

# Presentation of consolidated results as at 31 December 2014

Carlo Cimbri – CEO

UnipolGRUPPO

Bologna, 19 March 2015

Unipol  
GRUPPO

UnipolSai  
ASSICURAZIONI

## Notice

**Unless otherwise specified:**

- **all the figures reported in this presentation are on a consolidated basis;**
- **the FY13 figures of UnipolSai are consolidated, pro-forma, of operating nature and they relate to the UnipolSai Group as resulting from the relevant merger.**

*The data related to UGF are on a grey background and the related charts are in the shades of blue.*

*The data related to UnipolSai are on a pale blue background and the related charts are in the shades of red.*

## Agenda

- **Business highlights**
- Consolidated results
- Insurance business
  - *Non-Life insurance business*
  - *Life insurance business*
- Banking business
- Real Estate and diversified companies
- Investment management
- Solvency and dividends
- Appendix

## Business highlights

- **Positive results in the insurance sector confirmed**
- **Non-Life technical profitability at excellent, prudent and sustainable levels**
- **Review of banking loans consistent with AQR**
- **Dividends expected in line with the previous financial year**
- **High investment yield and consistent reduction of the exposure to structured products**

# Key Performance Indicators

€m

## UNIPOLSAI

	FY13	FY14	Δ %
Consolidated net result	694	783	12.9%
Group net result	636	740	16.3%
EPS <sup>a</sup> (€)	<i>n.a.</i>	0.279	<i>n.a.</i>
Premium income-direct business	15,394	16,008	4.0%
<i>o/w Non-Life</i>	9,257	8,424	-9.0%
<i>o/w Life</i>	6,137	7,584	23.6%
Combined Ratio <sup>b</sup>	93.6%	94.6%	1 p.p.
Solvency I <sup>c</sup>	1.55x	1.66x	+0.11x
Shareholders' equity	5,569	6,635	19.1%
Group shareholders' equity	5,210	6,295	20.8%
BVPS (€)	<i>n.a.</i>	2.372	<i>n.a.</i>

## UNIPOL GRUPPO FINANZIARIO

	FY13	FY14	Δ %
Consolidated net result	188	505	168.8%
Group net result	-79	192	<i>n.s.</i>
EPS <sup>a</sup> (€)	-0.110	0.268	<i>n.s.</i>
Premium income-direct business	16,804	17,883	6.4%
<i>o/w Non-Life</i>	9,821	8,969	-8.7%
<i>o/w Life</i>	6,983	8,915	27.7%
Combined Ratio <sup>b</sup>	93.1%	94.0%	0.9 p.p.
Solvency I <sup>c</sup>	1.65x	1.69x	+0.04x
Shareholders' equity	7,481	8,440	12.8%
Group shareholders' equity	5,414	5,691	5.1%
BVPS (€)	7,551	7,937	5.1%

## Agenda

- Business highlights
- **Consolidated results**
- Insurance business
  - *Non-Life insurance business*
  - *Life insurance business*
- Banking business
- Real Estate and diversified companies
- Investment management
- Solvency and dividends
- Appendix

## Consolidated results by business area

€m

### UNIPOLSAI

	FY13		FY14	
	Pre-tax result	Net result	Pre-tax result	Net result
Non-Life	772	444	954	669
Life	514	369	254	161
Other	-114	-120	-66	-47
<b>Total consolidated result</b>	<b>1,172</b>	<b>694</b>	<b>1,142</b>	<b>783</b>
<b>Total Group result</b>		<b>636</b>		<b>740</b>

### UNIPOL GRUPPO FINANZIARIO

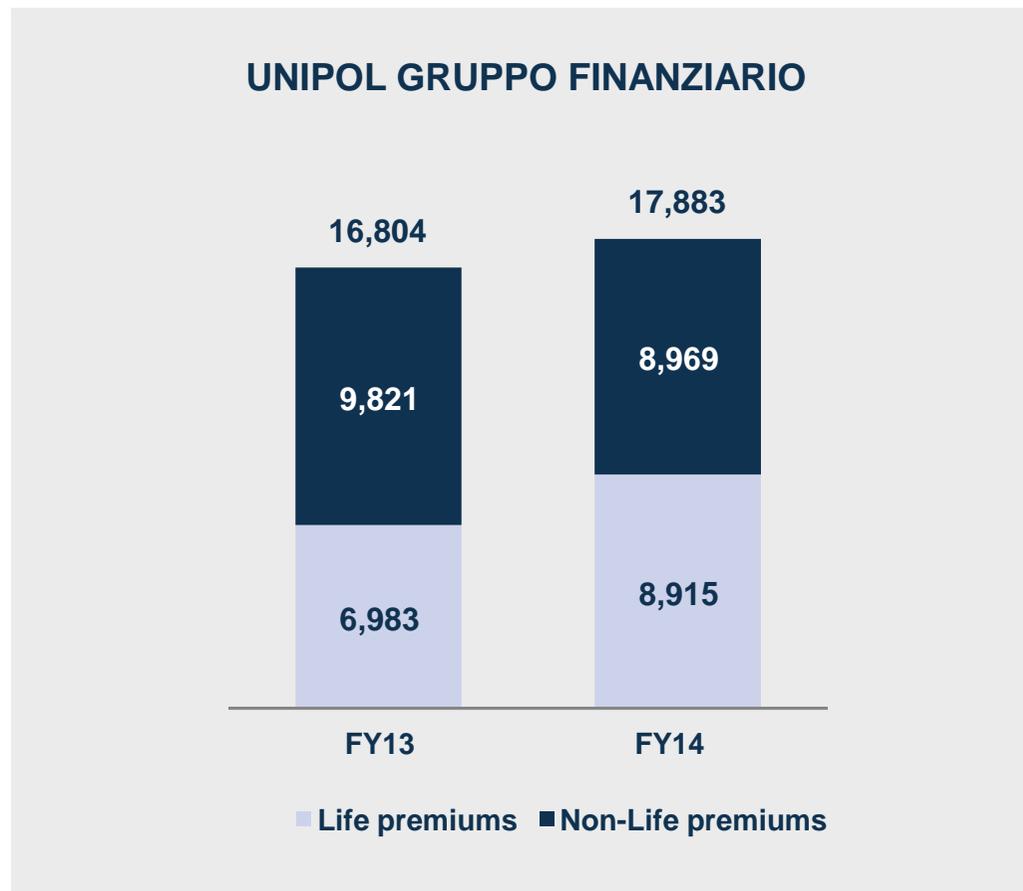
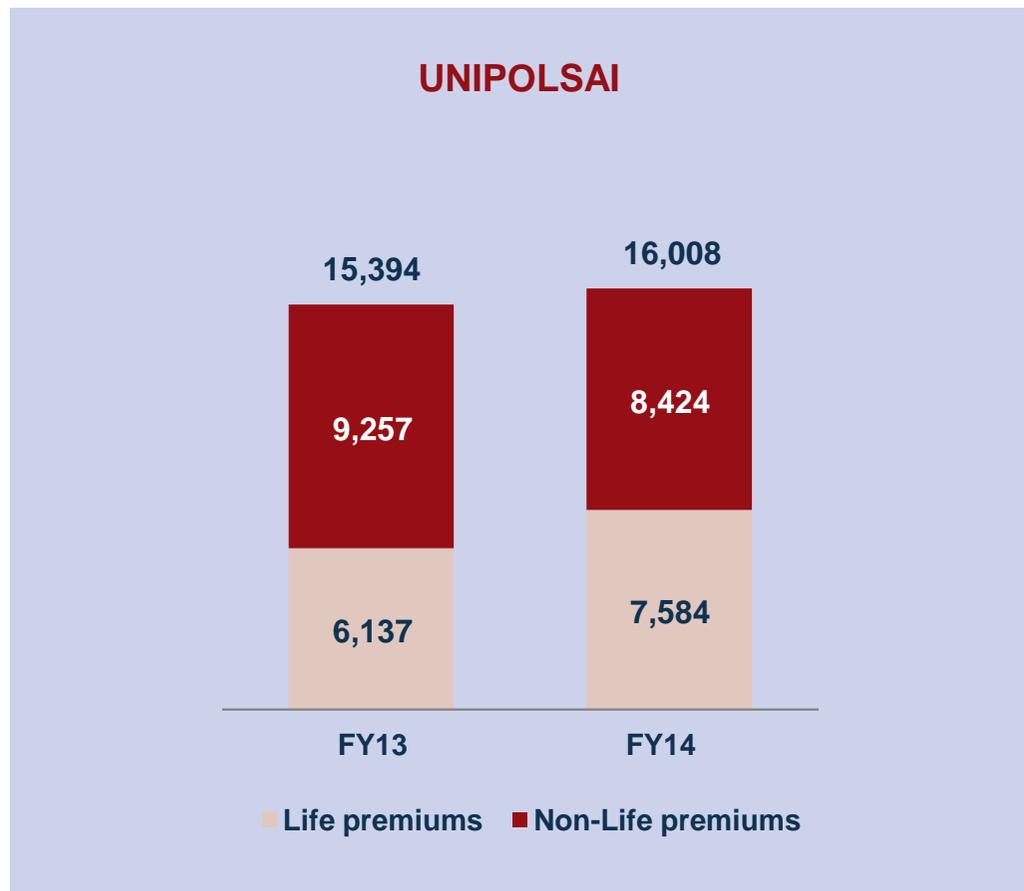
	FY13		FY14	
	Pre-tax result	Net result	Pre-tax result	Net result
Non-Life	865	494	1,009	699
Life	512	363	274	171
Banking sector*	-624	-441	-297	-225
Other	-231	-228	-185	-139
<b>Total consolidated result</b>	<b>520</b>	<b>188</b>	<b>801</b>	<b>505</b>
<b>Total Group result</b>		<b>-79</b>		<b>192</b>

