(Translation from the Italian original which remains the definitive version)

Interim financial report at 30 June 2015 of Intesa Sanpaolo Vita Insurance Group

INTESA SANPAOLO VITA S.p.A.
Registered office: Corso Inghilterra 3 – 10138 Turin – Administrative offices: Viale Stelvio 55/57 – 20159 Milan – Turin company registration no. 02505650370 – Fully paid-up share capital €320,422,508.00 – Included in the register of insurance and reinsurance companies as no. 1.00066 – Parent of the Intesa Sanpaolo Vita Insurance Group, included in the register of insurance companies as no. 28 – Managed and coordinated by Intesa Sanpaolo S.p.A.

Contents

Management report

Company bodies

Board of Directors

Chairman	Luigi Maranzana
Deputy chairman	Elio Fontana
Managing director	Nicola Maria Fioravanti
Directors	Paolo Fignagnani
	Giuseppe Attanà
	Franco Gallia
	Andrea Panozzo
	Anna Torriero
	Guglielmo Weber

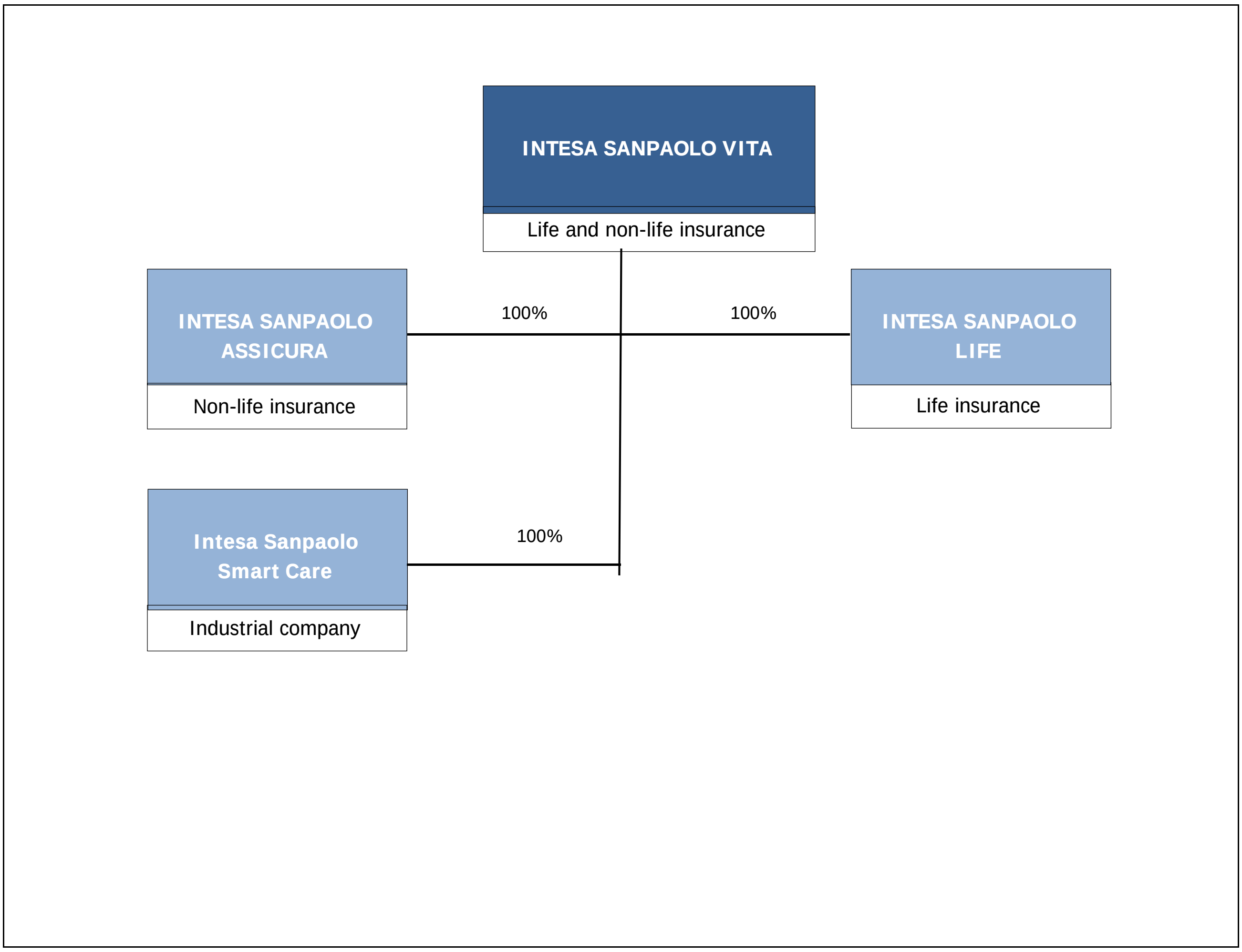
Board of Statutory Auditors

Chairman	Massimo Broccio
Standing statutory auditors	Paolo Mazzi
	Riccardo Ranalli
Alternate statutory auditors	Eugenio Mario Braja
	Patrizia Marchetti

Independent auditors

KPMG S.p.A.

Group structure



Key consolidated figures

millions €

	30-06-2015	30-06-2014	31-12-2014	Change	
Operational figures					
Gross collection	10,670.6	10,383.0	21,059.9	287.6	2.8%
Premiums of Life insurance products	262.8	191.7	409.4	71.1	37.1%
Premiums of Life financial products with DOFF	5,550.8	7,493.1	14,516.5	-1,942.3	-25.9%
Gross collection of Life insurance products without DPF	4,722.0	2,587.4	5,923.4	2,134.6	82.5%
Premiums of Non-life business	135.0	110.8	210.6	24.2	21.9%
Life new business	10,446.1	10,171.2	20,625.2	275.0	2.7%
Life Contracts	3,173,982	3,061,108	3,177,491	112,874	3.7%
Non-life Contracts	1,803,858	1,830,457	1,773,031	-26,599	-1.5%
Human Resources	538	514	543	24	4.7%
Balance sheet figures					
Investments	100,173.8	83,629.6	97,192.9	2,980.8	3.1%
- Available-for-sale financial assets	71,320.4	61,489.3	71,044.0	276.4	0.4%
- Financial assets at fair value through profit or loss	28,736.2	22,041.6	26,048.5	2,687.7	10.3%
- Other investments	117.2	98.7	100.4	16.8	16.7%
Insurance provisions	74,473.3	66,149.1	74,414.0	59.3	0.1%
- Life insurance contracts	7,009.1	6,348.2	7,605.7	-596.6	-7.8%
- Life financial contracts with DPF	62,750.0	55,162.8	60,574.6	2,175.4	3.6%
- Shadow accounting provision	4,225.7	4,154.1	5,749.5	-1,523.8	-26.5%
- Non-life insurance policies	488.5	484.0	484.2	4.3	0.9%
Financial liabilities	25,275.7	18,856.6	22,243.7	3,032.0	13.6%
- Unit-linked financial policies	23,246.9	17,185.6	20,015.3	3,231.6	16.1%
- Index-linked financial policies	436.1	634.9	448.7	-12.7	-2.8%
- Products with specific assets	-	-	-	-	0.0%
- Subordinated liabilities	1,344.2	605.1	1,337.6	6.6	0.5%
- Other liabilities	248.5	431.0	442.1	-193.5	-43.8%
Shareholders' equity	4,636.0	4,804.3	4,379.4	256.5	5.9%
- attributable to the Group	4,636.0	4,804.3	4,379.4	256.5	5.9%
- attributable to minority interests	-	-	-	-	0.0%
Income statement					
Net earned premiums	5,931.3	7,788.0	15,131.9	-1,856.6	-23.8%
Net insurance benefits and claims	6,707.3	8,361.2	16,449.1	-1,654.0	-19.8%
Net fee and commission income	65.2	50.1	121.3	15.2	30.4%
Net income from financial instruments and investments	1,451.8	1,201.0	2,363.8	250.8	20.9%
Commissions and other acquisition costs	153.3	164.3	311.2	-11.0	-6.7%
Consolidated profit	378.9	284.5	480.4	94.4	33.2%
- attributable to the Group	378.9	284.5	480.4	94.4	33.2%
- attributable to minority interests	-	-	-	-	0.0%
Ratio					
Expense ratio	*33.1%*	*33.4%*	*35.8%*	-0.3%	-0.9%
Non-life Loss ratio	*39.0%*	*49.4%*	*49.9%*	-10.4%	-21.1%
Gross collection/insurance provisions and financial liabilities	10.7%	12.2%	21.8%	-1.5%	-12.4%
Non-life combined ratio	*72.0%*	*82.8%*	*85.7%*	-10.7%	-13.0%
Net fees and commissions/financial liabilities (Index- and Unit-linked)	0.3%	0.3%	0.6%	0.0%	-1.9%

The figures at 30 June 2014 and for the six months then ended have been restated when required by the IFRS and, where necessary, to reflect changes in the consolidation scope.

Reclassified interim consolidated financial statements

Reclassified statement of financial position and income statement

millions €

	30-06-2015	31-12-2014	Change	
ASSETS				
Intangible assets	635.6	635.7	-0.0	0.0%
Tangible assets	0.8	0.6	0.2	26.2%
Amount ceded to reinsurers from insurance provisions	23.1	27.2	-4.2	-15.3%
Investments	100,173.8	97,192.8	2,981.0	3.1%
- Lands and buildings (investment properties)	19.3	19.4	-0.1	-0.4%
- Investments in subsidiaries, associates and joint ventures	-	-	-	n.a.
- Held to maturity investments	-	-	-	n.a.
- Loans and receivables	97.9	81.0	16.9	20.8%
- Available-for-sale financial assets	71,320.4	71,044.0	276.4	0.4%
- Financial assets at fair value through profit or loss	28,736.2	26,048.5	2,687.7	10.3%
Receivables	227.2	482.6	-255.4	-52.9%
Other assets	1,942.2	1,706.3	235.8	13.8%
Cash and cash equivalents	2,960.2	2,560.6	399.5	15.6%
Total assets	**105,962.9**	**102,605.8**	**3,357.0**	**3.3%**
LIABILITIES				
Shareholders' equity	4,636.0	4,379.4	256.5	5.9%
- attributable to the Group	4,636.0	4,379.4	256.5	5.9%
- attributable to minority interests	-	-	-	n.a.
Other provisions	8.4	10.6	-2.2	-21.1%
Insurance provisions	74,473.3	74,414.0	59.4	0.1%
- Life insurance contracts	7,009.1	7,605.7	-596.6	-7.8%
- Life financial contracts with DPF	62,750.0	60,574.6	2,175.4	3.6%
- Shadow accounting provision	4,225.7	5,749.5	-1,523.8	-26.5%
- Non-life insurance policies	488.5	484.2	4.3	0.9%
Financial liabilities	25,275.7	22,243.7	3,032.0	13.6%
- Index-linked financial policies	436.1	448.7	-12.7	-2.8%
- Unit-linked financial policies	23,246.9	20,015.3	3,231.6	16.1%
- Products with specific assets	-	-	-	n.a.
- Subordinated liabilities	1,344.2	1,337.6	6.6	0.5%
- Other liabilities	248.5	442.1	-193.5	-43.8%
Payables	401.3	520.8	-119.5	-22.9%
Other liabilities	1,168.2	1,037.3	130.9	12.6%
Total Shareholders' equity and liabilities	**105,962.9**	**102,605.8**	**3,357.0**	**3.3%**

millions €

	30-06-2015	30-06-2014	Change	
Net earned premiums	**5,931.3**	**7,788.0**	**-1,856.6**	**-23.8%**
- Life businesses	5,813.1	7,684.3	-1,871.2	-24.4%
- Non-life businesses	118.2	103.7	14.5	14.0%
Net insurance benefits and claims	**-6,707.3**	**-8,361.2**	**1,653.9**	**-19.8%**
Net fee and commission income	**65.2**	**50.1**	**15.1**	**30.4%**
Net income from financial instruments and investments	**1,451.8**	**1,201.0**	**250.8**	**20.9%**
- Net income from financial instruments at fair value through profit or loss	26.6	-15.6	42.2	<-100%
- Other income	1,425.2	1,216.6	208.6	17.1%
Acquisition and administration costs	**-203.7**	**-210.0**	**6.3**	**-3.0%**
- Commissions and other acquisition costs	-153.3	-164.3	11.0	-6.7%
- Other costs	-50.4	-45.7	-4.7	10.2%
Other revenues and expenses	**-2.4**	**-72.3**	**69.9**	**-96.6%**
Profit before taxes for the period	**534.9**	**395.6**	**139.3**	**35.2%**
- Income taxes	-156.0	-111.1	-44.9	40.4%
Consolidated profit after taxes	**378.9**	**284.5**	**94.4**	**33.2%**
Loss from discontinued operations	**-**	**-**	**-**	**n.d.**
Consolidated profit	**378.9**	**284.5**	**94.4**	**33.2%**
- attributable to the Group	378.9	284.5	94.4	33.2%

The figures as at and for the six months ended 30 June 2014 have been restated when required by the IFRS and, where necessary, to reflect changes in the consolidation scope.

Statement of comprehensive income

thousands €

INTESA SANPAOLO VITA S.p.A.	Total 30-06-2015	Total 30-06-2014
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**378,865**	**284,467**
Other comprehensive income after taxes without reclassification in the income statement	**334**	**-75**
Change in shareholders' equity of subsidiaries	-	-
Changes in the revaluation reserve of intangible assets	-	-
Changes in the revaluation reserve of tangible assets	-	-
Gains (losses) of non-current assets held for sale and discontinued operations	-	-
Actuarial gains (losses) arising from defined benefit plans	-	-
Other items	334	-75
Other comprehensive income after taxes with reclassification in the income statement	**-123,095**	**190,329**
Foreign currency translation differences	-40	-1
Net unrealized gains (losses) on available for sale financial assets	-123,055	190,330
Net unrealized gains (losses) on cash flow hedging derivatives	-	-
Net unrealized gains (losses) on hedge of a net investment in foreign operation	-	-
Change in shareholders' equity of subsidiaries	-	-
Gains (losses) of non-current assets held for sale and discontinued operations	-	-
Other items	-	-
TOTAL OF OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME	**-122,761**	**190,254**
TOTAL CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	**256,104**	**474,721**
of which attributable to the Group	**256,104**	**474,721**
of which attributable to minority interests	**-**	**-**

The figures for the six months ended 30 June 2014 have been restated when required by the IFRS and, where necessary, to reflect changes in the consolidation scope.

Statement of changes in equity

thousands €

INTESA SANPAOLO VITA S.p.A.		Amount as of 31-12-2013	Change in Closing Balances	Allocations	Reclassification adjustments to income statement	Transfers	Change in Profit sharing	Amount as of 30-06-2014
Shareholders' equity attributable to the Group	Share capital	320,323	-	-	-	-	-	320,323
	Other equity instruments	-	-	-	-	-	-	-
	Capital reserves	1,327,197	-	-	-	-	-	1,327,197
	Revenue reserves and other reserves	2,014,450	-	346,699	-	227	-	2,361,376
	(Own shares)	-	-	-	-	-	-	-
	Result for the period	346,699	-	-62,232	-	-	-	284,467
	Other comprehensive income	320,658	-	-240	-24,692	215,186	-	510,912
	Total attributable to the Group	**4,329,327**	**-**	**284,227**	**-24,692**	**215,413**	**-**	**4,804,275**
Shareholders' equity attributable to minority interests	Shareholder capital and reserves	-	-	-	-	-	-	-
	Result for the period	-	-	-	-	-	-	-
	Other comprehensive income	-	-	-	-	-	-	-
	Total attributable to minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total		**4,329,327**	**-**	**284,227**	**-24,692**	**215,413**	**-**	**4,804,275**

INTESA SANPAOLO VITA S.p.A.		Amount as of 31-12-2014	Change in Closing Balances	Allocations	Reclassification adjustments to income statement	Transfers	Change in Profit sharing	Amount as of 30-06-2015
Shareholders' equity attributable to the Group	Share capital	320,423	-	-	-	-	-	320,423
	Other equity instruments	-	-	-	-	-	-	-
	Capital reserves	1,328,097	-	-	-	-	-	1,328,097
	Revenue reserves and other reserves	1,660,635	-	480,844	-	-19	-	2,141,460
	(Own shares)	-	-	-	-	-	-	-
	Result for the period	480,406	-	-101,540	-	-1	-	378,865
	Other comprehensive income	589,888	-	334	-82,725	-40,370	-	467,127
	Total attributable to the Group	**4,379,449**	**-**	**379,638**	**-82,725**	**-40,390**	**-**	**4,635,972**
Shareholders' equity attributable to minority interests	Shareholder capital and reserves	-	-	-	-	-	-	-
	Result for the period	-	-	-	-	-	-	-
	Other comprehensive income	-	-	-	-	-	-	-
	Total attributable to minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total		**4,379,449**	**-**	**379,638**	**-82,725**	**-40,390**	**-**	**4,635,972**

The figures for the six months ended 30 June 2014 have been restated when required by the IFRS and, where necessary, to reflect changes in the consolidation scope.

Statement of cash flows (indirect method)

thousands €

INTESA SANPAOLO VITA S.p.A.	30-06-2015	30-06-2014
Profit (loss) before taxes for the period	**534,893**	**395,606**
Change in non-cash items	**339,985**	**8,242,561**
Change in non-life provision from unearned premium	13,688	-5,750
Change in non-life provision for outstanding claims and other insurance provisions	-5,322	3,563
Change in mathematical provisions and other life insurance provisions	-67,928	7,928,197
Change in deferred acquisition costs	42	215
Change in provisions	-2,245	-22
Non-cash income and expenses from financial instruments, investment property and equity investments	419,330	236,094
Other expenses	-17,580	80,264
Change in receivables and payables generated by operating activities	**48,300**	**-117,482**
Change in receivables and payables on direct insurance and reinsurance operations	38,923	18,022
Change in other receivables and payables	9,377	-135,504
Income taxes paid	**-156,028**	**-111,139**
Net cash generated/absorbed by cash items related to investment and financing activity	**-69,294**	**976,905**
Financial liabilities related to investment contracts	3,031,988	1,138,312
Payables to banks and customers	-	-
Loans and receivable from banks and customers	-	-
Other financial instruments at fair value through profit or loss	-3,101,282	-161,407
CASH FLOW FROM OPERATING ACTIVITY	**697,856**	**9,386,451**
Net cash generated/absorbed by lands and buildings (investment property)	83	82
Net cash generated/absorbed by equity investments in subsidiaries, associates and joint ventures	-	-
Net cash generated/absorbed by loans and receivable	-16,926	-1,050
Net cash generated/absorbed by held to maturity investments	-	-
Net cash generated/absorbed by available for sale financial assets	-282,194	-6,841,416
Net cash generated/absorbed by tangible and intangible assets	-	-
Other cash generated/absorbed by investment activity	-	-
CASH FLOW FROM INVESTING ACTIVITY	**-299,037**	**-6,842,384**
Net cash generated/absorbed by Group's share capital and equity instruments	713	151
Net cash generated/absorbed by own shares	-	-
Dividends payment	-	-
Net cash generated/absorbed by minority interests' share capital and reserves	-	-
Net cash generated/absorbed by subordinated liabilities and participative financial instruments	-	-
Net cash generated/absorbed by other financial liabilities	-	-
CASH FLOW FROM FINANCING ACTIVITY	**713**	**151**
Effect of foreign-exchange differences on cash and cash equivalents		-
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	2,560,638	2,117,695
INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	**399,532**	**2,544,218**
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	2,960,170	4,661,913

The figures for the six months ended 30 June 2014 have been restated when required by the IFRS and, where necessary, to reflect changes in the consolidation scope.

Reference context and Group performance

The external context

The macroeconomic scenario

The international economic climate and the Italian economy

The global economy continued to grow slowly with a low inflation rate and accommodative monetary conditions. The drop in raw materials prices has benefitted the advanced economies to the detriment of the countries exporting these commodities, especially energy products. The dollar's appreciation in the currency markets has assisted the Eurozone manufacturers, disadvantaging those based in the US and other countries whose currencies are more closely tied to the dollar. Some major emerging countries (namely, China, Brazil and Russia) are experiencing a downturn in their economies, which has affected international trade.

The economic indicators show that Eurozone growth remained stable in the second quarter after picking up speed at the start of the year. Confidence in all business sectors is stable. The annual industrial production growth rate slowed down in the period from March to May as did exports. Unemployment improved slightly to 11.1%.

The ECB continued its securities purchase programme announced in March. At 30 June 2015, purchases of government bonds alone totalled €174 billion, including €31.6 billion related to Italian government bonds. However, the effects on the interest rate curve seemed to have expired at the end of April when there was a sharp reversal in the downward trend seen up until then. At the end of the second quarter, the ten-year German bund yield had jumped to 0.77% from 0.185% at 31 March 2015. The ten-year Italian treasury bond (BTP) yield rose from 1.25% to 2.31%, an increase magnified by the concerns about the worsening Greek crisis, which led to a small rise in risk premiums on the Italian curve as well. The Greek government rejected all the offers to extend the second bailout package, which ended on 30 June, and was unable to honour its payment commitments with the IMF on the same day. Shortly before this, the serious liquidity crisis had forced the local monetary authorities to close the banks and introduce capital movement restrictions. However, overall, there was little sign of contagion. Moreover, an agreement was reached for a new package after 30 June.

The negative yield on deposits and increased excess reserves on the money market have squeezed interest rate levels again. The 1-month Euribor rate has been negative since 26 February and ended the second quarter at -0.064%. The 3-month rate started the year at 0.08%, falling to -0.016% at the end of June.

In Italy, the extremely positive confidence indicators were accompanied by a return to growth (+0.3% QoQ) of the GDP in the first quarter of the year, mainly due to internal demand rather than exports. Growth is expected to have continued into the second quarter: confidence indictors improved again from March to June while industrial production increased from March to May. Despite the temporary weaknesses identified in the national accounts for the first quarter, exports have been assisted by the weak Euro. In addition, lower energy prices increased the operating margins of companies and households' real income. Employment remained stagnant after the rise in 2014, but more permanent positions were filled than in the past and have increased as a percentage of total employment. Inflation was negative throughout the quarter, with the lowest points seen in January followed by an increase partly due to fuel prices.

The financial markets in the first half of 2015

The international stock markets began the year well. The Euro's sharp depreciation on the currency markets was accentuated in March when the ECB launched its QE programme, mainly affecting the Eurozone stock markets, and especially the export-driven sectors working with areas using the US dollar.

As well as this currency factor, there was a strong drop in oil prices, which had a positive impact on the disposable income of consumers and should also have a favourable effect on the profit margins of industrial companies. The macro data for the first quarter of the year show that the economy is recovering, bolstered by expansionary monetary policies that have triggered a recovery in the Eurozone's credit cycle.

After peaking in April, the Eurozone's share indices have seen share prices fall following the gradual worsening of the Greek crisis. In addition, political risk is again centre-stage due to the growth of anti-EU political movements in many European countries and uncertainties about the November elections in Spain.

The effect of the stalemate in negotiations between Greece and the European institutions on the stock markets was more visible in the final trading sessions of the period, with an increase in bond yields, wider spreads in peripheral countries and a return to risk aversion by investors.

