial assets	0.5	0.5	0.5
Slovakia	**0.3**	**0.4**	**0.4**
AFS financial assets	0.3	0.4	0.4
TOTAL	**34,495.0**	**35,179.4**	**35,512.8**

At 30 June 2014, the book value of sovereign debt exposures was €35,179.4m, 95.3% of which consists of Italian government bonds.

Bologna, 6 August 2014

The Board of Directors

Tables appended to the Notes to the financial statements

Consolidation scope

Name	Country		Registered office	Method (1)	Business (2)	% Direct holding	% Indirect holding		% Total participating interest (3)	Consolidation method	% votes available at ordinary General Meetings (4)	% Consolidation
UnipolSai Assicurazioni Spa	086	Italy	Bologna	G	1					90		100.00%
Midi Srl	086	Italy	Bologna	G	10	100.00%			100.00%	86		100.00%
Unifimm Srl	086	Italy	Bologna	G	10	100.00%			100.00%	86		100.00%
Smallpart Spa	086	Italy	Bologna	G	9	100.00%			100.00%	86		100.00%
Punta di Ferro srl	086	Italy	Bologna	G	10	100.00%			100.00%	86		100.00%
Comsider srl	086	Italy	Bologna	G	10		100.00%	Covent Garden BO Srl	100.00%	86		100.00%
Covent Garden BO Srl	086	Italy	Bologna	G	11		100.00%	Midi Srl	100.00%	86		100.00%
Bim Vita Spa	086	Italy	Turin	G	1	50.00%			50.00%	86		100.00%
Dialogo Assicurazioni Spa	086	Italy	Milan	G	1	99.85%			99.85%	86		100.00%
Europa Tutela Giudiziaria - Compagnia di Assicurazioni Spa	086	Italy	Milan	G	1	100.00%			100.00%	86		100.00%
Incontra Assicurazioni Spa	086	Italy	Milan	G	1	51.00%			51.00%	86		100.00%
Liguria - Società di Assicurazioni - Spa	086	Italy	Milan	G	1	99.97%			99.97%	86		100.00%
Liguria Vita Spa	086	Italy	Milan	G	1		100.00%	Liguria - Società di Assicurazioni - Spa	99.97%	86	100.00%	100.00%
Pronto Assistance Spa	086	Italy	Turin	G	1	100.00%			100.00%	86		100.00%
Siat-Società Italiana Assicurazioni e Riassicurazioni - per Azioni	086	Italy	Genoa	G	1		94.69%	Sai Holding Italia Spa	94.69%	86		100.00%
Systema Compagnia di Assicurazioni Spa	086	Italy	Milan	G	1	100.00%			100.00%	86		100.00%
Ddor Novi Sad	289	Serbia	Novi Sad (Serbia)	G	3	99.99%			99.99%	86		100.00%
Ddor Re	289	Serbia	Novi Sad (Serbia)	G	6		0.00%	Ddor Novi Sad	100.00%	86		100.00%
Ddor Re	289	Serbia	Novi Sad (Serbia)	G	6		100.00%	The Lawrence Re Ireland Limited	100.00%	86		100.00%
Popolare Vita Spa	086	Italy	Verona	G	1	24.39%			50.00%	86		100.00%
Popolare Vita Spa	086	Italy	Verona	G	1		25.61%	Sai Holding Italia Spa	50.00%	86		100.00%
The Lawrence Life Assurance Company Ltd	040	Ireland	Dublin (Ireland)	G	2		100.00%	Popolare Vita Spa	50.00%	86	100.00%	100.00%
The Lawrence Re Ireland Limited	040	Ireland	Dublin (Ireland)	G	5		100.00%	Fondiaria-Sai Nederland Bv	100.00%	86		100.00%
Eurosai Finanziaria di Partecipazioni Srl	086	Italy	Turin	G	11	100.00%			100.00%	86		100.00%
Finadin - Spa Finanziaria di Investimenti	086	Italy	San Donato M.se (MI)	G	11	60.00%			100.00%	86		100.00%
Finadin - Spa Finanziaria di Investimenti	086	Italy	San Donato M.se (MI)	G	11		40.00%	Saifin-Saifinanziaria Spa	100.00%	86		100.00%
Finitalia Spa	086	Italy	Milan	G	11		100.00%	Banca Sai Spa	100.00%	86		100.00%
International Strategy Srl	086	Italy	San Donato M.se (MI)	G	10	100.00%			100.00%	86		100.00%
Sai Holding Italia Spa	086	Italy	Turin	G	11	100.00%			100.00%	86		100.00%
Saifin-Saifinanziaria Spa	086	Italy	Turin	G	11	100.00%			100.00%	86		100.00%
Dominion Insurance Holdings Limited	031	United Kingdor	London (GB)	G	11		100.00%	Finsai International Sa	100.00%	86		100.00%
Fondiaria-Sai Nederland Bv	050	The Netherlanc	Amsterdam (NL)	G	11	100.00%			100.00%	86		100.00%
Sailux Sa en Liquidation	092	Luxembourg	Luxembourg	G	11		100.00%	Saifin-Saifinanziaria Spa	100.00%	86		100.00%
Saint George Capital Management Sa in Liquidazione	071	Switzerland	Lugano (CH)	G	11		100.00%	Saifin-Saifinanziaria Spa	100.00%	86		100.00%
Sainternational Sa en Liquidation	092	Luxembourg	Luxembourg	G	11	100.00%			100.00%	86		100.00%
Finsai International Sa	092	Luxembourg	Luxembourg	G	11	19.92%			100.00%	86		100.00%
Finsai International Sa	092	Luxembourg	Luxembourg	G	11		36.15%	Sailux Sa en Liquidation	100.00%	86		100.00%
Finsai International Sa	092	Luxembourg	Luxembourg	G	11		43.92%	Sainternational Sa en Liquidation	100.00%	86		100.00%
Banca Sai Spa	086	Italy	Turin	G	7	100.00%			100.00%	86		100.00%
Unipolsai Investimenti Sgr Spa	086	Italy	Turin	G	8	100.00%			100.00%	86		100.00%
Sai Mercati Mobiliari - Società di Intermediazione Mobiliare Spa	086	Italy	Milan	G	11	100.00%			100.00%	86		100.00%
Apb Car Service Srl	086	Italy	Turin	G	11		70.00%	Auto Presto & Bene Spa	70.00%	86		100.00%
Atavalue Srl	086	Italy	Turin	G	11		100.00%	Sai Holding Italia Spa	100.00%	86		100.00%
Auto Presto & Bene Spa	086	Italy	Turin	G	11	100.00%			100.00%	86		100.00%
Casa di Cura Villa Donatello - Spa	086	Italy	Florence	G	11	100.00%			100.00%	86		100.00%
Centro Oncologico Fiorentino Casa di Cura Villanova Srl	086	Italy	Sesto Fiorentino (FI)	G	11	100.00%			100.00%	86		100.00%
Città della Salute Scrl	086	Italy	Florence	G	11		50.00%	Casa di Cura Villa Donatello - Spa	100.00%	86		100.00%
Città della Salute Scrl	086	Italy	Florence	G	11		45.00%	Centro Oncologico Fiorentino Casa di Cura Villanova Srl	100.00%	86		100.00%

