

Bologna, 14 November 2014

UNIPOLSAI: RESULTS FOR THE FIRST NINE MONTHS OF 2014 APPROVED

- Consolidated net profit of €593m
- Direct insurance income of €11,879m¹ (+7.8%)
 - ✓ Non-Life business: premium income of €6,052m² (-8.6%, or -6.8% net of the effects of the sale of the business unit to Allianz)
 - ✓ Life business: income of €5,827m (+32.5%)
- Combined ratio at 93.2%³
- Structured notes portfolio reduced by approximately €1.5bn in the first nine months
- Solvency margin equal to 173%
- Number of real estate companies reduced from 22 to 6
- Non-compliance proceedings brought by the Italian Antitrust Authority concluded

The Board of Directors of UnipolSai Assicurazioni S.p.A., which met yesterday under the chairmanship of Fabio Cerchiai, approved the consolidated results as at 30 September 2014.

The performance of the first nine months was particularly positive both in economic and financial terms, thanks to the confirmation, also in the third quarter, of a favourable trend in the Non-Life loss ratio and Life income, and the positive performance of the financial markets.

The current financial year began with the completion of the initial corporate integration plan of the Unipol Group with the former Premafin/Fondiarria-SAI Group determined by the creation, at the beginning of January, of UnipolSai Assicurazioni. Business in 2014 is therefore substantiated in the integration of UnipolSai from an organizational perspective and in preparatory activities for the sharing of agency underwriting systems among the various agency networks, a crucial step towards fully benefitting from the synergies identified in the Business Plan.

¹All comparisons with financial year 2013 refer to figures restated on a comparable basis post-merger: in fact, it should be noted that the merger by incorporation of Unipol Assicurazioni, Milano Assicurazioni and Premafin into Fondiarria-SAI became effective as of 6 January 2014 and for accounting and tax purposes as of 1 January 2014.

² Direct income was impacted, as of 1 July 2014 and therefore for the entire third quarter, by the effects of the transfer of 725 former Milano Assicurazioni agencies to Allianz.

³ After reinsurance (expense ratio calculated on earned premium)

On 1 July, in accordance with the Resolution of 19 June 2012 issued by the Italian Antitrust Authority, a business unit comprised of, among other things, 725 insurance agencies of the former Milano Assicurazioni and 470 employees was transferred to Allianz, while the sale of the relative policy portfolio will be completed at the end of the financial year. During the current period, UnipolSai also reduced debt with Mediobanca by €750m, complying in advance with provisions requiring the repayment of €350m by 2015.

Consolidated Results of UnipolSai

In the first nine months of 2014, UnipolSai reported a **consolidated net profit** of €593m. **Consolidated pre-tax profit** amounted to €949m. In particular, insurance business contributed to the consolidated pre-tax result with €964m, of which €773m from Non-Life business and €190m from Life business.

In the first nine months of 2014, **direct insurance income** amounted to €11,879m, an increase of 7.8% compared to the same period of 2013.

Non-Life Business

Premium income continued to be affected by a strongly competitive market environment, in regard of which UnipolSai undertook major commercial initiatives aimed at the protection of its portfolio, especially in vehicle liability insurance, such as, for example, the payment of premiums in instalments through zero-interest loans. This initiative made it possible to maintain stability of the overall portfolio. Direct premium income stood at €6,052m (-8.6% compared to the first nine months of 2013), of which €3,791m (-11.5%) from MV classes and €2,261m (-3.3%) from non-MV classes. This income figure was impacted, as of the third quarter, by the effects of the transfer of 725 former Milano Assicurazioni agencies to Allianz. The transfer of insurance product distribution activities to Allianz contributed to increase the decline of premiums recorded in Non-Life business by approximately 2 percentage points (excluding the effects of the business unit sold, premium income dropped by 6.8%⁴).

With regard to the trend in claims, the first nine months recorded a consolidated **combined ratio** equal to 93.2%. Specifically, the **loss ratio** records 68.5%. The **expense ratio** was equal to 24.7% and was affected by the drop in premiums, the higher incidence of commission costs (changes in the production mix), technical product improvement impacting the growth of variable commissions, the seasonal nature of premium income related to the third quarter due to the holiday period, investments in the IT system required for the current integration phase and investments made to support economic recovery (zero-interest instalments, advertising campaign and black boxes).

