

# REALE GROUP: PROFITS REACH 147.5 MILLION EUROS, A 12.6% INCREASE

## LUIGI LANA IS NEW CHAIRMAN OF REALE MUTUA

**After 15 years in the appointment, Iti Mihalich  
steps down as Chairman of the Parent Company  
Highly positive financial statement approved and  
celebrations begin for the 190th anniversary of Reale Mutua**

*Turin, 27 April 2018* - The **Reale Mutua Insurance Company** Meeting of Delegates, representing 1,420,000 members/policyholders, met today to pass the annual financial statements and to inspect the 2017 consolidated financial statements of the **Reale Group**, as well as to re-elect the Board of Directors, which has reached the end of its mandate.

Today's meeting also launched the celebrations for the **190th anniversary** of Reale Mutua, founded in Turin in 1828, which will involve the remainder of the financial year and the first months of 2019.

### **REALE GROUP**

2017 was a particularly positive year for the Group, which signed off its financial year with **consolidated profits of 147.5 million Euros, up 12.6%** on the previous year and well beyond the preliminary budget forecasts. The good technical results were confirmed, as was the important contribution of operations in Spain, with 58 million Euros.

**Overall premium income was up by 18%**, at over 4.5 billion Euros, 3 billion Euros of which in Non-life business, with an increase of 9.5%, and 1.5 billion Euros in Life business, a 39.2% increase. The results have benefited from a significant input from the Italian companies of the Uniqa Group, purchased last May, and, to a lesser extent, from the starting of operations of the Group company in Chile. At constant perimeter, the growth would result as 1.4%.

The combined operating ratio for Non-life results as 98.1%, in line with 2016; at constant perimeter the ratio would be an improvement of 0.8 percentage points compared to the same figure from the previous financial year.

The financial situation is further strengthened, with net assets exceeding 2.5 billion Euros (+ 5.5%). The solvency ratio, calculated by the standard formula, is equivalent to 202% (data relating to the fourth quarter of 2017), confirming the high solidity of the Group.

With regard to the Group subsidiaries, there were positive results both for the assurance companies, **Italiana Assicurazioni** and the Spanish **Reale Seguros** and **Reale Vida** and for **Banca Reale**, **Reale Immobili** and **Blue Assistance**, the company businesses operating respectively in the banking, property and services sectors.

There was overall breakeven for the newly acquired companies of Uniqa Italia, whose results were affected by the exercise of applied write-downs, which was expected at the time of their takeover, with profits for the Life operations, **Uniqa Previdenza** and **Uniqa Life**, and a loss for the non-life sector, **Uniqa Assicurazioni**. A 7.3 million Euros loss was reported by the newly constituted Chilean company, **Reale Chile Seguros**, in line with its planned start up stage.

The **Group Sustainability Statement (a consolidated Declaration of a Non-Financial Nature)** was also submitted to this Meeting, a document that has been drafted voluntarily, at the level of the Parent Company, for the last 15 years now, and with effect from the financial year 2017 has been made mandatory, in compliance with regulations. In line with its policy of sustainability, Reale Group has decided to allocate **1% of its consolidated net result to Reale Foundation**, amounting to a sum of 1,475,000 Euros.

This Foundation has chosen to pursue the Sustainable Development Goals on the United Nations 2030 Agenda, by focusing its own implementation plan on Good Health and Well-being, No Poverty, Decent Work, Economic Growth and Sustainable Cities and Communities. Within the logic of strategic philanthropy that it intends to pursue, Real Foundation will set up, in 2018, cultural, social and environmental projects in Italy, Spain and Chile.

## **REALE MUTUA**

The Company closed the year with a **statutory profit of 70.7 million Euros, an increase of 23.2%** on the previous financial year.

Premium income grew by 1.6%, reaching 2.2 billion Euros, of which 1.4 billion Euros (+ 1.1%) in the Non-life business and 0.8 billion Euros (+ 2.6%) in the Life business.

The combined operating ratio for Non-life, resulting in 98.1%, was an improvement of almost 2 percentage points.

Net assets were about 2 billion Euros, an increase of 3.7%. The solvency ratio, calculated by the standard formula, amounted to 297% (data relating to the fourth quarter of 2017).

\* \* \*

The Meeting has duly appointed the members of the Board of Directors of Reale Mutua, which had terminated its mandate, and the current Members were re-appointed for a further 3 years.

After five consecutive three-yearly terms, **Iti Mihalich** did not stand again for the Chair of Reale Mutua, although he will continue as a Member of the Board.

To replace him, the Meeting appointed **Luigi Lana**, who has been a Member of the Company since 2016, as well as having been its General Manager, from 2006 to 2015.

*«I have spent 50 wonderful years in Reale Mutua, 15 of them as Chairman of the Board of Directors», said **Iti Mihalich** at the end of the Meeting, «and I feel it is time to leave the helm of our group to someone younger than myself, who possesses the energy and ability to face the deep changes the context of strong, constant innovation is bringing upon us and to steer Reale towards new challenges, ambitious destinations and growing success.*

*I am sure that Luigi Lana is the right person for this task, to continue the traditions and values that have been a feature of our Company for 190 years and keep pace with the change and innovation that the market requires».*

*«The task and the honour are down to me to carry on this prestigious appointment, which has been fulfilled before me by illustrious Chairmen with the highest experience and professionalism.» commented **Luigi Lana**. «I wish to thank Iti Mihalich personally, since, on completion of yet another highly positive financial year, he is handing over to me a Group that features strong solidity, a united management team of the highest quality and people, employees and agents who are professional and genuinely bound to Reale Group and its values. These are all essential prerequisites for continuing to provide the best service for our members/policyholders and to further develop Reale successfully in Italy and abroad».*

**Reale Group** is an international Group operating in Italy, Spain and Chile, through the Parent Company, Società Reale Mutua di Assicurazioni, and its subsidiaries. It offers a range of products in the fields of insurance, banking, real estate and services, safeguarding almost 4.5 million policyholders. With around 3700 employees in Italy, Spain and Chile, Reale Group demonstrates solidity that is among the best on the market, proven by a solvency index (Solvency II) standing, at the fourth quarter of 2017, at 202%.

**Togetherness** expresses the essence of the Group, mutuality, its values and the founding principles of its mission; this is the guide for all the Company activities, bringing out their essence and distinction on the market, in terms of reliability, efficiency and quality of service.

For further details and information:

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