Consolidation scope

Name	Country		Registered office	Method (1)	Business (2)	% Direct holding	% Indirect holding		% Total participating interest (3)	Consolidation method	% votes available at ordinary General Meetings (4)	% Consolidation
Città della Salute Scrl	086	Italy	Florence	G	11		2.50%	Donatello Day Surgery Srl in Liquidazione	100.00%	86		100.00%
Città della Salute Scrl	086	Italy	Florence	G	11		2.50%	Florence Centro di Chirurgia Ambulatoriale Srl	100.00%	86		100.00%
Donatello Day Surgery Srl in Liquidazione	086	Italy	Florence	G	11		100.00%	Centro Oncologico Fiorentino Casa di Cura Villanova Srl	100.00%	86		100.00%
Florence Centro di Chirurgia Ambulatoriale Srl	086	Italy	Florence	G	11		100.00%	Centro Oncologico Fiorentino Casa di Cura Villanova Srl	100.00%	86		100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11	98.37%			99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.02%	Bim Vita Spa	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.20%	Dialogo Assicurazioni Spa	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.02%	Europa Tutela Giudiziaria - Compagnia di Assicurazioni Spa	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.02%	Incontra Assicurazioni Spa	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.02%	Liguria - Società di Assicurazioni - Spa	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.02%	Liguria Vita Spa	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.90%	Pronto Assistance Spa	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.11%	Siat-Società Italiana Assicurazioni e Riassicurazioni - per Azioni	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.18%	Systema Compagnia di Assicurazioni Spa	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.02%	The Lawrence Re Ireland Limited	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.02%	Finitalia Spa	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.02%	Banca Sai Spa	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.02%	Sai Mercati Mobiliari - Società di Intermediazione Mobiliare Spa	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.02%	Auto Presto & Bene Spa	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.02%	Pronto Assistance Servizi Scarl	99.97%	86	100.00%	100.00%
Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	086	Italy	Milan	G	11		0.02%	Unipolsai Servizi Immobiliari Spa	99.97%	86	100.00%	100.00%
Tenute del Cerro Spa - Società Agricola	086	Italy	Bologna	G	11	98.81%			100.00%	86		100.00%
Tenute del Cerro Spa - Società Agricola	086	Italy	Bologna	G	11		1.19%	Pronto Assistance Spa	100.00%	86		100.00%
Service Gruppo Fondiaria - Sai Srl	086	Italy	Florence	G	11	100.00%			100.00%	86		100.00%
Sogeint Società a Responsabilità Limitata	086	Italy	Milan	G	11	100.00%			100.00%	86		100.00%
Srp Services Sa	071	Switzerland	Lugano (CH)	G	11		100.00%	Sainternational Sa en Liquidation	100.00%	86		100.00%
Pronto Assistance Servizi Scarl	086	Italy	Turin	G	11	65.40%			99.89%	86	100.00%	100.00%
Pronto Assistance Servizi Scarl	086	Italy	Turin	G	11		24.00%	Dialogo Assicurazioni Spa	99.89%	86	100.00%	100.00%
Pronto Assistance Servizi Scarl	086	Italy	Turin	G	11		0.15%	Incontra Assicurazioni Spa	99.89%	86	100.00%	100.00%
Pronto Assistance Servizi Scarl	086	Italy	Turin	G	11		2.20%	Liguria - Società di Assicurazioni - Spa	99.89%	86	100.00%	100.00%
Pronto Assistance Servizi Scarl	086	Italy	Turin	G	11		7.70%	Pronto Assistance Spa	99.89%	86	100.00%	100.00%
Pronto Assistance Servizi Scarl	086	Italy	Turin	G	11		0.35%	Systema Compagnia di Assicurazioni Spa	99.89%	86	100.00%	100.00%
Pronto Assistance Servizi Scarl	086	Italy	Turin	G	11		0.10%	Banca Sai Spa	99.89%	86	100.00%	100.00%
Pronto Assistance Servizi Scarl	086	Italy	Turin	G	11		0.10%	Gruppo Fondiaria-Sai Servizi Società Consortile a Responsabilità Limitata	99.89%	86	100.00%	100.00%
Fondiaria-Sai Servizi Tecnologici Spa	086	Italy	Florence	G	11	100.00%			100.00%	86		100.00%
Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	086	Italy	Milan	G	11	100.00%			100.00%	86		100.00%
Bramante - Srl	086	Italy	Milan	G	10		100.00%	Immobiliare Fondiaria-Sai Srl	100.00%	86		100.00%
Campo Carlo Magno Spa	086	Italy	Milan	G	10	100.00%			100.00%	86		100.00%
Cascine Trenno Srl	086	Italy	Turin	G	10		100.00%	Immobiliare Fondiaria-Sai Srl	100.00%	86		100.00%
Consorzio Castello	086	Italy	Florence	G	10		99.57%	Nuove Iniziative Toscane - Società a Responsabilità Limitata	99.57%	86		100.00%
Immobiliare Fondiaria-Sai Srl	086	Italy	Turin	G	10	100.00%			100.00%	86		100.00%
Immobiliare Litorella Srl	086	Italy	Milan	G	10		100.00%	Immobiliare Fondiaria-Sai Srl	100.00%	86		100.00%
Unipolsai Servizi Immobiliari Spa	086	Italy	Milan	G	10	100.00%			100.00%	86		100.00%
Immobiliare Milano Assicurazioni Srl	086	Italy	Turin	G	10	100.00%			100.00%	86		100.00%
Iniziative Valorizzazioni Edili - In.V.Ed. - Società a Responsabilità Limitata	086	Italy	Milan	G	10		100.00%	Immobiliare Fondiaria-Sai Srl	100.00%	86		100.00%
Insediamenti Avanzati nel Territorio I.A.T. - Società per Azioni	086	Italy	Milan	G	10		100.00%	Immobiliare Fondiaria-Sai Srl	100.00%	86		100.00%
Italresidence Srl	086	Italy	Pieve Emanuele (MI)	G	11		100.00%	Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	100.00%	86		100.00%
Marina di Loano Spa	086	Italy	Milan	G	10		100.00%	Immobiliare Fondiaria-Sai Srl	100.00%	86		100.00%