## Agenda

- Business highlights
- Consolidated results
- **Insurance business**
  - *Non-Life insurance business*
  - *Life insurance business*
- Banking business
- Real Estate and diversified companies
- Investment management
- Solvency and dividends
- Appendix

# Direct insurance income

€m

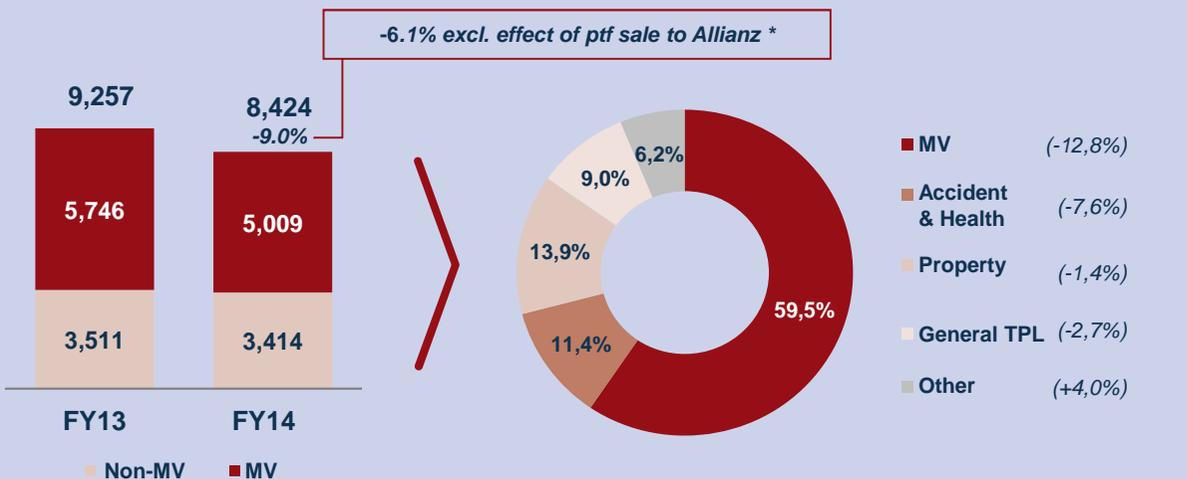


## Agenda

- Business highlights
- Consolidated results
- **Insurance business**
  - *Non-Life insurance business*
  - *Life insurance business*
- Banking business
- Real Estate and diversified companies
- Investment management
- Solvency and dividends
- Appendix

# Non-Life – Direct premium income

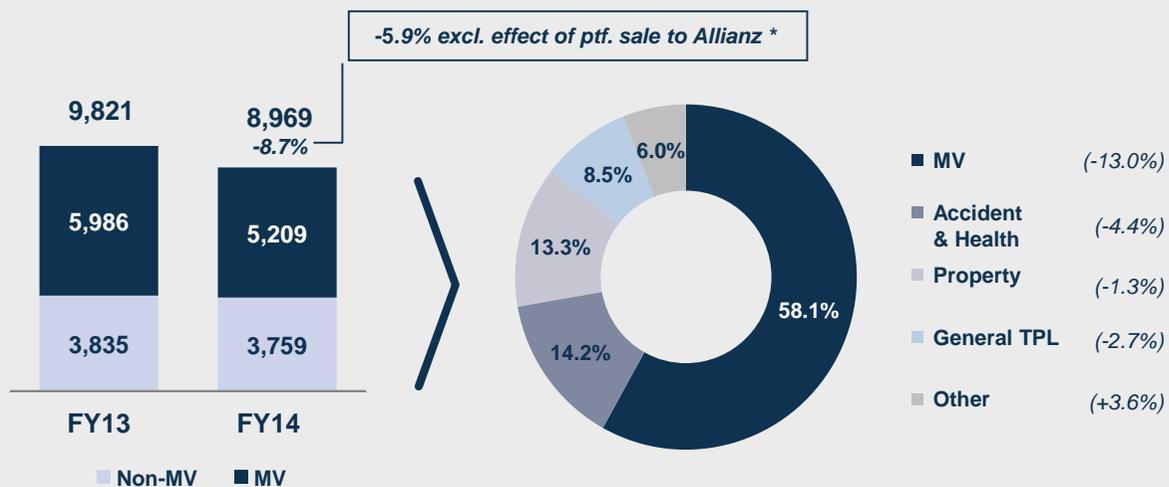
€m



## Premiums by company

	FY13	FY14	Δ %
UnipolSai	8,800	8,000	-9.1%
Liguria	172	146	-15.3%
Siat	120	114	-5.3%
DDOR	64	69	7.7%
Other	100	94	-5.6%
<b>UnipolSai Group</b>	<b>9,257</b>	<b>8,424</b>	<b>-9.0%</b>

