

# INFORMATION DOCUMENT

drawn up pursuant to Article 71 of the Issuers' Regulation adopted by Consob with Resolution No. 11971 of 14 May 1999 as subsequently amended and integrated, regarding the

## TRANSFER

by **UnipolSai Assicurazioni S.p.A.** to **Banco BPM S.p.A.**  
of the shares held in **Popolare Vita S.p.A.**

This information document may be consulted by the public at the headquarters of Unipol Gruppo S.p.A. (Bologna, Via Stalingrado 45), on the website of Unipol Gruppo S.p.A. [www.unipol.it](http://www.unipol.it) and on the authorised storage mechanism eMarket Storage - which can be consulted at [www.emarketstorage.com](http://www.emarketstorage.com)

13 APRIL 2018

*This document contains forward-looking statements and estimates that reflect management's current views with respect to future events. These forward-looking statements and estimates include, but are not limited to, all statements other than factual statements, including, without limitation, those regarding the issuer's future financial position and results of operations, strategy, plans, objectives, and future developments in the markets where the Group operates or intends to operate.*

*Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The issuer's ability to achieve the projected results is dependent on many factors that are beyond management's control. Actual results may differ greatly (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking statements and estimates involve risks and uncertainties that could significantly affect expected results and are based on certain underlying assumptions. The forward-looking statements and estimates provided herein are based on the information available at the date hereof. There is no obligation to publicly update or revise any forward-looking statements and estimate as a result of new information, future events or otherwise, except as required by applicable law.*

#### ***Disclaimer to the English Translation***

*This Information Document contains an unofficial and courtesy English language translation (the "Translation") of substantially all of the official Information Document drawn up pursuant to Article 71 of the Issuers' Regulation adopted by CONSOB with Resolution No. 11971 of 14 May 1999 as subsequently amended and integrated ("Information Document"), prepared in the Italian language for the purposes of the transfer to Banco BPM S.p.A. of the shares held by UnipolSai Assicurazioni S.p.A. in Popolare Vita S.p.A., which was published on the website of Unipol Gruppo S.p.A. ([www.unipol.it](http://www.unipol.it)) under the Governance/Extraordinary Operations section on April 13, 2018. This document does not include the translation of the document listed in the Annexe which is included only in the original Italian version of the Information Document.*

*In the event of any ambiguity about the meaning of certain translated terms or of any discrepancy between the Italian text of the Information Document and the Translation, the Italian text of the Information Document shall prevail.*

**SUMMARY CONSOLIDATED PRO-FORMA DATA AND INDICATORS PER SHARE OF THE UNIPOL GROUP**

<b>BALANCE SHEET DATA</b>		
(amounts in € million)	Unipol Group consolidated at 31/12/2017	Consolidated pro-forma total 31/12/2017
<b>Total Assets</b>	<b>89,972.9</b>	<b>80,046.9</b>
Total Liabilities	82,519.9	72,503.2
Equity attributable to the Group	5,486.1	5,719.8
Equity attributable to non-controlling interests	1,966.9	1,823.9
<b>Total Equity</b>	<b>7,453.0</b>	<b>7,543.7</b>
<b>Total Liabilities and Equity</b>	<b>89,972.9</b>	<b>80,046.9</b>
<b>ECONOMIC DATA</b>		
(amounts in € millions)	Unipol Group consolidated at 31/12/2017	Consolidated pro-forma total 31/12/2017
Net premiums	11,262.9	10,577.1
Other income	3,399.3	3,109.9
<b>Total revenues and other income</b>	<b>14,662.3</b>	<b>13,687.0</b>
Net charges relating to claims	9,621.1	8,787.6
Other costs and charges	5,220.2	5,158.0
<b>Total costs and other charges</b>	<b>14,841.3</b>	<b>13,945.7</b>
<b>Pre-tax Profit (loss) for the year</b>	<b>-179.1</b>	<b>-258.7</b>
Income tax	10.0	32.9
<b>Profit (loss) for the year</b>	<b>-169.0</b>	<b>-225.8</b>
<i>attributable to the Group</i>	<i>-345.8</i>	<i>-367.0</i>
<i>attributable to non-controlling interests</i>	<i>176.8</i>	<i>141.2</i>
<b>INDICATORS PER SHARE</b>		
(amounts in € millions)	Unipol Group consolidated at 31/12/2017	Consolidated pro-forma total 31/12/2017
Group consolidated result for the year	-345.8	-367.0
Average number of outstanding ordinary shares	710.3	710.3
Basic and diluted earnings (losses) per ordinary share (in Euro)	-0.49	-0.52

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## GLOSSARY

Below is a list of the main terminology used in this information document:

<b>Distribution Agreement</b>	The agreement signed on 7 September 2007 between Popolare Vita and Banco BPM (as subsequently amended) concerning the distribution of Life insurance products by the former Banco Popolare network.
<b>Banco BPM or Buyer</b>	Banco BPM S.p.A., with headquarters in Milan, Piazza Meda 4, share capital of Euro 7,100,000,000.00 fully paid-in, enrolled in the Business Register of Milan, registration number, tax identification number and VAT number 09722490960, parent company of the Banco BPM Banking Group, enrolled in the Register of Banking Groups.
<b>Banco Popolare</b>	Banco Popolare Soc. Coop., with headquarters in Verona, Piazza Nogara 2, company resulting from the merger between Banco Popolare di Verona e Novara S.c. a r.l. (“BPVN”) and Banca Popolare Italiana Soc. Coop. (“BPI”), which expired on 1 January 2017 as a result of the merger with BPM, which gave rise to the establishment of Banco BPM.
<b>BPM</b>	Banca Popolare di Milano S.c. a r.l., with headquarters in Milan, Piazza Meda 4, company expired on 1 January 2017 as a result of the merger with Banco Popolare, which gave rise to the establishment of Banco BPM.
<b>Initial Business Plan</b>	The ten-year business plan attached to the shareholders’ agreement and taken as reference for the initial establishment of the Popolare Vita partnership.
<b>Italian Civil Code</b>	The Italian Civil Code approved by Royal Decree No. 262 of 16 March 1942, as subsequently amended and integrated.
<b>CONSOB</b>	Italian Companies and Exchange Commission
<b>Purchase Agreement or Agreement</b>	The purchase agreement signed by UnipolSai and Banco BPM on 11 January 2018, concerning the Sale of the Popolare Vita Shares.
<b>Closing Date</b>	The completion date of the Transaction pursuant to the Purchase Agreement, i.e. 29 March 2018.
<b>Signing Date</b>	The signing date of the Purchase Agreement, i.e. 11 January 2018.
<b>Information Document</b>	This information document drawn up by Unipol Group pursuant to Article 71 of the Issuers’ Regulation and Scheme No. 3 of Annex 3B to the same Issuers’ Regulation.
<b>Execution</b>	The completion of the Transaction at the terms and conditions set forth in the Purchase Agreement.
<b>Expert Arbitrator or Expert</b>	The expert appointed to determine the Sale Price in the capacity of third-party arbitrator pursuant to Article 1349 of the Italian Civil Code.
<b>Unipol Group or the Group</b>	Unipol and its subsidiaries pursuant to Article 93 of the Consolidated Law on Finance.

