

# FY16 CONSOLIDATED RESULTS UNIPOL AND UNIPOLSAI



Bologna, 24 March 2017

## PART 1

Consolidated results

## PART 2

Insurance business

- Non-Life
- Life

## PART 3

Banking business

## PART 4

Investments

## PART 5

Real Estate business

## PART 6

Total equity, dividends and Solvency

## PART 7

Appendix

The background of the slide is an artistic composition featuring a palette with various colored paints (blue, yellow, purple, red) and several paintbrushes with colorful bristles. The scene is set on a white surface, possibly a piece of paper or canvas, with a dark blue brushstroke graphic overlaid on it. The overall aesthetic is creative and professional.

# PART 1

## CONSOLIDATED RESULTS

## CONSOLIDATED RESULTS BY BUSINESS AREA


€m

### UNIPOL GRUPPO FINANZIARIO

	FY15		FY16	
	Pre-tax result	Net result	Pre-tax result	Net result
Non-Life	907	636	471	381
Life	343	235	379	263
Banking business	6	5	7	6
Other	-298	-298	-150	-116
Consolidated profit	<b>958</b>	<b>579</b>	<b>706</b>	<b>535</b>
Group profit		<b>272</b>		<b>330</b>

### UNIPOLSAI

	FY15		FY16	
	Pre-tax result	Net result	Pre-tax result	Net result
Non-Life	813	578	365	310
Life	344	237	357	250
Other	-114	-78	-41	-32
Consolidated profit	<b>1,044</b>	<b>738</b>	<b>681</b>	<b>527</b>
Group profit		<b>711</b>		<b>497</b>

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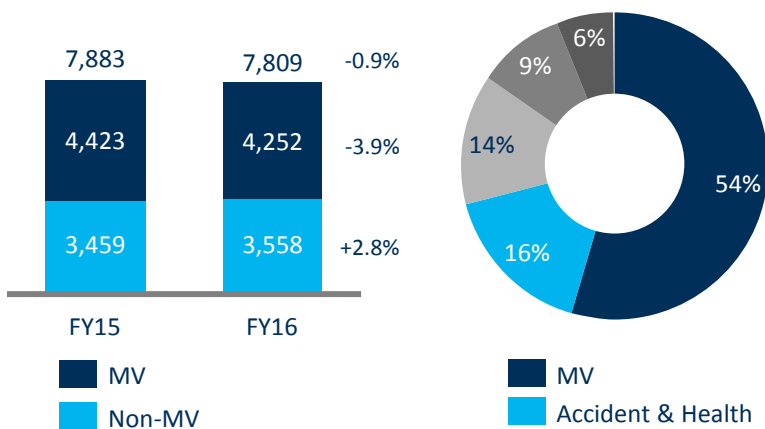
# PART 2

## NON-LIFE INSURANCE BUSINESS

## DIRECT PREMIUM INCOME

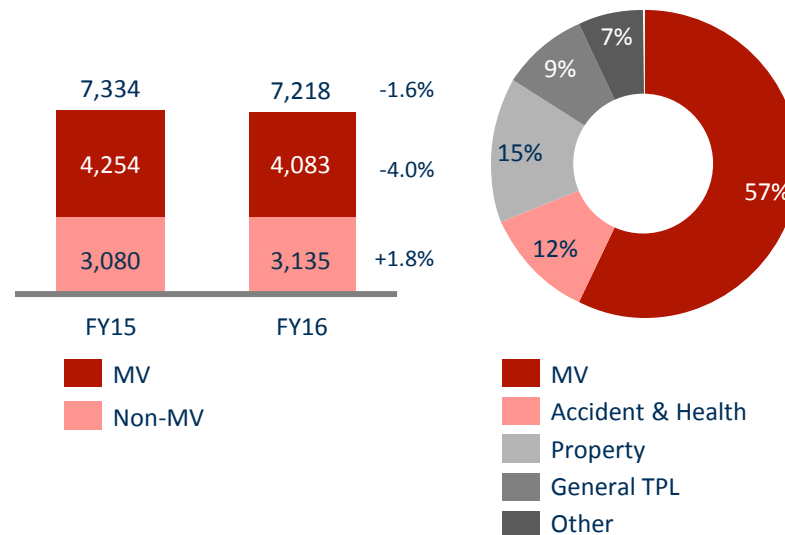
€m

## UNIPOL GRUPPO FINANZIARIO



Premiums by company	FY15	FY16
UnipolSai Group	7,334	7,218
Linear	145	150
UniSalute	301	337
Arca	103	104
<b>Unipol Gruppo Finanziario</b>	<b>7,883</b>	<b>7,809</b>

