

# Group Presentation

**Unipol**  
GRUPPO

**UnipolSai**  
ASSICURAZIONI

## AGENDA

- **Business overview**
- 2013 – 2015 Plan
- 9M13 Results

## ABOUT US

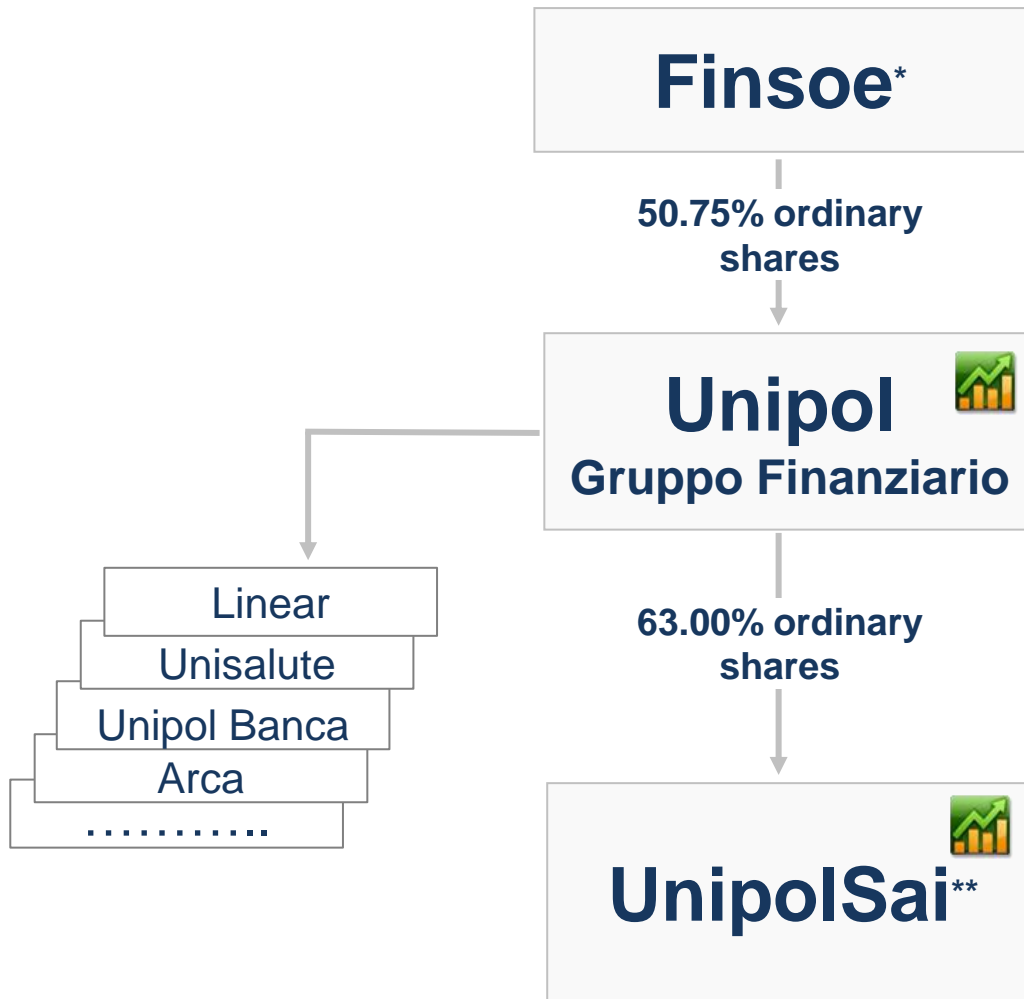
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- Unipol Gruppo Finanziario operates as a **leader in the Italian insurance market**
- It ranks **1<sup>st</sup> among the Non-life insurance** groups with written premiums\* of 10.6 €bn (and a market share around 30%), following the acquisition of Fondiaria-SAI control in 2012
- It is one of the leaders in the Italian market of Life business (ranking 5<sup>th</sup>) with written premiums\* of 6.2 €bn (and a market share of 8%). Leader in the Italian Insurance Pension Funds market, AUM 3.4 €bn
- It serves more than **14 million of clients**
- It manages **assets for over 50€bn**
- It also operates in the banking sector
- It has a **multichannel strategy** through:
  - Insurance agencies (around 4,500 in Italy\*\* and around 100 in Serbia)
  - Bancassurance distribution agreements (about 4,500 banking branches)
  - Property banking branches (around 300 Unipol Banca branches)
  - Direct channel (telephone/internet) and company agreements (e.g. in the health business)
- Unipol Group is **listed** on the Italian Stock Exchange through:
  - Unipol ordinary and Unipol preference shares (shares of the parent company Unipol Gruppo Finanziario S.p.A.)
  - UnipolSai Ordinary, UnipolSai Sav. A and UnipolSai Sav. B (shares of the operating company UnipolSai S.p.A.).

\* pro-forma figures

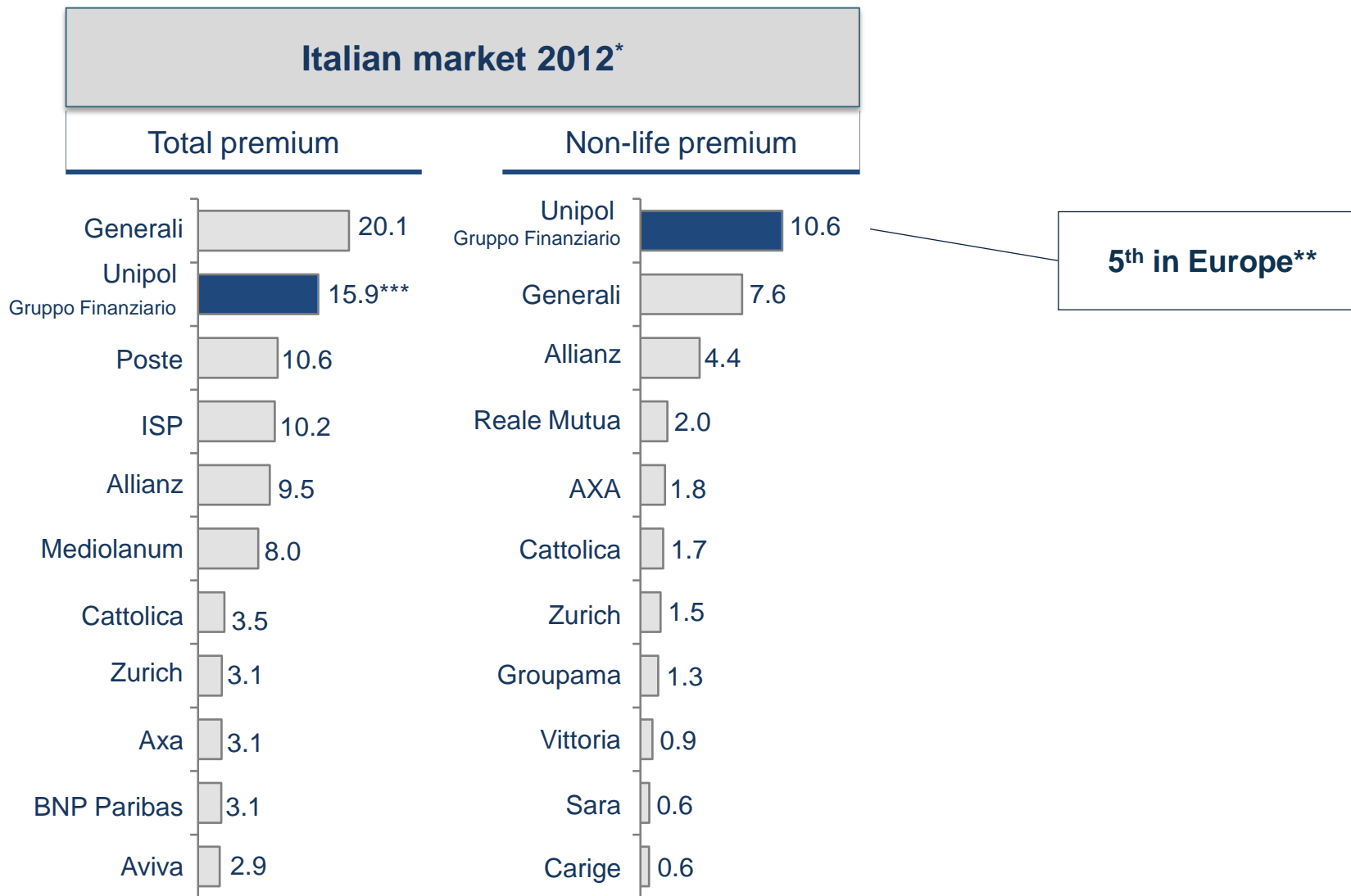
\*\* without considering Antitrust disposal

