



CREDEMVITA

FINANCIAL STATEMENTS

2016 HALF-YEAR

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2016 HALF- YEAR FINANCIAL STATEMENTS

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Company: **CREDEMVITA**

Subscribed share capital € 71.600.160 Paid up € 71.600.160

Registered office in _____

HALF-YEARLY REPORT
AS AT 2016

(Figures in €thousand)

ASSETS	As at 30 June of the present year	As at 30 June of the previous year	As at 31 December of the previous year
A. Unpaid subscribed share capital	1	75	149
B. Intangible assets			
1. Acquisition expenses to be amortised	2	76	150
2. Other assets	3	2,522	1,046
Total	4	2,522	1,941
C. Investments			
I - Land and buildings	5	79	153
II - Investments in group companies and other investees			
1. Shares and units	6	80	154
2. Bonds	7	81	155
3. Loans	8	82	156
Total investments in group companies and other investees	9	83	157
III - Other financial investments			
1. Shares and units	10	84	158
2. Units of mutual investment funds	11	658,482	793,381
3. Bonds and other fixed-income securities	12	2,767,566	2,284,013
4. Loans	13	87	161
5. Others	14	88	162
Total other financial investments	15	3,426,048	3,077,394
IV - Deposits with assignor companies	16	90	164
Total	17	3,426,048	3,141,020
D. Investments benefiting life policyholders who bear the risk and from pension fund management			
I - Investments related to benefits linked to investment funds and market indices	18	2,209,792	1,773,715
II - Investments from pension fund management	19	194,766	174,549
Total	20	2,404,558	1,948,264
D.bis Technical reserves attributable to reinsurers			
I - Non-life technical reserves	21	5,727	2,725
II - Life technical reserves (excluding the technical reserves set forth in point III)	22	5,727	2,725
III - Life technical reserves where the investment risk is borne by policyholders and reserves from pension fund management	23	97	171
Total	24	5,727	4,184
E. Receivables			
I - Receivables deriving from direct insurance transactions	25	1,314	1,732
II - Receivables deriving from reinsurance transactions	26	15	126
III - Other receivables	27	73,379	55,776
Total	28	74,708	57,634
F. Other asset items			
I - Property, plant and equipment and stock	29	82	65
II - Cash and cash equivalents	30	117,802	72,421
III - Own shares or quotas	31	13,102	15,640
IV - Other assets	32	13,102	15,640
Total	33	130,986	88,126
G. Accruals and deferrals	34	15,340	21,009
TOTAL ASSETS	35	6,059,889	5,196,198
			183
			5,644,514

SHEET

LIABILITIES	As at 30 June of the present year	As at 30 June of the previous year	As at 31 December of the previous year
A. Shareholders' equity			
I - Subscribed share capital or equivalent provision	36 71.600	110 71.600	184 71.600
II - Share premium reserve	37	111	185
III - Legal reserve	38 7.443	112 6.552	186 6.552
IV - Other capital reserves	39 84.491	113 78.523	187 78.523
V - Profit (loss) carried forward	40	114	188
VI - Net profit (loss) for the period	41 2.888	115 6.188	189 17.821
Total	42 166.422	116 162.863	190 174.496
B. Subordinated liabilities	43 50.000	117	191 50.000
C. Technical reserves			
I - Non-life segments			
1. Premium reserve	44	118	192
2. Claims reserve	45	119	193
3. Other technical reserves	46	120	194
4. Equalisation reserves	47	121	195
Total non-life technical reserves	48	122	196
II - Life segments			
1. Mathematical reserves	49 3.335.559	123 3.001.813	197 3.136.734
2. Reserve for amounts to be paid	50 44.799	124 28.357	198 25.339
3. Other technical reserves	51 11.897	125 11.663	199 12.077
Total life technical reserves	52 3.392.255	126 3.041.833	200 3.174.150
Total	53 3.392.255	127 3.041.833	201 3.174.150
D. Technical reserves where the investment risk is borne by policyholders and reserves from pension fund management			
I - Reserves related to contracts linked to investment funds and market indices	54 2.206.122	128 1.772.238	202 1.980.513
II - Reserves from pension fund management	55 194.766	129 174.549	203 190.949
Total	56 2.400.888	130 1.946.787	204 2.171.462
E. Provisions for risks and charges	57 10	131 114	205 15
F. Deposits received by reinsurers	58	132	206
G. Payables and other liabilities			
I - Payables resulting from direct insurance transactions	59 15.894	133 13.929	207 22.757
II - Payables resulting from reinsurance transactions	60 1.293	134 547	208 875
III - Bonds	61	135	209
IV - Due to banks and financial institutions	62	136	210
V - Other payables and loans	63 13.571	137 12.804	211 42.853
VI - Provision for employee severance pay	64 448	138 316	212 328
VII - Other liabilities	65 17.912	139 17.003	213 7.498
Total	66 49.118	140 44.601	214 74.311
H. Accruals and deferrals	67 1.196	141	215 80
TOTAL LIABILITIES	68 6.059.889	142 5.196.198	216 5.644.514

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

I. Guarantees given	69	143	217
II. Guarantees received or given by third parties in the interest of the company	70	144	218
III. Commitments	71 30.000	145	219
IV. Assets pertaining to pension funds managed in the name and on behalf of third parties	72	146	220
V. Others	73 5.787.248	147 4.957.471	221 5.272.684
TOTAL MEMORANDUM ACCOUNTS	74 5.817.248	148 4.957.471	222 5.272.684

	As at 30 June of the present year	As at 30 June of the previous year	As at 31 December of the previous year
I. NON-LIFE TECHNICAL ACCOUNT			
1. Premiums, net of reinsurance transfers	1	57	113
2. (+) Share of profit from investments transferred from the non-technical account (item III. 6)	2	58	114
3. Other technical income, net of reinsurance transfers	3	59	115
4. Charges for claims, net of recoveries and reinsurance transfers	4	60	116
5. Change in other technical reserves, net of reinsurance transfers	5	61	117
6. Reversals and participation in profits, net of reinsurance transfers	6	62	118
7. Management costs:			
a) Acquisition expenses net of commissions and profit sharing received by reinsurers	7	63	119
b) Administration costs	8	64	120
Total	9	65	121
8. Other technical charges, net of reinsurance transfers	10	66	122
9. Changes in equalisation reserves	11	67	123
10. Profit of the non-life technical account	12	68	124
II. LIFE TECHNICAL ACCOUNT			
1. Premiums for the year, net of reinsurance transfers	13	711.289	979.618
2. Income from investments			
a) Income from investments	14	33.604	32.691
b) Write-backs on investments	15	1.229	154
c) Profit on investment disposals	16	21.743	66.445
Total	17	56.576	99.290
3. Unrealised income and capital gains relating to investments benefiting policyholders who bear the risk and investments from pension fund management	18	38.037	63.432
4. Other technical income, net of reinsurance transfers	19	7.537	7.467
5. Charges for claims, net of reinsurance transfers	20	263.225	256.408
6. Change in mathematical reserves and other technical reserves, net of reinsurance transfers			
a) Mathematical reserves, premium reserve for supplementary insurance and other technical reserves	21	197.095	283.536
b) Technical reserves where the investment risk is borne by policyholders and from pension fund management	22	229.426	517.269
Total	23	426.521	800.805
7. Reversals and participation in profits, net of reinsurance transfers	24	80	
8. Management costs			
a) Acquisition expenses net of commissions and profit sharing received by reinsurers	25	5.751	7.539
b) Administration costs	26	4.018	2.968
Total	27	9.769	10.507

