

# Presentation of consolidated results as at 31 December 2013

Carlo Cimbri - CEO

Bologna, 20 March 2014

**UnipolSai**  
ASSICURAZIONI

**Unipol**  
GRUPPO

## Agenda

- **The Fondiaria-SAI operation**
- Consolidated results
- Insurance business
  - *Non-Life insurance business*
  - *Life insurance business*
- Banking business
- Real Estate and other activities
- Investment management
- Capital and Solvency
- Parent company results and dividends

NOTE: The UnipolSai data included in the presentation are consolidated pro-forma and management figures and they relate to the group basis of consolidation after the merger.

Unipol Gruppo Finanziario 2012 consolidated economic data include the UnipolSai Group basis of consolidation after the merger for the whole financial year.

Data pertaining to Unipol Gruppo Finanziario are to be considered as consolidated where not otherwise specified.

# THE FONDIARIA-SAI OPERATION

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## A time-consistent project...

**First industrial project unchanged during the 24 months of the authorisation process**

- Bailout of the Fondiaria-SAI Group by way of capital increases and the...
- ...merger of Unipol Assicurazioni, Fondiaria-SAI, Milano Assicurazioni and Premafin in a sole company, in order to set up UnipolSai, first Non-Life insurance company in Italy, by developing a...
- ...plan based on industrial synergies and capital soundness, with a perspective to create value and...
- ...to manage the ex Fondiaria-SAI's shareholdings according to financial principles and risk management

## ...in a difficult market scenario...

**Country risk**

**Downturn in equity market**

- Spread of Italian Government Bonds vs Bund at over 500 bps (January 2012)
- Reiterated Downgrade Ratings on the Italian Republic
- Stock Indexes experiencing severe downturn (FTSE Mib 2011 -25%, Eurostoxx 50 -18.4%)

## THE FONDIARIA-SAI OPERATION (continued)

### ...in a complex regulatory framework...

Several authorisation steps accomplished...

- 12 authorisations obtained from the Supervisory Authority
- Over 1,500 pages of information documents and prospectuses published

...by meeting extremely rigid requirements

- Disposal of Non-Life premiums for €1.1bn fixed with Allianz in order to bring the market shares under the threshold of 30% in every single line of business and province
- Full sale of Generali and Mediobanca stakes

### ...fully backed with equity...

Capital increases on the market

UnipolSai capital strengthening

- **€1.7bn** (Unipol + Fondiaria-SAI), almost doubling the total amount of capital increases carried out subsequently by the Italian listed companies on the whole
- **€1.7 bn** UnipolSai capital strengthening
  - €550m Unipol Gruppo Finanziario's direct investments in the Fondiaria-SAI Group
  - €600m Unipol Assicurazioni's capital increase before the merger in UnipolSai
  - €550m funds collected on the market

## THE FONDIARIA-SAI OPERATION (continued)

...being at an advanced stage of implementation...

**UnipolSai merger completed**

**Rationalization actions already undertaken**

- From 3 listed companies (Fondiarria-SAI, Milano Assicurazioni, Premafin) to 1 (UnipolSai)
- From 6 categories of shares (Fondiarria-Sai Ord, Sav A and Sav B, Milano Ord and Sav and Premafin) to 3 (UnipolSai Ord, UnipolSai Sav A, UnipolSai Sav B)
- Agreement defined with the trade unions on staff reduction involving about 900 employees, thanks to the extraordinary section of the Solidarity Fund for the sector
- Sale of business unit with 500 employees to Allianz
- Rationalization of the group companies being carried out
- Application of the Unipol Group's governance system and consolidated policy to the new company UnipolSai

...which is already giving results

<b>UnipolSai profit before tax</b>	<b>€1.2bn</b>
<b>UnipolSai Combined Ratio</b>	<b>93.3%</b> (104.8% at 2011 year-end)
<b>UnipolSai Solvency I</b>	<b>1.5x</b> (0.8x Fondiarria-Sai at 2011 year-end)
<b>Stock Exchange performance from 1 January 2013</b>	<b>+247%</b> Unipol Ord, <b>+255%</b> Unipol Pref <b>+164%</b> UnipolSai Ord <sup>a</sup> , <b>+207%</b> UnipolSai Sav A <sup>a</sup> , <b>+256%</b> UnipolSai Sav B <sup>a</sup>

<sup>a</sup> figures relating to Fondiarria-SAI up to 6 January 2014

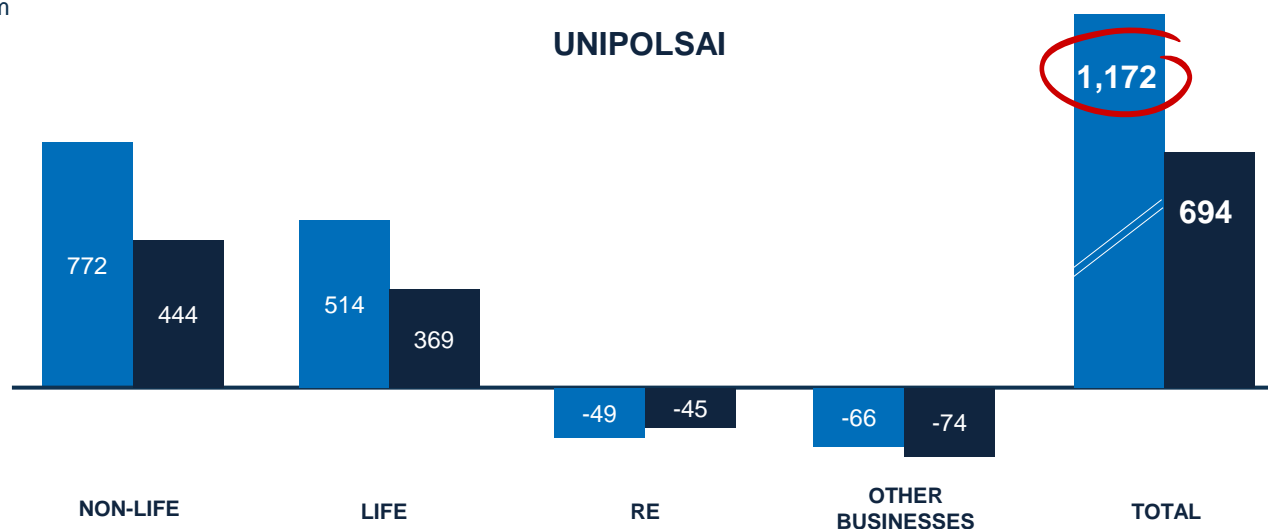
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## 2013 RESULTS BY BUSINESS SECTOR

€m

### UNIPOLSAI

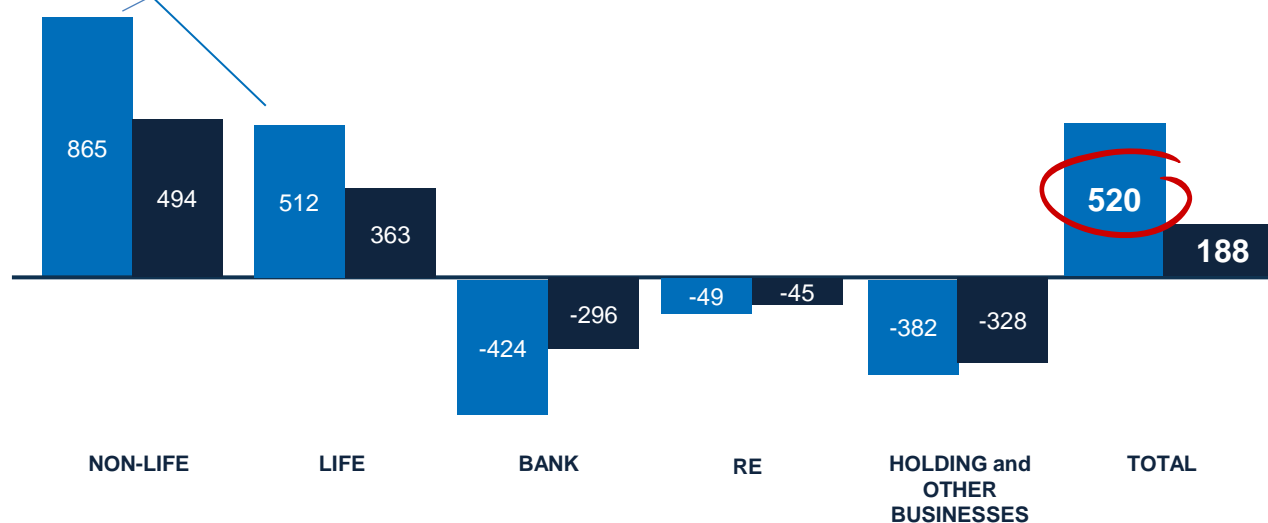


(figures in €m before tax)

✓ integration costs	-204
✓ IRES additional tax	-56
<b>Total</b>	<b>-256</b>

Insurance sector  
pre-tax 1,376

### UNIPOL GRUPPO FINANZIARIO



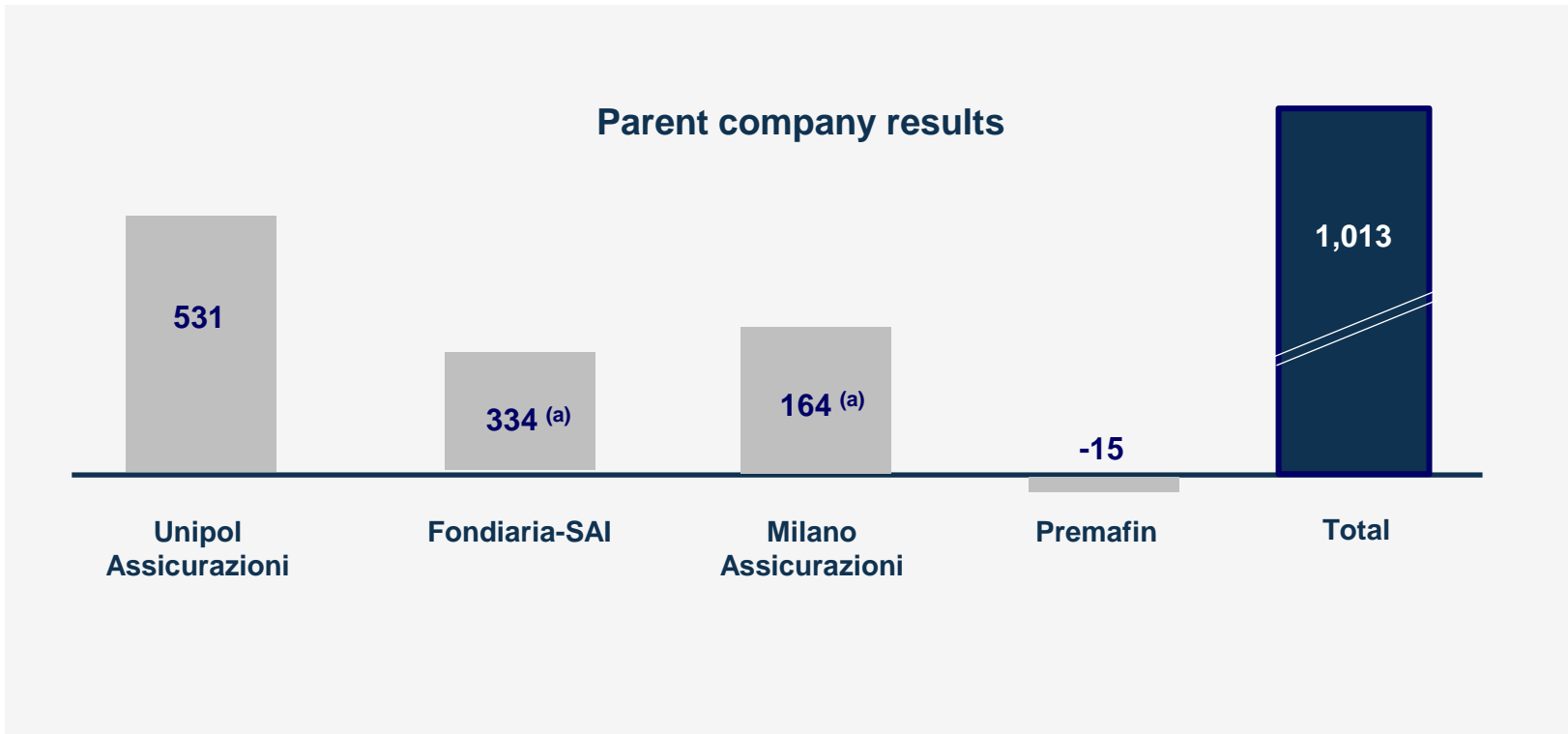
✓ UGF provisions on Unipol Banca loans	-200
✓ Unipol Banca: provisions on loans	-306
✓ Unipol Banca: goodwill cancellation and writedown of other financial assets	-176
✓ IRES additional tax	-73
<b>Total</b>	<b>-755</b>