Consolidation scope

Name	Country		Registered office	Method (1)	Business (2)	% Direct holding	% Indirect holding		% Total participating interest (3)	Consolidation method	% votes available at ordinary General Meetings (4)	% Consolidation
Meridiano Aurora Srl	086	Italy	Milan	G	10	100.00%			100.00%	86		100.00%
Meridiano Bellarmino Srl	086	Italy	Turin	G	10		100.00%	Immobiliare Fondiaria-Sai Srl	100.00%	86		100.00%
Meridiano Bruzzano Srl	086	Italy	Turin	G	10		100.00%	Immobiliare Fondiaria-Sai Srl	100.00%	86		100.00%
Meridiano Secondo Srl	086	Italy	Turin	G	10		100.00%	Immobiliare Fondiaria-Sai Srl	100.00%	86		100.00%
Mizar Srl	086	Italy	Milan	G	10		100.00%	Immobiliare Fondiaria-Sai Srl	100.00%	86		100.00%
Nuove Iniziative Toscane - Società a Responsabilità Limitata	086	Italy	Florence	G	10	100.00%			100.00%	86		100.00%
Progetto Bicocca la Piazza Srl in Liquidazione	086	Italy	Milan	G	10		74.00%	Immobiliare Fondiaria-Sai Srl	74.00%	86		100.00%
Ristrutturazioni Edili Moderne - R.Edil.Mo. - Società a Responsabilità Limitata	086	Italy	Milan	G	10		100.00%	Immobiliare Fondiaria-Sai Srl	100.00%	86		100.00%
Sintesi Seconda Srl	086	Italy	Milan	G	10		100.00%	Immobiliare Milano Assicurazioni Srl	100.00%	86		100.00%
Società Edilizia Immobiliare Sarda - S.E.I.S. Società per Azioni	086	Italy	Milan	G	10		51.67%	Immobiliare Fondiaria-Sai Srl	51.67%	86		100.00%
Stimma - Società a Responsabilità Limitata	086	Italy	Florence	G	10	100.00%			100.00%	86		100.00%
Trenno Ovest Srl	086	Italy	Turin	G	10		100.00%	Immobiliare Fondiaria-Sai Srl	100.00%	86		100.00%
Villa Ragionieri Srl	086	Italy	Florence	G	10	100.00%			100.00%	86		100.00%
Sim Etoile Sas	029	France	Paris	G	10	100.00%			100.00%	86		100.00%
Tikal R.E. Fund	086	Italy		G	10	95.00%			95.00%	86		100.00%
Athens R.E. Fund	086	Italy		G	10	100.00%			100.00%	86		100.00%

(1) Consolidation method: G=on a line-by-line basis, P=proportional, U=on a line-by-line basis as per coordinated management

(2) 1=Italian insurers; 2=EU insurers; 3=non-EU insurers; 4=insurance holdings; 5=EU reinsurers; 6=non-EU reinsurers; 7=banks; 8=asset management companies; 9=sundry holdings; 10=real estate companies; 11=other

(3) is the product of the percentage holdings relating to all the companies that may lie somewhere along the chain between the company that draws up the consolidated financial statements and the company in question. If the latter is a direct participating interest of several subsidiaries the individual products must be added up.

(4) Total percentage of votes available at ordinary General Meetings if different from the direct or indirect investment.

(*) Special purpose vehicles (SPVs) used for securitisation schemes. Although they are not subsidiaries, SPVs are consolidated as basically all their risks and benefits are retained.