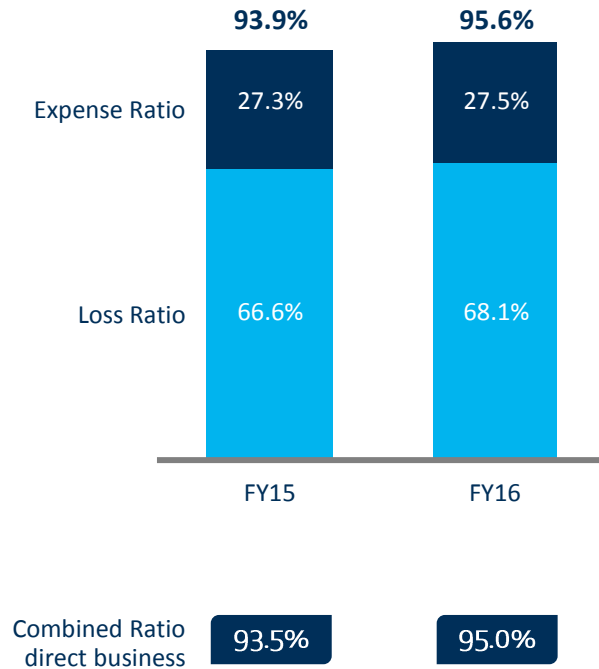
## UNIPOLSAI



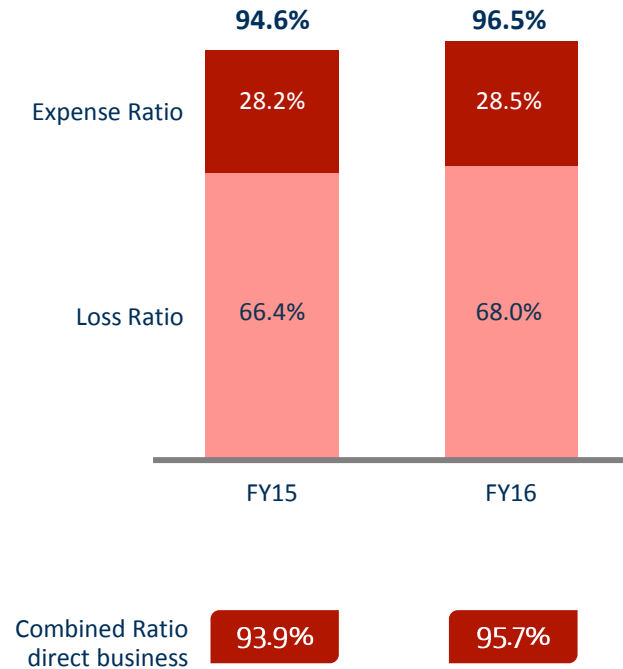
Premiums by company	FY15	FY16
UnipolSai S.p.A. <sup>a</sup>	7,084	6,960
Other companies	250	258
<b>UnipolSai Group</b>	<b>7,334</b>	<b>7,218</b>

# COMBINED RATIO NET OF REINSURANCE

## UNIPOL GRUPPO FINANZIARIO



## UNIPOLSAI



# UNIPOLSAI S.P.A. – MV TPL TECHNICAL INDICATORS

## DIRECT BUSINESS

### UNIPOLSAI S.P.A.

MV TPL Combined Ratio	FY15	FY16
Direct business	93.8%	99.9%
<i>Expense ratio<sup>a</sup></i>	23.5%	22.7%
<i>commissions/premiums</i>	13.3%	14.0%
<i>other operating expenses/premiums</i>	10.2%	8.8%
<i>Loss ratio<sup>b</sup> (incl. OTI)</i>	70.3%	77.2%

Other MV TPL indicators	Var. vs FY15
Total portfolio	+1.2%
<i>retail</i>	+1.0%
<i>fleets</i>	+5.6%
Portfolio average premium	-4.8%
No. of claims reported (followed-up passive claims)	+3.0%
Frequency <sup>c</sup>	+0.02 p.p.

<sup>a</sup> Operating expenses / written premiums from direct business (before reinsurance)

<sup>b</sup> Claims charges / earned premiums from direct business (before reinsurance)

<sup>c</sup> Passive claims frequency (incurred + late claims reported during the year)

Operating figures, current basis of consolidation



## OTHER INSURANCE COMPANIES

€m

## UNISALUTE – LINEAR – ARCA ASSICURAZIONI

	FY15	FY16	Δ %
Premium income	549	591	+7.8%
<i>MV</i>	169	169	+0.1%
<i>Accident &amp; Health</i>	340	378	+11.2%
<i>Other</i>	40	45	+10.9%
CoR direct business	88.8%	86.2%	-2.5 p.p.
<i>Expense ratio</i>	19.7%	17.8%	-1.8 p.p.
<i>Loss ratio (incl. OTI)</i>	69.1%	68.4%	-0.7 p.p.
<b>IAS net result</b>	<b>66</b>	<b>73</b>	<b>+12.0%</b>

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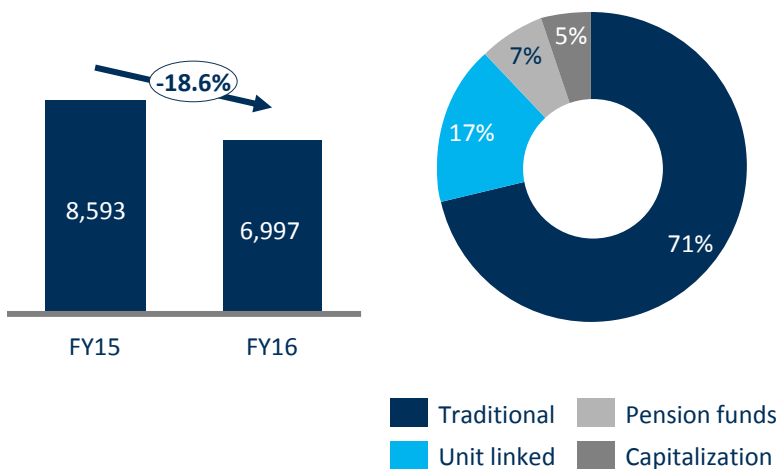
# PART 2

## LIFE INSURANCE BUSINESS

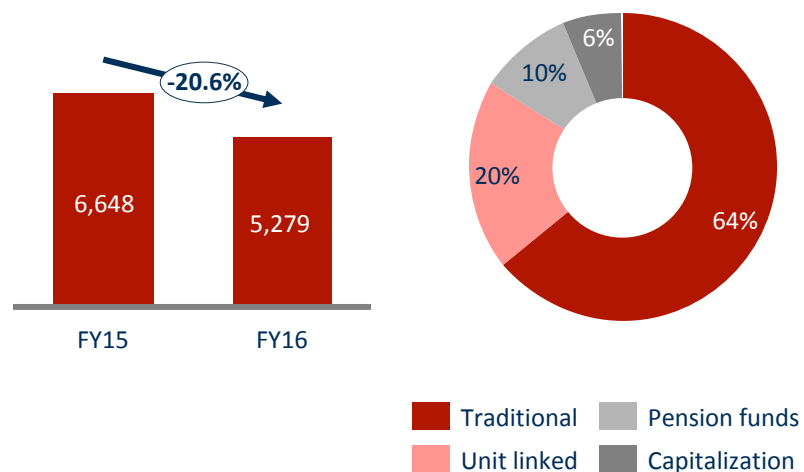
# DIRECT INCOME

€m

## UNIPOL GRUPPO FINANZIARIO



## UNIPOLSAI

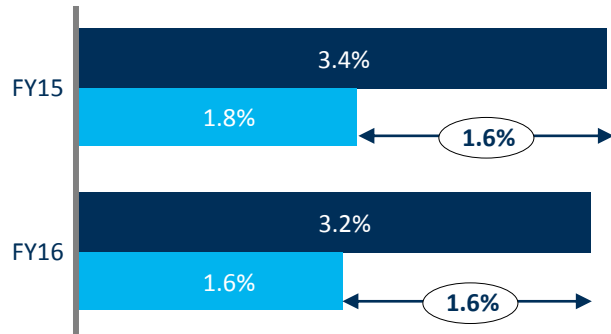


Income by company	FY15	FY16
UnipolSai Group	6,648	5,279
Arca Vita + AVI	1,943	1,718
Other companies	3	0
<b>Unipol Gruppo Finanziario</b>	<b>8,593</b>	<b>6,997</b>

