

# Unipol and Fondiaria-SAI

## Presentation of 2012 consolidated results



Carlo Cimbri – CEO  
Bologna, 21 March 2013



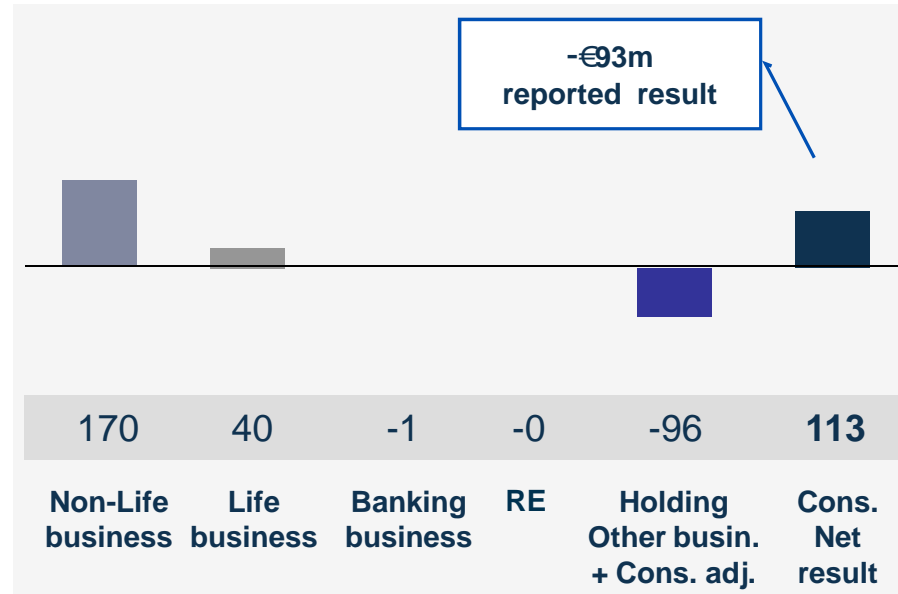
## AGENDA

- Unipol Group stand alone results
  - Consolidated result
  - Insurance business
    - Non-Life insurance business
    - Life insurance business
    - Main companies results
  - Banking business
  - Investment management
  - 2012 results vs 2010-2012 business plan targets
- Fondiaria-SAI consolidated results
- Unipol Group results – new basis of consolidation
- UGF S.p.A. results and dividends

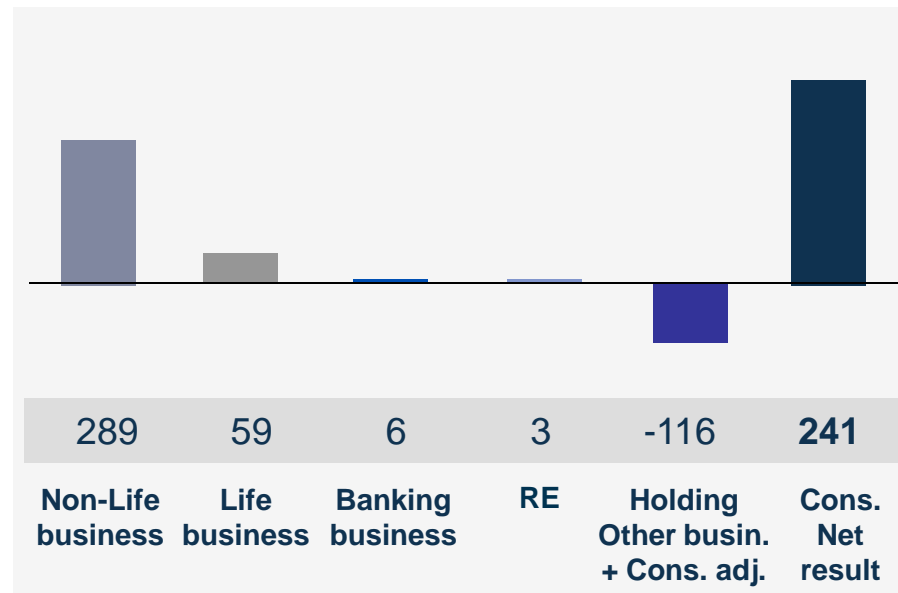
## CONSOLIDATED RESULT BY BUSINESS SECTOR \*

€m

FY11



FY12



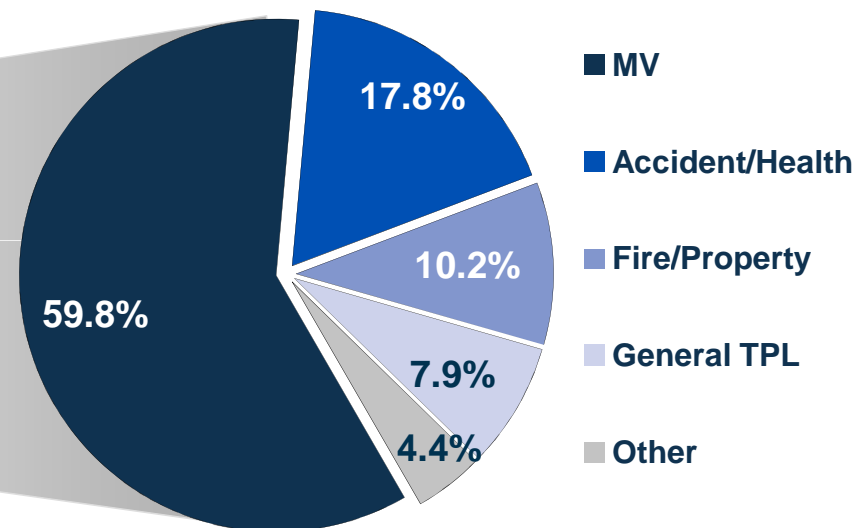
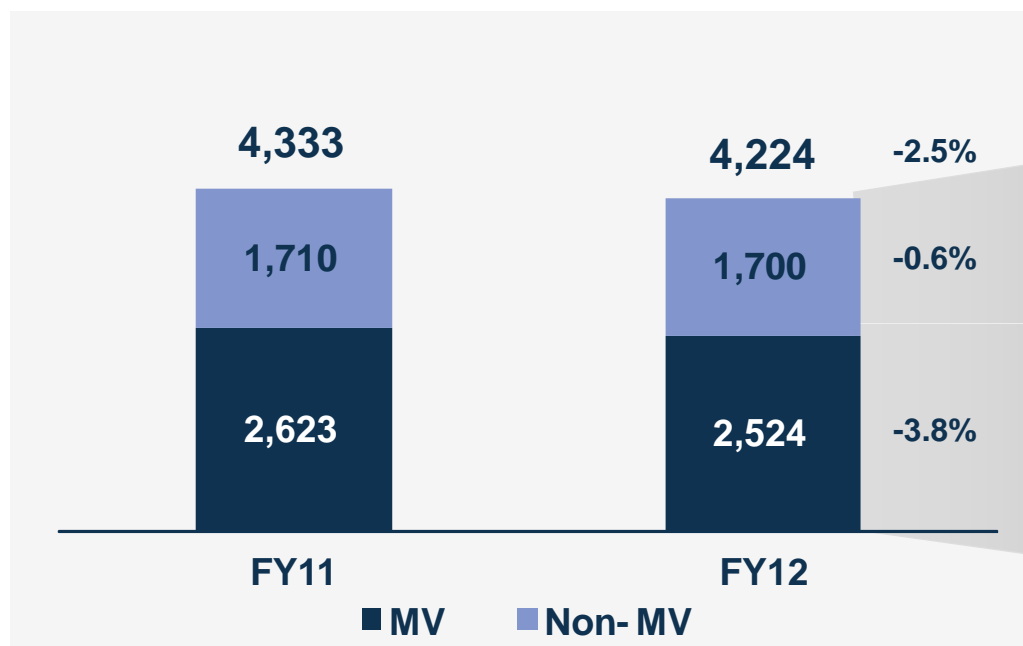
\* 2011 excl. BNL Vita and before extraordinary events (goodwill realignment and Unipol Banca impairment).  
 Figures re-calculated vs the 2011 Accounts after release of the data pertaining to the new RE Sector

## AGENDA

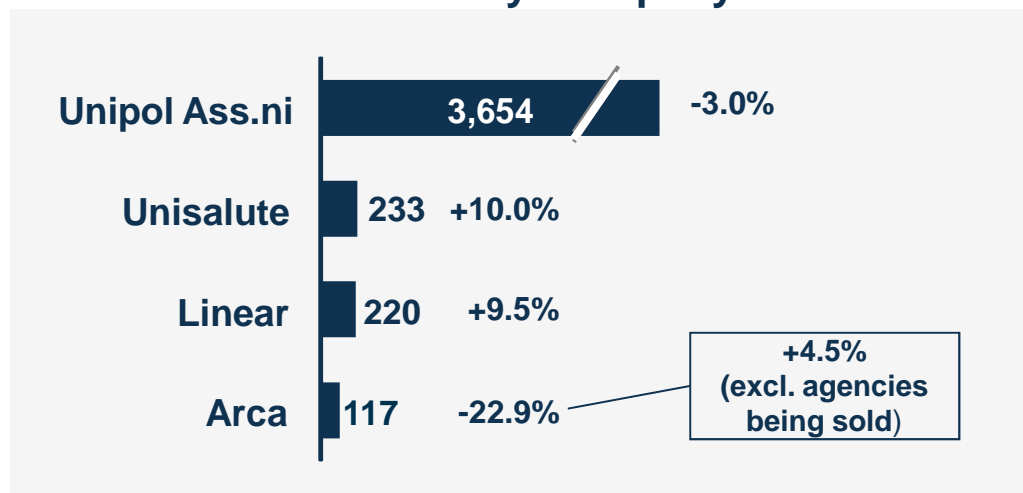
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## NON-LIFE BUSINESS – DIRECT PREMIUM INCOME

