

UNIPOL GRUPPO FINANZIARIO

Company Presentation



Agenda

- | | | |
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| 5 | 2010-2012 Business Plan – Highlights | p. 38 |

Mission



Mission

To guarantee sustainable and long-term growth along with adequate profitability through a fair relationship with all our stakeholders: shareholders, customers, agents, employees and providers.

About us

Unipol Gruppo Finanziario is a Financial Group operating in the Insurance, Banking and Asset Management sectors.

It is a leader in the insurance field, ranking 4th in Italy with a 11.6% market share in Non-Life business and 6.5% in Life business.

From the end of the '90s it has been implementing a development strategy focused on:

- growth by acquisition (Meie, Aurora, Navale, BNLVita, Winterthur, MMI);
- specialising by line of business (start of Unisalute, operating in the health care sector) or by distribution channel (start of Linear, a Motor company selling products via the phone and the Internet)
- diversification in banking sector (start up of Unipol Banca*)

These actions allowed UGF to move from the 9° to the 4° position among the insurance players in Italy and to become one of the few integrated Financial groups providing its 6 million customers with comprehensive financial services

Corporate History

- 2010** Appointment of **Carlo Cimbri** as **CEO**
New **2010-2012 Business Plan**
Acquisition of control of the **Arca Group**
Strategic and industrial partnership with the **Banca Popolare dell'Emilia-Romagna and Banca Popolare di Sondrio Groups**.
- 2007-09** Corporate reorganization: **set up of the new holding Unipol Gruppo Finanziario S.p.A.**
UGF ranks 4th among the insurance players in the Italian market.
Merger between Unipol Assicurazioni and Aurora Assicurazioni to form UGF Assicurazioni S.p.A.
- 2005-06** **Strategic agreement with BNP PARIBAS.**
Appointment of Mr. Carlo Salvatori as CEO of Unipol Assicurazioni.
Definition of the **2006-2009 Industrial Plan**.
- 2000-04** **Acquisition strategy** (2000: **Aurora, Meie Danni, Meie Vita, Navale** and **BNL Vita** – 2003: **Winterthur Italia**). Fast growth of **Unipol Banca***.
- 1999** Unipol is the **8th** largest insurer in Italy. **Diversification in the banking business:** start-up of the **Unipol Banca*** project.
- 1991-94** **Specialisation strategy** by product and by sales channel. Unipol becomes a Group. The new subsidiaries: **Unisalute** - health care; **Linear** - teleselling of motor-vehicle products and **Quadrifoglio Vita** and **Noricum Vita** - bancassurance.
- 1986-90** **Listing on the Italian Stock Exchange:** preference shares (1986) and ordinary shares (1990).
- The Sixties** **Incorporation (1961)** and subsequent acquisition by Italian Cooperatives (1962).

Insurance business evolution

Insurance business

Issued premiums €bn

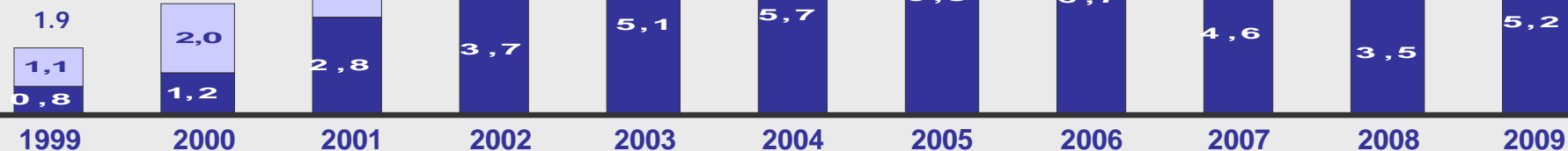
17.5%

CAGR 1999-2009

4° Group in Italy
(8.1% stake)

Non-Life
Life

8° Group in Italy
(2.9% stake)



ACQUISITIONS - 2000

Acquired company	Acquired stake	Vendor
meie	51.4%	TELECOM
(OPA) su meie	23.1%	Mercato
AURORA ASSICURAZIONI SPA	100%	GENERALI
NAVALE ASSICURAZIONI SPA	98.2%	GENERALI
BNL Vita	50%	GENERALI

Total premiums: 2,234 €m
Total invested: 812 €m

ACQUISITIONS - 2003

winterthur 90% Credit Suisse

Total premiums: 1,931 €m
Total invested: 1,319 €m

ACQUISITIONS - 2004

- 100% of MMI Group acquired from Mutuelles du Mans Assurances Group (premiums 140 €m), merged with Navale Ass.ni in 2005



Total premiums: ~ 3,300 €m

CORPORATE EVENTS - 2005

- bid to acquire BNL

CORPORATE EVENTS - 2006

- Carlo Salvatori** appointed as CEO
- company reorganization plan

CORPORATE EVENTS - 2007

- acquisition of Aurora Ass.ni minorities (29.2% of capital – consideration 657 €m)
- Start of UGF SpA, holding of Unipol Ass.ni and Aurora Ass.ni
- Acquisition of 1% of BNL Vita (for 6 €m)

CORPORATE EVENTS - 2008

- Sale of the Quadrifoglio Vita stake

CORPORATE EVENTS – 2009

- merger of Aurora Ass.ni into Unipol Ass.ni, renamed UGF Ass.ni
- acquisition of UGF Banca (ex Unipol Banca) minorities (15.5% of capital – consideration 213 €m)

CORPORATE EVENTS – 2010

- appointment of Carlo Cimbri as CEO
- new 2010-2012 Business Plan
- acquisition of control of the Arca Group

Total premiums: 650 €m
Total invested: 270 €m

Banking business evolution

Banking business

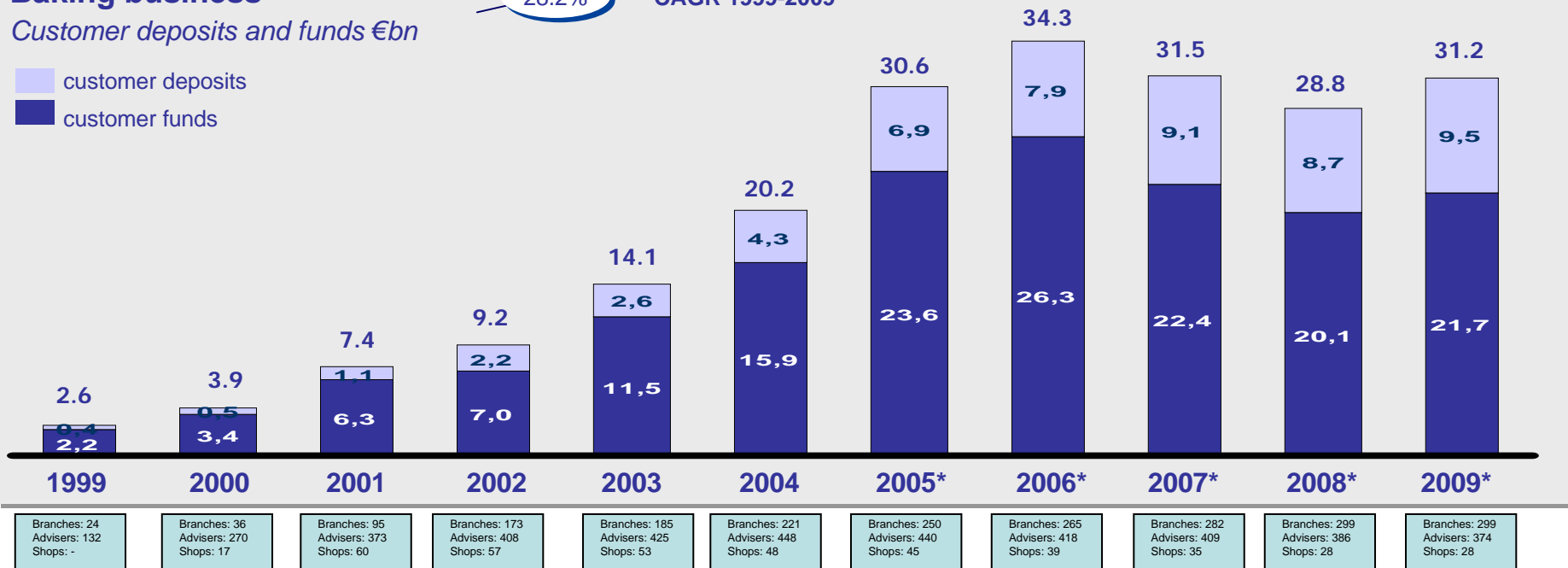
Customer deposits and funds €bn

customer deposits
customer funds

28.2%

CAGR 1999-2009

* IAS/IFRS data



Branches: 24
Advisers: 132
Shops: -

Branches: 36
Advisers: 270
Shops: 17

Branches: 95
Advisers: 373
Shops: 60

Branches: 173
Advisers: 408
Shops: 57

Branches: 185
Advisers: 425
Shops: 53

Branches: 221
Advisers: 448
Shops: 48

Branches: 250
Advisers: 440
Shops: 45

Branches: 265
Advisers: 418
Shops: 39

Branches: 282
Advisers: 409
Shops: 35

Branches: 299
Advisers: 386
Shops: 28

Branches: 299
Advisers: 374
Shops: 28

1999
Project
start-up

UNIPOL
BANCA

2001
Acquisition of
51 branches
from Banca
Intesa

Tot. amount
invested:
205 €m

UNIPOL FONDI

2002
Acquisition of
60 branches
from Capitalia

Tot. amount
invested:
165 €m

2003
Unipol Merchant
becomes

UNIPOL
MERCHANT
BANCA PER LE IMPRESE

A bank intended
for undertakings

2004
Acquisition of
22 branches
from Banca
Antonveneta

Tot. amount
invested:
70 €m

2007
Acquisition of
Cooperleasing

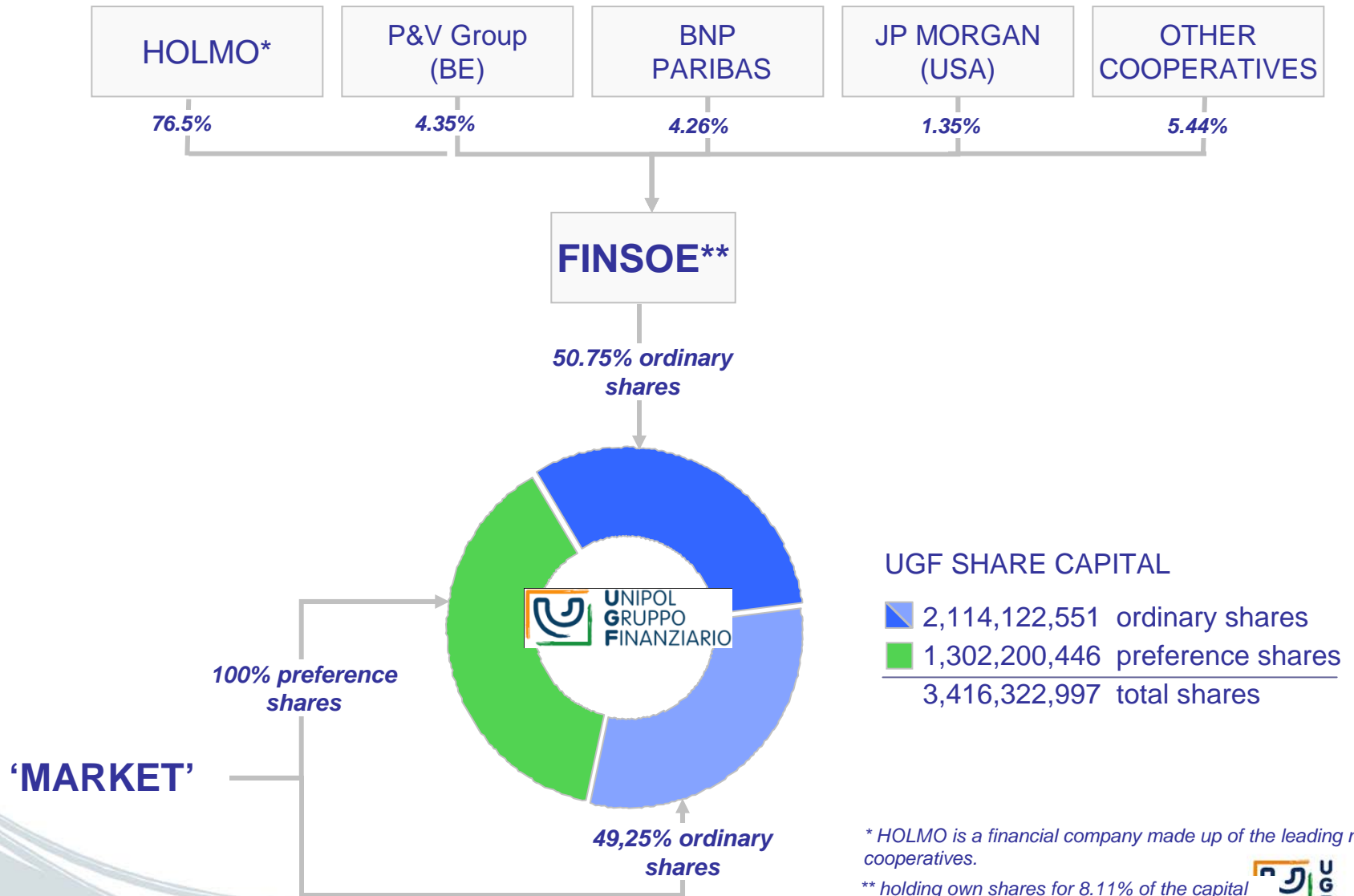
Tot. amount
invested:
15 €m

2009
Unipol Banca is
renamed UGF Banca:

UGF
BANCA

Appointment of Mr.
Luciano Colombini as
GM of UGF Banca

Unipol Gruppo Finanziario – Shareholding structure



* HOLMO is a financial company made up of the leading national cooperatives.

