

# 1H18 CONSOLIDATED RESULTS UNIPOL AND UNIPOLSAI



Bologna, 10 August 2018

## PART 1

Consolidated  
Results

## PART 2

Insurance Business

- Non-Life
- Life

## PART 3

Banking and NPE  
Businesses

## PART 4

Investments

## PART 5

Solvency


## PART 6

Appendix

*The bases of consolidation of Unipol and UnipolSai in 1H18 were slightly different compared to 1H17, namely:*

- *Popolare Vita was part of Unipol and UnipolSai until 1Q18 only*
- *UniSalute and Linear, which were directly controlled by Unipol in 1H17, were included in UnipolSai perimeter in 1H18*

*For the sake of clarity, the basis of consolidation the figures refer to is stated in each slide.*

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

	1H17	1H18
Consolidated pre-tax result	-516	769
<i>Non-Life</i>	368	329
<i>Life</i>	212	523
<i>Banking</i>	-940	18
<i>Holding and other</i>	-156	-100
Consolidated net result	<b>-390</b>	<b>644</b>
Group net result	<b>-489</b>	<b>482</b>

o/w € 309 m gains  
from Pop. Vita sale

## UNIPOLSAI

	1H17	1H18
Consolidated pre-tax result	394	765
<i>Non-Life</i>	235	312
<i>Life</i>	181	503
<i>Holding and other</i>	-22	-50
Consolidated net result	<b>282</b>	<b>647</b>
Group net result	<b>265</b>	<b>618</b>

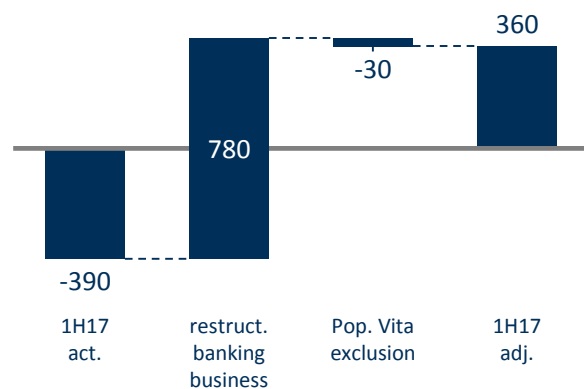
o/w € 309 m gains  
from Pop. Vita sale

# ACTUAL AND ADJUSTED CONSOLIDATED RESULTS

€m

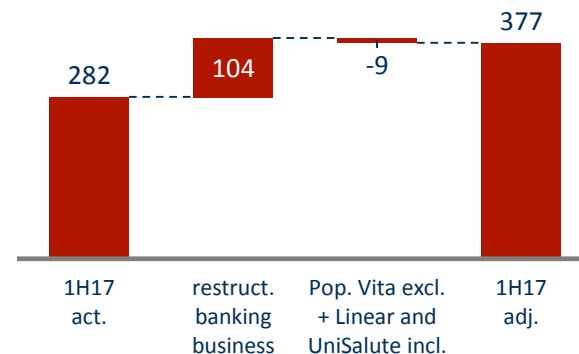
## UNIPOL

1H17 consolidated net result

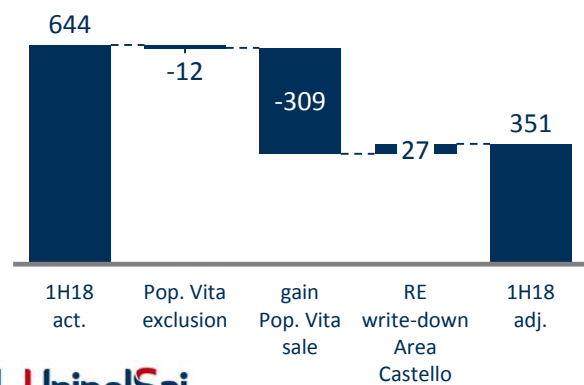


## UNIPOLSAI

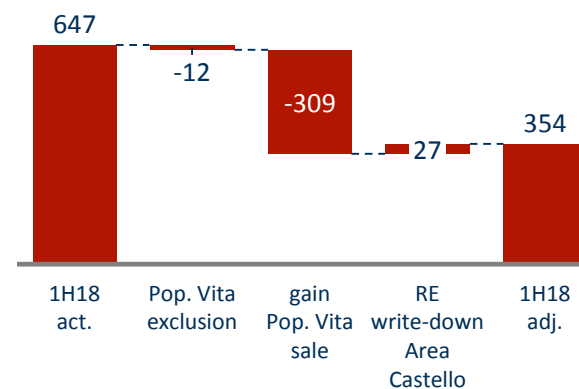
1H17 consolidated net result




1H18 consolidated net result



1H18 consolidated net result



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 canvas or paper, with a dark blue brushstroke graphic overlaid on the right side. The overall aesthetic is creative and professional.