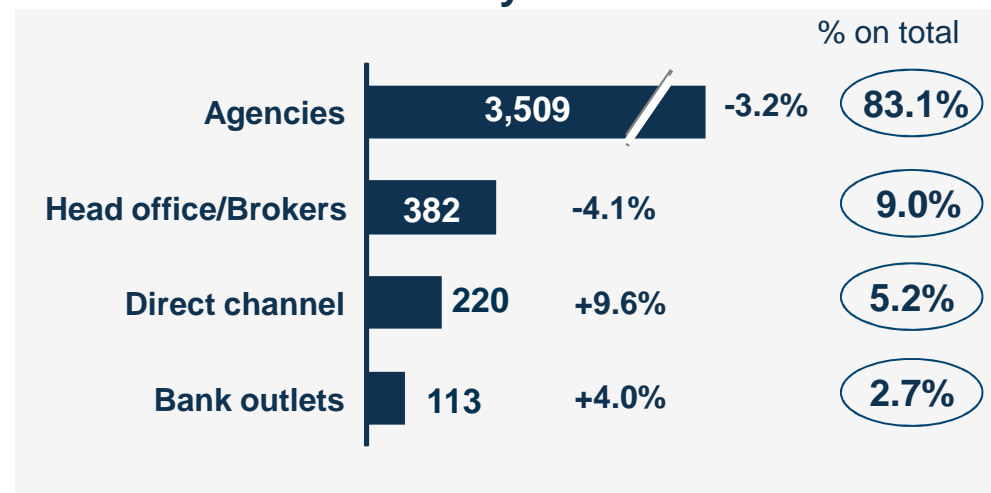
€m



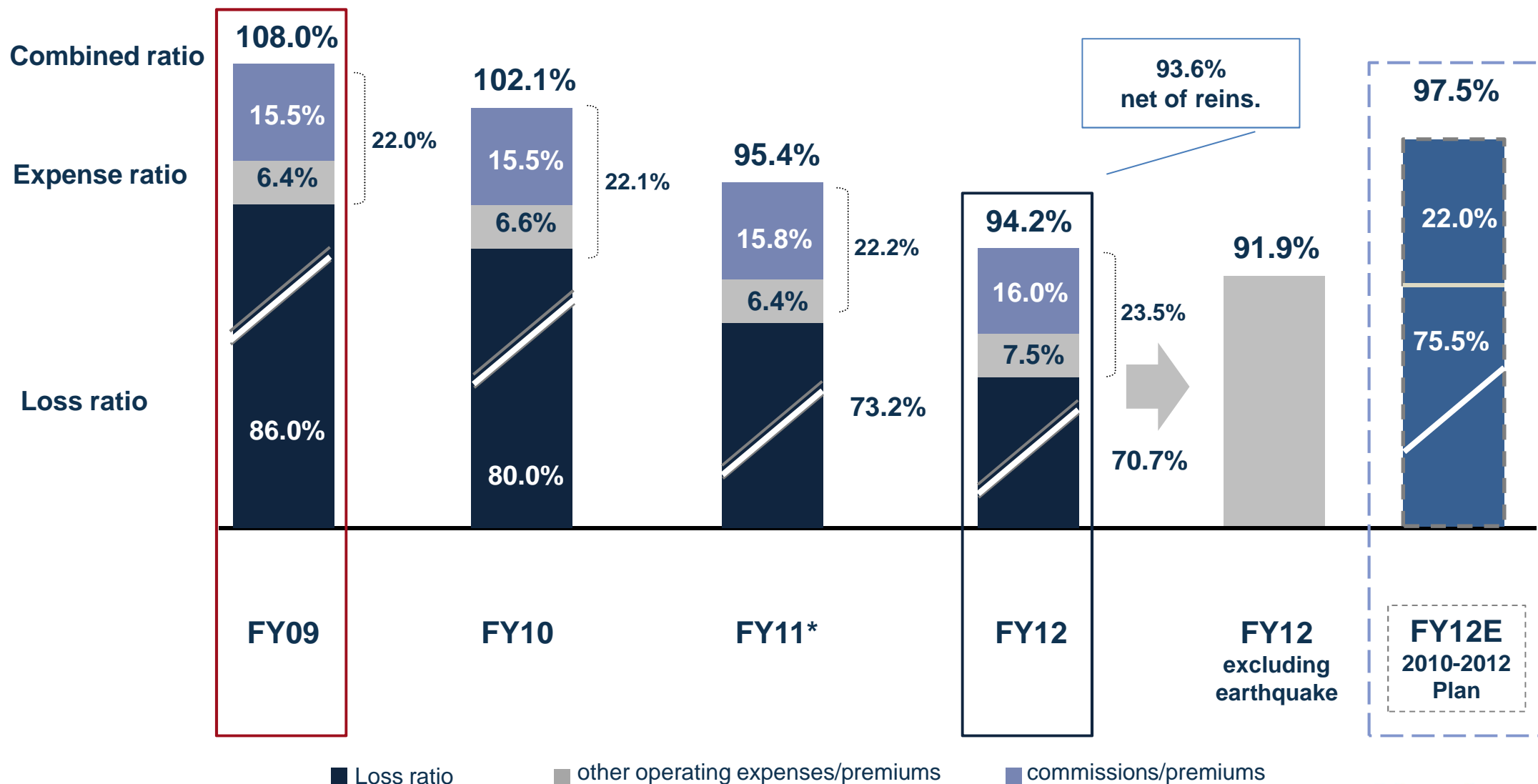
### Income by Company



### Income by channel



## NON-LIFE BUSINESS – COMBINED RATIO TREND (DIRECT BUSINESS)



\* Value recalculated after release of the figures pertaining to the new RE Sector, vs 95.5% of the 2011 Accounts

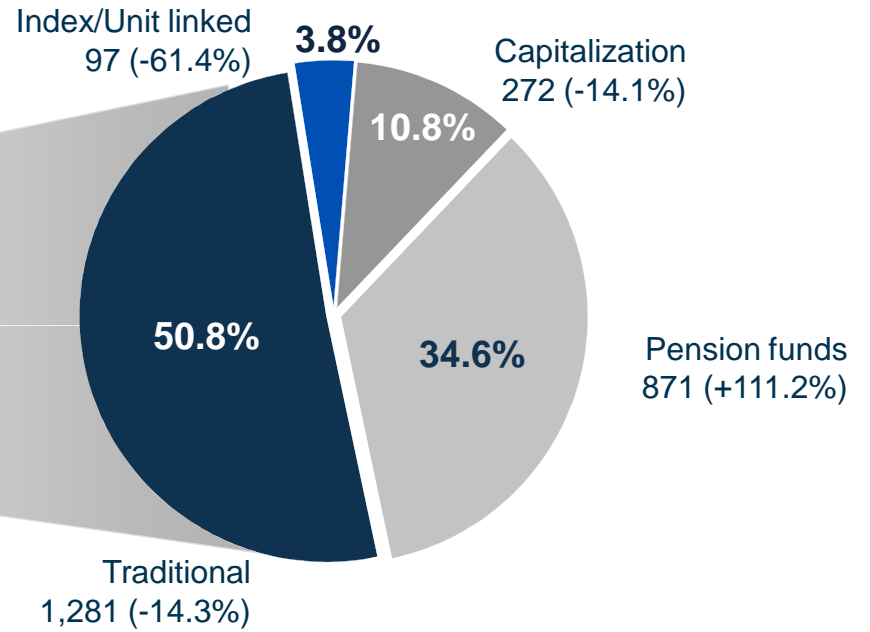
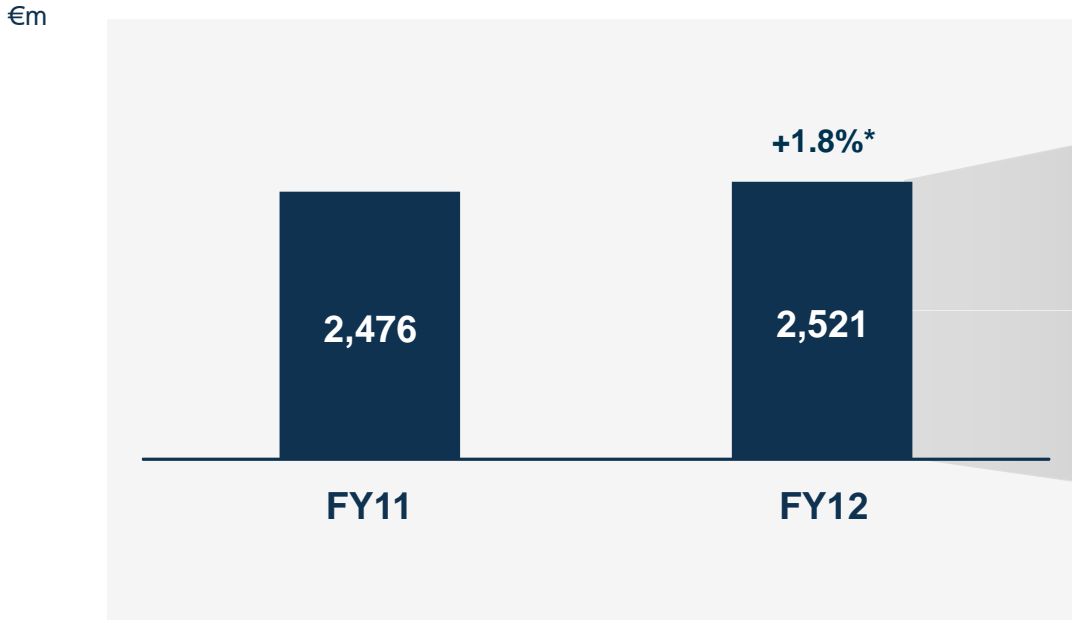
## UNIPOL ASSICURAZIONI S.p.A. – MV TPL TECHNICAL INDICATORS TREND

	FY10	FY11	FY12
	Variation vs FY09	Variation vs FY10	Variation vs FY11
Portfolio (no. of policies)	-6.5%	-2.1%	-2.7%
Portfolio average premium	+5.1%	+3.0%	+0.5%
No. of claims reported (followed up passive claims)	-14.6%	-20.3%	-15.6%
Claims settlement speed (current year managed claims)	+5.4 p.p.	+2.8 p.p.	-0.7 p.p.
Frequency	-0.9 p.p.	-1.3 p.p.	-0.9 p.p.

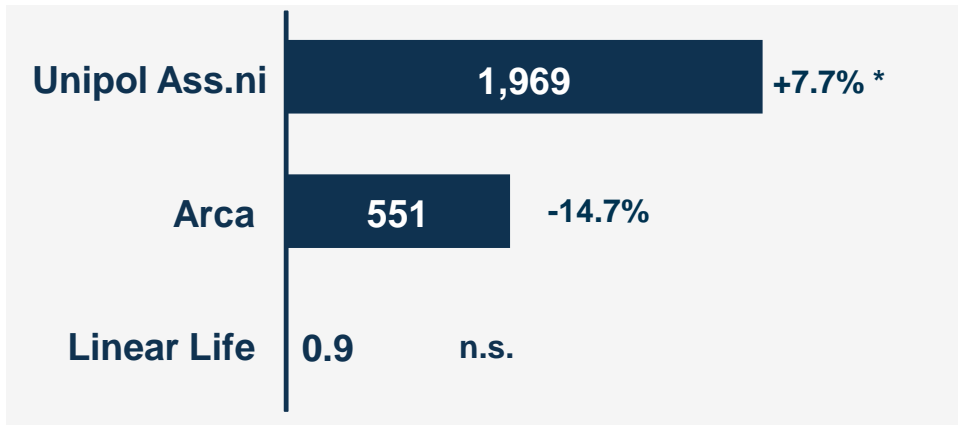
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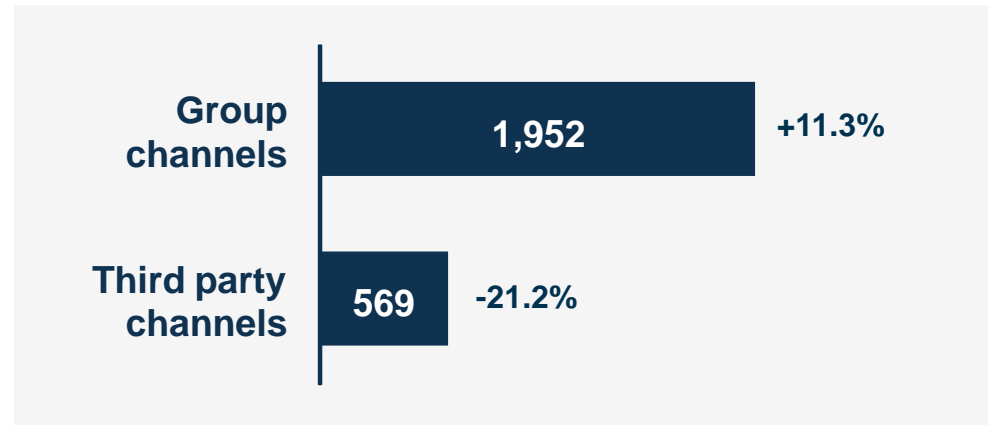
## LIFE BUSINESS – DIRECT INCOME



### Income by Company



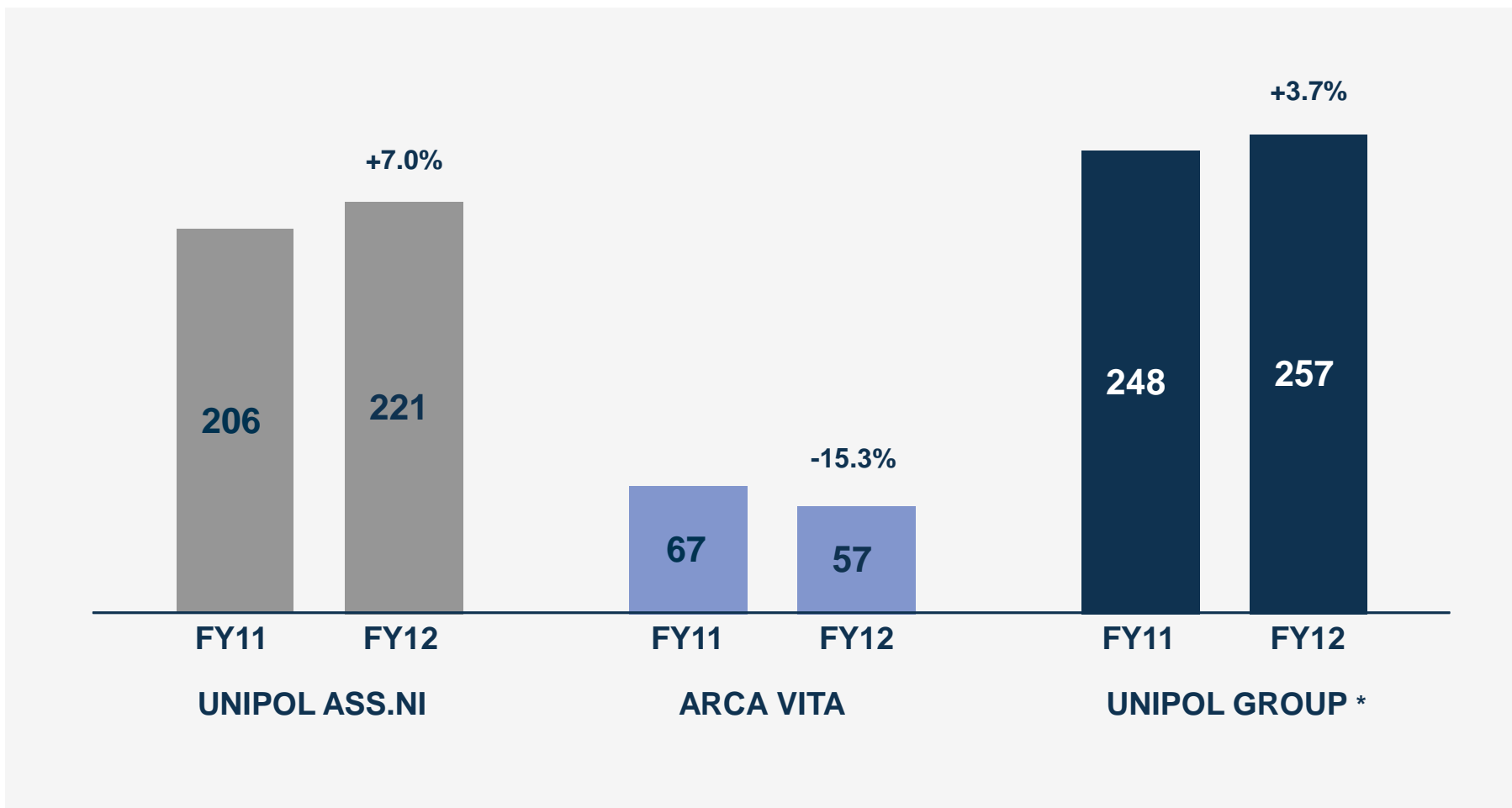
### Income by channel



\* The 2012 trend is affected by two new Guaranteed Closed Funds (Class VI) for about €411m included in Unipol Assicurazioni's income.