** holding own shares for 8.11% of the capital



UGF Group present structure



INSURANCE BUSINESS				BANCASSURANCE BUSINESS				BANKING BUSINESS					
COMPANY	BUSINESS/ CHANNEL	FY 2009 PREMIUMS ¹ (€m)		COMPANY	BUSINESS/ CHANNEL	FY 2009 PREMIUMS ¹ (€m)		COMPANY	BUSINESS/ CHANNEL	FY 2009 FIGURES (€m)			
UGF ASSICURAZIONI	P&C+ Life / agencies	5,865		BNL Vita	Life / BNL branches	3,051		UGF BANCA	Bank / branches, Fin. counters, Fin. advisers				
UNIPOL ASSICURAZIONI		3,192		GRUPPO ASSICURATIVO ARCA	Life / BPER BPSO and other banks' branches	650 ⁴			Lending	9,218			
AURORA ASSICURAZIONI		2,673					Customer Deposits	9,539					
LINEAR ASSICURAZIONI IN LINEA	Telephone, Internet	160						UGF MERCHANT	Merchant banking and mid-term loans				
UNISALUTE	Health / agreements, internet	155							Shareholdings	76			
Navale ASSICURAZIONI DAL 1914	Non-exclus. Agent/ brokers	268						UGF LEASING	Loans granted ³	622			
TOTAL INSURANCE INCOME				TOTAL BANCASSURANCE INCOME									
	FY 2008	FY 2009			FY 2008²	FY 2009		UNIPOL FONDI	Mutual funds/ UGF Banca	296			
Non-Life	4,357	4,260	+2.2%	Life	1,535	3,051	+98.7%	UNIPOL SGR	Asset management				
Life	1,978	2,188	+10.7%	TOTAL	6,335	6,448	+1.8%						

Notes:

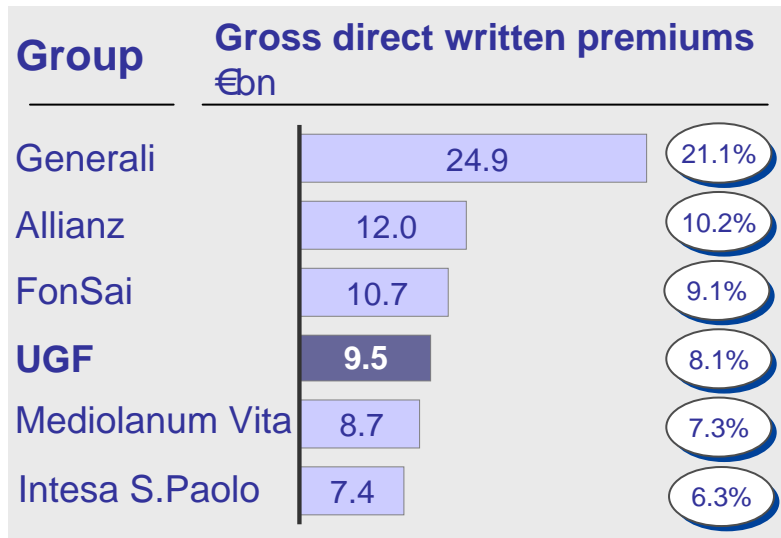
- 1 local GAAP
- 2 excl. Quadrifoglio Vita (a company sold to MPS on 28 March 2008)
- 3 including sureties given
- 4 consolidated in the P&L accounts as from 2H10, excluded from total

Leader in the Italian insurance market

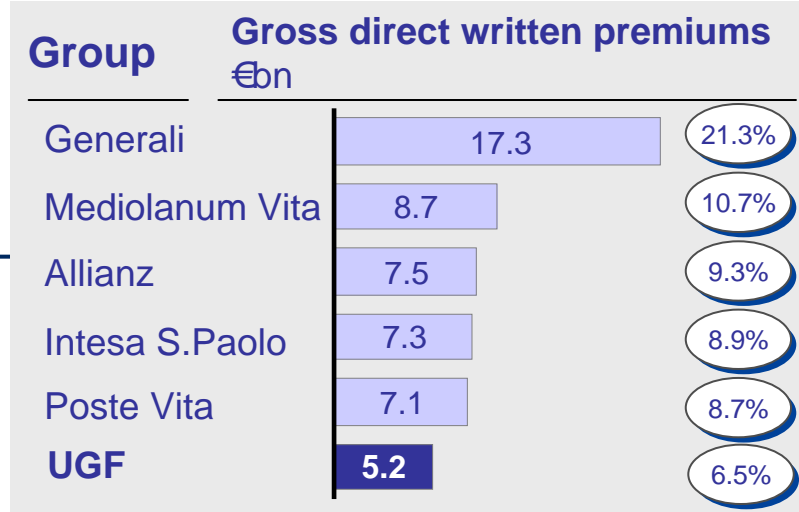
Figures as at 31/12/2009

 market share

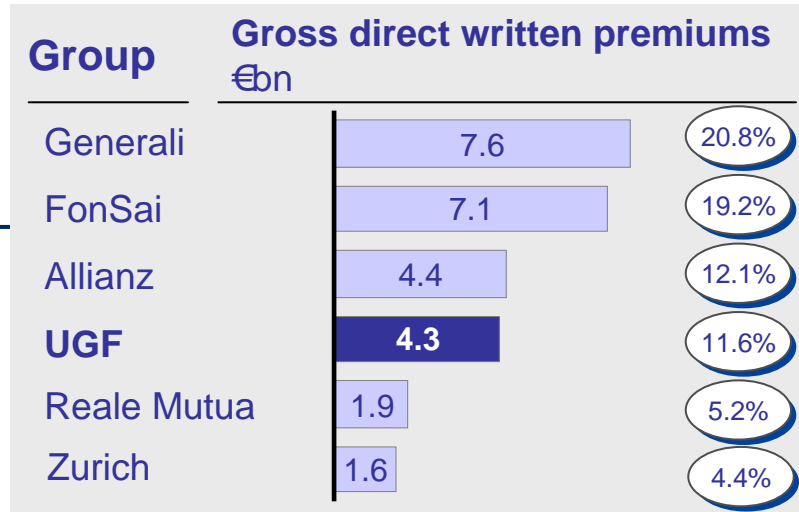
Italian insurance market



Life

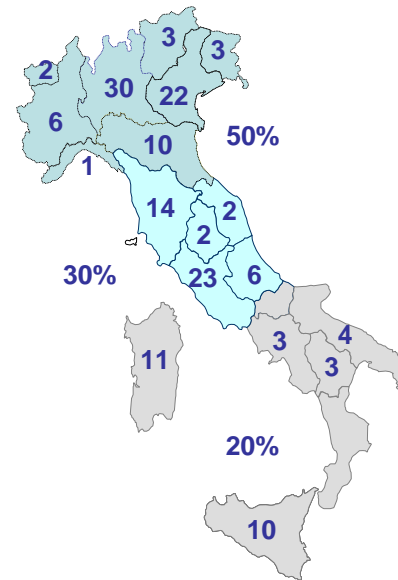
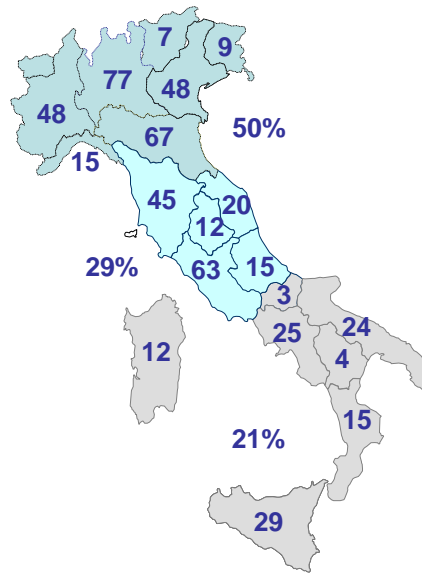
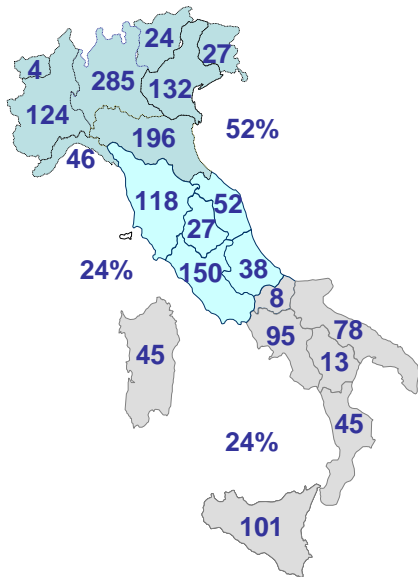


Non-Life



Sales network as at 30 June 2010

Insurance agencies

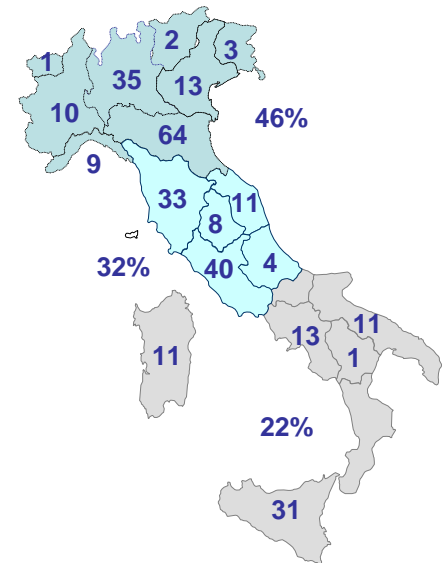


- ✓ 1.608 agencies
o/w 579 Unipol Division and 1,029 Aurora Division
- ✓ 3.562 secondary sales points

- ✓ 538 agencies
- ✓ 1.491 sub-agencies
- ✓ 261 brokers

- ✓ 155 agencies
o/w 11 agencies specialized in bond

Bank branches

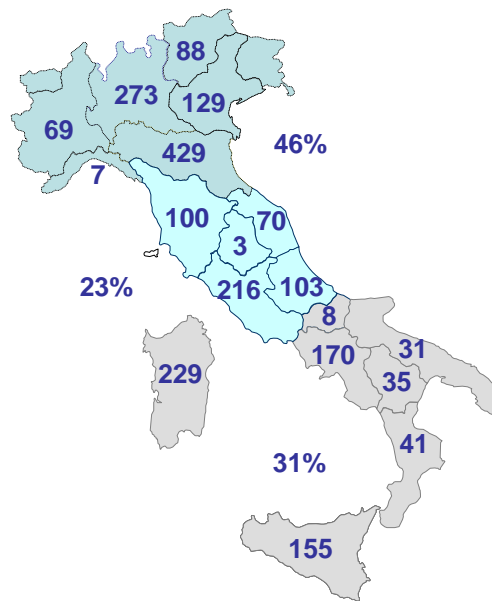


- ✓ 300 branches,
o/w 182 co-located with insurance agencies
- ✓ 28 financial shops
- ✓ 358 financial advisors

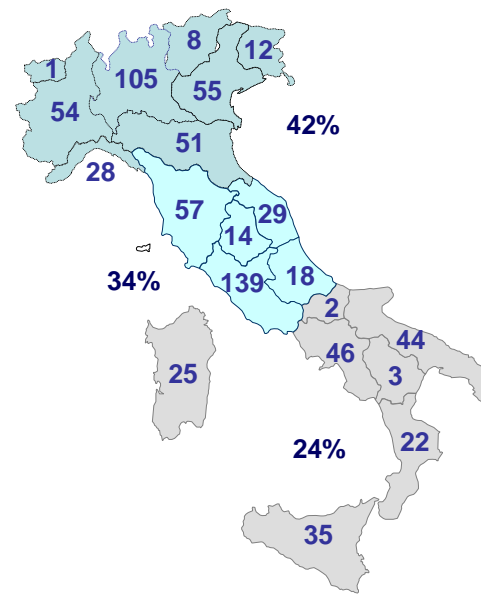
* integration with UGF Assicurazioni is underway; figures as at 31/3/10

Sales network – Bancassurance

Bancassurance



- ✓ 2.156 outlets
- ✓ 36 banks



- ✓ 748 outlets

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2009 financial aggregate figures - Highlights

Premium income	€9,501m	Total insurance investments	€23.4bn
o/w Non-Life	€4,260m	Life In Force Value	€301m
o/w Life	€5,240m	Life Embedded Value	€1,063m
Bank customer deposits	€9,539m	Agencies	2,168
Bank customer funds	€21.7bn	o/w Unipol UGF Assicurazioni	582
Lending	€9,218m	o/w Aurora UGF Assicurazioni	1,043
		o/w Navale Assicurazioni	543
Consolidated profit	-€769m	UGF Banca branches	299
o/w Group	-€772m	Staff	7,157
o/w minority interests	€3m	o/w Insurance Companies	4,807
		o/w Banking Group	2,350
Shareholders' equity	€3,826m		
o/w Group	€3,585m		
o/w minority interests	€241m		

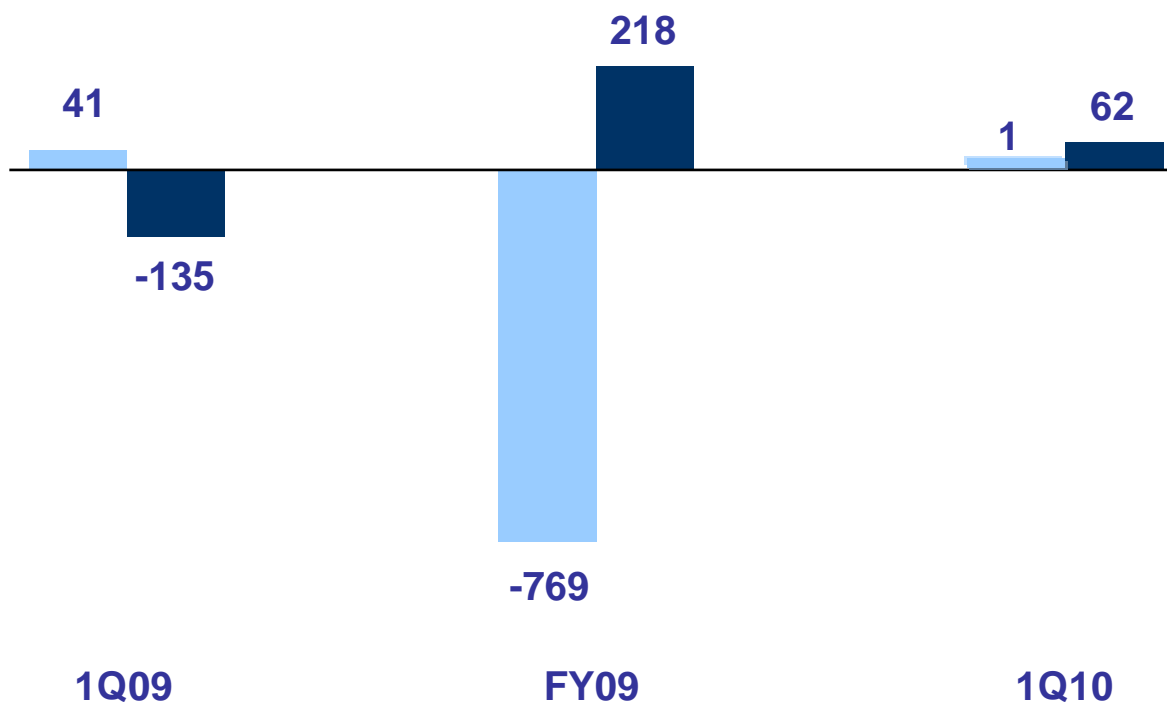
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1Q10 consolidated results

