Unipol GRUPPO

Press Kit

LEADER IN NON-LIFE BUSINESS, IT IS THE SECOND INSURANCE GROUP ON THE ITALIAN MARKET AND AMONG THE TOP TEN IN EUROPE.

The Unipol Group. A strong identity in constant evolution.

IT IS ONE OF THE MAIN ITALIAN INSTITUTIONAL INVESTORS: IT MANAGES €**61.4**BN(*) IN FINANCIAL ASSETS AND REAL ESTATE. IT IS LISTED ON THE ITALIAN STOCK EXCHANGE WITH THE HOLDING COMPANY UNIPOL AND THE SUBSIDIARY UNIPOLSAI ASSICURAZIONI.

Unipol adopts an integrated offer strategy that covers a complete range of insurance and financial products.

At a consolidated level, at 31 December 2017, the Group recorded direct insurance income amounting to €12.3bn as the first Italian operator in Non-Life Business.

It is the European leader in MV black box policies with 3.5 million devices installed and has a market share in Italy of over 50%.

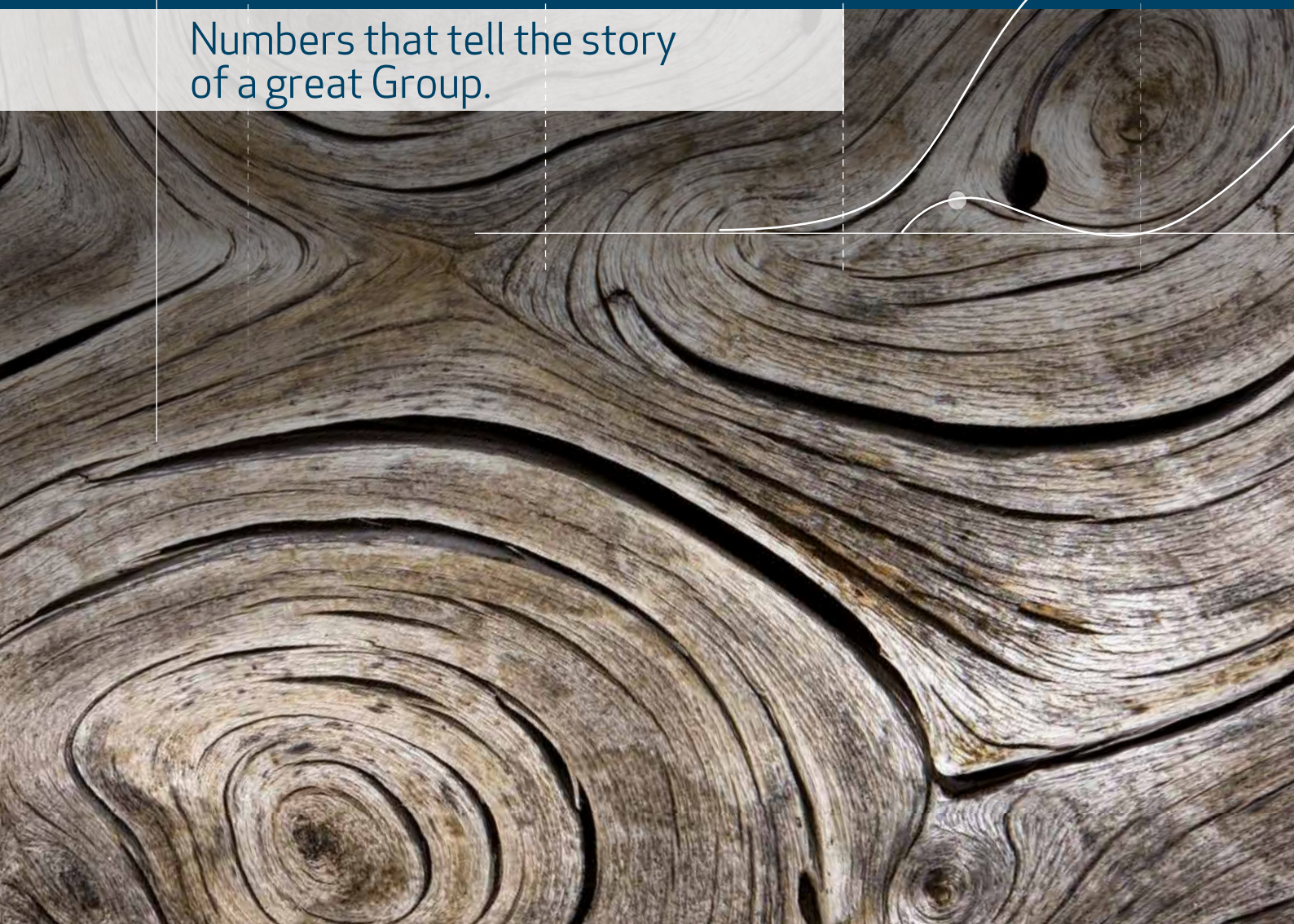
In addition to the core insurance business, it also operates in the banking, real estate, hotel, healthcare, and agricultural industries.

Unipol is the leading Italian company in terms of reputation in the financial sector (banking and insurance) with a score of 67.1 points out of 100, according to the 2018 Italy RepTrak® ranking (public opinion index) kept by the Reputation Institute.