The Eurostoxx index ended the period up 11.0%, as did the DAX 30 (up 11.6%), while the CAC 40 ended the period up 12.1%. The Spanish market achieved more modest performances with the IBEX 35 index gaining just 4.8%. Outside the Eurozone, the Swiss SMI index fell slightly (-2.2%), while the English FTSE 100 index closed the period with just a slight contraction (-0.7%).

The S&P 500 index ended the period unchanged (+0.2%), while the leading stock markets in Asia performed well on the whole. The Chinese SSE A-Share benchmark index ended the six months very positively (up 32.2%) while the Nikkei 225 index grew 16%.

The Italian stock market performed very satisfactorily in the period, better than the Eurozone's main indices. This was assisted by a gradual recovery in the economy, the favourable effect of the exchange rate on exports to areas that use the dollar, the fall in yields and in the BTP-bund spread and, more generally, by investors' greater risk appetite for Italy. The FTSE MIB index ended the period up 18.1%, while the FTSE Italia All Share index did slightly better at +19.1%. Mid cap shares performed very well with the FTSE Italia STAR index up 30.1% at 30 June 2015.

The corporate bonds market ended the period negatively due to high volatility and especially concerns about the unfolding crisis in Greece.

During the early part of the year, the ECB's announcement of its securities purchase programme had led to a large reduction in yields on investment grade (IG) and high yield (HY) bonds despite the exclusion of corporate securities from the programme's list. This trend reversed dramatically at the start of March when it was realised that yields had come under too much pressure and trading on the primary markets intensified. This correction then changed again, mostly due to the ECB's purchase programme. The second quarter of the year was characterised by the impending initial rise in interest rates by the Federal Reserve and especially the growing fears about the Greek crisis. The difficult negotiations with international creditors were the main factors that negatively affected spreads, mostly in June.

There was a generalised rise in spreads on the markets in a context of growing volatility, up 23% and 6% for the IG and HY securities, respectively, from the start of the year. The better performance by the HY securities was due to the investors' search for yields in a context of continued low rates. In addition, the increased lack of liquidity on the secondary market, caused by operators' concerns as well as a regulation that somewhat limited the market's capacity to readily absorb excess offer, contributed to the volatile situation.

In sectorial terms, the issues of the sustainability of Greek debt translated into underperformance of financial securities, while in the more speculative area, higher levels of risk aversion resulted in negative performances by securities with lower credit ratings (CCC and lower).

Despite the slowdown towards the end of the period, new issues benefited from favourable lending conditions and investors seeking yields. This led to intense trading on the primary market, helped by euro issues by American companies aiming to exploit the low lending conditions, and to an increase in issues of subordinated securities. Low interest rates also led to an increase in operations to optimise their financial structuring by individual companies, which repurchased outstanding securities and replaced them with securities with longer maturities and more favourable conditions.

Emerging economies and financial markets

Statistics for the first half of the year confirmed the consensus forecast of a slowdown in the growth of emerging counties in 2015. The GDP of a sample covering 75% of the emerging countries for the first quarter of the year decreased to 3.9% from 4.4% in the fourth quarter of 2014. The slowdown was particularly visible in Latin America (mainly due to the worsening of the recession in Brazil where its GDP decreased by 1.6% year-on-year) and in the CIS countries, where the continuing phase of geopolitical tensions caused a recession in Russia (GDP -2.2%) and accelerated the decline in Ukraine (-17.2%). GDP growth also slowed in Asia, although it maintained a sustained pace (from +7% in the fourth quarter of 2014 to +6.6% in the first quarter of 2015). Many CEE/SEE countries bucked the trend, benefiting from the recovery of the cycle in Europe.

With specific regard to countries with ISP subsidiaries, the figures for the first quarter of the year showed an acceleration of the GDP on the previous quarter in Hungary (+3.5%), Slovakia (+3.1%), Slovenia (+2.9%), Croatia (+0.5%) and Romania (+4.4%). Serbia recorded a downturn equal to that of the previous three months (-1.8%). Preliminary estimates for the MENA area shows that Egypt's GDP slowed to around 3% in the first quarter of 2015 mainly as a result of a less favourable base effect.

The same sample of 75% of the emerging countries shows that industrial production slowed down again in the second three months of the year. The year-on-year growth rate decreased from 2.9% in the first quarter to 2.3% for April and May. Industrial production in countries with ISP subsidiaries contracted significantly in Ukraine (-21.2%) and Russia (-4.9%), slowed down markedly in Romania (+0.7% from +4.4% in the first quarter) while it improved considerably in Serbia (+8.8% from -1.8% thanks to the favourable comparison with the flooding of Spring 2014) and stepped up in Hungary (+6.3% from 3.5%) and Croatia (+2.8% from +0.5%) in the same two-month period.

With respect to the BRIC countries, the PMI (Purchasing Managers' Index) reported expectations of a drop in business in Russia (48.7), China (49.4) and Brazil (46.5) in June 2015 as well as expansion in India (51.3). Similarly, it indicated expectations of a radical contraction in Brazil (39.9), a small drop in Russia (49.5) and expansion in China (51.8) and India (52.6) also in June.

The year-on-year inflation rate for the sample rose from 4.3% in December 2014 to 5% in June 2015. This result is the combine effect of widespread depreciation in Latin America, Russia (15.3% year-on-year in June) and Ukraine (57.5% in June). Price trends were contained and negative in several of the CEE and SEE countries with ISP subsidiaries (Slovenia and Slovakia). Inflation began to rise again in Egypt (11.4% year-on-year in June with a peak of 13.1% in May), partly due to the temporary effect of the review of subsidies.
Monetary policies started to divaricate in the first half of 2015. The central banks of some countries increased interest rates to offset the rise in prices such as in Brazil (the SELIC rate rose from 11.75% at the end of 2014 to 13.75% in June 2015) and Ukraine (the benchmark rate rose from 14% to 30%). Other countries like Turkey (maximum rate cut from 11.25% to 10.75%) and Egypt (minimum rate from 9.25% to 8.75%) cut interest rates despite inflationary pressures deemed to be temporary or linked to administrative measures. The authorities of China and India eased their monetary policies in order to boost internal demand and, in China, to support share prices. The Russian central bank decreased the benchmark rate from 17% at the end of December 2014 to 11.5% at 30 June 2015 given the stabilisation of the financial markets and partial recovery of the exchange rate. The ECB's accommodating approach also created conditions favourable to widespread cuts of rates in Central and South Eastern Europe, with reductions in Romania (-100 bp to 1.75%), Hungary (-60 bp to 1.5%), Albania (-25 bp to 2%) and Serbia (-200 bp to 6%).
On the financial markets, the MSCI emerging markets equity index gained 5.6% in the first six months of the year, mainly driven by Shanghai (+32% from January to June, gains which, however, were almost completely lost after 30 June in mid July) and Moscow (+18.9%), which recovered part of the drop of 2014. These markets' strength offset the relative weakness of the markets of commodity-exporting countries in Latin America and the Middle East. With regard to countries with ISP subsidiaries, significant increases were recorded in Hungary (+31.7%) and Slovakia (+15.1%). Conversely, indices dropped significantly in Serbia (-15.2%) and Egypt (-6.2%, after gaining 31.6% in 2014).
The basket of currencies of the emerging countries lost another 2.5% on the US dollar in the period although it appreciated 5% on the Euro. Geopolitical tensions and concerns about the debt position led to a new drop in the Ukrainian hryvnia (-32.8%) while the Russian ruble, after depreciating an additional 25% in January to RUB70:USD1), then began to recover, appreciating by 1.3% in the six months (to RUB54:USD1 at the end of June). In Egypt, the authorities allowed the exchange rate to rise through two recovery phases (USD/EGP from 7.15 in May 2014 to 7.63 in January 2015 and 7.83 at the beginning of July). In the CEE and SEE countries with ISP subsidiaries, the main currencies depreciated on the US dollar but remained stable on the Euro.
On bond markets, the EMBI spread remained substantially unchanged in the period. In countries with ISP subsidiaries, the CDS spreads decreased year-on-year, through this decrease was not significant (from 2 bp in Croatia to 31 bp in Serbia), in tandem with the changes recorded in peripheral European countries. The spread narrowed significantly in Russia (-113 bp), even though in January 2015, the country lost its investment grade rating from S&P (to BB+) while it expanded slightly in Egypt (+30 bp to 340 bp). In Ukraine, where talks are underway with creditors to restructure foreign debt, the spread rocketed to over 14,000 bp, while the sovereign debt rating was repeatedly downgraded (now at CCC- for S&P).

Outlook for 2015

The recovery in the Eurozone and Italy is expected to continue, driven by low oil prices, a weak exchange rate, favourable financial conditions and marginally expansive tax policies. The Federal Reserve may begin to raise the official interest rate during the second half of the year. The ECB securities purchase programme in the Eurozone will keep medium to long-term interest rates down, and reduce their dependence on the US market, while official interest rates are expected to remain unchanged for the remainder of the year. The divergence of monetary policies could lead to a further fall in the Euro/dollar exchange rate.
The IMF lowered the growth rate of emerging economies slightly in the early July update of global economy forecasts, now estimated at 4.2% (from 4.3%) and down on the 4.6% of 2014. The slowdown reflects the negative impact of lower raw materials prices, stricter financial terms, particularly in Latin America, and geopolitical tensions. Growth in the Asian countries still remains the highest among the emerging countries but is forecast to slow down from 6.8% in 2014 to 6.6% in 2015.
With respect to countries with ISP subsidiaries, growth of 2.7% is forecast for CEE countries in 2015, a little slower than the 3.1% of 2014 - due to smaller growth in Hungary (+2.8%) and Slovenia (+2%) - while GDP performance of the SEE countries is expected to rise from +1.4% in 2014 to +2% in 2015 with acceleration in all countries of this region. In the CIS countries, a reduction in GDP in 2015 is forecast in Russia (-3.5%) and Ukraine (-10%), followed by a modest upturn in 2016, assuming that the geopolitical situation will improve and oil prices will increase slightly. The 2015 forecasts for Russia were reviewed upwards as figures for the first half of the year were less negative than expected.
Growth is expected to pick up pace steadily in Egypt thanks to the stabilised domestic political context and the recent investment support measures. GDP is forecast to increase by 4.4% in 2015.
With respect to the Italian banking sector, prospects for the remainder of 2015 include another gradual

improvement in lending as a result of the highly favourable monetary conditions, the slowdown applied to the supply side and the recovery in demand also from businesses, following the already sound upturn in applications from households. However, as an annual average, the total volume of loans is expected to decline slightly and only to rise somewhat towards the end of the year, lagging behind the economic recovery by several quarters. In addition, the prudent capital requirements and continuing high levels of non-performing loans in certain segments of the banking sector will presumably continue to affect the recovery of lending.
In terms of funding, deposits are forecast to increase slightly, while the overall performance will be affected by the households' portfolio reallocation process in favour of asset management products. On the other hand, bank's funding requirements should remain limited, given the performance of loans and the extensive refinancing available from the ECB. These factors will continue to favour the reduction in customer deposit costs. In a context of very low, where not negative, market rates, and improved credit access conditions, the loan rate environment is expected to remain more relaxed.

The domestic insurance market

Total premiums of the insurance market (life and non-life) are expected to grow again in 2015 to an estimated €156 billion, up 8.8% on 2014 and equal to 9.6% of GDP from 8.9% in the previous year. This is a further improvement on the positive performance of 2014 (+20.6%) and 2013 (+13.1%), driven by the rise in life insurance premiums, forecast to grow 12% in 2015 compared to an estimated approximate 1.9% contraction in the non-life business segment.
Non-life premiums are expected to total €32.2 billion for 2015, another drop for the fourth consecutive year due to competition in the motor third party liability segment which has led to a constant steady reduction in tariffs.
Recognised premiums of the life business are forecast to grow rapidly again in 2015 to approximately €124 billion, up 12%, after strong growth seen in 2013 (+22%) and 2014 (+30%). This is the result of a change in the product mix sold: on the one hand, there was a slowdown in class I product sales (-17.5% for estimated premiums of just above €68 billion), while on the other, sales of class III policies took off, mainly of unit-linked policies which jumped 125% for total recognised premiums of nearly €50 billion. The major market operators are focusing on the multi-class products (i.e., unit life insurance policies that combine a traditional separately managed product - class I - with a unit-linked investment fund - class III).
Total life business policies exceeded €33.5 billion for the first quarter of 2015, up 15% on the corresponding period of 2014, with new life production of €26.9 billion (+21% year-on-year). Multi-class products have gained popularity, up 65% mainly to the detriment of traditional products, which show the first signs of their decline down 8% on the first quarter of the previous year.
Premiums of the non-life business decreased again in the first three months of 2015 to roughly €7.8 billion at 31 March (-2% on 31 March 2014).
The third party liability motor insurance class premiums decreased by 6.3% to €3.6 billion for the three months compared to the first quarter of 2014, while premiums of the motor vehicle property damage class amounted to €0.6 billion, substantially in line with the corresponding period of the previous year.
The other non-life classes confirmed the upwards trend of the last few quarters at €3.6 billion of premiums for a growth rate in line with that of the first quarter of 2014 (+2.4%).
The non-life bancassurance channel saw an about-turn and grew another 13% in the first three months of 2015 with premiums of €548 million. This result was achieved thanks to the many sector operators' increased commitment to stand-alone products, especially for the motor and home segments away from the traditional credit protection products.

Action plans and business development

The action plans of the Intesa Sanpaolo Vita Group insurance companies adopted in the first half of 2015 are described below:
The parent Intesa Sanpaolo Vita:

- focused on its customers and product innovation;
- monitored its capitalisation levels and protection of its assets;
- checked its risks to reduce them and stepped up the monitoring, checking, management and development of an internal risk management culture continuing the activities for transition to Solvency II;
- concentrated on managing its financial resources and liabilities in a knowledgeable manner;
- focused on cost management;
- developed its product portfolio launching the Group's first multi-class product, "Giusto Mix".

During the period, the parent continued to develop the insurance sector, aware of its potential and importance to Intesa Sanpaolo Group, mainly through:

- focus on reaching the objectives of the 2014-2017 business plan of the insurance group and the ultimate parent, Intesa Sanpaolo;
- organising an insurance division within the ultimate parent as additional confirmation of the insurance business' importance to the Group.

Other projects were also undertaken and have mostly been completed to align the insurance group companies' strategies with those of Intesa Sanpaolo Group.
Specifically:

- The parent, Intesa Sanpaolo Vita:
  - provided commercial assistance to distribution networks, which led to a very satisfactory increase in business;
  - continued the projects to assist the ultimate parent, Intesa Sanpaolo, with a view to expanding opportunities for customer contact and service, including through both the extension of branch opening hours and out-of-branch activities;
  - integrated the pension plan business previously managed by Intesa Sanpaolo Previdenza to best harmonise pension products for customers in 2015.

- Intesa Sanpaolo Assicura undertook a number of projects aimed at increasing its role within the insurance group. In particular:
  - the non-life business was given greater importance in the Intesa Sanpaolo Group 2014-2017 business plan. Accordingly, the non-life products play a significant role as part of the "Bank 5", one of Intesa Sanpaolo Group's fundamental growth projects provided for in the business plan;
  - variations to the tariffs for the motor business were designed to be more competitive both with respect to new risks and the maintenance of existing contracts upon their renewal;
  - the company rolled out a project, agreed and developed with Intesa Sanpaolo's assistance, for the recontacting of customers that requested a quote in the past but did not purchase the related policy;
  - the "aCasaConMe" product was launched in January which provides traditional home insurance as well as the free use of a technological device to avail of the safety and security services offered by Intesa Sanpaolo SmartCare;
  - the "MotoConMe" product was made available to the branches in June: this is a new version of the motorbike policy with innovative cover of customers' assets (helmet, technical clothing, etc.) and the possibility to obtain a technological device offered by Intesa Sanpaolo SmartCare;
  - studies of the new credit protection policy were completed and this product will be on sale by the Intesa Sanpaolo network branches for loans from the autumn.

- Intesa Sanpaolo Life recorded record results in the insurance business, thanks to its offer of tailored, innovative products, like the co-investment in certain internal unit-linked funds. The internal funds' performances shored up customers' confidence. During the period, the subsidiary also continued its activities to improve its operational model and investigate whether to extend its offer to other international channels.

Thanks to the results of its strategies in line with the 2014-2017 business plan, the insurance group achieved the following in the first half of 2015:

- it maintained its leading role in the domestic life insurance sector;
- it reduced again the cost of funding and protection levels through product policies that maintained customer focus on its unit-linked products on the one hand and also maximised the return for policyholders on the other, retaining a system to protect principal upon maturity;
- it responsibly managed its resources;
- it implemented a policy to mitigate risks and improve its internal controls.

Performance

Overall performance

The **profit for the period** came to €378.9 million, an improvement of 33% on the €284.5 million for the corresponding period of 2014.
The Group achieved this result in a scenario where the financial markets performed positively for the first part of the period and was only affected by the worsening in the Greek crisis towards the end of the six months.
Concurrently, customer satisfaction with its insurance products together with the distribution network's expertise and professionalism allowed it to record production results never seen before by an insurance group.

The Group's results were attributable to an excellent operating performance, mainly characterised by:

- a increase in new life business, principally for the unit-linked products (mainly investments);
- growth in the non-life portfolio, thanks to the positive contribution of the new home product and the upturn in the credit protection policies agreed for loans;
- a rise in average assets under management, thanks to net inflows of €3,756 billion;
- steady financial income;
- careful management of operating costs.

Compared to the corresponding period of 2014, this is mainly due to the following:

- the improved net financial income, including interest income and gains on sales, with negotiations in place to maintain the returns on segregated funds;

- further progress in the technical performance of non-life business thanks to the positive contribution of the main core products, especially motor and home products, and a steady return of the credit protection business to profitability. On the other hand, a more contained negative contribution to the technical profit was seen from run-off products due to both changes made to the portfolio and its smaller size.

The net gains on financial instruments amounted to €1,452 million against €1,201 million in the corresponding period of 2014. The steady decline in market rates affected portfolio returns, especially for new investments. This trend was more than offset by the increase in assets under management and their sale given the rise in market prices thanks to the reduction in interest rates.

Comprehensive income amounted to €256.1 million (€474.7 million for the corresponding period of the previous year). This is principally an effect of the variation in the fair value reserve (other comprehensive income), which decreased by €123.1 million on the back of the rise of €190.3 million in the first half of the previous year. Thanks to the markets' performance in July, fair value improved considerably countering the above differences.

Risk management

The monitoring and steady cancellation of risks is a fundamental strategic axis for Intesa Sanpaolo Vita Group. Particular importance is given to the internal controls, which are based on the following pillars:

- the internal control environment, based on senior management's awareness of the importance of correct identifying the principal tools making up the control system, i.e.:
  - formalisation of roles, tasks and responsibilities (delegated powers, internal codes and procedures, circulation of organisational charts, segregation of duties, with the subsequent segregation of the processes sensitive to business risks);
  - internal communication system (necessary information and production times needed to generate flows and reports, timely instructions, sensitivity and receptiveness of the operating personnel);
- the risk management process, that is the ongoing process to identify and analyse those internal and external factors that may prejudice attainment of company objectives in order to manage them (risk identification, measurement and monitoring);
- the adequacy of the methods used to design, structure and effectively perform controls at the various organisational levels (line/operational, hierarchical, risk management and internal audit), essential to allow senior management to check that their instructions are being followed correctly;
- the IT system, whose objective is to ensure the integrity and completeness of the data and information used to manage and monitor the company's processes and business;
- monitoring activities carried out by the relevant persons (line managers, risk management officers, internal auditors, senior management, board of statutory auditors, independent auditors, actuaries, pension fund managers (open pension funds and individual pension plans) and, for Intesa Sanpaolo Life, the committees responsible for audit and risk, investments and accounting and reporting to ensure continuous supervision of the internal controls and to identify and implement any improvements necessary to resolve critical issues identified, ensuring the maintenance, updating and improvement of the system.

As part of the larger Intesa Sanpaolo Group, the insurance group complies with its regulations to ensure the consistent and prompt management of business risks in line with the relevant national legislation. It monitors risk management results on an ongoing basis as well as developments in internal controls to protect the interests of policyholders and the integrity of the companies' assets.

The parent's governance system is described in the corporate governance documents, presented to and approved by the Board of Directors. In addition to its by-laws, the more significant documents are:

- directives on internal controls and the annual internal controls report;
- the risk management regulation;
- the proxies and powers system (approved in advance by the parent and subsequently by the boards of directors of the group companies, as well as by the supervisory board set up in compliance with Legislative decree no. 231, the audit committee and the local regulator). This system regulates the management independence vested in the various company bodies to allow them to carry out their duties, in accordance with the organisational principles governing delegation and supervision.

The organisational structure is defined in such a manner as to guarantee the segregation of duties and responsibilities between operational functions and control units, as well as the independence of the latter from the former.

In order to strengthen supervision of company operations, the insurance group companies have set up special committees to analyse management performance, investment management, commercial management, risk management and anti-money laundering issues across the various departments.

Internal controls are structured according to the guidelines set out below:

- segregation of duties and responsibilities: duties and responsibilities are divided among company bodies in a clear manner in order to avoid gaps or overlapping powers that may impinge upon the company's proper functioning;
- formalisation: the actions of the boards of directors and delegated parties must always be documented to allow the checking of management activities and decisions taken;
- independence of controls: the necessary independence of the control structures from the operational units must be assured.

The ultimate parent's risk management and control system, also adopted by the insurance group, involves the company bodies and the operational and supervisory units in the comprehensive management of the company and the Group, whilst respecting the different roles and levels of responsibility, which are intended to guarantee the adequacy of the system as a whole at all times.

The internal controls are commensurate with the Group's size and operational characteristics and the nature and intensity of risks, like the risk management system, which is commensurate with the size, nature and complexity of the activities carried out, in order to identify, assess and monitor the most significant risks, being those whose consequences may undermine the solvency of the parent and the Group or represent a serious obstacle to the fulfilment of their objectives.

Senior management is also vested with the task of propagating a “control culture”, which ensures that staff at all levels are aware of their own roles, including in relation to control activity, and favours the involvement of all company units in the pursuit of the Group’s objectives.

The risk management strategy

Intesa Sanpaolo Vita Group is committed to implementing an efficient and high-performance risk management system given its contribution to the balanced development of the insurance group. To assist this objective:

- clear risk governance and management principles have been defined;
- risk governance and management tools have been introduced;
- a risk governance and management culture has been promoted at all levels of the insurance group.

The parent has ultimate responsibility for the definition of risk management and internal control strategies and guidelines, also in its capacity as the parent of the insurance group, and to ensure their adequacy and solidity over time with regard to their completeness, functionality and effectiveness, in line with the size and operational characteristics of the companies and the insurance group, as well as the nature and intensity of the parent’s and Group’s risks. The subsidiaries are also vested with similar prerogatives within the context of the objectives allocated to them.

Specifically, the administrative bodies of the group companies are responsible for:

- setting objectives at regular intervals, in line with the capital adequacy level and the guidelines of Intesa Sanpaolo Group as implemented by Intesa Sanpaolo Vita and its subsidiaries;
- approving risk management policies and strategies and risk tolerance levels for the parent and subsidiaries;
- regularly examining the results achieved, including those relating to stress testing activities, as well as the underlying risk profiles of the parent and the subsidiaries, as communicated by senior management and the independent risk control unit (the Risk Management Unit);
- acquiring information concerning the most significant critical issues in the area of risk management and internal controls of Intesa Sanpaolo Vita and its subsidiaries as identified by the various bodies responsible for their monitoring and control;
- the prompt assessment of the aforementioned critical issues and the implementation of the necessary corrective measures.