# GROUP STRUCTURE



# RANKING: INSURANCE GROUP

€bn



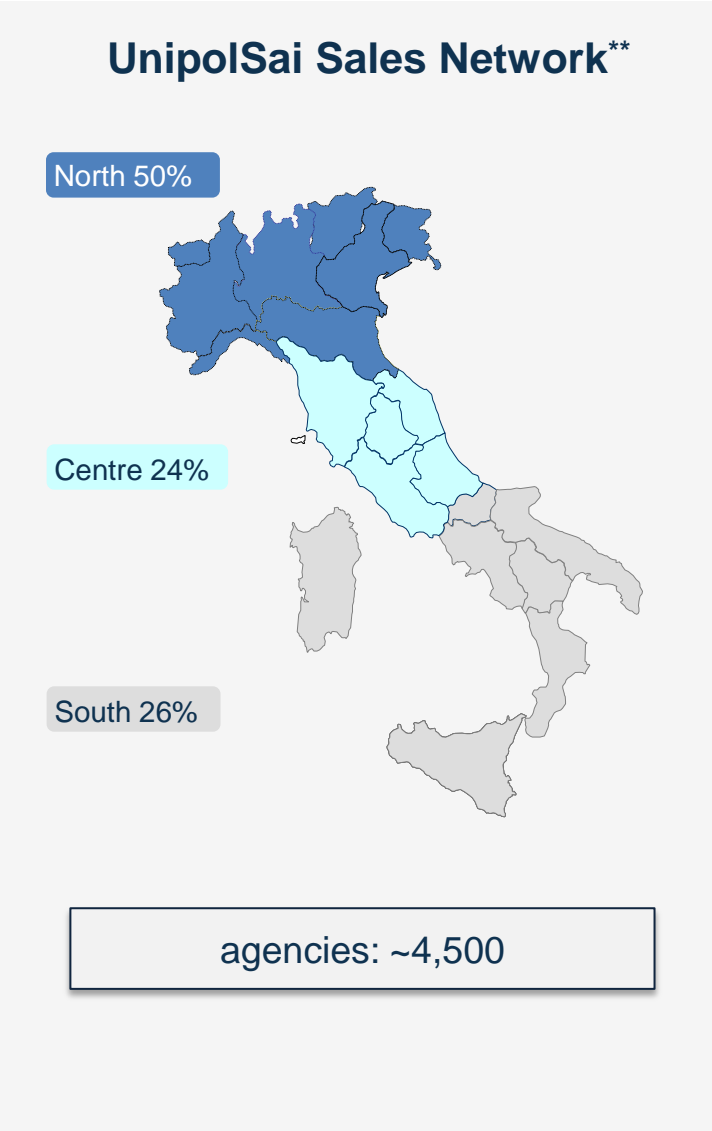
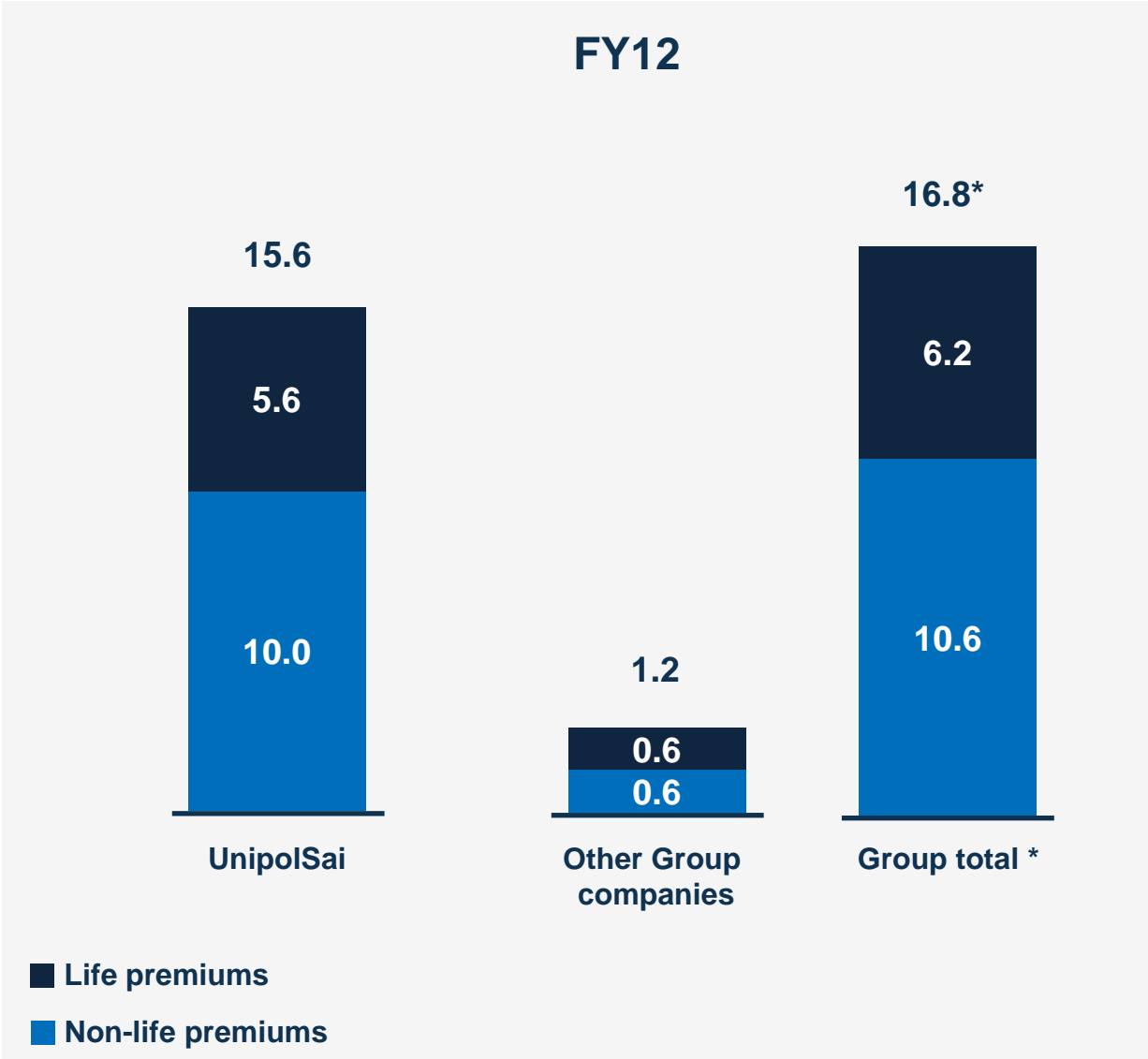
\*before Antitrust disposal; the Italian market doesn't consider cross border premiums

\*\*ranking based on insurance companies' income in Austria, France, Germany, Italy, the Netherlands, United Kingdom, Spain and Switzerland. In-house estimates.

\*\*\* 16.8 €bn including cross-border premiums

# DIRECT INSURANCE INCOME – UNIPOL GRUPPO FINANZIARIO

€bn



\* pro-forma figures  
 \*\*before Antitrust disposal

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## KEY HIGHLIGHTS OF THE UNIPOLSAI\* PLAN

**Financial and capital strength  
to support the Industrial Plan implementation**

Capital strengthening with  
the merger thanks to Unipol  
Assicurazioni excess capital

**A turnaround and consolidation operation between insurance  
companies with low execution risk**

~350€m  
of yearly synergies

**Focus on the industrial management of the business  
and on the technical/operating excellence**

93% CoR

**A new leader, with stronger profitability and financial soundness**

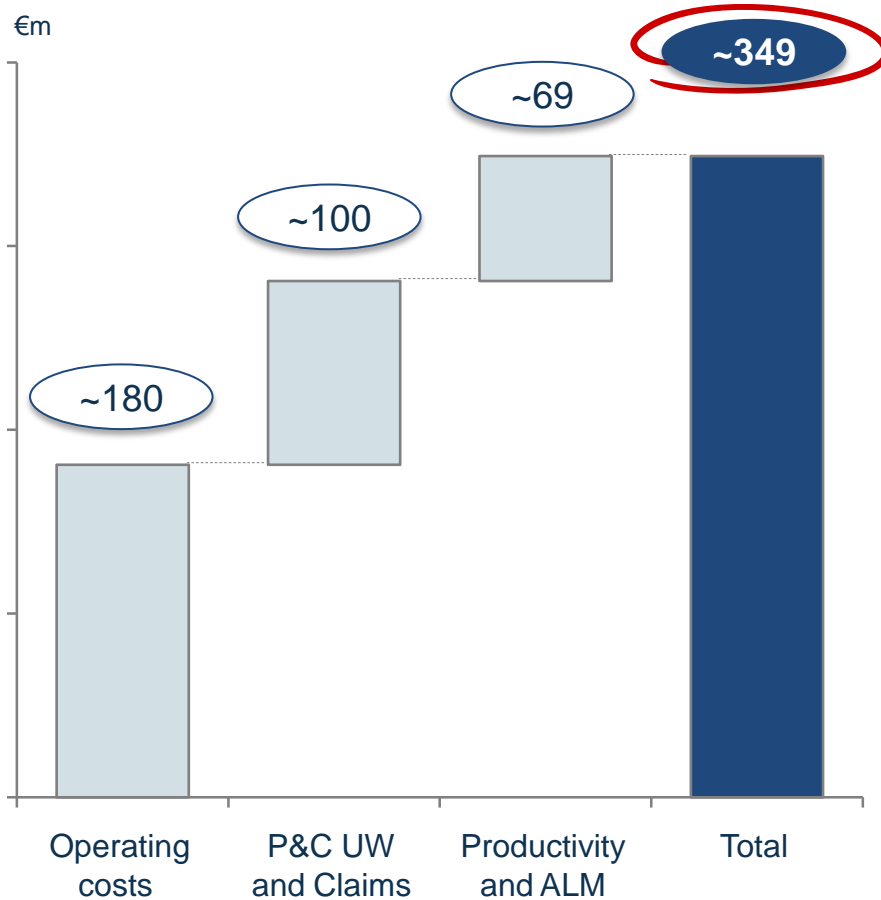
814€m net income  
Solvency I ~ 1.8x



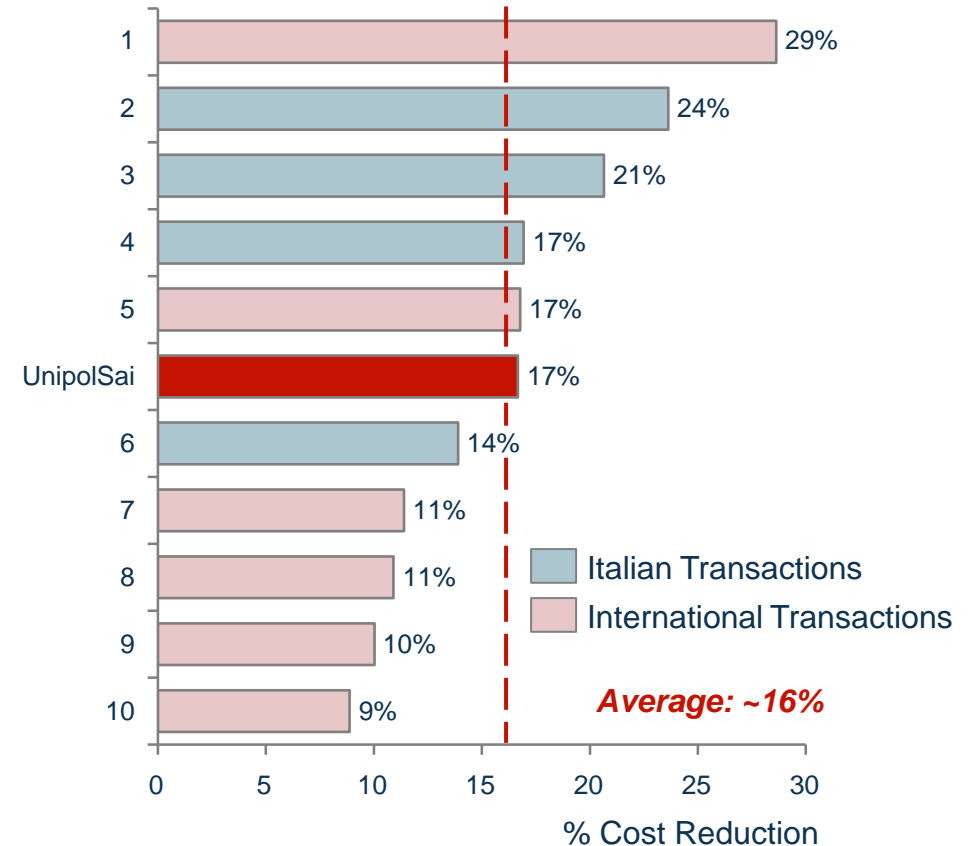


# TARGET SYNERGIES

Yearly integration synergies, at steady state  
(Impact on 2015 pre-tax profit, €m)



Target on operating costs in line with other transactions  
(Reduction as % of post merger combined entity costs)



**One-off integration costs, cumulative 2013-15, equal to ~302€m**

Source: Unipol Gruppo Finanziario, analysts' reports, press announcements

This slide contains figures and information disclosed to the market on 20 December 2012.