Details of unconsolidated investments

Name	Country		Registered office	Business (1)	Type (2)	Type (2)	% Direct holding	% Indirect holding		% Total participating interest (3)	% votes available at ordinary General Meetings (4)	Carrying amount (€m)
Unipol Banca Spa	086	Italy	Bologna	7	b	20	32.25%		UnipolSai Assicurazioni Spa	32.25%		331.6
Hotel Villaggio Città del Mare Spa in Liquidazione	086	Italy	Terrasini (PA)	11	b	20	49.00%		UnipolSai Assicurazioni Spa	49.00%		
Euresa Holding SA	092	Luxembourg	City of Luxembourg	4	b	20	25.00%		UnipolSai Assicurazioni Spa	25.00%		0.1
Assicoop Modena & Ferrara Spa	086	Italy	Modena	11	b	20		43.75%	Smallpart Spa	43.75%		5.4
Assicoop Bologna Spa	086	Italy	Bologna	11	b	20		40.21%	Smallpart Spa	40.21%		2.8
Assicoop Siena Spa	086	Italy	Siena	11	b	20		49.00%	Smallpart Spa	49.00%		0.5
ZIS Fiera 2	086	Italy	Bologna	11	b	20		31.72%	Midi Srl	31.72%		0.3
Fondazione Unipolis	086	Italy	Bologna	11	a	10	100.00%		UnipolSai Assicurazioni Spa	100.00%		0.3
Uci - Ufficio Centrale Italiano	086	Italy	Milan	11	b	20	37.87%		UnipolSai Assicurazioni Spa	38.25%	38.26%	0.3
								0.00%	Dialogo Assicurazioni Spa			
								0.00%	Incontra Assicurazioni Spa			
								0.30%	Liguria - Società di Assicurazioni - Spa			
								0.09%	Siat-Società Italiana Assicurazioni e Riassicurazioni - per Azioni			
								0.00%	Systema Compagnia di Assicurazioni Spa			
Assicoop Imola Spa	086	Italy	Imola (BO)	11	b	20		47.33%	Smallpart Spa	47.33%		2.6
Sofigea Società Finanziaria per Gestioni Assicurative Srl in Liquidazione	086	Italy	Rome	11	b	20	35.32%		UnipolSai Assicurazioni Spa	35.32%		
Assicoop Firenze - Spa	086	Italy	Florence	11	b	20		44.00%	Smallpart Spa	44.00%		0.7
Pegaso Finanziaria Spa	086	Italy	Bologna	9	b	20		45.00%	Smallpart Spa	45.00%		5.2
Assicoop Grosseto Società per Azioni	086	Italy	Grosseto	11	b	20		50.00%	Smallpart Spa	50.00%		0.9
Assicoop Emilia Nord Srl	086	Italy	Parma	11	b	20		50.00%	Smallpart Spa	50.00%		5.7
Assicoop Romagna Futura Srl	086	Italy	Ravenna	11	b	20		50.00%	Smallpart Spa	50.00%		5.5
Garibaldi Sca	092	Luxembourg	Luxembourg	11	b	20	32.00%		UnipolSai Assicurazioni Spa	32.00%		76.6
Isola Sca	092	Luxembourg	Luxembourg	11	b	20	29.56%		UnipolSai Assicurazioni Spa	29.56%		15.3
Fin.Priv. Srl	086	Italy	Milan	11	b	20	28.57%		UnipolSai Assicurazioni Spa	28.57%		30.3
Consulenza Aziendale per l'Informatica Scai Società per Azioni	086	Italy	Turin	11	b	20	30.07%		UnipolSai Assicurazioni Spa	30.07%		1.5
Ddor Auto - Limited Liability Company	289	Serbia	Novi Sad (Serbia)	3	a	10		100.00%	Ddor Novi Sad	99.99%	100.00%	0.0
Soaimpianti - Organismi di Attestazione Srl in Liquidazione	086	Italy	Milan	11	b	20	21.64%		UnipolSai Assicurazioni Spa	21.64%		0.0
Funivie del Piccolo San Bernardo Spa	086	Italy	La Thuile (AO)	11	b	20		23.55%	Immobiliare Fondiaria-Sai Srl	23.55%		2.5
Ddor Garant	289	Serbia	Belgrade (Serbia)	11	b	20		32.46%	Ddor Novi Sad	40.00%		0.5
								7.54%	Ddor Re			
Hotel Terme di Saint Vincent - Srl	086	Italy	La Thuile (AO)	11	a	10		100.00%	Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	100.00%		0.1
Ital H&R Srl	086	Italy	Pieve Emanuele (MI)	11	a	10		100.00%	Italresidence Srl	100.00%		0.0
Tour Executive Srl in Liquidazione	086	Italy	Milan	11	a	10		100.00%	Atahotels - Compagnia Italiana Aziende Turistiche Alberghiere Spa	100.00%		
A7 Srl in Liquidazione	086	Italy	Milan	10	b	20		20.00%	Immobiliare Milano Assicurazioni Srl	20.00%		0.1
Borsetto Srl	086	Italy	Turin	10	b	20		44.93%	Immobiliare Milano Assicurazioni Srl	44.93%		2.3
Butterfly Am Sàrl	092	Luxembourg	Luxembourg	11	b	20		28.57%	Immobiliare Fondiaria-Sai Srl	28.57%		5.7
Servizi Immobiliari Martinelli Spa	086	Italy	Cinisello Balsamo (MI)	10	b	20		20.00%	Immobiliare Milano Assicurazioni Srl	20.00%		0.2
Sviluppo Centro Est Srl in Liquidazione	086	Italy	Rome	10	b	20		40.00%	Immobiliare Milano Assicurazioni Srl	40.00%		
Metropolis Spa - in Liquidazione	086	Italy	Milan	10	b	20		29.71%	Immobiliare Milano Assicurazioni Srl	29.71%		
Penta Domus Spa	086	Italy	Turin	10	b	20		24.66%	Immobiliare Milano Assicurazioni Srl	24.66%		2.9
Valore Immobiliare Srl in Liquidazione	086	Italy	Trieste	10	b	20	50.00%		UnipolSai Assicurazioni Spa	50.00%		0.5
CONO ROMA - Società a Responsabilità Limitata in Liquidazione	086	Italy	Rome	11	b	20		50.00%	Finadin - Spa Finanziaria di Investimenti	50.00%		

(1) 1=Italian insurers; 2=EU insurers; 3=non-EU insurers; 4=insurance holdings; 5=EU reinsurers; 6=non-EU reinsurers; 7=banks; 8=asset management companies; 9=sundry holdings; 10=real estate companies; 11=other

(2) a=subsidiaries (IAS27) ; b=associates (IAS28); c=joint ventures (IAS 31); please mark with (*) the companies available for sale in accordance with IFRS 5 and write the legend at the foot of the statement.

(3) is the product of the percentage holdings relating to all the companies that may lie somewhere along the chain between the company that draws up the consolidated financial statements and the company in question. If the latter is a direct participating interest of several subsidiaries the individual products must be added up.

(4) Total percentage of votes available at ordinary General Meetings if different from the direct or indirect investment.