<b>HPF</b>	Holding di Partecipazioni Finanziarie Banco Popolare S.p.A., company belonging to the Banco BPM Banking Group (formerly Holding di Partecipazioni Finanziarie Popolare di Verona e Novara S.p.A.).
<b>Lawrence Life</b>	The Lawrence Life Assurance Designated Activity Company, Irish insurance company with registered office and headquarters in Ireland, Beaux Lane House, Mercer Street Lower, D02 DH60, Dublin, registered in List II of the Appendix of the Register of Insurance and Reinsurance Companies under number II.00834, whose share capital is entirely held by Popolare Vita.
<b>Transaction or Sale</b>	The sale of the shares held by UnipolSai in Popolare Vita to Banco BPM.
<b>Put Option</b>	The Put Option which, pursuant to Article 1331 of the Italian Civil Code, UnipolSai may exercise against Banco BPM in accordance with the Shareholders' Agreement, concerning the entire stake held by UnipolSai in Popolare Vita.
<b>Stake or Popolare Vita Shares</b>	The stake held by UnipolSai in Popolare Vita, equal to 21,960,001 ordinary shares worth a nominal value of Euro 5.00 each, representing 50% plus one share of the share capital of Popolare Vita.
<b>Shareholders' Agreement</b>	The shareholders agreement regarding Popolare Vita, signed on 7 September 2007 (as subsequently amended) by UnipolSai (formerly FONDIARIA-SAI S.p.A) on the one hand, and Banco BPM (formerly Banco Popolare Società Cooperativa) and HPF (formerly Holding di Partecipazioni Finanziarie Popolare di Verona e Novara S.p.A) on the other, aimed at governing, <i>inter alia</i> , the governance of Popolare Vita, the reciprocal relations between the contractual parties as shareholders of Popolare Vita and exit mechanisms, including the Put Option issued by Banco BPM to UnipolSai.
<b>Parties</b>	Jointly, the parties to the Purchase Agreement, i.e. UnipolSai and Banco BPM.
<b>Popolare Vita or Joint Venture or JV</b>	Popolare Vita S.p.A. (formerly BPV Vita S.p.A.), with headquarters in Novara, Via Negroni 11, share capital of Euro 219,600,005.00 fully paid-in, enrolled in the Business Register of Novara, registration number, tax registration number and VAT number 03035950231, enrolled in the Register of Insurance and Reinsurance Companies Sec. I under number I.00137.
<b>Sale Price</b>	The consideration for the Sale, as determined by the Expert Arbitrator.
<b>Issuers' Regulation</b>	The implementing regulation of the Consolidated Law on Finance, concerning the governance of issuers, adopted by CONSOB with Resolution No. 11971 of 14 May 1999, as subsequently amended and integrated.
<b>Independent Auditor or PWC</b>	PricewaterhouseCoopers S.p.A., the company entrusted with the audit of the accounts and consolidated accounts of Unipol.
<b>Consolidated Law on Finance or TUF</b>	Legislative Decree No. 58 of 24 February 1998, as subsequently amended and integrated.

<b>Unipol or the Company or the Issuer</b>	Unipol Group S.p.A., with headquarters in Bologna, Via Stalingrado 45, share capital of Euro 3,365,292,408.03 fully paid-in, enrolled in the Business Register of Bologna, registration number, tax identification number and VAT number 00284160371, parent company of the Unipol Insurance Group enrolled in the Register of Insurance Groups under number 046, parent company of the Unipol Banking Group, enrolled in the Register of Banking Groups under number 20052.
<b>UnipolSai or the Seller</b>	UnipolSai Assicurazioni S.p.A., with headquarters in Bologna, Via Stalingrado 45, share capital of Euro 2,031,456,338.00 fully paid-in, enrolled in the Business Register of Bologna, registration number, tax identification number and VAT number 00818570012, insurance company enrolled in the Register of Insurance and Reinsurance Companies Sec. I under number 1.00006, member of the Unipol Insurance Group and subject to management and coordination by Unipol.

## INTRODUCTION

This information document (the “**Information Document**”) was drawn up by Unipol Group S.p.A. (“**Unipol**” or the “**Company**” or the “**Issuer**”) pursuant to Article 71 of the Issuers’ Regulation and Scheme No. 3 of Annex 3B, concerning the sale by its subsidiary UnipolSai Assicurazioni S.p.A. (“**UnipolSai**” or the “**Seller**”) to Banco BPM S.p.A. (“**Banco BPM**” or the “**Buyer**”), of the stake held by UnipolSai in the share capital of Popolare Vita S.p.A. (formerly BPV Vita S.p.A., “**Popolare Vita**”), equal to 21,960,001 ordinary shares representing 50% plus one share in the share capital of the latter (the “**Stake**” or the “**Popolare Vita Shares**”), at the terms and conditions specified below (the “**Transaction**” or the “**Sale**”).

With the Transaction, as better described below, the partnership in the bancassurance sector expired, established on 7 September 2007 between the group formerly belonging to Banco Popolare Soc. Coop. (“**Banco Popolare**”, now Banco BPM) and FONDIARIA-SAI S.p.A. (now UnipolSai) through the joint venture BPV Vita S.p.A. (now Popolare Vita, also the “**Joint Venture**” or “**JV**”) and its Irish subsidiary The Lawrence Life Assurance Designated Activity Company (“**Lawrence Life**”). In the context of the aforementioned bancassurance partnership, the former BPV Vita (now Popolare Vita) and the former Banco Popolare (today Banco BPM) also signed a distribution agreement on 7 September 2007 (the “**Distribution Agreement**”, as subsequently amended) regarding the distribution of Life insurance products by the former Banco Popolare network.

The Transaction was completed following and by effect of (i) the termination, by Popolare Vita, of the Distribution Agreement and (ii) the consequent exercise, by UnipolSai of the Put Option issued by Banco BPM under the terms and conditions of the shareholders’ agreement concerning Popolare Vita (the “**Shareholders’ Agreement**”) signed on 7 September 2007 (as subsequently amended) signed by FONDIARIA-SAI S.p.A. (now UnipolSai) on the one hand, and Banco Popolare (now Banco BPM) and Holding di Partecipazioni Finanziarie Popolare di Verona e Novara S.p.A. (now Holding di Partecipazioni Finanziarie Banco Popolare S.p.A., “**HPF**”), on the other, aimed at governing, *inter alia*, the governance of Popolare Vita, the reciprocal relations between the contractual parties as shareholders of Popolare Vita, as well as certain provisions relating to the circulation of Popolare Vita shares and exit mechanisms, including the Put Option granted by Banco BPM to UnipolSai.

As better illustrated in section 2, Popolare Vita and, to the extent of its competence, UnipolSai, decided to terminate the Distribution Agreement with Banco BPM after ascertaining the non-existence of the conditions for the renewal of the same, or for the renegotiation of the terms and conditions of such agreement.

The Transaction was concluded on 29 March 2018 (the “**Closing Date**”) at the terms and conditions set forth in the purchase agreement (the “**Purchase Agreement**” or the “**Agreement**”) signed by UnipolSai, in the capacity of Seller, and Banco BPM, in the capacity of Buyer, on 11 January 2018 (the “**Signing Date**”).

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### ***Materiality of the Transaction***

This Information Document was drawn up by Unipol, as the parent company of UnipolSai with a direct and indirect holding equal to 73.624% of the share capital of the latter.

In this regard, it should be noted that the Transaction was considered a material transaction by Unipol pursuant to Article 71 of the Issuers’ Regulation and Annex 3B thereto, since, based on the results of the consolidated financial statements of the Unipol Group at 31 December 2017, approved by the Board of Directors of Unipol on 22 March 2018 and

published on 23 March 2018, the “profitability” parameter referred to in the aforementioned Annex 3B<sup>1</sup> – and only such parameter – exceeded 25%. However, the excess of this threshold must be considered entirely attributable to the one-off and non-recurring effects of the streamlining plan for the banking business of the Unipol Group, fully described in the Integrated Report on operations relating to the aforementioned financial statements (to which reference should be made). In fact, the implementation of such plan, the effects of which were fully recognised in the consolidated financial statements at 31 December 2017, resulted in a negative consolidated economic result that affected the calculation of the above profitability parameter and resulted in the excess of the 25% threshold.

*On the basis of the “normalised” figures – i.e. adjusted to exclude the one-off and non-recurrent effects of the aforementioned streamlining plan – the profitability parameter would be equal to 6% and thus well below the threshold of 25%.*

In light of the foregoing, Unipol does not consider the Transaction, in relation to the actual size of the Group, to be effectively material and thus implies a low level of risk.

With regard to UnipolSai, the Sale does not exceed any materiality thresholds and, therefore, UnipolSai did not publish an information document pursuant to Article 71 of the Issuers’ Regulation.

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The Information Document, published on 13 April 2018, has been made available to the public at the headquarters of the Company in Bologna, Via Stalingrado 45, on the website of the Company [www.unipol.it](http://www.unipol.it) under the section *Governance/Extraordinary Operations*, and on the authorised storage mechanism eMarket Storage ([www.emarketstorage.com](http://www.emarketstorage.com)).

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<sup>1</sup> Pursuant to Annex 3B, Scheme No. 3, Paragraph B.2, Letter c), of the Issuers’ Regulation, the profitability parameter is considered material if the ratio between (i) the overall result (IAS 1) before taxes and the results of discontinued operations of the company (or business units) acquired (or sold), and (ii) the overall result (IAS 1) before taxes and the results of discontinued operations of the issuer, is equal to or higher than 25%.