## 2015 CONSOLIDATED TARGETS

P&L key indicators		UnipolSai		Unipol Gruppo Finanziario	
		2011 Combined Pro forma	2015	2011 Combined Pro forma	2015
P&C	GWP (€bn)	10.8	8.9	11.4	9.6
	Gross combined ratio <sup>1</sup> (%)	104.8%	93.0%	104.2%	93.0%
	Net combined ratio <sup>2</sup> (%)	106.6%	94.3%	n.d.	n.d.
	Net technical result (€m)	-732	504	-699	544
	Investments yield	<0	4.2%	n.d.	4.2%
	Technical reserves (€bn)	19.3	14.7	20.0	15.5
	Gross profit <sup>3</sup> (€m)	-1,530	982	-1,478	1,061
Life	GWP (€bn)	5.6	6.7	6.2	7.4
	Life reserves (€bn)	36.7	34.7	39.9	38.6
	Gross profit (€m)	-224	262	-168	301
Total <sup>4</sup>	Net profit (€m)	-1,126	814	-1,130	852
	Solvency I <sup>5</sup>	n.s.	~180%	n.s.	~180%
	Dividend payout	0	~60-80%	0	~60-80%

<sup>1</sup> Direct Business CoR (including OTI). <sup>2</sup> Including reinsurance. <sup>3</sup> Including IAS adjustments and intercompany adjustments. <sup>4</sup> Including RE and diversified businesses. **Pre-minorities** net profit. <sup>5</sup> After capital increase of 600 €m of Unipol Gruppo Finanziario in Unipol Assicurazioni, post statutory adjustments  
Note: Assumed average tax rate of ~35%. Combined entity figures include transaction effects on the balance sheet.

This slide contains figures and information disclosed to the market on 20 December 2012.

# UNIPOLSAI PRO-FORMA CONSOLIDATED FIGURES\*

Pro-forma consolidated statement of financial position		
€m	31.12.2012	30.09.2013
<b>INTANGIBLE ASSETS</b>	<b>1.112</b>	<b>899</b>
Goodwill	307	307
Other intangible assets	806	592
<b>PROPERTY PLANT AND EQUIPMENT</b>	<b>956</b>	<b>854</b>
<b>REINSURERS' SHARE OF TECHNICAL PROVISIONS</b>	<b>1.173</b>	<b>964</b>
<b>INVESTMENTS</b>	<b>54.762</b>	<b>51.913</b>
<b>OTHER RECEIVABLES</b>	<b>3.307</b>	<b>2.277</b>
<b>OTHER ASSETS</b>	<b>2.169</b>	<b>5.848</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>1.596</b>	<b>1.778</b>
<b>TOTAL ASSETS</b>	<b>65.075</b>	<b>64.553</b>
<b>EQUITY</b>	<b>4.907</b>	<b>5.499</b>
attributable to the owners of the parent	4.567	5.167
attributable to non-controlling interests	340	332
<b>PROVISIONS</b>	<b>419</b>	<b>391</b>
<b>TECHINICAL PROVISIONS</b>	<b>52.857</b>	<b>48.797</b>
<b>FINANCIAL LIABILITIES</b>	<b>4.304</b>	<b>3.981</b>
<b>PAYABLES</b>	<b>1.152</b>	<b>890</b>
<b>OTHER LIABILITIES</b>	<b>1.437</b>	<b>4.976</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>65.075</b>	<b>64.533</b>

Pro-forma consolidated income statement		
€m	31.12.2012	30.09.2013
NET PREMIUMS	15.536	11.272
OTHER NET REVENUES	3.319	2.275
<b>TOTAL REVENUES</b>	<b>18.855</b>	<b>13.547</b>
NET INSURANCE CLAIMS	13.839	9.591
OTHER NET COSTS	1.606	1.911
OPERATING EXPENSES	2.696	1.065
<b>TOTAL COSTS AND EXPENSES</b>	<b>18.142</b>	<b>12.567</b>
<b>PRE-TAX PROFIT</b>	<b>713</b>	<b>980</b>
Taxes	247	376
<b>CONSOLIDATED PROFIT</b>	<b>469</b>	<b>603</b>
attributable to the owners of the parent	446	566
attributable to non-controlling interests	23	37

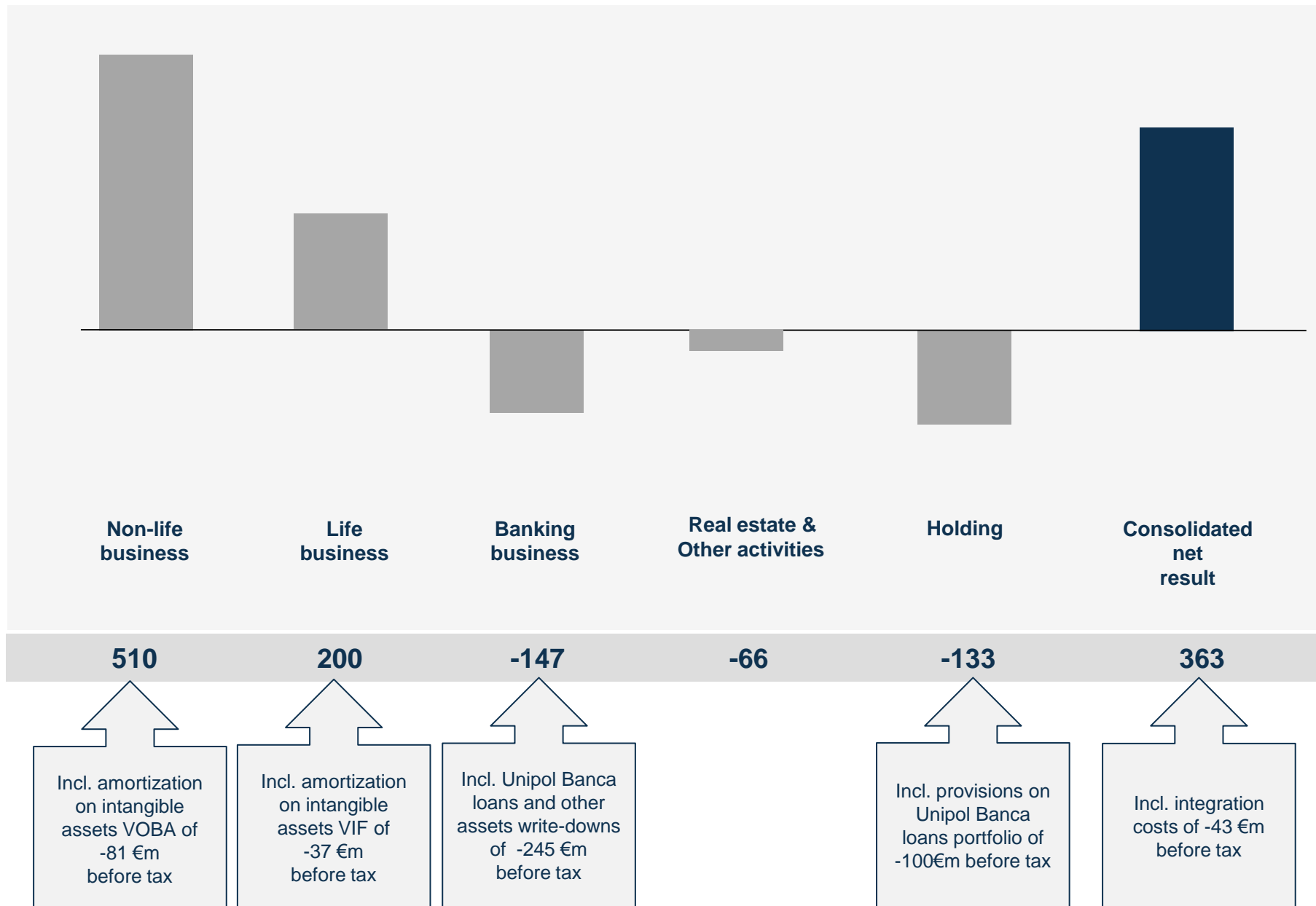
\*summary of pro-forma figures included in the merger information document released by the companies Involved in the deal on 9 October 2013 and on 24 December 2013. In-house translation.

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- **9M13 Results**

# 9M13 CONSOLIDATED RESULT BY SEGMENT\* – UNIPOL GRUPPO FINANZIARIO

€m

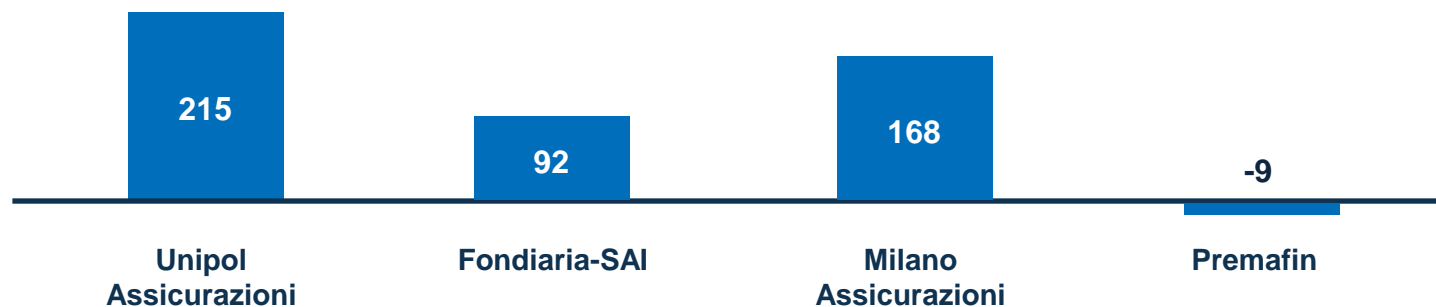


\* pre-tax results, pre-minorities

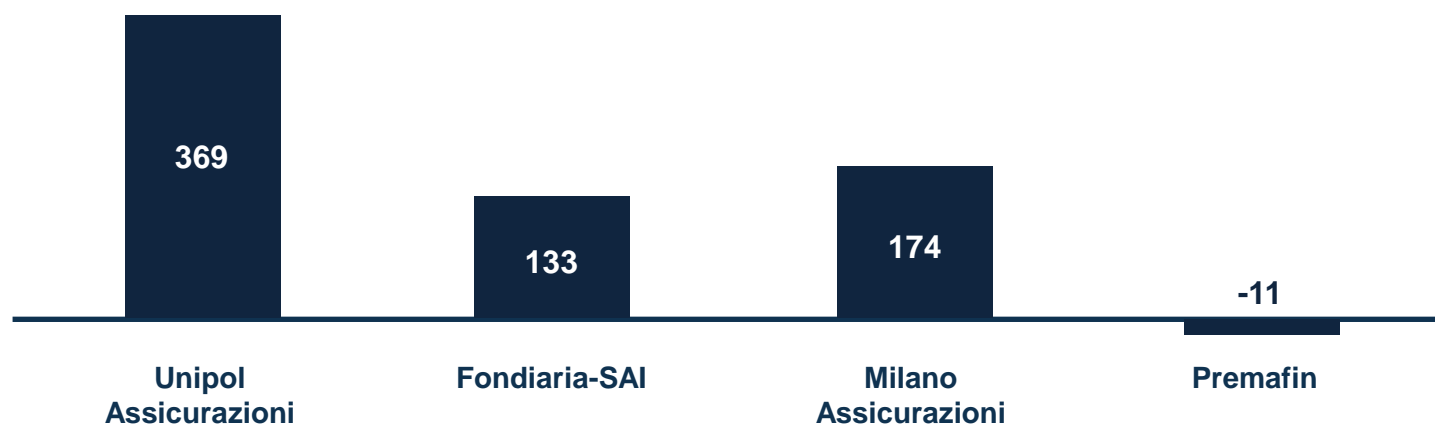
# UNIPOLSAI – 9M13 NET RESULTS FOR THE COMPANIES MERGED