Comprehensive result

€m



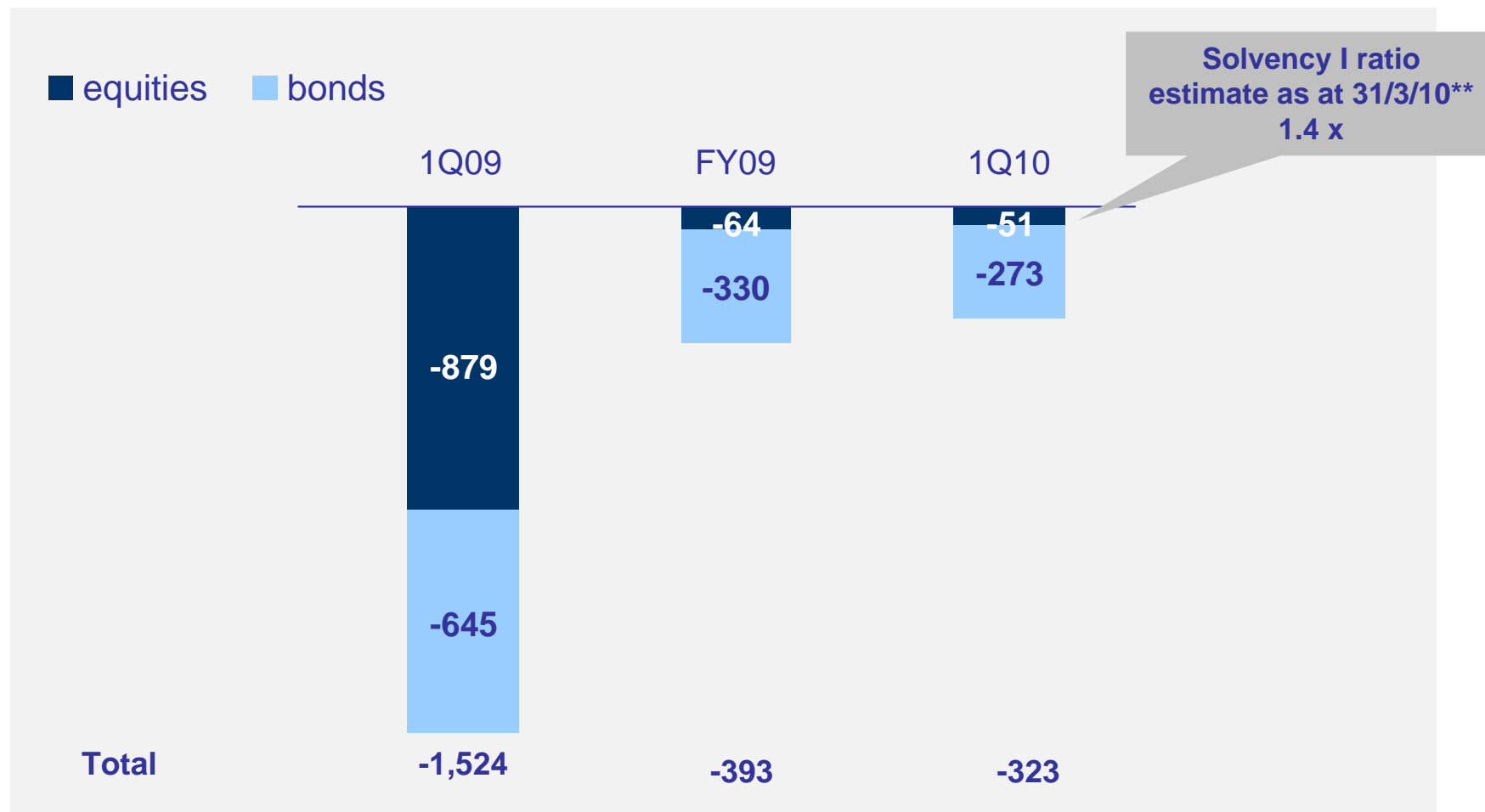
■ consolidated result ■ comprehensive result

1Q10 consolidated results

AFS reserve as at 31 March 2010

€m

AVAILABLE FOR SALE RESERVE ROLL-FORWARD*



* break-up based on in-house estimate

** after dividend distribution

1Q10 consolidated results

Summary of consolidated income statement by business sector

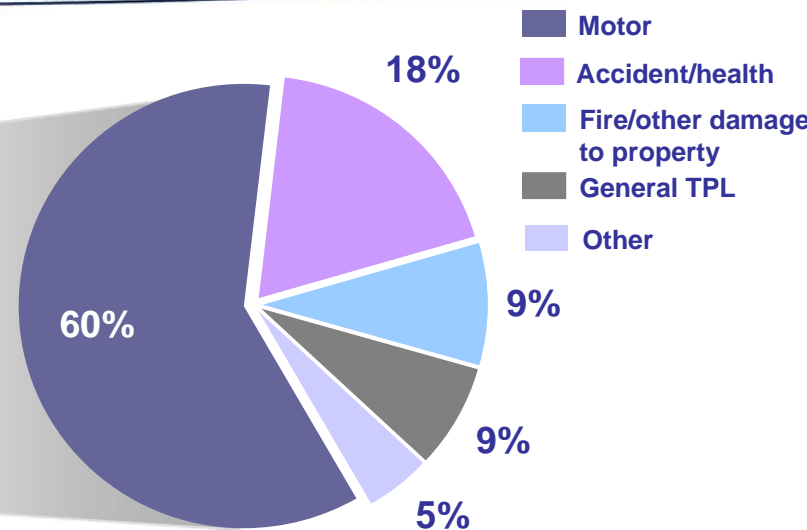
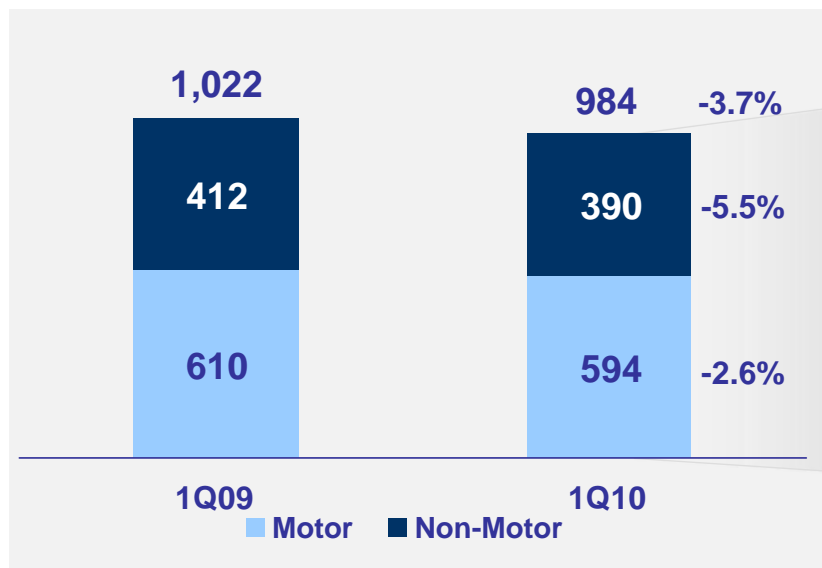
€m

	NON-LIFE BUSINESS			LIFE BUSINESS			BANKING BUSINESS			Holding, Services and intersectorial eliminations		TOTAL CONSOLIDATED		
	31/03/10	31/03/09	var. %	31/03/10	31/03/09	var. %	31/03/10	31/03/09	var. %	31/03/10	31/03/09	31/03/10	31/03/09	var. %
Insurance income (dir. business)	984	1,022	-3.7	1,193	1,661	-28.2						2,177	2,683	-18.9
Net earned premiums	996	1,034	-3.6	1,185	1,654	-28.3	0	0		0	0	2,182	2,687	-18.8
Net income from commissions and fees	0	0		0	0		29	18	63.1	-4	-1	24	17	44.8
Financial income/charges (excl. assets/liabilities at fair value)	53	61	-13.6	232	156	49.3	40	52	-24.1	-5	-3	320	266	20.5
Impairment on AFS equities	-23	-2		-9	-4		-1			0	0	-33	-7	
Net claims charges	-841	-808	4.1	-1,302	-1,744	-25.4	0	0		0	0	-2,143	-2,552	-16.0
Operating expenses	-217	-232	-6.8	-31	-24	27.0	-63	-61	3.5	-6	-8	-317	-326	-2.8
Other income/charges	-6	-4	62.0	-8	-10	-21.7	1	0	-765.3	3	1	-10	-14	-25.8
Profit (loss) before taxation	-38	48		69	27		5	8		-12	-12	24	72	-67.1
Taxation												-23	-31	
Consolidated profit (loss)												1	41	

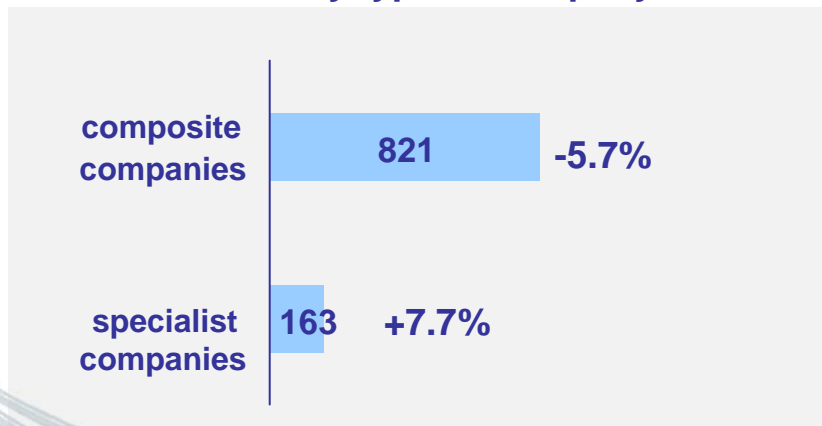
1Q10 consolidated results

NON-LIFE direct premium income

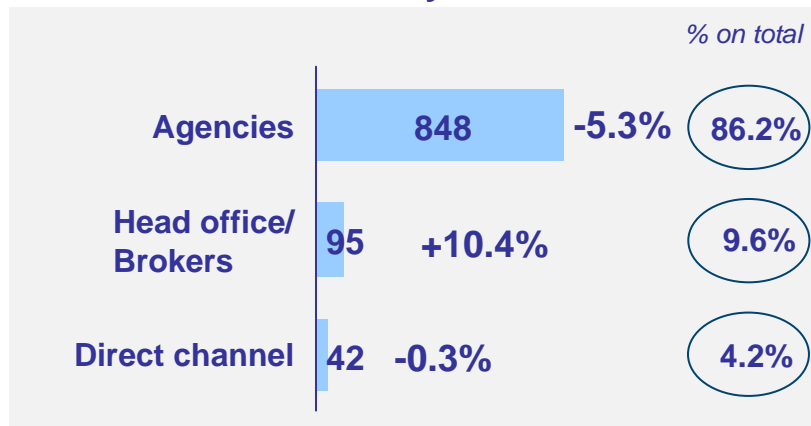
€m



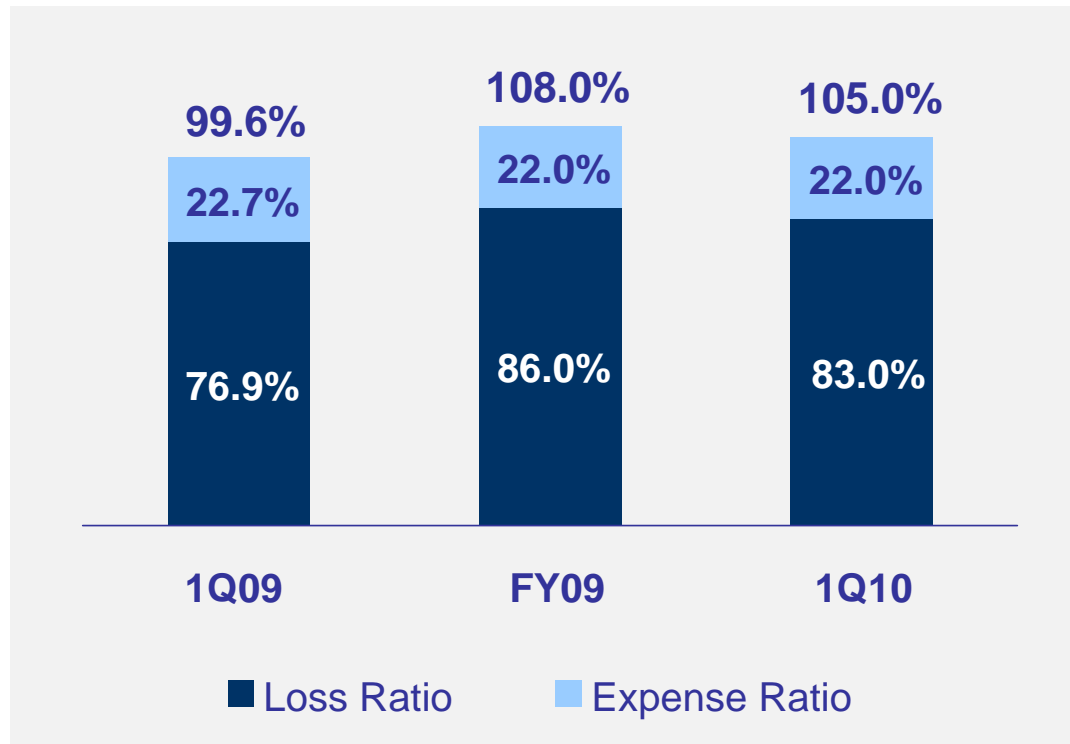
Income by type of company



Income by channel



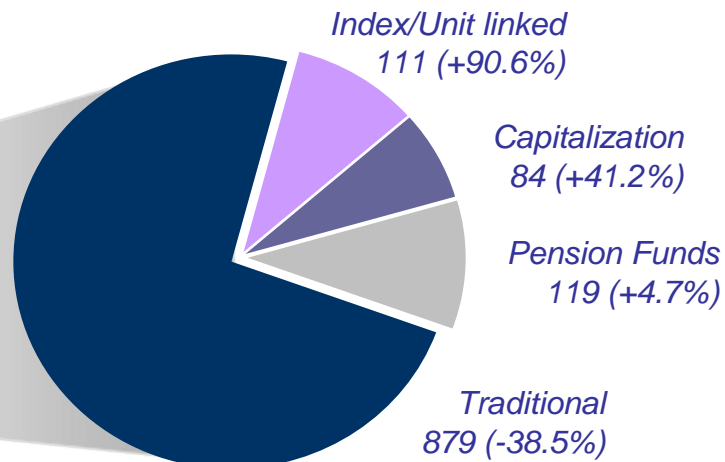
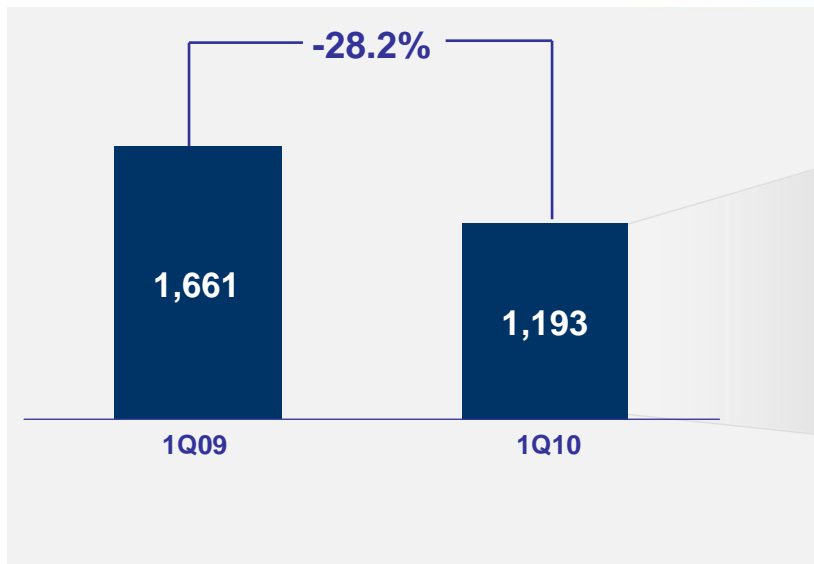
1Q10 consolidated results
NON-LIFE combined ratio (direct business)