■ pre-tax consolidated result

■ consolidated net result

# UNIPOLSAI: 2013 NET RESULTS OF THE COMPANIES INVOLVED IN THE MERGER

€m



(a) capital gain on Bank of Italy's stakes: €88m on Fondiaria-SAI and €44m on Milano Assicurazioni (after tax), pursuant to IVASS requirement

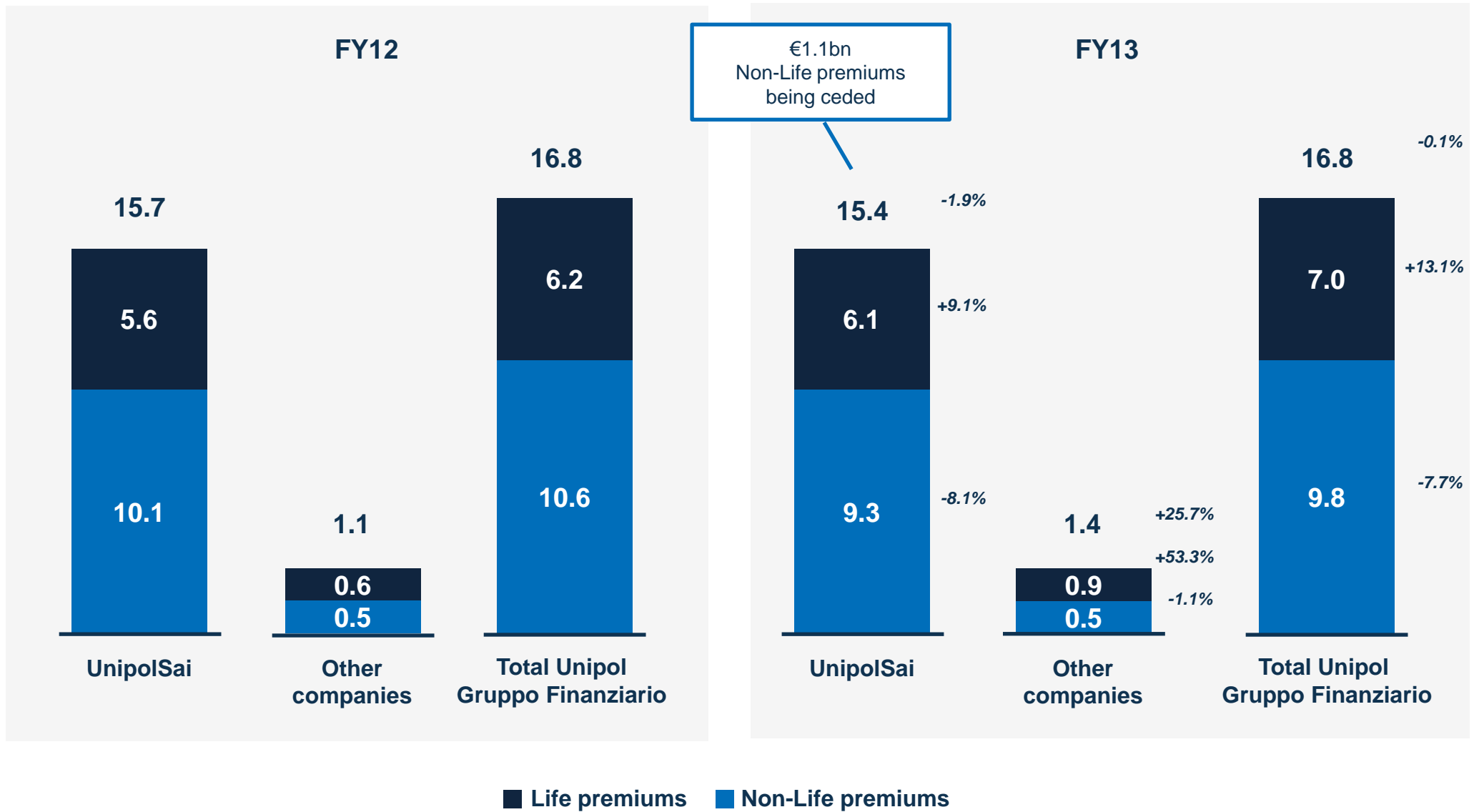


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# DIRECT INSURANCE INCOME

€bn

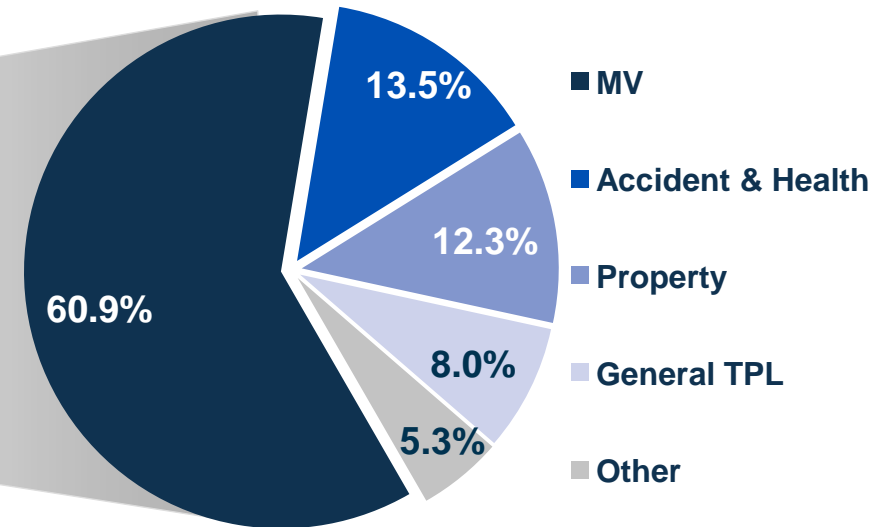
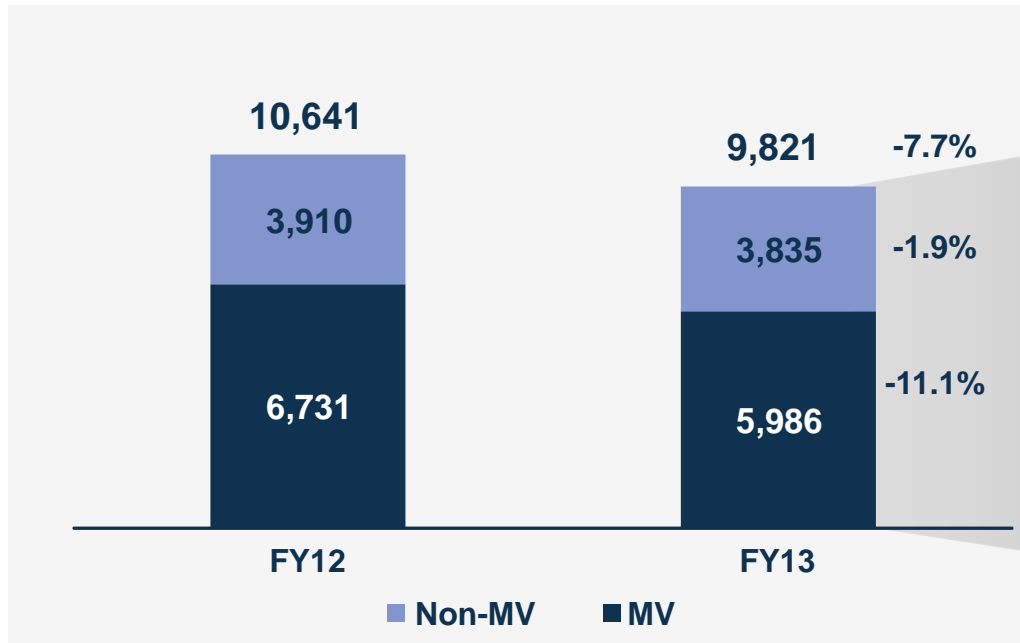


## Agenda

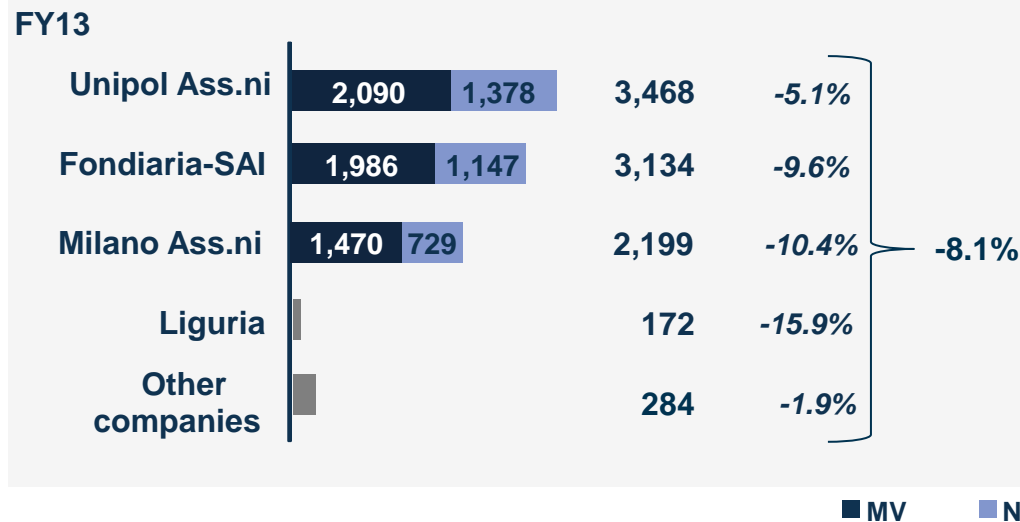
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# NON-LIFE DIRECT PREMIUM INCOME – UNIPOL GRUPPO FINANZIARIO