STATEMENT

	As at 30 June of the present year	As at 30 June of the previous year	As at 31 December of the previous year
9. Financial and borrowing costs			
a) Investment management costs and interest expense	28 6.348 ⁸⁴	3.862 ¹⁴⁰	7.254
b) Value adjustments on investments	29 11.557 ⁸⁵	9.440 ¹⁴¹	3.884
c) Losses on investment disposals	30 6.701 ⁸⁶	18.323 ¹⁴²	60.129
Total	31 24.606 ⁸⁷	31.625 ¹⁴³	71.267
10. Unrealised financial and borrowing costs and capital losses relating to investments benefiting policyholders who bear the risk and to investments from pension fund management	32 59.709 ⁸⁸	19.891 ¹⁴⁴	45.958
11. Other technical charges, net of reinsurance transfers	33 23.045 ⁸⁹	19.797 ¹⁴⁵	41.912
12. (-) Share of profit from investments transferred to the non-technical account (item III.4)	34 1.580 ⁹⁰	3.740 ¹⁴⁶	5.698
13. Profit of the life technical account	35 4.984 ⁹¹	7.034 ¹⁴⁷	22.944
III. NON-TECHNICAL ACCOUNT			
1. Profit of the non-life technical account (item I. 10)	36	92 ¹⁴⁸	
2. Profit of the life technical account (item II. 13)	37 4.984 ⁹³	7.034 ¹⁴⁹	22.944
3. Income from investments of the non-life segment			
a) Income from investments	38	94 ¹⁵⁰	
b) Write-backs on investments	39	95 ¹⁵¹	
c) Profit on investment disposals	40	96 ¹⁵²	
Total	41	97 ¹⁵³	
4. (+) Share of profit from investments transferred from the technical account of life segments (item II. 12)	42 1.580 ⁹⁸	3.740 ¹⁵⁴	5.698
5. Financial and borrowing costs of the non-life segments			
a) Investment management costs and interest expense	43	99 ¹⁵⁵	
b) Value adjustments on investments	44	100 ¹⁵⁶	
c) Losses on investment disposals	45	101 ¹⁵⁷	
Total	46	102 ¹⁵⁸	
6. (-) Share of profit from investments transferred to the technical account of non-life segments (item I.2)	47	103 ¹⁵⁹	
7. Other income	48 479 ¹⁰⁴	490 ¹⁶⁰	986
8. Other charges	49 1.946 ¹⁰⁵	867 ¹⁶¹	1.578
9. Profit/loss from ordinary operations	50 5.097 ¹⁰⁶	10.397 ¹⁶²	28.050
10. Extraordinary income	51 12 ¹⁰⁷	6 ¹⁶³	11
11. Extraordinary charges	52 97 ¹⁰⁸	190 ¹⁶⁴	196
12. Profit/loss from extraordinary operations	53 -85 ¹⁰⁹	-184 ¹⁶⁵	-185
13. Profit/loss before tax	54 5.012 ¹¹⁰	10.213 ¹⁶⁶	27.865
14. Tax on profit for the period	55 2.124 ¹¹¹	4.025 ¹⁶⁷	10.044
15. Net profit (loss) for the period	56 2.888 ¹¹²	6.188 ¹⁶⁸	17.821

CREDEMVITA S.p.A.

Single member company

subject to management and coordination

(pursuant to art. 2497 bis of the Italian Civil Code) by Credito Emiliano S.p.A.

Registered office in Reggio Emilia, via Sani 1

Share capital € 71,600,160

Taxpayer's Code 01437550351

Register of Companies

at the Reggio Emilia Chamber of Commerce and taxpayer's code 01437550351

Economic and Administrative Index no. 185343 at the Reggio Emilia Chamber of
Commerce

COMMENTS ON THE HALF- YEARLY REPORT AS AT 30 JUNE 2016

COMMENTS ON THE HALF-YEARLY REPORT AS AT 30 JUNE 2016

These comments have been prepared in accordance with ISVAP Regulation no. 22 of 4 April 2008. More specifically, they are organised into the following parts:

- A - Information on operations;
- B - Measurement criteria;
- C - Notes to the Balance Sheet;
- D - Notes to the Income Statement;
- E - Further information.

Each part of the comments is broken down, in turn, into sections, each of which uses notes, statements and details to illustrate individual aspects of the company's operations.

Furthermore, all other complementary information is provided with a view to illustrating the balance sheet and the income statement information for the half year.

The half-yearly report as at 30 June 2016 has been prepared in accordance with the statements and the procedures envisaged by the Supervisory Body for Insurance Companies.

The values referred to in this commentary, and those shown in the accounting statements, are expressed in thousands of euro.

PART A. INFORMATION ON OPERATIONS

a. Company situation and overall business performance

a.1. Changes in legislation in this sector

The most significant regulations and provisions issued by IVASS and other Supervisory Authorities in the first half of 2016 related to this sector are listed below along with some notes relating to their impacts on the operations of Credemvita.

IVASS - Regulation no. 17 of 19 January 2016

On 19 January 2016, IVASS issued Regulation no. 17/2016 concerning the calculation of Group solvency set forth in Title XV, Chapter I and Chapter III of Legislative Decree 209/2005.

The project activities aimed at establishing the scope of application of the Regulation in question, are part of a wider project being undertaken by the Company concerning compliance with Solvency II.

IVASS - Regulation no. 18 of 15 March 2016

On 15 March 2016, IVASS issued Regulation no. 18/2016 concerning the rules to be applied to determine the technical reserves set forth in art. 36 bis of Legislative Decree 209/2005.

The project activities launched by the Company regarding the Regulation in question are part of a wider project being undertaken by the Company concerning compliance with Solvency II.

IVASS - Regulation no. 19 of 15 March 2016

On 15 March 2016, IVASS issued Regulation no. 19/2016 concerning the exercise of the right to access administrative documents, regulating, amongst other things, the procedures and authorised parties.

In this regard, no project activity was necessary, the Company will abide by the regulatory provisions in the event that it exercises said right of access.

IVASS - Regulation no. 20 of 3 May 2016

On 3 May 2016, IVASS issued Regulation no. 20/2016 concerning provisions for the use of external experts for inspections of enterprises that regard the internal models set forth in Title III, Chapter IV bis, Section III of Legislative Decree 209/2005. In this regard, there was no need for the Company to conduct any project activities.

IVASS - Regulation no. 21 of 10 May 2016

On 10 May 2016, IVASS issued Regulation no. 21/2016 concerning the periodic quantitative information to be transmitted to IVASS for the purpose of financial stability and macro-prudential supervision, as well as the relative terms and procedures for the transmission of the data, pursuant to articles 190 and 191 of Legislative Decree 209/2005.

The project activities aimed at establishing the scope of application of the Regulation in question, are part of a wider project being undertaken by the Company concerning compliance with Solvency II.

IVASS - Regulation no. 22 of 1 June 2016

On 1 January 2016, IVASS issued Regulation no. 22/2016 concerning the Group supervision set forth in Title XV of Legislative Decree 209/2005.

The project activities aimed at establishing the scope of application of the Regulation in question, are part of a wider project being undertaken by the Company concerning compliance with Solvency II.

IVASS - Regulation no. 24 of 6 June 2016

On 6 June 2016, IVASS issued Regulation no. 24/2016 concerning provisions for investments and assets used to hedge the technical reserves set forth in Title III, Chapter II bis, art. 37 ter, and Chapter III, art. 38 of Legislative Decree 209/2005. The project activities launched by the Company regarding the Regulation in question are part of a wider project being undertaken by the Company concerning compliance with Solvency II.

IVASS - Regulation no. 25 of 26 July 2016

On 26 July 2016, IVASS issued Regulation no. 25/2016 concerning the elements of basic own funds set forth in Title III, Chapter IV, Section I, art. 44 quater of Legislative Decree 209/2005.

The project activities launched by the Company regarding the Regulation in question are part of a wider project being undertaken by the Company concerning compliance with Solvency II.

IVASS - Regulation no. 26 of 26 July 2016

On 26 July 2016, IVASS issued Regulation no. 26/2016 concerning the application of measures for long-term guarantees and of transitory measures on risk-free interest rates and on the technical reserves set forth in articles 36 quinquies, 36 septies, 344 novies and 344 decies of Italian Legislative Decree 209/2005.

The project activities launched by the Company regarding the Regulation in question are part of a wider project being undertaken by the Company concerning compliance with Solvency II.

IVASS - Regulation no. 27 of 26 July 2016

On 26 July 2016, IVASS issued Regulation no. 27/2016 concerning the application of the disaster risk sub-module for health insurance in order to determine the capital solvency requirement calculated with the standard formula set forth in Title III, Chapter IV bis, Section II, art. 45 septies, paragraphs 6 and 7 of Legislative Decree 209/2005.

The project activities launched by the Company regarding the Regulation in question are part of a wider project being undertaken by the Company concerning compliance with Solvency II.

IVASS - Regulation no. 28 of 26 July 2016

On 26 July 2016, IVASS issued Regulation no. 28/2016 concerning the application of the look-through method in order to determine the capital solvency requirement calculated with the standard formula set forth in Title III, Chapter IV bis, Section II, art. 45 quinquies of Legislative Decree 209/2005.

The project activities launched by the Company regarding the Regulation in question are part of a wider project being undertaken by the Company concerning compliance with Solvency II.

IVASS - Provision no. 46 of 3 May 2016

On 3 May 2016, IVASS issued Provision no. 46/2016 containing amendments to ISVAP Regulation No. 24/2008 concerning the procedure for presentation of complaints to ISVAP and handling of the complaints by the insurance companies. The Company has launched specific project activities, including an update of the complaints management policy, with a view to adopting the appropriate amendments in line with regulatory terms.

