

FY19 Preliminary Consolidated Results

Bologna - 14 February 2020

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 FY19 preliminary results.

The FY19 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 FY19 final results will be approved by the Board of Directors scheduled on 19 March 2020 and will be disclosed to the market according to, and in the terms set forth by, the applicable laws and regulations.

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.

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

Unless otherwise specified:

- all figures reported in this presentation refer to the Unipol Group
- FY18 and FY19 figures and variations are reported on the basis of the current perimeter.



Mission Evolve

UNIPOL 2019-2021
STRATEGIC PLAN



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GROWING PROFITS

normalised consolidated result

- ✓ +19.5% Unipol
- ✓ +3.2% UnipolSai

HIGHER DIVIDENDS

- ✓ DPS 0.28 € Unipol +56%
- ✓ DPS 0.16 € UnipolSai +10%

STRONG NON-MOTOR COLLECTION

+11.2% Health

SOLVENCY 2 IMPROVEMENT

- ✓ +18 p.p. Unipol
- ✓ +48 p.p. UnipolSai

2019-2021 STRATEGIC PLAN TARGETS CONFIRMED

Mission Evolve

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Consolidated Results by Sector - Normalised

FY19 Preliminary Consolidated Results

€m

UNIPOL

	FY18	FY19	
Consolidated pre-tax result	860	962	
<i>Non-Life</i>	727	810	
<i>Life</i>	299	236	
<i>Holding and other</i>	-166	-84	
Consolidated net result	613	732	+19.5%
Group net result	440	569	+29.2%

UNIPOLSAI

	FY18	FY19	
Consolidated pre-tax result	964	969	
<i>Non-Life</i>	729	782	
<i>Life</i>	300	239	
<i>Other</i>	-66	-52	
Consolidated net result	699	721	+3.2%
Group net result	652	694	+6.4%

Ref. p. 7 for details on normalisation

The FY18 normalised results stated above are different from those reported in the FY18 presentation because they do not include Unipol Banca

Consolidated Results – Normalised and Actual

FY19 Preliminary Consolidated Results

€m

UNIPOL

	FY18	FY19	
Consolidated Net Result			
Normalised	613	732	Normalised
<i>gain on Pop. Vita sale</i>	+309	+421	<i>BPER 1st consolid. impact</i>
<i>Unipol Banca write-down</i>	-338		
<i>perimeter normalisation ^a</i>	+45	-66	<i>solidarity fund</i>
Actual	628	1,087	Actual
Group Net Result			
Normalised	440	569	Normalised
<i>gain on Pop. Vita sale</i>	+249	+387	<i>BPER 1st consolid. impact</i>
<i>Unipol Banca write-down</i>	-328		
<i>perimeter normalisation ^a</i>	+40	-54	<i>solidarity fund</i>
Actual	401	903	Actual

UNIPOLSAI

	FY18	FY19	
Consolidated Net Result			
Normalised	699	721	Normalised
<i>gain on Pop. Vita sale</i>	+309		
<i>Unipol Banca write-down</i>	-50		
<i>perimeter normalisation ^a</i>	-10	-66	<i>solidarity fund</i>
Actual	948	655	Actual
Group Net Result			
Normalised	652	694	Normalised
<i>gain on Pop. Vita sale</i>	+309		
<i>Unipol Banca write-down</i>	-50		
<i>perimeter normalisation ^a</i>	-6	-66	<i>solidarity fund</i>
Actual	905	628	Actual

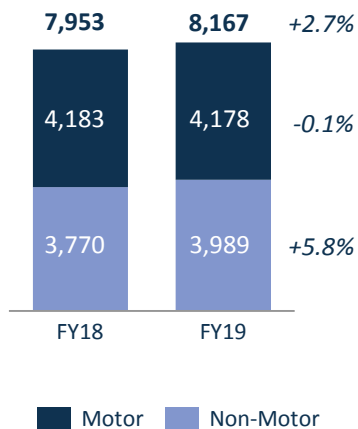
^a Perimeter normalisation refers to Popolare Vita, Arca and Unipol Banca results