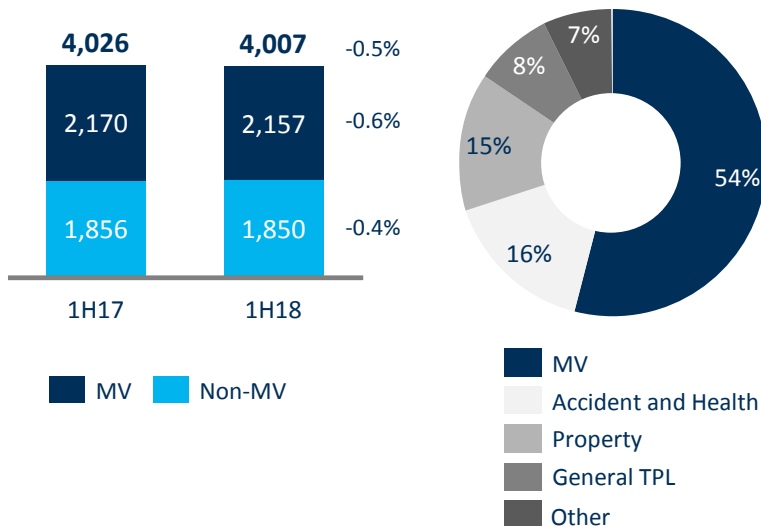
# PART 2

## NON-LIFE INSURANCE BUSINESS

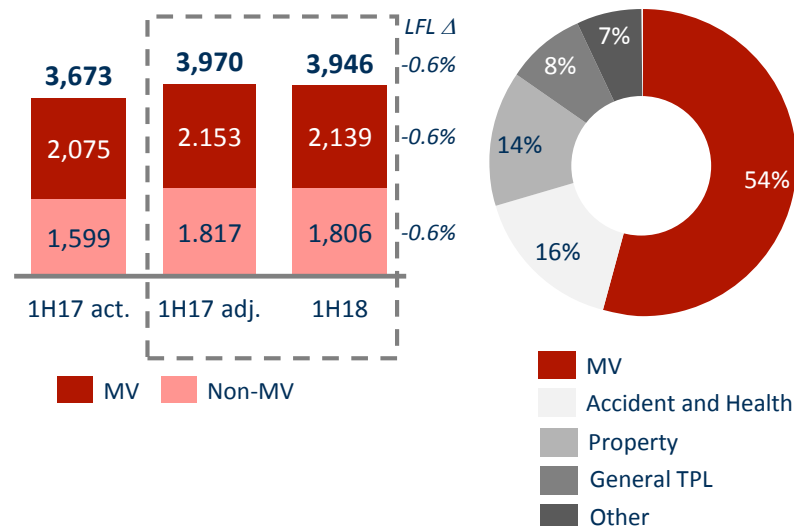
# DIRECT PREMIUM INCOME

€m

## UNIPOL



## UNIPOLSAI



Premiums by company	1H17	1H18
UnipolSai S.p.A.	3,506	3,464
UniSalute	210	226
Linear	87	93
Arca Assicurazioni <sup>a</sup>	56	61
Other companies	167	163

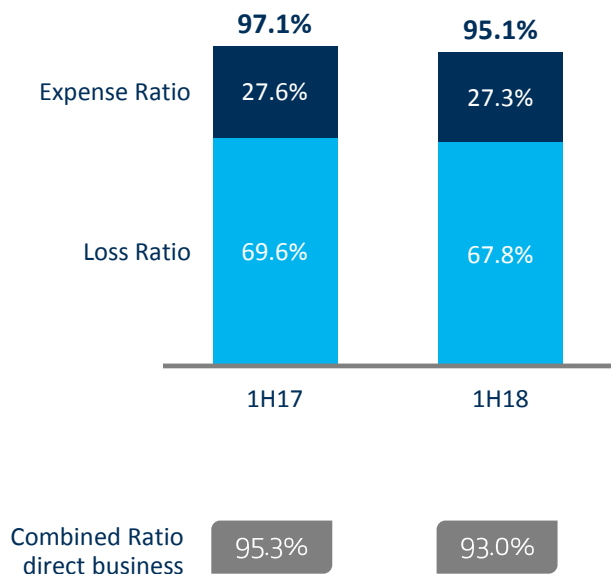
UnipolSai acquired UniSalute and Linear in 4Q17. Adjusted figures and like-for-like changes include these two companies also in 1H17.