## **1. WARNINGS**

### **1.1 Risks related to the Transaction**

#### **1.1.1 Risks related to the business of Unipol Group in the bancassurance sector**

The Unipol Group intends to continue pursuing its consolidation and development objectives in the Life bancassurance sector. However, following the Sale of the Popolare Vita Shares, the results in this sector may no longer be in line with those recorded in previous years.

In particular, the Sale of the Popolare Vita Shares will result in the loss of the insurance premium income of Popolare Vita (gross premiums written amounted to Euro 706 million in 2017, including collection by Lawrence Life, a decrease of 66.9% compared to 2016), its profitability and the distribution of dividends by the same to UnipolSai (which totalled Euro 76 million in 2017, taking into account the distribution of available profit reserves for Euro 53.4 million, see paragraph 2.1.2) – and, indirectly, to Unipol – with the consequent potential reduction, for Unipol, of the statutory and consolidated profit. As regards financial year 2018, it should be noted that the possible negative economic effects resulting from the loss of insurance income from Popolare Vita will be largely offset by the capital gains generated by the Transaction.

In addition, it should be pointed out that the decision to exercise the Put Option was made in the context of the broader streamlining of the insurance business of the Unipol Group, as better described in paragraph 3.1 below, and, specifically, the revision of the operational structure in the bancassurance sector.

In this regard, it should be noted that, on 8 November 2017, following negotiations with the counterparties BPER Banca S.p.A. and Banca Popolare di Sondrio S.c.p.A., the Issuer and the aforementioned banking partners signed the early renewal of the strategic partnership in the Life and Non-Life bancassurance business launched in 2009 until 2022, which was originally set to expire on 31 December 2019.

#### **1.1.2 Risks related to the holding company nature of Unipol Group and the change in the scope of consolidation of Unipol Group**

Unipol is a holding company and, therefore, the prevailing insurance business as well as the banking, financial and other activities of the Group are carried out by companies directly or indirectly controlled by the same.

Consequently, the main sources of financing of the Issuer are self-financing, the issue of debt instruments and bank debt. The Issuer trusts that the dividends distributed by its subsidiaries, which form its main source of income, and the other sources of income available are sufficient to allow it to meet its payment obligations.

Any negative results of subsidiaries and investees or the lack of dividend distribution, for a prolonged period of time, could negatively influence the economic and financial position of Unipol.

The Transaction will result in the deconsolidation of Popolare Vita, with possible negative economic and financial impacts on the Unipol Group, as well as on the insurance solvency ratios; however, these are largely offset by the benefits for the economic result and insurance funds resulting from the consideration collected for the Sale.

#### **1.1.3 Risks related to the contractual terms and execution of the Transaction**

In accordance with the express provisions of the Shareholders' Agreement and as is usual for this type of transaction, the Purchase Agreement envisages the issue by UnipolSai, in the capacity of Seller, to Banco BPM, in the capacity of Buyer, of certain representations and warranties regarding, *inter alia*, the assets and business of Popolare Vita with related indemnity obligations, substantially in line with market practice for similar transactions. In any case, these indemnity obligations for UnipolSai are subject to limits and restrictions, including deductibles (individual and absolute) and a maximum ceiling equal to 10% of the Sale Price.

#### **1.1.4 Risks deriving from the failure to fully implement the 2016–2018 Strategic Plan**

The preparation of the strategic plan for the Unipol Group for the period 2016–2018 (the “**Strategic Plan**”) was based, among other things, on (i) general and hypothetical assumptions of a discretionary nature and (ii) a series of discretionary estimates and assumptions relating to the implementation of specific actions by the directors during the timeframe of the Strategic Plan, or concerning future events the directors may only partially influence and which may not occur or may change during the period of the Strategic Plan.

Given the subjective, hypothetical and discretionary nature of the assumptions underlying the Strategic Plan, if one of more of these assumptions does not occur or only occurs in part, the targets set may not be achieved, meaning that the results of the Group could differ negatively, also significantly, from the provisions of the Strategic Plan, with consequent negative effects on the economic and financial position of the Group.

Without prejudice to the foregoing, with specific reference to the impact of the Transaction on the Strategic Plan, it should be noted that the latter estimated, in relation to Popolare Vita, gross premiums written at 31 December 2018 equal to Euro 2.7 billion. The Sale of the Popolare Vita Shares with effect from the Closing Date, and its consequent deconsolidation could result in the failure to achieve this target, with possible economic and financial effects on the Group.

However, with regard to financial year 2018, the final year of the Strategic Plan, the potential negative impact should be mitigated at an economic and capital adequacy level by the positive effects of the Transaction described in paragraphs 1.1.1 and 1.1.2 above.

#### **1.1.5 Risks related to the elaboration of pro-forma data**

This Information Document shows the consolidated pro-forma economic and financial data at 31 December 2017 (the “**Consolidated Pro-Forma Statements**”, see section 5 below), together with the explanatory notes.

The Consolidated Pro-Forma Statements were prepared for illustrative purposes only, elaborated solely for the purpose of their inclusion in this Information Document in order to simulate, according to valuation criteria consistent with the historical data, the effects of the Transaction on the economic and financial position of the Unipol Group if the same had virtually taken place on 31 December 2017 and, as far as economic performance is concerned, on 1 January 2017.

The Consolidated Pro-Forma Statements were prepared on the basis of the same accounting standards adopted for the preparation of the consolidated financial statements of the Unipol Group at 31 December 2017, drawn up in accordance with the International Financial Reporting Standards adopted by the European Union (IAS/IFRS).

Specifically, the Consolidated Pro-Forma Statements are derived from:

- the historical data of the consolidated financial statements at 31 December 2017 of the Unipol Group, approved by the Board of Directors of Unipol on 22 March 2018 and audited by the Independent Auditors', who issued their report on 1 April 2018;
- the pro-forma adjustments made to take into account the effects of the completion of the Transaction, on the basis of the guidelines established by CONSOB in communication DEM/1052803 of 5 July 2001 and the attached instructions, drawn up in jointly with ASSIREVI in collaboration with Borsa Italiana.

Please note, however, that the information contained in the Consolidated Pro-Forma Statements represents, as mentioned above, a simulation provided for illustrative purposes only, of the possible effects that may arise from the transaction. In particular, since the pro-forma information is elaborated to retroactively reflect the effects of subsequent transactions, despite compliance with commonly accepted rules and the use of reasonable assumptions, there are limits related to the nature of the pro-forma information. Therefore, it should be noted that had the Transaction actually taken place on the assumed dates, the Consolidated Pro-Forma Statements might not have necessarily been obtained.

Finally, it should be noted the Consolidated Pro-Forma Statements do not intend in any way to represent a prediction of the future results of the Unipol Group and therefore must not be used for such purpose.

Moreover, considering the different purposes of the Consolidated Pro-Forma Statements compared to the historical data and the different methods for calculating the effects of the Transaction and the related financial transactions with reference to the balance sheet and the income statement, the Consolidated Pro-Forma Statements should be read and interpreted separately, without looking for accounting links between the two documents.

The Consolidated Pro-Forma Statements are subject to examination by the Independent Auditors, who issued their report on 13 April 2018, with reference to the reasonableness of the basic assumptions adopted, the correctness of the methods used and the fairness of the valuation criteria and accounting standards applied. Said report is attached to this Information Document as Annex A.

## **2. INFORMATION REGARDING THE TRANSACTION**

### **2.1 Summary description of the terms and conditions of the Transaction**

The Transaction, concluded on 29 March 2018, consists of the sale by UnipolSai to Banco BPM of the stake held by UnipolSai in Popolare Vita, equal to 21,960,001 ordinary shares, representing 50% plus one share of the share capital of Popolare Vita, for a consideration equal to Euro 535,516,046.00 (the “**Sale Price**”).

#### **2.1.1 Description of the target company of the Transaction**

The company whose shares are subject to the sale by UnipolSai to Banco BPM is Popolare Vita.

Popolare Vita (formerly BPV Vita S.p.A.) is a joint-stock company with headquarters in Novara, Via Negroni 11, share capital of Euro 219,600,005.00 fully paid-in, Business Register of Novara registration number, tax registration number and VAT number 03035950231, authorised to provide insurance by ISVAP Provision No. 1762 of 21 December 2000 published in Official Gazette No. 1 of 2 January 2001, enrolled in the Register of Insurance and Reinsurance Companies Sec. I under number 1.00137.