For full disclosure purposes, in addition to the Regulations and Provisions illustrated above, the following should also be noted:

IVASS letter no. 0065848/16 to the market dated 31 March 2016, entitled "Instructions for the transmission to IVASS of the information envisaged by Directive 2009/138/EC and by ECB Regulations nos. 1374/2014 and 730/2015

on the statistical reporting obligations of insurance companies. Instructions on the transmission of information for Financial Stability to IVASS”;

IVASS letter no. 0157403/16 to the market dated 9 August 2016, entitled “Solvency II - Calculation of capital solvency requirement - enquiry on the use of adjustments for the volatility of the pertinent structure by expiry of risk-free interest rates”, envisaged in any event only for companies not involved in the 2016 Stress test exercise;

IVASS letter no. 0158141/16 to the market dated 10 August 2016, entitled “Solvency II: Calculation of capital solvency requirement with the standard formula - Results of the exploratory enquiry on the adjustment for the capacity to absorb deferred tax losses, expectations of the Institution in this regard and launch of a public consultation on several aspects that emerged during the enquiry (deadline 30 September 2016)”.

CONSOB - CONSOB RESOLUTION dated 4 May 2016 regarding the establishment of an Arbitrator for financial disputes (ACF) and the adoption of the implementing regulation of art. 2, paragraph 5-bis and 5-ter of Legislative Decree 179/2007.

The Regulation envisaged a further system for the out-of-court settlement of disputes characterised by the mandatory agreement of the intermediaries and the decisionary nature of the procedure. Firstly, it states that the term intermediaries includes insurance companies, limited to the offer to subscribe and place the financial products set forth in art. 1, paragraph 1, letter w-bis), of the TUF (Consolidated Financial Act) issued by the same. Credemvita has therefore agreed to the establishment of an Arbitrator by informing the trade association within the envisaged term.

COVIP - RESOLUTION of 25 May 2016 regarding: “Changes to the structure of the disclosure”, which will come into force on 1 January 2017 with the deadline for compliance set as 31 March 2017; “New regulation on procedures for joining supplementary pension plans”, which will come into force on 1 April 2017, and changes to the “Illustrative project”, which will come into force on 1 January 2017, with the deadline for compliance set as 31 March 2017.

In addition to always disclosing the provisions illustrated, is working to ensure that the documentation of the Credemprevidenza Fund will be compliant by the respective deadlines.

a.2. Evolution of the Information Systems:

In the first half of 2016, the main developments relating to the company’s information systems regarded:

- the completion of the infrastructure and of systems for Solvency II, and in particular those relating to PILLAR 3 of the same directive, needed to send Annual Day One and Quarterly Full Measures reports. The project-related activities linked to the reporting required by the Solvency II legislation will remain active until the first few months of 2017 to fully assimilate the instructions issued by the Authority;
- the implementation of the procedure to automate and manage the company’s outward reinsurance;
- the implementation of new automated processes in the “workflow” and “document management” platform already in use by the Company;
- the assessment of market solutions in the Business Intelligence sphere, which, when integrated with those already in use, can sustain the Company’s needs in future years, as well as the introduction of new functions for the planning & control and commercial areas;
- the implementation of an IT platform for the survey, execution and monitoring of controls and the related summary indicators with the aim of Data Quality and Data Governance;

- the implementation of a set of standard libraries on the application used as calculation engine for the actuarial valuations and the risk scenarios, which will be completed in 2016;

More specifically, with regard to developments of the Information Systems serving the Business, the following are of note:

- the revision of the sales process, made jointly with the placement agent, for CPI Protezione Mutuo, Protezione Prestito Credemvita, Protezione Finanziamento following indications issued by IVASS/BANKIT.
- the implementation on products of the Global View (segment III) family, of a choice between 8 new investment segments in addition to existing ones and, for the 60064 rate, the opportunity to take out the “Investment Protection” offer as an after-sale option, up until now only possible at the time of subscription.

Furthermore, over the half-year, significant efforts were focused on two high-impact projects, which will be released in the second half of the year, namely:

- the restyling of the front-end of the main management procedure, highly integrated in the systems of the main placement agent (Pass Compagnia);
- adoption of the SEPA/SEDA standard for SDD payment requests, which will allow greater autonomy and independence of the personalised systems developed and integrated with the placement agent.

a.3. Sales performance

As at 30 June 2016, Credemvita had issued a total of 8,021 new policies (of which five CPI contracts) with 12,059 new subscriptions underlying CPI contracts; in the same period of the previous year, new contracts amounted to 9,467 (of which two CPI contracts) with 12,459 subscriptions.

The details of the new contracts are provided below:

Segment	New contracts 30/06/2016	New contracts 30/06/2015
Segment I	5,151	4,520
Segment III	2,379	4,476
Segment V	0	0
Segment VI	491	471
Total	8,021	9,467

The insurance portfolio recorded an increase of 5%, rising from 110,801 contracts (of which 15 CPI contracts with 78,434 underlying subscriptions) as at 30 June 2015, to 116,783 contracts (including 18 CPI contracts with 84,994 underlying subscriptions) as at 30 June 2016.

Premiums collected by the Company, before reinsurance, amounted to € 713,779 thousand, down 27.2% compared to € 980,528 thousand premiums collected in the same period of the previous year.

The first half of the year is characterised by sales figures that are lower than those of the same period of the previous year, when peak results were achieved due to the rapid growth rate of Unit-Linked policies, which at the time were highly appreciated by the market. Premiums collected in the first half of 2016 focused on the placement of Unit-Linked policies which, from April onwards showed a faster growth rate.

Collections of policies subject to revaluation recorded positive results, although without the peaks that characterised the previous year, due to lower returns offered in comparison to the end of the previous year, aligned with the trend in market interest rates.

Gross collections were € 713,779 thousand, € 294,985 thousand of which refers to segment I and V policies subject to revaluation, slightly down compared to 2015, characterised by gross collections of € 341,298 thousand; € 395,914 thousand refers to Linked products, exclusively related to Unit type policies, down against 2015, characterised by gross collections of € 622,295 thousand. Policies for coverage in the event of death and credit protection policies amounting to € 9,361 thousand showed a marked increase, +34% compared to 2015, this was also true of the Pension Fund, which recorded premiums collected of € 13,519 thousand, a significant increase compared to the first half of 2015, with a rise of +36%.

Guaranteed-rate policies showed a steady increase, due to the good performance of policies in the “Investire Sicuro” (Safe Investments) range; the rise in Unit-linked policies was instead guaranteed by the flow of premiums related to the various types of Collection product; the Private Collection Product collected € 150,160 thousand in the first six months, Collection and Collection PRO collected premiums amounting to € 155,086 thousand and lastly, the Global View product collected premiums of € 89,908 thousand.

These trends confirm the success of Credemvita’s commercial strategy, which has focused on new and highly innovative and customisable product concepts within its Unit-Linked line, in which active financial management is provided for the reference portfolios selected by the customer with a view to enhancing fund performance.

This unique and complete product allows customers not only to select portfolios with the asset class most suited to their investment profiles, but also to add a series of correlated services to support policy performance, such as the Stop-Loss service (investment monitoring and limitation of losses during negative market trends) and Investment Plan (which provides the possibility of changing from the initial asset class to the customer’s target asset class at periodic intervals).

The balance of outward reinsurance amounted to € -482 thousand (€ -275 thousand at the end of the corresponding period of last year).

The income statement recorded a net profit for the period of € 2,888 thousand (€ 6,188 thousand as at 30 June 2015) making a fall of 53.3%.

This decrease is mainly due to:

- net losses resulting from the valuation of securities as at 30 June 2016, which amounted to € 10,328 thousand (€ 9,286 thousand as at 30 June 2015);
- a marked fall in income from the proprietary portfolio, due to the fact that in the first half of 2015, the Company had seized favourable, but unrepeatable market opportunities;
- a decrease in income mainly originating from the “Credemvita” separate management portfolio, due to a rate of return for the period that was lower than that of the first half of 2015;
- an amount of revenues relating to the Segment III portfolio of policies, which, despite an increase in volumes, is the same as that recorded as at 30 June 2015 due to the performance commission component, which is significantly lower than that of 2015;
- the payment of the coupon for the period relating to Credemvita’s subordinated loan, issued on 18 December 2015 and not present in the same six months of 2015;
- an acceleration of the company’s costs, due to the expansion of the same, namely the hiring of new personnel and due to the increase of administrative costs relating to the numerous projects undertaken to complete full compliance with Solvency II legislation.

The table below illustrates the main balance sheet and income statement items compared to figures as at 31 December 2015 and 30 June 2015.