## LIFE BUSINESS – APE

€m



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## INSURANCE COMPANIES – KEY INDICATORS

€m

Company	Life premiums	Non-Life premiums	Combined ratio	2012 Result	
				Italian GAAP	IAS
Unipol Assicurazioni	1,969	3,654	94.1%	603	271
Arca Vita	551	117*	74.9%	118	48*
Linear	-	220	90.9%	26	14
Unisalute	-	233	85.3%	31	27

\* Consolidated figure

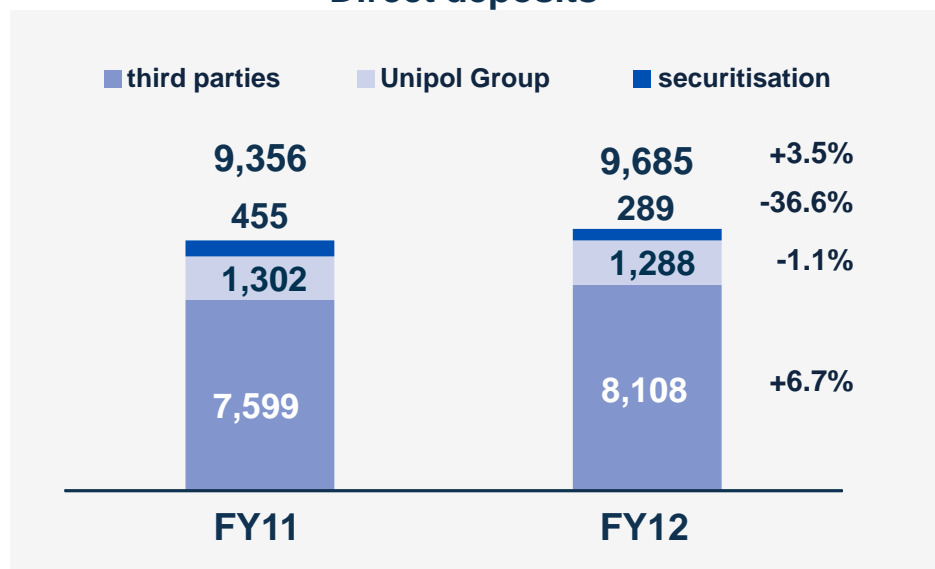
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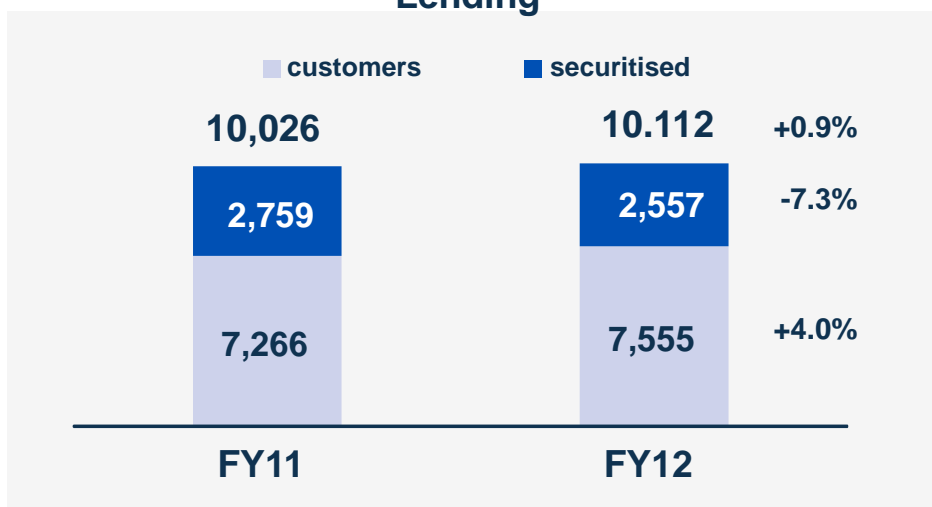
## UNIPOL BANCA GROUP

€m

### Direct deposits



### Lending



### Indicators

Lending indicators*	FY11	FY12
net non-performing loans (€m)**	1,212	1,515
net non-performing loans/loans	12.1%	15.0%
net bad & doubtful loans/loans	4.3%	6.0%
bad & doubtful loans coverage ratio**	45.5%	40.9%
<b>Capital indicators</b>	<b>FY11</b>	<b>FY12</b>
Tier 1 ratio (= Core Tier 1 ratio)	8.2%	8.4%
Total capital ratio	14.3%	14.5%
<b>Economic indicators</b>	<b>FY11</b>	<b>FY12</b>
interest income (€m)	204	208
non-interest income (€m)	127	152
gross operating income (€m)	331	360
cost/income ratio	78%	72%
gross result*** (€m)	-282	18
net result*** (€m)	-201	6

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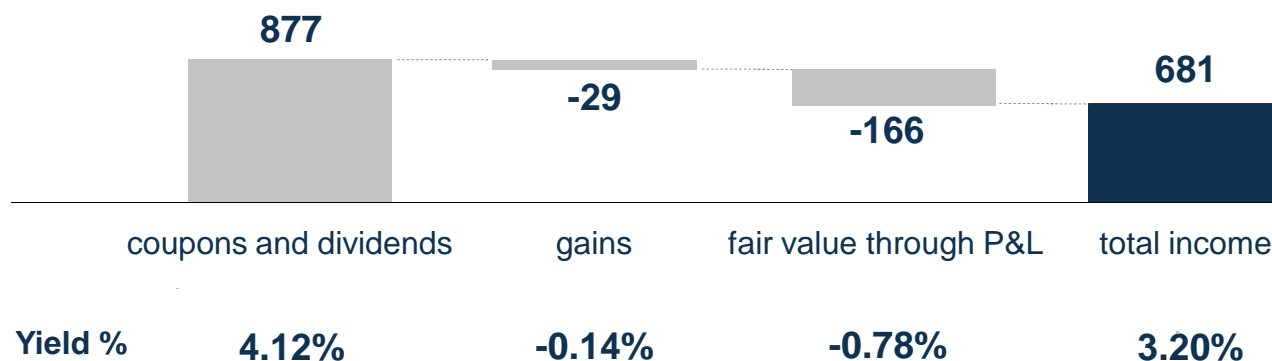
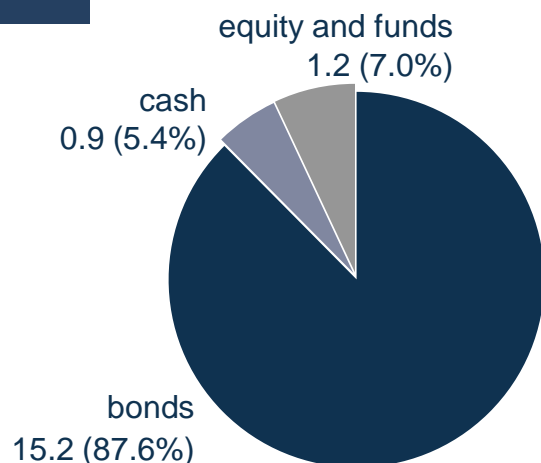
## INVESTMENTS AND FINANCIAL INCOME

### INVESTMENTS \* (€bn)

### INCOME \* (€m)

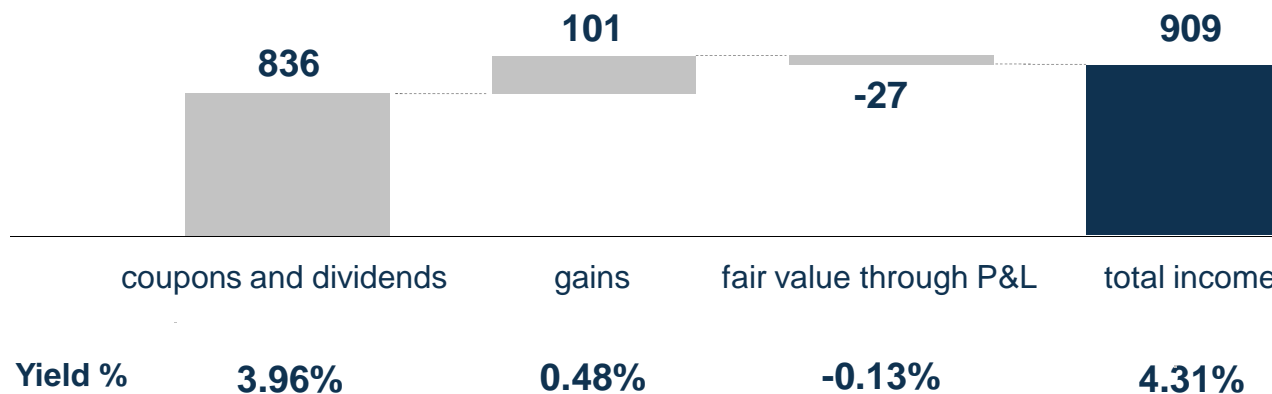
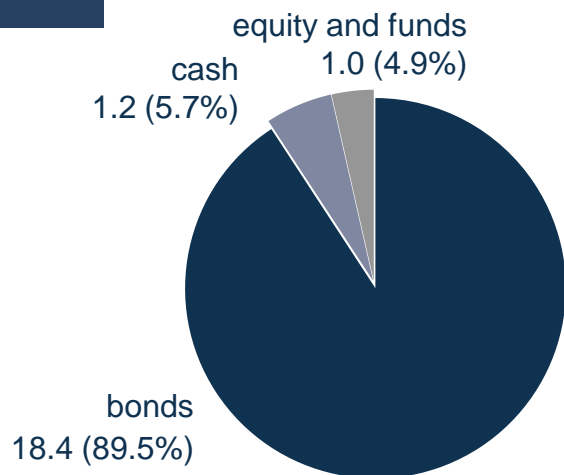
FY11

**TOT 17.4**



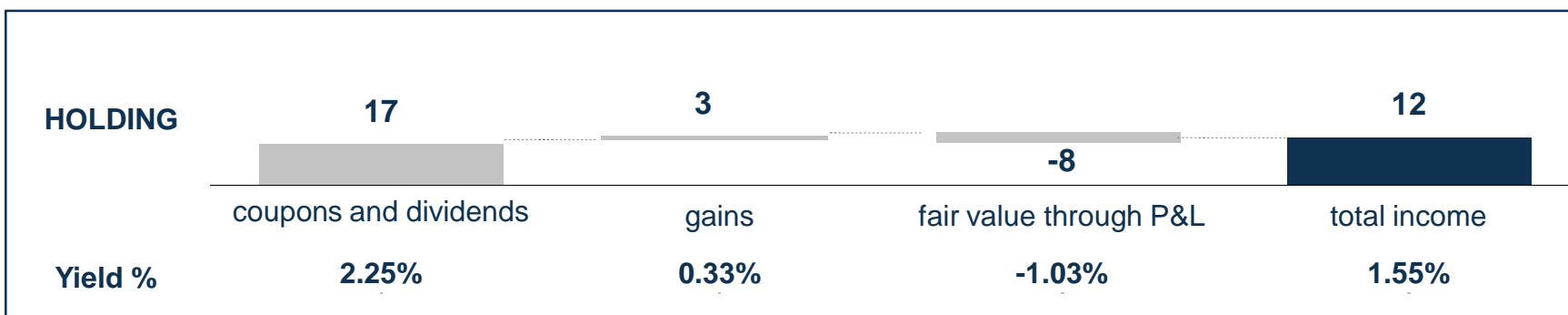
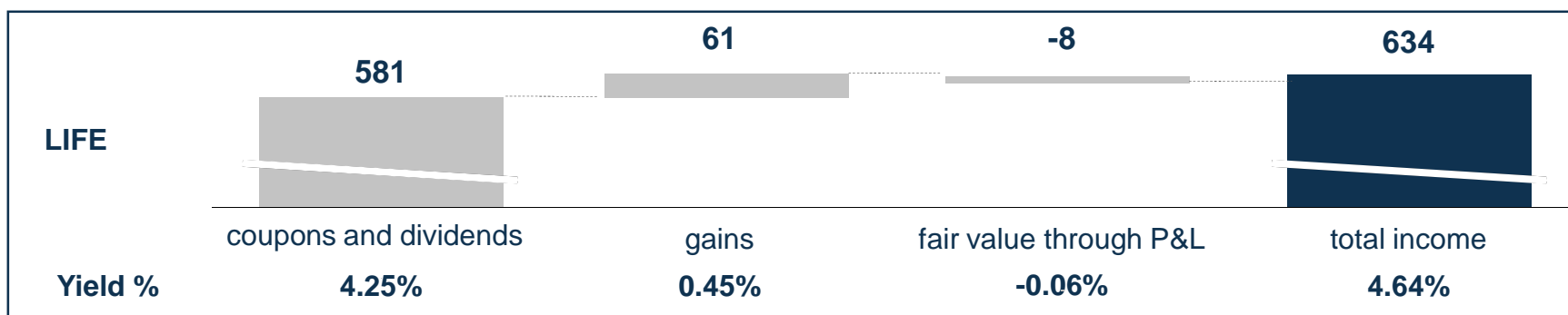
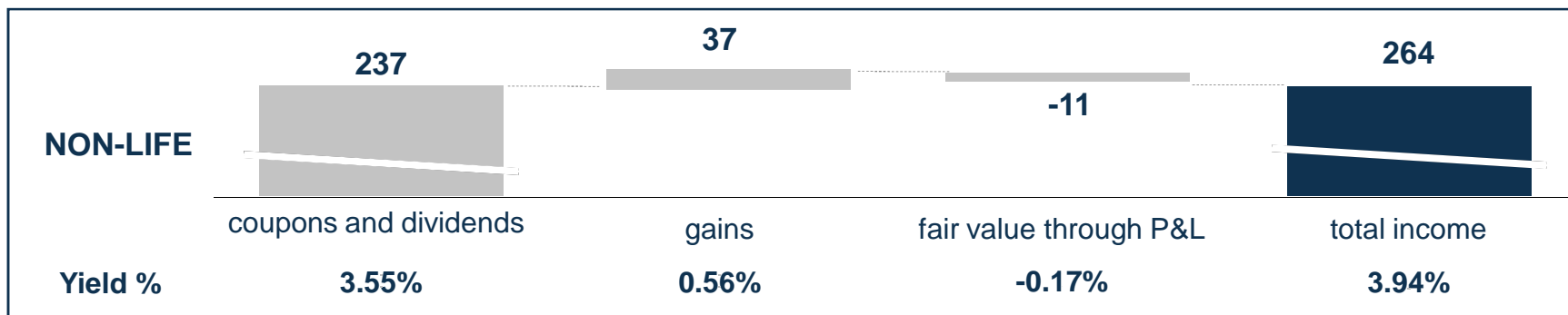
FY12