Operating figures

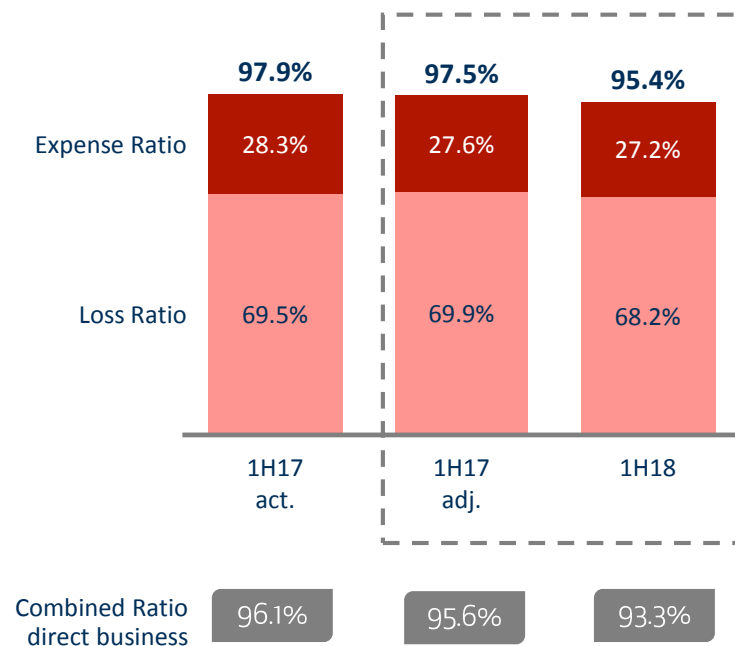
<sup>a</sup> Within the direct control of Unipol in 1H18; under the UnipolSai perimeter after 7 August 2018.

# 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	1H17	1H18
Direct Business	101.7%	97.9%
<i>Expense ratio<sup>a</sup></i>	22.5%	21.3%
<i>commissions/premiums</i>	13.9%	13.0%
<i>other operating expenses/premiums</i>	8.6%	8.3%
<i>Loss ratio<sup>b</sup> (incl. OTI)</i>	79.2%	76.6%

**No. of black boxes 3.7 million (39% of the retail portfolio)**

Other MV TPL indicators	Var. vs FY17
Total portfolio	+0.4%
<i>retail</i>	+0.6%
<i>fleets</i>	-4.3%
Portfolio average premium	-1.1%
	<b>Var. vs 1H17</b>
No. of claims reported (followed-up managed claims)	-5.1%
Frequency (managed claims)	-0.2 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)

Operating figures

## FOCUS ON UNISALUTE, LINEAR AND ARCA

€m

### UNISALUTE

	1H17	1H18
Premium income	210	226
CoR direct business	88.6%	90.5%
<i>Expense ratio</i>	<i>10.1%</i>	<i>10.1%</i>
<i>Loss ratio (incl. OTI)</i>	<i>78.5%</i>	<i>80.4%</i>
<b>IAS net result</b>	<b>17.5</b>	<b>18.9</b>

### LINEAR

	1H17	1H18
Premium income	87	93
CoR direct business	98.7%	96.8%
<i>Expense ratio</i>	<i>22.2%</i>	<i>19.8%</i>
<i>Loss ratio (incl. OTI)</i>	<i>76.5%</i>	<i>77.0%</i>
<b>IAS net result</b>	<b>3.1</b>	<b>4.4</b>

### ARCA ASSICURAZIONI

	1H17	1H18
Premium income	56	61
CoR direct business	68.3%	72.7%
<i>Expense ratio</i>	<i>31.2%</i>	<i>38.0%</i>
<i>Loss ratio (incl. OTI)</i>	<i>37.1%</i>	<i>34.7%</i>
<b>IAS net result</b>	<b>12.8</b>	<b>13.6</b>

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 canvas or paper, with a dark blue brushstroke graphic overlaid in the center. The overall aesthetic is creative and professional.