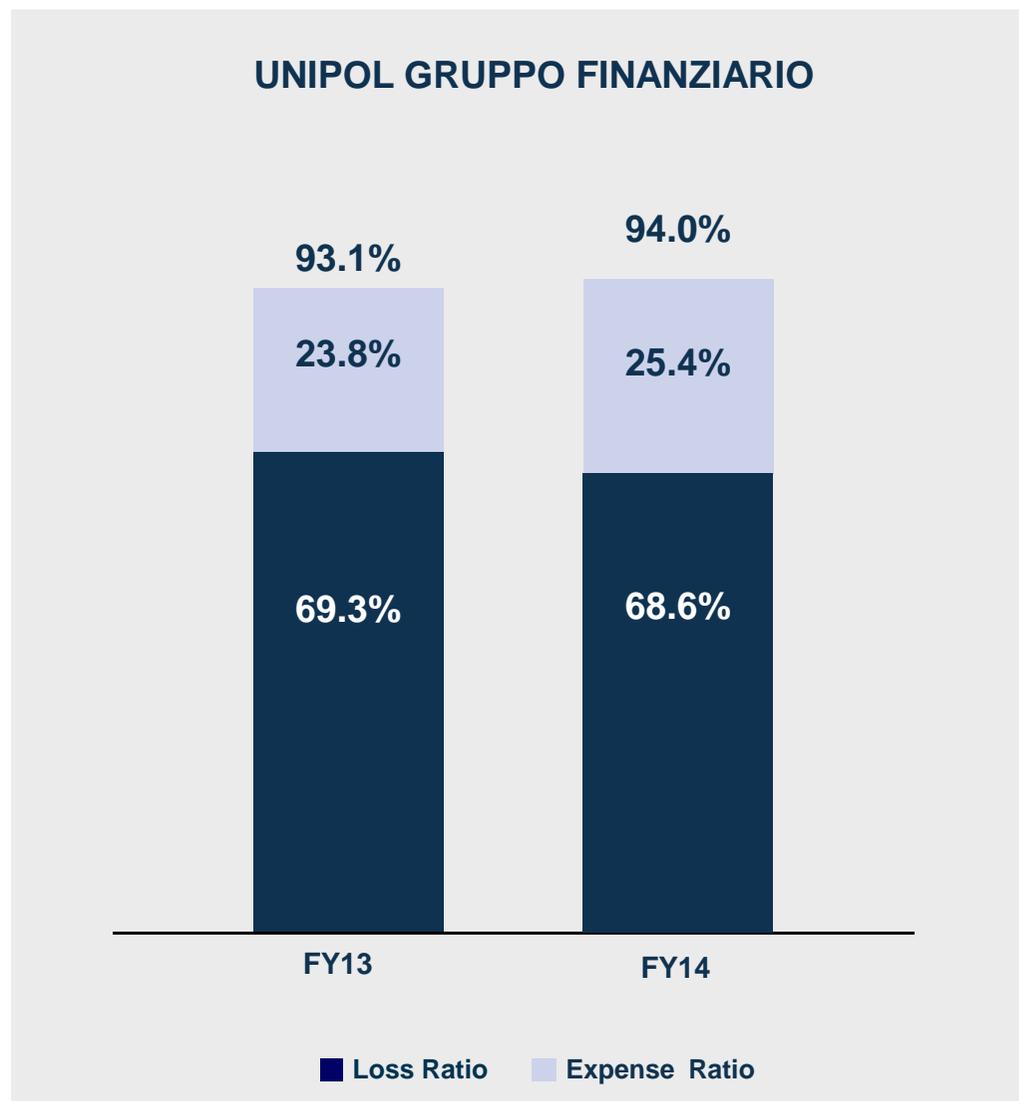
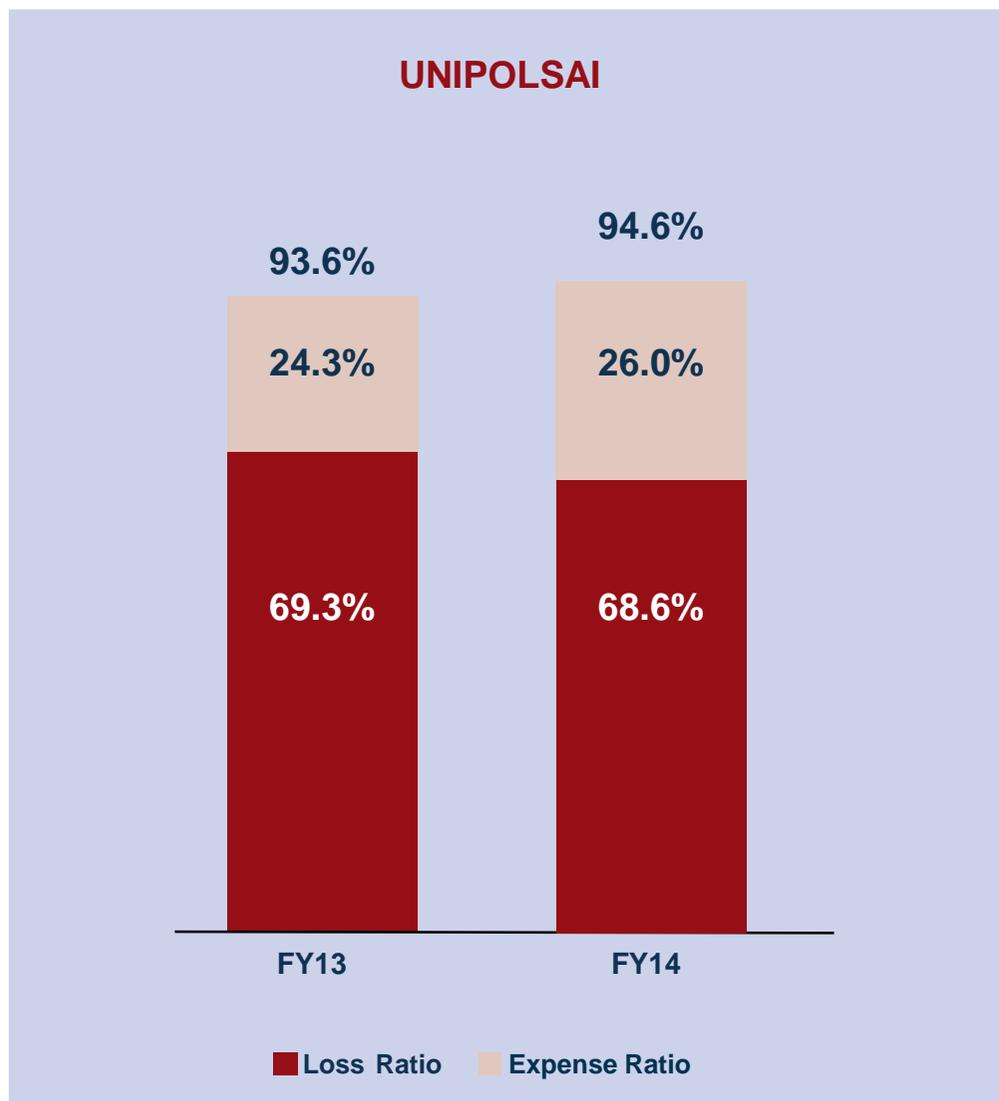
# UNIPOL GRUPPO FINANZIARIO



## Premiums by company

	FY13	FY14	Δ %
UnipolSai Group	9,257	8,424	-9.0%
Linear	206	172	-16.5%
Unisalute	248	270	9.0%
Arca + ISI	110	103	-7.2%
<b>Unipol Gruppo Fin.</b>	<b>9,821</b>	<b>8,969</b>	<b>-8.7%</b>

## Non Life – Combined Ratio\*



## UnipolSai S.p.A. – MV TPL technical indicators, direct business

### UNIPOLSAI S.p.A.

MV TPL Combined Ratio	FY13	FY14
Direct business	91.3%	92.9%
<i>Expense ratio<sup>a</sup></i>	<i>19.5%</i>	<i>21.9%</i>
<i>commissions/premiums</i>	<i>12.3%</i>	<i>12.4%</i>
<i>other operating exp./premiums</i>	<i>7.2%</i>	<i>9.5%</i>
<i>Loss ratio<sup>b</sup> (incl. OTI)</i>	<i>71.8%</i>	<i>71.0%</i>
<i>current loss ratio</i>	<i>65.7%</i>	<i>69.2%</i>
<i>Δ previous years</i>	<i>6.1%</i>	<i>1.7%</i>

Other MV TPL indicators	var. vs FY13 <sup>*</sup>
Total portfolio	-2.0%
<i>retail</i>	<i>-2.1%</i>
<i>fleets</i>	<i>-1.5%</i>
Portfolio average premium	-5.7%
No. of claims reported (followed-up passive claims)	-7.1%
Frequency	-0.24 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)

## Non-Life – Insurance sector extra UnipolSai

€m

**Linear**  
ASSICURAZIONI ONLINE

**UniSalute**  
SPECIALISTI NELL'ASSICURAZIONE SALUTE

**ARCA ASSICURAZIONI**

	FY13	FY14	Δ %
Premium income	562	545	-3.1%
<i>MV</i>	239	200	-16.2%
<i>Accident + Health</i>	286	307	7.4%
<i>Other</i>	37	38	0.8%
CoR direct business	85.1%	86.1%	1.0 p.p.
<i>Expense ratio</i>	16.7%	18.4%	1.7 p.p.
<i>Loss ratio (incl. OTI)</i>	68.4%	67.7%	-0.7 p.p.
IAS net result	<b>69</b>	<b>79</b>	15.1%

## Agenda

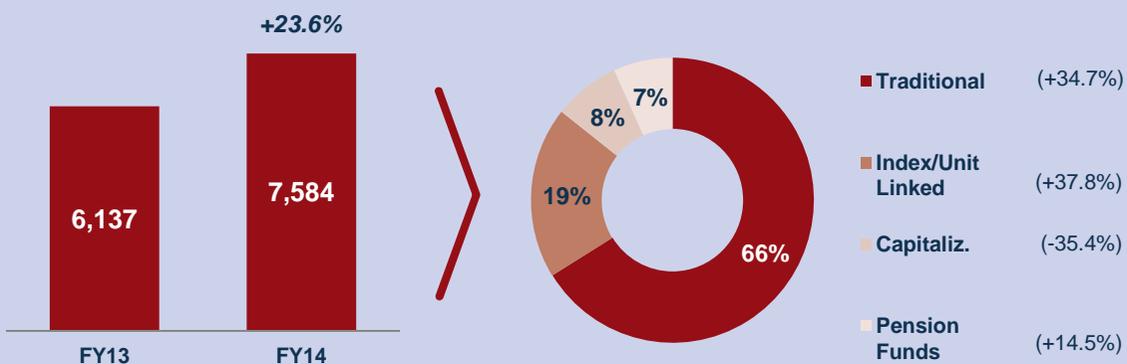
- Business highlights
- Consolidated results
- **Insurance business**
  - *Non-Life insurance business*
  - *Life insurance business*
- Banking business
- Real Estate and diversified companies
- Investment management
- Solvency and dividends
- Appendix

## Life – Direct income

€m

### UNIPOLSAI

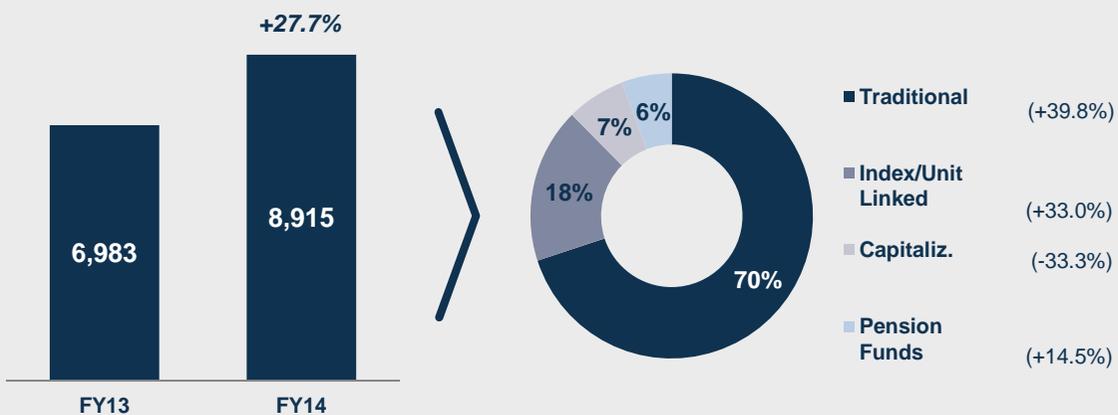
#### Premiums by company



	FY13	FY14	Δ %
UnipolSai S.p.A.	3,438	3,696	7.5%
Pop. Vita	1,584	2,982	88.3%
Lawr. Life	951	682	-28.3%
Other companies	165	224	35.8%
<b>UnipolSai Group</b>	<b>6,137</b>	<b>7,584</b>	<b>23.6%</b>

