

PRESS RELEASE

GROUP CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2013 APPROVED

- **Consolidated net profit €135m**
- **Direct insurance premium income €4,485m (+7.8% compared to the pro-forma figure¹ of the first quarter of 2012):**
 - ✓ **Non-Life Business: premium income €2,449m (-9.6%)**
 - ✓ **Life Business: premium income €2,036m (+40.2%)**
- **Combined Ratio at 92.0%² (97.8% the pro-forma figure of the first quarter 2012)**
- **Solvency margin 1.6 times the statutory requirements, excess capital €2.6bn**
- **Pierluigi Stefanini appointed as Chairman, Giovanni Antonelli as Vice Chairman and Carlo Cimbri as CEO**

Bologna, 9 May 2013 - The Board of Directors of Unipol Gruppo Finanziario S.p.A., at a meeting held today, approved the Group consolidated financial statements as at 31 March 2013.

In the first quarter of the year the Unipol Group made a consolidated net profit of €135m. As at 31 March 2012, profit stood at €88m³, which did not include the contribution of the Premafin/Fondiarìa-SAI Group.

For a better evaluation of the results at the level of the individual companies involved in the merger process, we inform you that in the period under consideration the individual net profit of Unipol Assicurazioni S.p.A. during the period under consideration amounted to €96.5m, that of Fondiarìa-SAI S.p.A. to €51.3m and that of Milano Assicurazioni S.p.A. to €40.3m, while Premafin S.p.A. closed with a loss of €3.1m.

¹ Pro-forma management figures include the Premafin/Fondiarìa-SAI Group acquired by Unipol in July 2012.

² The figure takes account of the inclusion of the balance of the other technical items in the loss ratio as from 1Q13 (the ratios of the previous periods were adjusted accordingly).

³ Figure restated, as a result of changes in accounting policies, criteria for classification and accounting treatment adopted in the 2012 Consolidated Financial Statements (a net profit of €71m had been reported in the Interim Management Report at 31 March 2012).

Despite the continuing Italian economic crisis, the period in question, characterized by a substantial stability of financial markets, confirmed a positive trend in Non-Life claims and recorded a growth in Life Business premiums for the Unipol Group.

“Despite the integration process has just begun, we have closed the first quarter with positive results that comfort us and encourage us to redouble our efforts to be able to complete it in the shortest possible time,” said the Chief Executive Officer of the Unipol Group Carlo Cimbri.

“The good technical results in the Non-Life Business must be accompanied by renewed development activities of the Group companies, and in particular of the Premafin/Fondiarria-SAI Group, for which I believe we have created the necessary conditions,” he continued.

“The stability of the Group's capital has also been strengthened in relation to the encouraging drop in the (Italian-German government bond) spread after the post-election uncertainty and the increased control of the loans portfolio in the banking business,” concluded Carlo Cimbri.

Direct insurance premium income amounted to €4,485m in the first quarter of 2013, an increase of 7.8% compared to the pro-forma figure¹ of €4,161m in the same period of 2012.

In the **Non-Life** business, direct premium income was affected by the continuing economic crisis and the intensification of competitive dynamics in the MV business, in a context that witnessed the continuation of strict portfolio selection activities by the Group. In this scenario, Non-Life premium income amounted to €2,449m compared to the pro-forma figure of €2,709m in the first quarter of 2012 (-9.6%). The figure for the stand-alone Unipol Group (not including the companies acquired in July 2012) amounted to €1,008m (-6.2%), while the contribution of Fondiarria-SAI⁴ amounted to €1,441m (-11.8%). The premium income of MV business stood at €1,516m (-12.2% compared to the pro-forma figure in the first quarter of 2012) and the Non-MV business collected premiums amounting to €933m (-5%).

Among the specialised Companies, **Linear Assicurazioni** (telephone/internet) achieved a direct premium income of €55m, in line with the first quarter of 2012, while direct premium income of **UniSalute** (operating in the Healthcare business) stood at €103m (-3.3%).

Regarding the performance of claims, the first quarter of the financial year confirmed the positive results of 2012 at year-end, reporting improvements both in the MV and Non-MV business. The **combined ratio**, based on direct business, was equal to 92.0%² compared to the pro-forma 97.8% of the first quarter of 2012. In detail, the combined ratio of the

⁴ Consolidated figures

stand-alone Unipol Group dropped from 93.2% in the first quarter of 2012 to 89.4% in the same period of 2013, while the combined ratio of Fondiaria-SAI⁴ dropped from 100.6% to 93.6%⁵. The **loss ratio** (of Non-Life direct business only), including the balance of other technical items, was equal to 68.6 compared to the pro-forma 75.4% for the first quarter of 2012. The **expense ratio** of Non-Life direct business amounted to 23.4% compared to the pro-forma 22.4% in the first quarter of 2012.