Popolare Vita, as a bancassurance company, offers Life insurance products for investment, savings and supplementary pensions.

Popolare Vita directly holds the entire share capital of The Lawrence Life Assurance Designated Activity Company (“**Lawrence Life**”), an Irish insurance company with registered office and headquarters in Ireland, Beaux Lane House, Mercer Street Lower, D02 DH60, Dublin 2, authorised to provide insurance by provision dated 24 September 1999, authorised to operate in Italy under the freedom to provide incoming services in the EEA (Non-Life and Life) and enrolled in List II of the Appendix of the Register of Insurance and Reinsurance Companies under number II.00834.

Until the Closing Date, Popolare Vita belonged to the Unipol Insurance Group and was subject to management and coordination by Unipol.

#### **2.1.2 Procedures, terms and conditions of the Transaction**

##### *Introduction*

As mentioned, on 7 September 2007, FONDIARIA-SAI S.p.A. (now UnipolSai) on the one hand, and Banco Popolare (now Banco BPM) and HPF, on the other, signed the Shareholders’ Agreement regarding Popolare Vita (as subsequently amended) aimed at governing, *inter alia*, the governance of Popolare Vita, the reciprocal relations between the contractual parties as shareholders of Popolare Vita, as well as certain provisions relating to the circulation of Popolare Vita shares and exit mechanisms, including the Put Option granted by Banco BPM to UnipolSai.

The aforementioned Shareholders’ Agreement was part of the partnership established by the former Banco Popolare Group and the former FONDIARIA-SAI S.p.A. in the bancassurance sector, through the joint venture Popolare Vita, as well as its Irish subsidiary Lawrence Life. In the context of the aforementioned bancassurance agreement, the former BPV Vita (now Popolare Vita) also signed, on 7 September 2007, the Distribution Agreement (as subsequently amended) regarding the distribution of Life insurance products by the former Banco Popolare network, with a ten-year duration and expiring on 31 December 2017, tacitly renewable (at each original or extended expiry date) for an additional 5 years, unless terminated by one of the parties.

The Shareholders’ Agreement, among other things, envisaged that:

- (i) the Put Option may be exercised by UnipolSai upon the occurrence of certain circumstances, including, *inter alia*, the non-renewal of the Distribution Agreement due to termination by Popolare Vita;

- (ii) the effectiveness of the exercise of the Put Option is subject to verification of a certain level of underperformance of the Popolare Vita business compared to the predictions of the ten-year business plan attached to the Shareholders' Agreement and taken as reference at the time of the initial establishment of the partnership (the "**Initial Business Plan**");
- (iii) the determination of the Sale Price of the Stake must be entrusted to a leading international business bank or accounting firm and to an actuarial consultant to be selected and appointed following the procedure set forth in the Shareholders' Agreement, in order to act jointly as an independent expert pursuant to Article 1349 of the Italian Civil Code (the "**Expert Arbitrator**" or the "**Expert**").

#### *Termination of the Distribution Agreement and exercise of the Put Option*

In view of this, on 29 June 2017, the Board of Directors of Popolare Vita – after ascertaining the non-existence of the conditions for renewal or for the renegotiation of the terms and conditions of the Distribution Agreement with Banco BPM – resolved to terminate the same.

To the extent of its competence, the Board of Directors of UnipolSai, which met on the same date, also taking into account the underperformance of the Popolare Vita business compared to the predictions of the Initial Business Plan, expressed a favourable opinion on the termination of the Distribution Agreement, also resolving to exercise the Put Option at the Sale Price to be determined pursuant to the Shareholders' Agreement (see below).

The Board of Directors of Unipol, which also met on 29 June 2017, in the capacity of Parent Company, acknowledged the resolutions passed by Popolare Vita and UnipolSai in this regard.

The termination of the Distribution Agreement and the exercise of the Put Option were then notified to Banco BPM on 29 June 2017, by Popolare Vita and UnipolSai respectively.

Following the appointment and the activities carried out by the Expert Arbitrator, on 14 November 2017, the latter defined the Sale Price.

#### *Sale of the Shares*

After obtaining, from Banco BPM, the authorisation required by law, the Transaction was concluded on the Closing Date by UnipolSai, in the capacity of Seller, and Banco BPM, in the capacity of Buyer, by transferring the full and exclusive ownership of the Popolare Vita Shares, along with all related legal relationships of a financial nature, rights and prerogatives.

For the sake of completeness, it should also be noted that – as notified by Banco BPM on 29 March 2018 – on the same date the latter (which became owner, by way of the Execution of the Transaction, of the entire share capital of Popolare Vita, directly and indirectly) concluded, *inter alia*, the sale to Cattolica Assicurazioni Società Cooperativa ("**Cattolica**"), as new insurance partner, a stake representing 65% of the share capital of Popolare Vita.

#### *Sale Price*

The Sale Price for the Popolare Vita Shares was equal to Euro 535,516,046.00 and was fully paid by the Buyer to the Seller on the Closing Date.

In this regard, it should be noted that, considering the distribution of the available profit reserves of Popolare Vita, unanimously resolved by the Shareholders' Meeting on 30 June 2017 and as a result of which UnipolSai collected the attributable portion of these reserves, equal to Euro 53.4 million, the total income relating to the disposal of the Stake amounted to Euro 588.9 million.

#### *Representations and warranties – indemnity obligations*

As expressly provided for by the Shareholders' Agreement and as is usual for this type of transaction, the Purchase Agreement envisaged the issue by UnipolSai, in the capacity of Seller, to Banco BPM, in the capacity of Buyer, of certain representations and warranties relating, *inter alia*, to the assets and activities of Popolare Vita, with related indemnity

obligations substantially in line with market practice for similar transactions. These indemnity obligations for UnipolSai are subject to limits and restrictions, including the provision of deductibles (individual and absolute) and a maximum ceiling equal to 10% of the Sale Price.

#### *The New Outsourcing Agreements*

Following the request made to UnipolSai by Banco BPM, the Purchase Agreement also provided for a commitment by UnipolSai, on its own behalf and on behalf of the companies belonging to the Unipol Group, on the one hand, and by Banco BPM, on the other hand, to negotiate in good faith the conditions, also economic, of two outsourcing agreements with Popolare Vita and Lawrence Life, respectively, for the provision by UnipolSai to Popolare Vita and Lawrence Life – following the Closing Date – of a series of services in outsourcing (the “**New Outsourcing Agreements**”), in order to preserve the business continuity of these companies and allow the orderly transfer of the same to Cattolica as the new insurance partner selected by Banco BPM, to which, as mentioned, a stake equal to 65% of the share capital of Popolare Vita was sold by Banco BPM on 29 March 2018, simultaneously with the completion of the Transaction.

The New Outsourcing Agreements were signed by UnipolSai, and Popolare Vita and Lawrence Life, respectively, and are effective from the Closing Date, i.e. 29 March 2018, with a duration of 18 months (without prejudice to the fact that some service will have a shorter duration).

##### *2.1.2.1 Method for determining the Sale Price and advisors involved in the Transaction*

As anticipated, the determination of the Sale Price of the Popolare Vita Shares was carried out on the basis of the valuation criteria and methods indicated in the Shareholders’ Agreement, by the Expert Arbitrator who, as mentioned above, acted as independent expert pursuant to Article 1349 of the Italian Civil Code and issued its determination on 14 November 2017.

In accordance with the Shareholders’ Agreement, UnipolSai and Banco BPM expressly recognised the determination of the Expert Arbitrator as binding and definitive and consequently undertook not to challenge or dispute the same.

#### **2.1.3 Allocation of amounts collected**

The amounts collected by UnipolSai as a result of the Sale of the Popolare Vita Shares will be used for the performance of its core business and, in particular, for investments in bank deposits held at call or term, and for investments in debt securities with immediate liquidity issued mainly by the central governments of countries belonging to the European Union.

