

# FY17 PRELIMINARY CONSOLIDATED RESULTS UNIPOL AND UNIPOLSAI



Bologna, 9 February 2018

# NOTICE

This document has been prepared by Unipol Gruppo S.p.A. and by UnipolSai Assicurazioni S.p.A. solely for information purposes in the context of the presentation of its FY17 preliminary results.

The content of this document does not constitute a recommendation in relation to any financial instruments issued by the Company or by other companies of the Group, nor it constitutes or forms part of any offer or invitation to sell, or any solicitation to purchase any financial instruments issued by the Company or by other companies of the Group, nor it may be relied upon for any investment decision by its addressees.

The FY17 data contained herein are preliminary in nature and refer to the date hereof and, therefore, may be subject to further variations.

Please note that these preliminary data are subject to review by the Independent Auditors that still have to complete their necessary analysis in order to release their report.

The FY17 final results will be approved by the Board of Directors scheduled on 22 March 2018 and will be disclosed to the market according to, and in the terms set forth by, the applicable laws and regulations.

Unless otherwise specified all the figures reported in this presentation are on a consolidated basis.

## PART 1

Consolidated  
results

## PART 2

Insurance Business

- Non-Life
- Life

## PART 3

Banking Business

## PART 4

Investments

## PART 5


Dividend proposal

## PART 6

Solvency

## PART 7

Appendix

The background of the slide is an artistic composition featuring a palette with various colored paints (blue, yellow, red, purple) and several paintbrushes. A large, dark blue brushstroke graphic is positioned behind the text.

# PART 1

## CONSOLIDATED RESULTS

# CONSOLIDATED RESULTS


€m

## UNIPOL

	FY16	FY17	FY17 <sup>a</sup> normalized
Consolidated pre-tax result	706	-179	904
<i>Non-Life</i>	471	687	687
<i>Life</i>	379	328	328
<i>Banking</i>	7	-987	16
<i>Holding and other</i>	-150	-207	-127
Consolidated net result	<b>535</b>	<b>-169</b>	<b>655</b>
Group net result	<b>330</b>	<b>-346</b>	<b>450</b>

## UNIPOLSAI

	FY16	FY17	FY17 <sup>a</sup> normalized
Consolidated pre-tax result	681	760	873
<i>Non-Life</i>	365	501	593
<i>Life</i>	357	286	307
<i>Other</i>	-41	-27	-27
Consolidated net result	<b>527</b>	<b>537</b>	<b>649</b>
Group net result	<b>497</b>	<b>504</b>	<b>617</b>