Statement of financial position by business segment

Amounts in €m

	Amounts in €m	Non-life business		Life business		Other businesses		Real Estate		Intersegment eliminations		Total	
		30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
1	INTANGIBLE ASSETS	479.3	274.4	335.5	218.5	28.5	30.5	0.8	0.5			844.1	523.9
2	PROPERTY, PLANT AND EQUIPMENT	627.4	120.8	9.8	9.9	176.2	174.6	323.2	216.9			1,136.6	522.3
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	910.7	674.8	119.2	66.9							1,029.9	741.7
4	INVESTMENTS	16,924.9	9,833.5	40,539.2	22,419.3	1,234.3	1,198.6	1,489.4	1,165.3	-351.8	-313.0	59,835.9	34,303.6
4.1	Investment property	1,472.3	1,471.1	11.4	11.2	45.2	45.2	1,383.4	1,057.0			2,912.2	2,584.5
4.2	Investments in subsidiaries, associates and interests in joint ventures	268.3	31.9	217.9	91.8	0.1	20.3	13.9	15.4			500.2	159.4
4.3	Investments held to maturity	634.8		1,112.4	628.7	0.0					-2.2	1,747.2	626.5
4.4	Loans and receivables	2,286.9	790.2	3,202.5	1,245.5	1,038.4	991.1	30.0	30.1	-351.6	-310.4	6,206.2	2,746.5
4.5	Available-for-sale financial assets	12,131.4	7,498.5	27,212.6	14,964.0	150.6	131.1	62.1	62.8		-0.2	39,556.7	22,656.2
4.6	Financial assets at fair value through profit or loss	131.1	41.8	8,782.6	5,478.1		10.9		0.0	-0.2	-0.2	8,913.5	5,530.5
5	SUNDRY RECEIVABLES	2,521.4	1,836.2	560.2	270.8	85.6	303.6	64.4	66.5	-97.2	-576.2	3,134.4	1,900.9
6	OTHER ASSETS	1,535.7	1,085.9	1,036.4	759.9	70.9	67.1	33.0	24.6	-4.0	-94.2	2,672.0	1,843.3
6.1	Deferred acquisition costs	29.6	27.2	50.0	36.1							79.6	63.3
6.2	Other assets	1,506.1	1,058.7	986.4	723.8	70.9	67.1	33.0	24.6	-4.0	-94.2	2,592.4	1,780.0
7	CASH AND CASH EQUIVALENTS	737.5	274.5	596.3	586.6	254.6	188.3	97.6	67.4	-531.9	-518.3	1,154.2	598.5
	TOTAL ASSETS	23,736.8	14,100.1	43,196.7	24,331.9	1,850.1	1,962.8	2,008.3	1,541.3	-984.9	-1,501.8	69,807.0	40,434.2
1	SHAREHOLDERS' EQUITY	1,396.8	-252.8	2,386.7	1,478.1	586.5	571.8	1,719.4	1,269.1	0.0		6,089.3	3,066.2
2	PROVISIONS	470.7	239.5	37.4	37.2	20.3	23.0	26.6	20.2			555.0	319.9
3	TECHNICAL PROVISIONS	17,444.9	11,602.6	37,545.7	21,197.5							54,990.6	32,800.0
4	FINANCIAL LIABILITIES	1,977.8	1,044.6	1,922.8	914.8	922.3	914.5	173.8	172.4	-892.7	-820.1	4,103.9	2,226.3
4.1	Financial liabilities at fair value through profit or loss	51.1	30.0	1,113.2	519.7		0.3	3.8	4.0			1,168.2	554.1
4.2	Other financial liabilities	1,926.7	1,014.6	809.6	395.1	922.3	914.2	169.9	168.4	-892.7	-820.1	2,935.8	1,672.2
5	PAYABLES	993.8	629.5	239.7	147.5	184.7	414.2	57.7	47.9	-84.1	-583.7	1,391.7	655.4
6	OTHER LIABILITIES	1,452.6	836.6	1,064.6	557.0	136.4	39.2	30.9	31.7	-8.1	-98.0	2,676.4	1,366.4
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	23,736.8	14,100.1	43,196.7	24,331.9	1,850.1	1,962.8	2,008.3	1,541.3	-984.9	-1,501.8	69,807.0	40,434.2

Income statement by business segment

Amounts in €m

	Amounts in €m	Non-life business		Life business		Other businesses		Real estate		Intersegment eliminations		Total	
		30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013
1.1	Net premiums	4,350.1	2,976.1	4,440.3	2,258.8							8,790.4	5,234.9
1.1.1	*Gross premiums earned*	*4,557.3*	*3,138.9*	*4,448.6*	*2,263.5*							*9,005.9*	*5,402.5*
1.1.2	*Earned premiums ceded to reinsurers*	*-207.3*	*-162.9*	*-8.3*	*-4.7*							*-215.5*	*-167.6*
1.2	Commission income	2.4		2.0	0.5	9.3	10.9			-6.0	-5.6	7.7	5.7
1.3	Gains and losses on financial instruments at fair value through profit or loss	-15.7	-29.7	178.4	31.2	0.2	0.4	-0.1	-0.8			162.8	1.1
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	2.4	0.1		0.0				0.0			2.4	0.1
1.5	Gains on other financial instruments and investment property	540.1	229.5	885.7	427.6	41.9	27.7	37.6	27.4	-31.9	-20.8	1,473.4	691.4
1.6	Other income	112.2	233.6	21.9	25.2	153.8	305.0	10.7	10.4	-95.6	-343.8	203.1	230.5
1	TOTAL REVENUE AND INCOME	4,991.5	3,409.6	5,528.4	2,743.3	205.2	344.0	48.2	37.1	-133.5	-370.2	10,639.7	6,163.6
2.1	Net charges relating to claims	-2,932.0	-2,025.4	-5,023.5	-2,368.1							-7,955.6	-4,393.6
2.1.1	*Amounts paid and changes in technical provisions*	*-3,012.7*	*-2,114.9*	*-5,031.8*	*-2,372.4*							*-8,044.5*	*-4,487.4*
2.1.2	*Reinsurers' share*	*80.7*	*89.5*	*8.2*	*4.3*							*88.9*	*93.8*
2.2	Commission expenses	-2.6		-1.8	-0.3	-4.3	-2.8					-8.7	-3.1
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	-7.4	-2.6		0.0	-0.1	-0.2	-1.8	-0.1			-9.3	-2.9
2.4	Losses on other financial instruments and investment property	-173.6	-68.0	-106.3	-21.8	-8.5	-10.8	-51.3	-27.2	21.6	4.8	-318.0	-123.1
2.5	Operating expenses	-1,139.4	-649.5	-203.1	-106.9	-37.8	-162.2	-7.4	-0.1	12.9	118.1	-1,374.9	-800.6
2.6	Other costs	-282.9	-419.1	-64.4	-80.7	-147.0	-201.8	-17.5	-21.0	99.0	247.3	-412.9	-475.3
2	TOTAL COSTS AND EXPENSES	-4,538.0	-3,164.6	-5,399.1	-2,577.9	-197.7	-377.8	-78.0	-48.4	133.5	370.2	-10,079.2	-5,798.5
	PRE-TAX PROFIT (LOSS) FOR THE PERIOD	453.5	245.0	129.3	165.4	7.5	-33.9	-29.8	-11.3		0.0	560.5	365.1