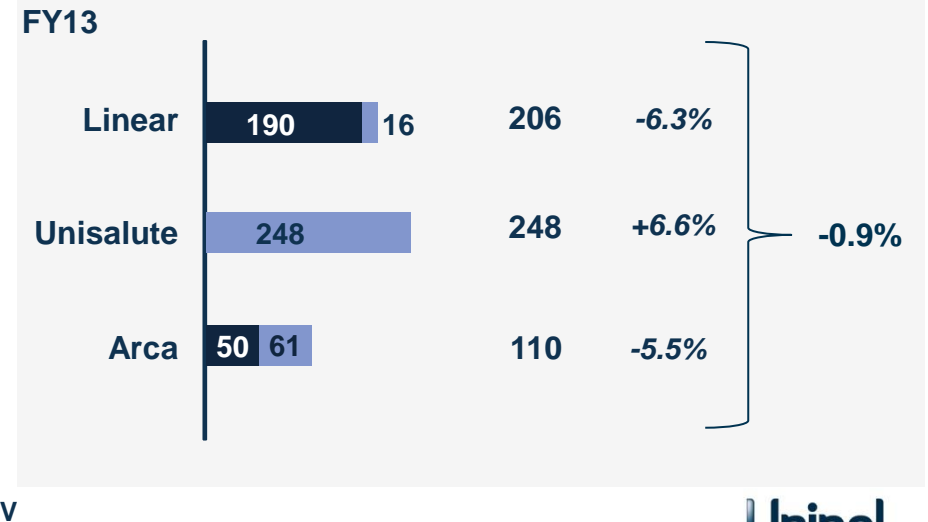
€m



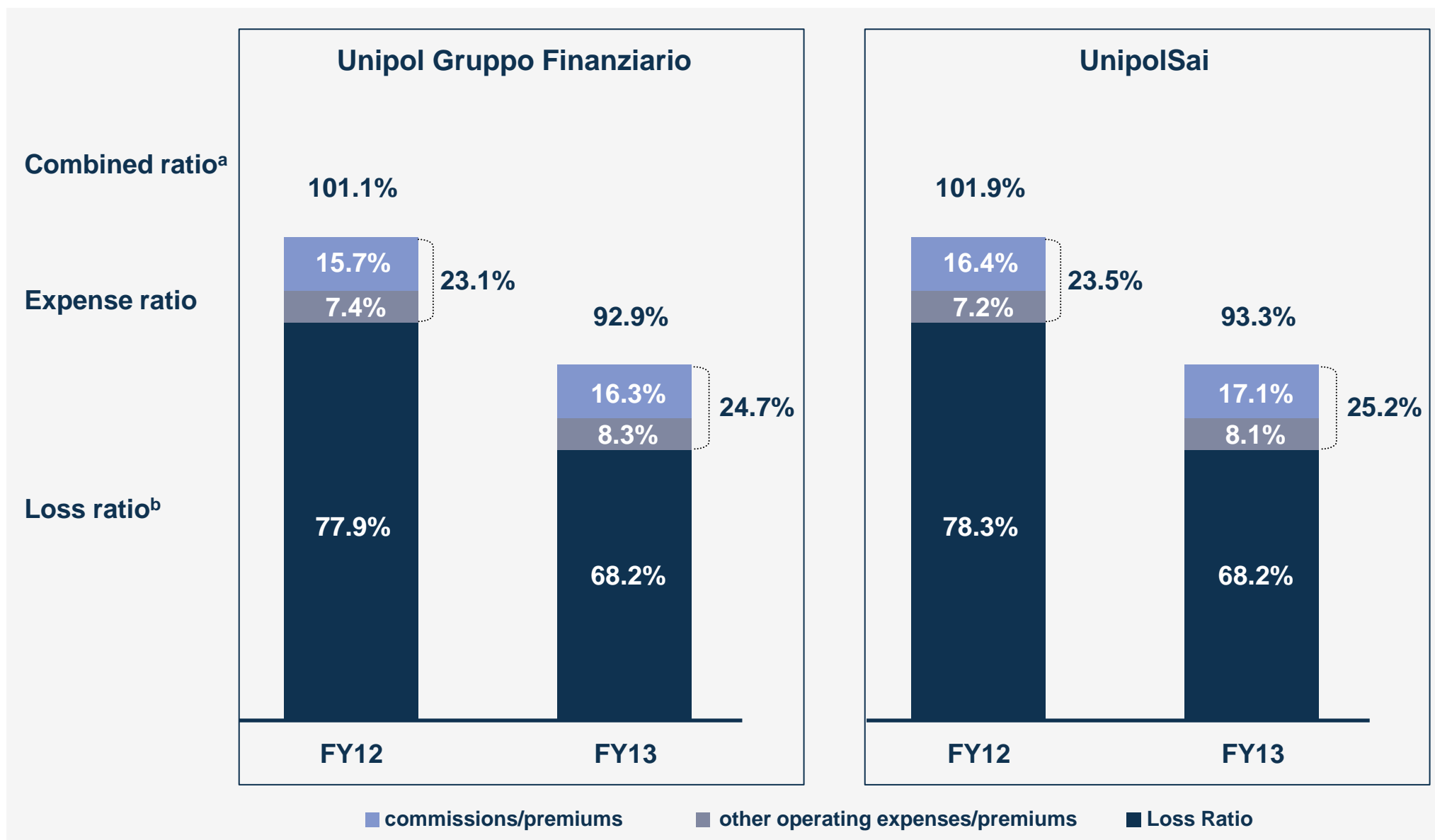
## UnipolSai



## Other companies Unipol Gruppo Finanziario



# NON-LIFE – COMBINED RATIO



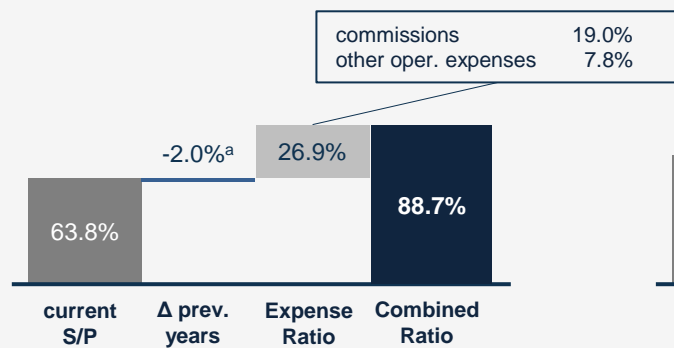
<sup>a</sup> direct business

<sup>b</sup> including OTI/premiums

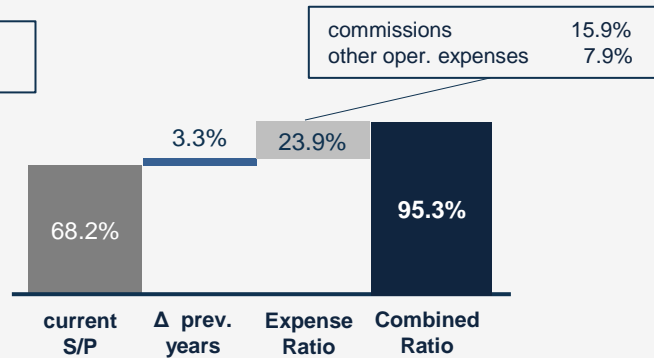
# NON-LIFE – MAIN COMPANIES' COMBINED RATIO

FY13

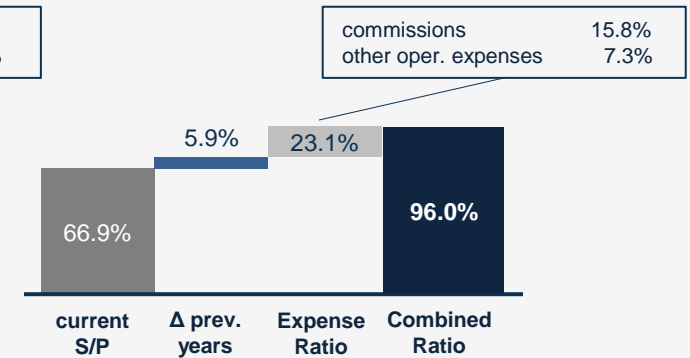
## Unipol Assicurazioni S.p.A.



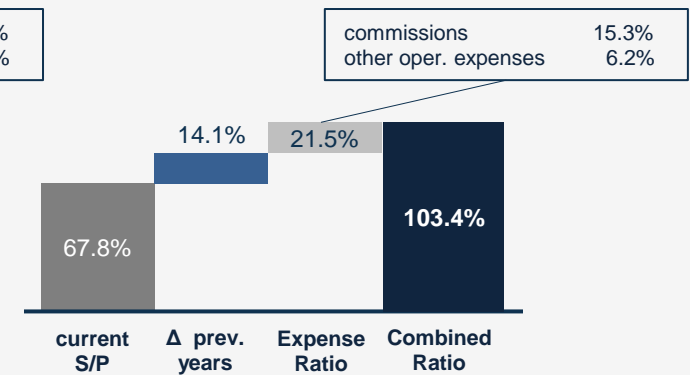
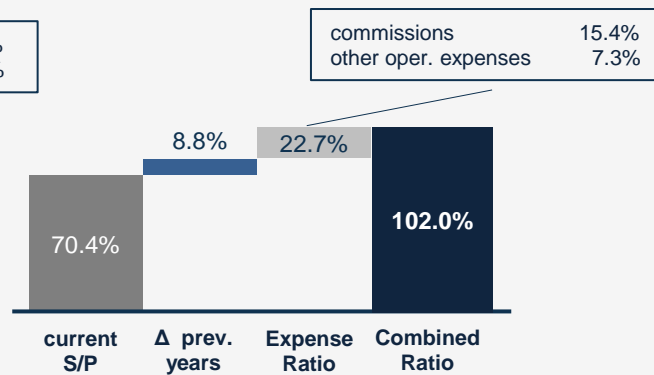
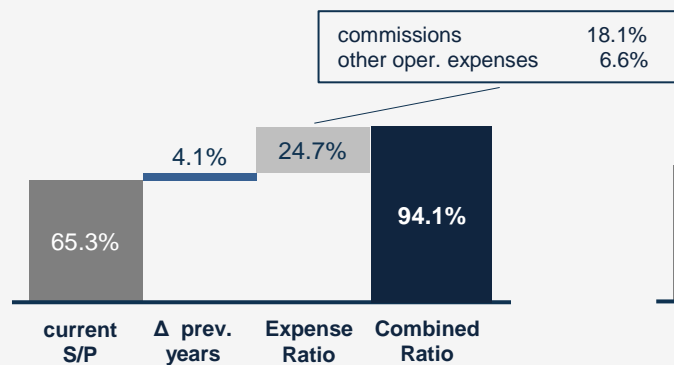
## Fondiarria-SAI S.p.A.