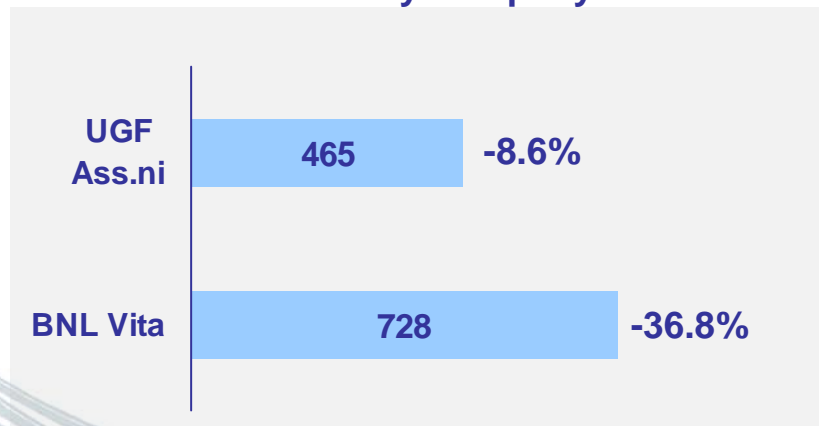
1Q10 consolidated results

LIFE direct premium income

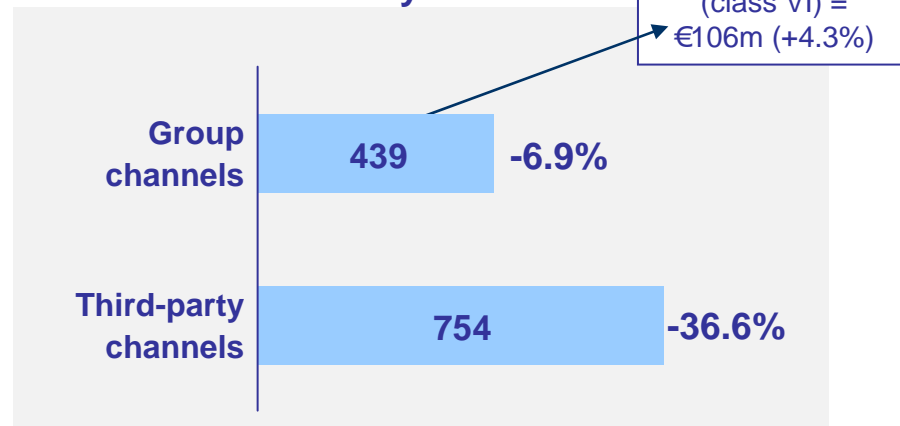
€m



Income by company



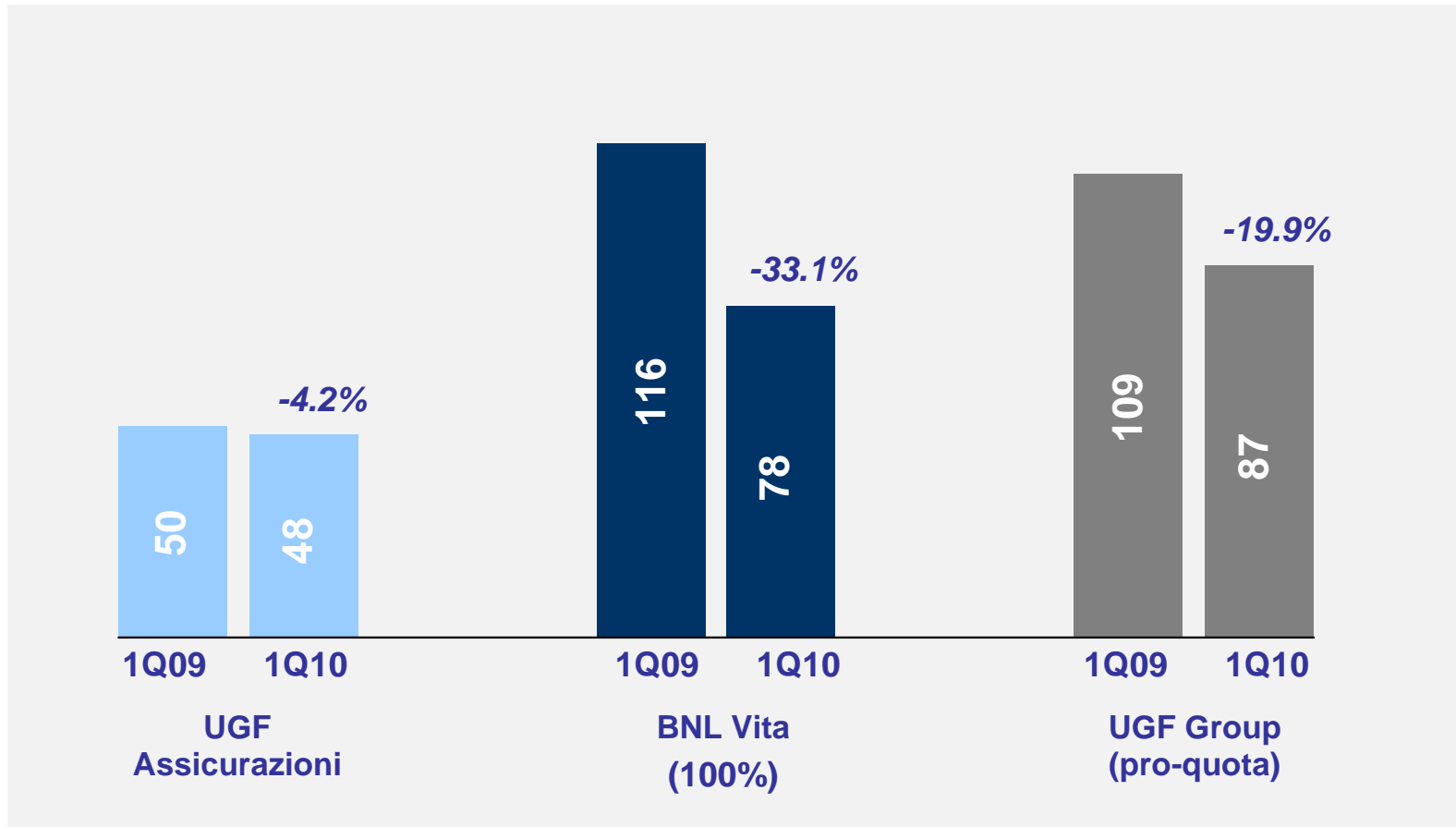
Income by channel



1Q10 consolidated results

Life income and APE *

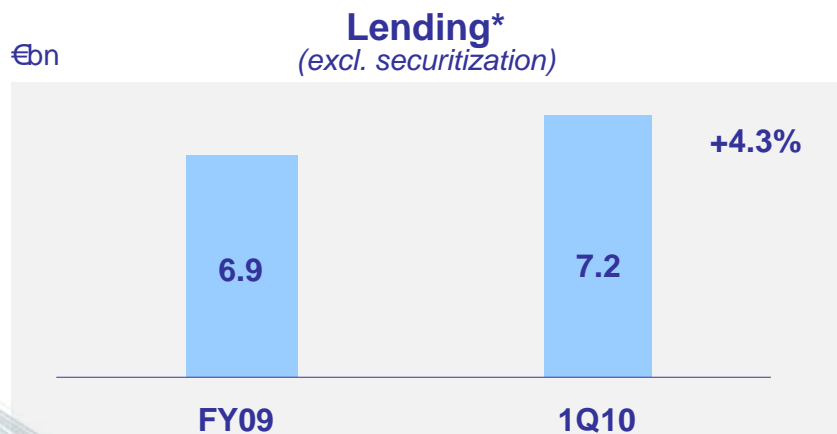
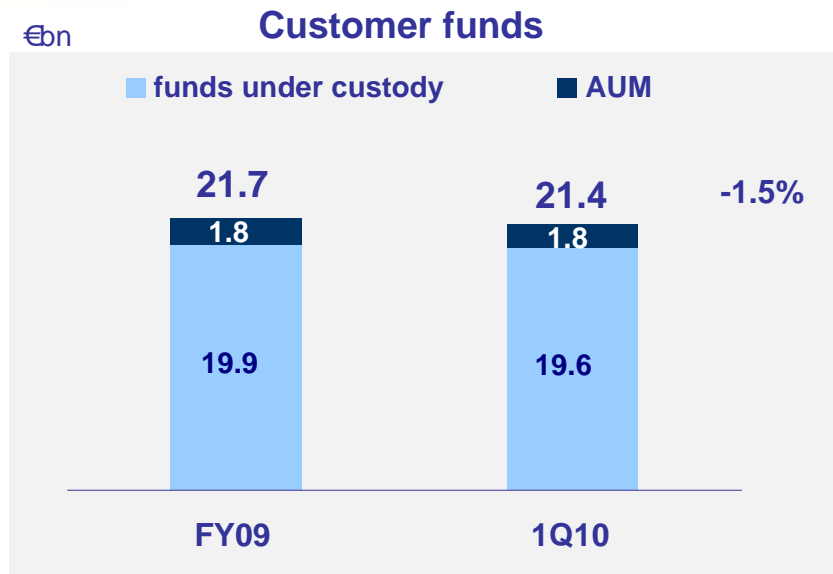
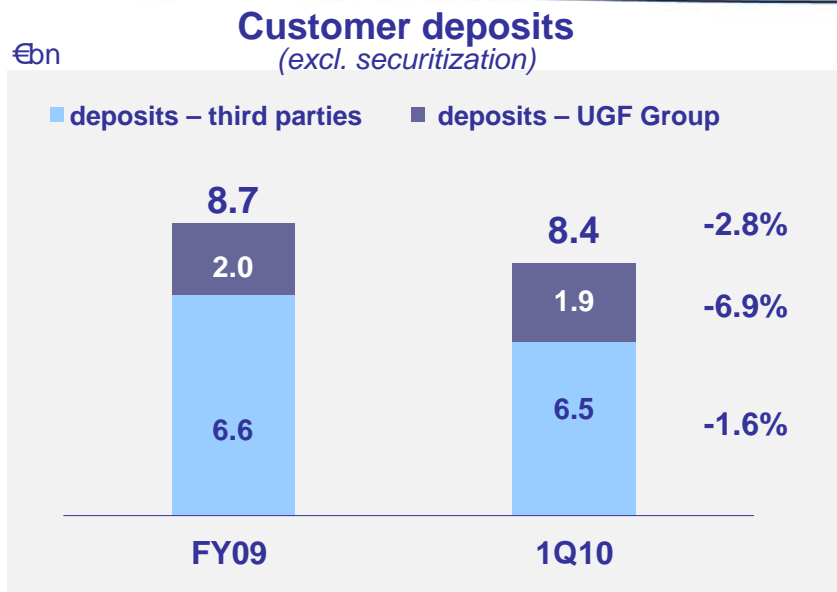
€m



(*) Annual Premium Equivalent. Pro-quota figures

1Q10 consolidated results

UGF BANKING Group – Financial highlights



Doubtful debts

€m

	FY09	1Q10
Net doubtful debts/loans	2.0%	2.2%

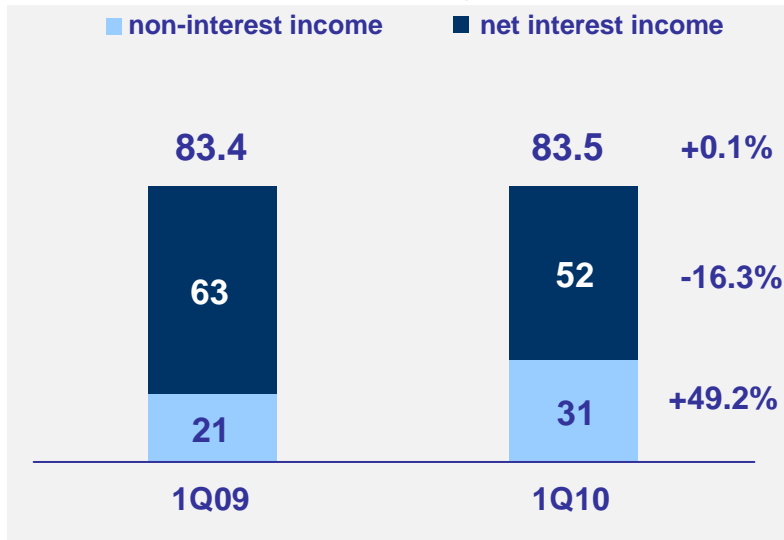
* Securitized loans of €2.9bn on 31/12/2009 and €2.7bn on 31/3/2010

1Q10 consolidated results

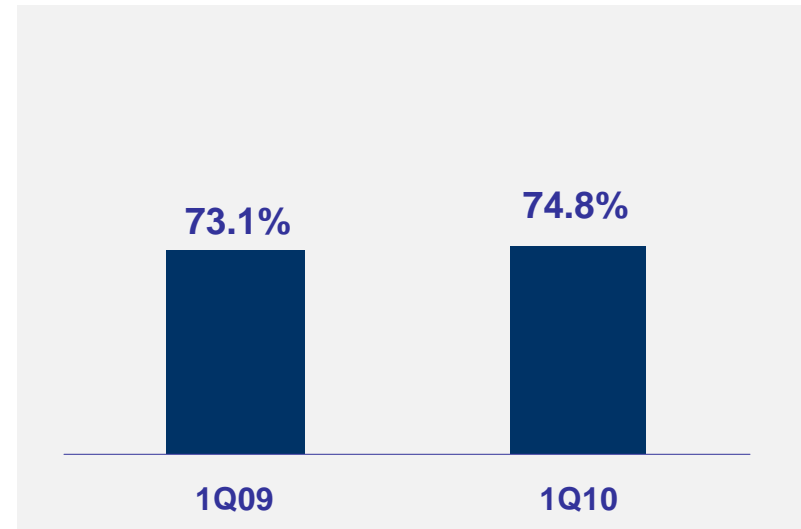
UGF *BANKING* Group – Economic highlights