**TOT 20.5**



## INCOME FROM FINANCIAL INVESTMENTS\* BY BUSINESS SECTOR – FY12

€m

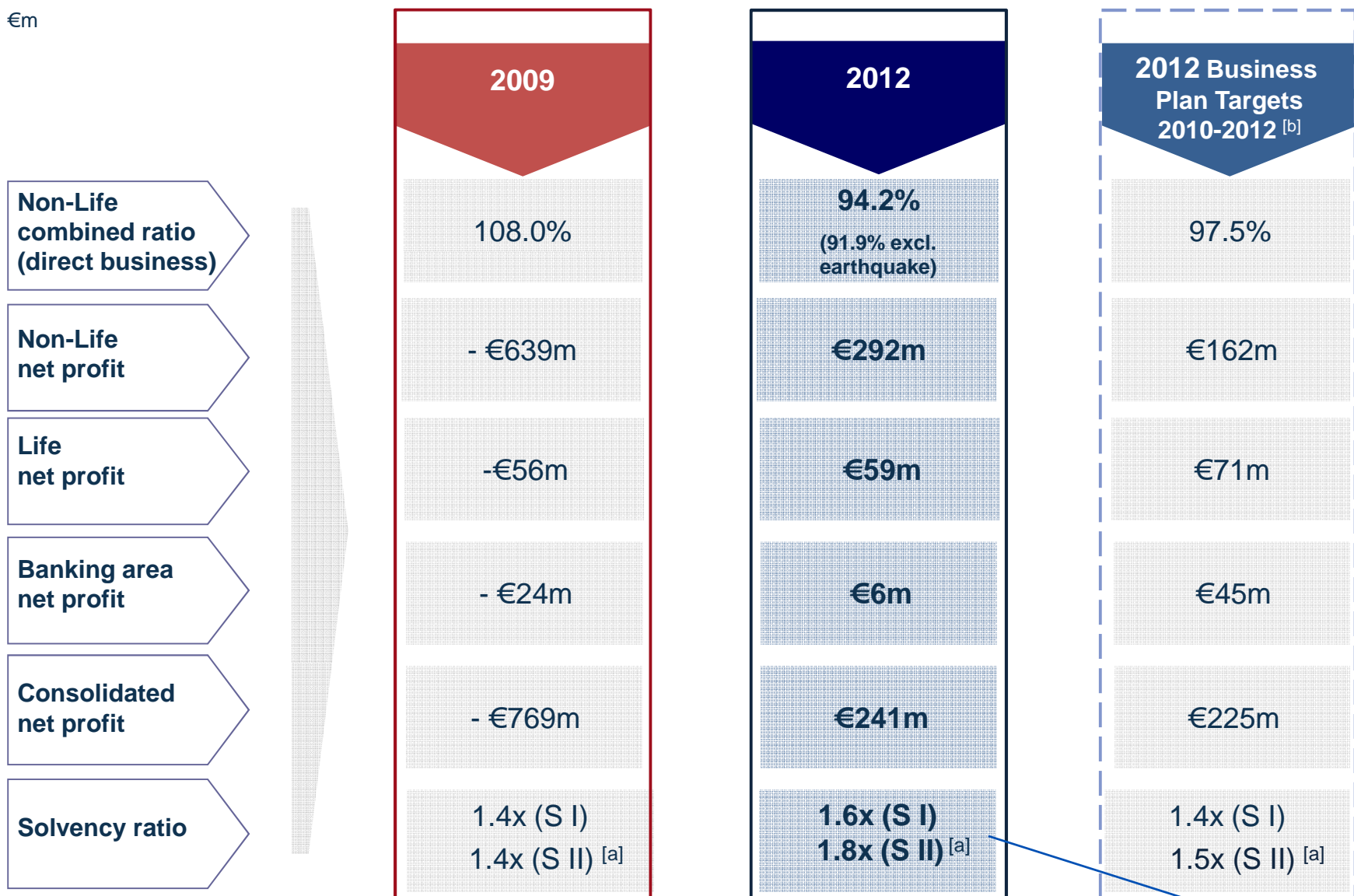


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# 2012 RESULTS AND 2010-2012 BUSINESS PLAN TARGETS

€m



a) Solvency ratio calculated using the Internal Model and partly the Standard Formula, according to the technical requirements of QIS5.

b) Targets revised following amendment to IRAP rate (see press release of 4 August 2011)

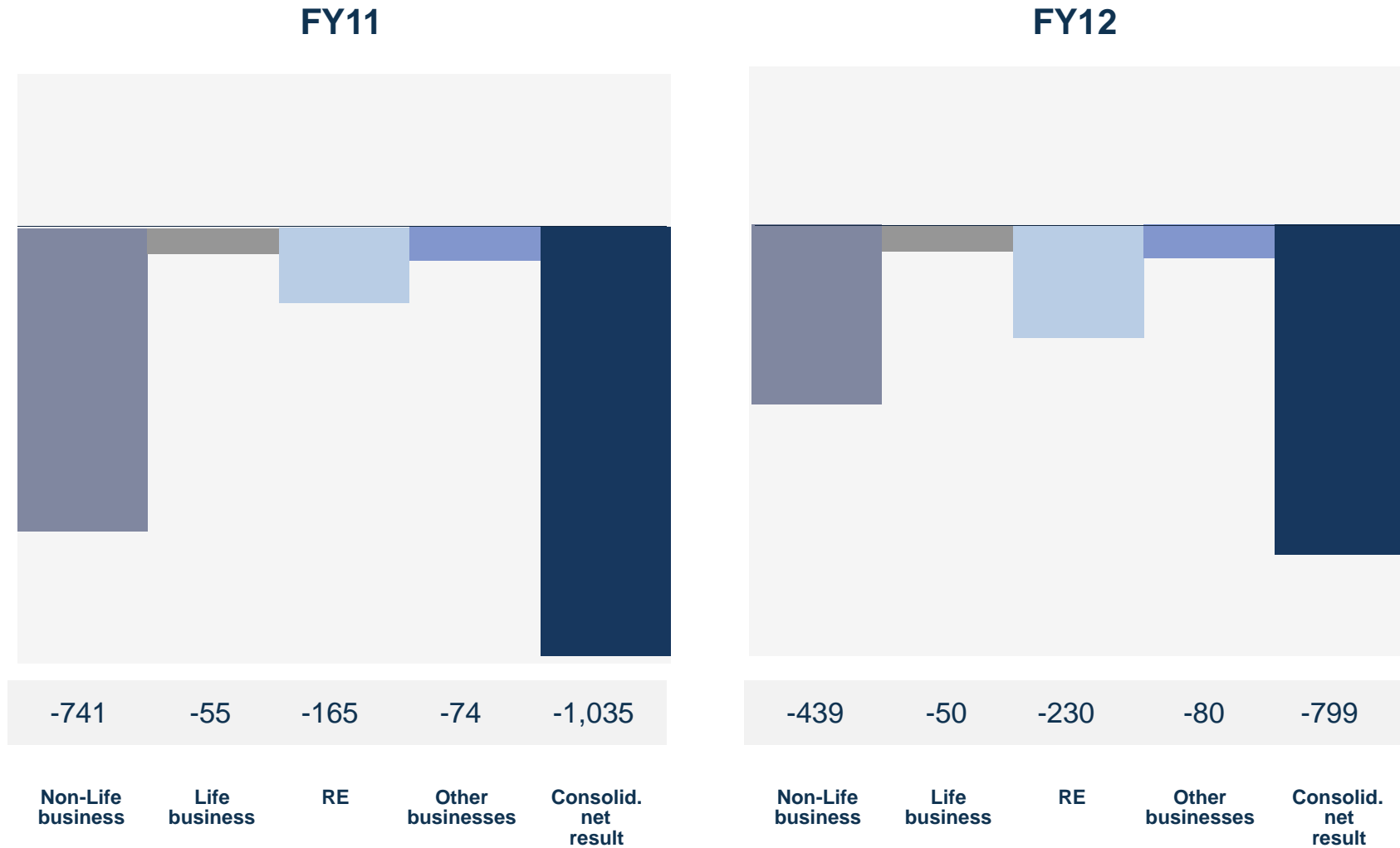
Excluding UGF 2012 capital increase (2.1x incl. capital increase)

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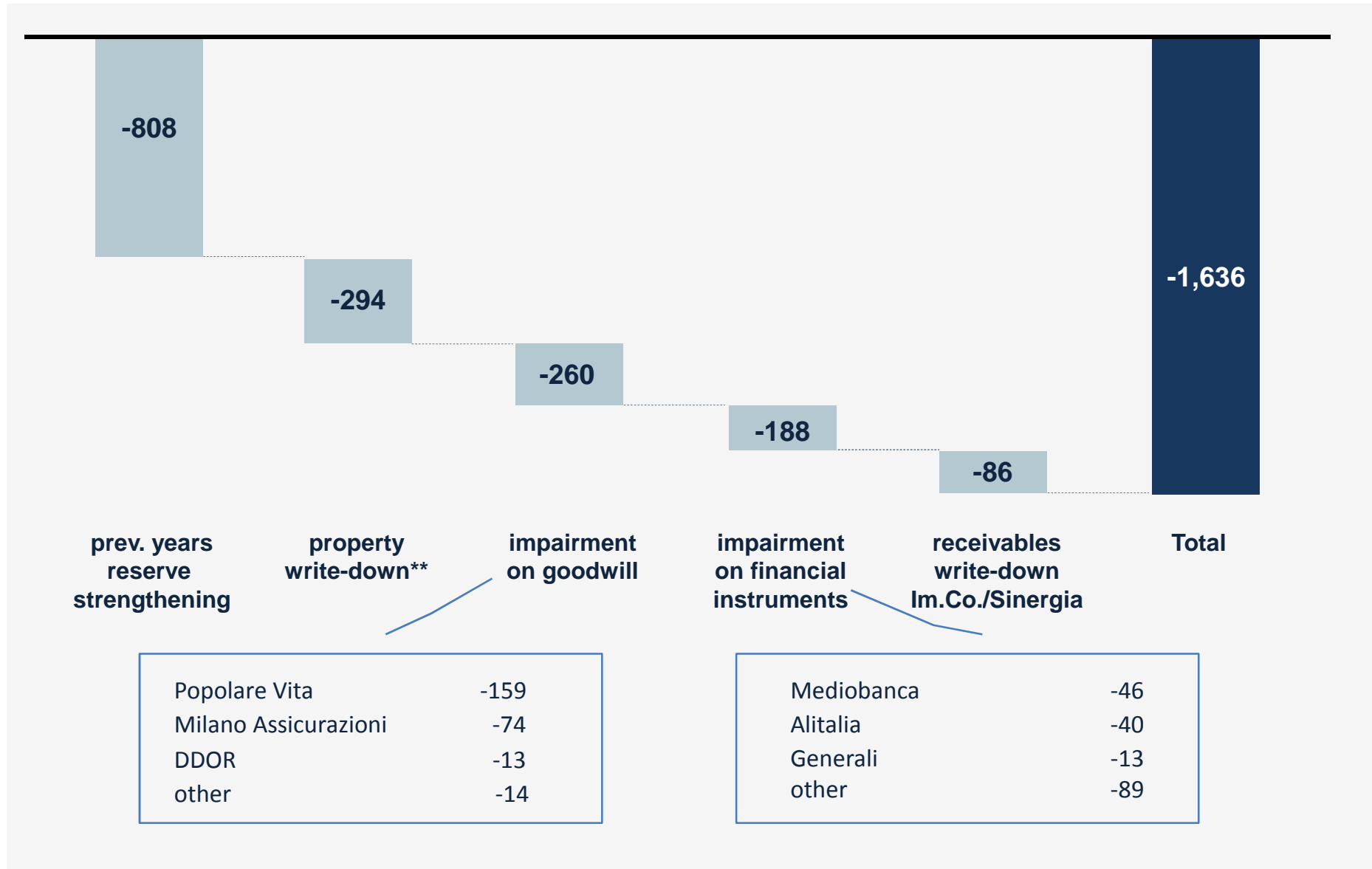
# CONSOLIDATED INCOME STATEMENT BY BUSINESS SECTOR

