

Bologna, 6 August 2014

UNIPOLSAI: RESULTS FOR THE FIRST HALF OF 2014 APPROVED

- **Consolidated net profit of €357m (+4.5% compared to €342m in the first half of 2013¹)**
- **Direct insurance income of €8,907m (+8.9%):**
 - ✓ **Non-Life business: premium income of €4,437m (-7.1%)**
 - ✓ **Life business: income of €4,471m (+31.4%)**
- **Combined ratio at 94.0%**
- **Structured notes portfolio reduced by approximately €1.1bn in the first half of the year; capital gains of €24m**
- **Solvency margin 1.6 times the regulatory requirements (1.5 times at 31 December 2013)**
- **Corporate restructuring launched in the real estate business and financial companies**

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

Performance in the first half of the year was positive in terms of both economic and financial aggregates, in the context of a favourable trend in the Non-Life business loss ratio, the growth of Life business and financial market stability.

During the first half of 2014, the corporate integration plan of the Unipol Group with the former Premafin/Fondiarria-SAI Group was concluded with the creation of UnipolSai Assicurazioni and transactions required by obligations imposed by the Italian Antitrust Authority (sale of an insurance business unit to Allianz and reduction of existing debts with Mediobanca) were carried out.

Consolidated Results of UnipolSai

In the first half of the year, UnipolSai reported a **net consolidated profit** of €357m, an increase of 4.5% compared to the first six months of 2013. **Consolidated pre-tax profit** amounted to €560m, in line with the first half of 2013.

¹ All 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.

In particular, insurance business contributed to the consolidated pre-tax result with €583m, of which €453m from Non-Life business and €129m from Life business.

In the first half of 2014, **direct insurance income** amounted to €8,907m, an increase of 8.9% 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. Direct Non-Life premium income stood at €4,437m (-7.1% compared to the first half of 2013), of which €2,772m (-9.1%) from MV classes and €1,665m (-3.4%) from Non-MV classes.

With regard to the trend in claims, the first half of the year recorded a consolidated **combined ratio**, based on direct business, equal to 94.0% compared to 92.7% in the first half of 2013. Specifically, the **loss ratio** improved, reaching 67.7% compared to 68.8%. The **expense ratio** was equal to 26.3% compared to 23.9%, and was affected by the drop in premiums as well as the higher incidence of variable fees and commissions (changes in the production mix), investments in the IT system required for the current integration phase and investments made to support industrial revival (zero-interest instalments, advertising campaign and black boxes).

The **pre-tax result** for the business was a profit of €453m, up from €407m in the first half of 2013.

Life Business

The business recorded **direct income** of €4,471m, an increase of 31.4% compared to the first six months of 2013.

This significant increase reflects the continuation of the growth trend observed for traditional products as early as 2013, which benefits 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 the Popolare Vita Group companies, which recorded a total income of €2,472m (+55% compared to the first half of 2013). The contribution of UnipolSai was also positive, which recorded an income of €1,906m, an increase of 10.4% despite a non-recurring contract equal to €180m that had characterized the first part of 2013.

The **pre-tax result** for the business was a profit of €129m, compared to €203m recorded in the first half of 2013, due to the smaller contribution of financial items to the Income Statement.

Real Estate Business

With regard to the real estate business, during the first half of 2014 operations 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.

As far as transactions aimed at optimizing the profitability of property are concerned, design activities began for certain property that will be subject to renovation.

A corporate restructuring plan that provides for the merger by incorporation of wholly-owned companies was also launched, with the objective of reducing the number of subsidiaries, simplifying corporate governance and streamlining intragroup financial flows.

The **pre-tax result** of the business was a loss of €30m (-€10m in the first half of 2013), in particular due to the writing down of real estate investments for €21m, not present at 30 June 2013.

Other Business

During 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. The results of Banca Sai were positive.

The initiatives put in place have started to generate benefits: the **pre-tax result** of the business returned to a profit of €8m, compared to the loss of €40m recorded in the first half of 2013.

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, representing approximately 5.3% of invested assets.

During the first half of the year, restructuring of the assets portfolio continued. A reduction amounting to approximately €1.1bn of the book value of level 2 and 3 structured notes was recorded, with the recognition of capital gains equal to €24m in the Income Statement.

Balance Sheet

Consolidated shareholders' equity amounted to €6,089m (€5,570m in the consolidated opening financial statements at 1 January 2014 post-merger), of which €5,766m attributable to the Group, an increase compared to €5,211m in the consolidated opening financial statements at 1 January 2014 post-merger. The total AFS reserve at 30 June 2014 was a positive €1,113m (€543m at 1 January 2014).

The consolidated **solvency margin** at 30 June 2014 was equal to 1.6 times the minimum required, an improvement compared to the figure recorded at the end of 2013 (1.5 times).

Business Outlook

Regarding the performance of the Non-life insurance sector, no significant changes compared to the trends for the first half of the year 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 the integration of the companies merged into UnipolSai with determination, as well as other, already identified, corporate restructuring activities necessary in order to reach the Business Plan objectives.