Accessibility, Farsightedness, Respect, Solidarity and Responsibility are the five key values set forth in the Group's Charter of Values.

(*) Figures at 31/12/2017

Numbers that tell the story of a great Group.



KEY FIGURES(*)

Direct insurance income:
€12.3bn (€7.9bn in Non-Life Business and €4.4bn in Life Business)

Customers:
approx. 15 million

Consolidated net profit (normalised):
€655m(**)

Combined ratio (direct business):
95.1%

Loss ratio:
67.5%

Expense ratio:
27.5%

Consolidated shareholders' equity:
€7.5bn

Consolidated solvency ratio (Economic Capital):
169% of the required minimum

Distribution:
2,911 agencies and approx. 6,000 sub-agencies, in addition to 263 bank branches

Employees:
approx. 14 thousand

Real estate assets:
€4.1bn

European leader in MV black box policies:
3.5 million devices installed; Italian market share of over 50%

(*) Figures at 31/12/2017

(**) Consolidated net financial loss of €169m net of the extraordinary effects of the banking sector restructuring.

TIMELINE

1963 — Unipol Assicurazioni begins operations after Federcoop takes over control of the company from Lancia

1969 — Operations expand to Life business

1986 — Listed on the Stock Exchange with preference shares

1990 — Listed on the Stock Exchange with ordinary shares

1995 — UniSalute is established, followed by Linear in **1996**

1998 — Unipol enters the banking sector with the acquisition of BANEC (later transformed into Unipol Banca)

2000 — Unipol acquires Meie, Aurora, Navale and BNL Vita

2003 — Unipol acquires the Winterthur Italia Group

2006 — Launch of corporate restructuring for the creation of the holding company Unipol Gruppo Finanziario S.p.A. (in **2007**) and later UGF Assicurazioni S.p.A. (in **2009**, subsequently renamed Unipol Assicurazioni), resulting from the merger of Unipol and Aurora

2010 — Carlo Cimbri is appointed CEO, while the acquisition of the Arca Group is completed

2011 — Unipol sells BNL Vita to the BNP Paribas Group

2012 — Unipol acquires control of Premafin, Fondiaria-Sai and Milano Assicurazioni

2014 — On 6 January, UnipolSai is created with the merger of Unipol Assicurazioni, Milano Assicurazioni, and Premafin into Fondiaria-Sai

2016 — On 29 December, UnipolSai Assicurazioni, through the subsidiaries Atahotels S.p.A. and UnipolSai Investimenti S.G.R. S.p.A., completes the acquisition of the hotel management and real estate activities of "UNA Hotels & Resorts"

2017 — On 29 June, the Board of Directors of Unipol approves the insurance business streamlining project and the guidelines of the banking sector restructuring plan

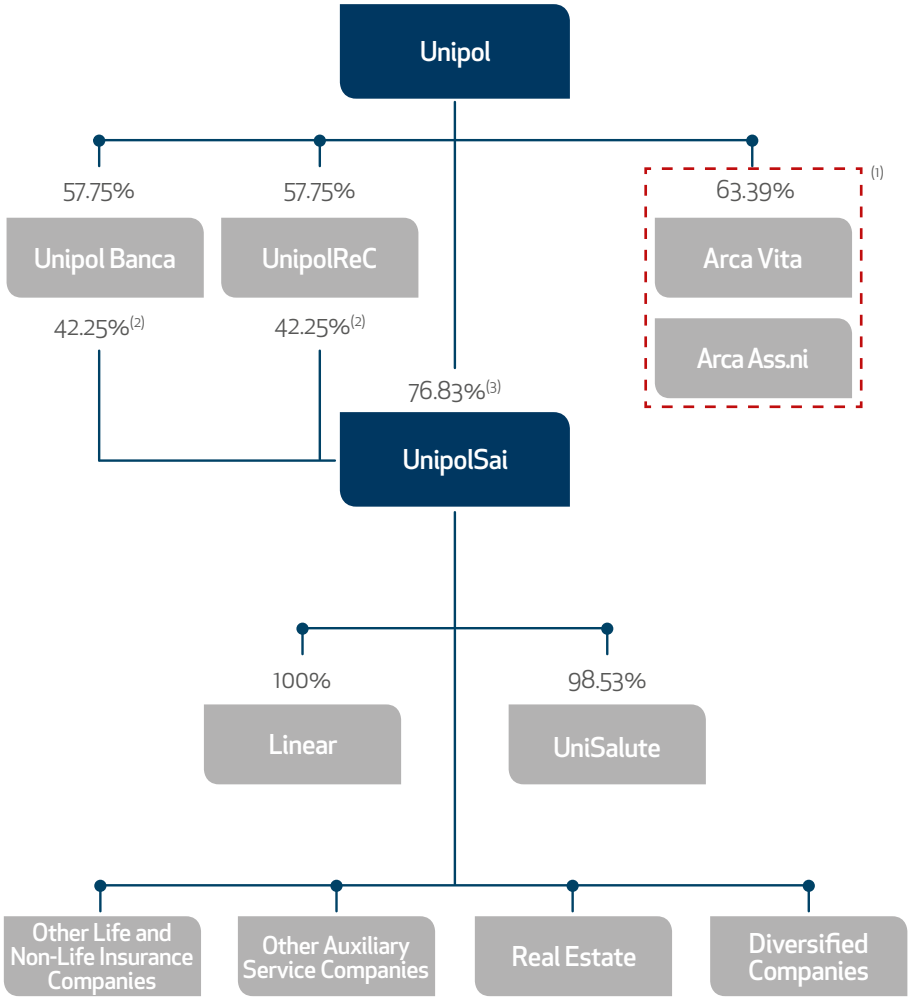
2018 — On 1 February, UnipolRec, the company specialised in non-performing loan recovery created by the Group as part of the banking sector restructuring plan, becomes operative.