€m



## KEY EFFECTS ON THE CONSOLIDATED RESULT \*

€m

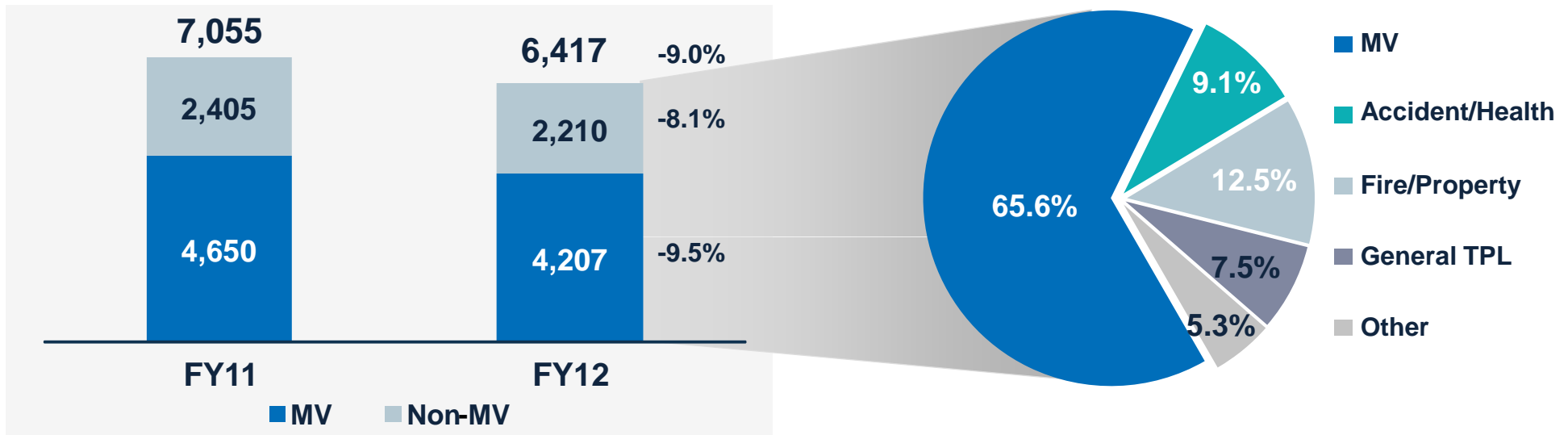


## AGENDA

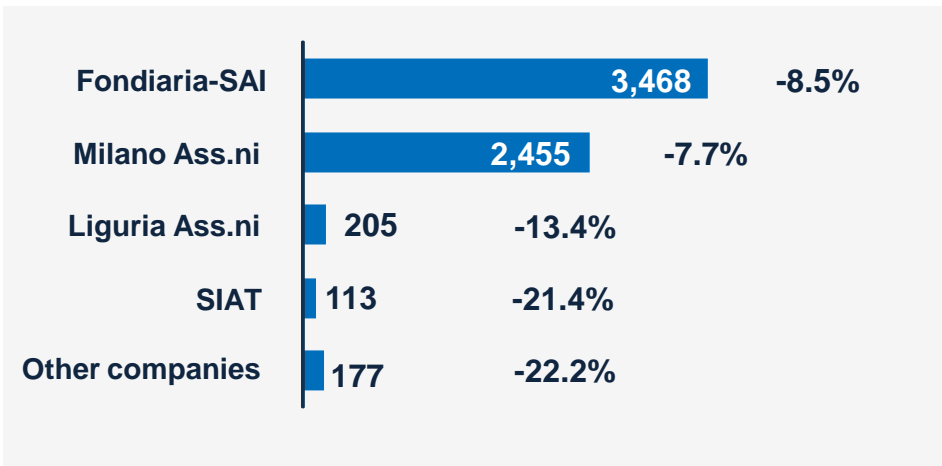
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## NON-LIFE BUSINESS – DIRECT PREMIUM INCOME

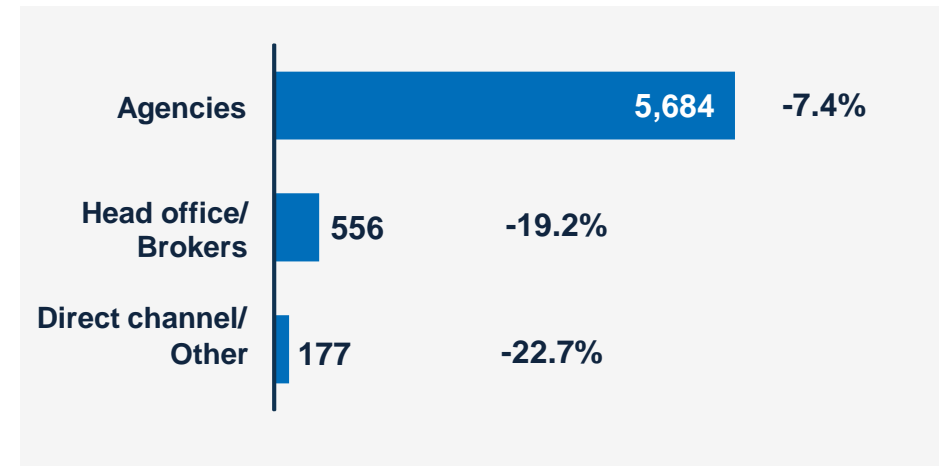
€m



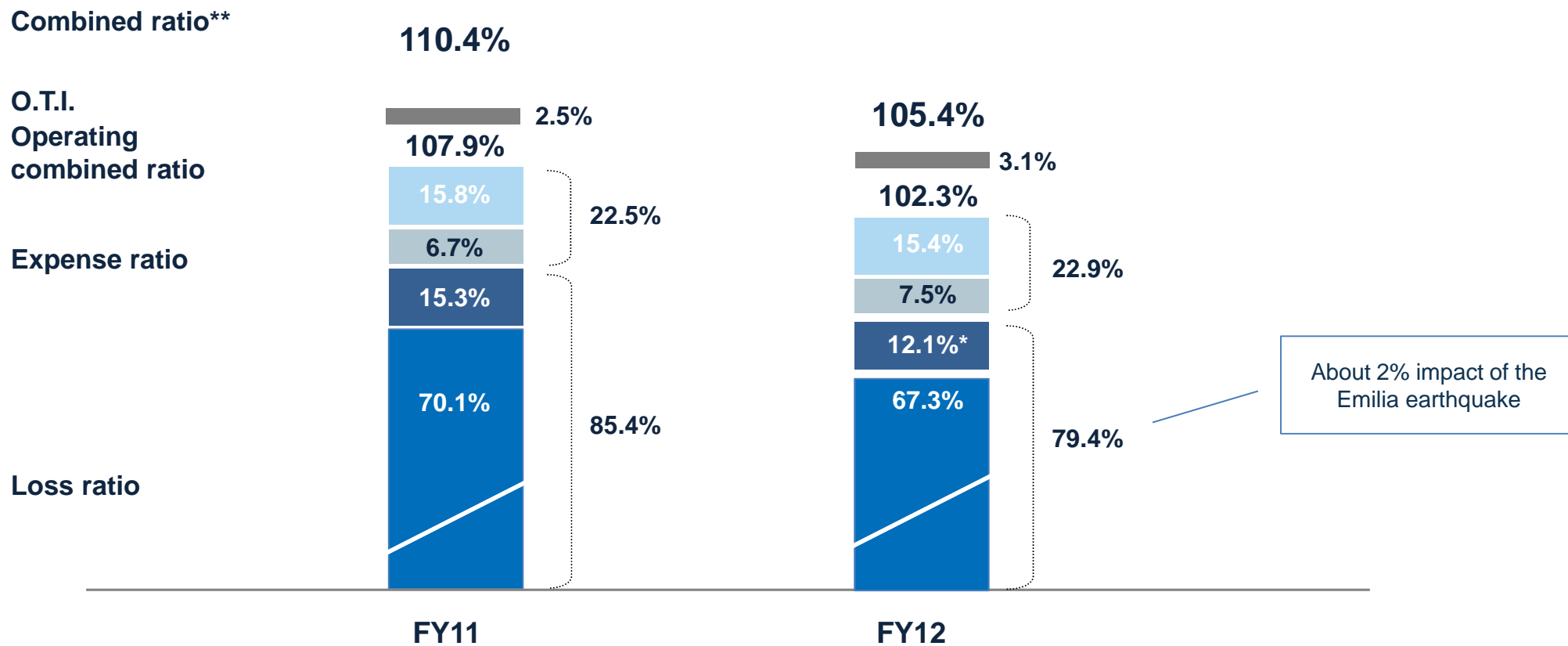
### Income by Company



### Income by channel \*



# NON-LIFE BUSINESS – COMBINED RATIO FROM DIRECT BUSINESS



■ Loss Ratio current year ■ Loss Ratio previous year ■ other oper. exp./premiums ■ commissions/premiums ■ O.T.I./premiums

## FONDIARIA-SAI S.p.A. – MV TPL TECHNICAL INDICATORS TREND

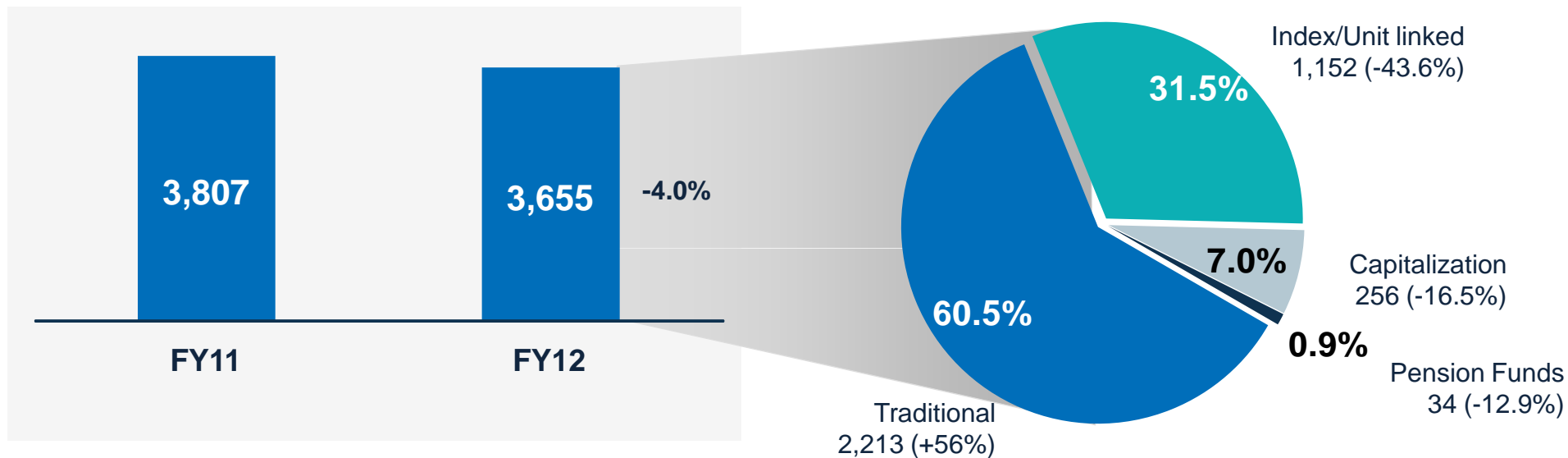
	FY11	FY12
	Variation vs FY10	Variation vs FY11
Portfolio (no. of policies)	-6.9%	-8.8%
Portfolio average premium	+7.4%	+0.0%
No. of claims reported (followed up passive claims)	-14.0%	-15.4%
Claims settlement speed (current year managed claims)	-1.7p.p.	+0.1p.p.
Frequency	-0.9 p.p.	-0.7 p.p.