€m

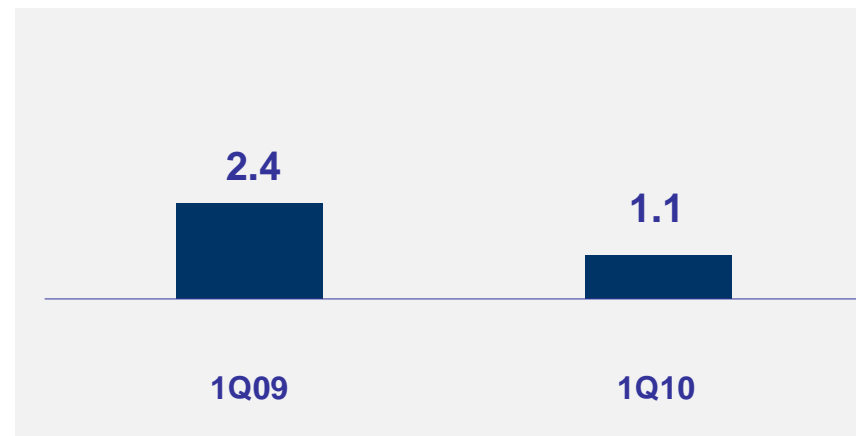
Gross operating income



Cost/Income Ratio



Consolidated net profit



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1Q10 consolidated results

Investment breakdown as at 31 March 2010

€bn

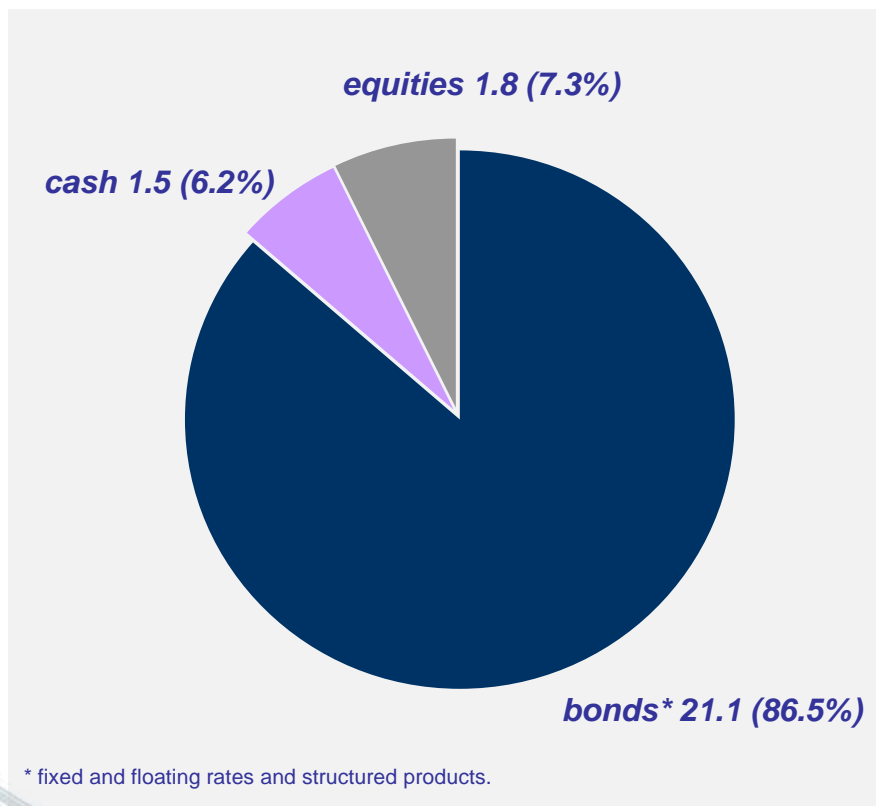
Insurance investments managed by UGF

(excluding Class D)

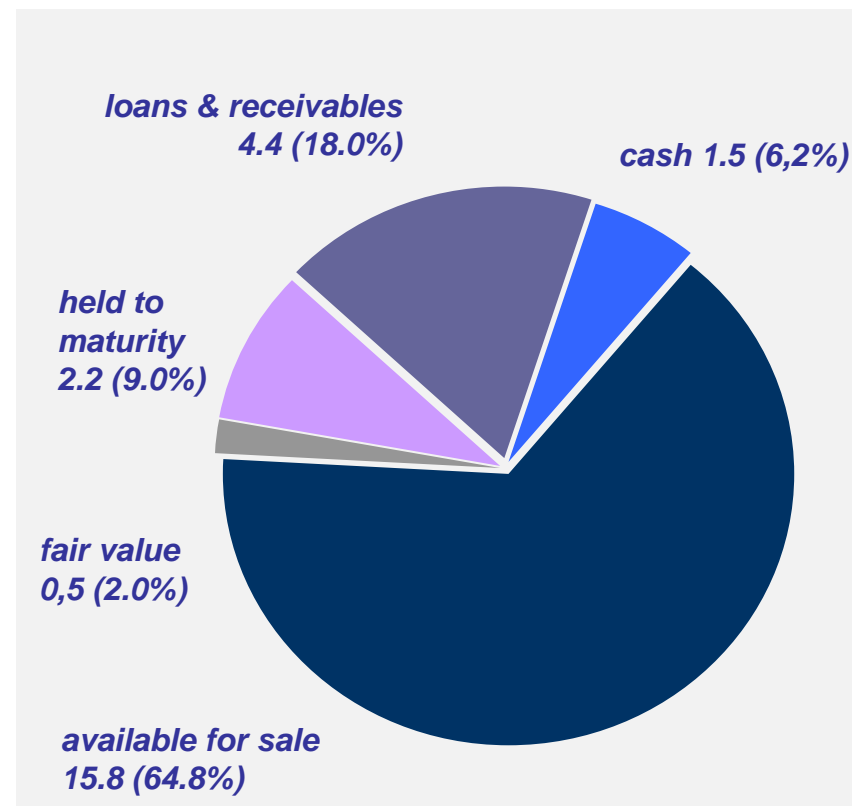
TOTAL €24.4bn

market value

BREAKDOWN BY ASSET



BREAKDOWN BY ACCOUNTING CATEGORY

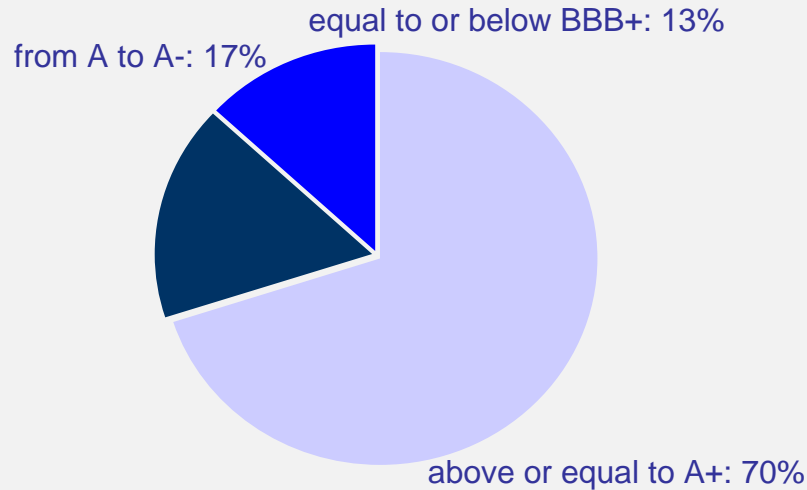


1Q10 consolidated results

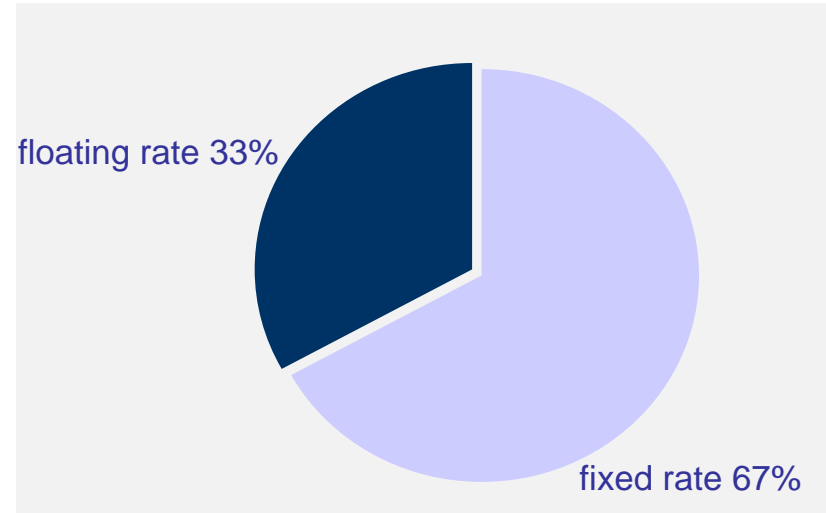
Bond portfolio as at 31 March 2010

Insurance investments managed by UGF. Fixed and floating rate and structured products, excl. Class D
 Total €21.1bn, market value

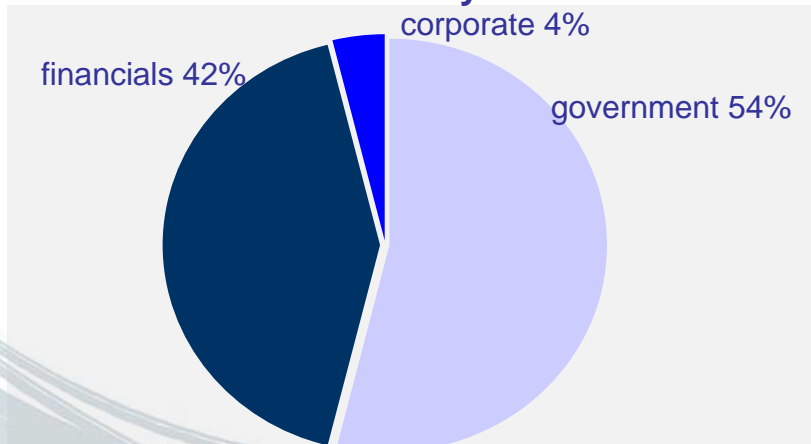
Breakdown by rating



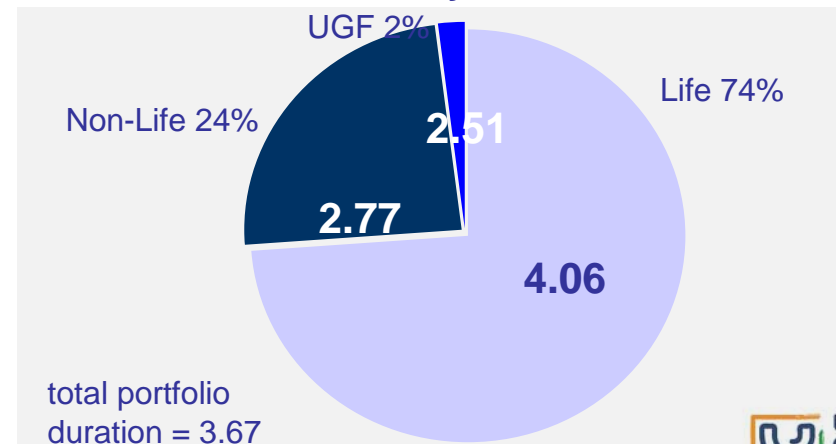
Breakdown by rate indexing



Breakdown by issuer



Breakdown by duration*



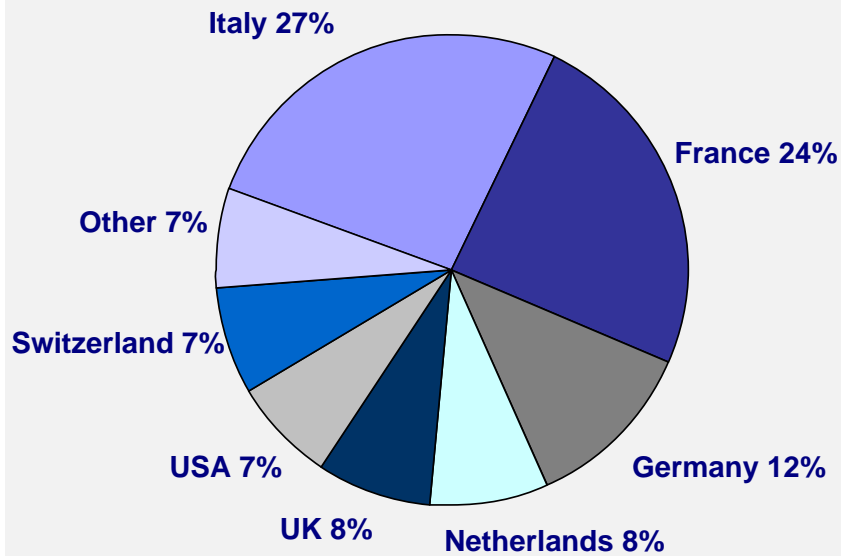
* including monetary investments and cash

Equity portfolio as at 31 March 2010

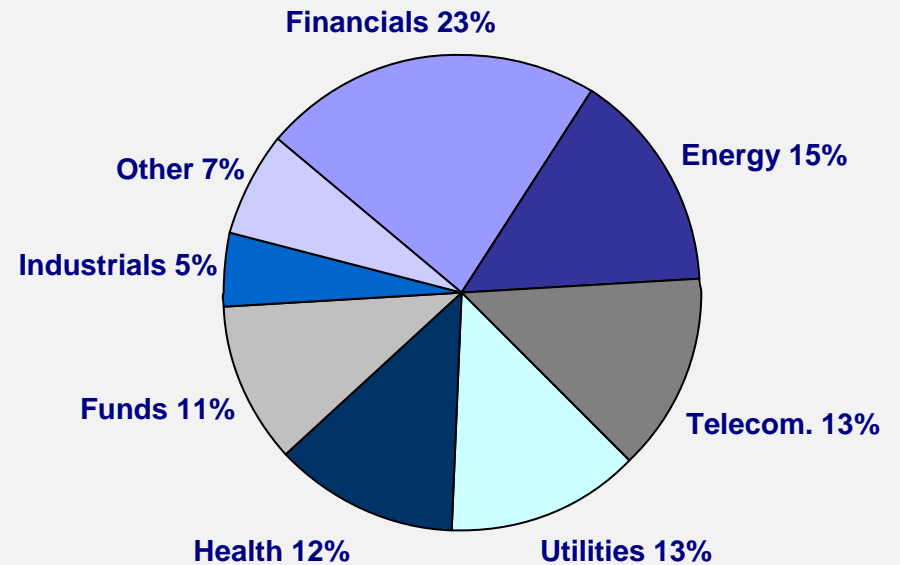
Equity portfolio (market value)