Details of property, plant & equipment and intangible assets

Amounts in €m

Amounts in €m	At cost	At restated value or at fair value	Total carrying amount
Investment property	2,912.2		2,912.2
Other property	1,026.4		1,026.4
Other tangible assets	110.2		110.2
Other intangible assets	537.4		537.4

Details of financial assets

Amounts in €m

	Investments held to maturity		Loans and receivables		Available-for-sale financial assets		Financial assets at fair value through profit or loss				Total carrying amount	
							Financial assets held for trading		Financial assets at fair value through profit or loss			
Amounts in €m	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Equity instruments and derivatives at cost					40.4						40.4	
Equity instruments at fair value					1,227.8	665.0	31.8		164.4	59.1	1,424.0	724.2
listed securities					*941.8*	*429.8*	*31.8*		*164.4*	*59.1*	*1,138.0*	*489.0*
Debt securities	1,747.2	626.5	4,550.2	1,637.4	37,397.9	21,544.8	254.9	87.2	5,461.1	3,502.2	49,411.2	27,398.1
listed securities	*1,403.8*	*511.0*			*36,200.4*	*21,486.9*	*114.1*	*40.2*	*3,477.2*	*658.8*	*41,195.4*	*22,696.9*
UCITS units					890.4	446.4	48.3	0.0	2,739.6	1,769.6	3,678.4	2,216.1
Loans and receivables from bank customers			442.3	460.2							442.3	460.2
Interbank loans and receivables			5.9	0.5							5.9	0.5
Deposits with ceding companies			54.5	19.1							54.5	19.1
Financial receivables on insurance contracts									56.3		56.3	
Other loans and receivables			1,151.2	600.1							1,151.2	600.1
Non-hedging derivatives							51.4	14.1	35.6	53.5	87.0	67.6
Hedging derivatives							1.4				1.4	0.0
Other financial investments			2.1	29.2					68.8	44.7	70.9	73.9
Total	1,747.2	626.5	6,206.2	2,746.5	39,556.7	22,656.2	387.8	101.3	8,525.7	5,429.2	56,423.5	31,559.8

Details of assets and liabilities relating to contracts issued by insurance companies where investment risk is borne by policyholders and arising from pension fund management

Amounts in €m

	Benefits linked to investment funds and market indices		Benefits linked to pension fund management		Total	
Amounts in €m	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Recognised assets	5,311.1	5,076.4	3,214.7	352.8	8,525.8	5,429.2
Intragroup assets *	0.2	0.2			0.2	0.2
Total Assets	5,311.3	5,076.6	3,214.7	352.8	8,526.0	5,429.3
Recognised financial liabilities	251.8	150.1	504.0	352.8	755.8	502.9
Recognised technical provisions	5,054.9	4,926.2	2,710.7		7,765.6	4,926.2
Intragroup liabilities *						
Total Liabilities	5,306.8	5,076.3	3,214.7	352.8	8,521.4	5,429.1

Details of technical provisions – reinsurers' share

Amounts in €m

Amounts in €m	Total carrying amount	
	30/6/2014	31/12/2013
Non-life provisions	910.7	674.8
Life provisions	119.2	66.9
Technical provisions where investment risk is borne by policyholders and provisions arising from pension fund management		
Mathematical provisions and other technical provisions	119.2	66.9
Total technical provisions - reinsurers' share	1,029.9	741.7

Details of technical provisions

Amounts in €m

Amounts in €m	Total carrying amount	
	30/6/2014	31/12/2013
Non-life provisions	17,444.9	11,602.6
Premium provision	3,322.5	2,203.7
Claims provision	14,109.7	9,392.1
Other provisions	12.8	6.8
including provisions allocated as a result of the liability adequacy test		
Life provisions	37,545.7	21,197.5
Provision for sums to be paid	544.6	285.4
Mathematical provisions	27,587.2	15,572.5
Technical provisions where investment risk is borne by policyholders and provisions arising from pension fund management	7,765.6	4,926.2
Other provisions	1,648.2	413.4
including provisions allocated as a result of the adequacy liability test		
including deferred liabilities to policyholders	*1,532.6*	*347.5*
Total Technical Provisions	54,990.6	32,800.0

Details of financial liabilities

Amounts in €m

	Financial liabilities at fair value through profit or loss				Other financial liabilities		Total carrying amount	
	Financial liabilities held for trading		Financial liabilities at fair value through profit or loss					
Amounts in €m	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Equity instruments								
Subordinated liabilities					2,012.7	1,028.8	2,012.7	1,028.8
Liabilities arising from financial contracts issued by insurance companies			760.5	502.9		0.0	760.5	502.9
arising from contracts where theinvestment risk is borne by policyholders			*256.2*	*150.1*			*256.2*	*150.1*
arising from pension fund management			*504.4*	*352.8*			*504.4*	*352.8*
arising from other contracts						*0.0*		*0.0*
Deposits received from reinsurers					286.5	135.0	286.5	135.0
Financial components payable of insurance contracts								
Debt securities issued					13.2	18.4	13.2	18.4
Payables to bank customers					252.4	164.5	252.4	164.5
Interbank payables								
Other loans obtained					310.4	122.8	310.4	122.8
Non-hedging derivatives	74.3						74.3	
Hedging derivatives	333.4	48.3		0.3			333.4	48.6
Other financial liabilities				2.6	60.6	202.7	60.6	205.3
Total	407.7	48.3	760.5	505.8	2,935.8	1,672.2	4,103.9	2,226.3

Details of technical insurance items

Amounts in €m

		30/6/2014	30/6/2013
Non-life business			
NET PREMIUMS		4,350.1	2,976.1
a	Recognised premiums	4,230.3	2,892.8
b	Change in premium provision	119.8	83.2
NET CHARGES RELATING TO CLAIMS		-2,932.0	-2,025.4
a	Sums paid	-3,214.1	-2,473.4
b	Change in claims provision	219.0	386.3
c	Change in recoveries	63.7	61.2
d	Change in other technical provisions	-0.7	0.3
Life business			
NET PREMIUMS		4,440.3	2,258.8
NET CHARGES RELATING TO CLAIMS		-5,023.5	-2,368.1
a	Sums paid	-3,473.5	-2,303.8
b	Change in provision for sums to be paid	-145.5	-183.0
c	Change in mathematical provisions	-1,170.8	-100.3
d	Change in technical provisions where the investment risk is borne by policyholders and arising from pension fund management	-142.2	236.9
e	Change in other technical provisions	-91.5	-18.0