The **pre-tax result** of the business was a profit of €773m.

Life Business

The business recorded **direct income** amounting to €5,827m, an increase of 32.5% compared to the first nine months of 2013.

⁴ Internal processing of management figures

This significant increase reflects the continuation of the growth trend observed for traditional products as early as 2013, benefitting from a market environment characterized by low interest rates and the reduced risk appetite of policyholders.

In particular, a significant increase in income was reported in the bancassurance channel, mainly represented by Popolare Vita Group companies, which recorded a total income of €3,107m (+66.4% compared to the first nine months of 2013). The contribution of UnipolSai was also positive, recording an income of €2,583m, an increase of 7.1% despite the discontinuation of certain non-recurrent collections for a significant amount that characterized the first part of 2013.

The **pre-tax result** of the business was a profit of €190m.

Real Estate Business

With regard to real estate business, during the first nine months of 2014 operations remained focused on the optimization of real estate assets in portfolio and on the search for divestment opportunities, despite market conditions that were still negatively affected by the economic crisis and the credit crunch.

A previously launched corporate restructuring plan was also implemented with the approval of the merger plans by the Boards of Directors and Shareholders' Meetings of all real estate business companies involved, providing for the merger by incorporation of 22 wholly-owned companies, with the objective of reducing the number of subsidiaries, simplifying corporate governance and streamlining intragroup financial flows.

The **pre-tax result** of the real estate companies was a loss of €34m, due in particular to write-downs carried out in the first half of 2014.

Other Business

During the third quarter of 2014, the restructuring and development of diversified companies (hotel, clinic and agricultural sectors) continued, through the consolidation of streamlining operations launched in 2013 and the start of new commercial development initiatives. BancaSai recorded a profit of €28m, which, following authorization issued by the Bank of Italy on 25 September, was merged by incorporation into Unipol Banca, subsidiary of Unipol Gruppo Finanziario, in November, effective for accounting and tax purposes as of 1 January 2014.

The initiatives implemented have started to generate benefits: the **pre-tax result** of the business returned to a profit of €20m.

Financial Management

The Group's financial investments, despite being made with a view to preserving the profitability of the portfolio and consistency between the assets and liabilities underwritten with policyholders, achieved a significant yield in the period under consideration, equal to approximately 4.9% of invested assets.

During the period under consideration, restructuring of the assets portfolio continued. A reduction amounting to approximately €1.5bn of the book value of level 2 and 3 structured notes was recorded, with the recognition of capital gains equal to €10m in the Income Statement.

Balance Sheet

Consolidated shareholders' equity attributable to the Group amounted to €6,120m, compared to €5,211m at the end of 2013. The total AFS reserve as at 30 September 2014 amounted to a positive €1,233m (€543m as at 31 December 2013).

The consolidated **solvency margin**⁵ as at 30 September 2014 was equal to 173% times of the minimum required, an improvement compared to 165% as at 30 June 2014.

Significant Events After the End of the Financial Year

On 4 November 2014, the Italian Antitrust Authority notified Unipol, among others, of its decision in relation to the conclusion of the non-compliance proceedings brought on 19 February 2014, upon the conclusion of which the Italian Antitrust Authority determined that the conditions for the payment of penalties pursuant to Article 19, paragraph 1 of Law No. 287/1990 were non-existent.

Business Outlook

Regarding the performance of the Non-Life insurance sector, no significant changes compared to the trends for the first nine months have been noted to date. Life business income, which continues to benefit from the performance of the financial markets that in July showed sovereign bond yields at very low levels, continues to grow considerably.

The Group has continued with the integration of the companies merged into UnipolSai, as well as other, already identified and implemented, corporate restructuring activities necessary in order to reach the Business Plan objectives.