TOTAL €1.78bn

BREAKDOWN BY COUNTRY



BREAKDOWN BY SECTOR



Ordinary income from financial investments – 1Q09 vs 1Q10 (Insurance business, excl. Class D – management figures)



Agenda

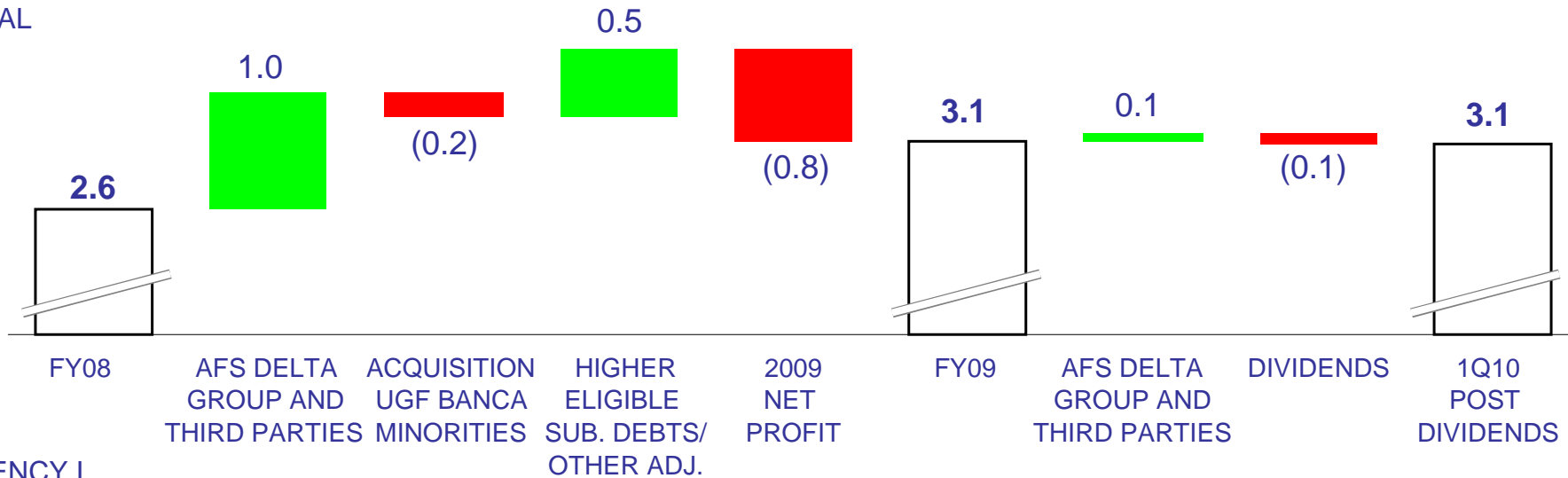
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Estimate of Group excess capital as at 31 March 2010 (after dividend distribution)

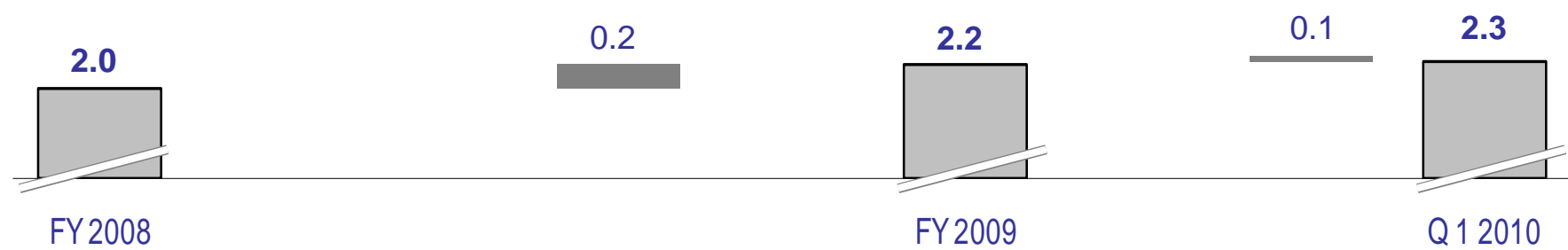
€bn

in-house estimate

AVAILABLE CAPITAL



SOLVENCY I REQUIREMENTS

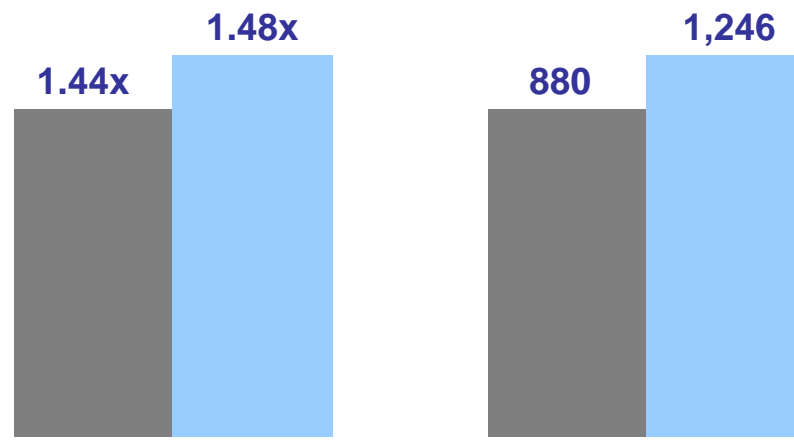


Solvency margin coverage



Group capital according to Solvency II

€m



Coverage ratio

Excess capital

FY 2008

FY 2009

ICR per Risk	FY 2009	FY 2008
U/W Risk	30%	28%
Market Risk	34%	29%
Default Risk	10%	8%
Operational Risk	7%	8%
Bank	20%	26%
TOTAL	100%	100%

Agenda

- 1 Company profile p. 3
- 2 2009 financial aggregate figures p. 14
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- 5 Investment management p. 26
- 6 Solvency p. 31
- 7 Dividends and operations on capital p. 34**
- 5 2010-2012 Business Plan – Highlights p. 38

UGF S.p.A. – Proposed dividend distribution

Preference shares – Dividend per Share (€)

No. of shares	911,540,314
Dividend	0.0452
Share price	0.591
Dividend Yield	7.6%

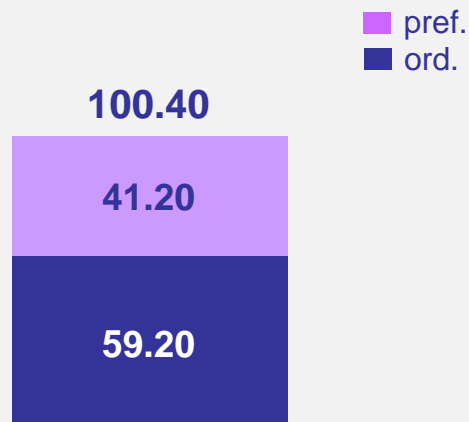
Ordinary shares – Dividend per Share (€)

No. of shares	1,479,885,786
Dividend	0.0400
Share price	0.900
Dividend Yield	4.5%

Dividend yield calculated on the official price of 24 March 2010

Total Dividends

€m



Payout

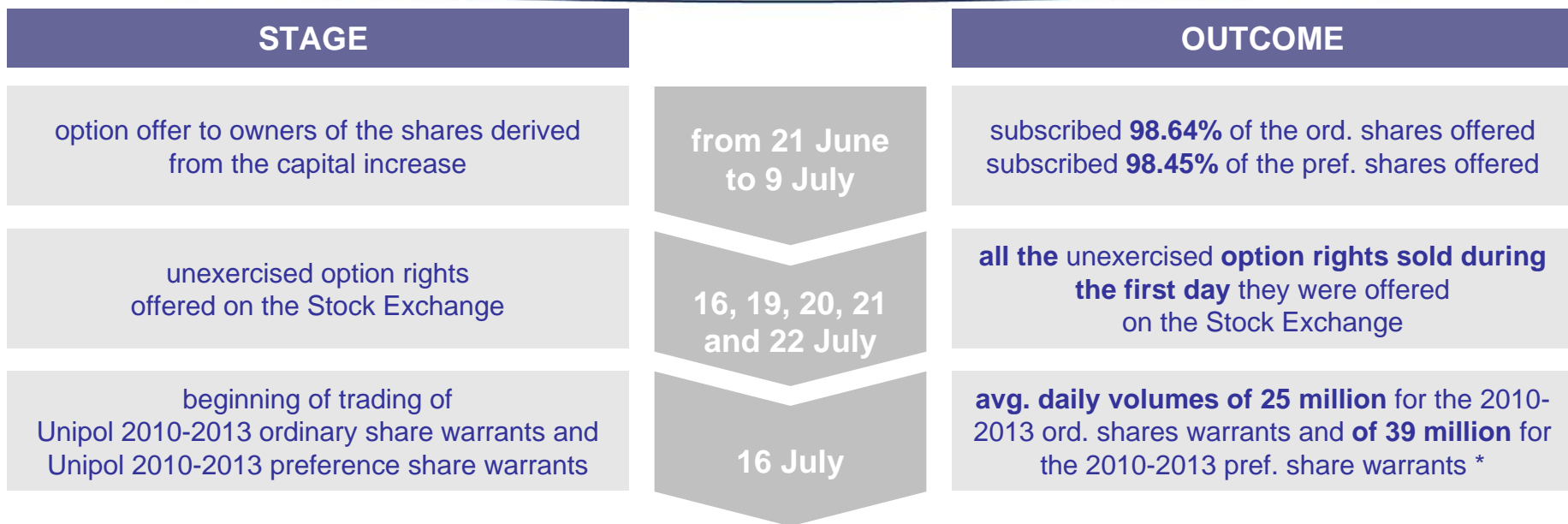
€m

UGF S.p.A. net profit	128.82
Dividend to pay	100.40
Payout	77.9%

Capital increase – Key terms

		ORDINARY shares	PREFERENCE shares	ORD. + PREF.
CAPITAL INCREASE 2010	option ratio	no. 3 new shares per no. 7 shares owned	no. 3 new shares per no. 7 shares owned	
	no. new shares	634,236,765	390,660,132	
	subscription price (€)	0.445	0.300	
	subscription amount (€)	282,235,360	117,198,040	399,433,400
CAPITAL INCREASE FOR THE PURPOSE OF EXERCISING THE 2013 WARRANTS	no. free warrants	634,236,765	390,660,132	
	conversion ratio	no. 2 conversion shares per no.13 warrants	no. 2 conversion shares per no.13 warrants	
	no. new conversion shares	97,574,886	60,101,558	
	subscription price (€)	0.720	0.480	
	subscription amount (€)	70,253,918	28,848,748	99,102,666

Capital increase – Main stages and outcome of the operation



2010 capital increase completed with full subscription of the new ordinary and preference shares without intervention of the underwriting syndicate

SHARE CAPITAL BEFORE 2010 INCREASE

no. ordinary shares	1,479,885,786
no. preference shares	911,540,314
no. total shares	2,391,426,100

SHARE CAPITAL AFTER 2010 INCREASE

no. ordinary shares	2,114,122,551
no. preference shares	1,302,200,446
no. total shares	3,416,322,997

Finsoe 50.75% stake of ord.shares remains unchanged

* average daily volumes in the period 16 July – 27 July.

Agenda

- 1 Company profile p. 3
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Key assumptions underlying the Plan

Introductory remarks

- The Group Business Plan was drawn up during the first months of 2010, based on scenarios which exclude shocks or events disruptive to the financial markets over the next three-year period.
- In the last weeks we have witnessed tensions and turmoils in the Eurozone, which could make the course of the economy and markets post the 2007-2009 crisis more uncertain, with possible effects on the current and expected market scenarios and economic results.

Key assumptions underlying the Plan – Market scenarios

Market scenarios

Motor premiums

+1.5% '09-'12 cagr

Non-Motor premiums

+1.7% '09-'12 cagr

Non-Life premiums

+1.6% '09-'12 cagr

Life premiums

+2.0% '09-'12 cagr

Total premiums

+1.9% '09-'12 cagr

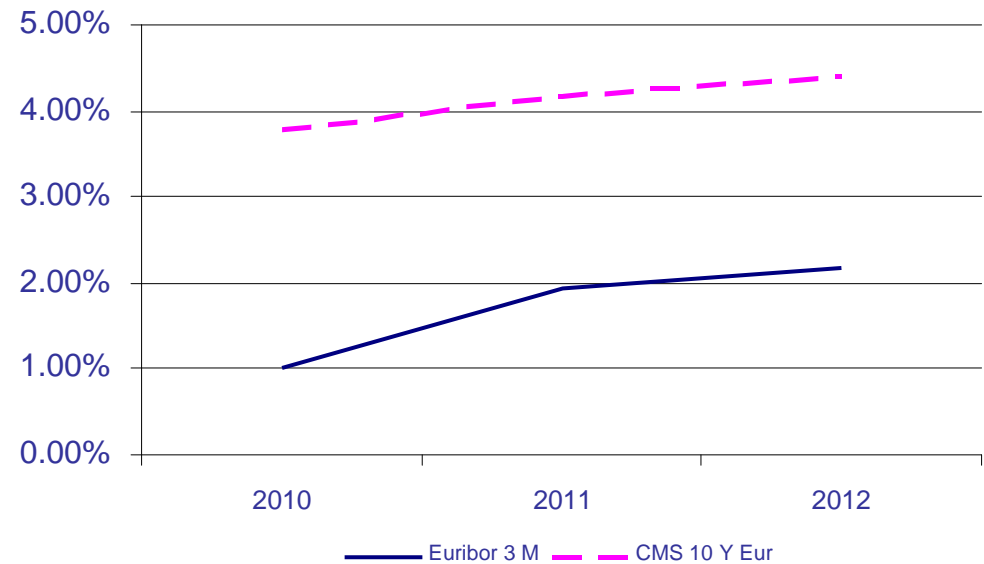
Customer deposits

+4.4% '09-'12 cagr

Lending

+5.3% '09-'12 cagr

Interest rates



Source: in-house calculation

Note: avg. interest rates

Key assumptions underlying the Plan – The Group basis of consolidation

2009

INSURANCE BUSINESS			BANCASSURANCE BUSINESS			BANKING BUSINESS		
COMPANY	BUSINESS	CHANNEL	COMPANY	BUSINESS	CHANNEL	COMPANY	BUSINESS	CHANNEL
UGF ASSICURAZIONI	Non-Life + Life	Agents / UGF Banca branches	BNL Vita	Life	BNL branches	UGF BANCA	Banking	Branches, fin. shops, advisors
Navale ASSICURAZIONI DAL 1914	Non-Life	Non exclusive agents/brokers				UGF MERCHANT	Merchant banking & mid-term loans	Head office, local premises
LINEAR ASSICURAZIONI IN LINEA	Motor	Internet / Telephone				... other companies		
UNISALUTE	Health care	Agreements/ Internet						