### UNIPOL GRUPPO FINANZIARIO

#### Premiums by company

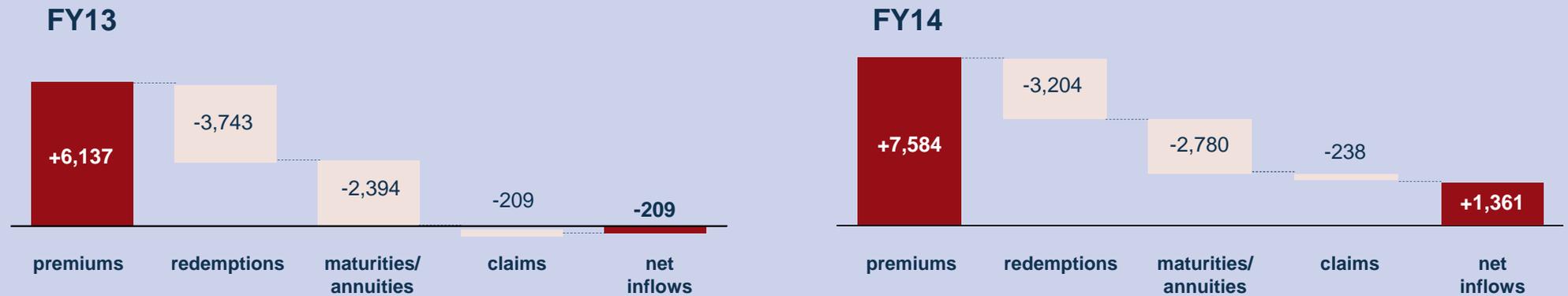


	FY13	FY14	Δ %
UnipolSai Group	6,137	7,584	23.6%
Arca Vita + AVI	845	1,329	57.3%
Linear Life	1	1	22.0%
<b>Unipol Gruppo Fin.</b>	<b>6,983</b>	<b>8,915</b>	<b>27.7%</b>

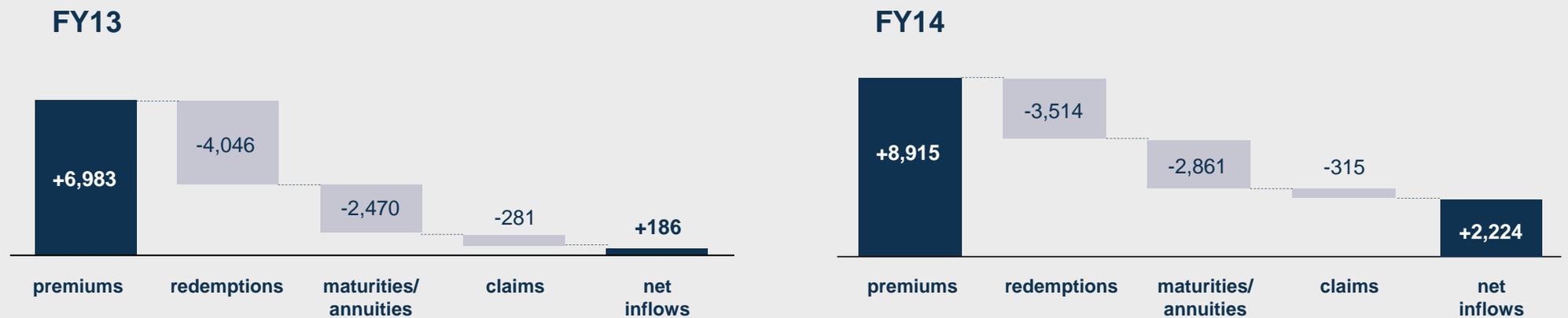
# Life – Net inflows

€m

## UNIPOLSAI



## UNIPOL GRUPPO FINANZIARIO



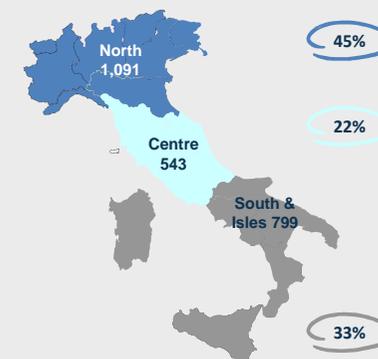
# Life – Insurance sector extra UnipolSai

€m

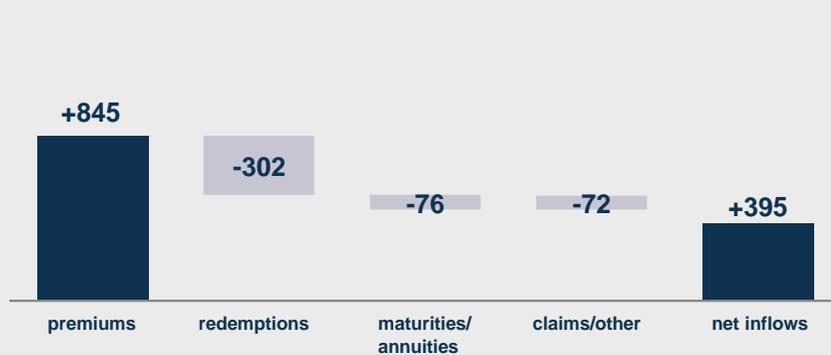


	FY13	FY14	Δ %
Premium income	<b>845</b>	<b>1,329</b>	<b>57.3%</b>
Traditional	730	1,214	66.2%
Unit/Index linked	108	92	-15.0%
Other	7	23	251.3%
IAS net result	<b>42</b>	<b>45</b>	6.6%

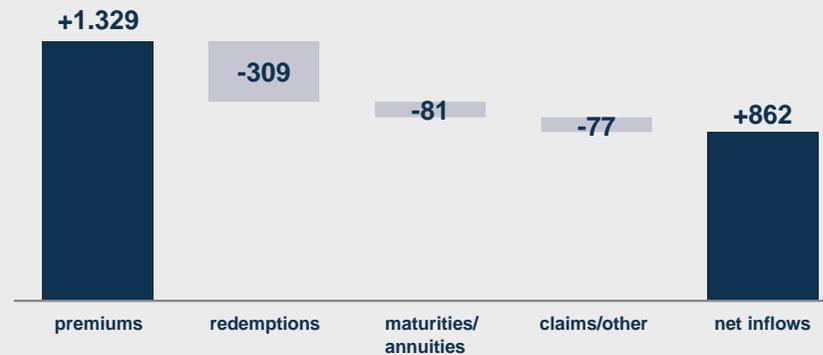
Sales network 2,433 outlets



FY13 net inflows



FY14 net inflows

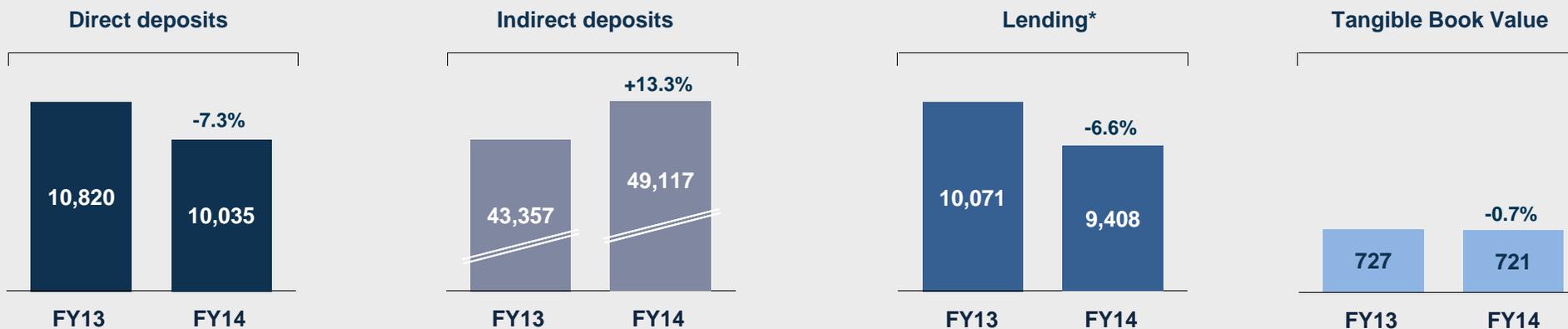


## Agenda

- Business highlights
- Consolidated results
- Insurance business
  - *Non-Life insurance business*
  - *Life insurance business*
- **Banking business**
- Real Estate and diversified companies
- Investment management
- Solvency and dividends
- Appendix

# Banking business – KPI

€m



Lending review consistent with AQR

	FY13	FY14	Δ %
Gross operating income	366	436	19.4%
<i>o/w interest income</i>	251	255	1.9%
<i>o/w non-interest income</i>	115	181	57.4%
Provisions on loans and other assets	-377	-254	-32.6%
Gross result	-426	-103**	n.s.
Net result	-295	-85**	n.s.
Cost / Income	79.1%	65.2%	-13.9 p.p.
Provisions on impaired loans (UGF)	-200	-196	-1.9%
Total provisions on imp. loans and other assets (Bank+UGF)	-577	-450	-22.0%
Total impaired loans coverage ratio	37.2%	42.3%	+5.2 p.p.