Income by company	FY15	FY16
UnipolSai S.p.A. <sup>a</sup>	3,441	3,042
Popolare Vita + Lawr. Life	3,043	2,130
Other companies	164	107
<b>UnipolSai Group</b>	<b>6,648</b>	<b>5,279</b>

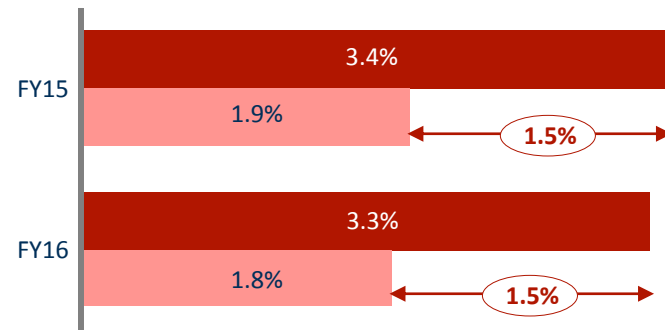
# SEGREGATED ACCOUNTS AND MINIMUM GUARANTEED YIELDS

## UNIPOL GRUPPO FINANZIARIO



■ average segregated accounts yield  
■ average minimum guaranteed yield

## UNIPOLSAI



■ average segregated accounts yield  
■ average minimum guaranteed yield

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# PART 3

## BANKING BUSINESS

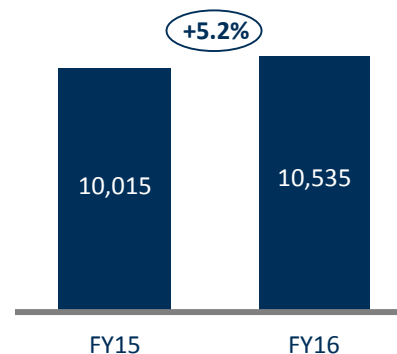
## KPIs

€m

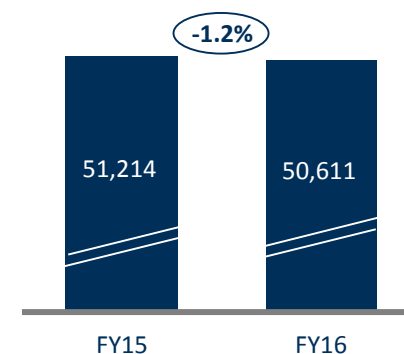
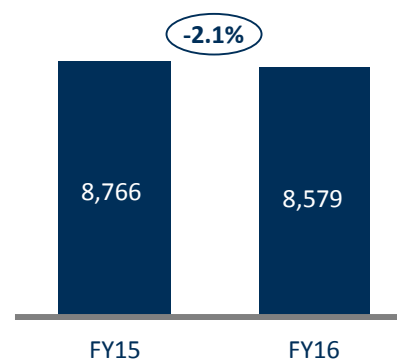
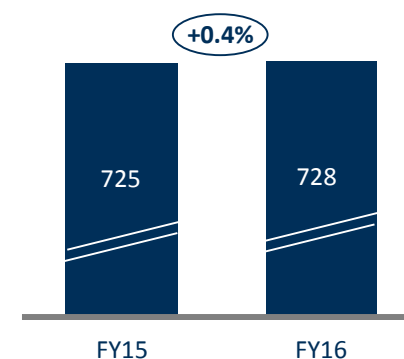
Banking business	FY15	FY16	Δ %
Gross operating income	361	345	-4.4%
<i>o/w interest income</i>	234	216	-7.9%
<i>o/w non-interest income<sup>a</sup></i>	127	129	+2.1%
Cost / Income	82.2%	80.8%	-1.3 p.p.
LLPs (Unipol Banca)	52	50	-3.3%
Pre-tax result	6	7	+10.8%
Net result	5	6	+21.0%

Loan Loss Provisions (LLPs)	FY15	FY16	Δ %
LLPs (Unipol Banca)	52	50	-3.3%
LLPs (UGF)	100	30	-70.0%
Total LLPs	152	80	-47.2%
Total NPE coverage ratio <sup>b</sup>	44.5%	45.7%	+1.3 p.p.

## Direct deposits



## Indirect deposits

Net loans<sup>c</sup>Tangible Book Value<sup>d</sup>CET1 ratio Unipol  
Banking Group

16.8%

The banking business includes Unipol Banca and its subsidiaries

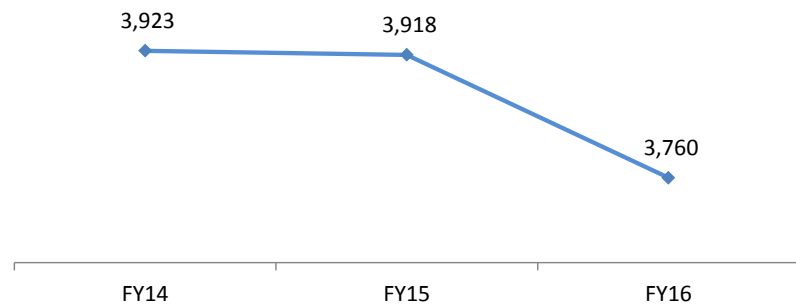
<sup>a</sup> FY15 figure including reclassification of income from loans disposal<sup>b</sup> Coverage ratio including UGF LLPs<sup>c</sup> Also net of provisions set aside at UGF S.p.A. level<sup>d</sup> Figure for the segment (UB + Finitalia)