Non-Life Premiums Direct Business

FY19 Preliminary Consolidated Results

€m

Direct Premium Income



Premiums by Business Line

	€m	%	Var%
Mobility	4,492	55%	+0.8%
Motor	4,178	51%	-0.1%
Other	314	4%	+15.6%
Welfare	1,431	18%	+7.0%
Health	735	9%	+11.2%
Accident	696	9%	+2.9%
Property	2,244	27%	+3.8%
Property	1,211	15%	+3.0%
General TPL	727	9%	+3.7%
Other	306	4%	+7.2%
Total	8,167	100%	+2.7%

Premiums by Company

	€m	%	Var%
UnipolSai S.p.A.	6,990	86%	+1.3%
UniSalute	448	5%	+9.3%
Linear	184	2%	+2.4%
Incontra	185	2%	+35.8%
Arca Assicurazioni	136	2%	+13.1%
Siat, DDOR & PA	223	3%	+7.0%
Total	8,167	100%	+2.7%

Premiums by Distribution Channel

	€m	%	Var%
Agents	6,584	81%	+0.8%
Brokers/head off.	984	12%	+9.6%
Bancassurance	321	4%	+25.2%
Direct and other	277	3%	+4.1%
Total	8,167	100%	+2.7%

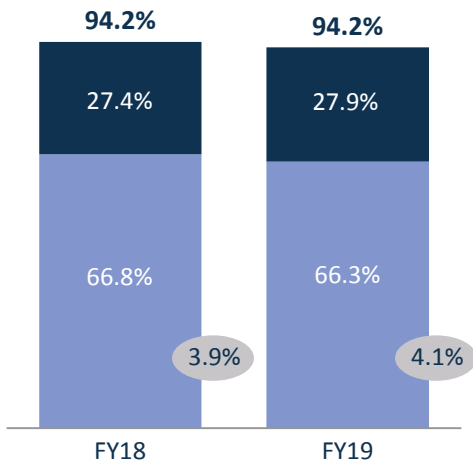
Operating figures



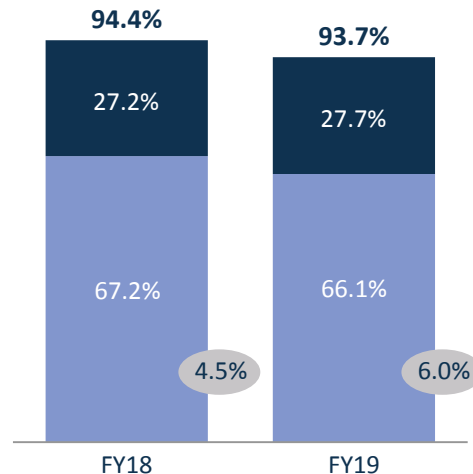
Combined Ratio

FY19 Preliminary Consolidated Results

Net of Reinsurance



Direct Business



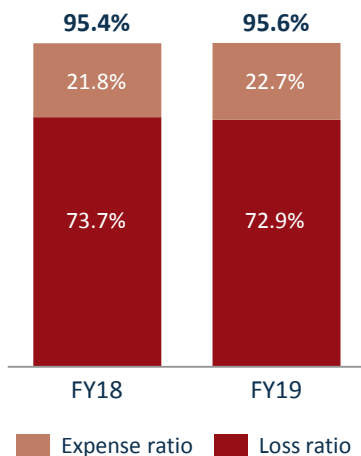
Expense ratio
 Loss ratio
 Atm. Events

Combined ratio net of reinsurance: operating expenses/earned premiums after reinsurance + claims charges/earned premiums after reinsurance

Combined ratio direct business: operating expenses/written premiums from direct business (before reinsurance) + claims charges /earned premiums from direct business (after reinsurance)

Operating figures

Motor TPL Combined Ratio Direct Business



Key Figures

Motor TPL	var. vs FY18
Total portfolio	+0.3%
Portfolio average premium	-1.7%
N. of claims reported ^a	-0.5%
Frequency	-0.03 p.p.
Bodily injury/Tot. followed-up claims	-0.6 p.p.