The internal controls consist of three lines of defence:

- line controls (first level);
- risk monitoring (second level);
- internal audit (third level).

The Risk Management Unit contributes to the second line of defence by reconciling the prerogatives of independence from line controls with close cooperation with the line controls that are responsible for the transactions performed. This Unit ensures that the Group’s market, technical and operational risks are identified, assessed and monitored with a view to maintaining those risks within a limit that is consistent with the Group’s assets, taking account of risk assumption, assessment and management policies as defined by the administrative body. It also prepares suitable reports and provides timely and systematic information to senior management and the board of directors.

The individual Risk Management Units contribute to the formulation of the investment policies of the companies and, on the basis of the fair value policy, define the models used for measuring financial assets. The risk control model is gradually evolving from an approach based on ex post management after the event to one based on prior verification. In addition to controls that can be implemented in real time, the Unit carries out daily, weekly and monthly checks, which are promptly submitted to senior management and the management body.

The ISP group companies’ move towards compliance with the Solvency II directive is facilitated by the central role played by the Risk Management Unit in project and measurement activities and in relations with the authorities.

Principal results of the risk management strategy

The strategic priority afforded to the gradual exclusion of risks and their ongoing monitoring and management has achieved important results:

- the guarantees provided have been reviewed as part of the product definition process:
  - fixed-term guarantees rather than annually consolidated guarantees;
  - structuring of products and new offers to reduce the levels of minimum guaranteed returns, favouring capital protection rather than guarantee levels that limit flexibility and financial income;
  - introduction of the multiclass “Giusto Mix” product designed to include unit-linked products with the safety features offered by the segregated assets.

These products optimise the capital profile under Solvency II and have led to improved performances for policyholders compared to the old generation products;

- as part of the management of interest rate and spread risk, the term of assets was kept lower than the term of the liabilities, although this gap was shortened during the period, mitigating the reinvestment risk through the continuous reduction of average minimum guaranteed levels for assets under management;
- as part of the management of credit risk, a policy was introduced involving diversification and reduction of issuer exposures which, with the exception of the Italian, German and ultimate parent bonds, never exceed overall exposure of 1%;
- total exposure has been contained as part of management of equity risk;
- as part of management of surrender risk, in addition to closely monitoring the trends and net cash flows for each asset under management, adequate liquidity was maintained to cover unforeseeable outcomes without necessarily having to make unplanned divestments;
- in order to mitigate liquidity risk, efforts continued in the period to focus the investment portfolio on actively traded and liquidable instruments by divesting positions comprised of structured instruments or that were not associated with sufficiently liquid trading markets;
- as part of the management of derivatives, in keeping with the policy of focusing investments on liquid instruments that are priceable and have measurement risks, the parent operated as a matter of preference on explicit derivatives, adequate linked to primary financial instruments, with the goal of mitigating interest rate risks (IRSs, futures, forwards), currency risks (DCSs and forwards) and credit spread risks (CDSs);
- as part of management of operational risks, the business and control processes were strengthened.

These results can clearly be seen in the stress tests and economic capital measurements made by the parent and by the improvement in the quality factor measured by the Internal Audit Unit, all within an operating context that saw the Group achieve higher profitability levels than the previous year.

Intesa Sanpaolo Vita insurance Group's contribution to the ultimate parent

The insurance group's contribution mainly consists of the profit from the insurance business and commissions paid to the distribution network.

(€m)

	First half 2015			First half 2014			Variation		
	Life	Non-life	Total	Life	Non-life	Total	Life	Non-life	Total
Technical margin	**-22**	**26**	**4**	**-17**	**22**	**5**	**-5**	**4**	**-1**
Net premiums	5,813	118	5,931	7,684	104	7,788	-1,871	14	-1,857
Net charges relating to claims and surrenders	-4,949	-44	-4,993	-3,515	-47	-3,562	-1,434	3	-1,431
Net charges on variation in technical provisions	-1,724	-	-1,724	-4,790	0	-4,790	3,066	-0	3,066
Profits on investments pertaining to policyholders	1,002	-	1,002	770	-	770	232	-	232
Net commissions on investment contracts	63	-	63	48	-	48	15	-	15
Commission expense and Net commissions on pension funds for insurance contracts	-222	-30	-252	-208	-23	-231	-14	-7	-21
Other technical income (expense)	-5	-18	-23	-7	-11	-18	2	-7	-5
Net financial income	**565**	**23**	**588**	**427**	**11**	**439**	**138**	**12**	**149**
Operating income from investments	***2,193***	***23***	***2,216***	***1,906***	***11***	***1,917***	***287***	***12***	***299***
Net interest income	939	4	943	984	7	991	-45	-3	-48
Dividends	69	1	70	31	1	31	38	0	39
Net realised gains	930	17	947	417	4	420	513	13	527
Net unrealised gains	274	1	275	489	0	489	-215	1	-214
Portfolio management commission expense	-19	-	-19	-15	-	-15	-4	-	-4
Profits (losses) of third party investors of mutual funds	-	-	-						
Net loss on investments pertaining to policyholders	***-1,628***	***-***	***-1,628***	***-1,479***	***-***	***-1,479***	***-149***	***-***	***-149***
- of which insurance products	-885	-	-885	-1,238	-	-1,238	353	-	353
- of which unrealised losses on insurance products pertaining to policyholders	-117	-	-117	10	-	10	-127	-	-127
- of which investment products	-626	-	-626	-252	-	-252	-374	-	-374
Total	**543**	**49**	**592**	**410**	**34**	**444**	**133**	**15**	**148**

The profit from the insurance business improved by €148 million or 33.4% on the corresponding period of 2014.

Considering the commissions of roughly €352 million paid to the Intesa Sanpaolo Group networks, the insurance group contributed €944 million to Intesa Sanpaolo Group revenue.

In addition, the group companies Eurizon Capital and Banca IMI contributed in the form of commissions received from the insurance group for OEIC, management and services.

Figures at 30 June 2015

INCOME STATEMENT for the six months ended 30 June 2015

(€m)

	A	B	C	D	E
Net premiums	**5,931**	**5,813**	**118**	**-**	**5,931**
Gross premiums	5,936	5,814	122	-	5,936
Ceded premiums	-4	-0	-4	-	-4
Commission income	201	201	-	-	201
Net fair value gains on financial instruments at fair value through profit or loss	27	26	0	0	27
Gains on investments in subsidiaries, associates and interests in joint ventures	-	-	-	-	-
Gains on other financial instruments and investment property	**1,547**	**1,524**	**23**	**1**	**1,548**
Interest income	939	934	4	-	939
Other income	61	60	1	1	62
Realised gains	548	530	18	-	548
Unrealised gains	-	-	-	-	-
Other income	169	162	8	6	174
TOTAL REVENUE	**7,875**	**7,726**	**149**	**6**	**7,880**
Net charges relating to claims	**-6,712**	**-6,666**	**-47**	**5**	**-6,707**
Amounts paid and change in technical provisions	-6,713	-6,666	-48	5	-6,708
Reinsurers' share	1	0	1	-	1
Commission expense	-135	-135	-	-0	-135
Losses on investments in subsidiaries and associates and interests in joint ventures	-0	-0	-	-0	-0
Losses on other financial instruments and investment property	**-117**	**-116**	**-1**	**-6**	**-123**
Interest expense	-33	-33	-0	0	-33
Other expense	-0	-0	-	-	-0
Realised losses	-84	-83	-1	-	-84
Unrealised losses	0	0	-	-6	-6
Operating costs	**-141**	**-114**	**-27**	**-63**	**-204**
Commissions and other acquisition costs	-136	-105	-31	-17	-153
Investment management costs	-17	-17	-0	-12	-28
Other administrative costs	11	8	4	-34	-22
Other costs	-176	-151	-26	0	-176
TOTAL COSTS	**-7,282**	**-7,183**	**-100**	**-63**	**-7,345**
PROFIT (LOSS) BEFORE TAXES	**592**	**543**	**49**	**-57**	**535**
Income taxes	-	-	-	-156	-156
PROFIT (LOSS) AFTER TAXES	**592**	**543**	**49**	**-213**	**379**
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	-	-	-	-	-
PROFIT (LOSS) FOR THE PERIOD	**592**	**543**	**49**	**-213**	**379**

Key:
A RGA: Profit from the insurance business
B Breakdown of Life business profit
C Breakdown of Non-life business profit
D Operating costs - Revenue and income, costs and expense
E Income statement for the six months ended 30 June 2015

Figures at 30 June 2014

INCOME STATEMENT for the six months ended 30 June 2014

€m

	A	B	C	D	E
Net premiums	**7,788**	**7,685**	**103**	**-**	**7,788**
Gross premiums	7,792	7,685	107	-	7,792
Ceded premiums	-4	-1	-4	-	-4
Commission income	131	131	-	-	131
Net fair value losses on financial instruments at fair value through profit or loss	-16	-16	0	-0	-16
Gains on investments in subsidiaries, associates and interests in joint ventures	-	-	-	-	-
Gains on other financial instruments and investment property	**1,241**	**1,230**	**11**	**1**	**1,242**
Interest income	960	953	7	-	960
Other income	33	32	1	1	33
Realised gains	249	245	4	-	249
Unrealised gains	-	-	-	-	-
Other income	41	36	5	9	49
TOTAL REVENUE	**9,186**	**9,067**	**119**	**9**	**9,195**
Net charges relating to claims	**-8,362**	**-8,313**	**-49**	**1**	**-8,361**
Amounts paid and change in technical provisions	-8,366	-8,312	-53	1	-8,365
Reinsurers' share	4	-0	4	-	4
Commission expense	-81	-81	-	-	-81
Losses on investments in subsidiaries and associates and interests in joint ventures	-	-	-	-	-
Losses on other financial instruments and investment property	**-24**	**-24**	**-**	**-1**	**-25**
Interest expense	-15	-15	-	-	-15
Other costs	-0	-0	-	-	-0
Realised losses	-9	-9	-	-	-9
Unrealised losses	-0	-0	-	-1	-1
Operating costs	**-153**	**-132**	**-21**	**-57**	**-210**
Commissions and other acquisition costs	-149	-126	-23	-15	-164
Investment management costs	-14	-14	-0	-9	-22
Other administrative costs	9	8	2	-33	-23
Other costs	-122	-106	-16	0	-122
TOTAL COSTS	**-8,742**	**-8,656**	**-86**	**-58**	**-8,800**
PROFIT (LOSS) BEFORE TAXES	**444**	**411**	**33**	**-48**	**396**
Income taxes	-	-	-	-111	-111
PROFIT (LOSS) AFTER TAXES	**444**	**411**	**33**	**-159**	**284**
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS					
PROFIT (LOSS) FOR THE PERIOD	**444**	**411**	**33**	**-159**	**284**

Key:

A	RGA: Profit from the insurance business
B	Breakdown of Life business profit
C	Breakdown of Non-life business profit
D	Operating costs - Revenue and income, costs and expense of
E	Income statement for the six months ended 30 June 2014

The principal new products

The parent introduced important innovations in the period.
The key new product launched was the multi-class single premium, entire life “Giusto Mix” (the Right Mix) product, which flanks the traditional class I investment and savings products.
The parent’s objective is to develop a new business segment to take on the challenging market context, competition and legislative framework about risk measurement and management.
The target customers are those of its parent, split between the retail and personal segments, who will be offered an investment mix with financial characteristics and content tailored to their profiles.
The “Giusto Mix” product can be both standard and customised with a combination of segregated funds and several flexible unit-linked funds (where the segregated funds make up between 10% and 60%). This combination can also be changed over time to reflect the customer’s requirements and expectations.
The sales figures for the period show the distribution network and customers’ great appreciation of this new product and it is expected that the volume of sales of class I and class III will change starting from this year.
The subsidiary *Intesa Sanpaolo Life* introduced new variations of its “*Prospettiva 2.0*” (Perspective 2.0) product with new internal funds.

Intesa Sanpaolo Assicura developed the following projects for its “ViaggiaConMe” (Travel with me) product during the period:

- launch of a campaign to recontact all those customers who had requested a quote when the product was released without finalising its purchase. The company has provided the commercial network (managers and contact units) with a list of contacts whose insurance premiums have been recalculated to reflect the customers’ actual needs;
- additional changes to the tariffs to make the product more competitive both when acquiring new risks and during its renewal;
- the “MotoConMe” (Ride with Me) product was made available to the branches in June: this is a new version of the motorbike policy with innovative cover of customers’ assets (helmet, technical clothing, etc.) and the possibility to obtain a technological device offered by Intesa Sanpaolo SmartCare.

The company undertook two main projects for its CPI products:

- it repriced the product linked to loans from 1 June;
- it completed a study of a new CPI product linked to loans forecast to be launched in mid September 2015.

With respect to the other non-life lines of business excluding aviation, marine, bonds and credit, sales of the “ACasaConMe” (At home with me) product commenced on 19 January. It insures the home against damage or unforeseeable events and has been well met by the market in the period. Customers have free use of a safety and security technological device offered by Intesa Sanpaolo SmartCare.

The special conditions for group employees were also revised as follows:

- increase in the discount on the CVT component of the ViaggiaConMe policy;
- introduction of new conditions for the aCasaConMe and MotoConMe products.

The company also continued to simplify and update its current product portfolio.

This includes the review of the policies designed to provide cover for families’ third-party liability, accidents and healthcare.

Performance

During the period, the Group reported gross premiums of €10,670.6 million for both the life and the non-life businesses and, in relation to the former, both products classified as insurance products and policies with a more financial content. Premiums increased by 3% on the corresponding period of 2014 (€10,383 million).
Gross life premiums amounted to €10,535.7 million, up 3% on the €10,272.3 million for the corresponding period of 2014.
Gross non-life premiums amounted to €135.0 million, up 22% on the €110.8 million for the corresponding period of 2014.
In line with the market trend, income from traditional products decreased (-25.7%), partly offset by the rise in class III products (+82.5%) and especially those of class VI due to the entrance of healthcare products after contribution of the business unit by Intesa Sanpaolo Previdenza SIM S.p.A. on 1 December 2014 (+194.5%).

millions €

	30-06-2015	30-06-2014	Change	
Collection of contracts classified as insurance and investment with DPF:	**5,813.6**	**7,684.8**	**-1,871.2**	**-24.3%**
- Traditional (class I)	5,663.0	7,625.2	-1,962.2	-25.7%
- Capitalisation (class V)	1.0	0.8	0.2	32.5%
- Unit Linked (class III)	6.9	10.4	-3.5	-33.3%
- Pension funds and Fip (VI)	142.7	48.5	94.3	194.5%
Collection of contracts classified as investment without DPF:	**4,722.0**	**2,587.4**	**2,134.6**	**82.5%**
- Index Linked (class III)	-	-	-	0.0%
- Unit Linked (class III)	4,722.0	2,587.4	2,134.6	82.5%
Total Life business	**10,535.7**	**10,272.3**	**263.4**	**2.6%**

New life business, including income from financial products without discretionary participation features (DPF), came to €10,446.1 million (+3%) compared to €10,171.2 million for the first six months of 2014.

The distribution structure

The parent, Intesa Sanpaolo Vita, mainly uses the branches of Intesa Sanpaolo Group to distribute its pension, savings and investment products. The distribution agreement was revised in 2011 after completion of the merger and now expires in 2021 with a renewal option.
Intesa Sanpaolo Vita uses the bank branches of Intesa Sanpaolo Group and Intesa Sanpaolo Personal Finance's distribution network to distribute its CPI products. The latter company underwent a demerger in the period leading to the creation of a new network called Accedo and the transfer of part of the CPI products previously managed by it to Intesa Sanpaolo.
The parent avails of the financial advisors network of the Banca Fideuram Group to distribute the internal pension product "PIP Progetto Pensione" (PIP Pension Project) and the open-ended pension fund "Sanpaolo Previdenza Aziende" (Sanpaolo company pension plan).
It also avails of the financial advisors network of the Banca Fideuram Group to distribute the internal pension product "PIP Progetto Pensione" (PIP Pension Project) and the open-ended pension fund "Sanpaolo Previdenza Aziende" (Sanpaolo company pension plan).
A distribution agreement was in place for *Intesa Sanpaolo Life* products with the broker Marsh, which operates in Italy and Slovakia on the basis of referrals from the bank branches of the Intesa Sanpaolo Group and the financial advisors network of the Banca Fideuram group. As a result of the reorganisation of its operating model started on 1 July 2015, the company has eliminated Marsh from its distribution chain.

Finally, for *Intesa Sanpaolo Assicura*, its main distribution channel is through the branches of Intesa Sanpaolo Group, in addition to the distribution agreement with the financial advisors of the Banca Fideuram Group networks as well as distributing its products over the internet.

Reinsurance policy

During the period and in order to contain exposure on specific portfolios, the parent, Intesa Sanpaolo Vita, agreed proportionate reinsurance treaties on both a proportionate basis and an excess of loss basis for whole/term life insurance products with complementary covers for pension products. It also agreed an excess of loss treaty for catastrophic risks relating to the retained portion of all portfolios.
Other run-off treaties continue to apply, both on a proportionate and an excess of loss basis for life insurance policies and certain accident covers of non-life businesses (temporary and permanent disability).
It was not deemed necessary to agree additional reinsurance contracts, as is the case when the existing reinsurance treaties cannot be used, during the period.
All its treaties are signed with leading specialist operators and comply with the guidelines for outwards reinsurance (as per ISVAP – the Italian Insurance Regulator - circular no. 574/D of 2005) approved by the boards of directors of the individual group companies.

The reinsurer with the lowest rating is in line with the Master Resolution which provides for a minimum rating of A (S&P) for long tail business.
Intesa Sanpaolo Assicura's portfolio is protected by non-proportional excess of loss treaties in order to contain excessive and catastrophic exposure; retention has been reduced through proportional cover exclusively in relation to specific guarantees or products, mainly assistance guarantees and legal protection.

Resort to additional reinsurance is limited to the rare cases in which the risk does not fall under existing reinsurance treaties.
While continuing to assess the opportunities offered by the market, the Group does not engage in inwards reinsurance.

Research and development

During the period, the parent continued the activities set out in the EIOPA Guidelines published at the end of October 2013 and transposed by IVASS (the Italian Insurance Supervisory Authority) in Regulations no. 20/2008 and 26/2011 and in some Letters to the market.
An initial preparatory stage is currently underway before enactment on 1 January 2016 of the Solvency II legislation. The related guidelines issued by EIOPA to the competent national authorities stipulate a range of basic requirements, which need to be adopted by insurance companies over the 2014-2015 two-year preparatory stage. These requirements relate specifically to the governance policies and the system of governance, ex ante risk assessment and capital management processes and reporting to national authorities, all with reference to the new prudential regulation.
Given the timeframe for implementation of the various regulatory requirements, the Solvency II project is being implemented both at insurance group level (Intesa Sanpaolo Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo Life) and consolidated level (the insurance group and Fideuram Vita).
The main activities carried out during the period for this project included:
• Pillar I and Pillar III: the first set of Solvency II reports were sent to the supervisory authorities including the QRT (Quantitative Reporting Templates), the new Solvency II formats and the RSR (Regular Supervisory Report), which is the descriptive report prepared using the regulatory index. Each company sent the reports on 3 June 2015 and the group sent its report on 14 July 2015;
• FLAOR report: the ex post and ex ante assessment of group-level risks was performed and reported in the 2015 FLAOR report, with different sections for each company. The board of directors approved the report on 18 June 2015 and it was subsequently sent to the supervisory authorities in the same month;
• Data Quality Management: procedures to ensure the correctness and traceability of the data used in the Solvency II valuations were continued and reinforced with the start of a data quality management project to cover the governance aspects related to data quality, to map the Pillar I and Pillar II data flows and define the checks that will ensure the completeness, correctness and relevance of the information.

Staff

At 30 June 2015, the parent and subsidiaries had 538 employees, 5 less than at 31 December 2014. The Group had 24 resources seconded from other companies of Intesa Sanpaolo Group and had seconded 16 employees to other companies of Intesa Sanpaolo Group.

	Intesa Sanpaolo Vita	Intesa Sanpaolo Life	Intesa Sanpaolo Assicura	**Totale**
Employees	364	50	116	530
- Managers	10	2	6	18
- Officers	168	7	43	218
- Other employees	186	41	67	294
Staff seconded from other companies to the Intesa Sanpaolo	15	1	8	24
Staff seconded to other companies of the Intesa Sanpaolo Group	11	-	5	16
Total	**368**	**51**	**119**	**538**
Other contractual forms	-	-	-	-
General total	**368**	**51**	**119**	**538**

The insurance division was set up during the period to manage and coordinate the Group's entire insurance business. Accordingly, the parent transferred its management and specialist staff thereto (four managers and seven junior managers and while collars).
A particularly important project launched during the period was "Progetto Ascolto" (I'm listening) which provides for meetings of the entire company's staff in the presence of the managing directors as well as regular one-on-one interviews of employees. The project's objective is to gain an understanding of the employees' personal and professional ambitions and align them with the strategic and organisational goals of the division, the companies and Intesa Sanpaolo Group over the medium to long-term.

Principal regulatory developments in the period

Sector regulations

The main regulatory changes which affected life insurance companies in the period were the following:

– **IVASS regulation no. 9 of 19 May 2015,** covering the database of claims history certificates and risk status certificates as per article 134 of Legislative decree no. 209 of 7 September 2005 - Italian Private Insurance Code - dematerialisation of the claims history certificate.
– **IVASS regulation no. 8 of 3 March 2015**, defining the simplification measures of procedures and requirements for transactions between insurance companies, brokers and customers, including pursuant to article 22.15-bis of Law decree no. 179 of 18 October 2012 converted into Law no. 221 of 17 December 2012.
– **COVIP (Supervisory Commission for Pension Funds) circular no. 2/E of 13 February 2015,** complementary healthcare measures. Article 1.621/622/624 of Law no. 190 of 23 December 2014 (2015 Stability Law).
– **IVASS measure no. 29 of 19 June 2015,** technical instructions for the transmission of data and access to the database of claims history certificates as per IVASS regulation no. 9 of 19 May 2015 covering the database of claims history certificates and risk status certificates as per article 134 of Legislative decree no. 209 of 7 September 2005 - Italian Private Insurance Code - dematerialisation of the claims history certificates.
– **IVASS measure no. 31 of 24 March 2015,** amendment to Regulation no. 17 of 11 March 2008 about the joint exercise of life and non-life businesses as per articles 11 and 348 of Legislative decree no. 209 of 7 September 2005 - Italian Private Insurance Code.
– **IVASS measure no. 30 of 24 March 2015,** amendment to Regulation no. 24 of 19 May 2008 about the presentation of claims to ISVAP and claim management by insurance companies.
– **IVASS measure no. 29 of 27 January 2015**, amendments and integrations to regulation no. 7 of 13 July 2007 about financial statements layouts of insurance and reinsurance companies that adopt IFRS as per the Italian Private Insurance Code.

Tax regulations

Article 3 of Law decree no. 66/2014 provided for a generalised rise in the withholding tax or substitute tax on financial income from 20% to 26%.