## AGENDA

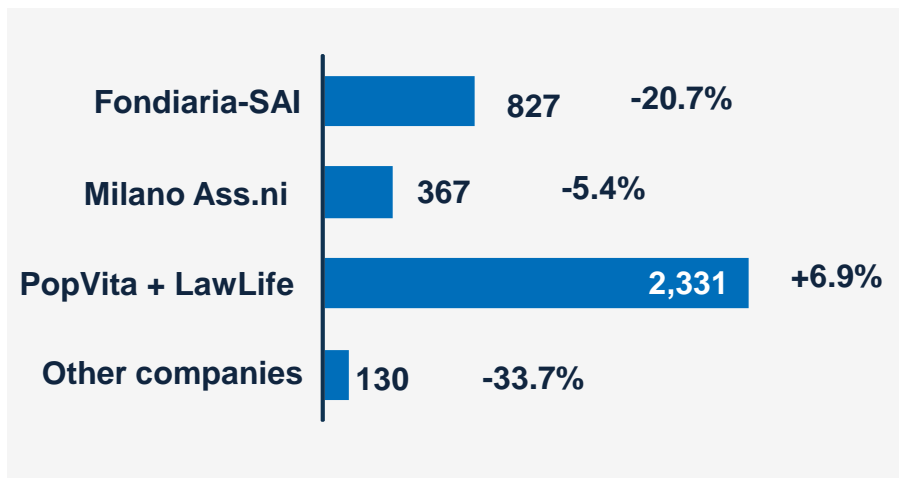
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## LIFE BUSINESS – DIRECT INCOME

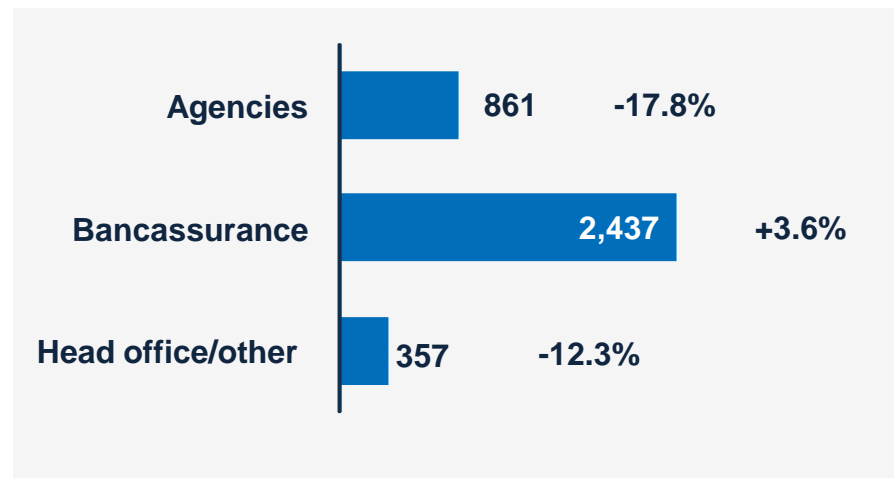
€m



### Income by Company

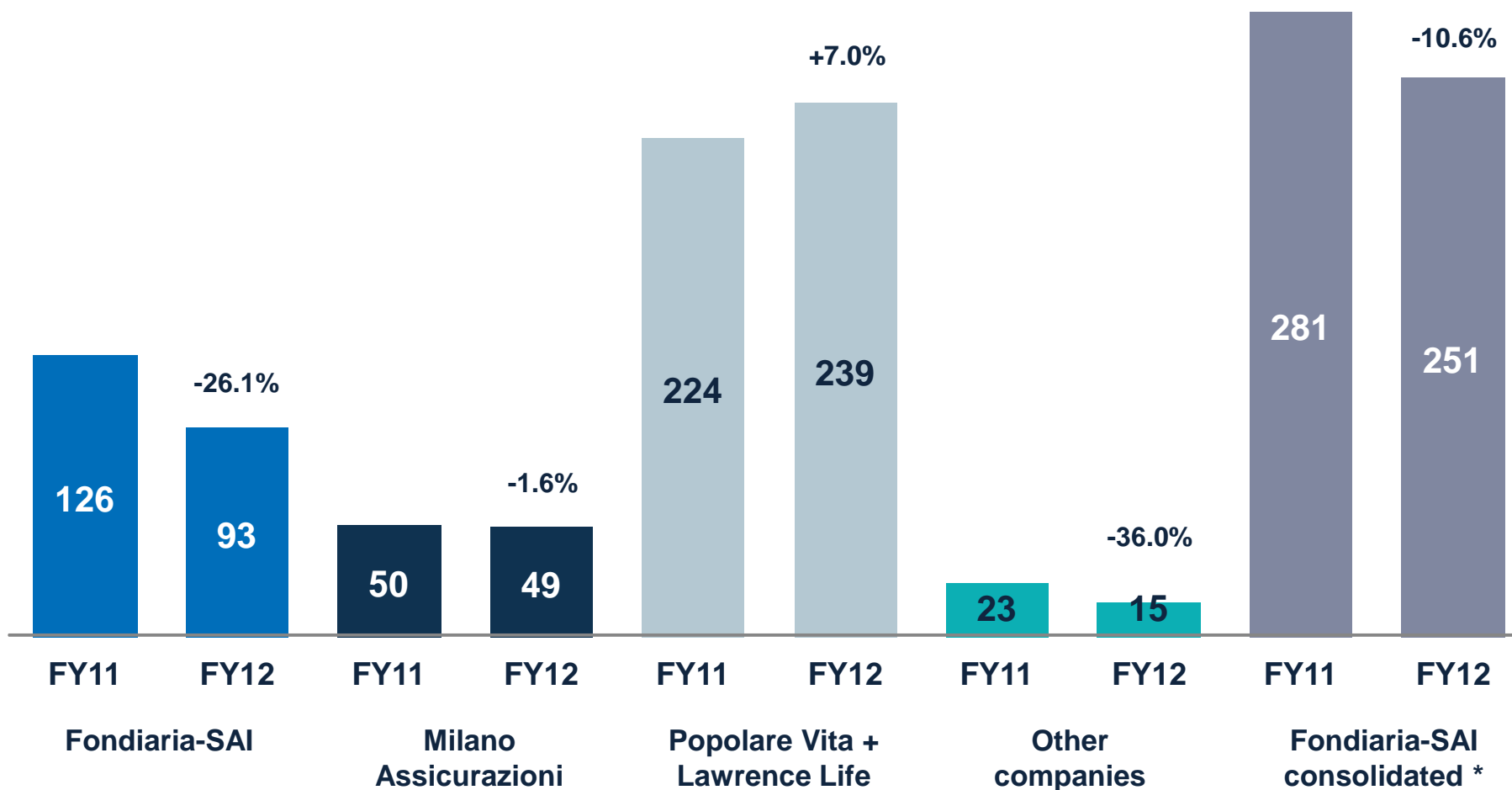


### Income by channel



## LIFE BUSINESS – APE

€m



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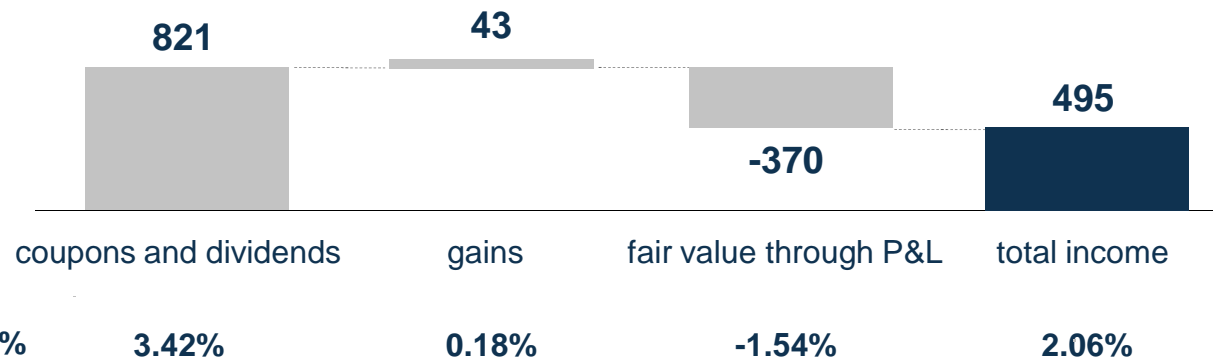
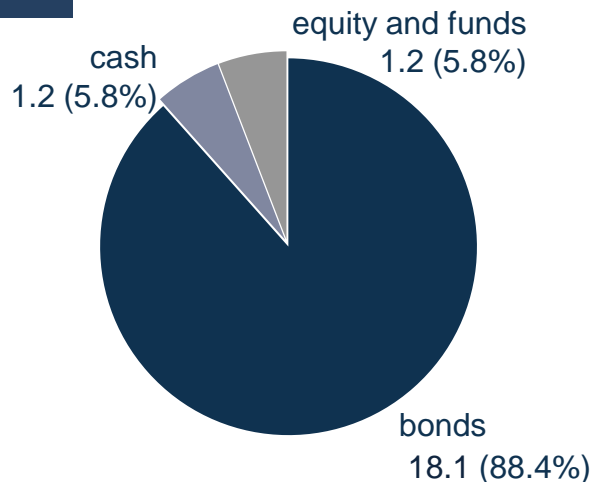
# INCOME FROM FINANCIAL INVESTMENTS

## INVESTMENTS\* (€bn)

## INCOME\* (€m)

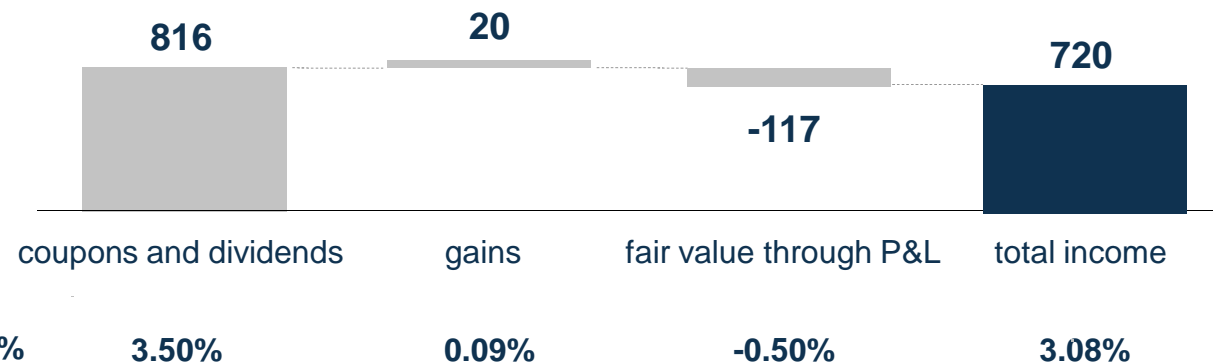
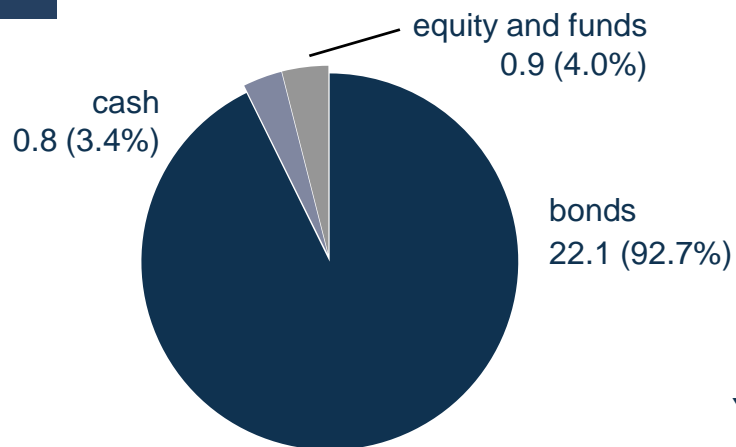
**FY11**

**TOT. 20.5**



**FY12**

**TOT. 23.8**



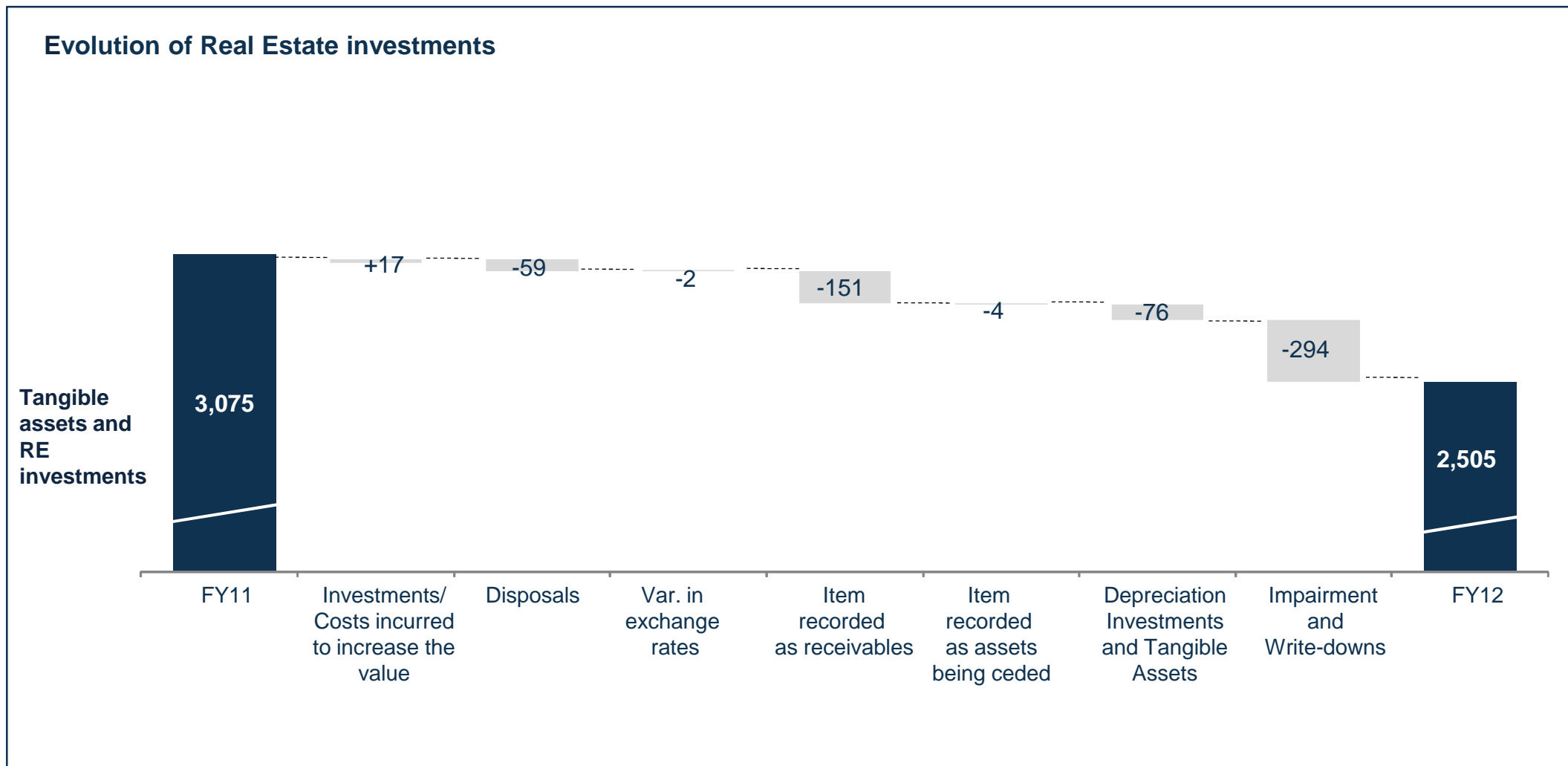
\* Figures relating to the insurance companies, excluding Class D, RE funds, DDOR and Lawrence Life.  
Income does not include charges relating to Interest Rate Swap on financial liabilities.