# FOCUS ON NON-PERFORMING EXPOSURE (NPE)

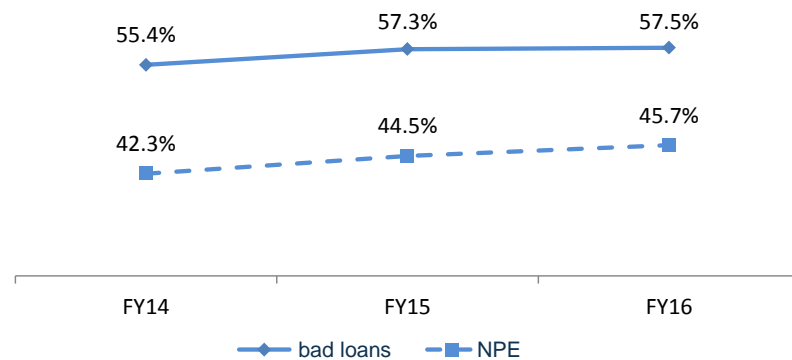
€m

Breakdown of total NPE portfolio	FY15			FY16		
	net loans	gross loans	coverage ratio	net loans	gross loans	coverage ratio
Bad loans ( <i>Sofferenze</i> )	1,129	2,644	57.3%	1,127	2,651	57.5%
Unlikely to pay	925	1,145	19.2%	767	958	19.9%
Past due	122	129	5.1%	145	151	3.5%
<b>Total NPE</b>	<b>2,176</b>	<b>3,918</b>	<b>44.5%</b>	<b>2,040</b>	<b>3,760</b>	<b>45.7%</b>

### Gross NPE trend



### Coverage ratio trend



The background of the slide is a photograph of art supplies. In the foreground, there are several jars of paint in various colors (purple, blue, yellow, green). In the background, there are several colored pencils (orange, red, blue) and a white sheet of paper with some faint pencil marks. The overall scene is artistic and creative.

# PART 4

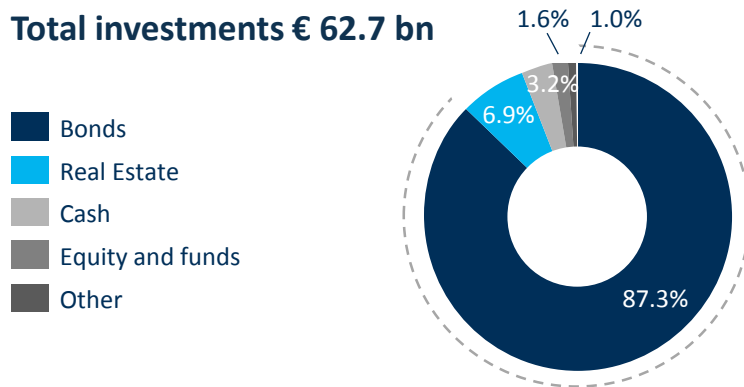
## INVESTMENTS



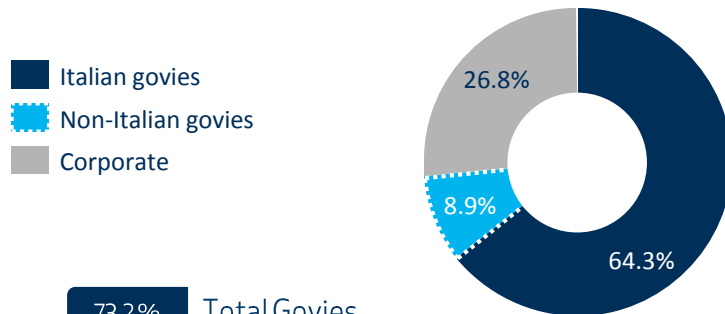
# ASSET ALLOCATION

## UNIPOL GRUPPO FINANZIARIO

Total investments € 62.7 bn



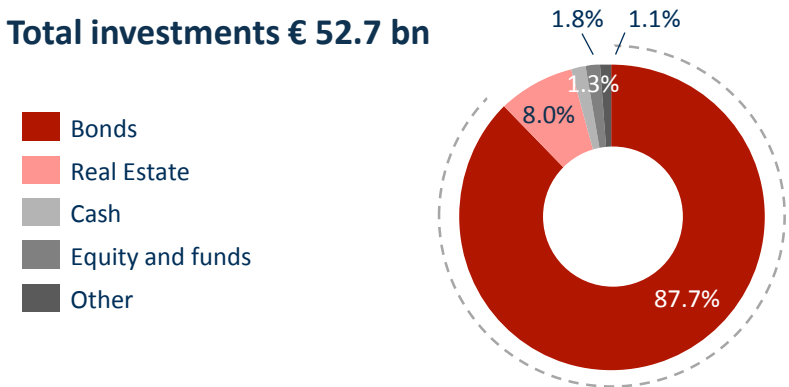
### Breakdown of bond portfolio



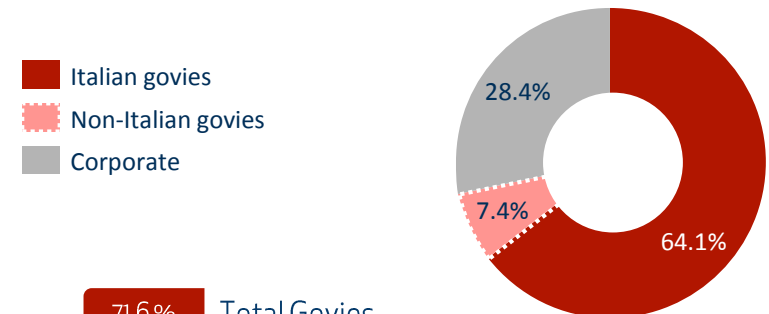
73.2% Total Govies

## UNIPOLSAI

Total investments € 52.7 bn



### Breakdown of bond portfolio



71.6% Total Govies

## FINANCIAL INVESTMENT YIELDS

## UNIPOL GRUPPO FINANZIARIO

	FY16					
	Non-Life		Life		Total	
	€m	Yield%	€m	Yield%	€m	Yield%
Coupons and dividends	450	3.3%	1,372	3.6%	<b>1,827</b>	<b>3.4%</b>
Realised and unrealised gains/losses	-16	-0.1%	90	0.2%	<b>68</b>	<b>0.1%</b>
<b>Total</b>	<b>434</b>	<b>3.1%</b>	<b>1,462</b>	<b>3.8%</b>	<b>1,896</b>	<b>3.5%</b>

