

Unipol and UnipolSai

9M23 Consolidated Results

Slide commentary

Bologna – 10 November 2023

Please refer to the presentation for further details

RESULTS BY SECTOR – slide 5

In the nine months 2023 Unipol recorded a consolidated pre-tax result of 948€m, of which 615€m pertaining to the Non-Life sector, 221€m to Life and 111€m to the Other sector.

The consolidated net result amounted to 769€m, that was 615€m net of minorities.

The corresponding consolidated net profit of the nine months 2022, based on consistent accounting principles, was 495€m. The result for the same period – as reported under the former IFRS 4/IAS 39 – stood at 854€m, that was 579€m normalized after the exclusion of some accounting effects on the badwill related to the stake in BPER.

At UnipolSai the 9M23 consolidated net result was 586€m, which was 540€m after minority interests.

The corresponding consolidated net result in the first 9 months 2022, based on consistent accounting principles, was 262€m. The result for the same period – as reported under the former IFRS 4/IAS 39 – was 616€m.

P&L BY SECTOR – slide 6

The result of the insurance service for both Unipol and UnipolSai amounted to 264€m, of which 92€m in Non-Life and 171€m in Life.

At Unipol the financial result, excluding interest expenses on financial liabilities, was 798€m, split into 576€m in Non-Life, 65€m in Life and 157€m in the Other sector.

At UnipolSai the total financial result reached 565€m, made up of 487€m in Non-Life, 68€m in Life and 11€m in the Other sector.

NON-LIFE PREMIUM COLLECTION – slide 7

Non-Life premium collection reached 6,074€m, growing by 3.8% y-o-y. The increase was driven by Non-Motor (+6.2%, with Health and UniSalute confirming a very positive trend), although Motor showed encouraging signs of recovery as well (+1.2%). All Ecosystems contributed to this successful increase.

The mix between Motor and Non-Motor continued to be in favour of the latter.

With respect to distribution, as usual the majority of contracts (76%) were intermediated by the network of agents.

No relevant changes were recorded in the breakdown by market segment, with the focus remaining on retail and SMEs, very close to 80%.

MOTOR AND NON-MOTOR COMBINED RATIO – slide 8

The total combined ratio was 98.6%, as the result of 103.7% in Motor and 94.1% in Non-Motor. Loss ratio (71.9%) was burdened by natural catastrophes and other large losses (11.5%), mainly due to floods in Emilia Romagna and Marche in the first half and storms in Northern Italy in the third quarter of the year.

The expense ratio was 26.7%, that is 29.9% in Non Motor and 23.0% in Motor.

Combined ratio in the first six months of this year was 97.1%, impacted by a minor amount of natural catastrophes and other large losses (7.1% of the COR).

LIFE PREMIUM COLLECTION – slide 9

Life premium collection increased by 12.9% y-o-y, reaching 4,496€m thanks to the excellent trend of traditional policies (+46.1%) and to the ongoing contribution of new pension fund contracts for UnipolSai S.p.A., that brought the total income of this class to almost 1.3€bn (+12.1%), while linked products slowed down by 58%. This is the reason why collection for UnipolSai was slightly lower than 60% of the total, and that of Arca Vita grew to 41%.

Net inflows were positive in both traditional (+265€m) and the other lines (+908€m).

LIFE YIELDS – slide 10

Life segregated funds yields increased by 13 bps compared to FY22, reaching 3.12%, while the average minimum guarantee decreased to 86 bps.

The average yield retained by the Group slightly increased to 97 bps and the average yield to policyholders was up by 11 bps.

As for the breakdown of technical reserves by minimum guarantee, half of them are related to the 0% cluster.

LIFE CSM – slide 11

At 1 January 2023 the opening CSM was 2,265€m; the roll-forward to 30 September shows a growth to 2,409€m given by new business (+175€m), operating and economic variance (+151€m) and CSM release (-183€m). Worth mentioning is also the 30€m increase of the CSM between 1H23 and 9M23.

INVESTMENTS – slide 12

Total investments amounted to 53.3€bn, with Bonds at 78.7%, of which Italian Govies stood at 32.2%, Non-Italian Govies at 17.8% and Corporate Bonds at 28.7%. Equity and alternative investments accounted for 9.3% of the total investments. The duration of assets was 4.4 years and that of liabilities 5.4, with a small -0.3 mismatch.

FINANCIAL INVESTMENT YIELDS – slide 13

Moving on to financial yields, the overall return was 3.9%, of which 5.4% in Non-Life and 3.3% in Life. The strong result in the Non-Life financial income was mainly driven by the running yield, made up of coupons and dividends, that stood at 3.9% (3.2% for Life sector).

REAL ESTATE – slide 14

In Real Estate the book value of the total portfolio reached 4,224€m, with market value totaling 4,858€m. 36% of the portfolio is now allocated to the Life accounting sector, 27% to Non-Life and 37% to the Other sector. Worth mentioning is the evident growth of total gross yield of the Investment Portfolio from 3.6% in 9M22 to 4.3% in 9M23.

SOLVENCY – slide 15

Solvency remained at excellent levels, being 218% for Unipol consolidated, 296% for UnipolSai consolidated and 303% for UnipolSai solo.

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Numbers in the document may not add up only due to roundings.

Unless otherwise specified, all figures reported in this presentation refer to the Unipol Group and are based on in force IFRS.

INVESTOR RELATIONS CONTACTS

Adriano Donati

Head of Investor Relations

investor.relations@unipol.it

investor.relations@unipolsai.it

Carlo Latini Tel +39 051 507 6333

Eleonora Roncuzzi Tel +39 051 507 7063

Giancarlo Lana Tel +39 011 654 2088

Giuseppe Giuliani Tel +39 051 507 7218

Silvia Tonioli Tel +39 051 507 2371