Unipol sells Popolare Vita to the Banco BPM Group

CORPORATE STRUCTURE(*)

The parent company, Unipol Gruppo S.p.A., is a financial holding and services company listed on the Italian Stock Exchange. Pierluigi Stefanini is Chairman, while Carlo Cimbri holds the office of Group CEO. UnipolSai Assicurazioni S.p.A., operating since 6 January 2014, is also listed on the Italian Stock Exchange.

Unipol is the parent company of UnipolSai, Unipol Banca, UnipolRec and Arca Vita. The current corporate structure is the result of the recent streamlining of the insurance business - resulting in the transfer from Unipol to UnipolSai of the investments held in UniSalute and Linear, which will also involve Arca Vita, whose transfer to UnipolSai is pending authorisation - as well as the banking sector restructuring, which saw the transfer of the non-performing loan portfolio from Unipol Banca to the newly incorporated UnipolRec.



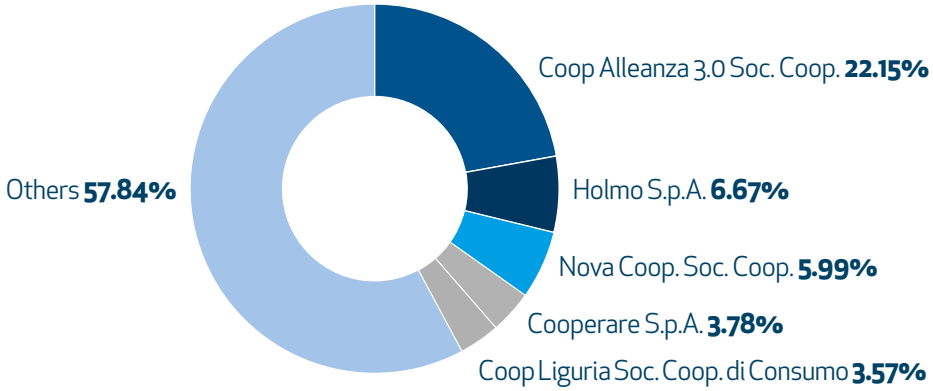
(*) Figures at 31/05/2018

(1) On 22 March 2018, the Board of Directors approved the transfer of Arca Vita to UnipolSai, subject to obtaining the necessary authorisations.

(2) At 31 May 2018. This includes the shares held by Unipol Finance and Unipol Investment 27.49% subject to a put option granted by Unipol to UnipolSai and a call option granted by UnipolSai to Unipol.

(3) Of which 27.49% subject to a put option issued by Unipol to UnipolSai and a call option issued by UnipolSai to Unipol.

MAIN SHAREHOLDERS(*)



RATING(*)

Moody's

Rating assigned to Unipol Gruppo S.p.A.		
Ba1	on review for downgrade	long term issuer rating

Rating assigned to UnipolSai Assicurazioni S.p.A.		
Baa2	on review for downgrade	insurance financial strength rating

Fitch

Rating assigned to Unipol Gruppo S.p.A.		
BBB	stable	long term issuer default rating

Rating assigned to UnipolSai Assicurazioni S.p.A.		
BBB	stable	insurer financial strength rating

A.M. BEST

Rating assigned to UnipolSai Assicurazioni S.p.A.		
A-	stable	financial strength rating
a-	stable	issuer credit rating

Dagong Global

Rating assigned to Unipol Gruppo S.p.A.		
BBB-	stable	long term credit rating

Rating assigned to UnipolSai Assicurazioni S.p.A.		
BBB+	stable	long term credit rating

(*) Figures at 31/05/2018

Macro business sectors.

INSURANCE

The Group's main insurance company is **UnipolSai Assicurazioni**, in addition to the specialised companies **Linear**, **UniSalute**, and **SIAT**. The Group also includes **DDOR Novi Sad**, the third largest insurance company in Serbia.

BANKING

Unipol Banca is a bank specialised in the retail and small and medium enterprise customer segment. It offers all banking products for households (bonds, asset management, mortgages, consumer loans) and for small business owners (loans, payment instruments).

BANCASSURANCE

The Unipol Group is active in the bancassurance channel thanks to an agreement with Unipol Banca and joint ventures entered into with leading Italian banking operators: **Arca Vita** (active in Non-Life Business), and the subsidiary **Arca Assicurazioni** (active in Non-Life Business) with the BPER Banca Group, Banca Popolare di Sondrio and other banks; **BIM Vita** (active in Life Business) with Banca Intermobiliare; and **Incontra Assicurazioni** (active in Non-Life Business) with the Unicredit Group. On 29 June 2018, the Unipol Group took control of an investment in BPER Banca, directly and indirectly, of 72,500,000 shares equal to 15.06% of its share capital.

