

*Bologna, 11 November 2016*

## UNIPOLSAI: RESULTS OF THE FIRST NINE MONTHS OF 2016 APPROVED

- **Consolidated net profit of €427m (€602m in the first nine months of 2015, which benefitted from the extraordinary results of financial management)**
- **Direct insurance income of €9.0bn (-11.1% compared to the first nine months of 2015)**
  - ✓ **Non-Life business: €5.1bn (-2.1%)**
  - ✓ **Life business: €3.9bn (-20.6%)**
- **Combined ratio net of reinsurance at 96.0% (95.7% in the first nine months of 2015)**
- **Return on invested assets equal to 3.7%**
- **Individual Solvency II margin equal to 190<sup>1</sup>%**
- **Consolidated Solvency II margin equal to 169<sup>1</sup>%**

The Board of Directors of UnipolSai Assicurazioni S.p.A., which met yesterday under the chairmanship of Carlo Cimbri, approved the consolidated results as at 30 September 2016.

In the first nine months of the year, UnipolSai recorded a **consolidated net profit** of €427m, compared to €602m in the same period of 2015, which benefitted, in financial management, from significant capital gains mainly concentrated in the first three months of 2015 and not repeated in the current year.

In the period under review, **direct insurance income** gross of reinsurance, stood at €9,040m (-11.1% compared to €10,163m recorded in the same period of 2015).

### Non-Life Business

**Direct premium income** as at 30 September 2016 amounted to €5,141m (-2.1% compared to €5,252m in the first nine months of 2015), of which €3,023m (-4.6% compared to €3,169m in the first nine months of 2015) from **MV business** and €2,118m from **Non-MV business**, which increased by 1.7% (€2,083m in the first nine months of 2015), thanks to the strong performance of the business linked to persons. New production in the MV business was also positive, recording an increase of 200,000 policies compared to the first nine months of 2015.

<sup>1</sup> Figure calculated according to the Standard Formula with the use of USPs (Undertaking Specific Parameters), considered preliminary since the definitive figure shall be notified to Supervisory Authority according to the terms of applicable law.

With regard to underwriting profitability, the positive performance recorded by Non-MV business made it possible to offset the continuous decline in average MV TPL premiums resulting from strong competitive pressure.

In this context, as at 30 September 2016, UnipolSai recorded a **combined ratio**<sup>2</sup> of 96.0% (96.2% on premiums from direct business), compared to 95.7% in the same period of 2015. The **loss ratio**<sup>2</sup> stood at 68.6%, in line with 68.9% recorded in the first nine months of 2015. The **expense ratio**<sup>2</sup> was equal to 27.4% (compared to 26.7% in the first nine months of 2015).

The **pre-tax result** of the business was a profit of €381m compared to €653m in the first nine months of 2015, which was strongly influenced by the capital gains realized during the year.

### Life Business

In **Life** business the slowdown in production, already reported in the second quarter of 2016, continued. This phenomenon, relating mainly to the bancassurance channel, is attributable to the commercial policy adopted by the Company aimed at maintaining the production of traditional policies at a level compatible with the financial balance of segregated accounts over a multi-year period. In the first nine months of 2016, **direct income** amounted to €3,899m, a decrease of 20.6% compared to the same period of 2015 (€4,911m). In a market environment still characterised by very low or even negative interest rates in the short and medium term, the commercial offer was consequently geared towards unit-linked and multi-branch products.

UnipolSai S.p.A. recorded direct income of €2,210m (-7.1%). There was an even sharper drop in the production of the Popolare Vita Group which, with €1,611m, recorded a decrease of 33% compared to the first nine months of 2015.

The **pre-tax result** of the sector was a profit of €252m (€301m recorded in the same period of 2015).

### Real Estate Business

Operations in the sector remained affected by the difficult situation in the real estate market and remained focused on the restoration and redevelopment of several important properties in portfolio, particularly in the city of Milan.

The **pre-tax result of the business** as at 30 September 2016 was a loss of €16m (-€90m as at 30 September 2015).

### Other Business

The management and commercial development of diversified companies continued, together with the recovery measures implemented in previous years and, in some cases, still underway.

In the still weak market environment of the specific sectors, the positive result of the hotel business by Atahotels was confirmed, despite the lack of contribution from certain structures for which lease contracts were not renewed and pending completion of the agreement for the acquisition of the hotel business of UNA spa, which will enable significant recovery in turnover.

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<sup>2</sup> Net of reinsurance

The **pre-tax result** of the business was a loss of €13m (-€6m as at 30 September 2015).

