



- **2018 PRELIMINARY CONSOLIDATED RESULTS ON THE RISE:**

- ✓ Consolidated net profit of €948m (€537m in 2017)
- ✓ Direct insurance income of €12.2bn (+5.7%), not including Popolare Vita.
- ✓ Combined Ratio net of reinsurance at 94.3%
- ✓ Consolidated solvency ratio based on economic capital of 202%¹
- ✓ Expected dividend payment of €0.145 per share, in line with 2017 (dividend yield 6.8%²)

- **BUSINESS PLAN TARGETS ACHIEVED:**

- ✓ Consolidated accumulated ordinary profit of €1,866m³
- ✓ Confirmed cumulative dividends of €1,173m⁴
- ✓ Profitability, financial strength and shareholder return targets exceeded

Bologna, 8 February 2019

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 2018. The definitive results will be examined by the governing body at the meeting scheduled for 14 March next. The Board of Directors has also approved, subject to exercise with respect to Unipol Gruppo, of the put option on 27.49% of the share capital of Unipol Banca S.p.A. and UnipolReC S.p.A., the sale to BPER Banca S.p.A., of its entire shareholding in Unipol Banca, amounting to 14.76% of the share capital.

The three-year 2016-2018 Business Plan was wrapped up in 2018, under which the Group had focused strongly on the following areas:

- strengthening its leadership in the Non-Life business and new products and services designed to protect Health, Welfare and Investment requirements;

¹ 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.

²Price at 7 February 2019.

³Normalised result on a comparable basis (i.e. not including extraordinary operations).

⁴Amount that takes account of the expected dividend for 2018.

- finalisation of the insurance business streamlining process with acquisition of UniSalute S.p.A., Linear S.p.A. e Arca Vita S.p.A.;
- developing a platform of innovative service and technological insurance solutions;
- construction of sustainable profitability over time.

Profit, profitability, financial strength and shareholder return targets were exceeded in the 2016-2018 three-year period. The **consolidated accumulated ordinary profits** of UnipolSai amounted to €1,866m³ with cumulative **dividends** of €1,173m⁴.

2018 Preliminary consolidated results

UnipolSai ended 2018 with a **consolidated net profit** of €948m, including the capital gain of €309m generated from the sale of the shareholding in Popolare Vita S.p.A. and the capital loss of €50m from the decision to sell the shareholding in Unipol Banca to BPER Banca.

UnipolSai had a consolidated profit of €537m in 2017 which included the financial effects of the banking business restructuring plan. Without considering the effects of the above-mentioned non-recurring components for the two periods in question and re-calculating the consolidated results on a comparable basis⁵, consolidated net profit for 2018 stood at €703m compared to €690m in 2017.

The **consolidated pre-tax profit of the insurance business** amounted to €1,269m (+61.2% compared to €787m in 2017). This result comprised €676m from the Non-Life business (€501m in 2017), and €593 from the Life business (€286m in 2017).

Direct insurance income, including reinsurance ceded, stood at €11,718m (+5.9% compared to €11,068m in 2017). On a comparable basis⁵, the consolidated income amounted to €12,245m, up 5.7% from the €11,586m recorded in 2017.

Non-Life Business

Direct income for 2018 amounted to €7,892m (+7.3% compared to €7,355m in 2017, +1.1% on a comparable basis⁵).

MV premium income stood at €4,165m (+3.5% compared to €4,023m in 2017, +0.3% on a comparable basis⁵). **Non-MV** business recorded income of €3,727m (up 11.8% compared to €3,332m in 2017; +2.0% on a comparable basis⁵) thanks to the growth in the health and retail businesses.

⁵For the entire duration of both periods under comparison, the figures provided on a comparable basis were calculated on the basis of the consolidation scope as at 31 December 2018. With respect to the corresponding final figures, the amounts contributed by Popolare Vita and The Lawrence Life were therefore not included, and, where they had not already been included for the entire duration of the periods being compared, the amounts relating to the companies UniSalute, Linear and Ambra Property, acquired by UnipolSai in the second half of 2017, and the Arca Group, acquired by UnipolSai in the third quarter of 2018 were included.