€m

## IAS results



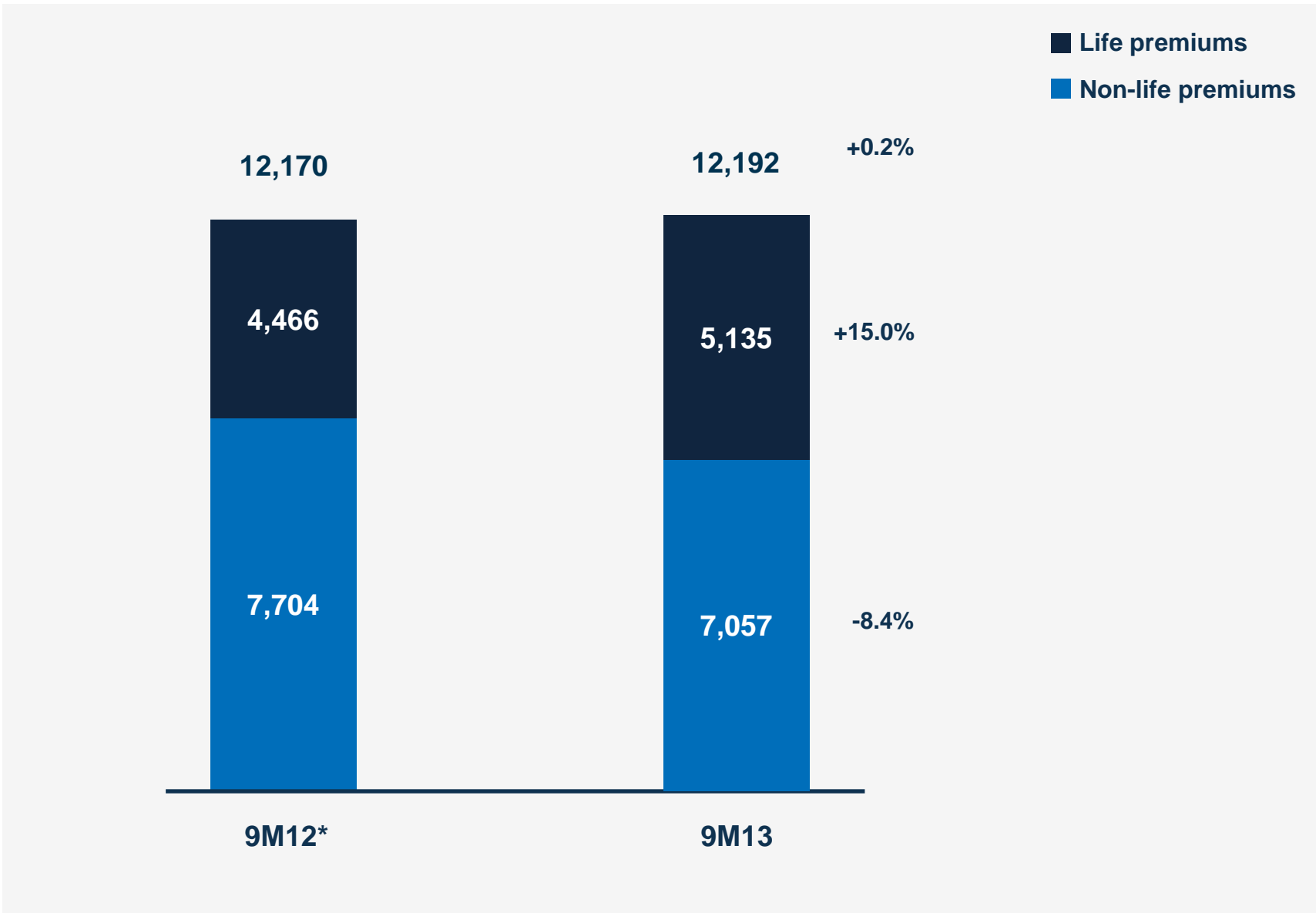
## Italian GAAP results



Note: stand alone companies' results

# DIRECT INSURANCE INCOME – UNIPOL GRUPPO FINANZIARIO

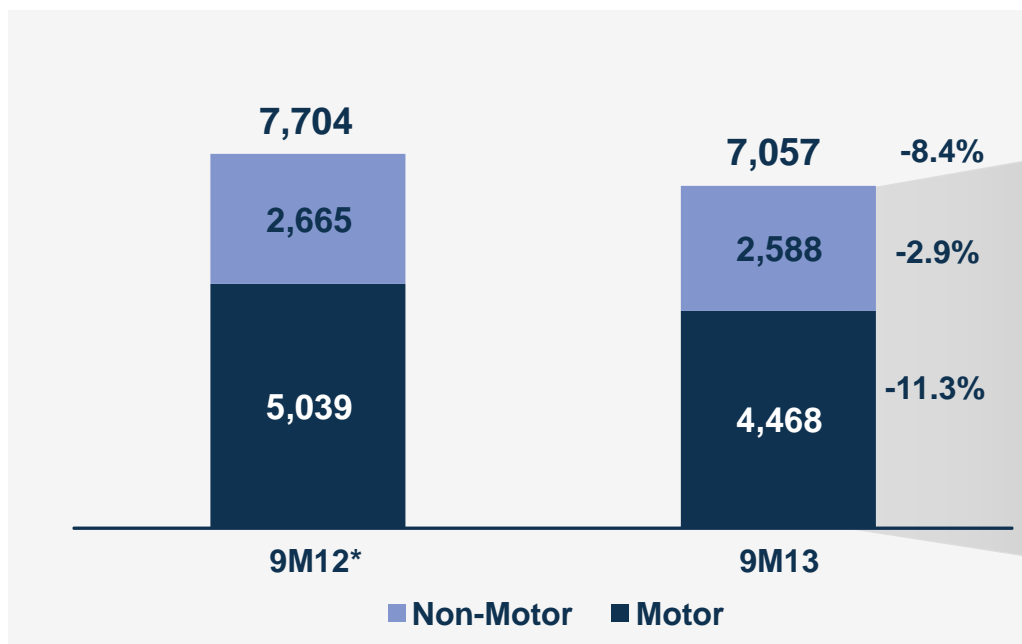
€m



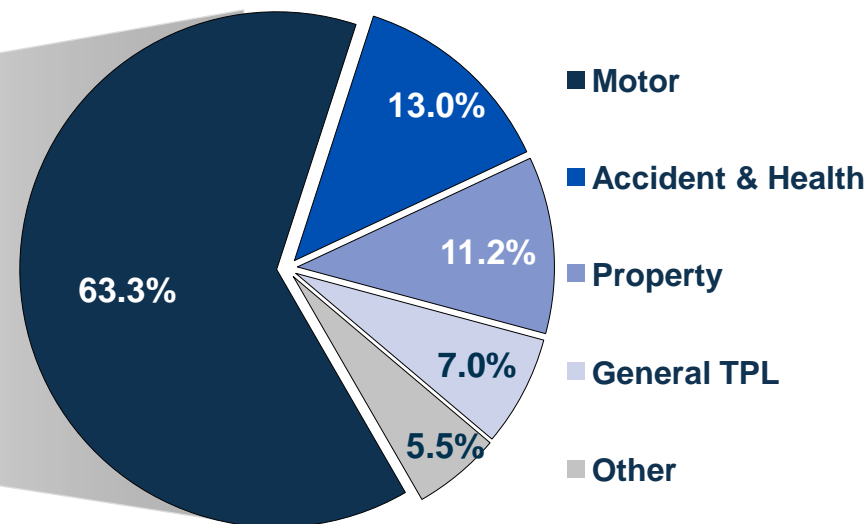
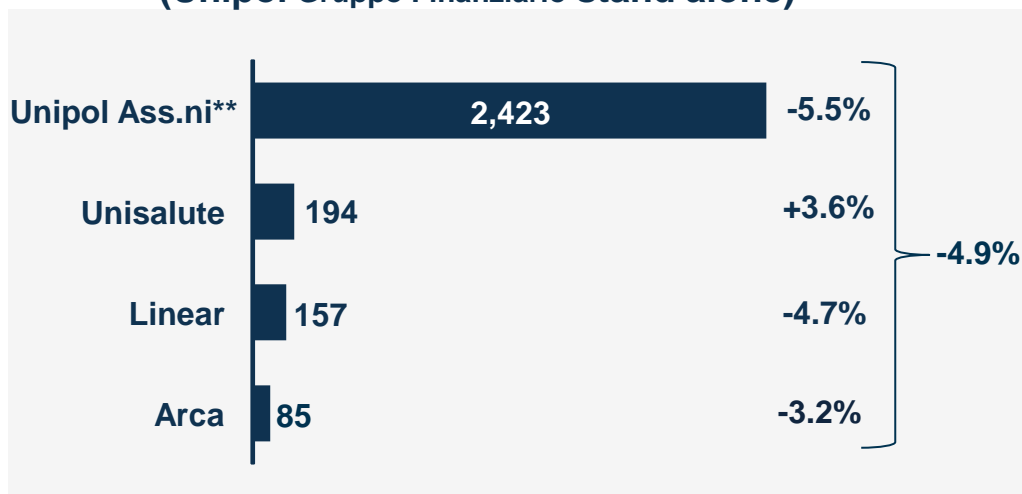
\* management figure (consolidated) including Premafin-Fondiarria-SAI Group data for the whole period 1 January – 30 September 2012