Main balance sheet items (in € /thousand)

	30/06/16	31/12/15	30/06/15	Change 06/16 12/15
Assets				
Intangible assets	2,522	1,941	1,046	581
Investments in group companies and other investees	0	0	0	0
Other financial investments	3,426,048	3,141,020	3,077,394	285,028
Investments benefitting policyholders	2,404,558	2,173,903	1,948,264	230,655
Technical reserves attributable to reinsurers	5,727	4,184	2,725	1,543
Receivables, other asset items and accruals and deferrals	221,034	323,466	166,769	-102,432
Total assets	6,059,889	5,644,514	5,196,198	415,375
Liabilities				
Shareholders' equity	166,422	174,496	162,863	-8,074
Subordinated liabilities	50,000	50,000	0	0
Technical reserves	3,392,255	3,174,150	3,041,833	218,104
Technical reserves where the investment risk is borne by policyholders	2,400,888	2,171,462	1,946,787	229,426
Provisions for risks and charges	10	15	114	-5
Payables, accruals and deferrals and other liabilities	50,314	74,391	44,601	-24,077
Total Liabilities	6,059,889	5,644,514	5,196,198	415,375

Main income statement items (in € /thousand)

	30/06/16	31/12/15	30/06/15	Change 06/16 06/15
Premiums for the period, net of reinsurance transfers	711,289	1,576,336	979,618	-268,329
Income from investments	56,576	173,103	99,290	-42,714
Income relating to investments benefiting policyholders	38,037	66,096	63,432	-25,395
Technical income net of reinsurance	7,537	15,041	7,467	70
Charges for claims, net of reinsurance	-263,225	-462,628	-256,408	-6,817
Change in reserves	-426,521	-1,159,365	-800,805	374,284
Reversals and participation in profits, net of reinsurance transfers	0	0	0	0
Management costs	-9,769	-20,804	-10,507	738
Financial and borrowing costs	-24,606	-71,267	-31,625	7,019
Costs relating to investments benefiting policyholders	-59,709	-45,958	-19,891	-39,818
Other technical charges, net of reinsurance	-23,045	-41,912	-19,797	-3,248
(-) Share of profit from investments transferred to the non-technical account	-1,580	-5,698	-3,740	2,160
Profit/loss of the technical account	4,984	22,944	7,034	-2,050
(+) Share of profit from investments transferred from the technical account	1,580	5,698	3,740	-2,160
Other income and charges	-1,467	-592	-377	-1,090
Profit/loss from ordinary operations	5,097	28,050	10,397	-5,300
Extraordinary income and charges	-85	-185	-184	99
Profit/loss before tax	5,012	27,865	10,213	-5,201
Income taxes for the period	-2,124	-10,044	-4,025	1,901
Net profit (loss) for the period	2,888	17,821	6,188	-3,300

b. Evolution of the insurance portfolio

Business decreased with respect to the same period of 2015, and was mainly focused on segment III products, which recorded collections accounting for 55.5% of the total.

Segments I and V represent 42.6% of total premiums, whereas they represented 35.5% of the total in the same period of the previous year.

Segment VI recorded an increase in terms of its percentage of the portfolio against 2015, and represented 1.9% of the total, compared with 1% in 2015.

The Company's portfolio, with premiums collected during the period amounting to € 713,799 thousand, showed downtrends for the main product lines with respect to 30 June 2015, as illustrated in the table below.

Gross premiums for Unit Linked policies recorded a significant fall, with a decrease in absolute terms of € 226,381 thousand (-36.4%) and a decrease in guaranteed-rate policies of € 46,312 thousand (-13.6%).

Summary of gross premiums in the first half of 2016 (in €/thousand)

Products	30/06/16	30/06/15	% Change
Unit-Linked related to external funds	305,400	475,499	-35.8%
Guaranteed-rate policies	294,985	341,298	-13.6%
Unit-Linked related to internal funds	90,514	146,795	-38.3%
Death cover	9,361	6,984	34.0%
Pension Funds	13,519	9,952	35.8%
Total	713,799	980,528	-27.2%

c. Trend of claims in the main segments in which the company operates

The breakdown of the amounts paid and the change in the reserve for amounts to be paid is illustrated in the table below (in €/thousand):

	30/06/16	30/06/15	Change
<i>Claims:</i>			
Segment I	39,711	36,117	3,594
Segment III	23,017	14,943	8,074
Total claims	62,728	51,060	11,668
<i>Maturity:</i>			0
Segment I	6,470	6,490	-20
Segment III	9,680	35,938	-26,258
Segment V	178	89	89
Segment VI	1,175	1,045	130
Total maturity	17,503	43,562	-26,059
<i>Surrenders:</i>			0
Segment I	69,690	62,228	7,462
Segment III	88,597	88,134	463
Segment V	2,148	3,105	-957
Segment VI	3,468	2,766	702
Total surrenders	163,903	156,233	7,670
Annuity (Segment I)	21	18	3
Settlement expenses	71	108	-37
Change in reserve for amounts to be paid	19,460	5,804	13,656
Claims attributable to reinsurers	-468	-332	-136
Change in reserve for amounts to be paid by reinsurers	7	-45	52
Total charges for claims	263,225	256,408	6,817

As the table below shows, charges relating to claims, net of reinsurance, rose in all segments, increasing from € 256,408 thousand as at 30 June 2015 to € 263,225 thousand as at 30 June 2016 (+2.7%).

If we look at the ratio of claims to premiums, in comparison to the same period of the previous year, the figure has substantially deteriorated.

	30/06/16	30/06/15	Change
Total charges for claims:			
Segment I	116,249	105,562	10,687
Segment III	139,643	143,557	-3,914
Segment V	2,388	3,033	-645
Segment VI	4,945	4,256	689
Total charges for claims	263,225	256,408	6,817
Ratio of claims to premiums:			
Segment I	39.14%	30.91%	
Segment III	35.27%	23.07%	
Segment V	48.91%	51.89%	
Segment VI	36.58%	42.76%	
Ratio of claims to premiums	37.01%	26.17%	

d. Performance of insurance business exercised as the liberal provision of services and through secondary offices in EU and third countries

The company does not have any business abroad.

e. Fundamental aspects of the reinsurance policy with specific regard to changes in the most significant types of reinsurance adopted

In accordance with the framework agreement for outward reinsurance of the Board of Directors dated 19 April 2007, the Company has two “risk premium” reinsurance agreements in place with the Munich Re reinsurance company and one with commercial premiums with RGA International Reinsurance Company, all of which regard coverage in the event of death.

f. Research and development and the main new insurance products introduced into the market

During the half year, the Products already in the catalogue were revised. It is worth mentioning the extension of the range of internal funds for “Credemvita Global View” (Rate 60064) and “Credemvita Global View PRO” (Rate 60067) products, bringing the total number of funds available for subscription to eleven and ten respectively.

g. Fundamental aspects of the investment policy and returns achieved

As regards class “C”, the investment policy continued to favour Government bonds (73.7% of the portfolio against 81.3% as at 31 December 2015), in particular Italian Government bonds represent 73.3% of the total portfolio. The component invested in corporate bonds rose slightly (7% of the portfolio against 5.8% as at 31 December 2015), and the mutual fund and SICAV component of the portfolio rose (19.2% against 13% as at 31 December 2015). All of the corporate bonds in separate portfolios have been issued by “investment grade” issuers and are highly liquidable. In the “Credemvita” separate portfolio, the financial duration of the asset is 6.9 years (while the financial duration of the liability is 9.3 years) and in the “Credemvita II” separate portfolio, the financial duration of the asset is 4.3 years (while the financial duration of the liability is 2.7 years).

As regards class “D” the investment policy was consistent with the characteristics of Unit-Linked internal and external funds and with the regulation of the open-end pension fund “Credemp Previdenza”.

The following table summarises the distribution of the investments belonging to class “C” of the Balance Sheet (amounts in €/thousand), compared to 31 December 2015:

Investment type	30/06/2016	%	31/12/2015	%	% Change
Government bonds	2,526,383	73.7%	2,552,169	81.3%	-1.0%
Bonds	241,183	7.0%	181,108	5.8%	33.2%
Mutual funds and SICAVs	658,482	19.2%	407,743	13.0%	61.5%
Total	3,426,048	100.0%	3,141,020	100.0%	9.1%

The difference between accounting values and spot market values as at 30 June 2016 is as follows (in €/thousand):

Investment type	Book value	Present value	Difference
Government bonds	2,526,383	2,767,342	240,959
Bonds	241,183	243,411	2,228
Mutual funds and SICAVs	658,482	659,682	1,200
Total	3,426,048	3,670,435	244,387

As at 30 June 2016, the net income generated by these investments (without considering the general expenses allocated to financial management, which as at 30 June 2016 amounted to around € 539 thousand) was € 32,508 thousand. This income, relating to an average capital of € 3,283,534 thousand, gave an annualised rate of return of 2.0%, as shown in the table below:

Investment type	Average capital employed	%	Net income generated	Annualised rate of return
Government bonds and bonds	2,750,422	83.8%	34,110	2.50
Mutual funds and SICAVs	533,113	16.2%	-1,602	-0.61
Total	3,283,534	100.0%	32,508	2.00

This result (without considering the general expenses allocated to financial management, which as at 30 June 2016 amounted to around € 539 thousand) was influenced by write-downs of € 10,327 thousand, net of write-backs.