There were further improvements registered in claims in the third-party car liability business in terms of frequency and cost reduction in 2018. UnipolSai continues to be a European leader in the area of **black boxes** installed in cars, increasing from 3.5 million in 2017 to 3.8 million in 2018. In 2018, the Non-MV business continued to be affected by a significant number of claims for weather events and high-value claims collected from reinsurance cover to a greater extent than the previous year.

In that context, the consolidated UnipolSai result recorded a **combined ratio**⁶ of 94.3% (94.2% on a comparable basis⁵), an improvement on the figure of 97.2% of 2017 (96.4% on a comparable basis⁵). The combined direct ratio was 94.6% (94.4% on a comparable basis⁵) compared to 95.9% in 2017 (95.1% on a comparable basis⁵).

The loss ratio⁶ amounted to 67.0% compared to 69.2% in 2017 (66.8% compared to 69.0% on a comparable basis⁵), and the expense ratio⁶ amounted to 27.3% compared to 28.1% in 2017 (27.4% on a comparable basis⁵, in line with 2017).

There was a **pre-tax profit** in the Non-Life business of €676m (€501m in 2017). The normalised result⁷ on a comparable basis⁵ amounted to €733m (€693m as at 31 December 2017).

Life Business

UnipolSai registered significant growth in revenue, on a comparable basis⁵ in the Life business in 2018, with direct income of €4,292m (+15.4% compared to €3,719m in 2017), driven by the bancassurance business after renewal of the Arca Vita distribution agreements with the main placing banks.

There was a **pre-tax profit** in the business of €593m (€286m in 2017). The normalised result⁷ on a comparable basis⁵ amounted to €302m compared to €268m as at 31 December 2017.

Other Business

The hotel business (UNA Group) was hit by extraordinary costs and the temporary closure of facilities for properties to be renovated, with the focus placed on commercial development and improving efficiency.

Real estate management concentrated on the redevelopment of prestigious properties in the portfolio, especially in Milan.

⁶ Net Reinsurance.

⁷ Normalised results do not take account of the non-recurring financial effects arising from the sale of Popolare Vita or the decision to sell Unipol Banca for 2018, and the banking business restructuring in 2017.

There was a **pre-tax loss** in the business of €66m (loss of €27m in 2017) due mainly to property devaluations.

Financial Management

With regard to **financial management**, the gross return on the Group's portfolio continued to be significant in 2018, amounting to 3.9% of the invested assets (in line with 2017), of which 3.4% relating to the coupon and dividend component.

Balance Sheet

The **consolidated shareholders' equity** as at 31 December 2018 amounted to €5,697m (€6,194m as at 31 December 2017), of which €5,448m attributable to the UnipolSai Group.

The **individual solvency** ratio amounted to 251%⁸ of the capital requirement (263% as at 31 December 2017).

The **consolidated solvency ratio** based on the economic capital, amounted to 202%² of the capital requirement (210% as at 31 December 2017).

Estimated dividend payment

Taking account of the individual accounting records of UnipolSai Assicurazioni S.p.A. and the overall financial position, a dividend payment in line with the payment for the previous year can be expected.

Approval of the draft statutory and consolidated financial statements of UnipolSai as at 31 December 2018, and the proposed dividend payment to be submitted to the Shareholders' Meeting, is scheduled for 14 March next. Therefore, the information in this document is to be considered preliminary, referring to today's date, and as such, may be subject to change. The independent auditors have not yet completed their audit of the figures needed to issue their audit reports.

Finally, since the Shareholders' Meeting to approve the 2018 financial statements is scheduled for 17 April 2019, any dividend payment based on the results of the year is expected in May.

⁸ Figure calculated in accordance 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.

Extraordinary transactions

Exercise of the put option on Unipol Banca and UnipolReC

The Board of Directors of UnipolSai also decided to exercise the put option relating to 27.49% of the share capital of Unipol Banca and UnipolReC, due to it from the parent company Unipol in accordance with the option contract signed on 31 December 2013 between the former Fondiaria-Sai S.p.A. and Unipol Gruppo. Payment amounted to €579.1m in accordance with the above-mentioned contract. After exercise of the put option, UnipolSai will hold a direct interest in Unipol Banca and UnipolReC corresponding to 14.76% of their respective share capitals, and the remaining stock in these companies will be held by Unipol.