The **Life** business recorded premium income of €2,036m, an increase of 40.2% compared to €1,452m pro-forma in the first quarter of 2012, of which €848m in regard of the stand-alone Unipol Group (+46.3%) and €1,188m (+36.1%) in regard of Fondiaria-SAI⁴. Such marked increases were particularly favoured by the drop in interest rates, which made the offer of insurance products more attractive. In detail, the business benefited from growth in the bancassurance channel represented by the Companies Arca Vita and Arca Vita International, which achieved premium income of €281m (+80%), and Popolare Vita/Lawrence Life, which, with €854m, increased their premium income by 51.2%. Even Unipol Assicurazioni, with premiums of €567m, reported a marked growth (+33.9%) thanks to the strong performance of the agency network and the conclusion of a contract regarding the social security system for a significant amount.

As a result of the foregoing, the volume of new business in terms of pro-quota APE stood at €115m in the first quarter of 2013 (+38.7% compared to the pro-forma figure in the first quarter of 2012).

In the **banking** business, the Unipol Banca Group continued to focus on the retail sector and on small businesses and to favour the rebalancing of capital assets. This resulted in a substantial stability in loans to customers amounting to €10,053m (-0.6% compared to 2012), and of the direct customer deposits which amounted to €9,952m (+0.4%). Continuation of adverse economic scenarios in the first quarter was reflected in an increase in non-performing loans, a problem coped with by the Bank through an adequate provisioning policy. Thus the quarter closed with a post-tax loss of €15m (+€3m in the first quarter of 2012).

As for the **real estate** business, during the first quarter of 2013 preparatory activities started for the valuation of part of the portfolio, as required by the Business Plan 2013-2015, through an in-depth analysis of all of the Group's real properties, in order to identify assets with lower profitability that will be divested or operations to optimise profitability of the same.

During the reporting period, **financial management** recorded a gross yield through profit or loss of approximately 4.2%, with revenue of €462m⁶. In a context still characterized by uncertainty, the Group's investment policies remained prudent and were

⁵ See press release of Fondiaria-SAI published on 8 May 2013

⁶ Management figure

designed to maintain an appropriate balance between risk and return in order to achieve consistency between assets and liabilities held with respect to policyholders.

Equity attributable to the Group remained essentially unchanged and, at 31 March 2013, amounted to €5,303m, compared to €5,322m as at 31 December 2012. As at 31 March 2013 the AFS reserve was positive for €125m (€301m as at 31/12/2012).

The **consolidated solvency margin** at 31 March 2013 was in line with the figure at 31 December 2012 and was estimated to be about 1.6 times the minimum required, with an excess of capital amounting to approximately €2.6bn.

Business outlook for the current financial year

Regarding the Group's insurance business, in April the trend shown in the previous period was confirmed as being characterized by a trend in Non-Life claims that remains favourable in both the MV business, with a decrease in claims being recorded, and in the Non-MV business. As for the Life business, the main Companies operating in the bancassurance channel confirmed very strong growth rates of premium income. The Group continues to pursue with determination the preparatory activities for the successful integration with the Premafin/Fondiarria-SAI Group and for the proposed merger and to aim at achieving the first-year objectives of the Business Plan.

Corporate Governance

In the light of the resolutions of the Ordinary Shareholders' Meeting of 30 April 2013, which confirmed as 25 the number of members of the Board of Directors and appointed the same for the years 2013, 2014 and 2015, the governing body, at its meeting today, appointed the following: Pierluigi Stefanini as Chairman, Giovanni Antonelli as Vice Chairman and Carlo Cimbri as CEO of the Company.

The Board of Directors also appointed the members of the Board Committees, including:

- Appointments and Corporate Governance Committee: Pier Luigi Morara (acting Chairman), Rocco Carannante and Giovanni Battista Baratta;
- Remuneration Committee: Pier Luigi Morara (acting Chairman), Hilde Vernailen and Ivan Malavasi;
- Control and Risk Committee: Rossana Zambelli (acting Chairman), Paola Manes and Paola Elisabetta Righini;
- Sustainability/Ethics Committee: Giuseppina Gualtieri (acting Chairman), Elisabetta Righini, Marco Giuseppe Venturi and Guido Galardi;
- Committee for Transactions with Related Parties: Pier Luigi Morara (acting Chairman), Giuseppina Gualtieri, Hilde Vernailen and Rossana Zambelli.