### Financial Management

The profitability of the portfolio, despite aiming to preserve the risk/return profile of the assets and consistency between the assets and liabilities underwritten with policyholders, achieved a significant yield in the period under consideration, equal to approximately 3.7% of invested assets.

In the first nine months of 2016, the policy for the gradual reduction of domestic government bonds continued as part of progressive diversification towards a selective increase in corporate securities and other financial assets.

### Balance Sheet

**Shareholders' equity** as at 30 September 2016 amounted to €6,519m (€6,615m as at 31 December 2015), of which €6,188m attributable to the Group. The total AFS reserve stood at €875m (€935m as at 31 December 2015).

The **consolidated Solvency II margin** as at 30 September 2016 was equal to 169%<sup>1</sup> of the capital requirement, compared to 190% as at 31 December 2015, mainly due to the effects of the greater reduction in the discount curve of liabilities in proportion to that of the bond market. The **individual Solvency II margin** as at 30 September 2016 was equal to 190%<sup>1</sup> of the capital requirement.

### Business Outlook

With regard to the performance of the business in which the Group operates, the recent earthquake that affected Central Italy in October had a marginal impact.

In light of the foregoing and on the basis of the information currently available, a positive result is nevertheless expected at the end of this financial year, except in case of the occurrence of unforeseeable exceptional events.

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### Interim Publication of Quarterly Financial Data

The legislative changes that came into force in Italy on 18 March 2016 incorporated the amendments to the Transparency Directive of the European Union and eliminated the obligation to report quarterly financial data to the market.

On 26 October 2016, with Resolution No. 19770, CONSOB made the following changes to the Issuers' Regulation, introducing in particular the new Article 82-ter. According to this provision, listed companies are entitled to choose whether or not to publish additional interim financial data. If they choose to publish the same on a voluntary basis, the companies must notify the market of such decision, specifying the information they intend to provide so that the decisions adopted remain clear and stable over time. Any decision to stop publishing such information must be substantiated and made public, becoming effective as of the following year. The regulatory changes introduced by CONSOB Resolution No. 19770 shall apply as of 2 January 2017.

In this context, the Unipol Group decided to continue publishing, temporarily for financial year 2016, on a voluntary basis and for reasons of mere continuity with the past, interim quarterly reports with the same form and content as those published in previous years.

In line with the amendments to the regulatory framework of reference, starting next year the Unipol Group will make its quarterly financial reporting more concise, with a greater focus on its business.

At a formal level, the information will be reported in a specific press release, the content of which will differ from the quarterly press releases published up to 2016. Instead, the Interim Management Report of the Group will not be published and consequently nor will the balance sheets and income statements currently forming part of the present press release.

Therefore, as of financial year 2017, the content of the voluntary quarterly financial reporting will include at least the key quantitative performance indicators, namely:

- Non-Life and life income;
- Combined ratio;
- Net profit for the period;
- Shareholders' equity;
- Solvency II ratio.

The press release, which shall also contain qualitative information on the performance of the main businesses of the group, will be approved by the Board of Directors and published on the website of the Group according to the deadlines of the previous legislation.

### **Presentation of Results to the Financial Community**

A conference call will be held at 12:00 pm today during which financial analysts and institutional investors may submit questions to the Group CEO and senior management on the results at 30 September 2016. The phone numbers to dial to attend the event are: +39/02/8020911 (from Italy and all other countries), +1/718/7058796 (from the US) and +44/121/2818004 (from the UK). Multimedia files containing the recorded comment of the results is in any case already available on under the investors section of the website [www.unipolsai.com](http://www.unipolsai.com).

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The Interim Management Report as at 30 September 2016 will be available, as provided by law, at the registered office, on the website of the Company [www.unipolsai.com](http://www.unipolsai.com) and on the website of the Italian Stock Exchange [www.borsaitaliana.it](http://www.borsaitaliana.it).

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Please find attached hereto the Consolidated Balance Sheet, the Consolidated Income Statement, the summary of the Consolidated Income Statement by Business Segment and the Balance Sheet by Business Segment.

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

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**Glossary**

COMBINED RATIO: sum of loss ratio and expense ratio

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

LOSS RATIO: ratio of Non-Life claims and premiums calculated on earned premiums

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

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**UnipolSai Assicurazioni S.p.A.**

UnipolSai Assicurazioni S.p.A. is the insurance company of the Unipol Group, Italian leader in Non-Life Business, in particular in vehicle liability insurance.

Also active in Life Business, UnipolSai has a portfolio of over 10 million customers and holds a leading position in the national ranking of insurance groups with a direct income amounting to approximately €14bn, of which €7.3bn in Non-Life Business and €6.7bn in Life Business (2015 figures).