# NON-LIFE DIRECT PREMIUM INCOME – UNIPOL GRUPPO FINANZIARIO

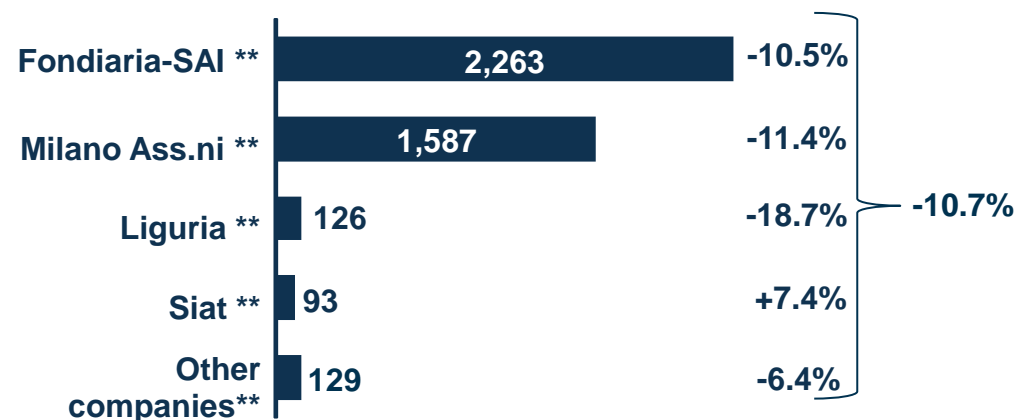
€m



**Income by company  
(Unipol Gruppo Finanziario stand alone)**



**Income by company  
(Fondiaria-SAI cons.)**

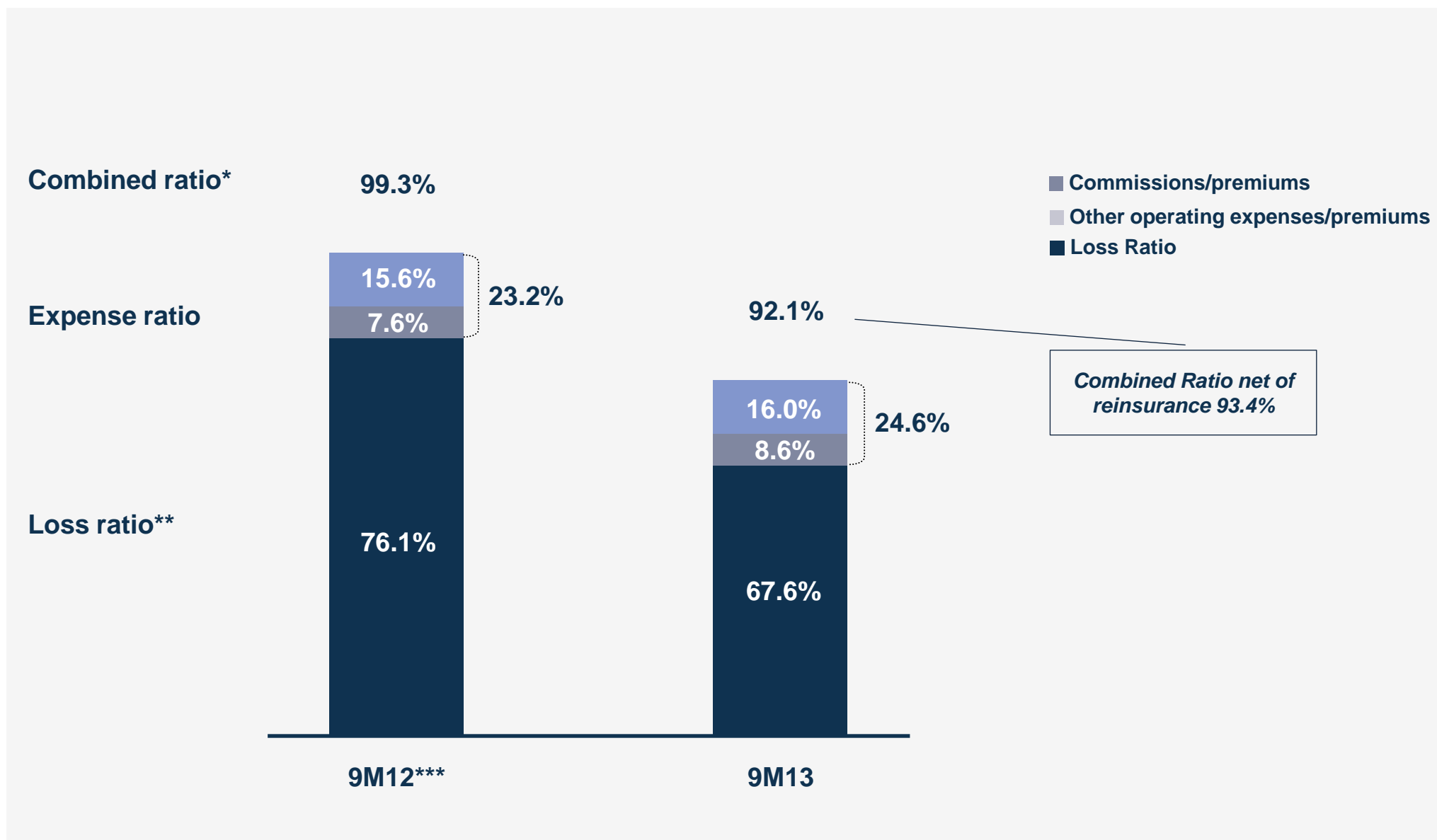


\* management figures including Premafin-Fondiaria-SAI Group data for the whole period 1 January – 30 September 2012

\*\* now included in the UnipolSai Group



# NON-LIFE COMBINED RATIO – UNIPOL GRUPPO FINANZIARIO



\* direct business

\*\* including OTI/premiums

\*\*\* management figures including Premafin-Fondiarria-SAI Group data for the whole period 1 January – 30 September 2012

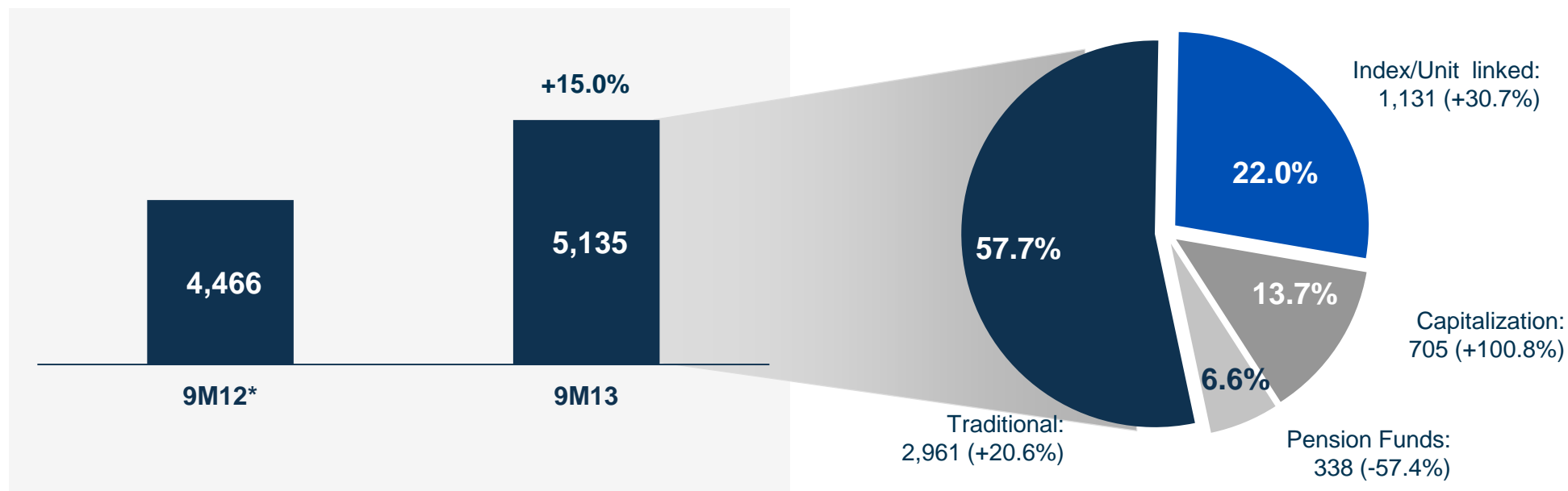
## 9M13 NON-LIFE MV TPL TECHNICAL INDICATORS

	Unipol Assicurazioni S.p.A.*	Fondiaria-SAI S.p.A.*	Milano Assicurazioni S.p.A.*
	Var vs FY12	Var vs FY12	Var vs FY12
<b>Total portfolio</b>	<b>-1.9%</b>	<b>-5.2%</b>	<b>-4.3%</b>
o/w:			
<b>Retail</b>	<b>-1.6%</b>	<b>-5.0%</b>	<b>-4.3%</b>
<b>Fleets</b>	<b>-9.1%</b>	<b>-8.8%</b>	<b>-3.6%</b>
	Var vs 9M12	Var vs 9M12	Var vs 9M12
<b>Portfolio average premium</b>	<b>-2.9%</b>	<b>-4.3%</b>	<b>-4.7%</b>
<b>No. of claims reported</b> (followed up passive claims)	<b>-9.0%</b>	<b>-16.3%</b>	<b>-14.5%</b>
<b>Claims settlement speed</b> (current year managed claims)	<b>0.0 p.p.</b>	<b>+0.1 p.p.</b>	<b>+0.2 p.p.</b>
<b>Frequency</b>	<b>-0.5 p.p.</b>	<b>-0.5 p.p.</b>	<b>-0.6 p.p.</b>

\* now merged into UnipolSai

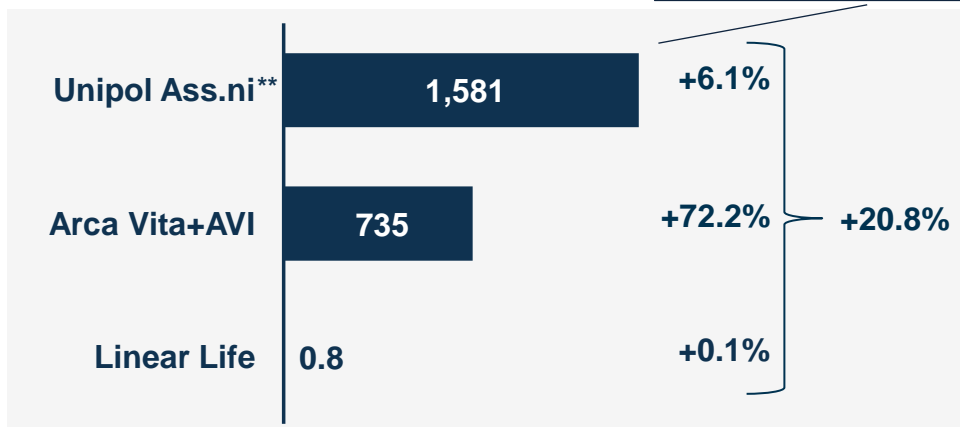
# LIFE DIRECT INCOME – UNIPOL GRUPPO FINANZIARIO

€m

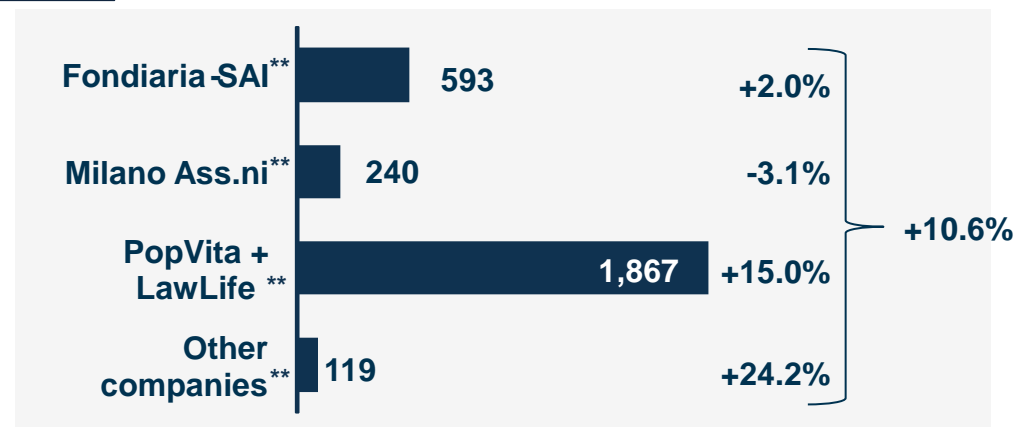


## Income by company (Unipol Gruppo Finanziario stand alone)

9M12 included closed-end pension funds for 411€m one-off.