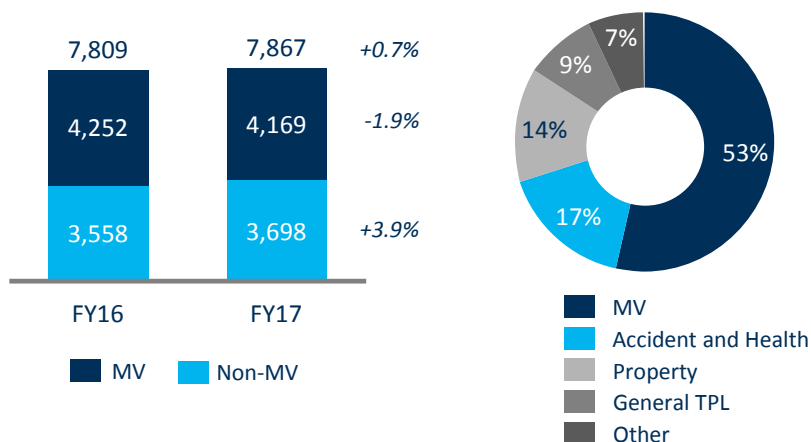


**PART 2**  
NON-LIFE  
INSURANCE BUSINESS

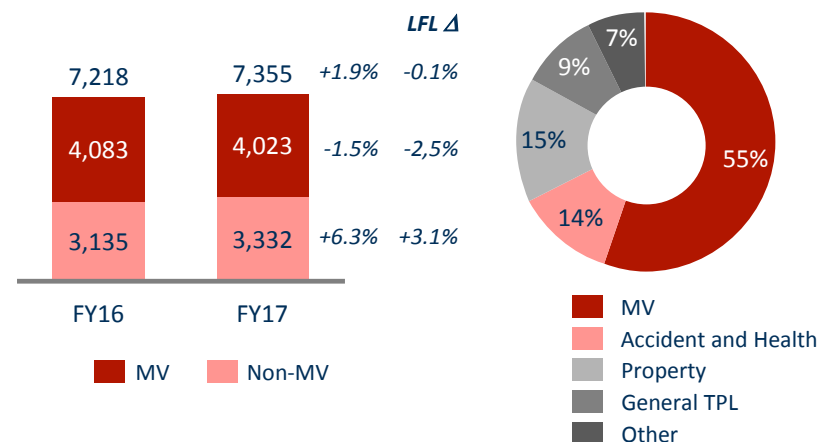
## DIRECT PREMIUM INCOME

€m

## UNIPOL



## UNIPOLSAI

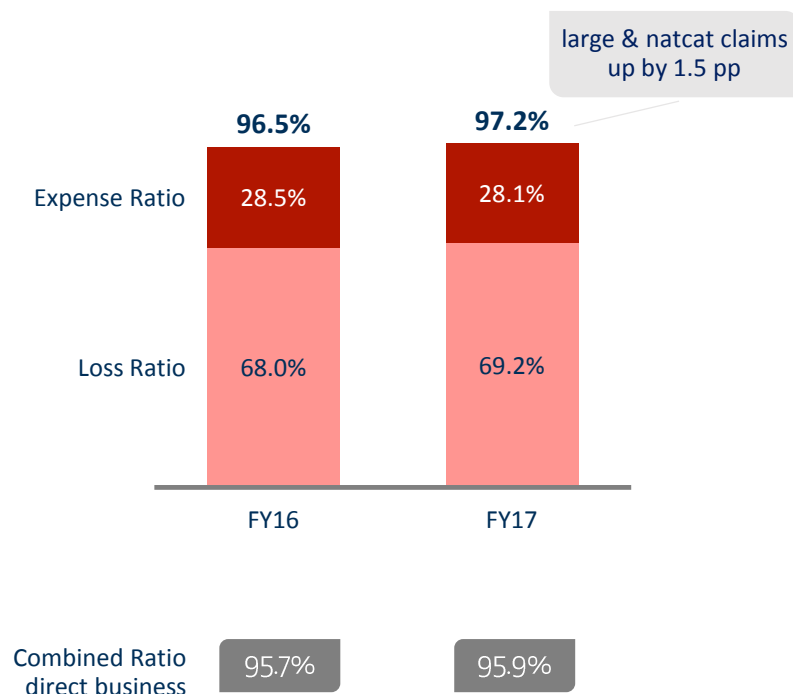
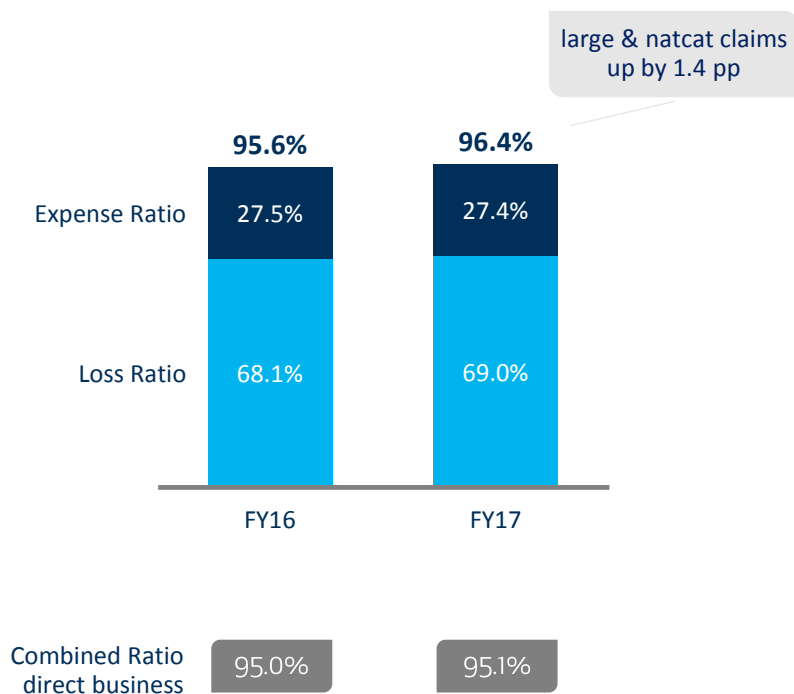


Premiums by company	FY16	FY17
UnipolSai SpA	6,960	6,901
UniSalute <sup>a</sup>	337	371
Linear <sup>a</sup>	150	172
Arca Assicurazioni <sup>b</sup>	104	110
Other companies	258	312

# NON-LIFE COMBINED RATIO NET OF REINSURANCE

## UNIPOL

## UNIPOLSAI





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

## UNIPOLSAI S.p.A.

MV TPL Combined Ratio	FY16	FY17
Direct Business	99.9%	97.7%
<i>Expense ratio<sup>a</sup></i>	22.7%	22.7%
<i>commissions/premiums</i>	14.0%	13.6%
<i>other operating expenses/premiums</i>	8.8%	9.1%
<i>Loss ratio<sup>b</sup> (incl. OTI)</i>	77.2%	75.1%

Other MV TPL indicators	Var. vs FY16
Total portfolio	-1.0%
<i>retail</i>	-1.1%
<i>fleets</i>	+0.4%
Portfolio average premium	-2.1%
No. of claims reported (followed-up passive claims)	-3.6%
Frequency	-0.16 p.p.