With regard to the split between the portfolio for long-term use and that for shorter-term use, please refer to point 4) in part C below.

The distribution of investments relating to Unit-Linked policies as at 30 June 2016 is shown below (amounts in €/thousand):

Investment type	30/06/2016	%	31/12/2015	%	% Change
Government bonds and bonds	15,512	0.7%	11,145	0.6%	39.2%
Mutual funds and SICAVs	2,175,014	98.4%	1,941,608	97.9%	12.0%
Liquidity and other assets	19,266	0.9%	30,201	1.5%	-36.2%
Total	2,209,792	100.0%	1,982,954	100.0%	11.4%

These investments are measured at market prices as at 30 June 2016. At said date, the income generated by these investments, including income and losses from trading and the valuation of bonds with respect to their book value, was € -17,012 thousand.

The distribution of investments relating to the open-end pension fund “Credemprevidenza” as at 30 June 2016 is shown below (amounts in €/thousand):

Investment type	30/06/2016	%	31/12/2015	%	% Change
Government bonds and bonds	63,692	32.7%	60,633	31.8%	5.0%
Mutual investment funds	106,981	54.9%	118,277	61.9%	-9.6%
Liquidity and other assets/liabilities	24,093	12.4%	12,039	6.3%	100.1%
Total	194,766	100.0%	190,949	100.0%	2.0%

These investments are measured at market prices as at 30 June 2016. At said date, the income generated by the investments, including income and losses from trading and the valuation of bonds with respect to their book value, was € -4,660 thousand.

h. Illustration of the main equity and economic relations with Group companies and other investees

The subscribed and paid up share capital amounts to € 71,600,160, divided into 13,876,000 shares with a nominal value of € 5.16 each. At present, the share capital is held in its entirety by Credito Emiliano S.p.A., which is therefore the direct parent company.

The following transactions have been set in place with Credem Group companies at arm’s length value: commercial agreements for the distribution of insurance products; current account agreements; agreements for the retrocession of management commissions on UCITs; securities deposit and portfolio management agreements; planning and capital management activities; real estate leasing; payroll and salary services; various consulting services; postal services; process analysis and internal audit consulting services; personnel secondment, compliance and risk management services. The Company does not control other companies and it has no equity investments in other companies. The Company does not hold own shares either directly or through third parties or trust companies. During the period, it has not purchased or sold own shares either directly or through third parties or trust companies.

The following revenues generated by relations with group companies relate to the first half of the year: interest income on current accounts of € 3 thousand, retrocessions of management commissions of € 538 thousand, recovery of expenses for seconded personnel of € 288 thousand (of which € 266 thousand to Credemassicurazioni) and administrative-technical-organisational services of € 180 thousand (Credemassicurazioni).

The following costs relating to relations with Group companies are relevant to the first half of the year: maintenance fees and commission of € 26,969 thousand, management and guarantee costs of € 366 thousand, interest expense on current accounts of € 1 thousand, IT support and technological outsourcing of € 59 thousand, rental costs of € 48 thousand, outsourced work of € 37 thousand, reimbursement of postal expenses of € 138 thousand, reimbursement of the cost of seconded personnel of € 79 thousand (of which € 47 thousand Credemassicurazioni), various services of € 522 thousand, commercial expenses of € 24 thousand and bank fees of € 21 thousand.

For an illustration of the main equity relations with Group companies and other investees, please refer to point 1 of Part C - Notes to the Balance Sheet in this report.

i. Events occurring after the end of the half year

Between the end of the first half of 2016 and until the date of approval of this Report by the Company’s Board of Directors, there were no new events worth mentioning.

j. General comments on business performance from the end of the half-year and expected results for the current year

Business performance appears to indicate that the year will close with premium collections of over € 1,080,000 thousand (€ 1,578,929 thousand as at 31 December 2015) as approved by the Company's Board of Directors in a meeting held on 2 August 2016.

From an economic perspective, a lower result than that recorded at the end of last year is expected as at 31 December 2016.

Lastly, the overall structure of the securities portfolio is expected to vary in line with the premiums collected and claims paid, while its asset allocation is not expected to change significantly.

PART B. MEASUREMENT CRITERIA

The criteria adopted to measure balance sheet items and the methods used to apply measurement criteria to technical reserves are unchanged with respect to those used at the time of preparation of the financial statements as at 31 December 2015, and readers should refer to the same.

PART C. NOTES TO THE BALANCE SHEET

1. Amount and type of assets, liabilities and guarantees, commitments and other memorandum accounts, separately for parent companies, subsidiaries, associated companies, affiliated companies and other investees

The amount and type of assets, liabilities and other memorandum accounts, separately for parent companies, subsidiaries, associated companies, affiliated companies and other investees is summarised in the following statements (amounts in €/thousand):

Assets

	Parent companies	Affiliated companies	Total
Class "D" investments	22,619		22,619
Receivables and other asset items	116,810	1,495	118,305
Total	139,429	1,495	140,924

Class "D" investments are comprised by the liquidity on the current accounts of the parent company Credito Emiliano SpA.

"Receivables and other asset items" due from parent companies are comprised by the liquidity on current accounts held at Credito Emiliano of € 116,806 thousand, while the remaining € 4 thousand refers to a receivable for the recovery of expenses. The corresponding item due from affiliated companies includes liquidity on current accounts of € 995 thousand relating to an account with Banca Euromobiliare and various receivables of € 500 thousand, of which € 415 thousand for administrative-accounting services and seconded personnel provided to Credemassicurazioni SpA.

Liabilities

	Parent companies	Affiliated companies	Total
Payables due to brokers	13,214	2,679	15,893
Other payables and other liabilities	1,425	229	1,654
Total	14,639	2,908	17,547

"Payables due to brokers" represents amounts due for commission, while "other payables and other liabilities" is comprised by payables for various services. Note that at today's date, € 6,226 thousand of the payables due to brokers has been paid. The amount still to be paid almost entirely regards maintenance commissions commission bonuses which will be paid after the end of the year.

Guarantees, commitments and other memorandum accounts

	Parent companies	Affiliated companies	Total
Securities deposited with third parties	5,362,540	0	5,362,540
Total	5,362,540	0	5,362,540

The value of securities deposited was measured at the book value of both the debt securities and the quotas of Mutual funds and SICAV.

Note also that no dividends were paid during the period.

2. List of investee companies

The company does not control other companies and it has no equity investments in parent companies or associates.

3. Amount and nature of increases and decreases of investments in group companies and in other investees

Class "D" investments include liquidity on the current accounts of the parent company Credito Emiliano SpA amounting to € 22,619 thousand. This figure is € 8,911 thousand lower than that as at 31 December 2015.

4. Breakdown of other financial investments based on long-term and shorter-term use

The table below shows a breakdown of other financial investments based on long-term and shorter-term use (in €/thousand):

Investment type	Book value	Present value	Difference
Other financial investments for long-term use:			
Government bonds	1,621,975	1,862,031	240,056
Other securities	86,795	88,967	2,172
Total other financial investments for long-term use	1,708,770	1,950,998	242,228
Other financial investments for shorter-term use:			
Mutual funds and SICAVs	658,482	659,682	1,200
Bonds and other fixed-income securities:			0
Government bonds	904,408	905,311	903
Other securities	154,388	154,444	56
Total other financial investments for shorter-term use	1,717,278	1,719,437	2,159
Total other financial investments	3,426,048	3,670,435	244,387

This breakdown is consistent with the framework resolution on investments, which sets the following limits for investments for long-term use:

- separate portfolios and free portfolio: 80%.

The Company did not write down any securities classified as investments for long-term use, as it retains that at today's date there are no grounds to indicate a lower value for said investments in terms of impairment.

5. Illustration of transactions for significant amounts regards the transfer of securities from one segment (long-term or shorter-term) to the other, namely the early disposal of securities classified as long-term, of an exceptional and extraordinary nature, indicating the grounds and the influence of the same on the balance sheet and income statement

During the period, no early disposals of securities for long-term use were made and no transfers of securities from the shorter-term segment to the long-term segment were carried out.