#### **2.2 Reasons for the Transaction with particular regard to the management objectives of the Issuer**

As already mentioned, the decision of the Board of Directors of UnipolSai to terminate the partnership with Banco BPM in the bancassurance sector was made taking into account:

- (i) the underperformance of the Popolare Vita business compared to the predictions of the Initial Business Plan, thus resulting in the conditions for the exercise of the Put Option envisaged under the Shareholders’ Agreement as an instrument for terminating the bancassurance partnership established in 2007;
- (ii) the existence of a series of risk factors such as to negatively impact the future valuation of the Popolare Vita Shares;
- (iii) the ascertained non-existence of the conditions for the renewal or for the renegotiation of the terms and conditions of the Distribution Agreement, following discussions with the counterparty in this regard.

The Board of Directors of Popolare Vita, taking into account the decisions made by the majority shareholder UnipolSai, resolved on the termination of the Distribution Agreement.

As parent company, the Board of Directors of Unipol, as mentioned above, acknowledged the decisions made by the subsidiaries UnipolSai and Popolare Vita in this regard.

## **2.3 Relationships between Unipol, Popolare Vita and Banco BPM**

### **2.3.1 Material relationships existing between Unipol, directly or indirectly through subsidiaries, and Popolare Vita at the time of the Transaction**

As referred to above, at the Closing Date, UnipolSai held 21,960,001 ordinary shares representing 50% plus one share of the share capital of Popolare Vita, which was subject to management and coordination by Unipol until the Closing Date, pursuant to Articles 2497 et. seq. of the Italian Civil Code. At the same date, Popolare Vita held (i) 24,728 shares in Unipol shares and (ii) 101,700 shares in UnipolSai.

Until the Closing Date, as part of the management of ordinary and/or institutional activities, and intercompany service relationships, there was an agreement in place concerning the provision by UnipolSai of a significant series of services in outsourcing. A similar agreement was also in place between UnipolSai and Lawrence Life, however, regarding the provision of fewer services.

These agreements expired with the completion of the Transaction.

Without prejudice to the foregoing, on the Closing Date of the Transaction, Unipol did not, directly or indirectly through subsidiaries, have any material relationships with Popolare Vita or Lawrence Life.

For the sake of completeness, it should be noted that, as mentioned in paragraph 2.1.2 above, on the request of Banco BPM, on the Closing Date UnipolSai signed the New Outsourcing Agreements, one with Popolare Vita and one with Lawrence Life, for the provision of a series of services in outsourcing in order to preserve the business continuity of the companies and allow the orderly transfer of the same to Cattolica.

### **2.3.2 Material relationships and agreements between Unipol, its subsidiaries, the executives and board members of Unipol and Banco BPM**

There are no material relationships and/or agreements between Unipol, UnipolSai and the other companies of the Unipol Group, the executives with strategic responsibilities and the Directors of Unipol, on the one hand, and Banco BPM, on the other, without prejudice to any relationships, contracts or agreements deriving from the management of the ordinary and current operations of the aforementioned companies.

## **2.4 Documents available to the public and where to consult the same**

This Information Document and the related annexes are available, to anyone requesting the same, at the Unipol headquarters (Via Stalingrado 5, Bologna), on the Unipol website ([www.unipol.it](http://www.unipol.it)), and on the authorised storage mechanism eMarket Storage – available at [www.emarketstorage.com](http://www.emarketstorage.com).

### **3. MATERIAL EFFECTS OF THE TRANSACTION**

#### **3.1 Material effects of the Transaction on the key factors that influence and characterise the business of the Issuer, and the type of business carried out by the Issuer**

After the conclusion of the Transaction, the direct Life premium income of the Unipol Group will continue to be generated through the traditional companies of the group (UnipolSai and DDOR Novi Sad), through the network of branches of the subsidiary Unipol Banca, the financial promoters of Credit Suisse Italy and the joint ventures established with leading Italian banking operators, namely Arca Vita and BIM Vita S.p.A.

As already mentioned, in 2018 the Group intends to continue the consolidation and development of the bancassurance channel, launched in the previous year with the early renewal on 8 November 2017, until the end of 2022, of the strategic bancassurance partnership with BPER Banca S.p.A. and Banca Popolare di Sondrio S.c.p.A., launched in 2009 through the subsidiary joint ventures Arca Vita and Arca Assicurazioni, operating in the Life and Non-Life businesses, respectively.

This renewal is part of the broader streamlining project for the insurance business of the Unipol Group – approved, to the extent of their competence, by the Boards of Directors of Unipol and UnipolSai, on 29 June 2017 – through the concentration under UnipolSai, in one or more phases, provided the terms and conditions are met, of all investments in insurance companies held by Unipol, through the transfer of the same. In particular, this process involved:

- an initial phase concerning the sale of the shares held by Unipol in Linear S.p.A. and in UniSalute S.p.A. to UnipolSai, concluded on 16 November 2017 (see the Information Document pursuant to Article 71 of the Issuers' Regulation published by Unipol on 30 November 2017);
- a second phase concerning the transfer of the shares held by Unipol Group in Arca Vita S.p.A., equal to 63.39% of the share capital of the latter, to the subsidiary UnipolSai; this phase was launched following negotiations for the modification and renewal of the bancassurance agreements, signed with BPER Banca S.p.A. and Banca Popolare di Sondrio S.c.p.a. on 8 November 2017. In this regard, it should be noted that on 22 March 2018, the Boards of Directors of Unipol and UnipolSai, each to the extent of their competence, approved the transfer of the aforementioned shares, after obtaining the necessary legal authorisation (see press release published by Unipol on 22 March 2018).

The completion of this second phase, also following the sale of the Investment, may (i) on the one hand, strengthen UnipolSai's offer in the bancassurance channel, reaffirming its presence as a leading operator in the Life bancassurance segment and extending its offer to the Non-Life segment, and (ii) on the other hand, facilitate the development process aimed at ensuring the constant adequacy of the product offer of Arca Vita S.p.A. and the subsidiary Arca Assicurazioni S.p.A., also in light of the opportunities offered by technological innovation and considering the developments on the reference market.

#### **3.2 Impact of the Transaction on the strategic guidelines relating to commercial and financial relationships and provision of centralised services between the companies of the Unipol Group**

The Transaction does not have any impact on the strategic guidelines relating to the commercial and financial relationships and provision of centralised services between the companies of the Unipol Group, except as described above with regard to the New Outsourcing Agreements (see section 2).

**4. ECONOMIC AND FINANCIAL DATA RELATING TO THE ASSETS ACQUIRED OR TRANSFERRED**

Not applicable since the transaction concerns the sale of an equity investment.

## **5. PRO-FORMA ECONOMIC AND FINANCIAL DATA OF THE COMPANY**

### **5.1 Illustration of the economic and financial effects of the Transaction**

#### **Introduction**

This section contains the statements relating to the Consolidated Pro-Forma Balance Sheet, the Consolidated Pro-Forma Income Statement, and the Consolidated Pro-Forma Statement of Comprehensive Income of the Unipol Group for the financial year ended 31 December 2017 and the related explanatory notes (the "Consolidated Pro-Forma Statements") prepared to represent the main effects of the sale, completed on 29 March 2018, to Banco BPM S.p.A. ("Banco BPM") of the stake held by the subsidiary UnipolSai Assicurazioni S.p.A. ("UnipolSai") in Popolare Vita S.p.A. ("Popolare Vita"), as described in section 2 of this Information Document (the "Sale").

The Consolidated Pro-Forma Statements have been prepared according to valuation criteria consistent with the historical data and in compliance with the reference legislation, making the necessary pro-forma adjustments to the Consolidated Financial Statements to retroactively reflect the significant effects of the Sale. In particular, based on the provisions of CONSOB Communication DEM/1052803 of 5 July 2001, these effects were reflected retroactively in the Consolidated Pro-Forma Balance Sheet as if the Sale has taken place on 31 December 2017 and, in the Consolidated Pro-Forma Income Statement and Consolidated Pro-Forma Statement of Comprehensive Income, as if it had taken place on 1 January 2017.