**No. of black boxes 3.5 million (37% of the portfolio)**

## OTHER INSURANCE COMPANIES

€m

## UNISALUTE

	FY16	FY17
Premium income	337	371
<i>Accident &amp; Health</i>	336	370
<i>Other</i>	1	1
CoR direct business	85.8%	87.5%
<i>Expense ratio</i>	11.2%	11.4%
<i>Loss ratio (incl. OTI)</i>	74.5%	76.2%
<b>IAS net result</b>	<b>41</b>	<b>43</b>

## LINEAR

	FY16	FY17
Premium income	150	172
<i>MV</i>	135	155
<i>Other</i>	15	18
CoR direct business	102.4%	99.0%
<i>Expense ratio</i>	24.6%	21.6%
<i>Loss ratio (incl. OTI)</i>	77.8%	77.4%
<b>IAS net result</b>	<b>5</b>	<b>6</b>

## ARCA ASSICURAZIONI

	FY16	FY17
Premium income	104	110
<i>MV</i>	34	33
<i>Other</i>	70	77
CoR direct business	64.5%	63.3%
<i>Expense ratio</i>	29.4%	30.4%
<i>Loss ratio (incl. OTI)</i>	35.1%	32.9%
<b>IAS net result</b>	<b>28</b>	<b>30</b>

The background of the slide is an artistic composition featuring a palette with various colored paints and several paintbrushes. A large, dark blue brushstroke is overlaid on the center of the image, serving as a backdrop for the text.

# PART 2

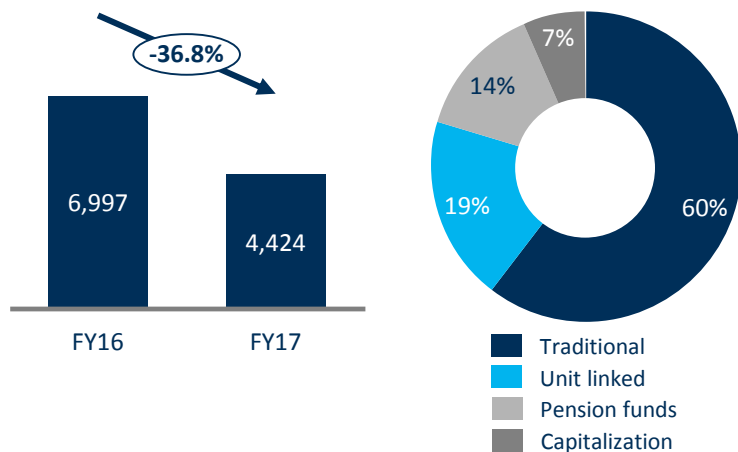
## LIFE

### INSURANCE BUSINESS

## DIRECT INCOME

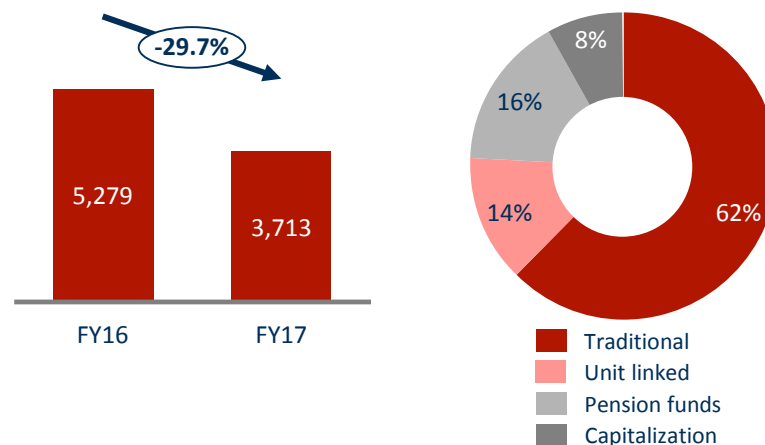
€m

## UNIPOL



Income by company	FY16	FY17
UnipolSai (group)	5,279	3,713
Arca Vita + AVI	1,718	711
<b>Unipol</b>	<b>6,997</b>	<b>4,424</b>