€ 628 m  
FY15

## UNIPOLSAI

	FY16					
	Non-Life		Life		Total	
	€m	Yield%	€m	Yield%	€m	Yield%
Coupons and dividends	427	3.3%	1,178	3.7%	<b>1,605</b>	<b>3.6%</b>
Realised and unrealised gains/losses	-19	-0.1%	77	0.2%	<b>59</b>	<b>0.1%</b>
<b>Total</b>	<b>408</b>	<b>3.2%</b>	<b>1,256</b>	<b>3.9%</b>	<b>1,664</b>	<b>3.7%</b>

€ 648 m  
FY15

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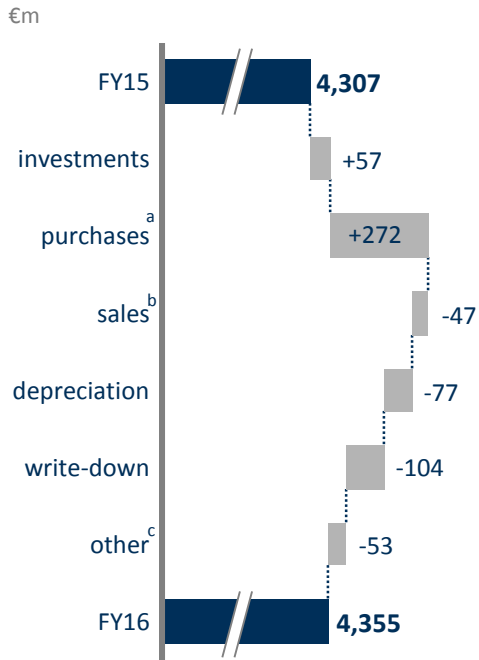
# PART 5

## REAL ESTATE BUSINESS

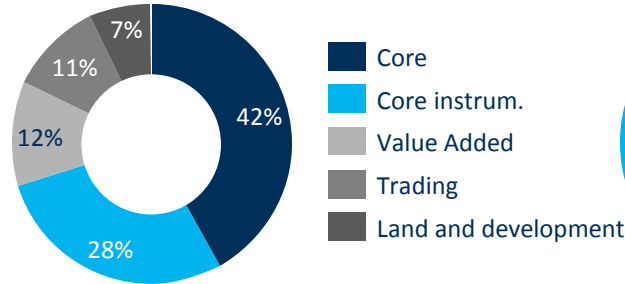
# REAL ESTATE

UNIPOL GRUPPO FINANZIARIO – Tot. ptf € 4.4 bn

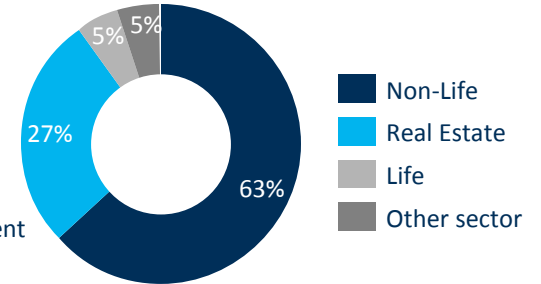
## Development of RE portfolio



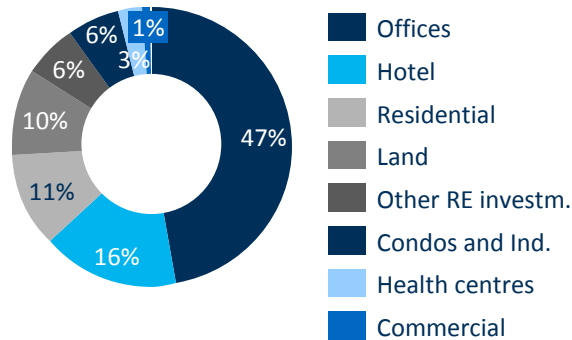
## Breakdown by cluster



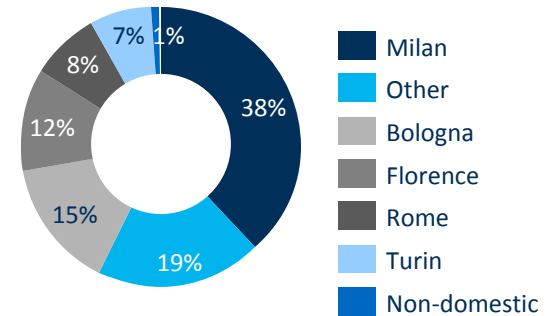
## Breakdown by sector



## Breakdown by use



## Breakdown by area



## Breakdown by ownership



<sup>a</sup> O/w € 259 m relating to the purchase of buildings owned by UNA Hotels

<sup>b</sup> No. 76 deeds as at 31 December 2016

<sup>c</sup> Including exchange variation and operations on RE funds and associated SPV Operating figures



