

Unipol and UnipolSai

1Q24 Consolidated Results

10 May 2024

Slide Commentary

Please refer to the presentation document for further details

RESULTS BY SECTOR – slide 5

In the first quarter 2024 it was not possible to calculate the contribution of BPER and BPSO to Unipol accounting economic results because of the short time available. A three-months' time lag in the incorporation of the banks' results is also expected at 1H24 and at 9M24, while a realignment is expected to be carried out at 2024YE.

To facilitate the comparisons, this presentation shows 1Q24 and 1Q23 results as both including and excluding the banking contribution (worth highlighting is that in 2023 BPSO was consolidated starting from the fourth quarter only).

At 1Q24 Unipol consolidated pre-tax result, excluding the contribution of the aforesaid banking stakes, was 361€m, of which 298€m pertaining to Non-Life sector, 66€m to Life and -3€m to the Other sector. The net result amounted to 242€m (226€m in 1Q23 under the same basis of consolidation), that was 195€m net of minorities (176€m in 1Q23).

Including the consolidated banking stakes, the estimated net result would have been 363€m, or 308€m after minorities. The corresponding consolidated net profit reported at 1Q23 was 284€m (230€m net of minorities).

At UnipolSai the 1Q24 consolidated net result was 235€m, or 227€m after minority interests. The consolidated net result of the same period last year was 231€m, or 218€m net of minority interests.

NON-LIFE PREMIUM COLLECTION – slide 6

Non-Life premium collection reached 2,280€m, growing by 8.7% y-o-y under the same basis of consolidation. The increase was driven by Motor (+11.2%), although Non-Motor showed an excellent trend as well (+6.6%, Unisalute up by 23.1%). All Ecosystems contributed to this growth.

The mix between Motor and Non-Motor continued to be in favour of the latter.

With respect to distribution, as usual the majority of contracts (70%) were intermediated by the network of agents.

No relevant changes were recorded in the breakdown by market segment, with the focus remaining on retail and SMEs, very close to 75%.

COMBINED RATIO – slide 7

The total combined ratio was 91.1%, resulting from 99.6% in Motor and 83.3% in Non-Motor. Loss ratio (64.5% vs 68.4%) benefited *inter alia* from the excellent top line trend and the lower impact of natural catastrophes and other large losses.

The expense ratio was 26.6%, that is 30.2% in Non-Motor and 22.6% in Motor.

Combined ratio in the first three months of the last year was, under the same basis of consolidation, 94.8%, 102.2% in Motor and 87.7% in Non-Motor.

LIFE PREMIUM COLLECTION – slide 8

Life premium collection increased by 11.1% y-o-y, reaching 1,920€m thanks to the excellent trend in traditional policies (+72.7%) sold mainly via banking branches, while pension funds contribution (344€m) lowered to a more normal level after the one-offs recorded in the same quarter 2023; linked products totalled 116€m. Collection at UnipolSai was 47% of the total, and that of Arca Vita jumped to 53%.

Net inflows were positive in both traditional/capitalization products (+496€m) and other lines (+152€m).

LIFE YIELDS – slide 9

Life segregated funds yields increased by 2 bps compared to FY23, reaching 3.14%, while the average minimum guarantee decreased to 81 bps.

The average yield retained by the Group remained at 98 bps and the average yield to policyholders was up by 2 bps.

As for the breakdown of technical reserves by minimum guarantee, 53% of them are related to the 0% cluster.

LIFE CSM – slide 10

At 1 January 2024 the opening CSM was 2,295€m; the roll-forward to 31 March showed a growth to 2,414€m given by new business (+113€m), expected return (+26€m), economic variances (+35€), operating variances (+5€m) and CSM release (-59€m).

INVESTMENTS – slide 11

Total investments amounted to 56.8€bn, with Bonds at 77.6%, of which Italian Govies stood at 30.1%, Non-Italian Govies at 18.3% and Corporate Bonds at 29.3%. Equity, funds and alternative investments accounted for 8.7% of the total investments. The duration of assets was 4.6 years and that of liabilities 5.8, with a small -0.3 mismatch.

FINANCIAL INVESTMENT YIELDS – slide 12

Moving on to financial yields, the overall return was 4.0%, of which 5.8% in Non-Life, 5.7% in Life free capital and 3.1% in Life segregated accounts. The strong result in the Non-Life financial income was mainly driven by the running yield, made up of coupons and dividends, that stood at 3.9%.

REAL ESTATE – slide 13

In Real Estate the book value of the total portfolio reached 4,201€m, with market value totaling 4,921€m. 36% of the portfolio is now allocated to the Life accounting sector, 27% to Non-Life and 37% to the Other sector. Worth mentioning is the evident growth of total gross yield of the Investment Portfolio from 3.8% at 1Q23 to 5.0%.

SOLVENCY 2 – slide 14

Solvency remained at outstanding levels, being 217% for Unipol consolidated, 322% for UnipolSai consolidated and 307% for UnipolSai *solo*.