6. Indication of write-downs of receivables during the period

The Company did not make any write-downs in the first half of the year insofar as no events arose that required measures of this nature.

7. Indication of the amount of receivables due from registered policyholders in the last approved financial statements

As at 31 December 2015, receivables due from policyholders amounted to € 647 thousand. These receivables were received during the course of the first half.

8. Separate indication of the amount of receivables due from policyholders and due from insurance brokers

As at 30 June 2016, receivables due from policyholders amounted to € 1,314 thousand, almost entirely settled (at today's date, receivables amounting to € 143 thousand are still outstanding).

There are no receivables due from insurance brokers.

9. Breakdown of the subordinated liabilities recorded under item B of liabilities

On 18 December 2015, the Company issued and placed a subordinated bond issue, entitled "Credemvita S.p.A. 4.491% 15/25" ISIN code XS1313785211 with a nominal value of € 50,000,000.00, maturing on 18 December 2025, which, starting from 1 January 2016, was included in Tier 2 capital for the coverage of an amount of no greater than 50% of the solvency capital requirement and no more than 20% of the minimum capital requirement, according to the provisions of art. 82 of Delegated Regulation (EU) 2015/35.

10. Indication of the components of "other technical reserves"

As at 30 June 2016, "other technical reserves" amounted to € 11,897 thousand and was entirely comprised by reserves for future expenses. The breakdown by segment is provided below:

Segment	30/06/16	31/12/15	Change
Reserve for future expenses Segment I	11,686	11,854	-170
Reserve for future expenses Segment III	201	211	-10
Reserve for future expenses Segment V	10	12	-2
Total	11,897	12,077	-180

The amount of reserves for future expenses is lower insofar as in new contracts, annual management costs are covered by part of the commission withheld on the return of Separate Portfolios (for policies subject to revaluation) or on the return of the financial investment (for segment III contracts).

11. Indication of the amount of payables due to insurance brokers

As at 30 June 2016, payables due to insurance brokers for commission and maintenance fees, amounted to € 15,893 thousand. To date € 6,226 thousand has been paid, € 4,415 thousand of which to Credito Emiliano, € 1,783 thousand to Banca Euromobiliare and € 28 thousand to Creacasa. The outstanding amount almost entirely refers to maintenance fees and commission bonuses, the payment of which is envisaged after the end of the year as per contractual agreement.

12. Breakdown of payables with collateral

The Company does not have any payables supported by collateral.

13. Indication of the main components of the item payables due to banks and financial institutions

As at 30 June 2016, the Company does not have any payables due to banks and financial institutions.

14. Breakdown and nature of items relating to guarantees, commitments and other memorandum accounts

Memorandum accounts are comprised by commitments for the subscription of a derivative contract, amounting to € 30 million, and the value of own securities, which are deposited under administration at the shareholder bank Credito Emiliano SpA, and at BNP Paribas and Banca Intesa SpA. The value of securities deposited was measured at the book value of both the debt securities and the quotas of Mutual investment funds and SICAVs.

The amounts resulting from said assessment are shown in the following table (in €/thousand):

Custodian bank	Amount
Credito Emiliano SpA	5,362,540
Bnp Paribas	424,491
Banca Intesa SpA	217
Total	5,787,248

15. Individual pension funds, as set forth in article 13, paragraph 1, letters a) and b) of Legislative Decree no. 252 of 5 December 2005, established during the half year

In 2016, no new individual pension funds, as set forth in article 13, paragraph 1, letters a) and b) of Legislative Decree no. 252 of 5 December 2005, were established. The Company established the Open-end Pension Fund Credemprevidenza (previously Azurprevidenza) in December 1998.

16. Illustration of transactions performed on derivative contracts

As at 30 June 2016, there is one derivative "Interest rate swap" contract in place, with a nominal value of € 30 million, maturing on 1 December 2025, stipulated in the first half of 2016 with HSBC, with a view to limiting the effect of any rise in market interest rates on the current value of the Separate Portfolio "Credemvita II". As at 30 June 2016, the present value of this derivative contract is € -1,139 thousand.

Indication of the main components of asset and liability items on the balance sheet of a residual nature

Item "E-III - Other receivables" amounts to € 73,379 thousand and substantially includes receivables due from Inland Revenue or Social Security institutions for:

- tax on reserves pursuant to Legislative Decree no. 209/2002 for the amount of € 67,456 thousand, net of the breakdown for the half year of € 2,956 thousand, € 2,656 thousand represented by uses for payments of withholding tax set forth in art. 6 of Law no. 482/85 and substitute tax set forth in art. 26-ter of Italian Presidential Decree 600/73 and € 300 thousand by the use for the payment of the annual balance of the same tax on reserves and income tax, in accordance with the procedures envisaged by the cited laws regarding the use of the so-called "further credit";
- IRAP credit from tax declaration of € 149 thousand;

- advance payments for income taxes: IRES for € 3,026 thousand, IRAP for € 506 thousand;
- advance taxes of € 293 thousand;
- advance tax withholdings on the proceeds of SICAVs of € 142 thousand;
- residual portion of the advance paid for insurance tax of € 131 thousand;
- credit balances of € 1 thousand on form 770; IRAP credit of € 76 thousand following the claim sent in application of Decree Law 201/11;
- tax credit for international conventions of € 5 thousand;
- tax credit for withholdings on bank interest of € 1 thousand;
- advances and prepayments for stamp duty of € 742 thousand.

Item E-III also includes receivables for retrocessions on commissions on investments of € 382 thousand.

The remainder of “Other receivables” is comprised mainly by € 419 thousand in receivables due from customers, € 43 thousand in advance payments to the Single Justice Fund and € 3 thousand of receivables for liquidity to be received from the assets of the Unit-Linked and pension funds.

Item F “Other asset items” amounted to € 130,986 thousand and includes moveable assets and office machines of € 83 thousand, net of the relative depreciation allowances, cash and cash equivalents of € 117,801 thousand and other assets for:

- receivables due from policyholders for management commission on Unit-Linked policies of € 11,555 thousand, which as envisaged in the contractual conditions, will be settled when the policy expires; note that, given the technical reserves related to these policies, no problems are envisaged in recovering these receivables;
- receivables due from HSBC Bank of € 1,070 thousand relating to the settlement of negative margins on derivatives;
- receivables due from policyholders for withholding tax paid in advance on commercial entities before 1996 of € 456 thousand;
- receivables of € 20 thousand due from Unit-Linked policies and Pension Funds relating to expenses paid in advance by the Company.

Item G “Accrued income and prepayments” includes:

- accrued income for interest on securities of € 14,950 thousand;
- other prepayments of € 354 thousand;
- prepaid costs of € 36 thousand.

“Other liabilities” (Item G-IX) includes:

- the balancing entry of the amounts paid into current accounts by policyholders for premiums relating to the second half of the year of € 10,573 thousand;
- payables due to policyholders for retrocessions on commissions or commission to be retroceded of € 6,099 thousand;
- payables due to Credito Emiliano for Credito Emiliano shares benefitting key personnel of € 91 thousand;
- liabilities due to losses on valuation of the derivative of € 1,139 thousand;
- liabilities for training expenses incurred of € 10 thousand.

Reasons for any significant changes to balance sheet items recorded during the half year

Class C investments rose against 31 December 2015, from € 3,141,020 thousand to € 3,426,048 thousand due to the positive balance between premiums collected and amounts paid on segment I products (policies subject to revaluation). Class D investments rose against 31 December 2015, from € 2,173,901 thousand to € 2,404,557 thousand due to the positive balance between premiums collected and amounts paid on segment III products (unit-linked) and segment VI products (pension funds).

The increase of around € 198,825 million in item C.II.1., mathematical reserves, is related to the premiums collected, net of the amounts paid for segment I and V products, with specific reference to net collections relating to policies subject to revaluation (the premiums issued relating to said policies amounted to € 294,99 thousand).

Indication of credit and debit positions, recorded under items C and E of assets and F and G of liabilities, due beyond 30 June of the following year

There are no credit or debit positions, recorded under items C and E of assets or F and G of liabilities, due beyond 30 June 2017, with the exception of receivables for prepaid taxes, which amount to € 293 thousand and credit with the Inland Revenue for the prepayment of taxes pursuant to Legislative Decree no. 209/2002, which may be partially eligible from financial year 2005 onwards, amounting to € 67,456 thousand. Receivables due from policyholders for management commission and payables due to the same policyholders for retrocessions on commissions received from UCITs, will be collected when the relative policies expire.