This measure is also applicable to returns on life insurance policies. Therefore, starting from 1 July 2014, insurance income on the same policy is subject to three different rates starting from 12.5% (on income received before 31 December 2011) and within a range of between 12.5% and 20% (for income received in the period from 1 January 2012 to 30 June 2014) and between 12.5% and 26% (for income received after 1 July 2014). The tax base for income received on investments in government and similar bonds is decreased so that the actual tax rate is 12.5%, which would have been the rate applied to investors that made direct investments in these bonds.

Following enactment of Law no. 190 of 23 December 2014 (the 2015 stability law), published in the Italian Official Journal of 29 December 2014, the tax rate applicable to supplementary pension products has been increased retroactively from 1 January 2014 from 11.5% to 20%.
As a result of the hike in the interest rates on government and similar bonds to above 12.5%, the Group's tax base decreased by 62.5% to make the tax rate on income taxed at the 20% rate equal to the favourable rate of 12.5%.

Moreover, the 2015 stability law changed the treatment of financial income received on the death of a policyholder, which had been exempt from the substitute tax up until 31 December 2014. Starting from 2015, this income is also subjected to a withholding tax paid by the life insurance companies.

Premiums and net insurance benefits and claims

Premiums recognised in the period for the life and non-life business, including reinsurance, amounted to €5,935.7 million, down 24% on the corresponding period of the previous year. This increase mainly referred to the life business and principally to premiums for financial products with DPF.

millions €

	30-06-2015				30-06-2014			
	First year	Subsequent years	Single premiums	**Total**	First year	Subsequent years	Single premiums	**Total**
Life insurance products without DPF	0.5	13.2	221.0	**234.7**	0.4	15.6	144.0	**160.0**
Life insurance products with DPF	-	22.4	5.7	**28.1**	-	26.0	5.7	**31.7**
Life financial products with DPF	5.6	44.8	5,500.3	**5,550.7**	4.1	46.7	7,442.3	**7,493.1**
Non-life insurance products (*)				**122.1**				**107.4**
Total	**6.1**	**80.4**	**5,727.0**	**5,935.6**	**4.5**	**88.3**	**7,592.0**	**7,792.2**

(*) premiums for period

The amounts paid in the life business increased from €3,416.6 million in the first six months of 2014 to €4,929.5 million in the reporting period. The amounts paid in the non-life business increased by 19% from €47.9 million in the first half of 2014 to €57 million in the reporting period. The increase in the non-life business is due to the growth in the size of the policy portfolio. The reinsurers' share (of amounts paid) amount to €0.1 million for the life business and €4.2 million for the non-life business.

millions €

	Claims	Annuities	Surrenders	Maturities	Liquidation costs	**Total**
Insurance products without DPF	-56.8	-0.0	-310.5	-465.2	-7.7	**-840.2**
Insurance products with DPF	-6.0	-3.4	-34.0	-40.9	-	**-84.3**
Financial products with DPF	-777.5	-0.1	-3,044.7	-182.7	-	**-4,005.0**
Non-life business insurance products						**-57.0**
Total 30-06-2015	**-840.3**	**-3.5**	**-3,389.2**	**-688.8**	**-7.7**	**-4,986.5**
Insurance products without DPF	-51.5	-	-403.5	-591.5	-7.7	**-1,054.2**
Insurance products with DPF	-5.3	-3.3	-37.7	-39.6	-	**-85.9**
Financial products with DPF	-582.0	-0.1	-1,475.5	-218.9	-	**-2,276.5**
Non-life business insurance products						**-47.9**
Total 30-06-2014	**-638.8**	**-3.4**	**-1,916.7**	**-850.0**	**-7.7**	**-3,464.5**

Commissions

Net commissions on financial products without DPF, comprised of index-linked and financial unit-linked policies, amounted to €65.2 million, up 30.1% on the corresponding period of 2014 (€50.1 million). This net increase is due to the unit-linked products as the index-linked product portfolio is gradually maturing.
More information is available in the notes to the interim consolidated financial statements.

Financial income and expense

Net gains on financial instruments increased to €1,451.8 million compared to €1,201.0 million for the corresponding period of 2014. The €250.6 million increase is mainly due to the higher gains on the sale of available-for-sale instruments (€297.2 million) and smaller losses on sales of €72.9 million. Net gains on financial instruments at fair value through profit or loss also increased, for the main part related to assets hedging the index-linked and unit-linked product provisions, from -€15.6 million in the first half of 2014 to €26.6 million in the reporting period.

Commissions and operating costs

Commissions and operating costs amount to €153.3 million for the period, down 6.7% compared to €164.3 million for the corresponding period of 2014. This decrease reflects the reduction in acquisition costs on new business, partly due to activation o the deferred acquisition cost for the unit-linked component of the "Giusto Mix" product and the smaller percentage of traditional products.
With respect to the life business, the decrease mainly refers to the smaller costs incurred for communication and promotion activities as well as the greater concentration of production on products with lower commission rates. The lower acquisition costs for the non-life business are principally due to the different production mix.
Other administrative costs decreased from €23.3 million for the first half of 2014 to €22.2 million for the period, while investment management costs increased from €22.4 million to €28.2 million.
Commissions and other acquisition costs as a percentage of net premiums came to 2.6% compared to 2.1% for the corresponding period of 2014..
Other administrative costs as a percentage of total net premiums were roughly 0.4% compared to about 0.3% for the first half of the previous year.

Other income and costs

Other net costs went from €2.4 million for the first six months of 2014 to €72.1 million for the period, mainly due to exchange rate trends.

Statement of financial position
Investments

The financial investments portfolio amounts to €100,173.8 million (up 3.1% compared to 31 December 2014) and comprises available-for-sale securities (71.2%), securities at fair value through profit or loss (27.7%) with the remainder mostly consisting of financial assets held for trading.

millions €

	30-06-2015		31-12-2014		Change	
Financial assets available for sale	71,320.4	71.2%	71,043.9	73.1%	276.4	0.4%
Financial assets measured at fair value	27,792.0	27.7%	25,071.2	25.8%	2,720.8	10.9%
Financial assets held for trading	944.2	0.9%	977.3	1.0%	- 33.1	-3.4%
Land and buildings	19.3	0.0%	19.4	0.0%	- 0.1	-0.4%
Investments in subsidiaries, associates and joint ventures	-	0.0%	-	0.0%	-	n.a.
Loans and receivables	97.9	0.1%	80.9	0.1%	17.0	21.0%
Total	**100,173.8**	**100%**	**97,192.7**	**100%**	**2,981.1**	**3.1%**

The Group's investment transactions carried out during the period complied with the guidelines specified in the Finance Policy of the group companies and, in particular, with the general principles of prudence and enhancement of the quality of assets from a medium and long-term perspective.
The Group continued to pursue a policy aimed at limiting the financial risk whilst at the same time maintaining a level of profitability that is commensurate with the commitments made to policyholders.
The component comprised of bonds and fixed income securities continues to be significant, accounting for 69% of the total. The bond portfolio includes bonds issued by the Italian government, foreign governments, international bodies and national banks and corporate bonds distributed over a broad range of issuers, including, in particular, companies from the Eurozone.

Equity

millions €

	30-06-2015	31-12-2014	Change
Capital and reserves attributable to the Group	**4,636.0**	**4,379.4**	**5.9%**
Group capital and reserves	3,789.6	3,308.5	14.5%
Gains (losses) on financial assets available for sale	467.5	590.5	-20.8%
Profit (loss)	378.9	480.4	-21.1%

At 30 June 2015, the Group reported equity of €4,636.0 million, including the profit for the period of €378.9 million, compared to equity at the start of the period of €4,379.4 million.
It recognised a €467.5 million fair value gain in the fair value reserve under equity compared to €590.5 million recognised at 31 December 2014.

Liabilities with policyholders

Liabilities with policyholders, which include technical provisions of the life and non-life businesses as well as financial liabilities of the life business, increased by 3.5% from €94,878 million at 31 December 2014 to €98,156 million at the reporting date.
Technical provisions and financial liabilities, considering deferred liabilities with policyholders as well, of the life business went from €94,393.8 million at 31 December 2014 to €97,667.7 million at 30 June 2015 (+3.5%).

Technical provisions
The life business' technical provisions increased by 2.3%. The increase is attributable to the revaluation of benefits to policyholders and the performance of production aggregates.
The increase in the non-life business technical provisions was 1% from €484.2 million to €488.5 million.
Deferred liabilities with policyholders incorporating the policyholders' share of fair value gains and losses increased from €5,749.5 million to €4,225.7 million.

Financial liabilities

Financial liabilities rose by 15.7% from €20,464 million at 31 December 2014 to €23,683 million at the reporting date. This increase is principally attributable to business trends and portfolio movements. It also incorporates fair value gains and losses on investments to which those liabilities are related.

millions €

	30-06-2015	31-12-2014	Change
Liabilities due to policyholders for Life segment	**97,667.7**	**94,393.8**	**3.5%**
Insurance provisions and financial liabilities:	93,442.0	88,644.3	5.4%
traditional	66,605.0	64,574.1	3.1%
- of which financial liabilities	-	-	*n.a.*
- of which insurance provisions	*66,605.0*	*64,574.1*	*3.1%*
linked	26,837.1	24,070.2	11.5%
- of which financial liabilities	*23,683.0*	*20,464.1*	*15.7%*
- of which insurance provisions	*3,154.1*	*3,606.1*	*-12.5%*
Deferred liabilities due to policyholders	4,225.7	5,749.5	-26.5%
Insurance provisions for non-life segment	**488.5**	**484.2**	**0.9%**
Provision for unearned premiums	321.0	308.2	4.2%
Provision for outstanding claims	166.6	175.1	-4.9%
Other insurance provisions	0.9	0.9	-0.2%
Liabilities due to policyholders	**98,156.3**	**94,878.0**	**3.5%**

Measurement of the fair value of financial assets and liabilities

This section summarises the criteria used by the Group to measure the fair value of financial instruments. As illustrated in the basis of preparation section of the notes to the interim consolidated financial statements, the application of IFRS 13 governing fair value measurement and related disclosure is mandatory from 1 January 2013.
The standard does not extend the scope of fair value measurement. The aim, in fact, was to concentrate into a single standard the rules for fair value measurement previously contained in various standards, in some cases, with requirements in conflict with one another.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., not as part of a forced liquidation or distress sale) at the measurement date. Fair value is a market-based measurement that is not entity-specific.
An entity shall measure the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that the market participants act in their economic best interest.
In determining the fair value of a financial instrument, IFRS 13 establishes a hierarchy of criteria based on the origin, type and quality of the information used in the calculation. The aim of this classification is to establish a hierarchy in terms of reliability of the fair value based on the level of discretion applied by entities, giving precedence to the use of market-observable inputs that reflect the assumptions that market operators would make in pricing the asset or liability. The hierarchy also aims to increase consistency and comparability in fair value measurements.
There are three different input levels:

- **Level 1**: input represented by quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date;
- **Level 2**: input other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly for the assets or liabilities to be measured;
- **Level 3**: unobservable inputs for the asset or liability.

The choice between the aforesaid methodologies is not optional, since they must be applied according to a hierarchy: highest priority is attributed to quoted prices (Level 1) for the valuation of assets and liabilities or for similar assets and liabilities measured using valuation techniques based on market-observable parameters other than financial instrument prices (Level 2) and lowest priority to assets and liabilities whose fair value is determined using valuation techniques based on non-observable and, therefore, more discretional inputs (Level 3).
The valuation technique defined for a financial instrument is adopted over time and is modified only following significant changes in market conditions or the subjective conditions related to the issuer of the financial instrument.
The valuation process for financial instruments (which is governed within Intesa Sanpaolo Group by the "Fair Value Policy") entails the following phases:

– identification of the sources for measurement: for each asset class, the Market Data Reference Guide establishes the processes necessary to identify market parameters and the means according to which such data must be extracted and used;
– certification and treatment of market data for measurements: this stage consists of the precise verification of the market parameters used (checking the integrity of data contained on the proprietary platform with respect to the source), reliability tests (consistency of each single figure with similar or comparable figures) and verification of actual application methods;
– validation of pricing models and Model Risk Assessment: this phase is aimed at verifying the consistency and the compliance of the various measurement techniques used with current market practice, at highlighting any critical aspects in the pricing models used and at determining any adjustments necessary for measurement;
– monitoring consistency of pricing models over time: periodical monitoring of the adherence to the market of the pricing model in order to discover any gaps promptly and start the necessary verifications and actions.

The *Fair Value Policy* also provides for adjustments to reflect the model risk and other uncertainties relating to valuation. In particular, model risk is represented by the possibility that the valuation of a complex instrument is materially influenced by the model chosen. Indeed, it is possible that models using price elementary instruments with the same quality may give rise to different prices for exotic instruments. In these cases, where possible, alternative models are compared, and where necessary, model inputs are subjected to stress tests, thus obtaining useful elements to quantify fair value adjustments, expressed in terms of measurable financial indicators (vega, delta, correlation shifts), and periodically reviewed. These fair value adjustments, due to model risks, are part of a *Mark to Market Adjustment Policy* adopted for the purposes of considering, in addition to model risk described above, also other factors eligible to influence valuation and essentially attributable to:

- high and/or complex risk profile;
- position illiquidity determined by temporary or structural market conditions or in relation to the entity of exchange values held (in case of excessive concentration); and
- valuation difficulties due to the lack of liquid and observable market parameters.

In the case of Level 2 inputs, the valuation is not based on prices of the financial instrument being valued but on prices or credit spreads derived from official prices of instruments that are substantially similar in terms of price risk, using a given calculation method (pricing method). Resort to this approach entails searches for transactions on active markets relating to instruments that are comparable to the instrument being valued in risk factor terms. The calculation methods classified as Level 2 allows the reproduction of prices of financial instruments listed on active markets (model calibration) without including discretional parameters (i.e., parameters whose values cannot be obtained from prices of financial instruments on active markets or that cannot be pegged at levels that duplicate prices on active markets) that would have a significant influence on the final valuation price.
In order to calculate the fair value of certain types of financial instrument, valuation models are used that entail the use of parameters that cannot be observed directly on the market and, hence, require the valuer to make estimates and assumptions (Level 3).
As required by IFRS 13, the following tables provide quantitative information about significant unobservable inputs used for the fair value measurement of financial assets and financial liabilities valued at Level 3 as well as the effects of a change in one or more unobservable parameters used in the valuation technique used to calculate fair value.

Financial Assets/liabilities		Non-observable input	Sensitivity (thousand of euro)	Change in nin-observable input
Securities HFT and AFS		Correlation	86	1%

thousand €

Financial Assets/liabilities	Valuation technique	Main non observable input	Lower value of range	Higher value of range	Unit	Positive change in FV	Negative change in FV
Structured securities	Two factors rate model	Correlation	-44	10	%	1,193	-2,139

Additional information is given in the annexes to the notes "Assets and liabilities measured at fair value on a recurring and non-recurring basis: breakdown by fair value level" and "Assets and liabilities not measured at fair value: breakdown by fair value level".

The amount of securities transferred to another fair value level are specified below:

€'000

	Transfers					
	to Level 1		to Level 2		to Level 3	
	from Level 2	from Level 3	from Level 1	from Level 3	from Level 1	from Level 2
Financial assets held for trading	2,244	-	-	-	-	-
Financial assets at fair value through profit or loss	46,469	-	-	-	-	-
Available-for-sale financial assets	9,560	-	59,605	-	-	-
Financial assets measured at fair value	**58,273**	**-**	**59,605**	**-**	**-**	**-**
Financial liabilities held for trading	-	-	-	-	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-
Financial liabilities measured at fair value	**-**	**-**	**-**	**-**	**-**	**-**

Transfers from one level to another are made on the basis of the empirical observation of intrinsic factors of the instrument being valued or its markets. Transfer from Level 1 to Level 2 takes place if an adequate number of inputs, i.e., a limited number of investors that hold the float, no longer exist. This event often materialises when the instrument nears maturity. Conversely, securities that upon issue are illiquid and for which trades are numerous and are thus classified in Level 1 are reclassified into Level 1 when an active market is identified.

The impact on profit or loss and equity of Level 3 securities recognised in the period and their changes are analysed below.

thousand €

	Profit and loss	OCI	Total
Financial assets available for sale	0	-36	-36
Financial assets held for trading	-224		-224
Financal asset designated at fair value through profit and loss	-2,706		-2,706
Loans & Receivables	-2,930	-36	-2,966
Totale	**-5,860**	**-72**	**-5,932**

thousands €

	Available-for-sale financial assets	Financial assets held for trading	Financial assets designated at fair value through profit or loss
Opening balance	**314,425**	**24,404**	**604,498**
Additions	**121,162**	**1,758**	**5,506**
Acquisitions	57,419	246	0
Fairl value gains recognised in equity	234	0	0
Fairl value gains recognised in profit or loss	0	67	342
Realised gains	58,255	35	407
Other increases	5,254	1,410	4,757
Decreases	**-373,016**	**-6,040**	**-125,548**
Sales and repayments	-185,313	-5,205	-59,857
Fairl value losses recognised in equity	-182	0	0
Fairl value losses recognised in profit or loss	0	-390	-2,999
Realised losses	-20	-3	-1
Other decreases	-187,501	-442	-62,691
Closing balance	**62,571**	**20,122**	**484,456**

Fair value gains and losses on securities classified as available-for-sale are recognised in equity caption 1.1.7 “Fair value reserve” except for impairment losses which are recognised in profit or loss in caption 2.4.4 “Impairment losses”. Fair value gains or losses are recognised in caption 1.3 “Gains or losses on remeasurement of financial instruments at fair value through profit or loss” when they relate to securities classified as held for trading and at fair value through profit or loss.

BUSINESS SEGMENTS

The insurance group operates principally in the life business, whilst the contribution of the non-life business is gradually growing.
It is active in Italy and, to a lesser extent, in other European Union member states. Its activities in other countries is conducted entirely by the subsidiary Intesa Sanpaolo Life.
For details regarding the financial data relating to the two life and non-life segments, reference should be made to the notes to the interim consolidated financial statements while the performance of the two segments during the period is commented on below.

Life business

Insurance operations

The Group recorded gross premiums of €10,535.7 million for the period, relating to both premiums on insurance products and financial products with DPF, as well as gross inflows from financial products without a discretionary participation feature.
Gross premiums increased by 2.6% compared to the corresponding period of 2014

millions €

	30-06-2015	30-06-2014	Change	
Collection of contracts classified as insurance and investment with DPF:	**5,813.6**	**7,684.8**	**-1,871.2**	**-24.3%**
- Traditional (class I)	5,663.0	7,625.2	-1,962.2	-25.7%
- Capitalisation (class V)	1.0	0.8	0.2	32.5%
- Unit Linked (class III)	6.9	10.4	-3.5	-33.3%
- Pension funds and Fip (VI)	142.7	48.5	94.3	194.5%
Collection of contracts classified as investment without DPF:	**4,722.0**	**2,587.4**	**2,134.6**	**82.5%**
- Index Linked (class III)	-	-	-	0.0%
- Unit Linked (class III)	4,722.0	2,587.4	2,134.6	82.5%
Total Life business	**10,535.7**	**10,272.3**	**263.4**	**2.6%**

Changes in the life insurance contracts are set out below:

	Contracts on 31-12-2014	New contracts	Other inflows	Payments and maturities	Other outflows	Contracts on 30-06-2015
Contracts under IFRS4	**3,093,785**	**318,510**	**-**	**-240,224**	**-67,782**	**3,104,289**
Traditional	1,328,400	136,531	-	-77,020	-4,844	1,383,067
Capitalisation	2,666	2	-	-155	-	2,513
Unit Linked	266,675	39,995	-	-16,188	-	290,482
Pension	51,775	6,365	-	-218	-267	57,655
F.I.P.	34,752	-	-	-535	-684	33,533
Temporary Death Policies	1,125,898	123,986	-	-113,075	-60,023	1,076,786
Index Linked	54,701	-	-	-31,323	-	23,378
Open-Ended Pension Func	228,918	11,631	-	-1,710	-1,964	236,875
Contracts under IAS39	**83,706**	**-**	**-**	**-14,013**	**-**	**69,693**
Unit Linked	80,667	-	-	-13,851	-	66,816
Index Linked	3,039	-	-	-162	-	2,877
Specific financing	-	-	-	-	-	-
Total	**3,177,491**	**318,510**	**-**	**-254,237**	**-67,782**	**3,173,982**

The net charges relating to claims, including the adjustment to the technical provisions, amount to €6,660.7 million, showing a 20% decrease on the €8,312.2 million recognised for the corresponding period of 2014. This performance is the result of the combined effect of the containment of benefits paid and the increase in technical provisions, due principally to the favourable commercial performance.
With regard to amounts paid, charges due to claims increased by 31.5% while the propensity of policyholders to surrender also increased with an upturn in surrenders of 76.8% compared to the first half of

the previous year.
The provision for payable amounts, net of reinsurance, decreased by €29.6 million. The reduction in mathematical provisions, after accounting for the reinsurers' share, amounts to €2,043 million, whilst provisions resulting from pension fund management where the investment risk is borne by the policyholders increased by €452 million. The other technical provisions at 30 June 2013, net of the reinsurers' share, decreased by €110.8 million.
Commissions and other acquisition costs, net of profit participation and other commissions received from reinsurers, amount to €118 million. They include acquisition costs relating to insurance contracts and investment contracts with DPF. In particular, the caption includes acquisition commissions of €69 million (-17%), other acquisition costs of €12 million (+10%) and collection commissions of €37 million (-14).
Investment management costs amount to €28 million for the period (€22 million for the corresponding period of 2014) and include general costs and personnel expenses related to the management of investment property and equity investments.
Administrative costs amount to €14 million in line with the first six months of 2014.

Non-life business

Intesa Sanpaolo Vita Group is mainly active in the non-life business through its subsidiary Intesa Sanpaolo Assicura and with the accident and health insurance products incorporated into the parent from the former Centrovita Assicurazioni.
Gross premiums for the period amount to €135 million, up on the corresponding period of 2014 (€110.8 million). The banking channel contributed €126.8 million, the financial advisors channel contributed €2.2 million whilst the other channels contributed €6 million.
A breakdown by distribution channel is as follows:

millions €

	30-06-2015					30-06-2014					Change	
	Promoters	Bancassurance	Post office counters	Other channels	Total	Promoters	Bancassurance	Post office counters	Other channels	Total		
Health	2.1	3.2	-	2.1	7.5	2.4	3.3	-	-	5.6	1.8	32.1%
CPI	-	48.6	-	-	48.6	-	35.7	-	-	35.7	12.9	36.1%
Multi-guarantee on loans	-	14.3	-	-	14.3	-	7.8	-	-	7.8	6.4	82.1%
Property	-	-	-	-	-	-	-	-	-	-	0.0	n.a.
CPI on Neos leasing	-	-	-	-	-	-	-	-	-	-	0.0	n.a.
Motor	-	43.5	-	1.8	45.2	-	44.0	-	0.7	44.8	0.4	0.9%
Other banking-insurance products	-	2.0	-	0.1	2.1	-	4.3	-	-	4.3	-2.2	-51.2%
Multi-risks property	0.1	15.2	2.0	-	17.3	0.1	10.2	2.3	-	12.6	4.8	38.1%
Total	**2.2**	**126.8**	**2.0**	**4.0**	**135.0**	**2.5**	**105.3**	**2.3**	**0.7**	**110.8**	**24.2**	**21.8%**

The following table sets out the claims paid in the principal non-life lines of business:

millions €

	30-06-2015	30-06-2014	Change	
Accident	1.5	1.9	-0.4	-21.1%
Health	8.1	5.9	2.2	37.3%
Land vehicles	2.5	3.5	-1.0	-28.6%
Railway rolling stock	-	-	-	n.d.
Aircraft	-	-	-	n.d.
Ships	-	-	-	n.d.
Goods in transit	-	-	-	n.d.
Fire and natural events	1.4	1.4	0.0 n.d.	
Other damage to property	0.9	1.1	-0.2	-18.2%
Credit	1.2	0.2	1.0	> 100%
Surety	0.8	0.4	0.4	100.0%
Motor third party liability	28.4	18.0	10.4	57.8%
Aircraft liability	-	-	-	n.d.
Liability for ships	0.0	-	0.0	n.d.
Legal protection	0.7	0.6	0.1	16.7%
General third party liability	1.2	1.6	-0.4	-25.0%
Miscellaneous financial loss	9.3	12.3	-3.0	-24.4%
Assistance	0.1	0.2	-0.1	-50.0%
Total	**56.1**	**47.1**	**9.0**	**19.1%**

At 30 June 2015, non-life policies numbered 1,803,858.
Commissions and other acquisition costs, net of profit participation and other commissions received from reinsurers, amount to €36 million (€27 million for the corresponding period of 2014).
Investment management costs amount to €0.2 million for the period (€0.1 million for the corresponding period of 2014) and include general costs and personnel expenses related to the management of investment property and equity investments.
Administrative costs amount to €8.9 million, down from €9.8 million for the first six months of the previous year.