Corporate Governance

The Board of Directors also acknowledged the resignation of Board Member Mr Vanes Galanti for personal reasons with effect as of today. The outgoing Director, non-executive, non-independent, nor belonging to any board committees, was appointed by the Ordinary Shareholders' Meeting of the Company held on 29 April 2013 from the majority list presented by Premafin HP. There being no remaining candidates from such list to be appointed as replacement of the outgoing Director, in accordance with the law and the By-Laws, the Board co-opted Mr Giuseppe Recchi as non-executive and independent Board Member (pursuant to the Code of Conduct for Listed Companies and the Consolidated Law on Finance), who will remain in office until the next Shareholders' Meeting.

⁵ The values considered include the effects of the convertible loan.

Presentation of Results to the Financial Community

The results of the first nine months of 2014 of the Unipol Group and of UnipolSai will be presented to the financial community on Friday 14 November at 11:30 am via webcasting (from the website www.unipolsai.com) and conference call. The phone numbers to dial to attend the event are: 02.805.88.11 (from Italy), +1.718.7058794 (from the U.S.), +44.121.2818003 (from other countries). Financial analysts and institutional investors may ask questions at the end of the presentation following the instructions given by the operator. Further technical details for accessing to the event are available on the homepage of the website www.unipolsai.com and in the Investor Relations section.

The consolidated interim financial report as at 30 September 2014 will be made available to the public, in accordance with the law, at the Company's registered office in Bologna, Via Stalingrado 45 as well as on the Company's website at www.unipol.it and the authorized storage mechanism 1INFO.

Please find attached hereto the Consolidated Balance Sheet, the Consolidated Income Statement and the Condensed Consolidated Income Statement Broken Down by Business Segment. Please note that the figures shown as at 30 September and 31 December 2013 refer to the scope of activities of the former Fondiaria-SAI (now UnipolSai Assicurazioni S.p.A.) **prior to the merger**.

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 this press release corresponds to the figures in corporate accounting records, ledgers and documents.

Glossary

COMBINED RATIO: sum of loss ratio and expense ratio
EXPENSE RATIO: ratio of Non-life operating expenses and premiums
LOSS RATIO: ratio of Non-Life claims and premiums
AFS RESERVE: reserves for assets classified as "Available for Sale"

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UnipolSai Assicurazioni S.p.A.

Operative since 6 January 2014, UnipolSai Assicurazioni S.p.A. is the multi-business insurance company of the Unipol Group that was established as a result of the merger by incorporation of the historic companies Unipol Assicurazioni and Milano Assicurazioni, and as well as Premafin, holding company of the former Fondiaria-SAI Group, into Fondiaria-SAI.

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

Italian leader in Non-Life business, particularly in vehicle liability insurance, and holding a position of absolute prominence in Life business, UnipolSai registered a direct insurance income of €15.4bn in 2013.

Consolidated Balance Sheet - Assets

Amounts in €m

		30/9/2014	31/12/2013
1	INTANGIBLE ASSETS	825	524
1.1	Goodwill	307	0
1.2	Other intangible assets	518	524
2	PROPERTY, PLANT AND EQUIPMENT	1,139	522
2.1	Property	1,023	457
2.2	Other items of property, plant and equipment	115	66
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	963	742
4	INVESTMENTS	60,644	34,304
4.1	Investment property	2,895	2,584
4.2	Investments in subsidiaries and associates and interests in joint ventures	501	159
4.3	Held-to-maturity investments	1,487	626
4.4	Loans and receivables	6,166	2,747
4.5	Available-for-sale financial assets	40,737	22,656
4.6	Financial assets at fair value through profit or loss	8,858	5,531
5	SUNDRY RECEIVABLES	2,803	1,901
5.1	Receivables relating to direct insurance business	1,134	1,082
5.2	Receivables relating to reinsurance business	143	98
5.3	Other receivables	1,527	721
6	OTHER ASSETS	2,776	1,843
6.1	Non-current assets held for sale or disposal groups	127	139
6.2	Deferred acquisition costs	76	63
6.3	Deferred tax assets	2,149	1,189
6.4	Current tax assets	118	217
6.5	Other assets	307	235
7	CASH AND CASH EQUIVALENTS	1,027	599
	TOTAL ASSETS	70,177	40,434