The Board of Directors also decided to grant Unipol, within the scope of exercising the above-mentioned put option, a loan of €300m, with a five-year duration, which can also be repaid early, at an interest rate of Euribor 3-months increased by 260 points. For UnipolSai, this loan will act as a type of investment of the liquid assets corresponding to the lending principles that are in line with its medium-long term investment policies and its risk profile.

In accordance with the ratio of correlation with Unipol Group, both with regard to exercise of the put option, and with regard to granting the loan, that UnipolSai applied the procedural and decision-making controls established for transactions of “greater significance”, the Procedure in the area of related party transactions adopted in accordance with Consob Regulation no. 17221 of 12 March 2010 and the Policy on intra-group transactions adopted in accordance with Institute for the Supervision of Insurance “IVASS” Regulation no. 30 of 26 October 2016. Both transactions were therefore examined by the UnipolSai Committee for related party transactions. It issued its approval on 6 February 2019.

In relation to the above, UnipolSai will publish the information document pursuant to article 5 of Consob Regulation no. 17221/2010 in accordance with the terms and procedures set out under prevailing law.

Sale of Unipol Banca to BPER Banca and acquisition of NPL portfolio

Finally, the Board of Directors of UnipolSai approved the sale to BPER Banca of its entire shareholding in Unipol Banca, corresponding - in accordance with exercise of the above-mentioned put option - to 14.76% of the share capital. The sale to BPER Banca of the remaining portion of the share capital of Unipol Banca, held by Unipol, was approved on the same date by its Board of Directors. Total payment for the sale to BPER Banca of the entire capital of Unipol Banca, to be paid in cash, amounted to €220m; the amount due to UnipolSai is therefore equal to about €32.5m.

Along with the above-mentioned sale (the “Unipol Banca Sale”), the Board of Directors of UnipolSai and Unipol, also approved, to the extent of their individual responsibilities, the acquisition from the BPER Group, by UnipolReC - a company controlled by Unipol, of which UnipolSai holds, in accordance with exercise of the above-mentioned put option, 14.76% of the share capital - of two separate portfolios comprising non-performing loans, one owned by BPER Banca and one by Banco di Sardegna (jointly the “Portfolio”) for a gross book value of €1.3bn, for a cash payment of €130m, equal to 10% of the gross Portfolio value (the “Purchase of the Portfolio”) and along with the Unipol Banca Sale, the “Transaction”).

On the same date, the Transaction was also approved, to the extent of their separate responsibilities, by the Board of Directors of the other companies involved in the Transaction, and more specifically (i) with regard to the Unipol Banca Sale, by BPER Banca; (ii) with regard to the Purchase of the Portfolio, by BPER Banca, its subsidiary Banco di Sardegna and UnipolReC.

After the above-mentioned Board meetings, the parties signed the contractual agreements governing the Transaction. This is expected to be finalised, subject to the occurrence of certain preconditions, mainly of a regulatory and authoritative nature, at the beginning of the second half of 2019.

With reference to the Transaction, UnipolSai voluntarily applied the procedural and decision-making controls established for transactions of “lesser significance”, the Procedure for related party transactions adopted in accordance with Consob Regulation no. 17221/2010. The Transaction was therefore examined by the UnipolSai Committee for related party transactions. It issued its approval on 6 February 2019.

Unipol and UnipolRec, also on a voluntary basis, and to the extent of their respective responsibilities, submitted the Transaction for approval by the Unipol Committee for related party transactions and affiliated parties, which also acted as the applicable Committee for the management of relations with affiliated parties of UnipolRec, and it gave its approval on 6 February 2019.

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 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 pre-recorded comment on the results can be found in the Investors section of the website www.unipolsai.com.

In order to allow complete disclosure of the preliminary results for the financial year 2018, 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 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 €12.2bn, of which €7.9bn in Non-Life Business and €4.3bn in Life Business (2018 figures). The company has the largest agency network in Italy, with more than 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.

