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Testo del comunicato

Vedi allegato.

UNIPOL GROUP: APPROVAL OF CONSOLIDATED RESULTS AT 30 SEPTEMBER 2017

- Consolidated net profit at €551m (€439m in the first nine months of 2016), before adjustments relating to the banking sector restructuring plan. Consolidated net result, after the effects of the banking sector restructuring plan, amounted to a loss of €229m.

- Direct insurance income at €8.8bn (€11.1bn in the first nine months of 2016)
  - ✓ Non-Life: €5.6bn (in line with the first nine months of 2016)
  - ✓ Life: €3.2bn (down 42.5%)

- Combined ratio after reinsurance at 96.4%

- Profitability of financial investments at 3.8%

- Consolidated solvency ratio based on economic capital equal to 158%[1]

[1] Economic capital is the measure of absorbed capital calculated on the basis of the principles and models applied in the Partial Internal Model and having operational value.

Bologna, 10 November 2017

The Board of Directors of Unipol Gruppo S.p.A., meeting yesterday under the chairmanship of Pierluigi Stefanini, approved the Group's consolidated results at 30 September 2017.

Summary of the Group's most significant data

Amounts in Euro million	30/9/2017	30/9/2016	*Change in %*
Direct insurance income	**8,785**	**11,142**	*(21.2)%*
Non-Life direct insurance income	5,590	5,590	*(0.0)%*
Life direct insurance income	3,195	5,552	*(42.5)%*
Non-Life combined ratio – direct business	**96.8%**	**95.3%**	
Non-Life combined ratio – net of reinsurance	**96.4%**	**95.0%**	
Consolidated net result	**(229)**	**439**	
Amounts in Euro million	**30/9/2017**	**31/12/2016**	*Change in %*
Investments and cash and cash equivalents	**70,983**	**83,428**	*(14.9)%*
Shareholders' equity attributable to the Group	**5,266**	**5,649**	*(6.8)%*
Solvency II ratio	**139%**	**141%**	

Not including the one-off effects of loan adjustments in the banking sector, at 30 September 2017 the Unipol Group achieved a net consolidated profit of €551m (€439m at 30 September 2016), an appreciable increase compared to the same period in the previous financial year mainly thanks to an improved contribution of financial management. The banking sector restructuring plan had a negative economic effect of €780m on the accounts of the subsidiary Unipol Banca, which consequently affected Unipol's **consolidated net result,** which therefore amounted to a loss of €229m.

In the period under consideration, **insurance direct income,** before reinsurance cessions, amounted to €8,785m (€11,142m at 30 September 2016).

Non-Life Insurance

Non-Life direct income at 30 September 2017 amounted to €5,590m (in line with the same period in the previous financial year). Insurance income was driven by the **Non-MV business,** which earned premiums of €2,520m (up 3.2%) and by the **Vehicle Insurance sector** with premiums of €470m (up 2.2%), which offset the performance of the **motor vehicle TPL** class, where premium income stood at €2,600m (down 3.3%), being affected by a continuing competitive pressure on rates.

UnipolSai, the Group's main company, earned Non-Life direct income of €4,870m (down 1.6% compared to €4,951m at 30 September 2016). The other Group companies recorded a total of €720m premiums (up 12.6%).

The **combined ratio after reinsurance**[2] at 30 September 2017 was 96.4% (96.8% for direct business) compared to 95.0% for the same period in 2016.

The loss ratio stood at 70.1% (68.5% at 30 September 2016), while the expense ratio was 26.3% (26.5% for the same period in 2016). Higher claims due to weather events of a considerable amount had an incidence of approximately 1.7 percentage points on the loss ratio.

The **pre-tax result** of the Non-Life business was a profit of €539m (€470m at 30 September 2016).

Life Insurance

In the **Life business,** in a market environment that continued to be characterised by very low or negative short-term interest rates, the Group confirmed its strategic decision to limit the flows of traditional products with returns linked to segregated funds, directing the supply towards multi-branch and unit-linked products.

As a result of the foregoing, direct Life income, amounting to €3,195m, recorded a decrease of 42.5% (€5,552m at 30 September 2016), largely due to the bancassurance channel (down 65.3%) as a result of the sharp decline in income earned by Popolare Vita, a bancassurance company that distributes policies through the Banco BPM.

UnipolSai, the Group's main company, earned direct income of €2,029m (down 8.2%), where the multi-branch and unit-linked products were highly appreciated by the market.

The **pre-tax result** in the Life business was a profit of €288m (€279m in the corresponding period in 2016).