Motor and General TPL	FY18	FY19
% savings on settled claims ^b		
<i>Motor TPL</i>	46.2%	47.5%
<i>General TPL</i>	66.8%	66.5%

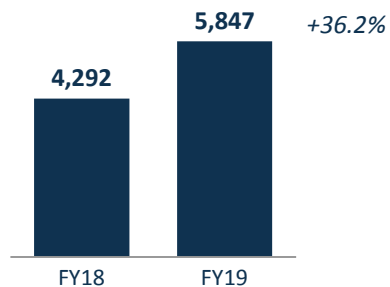
^a Followed-up managed claims

^b Savings on settled claims of previous years / amount provisioned
Operating figures

FY19 Preliminary Consolidated Results

€m

Direct Premium Income



Premiums by Company

	€m	%	var%
UnipolSai S.p.A.	4,080	70%	+30.4%
Arca Vita + AVI	1,676	29%	+55.6%
Other companies	91	2%	+6.3%
Total	5,847	100%	+36.2%

Premiums by Line of Business

	€m	%	var%
Traditional	3,723	64%	+36.3%
Unit linked	375	6%	-25.2%
Pension funds	1,268	22%	+91.3%
Capitalization	481	8%	+21.3%
Total	5,847	100%	+36.2%

Premiums by Distribution Channel

	€m	%	var%
Agents	1,967	34%	+23.7%
Bancassurance/Fin. advisors	1,957	33%	+40.1%
Pension funds	1,201	21%	+101.4%
Brokers/Head office	706	12%	+3.0%
Other	17	0%	-27.9%
Total	5,847	100%	+36.2%

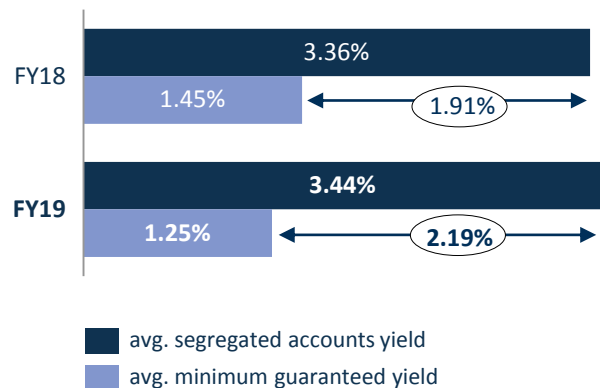
Operating figures



Life Segregated Accounts and Minimum Guaranteed Yields

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Segregated Accounts and Minimum Guaranteed Yields



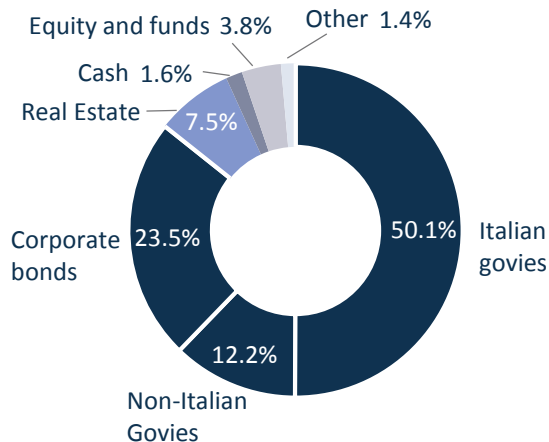
Technical Reserves by Minimum Guaranteed ^a

Min. guar. yield	FY18		FY19	
	€bn	%	€bn	%
0%-1%	14.2	45%	17.6	54%
1%-2%	9.2	29%	7.5	23%
2%-3%	6.0	19%	5.4	17%
>3%	2.3	7%	2.2	7%
Total	31.7	100%	32.7	100%

^a Class 1 and Class 5 technical reserves
Operating figures



Total Investments 58.0 €bn



Total bonds 85.8%

Market value
Operating figures

Financial Investment Yields

	Non-Life		Life		Holding		Total	
	€m	Yield	€m	Yield	€m	Yield	€m	Yield
Coupons and dividends	391	3.2%	1,178	3.4%	11	0.8%	1,579	3.3%
Realized/unrealized gains/losses	74	0.6%	40	0.1%	59	4.5%	172	0.4%
Total	465	3.7%	1,218	3.6%	69	5.3%	1,752	3.7%

Total Investments Duration (years)