PART D - NOTES TO THE INCOME STATEMENT

17. Amount of Gross premiums written and of reinsurance premiums paid.

The breakdown of gross premiums written by segment, with an indication of the reinsurance premiums paid and the amount of the gross premiums related to direct business, are summarised in the table below (amounts in €/thousand):

Gross premiums written for direct business

Segment	Gross premiums written	Gross premiums for direct business	Reinsurance premiums paid
Segment I	299,464	299,464	-2,490
Segment III	395,914	395,914	
Segment V	4,882	4,882	
Segment VI	13,519	13,519	
Total	713,779	713,779	-2,490

Reinsurance premiums paid

Segment	30/06/16	30/06/15	Change
Segment I	2,490	910	1,580
Total	2,490	910	1,580

The Company does not have any indirect business.

18. Change in the premium reserve in non-life segments

The Company only operates in the life insurance sector.

19. Claims paid and change in the claims reserve in non-life segments

The Company only operates in the life insurance sector.

20. Income and costs relating to investments

The table below shows the income and the costs relating to investments (in €/thousand) compared with the figures for the same period of the previous year:

Class C

Item	30/06/16	30/06/15	Change
<i>Income from investments:</i>			
Income from investments	33,604	32,691	913
Write-backs on investments	1,229	154	1,075
Profit on investment disposals	21,743	66,445	-44,702
Total income from investments	56,576	99,290	-42,714
<i>Financial and borrowing costs:</i>			
Investment management costs and interest expense	-6,348	-3,862	-2,486
Value adjustments on investments	-11,557	-9,440	-2,117
Losses on investment disposals	-6,701	-18,323	11,622
Total financial and borrowing costs	-24,606	-31,625	7,019

Class D (Unit-Linked and Index-Linked)

Item	30/06/16	30/06/15	Change
<i>Income from investments:</i>			
Income from investments	345	192	153
Gains on valuations	30,777	27,105	3,672
Profit on investment disposals	2,083	23,367	-21,284
Total income from investments	33,205	50,664	-17,459
<i>Financial and borrowing costs:</i>			
Investment management costs and interest expense	4,586	4,574	12
Losses on valuations	28,499	8,741	19,758
Losses on investment disposals	17,133	963	16,170
Total financial and borrowing costs	50,218	14,278	35,940

Class D (Pension Fund)

Item	30/06/16	30/06/15	Change
<i>Income from investments:</i>			
Income from investments	2,818	1,312	1,506
Gains on valuations	1,981	7,700	-5,719
Profit on investment disposals	32	3,756	-3,724
Total income from investments	4,831	12,768	-7,937
<i>Financial and borrowing costs:</i>			
Investment management costs and interest expense	1,047	3,717	-2,670
Losses on valuations	7,297	1,858	5,439
Losses on investment disposals	1,148	39	1,109
Total financial and borrowing costs	9,492	5,614	3,878

21. Extraordinary income and charges

The table below shows extraordinary income and charges (in €/thousand) compared with the figures for the same period of the previous year:

	30/06/16	30/06/15	Change
<i>Extraordinary income</i>			
Contingent assets	12	6	6
Income from disposal of durable goods			0
Other extraordinary income			0
Total extraordinary income	12	6	6
<i>Extraordinary charges</i>			
Contingent liabilities	-86	-43	-43
Other	-11	-147	136
Total extraordinary charges	-97	-190	93

22. Illustration of the influence on the economic situation of transactions for significant amounts, regarding the transfer of securities from one segment (long-term or shorter-term) to the other, namely the early disposal of securities classified as long-term, of an exceptional and extraordinary nature

During the period, no early disposals of securities for long-term use were made and no transfers of securities from the shorter-term segment to the long-term segment were carried out.

23. Illustration of the results recorded in the half year for transactions in derivative financial instruments, with reference to the various product categories and with an indication of the transactions completed and those still underway.

As at 30 June 2016, there is one derivative “Interest rate swap” contract in place, with a nominal value of € 30 million, maturing on 1 December 2025, stipulated in the first half of 2016 with HSBC, with a view to limiting the effect of any rise in market interest rates on the current value of the Separate Portfolio "Credemvita II". As at 30 June 2016, the present value of this derivative contract is € -1,139 thousand.

Other income statement items

“Other technical income” amounted to € 7,537 thousand and breaks down as follows:

“Other technical income”	30/06/16	30/06/15	Change
Retrocessions on commission for subscriptions of Mutual funds and SICAVs	1,155	726	429
Other Unit-linked policy management commissions relating to external funds	803	1,241	-438
Other Unit-linked policy management commissions relating to internal funds	4,564	3,569	995
Other Pension fund management commissions relating to internal funds	995	913	82
Overperformance commissions relating to Unit-Linked policies	0	1,003	-1,003
Income for withdrawal rights	0	4	-4
Other technical income	20	11	9
Total	7,537	7,467	70

The “Retrocessions on commission for subscriptions of Mutual funds and SICAVs”, relating to Unit-Linked policies related to external funds, were recognised to policyholders, in accordance with the law and contractual conditions.

The higher collections recorded in the Unit-Linked segment mainly regard policies from the “Collection” range, where management commissions are recognised as a reversal of the quota by means of a change in mathematical reserves.

“Other technical charges” amounted to € 23,045 thousand and broke down as follows:

“Other technical charges”	30/06/16	30/06/15	Change
Bank charges for portfolio management	366	612	-246
Cancellation of backdated premiums from previous years	86	163	-77
Retrocessions on commission paid to policyholders	350	846	-496
Maintenance commissions	22,061	18,011	4,050
Other charges	179	161	18
Interest on payables due to reinsurance companies	3	4	-1
Total	23,045	19,797	3,248

As shown in the table above, the increase in technical charges is due to the considerable increase of maintenance commissions with respect to the same period of the previous year: this increase is related to the positive trend in the collection of premiums already illustrated in this report.

Taxes for the period amounted to € 2,124 thousand: note that this provision decreased by € 813 thousand due to higher taxes related to the temporary non-deductibility of the mathematical reserves present as at 30 June 2016.

PART E. FURTHER INFORMATION

24. Solvency margin.

The information relating to the margin forecast has not been included insofar as the Solvency 1 margin is no longer applicable from 1 January 2016 and the document in public consultation relating to the new Regulation 22 has abrogated said disclosure obligation from the 2017 half-yearly report.

25. Technical reserves and relative assets covering the reserves

The table below shows the amount of technical reserves as at 30 June 2016 and the type and value of the relative assets covering the same:

Class C	Values
Technical reserves	3,392,255
Assets covering the reserves:	
Government bonds and listed bonds	2,768,344
Unlisted Government bonds and bonds	0
Mutual funds and SICAVs	666,893
Liquidity available in current accounts	40,988
Total assets covering the reserves	3,476,225
Class D	
Technical reserves	2,400,888
Assets covering the reserves:	
Government bonds and listed bonds	79,204
Mutual funds and SICAVs	2,281,987
Liquidity available in current accounts and other assets	43,504
Total assets covering the reserves	2,404,695

26. Information relating to exemption from the obligation to prepare consolidated financial statements

As the circumstance set forth in articles 19 and 20 (title III) of ISVAP Regulation no. 7 of 13 July 2007, which refer to articles 95 and 96 of Legislative Decree no. 209 of 7 September 2005, does not exist, Credemvita S.p.A. is not required to prepare annual consolidated financial statements or a consolidated half-yearly report.

The Company has no equity investments and it does not directly or indirectly control other companies.

27. Indication of any advances on dividends paid or resolved upon

No advances on dividends have been resolved upon.

Statement of cash flows

The change in cash and cash equivalents during the half year is shown in the statement of cash flows below.