# PART 6

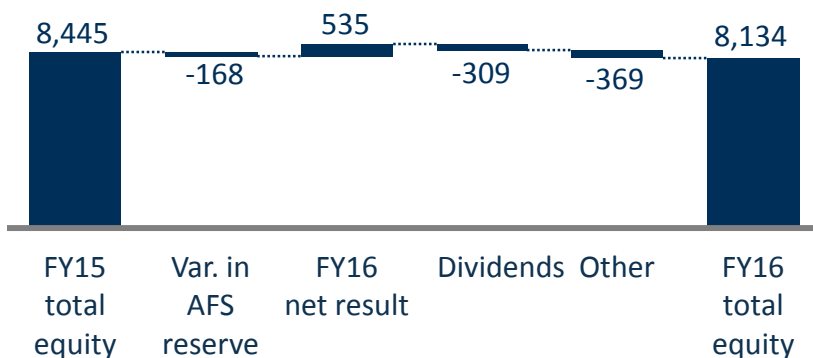
## TOTAL EQUITY, DIVIDENDS AND SOLVENCY

# TOTAL EQUITY AND AFS RESERVE

€m

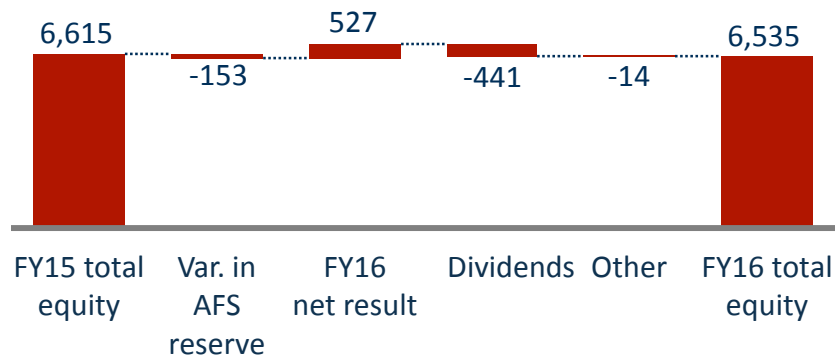
## UNIPOL GRUPPO FINANZIARIO

### Variation in total equity

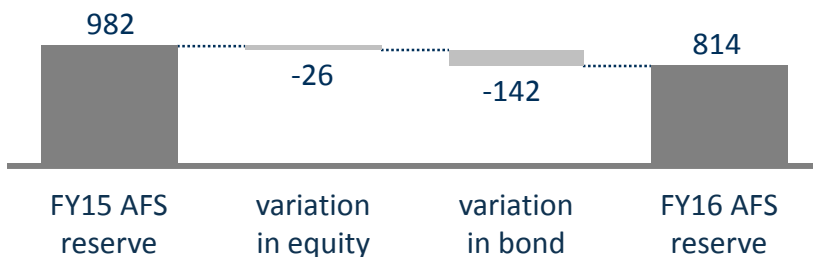


## UNIPOLSAI

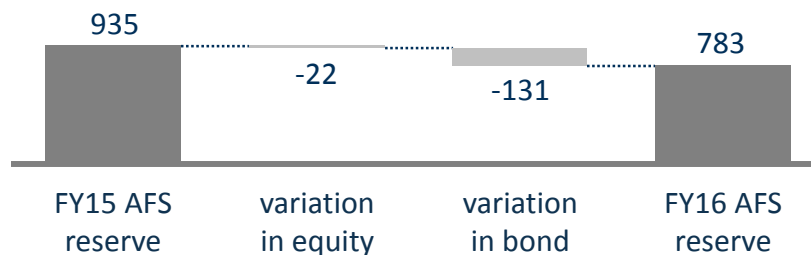
### Variation in total equity



### Variation in AFS reserve



### Variation in AFS reserve



# PROPOSAL FOR DIVIDEND DISTRIBUTION

€m

## UNIPOL GRUPPO FINANZIARIO

FY15				FY16			
Statutory accounting result	Pay-out	Total dividends	DPS (€)	Statutory accounting result	Pay-out	Total dividends	DPS (€)
166	77%	128	0.18	160	80%	128	0.18

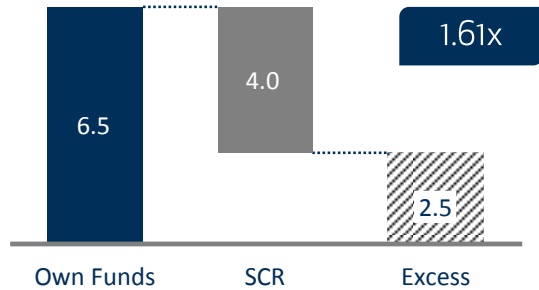
## UNIPOLSAI

FY15				FY16			
Statutory accounting result	Pay-out	Total dividends	DPS (€)	Statutory accounting result	Pay-out	Total dividends	DPS (€)
556	76%	424	0.15	458	77%	353	0.125

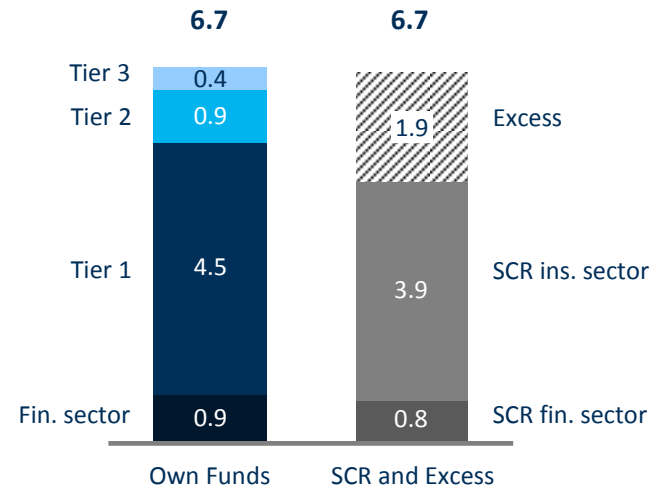
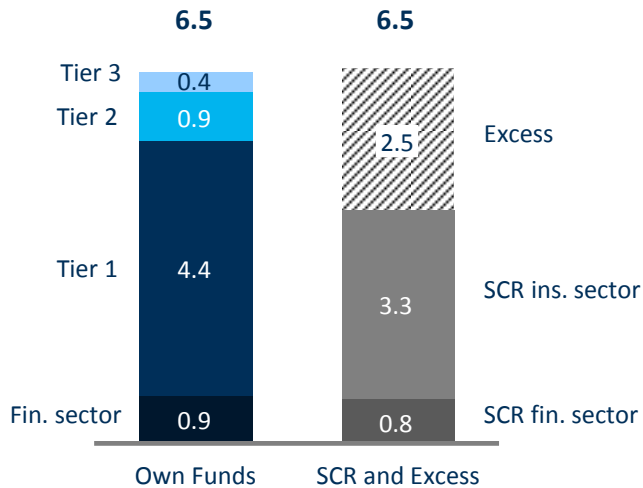
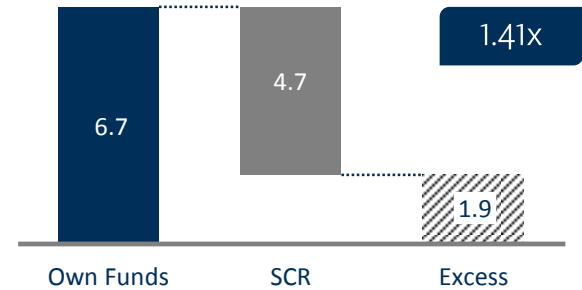
# SOLVENCY II – UNIPOL GRUPPO FINANZIARIO (consolidated)