Other information

Principal risks and uncertainties for companies included in the consolidation scope

Intesa Sanpaolo Group, which encompasses the companies included in the consolidation scope of Intesa Sanpaolo Vita, has had a Risk Management Unit for some time. This department is responsible for the definition, implementation and monitoring of the methodological and organisational framework, as well as for the measurement of risk profiles, the verification of mitigation effectiveness and reporting to senior management.
Within this context, in accordance with the process defined by the ultimate parent for operational risks, Intesa Sanpaolo Vita Group has set up a monitoring system for financial, insurance and operational risks through an integrated reporting system, which provides management with the information necessary to manage and/or reduce the risks taken on.

Going concern

The Group considers that the risks to which it is exposed do not raise any doubts as to its ability to continue as a going concern.

Non-recurring transactions

Sale of Union Life LTD and EurizonVita (Beijing) Business Advisory Company Ltd
Intesa Sanpaolo Group acquired the investment in Union Life in 2007 in a different strategic context. Despite the obvious growth prospects of the Chinese market as a whole, the Group deemed it appropriate to re-evaluate alternative strategies for Union Life LTD given:

- Intesa Sanpaolo Group's objective of creating an insurance player focused on the Eurozone;
- the lack of operating synergies between Union Life and Intesa Sanpaolo Vita or other Intesa Sanpaolo Group companies (e.g., bancassurance contracts with Bank of Qingdao or management proxy/advisory contracts with Penghau);
- the objective differences in the Chinese market which has very different standards to the European markets and a business model based on an agency network channel which is effectively very different to Intesa Sanpaolo Vita's experience.

Based on the above considerations, the Group commenced negotiations to sell its interest to one of the other shareholders. On 14 January 2014, the board of directors approved sale of the investment consisting of 553,772,605 shares for a unit price of RMB2.18 and a total of RMB1,207,224,278.90. Based on the terms and conditions approved by the board of directors, the share purchase agreement and the pledge agreement were signed with the counterparties on 28 January 2014. Execution of the transaction was subject to attainment of the required authorisations from the competent Chinese authorities. On 26 June 2014, authorisation from CIRC, the China Insurance Regulatory Commission, was obtained and the agreements could be executed.

The following steps were completed to finalise payment of the consideration:

- issue of the new certificate to Union Life showing the composition of its post-transaction share capital by the Chinese Ministry for Trade on 14 July 2014;
- payment to the Chinese tax authorities on 30 April 2015 of the tax on the capital gain being 10% of the difference between the Euro amount of the consideration on the payment date and the Euro amount transferred to China to acquire the investment in March 2007 and to subscribe the Chinese investee's capital increase in December 2010; this payment was settled with the substitute tax paid by the buyer Zhongfa Industrial (Group) Co. Ltd. ("Zhongfa") deducted from the consideration to be transferred to Italy;
- receipt on 29 May 2015 of the authorisation from the State Authority for Foreign Exchange of the transfer of Euros by Zhongfa to the company's accounts, net of the stamp duty to be paid on the transfer.

On 4 and 5 June 2015, €163.8 million was credited to the bank accounts of Intesa Sanpaolo Vita in two separate transactions, equal to the transfer of RMB1,141,113,884.35, at the average exchange rate of RMB/€ 6.96, equal to the above consideration less RMB66,110,394.55 withheld by the buyer to pay the substitute tax applied in China.

The gain on the sale, including taxes, approximates €58.2 million based on the consideration of €172.4 million and the investment's carrying amount and capitalised transaction costs of roughly €114.2 million, although the legal consultant's fees still have to be calculated. The tax expense is estimated to be about €9.8 million, including €9.3 million of Chinese taxes for which the company has a tax credit of approximately €0.5 million, to be deduced from the payment of roughly €1 million of Italian taxes under the PEX regime. Net of these taxes, the transaction gave rise to a gain of approximately €48.4 million.
As part of the procedure to sell the above investment, the company also wound up the Chinese subsidiary, EurizonVita (Beijing) Business Advisory Company Ltd., pursuant to the board of directors' resolution of 26 June 2012.
Accordingly and with effect from 4 March 2015, this Chinese company was struck off the register of the Beijing State Administration of Industry and Commerce. IVASS was subsequently informed of the change in Intesa Sanpaolo Vita insurance group's scope as required by article 18.4 of ISVAP regulation no. 15/2008.

Related party transactions

Intesa Sanpaolo Vita Group has undertaken transactions with Intesa Sanpaolo Group companies as part of its ordinary operations. These transactions, which took place at normal market conditions to the mutual benefit of both parties, are analysed in greater detail in the "Other information" section of the notes to the interim consolidated financial statements.

Ownership structure

Intesa Sanpaolo Vita belongs to Intesa Sanpaolo Group and is 99.99% controlled by Intesa Sanpaolo S.p.A., which also manages and coordinates it. Its residual share capital is held by 18 third party shareholders. Its share capital is comprised of 655,157,496 ordinary registered shares with no nominal amount.
At 30 June 2015, Intesa Sanpaolo Vita Group held 359,583 shares of the ultimate parent, Intesa Sanpaolo. These shares were acquired in order to service the share incentive plan for senior management in relation to 2012, authorised by the shareholders of Intesa Sanpaolo in their meeting of 22 April 2013 and resolved upon by the boards of directors of Intesa Sanpaolo Vita and Intesa Sanpaolo Life. They were also acquired for the investment plan benefiting all employees (LECOIP plan) and investments included in pension products which are part of the parent's assets after contribution of the business unit by Intesa Sanpaolo Previdenza Sim. The carrying amount and fair value of the shares is €1.2 million.

A breakdown of the ultimate parent's shares held by the Intesa Sanpaolo Vita Group companies at period end is as follows:

thousands €

	Number of shares	Value 30.06.2015
Intesa Sanpaolo Vita SpA	306,455	997
Intesa Sanpaolo Assicura SpA	6,502	21
Intesa Sanpaolo Life Ltd	46,626	152
Total	**359,583**	**1,170**

Below the items utilized to build the expected Group solvency margin at the end of the 2015 financial year:

thousands €

Expected Group solvency margin	
Elements covering solvency margin	5,326
Required solvency margin	2,972
Solvency Ratio	179%
Surplus	**2,355**

Main offices

The parent's registered office is located in Corso Inghilterra 3, Turin and its administrative offices are located in Viale Stelvio 55/57, Milan.

Audit

KPMG S.p.A. performs the legally-required audit of the Group's consolidated financial statements.

Events after the reporting date and outlook

No events have taken place after the reporting date that would have had a significant effect on the Group's financial position, financial performance or cash flows.
The market has benefitted from the easing of concerns about the Greek economy in July, confirming a generalised steady improvement and resolution of the crisis situation.
Production trends seen in the period have continued after the reporting date.
This is in line with the forecasts made by the distribution networks and the parent, which it included in its budgets.

Turin, 28 July 2015

The Chairman of the Board of Directors
Luigi Maranzana
(signed on the original)

Interim consolidated financial statements

Statement of financial position

thousands €

INTESA SANPAOLO VITA S.p.A.		Total 30-06-2015	Total 31-12-2014
1	**INTANGIBLE ASSETS**	**635,645**	**635,676**
1.1	Goodwill	634,580	634,580
1.2	Other intangible assets	1,065	1,096
2	**TANGIBLE ASSETS**	**861**	**634**
2.1	Lands and buildings (self used)	-	-
2.2	Other tangible assets	861	634
3	**AMOUNT CEDED TO REINSURERS FROM INSURANCE PROVISIONS**	**23,062**	**27,216**
4	**INVESTMENTS**	**100,173,760**	**97,192,771**
4.1	Lands and buildings (investment properties)	19,331	19,414
4.2	Investments in subsidiaries, associates and joint ventures	-	-
4.3	Investments held to maturity	-	-
4.4	Loans and receivables	97,860	80,934
4.5	Financial assets available for sale	71,320,369	71,043,926
4.6	Financial assets at fair value through profit and loss	28,736,200	26,048,497
5	**RECEIVABLES**	**227,177**	**482,557**
5.1	Receivables arising from direct insurance operations	16,947	17,129
5.2	Receivables arising from reinsurance operations	3,598	1,319
5.3	Other receivables	206,632	464,109
6	**OTHER ASSETS**	**1,942,180**	**1,706,345**
6.1	Non-current assets held for sale and discontinued operations	-	-
6.2	Deferred acquisition costs	6	48
6.3	Deferred tax assets	184,655	180,473
6.4	Current tax assets	1,465,179	1,359,560
6.5	Other assets	292,340	166,264
7	**CASH AND CASH EQUIVALENTS**	**2,960,170**	**2,560,638**
	TOTAL ASSETS	**105,962,855**	**102,605,837**

The figures at 30 June 2014 have been restated when required by the IFRS and, where necessary, to reflect changes in the consolidation scope.

thousands €

	INTESA SANPAOLO VITA S.p.A.	Total 30-06-2015	Total 31-12-2014
1	**SHAREHOLDERS' EQUITY**	**4,635,972**	**4,379,449**
1.1	**attributable to the Group**	**4,635,972**	**4,379,449**
1.1.1	Share capital	320,423	320,423
1.1.2	Other equity instruments	-	-
1.1.3	Capital reserves	1,328,097	1,328,097
1.1.4	Revenue reserves and other reserves	2,141,460	1,660,635
1.1.5	(Own shares)	-	-
1.1.6	Reserve for currency translation differences	-	40
1.1.7	Reserve for unrealized gains (losses) on available for sale financial assets	467,479	590,534
1.1.8	Reserve for other unrealized gains (losses) through equity	-352	-686
1.1.9	Result of the period	378,865	480,406
1.2	**attributable to minority interests**	**-**	**-**
1.2.1	Share capital and reserves	-	-
1.2.2	Reserve for other unrealized gains (losses) through equity	-	-
1.2.3	Result of the period	-	-
2	**OTHER PROVISIONS**	**8,403**	**10,648**
3	**INSURANCE PROVISIONS**	**74,473,272**	**74,413,933**
4	**FINANCIAL LIABILITIES**	**25,275,665**	**22,243,677**
4.1	Financial liabilities at fair value through profit and loss	23,823,643	20,834,274
4.2	Other financial liabilities	1,452,022	1,409,403
5	**PAYABLES**	**401,339**	**520,791**
5.1	Payables arising from direct insurance operations	129,704	89,323
5.2	Payables arising from reinsurance operations	1,771	1,132
5.3	Other payables	269,864	430,336
6	**OTHER LIABILITIES**	**1,168,204**	**1,037,339**
6.1	Non-current liabilities held for sale and discontinued operations	-	-
6.2	Deferred tax liabilities	589,197	602,399
6.3	Current tax liabilities	336,491	344,350
6.4	Other liabilities	242,516	90,590
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**105,962,855**	**102,605,837**

The figures at 30 June 2014 have been restated when required by the IFRS and, where necessary, to reflect changes in the consolidation scope.

Income statement

thousands €

INTESA SANPAOLO VITA S.p.A.		Total 30-06-2015	Total 30-06-2014
1.1	Net earned premiums	5,931,341	7,787,986
1.1.1	*Gross earned premiums*	*5,935,744*	*7,792,222*
1.1.2	*Earned premiums ceded*	*-4,403*	*-4,236*
1.2	Commission income	200,650	131,483
1.3	Gains (losses) on financial instruments at fair value through profit and loss	26,538	-15,593
1.4	Income from investments in subsidiaries, associates and joint ventures	-	-
1.5	Income from other financial instruments and lands and buildings	1,547,897	1,241,884
1.5.1	*Interest income*	*938,536*	*959,959*
1.5.2	*Other income*	*61,810*	*33,343*
1.5.3	*Gains on disposal*	*547,551*	*248,582*
1.5.4	*Unrealized gains*	*-*	*-*
1.6	Other income	173,707	49,449
1	**TOTAL INCOME**	**7,880,133**	**9,195,209**
2.1	Net insurance benefits and claims	-6,707,286	-8,361,241
2.1.1	*Claims paid and change in insurance provisions*	*-6,708,241*	*-8,365,209*
2.1.2	*Reinsurers' share*	*955*	*3,968*
2.2	Fee and commission expense	-135,402	-81,430
2.3	Expenses from investments in subsidiaries, associates and joint ventures	-3	-
2.4	Expenses from other financial instruments and lands and buildings	-122,677	-25,251
2.4.1	*Interest expense*	*-33,062*	*-15,138*
2.4.2	*Other expenses*	*-1*	*-1*
2.4.3	*Losses on disposal*	*-83,863*	*-8,638*
2.4.4	*Unrealized losses*	*-5,751*	*-1,474*
2.5	Operating expenses	-203,726	-210,024
2.5.1	*Commissions and other acquisition costs*	*-153,324*	*-164,286*
2.5.2	*Investment management expenses*	*-28,180*	*-22,406*
2.5.3	*Other administrative expenses*	*-22,222*	*-23,332*
2.6	Other expenses	-176,146	-121,657
2	**TOTAL EXPENSES**	**-7,345,240**	**-8,799,603**
	PROFIT (LOSS) BEFORE TAXES FOR THE PERIOD	**534,893**	**395,606**
3	Income taxes	-156,028	-111,139
	PROFIT (LOSS) AFTER TAX FOR THE PERIOD	**378,865**	**284,467**
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	-	-
	CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**378,865**	**284,467**
	of which attributable to the Group	378,865	284,467
	of which attributable to minority interests	-	-

The figures for the six months ended 30 June 2014 have been restated when required by the IFRS and, where necessary, to reflect changes in the consolidation scope.

Statement of comprehensive income

thousands €

INTESA SANPAOLO VITA S.p.A.	Total 30-06-2015	Total 30-06-2014
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	**378,865**	**284,467**
Other comprehensive income after taxes without reclassification in the income statement	**334**	**-75**
Change in shareholders' equity of subsidiaries	-	-
Changes in the revaluation reserve of intangible assets	-	-
Changes in the revaluation reserve of tangible assets	-	-
Gains (losses) of non-current assets held for sale and discontinued operations	-	-
Actuarial gains (losses) arising from defined benefit plans	-	-
Other items	334	-75
Other comprehensive income after taxes with reclassification in the income statement	**-123,095**	**190,329**
Foreign currency translation differences	-40	-1
Net unrealized gains (losses) on available for sale financial assets	-123,055	190,330
Net unrealized gains (losses) on cash flow hedging derivatives	-	-
Net unrealized gains (losses) on hedge of a net investment in foreign operation	-	-
Change in shareholders' equity of subsidiaries	-	-
Gains (losses) of non-current assets held for sale and discontinued operations	-	-
Other items	-	-
TOTAL OF OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME	**-122,761**	**190,254**
TOTAL CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	**256,104**	**474,721**
of which attributable to the Group	**256,104**	**474,721**
of which attributable to minority interests	**-**	**-**

The figures for the six months ended 30 June 2014 have been restated when required by the IFRS and, where necessary, to reflect changes in the consolidation scope.

Statement of changes in equity

thousands €

INTESA SANPAOLO VITA S.p.A.		Amount as of 31-12-2013	Change in Closing Balances	Allocations	Reclassification adjustments to income statement	Transfers	Change in Profit sharing	Amount as of 30-06-2014
Shareholders' equity attributable to the Group	Share capital	320,323	-	-	-	-	-	320,323
	Other equity instruments	-	-	-	-	-	-	-
	Capital reserves	1,327,197	-	-	-	-	-	1,327,197
	Revenue reserves and other reserves	2,014,450	-	346,699	-	227	-	2,361,376
	(Own shares)	-	-	-	-	-	-	-
	Result for the period	346,699	-	-62,232	-	-	-	284,467
	Other comprehensive income	320,658	-	-240	-24,692	215,186	-	510,912
	Total attributable to the Group	**4,329,327**	**-**	**284,227**	**-24,692**	**215,413**	**-**	**4,804,275**
Shareholders' equity attributable to minority interests	Shareholder capital and reserves	-	-	-	-	-	-	-
	Result for the period	-	-	-	-	-	-	-
	Other comprehensive income	-	-	-	-	-	-	-
	Total attributable to minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total		**4,329,327**	**-**	**284,227**	**-24,692**	**215,413**	**-**	**4,804,275**

INTESA SANPAOLO VITA S.p.A.		Amount as of 31-12-2014	Change in Closing Balances	Allocations	Reclassification adjustments to income statement	Transfers	Change in Profit sharing	Amount as of 30-06-2015
Shareholders' equity attributable to the Group	Share capital	320,423	-	-	-	-	-	320,423
	Other equity instruments	-	-	-	-	-	-	-
	Capital reserves	1,328,097	-	-	-	-	-	1,328,097
	Revenue reserves and other reserves	1,660,635	-	480,844	-	-19	-	2,141,460
	(Own shares)	-	-	-	-	-	-	-
	Result for the period	480,406	-	-101,540	-	-1	-	378,865
	Other comprehensive income	589,888	-	334	-82,725	-40,370	-	467,127
	Total attributable to the Group	**4,379,449**	**-**	**379,638**	**-82,725**	**-40,390**	**-**	**4,635,972**
Shareholders' equity attributable to minority interests	Shareholder capital and reserves	-	-	-	-	-	-	-
	Result for the period	-	-	-	-	-	-	-
	Other comprehensive income	-	-	-	-	-	-	-
	Total attributable to minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total		**4,379,449**	**-**	**379,638**	**-82,725**	**-40,390**	**-**	**4,635,972**

The figures for the six months ended 30 June 2014 have been restated when required by the IFRS and, where necessary, to reflect changes in the consolidation scope.

Statement of cash flows (indirect method)

thousands €

INTESA SANPAOLO VITA S.p.A.	30-06-2015	30-06-2014
Profit (loss) before taxes for the period	**534,893**	**395,606**
Change in non-cash items	**339,985**	**8,242,561**
Change in non-life provision from unearned premium	13,688	-5,750
Change in non-life provision for outstanding claims and other insurance provisions	-5,322	3,563
Change in mathematical provisions and other life insurance provisions	-67,928	7,928,197
Change in deferred acquisition costs	42	215
Change in provisions	-2,245	-22
Non-cash income and expenses from financial instruments, investment property and equity investments	419,330	236,094
Other expenses	-17,580	80,264
Change in receivables and payables generated by operating activities	**48,300**	**-117,482**
Change in receivables and payables on direct insurance and reinsurance operations	38,923	18,022
Change in other receivables and payables	9,377	-135,504
Income taxes paid	**-156,028**	**-111,139**
Net cash generated/absorbed by cash items related to investment and financing activity	**-69,294**	**976,905**
Financial liabilities related to investment contracts	3,031,988	1,138,312
Payables to banks and customers	-	-
Loans and receivable from banks and customers	-	-
Other financial instruments at fair value through profit or loss	-3,101,282	-161,407
CASH FLOW FROM OPERATING ACTIVITY	**697,856**	**9,386,451**
Net cash generated/absorbed by lands and buildings (investment property)	83	82
Net cash generated/absorbed by equity investments in subsidiaries, associates and joint ventures	-	-
Net cash generated/absorbed by loans and receivable	-16,926	-1,050
Net cash generated/absorbed by held to maturity investments	-	-
Net cash generated/absorbed by available for sale financial assets	-282,194	-6,841,416
Net cash generated/absorbed by tangible and intangible assets	-	-
Other cash generated/absorbed by investment activity	-	-
CASH FLOW FROM INVESTING ACTIVITY	**-299,037**	**-6,842,384**
Net cash generated/absorbed by Group's share capital and equity instruments	713	151
Net cash generated/absorbed by own shares	-	-
Dividends payment	-	-
Net cash generated/absorbed by minority interests' share capital and reserves	-	-
Net cash generated/absorbed by subordinated liabilities and participative financial instruments	-	-
Net cash generated/absorbed by other financial liabilities	-	-
CASH FLOW FROM FINANCING ACTIVITY	**713**	**151**
Effect of foreign-exchange differences on cash and cash equivalents		**-**
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	2,560,638	2,117,695
INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	**399,532**	**2,544,218**
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	2,960,170	4,661,913

The figures for the six months ended 30 June 2014 have been restated when required by the IFRS and, where necessary, to reflect changes in the consolidation scope.

The Parent's legal representatives (*)

The Chairman – Luigi Maranzana (**)

.... (**)

.... (**)

.... (**)

.... (**)

(*) For foreign companies, the signature of the general representative for Italy is required.

(**) Specify the position held by the signatory representative.

Notes to the interim consolidated financial statements

Part A - Basis of preparation and accounting policies

Basis of preparation

THE LEGISLATIVE CONTEXT

As set forth by Legislative decree no. 38 of 28 February 2005, those companies falling under the scope of Legislative decree no. 209/05 “Codice delle Assicurazioni Private” (Italian Private Insurance Code), are required to draw up their consolidated financial statements, starting from 2005, in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission .
The Group’s interim consolidated financial statements have, therefore, been prepared in compliance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) endorsed by the European Commission pursuant to EC regulation no. 1606 of 19 July 2002, as well as applying the standards or subsequent amendments endorsed after that date.
In order to better guide the interpretation and the application of the new accounting standards, further reference was made to the following documents, even though they have not been endorsed by the European Commission:

- “Framework for the preparation and presentation of financial statements” of the International Accounting Standards Board;
- “Implementation guidance, basis for conclusions” and any other documents prepared by the IASB or the International Financial Reporting Interpretations Committee (IFRIC) to complete the issued standards.

Lastly, again in terms of interpretation, the documents regarding the application of the IFRS prepared by the Italian Standard Setter Body (Organismo Italiano di Contabilità, OIC), the Italian Association of Insurance Companies (Associazione Nazionale delle Imprese di Assicurazioni, ANIA) and the Italian Banking Association (Associazione Bancaria Italiana, ABI) were considered.