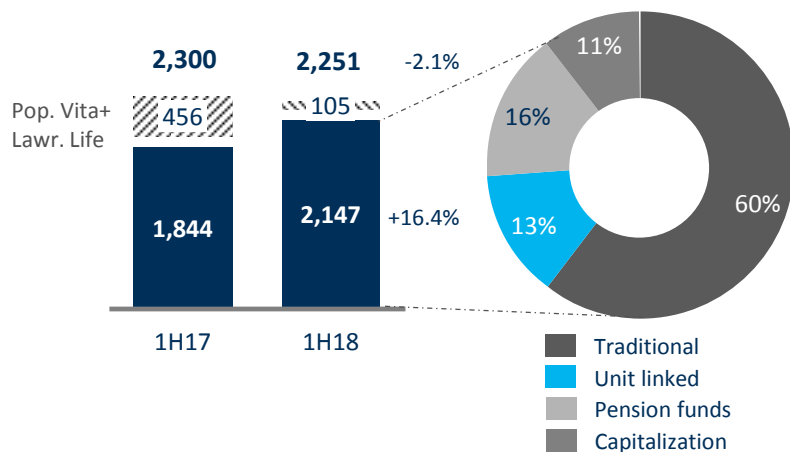
# PART 2

## LIFE INSURANCE BUSINESS

## DIRECT INCOME

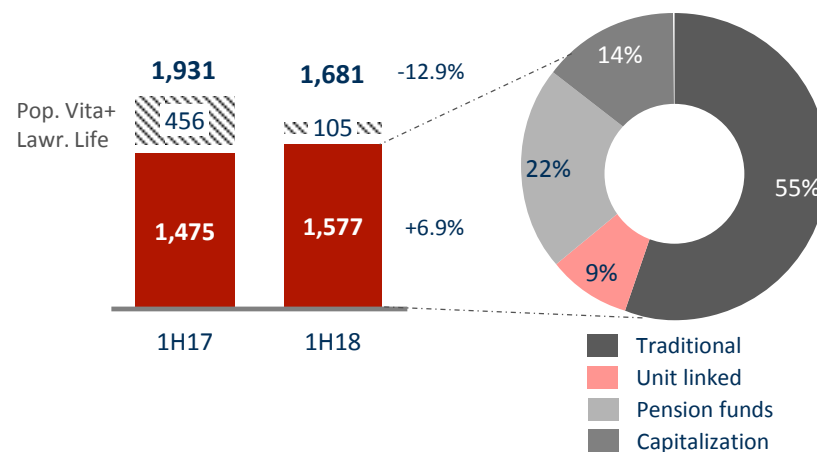
€m

## UNIPOL



Income by company	1H17	1H18
UnipolSai (group)	1,931	1,681
Arca Vita + AVI <sup>a</sup>	370	570
<b>Unipol</b>	<b>2,300</b>	<b>2,251</b>

## UNIPOLSAI



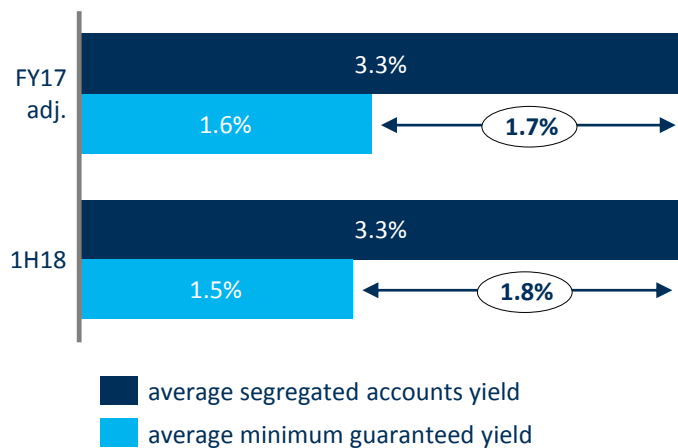
Income by company	1H17	1H18
UnipolSai S.p.A.	1,416	1,533
Popolare Vita + Lawr. Life <sup>b</sup>	456	105
Other companies	59	44
<b>UnipolSai</b>	<b>1,931</b>	<b>1,681</b>

<sup>a</sup> Within the direct control of Unipol in 1H18; under the UnipolSai perimeter after 7 August 2018. Arca Vita and AVI achieved a total net profit for 1H18 of € 39.2 m (€ 36.3 m in 1H17).

<sup>b</sup> The sale of Popolare Vita was finalized on 29 March 2018.

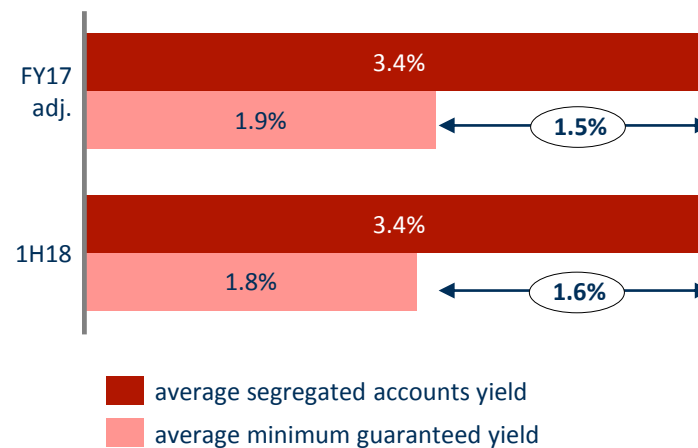
## SEGREGATED ACCOUNTS AND MINIMUM GUARANTEED YIELDS

## UNIPOL



Technical Reserves <sup>a</sup>	FY17	1H18
Min. guar. yield		
0%-1%	36%	42%
1%-2%	35%	30%
2%-3%	21%	20%
3%-4%	8%	8%

