

Unipol and UnipolSai

FY22 Preliminary Consolidated Results

Slide commentary

Bologna – 10 February 2023

Follow below the commentary on Chapter 1 of the
FY22 Preliminary Consolidated Results Presentation
Please refer to the presentation for further details

RESULTS BY SECTOR – slide 5

Unipol closed 2022 with a reported Consolidated Net Result of 866€m (796 in 2021), and 683m net of minorities (627 in 2021). These results were positively impacted by the badwill accounted for by Unipol after the increase of its stake in BPER and the badwill recognized by BPER as a result of its acquisition of Banca Carige, albeit offset somewhat by the cost of the employee solidarity fund earmarked in the fourth quarter. Net of these extraordinary effects, the normalized Consolidated Net Result reached 797m (far higher than the corresponding 2021 normalized result of 514m) of which 605m attributable to the Group Net Result (375 in 2021).

For UnipolSai, the reported Consolidated Net Result reached 651€m (723 in 2021) of which 597m attributable to the Group Net Result (688 in 2021). The corresponding normalized results amounted to 789m gross of minorities (596 in 2021) and 733m net of minorities (561 in 2021).

NORMALISED VS. REPORTED RESULTS – slide 6

This slide details the effects on Unipol of some of the extraordinary items accounted for in 2022, namely 166€m (gross and net of taxes) pertaining to the BPER accounting effects of the Banca Carige acquisition, another 41m (gross and net of taxes) to the badwill resulting from the increase of our stake in BPER and finally 199m (gross of taxes or 137 net of taxes) to the employee solidarity fund. Only the latter has impacted UnipolSai numbers as well.

NON-LIFE PREMIUMS – DIRECT BUSINESS – slide 7

Total Non-Life premiums increased by 4.5% to 8.3€bn.

Motor business confirmed the growth trend and was up by 1.3%, while Non-Motor recorded a growth of 7.6% with excellent performances in Health, General TPL and other Property lines.

NON-LIFE COMBINED RATIO – slide 8

With respect to technical trends, the combined ratio stood at 93.8% net of reinsurance (95% in 2021), of which 65.2% represents the loss ratio (67.1% in 2021) and the remaining 28.7% the expense ratio (27.9% in 2021).

The corresponding direct business combined ratio stood at 91% (92.5% in 2021): 99.4% Motor (95.3% in 2021) and 83.4% Non-Motor (89.7% in 2021).

UNIPOLSAI S.P.A. MOTOR TPL TECHNICAL INDICATORS – slide 9

The Motor TPL combined ratio reached 100.1% (95.6% in 2021). Frequency was slightly up compared to 2021, although remaining well below 2019 levels; good news also came from the decrease in the incidence of bodily injuries, while the portfolio's average premium still showed signs of the effects of competition. The savings on previous years settled claims stood at a very high level of 47.1%.

LIFE PREMIUM INCOME – DIRECT BUSINESS – slide 10

Total Life premiums were flat at 5.3€bn, benefitting from a one-off item in the Pension Funds business. The trend in Hybrid, Linked and Traditional products (and of the Bancassurance distribution channel) was in line with the market, with good signs of recovery in the last quarter.

LIFE YIELDS – slide 11

The average segregated accounts yield stood at 2.99%, 7 bps higher than 2021, while the minimum guarantee continued to decrease, reaching 0.91%. The yield retained by the Group increased to 95 bps; the split of technical reserves by minimum guarantee shows that the weight of 0% guarantee grew by 3 percentage points to 47%.

PRESENT VALUE OF LIFE NEW BUSINESS – slide 12

Present Value of Life New Business showed a very satisfying upwards trend settling at 3.6%, 60 basis points higher than 2021. The Total New Business Value was 77€m and the Present Value of New Business Premiums 2,138m.

COMPONENTS OF LIFE PRE-TAX RESULT – slide 13

Life pre-tax reported result stood at 273€m, up by 60m compared to 2021, notwithstanding the negative one-off item related to the employee solidarity fund. Worth mentioning is the excellent technical margin result, that increased by 28%. Financial investment margin stood at 403m.

INVESTMENTS – slide 14

Total assets amounted to 52.6€bn, with Italian Govies accounting for 33.3% of the total, compared to 39.1% at the same time last year. The weight of corporate bonds remained stable at 28.5% of the total, while Non-Italian Govies accounted for 16.8%. Equity, Real Assets and alternative investments recorded a significant growth compared to 2021 year-end, reaching a combined level of 8.9%.

The duration of assets was 5.0 years and that of liabilities 5.8 years, compared to 6.1 and 7.2 in 2021 respectively. The duration mismatch is now zero.

FINANCIAL INVESTMENT YIELDS – slide 15

Moving on to financial yields, the overall return stood at 3.1%, where the higher 3.6% yield in Non-Life was somewhat offset by the 3.0% yield of the Life portfolio. The total running yield, made up of coupons and dividends, grew to a very solid 3.3%.

REAL ESTATE – slide 16

The book value of the Real Estate portfolio was 4.2€bn, 60% of which is allocated to the real estate business, 27% to the Non-Life business and the remaining 13% to the other business lines. The ordinary gross yield of the real estate investment portfolio was 3.8%

DIVIDEND PROPOSAL – slide 17

The dividend proposal is 37 cents for Unipol and 16 cents for UnipolSai, amounting to a total distribution of 265€m for Unipol and 453m for UnipolSai.

SOLVENCY 2 – slide 18

Solvency remained at excellent levels, i.e. 201% for Unipol Group, 272% for UnipolSai consolidated and 288% for UnipolSai solo. These ratios already consider the negative impact of the dividend proposal.

SOLVENCY 2 – OWN FUNDS AND SCR DETAILS – slide 19

Looking at the Solvency 2 components, Unipol Own Funds amounted to 9.3€bn, of which 6.8€bn were classified insurance Tier 1, while the Solvency Capital Requirements stood at 4.6€bn. UnipolSai consolidated Own Funds were 8.9€bn, with insurance sector Tier 1 Own Funds amounting to 8.3€bn, while Solvency Capital Requirements amounted to 3.3€bn.

ESG HIGHLIGHTS – slide 20

In 2022 Unipol adopted its “strategy on climate change”: referring to the recommendations issued by the climate-related financial disclosures, the Group is consolidating its process to report on financial information connected to climate. Unipol joined the *Net Zero Asset Owner Alliance*, confirming its commitment to tackling climate change.

The share of products with environmental and social value reached 27.1% representing an important step forward.

The amount of thematic investments for the SDGs increased considerably to 1,160€m (862 at the end of 2021).

DISCLAIMER

This document has been prepared by Unipol Gruppo S.p.A. and by UnipolSai Assicurazioni S.p.A. solely for information purposes in the context of the presentation of its FY22 preliminary results.

The FY22 data contained herein are preliminary in nature and refer to the date hereof and, therefore, may be subject to further variations.

Please note that these preliminary data are subject to review by the Independent Auditors that still have to complete the necessary analysis in order to release their report.

The FY22 final results will be approved by the Board of Directors scheduled on 23 March 2023 and will be disclosed to the market according to, and in the terms set forth by, the applicable laws and regulations.

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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Unless otherwise specified, all figures reported in this presentation refer to the Unipol Group.

INVESTOR RELATIONS CONTACTS

Adriano Donati

Head of Investor Relations

investor.relations@unipol.it

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**