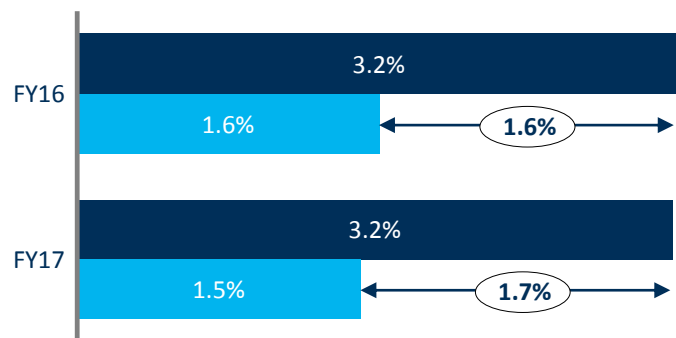
## UNIPOLSAI



Income by company	FY16	FY17
UnipolSai S.p.A.	3,042	2,892
Popolare Vita + Lawr. Life <sup>a</sup>	2,130	706
Other companies	107	115
<b>UnipolSai</b>	<b>5,279</b>	<b>3,713</b>

# SEGREGATED ACCOUNTS AND MINIMUM GUARANTEED YIELDS

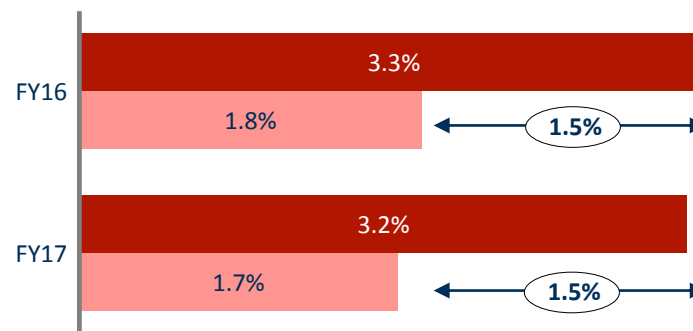
## UNIPOL



■ average segregated accounts yield  
■ average minimum guaranteed yield

Technical Reserves <sup>a</sup>	FY16	FY17
Min. guar. yield		
0%-1%	35%	41%
1%-2%	38%	34%
2%-3%	19%	18%
3%-4%	8%	7%

## UNIPOLSAI



■ average segregated accounts yield  
■ average minimum guaranteed yield

Technical Reserves <sup>a</sup>	FY16	FY17
Min. guar. yield		
0%-1%	31%	35%
1%-2%	38%	36%
2%-3%	22%	22%
3%-4%	9%	7%

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 the right side. The overall aesthetic is creative and professional.

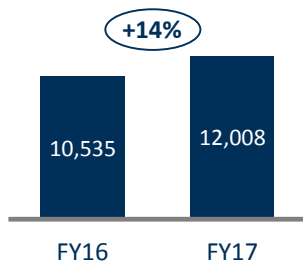
# PART 3

## BANKING BUSINESS

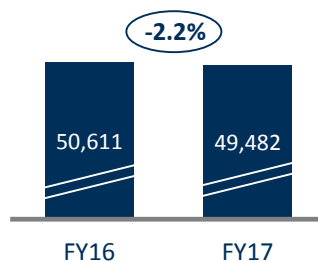
# KPIs

€m

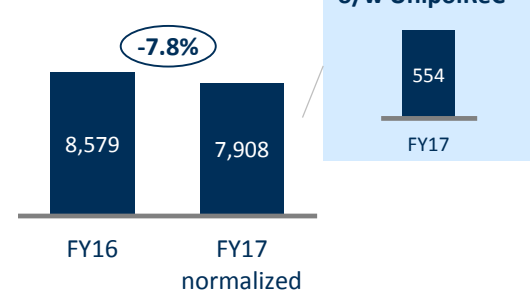
## Direct deposits



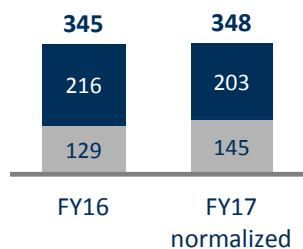
## Indirect deposits



## Net loans <sup>a</sup>



## Gross operating income



## Net result



Loan Loss Provisions (LLPs)	FY16	FY17
LLPs Unipol Banca	44	967
LLPs Unipol	30	105
LLPs Finitalia	6	6
<b>Total LLPs</b>	<b>80</b>	<b>1,078</b>
<b>Total NPEs coverage ratio</b>	<b>45.7%</b>	<b>71.1%</b>

■ interest income ■ non-interest income

Unipol CET1 ratio 31.5%

Unipol Banca CET1 ratio 15.2%

# FOCUS ON NON-PERFORMING EXPOSURES OF THE BANKING SECTOR

€m

## Unipol Banca pre-split

	FY16			FY17		
	net loans	gross loans	coverage ratio	net loans	gross loans	coverage ratio
Bad loans ( <i>Sofferenze</i> )	1,127	2,651	57%	598	3,025	80%
Unlikely to pay	767	958	20%	435	726	40%
Past due	145	151	3%	75	88	14%
<b>Total NPEs</b>	<b>2,040</b>	<b>3,760</b>	<b>46%</b>	<b>1,109</b>	<b>3,839</b>	<b>71%</b>

## o/w UnipolRec <sup>a</sup>

FY17 proforma		
net loans	gross loans	coverage ratio
554	2,906	81%
<b>554</b>	<b>2,906</b>	<b>81%</b>



The background of the slide is an artistic composition featuring a palette with various colored paints (blue, yellow, red, purple) 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 in the center. The overall aesthetic is creative and professional.

