



UNIPOLSAI: 2019 RESULTS UP

- Normalised¹ consolidated net profit of €721m (+3.2% compared to 2018)
- Proposed dividend €0.16 per share, up 10% compared to 2018
- 2019-2021 Strategic Plan targets confirmed

- Direct insurance income €14.0bn (+14.4% on a comparable basis)
- Combined Ratio² 93.7% (94.4% in 2018)
- Consolidated solvency ratio of 250%³ (202% in 2018)
- Reinforced leadership status in the health business with significant growth in premium income (+11.2% compared to 2018)

Bologna, 14 February 2020

The Board of Directors of UnipolSai Assicurazioni S.p.A., which met yesterday under the chairmanship of Carlo Cimbri, analysed the preliminary consolidated results for 2019. The definitive results will be examined by the governing body at its meeting scheduled for 19 March next.

UnipolSai ended 2019 with a **consolidated net profit** of €655m compared to €948m the previous year. The 2019 result includes the extraordinary charge resulting from the agreements signed with the trade union organisations in the third quarter of 2019 for the solidarity fund and other forms of voluntary redundancy for approximately €66m (€95.5m before tax). On the basis of these agreements, about 800 people will take early retirement from the Group.

On the other hand, the results for 2018 included a capital gain of €309m related to the sale of the stake in Popolare Vita and the effects of the decision to sell the stake held in Unipol Banca for €50m, and were calculated with a different consolidation scope.

¹The normalised figures for 2019 do not include the one-off charges arising from agreements made with the trade union organisations relating to the solidarity fund and other forms of voluntary redundancy (€66m after taxes). The normalised 2018 figures do not include the effects of the capital gain on the sale of Popolare Vita (€309m after taxes) or the capital loss resulting from the decision to sell Unipol Banca (€50m) and were calculated on a comparable basis.

² Direct business.

³ Calculated using the economic capital method which is the measure of absorbed capital established on the basis of the principles and models applied in the partial internal model and having operational value.

The **normalised¹ consolidated net profit** amounted to €721m, up (+3.2%) on the normalised¹ result on a comparable basis of €699m the previous year.

Direct insurance income, including reinsurance ceded, stood at €14,014m, a marked increase (+14.4%) over the figure at 31 December 2018 (€12,245m on a comparable basis).

Non-Life Business

Direct income for 2019 amounted to €8,167m (+2.7% compared to €7,953m in 2018).

MV premium income stood at €4,178m compared to €4,183m¹ in 2018. The **Non-MV** business recorded income of €3,989m (+5.8% compared to €3,770m¹ in 2018) due especially to growth in the health business (+11.2%).

Both UnipolSai S.p.A. and the other Group companies increased revenue in the non-life business, with UnipolSai growing 1.3% on premiums of €6,990m. Premiums at UniSalute amounted to €448m, up 9.3%, while Linear, the direct Group company that operates in the MV business, obtained €184m in premiums, a 2.4% increase. The performance of the bancassurance business was especially upbeat with Arca Assicurazioni reporting a 13.1% rise in premiums to €136m and Incontra Assicurazioni reporting €185m (+35.8%).

The technical performance in the vehicle liability insurance area was still marked by pressure on average premiums due to market competition, offset, for our Group, by positive performances in both the frequency of claims and relative average costs due especially to the benefits related to data transmission (40% of cars insured by UnipolSai have black boxes) and the cost savings achieved through the network of participating body repair shops managed by the subsidiary Auto Presto&Bene where an increasing number of claims are channelled.

Unipol continues to be a European leader in the number of **black boxes** installed in vehicles which rose from 3.8 million in 2018 to over 4.0 million in 2019.

After 2018 which suffered the effects of the damage caused by storm Vaia, there were a considerable number of claims made in 2019 due to weather events which had significant effects in the fire and other damage to property businesses and the physical damage coverage business due to the hailstorms that struck in many parts of Italy.

In this context, as at 31 December 2019, the UnipolSai Group recorded a **combined ratio²** of 93.7% (94.2% after reinsurance), an improvement on the figure of 94.4% recorded in 2018 (94.2% after reinsurance). The **loss ratio²** stood at 66.1% (67.2% as at 31 December 2018). The **expense ratio²** amounted to 27.7% (27.2% the previous year).

The **normalised¹ pre-tax profit** in the non-life business amounted to €782m (€729m in 2018).