## Income by company (Fondiarria-SAI cons.)



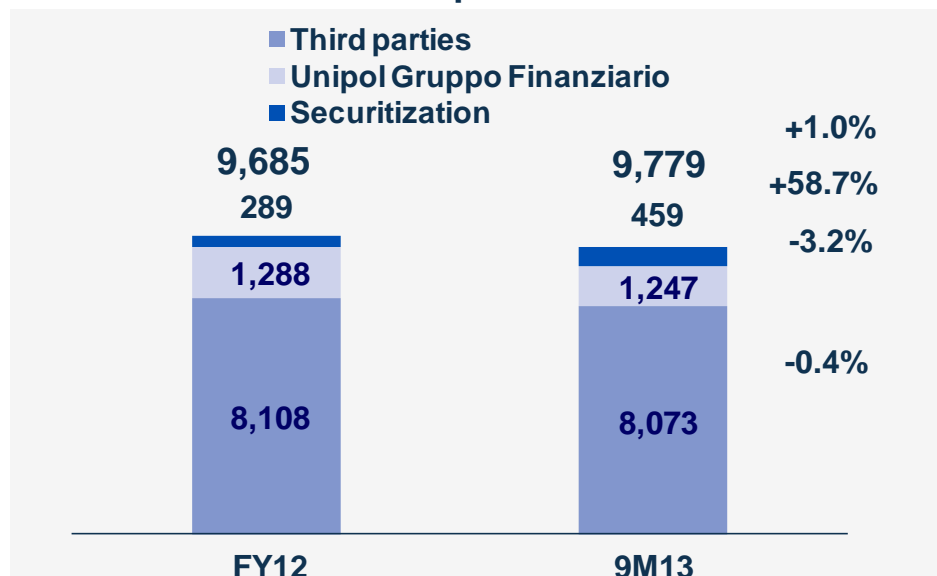
\*management figures including Premafin-Fondiarria-SAI Group data for the whole period 1 January – 30 September 2012

\*\* now included in the UnipolSai Group

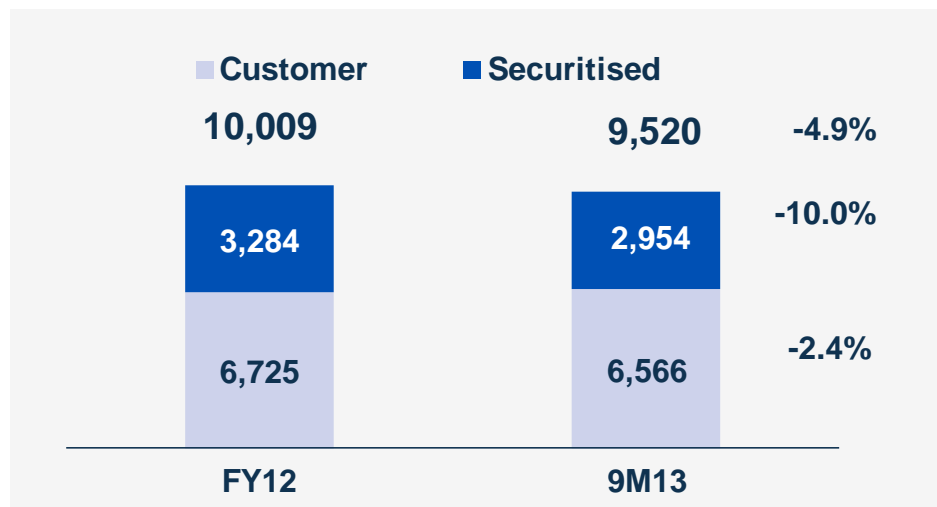
# UNIPOL BANCA GROUP\*

€m

## Direct Deposits



## Lending\*\*



## Indicators

Lending indicators **	FY12	9M13
Net non-performing loans	1,937	2,142
Net non-performing loans/loans	19.4%	22.5%
% Bad loans coverage ratio	37%	44%
% NPL coverage ratio	24%	31%
% Total loans coverage ratio	6%	10%
<b>Capital indicators Unipol Banca Gr.</b>		
Tier 1 ratio (= Core Tier 1 ratio)	8.4%	7.3%
Total capital ratio	14.5%	13.3%
<b>Economic indicators Unipol Banca Gr.</b>		
Gross operating income	276	235
Cost/Income ratio	73%	80%
Pre-tax result	14	-198
Net result	6	-149

**9M13 loan provisions:**  
245 €m in Unipol Banca accounts + 100 €m in  
Unipol Gruppo Finanziario accounts

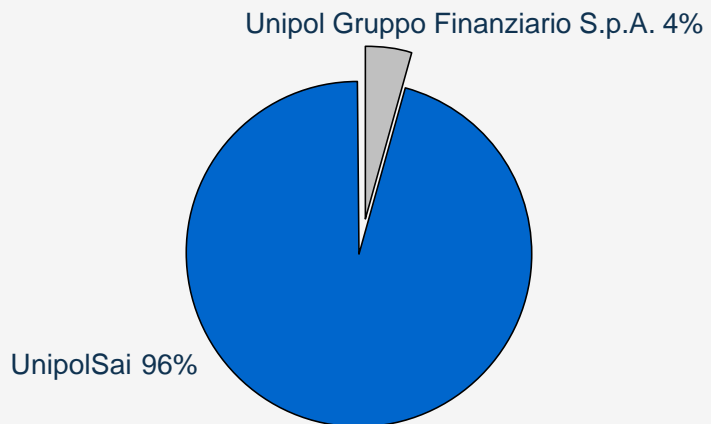
\*management figures.

\*\* figures net of Unipol Gruppo Finanziario S.p.A. provisions

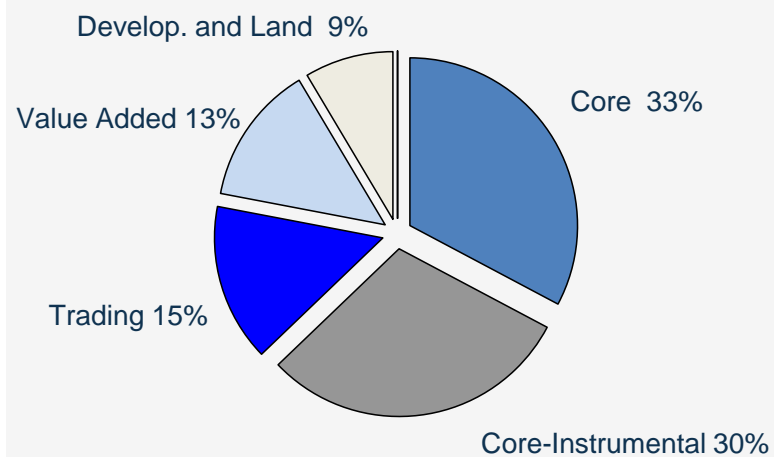
# 9M13 REAL ESTATE\* – UNIPOL GRUPPO FINANZIARIO

Total portfolio 4.9 €mld

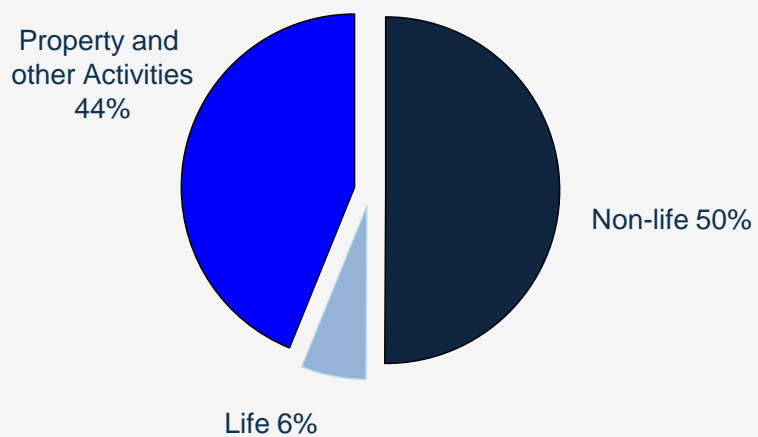
**Breakdown by company**



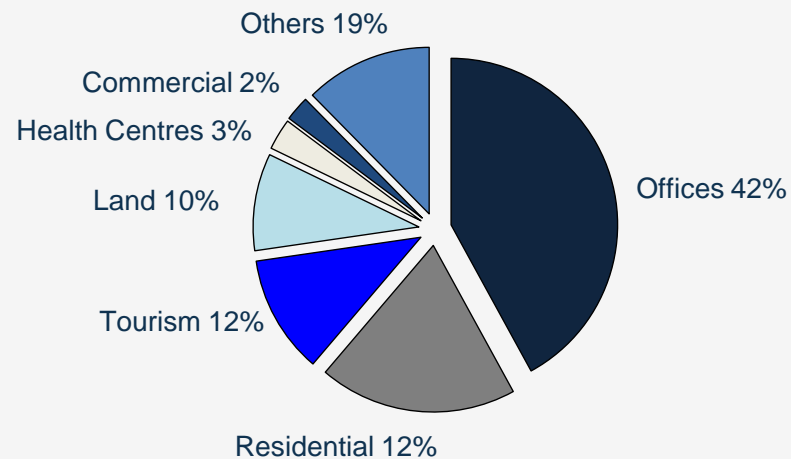
**Breakdown by cluster**



**Breakdown by business segment**



**Breakdown by type**

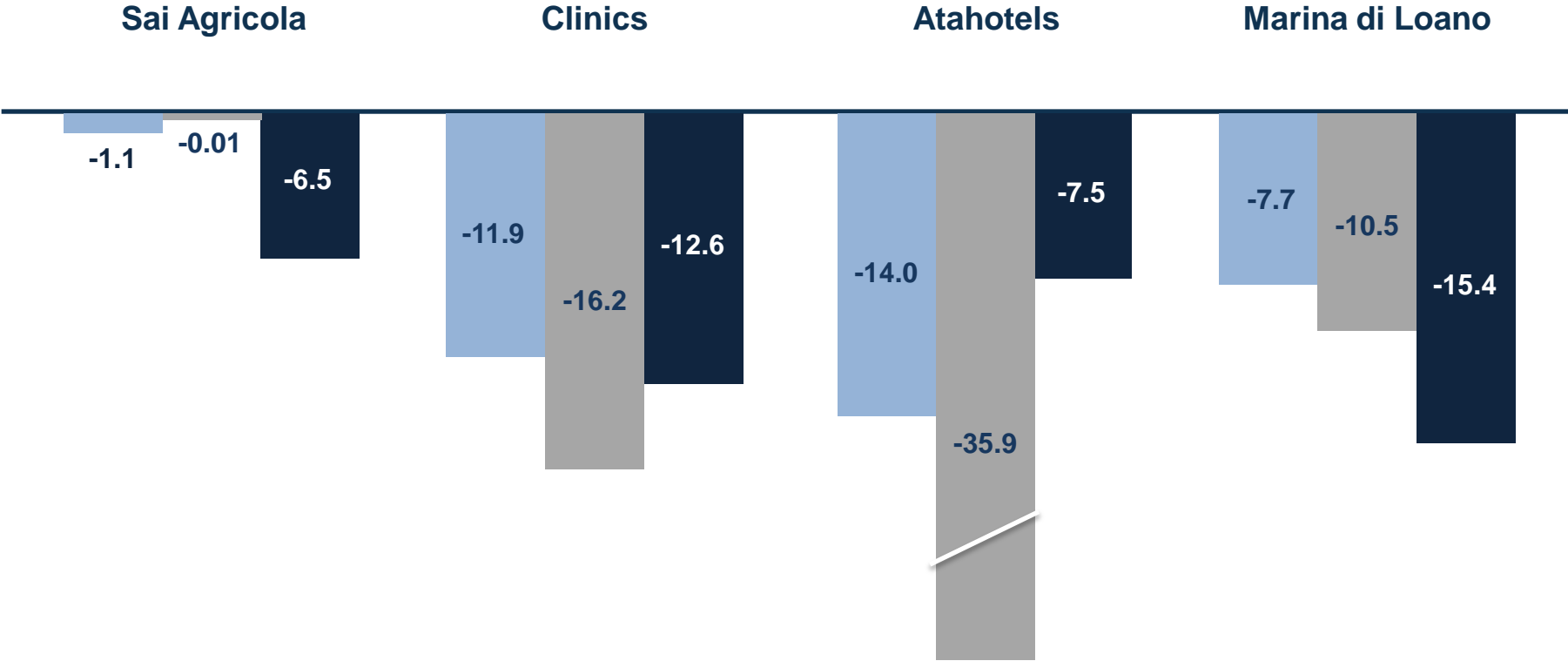


Promise of sale agreements signed for ca. 66 €m.