## Milano Assicurazioni S.p.A.



FY12



<sup>a</sup> relating to Non-MV classes

## NON-LIFE – 2013 MV TPL TECHNICAL INDICATORS

	Unipol Assicurazioni S.p.A.	Fondiaria-SAI S.p.A.	Milano Assicurazioni S.p.A.
	<i>var. vs FY12</i>	<i>var. vs FY12</i>	<i>var. vs FY12</i>
<b>Total portfolio</b> o/w: <b>Retail</b> <b>Fleets</b>	<b>-3.4%</b> <b>-2.9%</b> <b>-11.5%</b>	<b>-6.7%</b> <b>-6.5%</b> <b>-8.4%</b>	<b>-5.6%</b> <b>-5.7%</b> <b>-0.3%</b>
<b>Portfolio average premium</b>	<b>-4.6%</b>	<b>-5.9%</b>	<b>-5.9%</b>
<b>No. of claims reported</b> (followed up passive claims)	<b>-7.6%</b>	<b>-15.8%</b>	<b>-14.4%</b>
<b>Frequency</b>	<b>-0.2 p.p.</b>	<b>-0.5 p.p.</b>	<b>-0.6 p.p.</b>

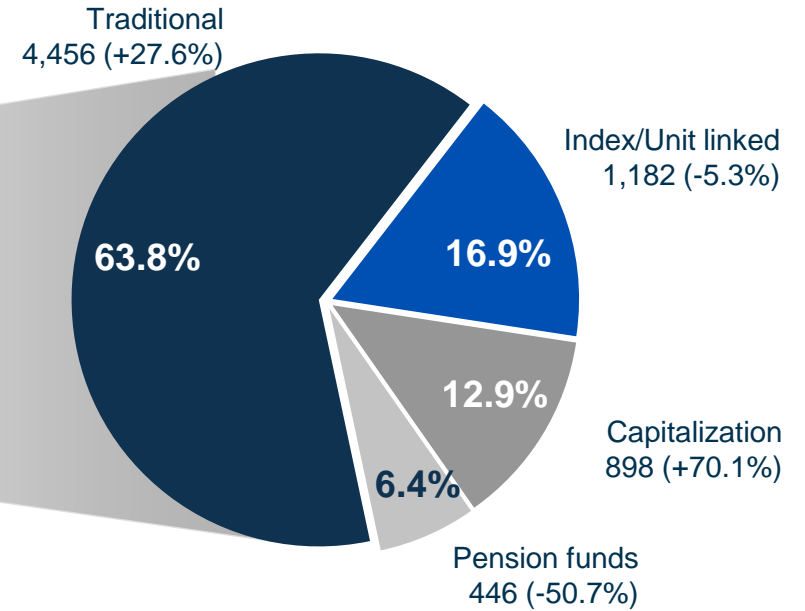
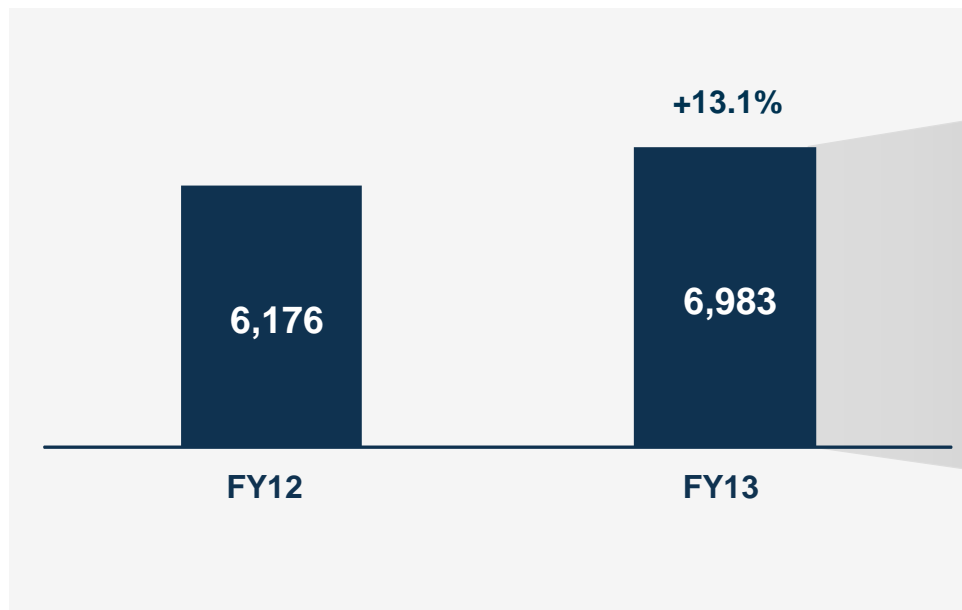
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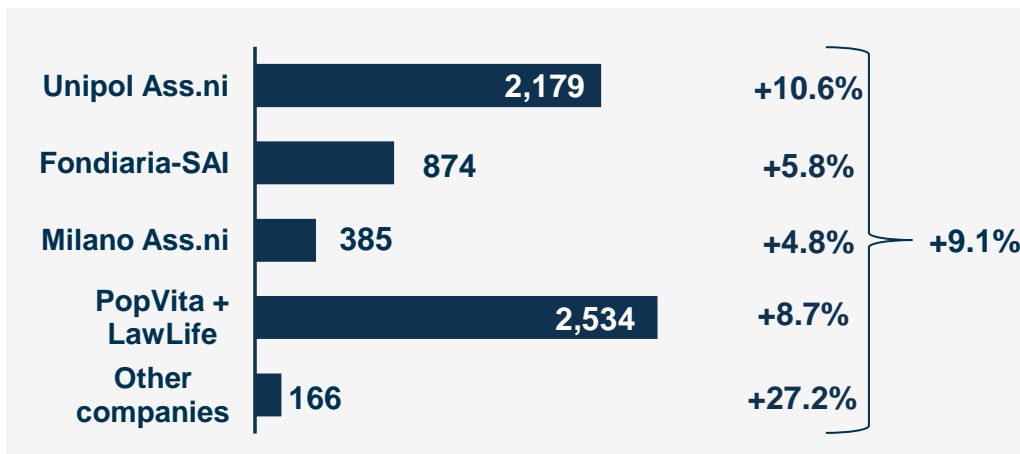


# LIFE DIRECT INCOME – UNIPOL GRUPPO FINANZIARIO

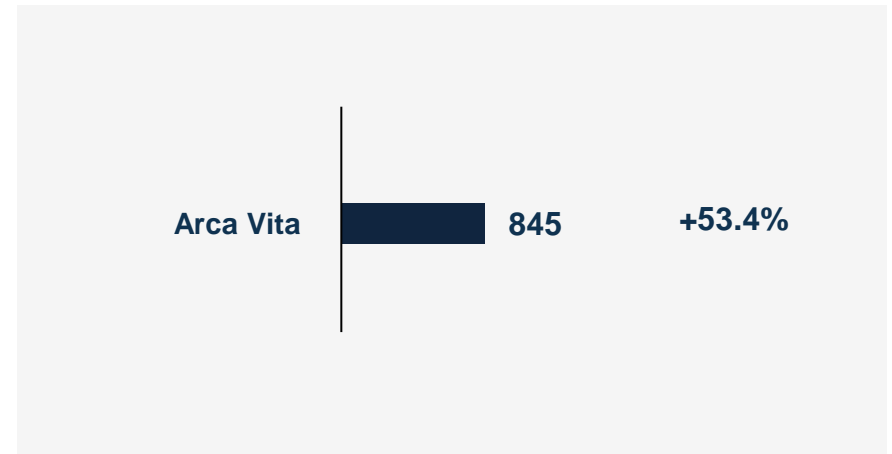
€m



## UnipolSai



## Other companies Unipol Gruppo Finanziario



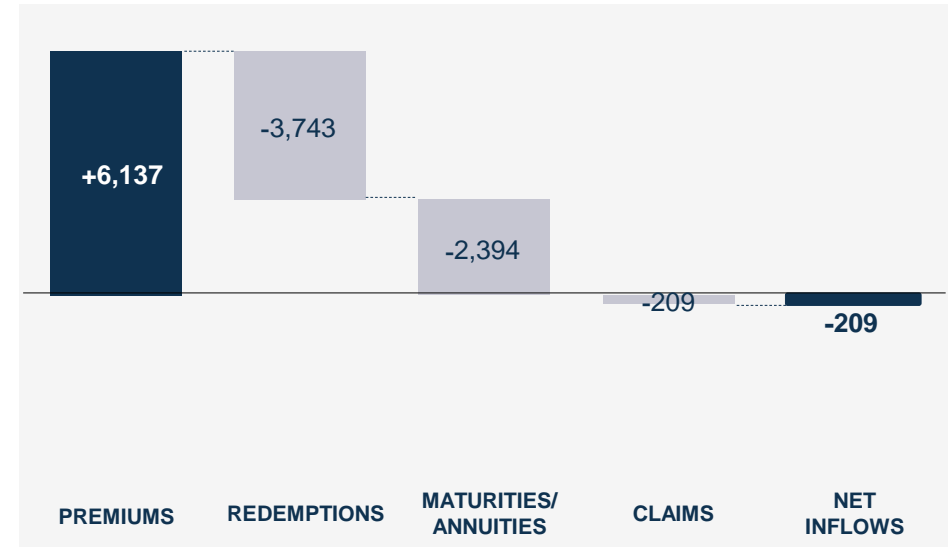
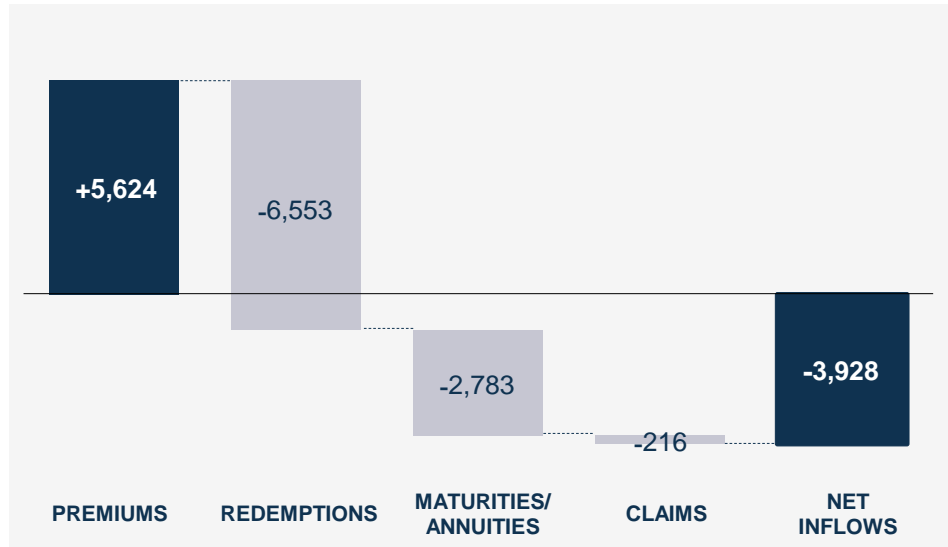
# LIFE – NET INFLOWS