Consolidated Balance Sheet - Liabilities

Amounts in €m

		30/9/2014	31/12/2013
1	EQUITY	6,449	3,066
1.1	attributable to the owners of the Parent	6,120	2,325
1.1.1	Share capital	1,996	1,195
1.1.2	Other equity instruments	0	0
1.1.3	Equity-related reserves	248	199
1.1.4	Income-related and other reserves	2,168	116
1.1.5	(Treasury shares)	-50	0
1.1.6	Translation reserve	4	5
1.1.7	Gains or losses on available-for-sale financial assets	1,197	497
1.1.8	Other gains or losses recognised directly in equity	-2	26
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	559	288
1.2	attributable to non-controlling interests	329	741
1.2.1	Share capital and reserves attributable to non-controlling interests	258	521
1.2.2	Gains or losses recognised directly in equity	37	123
1.2.3	Profit (loss) for the year attributable to non-controlling interests	34	97
2	PROVISIONS	604	320
3	TECHNICAL PROVISIONS	55,307	32,800
4	FINANCIAL LIABILITIES	3,890	2,226
4.1	Financial liabilities at fair value through profit or loss	1,221	554
4.2	Other financial liabilities	2,669	1,672
5	PAYABLES	1,114	655
5.1	Payables arising from direct insurance business	156	95
5.2	Payables arising from reinsurance business	126	73
5.3	Other payables	832	487
6	OTHER LIABILITIES	2,812	1,366
6.1	Liabilities associated with disposal groups held for sale	101	74
6.2	Deferred tax liabilities	1,937	827
6.3	Current tax liabilities	27	67
6.4	Other liabilities	748	398
	TOTAL EQUITY AND LIABILITIES	70,177	40,434

Consolidated Income Statement

Amounts in €m

		30/9/2014	30/9/2013
1.1	Net premiums	12,129	7,112
1.1.1	<i>Gross premiums</i>	12,440	7,347
1.1.2	<i>Ceded premiums</i>	-311	-236
1.2	Fee and commission income	12	5
1.3	Gains and losses on financial instruments at fair value through profit or loss	152	93
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	2	0
1.5	Gains on other financial instruments and investment property	2,157	1,048
1.5.1	<i>Interest income</i>	1,186	722
1.5.2	<i>Other gains</i>	153	85
1.5.3	<i>Realised gains</i>	661	241
1.5.4	<i>Unrealised gains</i>	157	0
1.6	Other revenue	474	335
1	TOTAL REVENUE AND INCOME	14,927	8,593
2.1	Net charges relating to claims	-10,974	-6,017
2.1.1	<i>Amounts paid and changes in technical provisions</i>	-11,113	-6,117
2.1.2	<i>Reinsurers' share</i>	139	100
2.2	Fee and commission expense	-10	-4
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	-9	-1
2.4	Losses on other financial instruments and investment	-492	-188
2.4.1	<i>Interest expense</i>	-75	-50
2.4.2	<i>Other charges</i>	-77	-50
2.4.3	<i>Realised losses</i>	-228	-29
2.4.4	<i>Unrealised losses</i>	-112	-59
2.5	Operating expenses	-1,910	-1,167
2.5.1	<i>Commissions and other acquisition costs</i>	-1,426	-845
2.5.2	<i>Investment management expenses</i>	-66	-12
2.5.3	<i>Other administrative expenses</i>	-418	-310
2.6	Other costs	-582	-597
2	TOTAL COSTS AND EXPENSES	-13,978	-7,974
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	949	619
3	Income tax	-355	-256
	POST-TAX PROFIT (LOSS) FOR THE YEAR	594	363
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	-1	0
	CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	593	363
	<i>attributable to the owners of the Parent</i>	<i>559</i>	<i>260</i>
	<i>attributable to non-controlling interests</i>	<i>34</i>	<i>103</i>

