



## UNIPOLSAI: CONSOLIDATED RESULTS AS AT 31 MARCH 2018 APPROVED

- Normalised, consolidated net profit of €166m (€147m in the first quarter of 2017, +12.9%). Consolidated net profit, including the capital gain from sale of Popolare Vita (€309m), amounted to €474m.
- Direct insurance income of €2.8bn net of Popolare Vita
  - ✓ Non-Life business: €1.9bn (-2.0% on a comparable basis<sup>1</sup>)
  - ✓ Life business: €0.9bn (+9.4%)
- Direct business combined ratio 94.3%, an improvement on 96.2% recorded at 31 March 2017
- Profitability of financial investments 4.4%
- Consolidated solvency ratio based on economic capital of 230%<sup>2</sup>

Bologna, 11 May 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 31 March 2018.

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<sup>1</sup> Also including the Linear and UniSalute results in the data from the first quarter of 2017.

<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.

## Summary of the most significant data of UnipolSai

	<i>Amounts in €m</i>	<b>31/3/2018</b>	<b>31/3/2017</b>	<b>% Change</b>
<b>Direct insurance income</b>		<b>2,895</b>	<b>2,833</b>	2.2
Non-Life direct insurance income		1,920	1,790	7.2
Life direct insurance income		975	1,043	(6.5)
<b>Combined ratio Non-Life - direct business</b>		<b>94.3%</b>	<b>96.2%</b>	
<b>Combined ratio Non-Life - net of reinsurance</b>		<b>95.4%</b>	<b>97.3%</b>	
<b>Consolidated net profit</b>		<b>474</b>	<b>147</b>	<i>n.s.</i>
<b>Normalised consolidated net profit</b>		<b>166</b>	<b>147</b>	12.9
	<i>Amounts in €m</i>	<b>31/3/2018</b>	<b>31/12/2017</b>	<b>% Change</b>
<b>Investments and cash and cash equivalents</b>		<b>54,041</b>	<b>51,971</b>	4.0
<b>Shareholders' equity attributable to the Group</b>		<b>6,245</b>	<b>5,869</b>	6.4
<b>Individual solvency ratio - Partial Internal Model</b>		<b>282%</b>	<b>263%</b>	

The UnipolSai Group ended the first quarter of 2018 with a **consolidated net profit** of €474m, including the capital gain of €309m from sale of the investment in Popolare Vita S.p.A. (contributing €306m to the Life Business and €3m to the Non-Life business). If the extraordinary component is not considered, the normalised consolidated net profit amounted to €166m, up 12.9% on the €147m for the corresponding period of the previous year.

The streamlining of the Group insurance business continued through the first quarter of 2018. This project began in 2017 with acquisition by UnipolSai of the holdings in Linear S.p.A. and UniSalute S.p.A. to UnipolSai and approval by the Boards of Directors of Unipol and UnipolSai of the transfer of Unipol's investment in Arca Vita S.p.A. to UnipolSai on 22 March 2018. This operation required legal authorisation to go ahead.

**Direct insurance income**, including reinsurance ceded, stood at €2,895m in the first quarter of 2018 (€2,833m as at 31 March 2017, +2.2%; -3.6% on a comparable basis<sup>1</sup>). Income from the new Group operating area amounted to €2,790m, up 7.9% (+1.3% on a comparable basis<sup>1</sup>), not including the income from Popolare Vita S.p.A. and its subsidiary Lawrence Life in the first quarters of 2017 and of 2018.

### Non-Life Business

The direct premium income in the **Non-life business** as at 31 March 2018 amounted to €1,920m (€1,790m as at 31 March 2017, +7.2%; -2.0% on a comparable basis<sup>1</sup>). In the MV business, the reduction on a comparable basis (€1,020m, +1.5%; -2.2% on a comparable basis<sup>1</sup>) is due to continued competitive pressure on rates and a reduction in the fleet portfolio, while the drop in the Non-MV business (with premiums of €900m; +14.5%; -1.9% on a comparable basis<sup>1</sup>) was mainly caused by a drop in high-value contracts.

