



## UNIPOLSAI GROUP: CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2018 APPROVED

- Consolidated net profit of €862m (€430m in the first nine months of 2017) including the capital gain from the sale of Popolare Vita (€309m)
- Individual solvency ratio of 248%<sup>1</sup>
- Consolidated solvency ratio based on economic capital of 201%<sup>2</sup>
- Direct insurance income, on a comparable basis<sup>3</sup>, of €8.6bn (+5.1%)
  - ✓ Non-Life business: €5.6bn, in line with the first nine months of 2017
  - ✓ Life business: €3.1bn (+16.6%)
- Direct business combined ratio of 94.7% compared to the figure of 97.9% recorded at 30 September 2017
- Profitability of financial investments 4.1%

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<sup>1</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.

<sup>2</sup> Economic capital is the measure of absorbed capital calculated on the basis of the principles and models applied in the Partial Internal Model and having operational value.

<sup>3</sup> For the entire duration of both periods being compared, the figures provided on a comparable basis were calculated on the basis of the consolidation scope as at 30 September 2018. With respect to the corresponding final figures, the amounts contributed by Popolare Vita and The Lawrence Life were therefore not included, and, where they had not already been included for the entire duration of the periods being compared, the amounts relating to the companies UniSalute, Linear and Ambra Property, acquired by UnipolSai in the second half of 2017, and the Arca Group, acquired by UnipolSai in the third quarter of 2018, were included.

Bologna, 9 November 2018

The Board of Directors of UnipolSai Assicurazioni S.p.A., which met yesterday under the chairmanship of Carlo Cimbri, approved the consolidated results as at 30 September 2018.

## Summary of the most significant Group figures

	<i>Amounts in €m</i>	<b>30/9/2018</b>	<b>30/9/2017</b>	<i>% Change</i>
<b>Direct insurance income</b>		<b>8,109</b>	<b>7,783</b>	4.2
Non-Life direct insurance income		5,516	5,109	8.0
Life direct insurance income		2,594	2,674	(3.0)
<b>Combined ratio Non-Life - direct business</b>		<b>94.7%</b>	<b>97.9%</b>	
<b>Combined ratio Non-Life - net of reinsurance</b>		<b>93.7%</b>	<b>97.3%</b>	
<b>Consolidated net profit</b>		<b>862</b>	<b>430</b>	100.8
	<i>Amounts in €m</i>	<b>30/9/2018</b>	<b>31/12/2017</b>	<i>% Change</i>
<b>Investments and cash and cash equivalents</b>		<b>60,277</b>	<b>51,971</b>	16.0
<b>Shareholders' equity attributable to the Group</b>		<b>5,505</b>	<b>5,869</b>	(6.2)
<b>Individual solvency ratio - Partial Internal Model</b>		<b>248%</b>	<b>263%</b>	

UnipolSai ended the first nine months of 2018 with a **consolidated net profit** of €862m, including the capital gain of €309m generated from the sale of UnipolSai's investment in Popolare Vita S.p.A.

The consolidated results as at 30 September 2017 amounted to €430m, reflecting the financial effects of implementing the banking business restructuring plan for €105m.

If the consolidated results are recalculated on a comparable basis<sup>3</sup>, the consolidated results amounted to €568m as at 30 September 2018 compared to €567m as at 30 September 2017 due to the technical improvement in the Non-Life business.

As at 30 September 2018, **direct insurance income**, including reinsurance ceded, stood at €8,109m, showing a change of +4.2% (€7,783m collected as at 30 September 2017). If the financial performance is recalculated on a comparable basis<sup>3</sup>, equivalent to the entire insurance business of the Group, the income amounted to €8,636m, up by +5.1%.

## Non-Life Business

The direct premium income in the **Non-life business** as at 30 September 2018 amounted to €5,516m (€5,109m as at 30 September 2017, +8%; -0.2% on a comparable basis<sup>3</sup>). The **MV** business stood at €3,046m (+3.9%; -0.2% on a comparable basis<sup>3</sup>). Premiums amounted to €2,470m in the **Non-MV** business (+13.4%; -0.3% on a comparable basis<sup>3</sup>).

The improved performance of the MV TPL business stabilised with respect to the Non-Life claims thanks to positive claim frequency trends and the relative average cost. The Non-MV business also

improved since there was a lower percentage of weather-related claims compared to the same period of the previous year.

