



## UNIPOL GROUP: CONSOLIDATED RESULTS AT 30 SEPTEMBER 2019 APPROVED

- Normalised<sup>1</sup> consolidated net profit of €577m, up 14.6% from €503m in the first 9 months of 2018  
Reported consolidated net profit of €923m
- Direct insurance income of €10.0bn
  - ✓ Non-Life business: €5.7bn (+2.7%)<sup>1</sup>
  - ✓ Life business: €4.3bn (+39.9%)<sup>1</sup>
- Combined Ratio<sup>2</sup> of 94.1%
- Consolidated solvency ratio 179%<sup>3</sup>

Bologna, 8 November 2019

The Board of Directors of Unipol Gruppo S.p.A., which met yesterday under the chairmanship of Pierluigi Stefanini, approved the consolidated results of the Group at 30 September 2019.

In the first nine months of 2019, the Unipol Group made a **normalised<sup>1</sup> consolidated net profit** of €577m, significantly up (+14.6%) on the normalised result on a comparable basis<sup>1</sup> of €503m for the corresponding period of the previous year.

The **reported consolidated net profit** amounted to €923m compared to €843m the previous year. This result, for the first 9 months of 2019, also includes the positive effects arising from the first-time

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<sup>1</sup> The normalised figures for the first 9 months of 2019 do not include the extraordinary effects of the first-time consolidation of BPER recognised in equity or the one-off charges related to the agreements made with the trade union organisations for the Solidarity Fund and other forms of voluntary redundancy. The figures for the first 9 months of 2018 do not include the effects of the capital gain from the sale of Popolare Vita, and were recalculated on a comparable basis with the current period.

<sup>2</sup> Net of reinsurance

<sup>3</sup> Figure calculated on the basis of the partial internal model, to be taken as preliminary since the Supervisory Authorities will be notified of the definitive figure in accordance with legally required deadlines.



consolidation of the BPER Group<sup>4</sup> using the equity method (€413m) and the extraordinary charge resulting from the agreements, in the third quarter of 2019, with the trade union organisations for the Solidarity Fund and other forms of voluntary redundancy for approximately €67m (€88.5m before tax). The reported results for the first 9 months of 2018 include a capital gain of €309m related to the sale of the stake in Popolare Vita, and were calculated on a different scope of consolidation.

As at 30 September 2019, **direct insurance income**, including reinsurance ceded, stood at €10,008m, up 14.5% over the figure at 30 September 2018 (€8,740m).

### Non-Life Business

The direct premium income in the **Non-life business** at 30 September 2019 amounted to €5,730m (€5,577m at 30 September 2018, +2.7%). The MV business stood at €3,066m (+0.1%), while premiums amounted to €2,664m in the Non-MV business, up 6.0%, mainly due to significant development of the Health business (+16.0%). All the specialised companies in the Group recorded positive performances in the first 9 months of 2019: UniSalute €310m (+4.0%), Linear €138m (+3.7%), Arca Assicurazioni €99m (+14.9%), SIAT €110m (+12.3%), Incontra Assicurazioni €139m (+81%).

Adverse weather events had a significant impact on Non-Life claims in the third quarter, however they were mostly reabsorbed by the reinsurance cover.

The Group **combined ratio**<sup>2</sup> stood at 94.1%, slightly down on the figure of 93.5% recorded at 30 September 2018.

The loss ratio stood at 67.2% (67.5% for the first 9 months of 2018), and the expense ratio stood at 26.9% (26.0% at 30 September 2018) as it was partly influenced by a product mix that leaned more heavily towards other products besides MV TPL.

### Life Business

In the **Life business**, the Unipol Group registered significant growth: the direct income at 30 September 2019 amounted to €4,278m (+39.9%).

UnipolSai registered €3,041m in direct income (+39.5%), while in the bancassurance business, Arca Vita continued to grow significantly, posting direct income of €1,169m, up 44.1% compared to 30 September 2018.

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<sup>4</sup> The impacts on profit and loss and equity of the first-time consolidation of the stake held in BPER were adjusted with respect to what was recognised at 30 June 2019 due to new information that became available; they should still be considered as provisional.



## Real Estate, Holdings and Other Businesses

**Property management** continued to centre on the renovation of certain properties, especially in prestigious areas of Milan, with a view towards generating income, enhancing their value or using them for operational purposes.

Holdings and Other Businesses recorded, *inter alia*, improved results in the diversified Group companies. UnipolReC registered takings of €83m, equal to 31% of the gross value of the loans. The portfolio has a gross book value of €3.6bn, with a coverage ratio of 85%. The company posted a net profit of approximately €11m.

The Gruppo UNA posted a net profit of approximately €5m.

## Financial Management

With regard to the management of financial investments, the gross profitability of the Group's financial insurance investment portfolio continued to show a significant return of 3.6% on the invested assets (3.9% in the first nine months of 2018), of which 3.4% relating to the coupons and dividends component.

## Balance Sheet

**Reported consolidated shareholders' equity** amounted to €8,286m at 30 September 2019 (€6,327m at 31 December 2018). The increase is mainly due to the net result for the period and the significant growth in the reserve of securities classified as AFS, related to the reduction in interest rates and the spread of Italian government bonds. The shareholders' equity attributable to the Group amounted to €6,677m (€5,032m as at 31 December 2018).

As at 30 September 2019, the **Group solvency ratio** between own funds and capital requirements was 179%<sup>3</sup>, up on the figure of 163% at 31 December 2018.

## Presentation of results to the financial community

A conference call will be held at 12:00 pm today during which financial analysts and institutional investors may submit questions to the Group CEO and senior management on the results at 30 September 2019. 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) and +44/121/2818003 (from the UK). The multimedia file with the pre-recorded comment on the results can be found in the Investors section of the website [www.unipol.it](http://www.unipol.it).



Maurizio Castellina, Manager in charge of financial reporting of Unipol S.p.A. and UnipolSai Assicurazioni S.p.A., declares, pursuant to Article 154-bis, paragraph 2, of the “Consolidated Law on Finance”, that the accounting information contained in this press release corresponds to the figures in the corporate accounting records, ledgers and documents.

Please refer to the press releases that can be downloaded from [www.unipol.it](http://www.unipol.it) for any significant events after 30 September 2019.

### Glossary

**COMBINED RATIO NET OF REINSURANCE:** indicator that measures the balance of non-life total technical result, given by the sum of the loss ratio and expense ratio (both net of reinsurance).

**EXPENSE RATIO NET OF REINSURANCE:** ratio between operating expenses and premiums earned, net of reinsurance.

**LOSS RATIO NET OF REINSURANCE:** ratio between claims and non-life premiums earned, including the OTI ratio net of reinsurance.

**REPORTED:** accounting figures.

### Unipol Gruppo S.p.A.

Unipol is one of the main insurance groups in Europe and the leading company in Italy in the non-life insurance sector, (especially in vehicle liability insurance), with total premiums of approximately €12.4bn, of which €8.0bn in Non-Life and €4.4bn in Life (2018 figures). Unipol adopts an integrated offer strategy and covers the entire range of insurance and financial products, operating primarily through the subsidiary UnipolSai Assicurazioni S.p.A., founded at the start of 2014. The Group is also active in direct MV insurance (Linear Assicurazioni), transport and aviation insurance (Siat), health insurance (UniSalute) and supplementary pensions, and maintains a presence in the bancassurance channel (Arca Vita and Incontra). It also manages significant diversified assets in the real estate, hotel (Gruppo UNA) and agricultural (Tenute del Cerro) sectors. Unipol Gruppo S.p.A. is listed on the Italian Stock Exchange.

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