CET1 ratio Banking Group Unipol 10.6%

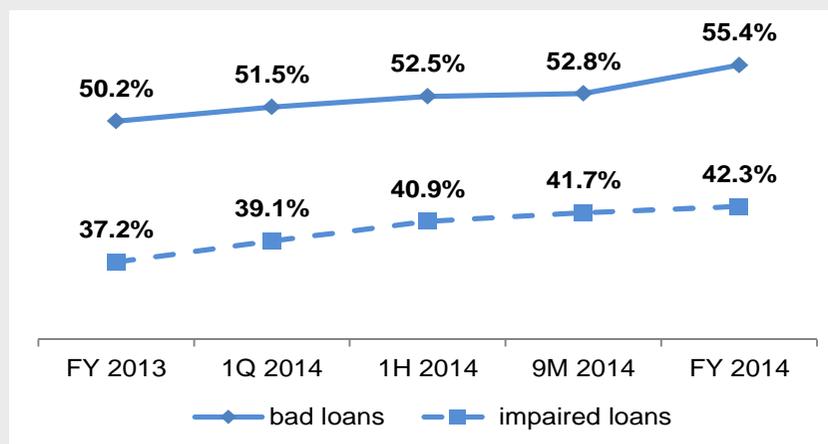
# Banking business – Focus on lending

€m

Break-down of overall impaired loans portfolio

	FY13		FY14	
	gross loans	coverage ratio	gross loans	coverage ratio
Bad loans	2,039	50.2%	2,548	55.4%
Substandard loans	967	20.7%	1,133	18.0%
Restructured loans	153	15.1%	162	25.2%
Past due	214	3.0%	81	4.6%
<b>Total impaired loans</b>	<b>3,373</b>	<b>37.2%</b>	<b>3,923</b>	<b>42.3%</b>

Coverage ratio trend

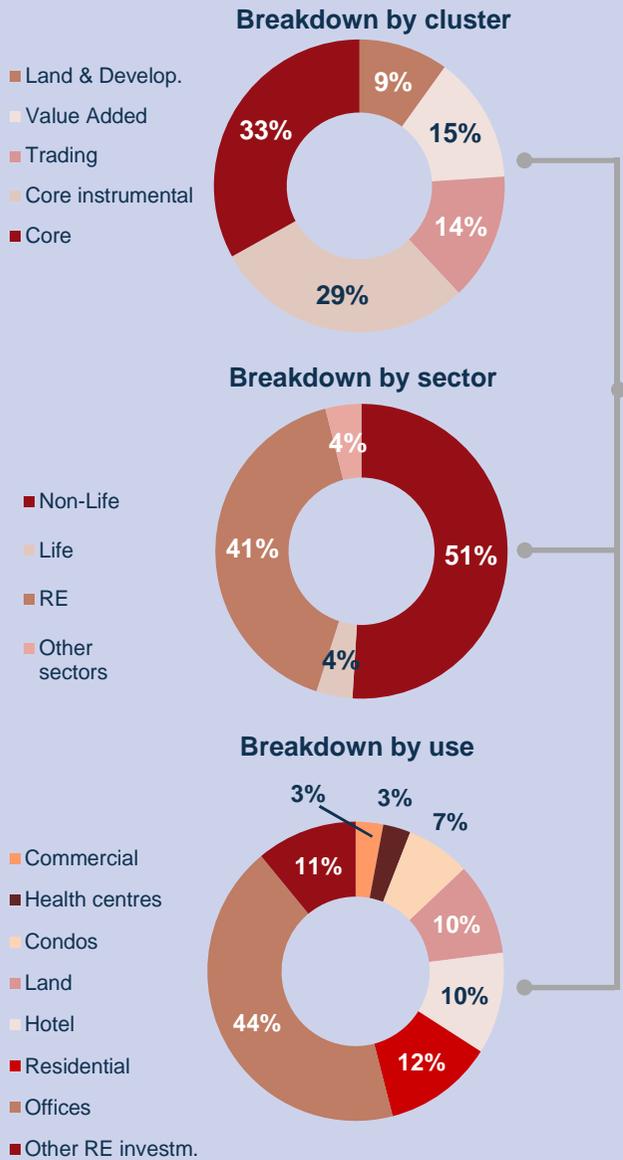


## Agenda

- Business highlights
- Consolidated results
- Insurance business
  - *Non-Life insurance business*
  - *Life insurance business*
- Banking business
- **Real Estate and diversified companies**
- Investment management
- Solvency and dividends
- Appendix

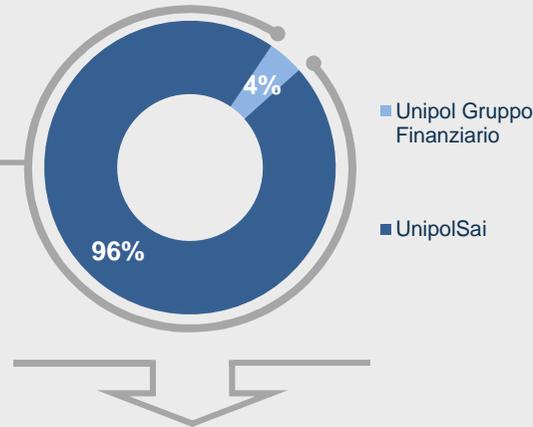
# Real Estate

## UNIPOLSAI – Tot. ptf €4,397m

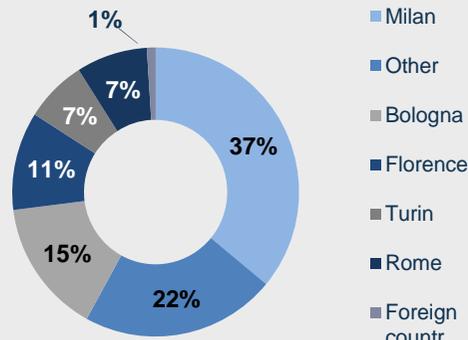


## UNIPOL GRUPPO FINANZIARIO – Tot. ptf €4,593m

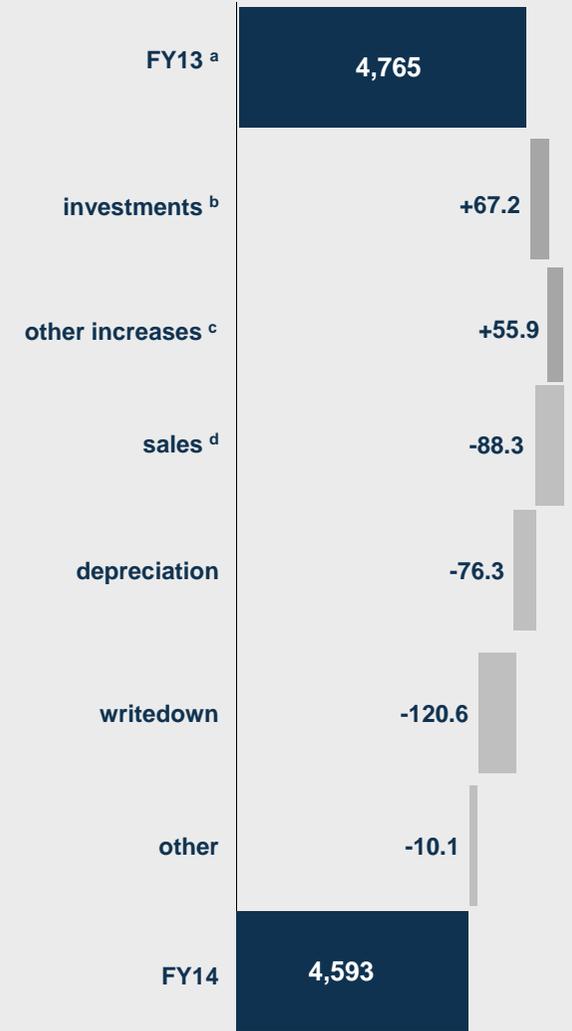
### Breakdown by ownership



### Breakdown by area



### Real Estate evolution (€m)



Operating figures

<sup>a</sup> including adjustments following the merger and changes in value of the related RE funds

<sup>b</sup> the item includes capex, purchases, fixed assets in progress and equity for JVs