OTHER SECTORS

The Unipol Group is one of the leading Italian real estate operators by assets, but is also active in the hotel management, agricultural, healthcare and port industries.

The insurance sector.
Innovation and security.

The Unipol Group is the **Italian leader in Non-Life business**, in particular in MV TPL, and ranks **second in Italy in terms of total income**. **Services and security, together with good value for money**, are the key aspects of the offer by UnipolSai, a company that combines excellent customer service with a high level of **technological and product innovation**. Its aim is to develop an ethical, fair, and thus better, relationship with customers.

In 2003, Unipol was the Italian forerunner in the segment of MV black box policies, and is now the **European leader, with an estimated market share of over 50% and 3.5 million devices installed at the end of 2017.**

The Unipol Group offers a complete range of risk coverage solutions:

- on the move (vehicles, boats, and travel);
- for homes and buildings;
- for business (products dedicated to enterprises, retailers, professionals, and legal protection);
- for personal protection (accident insurance and health protection, in particular);
- for investments and social security.

UNIPOLSAI ASSICURAZIONI

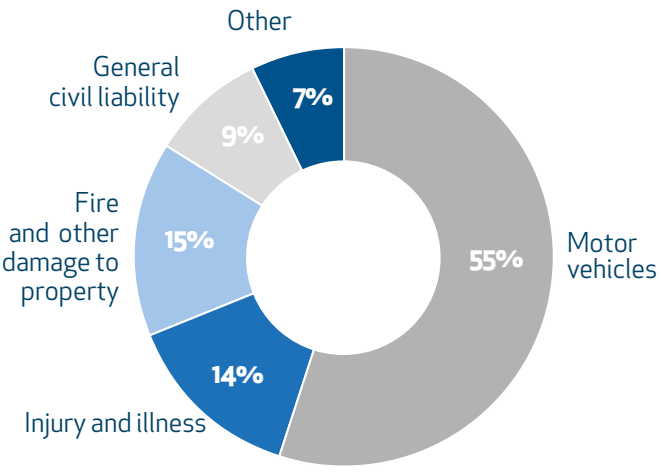
UnipolSai Assicurazioni S.p.A. is the multi-branch insurance company of the Unipol Group, founded on 6 January 2014 as a result of the merger of the historical companies Unipol Assicurazioni, Milano Assicurazioni, and Premafin, financial holding company of the former Fondiaria-Sai Group, into Fondiaria-Sai.

It ranks second in the national list of insurance groups in terms of **total income, which amounted to €11.1bn at the end of 2017**.

The Company operates through **the largest distribution network in Italy, counting 2,911 insurance agencies and approximately 6,000 subagencies** across the country.

Beyond the Italian borders, UnipolSai operates in **Serbia** through its subsidiary **DDOR Novi Sad**.

Percentage breakdown of Non-Life direct premium income at 31/12/2017



UNIPOLSAI OWNS THE LARGEST DISTRIBUTION NETWORK IN ITALY WITH 2,911 INSURANCE AGENCIES AND APPROXIMATELY 6,000 SUBAGENCIES.

LINEAR ASSICURAZIONI

Linear Assicurazioni, established in 1996 as part of a strategy for gradual channel and product diversification, is a company that specialises in the direct sale, **over the phone and online**, of MV policies and multi-risk policies for homes.

The development strategy of Linear targets customers with **good risk profiles** and is focused on the loyalty of existing customers, who are offered **quality products at reasonable prices** with a high degree of customisation.

The recent redesign of the Linear website has also enabled a new form of interaction between potential customers, who may now, through the website, ask other policyholders for information and evaluations.

Linear ended 2017 with direct premium income of €172m.

UNISALUTE

UniSalute, established in 1995, was the first company in Italy to deal exclusively with health insurance in an innovative way.

The Company has a scientific committee and thousands of affiliated healthcare facilities spread across the entire country. At these facilities, policyholders are provided **quality healthcare benefits** - also bookable online or via app - with **reduced waiting times and payment of benefits directly by the Company**.

UniSalute is also the Italian leader in the management of National Closed-End Funds and professional and corporate healthcare funds.

In 2017, it recorded direct premium income of €371m.

On 29 June 2017, the Board of Directors of Unipol approved a project aiming to streamline the insurance sector through the sale of the investments held by Unipol in UniSalute S.p.A. and Compagnia Assicuratrice Linear S.p.A..
Consequently, in fourth quarter of 2017, UniSalute S.p.A. and Compagnia Assicuratrice Linear S.p.A. came under the direct control of UnipolSai Assicurazioni S.p.A..

UNISALUTE IS THE NATIONAL LEADER IN THE MANAGEMENT OF NATIONAL CLOSED-END FUNDS AND PROFESSIONAL AND CORPORATE INSURANCE SCHEMES.

The banking sector.
Integration and specialisation.

UNIPOL BANCA

Unipol Banca S.p.A. is a credit institution specialising in the retail and SME customer segments. It provides all banking products for **households** (bonds, managed savings, mortgages, and consumer loans) and **small business owners** (loans, payment instruments).