Unipol Gruppo

Media Relations

Fernando Vacarini
T. +39 051 5077705
pressoffice@unipol.it

Investor Relations

Adriano Donati
T. +39 051 5077933
investor.relations@unipol.it

Barabino & Partners

Massimiliano Parboni
T. +39 335 8304078
m.parboni@barabino.it

Giovanni Vantaggi
T. +39 328 8317379
g.vantaggi@barabino.it

Follow us on



Unipol Gruppo



@UnipolGroup_PR



<http://changes.unipol.it>

www.unipol.it



Consolidated Balance Sheet – Assets

Amounts in €m

		Preliminary at 31/12/2018	31/12/2017
1	INTANGIBLE ASSETS	835.4	691.3
1.1	Goodwill	464.6	327.8
1.2	Other intangible assets	370.8	363.5
2	PROPERTY, PLANT AND EQUIPMENT	1,813.6	1,719.3
2.1	Property	1,564.1	1,482.9
2.2	Other items of property, plant and equipment	249.5	236.4
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	982.0	846.0
4	INVESTMENTS	57,128.6	49,084.8
4.1	Investment property	2,071.1	2,271.4
4.2	Investments in subsidiaries and associates and interests in joint ventures	341.0	803.8
4.3	Held-to-maturity investments	459.6	539.6
4.4	Loans and receivables	4,313.1	4,489.1
4.5	Available-for-sale financial assets	43,446.0	36,042.7
4.6	Financial assets at fair value through profit or loss	6,497.7	4,938.2
5	SUNDRY RECEIVABLES	2,869.1	2,662.8
5.1	Receivables relating to direct insurance business	1,365.5	1,421.6
5.2	Receivables relating to reinsurance business	137.3	100.6
5.3	Other receivables	1,366.4	1,140.6
6	OTHER ASSETS	1,540.3	11,342.7
6.1	Non-current assets held for sale or disposal groups	536.7	10,569.1
6.2	Deferred acquisition costs	98.1	85.0
6.3	Deferred tax assets	465.4	217.1
6.4	Current tax assets	22.9	9.4
6.5	Other assets	417.2	462.0
7	CASH AND CASH EQUIVALENTS	1,025.1	1,403.6
	TOTAL ASSETS	66,194.2	67,750.4



Consolidated Balance Sheet – Equity and Liabilities

Amounts in €m

		Preliminary at 31/12/2018	31/12/2017
1	EQUITY	5,697.0	6,193.7
1.1	attributable to the owners of the Parent	5,447.6	5,869.0
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	2,132.6	2,129.5
1.1.5	(Treasury shares)	-46.2	-52.3
1.1.6	Translation reserve	4.9	4.8
1.1.7	Gains or losses on available-for-sale financial assets	80.1	913.4
1.1.8	Other gains or losses recognised directly in equity	-7.2	-8.9
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	905.1	504.2
1.2	attributable to non-controlling interests	249.4	324.7
1.2.1	Share capital and reserves attributable to non-controlling interests	206.7	265.5
1.2.2	Gains or losses recognised directly in equity	0.2	26.7
1.2.3	Profit (loss) for the year attributable to non-controlling interests	42.6	32.6
2	PROVISIONS	353.4	382.3
3	TECHNICAL PROVISIONS	53,223.3	45,757.0
4	FINANCIAL LIABILITIES	5,252.6	3,663.0
4.1	Financial liabilities at fair value through profit or loss	2,539.3	1,172.3
4.2	Other financial liabilities	2,713.3	2,490.7
5	PAYABLES	904.5	915.3
5.1	Payables arising from direct insurance business	160.9	104.7
5.2	Payables arising from reinsurance business	86.8	93.6
5.3	Other payables	656.7	717.0
6	OTHER LIABILITIES	763.4	10,839.1
6.1	Liabilities associated with disposal groups held for sale	3.2	10,016.5
6.2	Deferred tax liabilities	8.9	25.1
6.3	Current tax liabilities	21.8	24.1
6.4	Other liabilities	729.4	773.4
	TOTAL EQUITY AND LIABILITIES	66,194.2	67,750.4