€m

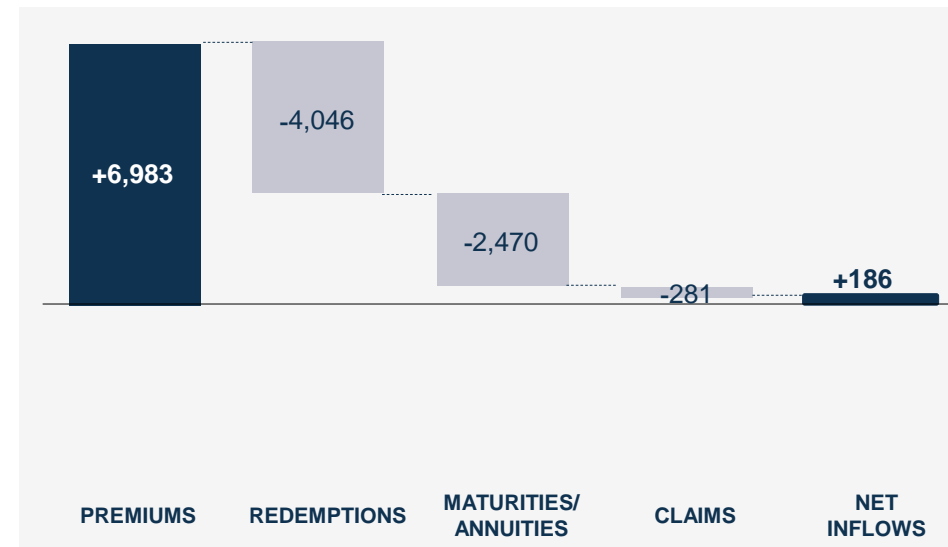
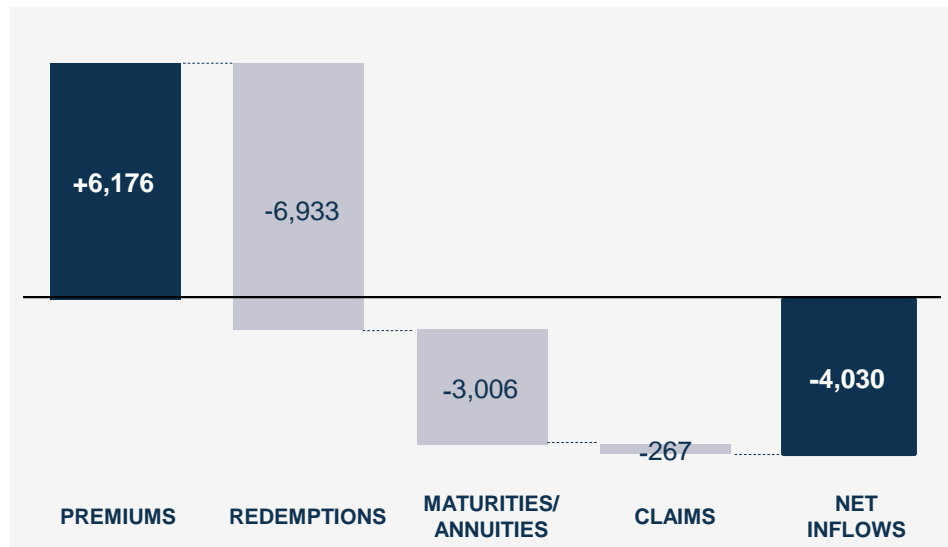
FY12

FY13

UnipolSai



Unipol Gruppo Finanziario



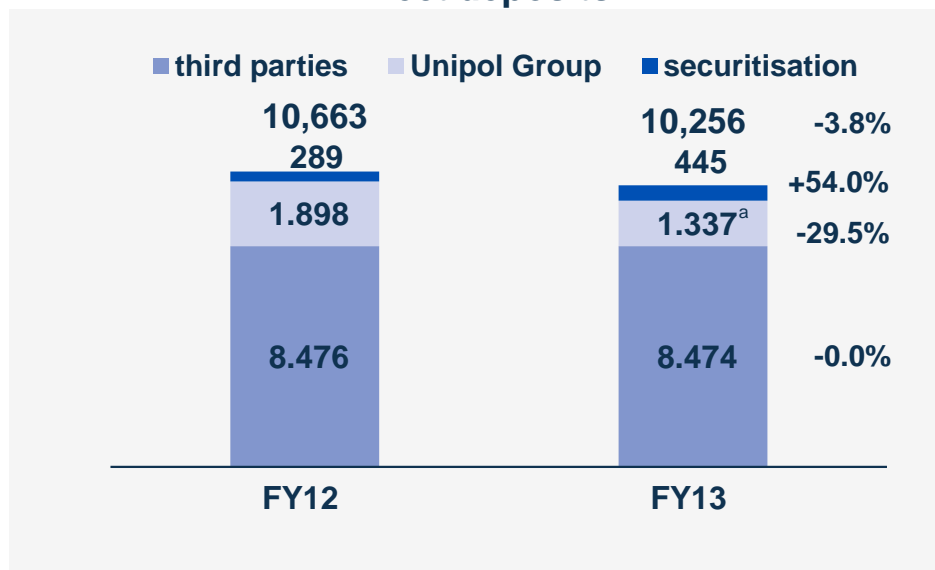
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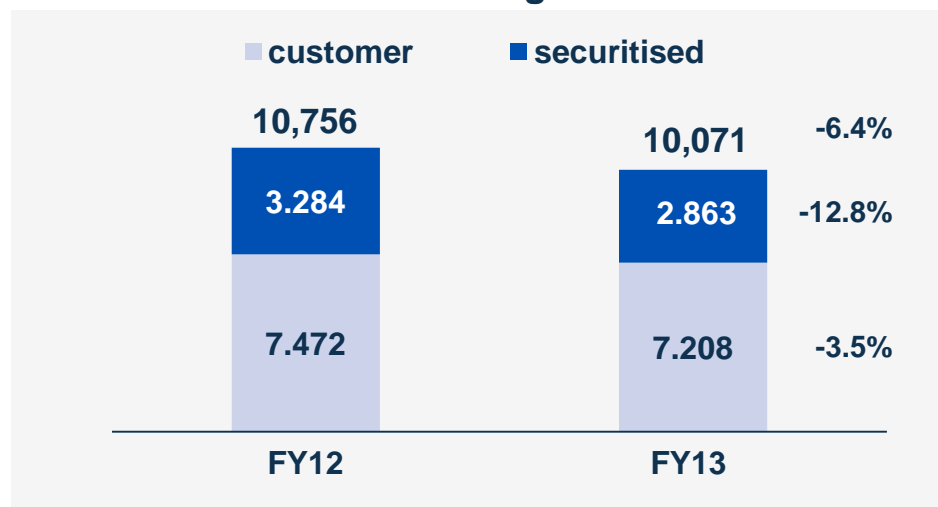
# BANKING SECTOR

€m

## Direct deposits



## Lending<sup>b</sup>



## Indicators

Unipol Group lending indicators	FY12	FY13	Δ
<b>Net impaired loans</b>	<b>2,016</b>	<b>2,119</b>	+104
<i>net impaired loans/loans</i>	18.7%	21.0%	+2.3 p.p.
<b>% bad loans coverage ratio</b>	39%	<b>50%</b>	+11 p.p.
<b>% impaired loans coverage ratio</b>	26%	37%	+11 p.p.
<b>% total loans coverage ratio</b>	7%	12%	+5 p.p.
<b>Capital indicators – banking sector</b>	<b>FY12</b>	<b>FY13</b>	
<b>Tier 1 ratio (= Core Tier 1 ratio)</b>	8.7%	7.7%	
<b>Total capital ratio</b>	14.3%	13.4%	
<b>Economic indicators – banking sector</b>	<b>FY12</b>	<b>FY13</b>	
<b>Gross operating income</b>	411	365	
<b>Net interest income</b>	248	251	
<b>Cost/Income ratio</b>	71.3%	79.1%	
<b>Net result</b>	-21	-296	
<b>✓ FY13 provisions on loans (522 bps)</b>			<b>526</b>
<b>✓ goodwill cancellation and writedown of other financial assets</b>			<b>176</b>

Aggregate management figures including Unipol Banca Group and Banca Sai Group

<sup>a</sup> net of the amount relating to Unipol Assicurazioni's capital increase

<sup>b</sup> net of provisions at UGF S.p.A. level

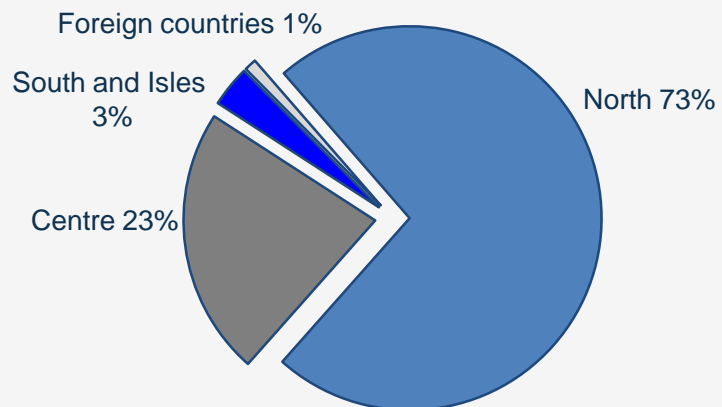
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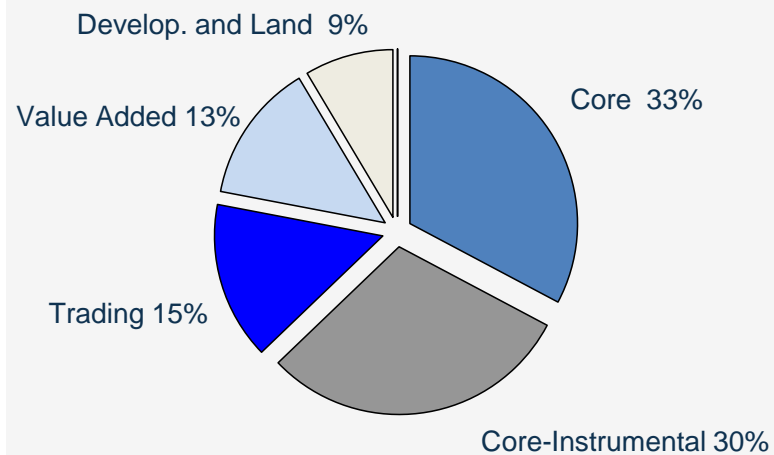
# REAL ESTATE – UNIPOL GRUPPO FINANZIARIO