The **combined ratio** of Group direct business stood at 94.3% (95.4% net of the reinsurance), an improvement on the 96.2% as at 31 March 2017 (95.2% on a comparable basis<sup>1</sup>), with a loss ratio of 68.1% compared to 68.6% in the first quarter of 2017 (69.0% on a comparable basis<sup>1</sup>) and a direct business expense ratio of 26.3% of the premiums recognised, in line with the result as at 31 March 2017 on a comparable basis<sup>1</sup>.

The **pre-tax result** for the Non-Life business amounted to €142m (€128m in the first three months of 2017; €144m on a comparable basis<sup>1</sup>).

### Life Business

In the **Life business**, not including Popolare Vita and its subsidiary Lawrence Life, the UnipolSai Group recorded significant growth in direct income, amounting to €871m as at 31 March 2018 (+9.4% compared to 31 March 2017), mainly due to the contribution by UnipolSai, with direct income of €845m (+10.6%).

The **pre-tax result** for the Life business amounted to €446m (€93m in the first three months of 2017) including the capital gain from the sale of Popolare Vita which contributed €306m to the business.

### Real Estate Business and Other Businesses

The Group's **other businesses** continue to revolve around the development of commercial activities, especially with regard to the hotel business.

Property management continued to focus on redevelopment activities to try and improve the value of the properties and create facilities to be used for operational purposes.

There was a **pre-tax loss** in the Real Estate Business and Other Businesses of -€45m (-€11m as at 31 March 2017), partly as a result of higher interest payments on loans and property devaluations.

### Financial Management

With regard to **management of financial investments**, the gross return on the Group's financial insurance investment portfolio for the period was 4.4% of the invested assets (4.5% as at 31 March 2017).

## Balance Sheet

**Consolidated shareholders' equity** amounted to €6,349m as at 31 March 2018 (€6,194m as at 31 December 2017). The increase was mainly due to the total net result achieved in the period, partially offset by the reduction in assets under management due to the sale of the former subsidiary Popolare Vita. The shareholders' equity attributable to the Group amounted to €6,245m (€5,869m as at 31 December 2017).

The **individual solvency ratio** as at 31 March 2018 amounted to 282%<sup>3</sup> of the capital requirement (263% as at 31 December 2017). The **consolidated solvency ratio** as at 31 March 2018, based on the Economic Capital, was equal to 230%<sup>2</sup> of the capital requirement (210% as at 31 December 2017). These amounts take account of the repayment, on 3 May 2018, of the two subordinated loans due for repayment in 2025 and 2026. The loans had been granted by Mediobanca - Banca di Credito Finanziario S.p.A. to the former Fondiaria-SAI S.p.A. (now UnipolSai Assicurazioni S.p.A.) for a total amount of €300m.

## Corporate Governance

The Board of Directors checked to ensure that the non-executive Directors, Cristina De Benetti and Vittorio Giovetti and the members of the Board of Statutory Auditors appointed by the Ordinary Shareholders' Meeting of the Company on 23 April 2018 fulfilled the necessary independence requirements.

Its check revealed that:

- Cristina De Benetti is classified as an "independent" Director and Vittorio Giovetti is classified as a "non-independent" Director in accordance with the Code of Conduct of listed companies, and article 147-ter, paragraph 4 of the Consolidated Law on Finance; neither is a member of any board committees;
- all members of the Board of Statutory Auditors - and more specifically, the following: Paolo Fumagalli (Chairperson), Giuseppe Angiolini and Silvia Bocci (Standing auditors), Sara Fornasiero, Luciana Ravicini and Domenico Livio Trombone (Alternate auditors) – hold the independence requirements established by article 148, paragraph 3 of the Consolidated Law on Finance.

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<sup>3</sup>Figure calculated with the Partial Internal Model, to be considered as preliminary since the Supervisory Authority will be notified of the definitive results pursuant to the timescales provided under prevailing law.

### Independence of the Statutory Auditors in accordance with the Code of Conduct of listed companies

The Board of Directors also acknowledged the results of the self-assessment carried out by the Board of Statutory Auditors with respect to the independence of its standing members, pursuant to the Code of Conduct of listed companies, with the same requirements as provided for the Directors. To that end, the Board of Statutory Auditors confirmed that all its standing members can regard themselves as possessing the above-mentioned independence requirements.

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### 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 31 March 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 comment on the results can be found in the Investor Relations section of [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 this press release 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 31 March 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 approximately 2,800 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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