Consolidated Income Statement

Amounts in €m

		Preliminary at 31/12/2018	31/12/2017
1.1	Net premiums	11,005.4	10,402.2
1.1.1	Gross premiums	11,412.2	10,833.4
1.1.2	Ceded premiums	-406.9	-431.2
1.2	Fee and commission income	30.0	35.2
1.3	Gains and losses on financial instruments at fair value through profit or loss	-157.5	134.3
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	322.4	8.6
1.5	Gains on other financial instruments and investment property	2,033.2	2,103.6
1.5.1	Interest income	1,441.4	1,483.1
1.5.2	Other gains	178.5	178.2
1.5.3	Realised gains	412.1	442.1
1.5.4	Unrealised gains	1.2	0.2
1.6	Other revenue	635.1	540.9
1	TOTAL REVENUE AND INCOME	13,868.4	13,224.8
2.1	Net charges relating to claims	-8,980.1	-8,836.0
2.1.1	Amounts paid and changes in technical provisions	-9,288.9	-9,033.2
2.1.2	Reinsurers' share	308.8	197.2
2.2	Fee and commission expense	-16.6	-17.7
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	-0.9	-114.5
2.4	Losses on other financial instruments and investment property	-380.2	-412.4
2.4.1	Interest expense	-96.0	-83.8
2.4.2	Other charges	-30.7	-35.9
2.4.3	Realised losses	-136.0	-136.9
2.4.4	Unrealised losses	-117.5	-155.8
2.5	Operating expenses	-2,428.4	-2,331.0
2.5.1	Commissions and other acquisition costs	-1,780.3	-1,708.4
2.5.2	Investment management expenses	-117.4	-124.8
2.5.3	Other administrative expenses	-530.8	-497.8
2.6	Other costs	-858.8	-752.9
2	TOTAL COSTS AND EXPENSES	-12,665.1	-12,464.6
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	1,203.4	760.2
3	Income tax	-255.8	-223.4
	POST-TAX PROFIT (LOSS) FOR THE YEAR	947.6	536.8
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	0.0	0.0
	CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	947.6	536.8
	attributable to the owners of the Parent	905.1	504.2
	attributable to non-controlling interests	42.6	32.6



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-18	dec-17	var.%	dec-18	dec-17	var.%	dec-18	dec-17	var.%	dec-18	dec-17	var.%	dec-18	dec-17	var.%	dec-18	dec-17	dec-18	dec-17	var.%
Net premiums	7,543	6,956	8.4	3,462	3,446	0.5	11,005	10,402	5.8									11,005	10,402	5.8
Net fees and commissions	-1		n.s.	14	18	-19.0	14	18	-22.7									13	17	-23.3
Financial income/expense **	439	450	-2.5	1,535	1,128	36.1	1,975	1,578	25.1	-1	0	n.s.	-40	-2	n.s.	-10	-8	1,924	1,568	22.7
<i>Net interest</i>	352	368		1,010	1,042		1,362	1,410		-1	-1		-6	-6				1,354	1,403	
<i>Other income and expenses</i>	63	-29		57	36		119	7					15	15		-10	-8	125	14	
<i>Realised gains and losses</i>	111	175		474	116		586	291					1					586	292	
<i>Unrealised gains and losses</i>	-87	-64		-6	-66		-92	-130					-50	-11				-142	-141	
Net charges relating to claims	-4,947	-4,666	6.0	-4,140	-4,018	3.0	-9,087	-8,684	4.6									-9,087	-8,684	4.6
Operating expenses	-2,129	-2,027	5.1	-221	-234	-5.6	-2,350	-2,261	4.0	-67	-59	14.7	-22	-26	-13.6	11	14	-2,428	-2,331	4.2
<i>Commissions and other acquisition costs</i>	-1,678	-1,597	5.1	-103	-112	-8.0	-1,780	-1,708	4.2									-1,780	-1,708	4.2
<i>Other expenses</i>	-452	-430	5.1	-118	-122	-3.4	-570	-552	3.2	-67	-59	14.7	-22	-26	-13.6	11	14	-648	-623	4.1
Other income / expense	-230	-212	-8.4	-57	-54	-6.5	-287	-266	-8.0	64	55	15.4	1	4	n.s.	-1	-5	-224	-212	-5.5
Pre-tax profit (loss)	676	501	34.8	593	286	107.5	1,269	787	61.2	-4	-3	-50.2	-61	-24	n.s.	0	0	1,203	760	58.3
Income tax	-188	-144	30.3	-79	-83	-5.1	-267	-228	17.3	1	2	-43.6	10	2	n.s.			-256	-223	14.5
Profit (loss) on discontinued operations																				
Consolidated profit (loss) for the period	487	357	36.6	514	203	n.s.	1,002	559	79.1	-3	-1	n.s.	-51	-22	-135.4	0	0	948	537	76.5
<i>Profit (loss) attributable to the owners of the Parent</i>																		905	504	
<i>Profit (loss) attributable to non-controlling interests</i>																		43	33	

(*) 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