## UNIPOLSAI



Technical Reserves <sup>a</sup>	FY17	1H18
Min. guar. yield		
0%-1%	28%	30%
1%-2%	37%	36%
2%-3%	26%	25%
3%-4%	9%	9%

The background of the slide is an artistic composition featuring several paintbrushes with colorful bristles (red, orange, blue) resting on a white surface. In the foreground, there are two glass jars containing paint, one with a white lid and another with a blue lid. The entire scene is set against a dark, textured background that looks like a canvas or a piece of paper with various paint splatters and brushstrokes in shades of blue, purple, and yellow.

# PART 3

## BANKING AND NPE BUSINESSES

## BANKING BUSINESS KPIs

€m

	1Q18	1H18		1H17	1H17 adj.	1H18
Direct deposits	11,064	10,257				
Indirect deposits	50,937	48,947				
Net loans <sup>a</sup>	6,956	6,904				
<b>Unipol CET1 ratio (fully loaded)</b>		<b>30.1%</b>				
			<b>Gross operating income</b>	170 <sup>a</sup>	170 <sup>a</sup>	<b>177</b>
			<i>o/w interest income</i>	110 <sup>a</sup>	110 <sup>a</sup>	103
			<i>o/w non-interest income</i>	60 <sup>a</sup>	60 <sup>a</sup>	74
			<b>Pre-tax result</b>	-942 <sup>a</sup>	5 <sup>b</sup>	<b>18</b>
			<b>Net result</b>	-714 <sup>a</sup>	8 <sup>b</sup>	<b>13</b>

incl. € -9.4 m of contribution to the national banking funds <sup>c</sup>

NPEs	1Q18			1H18		
	net loans	gross loans	coverage ratio	net loans	gross loans	coverage ratio
Bad loans ( <i>Sofferenze</i> )	26	116	77%	24	101	77%
Unlikely to pay	392	710	45%	341	636	46%
Past due	75	89	16%	70	88	21%
<b>Total NPEs</b>	<b>494</b>	<b>915</b>	<b>46%</b>	<b>434</b>	<b>825</b>	<b>47%</b>

The "Banking Business" is comprised of Unipol Banca and Finitalia – Operating figures.

<sup>a</sup> Like-for-like figures.

<sup>b</sup> Excluding the impact of the restructuring of the banking business.

<sup>c</sup> FNR (Fondo Nazionale di Risoluzione) and FITD (Fondo Interbancario di Tutela Depositi)

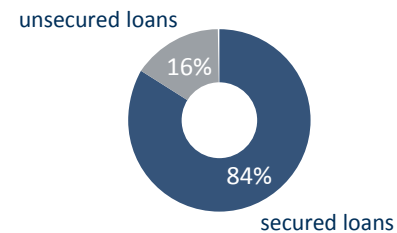
# NPE BUSINESS – UNIPOL REC

€m

NPEs TREND	1 Feb 18 <sup>a</sup>			1H18		
	net loans	gross loans	coverage ratio	net loans	gross loans	coverage ratio
Bad loans ( <i>Sofferenze</i> )	553	2,900	81%	518	2,702	81%
Unlikely to pay	0	0		0	0	
Past due	0	0		0	0	
<b>Total NPEs</b>	<b>553</b>	<b>2,900</b>	<b>81%</b>	<b>518</b>	<b>2,702</b>	<b>81%</b>

NPEs highlights (1 Feb – 30 Jun)	Collections /GBV
Bad loans (GBV reduction)	198
Collections	49 <b>25%</b>

### Collections breakdown





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 is overlaid on the center of the image, serving as a backdrop for the title text.

