

# Unipol and UnipolSai

## 1H23 Consolidated Results

Slide commentary

Bologna – 11 August 2023

Commentary on Section 1 of the  
1H23 Consolidated Results Presentation  
*Please refer to the presentation for further details*

## INTRODUCTION

Unipol and UnipolSai reported the 2023 half year results according to IFRS 9 and 17. A full disclosure of the restated 2022 figures is provided in the Interim Financial Reports to be published on the Companies' corporate websites.

## RESULTS BY SECTOR – slide 5

Unipol first half 2023 closed with a consolidated pre-tax result of 697€m, of which 501€m pertaining to the Non-Life sector, 143€m to Life and 53€m to the Other sector.

The consolidated net result amounted to 517€m, or 416€m net of minorities.

The corresponding consolidated net profit for the first half 2022, based on consistent accounting principles, was 433€m. The result for the same period – as reported under the former IFRS 4/IAS 39 – stood at 684€m, that was 405€m normalized after the exclusion of some accounting effects on the badwill related to the stake in BPER.

At UnipolSai the consolidated net result reached 431€m, which was 406€m after minority interests.

The corresponding consolidated net result in the first half 2022, based on consistent accounting principles, was 176€m. The result for the same period – as reported under the former IFRS 4/IAS 39 – was 422€m.

## P&L BY SECTOR – slide 6

The result of the insurance service for both Unipol and UnipolSai amounted to 235€m, split into 130€m in Non-Life and 105€m in Life.

At Unipol level the financial result, excluding interest expenses on financial liabilities, was 556€m, of which 406€m in Non-Life, 55€m in Life and 95€m in the Other sector.

At UnipolSai the financial result totaled 430€m, made up of 366€m in Non-Life, 57€m in Life and 7€m in the Other sector.

## NON-LIFE PREMIUM COLLECTION – slide 7

Non-Life premium collection reached 4.3€bn, growing by 4.2% y-o-y. The increase was driven by Non-Motor (+6.5%, with Health confirming a very positive trend), although Motor showed encouraging signs of recovery as well (+1.6%). All Ecosystems contributed to this successful increase.

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

With respect to distribution, as usual the majority of contracts (75%) were intermediated by the network of agents.

There are no relevant changes in the breakdown by market segment, with the focus remaining on retail and SMEs, now very close to 80%.

## MOTOR AND NON-MOTOR COMBINED RATIO – slide 8

The total combined ratio was 97.1%, that is the result of 101.5% in Motor and 93.1% in Non-Motor. Loss ratio (70.8%) was burdened by natural catastrophes and other large losses (7.1%).

The effects of the floods in Emilia-Romagna and Marche in May are much more evident in Non-Motor, but in H1 heavy rain and hail took their toll in Motor as well.

The expense ratio was 26.3%, that is 29.7% in Non Motor and 22.5% in Motor.

Combined ratio in the first quarter of this year was 94.4%, impacted by a minor amount of natural catastrophes and other large losses (3.2% of the COR).

## LIFE PREMIUM COLLECTION – slide 9

Life premium collection increased by 26.8% y-o-y, reaching 3.1€bn thanks to the contribution of new pension fund contracts for UnipolSai S.p.A., that brought the total income of this class to almost 930€m (+198%), while the other classes showed differing trends, with traditional segregated funds increasing by more than 30% and linked products slowing down by 62%. Because of that, collection for UnipolSai was slightly more than 60% of the total, and that of Arca Vita was just below 40%.

Net inflows were positive in both traditional (+118€m) and the other lines (+714€m).

## LIFE YIELDS – slide 10

Focusing on Life yields, segregated funds return increased by 6 bps compared to FY22, reaching 3.05%, while the average minimum guarantee decreased to 88 bps. The average yield retained by the Group slightly increased to 96 bps and the average yield to policyholders was up by 5 bps. As for the breakdown of technical reserves by minimum guarantee, almost half of them 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 June shows a growth to 2,379€m given by new business (+127), operating and economic variance (+105) and CSM release (-119). Worth mentioning is also the 16€m increase of the CSM between 1Q23 and 1H23.

## INVESTMENTS – slide 12

Total investments amounted to 54.4€bn, with Bonds at 79.4%, of which Italian Govies stood at 33.7%, Non-Italian Govies at 17.6% and Corporate Bonds at 28.1%. Equity and alternative investments accounted for 8.9% of the total investments. The duration of assets was 4.6 and that of liabilities 5.7, with a small -0.3 mismatch.

## FINANCIAL INVESTMENT YIELDS – slide 13

Moving on to financial yields, the overall return was 4.0%, of which 5.9% in Non-Life and 3.3% in Life. The strong result in Non-Life financial income was mainly driven by the running yield, made up of coupons and dividends, that stood at 4.0%, while the total figure reached a solid 3.5%. The corresponding total 1H22 yield was 0.7%, strongly impacted by the realized/unrealized losses.

## REAL ESTATE – slide 14

In Real Estate the book value of the total portfolio reached 4.2€bn, with market value totalling 4.9€bn.

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 from 3.4% in 1H22 to 4.3% in 1H23.

## SOLVENCY – slide 16

Solvency reached excellent levels, being 218% for Unipol consolidated, 301% for UnipolSai consolidated and 315% for UnipolSai *solo*.

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**Luca Zaccherini**, Senior Executive responsible for drawing up the corporate accounts of Unipol Gruppo S.p.A. and UnipolSai 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 document corresponds to the document contents, books and accounting records.

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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](mailto:investor.relations@unipol.it)

[investor.relations@unipolsai.it](mailto: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**