The Board also verified that the independence requirement was met by the non-executive Directors and by the members of the Board of Statutory Auditors. In particular:

- The following Directors were found to be “independent” within the meaning of the Code of Conduct of Listed Companies and by applying criteria in line with international best practices, which pay particular attention to the requirement of “substantial” independence: Giovanni Battista Baratta, Guido Galardi, Giuseppina Gualtieri, Paola Manes, Pier Luigi Morara, Elisabetta Righini, Hilde Vernailen and Rossana Zambelli;
- The following Directors were found to be “independent” pursuant to Article 147-ter, paragraph 4, of the Consolidated Law on Finance: Giovanni Battista Baratta, Rocco Carannante, Guido Galardi, Giuseppina Gualtieri, Ivan Malavasi, Paola Manes, Pier Luigi Morara, Elisabetta Righini, Marco Giuseppe Venturi, Hilde Vernailen and Rossana Zambelli;
- all members of the supervisory body met the independence requirements provided for by Article 148, paragraph 3, of the Consolidated Law on Finance, namely: Roberto Chiusoli (Chairman), Silvia Bocci and Domenico Livio Trombone (standing auditors), Carlo Cassamagnaghi and Chiara Ragazzi (alternate auditors).

Please note, finally, that today the new Board of Directors of Unipol Assicurazioni confirmed Vanes Galanti as Chairman, Francesco Berardini as Vice Chairman and Carlo Cimbri as CEO of the Company.

The Interim Management Report at 31 March 2013 will be available to the public at the registered office in Bologna, Via Stalingrado 45 and at the stock market management company Borsa Italiana S.p.A. within today. The report will also be available on the Company's website at www.unipol.it .

Maurizio Castellina, Manager in charge of financial reporting of Unipol Gruppo Finanziario S.p.A hereby declares, pursuant to Article 154-bis, second paragraph, of the

Consolidated Law on Finance, that the accounting information contained in the press release matches the companies' documentary evidence, accounting books and records.

Presentation of results to the financial community

The Unipol Group results of the first quarter of 2013 will be presented to the financial community via webcasting (from the site www.unipol.it) and conference call this afternoon at 6.30pm. The phone numbers to dial to attend the event are: 02.805.88.11 (from Italy), +1.718.7058794 (from the U.S.), +44.1212.818003 (from other Countries). Financial analysts and institutional investors may ask questions at the end of the presentation following the instructions given by the operator. Other technical details for access to the event are available on the homepage of the website www.unipol.it and in the Investor Relations section.

The attached tables show the Consolidated Statement of Financial Position, the Consolidated Income Statement and the Condensed Consolidated Income Statement Broken Down by Business Segment.

Glossary:

APE: *Annual Premium Equivalent*, obtained by adding annual premiums from new business and a tenth of single premiums from new business

COMBINED RATIO: sum of the loss ratio and expense ratio

EXPENSE RATIO: ratio between operating expenses and Non-Life premiums

LOSS RATIO: ratio between claims and Non-Life premiums

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Consolidated Statement of Financial Position - Assets

		<i>Amounts in €m</i>	31/3/2013	31/12/2012
1	INTANGIBLE ASSETS		2,071	2,077
1.1	Goodwill		1,909	1,909
1.2	Other intangible assets		162	168
2	PROPERTY, PLANT AND EQUIPMENT		1,402	1,413
2.1	Property		1,291	1,286
2.2	Other items of property, plant and equipment		111	127
3	TECHNICAL PROVISIONS - REINSURERS' SHARE		1,234	1,207
4	INVESTMENTS		71,578	70,958
4.1	Investment property		2,987	3,001
4.2	Investments in subsidiaries and associates and interests in joint ventures		180	176
4.3	Held-to-maturity investments		3,036	3,051
4.4	Loans and receivables		17,104	17,489
4.5	Available-for-sale financial assets		37,487	36,647
4.6	Financial assets at fair value through profit or loss		10,784	10,595
5	SUNDRY RECEIVABLES		3,008	3,663
5.1	Receivables relating to direct insurance business		1,589	2,090
5.2	Receivables relating to reinsurance business		115	111
5.3	Other receivables		1,305	1,462
6	OTHER ASSETS		3,395	3,082
6.1	Non-current assets held for sale or disposal groups		7	8
6.2	Deferred acquisition costs		73	67
6.3	Deferred tax assets		2,291	2,201
6.4	Current tax assets		262	325
6.5	Other assets		762	481
7	CASH AND CASH EQUIVALENTS		938	708
	TOTAL ASSETS		83,626	83,109

