

Unipol

1H24 Consolidated Results

Slide Commentary

Please refer to the presentation document for further details

RESULTS BY SECTOR – slide 5

In the first semester 2024 the “Banking associates” accounting sector was introduced for the sake of a clearer representation of the Group’s results, and it included the economic effect of consolidation based on equity method of the interests held by the Group in banking associates. 1H23 reported figures have been restated accordingly to enable a like-for-like comparison (in “1H23 Consolidated Results Presentation”, BPER result was included in the Non-Life sector and in the Other sector for 53€m and 60€m respectively).

BPSO has been accounted as an associate with the equity method since 4Q23, when the stake in the bank reached 19.7%; therefore, the 1H23 figure of the “Banking associates” sector did not include the result of BPSO.

It is also worth remembering that the 1H24 reported figures included BPER and BPSO profits at 1Q24, because of the short time available for the consolidation of the 1H banks’ figures. Nevertheless, the results including the whole semester of the two associated banks are also reported in the slide, in order to show an updated picture of the Group’s profit.

Finally, it is important to note that at the end of June 2024 the minority stake of the Group was lower compared to the same period last year, due to the fact that the final stage of the voluntary offer launched by Unipol on the UnipolSai floating shares was still ongoing (96.93% was the stake directly and indirectly held by Unipol at 30 June 2024). The squeeze-out procedure was completed on 3 July, when Unipol reached 100% of UnipolSai. The latter was delisted on the same date.

At 1H24 Unipol consolidated pre-tax reported result, before the contribution of the aforesaid banking stakes, was 636€m, of which 508€m pertaining to the Non-Life sector, 139€m to Life and -12€m to the Other sector. This is consistently better than the corresponding 1H23 results of 584€m, which was more impacted by atmospheric events. The reported net result amounted to 555€m, that is 511€m net of minority interest. Including the whole semester of the BPER and BPSO stakes (whose figures were disclosed by the banks on 6 and 7 August respectively), the net result would have been 632€m, or 587€m after minorities. The corresponding consolidated net profit reported at 1H23 was 517€m (416€m net of minorities).

NON-LIFE PREMIUM COLLECTION – slide 6

Non-Life premium collection reached 4,581€m, growing by 7.8% y-o-y under the same basis of consolidation. The increase was driven by Motor (+10.2%), although Non-Motor showed an excellent trend as well (+5.7%, UniSalute up by 27.7%). All Ecosystems contributed to this growth.

The mix between Motor and Non-Motor continued to be in favour of the latter (52%).

With respect to distribution, as usual the majority of contracts (73%) 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, reaching 76%.

COMBINED RATIO – slide 7

The total combined ratio was 93.1%, resulting from 102.6% in Motor and 84.6% in Non-Motor. Loss ratio (67.1% vs 71.4%) benefited *inter alia* from the excellent top line trend and the lower impact of natural catastrophes and other large losses.

The expense ratio was 26.0%, that is 29.4% in Non-Motor and 22.3% in Motor.

Combined ratio in the first semester of the last year was, under the same basis of consolidation, 97.5%, o/w 101.5% in Motor and 93.8% in Non-Motor.

LIFE PREMIUM COLLECTION – slide 8

Life premium collection increased by 14.0% y-o-y, reaching 3,584€m thanks to the ongoing very satisfying trend in traditional policies (+31.7%), sold mainly via banking branches, while the contribution of pension funds (700€m) lowered to a more normal level after the one-offs recorded in 1H23. Linked products totaled 308€m, showing an excellent trend.

Total collection was equally balanced between UnipolSai and Arca Vita.

Net inflows were positive in both traditional + capitalization (+689€m) and other products (+275€m).

LIFE YIELDS – slide 9

Life segregated funds yields increased by 6 bps compared to FY23, reaching 3.18%, while the average minimum guarantee decreased to 79 bps.

The average yield retained by the Group was 99 bps and the average yield to policyholders was up by 5 bps.

As for the breakdown of technical reserves by minimum guarantee, 54% of them are related to the 0% cluster.

LIFE CSM – slide 10

At 2023 year-end the opening CSM was 2,295€m; the roll-forward to 30 June showed a growth to 2,375€m given by new business (+179€m), expected return (+58€m), economic variances (+56€), operating variances (-91€m) and CSM release (-121€m).

INVESTMENTS – slide 11

Total investments amounted to 55.7€bn, with Bonds at 78.2%, of which Italian Govies stood at 30.4%, Non-Italian Govies at 17.6% and Corporate Bonds at 30.3%.

Equity, funds and alternative investments accounted for 9.3% of the total investments.

The duration of assets was 4.6 years and that of liabilities 5.7, with a small -0.3 mismatch.

FINANCIAL INVESTMENT YIELDS – slide 12

Moving on to financial yields, the overall return was 4.0%, of which 5.9% in Non-Life and 3.4% in Life, while the yield of Life free capital was 5.5%.

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 4.5%.

REAL ESTATE – slide 13

In Real Estate the book value of the total portfolio reached 4,177€m, with market value totaling 4,916€m.

35% of the portfolio is now allocated to the Life accounting sector, 28% to Non-Life and 37% to the Other sector.

Worth mentioning is the growth of total gross yield of the Investment Portfolio from 4.3% at 1H23 to 4.6%.

SOLVENCY 2 – slide 14

Solvency reached the excellent level of 221%, which rises to 276% considering the insurance sector alone.