Presentation of Results to the Financial Community

The results of the first half of 2014 of the Unipol Group and of UnipolSai will be presented to the financial community today at 6:30 pm 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 to have access to the event are available on the homepage of the website www.unipolsai.com and in the Investor Relations section.

The half-year consolidated financial report as at 30 June 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 June 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.

Operational 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 total income of €15.4bn at the end of 2013.

Consolidated Balance Sheet – 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 items of property, plant and equipment	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 and associates and interests in joint ventures	500.2	159.4
4.3	Held-to-maturity investments	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 Balance Sheet – Equity and Liabilities

Amounts in €m

		30/6/2014	31/12/2013
1	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	Income-related and other reserves	2,166.6	115.6
1.1.5	(Treasury shares)	-49.5	-0.1
1.1.6	Translation reserve	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 year 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 recognised directly in equity	39.7	122.9
1.2.3	Profit (loss) for the year 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 held for sale	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 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	9,005.9	5,402.5
1.1.2	Ceded premiums	-215.5	-167.6
1.2	Fee and 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 and 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 gains	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 revenue	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	Fee and commission expense	-8.7	-3.1
2.3	Losses on investments in subsidiaries and 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 charges	-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 costs	-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 YEAR	560.5	365.1
3	Income tax	-202.1	-155.4
	POST-TAX PROFIT (LOSS) FOR THE YEAR	358.4	209.8
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	-1.1	0.0
	CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	357.3	209.8
	attributable to the owners of the Parent	332.7	143.3
	attributable to non-controlling interests	24.5	66.5

Consolidated Statement of Comprehensive Income

Amounts in €m

	30/6/2014	30/6/2013
CONSOLIDATED PROFIT (LOSS)	357.3	209.8
Other income net of taxes not reclassified in the income statement	0.0	9.2
Variation in equity of 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 or losses on non-current assets held for sale and 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 net of taxes reclassified in the income statement	592.9	-83.3
Variation in net translation reserves	-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 equity of investees	0.0	0.0
Gains or losses on non-current assets held for sale and disposal groups	0.0	0.0
Other items	0.0	0.0
TOTAL OTHER COMPREHENSIVE INCOME	592.9	-74.1
TOTAL CONSOLIDATED COMPREHENSIVE INCOME	950.1	135.7
<i>attributable to the owners of the Parent</i>	<i>933.9</i>	<i>95.8</i>
<i>attributable to non-controlling interests</i>	<i>16.3</i>	<i>39.9</i>

Changes in the Consolidated Statement of Comprehensive Income referring to the first half of 2014 do not include items recognized 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		
	30/6/14	30/6/13	%	30/6/14	30/6/13	%	30/6/14	30/6/13	%	30/6/14	30/6/13	%	30/6/14	30/6/13	%	30/6/14	30/6/13	%	30/6/14	30/6/13	%
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 fees and commissions	0	0		0	0	64.2	0	0	-54.5	5	8	-38.0	0	0	7.1	-1	3	-135.9			
Financial income/expense (excl. assets/liabilities at fair value)	346	129	167.4	686	401	70.9	1,032	531	94.4	33	17	96.3	-16	-1	-35.9	1,039	531	95.7			
<i>Net interest</i>	202	114		540	319		742	433		30	22	31.6	-1	-1	-96.4	770	448				
<i>Other income and expenses</i>	31	9		-11	2		19	11		1	0		19	11	4.1	30	13				
<i>Realised gains and losses</i>	153	39		150	79		304	118		8	-2		0	-1	0.0	311	115				
<i>Unrealised gains and losses</i>	-40	-32		7	1		-33	-31		-5	-3		-34	-10	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.	-1,375	-801	71.7			
<i>Commissions and other acquisition costs</i>	-913	-520	75.5	-128	-67	91.2	-1,041	-587	77.3						0.0	-1,041	-587	77.2			
<i>Other expenses</i>	-226	-129	75.3	-75	-40	88.0	-301	-169	78.4	-38	-162	-76.7	-7	0	n.s.	-334	-213	56.7			
Other income / expense	-171	-185	-8.0	-43	-55	-23.4	-213	-241	-11.5	7	103	-93.4	-7	-11	-35.4	-210	-245	-14.3			
Pre-tax profit (loss)	453	245	85.1	129	165	-21.8	583	410	42.0	8	-34	122.1	-30	-11		560	365	53.5			
Income tax	-153	-98	55.5	-49	-54	-10.2	-201	-152	32.1	-7	-3	154.2	7	0	n.s.	-202	-155	30.1			
Profit (loss) on discontinued operations	0	0	0.0	0	0	0.0	0	0	0.0	-1	0	0.0	0	0	0.0	-1	0				
Consolidated profit (loss) for the period	301	147	105.0	81	111	-27.5	381	258	47.9	-1	-37	-97.7	-23	-11	104.5	357	210	70.3			
<i>Profit (loss) attributable to the owners of the Parent</i>																333	143				
<i>Profit (loss) attributable to non-controlling interests</i>																25	66				