BASIS OF PRESENTATION

These interim consolidated financial statements comprise a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and these notes. They are accompanied by a directors’ report.
The interim consolidated financial statements have been prepared based on the instructions about layouts issued by the Italian Insurance Regulator (ISVAP) with regulation no. 7 of 13 July 2007, as subsequently amended and integrated. The information to be included in the notes to the interim consolidated financial statements has been supplemented with the additional disclosures required by the IFRS for the preparation of financial statements.
The interim consolidated financial statements and these notes have been drawn up in euro as the functional currency. The amounts are expressed in thousands of euro, unless specified otherwise.

Accounting policies

The accounting policies used to draw up these interim consolidated financial statements are the same as those applied to prepare the consolidated financial statements at 31 December 2014 to which reference should be made for more detailed information.
These accounting policies have been identified assuming the consolidated companies will continue to operate as it is deemed that there are no significant uncertainties that generate doubt as to their ability to continue as going concerns.

Share-based payment

Based on the treasury share repurchase programme commenced by Intesa Sanpaolo S.p.A. to service the senior management free share assignment plan, the Group has purchased the ultimate parent’s shares.
These shares are measured at fair value. Fair value gains or losses on the shares are recognised in profit or loss with the concurrent recognition of personnel expense of the same amount and an increase in the related equity reserve for the ultimate parent’s shares.

Part B - Consolidation policies and scope

Consolidation policies

These interim consolidated financial statements include, as well as the financial statements of the parent, Intesa Sanpaolo Vita, those of the subsidiaries Intesa Sanpaolo Life, Intesa Sanpaolo Assicura and Intesa Sanpaolo Smart Care.
In compliance with IFRS 10, all the investments in subsidiaries, including those working in business sectors that are different to those of the parent, are consolidated with the line-by-line method, which establishes the following:

- the financial statements drawn up according to the IFRS of the parent and its subsidiaries are grouped line by line, summing all the carrying amounts of the assets, liabilities, equity, revenue and costs;
- the carrying amount of the parent's investments in each subsidiary and the corresponding part of their equity are eliminated and the non-controlling interest in the profit or loss for the year and in equity is shown separately;
- any positive differences between the carrying amount of the parent's investments in each subsidiary and the corresponding part of their equity are allocated to the subsidiary's relevant assets and, for the remaining part, to goodwill at the time of first consolidation and, afterwards, among the equity reserves. Any negative differences are recognised in profit or loss. In the case where the investments held by the parent come from transactions carried out with Intesa Sanpaolo Group companies, because they are transactions between entities under common control and in the absence of explicit information regarding this situation in the IFRS, the same carrying amount was maintained;
- intragroup balances and transactions, including revenue, costs and dividends, are eliminated.

All the financial statements of the companies included in the consolidation scope have the same reporting date and are expressed in euro.
Segment reporting by geographical segment is not presented because the Group mainly operates in Italy.
The SPEs, OEICs, and mutual funds in which the internal funds of the unit-linked products are invested, included in the consolidation scope before application of IFRS 10, have been excluded as they do not meet the conditions for consolidation under this new standard. Therefore, the Group restated the amounts at 30 June 2014 which affected the statement of financial position by €17.6 million and did not affect the profit for the period.
The interim financial statements used for consolidation are those at 30 June 2015 as they were approved by the relevant bodies of the subsidiaries, adjusted where necessary to comply with the parent's accounting policies. All the group entities and companies use the euro as their functional and presentation currency.
Segment reporting is based on the significant business segments in which the Group operates as follows:

- Non-life insurance business
- Life insurance business.

Details are given in the annexes to the notes "Statement of financial position by business segment" and "Income statement by business segment".
The life insurance business segment includes the non-insurance subsidiary Smart Care.

Consolidation scope

Investments in subsidiaries, including in companies operating in business sectors that are different from that of the parent, are consolidated.
Special purpose vehicles, OEICs and mutual funds are also consolidated when they are controlled by the parent as per IFRS 10.
A list of the companies consolidated at 30 June 2015 is provided in the annex to the notes "Consolidation scope".

Part C - Notes to the statement of financial position

INTANGIBLE ASSETS (caption 1)

They amount to €635,645 thousand (€635,676 thousand at 31 December 2014).
This caption mainly comprises goodwill and the expenses incurred for software acquired from third parties or developed internally. The table below provides a breakdown of the caption:

thousands €

	Cost	Deemed cost or fair value	Carrying amount 31/12/2014	Cost	Deemed cost or fair value	Carrying amout 31/12/2013
Goodwill	634,580		634,580	634,580		634,580
Other intangible assets	1,065		1,065	1,096		1,096
Total	**635,645**	**-**	**635,645**	**635,676**	**-**	**635,676**

Goodwill of €635,580 thousand, unchanged from 31 December 2014, refers to the non-recurring transactions in which the Group was involved, especially the merger of Intesa Sanpaolo Vita and Sud Polo into the parent at 31 December 2011 and the contribution of the Intesa Sanpaolo Previdenza SIM S.p.A. buiness unit on 1 December 2014.
The measurement at 30 June 2015 and changes in the reporting period result in a higher portfolio fair value compared to its carrying amount; therefore, no impairment losses were recognised.

Other items of property, plant and equipment (caption 2.2)

This caption amounting to €861 thousand (€634 thousand at 31 December 2014) mainly comprises chattels, electronic systems, equipment and office machines.

AMOUNT CEDED TO REINSURERS FROM INSURANCE PROVISIONS (caption 3)

The caption amounts to €23,062 thousand (€27,216 thousand at 31 December 2014), with a decrease of €4,154 thousand compared to 31 December 2014. The breakdown by provision type is shown in the annex to the notes “Breakdown of amount ceded to reinsurers of insurance provisions”.
The reinsurance treaties are entered into with leading counterparties whose degree of solvency is supported by the high ratings assigned.

INVESTMENTS (caption 4)

Total investments (investment property, equity investments and financial assets), which include the property in Via Hoepli 10, Milan, amount to €100,173,760 thousand (€97,192,771 thousand at 31 December 2014).

Lands and buildings (Investment property) (caption 4.1)

This caption amounts to €19,331 thousand and is essentially unchanged from 31 December 2014 (€19,414 thousand), with a *fair value* of €25.860 thousand.

The building component is depreciated over 30 years using a rate of 3.33%.

Financial assets (captions 4.3, 4.4, 4.5 and 4.6)

Financial assets amount to €100,154,429 thousand (€97,173,357 thousand at 31 December 2014). The related breakdown by classification category and investment type is given in the annex to the notes “Breakdown of financial assets”.

Loans and receivables (caption 4.4)

They amount to €97,860 thousand (€80,934 thousand at 31 December 2014) as follows:

thousands €

	30/06/2015	31/12/2014
Loans and receivables with bank customers	**16,179**	1,179
Loans and receivables with banks	**78,812**	76,976
Deposits with ceding companies	**-**	0
Other loans and receivables	**2,869**	2,779
- loans on policies	350	392
- secured loans	-	0
- employee loans	-	0
- other	2,519	2,387
Total	**97,860**	**80,934**

The maximum exposure to the credit risk on loans and receivables is €97,860 thousand, i.e., the carrying amount of such assets.
Loans and receivables with banks mainly consist of debt instruments and are mostly short-term.
“Other” includes the investment in BluGem Luxembourg and profit participating equities certificates.
A breakdown of the caption by fair value level is provided in the annex to the notes “Assets and liabilities not measured at fair value: breakdown by fair value level”.

Financial assets available for sale (caption 4.5)

They amount to €71,320,369 thousand (€71,043,926 thousand at 31 December 2014), mainly comprise bonds and may be broken down as follows:

thousands €

	30-06-2015				31-12-2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Debt securities	63,085,259	2,081,759	4,585	65,171,603	63,736,060	1,986,652	146,257	65,868,969
- Structured	1,577,436	437,955	4,583	2,019,974	1,071,269	293,101	146,257	1,510,627
- Other	61,507,823	1,643,804	2	63,151,629	62,664,791	1,693,551	-	64,358,342
Equity instruments	1,323,350	1	73	1,323,424	685,364	1	160,867	846,232
- Cost	-	-	52	52	-	-	51	51
- FVTPL	1,323,350	1	21	1,323,372	685,364	1	160,816	846,181
UCI shares	4,688,295	79,134	57,913	4,825,342	4,238,786	82,638	7,301	4,328,725
Total	**69,096,904**	**2,160,894**	**62,571**	**71,320,369**	**68,660,210**	**2,069,291**	**314,425**	**71,043,926**

Changes in the Level 3 assets are presented in the annex to the notes “Changes in Level 3 financial assets and liabilities”.
The impairment test of investments classified as available-for-sale, which was conducted in compliance with the criteria set out in detail in the section on the accounting policies, led to recognition of losses of €5,668 thousand. This amount includes impairment losses on government bonds (€5,306 thousand), equity instruments (€6 thousand) and OEIC units (€356 thousand).

The following table shows the carrying amount of the Group's exposure to sovereign risk:

thousands €

	DEBT SECURITIES	
	Government bonds	Other
	Carrying amount	Carrying amount
Schengen countries	50,503,827	11,854,028
AUSTRIA	6,018	2,239
BELGIUM	6,370	97,015
BULGARIA	35,303	8,959
CROATIA	32,690	6,106
DENMARK	-	42,730
FINLAND	3,201	-
FRANCE	60,307	724,300
GERMANY	1,699,862	306,313
IRELAND	87,850	247,288
ITALY	47,613,539	7,399,639
LUXEMBOURG	11,581	555,150
NORWAY	-	65,428
NETHERLANDS	74,935	881,344
POLAND	15,261	-
PORTUGAL	-	14,370
UK	-	832,785
ROMANIA	50,561	-
SLOVENIA	7,539	-
SPAIN	767,767	667,567
SWEDEN	-	2,795
HUNGARY	31,043	-
North Africa	-	-
JAPAN	-	42,267
America	469,917	1,521,693
Other countries	281,005	498,866
TOTAL	**51,254,749**	**13,916,854**

Financial assets at fair value through profit and loss (caption 4.6)

They amount to €28,736,200 thousand (€26,048,497 thousand at 31 December 2014) and include assets held for trading (€944,245 thousand) and assets designated at fair value through profit or loss (€27,791,955 thousand).

Financial assets held for trading

Financial assets held for trading amount to €944,245 thousand (€977,295 thousand at 31 December 2014). Changes in Level 3 financial assets held for trading are set out in the annex to the notes "Changes in Level 3 financial assets and liabilities".

The breakdown of the caption at 30 June 2015 is set out below:

thousands €

	30-06-2015				31-12-2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Debt securities	205,486	87,516	19,822	312,824	224,681	134,273	24,064	383,018
- Structured	571	43,425	19,822	63,818	7,420	91,113	24,064	122,597
- Other	204,915	44,091	-	249,006	217,261	43,160	-	260,421
Equity instruments	-	-	-	-	-	-	-	-
UCI shares	452,378	-	-	452,378	410,352	-	-	410,352
Derivatives	-	178,743	300	179,043	36	183,549	340	183,925
Total	**657,864**	**266,259**	**20,122**	**944,245**	**635,069**	**317,822**	**24,404**	**977,295**

Financial assets designated at fair value through profit or loss

Assets designated at fair value through profit or loss amount to €27,791,955 thousand (€25,071,202 thousand at 31 December 2014).
The breakdown of the caption at 30 June 2015 is set out below:

thousands €

	30-06-2015				31-12-2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Debt securities	1,959,732	1,168,810	163,578	3,292,120	2,334,595	1,153,966	237,244	3,725,805
- Structured	95,897	331,215	163,578	590,690	148,930	756,889	237,244	1,143,063
- Other	1,863,835	837,595	-	2,701,430	2,185,665	397,077	-	2,582,742
Equity instruments	483,639	-	-	483,639	450,761	-	-	450,761
UCI shares	23,695,318	-	-	23,695,318	20,527,382	-	-	20,527,382
Other financial investments	-	-	320,878	320,878	-	-	367,254	367,254
Derivatives	-	-	-	-	-	-	-	-
Total	**26,138,689**	**1,168,810**	**484,456**	**27,791,955**	**23,312,738**	**1,153,966**	**604,498**	**25,071,202**

Derivative instruments are associated with primary investments held by the Group or with derivative transactions aimed at the acquisition of primary investments. The associated derivatives are aimed at minimising the financial risks in the investment portfolio.
At the reporting date, the parent had four forward hedges
Changes in Level 3 assets designated at fair value through profit or loss are set out in the annex to the notes "Changes in Level 3 financial assets and liabilities".
The category also includes assets used to hedge contracts where the financial risk is borne by the policyholders, which amount to €26,883,201 thousand.
The annex to the notes "Financial assets and liabilities relating to contracts issued by insurance companies where the investment risk is borne by policyholders and arising from pension fund management" shows a comparison with the Group's commitments vis-à-vis policyholders.

OTHER RECEIVABLES (caption 5)

They amount to €227,177 thousand (€482,557 thousand at 31 December 2014).
Sundry receivables include, in particular, receivables from the ultimate parent for payment of the IRES advance (€62,793 thousand), tax assets (€54,783 thousand), management commissions on unit-linked and index-linked policies (€43,223 thousand) and other receivables of €45,833 thousand, mainly consisting of hedges of the margins on derivatives agreed with Credit Suisse, Deutsche Bank, Citibank and Goldman Sachs.

The following table sets out details of the caption at 30 June 2015:

thousands €

	30/06/2015	31/12/2014
Direct insurance receivables (caption 5.1)	**16,947**	**17,129**
Premiums due from policyholders	9,137	10,250
Receivables from insurance brokers	3,400	3,592
Co-insurance receivables	3,351	2,298
Other	1,059	989
Reinsurance receivables (caption 5.2)	**3,598**	**1,319**
Other receivables (voce 5.3)	**206,632**	**464,109**
Tax assets	54,783	46,646
Management commissions on unit-linked policies	43,223	55,212
Receivables from the ultimate parent for tax payments on account	62,793	262,947
Other receivables	45,833	99,304
Total	**227,177**	**482,557**

OTHER ASSETS (caption 6)

They amount to €1,942,180 thousand (€1,706,345 thousand at 31 December 2014).

thousands €

	30/06/2015	31/12/2014
Non-current assets held for sale and disposal groups	-	-
Deferred acquisition costs	6	48
Deferred tax assets	184,655	180,473
Current tax assets	1,465,179	1,359,560
Other assets	292,340	166,264
Deferred commission expense on investment contracts	198,007	*138,064*
Other	*94,333*	*28,200*
Total	**1,942,180**	**1,706,345**

Deferred acquisition costs (caption 6.2)

This caption includes deferred acquisition costs associated with insurance contracts, mainly related to the Group’s non-life insurance portfolio (€6 thousand, €48 thousand at 31 December 2014).

Deferred tax assets (caption 6.3)

This caption includes deferred tax assets through profit or loss of €184,426 thousand (€180,244 thousand at 31 December 2014).

Deferred tax assets derive from deductible temporary differences, such as losses on securities, amortisation of insurance contract portfolios, accruals to provisions for risks and charges, amortisation of intangible assets and unused tax losses carried forward. They were calculated using the current tax rate.

Current tax assets (caption 6.4)

Current tax assets amount to €1,465,179 thousand (€1,359,560 thousand at 31 December 2014). The caption includes payments on account and other tax receivables for withholdings or prior year tax assets that can be offset against taxes of subsequent years. The caption also comprises tax assets on mathematical provisions pursuant to article 1.2 of Legislative decree no. 209/2002 as converted by article 1 of Law no. 265/2002 and subsequent amendments.

The following table sets out details of the caption at 30 June 2015:

thousands €

	30/06/2015	31/12/2014
Deferred tax assets through profit or loss	184,426	180,244
Deferred tax assets through equity	229	229
Total	**184,655**	**180,473**

Sundry assets (caption 6.5)

Sundry assets amount to €292,340 thousand (€166,264 thousand at 31 December 2014). The caption mainly comprises deferred commission expense of €198,007 thousand associated with products of a financial nature without DPF, such as index-linked and unit-linked policies.
The following table sets out details of the caption at 30 June 2015:

thousands €

	30/06/2015	31/12/2014
Deferred commission expense on investment contracts	198,007	138,064
Other	94,333	28,200
Total	**292,340**	**166,264**

Other assets mainly comprise amounts relating to units issued and repaid of unit-linked policies with a bank value date of January 2015 and an accounting value date of 31 December 2014.

CASH AND CASH EQUIVALENTS (caption 7)

At 30 June 2015, cash and cash equivalents amount to €2,960,170 thousand (€2,560,638 thousand at 31 December 2014). The caption includes cash and cash equivalents and demand deposits, including treasury current accounts.

EQUITY (caption 1)

This caption includes equity instruments making up equity, in line with the rules laid down by the Italian Civil Code and the laws regulating the insurance sector, taking into account the necessary adjustments for consolidation. The table below provides a breakdown of the caption at 30 June 2015:

thousands €

	30/06/2015	31/12/2014
Share capital	320,423	320,423
Capital reserves	1,328,097	1,328,097
Revenue reserves and other reserves	2,141,460	1,660,635
Own shares	-	-
Reserve for currency translation differences	-	40
Reserve for unrealized gains and losses on assets available for sale	467,479	590,534
Other gains or losses recognised directly in equity	- 352	- 686
Profit for the year attributable to the Group	378,865	480,406
Total equity attributable to the Group	**4,635,972**	**4,379,449**

The change in equity reflects the profit for the period and the variation in the fair value reserve.

Share capital (caption 1.1.1)

The parent's share capital amounts to €320,423 thousand, divided into 655,157,496 ordinary registered shares with no nominal amount.

Capital reserves (caption 1.1.3)

These reserves of €1,328,097 thousand include the parent's share premium reserve.

Revenue reserves and other reserves (caption 1.1.4)

The caption includes the legal reserve, the statutory reserve, the extraordinary reserve and other reserves. It also includes the IFRS FTA reserve. These reserves amount to €2,141,460 thousand compared to €1,660,635 thousand at 31 December 2014.

Reserve for unrealized gains (losses) on available for sale financial assets (caption 1.1.7)

The caption includes fair value gains and losses deriving from the remeasurement of financial instruments classified as available-for-sale financial assets.
As a result of application of shadow accounting, the differences between the fair value and cost of the aforementioned instruments, net of the tax effects, are recognised in this reserve for the sole part pertaining to the Group. The policyholders' portion is included under the technical provisions.

The table below provides a breakdown of the caption at 30 June 2015:

thousands €

	30/06/2015			31/12/2014		
	Unrealized gains	Unrealized losses	Total	Unrealized gains	Unrealized losses	Total
Total gross of shadow accounting	5,299,953	-364,523	4,935,430	6,831,998	-74,381	6,757,617
- Debt securities	4,904,734	-275,482	4,629,252	6,474,822	-24,096	6,450,726
- Equity instruments	163,682	-32,068	131,614	183,841	-5,430	178,411
- UCI shares	231,537	-56,973	174,564	173,335	-44,855	128,480
Shadow accounting	-4,543,472	316,299	-4,227,173	-5,935,055	72,494	-5,862,561
Total gross of income taxes	756,481	-48,224	708,257	896,943	-1,887	895,056
Tax effects	-259,620	18,842	-240,778	-307,820	3,298	-304,522
Total	**496,861**	**-29,382**	**467,479**	**589,123**	**1,411**	**590,534**

The following table shows changes in the caption in the period:

thousands €

	Debt securities	Equity instruments	UCI shares	30/06/2015	31/12/2014
Opening balance	**539,366**	**41,641**	**9,527**	**590,534**	**321,048**
Increases	**-17,753**	**15,419**	**9,780**	**7,446**	**296,693**
Unrealized gains	31,307	13,710	10,203	55,220	466,443
Accruals	-10,055	24	290	-9,741	782
Other increases	-39,005	1,685	-713	-38,033	-170,532
Decreases	**-82,557**	**-45,230**	**-2,714**	**-130,501**	**-27,207**
Unrealized losses	-167,851	-4,742	-3,205	-175,798	-44,587
Impairment losses	-	-74	-28	-102	-61
Utilisations	-28,492	-42,881	-1,509	-72,882	-36,052
Other decreases	113,786	2,467	2,028	118,281	53,493
Closing balance	**439,056**	**11,830**	**16,593**	**467,479**	**590,534**

PROVISIONS (caption 2)

The caption amounts to €8,403 thousand at 30 June 2015 (€10,648 thousand at 31 December 2014). It is entirely comprised of other provisions, which mainly include accruals for future personnel expense and for product disputes.

The following table shows changes in the caption in the period:

thousands €

	Other provisions	30/06/2015	31/12/2014
Opening balance	**10,648**	**10,648**	**8,315**
Increases	**650**	**650**	**3,941**
- Additions	650	650	2,473
- Accruals	-	-	451
- Other increases	-	-	1,017
Decreases	**-2,895**	**-2,895**	**-1,608**
- Utilisations	-2,413	-2,413	-1,558
- Other decreases	-482	-482	-50
Closing balance	**8,403**	**8,403**	**10,648**

TECHNICAL PROVISIONS (caption 3)

The table below provides a breakdown of the caption at 30 June 2015:

thousands €

	Direct business	Indirect business	30/06/2015	31/12/2014
Non-life insurance provisions	**488,512**	**-**	**488,512**	**484,165**
Provision for unearned premiums	321,047	-	321,047	308,151
Provision for outstanding claims	166,552	-	166,552	175,099
Other insurance provisions	913	-	913	915
of which following the liability adequacy test	-	-	-	-
Life insurance provisions	**73,984,760**	**-**	**73,984,760**	**73,929,768**
Mathematical provisions	66,151,898	-	66,151,898	64,149,579
Provision for outstanding claims	335,964	-	335,964	306,626
Insurance provisions w here investment risk is borne by policyholders and provisions arising from pension fund management	3,154,083	-	3,154,083	3,606,131
Other insurance provisions	4,342,815	-	4,342,815	5,867,432
Total	**74,473,272**	**-**	**74,473,272**	**74,413,933**

The technical provisions of the life business grew by 0.1%. This change can be attributed to the portfolio's performance which records net cash inflows, the revaluation of benefits and the trend of the shadow accounting provision (included in the other provisions), which shows a decrease in line with the performance of the financial markets.
The Group performed the liability adequacy test (LAT), which did not show any amounts to be recognised in profit or loss.

Technical provisions and financial liabilities of the life business

Technical provisions and financial liabilities amount to €97,667,739 thousand (€94,393,838 thousand at 31 December 2014). Contracts falling within the scope of IFRS 4, insurance contracts and investment contracts with DPF account for 98% of the life portfolio (97% at 31 December 2014), while the investment contracts falling within the scope of IAS 39 account for just 2% (3% at 31 December 2014).

Non-life technical provisions

In the non-life segment, the technical provisions are substantially in line with the previous year end (+0.9% on 31 December 2014). They are mainly referred to the portfolio held by Intesa Sanpaolo Assicura.

FINANCIAL LIABILITIES (caption 4)

Financial liabilities amount to €25,275,665 thousand (€22,243,677 thousand at 31 December 2014). The related breakdown by category and investment type is given in the annex to the notes "Breakdown of financial liabilities".

Financial liabilities at fair value through profit or loss (caption 4.1)

They amount to €23,823,643 thousand (€20,834,274 thousand at 31 December 2014) and include financial liabilities held for trading and financial liabilities at fair value through profit or loss. The breakdown by level is shown in the annex to the notes "*Breakdown of financial assets and liabilities by level*".