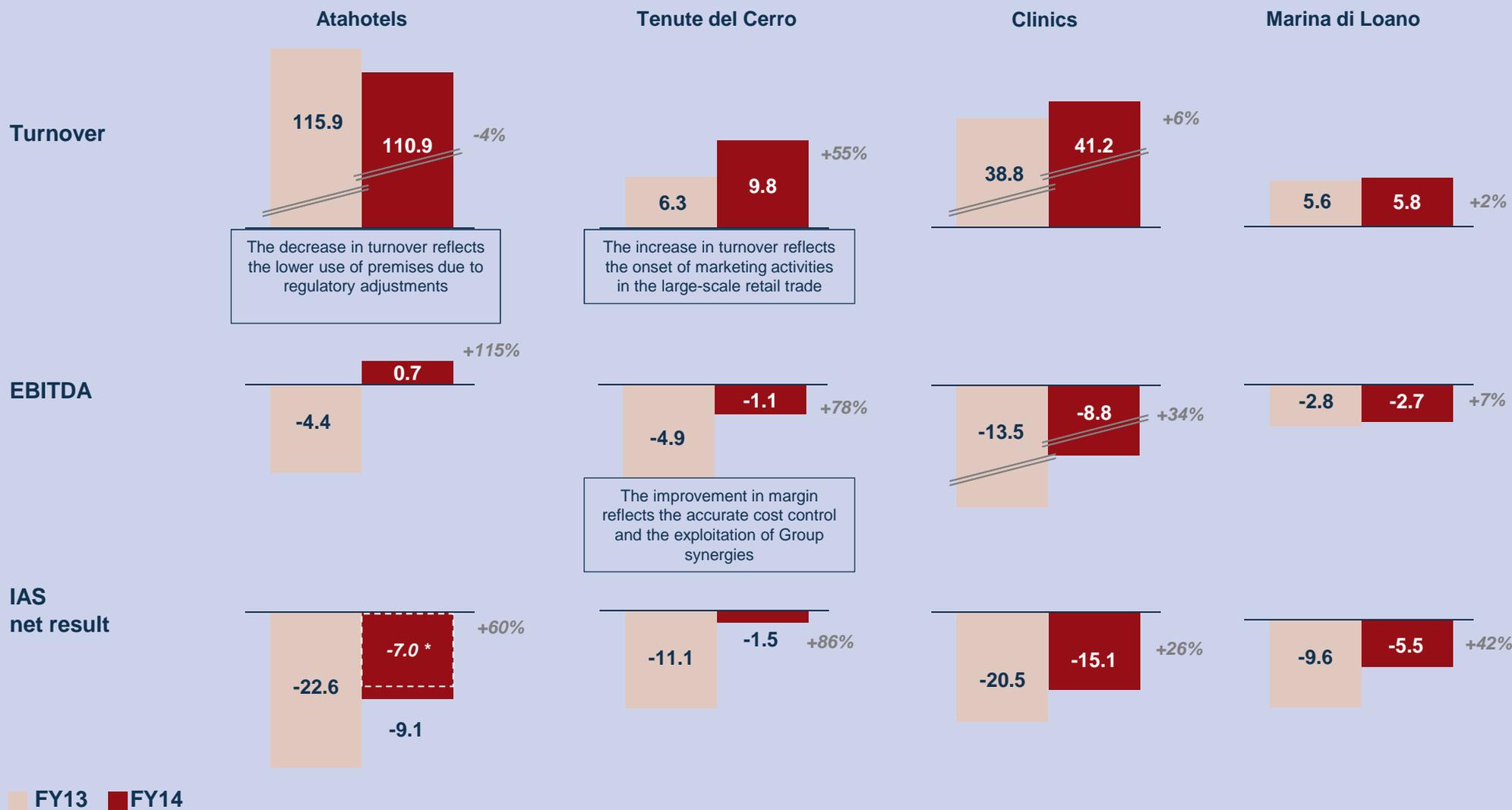
<sup>c</sup> the item includes the balance of the operation to transform the credit towards Im.Co / Sinergia into properties as a result of bankruptcy

<sup>d</sup> no. of deeds signed in 2014 amounting to 74

# Diversified companies

€m

## UNIPOLSAI



## Agenda

- Business highlights
- Consolidated results
- Insurance business
  - *Non-Life insurance business*
  - *Life insurance business*
- Banking business
- Real Estate and diversified companies
- **Investment management**
- Solvency and dividends
- Appendix

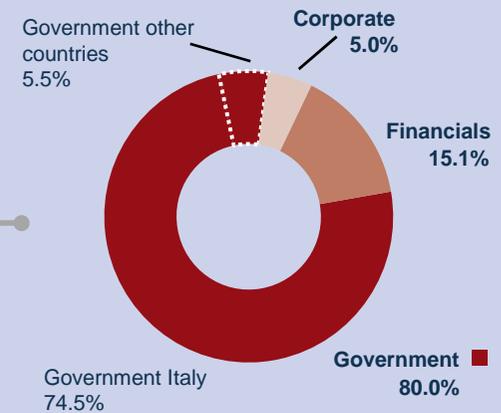
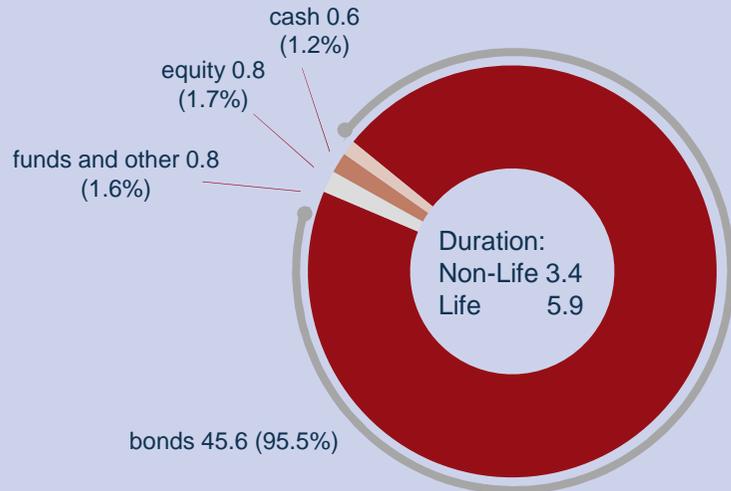
# Investment management

€bn

**Total investments €47.8bn**

**UNIPOLSAI**

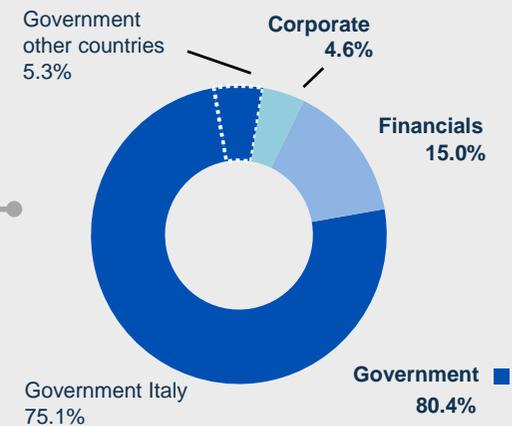
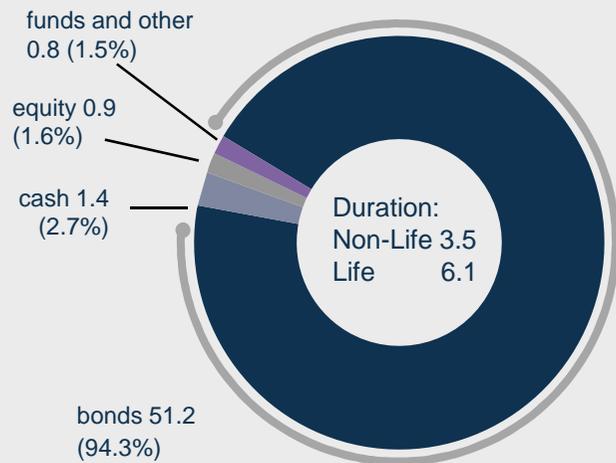
**Breakdown of bond portfolio**