It operates across the country with a **distribution network of 263 branches**.

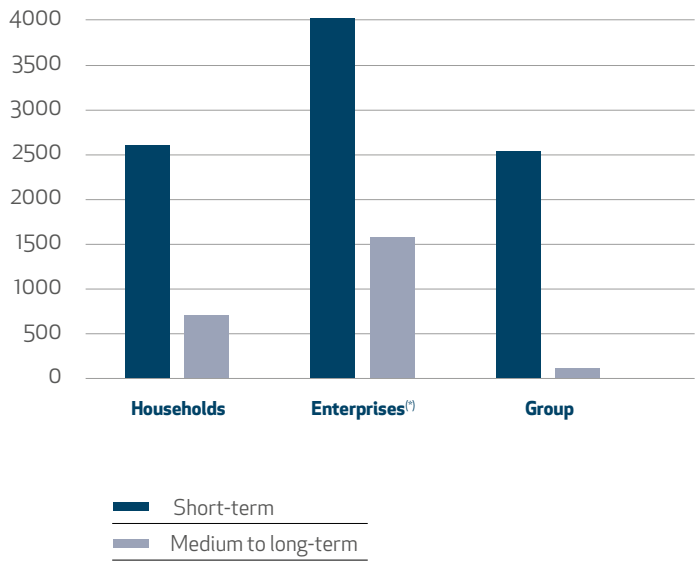
The Group's banking division comprises Unipol Banca S.p.A. and Finitalia S.p.A., a company operating in the sector of consumer credit.

On 27 July 2017, the Boards of Directors of Unipol Gruppo S.p.A. and UnipolSai Assicurazioni S.p.A. approved the restructuring plan of the Unipol Group's banking sector. The project involves the transfer by partial spin-off of corporate assets from Unipol Banca for the benefit of a newly incorporated company, "**UnipolRec**", including the Bank's entire non-performing loan portfolio, amounting to approximately €3bn at the date of approval of the balance sheet at 30 June 2017, excluding loans arising from finance lease agreements and credit commitments.

At 31 December 2017, direct deposits of the Group's banking sector stood at €12bn, while loans to customers reached €7.9bn.

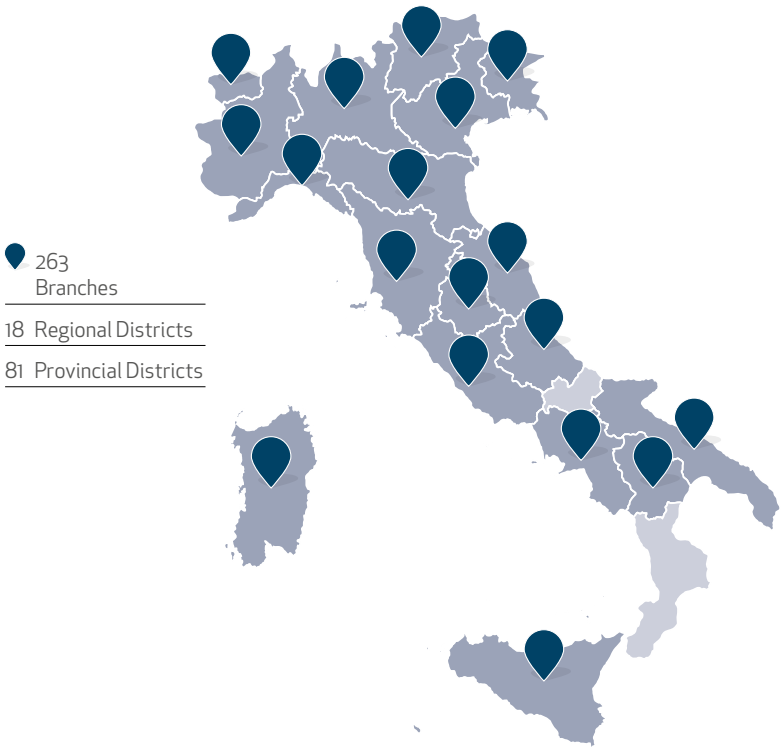
"ALWAYS WITH YOU" IS THE CONCEPT OF THE NEW MULTI-BRANCH STRATEGY OF UNIPOL BANCA, WHICH ALLOWS THE CUSTOMER TO CHOOSE HOW TO INTERACT WITH THE BANK VIA PHYSICAL OR REMOTE CHANNELS.

Direct deposits by counterparty and type of loan at 31/12/2017



(*) Enterprises includes the amounts of the Special Credit Division, short-term includes accounting reconciliations, while medium to long term includes Bonds in custody at third-party banks and notes.

Unipol Banca S.p.A. Branches



The bancassurance sector. Synergy and development.

The Unipol Group is active in the bancassurance sector thanks to the agreement with Unipol Banca and the joint ventures created with leading Italian banking operators.

The Unipol Group's **bancassurance model** requires **each of the 263 Unipol Banca branches to be configured as a local hub**. Insurance agencies, financial advisors, and "developers", professionals able to ensure the commercial development and synergies required for integrated promotion, are present at the branches.

This strategy enables the adoption of **good business practices**, with the joint proposal by the bank and the agency of financial and insurance solutions for customers, as well as cross-selling activities.