\* management figures

# OTHER ACTIVITIES – MAIN COMPANIES’ NET RESULTS\*

€m



■ 9M12 ■ FY12 ■ 9M13

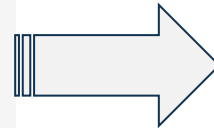
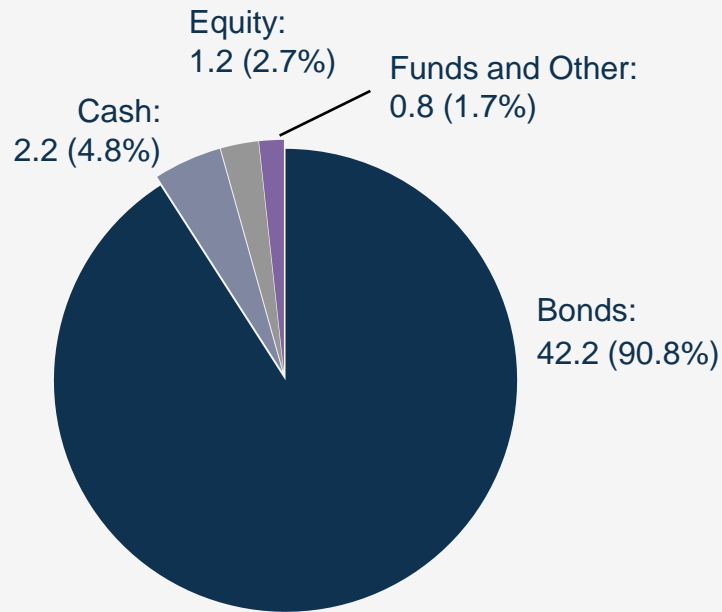
\* Italian GAAP

# 9M13 FINANCIAL INVESTMENTS\* – UNIPOL GRUPPO FINANZIARIO

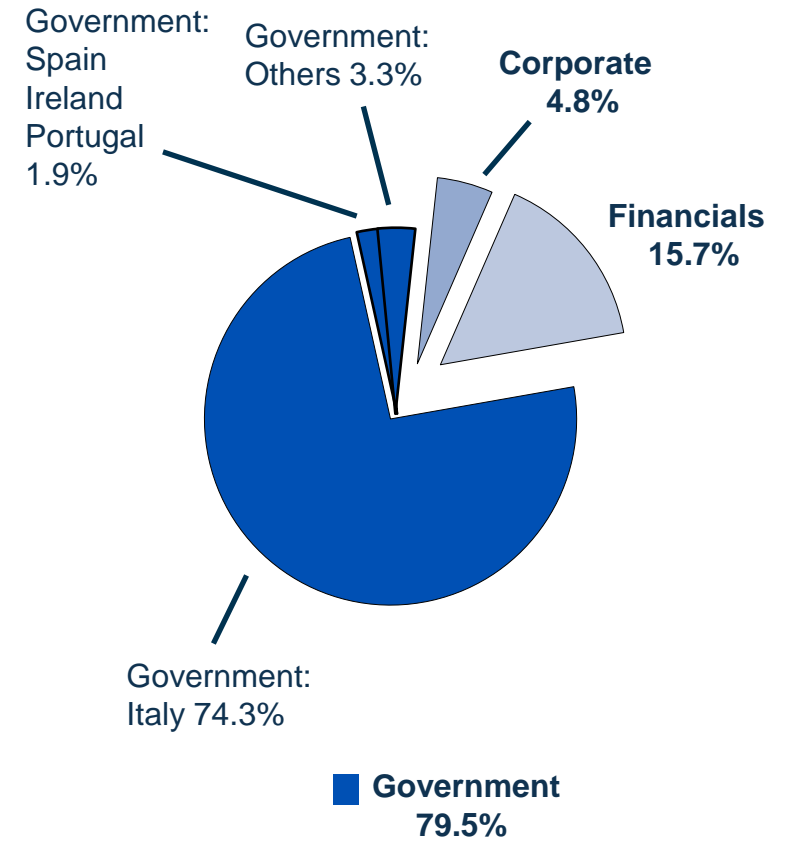
€bn

**INVESTMENTS**  
46.5 €bn

## Breakdown by asset



**BOND PORTFOLIO**  
42.2 €bn



\* insurance investments managed by Unipol Gruppo Finanziario, mark to market, excluding class D, debt securities issued by Group companies, DDOR and Lawrence Life. Management figures.

# FOCUS ON STRUCTURED – UNIPOL GRUPPO FINANZIARIO

€m

Fair value hierarchy	31/12/2012		
	Book value	Market value	Plus/Minus
Level 1	2,311	2,341	30
Level 2 and 3	5,295	4,741	-554
<b>Total</b>	<b>7,606</b>	<b>7,082</b>	<b>-524</b>

Fair value hierarchy	30/09/2013		
	Book value	Market value	Plus/Minus
Level 1	2,233	2,348	115
Level 2 and 3	4,906	4,402	-503
<b>Total</b>	<b>7,139</b>	<b>6,751</b>	<b>-388</b>

Fair value hierarchy	11/11/2013		
	Book value	Market value	Plus/Minus
Level 1	2,097	2,266	169
Level 2 and 3	4,535	4,172	-363
<b>Total</b>	<b>6,632</b>	<b>6,438</b>	<b>-194</b>

**Exposure reduced** by  
**1 €bn**  
ytd achieving  
capital gains for **40€m**

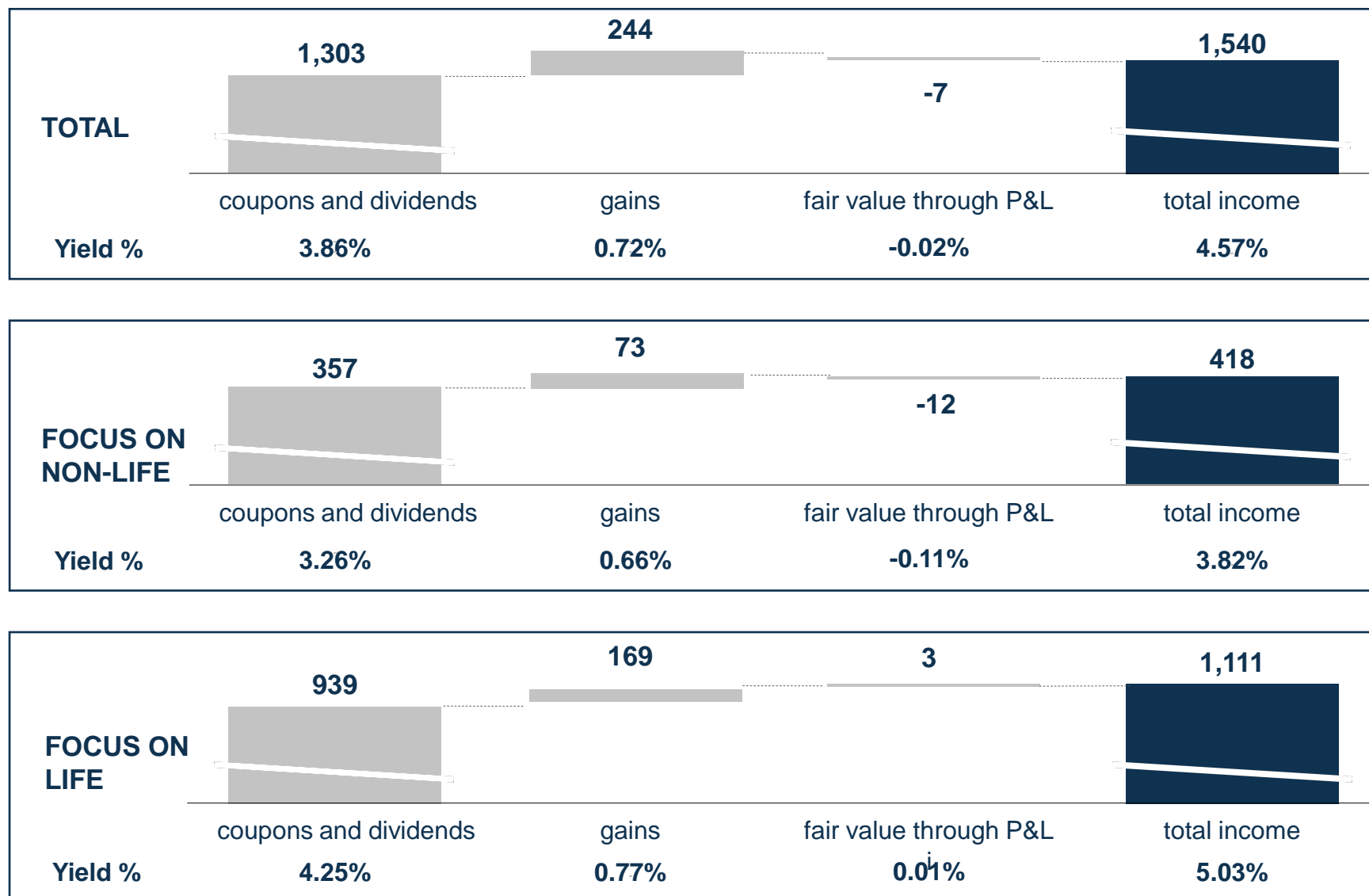
The classification according to the fair value hierarchy is based on three Levels used for determining the fair value (mark to market, mark to model, counterparty) and on whether the inputs used in the case of mark to model valuation technique are observable (IFRS13).

- Level 1: this category includes financial assets and liabilities valued on a mark to market basis;
- Level 2: this category includes financial assets and liabilities for which a pricing model based on observable market inputs is used;
- Level 3: this category includes financial assets and liabilities for which the determination of the fair value is based on techniques which are mainly based on significant inputs not available on the market and results, therefore, in estimates and assumptions by management.



