1Q25 Consolidated Results

Slide commentary

15 May 2025

Please refer to the presentation document for further details

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GROUP FIGURES – slide 5

In the first Quarter 2025 the Group reported a consolidated pre-tax profit of 419€m (+16% vs. 1Q24): this result does not include any contribution from the banking associates BPER and BPSO, whose numbers will be incorporated with a three-months' time-lag. For this reason, in Q1 the Insurance Group result – that excludes the consolidation of the banking associates and includes only the dividends they paid to the Group – matched exactly with the reported Group results.
Net consolidated result stood at 285€m, that was 272€m net of minorities. The corresponding 1Q24 net consolidated result was 242€m, or 195€m after minority interests.

Including the first quarter results of BPSO and BPER, which reported on 6 and 7 May respectively (122€m in total), the estimated consolidated net profit would have been 407€m, or 394€m after minorities.

The solvency ratio of the Group at the end of the first quarter 2025 was 218%.
The Solvency ratio of the Insurance Group at 1Q25 stood at 277% (operating figure).
For any further details on Solvency, please refer to the comment on slides 13 and 14.

NON-LIFE PREMIUM COLLECTION – slide 6

Non-Life premium collection reached 2,387€m, growing by 4.7% y-o-y. The increase was driven by both Motor business (+4.5%) and Non-Motor business (+4.9%).
With respect to distribution, as usual the majority of contracts (87%) were intermediated by the network of agents and 7% by bancassurance.
No relevant changes were recorded in the breakdown by Market segment, with the focus remaining on Retail and SMEs, amounting to 82% of the total.

COMBINED RATIO – slide 7

Total Combined Ratio was 91% (91.1% in 1Q24), resulting from 92% in Motor (99.6% in 1Q24) and 90.2% in Non-Motor (83.3% in 1Q24).
Total Loss Ratio amounted to 63.4%, compared to 64.5% in 1Q24, while PY reserve development effect was -5.3pp vs -6.2pp in 1Q24.
Total Expense Ratio ended to 27.6%, increasing from 26.6% in 1Q24.

LIFE PREMIUM COLLECTION – slide 8

Life premium collection increased by 35.5% y-o-y, reaching 2,600€m, also impacted by new business Pension Funds and other pension schemes (+9.6% excluding these contracts). This result can be split into Traditional – accounting for 1,323€m (-6.8%) – Pension Funds (803€m, +133.3%), Unit Linked (286€m, +146%) and Capitalization (188€m, +378%).
Unipol Assicurazioni collected 57.5% of the total and Arca Vita 42.1%.
Net inflows were positive in both traditional + capitalization (+446€m) and other products (+710€m).

LIFE YIELDS – slide 9

Life segregated funds yields decreased by 1 bp compared to FY24, reaching 3.19%, of which 2.17% pertaining to policyholders (-3 bps vs FY24) and 1.02% retained by the Group (+2 bps vs FY24).
The average minimum guarantee decreased to 73 bps (-2bps compared to FY24).
With respect to the breakdown of technical reserves by minimum guarantee, 58% are related to 0% cluster and 96% have a minimum guarantee in any case no higher than 3%.

LIFE CSM – slide 10

At 2024 year-end the opening CSM was 2,426€m; the roll-forward to 1Q25 showed a growth to 2,495€m given by new business (+74€m), expected return (+21€m), economic variances (+67€m), operating variances (-30€m) and CSM release (-64€m).

INVESTMENTS – slide 11

Total investments (excluding treasury shares, DDOR and *Class D*), amounted to 60.5€bn (market value), with Bonds being 75.2%, of which Italian Govies stood at 28.2%, Non-Italian Govies at 18.0% and Corporate Bonds at 29.0%.
Equity, Funds and Alternative Investments accounted for 10.1% of the total investments, Banking Associates for 5%, Real Estate for 8.1% and Cash for 1.6%.
The duration of assets was 4.8 years and that of liabilities 5.9, with a very small -0.1 mismatch.

FINANCIAL INVESTMENT YIELDS – slide 12

Moving on to financial yields, the overall return was 6.9%, of which 7.3% in Non-Life and 5.2% in Life free capital.
The result in Non-Life financial income was mainly driven by the running yield, made up of coupons and dividends, standing at 4.2%, although realized/unrealized gains/losses also made a strong contribution of 3.1%.

SOLVENCY 2 – slide 13

Solvency remained excellent at 218%, which increases to 277% (operating figure) when considering the Insurance Group ratio calculated under the assumption that banking associates (BPER and BPSO) are treated as non-strategic equity investments rather than shareholdings in credit institutions. This adjustment leads to the pro-rata consolidation of own funds and capital requirements in accordance with relevant sector regulations.
It is important to note that these ratios are net of dividends (approved by the AGM) pertaining to FY24 result and net of estimated dividends accrued on pro-rata temporis base, pertaining to FY25 result.

SOLVENCY 2 OWN FUNDS AND SCR DETAILS – slide 14

Looking at the Solvency 2 components, Unipol Own Funds amounted to 11.1€bn, of which 6.7€bn were classified as Tier 1 insurance, while the Solvency Capital Requirements stood at 5.1€bn, leading to an Excess Capital in the region of 6.0€bn.
Own funds are net of dividends (approved by the AGM) pertaining to FY24 result and net of estimated dividends accrued on pro-rata temporis base, pertaining to FY25 result.

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