Popolare Vita, whose existing distribution agreement was terminated in 2017, ended the year with premium income of €706m (including income of the subsidiary **Lawrence Life**).

Arca Vita (Unipol Gruppo 63.4%; BPER Banca 19.7%; Banca Popolare di Sondrio 14.8%; Other banks 2.1%) controls **Arca Assicurazioni** (active in the Non-Life Business). Its insurance products are distributed by approximately 3,000 branches of affiliated banks, including more than 1,300 branches belonging to the shareholders BPER Banca and Banca Popolare di Sondrio, with which Unipol recently renewed a strategic partnership agreement prior to its expiry (2019), extending the same until 2022. In 2017, total premium income of Arca Vita and Arca Vita International reached €711m.

The other joint ventures through which the Group operates in the bancassurance sector are **BIM VITA** with Banca Intermobiliare and **Incontra Assicurazioni** with the UniCredit Group.

AMONG THE JOINT VENTURES CREATED BY THE UNIPOL GROUP STAND ARCA VITA, BIM VITA, INCONTRA ASSICURAZIONI.

Other business.
A growing value.

In the **real estate sector**, the Group is **one of the main operators in Italy in terms of value of assets** (€4.1bn). This category includes buildings of great historical and architectural value such as the Velasca Tower in Milan. Through UnipolSai, Unipol is also an **important player in the Italian hotel industry**, thanks to its subsidiary Atahotels, which recently acquired UNA S.p.A. becoming the national leader in the industry, and in the **agricultural sector**, where it operates through Tenute del Cerro, owner of close to 4,300 hectares of land in central Italy, Tuscany and Umbria, including 300 hectares of vineyards among the most suitable for the production of high quality wine.

Marina di Loano, the **port facility** owned by the Unipol Group, enjoys a central position on the western Ligurian coast and can accommodate 980 boats between 8 and 82 metres of length. It was the first in Italy to offer its customers loans for the subscription of mooring contracts.

UNIPOL IS ONE OF THE LEADING ITALIAN REAL ESTATE OPERATORS BY ASSETS, BUT IS ALSO ACTIVE IN THE HOTEL MANAGEMENT, AGRICULTURE, HEALTHCARE, AND PORT INDUSTRIES.

Key values and corporate responsibility. For sustainable ethics.

Accessibility, Farsightedness, Respect, Solidarity and Responsibility. These are the five key values identified in the **Group's Charter of Values**. The document was approved in 2008 after being prepared with the participation of all employees and agent representatives, for a total of over 6,000 people.

The Group's Charter of Values was the cornerstone for the review and updating of the **Code of Ethics**, approved by the Board of Directors in March 2009, a document that describes and summarises the organisation's values and the manner in which it intends to apply the same.

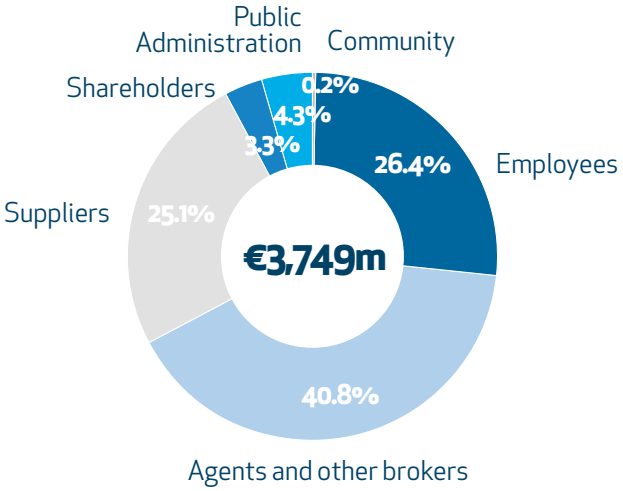
The dissemination of, and compliance with, the Code of Ethics is entrusted to the Committee for Corporate Social Responsibility, which has also assumed the role of Ethics Committee.

In the name of Corporate Social Responsibility, each year since 1993 the Group (among the first in Italy) has prepared a **Sustainability Report**, in which it sets out its objectives and policies for sustainable management. Attention is placed on risk control and management, innovation, and environmental protection.

Moreover, also this year the Group has published the **Integrated Report**, which combines in an overview the information contained in traditional financial statements with the representation of the company's environmental, social, and governance performance illustrating the business model based on capital analysis and representing the factors that materially affect the company's ability to generate value, including the reputational value.

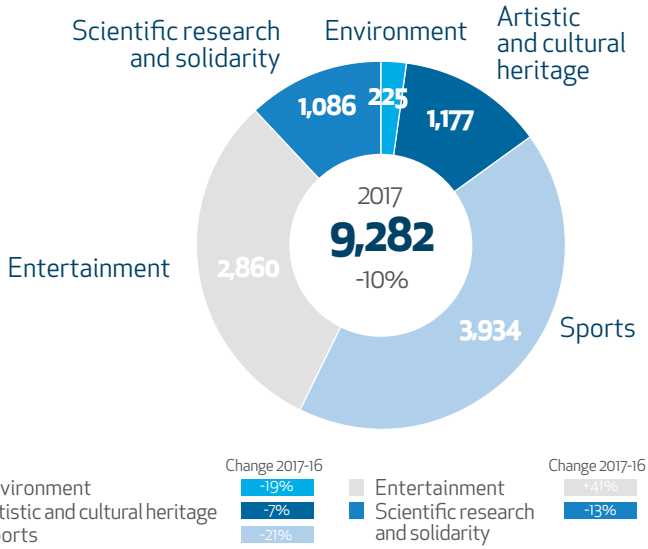
Fairness in the distribution of value created was one of the results achieved by the Group in 2017, with **€3,749m** distributed by the Group among its various stakeholders (employees, agents, suppliers, public administration, shareholders, lenders and the community).