Consolidated Statement of Financial Position - Equity and Liabilities

		<i>Amounts in €m</i>	31/3/2013	31/12/2012
1	EQUITY		6,945	7,002
1.1	attributable to the owners of the Parent		5,303	5,322
1.1.1	Share capital		3,365	3,365
1.1.2	Other equity instruments		0	0
1.1.3	Equity-related reserves		1,725	1,725
1.1.4	Income-related and other reserves		449	146
1.1.5	(Treasury shares)		0	0
1.1.6	Translation reserve		3	2
1.1.7	Gains or losses on available-for-sale financial assets		-255	-164
1.1.8	Other gains or losses recognised directly in equity		-34	-51
1.1.9	Profit (loss) for the year attributable to the owners of the Parent		50	299
1.2	attributable to non-controlling interests		1,642	1,681
1.2.1	Share capital and reserves attributable to non-controlling interests		1,179	1,051
1.2.2	Gains or losses recognised directly in equity		378	459
1.2.3	Profit (loss) for the year attributable to non-controlling interests		85	171
2	PROVISIONS		415	403
3	TECHNICAL PROVISIONS		56,399	56,456
4	FINANCIAL LIABILITIES		16,415	16,234
4.1	Financial liabilities at fair value through profit or loss		2,174	2,169
4.2	Other financial liabilities		14,241	14,065
5	PAYABLES		1,402	1,277
5.1	Payables arising from direct insurance business		165	164
5.2	Payables arising from reinsurance business		118	85
5.3	Other payables		1,118	1,027
6	OTHER LIABILITIES		2,050	1,737
6.1	Liabilities associated with non-current assets held for sale		2	2
6.2	Deferred tax liabilities		631	588
6.3	Current tax liabilities		191	178
6.4	Other liabilities		1,227	969
	TOTAL EQUITY AND LIABILITIES		83,626	83,109

Consolidated Income Statement

		<i>Amounts in €m</i>	
		31/3/2013	31/3/2012
1.1	Net premiums	4,497	1,580
1.1.1	<i>Gross premiums</i>	4,617	1,627
1.1.2	<i>Ceded premiums</i>	-120	-46
1.2	Fee and commission income	35	32
1.3	Gains and losses on financial instruments at fair value through profit or loss	15	128
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	1	0
1.5	Gains on other financial instruments and investment property	678	381
1.5.1	<i>Interest income</i>	508	292
1.5.2	<i>Other gains</i>	41	13
1.5.3	<i>Realised gains</i>	128	75
1.5.4	<i>Unrealised gains</i>	0	2
1.6	Other revenue	117	22
1	TOTAL REVENUE AND INCOME	5,343	2,144
2.1	Net charges relating to claims	-3,782	-1,484
2.1.1	<i>Amounts paid and changes in technical provisions</i>	-3,852	-1,507
2.1.2	<i>Reinsurers' share</i>	70	23
2.2	Fee and commission expense	-10	-6
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	-3	0
2.4	Losses on other financial instruments and investment property	-291	-135
2.4.1	<i>Interest expense</i>	-91	-79
2.4.2	<i>Other charges</i>	-16	-3
2.4.3	<i>Realised losses</i>	-57	-23
2.4.4	<i>Unrealised losses</i>	-134	-30
2.5	Operating expenses	-736	-342
2.5.1	<i>Commissions and other acquisition costs</i>	-507	-211
2.5.2	<i>Investment management expenses</i>	-8	-4
2.5.3	<i>Other administrative expenses</i>	-227	-128
2.6	Other costs	-249	-34
2	TOTAL COSTS AND EXPENSES	-5,072	-2,001
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	272	144
3	Income tax	-136	-56
	POST-TAX PROFIT (LOSS) FOR THE YEAR	136	88
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	-1	0
	CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	135	88
	<i>attributable to the owners of the Parent</i>	50	85
	<i>attributable to non-controlling interests</i>	85	2