Banking Sector

In the **Banking sector,** which in the first half of the financial year had already suffered the economic effects of the restructuring plan with total reinforced coverage of non-performing loans of about €1bn, the performance in the first nine months was characterised by direct deposits amounting to €11,609m (up 10.2% compared to €10,535m at 31 December 2016) and loans[3] amounting to €7,664m (down 10.7% compared to €8,579m at 31 December 2016). The total coverage ratio of non-

[2] Combined ratio after reinsurance and with expense ratio calculated on net premiums for the year.

[3] Net of receivables from the Parent Company

performing exposures, at levels of excellence in the Italian banking system, was equal to 70.4% (80% for bad loans and 40% for unlikely-to-pay loans).

The **pre-tax result** of this sector was a loss of €941m, after posting net adjustments to loans arising from the banking sector restructuring operation for €945m[4].

Within Unipol, the Bank Group had a CET 1 of 29.1%[5].

Real Estate Sector

In the **real estate sector,** the renovation of certain property units continued, especially in the Milan area. Sales of property units, or portions thereof, located in various areas of Italy were finalised in the period under consideration.

Holdings and Other Activities

In the **other sectors** in which the Group operates, operations continued to be focused on the development of commercial activities and, as regards the hotel industry in particular, on the completion of the integration of the Atahotels and Una Hotels facilities.

The overall **pre-tax result** of the Real Estate, Holding and Other Activities sectors was a loss of €178m (loss of €112m at the end of the third quarter 2016) and, among other things, it suffered from the negative effects of €105m relating to the termination of the indemnity agreement with the subsidiary Unipol Banca.

Financial Management

With regard to the **management of financial investments,** the gross profitability of the Group's insurance investment portfolio achieved a particularly significant yield in the period under consideration, i.e. 3.8% of invested assets (3.6% at 30 September 2016), of which 3.4% relating to the component of coupons and dividends.

Capital

At 30 September 2017, **consolidated shareholders' equity** amounted to €7,480m (€8,134m at 31 December 2016), which includes €5,266m attributable to the Group.

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[4] Management figure.

[5] CET 1 of the Banking Group also including assets of Finsoe S.p.A. (within the scope of prudential supervision) was 13.5%.

At 30 September 2017, the **Group's solvency ratio**, calculated according to Solvency II rules (standard formula using USP – Undertaking Specific Parameters), reported a ratio of 139% between own funds and capital requirement, compared to 141% at 31 December 2016 due to the effects arising from the banking sector restructuring plan.

The Unipol Group's consolidated Solvency Ratio at 30 September 2017 based on Economic Capital was 158%[6] (161% at 31 December 2016).

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Euro Medium Term Notes (EMTN) Programme

Today, the Board of Directors decided to renew the Euro Medium Term Notes (EMTN) Programme for a nominal maximum amount of €2bn, giving the Chairman and the Chief Executive Officer the authority to perform the necessary acts.

The Board of Directors also authorised the issue of a non-convertible, non-subordinated, and unsecured bond under the EMTN Programme by 30 June 2018, for a maximum principal amount of €500m to be issued if suitable market conditions apply.

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Presentation of results to the Financial Community

A conference call is scheduled for today at 12pm. At such time, financial analysts and institutional investors may ask the Group CEO and Senior Management questions on the results at 30 September 2017. The phone numbers to dial to attend the event are: +39 02 8058811 (from Italy and all other countries), +1 718 7058794 (from the US), +44 1212 818003 (from the UK). The multimedia file containing a pre-recorded commentary of the results is already available in the Investor Relations section on the website www.unipol.it.

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[6] Economic capital is the measure of absorbed capital calculated on the basis of the principles and models applied in the Partial Internal Model and having operational value.

Maurizio Castellina, Manager in charge of financial reporting for Unipol S.p.A. and UnipolSai Assicurazioni S.p.A., declares, pursuant to Article 154-*bis*, paragraph 2, of the “Consolidated law of provisions on financial brokerage”, that the disclosure relating to the actual accounting data contained in this press release corresponds to the accounting records, books and entries.

For the significant events that occurred during the period under consideration and after 30 September 2017, please refer to the press releases that may be downloaded at www.unipol.it.

Glossary

CET1 - Common Equity Tier 1: Basel III indicator of banking capital strength.
DIRECT BUSINESS COMBINED RATIO: indicator that measures the balance of Non-Life direct technical management, represented by the sum of the loss ratio (ratio between direct claims for the period + other technical charges and direct premiums earned) and the expense ratio (ratio between operating expenses and direct premiums recognised).
COMBINED RATIO AFTER REINSURANCE: indicator that measures the balance of Non-Life total technical management, represented by the sum of the loss ratio (ratio between claims for the period + other technical charges and premiums earned) and the expense ratio (ratio between operating expenses and premiums earned).

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Fine Comunicato n.0265-66	Numero di Pagine: 8