Investment income and charges

Amounts in €m

	Amounts in €m	Interest	Other income	Other costs	Realised gains	Realised losses	Total realised gains and losses	Unrealised gains		Unrealised losses		Total unrealised gains and losses	Total gains and losses	Total gains and losses
								Unrealised capital gains	Write-backs	Unrealised capital losses	Impairment		30/6/2014	30/6/2013
Balance on investments		860.8	198.9	-98.2	554.2	-205.3	1,310.4	289.8	0.1	-142.9	-76.1	70.9	1,381.3	603.9
a	Arising from investment property		59.9	-20.8	5.8	-4.2	40.7			-25.8	-55.6	-81.4	-40.7	-6.0
b	Arising from investments in subsidiaries, associates and interests in joint ventures		2.4	-1.8			0.6				-7.5	-7.5	-6.9	-2.8
c	Arising from investments held to maturity	34.7		0.0	2.7	-0.7	36.7						36.7	9.2
d	Arising from loans and receivables	110.4		0.0	36.2	-89.8	56.7		0.1		-5.2	-5.1	51.7	51.0
e	Arising from available-for-sale financial assets	645.1	53.8	-3.0	451.9	-39.0	1,108.8	68.4			-7.8	60.7	1,169.5	540.6
f	Arising from financial assets held for trading	4.5	15.2	-38.5	5.8	-63.6	-76.6	38.0		-83.3		-45.4	-121.9	-23.6
g	Arising from financial assets at fair value through profit or loss	66.1	67.6	-34.1	51.7	-7.9	143.5	183.4		-33.8		149.6	293.1	35.6
Balance on sundry receivables		0.8		0.0			0.8						0.8	4.0
Balance on cash and cash equivalents		3.5	0.0	-0.3			3.2						3.2	4.8
Balance on financial liabilities		-27.3		-37.2	6.1	0.0	-58.4	7.8		-22.3		-14.5	-72.9	-43.8
a	Arising from financial liabilities held for trading				6.1	0.0	6.1	7.8		-1.2		6.6	12.7	-10.8
b	Arising from financial liabilities at fair value through profit or loss									-21.1		-21.1	-21.1	
c	Arising from other financial liabilities	-27.3		-37.2	0.0		-64.5						-64.5	-33.0
Balance on payables		-1.2		0.0			-1.2						-1.2	-2.3
Total		836.6	199.0	-135.7	560.4	-205.3	1,254.9	297.6	0.1	-165.2	-76.1	56.4	1,311.3	566.6

Details of insurance business expenses

Amounts in €m	Non-life business		Life business	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Gross commissions and other acquisition expenses net of commissions and profit sharing from reinsurers	-913.3	-520.5	-127.8	-66.9
Investment management expenses	-24.5	-3.9	-19.0	-4.1
Other administrative expenses	-201.6	-125.0	-56.4	-36.0
Total	-1,139.4	-649.5	-203.1	-106.9

Details of other consolidated comprehensive income

Amounts in €m	Amounts allocated		Adjustments from reclassification to the Income Statement		Other changes		Total changes		Income tax		Balance	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	31/12/2013
Other income components without reclassification to the income statement	-29.0	9.2					-29.0	9.2	3.3	-0.9	-7.5	21.5
Reserve deriving from variations in the shareholders' equity of the investees	-17.0	7.0					-17.0	7.0			10.6	27.6
Revaluation reserve for intangible assets												
Revaluation reserve for property, plant and equipment												0.0
Gains or losses on non-current assets held for sale or disposal groups												
Actuarial gains and losses and adjustments relating to defined-benefit plans	-10.9	2.0					-10.9	2.0	3.3	-0.9	-17.9	-7.1
Other items	-1.2	0.2					-1.2	0.2			-0.2	1.0
Other income components with reclassification to the income statement	437.1	-32.1	52.8	-51.2			489.9	-83.3	-237.6	25.5	1,119.2	629.3
Reserve for currency translation differences	-0.9	-0.6					-0.9	-0.6			3.8	4.7
Gains or losses on available-for-sale financial assets	439.9	-48.9	52.8	-51.2			492.6	-100.1	-237.9	32.4	1,112.8	620.2
Gains or losses on cash flow hedges	-1.9	17.4					-1.9	17.4	0.3	-6.9	2.6	4.4
Gains or losses on hedges of a net investment in foreign operations												
Reserve from variatons in the shareholders' equity of investees												
Gains or losses on non-current assets held for sale or disposal groups												
Other items												
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	408.1	-22.9	52.8	-51.2			460.8	-74.1	-234.3	24.6	1,111.7	650.8

The column "Amounts allocated" referring to the first half of 2014 includes the amounts allocated at 1st January 2014 coming from the merger (€-132m).

Assets and liabilities measured at fair value on a recurring basis and on a non-recurring basis: breakdown by fair value levels

		Level 1		Level 2		Level 3		Total	
	Amounts in €m	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013
Assets and liabilities measured at fair value on a recurring basis									
Available-for-sale financial assets		37,577.9	21,994.2	666.0	38.7	1,312.8	623.4	39,556.7	22,656.2
Financial assets at fair value through profit or loss	Financial assets held for trading	167.7	40.2	111.1	34.1	109.0	27.0	387.8	101.3
	Financial assets designated at fair value through profit or loss	6,465.5	2,465.5	365.0	1,085.8	1,695.1	1,877.9	8,525.7	5,429.2
Investment property									
Property, plant and equipment									
Intangible assets									
Total assets measured at fair value on a recurring basis		*44,211.1*	*24,499.9*	*1,142.1*	*1,158.6*	*3,117.0*	*2,528.3*	*48,470.2*	*28,186.7*
Financial liabilities at fair value through profit or loss	Financial liabilities held for trading	37.8		367.5	48.3	2.4		407.7	48.3
	Financial liabilities designated at fair value through profit or loss				505.8	760.5		760.5	505.8
Total liabilities measured at fair value on a recurring basis		*37.8*		*367.5*	*554.1*	*762.9*		*1,168.2*	*554.1*
Assets and liabilities measured at fair value on a non-recurring basis									
Non-current assets held for sale or disposal groups									
Liabilities associated with disposal groups									