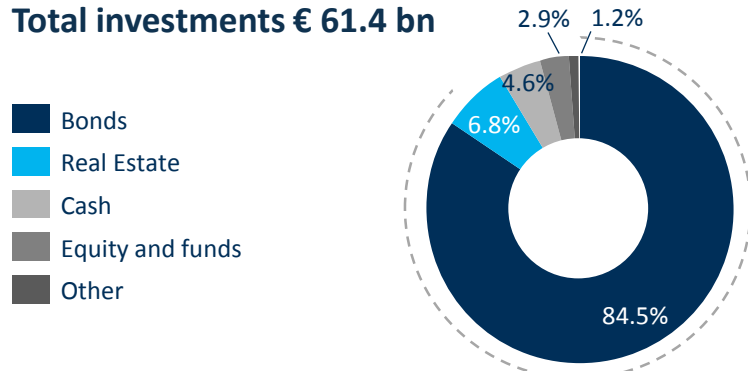
# PART 4

## INVESTMENTS

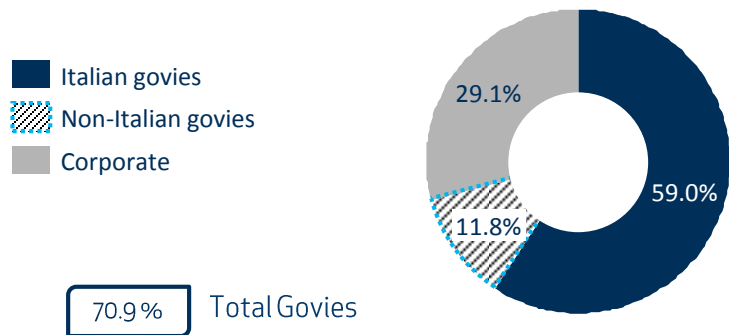
# ASSET ALLOCATION

## UNIPOL

Total investments € 61.4 bn

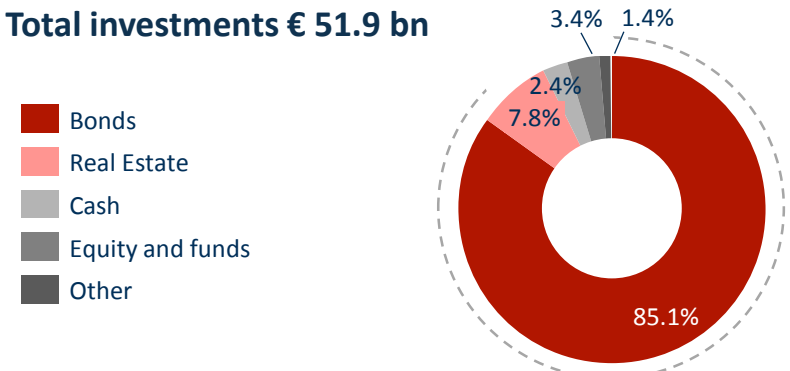


Breakdown of bond portfolio

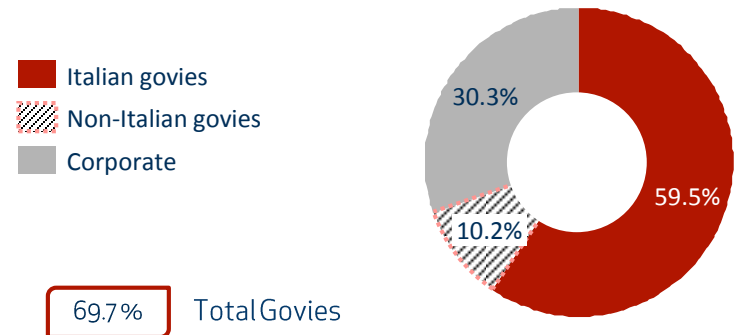


## UNIPOLSAI

Total investments € 51.9 bn



Breakdown of bond portfolio



## FINANCIAL INVESTMENT YIELDS

## UNIPOL

	FY17					
	Non-Life		Life		Total	
	€m	Yield%	€m	Yield%	€m	Yield%
Coupons and dividends	442	3.3%	1,321	3.4%	<b>1,766</b>	<b>3.3%</b>
Realized and unrealized gains/losses	147	1.1%	44	0.1%	<b>193</b>	<b>0.4%</b>
<b>Total</b>	<b>590</b>	<b>4.4%</b>	<b>1,365</b>	<b>3.5%</b>	<b>1,959</b>	<b>3.7%</b>