Financial liabilities held for trading

They amount to €140,664 thousand at 30 June 2015 (€370,204 thousand at 31 December 2014) and are non-hedging derivatives.

Financial liabilities designated at fair value through profit or loss

The caption of €23,682,979 thousand (€20,464,070 thousand at 31 December 2014) includes the financial liabilities associated with index-linked and unit-linked investment contracts which do not present a significant insurance risk and, therefore, do not fall within the scope of IFRS 4.
Since the fair value of the financial liabilities represented by index-linked and unit-linked product deposits is not tied to the creditworthiness of the issuing companies but rather to that of the hedging assets, reference is made to the section of the notes on the disclosure on risks for further information on this aspect.

Other financial liabilities (caption 4.2)

The caption includes subordinated liabilities and financial liabilities associated with investment contracts with eligible asset products.
The table below gives a breakdown of the caption:

thousands €

	30/06/2015	31/12/2014
Subordinated liabilities	1,344,162	1,337,556
Financial liabilities associated with policies with eligible assets	-	-
Other financial liabilities	100,684	62,511
Deposits received from reinsurers	7,176	9,336
Total	**1,452,022**	**1,409,403**

LIABILITIES (caption 5)

The following table sets out details of the caption at 30 June 2015:

thousands €

	30/06/2015	31/12/2014
Direct insurance liabilities	129,704	89,323
Reinsurance liabilities	1,771	1,132
Other liabilities	269,864	430,336
Total	**401,339**	**520,791**

The caption "Direct insurance liabilities" of €129,704 thousand mainly includes commissions payable to distribution networks, as well as items to be settled deriving from co-insurance agreements.
"Other liabilities" includes trade payables arising from direct and indirect insurance transactions of €60,550 thousand and other tax liabilities of €45,332 thousand. The caption also comprises the liability for post-employment benefits.

Post-employment benefits

This caption showed the following changes during the period:

thousands €

	30/06/2015	31/12/2014
Opening balance	**3,145**	**2,653**
Increases	**36**	**828**
- New entities included in the consolidation scope	-	-
- Current service cost	-	358
- Transfers between group companies	-	-
- Interest cost	19	437
- Other increases	17	33
Decreases	**- 305**	**- 336**
- Benefits paid	-	-
- Current service cost	-	-
- Curtailments	-	-
- Other decreases	- 305	- 336
- Entities excluded from the consolidation scope	-	-
Closing balance	**2,876**	**3,145**

OTHER LIABILITIES (caption 6)

Deferred tax liabilities (caption 6.2)

This caption includes deferred tax liabilities, as defined and regulated by IAS 12. The caption increased during the period from €602,399 thousand to €589,197 thousand.
The following table sets out details of the caption at 30 June 2015:

thousands €

	30/06/2015	**31/12/2014**
Deferred tax liabilities through profit or loss	348,147	297,699
Deferred tax liabilities through equity	241,050	304,700
Total	**589,197**	**602,399**

Current tax liabilities (caption 6.3)

The caption, amounting to €336,491 thousand (€344,350 thousand at 31 December 2014), mainly comprises the accrual for the tax on the mathematical provisions (Law no. 265/2002) accrued at the reporting date.

Sundry liabilities (caption 6.4)

The following table sets out details of this caption:

thousands €

	30/06/2015	31/12/2014
Deferred liabilities relating to investment contracts	2,937	4,320
Pension funds	357	422
Seniority bonuses	1,967	2,131
Deferred operating costs	-	-
Other liabilities	237,255	83,717
Total	**242,516**	**90,590**

The caption mainly includes liabilities relating to deferred commission income associated with index and unit-linked investment contracts with an insurance risk considered to be not significant and to long-term employee benefits.
Deferred liabilities relating to investment contracts refer to index-linked policies (€1,673 thousand, €3,097 thousand at 31 December 2014) and unit-linked policies (€1,264 thousand, €1,223 thousand at 31 December 2014).
Deferred operating costs include the portion of the future expenses provision set aside for financial contracts in relation to which it was not necessary to defer the loading.
Other liabilities mainly include the provision for retention commissions. These liabilities refer to the accrual for the cost of retention commissions accrued at the reporting date, even though the related obligation has not materialised since their payment is subject to the retention of the contracts in the portfolio on the renewal date.

Part D - Notes to the income statement

REVENUE

Net premiums (caption 1.1)

The net earned premiums for the period amount to €5,931,341 thousand, showing a decrease of 24% compared to the corresponding period of 2014.

thousands €

	30/06/2015			30/06/2014		
	Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
Non-life gross earned premiums	122,097	- 3,908	118,189	107,394	- 3,739	103,655
Gross written premiums	*134,990*	*- 3,250*	*131,740*	*110,764*	*- 3,141*	*107,623*
Change inprovision ofr unearned premiums	*- 12,893*	*- 658*	*- 13,551*	*- 3,370*	*- 598*	*- 3,968*
Life gross w ritten premiums	5,813,647	- 495	5,813,152	7,684,828	- 497	7,684,331
Total	**5,935,744**	**- 4,403**	**5,931,341**	**7,792,222**	**- 4,236**	**7,787,986**

COMMISSION INCOME (caption 1.2)

Commissions refer to financial contracts which do not have a significant insurance risk and do not include discretionary participation features, such as index-linked and unit-linked policies.
Commission income includes premium loading and, for the unit-linked policies, the management commissions on contracts with investments in an internal fund. Other commission income includes the management commissions retroceded by the managers to the companies for unit-linked products.
The following table shows the details of commission income for the period:

thousands €

	30/06/2015	30/06/2014
Unit-linked financial products	176,800	117,578
Index-linked financial products	1,424	3,207
Other commission income	22,426	10,698
Total	**200,650**	**131,483**

Net fair value gains or losses on financial instruments at fair value through profit or loss (caption 1.3)

This caption is a net gain of €26,538 thousand (net loss of €15,593 thousand for the corresponding period of 2014). It is broken down in the annex "Gains and losses on financial instruments and investments".
The higher net gains on financial instruments at fair value through profit or loss are mainly due to the smaller change in fair value observed on financial markets compared to the corresponding period of the previous year which affected both instruments designated at fair value through profit or loss and investments held for trading.

Gains on other financial instruments and lands and buildings (investment property) (caption 1.5)

This caption amounts to €1,547,897 thousand (€1,241,884 thousand for the corresponding period of 2014). The increase is substantially due to the larger volume of average assets under management and the higher gains on disposals compared to the first six months of 2014.
A breakdown of the caption is given in the annex to the notes "Gains and losses on financial instruments and investments".

OTHER INCOME (caption 1.6)

This item amounts to €173,707 thousand (€49,449 thousand for the corresponding period of 2014) and mainly consists of other technical income (€45,409 thousand), mostly relating to the management commissions for unit-linked products classified as insurance products, and exchange rate gains on investments (€124,201 thousand).

COSTS

Net insurance benefits and claims (caption 2.1)

The caption decreased by 20% to €6,707,286 thousand (€8,361,241 thousand for the corresponding period of 2014).

The following table sets out details of this caption:

thousands €

	30-06-2015			30/06/2014		
	Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
Non-life net insurance benefits and claims	**-47,570**	**942**	**-46,628**	**-53,040**	**4,048**	**-48,992**
Claims paid	-56,964	4,168	-52,796	-47,855	1,836	-46,019
Change in provision for outstanding claims	8,547	-3,226	5,321	-5,775	2,212	-3,563
Change in recoveries	845	-	845	549	-	549
Change in other insurance provisions	2	-	2	41	-	41
Life net insurance benefits and claims	**-6,660,671**	**13**	**-6,660,658**	**-8,312,169**	**-80**	**-8,312,249**
Claims paid	-4,929,405	148	-4,929,257	-3,416,663	226	-3,416,437
Change in provision for outstanding claims	-29,338	-257	-29,595	-107,185	37	-107,148
Change in mathematical provisions	-2,043,207	122	-2,043,085	-5,665,640	-343	-5,665,983
Change in insurance provisions where investment risk is borne by policyholders and provisions arising from pension fund management	452,048	-	452,048	861,528	-	861,528
Change in other insurance provisions	-110,769	-	-110,769	15,791	-	15,791
Total	**-6,708,241**	**955**	**-6,707,286**	**-8,365,209**	**3,968**	**-8,361,241**

COMMISSION EXPENSE (caption 2.2)

Commission expense includes the commissions for the acquisition of contracts classified as financial and, for the unit-linked policies, the management commissions retroceded to placement agents.
The following table gives a breakdown of the caption for the period:

thousands €

	30/06/2015	30/06/2014
Commission expense for management and dealing services	715	364
Unit-linked financial products	119,749	64,743
Index-linked financial products	13,574	15,827
Retroceded commission income on unit-linked funds	1,090	382
Other commission expense	274	114
Total	**135,402**	**81,430**

Losses on other financial instruments and investment property (caption 2.4)

The caption amounts to €122,677 thousand (€25,251 thousand for the corresponding period of 2014).
Its breakdown is provided in the annex to the notes "Gains and losses on financial instruments and investments". The caption mainly consists of realised losses of €83,863 thousands on available-for-sale investments and interest expense of €33,062 thousands.

OPERATING COSTS (caption 2.5)

The following table gives a breakdown of the costs in question:

thousands €

	30/06/2015	30/06/2014
Gross commissions and other acquisition costs	**153,738**	**164,654**
Acquisition commissions	99,339	105,544
Other acquisition costs	17,167	15,281
Change in deferred acquisition costs	41	392
Premium collection commissions	37,191	43,437
Profit participation and other commissions received from reinsurers	**- 414**	**- 368**
Investment management costs	**28,180**	**22,406**
Other administrative costs	**22,222**	**23,332**
Total	**203,726**	**210,024**

The investment management costs mainly consist of costs of financial instruments (€8,774 thousand) and investment management commissions and custody expenses (€19,406 thousand).

OTHER COSTS (caption 2.6)

This caption, equal to €176,146 thousand (€121,657 thousand for the first half of 2014), includes, inter alia, the net accruals to the provisions for risks and charges (€118 thousand), depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets (€209 thousand), exchange rate losses (€5,885 thousand) and other technical costs (€165,621 thousand). The latter amount mostly consists of retention commissions paid to the sales network.

INCOME TAXES (caption 3)

This caption represents the consolidated tax expense calculated in compliance with the rules in force in the different countries where the group companies operate, taking into account the effects of deferred tax assets and liabilities.
The following table sets out details of this caption:

thousands €

	30/06/2015	30/06/2014
Current taxes	109,774	122,454
Change in current taxes of previous years	-	-
Change in deferred tax assets	2,529	-7,912
Change in deferred tax liabilities	43,725	-3,403
Total	**156,028**	**111,139**

Part E - Related parties

The group companies have performed transactions with companies of Intesa Sanpaolo Group as part of their normal operations, which are summarised below. These transactions were carried out at normal market conditions and to both parties' mutual advantage. The Group did not carry out atypical and/or unusual transactions during the period, either intragroup, with related parties or third parties.

thousands €

	Ultimate parent	Entities controlled by the ultimate parent	TOTAL
Loans and receivables	44,411	2,824	47,235
Available-for-sale financial assets	4,008,274	61,394	4,069,668
Financial assets at fair value through profit or loss	533,342	570,978	1,104,320
Other receivables	63,155	6,814	69,969
Other assets	616,372	14,255	630,627
Cash and cash equivalents	2,795,829	22,355	2,818,184
ASSETS	**8,061,383**	**678,620**	**8,740,003**
Insurance provisions	717,344		717,344
Financial liabilities	46,537	17,623	64,160
Unrealized gains and losses equity reserve	204,408	-144	204,264
Liabilities	141,302	74,646	215,948
Other liabilities	27,886	26,927	54,813
LIABILITIES	**1,131,983**	**119,052**	**1,256,529**
Net earned premiums			
Fee and commission income	21	1,441	1,462
Gains on investments	-3,273	25,873	22,600
Net gains on available-for-sale financial assets	63,414	997	64,411
Other income	13,373	9,984	23,357
Net insurance benefits and claims	-4,071	-1,783	-5,854
Fee and commission expense	-15,202	-22,874	-38,076
Commissions and other acquisition costs	-67,801	-61,028	-128,829
Investment management costs		-13,122	-13,122
Other administrative costs	-1,061	-4,113	-5,174
Other costs	-54,299	-59,100	-113,399
INCOME STATEMENT	**-68,899**	**-123,725**	**-192,624**

Assets and liabilities mainly refer to:

- ownership of bonds issued by the ultimate parent, Intesa Sanpaolo, or its subsidiaries;
- ownership of OEIC units managed by Intesa Group companies;
- financial protection arrangements for unit-linked products;
- receivables and payables relating to personnel secondment or recharging of costs for the use of equipped space made available by the Group;
- commission expense which is deferred and relates to contracts which do not fall under the scope of application of IFRS 4;
- deposits on current accounts opened with group banks;
- security deposits with Intesa Sanpaolo and its subsidiaries;
- liabilities for investment contracts which do not fall under the scope of application of IFRS 4;
- liabilities relating to an insurance capitalisation contract for the partial accumulation of post-employment benefits of employees of Intesa Sanpaolo;
- subordinated loans;
- commissions payable to the Intesa Sanpaolo networks accrued by the latter against the placement of products of insurance companies;
- receivables and payables with the ultimate parent Intesa Sanpaolo for the tax consolidation scheme for IRES purposes;
- payables to Intesa Sanpaolo Group companies that provide IT services.

Income and expense refer mainly to:

- net gains on the financial instruments issued by group companies;
- fees that have accrued on current accounts opened with banks;
- costs and income from existing service contracts involving the reciprocal secondment of personnel or making available equipped spaces;
- other net expenses from liquidations of insurance services to group companies and the change in the technical provisions;
- interest expense on subordinated loans;
- the cost of commission fees and commission expense to the network for the placement of insurance or investment contracts;
- management commissions recognised to group companies that manage the securities portfolios;
- expenses for IT services supplied by the outsourcer of Intesa Sanpaolo Group.

Annexes to the notes to the interim consolidated financial statements

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Statement of financial position by segment

value in €

		Non-life segment		Life segment		Consolidation adjustements		Total	
		Total 30-06-2015	Total 31-12-2014	Total 30-06-2015	Total 31-12-2014	Total 30-06-2015	Total 31-12-2014	Total 30-06-2015	Total 31-12-2014
1	**INTANGIBLE ASSETS**	**44,000**	**57,000**	**635,601,000**	**635,619,000**	-	-	**635,645,000**	**635,676,000**
2	**TANGIBLE ASSETS**	**70,000**	**83,000**	**791,000**	**551,000**	-	-	**861,000**	**634,000**
3	**AMOUNT CEDED TO REINSURERS FROM INSURANCE PROVISIONS**	**20,936,000**	**24,955,000**	**2,126,000**	**2,261,000**	-	-	**23,062,000**	**27,216,000**
4	**INVESTMENTS**	**591,696,000**	**531,678,000**	**99,665,927,000**	**96,744,956,000**	**-83,863,000**	**-83,863,000**	**100,173,760,000**	**97,192,771,000**
4.1	Lands and buildings (investment properties)	-	-	19,331,000	19,414,000	-	-	19,331,000	19,414,000
4.2	Investments in subsidiaries, associates and joint ventures	-	-	83,863,000	83,863,000	-83,863,000	-83,863,000	-	-
4.3	Investments held to maturity	-	-	-	-	-	-	-	-
4.4	Loans and receivables	-	-	97,860,000	80,934,000	-	-	97,860,000	80,934,000
4.5	Financial assets available for sale	583,207,000	522,172,000	70,737,162,000	70,521,754,000	-	-	71,320,369,000	71,043,926,000
4.6	Financial assets at fair value through profit and loss	8,489,000	9,506,000	28,727,711,000	26,038,991,000	-	-	28,736,200,000	26,048,497,000
5	**RECEIVABLES**	***22,309,000***	***22,175,000***	***205,825,000***	***461,365,000***	***-957,000***	***-983,000***	***227,177,000***	***482,557,000***
6	**OTHER ASSETS**	**30,505,000**	**24,776,000**	**1,911,675,000**	**1,681,601,000**	-	**-32,000**	**1,942,180,000**	**1,706,345,000**
6.1	Deferred acquisition costs	6,000	48,000	-	-	-	-	6,000	48,000
6.2	Other assets	30,499,000	24,728,000	1,911,675,000	1,681,601,000	-	-32,000	1,942,174,000	1,706,297,000
7	**CASH AND CASH EQUIVALENTS**	**85,542,000**	**129,959,000**	**2,874,628,000**	**2,430,679,000**	-	-	**2,960,170,000**	**2,560,638,000**
	TOTAL ASSETS	**751,102,000**	**733,683,000**	**105,296,573,000**	**101,957,032,000**	**-84,820,000**	**-84,878,000**	**105,962,855,000**	**102,605,837,000**
1	**SHAREHOLDERS' EQUITY**							**4,635,972,000**	**4,379,449,000**
2	**OTHER PROVISIONS**	**619,000**	**1,101,000**	**7,784,000**	**9,547,000**	-	-	**8,403,000**	**10,648,000**
3	**INSURANCE PROVISIONS**	**488,512,000**	**484,165,000**	**73,984,760,000**	**73,929,768,000**	-	-	**74,473,272,000**	**74,413,933,000**
4	**FINANCIAL LIABILITIES**	**8,180,000**	**10,343,000**	**25,267,485,000**	**22,233,334,000**	-	-	**25,275,665,000**	**22,243,677,000**
4.1	Financial liabilities at fair value through profit or loss	-	-	23,823,643,000	20,834,274,000	-	-	23,823,643,000	20,834,274,000
4.2	Other financial liabilities	8,180,000	10,343,000	1,443,842,000	1,399,060,000	-	-	1,452,022,000	1,409,403,000
5	**PAYABLES**	**30,072,000**	**27,802,000**	**372,293,000**	**494,036,000**	**-1,026,000**	**-1,047,000**	**401,339,000**	**520,791,000**
6	**OTHER LIABILITIES**	**23,865,000**	**20,689,000**	**1,144,339,000**	**1,016,676,000**	-	**-26,000**	**1,168,204,000**	**1,037,339,000**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES							**105,962,855,000**	**102,605,837,000**

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Income statement by segment

value in €

		Non-life segment		Life segment		Consolidation adjustements		Total	
		Total 30-06-2015	Total 30-06-2014	Total 30-06-2015	Total 30-06-2014	Total 30-06-2015	Total 30-06-2014	Total 30-06-2015	Total 30-06-2014
1.1	Net earned premiums	118,189,000	103,655,000	5,813,152,000	7,684,331,000	-	-	5,931,341,000	7,787,986,000
1.1.1	*Gross earned premiums*	*122,097,000*	*107,394,000*	*5,813,647,000*	*7,684,828,000*	-	-	*5,935,744,000*	*7,792,222,000*
1.1.2	*Earned premiums ceded*	*-3,908,000*	*-3,739,000*	*-495,000*	*-497,000*	-	-	*-4,403,000*	*-4,236,000*
1.2	Commission income	-	-	200,650,000	131,483,000	-	-	200,650,000	131,483,000
1.3	Gains (losses) on financial instruments at fair value through profit and loss	385,000	186,000	26,153,000	-15,779,000	-	-	26,538,000	-15,593,000
1.4	Income from investments in subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-
1.5	Income from other financial instruments and lands and buildings	23,080,000	11,266,000	1,524,817,000	1,230,618,000	-	-	1,547,897,000	1,241,884,000
1.6	Other income	8,834,000	5,656,000	165,770,000	44,685,000	-897,000	-892,000	173,707,000	49,449,000
1	**TOTAL INCOME**	**150,488,000**	**120,763,000**	**7,730,542,000**	**9,075,338,000**	**-897,000**	**-892,000**	**7,880,133,000**	**9,195,209,000**
2.1	Net insurance benefits and claims	-46,628,000	-48,992,000	-6,660,658,000	-8,312,249,000	-	-	-6,707,286,000	-8,361,241,000
2.1.2	*Claims paid and change in insurance provisions*	*-47,570,000*	*-53,040,000*	*-6,660,671,000*	*-8,312,169,000*	-	-	*-6,708,241,000*	*-8,365,209,000*
2.1.3	*Reinsurers' share*	*942,000*	*4,048,000*	*13,000*	*-80,000*	-	-	*955,000*	*3,968,000*
2.2	Fee and commission expense	-	-	-135,402,000	-81,430,000	-	-	-135,402,000	-81,430,000
2.3	Expenses from investments in subsidiaries, associates and joint ventures	-	-	-3,000	-	-	-	-3,000	-
2.4	Expenses from other financial instruments and lands and buildings	-573,000	-25,000	-122,104,000	-25,226,000	-	-	-122,677,000	-25,251,000
2.5	Operating expenses	-44,635,000	-36,975,000	-160,196,000	-173,941,000	1,105,000	892,000	-203,726,000	-210,024,000
2.6	Other expenses	-26,242,000	-17,039,000	-149,765,000	-104,618,000	-139,000	-	-176,146,000	-121,657,000
2	**TOTAL EXPENSES**	**-118,078,000**	**-103,031,000**	**-7,228,128,000**	**-8,697,464,000**	**966,000**	**892,000**	**-7,345,240,000**	**-8,799,603,000**
	PROFIT (LOSS) BEFORE TAXES FOR THE PERIOD	**32,410,000**	**17,732,000**	**502,414,000**	**377,874,000**	**69,000**	**-**	**534,893,000**	**395,606,000**

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Consolidation area

Company	Country of registered office	Country of operating office (5)	Method (1)	Activity (2)	Shareholding Direct %	% Total stake (3)	% Available voting rights at ordinary shareholders' meeting (4)	% of consolidation
INTESA SANPAOLO VITA S.p.A.	086		G	1	0.00%	0.00%		100.00%
INTESA SANPAOLO LIFE LTD	040		G	2	100.00%	100.00%		100.00%
INTESA SANPAOLO ASSICURA S.p.A.	086		G	1	100.00%	100.00%		100.00%
INTESA SANPAOLO SMART CARE S.r.l.	086		G	11	100.00%	100.00%		100.00%

(1) Consolidation method: Line-by-line =L, Proportionate =P, Line-by-line by common control =C

(2) 1=Italian insurance; 2=EU insurance; 3=non-EU insurance; 4=insurance holding; 5=EU reinsurance; 6=non-EU reinsurance; 7=banking; 8=fund management; 9=other holding; 10=real estate 11=other

(3) the sum of the investments of all the companies that along the investment chain lie between the company preparing the consolidated financial statements and the company being consolidated. If more than

(4) total voting rights percentage available in ordinary meetings if different from the direct or indirect investment percentage.