The **combined ratio** of Group direct business stood at 94.7% (94.5% on a comparable basis<sup>3</sup>), and 93.7% net of reinsurance (93.5% on a comparable basis<sup>3</sup>), a significant improvement on the figure of 97.9% as at 30 September 2017 (96.8% on a comparable basis<sup>3</sup>) and 97.3% net of the reinsurance (96.4% on a comparable basis<sup>3</sup>).

The loss ratio of the direct business amounted to 67.5% compared to 69.2% for the first nine months of 2017 (67.1% compared to 69.1% on a comparable basis<sup>3</sup>), and the direct business expense ratio amounted to 27.2% of the premiums written compared to 28.6% in 2017 (27.4% on a comparable basis<sup>3</sup> compared to 27.6% for the first nine months of 2017).

### Life Business

In the **Life business**, on a comparable basis<sup>3</sup>, direct income as at 30 September 2018 amounted to €3,059m (+16.6% compared to 30 September 2017), driven by the bancassurance business.

### Real Estate Business and Other Businesses

**Property management** continued to revolve around the redevelopment of certain properties, especially in Milan, with a view towards generating income, enhancing their value or using them for operational purposes.

The **other businesses** in which the Group operates, especially the hotel industry (UNA Group), continue to focus on the development of commercial activities in order to consolidate their market positions in a constant bid to improve efficiency and increase revenue.

### Financial Management

The gross return on the Group's financial insurance investment portfolio for the period was 4.1% of the invested assets (confirming the profitability of the same period in 2017), with 3.4% of this relating to the coupon and dividend component.

### Balance Sheet

**Consolidated shareholders' equity** amounted to €5,745m as at 30 September 2018 (€6,194m as at 31 December 2017). The increases linked to the net result achieved during the period were more than offset by the fall in the valuation reserve of securities classified as AFS, due mainly to the

increase in the spread on Italian government bonds, the distribution of dividends and the reduction in assets under management due to the deconsolidation of Popolare Vita. The shareholders' equity attributable to the Group amounted to €5,505m (€5,869m as at 31 December 2017).

The **individual solvency ratio** of UnipolSai as at 30 September 2018 amounted to 248%<sup>1</sup> of the capital requirement (263% as at 31 December 2017). The **consolidated solvency ratio** based on the economic capital, amounted to 201%<sup>2</sup> of the capital requirement (210% as at 31 December 2017). The reduction in the first nine months of 2018 was mainly due to the increase in the spread on Italian government bonds.

### **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 consolidated results at 30 September 2018. 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.unipolsai.com](http://www.unipolsai.com).

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Maurizio Castellina, Manager in charge of financial reporting of 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 the presentation corresponds to the figures in corporate accounting records, ledgers and documents.

Please refer to the press releases that can be downloaded from [www.unipolsai.com](http://www.unipolsai.com) for any significant events after 30 September 2018.

## Glossary

**DIRECT BUSINESS COMBINED RATIO:** indicator that measures the balance of Non-Life direct technical management, represented by the sum of the loss ratio (ratio between direct claims for the period + other technical charges and direct premiums earned) and the expense ratio (ratio between operating expenses and direct premiums recognised).

**COMBINED RATIO AFTER REINSURANCE:** indicator that measures the balance of Non-Life total technical management, represented by the sum of the loss ratio (ratio between claims for the period + other technical charges and premiums earned) and the expense ratio (ratio between operating expenses and premiums earned).

**EXPENSE RATIO:** ratio of Non-Life operating expenses and premiums calculated on earned premiums.

**LOSS RATIO:** ratio of Non-Life claims and premiums.

## UnipolSai Assicurazioni S.p.A.

UnipolSai Assicurazioni S.p.A. is the insurance company of the Unipol Group, Italian leader in Non-Life Business, in particular in vehicle liability insurance. Also active in Life Business, UnipolSai has a portfolio of over 10 million customers and holds a leading position in the national ranking of insurance groups with a direct income amounting to approximately €11.1bn, of which €7.4bn in Non-Life Business and €3.7bn in Life Business (2017 figures). The company has the largest agency network in Italy, with more than 2800 insurance agencies and about 6,000 sub-agencies spread across the country. UnipolSai Assicurazioni is a subsidiary of Unipol Gruppo S.p.A. and, like the latter, is listed on the Italian Stock Exchange, being one of the most highly capitalized securities.

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