However, it should be noted that the information contained in the Consolidated Pro-Forma Statements represents, as mentioned above, a simulation provided for illustrative purposes only, of the possible effects that may arise from the Sale. In particular, since the pro-forma data is elaborated to retroactively reflect the effects of subsequent transactions, despite compliance with commonly accepted rules and the use of reasonable assumptions, there are limits related to the nature of the pro-forma information. Therefore, it should be noted that:

- had the Transaction actually taken place on the hypothesized dates, the data shown in the Consolidated Pro-Forma Statements might not have necessarily been obtained;
- considering the different purposes of the pro-forma data compared to the historical balance sheet data and the different methods for calculating the effects of the Transaction and the related financial transactions with reference to the Consolidated Pro-Forma Balance Sheet, the Consolidated Pro-Forma Income Statement, and the Consolidated Pro-Forma Statement of Comprehensive Income, these documents should be read and interpreted without looking for accounting links between the same;
- the pro-forma data does not reflect forward-looking data since prepared such as to represent the isolable and objectively measurable effects of the Sale, without taking into account potential effects due to changes in management policies and operational decisions after the transaction. Consequently, it should be noted that the Consolidated Pro-Forma Statements shown below do not intend in any way to represent a forecast of the future results of the Unipol Group and therefore must not be used for such purpose.

It should also be noted that the Consolidated Pro-Forma Statements must be read together with the Consolidated Financial Statements at 31 December 2017 of the Unipol Group.

#### **Accounting standards and basis of preparation used**

The Consolidated Pro-Forma Statements were drawn up on the basis of:

- the Consolidated Balance Sheet, Income Statement and Statement of Comprehensive Income extracted from the Consolidated Financial Statements of the Unipol Group at 31 December 2017, approved by the Board of Directors of Unipol Group S.p.A. on 22 March 2018;
- the pro-forma adjustments made to take into account the effects of the Sale.

The Consolidated Financial Statements of the Unipol Group at 31 December 2017, prepared in accordance with the international accounting standards (IAS/IFRS) adopted by the European Union, were drawn up in compliance with the provisions of Article 154-*ter* of Legislative Decree No. 58/1998 and ISVAP Regulation No. 7 of 13 July 2007.

In the Consolidated Financial Statements of the Unipol Group at 31 December 2017, assets and liabilities relating to the Popolare Vita Shares and its subsidiary Lawrence Life were presented in compliance with the provisions of IFRS 5. In particular, in the Consolidated Balance Sheet, the assets of the company being sold were reclassified under the single item “Non-current assets held for sale or disposal groups”, while the corresponding liabilities were likewise classified under the single item “Liabilities of a disposal group held for sale”. Both items were shown net of intercompany transactions.

The Consolidated Financial Statements of the Unipol Group at 31 December 2017, approved by the Board of Directors of Unipol S.p.A. on 22 March 2018, were audited by PricewaterhouseCoopers S.p.A., which issued its report on 1 April 2018.

As regards the accounting standards adopted by the Unipol Group for the preparation of the consolidated historical data, please refer to the explanatory notes to the Consolidated Financial Statements at 31 December 2017.

The Consolidated Pro-Forma Statements are presented using the same structure adopted for the preparation of the consolidated financial statements, envisaged by ISVAP Regulation No. 7 of 13 July 2007 as subsequently amended and integrated, although presented in summary form.

The Consolidated Pro-Forma Statements, shown below, are composed as follows:

- the first column shows the amounts presented in the Consolidated Financial Statements of the Unipol Group at 31 December 2017;
- the second column, entitled “Pro-forma adjustments for the sale of the Popolare Vita Shares”, shows:
  - i) the effects deriving from the deconsolidation of Popolare Vita and Lawrence Life, referring to the exclusion of the assets, liabilities, revenues and expenses at 31 December 2017 attributable to Popolare Vita and Lawrence Life from the consolidation scope of the Unipol Group, as well as the recognition of receivables and payables, revenues and costs relating to transactions between the companies of the Unipol Group and Popolare Vita and Lawrence Life which were eliminated in the Consolidated Financial Statements at 31 December 2017 as intercompany transactions and which, following the Sale, will be attributable to third parties to the Unipol Group;
  - ii) the other effects deriving from the Sale, including the collection of the Sale Price.

## Consolidated Pro-Forma Balance Sheet at 31 December 2017– Assets

<i>amounts in € millions</i>	Unipol Group Consolidated at 31/12/2017	Pro-forma adjustments for the sale of the Popolare Vita Shares	Consolidated Pro- Forma Total 31/12/2017
<b>Intangible assets</b>	<b>1,976.9</b>		<b>1,976.9</b>
Goodwill	1,581.7		1,581.7
Other intangible assets	395.1		395.1
<b>Property, plant and equipment</b>	<b>1,872.1</b>		<b>1,872.1</b>
Property	1,617.7		1,617.7
Other items of property, plant and equipment	254.3		254.3
<b>Technical provisions –reinsurers’ share</b>	<b>874.5</b>	<b>0.0</b>	<b>874.5</b>
<b>Investments</b>	<b>69,397.7</b>		<b>69,397.7</b>
Investment property	2,199.1		2,199.1
Investments in subsidiaries and associates and interests in joint ventures	90.3		90.3
Held-to-maturity investments	864.2		864.2
Loans and receivables	15,517.5		15,517.5
Available-for-sale financial assets	44,482.3		44,482.3
Financial assets at fair value through profit or loss	6,244.3		6,244.3
<b>Sundry receivables</b>	<b>2,854.3</b>	<b>3.5</b>	<b>2,857.8</b>
Receivables relating to direct insurance business	1,426.2		1,426.2
Receivables relating to insurance business	105.6	0.1	105.7
Other receivables	1,322.5	3.5	1,325.9
<b>Other assets</b>	<b>12,366.0</b>	<b>-10,465.1</b>	<b>1,900.9</b>
Non-current assets held for sale or disposal groups	10,569.0	-10,465.1	103.9
Deferred acquisition costs	85.0		85.0
Deferred tax assets	1,001.2		1,001.2
Current tax assets	14.0		14.0
Other assets	696.8	0.0	696.8
<b>Cash and cash equivalents</b>	<b>631.5</b>	<b>535.5</b>	<b>1,167.0</b>
<b>TOTAL ASSETS</b>	<b>89,972.9</b>	<b>-9,926.0</b>	<b>80,046.9</b>

**Consolidated Pro-Forma Balance Sheet at 31 December 2017 – Equity and Liabilities**

<i>amounts in € millions</i>	Unipol Group Consolidated at 31/12/2017	Pro-forma adjustments for the sale of the Popolare Vita Shares	Consolidated Pro- Forma Total 31/12/2017
<b>Equity</b>	<b>7,453.0</b>	<b>90.7</b>	<b>7,543.7</b>
<b>attributable to the Group</b>	<b>5,486.1</b>	<b>233.7</b>	<b>5,719.8</b>
<b>attributable to non-controlling interests</b>	<b>1,966.9</b>	<b>-143.0</b>	<b>1,823.9</b>
<b>PROVISIONS</b>	<b>460.3</b>		<b>460.3</b>
<b>TECHNICAL PROVISIONS</b>	<b>53,426.8</b>		<b>53,426.8</b>
<b>FINANCIAL LIABILITIES</b>	<b>16,399.7</b>		<b>16,399.7</b>
Financial liabilities at fair value through profit or loss	2,488.7		2,488.7
Other financial liabilities	13,911.0		13,911.0
<b>PAYABLES</b>	<b>908.4</b>	<b>0.3</b>	<b>908.7</b>
Payables arising from direct insurance business	148.1		148.1
Payables arising from reinsurance business	96.6		96.6
Other payables	663.7	0.3	663.9
<b>OTHER LIABILITIES</b>	<b>11,324.6</b>	<b>-10,017.0</b>	<b>1,307.6</b>
Liabilities associated with disposal groups held for sale	10,016.5	-10,016.5	
Deferred tax liabilities	29.4		29.4
Current tax liabilities	37.9		37.9
Other liabilities	1,240.8	-0.5	1,240.3
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>89,972.9</b>	<b>-9,926.0</b>	<b>80,046.9</b>