Value distributed to other stakeholders



Contributions to the community

By area (amounts in Euro thousand)



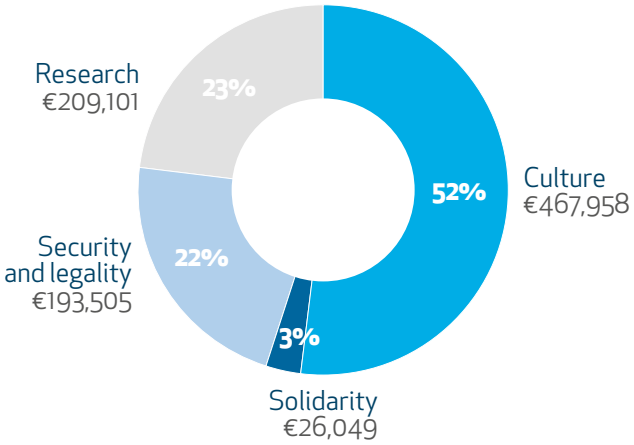
ALSO THIS YEAR UNIPOL HAS PUBLISHED THE INTEGRATED REPORT, WHICH COMBINES THE TRADITIONAL FINANCIAL REPORTING INFORMATION WITH THE GROUP'S SIGNIFICANT NON-FINANCIAL PERFORMANCE.

Unipolis is the Unipol Group's corporate foundation, a key instrument for implementing corporate social responsibility policies and initiatives for the community in line with a sustainability strategy focused on the long term primarily devoting attention and making a commitment to the development of human capital, knowledge, and training.

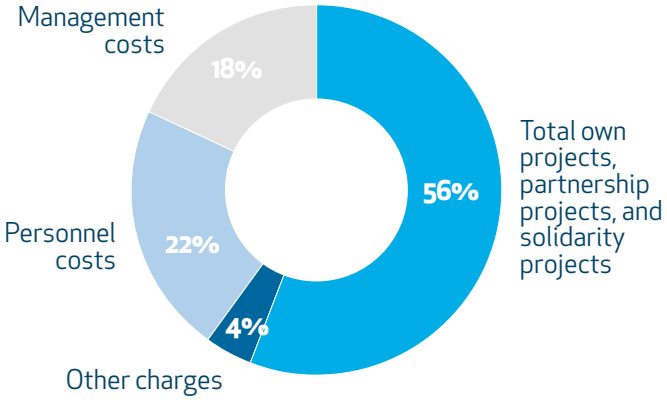
Culture, research, security and solidarity are the main areas in which the Foundation pursues its activities in accordance with the By-Laws through direct projects, partnerships with other entities, and by funding solidarity initiatives.

The work of the Foundation is reported in the Mission Report.