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# REAL ESTATE SECTOR \*

€m



## OTHER BUSINESSES SECTOR

€m



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## MILANO ASSICURAZIONI – KEY CONSOLIDATED RESULTS

€m

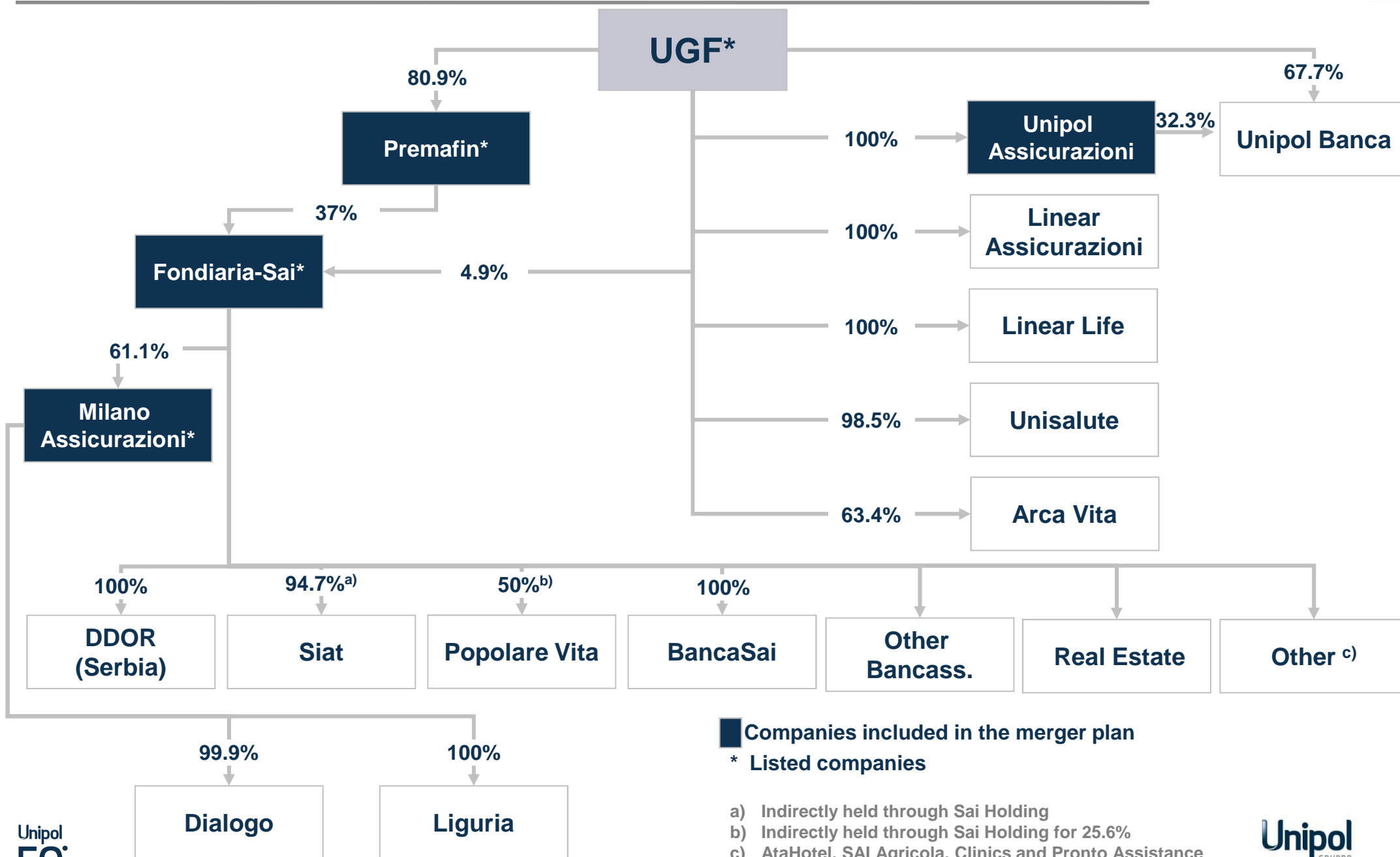
	FY12	FY11	var. %
Premium income (direct business)	3,106.6	3,370.2	-7.8%
Non-Life business	2,728.0	2,973.2	-8.2%
<i>MV</i>	1,887.5	2,090.5	-9.7%
<i>Non-MV</i>	840.5	882.8	-4.8%
Life business	378.5	397.0	-4.7%
Loss ratio (direct business)	82.3%	88.4%	-6.1 p.p.
Expense Ratio (direct business)	21.8%	21.5%	+0.3 p.p.
Other technical items	3.0%	2.9%	+0.1 p.p.
Combined Ratio (direct business)	107.1% *	112.8% *	-5.7 p.p.
Consolidated pre-tax result			
<i>Non-Life business</i>	-226.3	-586.8	
<i>Life business</i>	13.3	18.9	
<i>RE</i>	-67.7	-57.0	
<i>Other businesses</i>	0.1	0.3	
<i>Inter-segment eliminations</i>	-	-	
Pre-minorities net result	<b>-216.2</b>	<b>-487.6</b>	
Post-minorities net result	<b>-216.0</b>	<b>-487.5</b>	

	FY12	FY11	var. %
Investments	8,795.7	8,826.7	-0.4%
<i>Bonds</i>	7,047.0	6,288.6	12.1%
<i>Equity</i>	303.7	472.5	-35.7%
<i>Ucits</i>	405.8	565.5	-28.2%
<i>RE</i>	613.2	910.7	-32.7%
<i>Other investments</i>	105.7	118.6	-10.9%
<i>Cash</i>	320.3	470.8	-32.0%
Total shareholders' equity	1,039.2	929.5	11.8%
Group shareholders' equity	1,037.9	928.2	11.8%
<i>o/w AFS reserve</i>	106.7	-222.2	-148.0%
Solvency Ratio	1.2x	1.3x	

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## PRESENT SHAREHOLDING STRUCTURE



■ Companies included in the merger plan

\* Listed companies

a) Indirectly held through Sai Holding

b) Indirectly held through Sai Holding for 25.6%

c) AtaHotel, SAI Agricola, Clinics and Pronto Assistance

## CONSOLIDATED RESULT

€m

### SECTORS

	NON-LIFE	LIFE	BANKING	RE	HOLDING/ OTHER BUSIN./ CONS. ADJUST.	CONSOLIDATED NET RESULT
Unipol Group 2012 stand alone result	289	59	6	3	-116	241
Premafin consolidated result (2H12)*	-490	-88	-19	-209	-83	-889
<b>Sub-total</b>	<b>-201</b>	<b>-29</b>	<b>-13</b>	<b>-206</b>	<b>-199</b>	<b>-648</b>
Fair value of acquired assets and liabilities (IFRS 3)**	766	84	14	190	36	1,089
<b>Unipol Group 2012 reported result</b>	<b>565</b>	<b>55</b>	<b>1</b>	<b>-16</b>	<b>-163</b>	<b>441</b>

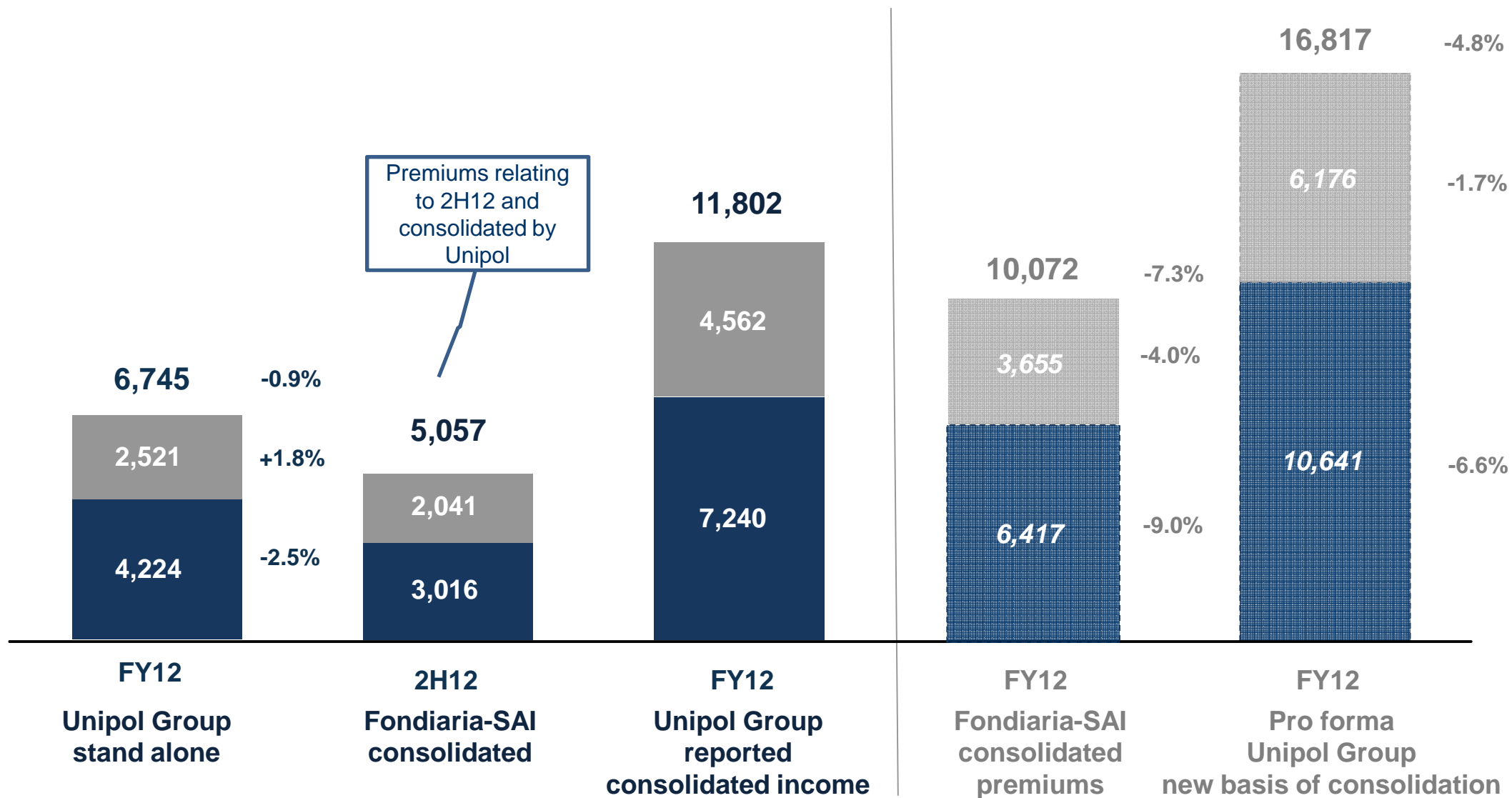
#### Breakdown:

MV TPL and General TPL reserve strengthening	710
Property writedowns and depreciation differences	265
Effects on fin. assets and liabilities deriving from different book values	298
Shadow accounting	-236
Write-off of impairment on goodwill	247
Fiscal effects	-299
Provisions for risks and contingent liabilities	87
Other items	17
<b>Total</b>	<b>1,089</b>

# DIRECT INSURANCE INCOME

€m

Premiums relating to 2H12 and consolidated by Unipol



## AGENDA

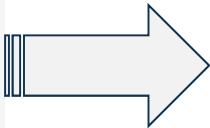
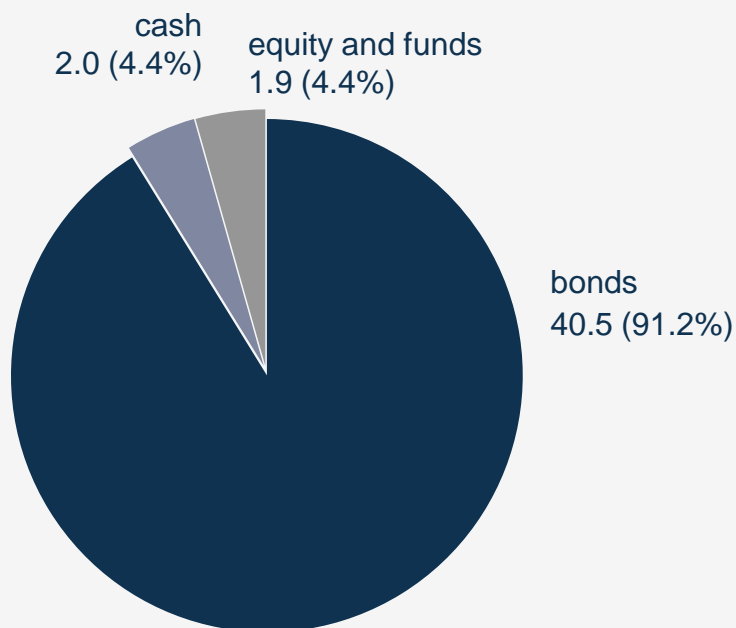
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# FINANCIAL INVESTMENTS