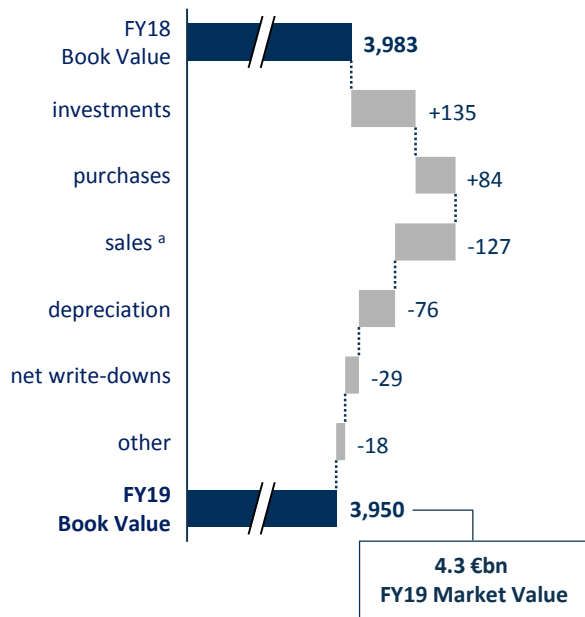
	Non-Life	Life	Holding	Total
Assets	3.7	7.4	0.4	6.2
Liabilities	2.8	8.8	3.6	7.0
<i>Mismatch</i>	<i>+1.5</i>	<i>-0.8</i>	<i>-12.1</i>	<i>-0.2</i>



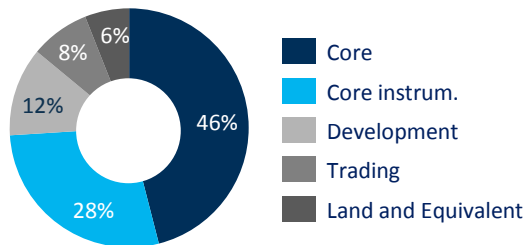
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Total Portfolio 4.0 €bn

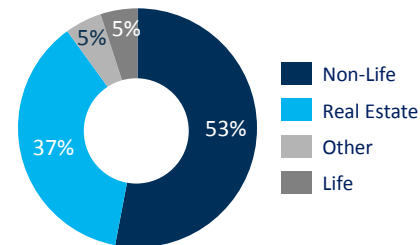
Development of RE Portfolio (€m)



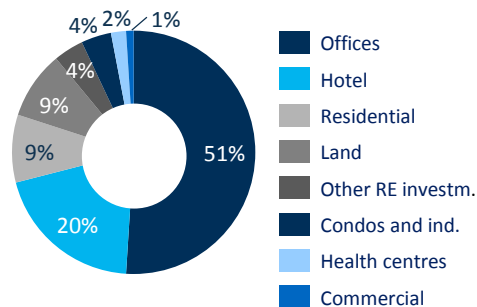
Breakdown by Cluster



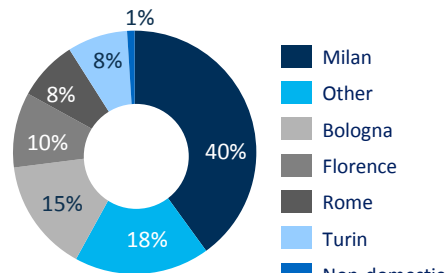
Breakdown by Sector



Breakdown by Use



Breakdown by Area



^a N. 118 deeds as at 31 December 2019
Operating figures



FY19 Preliminary Consolidated Results

€m

Incl. the portfolio acquired from BPER ^a 1.2 €bn loans

NPEs Stock

	FY18	FY19
Gross loans	2,590	3,465
Net loans	490	516
Coverage ratio	81%	85%

NPEs Collection

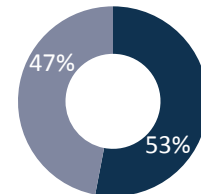
	FY18	FY19
Collections	95	110
NPEs reduction (GBV)	311	366
Collections/GBV	31%	30%