Consolidated Statement of Comprehensive Income - Net amounts

		<i>Amounts in €m</i>	
		31/3/2013	31/3/2012
	CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	135	88
	Variations in translation reserve	0	0
	Gains or losses on available-for-sale financial assets	-176	441
	Gains or losses on cash flow hedges	21	-1
	Gains or losses on hedges of a net investment in foreign operations	0	0
	Variation in equity of investees	0	0
	Variation in the revaluation reserve for intangible assets	0	0
	Variation in the revaluation reserve for property, plant and equipment	0	0
	Gains or losses on non-current assets held for sale and disposal groups	0	0
	Actuarial gains and losses and adjustments relating to defined benefit plans	0	-1
	Other items	-1	0
	TOTAL OTHER COMPREHENSIVE INCOME	-155	440
	TOTAL CONSOLIDATED COMPREHENSIVE INCOME	-20	528
	<i>attributable to the owners of the Parent</i>	-24	504
	<i>attributable to non-controlling interests</i>	4	24

CONDENSED CONSOLIDATED INCOME STATEMENT BROKEN DOWN BY BUSINESS SEGMENT

	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE			BANKING			HOLDING/SERVICES/ OTHER			REAL ESTATE		INTERSEGMENT ELIMINATIONS		CONSOLIDATED TOTAL			
	31/03/13	31/03/12	% var.	31/03/13	31/03/12	% var.	31/03/13	31/03/12	% var.	31/03/13	31/03/12	% var.	31/03/13	31/03/12	% var.	31/03/13	31/03/12	31/03/13	31/03/12	% var.			
	<i>Amounts in €m</i>																						
Net premiums	2,521	1,032	144.3	1,976	548	260.4	4,497	1,580	184.6											4,497	1,580	184.6	
Net fees and commissions	0	0	49.4	2	2	3.0	2	2	-1.7	31	29	9.7	1	1	2.1	0	0	-9	-6		26	26	-2.3
Financial income/expense (excl. assets/liabilities at fair value TP)	96	75	28.2	331	182	81.6	427	257	66.0	29	48	-39.8	-6	-9	-36.4	0	0	-71	-2		379	294	28.9
<i>Net interest</i>	89	47		285	135		375	182		59	46		-9	-7		-1	0	-3	0		422	221	
<i>Other income and expense</i>	12	5		3	0		15	5		0	0		0	-3		7	0	-8	-2		13	0	
<i>Realised gains and losses</i>	15	12		42	16		57	29		12	25		2	2		0	0				70	55	
<i>Unrealised gains and losses</i>	-20	11		1	30		-19	41		-42	-23		1	0		-6	0	-60	0		-126	18	
Net charges relating to claims	-1,672	-741	125.5	-2,090	-662	215.6	-3,762	-1,404	168.0												-3,762	-1,404	168.0
Operating expense	-563	-238	136.3	-83	-29	189.3	-645	-267	142.0	-71	-68	5.3	-94	-20	382.6	-1	0	76	12		-736	-342	115.2
<i>Commissions and other acquisition costs</i>	-455	-197	130.5	-46	-14	230.8	-502	-211	137.1									1	1		-501	-211	137.8
<i>Other expenses</i>	-108	-41	164.3	-36	-15	149.4	-144	-55	160.4	-71	-68	5.3	-94	-20	382.6	-1	0	75	11		-236	-132	78.9
Other income/expense	-118	-10		-20	-4	408.6	-138	-14		0	1		4	7		-2	1	4	-6		-132	-11	
Pre-tax profit (loss)	265	117	126.5	116	38	208.1	381	155	146.4	-11	10		-95	-20	-368.0	-3	0	0	-1		272	144	89.3
Income tax																					-136	-56	143.4
Profit (loss) on discontinued operations																					-1	0	
Consolidated profit (loss) for the period																					135	88	53.7
<i>Profit (loss) attributable to the owners of the Parent</i>																					50	85	
<i>Profit (loss) attributable to non-controlling interests</i>																					85	2	

The 2012 pre-tax profit (loss) of the income statement by business segments was affected by changes in the accounting standards (IAS 19), in the classification criteria of some structured notes and in the segment reporting, as follows:

- the Non-Life business goes from €108m to €117m, mainly owing to the reclassification of financial instruments (+€9m);
- the Life business goes from €22m to €38m, mainly owing to the reclassification of financial instruments (+€16m);
- the consolidated pre-tax profit goes from €119m to €144m, mainly owing to the reclassification of financial instruments (+€24m), the net profit goes from €71m to €88m.

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