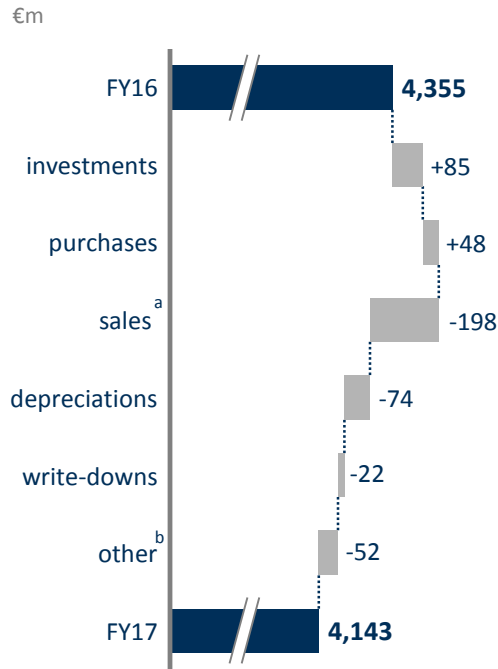
## UNIPOLSAI

	FY17					
	Non-Life		Life		Total	
	€m	Yield%	€m	Yield%	€m	Yield%
Coupons and dividends	423	3.4%	1,119	3.5%	<b>1,542</b>	<b>3.4%</b>
Realized and unrealized gains/losses	150	1.2%	52	0.2%	<b>201</b>	<b>0.5%</b>
<b>Total</b>	<b>572</b>	<b>4.6%</b>	<b>1,170</b>	<b>3.6%</b>	<b>1,742</b>	<b>3.9%</b>

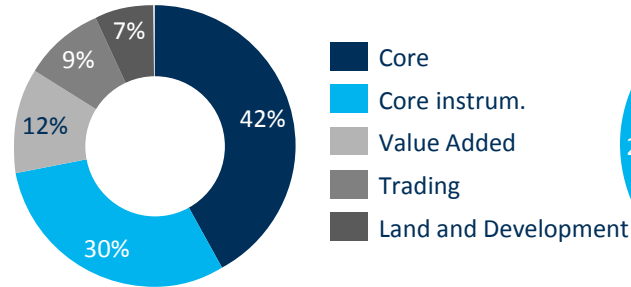
# REAL ESTATE

UNIPOL – Tot. portfolio € 4.1 bn

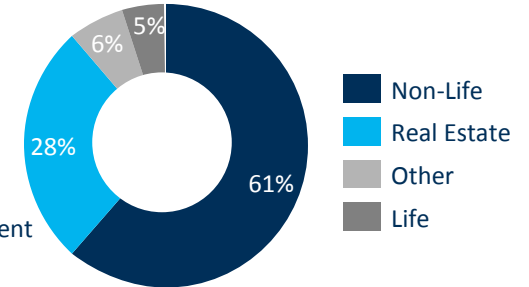
## Development of RE portfolio



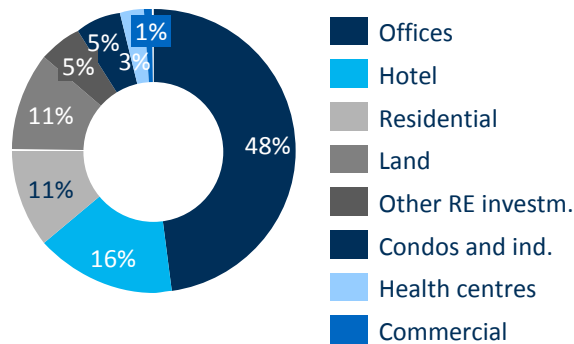
## Breakdown by cluster



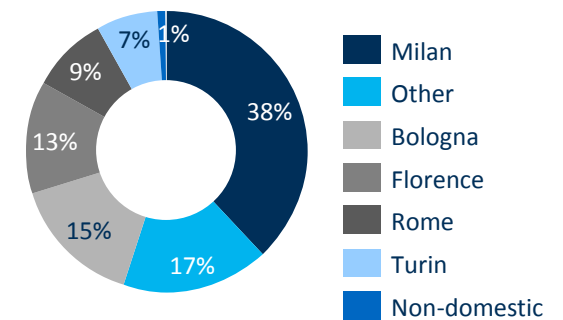
## Breakdown by sector



## Breakdown by use



## Breakdown by area




## Breakdown by ownership



<sup>a</sup> No. 126 deeds as at 31 December 2017.