Life Business

The UnipolSai Group registered significant growth in revenue in the **life business** in 2019, with direct income of €5,847m on a comparable basis (+36.2% compared to €4,292m¹ in 2018).

More specifically, UnipolSai recorded €4,080m in direct income (+30.4%), while Arca Vita continued to grow strongly in the bancassurance business and earned direct income of €1,676m, up 55.6% on 31 December 2018.

The **normalised¹ pre-tax profit** in the life business amounted to €239m (€300m in 2018).

Other Business

Real estate management continued to revolve around the renovation of certain properties, especially in prestigious areas of Milan, with a view towards generating income.

Among the **other businesses** in which the Group operates, the hotel industry (Gruppo UNA) performed well with the company reporting revenue of over €127m, a net result of approximately €4m and Ebitda of €6.1m compared to €3.7m in 2018 (+65%).

There was a **pre-tax loss** in the business of €52m (loss of €66m in 2018).

Financial Management

With regard to the **financial management**, the gross return on the portfolio continued to be significant in 2019, amounting to 3.6% of the invested assets, of which 3.4% relating to the coupon and dividend component.

Balance Sheet

The **consolidated shareholders' equity** as at 31 December 2019 amounted to €7,153m (€5,697m as at 31 December 2018), of which €6,878m attributable to the UnipolSai Group.

The **individual solvency** ratio amounted to 281%⁴ of the capital requirement (253% as at 31 December 2018).

⁴ Figure calculated on the basis of the partial internal model to be considered as preliminary since the Supervisory Authority will be notified of the definitive results in accordance with the legally imposed deadlines.

The **consolidated solvency** ratio based on the economic capital, amounted to 250%³ of the capital requirement (202% as at 31 December 2018).

Dividends

Taking account of the individual accounting records of UnipolSai Assicurazioni S.p.A. and the overall financial position, a dividend payment of €0.16 per share will be proposed, 10% higher than 2018.

The approval of the draft statutory and consolidated financial statements of UnipolSai as at 31 December 2019, and the proposed dividend payment to be submitted to the Shareholders' Meeting, is scheduled for 19 March next. Therefore, the information in this document is to be considered preliminary, referring to today's date, and as such, may be liable to change. The independent auditors have not yet completed their audit of the figures needed to issue their audit reports.

Since the Shareholders' Meeting to approve the 2019 financial statements is scheduled for 29 April 2020, any dividend payment based on the results of the year will be scheduled for May.

2019-2021 Strategic Plan targets confirmed

Based on the results achieved by the UnipolSai Group in 2019, it can confirm that it has achieved the financial targets set out in the 2019-2021 Strategic Plan.

Corporate Governance

The Board of Directors acknowledged the untimely death of the non-executive, non-independent Director, Francesco Berardini. The governing body decided to postpone any decisions regarding the composition of said body to the next Shareholders' Meeting scheduled for 29 April next.

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 management on the preliminary consolidated results at 31 December 2019. The phone numbers to dial to attend the event are: +39 02 8058811 (from Italy and other countries), +1 718 7058794 (from the USA) and +44 1212 818003 (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.

In order to provide more complete disclosure of the preliminary results for the financial year 2019, please find attached hereto the preliminary Consolidated Balance Sheet, the Consolidated Income

Statement and the summary of the Consolidated Income Statement by Business Segment.

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 press release corresponds to the corporate documentation, ledgers and accounting records.

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).

UnipolSai Assicurazioni S.p.A.

UnipolSai Assicurazioni S.p.A. is the insurance company of the Unipol Group, Italian leader in the Non-Life Business, in particular in MV and Health. 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 €14.0bn, of which €8.2bn in Non-Life Business and €5.8bn in Life Business (2019 figures). The company has the largest agency network in Italy, with about 2,500 insurance agencies spread across the country. UnipolSai is also active in direct MV insurance (Linear Assicurazioni), transport and aviation insurance (Siat), health insurance (UniSalute), supplementary pensions and also covers the bancassurance channel (Arca Vita, Arca Assicurazioni and Incontra). It also manages significant diversified assets in the real estate, hotel (Gruppo UNA), medical-healthcare and agricultural (Tenute del Cerro) sectors. UnipolSai Assicurazioni is a subsidiary of Unipol Gruppo S.p.A. and is also listed on the Italian Stock Exchange.