A. Cash flow from operating activities (indirect method)	
Net profit (loss) for the period	2,888
Income taxes	2,124
Interest expense/(interest income)	
(Dividends)	-10,962
1. Profit (loss) for the year before income taxes, interest, dividends and capital gains and losses from disposal	-5,949
Net change in technical reserves	445,988
Allocations to provisions	-5
Allocations to provision for employee severance pay	96
Depreciation of tangible fixed assets	12
Amortisation of intangible fixed assets	301
Write-downs due to impairment	-
Other adjustments for non-monetary elements	14,608
Total adjustments for non-monetary elements	460,999
2. Cash flow before other adjustments	455,050
Loans	
Receivables deriving from insurance transactions	-666
Receivables deriving from reinsurance transactions	55
Other receivables	4,620
Accruals and deferrals	-241
Payables deriving from insurance transactions	-6,864
Payables deriving from reinsurance transactions	418
Other payables	10,503
(Income taxes paid)	-30,355
Dividends collected	
(Use of provisions)	
Total Other adjustments	-22,531
3. Cash flow after other adjustments	432,519
Cash flow from operating activities (A)	432,519

B. Cash flow from investment activities	
	Fixed assets
	-
Tangible assets	-13
Intangible assets	-881
	Financial assets
	-
Other financial investments – Group company investments	-
Other financial investments – Sundry	-250,739
Other financial investments – Fixed-income bonds and securities	-49,620
Investments relating to services connected with mutual investment funds	-226,838
Investments from pension fund management	-3,817
Cash flow from investment activities (B)	-531,907

C. Cash flow from financing activities	
	Third-party financing
Increase (decrease) in short-term bank borrowings	
Loans taken out	
Loans repaid	
Own equity	
Paid share capital increase	
Dividends (and advances on dividends) paid	
Cash flow from financing activities (C)	
Increase (decrease) in cash and cash equivalents (A ± B ± C)	-99,388
Opening cash and cash equivalents	217,190
Closing cash and cash equivalents	117,802
Increase/Decrease in cash and cash equivalents	-99,388

Relations with shareholders

The Company is controlled by a sole shareholder, Credito Emiliano SpA. Therefore, the Company is subject to management and coordination pursuant to art. 2497 of the Italian Civil Code by Credito Emiliano SpA.

As indicated previously, as at 30 June 2016, the fully paid-up Share Capital amounted to € 71,600,160 and was represented by 13,876,000 shares with a nominal value of € 5.16.

Reggio Emilia, Italy, 13 September 2016

The General Manager
(Carlo Antonio Menozzi)

Company CREDEMVITA S.P.A.

Financial year 30 - 2016

Assets – Information regarding investee companies (*)

Ord No. (**)	Type (1)	Listed or unlisted (2)	Activities carried out (3)	Name and registered offices	Currency	Share capital		Shareholders' equity (***)		Percentage interest (5)		
						Amount (4)	Number shares	(6) DIV	Amount	Direct %	Indirect %	Total %

(*) Group companies and other companies in which a direct interest is held also through trust companies or through a third person must be listed
 (**) The order number must be higher than "0"

(***) To be compiled only for subsidiary and associated companies

- (1) Type
 a = Controlling
 b = Subsidiary company:
 c = Affiliate
 d = Associate
 e = Others

- (3) Business
 1 = Insurance company
 2 = Finance company
 3 = Credit institutor
 4 = Real property company
 5 = Trust company
 6 = Unit trust management or distribution company
 7 = Consortium
 8 = Industrial company
 9 = Other company or body

- (4) Amounts in original currency
 (5) Indicate the total percentage ownership

(2) Indicate L for securities traded on regulate market and UL for the other

Company CREDEMVITA S.P.A.

Financial year 30 - 2016

Assets – Changes during the year in investments in affiliated companies and other shareholdings: equity investments (item C.II.1), corporate bonds (item C.II.2) and corporate loans (item C.II.3)

		Equity investments C.II.1	Debt securities C.II.2	Loans C.II.3
Gross initial balance.....	+	0 21	0 41	0
Increases during the year	+	0 22	0 42	0
for: purchases, subscriptions or issues		0 23	0 43	0
write-backs		0 24	0 44	0
revaluations		0		
other changes		0 26	0 46	0
Decreases during the year	-	0 27	0 47	0
for: sales or repayments		0 28	0 48	0
write-downs		0 29	0 49	0
other changes		0 30	0 50	0
Book value		0 31	0 51	0
Current value		0 32	0 52	0
Total revaluations		0		
Total write-downs		0 34	0 54	0

Company CREDEMVITA S.P.A.

Financial year 30 - 2016

Assets – Changes during the year in investments in affiliated companies and other shareholdings: equity investments (item C.II.1), corporate bonds (item C.II.2) and corporate loans (item C.II.3)

		Equity investments C.II.1	Debt securities C.II.2	Loans C.II.3
Gross initial balance.....	+	1 0	21 0	41 0
Increases during the year	+	2 0	22 0	42 0
for: purchases, subscriptions or issues		3 0	23 0	43 0
write-backs		4 0	24 0	44 0
revaluations		5 0		
other changes		6 0	26 0	46 0
Decreases during the year	-	7 0	27 0	47 0
for: sales or repayments		8 0	28 0	48 0
write-downs		9 0	29 0	49 0
other changes		10 0	30 0	50 0
Book value		11 0	31 0	51 0
Current value		12 0	32 0	52 0
Total revaluations		13 0		
Total write-downs		14 0	34 0	54 0

Company CREDEMVITA S.P.A.

Financial year 30 - 2016

Assets - Breakdown of other financial investments according to use: shares and units, units of mutual investment funds, Bonds and other fixed-income securities, units of investment pools and other financial investments (items C.III.1, 2, 3, 5, 7)

I – Non-life business

	Long-term investment portfolio		Short-term financial assets portfolio		Total							
	Book value	Market value	Book value	Market value	Book value	Market value						
1. Shares and units in	1	0	21	0	41	0	61	0	81	0	101	0
a) Listed shares	2	0	22	0	42	0	62	0	82	0	102	0
b) Unlisted shares	3	0	23	0	43	0	63	0	83	0	103	0
c) Units	4	0	24	0	44	0	64	0	84	0	104	0
2. Units of mutual investment funds	5	0	25	0	45	0	65	0	85	0	105	0
3. Bonds and other fixed-income securities:	6	0	26	0	46	0	66	0	86	0	106	0
a1) listed Government securities	7	0	27	0	47	0	67	0	87	0	107	0
a2) other listed securities	8	0	28	0	48	0	68	0	88	0	108	0
b1) unlisted Government securities	9	0	29	0	49	0	69	0	89	0	109	0
b2) other unlisted securities	10	0	30	0	50	0	70	0	90	0	110	0
c) convertible bonds	11	0	31	0	51	0	71	0	91	0	111	0
5. Units of investment pools	12	0	32	0	52	0	72	0	92	0	112	0
7. Other financial investments	13	0	33	0	53	0	73	0	93	0	113	0

II – Life business

	Long-term investment portfolio		Short-term financial assets portfolio		Total							
	Carrying value	Market value	Carrying value	Market value	Carrying value	Market value						
1. Shares and units in	121	0	141	0	161	0	181	0	201	0	221	0
a) Listed shares	122	0	142	0	162	0	182	0	202	0	222	0
b) Unlisted shares	123	0	143	0	163	0	183	0	203	0	223	0
c) Units	124	0	144	0	164	0	184	0	204	0	224	0
2. Units of mutual investment funds	125	0	145	0	165	658.482	185	659.682	205	658.482	225	659.682
3. Bonds and other fixed-income securities:	126	1.708.770	146	1.950.998	166	1.058.796	186	1.059.755	206	2.767.566	226	3.010.753
a1) listed Government securities	127	1.621.975	147	1.862.031	167	904.408	187	905.311	207	2.526.383	227	2.767.342
a2) other listed securities	128	86.795	148	88.967	168	154.388	188	154.444	208	241.183	228	243.411
b1) unlisted Government securities	129	0	149	0	169	0	189	0	209	0	229	0
b2) other unlisted securities	130	0	150	0	170	0	190	0	210	0	230	0
c) convertible bonds	131	0	151	0	171	0	191	0	211	0	231	0
5. Units of investment pools	132	0	152	0	172	0	192	0	212	0	232	0
7. Other financial investments	133	0	153	0	173	0	193	0	213	0	233	0

Review report on the half yearly report pursuant to article 27 of the Regulation No. 22/2008 of ISVAP
(Translation from the original Italian text)

To the Board of Directors of
CREDEMVITA S.p.A.

Introduction

We have reviewed the attached statements (balance sheet and income statement) and the related comments (parts B, C and D) included in the half yearly report of CREDEMVITA S.p.A. as of June 30, 2016. The Directors of CREDEMVITA S.p.A. are responsible for the preparation of the half yearly report in conformity with the Regulation No. 22/2008 of ISVAP. Our responsibility is to express a conclusion on this half yearly report based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. A review of half yearly report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the half yearly report.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the attached statements and the related comments of CREDEMVITA S.p.A. as of June 30, 2016 are not prepared, in all material respects, in conformity with the Regulation No. 22/2008 of ISVAP for the preparation of the half yearly report.

Limitation of distribution and use*

This review report is issued pursuant to article 27 of the Regulation No. 22/2008 of ISVAP and therefore it shall not be used nor divulged to third parties without our prior written consent.

Milan, September 30, 2016

EY S.p.A.
Signed by: Paolo Ancona, partner

* This limitation does not apply to the publication of this review report in connection with certain capital markets transactions of Credemvita S.p.A.

This report has been translated into the English language solely for the convenience of international readers