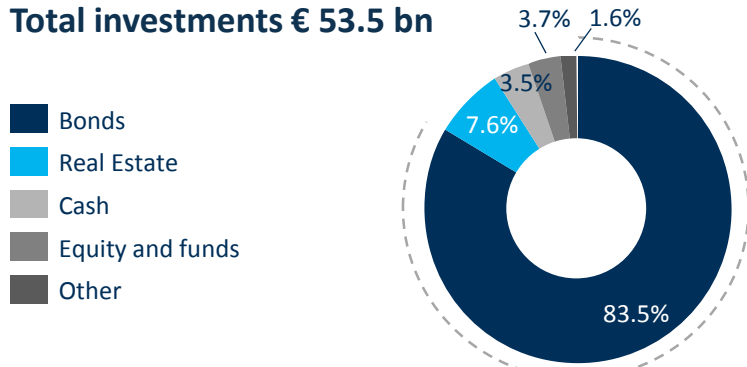
# PART 4

## INVESTMENTS

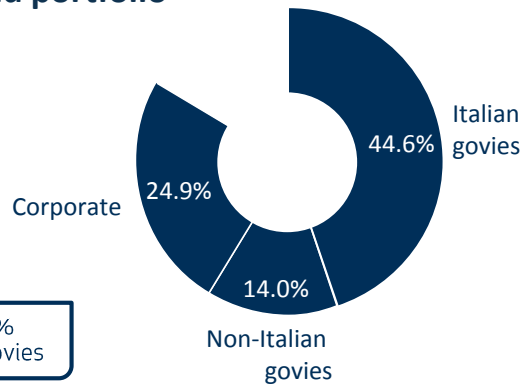
# ASSET ALLOCATION

## UNIPOL

Total investments € 53.5 bn

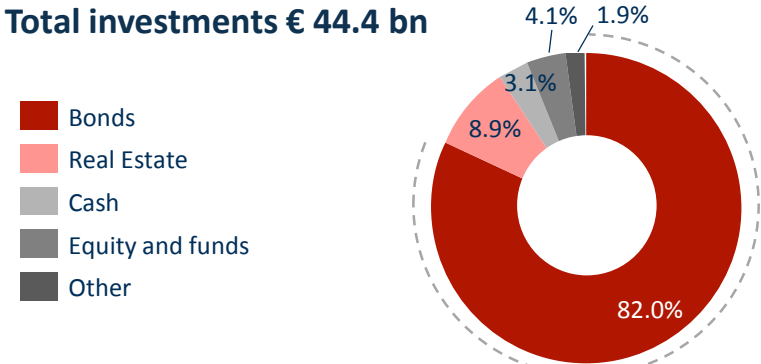


Breakdown of bond portfolio

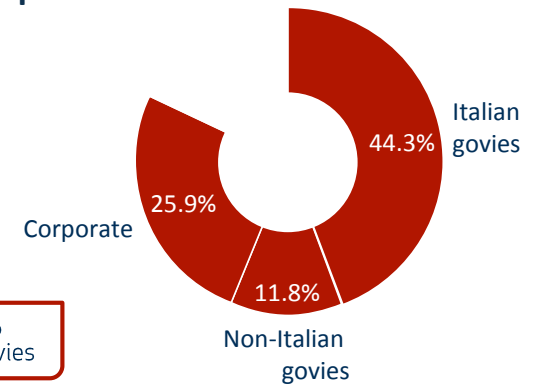


## UNIPOLSAI

Total investments € 44.4 bn



Breakdown of bond portfolio



## FINANCIAL INVESTMENT YIELDS

## UNIPOL

	1H18					
	Non-Life		Life		Total	
	€m	Yield	€m	Yield	€m	Yield
Coupons and dividends	197	3.1%	616	3.4%	<b>815</b>	<b>3.3%</b>
Realized and unrealized gains/losses	17	0.3%	145	0.8%	<b>161</b>	<b>0.6%</b>
<b>Total</b>	<b>214</b>	<b>3.4%</b>	<b>761</b>	<b>4.2%</b>	<b>975</b>	<b>3.9%</b>

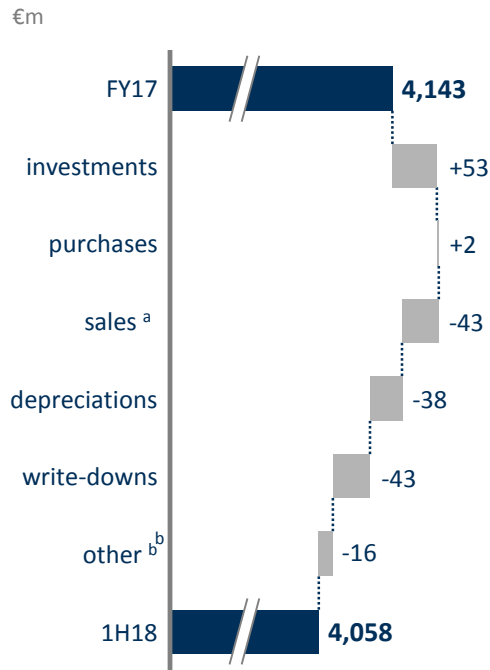
## UNIPOLSAI

	1H18					
	Non-Life		Life		Total	
	€m	Yield	€m	Yield	€m	Yield
Coupons and dividends	193	3.1%	509	3.5%	<b>702</b>	<b>3.4%</b>
Realized and unrealized gains/losses	17	0.3%	143	1.0%	<b>160</b>	<b>0.8%</b>
<b>Total</b>	<b>209</b>	<b>3.4%</b>	<b>652</b>	<b>4.5%</b>	<b>862</b>	<b>4.2%</b>