Breakdown of contributions by area



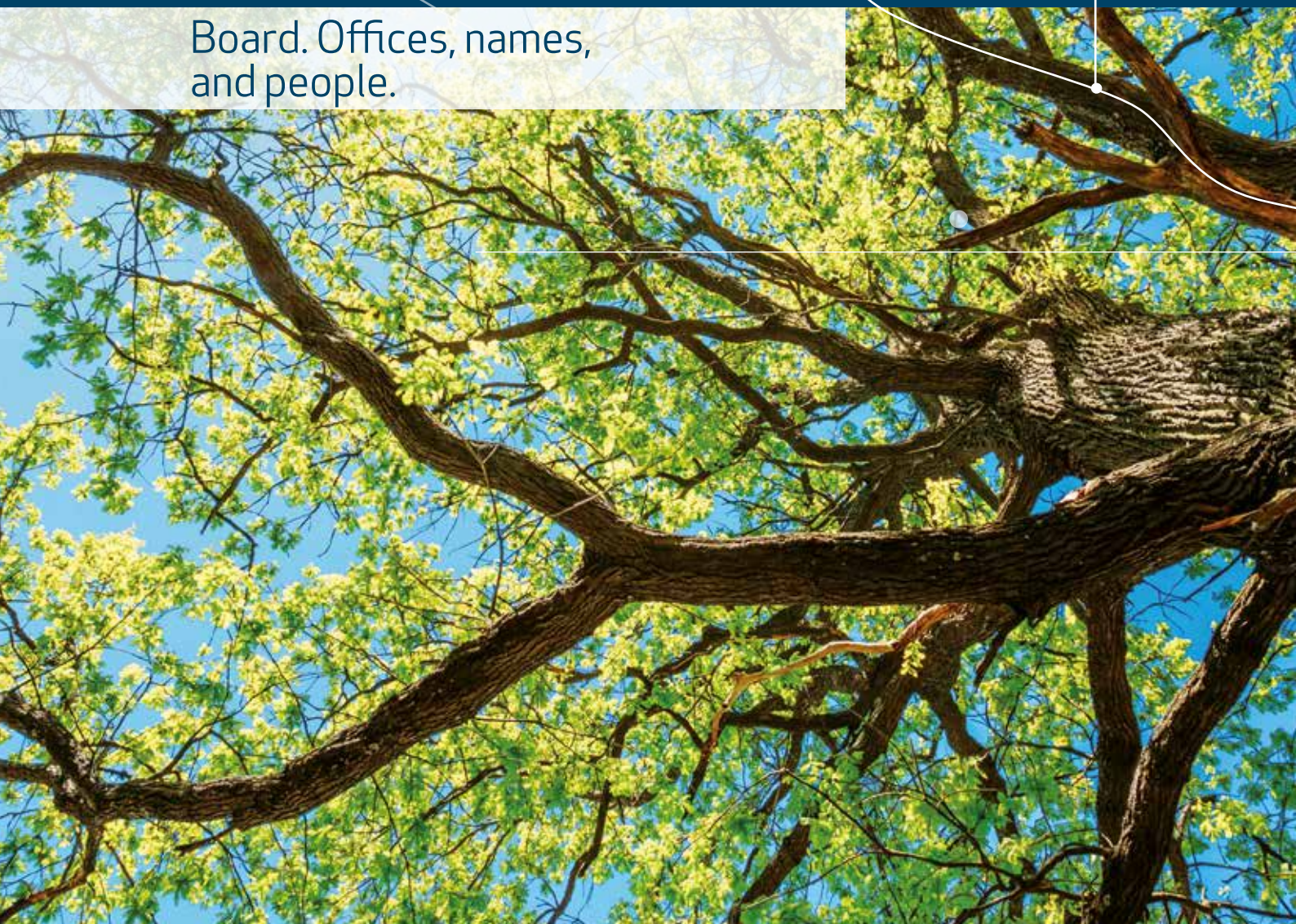
Distribution of contributions by type



Source: 2017 Report of Fondazione Unipolis

THE GROUP IMPLEMENTS SOCIAL RESPONSIBILITY POLICIES AND ACTIONS THROUGH FONDAZIONE UNIPOLIS AND IN LINE WITH A LONG TERM SUSTAINABILITY STRATEGY.

Board. Offices, names, and people.



BOARD OF DIRECTORS OF THE UNIPOL GROUP

Chairman:
Pierluigi Stefanini

Deputy Chairman:
Maria Antonietta Pasquariello

Chief Executive Officer, General Manager and Group CEO:
Carlo Cimbri

Directors:
Gianmaria Balducci
Francesco Berardini
Silvia Elisabetta Candini
Paolo Cattabiani
Ernesto Dalle Rive
Massimo Desiderio
Patrizia De Luise
Anna Maria Ferraboli
Daniele Ferrè
Giuseppina Gualtieri
Claudio Levorato
Pier Luigi Morara
Antonietta Mundo
Milo Pacchioni
Annamaria Trovò
Adriano Turrini
Rossana Zambelli
Carlo Zini
Mario Zucchelli

Secretary of the Board of Directors:
Roberto Giay

BOARD OF STATUTORY AUDITORS

Chairman:
Mario Civetta

Standing auditor:
Roberto Chiusoli

Standing auditor:
Silvia Bocci

Alternate auditor:
Chiara Ragazzi

Alternate auditor:
Massimo Gatto

BOARD OF DIRECTORS OF UNIPOLSAI ASSICURAZIONI

Chairman:
Carlo Cimbri

Deputy Chairman:
Fabio Cerchiai

Deputy Chairman:
Pierluigi Stefanini

Directors:
Francesco Berardini
Paolo Cattabiani
Lorenzo Cottignoli
Cristina De Benetti
Ernesto Dalle Rive
Giorgio Ghiglieno
Vittorio Giovetti
Massimo Masotti
Maria Rosaria Maugeri
Maria Lillà Montagnani
Nicla Picchi
Giuseppe Recchi
Elisabetta Righini
Barbara Tadolini
Francesco Vella

General Manager:
Matteo Laterza

Secretary of the Board of Directors:
Roberto Giay

BOARD OF STATUTORY AUDITORS

Chairman:
Paolo Fumagalli

Standing auditor:
Giuseppe Angiolini

Standing auditor:
Silvia Bocci

Alternate auditor:
Domenico Livio Trombone

Alternate auditor:
Luciana Ravicini

Alternate auditor:
Sara Fornasiero

Unipol Gruppo S.p.A.

Registered office
Via Stalingrado, 45
40128 Bologna (Italy)
ph. +39 051 5076111
fax +39 051 5076666
unipol@pec.unipol.it

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Bologna Companies' Register,
Taxpayer Id. No. and V.A.T. No. 00284160371
Economic Administrative Index No. 160304

Parent Company of the Unipol Insurance Group
enrolled in the Register of parent companies under No. 046

Parent Company of the Unipol Banking Group
enrolled in the Register of Banking Groups

www.unipol.it

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GRUPPO

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Unipol Gruppo S.p.A.
Registered Office
Via Stalingrado, 45
40128 Bologna, Italy