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Consolidation scope: equity investments in companies with significant non-controlling interests

Name	Non-controlling interests investment %	Voting rights % available at ordinary share/quotaholders' meetings to non-controlling interests	Profit (loss) for the year attributable to non-controlling interests	Equity attributable to non-controlling interests	Financial higlights							
					Total assets	Investments	Technical provisions	Financial liabilities	Equity	Profit (loss) for the year	Dividends distributed to third parties	Gross premiums

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Non-consolidated equity investments

Name	Country of registered office	Country of operating office (5)	Business (1)	Type (2)	Direct investment %	Total investment % (3)	Voting rights % available at ordinary share/quotaholders' meetings (4)	Carrying amount

(1) 1=Italian insurance; 2=EU insurance; 3=non-EU insurance; 4=insurance holding; 5=EU reinsurance; 6=non-EU reinsurance; 7=banking; 8=fund management; 9=other holding; 10=real estate 11=other

(2) a=subsidiary (IAS 27) ; b=associate (IAS 28); c=joint venture (IAS 31); indicate with an asterisk (*) investments classified as held for sale pursuant to IFRS 5 and show the key at the foot of the table

(3) the sum of the investments of all the companies that along the investment chain lie between the company preparing the consolidated financial statements and the company being consolidated. If more than one subsidiary has an investment in the latter company, the single amounts should be summed.

(4) total voting rights percentage available in ordinary meetings if different from the direct or indirect investment percentage.

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Interests in non-consolidated structured entities

value in €

Name	Revenue received from the structured entity during the year	Carrying amount (at the transfer date) of the assets transferred to the structured entity during the year	Carrying amount of the assets recognised by the reporting entity related to the structured entity	Matching statement of financial position asset caption	Carrying amount of liabilities recognised by the reporting entity related to the structured entity	Matching statement of financial position liability caption	Maximum exposure to risk of losses
CLOVERIE 2005-71 0 11/01/26	659,738	-	0	A 4.6	-	-	0
CLOVERIE 2005-72 0 12/01/25	285,160	-	22,641,102	A 4.6	-	-	22,641,102
DALI CAPITAL 12 0 11/01/26	-	-	130,480,000	A 4.6	-	-	130,480,000
CBO INV (JERSEY) 0 03/23/15	18,292	-	0	A 4.5	-	-	0
E-MAC NL05-3 A (E-MAC NL05-3 A)	13,159	-	6,615,534	A 4.5	-	-	6,548,926
FIPF 1 A2 (FIPF 1 A2)	11,761	-	1,969,299	A 4.5	-	-	1,711,397
AVONDALE SECURITIES S.A. A2 EON 2	18,455	-	1,179,175	A 4.4	-	-	1,179,175

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Breakdown of tangible and intangible assets

value in €

	Cost	Deemed cost or fair value	Book value
Lands and buildings (investment properties)	19,331,000		19,331,000
Lands and buildings (self used)	0		0
Other tangible assets	861,000		861,000
Other intangible assets	1,065,000		1,065,000

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Breakdown of financial assets

value in €

	Held to maturity investments		Loans and receivables		Financial assets available for sale		Financial assets at fair value through profit and loss: Financial assets held for trading		Financial assets at fair value through profit and loss: Financial assets designated at fair value through profit and loss		Total Book value	
	30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014
Equity securities and derivatives measured at cost	-	-	-	-	52,000	51,000	-	-	-	-	52,000	51,000
Equity securities at fair value	-	-	-	-	1,323,372,000	846,181,000	-	-	483,639,000	450,761,000	1,807,011,000	1,296,942,000
of which listed securities	-	-	-	-	*1,323,351,000*	*685,365,000*	-	-	*483,639,000*	*450,761,000*	*1,806,990,000*	*1,136,126,000*
Debt securities	-	-	-	-	65,171,603,000	65,868,969,000	312,824,000	383,018,000	3,292,120,000	3,725,805,000	68,776,547,000	69,977,792,000
of which listed securities	-	-	-	-	*65,167,018,000*	*65,722,712,000*	*293,002,000*	*358,954,000*	*3,128,542,000*	*3,488,561,000*	*68,588,562,000*	*69,570,227,000*
UCI shares	-	-	-	-	4,825,342,000	4,328,725,000	452,378,000	410,352,000	23,695,318,000	20,527,382,000	28,973,038,000	25,266,459,000
Loans and receivables from banking customers	-	-	16,179,000	1,179,000	-	-	-	-	-	-	16,179,000	1,179,000
Interbank loans and receivables	-	-	78,812,000	76,976,000	-	-	-	-	-	-	78,812,000	76,976,000
Deposits under reinsurance business	-	-	-	-	-	-	-	-	-	-	-	-
Financial asset components of insurance contracts	-	-	-	-	-	-	-	-	-	-	-	-
Other loans and receivables	-	-	2,869,000	2,779,000	-	-	-	-	-	-	2,869,000	2,779,000
Non-hedging derivatives	-	-	-	-	-	-	171,473,000	183,925,000	-	-	171,473,000	183,925,000
Hedging derivatives	-	-	-	-	-	-	7,570,000	-	-	-	7,570,000	-
Other financial investments	-	-	-	-	-	-	-	-	320,878,000	367,254,000	320,878,000	367,254,000
Total	-	-	**97,860,000**	**80,934,000**	**71,320,369,000**	**71,043,926,000**	**944,245,000**	**977,295,000**	**27,791,955,000**	**25,071,202,000**	**100,154,429,000**	**97,173,357,000**

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Breakdown of assets and liabilities related to policies where the investment risks is borne by the policyholders and to pension fund

value in €

	Policies where the investment risk is borne by policyholders		Policies related to pension funds		Total	
	30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014
Assets in the balance sheet	24,536,648,000	21,856,268,000	2,346,553,000	2,262,364,000	26,883,201,000	24,118,632,000
Intercompany assets *	-	-	-	-	-	-
Total Assets	**24,536,648,000**	**21,856,268,000**	**2,346,553,000**	**2,262,364,000**	**26,883,201,000**	**24,118,632,000**
Financial liabilities in the balance sheet	23,682,979,000	20,464,070,000	-	-	23,682,979,000	20,464,070,000
Insurance provisions in the balance sheet	807,530,000	1,343,767,000	2,346,553,000	2,262,364,000	3,154,083,000	3,606,131,000
Intercompany liabilities *	-	-	-	-	-	-
Total Liabilities	**24,490,509,000**	**21,807,837,000**	**2,346,553,000**	**2,262,364,000**	**26,837,062,000**	**24,070,201,000**

* Assets and liabilities adjusted in the consolidation process

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Breakdown of amount ceded to reinsurers from insurance provisions

value in €

	Total (book value)	
	30-06-2015	31-12-2014
Non-life insurance provisions	**20,936,000**	**24,955,000**
Life insurance provisions	**2,126,000**	**2,261,000**
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension fund	-	-
Mathematical provisions and other reserves	2,126,000	2,261,000
Total amount ceded to reinsurers from insurance provisions	**23,062,000**	**27,216,000**

HALF YEAR REPORT

Impresa: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Breakdown of insurance provisions

value in €

	Direct business		Indirect business		Total (book value)	
	30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014
Non-life insurance provisions	**488,512,000**	**484,165,000**	-	-	**488,512,000**	**484,165,000**
Provision for unearned premiums	321,047,000	308,151,000	-	-	321,047,000	308,151,000
Provisions for outstanding claims	166,552,000	175,099,000	-	-	166,552,000	175,099,000
Other insurance provisions	913,000	915,000	-	-	913,000	915,000
- of which reserves posted following liability adequacy test	-	-	-	-	-	-
Life insurance provisions	**73,984,760,000**	**73,929,768,000**	-	-	**73,984,760,000**	**73,929,768,000**
Provisions for outstanding claims	335,964,000	306,626,000	-	-	335,964,000	306,626,000
Mathematical provisions	66,151,898,000	64,149,579,000	-	-	66,151,898,000	64,149,579,000
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension fund	3,154,083,000	3,606,131,000	-	-	3,154,083,000	3,606,131,000
Other insurance provisions	4,342,815,000	5,867,432,000	-	-	4,342,815,000	5,867,432,000
- of which reserves posted following liability adequacy test	-	-	-	-	-	-
- of which deferred liabilities due to policyholders	*4,225,727,000*	*5,749,492,000*	-	-	*4,225,727,000*	*5,749,492,000*
Total insurance provisions	**74,473,272,000**	**74,413,933,000**	-	-	**74,473,272,000**	**74,413,933,000**

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Breakdown of financial liabilities

value in €

	Financial liabilities at fair value through profit and loss				Other financial liabilities		Total Book value	
	Financial liabilities held for trading		Financial liabilities designated at fair value through profit and loss					
	30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014
Financial equity instruments	0	0	0	0	0	0	0	0
Subordinated liabilities	0	0	0	0	1,344,162,000	1,337,556,000	1,344,162,000	1,337,556,000
Liabilities related to investment contracts from:	0	0	23,682,979,000	20,464,070,000	0	0	23,682,979,000	20,464,070,000
policies where the investment risk is borne by the policyholders	*0*	*0*	*23,682,979,000*	*20,464,070,000*	*0*	*0*	*23,682,979,000*	*20,464,070,000*
pension funds	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
other contracts	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Deposits under reinsurance business	0	0	0	0	7,176,000	9,336,000	7,176,000	9,336,000
Financial liability components of insurance contracts	0	0	0	0	100,658,000	62,477,000	100,658,000	62,477,000
Issued debt securities	0	0	0	0	0	0	0	0
Payables to banking customers	0	0	0	0	0	0	0	0
Interbank payables	0	0	0	0	0	0	0	0
Other financing and loans payable	0	0	0	0	0	0	0	0
Non-hedging derivatives	138,850,000	321,488,000	0	0	0	0	138,850,000	321,488,000
Hedging derivatives	1,814,000	48,716,000	0	0	0	0	1,814,000	48,716,000
Other financial liabilities	0	0	0	0	26,000	34,000	26,000	34,000
Total	**140,664,000**	**370,204,000**	**23,682,979,000**	**20,464,070,000**	**1,452,022,000**	**1,409,403,000**	**25,275,665,000**	**22,243,677,000**

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA **Reporting period: 2015**

Breakdown of technical insurance items

value in €

		30-06-2015			30-06-2014		
		Gross amount	Ceded amount	Net Amount	Gross amount	Ceded amount	Net Amount
Non-life segment							
NET EARNED PREMIUMS		**122,097,000**	**-3,908,000**	**118,189,000**	**107,394,000**	**-3,739,000**	**103,655,000**
a	Gross written premiums	134,990,000	-3,250,000	131,740,000	110,764,000	-3,141,000	107,623,000
b	Change in the provision for unearned premiums	-12,893,000	-658,000	-13,551,000	-3,370,000	-598,000	-3,968,000
NET INSURANCE BENEFITS AND CLAIMS		**-47,570,000**	**942,000**	**-46,628,000**	**-53,040,000**	**4,048,000**	**-48,992,000**
a	Claims paid	-56,964,000	4,168,000	-52,796,000	-47,855,000	1,836,000	-46,019,000
b	Change in the provisions for outstanding claims	8,547,000	-3,226,000	5,321,000	-5,775,000	2,212,000	-3,563,000
c	Change in claims to be recovered	845,000	0	845,000	549,000	0	549,000
d	Changes in other insurance provisions	2,000	0	2,000	41,000	0	41,000
Life segment							
NET EARNED PREMIUMS		**5,813,647,000**	**-495,000**	**5,813,152,000**	**7,684,828,000**	**-497,000**	**7,684,331,000**
NET INSURANCE BENEFITS AND CLAIMS		**-6,660,671,000**	**13,000**	**-6,660,658,000**	**-8,312,169,000**	**-80,000**	**-8,312,249,000**
a	Claims paid	-4,929,405,000	148,000	-4,929,257,000	-3,416,663,000	226,000	-3,416,437,000
b	Change in the provisions for outstanding claims	-29,338,000	-257,000	-29,595,000	-107,185,000	37,000	-107,148,000
c	Change in mathematical provisions	-2,043,207,000	122,000	-2,043,085,000	-5,665,640,000	-343,000	-5,665,983,000
d	Change in the povisions for policies where the investment risk is borne by the policyholders and provisions for pension fund	452,048,000	0	452,048,000	861,528,000	0	861,528,000
e	Changes in other insurance provisions	-110,769,000	0	-110,769,000	15,791,000	0	15,791,000

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Income and expenses from financial assets

value in €

		Interests	Other income	Other expenses	Gain on disposal	Losses on disposal	Total realised income and expenses	Unrealized gains		Unrealized losses		Total unrealised gains and losses	Total income and expenses 30-06-2015	Total income and expenses 30-06-2014
								Unrealized gains	Reversal of impairment losses	Unrealized losses	Impairment losses			
Result of investments		975,883,000	113,263,000	-237,903,000	1,104,862,000	-132,258,000	1,823,847,000	604,581,000	0	-415,314,000	-5,751,000	183,516,000	2,007,363,000	1,959,384,000
a	From land and buildings (investment properties)	0	786,000	0	0	0	786,000	0	0	0	-83,000	-83,000	703,000	703,000
b	From investments in subsidiaries, associates and joint ventures	0	0	0	0	-3,000	-3,000	0	0	0	0	0	-3,000	0
c	From investments held to maturity	0	0	0	0	0	0	0	0	0	0	0	0	0
d	From loans and receivables	1,924,000	0	0	2,169,000	-3,078,000	1,015,000	0	0	0	0	0	1,015,000	1,582,000
e	From available for sale financial assets	935,622,000	61,024,000	-1,000	545,306,000	-80,785,000	1,461,166,000	0	0	0	-5,668,000	-5,668,000	1,455,498,000	1,213,798,000
f	From financial assets held for trading	5,698,000	0	-1,103,000	18,935,000	-4,313,000	19,217,000	30,287,000	0	-19,183,000	0	11,104,000	30,321,000	69,874,000
g	From financial assets designated at fair value through profit and loss	32,639,000	51,453,000	-236,799,000	538,452,000	-44,079,000	341,666,000	574,294,000	0	-396,131,000	0	178,163,000	519,829,000	673,427,000
Result of receivables		0	0	0	0	0	0	0	0	0	0	0	0	0
Result of cash and cash		990,000	0	0	0	0	990,000	0	0	0	0	0	990,000	15,688,000
Result of financial liabilities		-44,089,000	0	-20,000	42,595,000	-138,707,000	-140,221,000	27,067,000	0	-443,444,000	0	-416,377,000	-556,598,000	-774,032,000
a	From financial liabilities held for trading	-11,027,000	0	-20,000	42,519,000	-138,707,000	-107,235,000	27,067,000	0	-876,000	0	26,191,000	-81,044,000	-170,666,000
b	From financial liabilities designated at fair value through income statement	0	0	0	0	0	0	0	0	-442,568,000	0	-442,568,000	-442,568,000	-588,228,000
c	From other financial liabilities	-33,062,000	0	0	76,000	0	-32,986,000	0	0	0	0	0	-32,986,000	-15,138,000
Result of payables		0	0	0	0	0	0	0	0	0	0	0	0	0
Total		932,784,000	113,263,000	-237,923,000	1,147,457,000	-270,965,000	1,684,616,000	631,648,000	0	-858,758,000	-5,751,000	-232,861,000	1,451,755,000	1,201,040,000

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Breakdown of insurance expenses

value in €

		Non-life segment		Life segment	
		30-06-2015	30-06-2014	30-06-2015	30-06-2014
Gross commissions and other acquisition costs		-35,882,000	-27,414,000	-117,856,000	-137,240,000
a	Acquisition commissions	-30,743,000	-22,627,000	-68,596,000	-82,917,000
b	Other acquisition expenses	-4,708,000	-3,927,000	-12,459,000	-11,354,000
c	Change in deferred acquisition costs	-41,000	-392,000	0	0
d	Collection commissions	-390,000	-468,000	-36,801,000	-42,969,000
Commissions and profit sharing from reinsurers		374,000	368,000	40,000	0
Investment management expenses		-219,000	-143,000	-27,961,000	-22,263,000
Other administrative expenses		-8,908,000	-9,786,000	-14,419,000	-14,438,000
Total		**-44,635,000**	**-36,975,000**	**-160,196,000**	**-173,941,000**

Impresa: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Breakdown of Other comprehensive income

value in €

	Allocations		Reclassification adjustments to income statement		Other changes		Total changes		Taxes		Balance	
	Total 30-06-2015	Total 30-06-2014	Total 30-06-2015	Total 30-06-2014	Total 30-06-2015	Total 30-06-2014	Total 30-06-2015	Total 30-06-2014	Total 30-06-2015	Total 30-06-2014	al 30-06-2015	al 31-12-2014
Other comprehensive income after taxes without reclassification in the income statement	**334,000**	**-240,000**	-	-	-	**165,000**	**334,000**	**-75,000**	-	-	**-352,000**	**-686,000**
Change in shareholders' equity of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the revaluation reserve of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the revaluation reserve of tangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Gains (losses) of non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains (losses) arising from defined benefit plans	334,000	-240,000	-	-	-	165,000	334,000	-75,000	-	-	-352,000	-686,000
Other items	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income after taxes with reclassification in the income statement	-	-	**-82,725,000**	**-24,692,000**	**-40,370,000**	**215,021,000**	**-123,095,000**	**190,329,000**	-	-	**467,479,000**	**590,574,000**
Foreign currency translation differences	-	-	-	-	-40,000	-1,000	-40,000	-1,000	-	-	-	40,000
Net unrealized gains (losses) on available for sale financial assets	-	-	-82,725,000	-24,692,000	-40,330,000	215,022,000	-123,055,000	190,330,000	-	-	467,479,000	590,534,000
Net unrealized gains (losses) on cash flow hedging derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Net unrealized gains (losses) on hedge of a net investment in foreign operation	-	-	-	-	-	-	-	-	-	-	-	-
Change in shareholders' equity of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Gains (losses) of non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OF OTHER COMPONENTS OF THE STATEMENT OF COMPREHENSIVE INCOME	**334,000**	**-240,000**	**-82,725,000**	**-24,692,000**	**-40,370,000**	**215,186,000**	**-122,761,000**	**190,254,000**	-	-	**467,127,000**	**589,888,000**

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Breakdown of reclassified financial assets and effects on profit or loss and comprehensive income

value in €

Reclassified financial asset categories		Type of asset	Amount of assets reclassified in the year at the reclassification date	Carrying amount at 30/06/2015 of the reclassified assets		Fair value at 30/06/2015 of the reclassified assets		Assets reclassified in 2015		Assets reclassified up to 2015		Assets reclassified in 2015		Assets reclassified up to 2015	
out of	into			Assets reclassified in 2015	Assets reclassified up to 2015	Assets reclassified in 2015	Assets reclassified up to 2015	Gain or loss recognised in profit or loss	Gain or loss recognised in other comprehensive income	Gain or loss recognised in profit or loss	Gain or loss recognised in other comprehensive income	Gain or loss that would have been recognised in profit or loss if the reclassification had not been made	Gain or loss that would have been recognised in other comprehensive income if the reclassification had not been made	Gain or loss that would have been recognised in profit or loss if the reclassification had not been made	Gain or loss that would have been recognised in other comprehensive income if the reclassification had not been made
Total			0	0	0	0	0	0	0	0	0	0	0	0	0

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Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

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

value in €

		Level 1		Level 2		Level 3		Total	
		30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014
Assets and liabilities at fair value on a recurring basis									
Financial assets available for sale		69,096,904,000	68,660,210,000	2,160,894,000	2,069,291,000	62,571,000	314,425,000	71,320,369,000	71,043,926,000
Financial assets at fair value through profit and loss	Financial assets held for trading	657,864,000	635,069,000	266,259,000	317,822,000	20,122,000	24,404,000	944,245,000	977,295,000
	Financial assets designated at fair value through profit and loss	26,138,689,000	23,312,738,000	1,168,810,000	1,153,966,000	484,456,000	604,498,000	27,791,955,000	25,071,202,000
Lands and buildings (investment properties)		0	0	0	0	0	0	0	0
Tangible assets		0	0	0	0	0	0	0	0
Intangible assets		0	0	0	0	0	0	0	0
Total assets at fair value on a recurring basis		**95,893,457,000**	**92,608,017,000**	**3,595,963,000**	**3,541,079,000**	**567,149,000**	**943,327,000**	**100,056,569,000**	**97,092,423,000**
Financial liabilities at fair value through profit and loss	Financial liabilities held for trading	13,123,000	45,188,000	127,541,000	325,016,000	0	0	140,664,000	370,204,000
	Financial liabilities designate at fair value through profit and loss	0	0	23,682,979,000	20,464,070,000	0	0	23,682,979,000	20,464,070,000
Total liabilities at fair value on a recurring basis		**13,123,000**	**45,188,000**	**23,810,520,000**	**20,789,086,000**	**0**	**0**	**23,823,643,000**	**20,834,274,000**
Assets and liabilities at fair value on a non-recurring basis									
Non-current assets held for sale and discontinued operations		0	0	0	0	0	0	0	0
Liabilities of non-current assets held for sale and discontinued		0	0	0	0	0	0	0	0

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Breakdown of changes to assets and liabilities of level 3, at fair value on a recurring basis

value in €

	Financial assets available for sale	Financial assets at fair value through profit and loss		Land and buildings (investment properties)	Tangible assets	Intangible assets	Financial liabilities at fair value through profit and loss	
		Financial assets held for trading	Financial assets designated at fair value through profit and loss				Financial liabilities held for trading	Financial liabilities designated at fair value through profit and loss
Initial amount	**314,425,000**	**24,404,000**	**604,498,000**	**0**	**0**	**0**	**0**	**0**
Purchases/Issues	57,419,000	0	0	0	0	0	0	0
Sales/Repurchases	-180,363,000	-5,205,000	-59,857,000	0	0	0	0	0
Refunds	-4,950,000	0	0	0	0	0	0	0
Profit (loss) in income statement	58,235,000	-177,000	-2,251,000	0	0	0	0	0
- of which unrealized gains/losses	*0*	*-212,000*	*-2,657,000*	*0*	*0*	*0*	*0*	*0*
Profit (loss) in other components of comprehensive income statement	52,000	0	0	0	0	0	0	0
Transfers to level 3	0	0	0	0	0	0	0	0
Transfers to other levels	0	0		0	0	0	0	0
Other changes	-182,247,000	1,100,000	-57,934,000	0	0	0	0	0
Final amount	**62,571,000**	**20,122,000**	**484,456,000**	**0**	**0**	**0**	**0**	**0**

HALF YEAR REPORT

Company: INTESA SANPAOLO VITA S.p.A. **Reporting period: 2015**

Assets and liabilities not at fair value: breakdown by fair value levels

value in €

	Book value		Fair value							
			Level 1		Level 2		Level 3		Total	
	30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014	30-06-2015	31-12-2014
Assets										
Financial assets held to maturity	-	-	-	-	-	-	-	-	-	-
Loans and receivables	97,860,000	80,934,000	-	-	80,304,000	79,346,000	18,307,000	3,717,000	98,611,000	83,063,000
Investments in subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	-	-
Land and buildings (investment properties)	19,331,000	19,414,000	-	-	-	-	25,860,000	25,860,000	25,860,000	25,860,000
Tangible assets	861,000	634,000	-	-	-	-	861,000	634,000	861,000	634,000
Total Assets	**118,052,000**	**100,982,000**	**-**	**-**	**80,304,000**	**79,346,000**	**45,028,000**	**30,211,000**	**125,332,000**	**109,557,000**
Liabilities										
Other financial liabilities	1,452,022,000	1,409,403,000	-	-	1,445,387,000	1,336,549,000	6,635,000	72,854,000	1,452,022,000	1,409,403,000

The Parent's legal representatives (*)

The Chairman – Luigi Maranzana (**)

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(*) For foreign companies, the signature of the general representative for Italy is required.

(**) Specify the position held by the signatory representative.