Net Result

	FY18	FY19
Net result	7	12

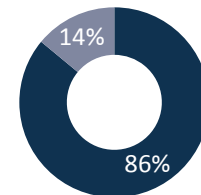


Portfolio Breakdown



- Secured loans
- Unsecured loans

Collections Breakdown



- Secured loans
- Unsecured loans

^a On 31 July 2019



Dividend Proposal

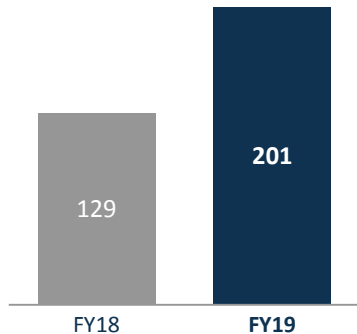
FY19 Preliminary Consolidated Results

€m

UNIPOL

DPS (€) 0.180 **0.280** **+56%**

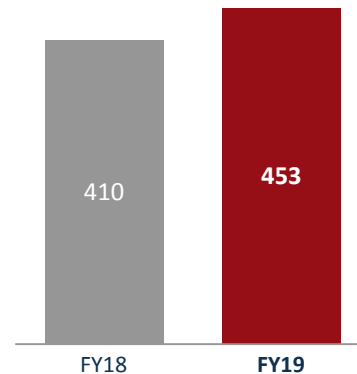
Total dividends



UNIPOLSAI

DPS (€) 0.145 **0.160** **+10%**

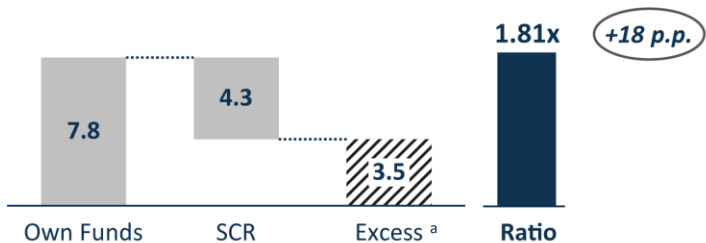
Total dividends



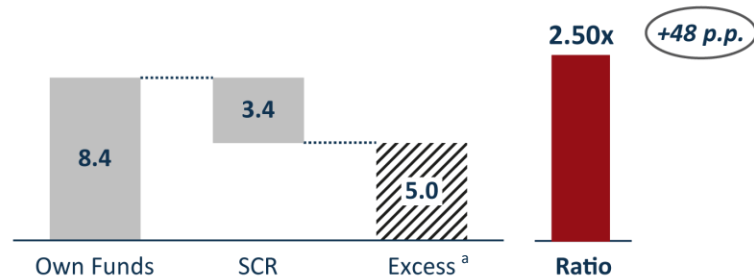
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€bn

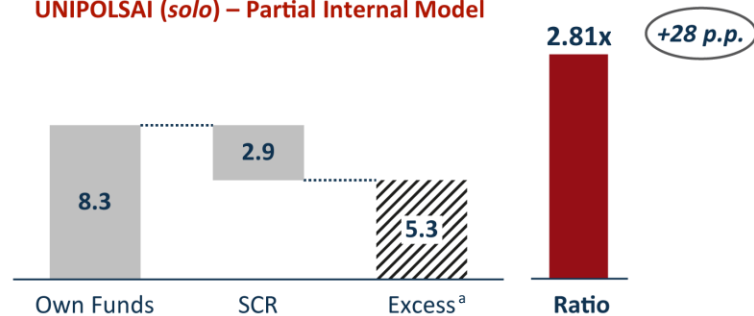
UNIPOL (consolidated) – Partial Internal Model