The company currently operates through 5 divisions (Unipol, La Fondiaria, Sai, Nuova MAA and La Previdente) and has the largest agency network in Italy, with more than 3,500 agencies and 6,000 sub-agencies spread across the country.

UnipolSai Assicurazioni is a subsidiary of Unipol Gruppo Finanziario S.p.A. and, like the latter, is listed on the Italian Stock Exchange, being one of the most highly capitalized securities.

### Consolidated Balance Sheet – Assets

Amounts in €m

		9/30/2016	12/31/2015
<b>1</b>	<b>INTANGIBLE ASSETS</b>	<b>718</b>	<b>751</b>
1.1	Goodwill	307	307
1.2	Other intangible assets	412	444
<b>2</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,429</b>	<b>1,433</b>
2.1	Property	1,280	1,323
2.2	Other items of property, plant and equipment	149	109
<b>3</b>	<b>TECHNICAL PROVISIONS - REINSURERS' SHARE</b>	<b>855</b>	<b>869</b>
<b>4</b>	<b>INVESTMENTS</b>	<b>62,406</b>	<b>61,010</b>
4.1	Investment property	2,475	2,535
4.2	Investments in subsidiaries and associates and interests in joint ventures	519	528
4.3	Held-to-maturity investments	876	1,100
4.4	Loans and receivables	5,270	5,251
4.5	Available-for-sale financial assets	44,530	42,804
4.6	Financial assets at fair value through profit or loss	8,736	8,791
<b>5</b>	<b>SUNDRY RECEIVABLES</b>	<b>2,309</b>	<b>2,958</b>
5.1	Receivables relating to direct insurance business	908	1,519
5.2	Receivables relating to reinsurance business	69	76
5.3	Other receivables	1,332	1,364
<b>6</b>	<b>OTHER ASSETS</b>	<b>948</b>	<b>747</b>
6.1	Non-current assets held for sale or disposal groups	41	17
6.2	Deferred acquisition costs	88	87
6.3	Deferred tax assets	221	187
6.4	Current tax assets	28	45
6.5	Other assets	569	412
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>572</b>	<b>957</b>
	<b>TOTAL ASSETS</b>	<b>69,237</b>	<b>68,724</b>

### Consolidated Balance Sheet – Equity and Liabilities

Amounts in €m

		9/30/2016	12/31/2015
<b>1</b>	<b>EQUITY</b>	<b>6,519</b>	<b>6,615</b>
<b>1.1</b>	<b>attributable to the owners of the Parent</b>	<b>6,188</b>	<b>6,278</b>
1.1.1	Share capital	2,031	2,031
1.1.2	Other equity instruments	0	0
1.1.3	Equity-related reserves	347	347
1.1.4	Income-related and other reserves	2,592	2,297
1.1.5	(Treasury shares)	-52	-50
1.1.6	Translation reserve	3	4
1.1.7	Gains or losses on available-for-sale financial assets	842	903
1.1.8	Other gains or losses recognised directly in equity	16	34
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	409	711
<b>1.2</b>	<b>attributable to non-controlling interests</b>	<b>331</b>	<b>337</b>
1.2.1	Share capital and reserves attributable to non-controlling interests	279	278
1.2.2	Gains or losses recognised directly in equity	33	33
1.2.3	Profit (loss) for the year attributable to non-controlling interests	18	26
<b>2</b>	<b>PROVISIONS</b>	<b>498</b>	<b>519</b>
<b>3</b>	<b>TECHNICAL PROVISIONS</b>	<b>56,215</b>	<b>56,095</b>
<b>4</b>	<b>FINANCIAL LIABILITIES</b>	<b>4,386</b>	<b>3,897</b>
4.1	Financial liabilities at fair value through profit or loss	2,056	1,543
4.2	Other financial liabilities	2,330	2,354
<b>5</b>	<b>PAYABLES</b>	<b>765</b>	<b>807</b>
5.1	Payables arising from direct insurance business	98	115
5.2	Payables arising from reinsurance business	98	97
5.3	Other payables	568	595
<b>6</b>	<b>OTHER LIABILITIES</b>	<b>853</b>	<b>792</b>
6.1	Liabilities associated with disposal groups held for sale	2	0
6.2	Deferred tax liabilities	53	41
6.3	Current tax liabilities	31	35
6.4	Other liabilities	768	717
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>69,237</b>	<b>68,724</b>