Total portfolio €4.8bn

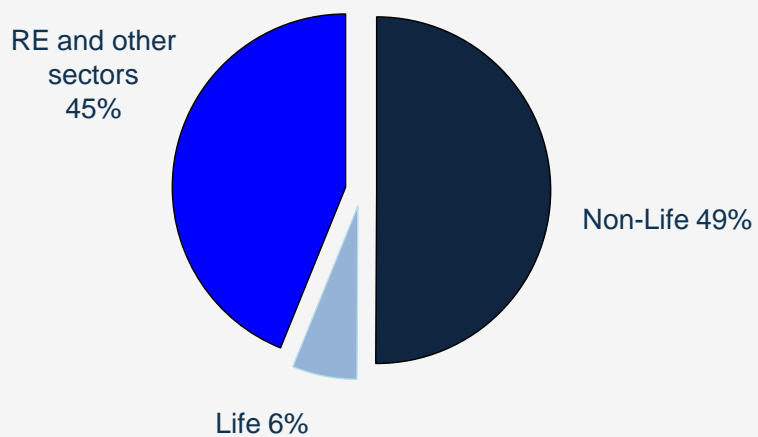
**Breakdown by geographic area**



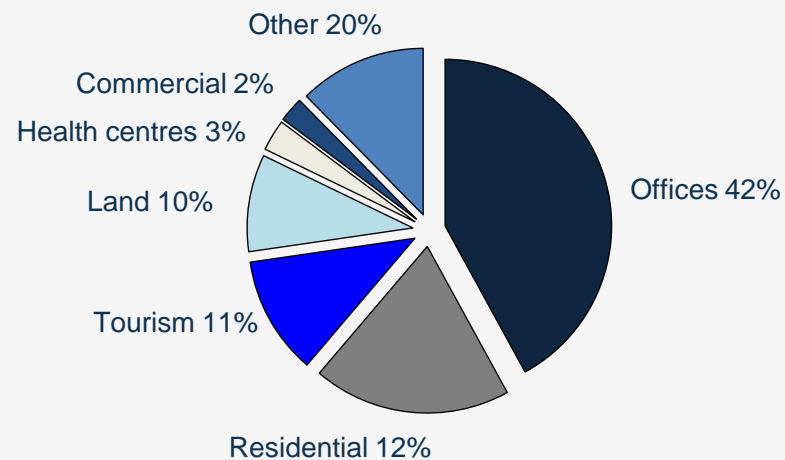
**Breakdown by cluster**



**Breakdown by sector**

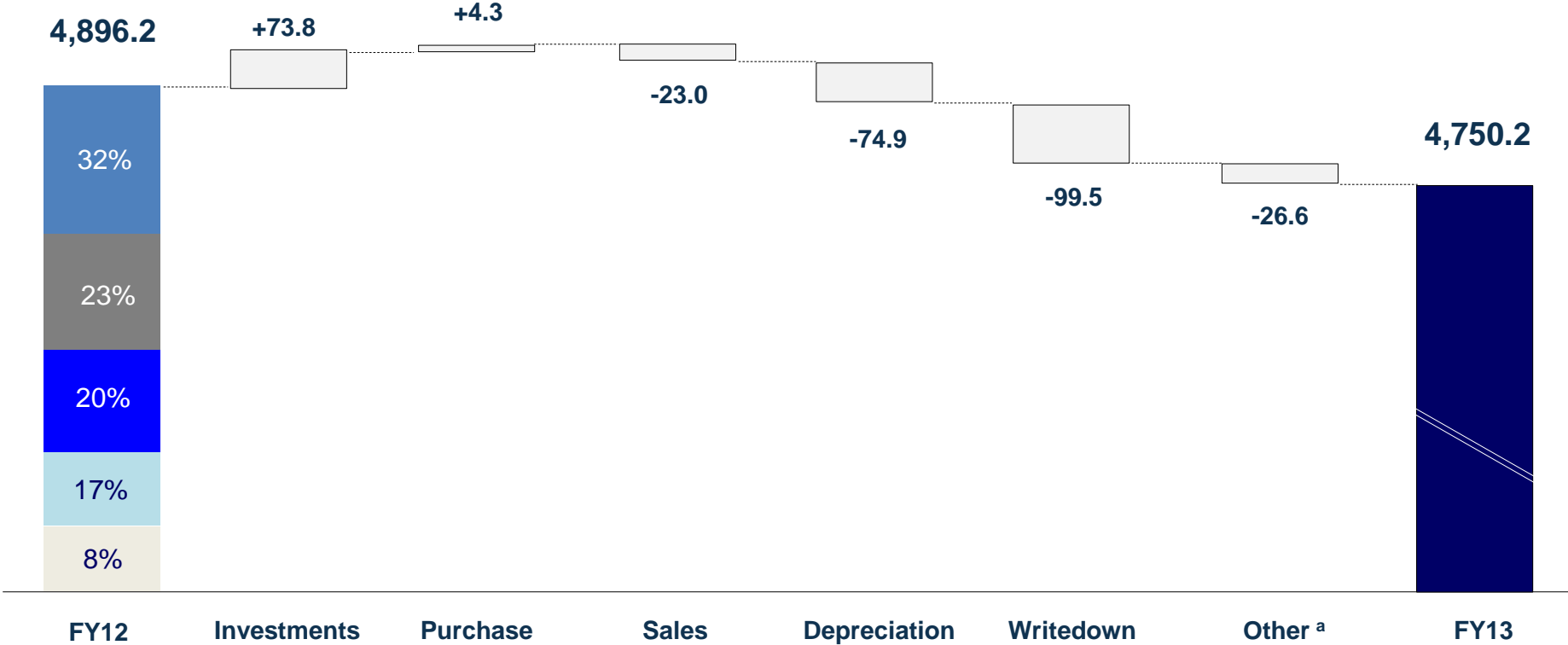


**Breakdown by type**



# REAL ESTATE EVOLUTION – UNIPOL GRUPPO FINANZIARIO

€m



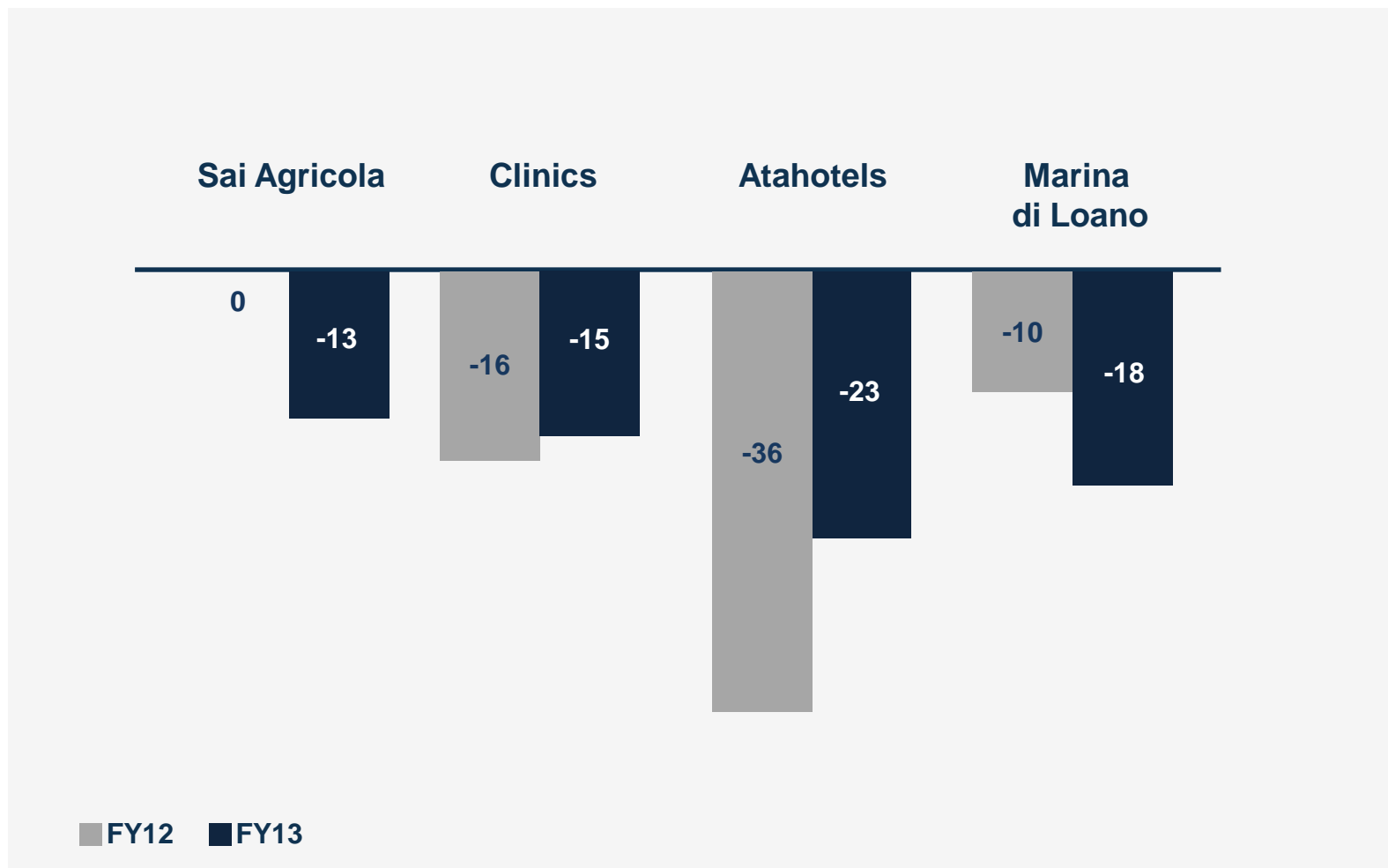
Core
  Trading
  Develop. and Land
  Core-Instrum.
  Value Added

Management figures

<sup>a</sup> The total amount includes exchange variation and movement in Associated RE Funds

## OTHER ACTIVITIES – MAIN COMPANIES' NET RESULTS

€m





## Agenda

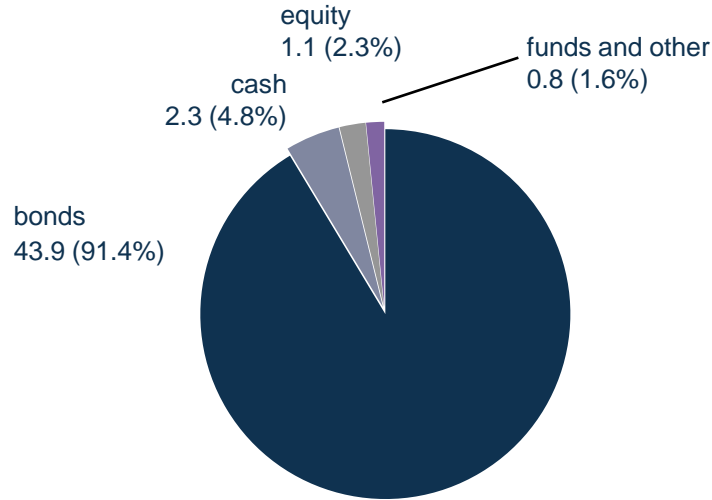
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# 2013 FINANCIAL INVESTMENTS