UNIPOLSAI (consolidated) – Economic Capital



UNIPOLSAI (solo) – Partial Internal Model

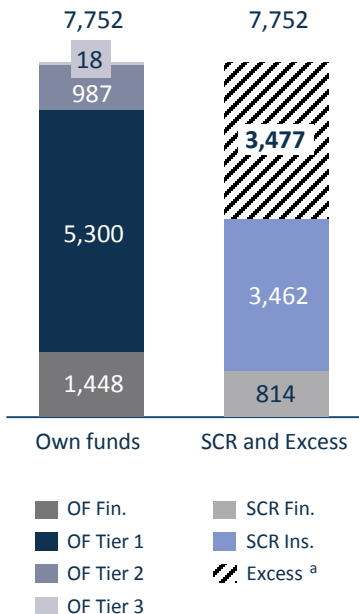


^a Eligible Own Funds in excess of Solvency Capital Requirements

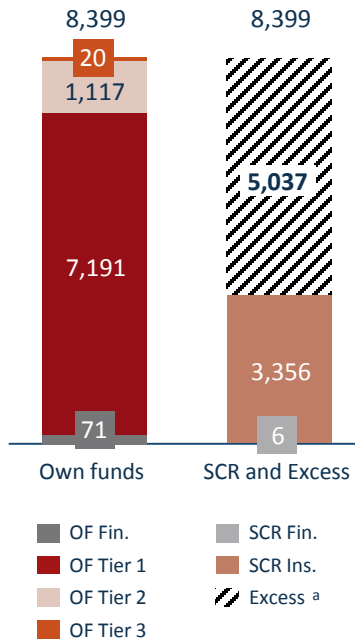
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€m

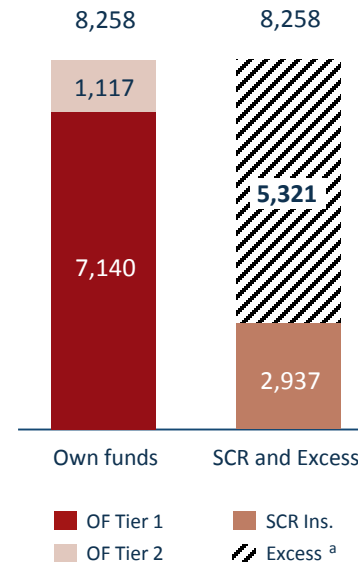
UNIPOL (consolidated) – Partial Internal Model



UNIPOLSAI (consolidated) – Economic Capital



UNIPOLSAI (solo) – Partial Internal Model



^a Eligible Own Funds in excess of Solvency Capital Requirements

Mission Evolve

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2019-2021 Strategic Guidelines – Status Update

2019-2021 Strategic Plan

Mission Evolve
UNIPOL 2019-2021 STRATEGIC PLAN
UNIPOL 2019-2021 STRATEGIC PLAN



TECHNICAL EXCELLENCE EVOLUTION

- Dynamic and sophisticated pricing models in MV TPL; repricing of Assistance guarantees
- Telematics in claims management: predictive models for personal injuries and litigation reduction
- Pricing and claims settlement actions to recover technical margins in Non-Motor



DISTRIBUTION EXCELLENCE EVOLUTION

- Multichannel campaign (TV, Radio, Web), increase in commercial customer relations and digital touch points
- Further specialisation of the sales force (Business Specialist and Family Welfare)
- Noteworthy performance of Arca and Incontra



BEYOND INSURANCE

- Acquisition of Car Server, standard-bearer in the long-term rental business
- Launch of mobility payment solutions via App and Aiscat certificate for ETS (Electronic Toll Service)
- Opening of the new diagnostic surgical centre DYADEA (brand extended to all medical centres of the Group)



PEOPLE & TECHNOLOGY

- Solidarity Fund set aside in 2019 to back ~800 staff voluntary exits
- Start of the automation of the top 100 company processes
- IT investments in line with Plan targets



SHARED VALUE & SUSTAINABLE DEVELOPMENT

- ESG risk management in Investment (esp. to fight climate change) and Underwriting
- «Energia Sole» product covering the production of all renewable sources
- Definition of a model to certify the level of sustainable performance of the agencies

2019-2021 Financial Targets – On Track

2019-2021 Strategic Plan

€m

UNIPOL

	Target 2019-2021	FY19	% vs. target
Consolidated net profit	2,000 cumulated	732	37% ✓
Dividends	600 cumulated	201	34% ✓
Solvency 2 ratio ^a	140%-160% (comfort range)	181%	✓

UNIPOLSAI

	Target 2019-2021	FY19	% vs. target
Consolidated net profit	2,000 cumulated	721	36% ✓
Dividends	1,300 cumulated	453	35% ✓
Solvency 2 ratio ^b	170%-200% (comfort range)	250%	✓