€bn

## ECONOMIC CAPITAL



## STANDARD FORMULA USP

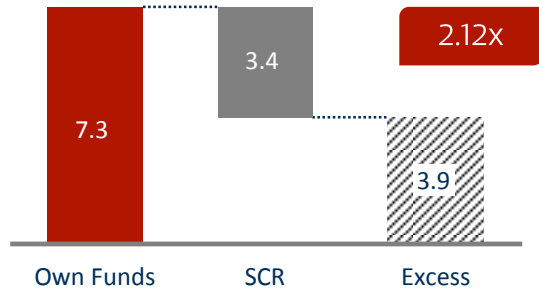




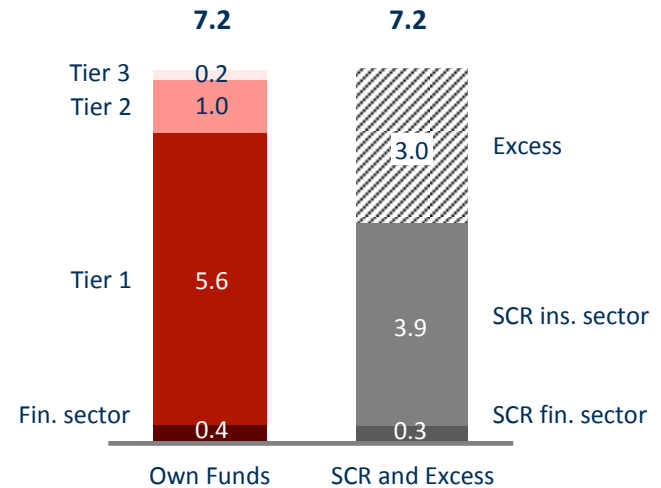
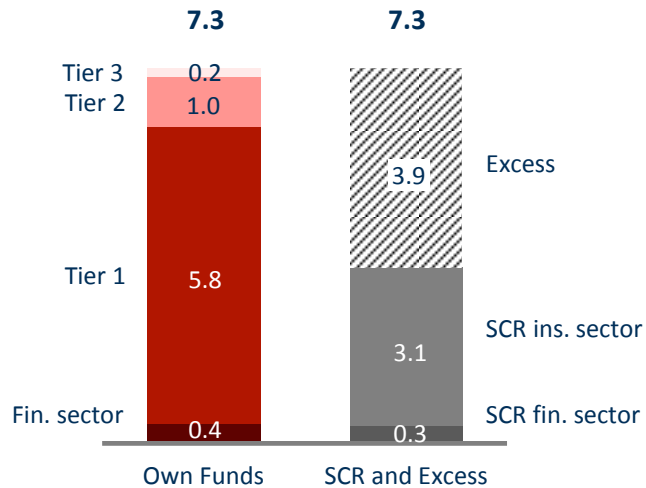
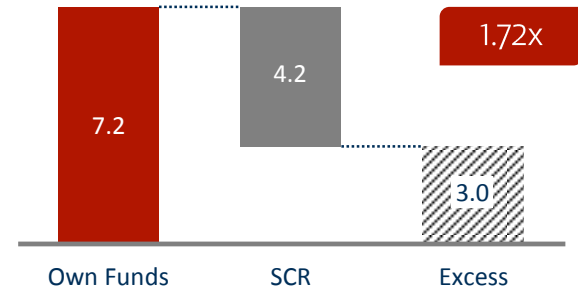
# SOLVENCY II – UNIPOLSAI (consolidated)