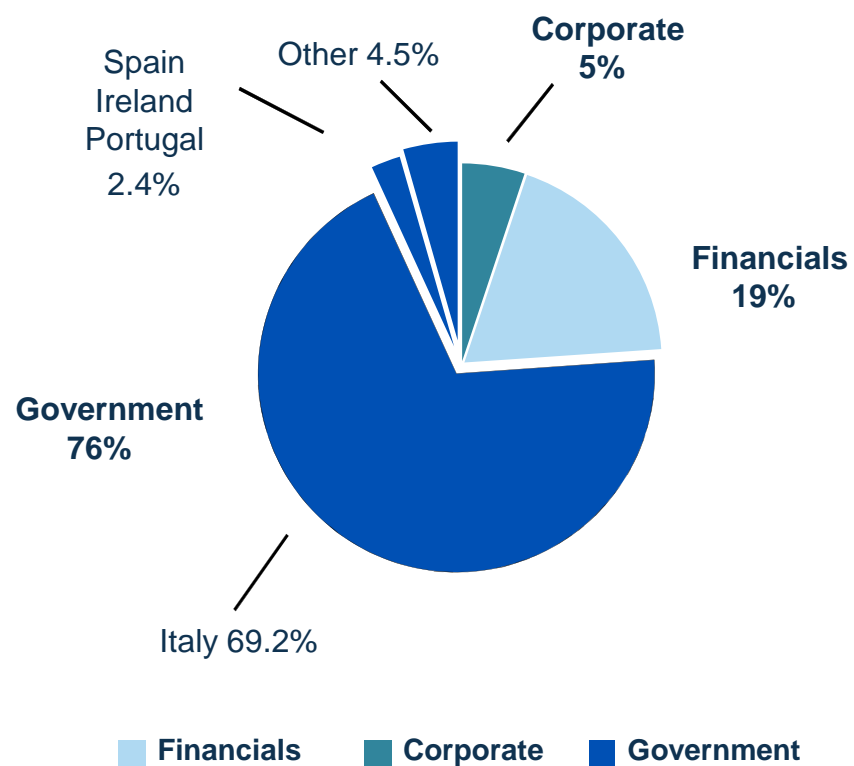
€bn

**FY12 INVESTMENTS**  
**€44.4bn\***

## Breakdown by asset



## Bond portfolio



■ Financials   ■ Corporate   ■ Government

## STRUCTURED SECURITIES PORTFOLIO

€m

	1H12			9M12			FY12		
	MtoM	IAS book value	gain/loss	MtoM	IAS book value	gain/loss	MtoM	IAS book value	gain/loss
<b>LIGHT structured securities</b> <i>(floating rate securities with cap/floor as sole option)</i>	<b>2,078</b>	<b>2,655</b>	<b>-577</b>	<b>2,159</b>	<b>2,613</b>	<b>-454</b>	<b>2,206</b>	<b>2,548</b>	<b>-342</b>
LIBOR linked securities with cap/floor	529	652	-123	543	652	-109	546	653	-108
CMS linked securities with cap/floor	1,158	1,556	-397	1,221	1,530	-309	1,249	1,467	-219
Inflation linked securities with cap/floor	390	447	-57	395	430	-35	412	427	-15
<b>NON-LIGHT structured securities</b>	<b>935</b>	<b>1,127</b>	<b>-192</b>	<b>944</b>	<b>1,064</b>	<b>-120</b>	<b>976</b>	<b>1,042</b>	<b>-66</b>
Securities with <b>RATES</b> linked pay-off	545	661	-117	564	637	-74	595	634	-38
Securities with <b>CREDIT</b> risk linked pay-off	316	376	-60	316	362	-46	323	350	-27
Securities with pay-off linked to <b>STOCKS/INDEXES</b> or <b>DIVIDENDS</b>	73	89	-16	64	65	-0	58	58	-1
<b>Total structured securities</b>	<b>3,013</b>	<b>3,781</b>	<b>-769</b>	<b>3,103</b>	<b>3,676</b>	<b>-574</b>	<b>3,182</b>	<b>3,590</b>	<b>-408</b>
<b>OTHER SECURITIES</b> <i>(noticed to ISVAP under item structured securities)</i>	<b>2,835</b>	<b>3,028</b>	<b>-193</b>	<b>2,936</b>	<b>2,948</b>	<b>-12</b>	<b>2,578</b>	<b>2,643</b>	<b>-65</b>
<b>Total</b>	<b>5,848</b>	<b>6,809</b>	<b>-961</b>	<b>6,039</b>	<b>6,625</b>	<b>-586</b>	<b>5,761</b>	<b>6,233</b>	<b>-472</b>

## GROUP DEBT STRUCTURE \*

€m

Figures as at 31/12/2012	Senior	Subordinated/ Hybrid	Total
Milano Assicurazioni	0	150	150
Fondiarìa-SAI <sup>a</sup>	186	900	1,086
Premafin	391	0	391
Unipol Assicurazioni	0	962	962
<b>Subtotal</b>	<b>577</b>	<b>2,012</b>	<b>2,589</b>
Unipol Gruppo Finanziario S.p.A.	750	0	750
<b>Total Unipol Group</b>	<b>1,327</b>	<b>2,012</b>	<b>3,339</b>
<b>Leverage</b>			<b>32%</b>

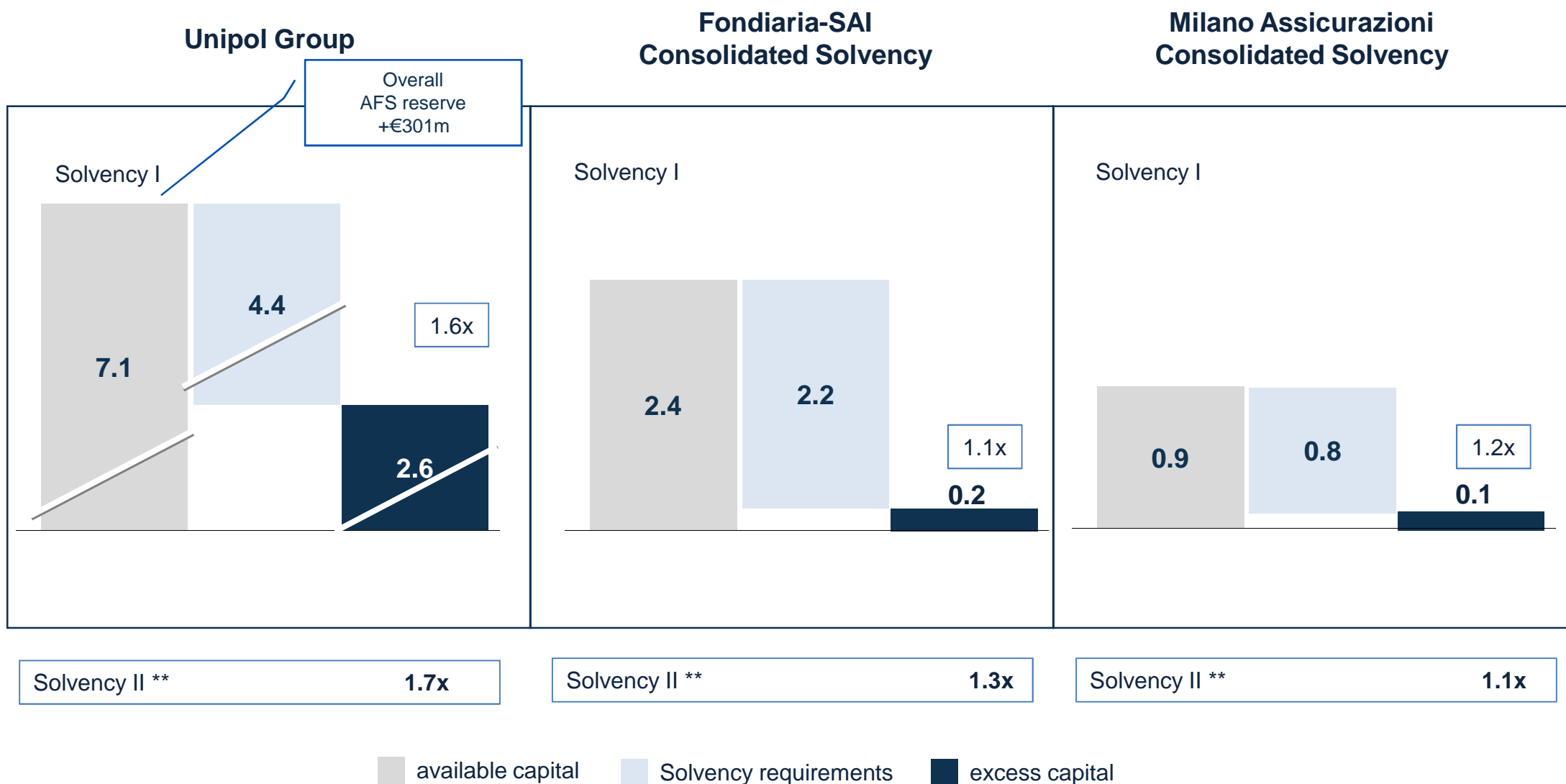
\* Face value

<sup>a</sup> Including companies consolidated by Fondiarìa-SAI, excluding Milano Assicurazioni consolidated

## AGENDA

- Unipol Group stand alone results
- Fondiaria-SAI consolidated results
- Unipol Group results – new basis of consolidation
  - Business overview
  - Investment management
  - Capital and Solvency
- UGF S.p.A. results and dividends

# SOLVENCY\* AS AT 31 DECEMBER 2012



## AGENDA

- Unipol Group stand alone results
- Fondiaria-SAI consolidated results
- Unipol Group results – new basis of consolidation
- UGF S.p.A. results and dividends

## UGF S.p.A. – RECLASSIFIED INCOME STATEMENT

(€m)	31.12.2011	31.12.2012
Income from investments	7.5	253.2
Other financial income	55.2	63.3
Interest and other financial charges	(132.8)	(67.4)
Exchange rate gains (losses)	(0.4)	0.0
<b>NET FINANCIAL INCOME</b>	<b>(70,5)</b>	<b>249,1</b>
Write-backs	1.3	39.1
Write-downs	(286.4)	(9.2)
<b>TOTAL ADJUSTMENTS</b>	<b>(285.1)</b>	<b>29.9</b>
<b>TOTAL OTHER OPERATING INCOME</b>	<b>32.0</b>	<b>30.5</b>
<b>TOTAL OTHER OPERATING COSTS</b>	<b>(158.0)</b>	<b>(140.6)</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>(481.6)</b>	<b>168.9</b>
<b>NET EXTRAORDINARY INCOME (LOSS)</b>	<b>59.1</b>	<b>5.2</b>
<b>PRE-TAX PROFIT (LOSS)</b>	<b>(422.5)</b>	<b>174.1</b>
Income taxes	64.2	20.9
<b>NET PROFIT (LOSS) FOR THE YEAR</b>	<b>(358.3)</b>	<b>195.0</b>

## UGF S.p.A. – PROPOSED DIVIDENDS

### Ordinary shares – Dividend per Share (€)

No. of shares	443,993,991
Dividend per share	0.15
Share price	2.00
Dividend Yield	7.5%

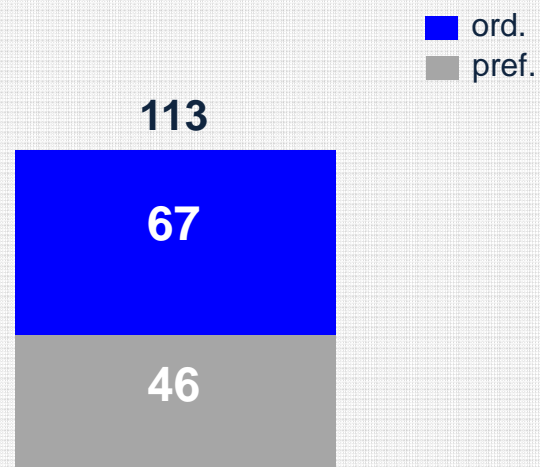
### Preference shares – Dividend per Share (€)

No. of shares	273,479,493
Dividend per share	0.17
Share price	1.81
Dividend Yield	9.4%

Dividend yield calculated on the closing price at 20 March 2013

### Total dividends

€m



### Payout

€m

UGF S.p.A. net profit	195
Dividends to be paid	113
Payout	58%

## 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 happens owing to events, risks and market factors that it is presently impossible either to know or to predict.

Maurizio Castellina, Giuseppe Nassi and Massimo Dalfelli, Senior Executives responsible for drawing up the corporate accounts of Unipol Gruppo Finanziario S.p.A., of Premafin S.p.A. and of Fondiaria-SAI S.p.A. and Milano Assicurazioni S.p.A. respectively declare, 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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