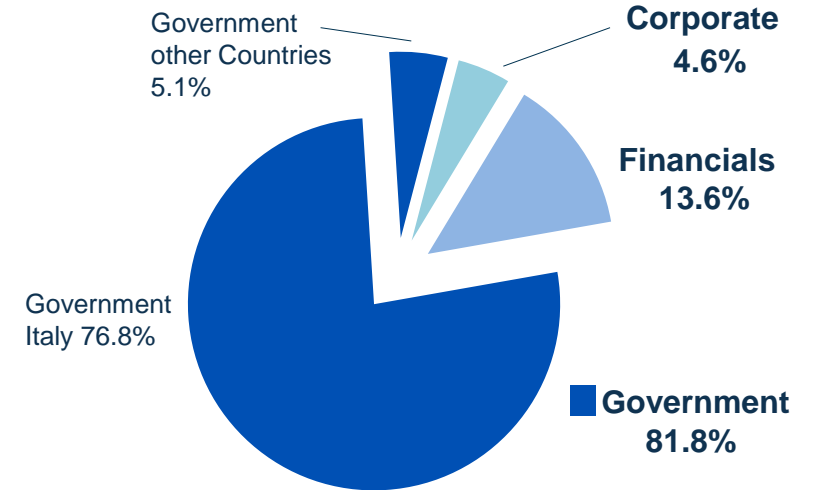
€bn

## Unipol Gruppo Finanziario

**Total investments €48.1bn - Breakdown by asset**

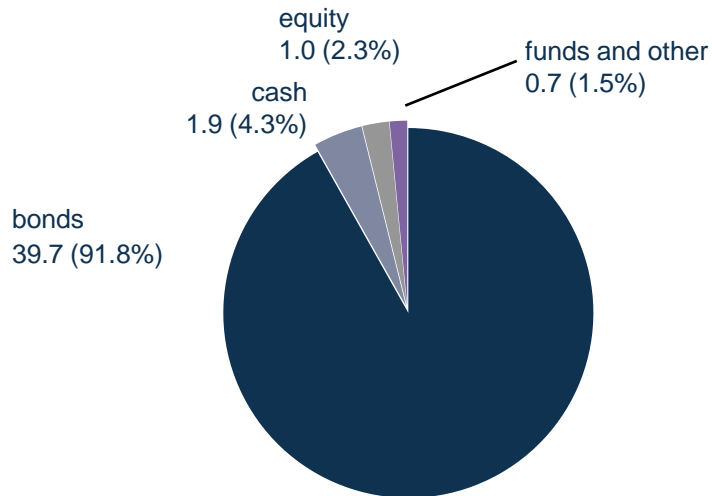


**Bond portfolio €43.9bn**

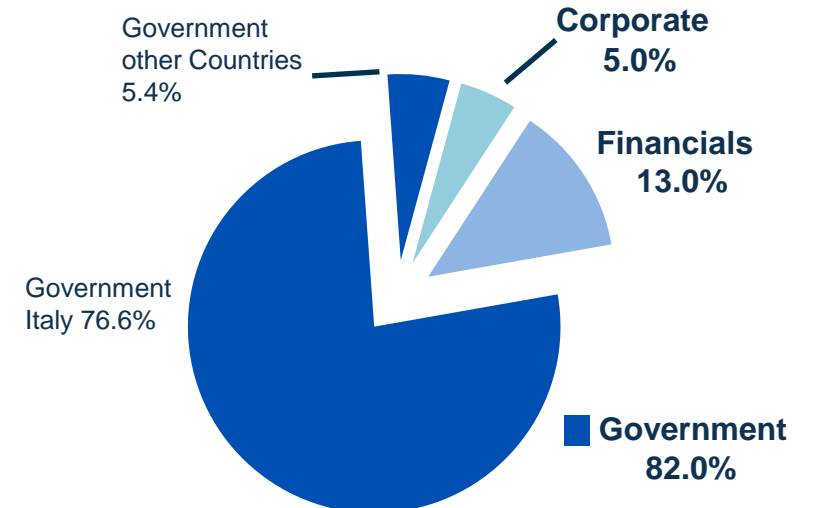


## UnipolSai

**Total investments €43.2bn - Breakdown by asset**

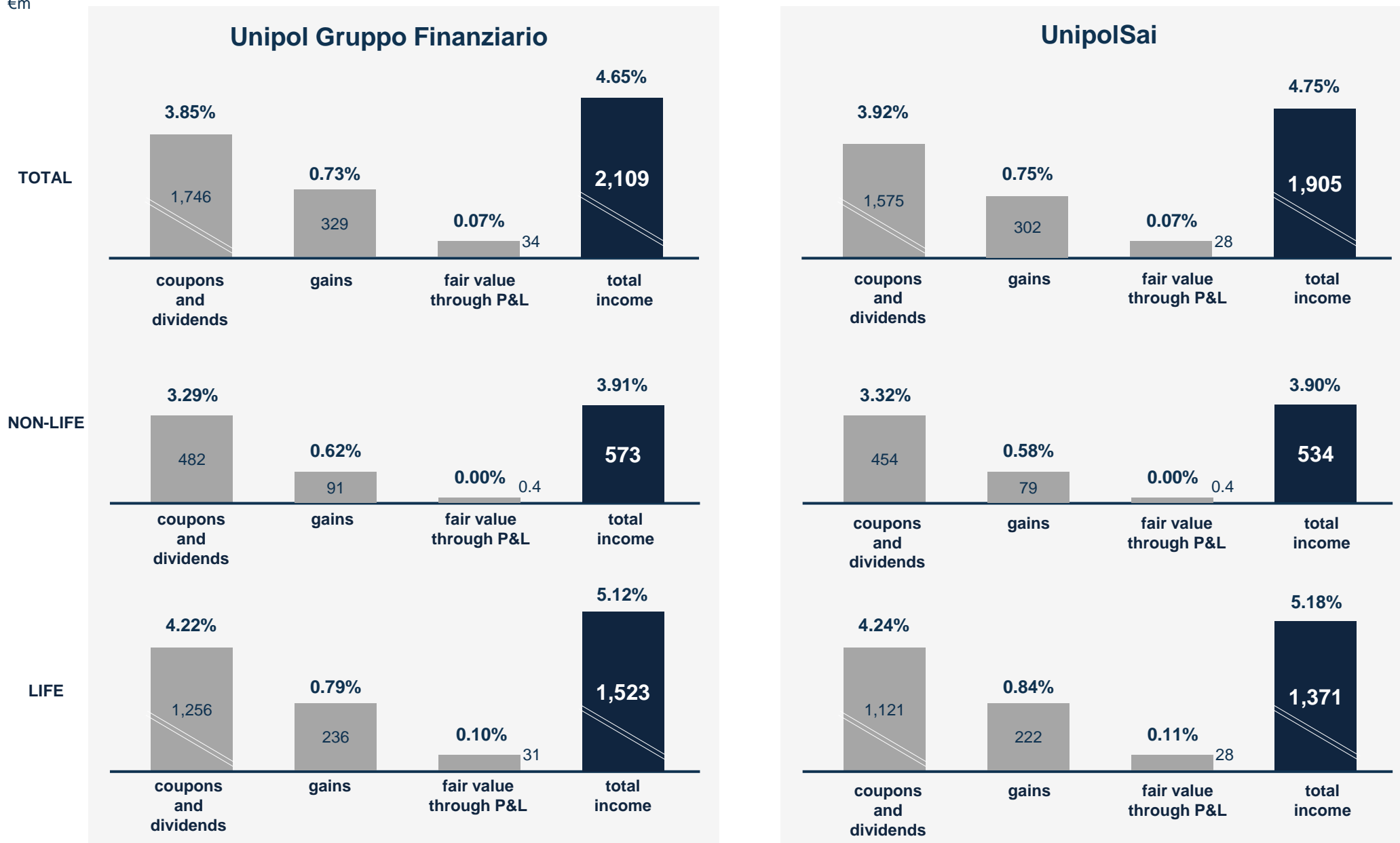


**Bond portfolio €39.7bn**



# 2013 INCOME FROM FINANCIAL INVESTMENTS

€m

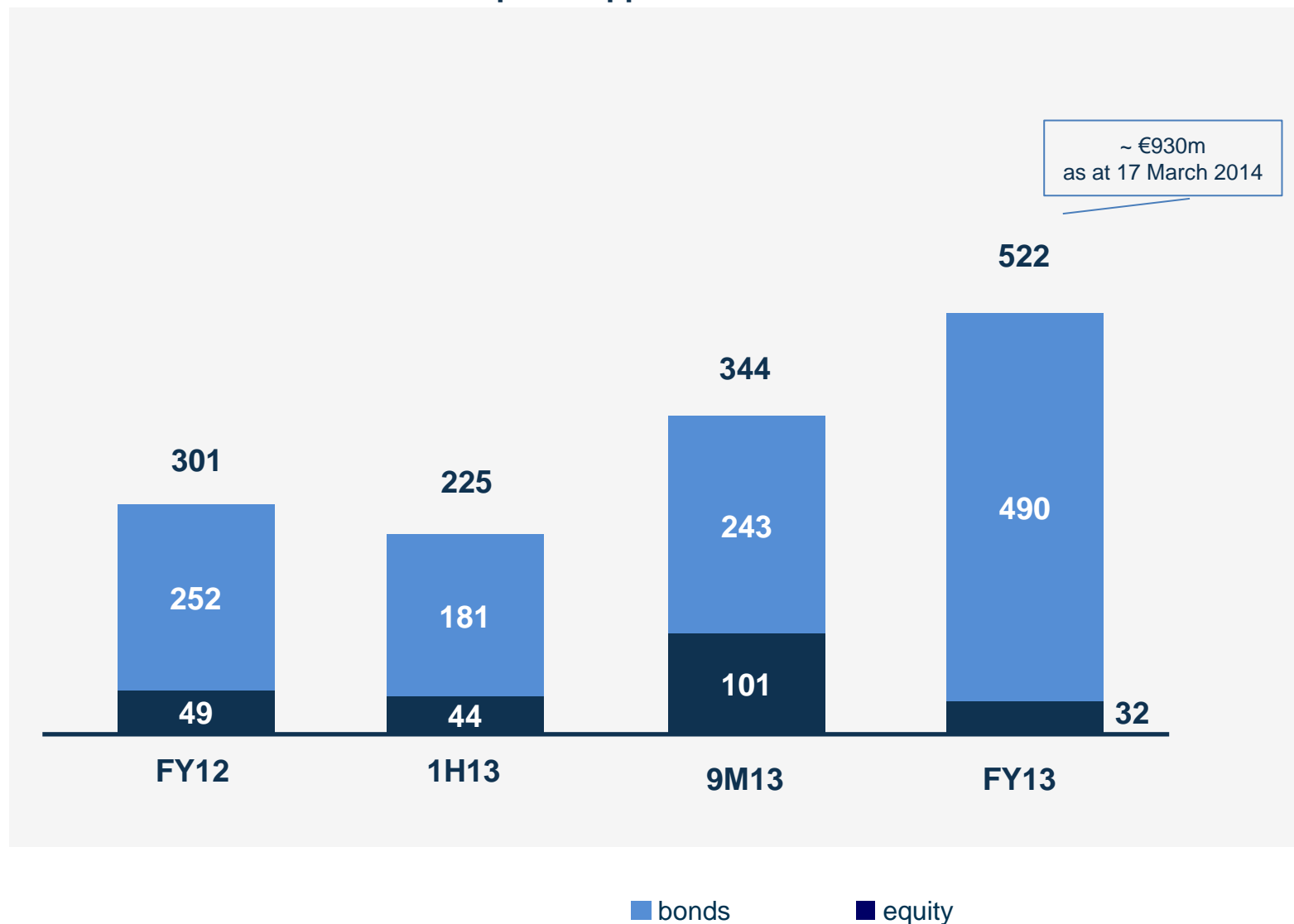


Income from insurance companies managed by Unipol Group, excluding Class D, DDOR and Lawrence Life. Management figures.