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Consolidated Balance Sheet – Assets

Amounts in €m

		Preliminary at 31/12/2019	31/12/2018
1	INTANGIBLE ASSETS	893.0	835.4
1.1	Goodwill	507.9	464.6
1.2	Other intangible assets	385.2	370.8
2	PROPERTY, PLANT AND EQUIPMENT	2,411.5	1,813.6
2.1	Property	1,561.1	1,564.1
2.2	Other items of property, plant and equipment	850.4	249.5
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	989.6	982.0
4	INVESTMENTS	64,060.7	57,128.6
4.1	Investment property	2,063.2	2,071.1
4.2	Investments in subsidiaries and associates and interests in joint ventures	169.2	341.0
4.3	Held-to-maturity investments	454.6	459.6
4.4	Loans and receivables	4,766.7	4,313.1
4.5	Available-for-sale financial assets	48,854.5	43,446.0
4.6	Financial assets at fair value through profit or loss	7,752.5	6,497.7
5	SUNDRY RECEIVABLES	3,152.7	2,869.1
5.1	Receivables relating to direct insurance business	1,456.2	1,365.5
5.2	Receivables relating to reinsurance business	260.8	137.3
5.3	Other receivables	1,435.8	1,366.4
6	OTHER ASSETS	924.3	1,540.3
6.1	Non-current assets held for sale or disposal groups	189.2	536.7
6.2	Deferred acquisition costs	101.2	98.1
6.3	Deferred tax assets	127.3	465.4
6.4	Current tax assets	3.5	22.9
6.5	Other assets	503.0	417.2
7	CASH AND CASH EQUIVALENTS	747.1	1,025.1
	TOTAL ASSETS	73,178.9	66,194.2



Consolidated Balance Sheet – Equity and Liabilities

Amounts in €m

		Preliminary at 31/12/2019	31/12/2018
1	EQUITY	7,152.9	5,697.0
1.1	attributable to the owners of the Parent	6,877.6	5,447.6
1.1.1	Share capital	2,031.5	2,031.5
1.1.2	Other equity instruments	0.0	0.0
1.1.3	Equity-related reserves	346.8	346.8
1.1.4	Income-related and other reserves	2,718.1	2,132.6
1.1.5	(Treasury shares)	-2.0	-46.2
1.1.6	Translation reserve	5.1	4.9
1.1.7	Gains or losses on available-for-sale financial assets	1,141.6	80.1
1.1.8	Other gains or losses recognised directly in equity	8.8	-7.2
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	627.8	905.1
1.2	attributable to non-controlling interests	275.3	249.4
1.2.1	Share capital and reserves attributable to non-controlling interests	232.7	206.7
1.2.2	Gains or losses recognised directly in equity	15.5	0.2
1.2.3	Profit (loss) for the year attributable to non-controlling interests	27.1	42.6
2	PROVISIONS	442.3	353.4
3	TECHNICAL PROVISIONS	57,567.3	53,223.3
4	FINANCIAL LIABILITIES	6,000.4	5,252.6
4.1	Financial liabilities at fair value through profit or loss	2,914.4	2,539.3
4.2	Other financial liabilities	3,086.1	2,713.3
5	PAYABLES	1,080.4	904.5
5.1	Payables arising from direct insurance business	164.7	160.9
5.2	Payables arising from reinsurance business	96.6	86.8
5.3	Other payables	819.1	656.7
6	OTHER LIABILITIES	935.6	763.4
6.1	Liabilities associated with disposal groups held for sale	3.3	3.2
6.2	Deferred tax liabilities	78.0	8.9
6.3	Current tax liabilities	48.4	21.8
6.4	Other liabilities	805.9	729.4
	TOTAL EQUITY AND LIABILITIES	73,178.9	66,194.2