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



**PART 5**  
DIVIDEND  
PROPOSAL

## 2017 DIVIDEND PROPOSAL

€m

## UNIPOL

FY16				FY17			
Statutory accounting result	Pay-out	Total dividends	DPS (€)	Statutory accounting result <sup>a</sup>	Pay-out	Total dividends	DPS (€)
160	80%	128	0.18	213	60%	129	0.18

## UNIPOLSAI

FY16				FY17			
Statutory accounting result	Pay-out	Total dividends	DPS (€)	Statutory accounting result <sup>a</sup>	Pay-out	Total dividends	DPS (€)
458	77%	353	0.125	577	71%	409	0.145

The background of the slide is an artistic composition featuring a palette with various colored paints (red, orange, yellow, blue) and several paintbrushes. The scene is set on a surface covered with a colorful, abstract pattern of paint splatters and brushstrokes. A large, dark blue brushstroke graphic is overlaid on the center of the image, serving as a backdrop for the text.

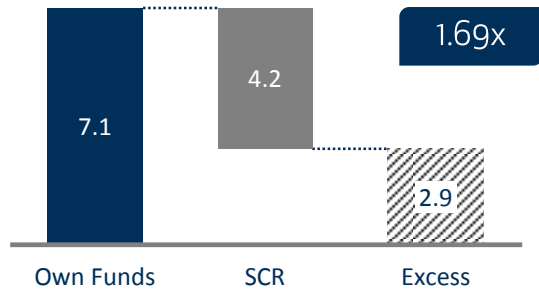
# PART 6

## SOLVENCY

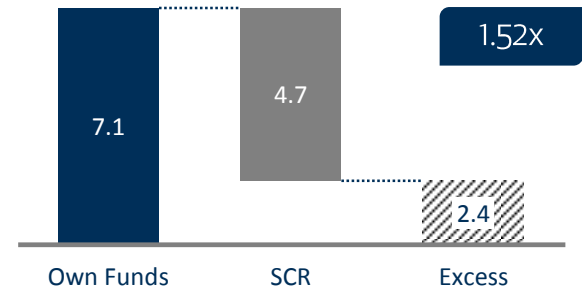
# SOLVENCY – UNIPOL (consolidated)

€bn

## ECONOMIC CAPITAL



## STANDARD FORMULA USP

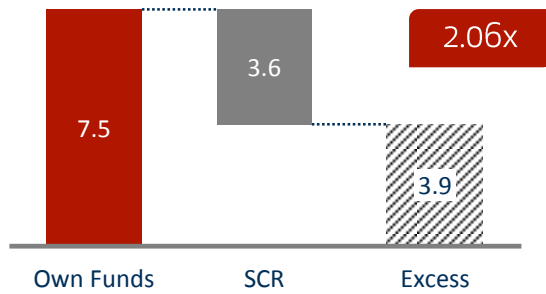




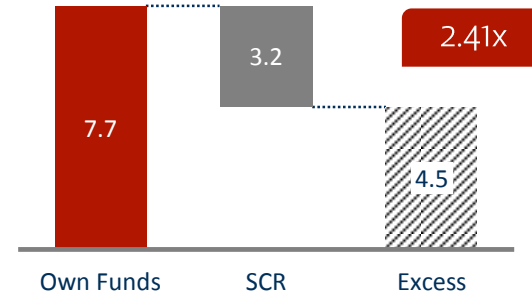
# SOLVENCY – UNIPOLSAI

€bn

## ECONOMIC CAPITAL (consolidated)



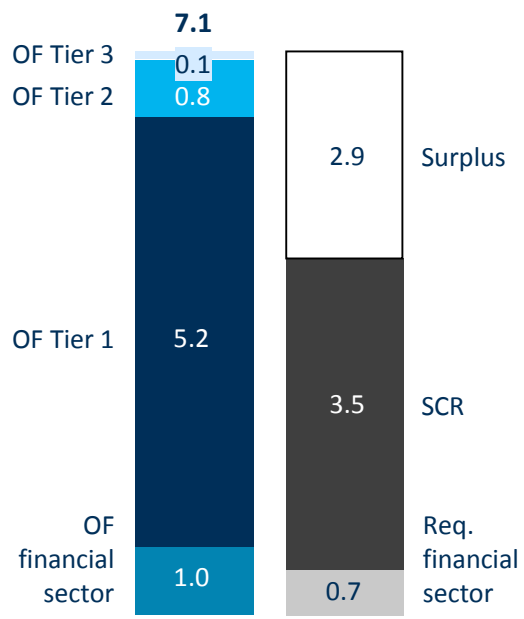
## PARTIAL INTERNAL MODEL (UnipolSai solo)