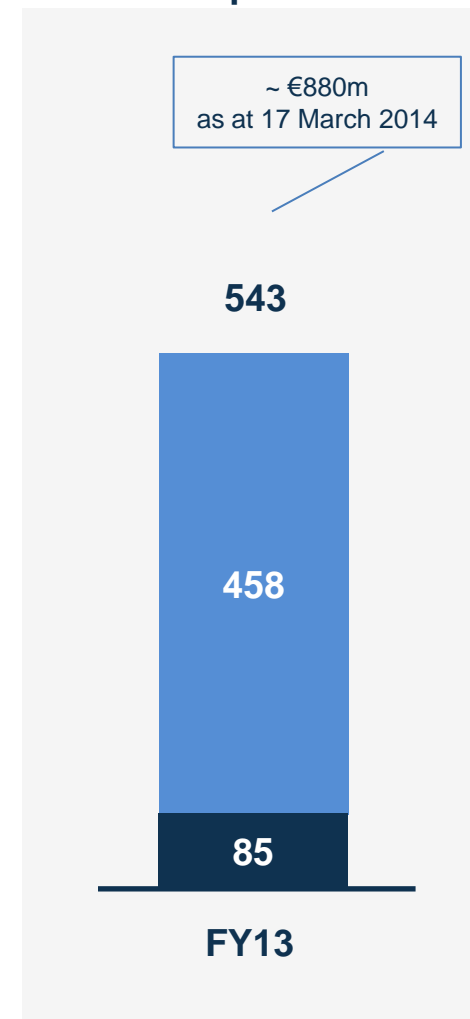
# AFS RESERVE

€m

## Unipol Gruppo Finanziario



## UnipolSai



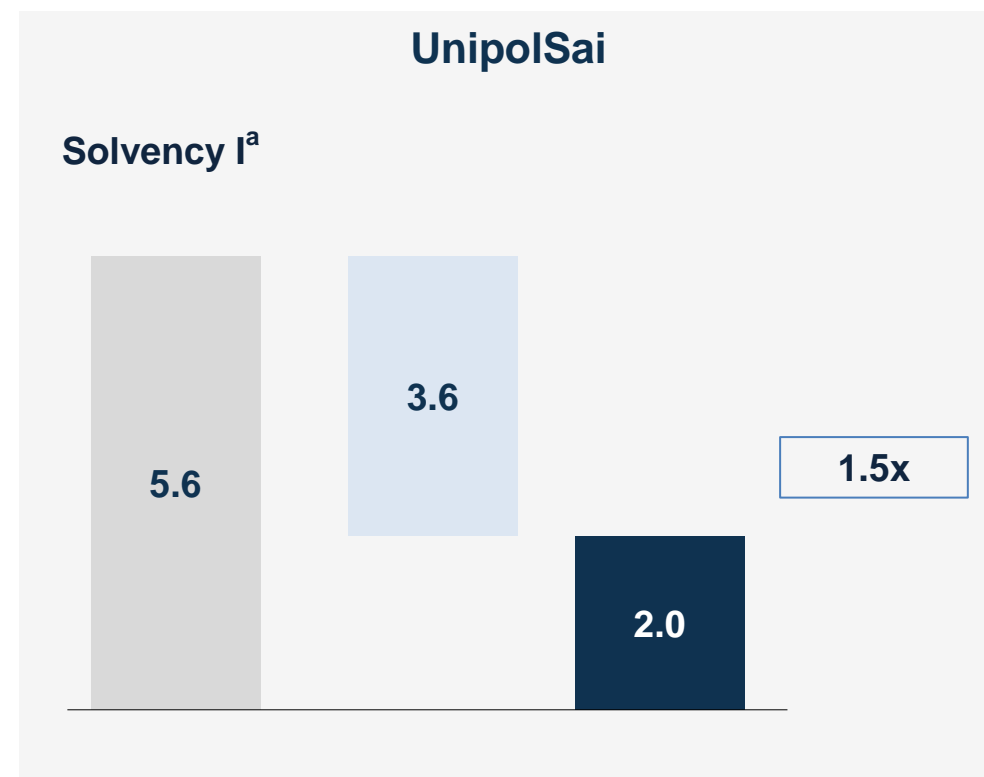
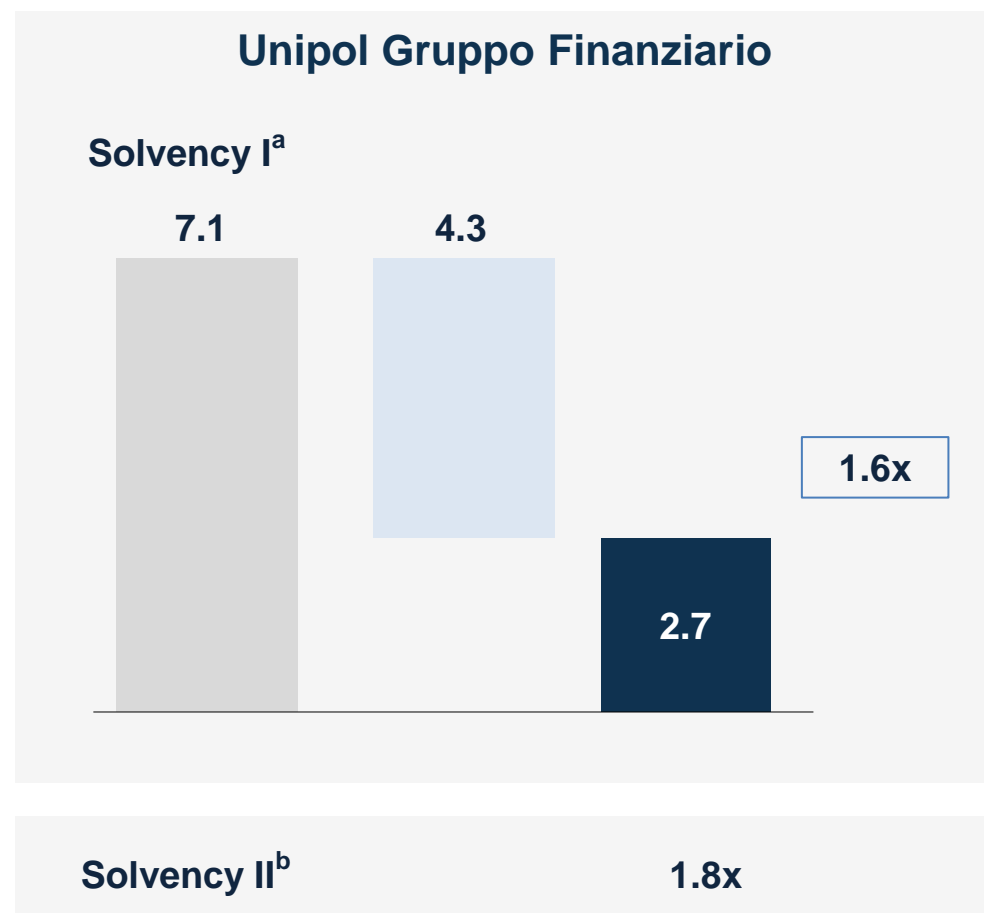
Total AFS reserve (Group+third parties). Break-up based on in-house estimate

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# 2013 SOLVENCY

€bn



available capital
  solvency requirements
  excess capital

<sup>a</sup> IVASS Regulation no.43 not applied

<sup>b</sup> Solvency ratio calculated using the internal model and partly the standard formula, according to the technical requirements of QIS5.

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# UGF S.p.A. – PROPOSED DIVIDENDS

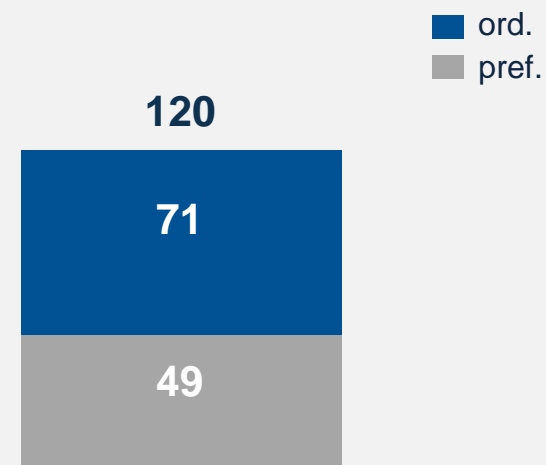
## Parent company profit and payout

€m

UGF S.p.A. profit	146
Proposed total dividends	120
Payout	82.3%

## Total dividends

€m



## Ordinary shares

No. of shares	443,993,991
Dividend per share (euro)	0.1615
Price per share (euro)	5.29
Dividend yield <sup>a</sup>	3.1%
2013 dividend yield <sup>b</sup>	5.7%

## Preference shares

No. of shares	273,479,517
Dividend per share (euro)	0.1815
Price per share (euro)	4.76
Dividend yield <sup>a</sup>	3.8%
2013 dividend yield <sup>b</sup>	7.5%

<sup>a</sup> calculated on the closing price as at 19 March 2014

<sup>b</sup> calculated on the 2013 average price



# UNIPOLSAI S.p.A. – PROPOSED DIVIDENDS

## Parent company profit and payout

€m

<b>Parent company profits</b> Fondiarria-Sai + Milano Assicurazioni + Unipol Assicurazioni	<b>1,028</b>
<b>Proposed total dividends</b>	<b>550</b>
<b>Payout</b>	<b>53.5%</b>

## Ordinary shares

<b>No. of shares entitled to dividend distribution</b>	<b>2,250,181,132</b>
<b>Dividend per share</b>	<b>0.19559</b>
<b>Price per share</b>	<b>2.49</b>
<b>Dividend yield<sup>a</sup></b>	<b>7.9%</b>
<b>2013 dividend yield<sup>b</sup></b>	<b>12.5%</b>

## Savings A shares

<b>No. of shares</b>	<b>1,276,836</b>
<b>Dividend per share<sup>c</sup></b>	<b>19.64133</b>
<b>Price per share</b>	<b>240.0</b>
<b>Dividend yield<sup>a</sup></b>	<b>8.2%</b>
<b>2013 dividend yield<sup>b</sup></b>	<b>16.3%</b>

## Savings B shares

<b>No. of shares</b>	<b>377,193,155</b>
<b>Dividend per share<sup>c</sup></b>	<b>0.22497</b>
<b>Price per share</b>	<b>2.42</b>
<b>Dividend yield<sup>a</sup></b>	<b>9.3%</b>
<b>2013 Dividend yield<sup>b</sup></b>	<b>17.6%</b>

<sup>a</sup> calculated on the closing price as at 19 March 2014

<sup>b</sup> calculated on the 2013 average price

<sup>c</sup> including the amount accrued pursuant to Art. 27 of the Company's By-Laws (€13 for the Sav. A shares for the 2011 and 2012 FY and €0.03673 for the Sav. B shares for the 2012 FY only)

## DISCLAIMER

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Maurizio Castellina, Senior Executive responsible for drawing up the corporate accounts of Unipol Gruppo Finanziario S.p.A. and UnipolSai Assicurazioni S.p.A., the Company resulting from the merger into Fondiaria-SAI S.p.A. of Milano Assicurazioni S.p.A. and Premafin HP S.p.A., as well as of Unipol 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 presentation correspond to the figures in the documents, books and accounting records.

## INVESTOR RELATIONS CONTACTS

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