Key assumptions

- Arca Group** → consolidation in the UGF Group is expected **from the second half 2010**
- Navale** → planned integration in UGF Assicurazioni
- BNL Vita** → expected sale within the Plan period. **The Business Plan figures therefore exclude BNL Vita consolidation. The 2009 figures included in this presentation are pro-forma, i.e. calculated excluding BNL Vita**
- UGF S.p.A.** → a capital increase to be carried out in the current year for a total amount of up to €400m and a warrant issue (to be converted into shares in 2013 for a maximum amount of €100m)

2012

INSURANCE BUSINESS			BANCASSURANCE BUSINESS			BANKING BUSINESS		
COMPANY	BUSINESS	CHANNEL	COMPANY	BUSINESS	CHANNEL	COMPANY	BUSINESS	CHANNEL
UGF ASSICURAZIONI	Non-Life + Life	Agents/UGF Banca branches	GRUPPO ASSICURATIVO ARCA	Life + Non-Life	BPER, BPSO branches and other banks	UGF BANCA	Banking	Branches, fin. shops, advisors
LINEAR ASSICURAZIONI IN LINEA	Motor	Internet / Telephone				UGF MERCHANT	Merchant banking & mid-term loans	Head Office, local premises
UNISALUTE	Health care	Agreements/ Internet				... other companies		



Group Mission

Our targets

enhancing our traditional presence in the territory and our relationship with labour organizations

distinguishing ourselves in the offer of products and services to retail customers and SMEs

becoming Leader in welfare services
(pension schemes, assistance, health care)

maintaining our capital strength

producing long-term profitability by creating value for shareholders

Business Plan guidelines

PROFITABILITY

- recovery of 'structural' profitability in Non-Life business
- increase in Life business margin
- consolidation in Banking sector results

TARGET MARKETS

- focus on retail and SME segments, especially in 'traditional markets', i.e. trade unions, self-employment organizations and cooperatives

OPERATING EFFICIENCY

- organization set-up restructuring
- evolution of IT platform focusing on distribution and efficiency in customer service
- rationalization and control of running costs

CAPITAL STRENGTH

- capital strength to support business development and meet the necessary capital requirements
- decision-making based on capital absorption profitability
- risk/return optimization

SUSTAINABILITY – Strategic approach to Sustainability aimed at enhancing the Company's identity and features as key drivers of its competitive position

Presence on the market

Focus on traditional markets

Channel	Target segment	Priority	
UGF Assicurazioni Agencies	Retail	Group traditional markets	
	SMEs		
UGF Banca	Retail		
	SMEs		
Internet/telephone	Retail		Mass Market
Alternative channels			
Bancassurance	Retail		Affluent
Head Office (broker)	SMEs		Selected industrial sectors
Head Office (account)	Corporate	Large Enterprises	



TRADITIONAL MARKETS

- **Increasing the present agreements penetration** at national, regional and local level
- **Development of new agreements with additional sectors of Associations**
- **Review of the offer system** shifting from the 'leverage-on-price' to the 'targeted-offer' rationale (focus on service)

1,000,000 customers in traditional markets in 2012

Business Plan 2012 key targets

SUSTAINABILITY

PROFITABILITY

TARGET
MARKETS

OPERATING
EFFICIENCY

CAPITAL
STRENGTH

direct premiums

Non-Life
combined ratio
(direct business)

Life new
business margin

Banking
net profit

consolidated
net profit

solvency ratio

2012 target

€4.6bn (Non-Life)
€3.1bn (Life)

97.5%

25%

€50m

€250m

1.4 x (Solvency I)
1.5 x ** (Solvency II)

2009-2012 delta*

+ 2.9% cagr
+ 12.4 % cagr

- 10.5 pp

+ 5.6 pp

+ €74m

n.m.

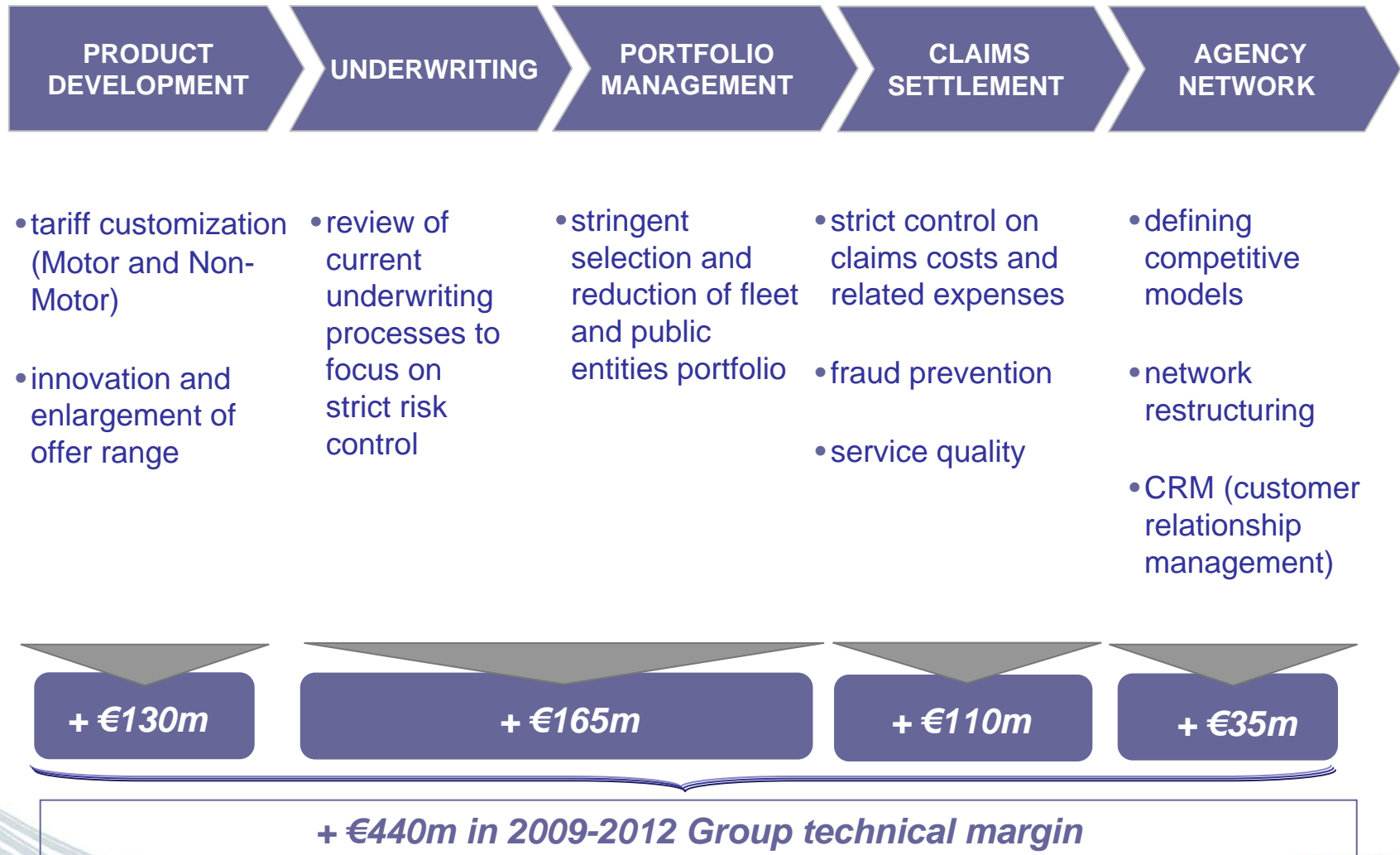
stable

* pro-forma

** Solvency II calculation made on assumptions based on the last regulatory indications. The results shown could change if the Solvency II final rules differ from the proposed ones adopted so far

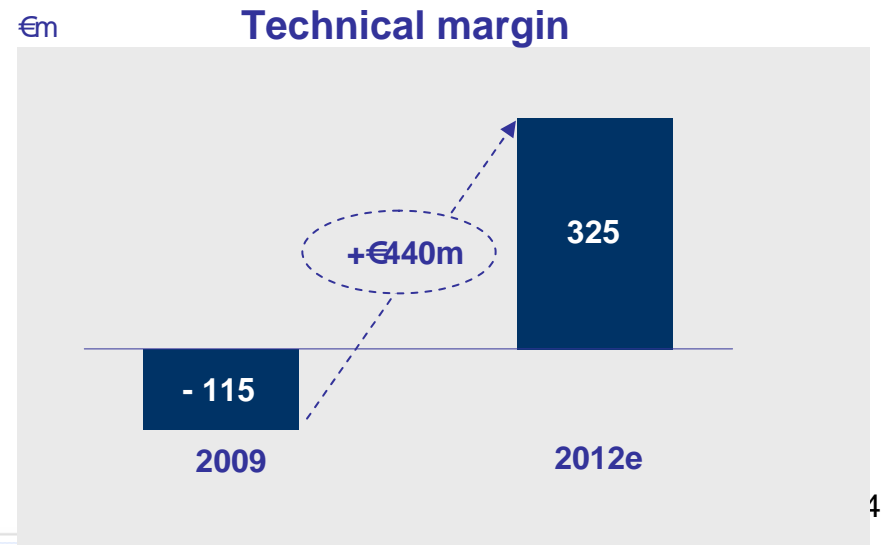
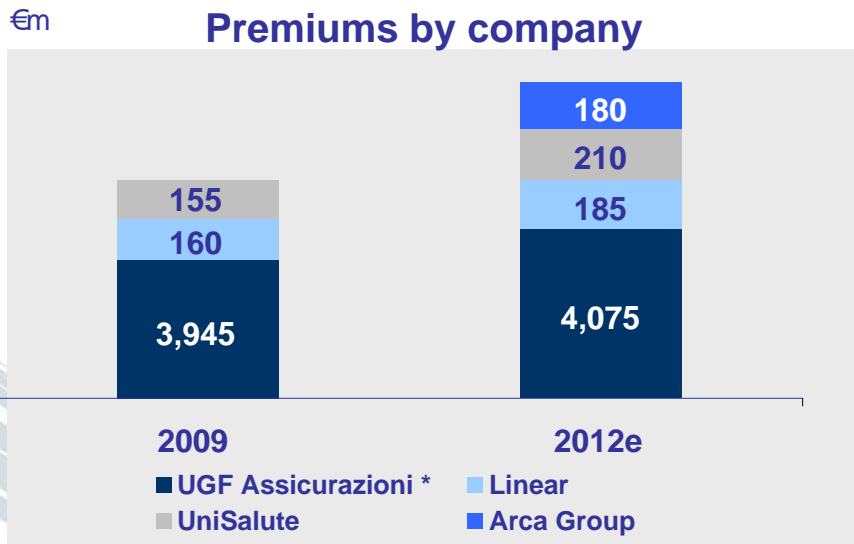
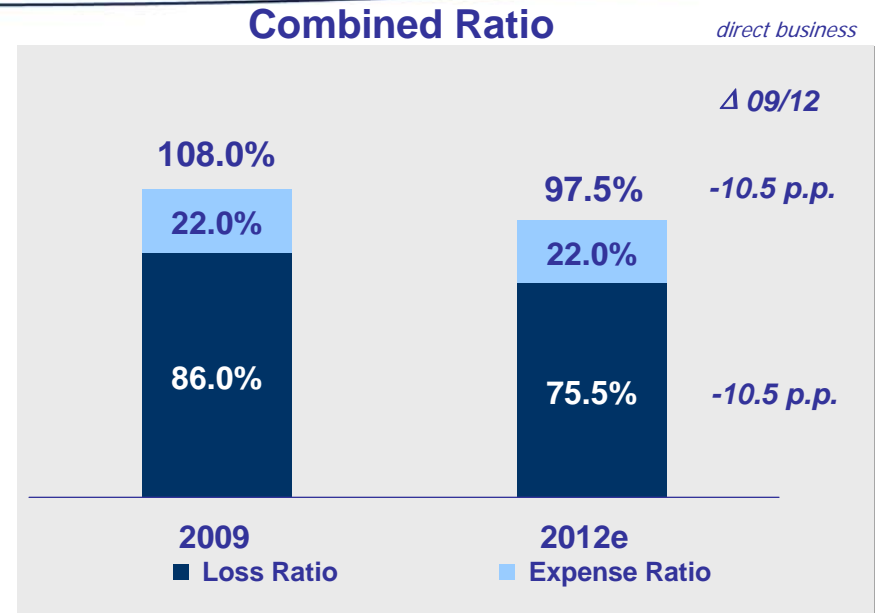
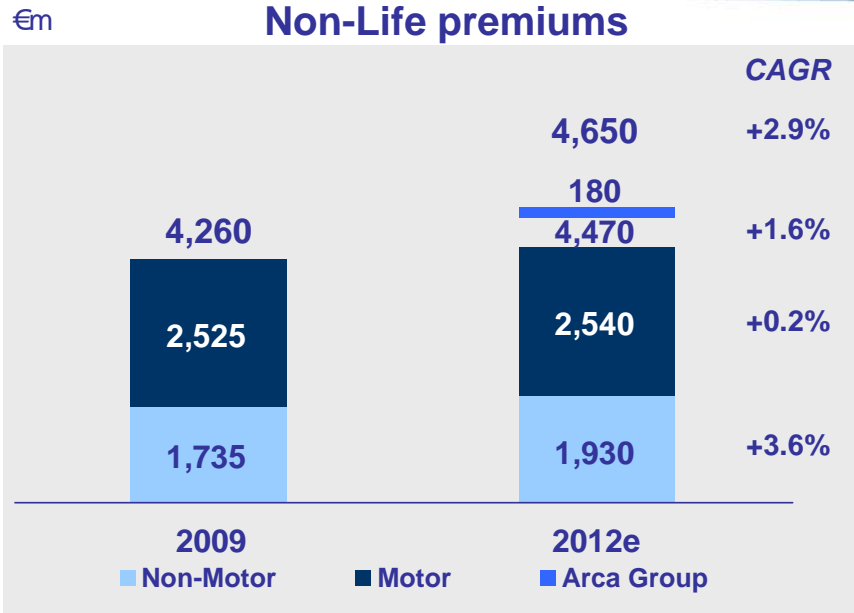
NON-LIFE business

Technical margin recovery



NON-LIFE Business

Target highlights



* UGF Assicurazioni including Navale

LIFE Business

Value generation recovery

PRODUCT DEVELOPMENT

- **Offer** enlargement in a **customer life-cycle perspective**
- Review of **tariff and guarantee structures**
- **Reinforcing position** in pension funds

INCOME

- Encourage **reinvestment of maturing policies** in new **profitable** products
- **Guidance and incentive** for the **agency network**
- **Strengthening commercial support** to high-potential agencies

PORTFOLIO MANAGEMENT

- **Increase in service level** for customer/agent through a single operating platform
- **Enlargement of IT platform** and management structure efficiency

€85m Group NBV in 2012 (+€43m)
€340m Group APE in 2012 (+€126m)

LIFE business

The Arca Group – Strategic rationale behind the acquisition

Strategic partnership with BPER and BPS

Onset of a strategic partnership with two of the leading national banking groups, with which UGF shares values and market approach.