^a Based on Partial Internal Model

^b Based on Economic Capital

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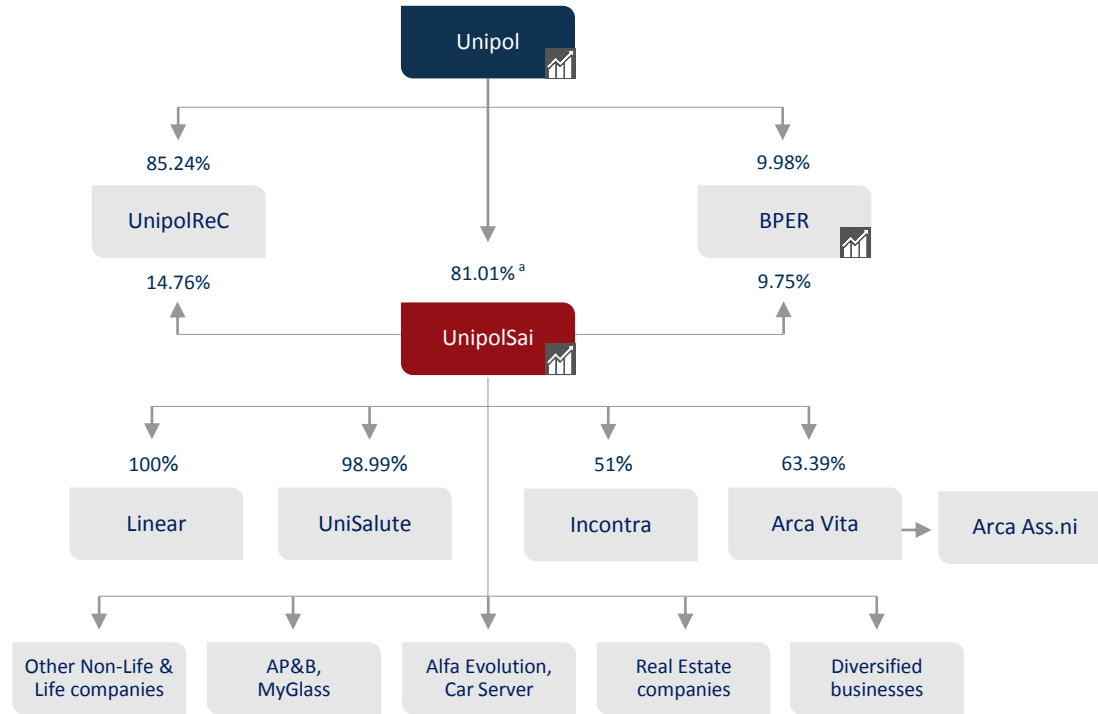
Appendix


€m

UNIPOL	FY18	FY19
Premium income ^a	12,349	14,014
Non-Life	7,953	8,167
Life	4,396	5,847
Combined Ratio ^b	94.2%	94.2%
Consolid. Net Result	628	1,087
Group Net Result	401	903
EPS (€)	0.56	1.26
Cons. Net Result (norm.)	613	732
Group Net Result (norm.)	440	569
EPS (norm., €)	0.61	0.79
Dividends	129	201
DPS (€)	0.180	0.280
Total Equity	6,327	8,305
Shareholders' Equity	5,032	6,687
BVPS (€)	7.01	9.32

^a Direct business. ^b Net of reinsurance
 Ref. p. 7 for details on normalisation

UNIPOLSAI	FY18	FY19
Premium income ^a	11,718	14,014
Non-Life	7,892	8,167
Life	3,826	5,847
Combined Ratio ^b	94.3%	94.2%
Consolid. net result	948	655
Group net result	905	628
EPS (€)	0.32	0.22
Cons. Net Result (norm.)	699	721
Group Net Result (norm.)	652	694
EPS (norm., €)	0.23	0.25
Dividends	410	453
DPS (€)	0.145	0.160
Total Equity	5,697	7,153
Shareholders' Equity	5,448	6,878
BVPS (€)	1.93	2.43



 Companies listed on the Italian Stock Exchange

^a Including the shares held by Unipol Investment, UnipolPart I and Unipol Finance

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