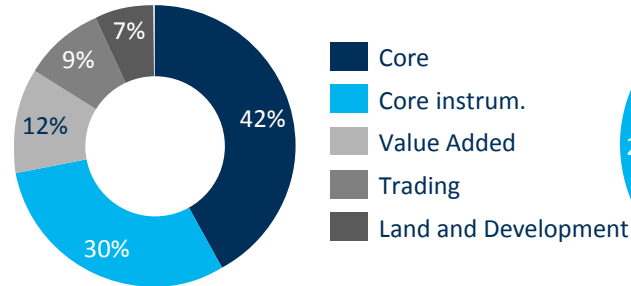
# REAL ESTATE

UNIPOL – Tot. portfolio € 4.1 bn

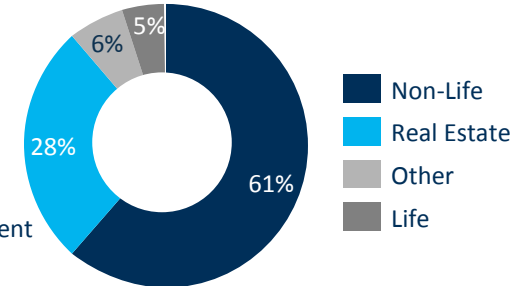
## Development of RE portfolio



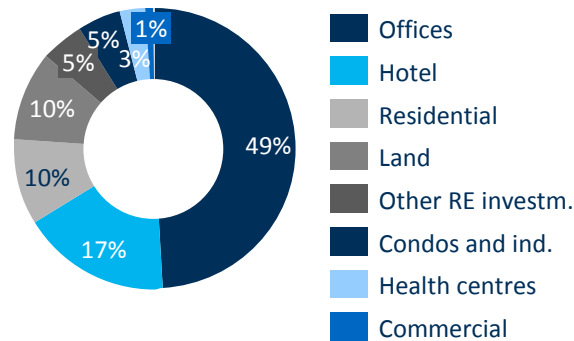
## Breakdown by cluster



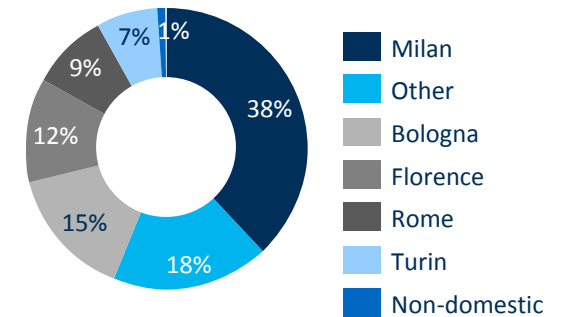
## Breakdown by sector



## Breakdown by use



## Breakdown by area



## Breakdown by ownership



<sup>a</sup> No. 65 deeds as at 30 June 2018.

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

The background of the slide is an artistic photograph of a painter's palette and several paintbrushes. The palette is filled with various colors of paint, and the brushes are scattered around it. The overall scene is slightly blurred, creating a soft, creative atmosphere. A large, dark blue brushstroke graphic is overlaid on the center of the image, containing the text.

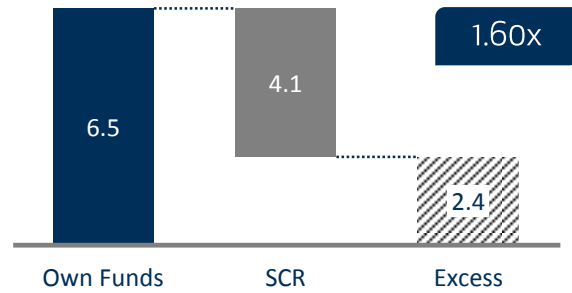
# PART 5

## SOLVENCY

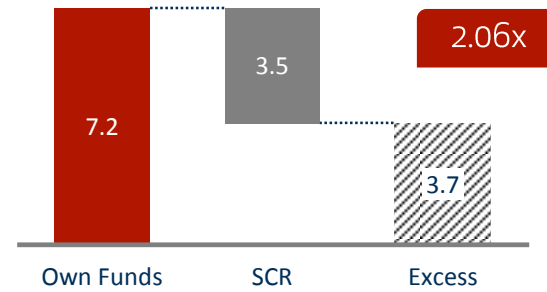
# SOLVENCY

€bn

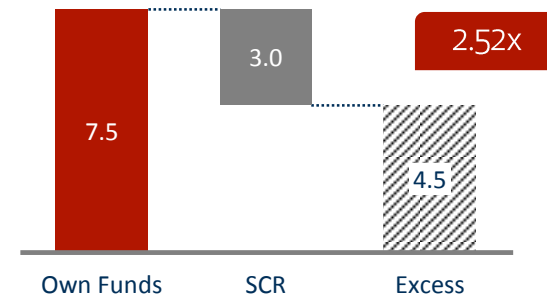
UNIPOL (consolidated)  
PARTIAL INTERNAL MODEL