## Consolidated Pro-Forma Income Statement at 31 December 2017

<i>amounts in € millions</i>	Unipol Group Consolidated at 31/12/2017	Pro-forma adjustments for the sale of the Popolare Vita Shares	Consolidated Pro- Forma Total 31/12/2017
Net premiums	11,262.9	-685,9	10,577.1
Fee and commission income	172.9	-23,0	149.9
Gains and losses on financial instruments at fair value through profit or loss	126.0	-92,8	33.2
Gains on investments in subsidiaries and associates and interests in joint ventures	7.0		7.0
Gains on other financial instruments and investment property	2,625.9	-179,4	2,446.5
Other revenue	467.5	5,8	473.3
<b>Total revenue and income</b>	<b>14,662.3</b>	<b>-975,3</b>	<b>13,687.0</b>
Net charges relating to claims	-9,621.1	833,5	-8,787.6
Fee and commission expenses	-43.9	10,3	-33.6
Losses on investments in subsidiaries and associates and interests in joint ventures	-4.3		-4.3
Losses on other financial instruments and investment property	-1,739.8	2,1	-1,737.6
Operating expenses	-2,736.4	35,2	-2,701.2
Other costs	-695.9	14,6	-681.3
<b>Total costs and expenses</b>	<b>-14,841.3</b>	<b>895,7</b>	<b>-13,945.7</b>
<b>Pre-tax profit (loss) for the year</b>	<b>-179.1</b>	<b>-79,6</b>	<b>-258.7</b>
Income tax	10.0	22,9	32.9
<b>POST-TAX PROFIT (LOSS) FOR THE YEAR</b>	<b>-169.0</b>	<b>-56,7</b>	<b>-225.8</b>
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS			
<b>Consolidated profit (loss) for the year</b>	<b>-169.0</b>	<b>-56,7</b>	<b>-225.8</b>
<i>attributable to the Group</i>	<i>-345.8</i>	<i>-21,2</i>	<i>-367.0</i>
<i>attributable to non-controlling interests</i>	<i>176.8</i>	<i>-35,6</i>	<i>141.2</i>

**Consolidated Pro-Forma Statement of Comprehensive Income at 31 December 2017 – Net Amounts**

<i>amounts in € millions</i>	Unipol Group Consolidated at 31/12/2017	Pro-forma adjustments for the sale of the Popolare Vita Shares	Consolidated Pro- Forma Total 31/12/2017
<b>CONSOLIDATED PROFIT (LOSS)</b>	<b>-169.0</b>	<b>-56.7</b>	<b>-225.8</b>
Other income net of taxes not classified in the income statement	-14.7	0.0	-14.7
Other income net of taxes reclassified in the income statement	153.4	9.8	163.2
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>138.7</b>	<b>9.8</b>	<b>148.5</b>
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME</b>	<b>-30.4</b>	<b>-46.9</b>	<b>-77.3</b>
<i>attributable to the Group</i>	<i>-200.2</i>	<i>-17.5</i>	<i>-217.7</i>
<i>attributable to non-controlling interests</i>	<i>169.8</i>	<i>-29.4</i>	<i>140.4</i>

**Method for determining the pro-forma adjustments**

As regards the Consolidated Pro-Forma Balance Sheet, following the deconsolidation of Popolare Vita and Lawrence Life as a result of the Sale:

- assets for Euro 10,465.1 million (comprising the total assets of the companies subject to the Sale) were eliminated, while Euro 3.5 million was reinstated with regard to intercompany transactions, for a total of Euro 10,461.6 million;
- liabilities for Euro 10,020.3 (comprising the total liabilities of the companies subject to the Sale) were eliminated, while Euro 3.5 million was reinstated with regard to intercompany transactions, for a total of Euro 1,016.8 million.

Taking into account the consideration collected for the Sale:

- Euro 535.5 million was recognised under the item Cash and cash equivalents as the contractually defined consideration, not subject to subsequent adjustment mechanisms except as provided in the paragraph *Representations and Warranties – Indemnity Obligations* above, for the Sale; in particular, the Purchase Agreement provided for the issue of declarations and warranties by UnipolSai to Banco BPM regarding the assets and activities of Popolare Vita, up to a maximum of 10% of the Sale price. For the purpose of the pro-forma adjustments, on basis of the information available at the date the Information Document was prepared, this indemnity was assumed to be equal to zero;
- equity attributable to the Group was increased by Euro 233.7 million, corresponding to the share attributable to Unipol (approximately 74.6%) of the positive difference (Euro 313.0 million) between the consideration collected by UnipolSai for the Sale (Euro 535.5 million) and the net value of assets and liabilities of Popolare Vita and Lawrence Life attributable to the UnipolSai Group;
- equity attributable to non-controlling interests was decreased by Euro 143.0 million, against the effect of the deconsolidation of the net assets of Popolare Vita and Lawrence Life attributable to the non-controlling interests of Popolare Vita, net of the positive difference reported in the point above attributable to minority shareholders of UnipolSai.

As regards the Consolidated Pro-Forma Income Statement, it should be noted that:

- Revenues and other income pertaining to financial year 2017 for Euro 975.3 million (including intercompany reinstatements for Euro 15.2 million) were eliminated, of which net premiums for Euro 685.9 million;
- Costs and other expenses pertaining to financial year 2017 for Euro 895.7 million (including intercompany reinstatements for Euro 15.2 million) were eliminated, of which Net charges relating to claims for Euro 833.5 million.

As regards the Consolidated Pro-Forma Comprehensive Statement of Income, it should be noted that Gains or losses on financial assets available for sale for Euro 9.8 million were eliminated, which represent the changes in 2017 in the reserve for gains or losses on financial assets available for sale relating to Popolare Vita and Lawrence Life.

As envisaged by the reference standards for the preparation of the Pro-Forma data, the following items were not recognised in the Consolidated Pro-Forma Income Statement:

- the gains deriving from the Sale, since non-recurring income strictly related to the Sale;
- interest income on the use of the financial resources deriving from the Sale for the period 1 January 2017 – 31 December 2017. For information purposes only, it should be noted that the additional financial resources deriving from the Sale, in 2017, would have resulted in greater financial income of Euro 6 million for the Unipol Group (Euro 4 million net of the tax effect).

#### **Assumptions considered and standards used to elaborate the pro-forma data**

The accounting standards adopted for the preparation of the Consolidated Pro-Forma Statements are the same as those used for the preparation of the Consolidated Financial Statements at 31 December 2017 of the Unipol Group, namely the international accounting standards (IAS/IFRS) adopted by the European Union.

#### **5.2 Pro-forma indicators per Unipol share**

The following table show, comparatively, earnings by type of share on an historical and pro-forma basis.

	<b>Unipol Group historical data 31/12/2017</b>	<b>Unipol Group pro-forma data 31/12/2017</b>
Profit/(loss) attributed to ordinary shares (millions of Euros)	-345.8	-367.0
Weighted average of outstanding ordinary shares in the year (number of shares/millions)	710.3	710.3
<b>Basic and diluted earnings/losses per ordinary share (Euros per share)</b>	<b>-0.49</b>	<b>-0.52</b>

**Other pro-forma indicators**

Finally, it should be noted that the Consolidated Pro-Forma Cash Flow Statement was not prepared since the information relating to the financial resources deriving from the Transaction reflected in the Consolidated Pro-Forma Statements, and the operating cash flows are substantially evident in the context of the individual pro-forma adjustments.

**5.3 Independent Auditors' report on the pro-forma financial and economic data**

The report prepared by the auditing firm PricewaterhouseCoopers S.p.A. concerning the examination of the Consolidated Pro-Forma Statements contained in section 5 is attached hereto.

## **6. OUTLOOK OF THE COMPANY AND ITS GROUP**

### **6.1 General indications regarding the business performance of the Unipol Group since the year end of the last published financial statements**

During the period after 31 December 2017, there were no significant changes to the global macroeconomic framework, although tensions triggered by the escalation of trade tariffs between the US and China are affecting the financial markets and stock listings in particular, which show increased volatility.

In this context, the financial management of the Group remains focused on balancing asset and liabilities, optimising the risk return profile of the portfolio and pursuing the selective diversification of risks.

With regard to the overall performance of the businesses in which the Group operates, there is nothing significant to report.

#### **6.1.1 Performance of the manufacturing and commercial sector since the year end of the last published financial statements**

Not applicable.

#### **6.1.2 Performance of the banking business since the year end of the last published financial statements**

In implementation of the streamlining plan for the banking business, announced to the market on 28 July 2017 and described in the Integrated Report on operations relating to the consolidated financial statements at 31 December 2017 (which should be referred to for more information), on 1 February 2018 the proportional partial demerger (the "**Demerger**") of Unipol Banca S.p.A. ("**Unipol Banca**") became effective concerning the transfer of a business unit containing, among other things, a portfolio of gross non-performing loans equal to approximately Euro 2.9 billion to the newly created UnipolReC S.p.A., operating in debt collection pursuant to Article 115 of Royal Decree No. 773 of 18 June 1931 (Consolidated Law on Public Security), an instrumental company belonging to the Unipol Banking Group held by Unipol for 57.75% and by UnipolSai for 42.25%.