**Total investments €54.4bn**

**UNIPOL GRUPPO FINANZIARIO**

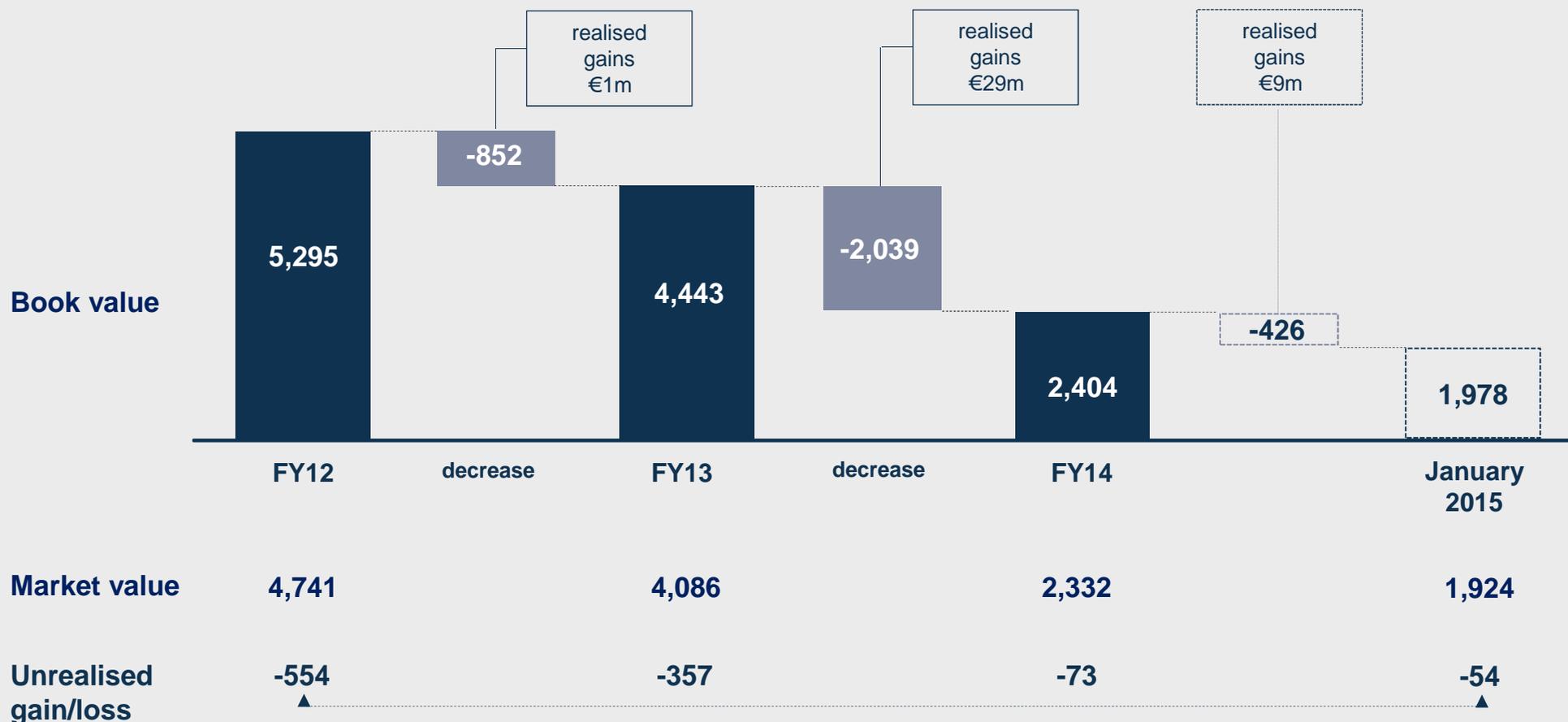
**Breakdown of bond portfolio**



## Structured products – Focus on Levels 2 and 3

€m

### UNIPOL GRUPPO FINANZIARIO



From 1 January 2013 to 31 January 2015:

- reduction in investment in Level 2 and 3 structured products for €3,317m
- realised gains of €39m

## Income from financial investments

€m

### UNIPOLSAI

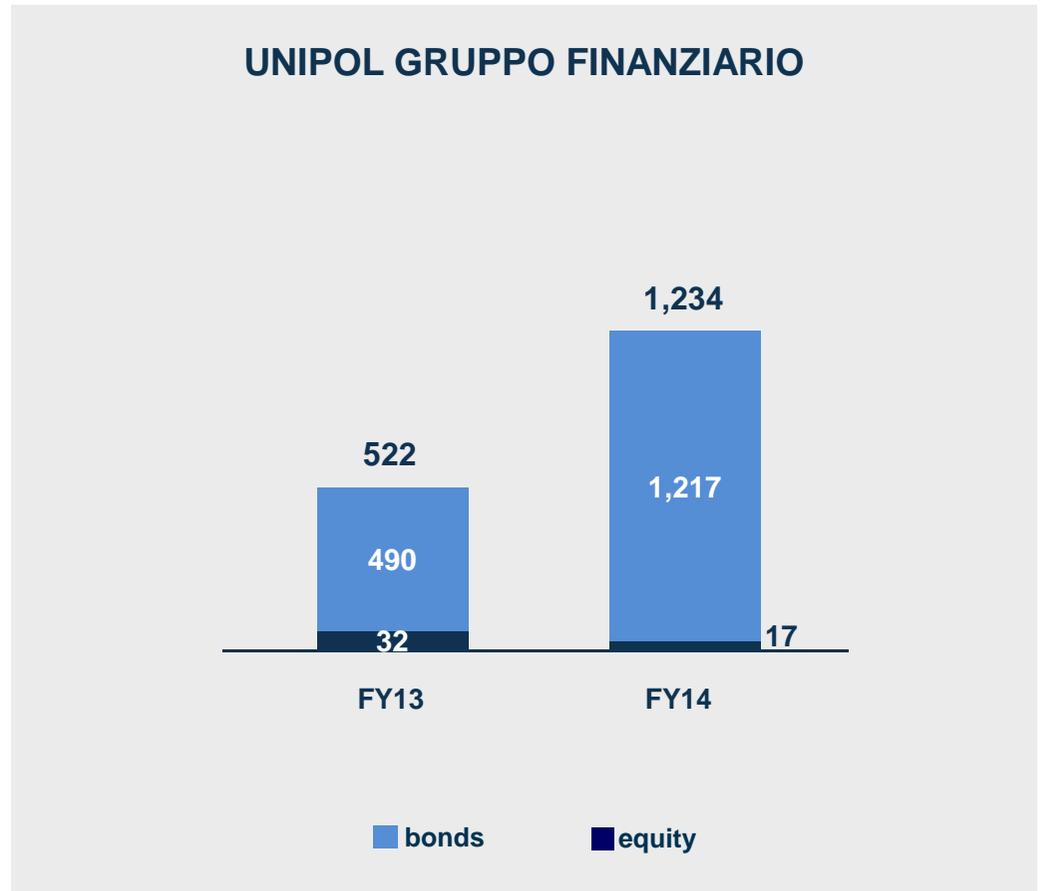
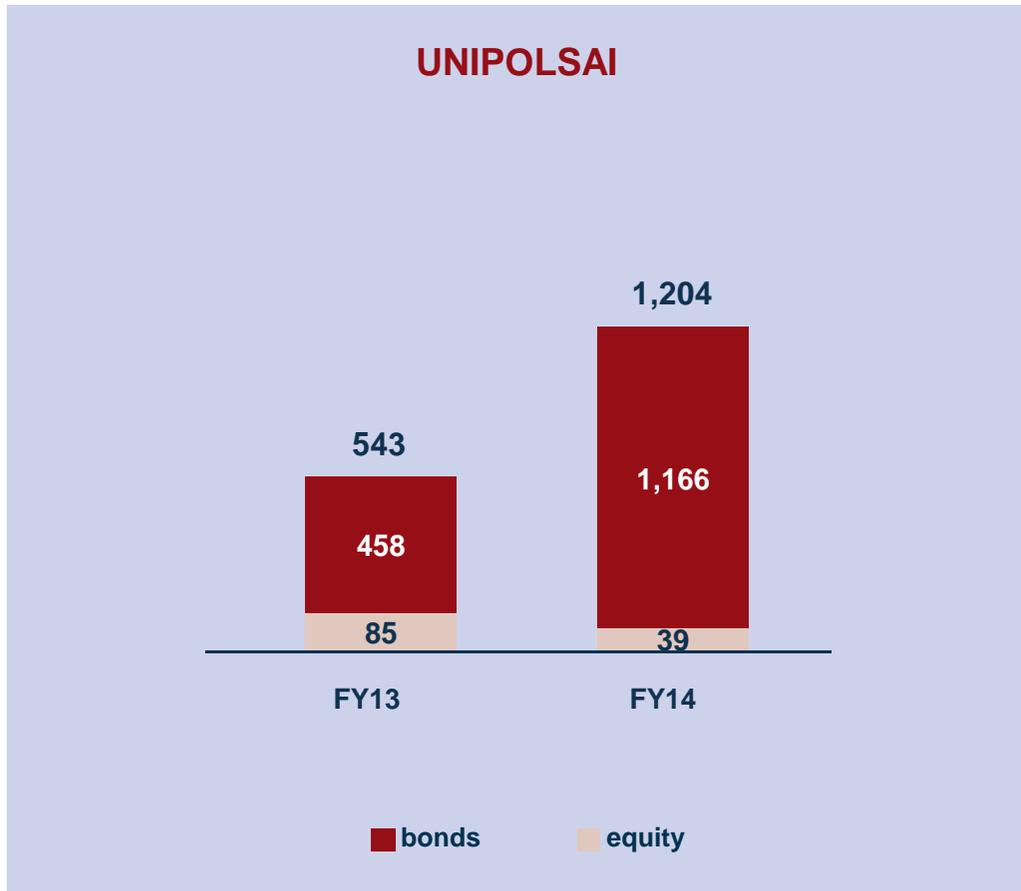
	FY14		
	Non-Life	Life	Total
Coupons and dividends <i>yield %</i>	481 3.38%	1,166 4.10%	1,647 3.86%
Gains <i>yield %</i>	154 1.08%	177 0.62%	331 0.77%
Fair value through P&L <i>yield %</i>	-3 -0.02%	20 0.07%	17 0.04%
<b>Total</b> <b><i>yield %</i></b>	<b>631</b> <b>4.44%</b>	<b>1,363</b> <b>4.79%</b>	<b>1,994</b> <b>4.67%</b>