## Consolidated Income Statement

Amounts in €m

		9/30/2016	9/30/2015
1.1	Net premiums	8,485	9,818
1.1.1	Gross premiums	8,799	10,162
1.1.2	Ceded premiums	-314	-344
1.2	Fee and commission income	24	7
1.3	Gains and losses on financial instruments at fair value through profit or loss	-107	223
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	4	17
1.5	Gains on other financial instruments and investment property	1,632	1,864
1.5.1	Interest income	1,121	1,108
1.5.2	Other gains	135	145
1.5.3	Realised gains	332	579
1.5.4	Unrealised gains	44	32
1.6	Other revenue	333	343
<b>1</b>	<b>TOTAL REVENUE AND INCOME</b>	<b>10,371</b>	<b>12,271</b>
2.1	Net charges relating to claims	-7,267	-8,714
2.1.1	Amounts paid and changes in technical provisions	-7,407	-8,862
2.1.2	Reinsurers' share	139	148
2.2	Fee and commission expense	-10	-7
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	-2	-7
2.4	Losses on other financial instruments and investment property	-232	-430
2.4.1	Interest expense	-60	-68
2.4.2	Other charges	-33	-36
2.4.3	Realised losses	-83	-167
2.4.4	Unrealised losses	-56	-159
2.5	Operating expenses	-1,693	-1,770
2.5.1	Commissions and other acquisition costs	-1,237	-1,298
2.5.2	Investment management expenses	-94	-82
2.5.3	Other administrative expenses	-361	-390
2.6	Other costs	-562	-484
<b>2</b>	<b>TOTAL COSTS AND EXPENSES</b>	<b>-9,767</b>	<b>-11,413</b>
	<b>PRE-TAX PROFIT (LOSS) FOR THE YEAR</b>	<b>605</b>	<b>858</b>
3	Income tax	-177	-256
	<b>POST-TAX PROFIT (LOSS) FOR THE YEAR</b>	<b>427</b>	<b>602</b>
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	0	0
	<b>CONSOLIDATED PROFIT (LOSS) FOR THE YEAR</b>	<b>427</b>	<b>602</b>
	attributable to the owners of the Parent	409	579
	attributable to non-controlling interests	18	24

### Condensed Consolidated Income Statement by Business Segment

Amounts in €m

	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE BUSINESS			OTHER BUSINESSES			REAL ESTATE BUSINESS (*)			INTERSEGMENT ELIMINATION		CONSOLIDATED TOTAL		
	Sep-16	Sep-15	var.%	Sep-16	Sep-15	var.%	Sep-16	Sep-15	var.%	Sep-16	Sep-15	var.%	Sep-16	Sep-15	var.%	Sep-16	Sep-15	Sep-16	Sep-15	var.%
Net premiums	5,120	5,252	-2.5	3,365	4,565	-26.3	8,485	9,818	-13.6									8,485	9,818	-13.6
Net fees and commissions				14		n.s.	14		n.s.									14		n.s.
Financial income/expense **	366	552	-33.7	890	1,163	-23.4	1,257	1,715	-26.7	0	1	-61.9	0	-47	-99.1	-21	-24	1,235	1,645	-24.9
<i>Net interest</i>	266	254		799	792		1,065	1,046		0	1		-1	-1				1,064	1,045	
<i>Other income and expenses</i>	71	61		50	61		121	123					12	30		-21	-24	112	129	
<i>Realised gains and losses</i>	134	255		123	279		257	534					-1	-1				256	533	
<i>Unrealised gains and losses</i>	-105	-18		-82	31		-187	13					-9	-74				-197	-62	
Net charges relating to claims	-3,421	-3,543	-3.4	-3,787	-5,150	-26.5	-7,208	-8,693	-17.1									-7,208	-8,693	-17.1
Operating expenses	-1,460	-1,446	1.0	-195	-247	-21.0	-1,656	-1,693	-2.2	-42	-70	-40.4	-9	-23	-61.4	14	17	-1,693	-1,770	-4.4
<i>Commissions and other acquisition costs</i>	-1,144	-1,161	-1.5	-93	-136	-31.7	-1,237	-1,298	-4.7									-1,237	-1,298	-4.7
<i>Other expenses</i>	-316	-284	11.2	-102	-111	-7.8	-418	-395	5.9	-42	-70	-40.4	-9	-23	-61.4	14	17	-455	-472	-3.5
Other income / expense	-224	-163	-37.4	-35	-30	-18.5	-260	-193	-34.5	29	64	-54.4	-6	-19	68.2	7	7	-229	-142	-61.8
<b>Pre-tax profit (loss)</b>	<b>381</b>	<b>653</b>	<b>-41.7</b>	<b>252</b>	<b>301</b>	<b>-16.3</b>	<b>633</b>	<b>954</b>	<b>-33.7</b>	<b>-13</b>	<b>-6</b>	<b>-125.2</b>	<b>-16</b>	<b>-90</b>	<b>82.7</b>			<b>605</b>	<b>858</b>	<b>-29.5</b>
Income tax	-109	-197	-44.8	-75	-83	-10.5	-184	-281	-34.6	4	1	n.s.	2	24	-91.9			-177	-256	-30.6
Profit (loss) on discontinued operations																				
<b>Consolidated profit (loss) for the period</b>	<b>272</b>	<b>455</b>	<b>-40.3</b>	<b>177</b>	<b>218</b>	<b>-18.6</b>	<b>449</b>	<b>673</b>	<b>-33.3</b>	<b>-8</b>	<b>-4</b>	<b>-90.1</b>	<b>-14</b>	<b>-66</b>	<b>79.3</b>			<b>427</b>	<b>602</b>	<b>-29.1</b>
<i>Profit (loss) attributable to the owners of the Parent</i>																		409	579	
<i>Profit (loss) attributable to non-controlling interests</i>																		18	24	