Consolidated Income Statement

Amounts in €m

		Preliminary at 31/12/2019	31/12/2018
1.1	Net premiums	13,262.5	11,005.4
1.1.1	Gross premiums	13,715.8	11,412.2
1.1.2	Ceded premiums	-453.3	-406.9
1.2	Fee and commission income	34.0	30.0
1.3	Gains and losses on financial instruments at fair value through profit or loss	-106.3	-157.5
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	10.2	322.4
1.5	Gains on other financial instruments and investment property	2,296.8	2,033.2
1.5.1	Interest income	1,467.5	1,441.4
1.5.2	Other gains	213.7	178.5
1.5.3	Realised gains	547.3	412.1
1.5.4	Unrealised gains	68.2	1.2
1.6	Other revenue	803.7	635.1
1	TOTAL REVENUE AND INCOME	16,300.9	13,868.4
2.1	Net charges relating to claims	-11,349.9	-8,980.1
2.1.1	Amounts paid and changes in technical provisions	-11,658.4	-9,288.9
2.1.2	Reinsurers' share	308.5	308.8
2.2	Fee and commission expense	-21.0	-16.6
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	-0.3	-0.9
2.4	Losses on other financial instruments and investment property	-411.4	-380.2
2.4.1	Interest expense	-101.0	-96.0
2.4.2	Other charges	-31.2	-30.7
2.4.3	Realised losses	-109.9	-136.0
2.4.4	Unrealised losses	-169.4	-117.5
2.5	Operating expenses	-2,634.9	-2,428.4
2.5.1	Commissions and other acquisition costs	-1,863.9	-1,780.3
2.5.2	Investment management expenses	-129.7	-117.4
2.5.3	Other administrative expenses	-641.3	-530.8
2.6	Other costs	-1,010.1	-858.8
2	TOTAL COSTS AND EXPENSES	-15,427.7	-12,665.1
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	873.2	1,203.4
3	Income tax	-218.3	-255.8
	POST-TAX PROFIT (LOSS) FOR THE YEAR	654.8	947.6
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	0.0	0.0
	CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	654.8	947.6
	attributable to the owners of the Parent	627.8	905.1
	attributable to non-controlling interests	27.1	42.6



Condensed Consolidated Income Statement by Business Segment

Amounts in €m

	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE BUSINESS			OTHER BUSINESSES			REAL ESTATE BUSINESS (*)			INTERSEGMENT ELIMINATION		CONSOLIDATED TOTAL		
	dec-19	dec-18	var.%	dec-19	dec-18	var.%	dec-19	dec-18	var.%	dec-19	dec-18	var.%	dec-19	dec-18	var.%	dec-19	dec-18	dec-19	dec-18	var.%
Net premiums	7,822	7,543	3.7	5,440	3,462	57.1	13,262	11,005	20.5									13,262	11,005	20.5
Net fees and commissions	-2		n.s.	16	14	8.6	13	14	-1.3									13	13	-2.1
Financial income/expense **	448	439	1.9	1,200	1,535	-21.8	1,648	1,975	-16.5	3	-1	n.s.	-33	-40	16.9	-12	-10	1,606	1,924	-16.5
Net interest	312	352		1,065	1,010		1,377	1,362		-1	-1		-5	-6				1,372	1,354	
Other income and expenses	74	63		96	57		170	119					14	15		-12	-10	178	125	
Realised gains and losses	64	111		69	474		132	586					0					133	586	
Unrealised gains and losses	-2	-87		-30	-6		-32	-92					-43	-50				-76	-142	
Net charges relating to claims	-5,070	-4,947	2.5	-6,097	-4,140	47.3	-11,167	-9,087	22.9									-11,167	-9,087	22.9
Operating expenses	-2,254	-2,129	5.9	-244	-221	10.6	-2,498	-2,350	6.3	-125	-67	85.7	-22	-22	0.1	10	11	-2,635	-2,428	8.5
Commissions and other acquisition costs	-1,751	-1,678	4.4	-113	-103	10.2	-1,864	-1,780	4.7									-1,864	-1,780	4.7
Other expenses	-503	-452	11.3	-131	-118	11.0	-634	-570	11.3	-125	-67	85.8	-22	-22	0.1	10	11	-771	-648	19.0
Other income / expense	-246	-230	-7.0	-87	-57	-51.7	-333	-287	-15.9	118	64	85.0	7	1	n.s.	2	-1	-206	-224	7.7
Pre-tax profit (loss)	698	676	3.3	228	593	-61.6	926	1,269	-27.1	-3	-4	22.2	-49	-61	20.2	0	0	873	1,203	-27.4
Income tax	-164	-188	-12.9	-59	-79	-25.3	-223	-267	-16.5	0	1	-107.2	5	10	-53.4			-218	-256	-14.6
Profit (loss) on discontinued operations																				
Consolidated profit (loss) for the period	534	487	9.5	169	514	-67.2	702	1,002	-29.9	-4	-3	-7.2	-44	-51	13.4	0	0	655	948	-30.9
Profit (loss) attributable to the owners of the Parent																		628	905	
Profit (loss) attributable to non-controlling interests																		27	43	

(*) Real Estate business only includes real estate companies controlled by the Group.

(**) Excluding assets/liabilities at fair value related to contracts issued by insurance companies with investment risk borne by customers and arising from pension fund management