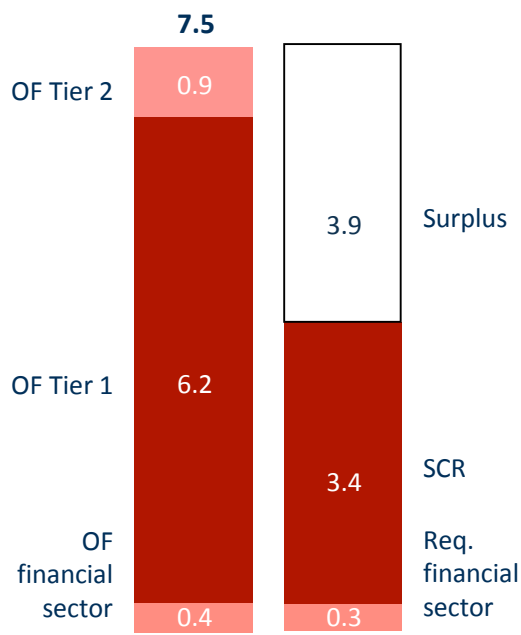
# SOLVENCY – OWN FUNDS AND SCR DETAILS

€bn

## UNIPOL



## UNIPOLSAI



## UNIPOLSAI S.p.A. solo

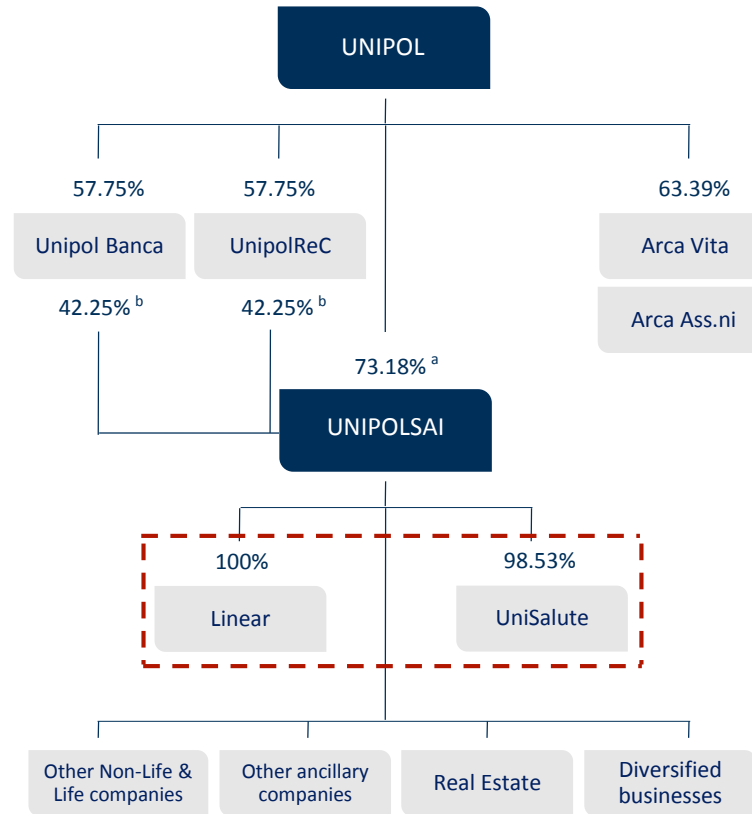



The background of the slide is a photograph of an artist's workspace. It shows a palette with various colors of paint, several brushes, and a canvas with abstract, colorful brushstrokes. The image is slightly blurred and has a dark blue overlay in the center where the text is located.

# PART 7

## APPENDIX

# GROUP STRUCTURE



 Structure after the streamlining of the insurance business, following the sale of UniSalute and Linear to UnipolSai (effective since November 2017)

## KEY PERFORMANCE INDICATORS

€m

## UNIPOL

	FY16	FY17	FY17 <sup>a</sup> normalized
Consolidated net result	535	<b>-169</b>	<b>655</b>
Group net result	330	<b>-346</b>	<b>450</b>
Premium income direct business	14,806	<b>12,291</b>	
<i>o/w Non-Life</i>	<i>7,809</i>	<i><b>7,867</b></i>	
<i>o/w Life</i>	<i>6,997</i>	<i><b>4,424</b></i>	
Combined Ratio	95.6%	<b>96.4%</b>	

	FY16	FY17	FY17 normalized
Total equity	8,134	<b>7,453</b>	<b>8,277</b>
Shareholders' equity	5,649	<b>5,486</b>	<b>6,281</b>

## UNIPOLSAI

	FY16	FY17	FY17 <sup>a</sup> normalized
Consolidated net result	527	<b>537</b>	<b>649</b>
Group net result	497	<b>504</b>	<b>617</b>
Premium income direct business	12,497	<b>11,068</b>	
<i>o/w Non-Life</i>	<i>7,218</i>	<i><b>7,355</b></i>	
<i>o/w Life</i>	<i>5,279</i>	<i><b>3,713</b></i>	
Combined Ratio	96.5%	<b>97.2%</b>	

	FY16	FY17	FY17 normalized
Total equity	6,535	<b>6,194</b>	<b>6,306</b>
Shareholders' equity	6,156	<b>5,869</b>	<b>5,982</b>

# DISCLAIMER

Maurizio Castellina, Senior Executive responsible for drawing up the corporate accounts of Unipol Gruppo 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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