(\*) Real Estate business only includes real estate companies controlled by the Group. At 30/09/2015, the sector included figures for the company UnipolSai Real Estate, which merged into UnipolSai on 31 December 2015 - Insurance sector, Non-Life business.

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

## Balance Sheet by Business Segment

Amounts in €m

	Non-Life Business		Life Business		Other Businesses		Real Estate Business (*)		Intersegment Elimination		Total		
	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	
<b>1</b>	<b>INTANGIBLE ASSETS</b>												
	458	469	258	279	2	2	0	0	0	0	718	751	
<b>2</b>	<b>TANGIBLE ASSETS</b>												
	929	923	34	34	135	141	332	334	0	0	1,429	1,433	
<b>3</b>	<b>TECHNICAL PROVISIONS - REINSURERS' SHARE</b>												
	785	787	70	82	0	0	0	0	0	0	855	869	
<b>4</b>	<b>INVESTMENTS</b>												
	16,144	16,478	45,820	44,016	44	44	497	521	-99	-49	62,406	61,010	
4.1	Investment property	1,943	1,986	9	9	42	42	482	498	0	0	2,475	2,535
4.2	Investments in subsidiaries, associates and joint ventures	358	370	161	157	0	0	0	0	0	519	528	
4.3	Held-to-maturity investments	185	355	691	745	0	0	0	0	0	876	1,100	
4.4	Loans and receivables	2,220	2,140	3,148	3,159	1	1	0	0	-99	-49	5,270	5,251
4.5	Available-for-sale financial assets	11,315	11,471	33,199	31,311	0	1	16	22	0	0	44,530	42,804
4.6	Financial assets at fair value through profit or loss	124	156	8,612	8,635	0	0	0	0	0	8,736	8,791	
<b>5</b>	<b>SUNDRY RECEIVABLES</b>												
	1,745	2,332	544	623	73	70	28	29	-80	-96	2,309	2,958	
<b>6</b>	<b>OTHER ASSETS</b>												
	906	713	116	126	31	30	36	25	-142	-148	948	747	
6.1	Deferred acquisition costs	35	37	53	50	0	0	0	0	0	88	87	
6.2	Other assets	870	676	64	76	31	30	36	25	-142	-148	860	660
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>												
	215	354	225	460	56	67	76	75	0	0	572	957	
	<b>TOTAL ASSETS</b>												
	21,181	22,057	47,066	45,620	341	354	969	984	-320	-292	69,237	68,724	
<b>1</b>	<b>EQUITY</b>												
											6,519	6,615	
<b>2</b>	<b>PROVISIONS</b>												
	441	453	27	28	24	21	6	16	0	0	498	519	
<b>3</b>	<b>TECHNICAL PROVISIONS</b>												
	15,155	15,748	41,060	40,347	0	0	0	0	0	0	56,215	56,095	
<b>4</b>	<b>FINANCIAL LIABILITIES</b>												
	1,568	1,542	2,698	2,235	15	14	204	203	-99	-97	4,386	3,897	
4.1	Financial liabilities at fair value through profit or loss	104	62	1,952	1,479	0	0	1	2	0	0	2,056	1,543
4.2	Other financial liabilities	1,465	1,480	746	756	15	14	203	202	-99	-97	2,330	2,354
<b>5</b>	<b>PAYABLES</b>												
	603	618	144	129	69	80	29	23	-80	-43	765	807	
<b>6</b>	<b>OTHER LIABILITIES</b>												
	608	626	361	292	12	14	14	12	-142	-152	853	792	
	<b>TOTAL EQUITY AND LIABILITIES</b>												
											69,237	68,724	

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