€bn

## ECONOMIC CAPITAL



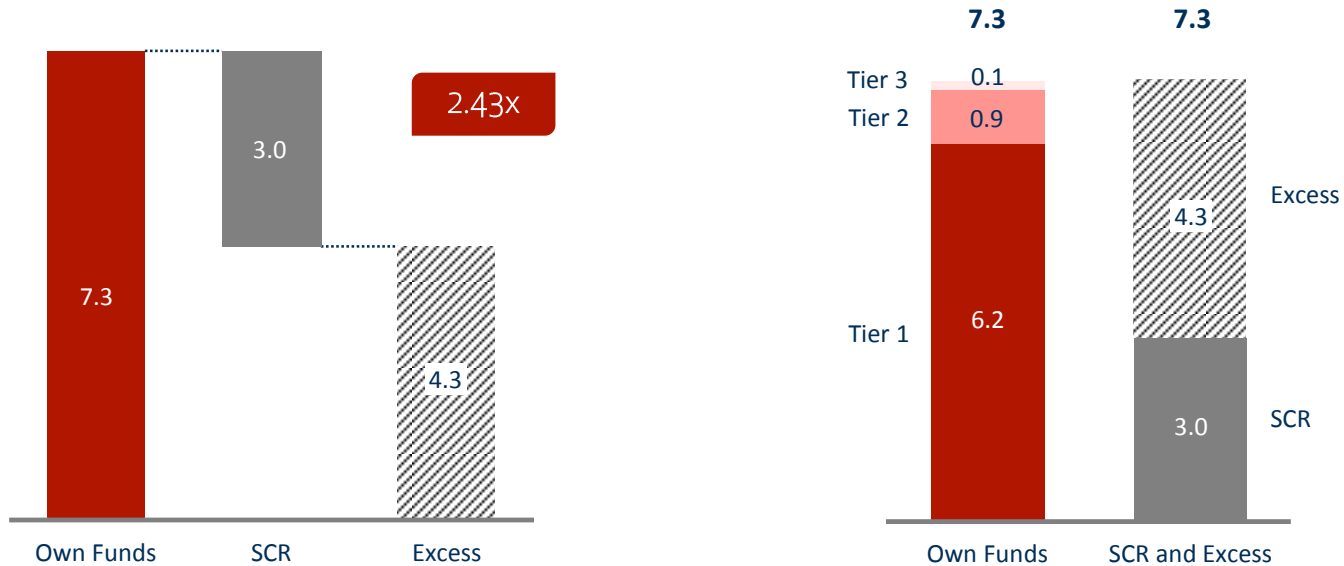
## STANDARD FORMULA USP



# SOLVENCY II – UNIPOLSAI (solo)

€bn

## PARTIAL INTERNAL MODEL

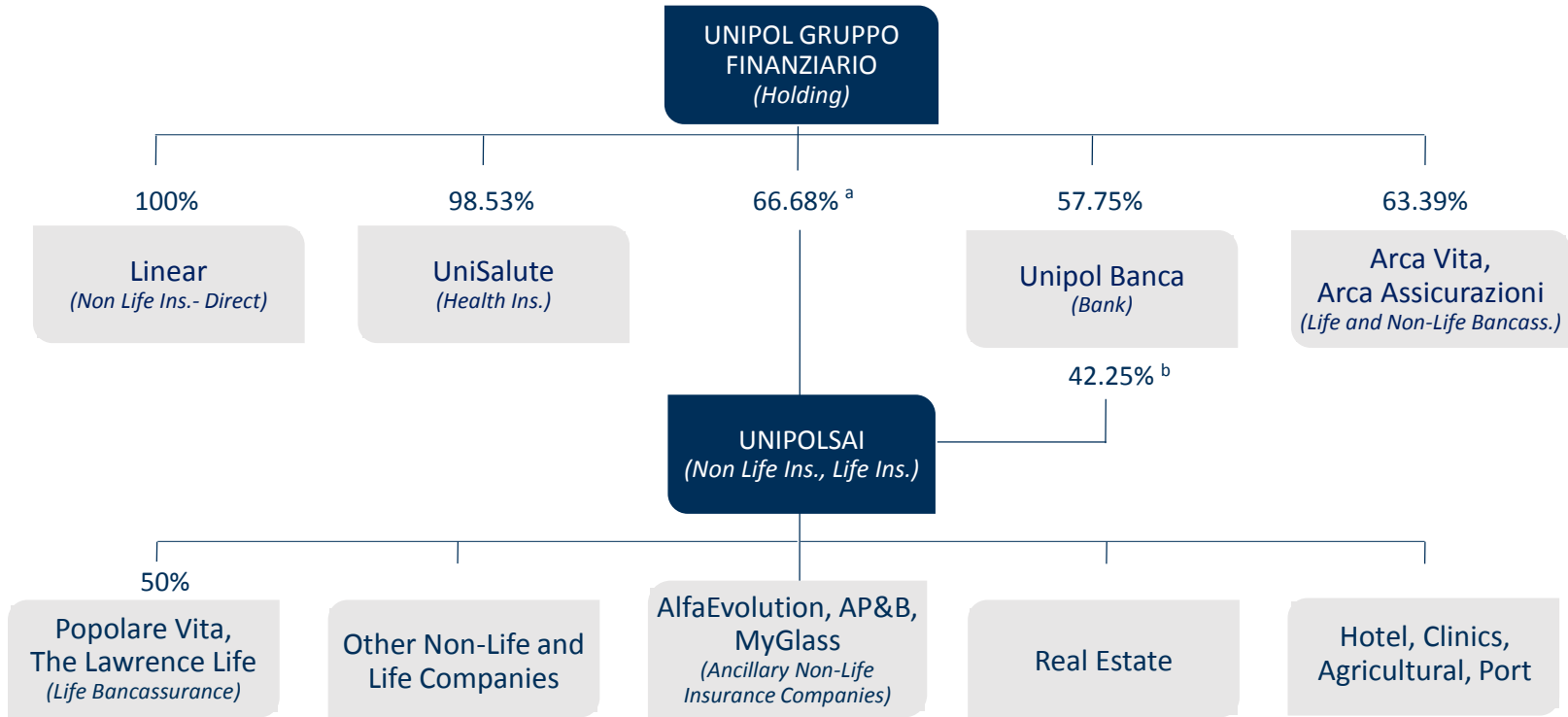


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# PART 7

## APPENDIX

# GROUP STRUCTURE



 Listed Company

<sup>a</sup> At 16 December 2016, as per the notices published in compliance with the applicable law and including the shares held by Unipol Finance and Unipol Investment on the same date

<sup>b</sup> O/w 27.49% is the subject of a put option granted by Unipol to UnipolSai and of a call option granted by UnipolSai to Unipol

## KEY PERFORMANCE INDICATORS

€m

## UNIPOL GRUPPO FINANZIARIO

	FY15	FY16	Δ %
Consolidated net profit	579	<b>535</b>	-7.6%
Group net profit	272	<b>330</b>	+21.3%
EPS <sup>a</sup> (€)	0.38	<b>0.46</b>	+21.3%
DPS (€)	0.18	<b>0.18</b>	0.0%
Premium income (direct business)	16,476	<b>14,806</b>	-10.1%
o/w Non-Life	7,883	<b>7,809</b>	-0.9%
o/w Life	8,593	<b>6,997</b>	-18.6%
Combined Ratio <sup>b</sup>	93.9%	<b>95.6%</b>	+1.7 p.p.
	FY15	FY16	Δ %
Total equity	8,445	<b>8,134</b>	-3.7%
Shareholders' equity	5,524	<b>5,649</b>	+2.3%
BVPS (€)	7.70	<b>7.87</b>	+2.3%

## UNIPOLSAI

	FY15	FY16	Δ %
Consolidated net profit	738	<b>527</b>	-28.5%
Group net profit	711	<b>497</b>	-30.1%
EPS <sup>a</sup> (€)	0.25	<b>0.18</b>	-30.1%
DPS (€)	0.15	<b>0.125</b>	-16.7%
Premium income (direct business)	13,982	<b>12,497</b>	-10.6%
o/w Non-Life	7,334	<b>7,218</b>	-1.6%
o/w Life	6,648	<b>5,279</b>	-20.6%
Combined Ratio <sup>b</sup>	94.6%	<b>96.5%</b>	+1.9 p.p.
	FY15	FY16	Δ %
Total equity	6,615	<b>6,535</b>	-1.2%
Shareholders' equity	6,278	<b>6,156</b>	-1.9%
BVPS (€)	2.22	<b>2.18</b>	-1.9%

## DISCLAIMER

Maurizio Castellina, Senior Executive responsible for drawing up the corporate accounts of Unipol Gruppo Finanziario S.p.A. and UnipolSai Assicurazioni S.p.A., declares, in accordance with Article 154-bis, para 2, of the 'Consolidated Finance Act', that the accounting information reported in this document corresponds to the document contents, books and accounting records.

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