UNIPOLSAI (consolidated)  
ECONOMIC CAPITAL



UNIPOLSAI (solo)  
PARTIAL INTERNAL MODEL

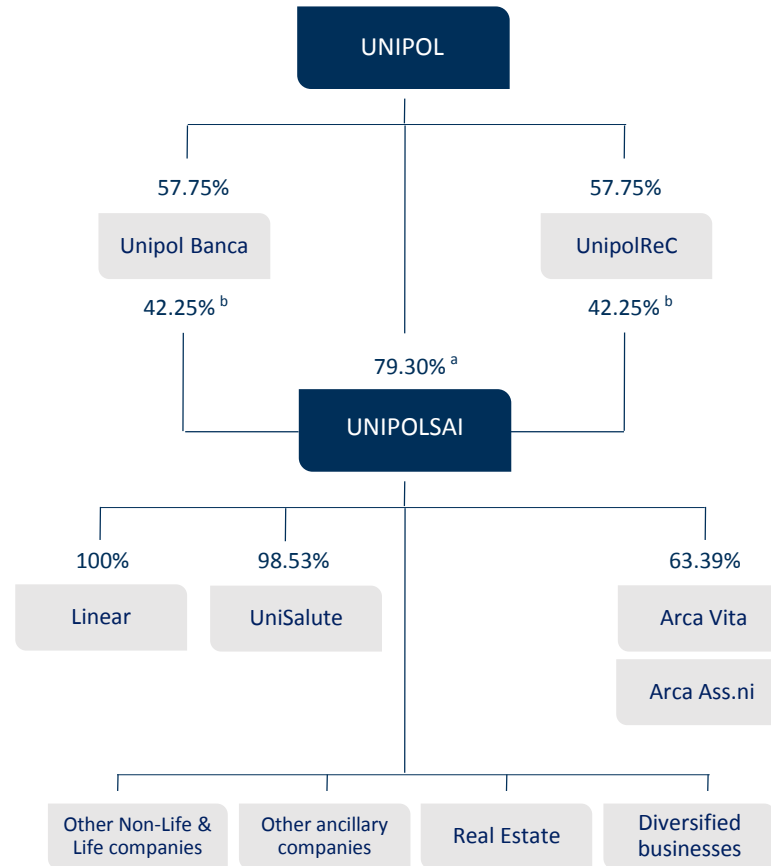




# PART 6

## APPENDIX

# GROUP STRUCTURE



<sup>a</sup> Stake as at 9 July 2018. Including the shares held by Unipol Finance, Unipol Investment and UnipolPart I.

<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

<sup>c</sup> Arca Vita (that controls Arca Assicurazioni) was transferred to UnipolSai on 7 August 2018



## KEY PERFORMANCE INDICATORS

€m

## UNIPOL

	1H17	1H18
Consolidated net result	-390	<b>644</b>
Group net result	-489	<b>482</b>
Premium income (direct business)	6,327	<b>6,258</b>
<i>o/w Non-Life</i>	4,026	<b>4,007</b>
<i>o/w Life</i>	2,300	<b>2,251</b>
Combined Ratio net of reins.	97.1%	<b>95.1%</b>
	FY17	1H18
Total equity	7,453	<b>6,692</b>
Shareholders' equity	5,486	<b>5,352</b>

## UNIPOLSAI

	1H17	1H18
Consolidated net result	282	<b>647</b>
Group net result	265	<b>618</b>
Premium income (direct business)	5,604	<b>5,627</b>
<i>o/w Non-Life</i>	3,673	<b>3,946</b>
<i>o/w Life</i>	1,931	<b>1,681</b>
Combined Ratio net of reins.	97.9%	<b>95.4%</b>
	FY17	1H18
Total equity	6,194	<b>5,634</b>
Shareholders' equity	5,869	<b>5,539</b>

1H17 consolidated net results include the impact of the restructuring of the Group banking sector (€ -780 m at Unipol level and € -104 m at UnipolSai level).

1H18 consolidated net results include the capital gain from Popolare Vita sale (€ +309 m for both Unipol and UnipolSai) and the real estate write-down on Area Castello (€ -27 m for both Unipol and UnipolSai).

# 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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