### UNIPOL GRUPPO FINANZIARIO

	FY14		
	Non-Life	Life	Total
Coupons and dividends <i>yield %</i>	508 3.34%	1,317 4.07%	1,830 3.80%
Gains <i>yield %</i>	113 0.74%	175 0.54%	288 0.60%
Fair value through P&L <i>yield %</i>	0 0.00%	22 0.07%	23 0.05%
<b>Total</b> <b><i>yield %</i></b>	<b>621</b> <b>4.09%</b>	<b>1,514</b> <b>4.67%</b>	<b>2,141</b> <b>4.45%</b>

# AFS reserve

€m

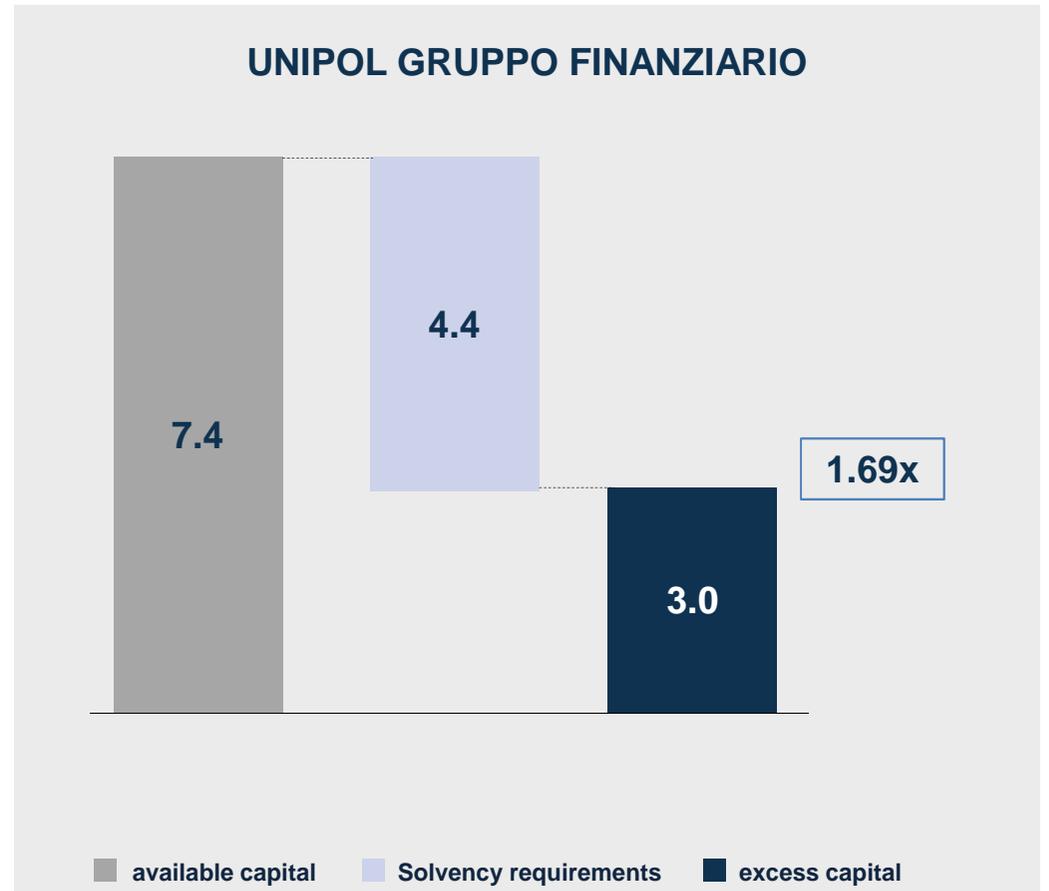
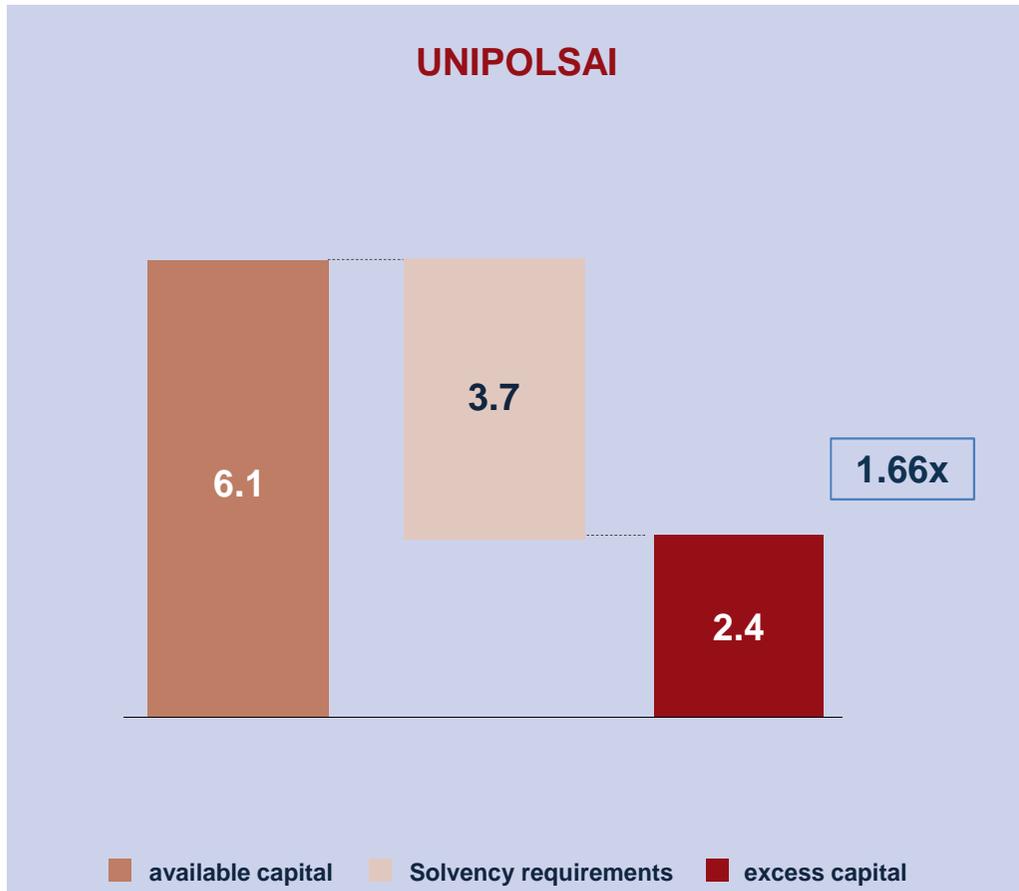


## Agenda

- Business highlights
- Consolidated results
- Insurance business
  - *Non-Life insurance business*
  - *Life insurance business*
- Banking business
- Real Estate and diversified companies
- Investment management
- **Solvency and dividends**
- Appendix

# Solvency I - FY14

€bn



## 2014 Dividends' proposal

### UNIPOLSAI

	DPS (€)	Div. Yield <sup>a</sup>	DPS 2013 <sup>b</sup> (€)	Div. Yield 2013
Ordinary	0.17500	7.2%	0.19559	7.9%
Savings A	6.5	2.8%	19.64133	8.2%
Savings B	0.20438	8.4%	0.22497	9.3%

### UNIPOL GRUPPO FINANZIARIO

	DPS (€)	Div. Yield <sup>a</sup>	DPS 2013 (€)	Div. Yield 2013
Ordinary	0.17	3.8%	0.1615	3.1%
Preference	0.19	4.2%	0.1815	3.8%

## Agenda

- Business highlights
- Consolidated results
- Insurance business
  - *Non-Life insurance business*
  - *Life insurance business*
- Banking business
- Real Estate and diversified companies
- Investment management
- Solvency and dividends
- **Appendix**

# Group structure



## UNIPOL GRUPPO FINANZIARIO

### Share capital

443,993,991	ordinary shares
273,479,517	preference shares
717,473,508	total shares

### Reuters code

UNPI.MI
UNPI_p.MI

### Bloomberg code

UNI IM
UNIP IM

## UNIPOLSAI

### Share capital

2,275,632,026	ordinary shares
1,276,836	savings A shares
377,193,155	savings B shares*
2,654,102,017	total shares

### Reuters code

US.MI
USn.MI
USnb.MI

### Bloomberg code

US IM
USRA IM
USRB IM

## Disclaimer

Maurizio Castellina, Senior Executive responsible for drawing up the corporate accounts of Unipol Gruppo Finanziario 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 correspond to the document contents, books and accounting records.

## Investor Relations Contacts

Adriano Donati (IRO)	Tel +39 051 507 7063
Giancarlo Lana	Tel +39 011 66 57 642
Eleonora Roncuzzi	Tel +39 051 507 7063
Laura Marrone	Tel +39 051 507 2183
Giuseppe Giuliani	Tel +39 051 507 7218
Carlo Latini	Tel +39 051 507 6333
Silvia Tonioli	Tel +39 051 507 2371

[investor.relations@unipol.it](mailto:investor.relations@unipol.it)

[investor.relations@unipolsai.it](mailto:investor.relations@unipolsai.it)