Detail of changes in level 3 assets and liabilities measured at fair value on a recurring basis

	Financial assets							
	Available-for-sale financial assets	Financial assets at fair value through profit or loss		Investment property	Property, plant and equipment	Intangible assets	Financial liabilities at fair value	
Amounts in €m		Financial assets held for trading	Financial assets at fair value through profit or loss				Financial liabilities held for trading	Financial liabilities at fair value through profit or loss
Opening balance	623.4	27.0	1,877.9					
Acquisitions/Issues	30.2	1.1						
Sales/Repurchases	-38.6	-6.2	-184.1					
Reimbursements	-0.1	-0.8	-63.3					
Gains or losses recognised through profit or loss	0.0	16.7	-8.8					
- of which unrealised gains/losses	0.0	16.7	-8.8					
Gains or losses recognised in the comprehensive income statement	82.3							
Transfers to level 3	2.4		121.6					
Transfers to other levels	-7.5							
Other changes	620.8	71.2	-48.2				2.4	760.5
Closing balance	1,312.8	109.0	1,695.1				2.4	760.5

Assets and liabilities not measured at fair value: breakdown by fair value level

Amounts in €m

	Carrying amount		Fair value							
			Level 1		Level 2		Level 3		Total	
Amounts in €m	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013	30/06/2014	31/12/2013
Business										
Investments held to maturity	1,747.2	626.5	1,519.0	509.8	368.8	136.4			1,887.8	646.2
Loans and receivables	6,206.2	2,746.5	1.0		4,035.4	1,748.4	2,348.1	1,143.4	6,384.4	2,891.8
Investments in subsidiaries, associates and interests in joint ventures	500.2	159.4					500.2	159.4	500.2	159.4
Investment property	2,912.2	2,584.5					3,067.0	2,638.6	3,067.0	2,638.6
Property, plant and equipment	1,136.6	522.3					1,197.0	532.1	1,197.0	532.1
Total assets	12,502.4	6,639.2	1,520.0	509.8	4,404.2	1,884.8	7,112.3	4,473.5	13,036.4	6,868.1
Liabilities										
Other financial liabilities	2,935.8	1,672.2	1,301.5				1,656.8	1,672.2	2,958.3	1,672.2

Statement on the Condensed Consolidated Half-yearly Financial Statements

(pursuant to Art. 81-ter Consob Regulation no. 11971/1999)

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 UnipolSai Assicurazioni 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 preparation of the condensed consolidated half-yearly financial statements for the first half of 2014.

2. The assessment of the adequacy of the administrative and accounting procedures for preparing the condensed consolidated half-yearly financial statements for the period ended 30 June 2014 is based on a process defined by UnipolSai Assicurazioni S.p.A., inspired by the COSO Framework (Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organisations of the Treadway Commission and, as regards the IT component, by the COBIT Framework (Control OBjectives for IT and related technology), unanimously recognised as the reference standards for the implementation and evaluation of internal control systems.

3. We also declare that:

   3.1. the Condensed Consolidated Half-yearly Financial Statements at 30 June 2014:

   – are drawn up in accordance with the International Accounting Standards endorsed by the European Community in conformity with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

   – correspond to the underlying accounting documents and 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 significant related party transactions.

Bologna, 6 August 2014

The Chief Executive Officer

Carlo Cimbri

The Manager in charge
of financial reporting

Maurizio Castellina

(signed on the original)

Independent Auditors’ Report

REPORT ON THE REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
UnipolSai Assicurazioni SpA

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2014

1 We have reviewed the condensed interim consolidated financial statements of UnipolSai Assicurazioni SpA and its subsidiaries (UnipolSai Group) as at 30 June 2014, which comprise the statement of financial position, the income statement, comprehensive income statement, the statement of changes in shareholders' equity, the statement of cash flows and the related notes. UnipolSai Assicurazioni SpA's Directors are responsible for the preparation of the condensed interim consolidated financial statements in accordance with the International Accounting Standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union and with ISVAP's Rule No. 7 dated 13 July 2007. Our responsibility is to issue this report based on our review.

2 Our work was conducted in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) in its Resolution No. 10867 of 31 July 1997. The review consisted principally of inquiries of company personnel about the information reported in the condensed interim consolidated financial statements and about the consistency of the accounting principles utilized therein as well as the application of analytical review procedures on the data contained in the above mentioned consolidated financial statements. The review excluded certain auditing procedures such as compliance testing and verification or validation tests of assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike an audit on the annual consolidated financial statements, we do not express a professional audit opinion on the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements include comparative information in relation to the consolidated financial statements of the previous year and to the condensed interim consolidated financial statements of the previous interim period. As explained in the Management Report, paragraph "Recognition of the business combination and restatement of the prior year comparative data", the Directors have restated certain comparative information as at 31 December 2013, when compared to the information that had been audited by us with report issued on 7 April 2014, as well as certain comparative information as at 30 June 2013, when compared to the information that had been reviewed by other auditors with report issued on 27 August 2013. The procedures applied in restating the comparative information and the related disclosure included in the notes to the condensed interim consolidated financial statements have been examined by us for the purpose of our review on the condensed interim consolidated financial statements as at 30 June 2014.

3 Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of UnipolSai Group as at 30 June 2014 have not been prepared, in all material respects, in accordance with the International Accounting Standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union.

Milan, 8 August 2014

PricewaterhouseCoopers SpA

(Signed on the original)

Angelo Giudici
(Partner)

This report is only a translation of the original report in Italian, issued in accordance with Italian law.

UnipolSai Assicurazioni S.p.A.

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Share capital
€1,996,129,451.62 fully paid-up
Bologna Business Register,
Tax and VAT No. 00818570012
R.E.A. No. 511469

A company subject
to management and direction
by Unipol Gruppo Finanziario S.p.A.,
entered in Section I of the Insurance
and Reinsurance Companies List
at No. 1.00006
and a member of the
Unipol insurance Group,
entered in the Register of Insurance
Groups – No 046

www.unipolsai.com – www.unipolsai.it

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