# 9M13 FINANCIAL INVESTMENT INCOME\* – UNIPOL GRUPPO FINANZIARIO

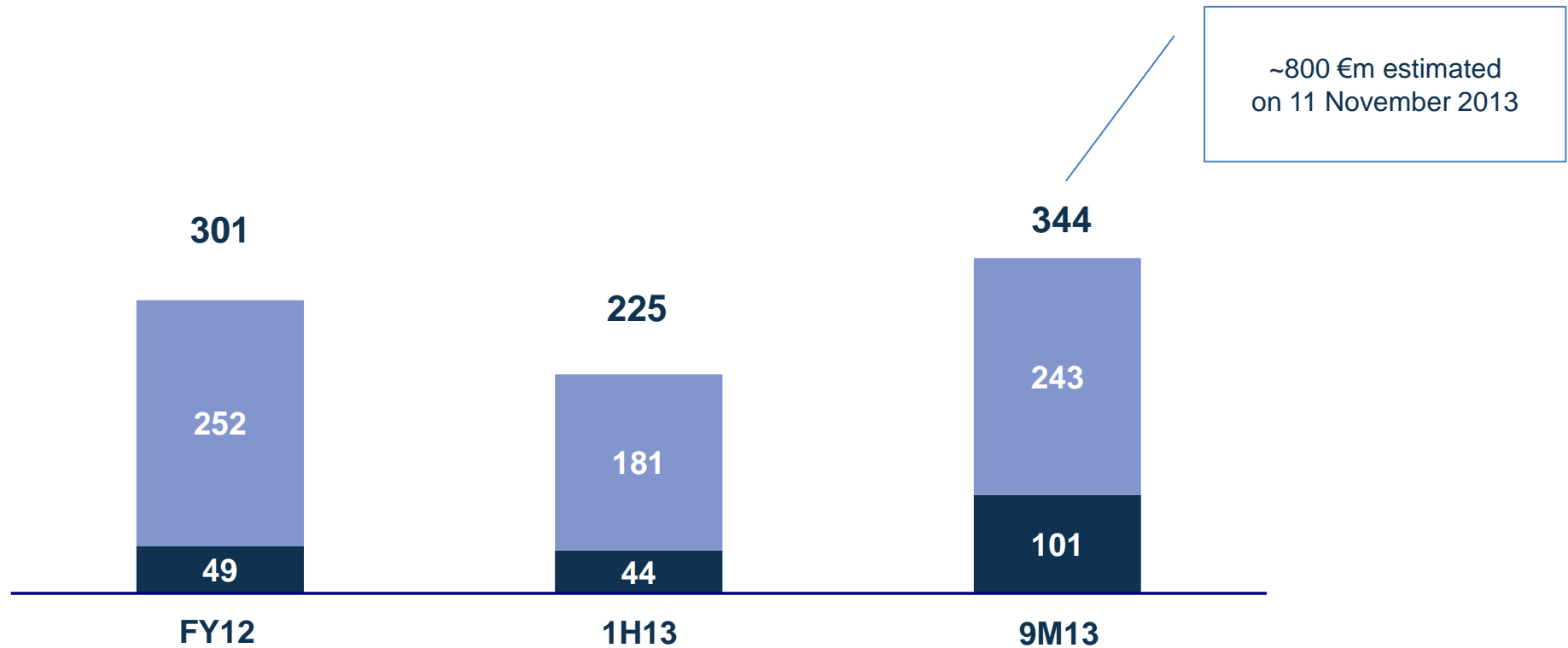
€m



\*income from insurance companies managed by Unipol Gruppo Finanziario, excluding class D, DDOR, Lawrence Life. Management figures.

# AFS RESERVE TREND\* – UNIPOL GRUPPO FINANZIARIO

€m

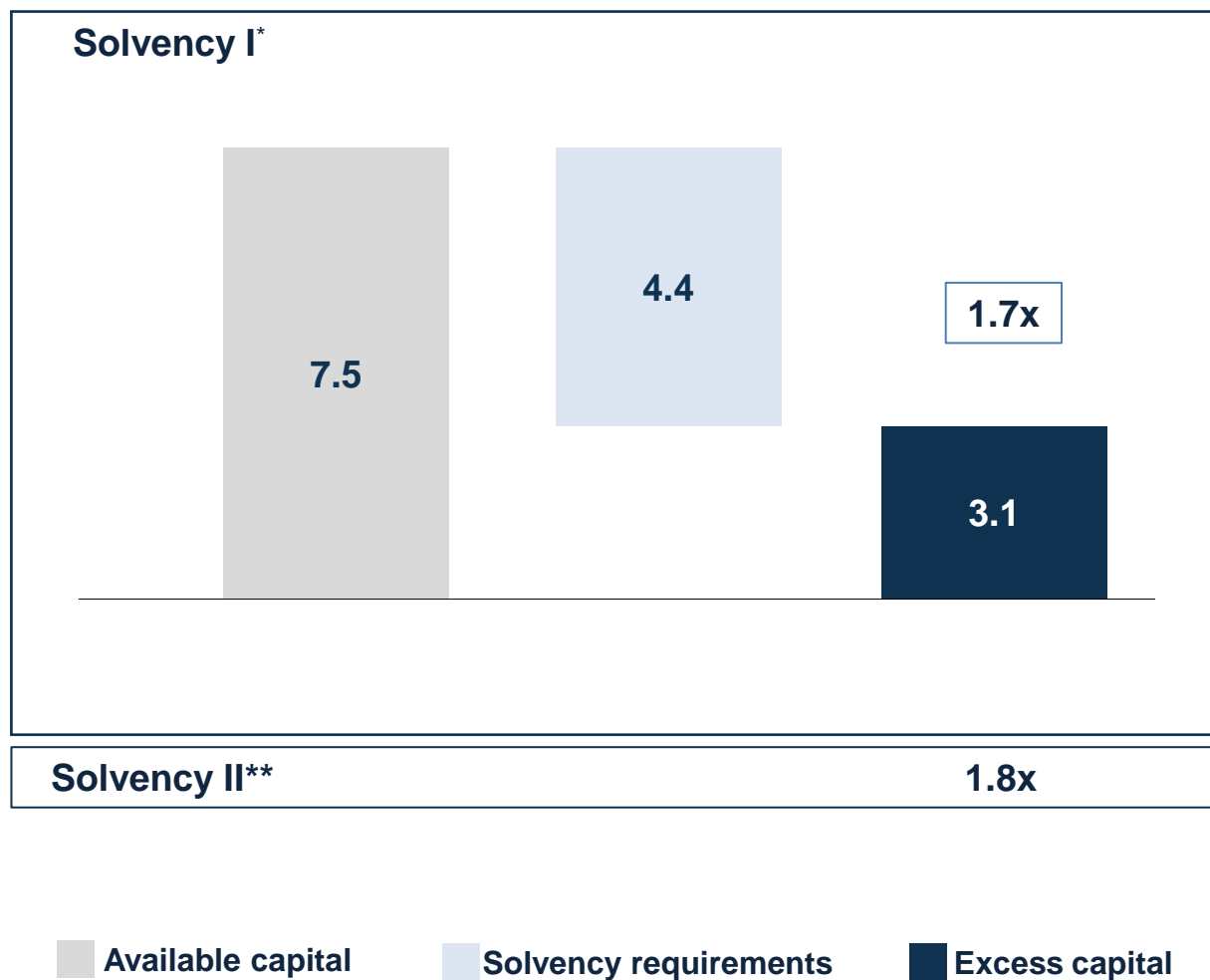


■ Equity\*   ■ Bonds\*

\* Total AFS reserve (group+third parties). Break-up based on in-house estimates.

# SOLVENCY AS AT 30 SEPTEMBER 2013 – UNIPOL GRUPPO FINANZIARIO

€bn



\*After IVASS Ruling no. 43

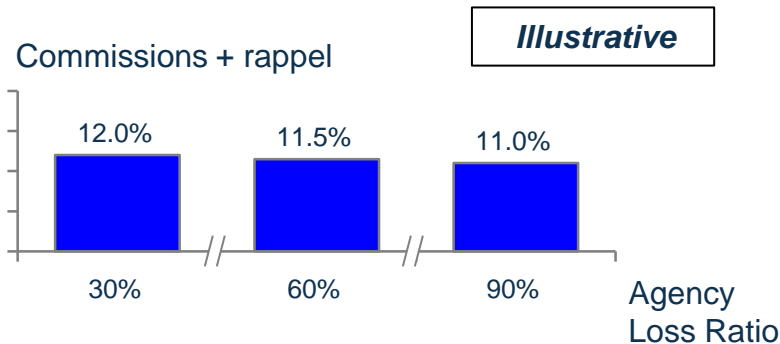
\*\* Solvency ratio calculated using the internal model and partly the standard formula, according to the technical requirements of QIS5.

# Back-up

# THE NEW AGENTS' FRAME AGREEMENT

## Traditional agents' commission scheme

Non-Life



### Incentives linked to new GWP volumes

- Underlying profitability is not a driver

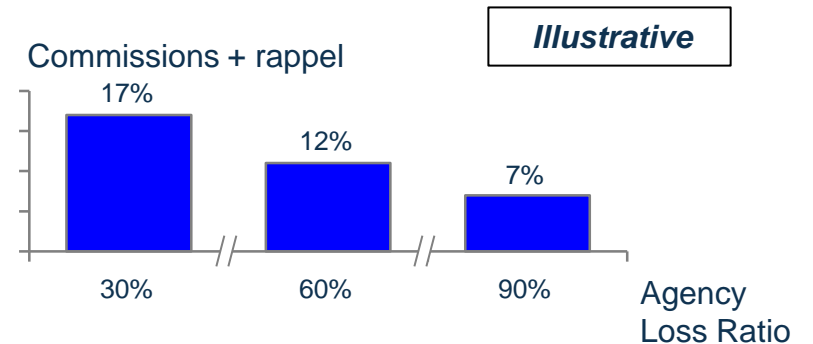
Life

### Commissions linked to new GWP production

- No links between rappels and product type

Limited focus on profitability

## Model already implemented in ex Unipol Assicurazioni



### Strong link between commissions, claims and technical results

- Agent as first risk underwriter of the company

### Commissions based on net premium income\*

- Incentives based on type of products underwritten

Partnership between agents and insurance: shared objectives of profitability and sustainability

\* net balance between new production and surrenders/ maturities

## DISCLAIMER

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This presentation contains information relating to forecasts of figures, results and events which reflect the current management outlook but these could differ from what actually will happen owing to events, risks and market factors that it is presently impossible either to know or to predict.

Maurizio Castellina, Senior Executive responsible for drawing up the corporate accounts of Unipol Gruppo Finanziario S.p.A. and UnipolSai Assicurazioni S.p.A., the Company resulting from the merger into Fondiaria-SAI S.p.A. of Milano Assicurazioni S.p.A. and Premafin S.p.A., as well as of Unipol Assicurazioni S.p.A., declares, in accordance with Article 154-bis, para 2, of the Consolidated Finance Act, that the accounting information reported in this presentation corresponds to the figures in the documents, books and accounting records.

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