On 31 January 2018, prior to the effective date of the aforementioned Demerger, Unipol and UnipolSai granted Unipol Banca a shareholders loan of Euro 173 million and Euro 127 million, respectively, for a total of Euro 300 million, which, as envisaged by the demerger project, was included in the business unit transferred to UnipolReC.

Unipol Banca transferred net equity of Euro 313.2 million to UnipolReC consisting of share capital for Euro 290.1 million and capital reserves for approximately Euro 23 million. As a result of the demerger, the share capital and the capital reserves of Unipol Banca were reduced by a corresponding amount, without changing the number of outstanding Unipol Banca shares, since without nominal value.

As regards the overall performance of the banking business after the financial statements at 31 December 2017, operations continued regularly and there are no significant events to report.

#### **6.1.3 Performance of the insurance business since the year end of in the last published financial statements**

In the first quarter of 2018, as already mentioned, the streamlining project for the insurance business of the Unipol Group launched in 2017 continued; in particular, the Boards of Directors of Unipol and UnipolSai held on 22 March 2018 approved, each to the extent of their competence, the transfer of the investment in Arca Vita S.p.A held by Unipol to UnipolSai, after obtaining the necessary legal authorisation, for a consideration of Euro 475 million.

On 22 February 2018, UnipolSai launched the listing of a subordinated bond loan worth Euro 500 million for qualified investors only. The loan, recognised under Tier 2 own funds for the purposes of the Solvency II regulations, was issued on 1 March 2018, out of the Company

programme entitled “€3,000,000,000 Euro Medium Term Notes”, and provides for the payment of a coupon equal to 3.875%, a spread on the benchmark interest rate of 274.5 basis points and is listed on the regulated market of the Luxembourg Stock Exchange.

In the Non-Life insurance business, in a market environment that remains strongly competitive, the Unipol Group has undertaken marketing initiatives and settlement policies aimed at maintaining technical margins in line with the objectives of the 2016–2018 Strategic Plan.

In the Life insurance business, excluding Popolare Vita, the Sale of which was completed on 29 March 2018, the Unipol Group recorded a growth in turnover in the first months of the year.

## **6.2 Information regarding the business outlook of the current year**

After a 2017 in which the Unipol Group recorded a normalised Consolidated Net Profit of Euro 655 million (a loss of Euro 169 million including the one-off effects of the streamlining plan for the Group’s banking business), the Consolidated Operating Result for the current year, except in case of unforeseeable events also linked to the context of reference, is expected to be significantly positive.

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## STATEMENT OF THE MANAGER IN CHARGE OF FINANCIAL REPORTING

The undersigned Maurizio Castellina, as Manager in charge of financial reporting for Unipol Group S.p.A., hereby certifies, pursuant to Article 154-*bis*, Paragraph 2, of the Consolidated Law on Finance, that the information contained in this Information Document, other than the Pro-Forma Data, corresponds to the accounting records, ledgers and documents.

Bologna, 13 April 2018

signed by Maurizio Castellina  
(Manager in charge of financial reporting)

## **ANNEX**

### **Annex "A"**

Independent Auditors' Report on the pro-forma economic and financial data.



**UNIPOL GRUPPO SPA**

**RELAZIONE SULL'ESAME DEL DOCUMENTO  
"PROSPETTI DELLA SITUAZIONE PATRIMONIALE-  
FINANZIARIA CONSOLIDATA PRO-FORMA AL 31  
DICEMBRE 2017, DEL CONTO ECONOMICO  
CONSOLIDATO PRO-FORMA, DEL CONTO ECONOMICO  
CONSOLIDATO COMPLESSIVO PRO-FORMA PER  
L'ESERCIZIO CHIUSO AL 31 DICEMBRE 2017 E  
RELATIVE NOTE ESPLICATIVE DI UNIPOL GRUPPO  
SPA"**

## RELAZIONE DELLA SOCIETÀ DI REVISIONE

Al Consiglio di Amministrazione di  
Unipol Gruppo SpA

1. Abbiamo esaminato la situazione patrimoniale-finanziaria consolidata pro-forma al 31 dicembre 2017, il conto economico consolidato pro-forma, il conto economico consolidato complessivo pro-forma per l'esercizio chiuso al 31 dicembre 2017 di Unipol Gruppo SpA (di seguito la **"Società"**), corredati dalle note esplicative (di seguito i **"Prospetti Pro-forma"**). I Prospetti Pro-forma derivano dai dati storici relativi al bilancio consolidato della Società per l'esercizio chiuso al 31 dicembre 2017 (di seguito il **"Bilancio Consolidato"**), nonché dalle scritture di rettifica pro-forma a essi applicate e da noi esaminate.

Il Bilancio Consolidato è stato da noi assoggettato a revisione contabile a seguito della quale è stata emessa la relazione datata 1 aprile 2018.

I Prospetti Pro-forma sono stati redatti sulla base delle ipotesi descritte nelle relative note esplicative per riflettere retroattivamente i principali effetti connessi alla cessione, perfezionatasi in data 29 marzo 2018, della partecipazione, detenuta dalla controllata UnipolSai Assicurazione SpA, in Popolare Vita SpA (di seguito la **"Cessione"**).

2. I Prospetti Pro-forma sono stati predisposti ai fini dell'inclusione degli stessi nel documento informativo da redigersi, per effetto della Cessione, ai sensi dell'art. 71 del Regolamento Emittenti adottato dalla Consob con delibera n. 11971 del 14 maggio 1999 e successive modificazioni ed integrazioni.

L'obiettivo della redazione dei Prospetti Pro-forma è quello di rappresentare, secondo criteri di valutazione coerenti con i dati storici e conformi alla normativa di riferimento, gli effetti della Cessione sulla situazione patrimoniale della Società come se essa fosse virtualmente avvenuta il 31 dicembre 2017 e, per quanto si riferisce ai soli effetti economici, il 1° gennaio 2017. Tuttavia, va rilevato che, qualora la Cessione fosse realmente avvenuta alle date ipotizzate, non necessariamente si sarebbero ottenuti gli stessi risultati rappresentati nei Prospetti Pro-forma.

La responsabilità della redazione dei Prospetti Pro-forma compete agli Amministratori della Società. È nostra la responsabilità della formulazione di un giudizio professionale sulla ragionevolezza delle ipotesi adottate dagli Amministratori per la redazione dei Prospetti Pro-forma e sulla correttezza della metodologia da essi utilizzata per l'elaborazione dei Prospetti Pro-forma. Inoltre, è nostra la responsabilità della formulazione di un giudizio professionale sulla correttezza dei criteri di valutazione e dei principi contabili utilizzati.

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### **PricewaterhouseCoopers SpA**

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wührer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

3. Il nostro esame è stato svolto secondo i criteri raccomandati dalla Consob nella comunicazione n. 1061609 del 9 agosto 2001 per la verifica dei dati pro-forma ed effettuando i controlli che abbiamo ritenuto necessari per le finalità dell'incarico conferitoci.
4. A nostro giudizio, le ipotesi di base adottate dalla Società per la redazione dei Prospetti Pro-forma sono ragionevoli e la metodologia utilizzata per l'elaborazione dei predetti prospetti è stata applicata correttamente per le finalità informative descritte in precedenza. Inoltre, riteniamo che i criteri di valutazione ed i principi contabili utilizzati per la redazione dei Prospetti Pro-Forma siano corretti.

Milano, 13 aprile 2018

PricewaterhouseCoopers SpA



Matteo Colombo  
(Partner)

**Unipol Gruppo S.p.A.**

Registered Office:  
Via Stalingrado 45  
40128 Bologna (Italia)  
unipol@pec.unipol.it  
tel. +39 051 5076111  
fax +39 051 5076666

Share capital  
€ 3.365.292.408,03 fully paid-up  
Bologna Register of Companies  
Tax and VAT No. 00284160371  
R.E.A. No. 160304

Parent company of the Unipol Insurance Group  
entered in the Register of the parent companies  
at No. 046

Parent company of the Unipol Banking Group  
entered in the Register of the banking groups

**unipol.it**



**Unipol Gruppo S.p.A.**  
Registered Office  
Via Stalingrado, 45  
40128 Bologna

[unipol.it](http://unipol.it)