Consolidated Statement of Comprehensive Income

Amounts in €m

	30/9/2014	30/9/2013
CONSOLIDATED PROFIT (LOSS)	593	363
Other income net of taxes not reclassified in the income statement	-1	13
Variation in equity of investees	3	11
Variation in the revaluation reserve for intangible assets	0	0
Variation in the revaluation reserve for property, plant and equipment	0	0
Gains or losses on non-current assets held for sale and disposal groups	0	0
Actuarial gains and losses and adjustments relating to defined benefit plans	-3	2
Other items	0	0
Other income net of taxes reclassified in the income statement	717	-65
Variation in net translation reserves	-4	-1
Gains or losses on available-for-sale financial assets	690	-74
Gains or losses on cash flow hedges	32	9
Gains or losses on hedges of a net investment in foreign operations	0	0
Variation in equity of investees	0	0
Gains or losses on non-current assets held for sale and disposal groups	0	0
Other items	0	0
TOTAL OTHER COMPREHENSIVE INCOME	717	-52
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	1,310	311
<i>attributable to the owners of the Parent</i>	<i>1,287</i>	<i>229</i>
<i>attributable to non-controlling interests</i>	<i>23</i>	<i>82</i>

Changes in the Statement of Comprehensive Income with reference to the first half of 2014 do not include items recognized as at 1 January 2014 arising from the merger, equal to -€132m.

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		
	set-14	set-13	var.%	set-14	set-13	var.%	set-14	set-13	var.%	set-14	set-13	var.%	set-14	set-13	var.%	set-14	set-13	var.%	set-14	set-13	var.%
Net premiums	6,344	4,326	46.6	5,785	2,785	107.7	12,129	7,112	70.6										12,129	7,112	70.6
Net fees and commissions										10	10	4.9	0	0	0.0	-9	-9	2.5	2	1	53.6
Financial income/expense (excl. assets/liabilities at fair value)	442	228	93.9	1,018	624	63.1	1,460	852	71.3	44	26	73.4	-11	-11	-2.1	-45	-28	63.0	1,448	839	72.6
<i>Net interest</i>	291	173		810	481		1,100	653		44	32		-1	-2		-26	-9		1,117	674	
<i>Other income and expenses</i>	47	24		-10	10		37	34		0	0		31	13		-19	-19		49	28	
<i>Realised gains and losses</i>	162	57		185	125		347	182		8	-1		-1	-1		0	0		354	179	
<i>Unrealised gains and losses</i>	-58	-26		34	10		-24	-17		-8	-5		-40	-21		0	0		-72	-43	
Net charges relating to claims	-4,319	-2,927	47.5	-6,293	-2,977	111.4	-10,611	-5,904	79.7										-10,611	-5,904	79.7
Operating expenses	-1,603	-961	66.8	-276	-148	87.0	-1,879	-1,109	69.5	-58	-243	-76.1	-11	0	n.s.	39	185	-79.0	-1,910	-1,167	63.7
<i>Commissions and other acquisition costs</i>	-1,283	-764	67.9	-167	-90	84.9	-1,450	-854	69.7										-1,426	-845	68.8
<i>Other expenses</i>	-320	-197	62.4	-109	-57	90.4	-430	-255	68.7	-58	-243	-76.1	-11	0	n.s.	15	176	-91.3	-484	-322	50.4
Other income / expense	-91	-212	-57.2	-44	-74	-40.2	-135	-286	-52.8	24	188	-87.4	-12	-15	-21.7	16	-149	-110.5	-108	-262	-58.8
Pre-tax profit (loss)	773	454	70.2	190	211	-9.6	964	665	44.9	20	-20	200.9	-34	-27	-28.9	0	0	0.0	949	619	53.5
Income tax	-280	-184	51.6	-66	-61	8.7	-346	-246	40.9	-11	-10	8.7	2	0	n.s.	0	0	0.0	-355	-256	39.0
Profit (loss) on discontinued operations										-1	0	n.s.	0	0	0.0	0	0	0.0	-1	0	n.s.
Consolidated profit (loss) for the period	494	270	82.9	124	150	-17.1	618	419	47.2	8	-30	-126.7	-33	-27	22.3	0	0	0.0	593	363	63.4
<i>Profit (loss) attributable to the owners of the Parent</i>																			559	260	
<i>Profit (loss) attributable to non-controlling interests</i>																			34	103	

(*) the Real Estate Business only includes real estate companies controlled by UnipolSai