Consolidating presence in bancassurance

UGF consolidates its presence in Non-Life and Life bancassurance (BNL Vita to be sold) through the Arca Group, which has experience and know-how in this sector (2009 premium income was €477m in Life business and €173m in Non-Life and consolidated profit amounted to €16m).

Creation of an open platform

Arca will be a bancassurance platform with a widely known market brand and open to other banking groups which share a similar culture

Widening territorial presence

Increasing UGF Group presence on the national territory: Arca sells its products in over 18 regions, with around 2,000 bank outlets of over 30 contracted banks and about 150 agencies, o/w 49% located in Northern Italy, 28% in Central Italy and 23% in the South and Islands.

Maximize know-how and best practice synergies

Targets: (i) matching the Arca market expertise with UGF industrial, commercial and management know-how in Life and Non-Life business and (ii) sharing both groups' operational excellence and best practices.

Exploiting market potential

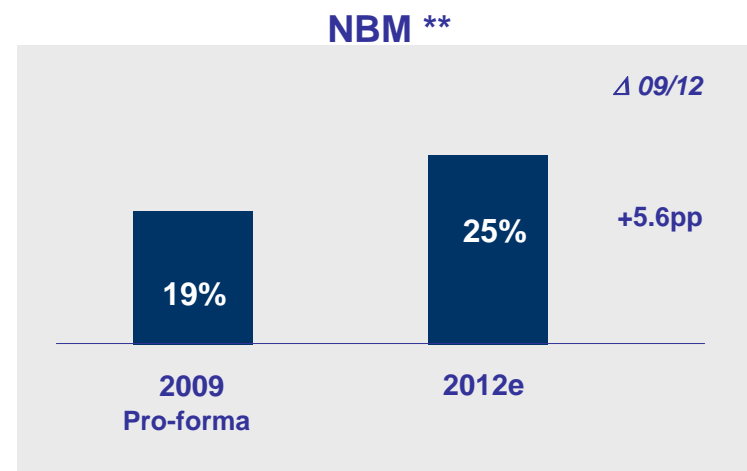
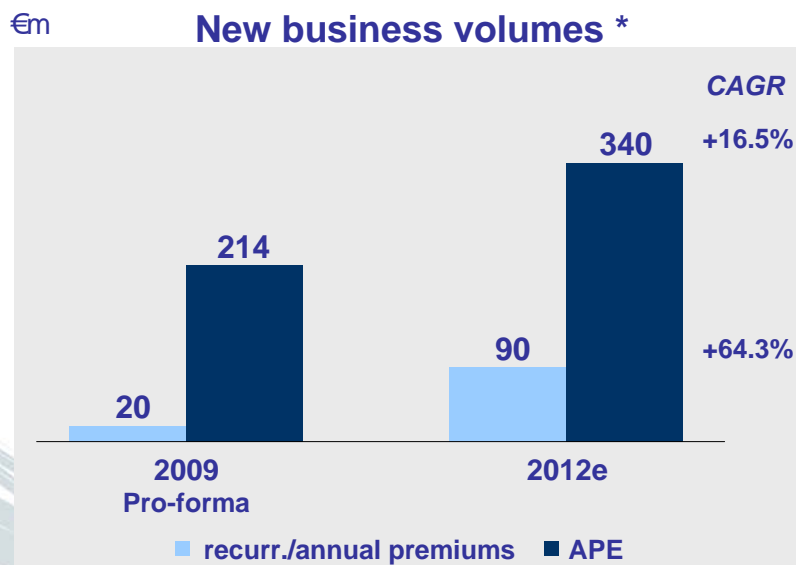
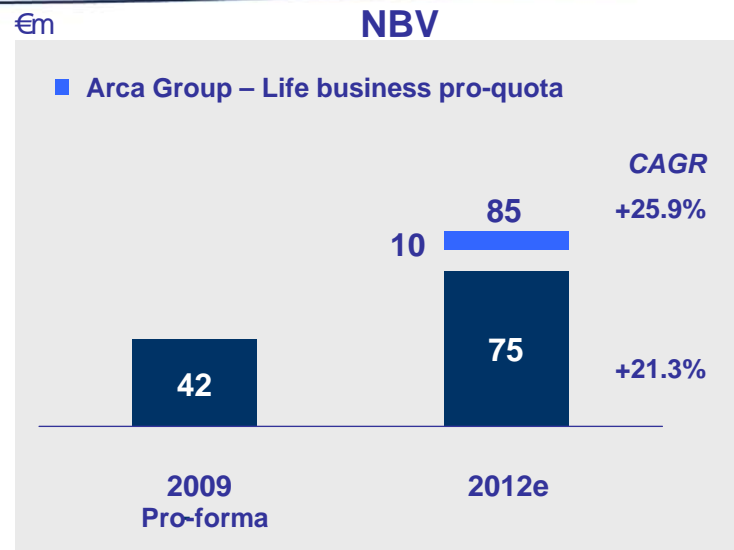
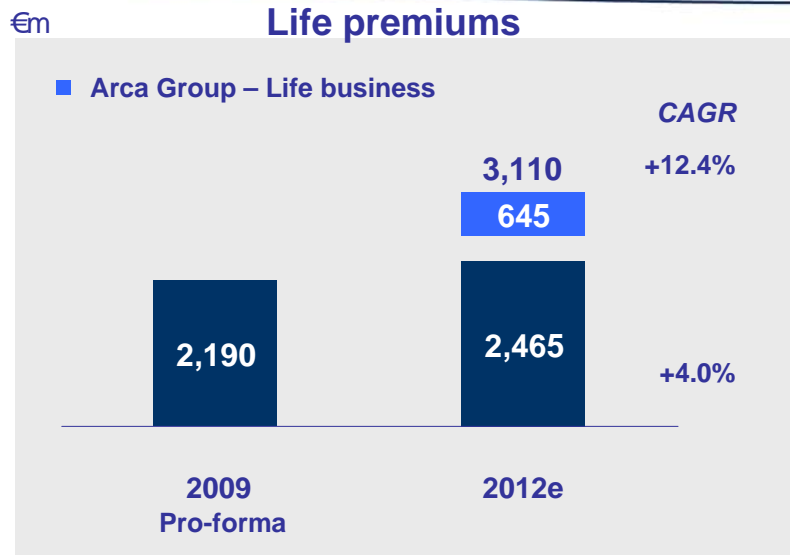
Opportunity to increase Arca's market penetration, which is currently below market benchmarks

€180m 2012
Non-Life direct
premiums

€645m 2012 Life
direct premiums

LIFE business

Target highlights



(**) Assumptions underlying the calculation:

- discount rate 6.50%

- yield rate 4.00%

- tax-rate 32.32%

* pro-quota figures



BANKING business

Strategic targets

Business model

- **Development of Banking-Insurance integrated business model**
 - *product factory with targeted and distinctive offer*
- **Focus on the Group's preferential markets, SMEs and affluent** with specific offers and structures

Profitability

- **Increase in network's productivity and efficiency standards** i.r.o. market benchmarks
- **Improvement in operating cost management:** structured expense process

Operating model

- **Review of credit granting and management process** (in-house credit rating, credit recovery outsourcing, new integrated procedures for head office/branches)

Sales network

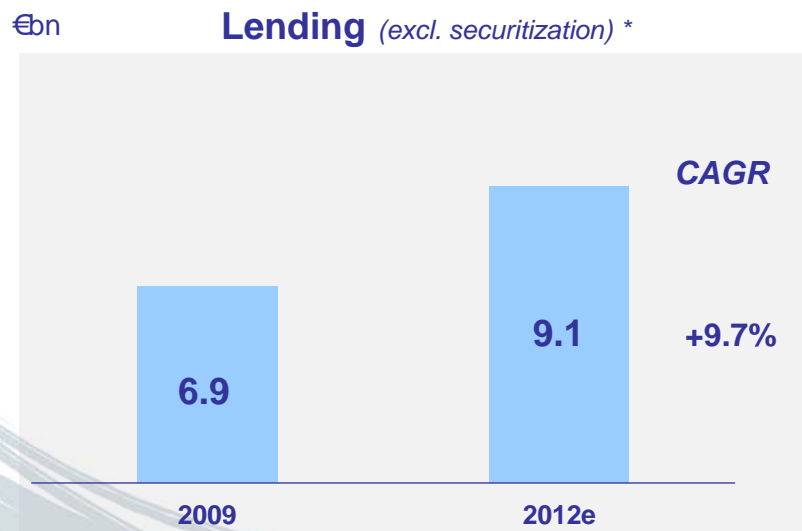
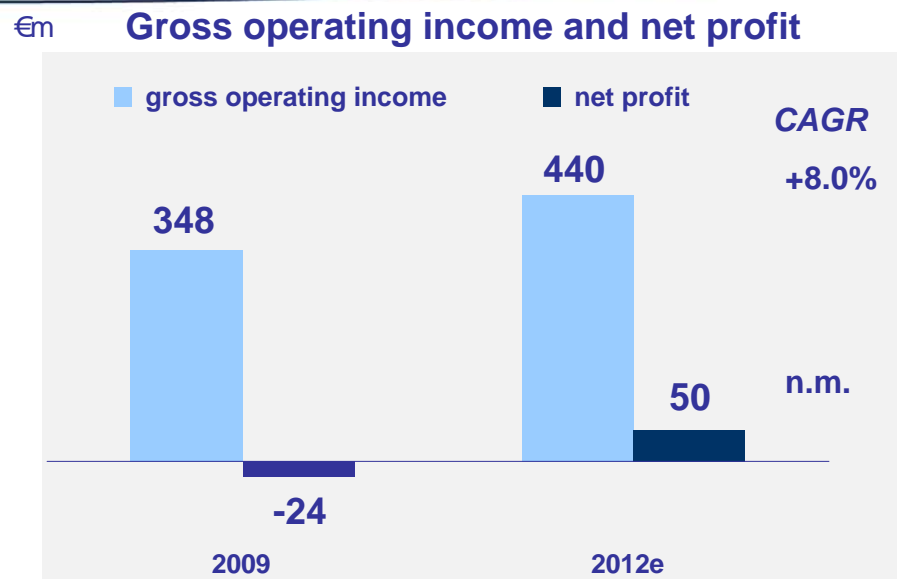
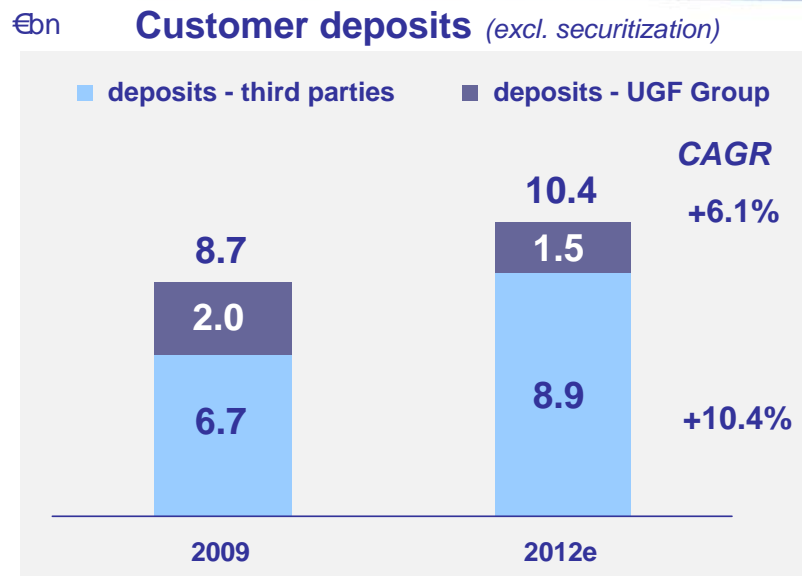
- **Strategic review of branch geographic location**

+10.4% deposits from third parties '09-'12 CAGR

**+8.0% gross operating income '09-'12 CAGR
over 10 pp '09-'12 cost/income reduction**

BANKING business

Key targets (figures relating to UGF Banca Group)



Indicators

	2009	2012e
Cost / income	76.6%	66.0%
Tier 1 ratio	7.3%	6.3%
Total capital ratio	14.5%	12.2%
No. of branches	299	308

* securitized loans for €2.9bn in 2009 and €2.3bn in 2012.

Investment management

Investment strategies

Investment activity targets

- optimization risk/reward profile of the portfolio
- low volatility of income in a multi-year horizon

Asset allocation guidelines

- portfolio profitability targets
- capital absorption targets according to Solvency II (equity reduction already implemented in 2010)
- diversification per issuer (corporate/government)
- cash flow matching: investments in liquidity consistent with the maturity of liabilities
- residual investment in alternative financial instruments

2010-2012 investment strategies

Equities

- preference for equities with high dividend yield, adequate income growth profile and financial strength

Liquidity

- investments consistent with the maturity of liabilities

Corporate bonds

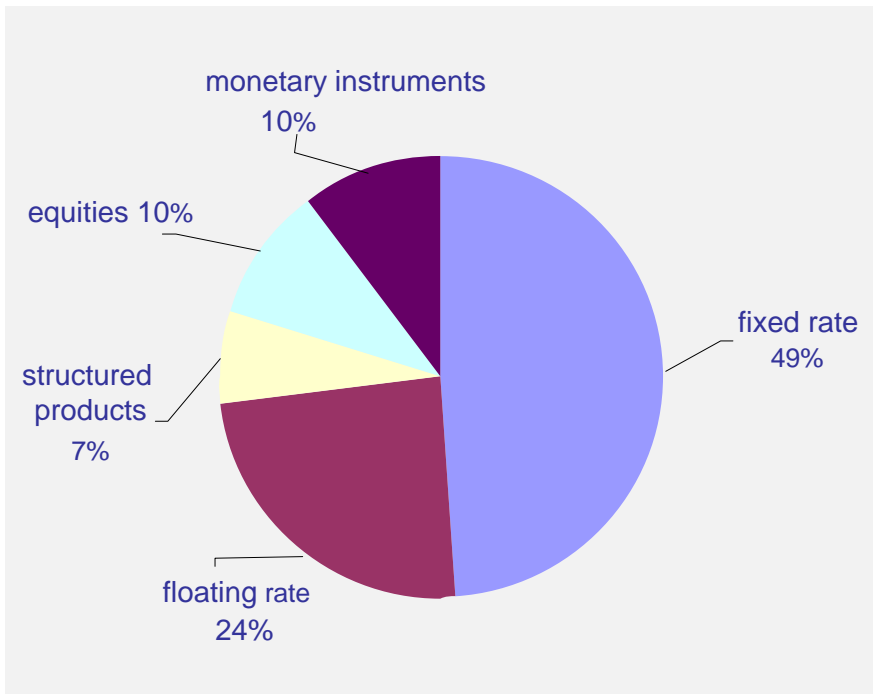
- diversification by issuer, industry sector and rating
- selective investments in subordinated bonds

Government bonds

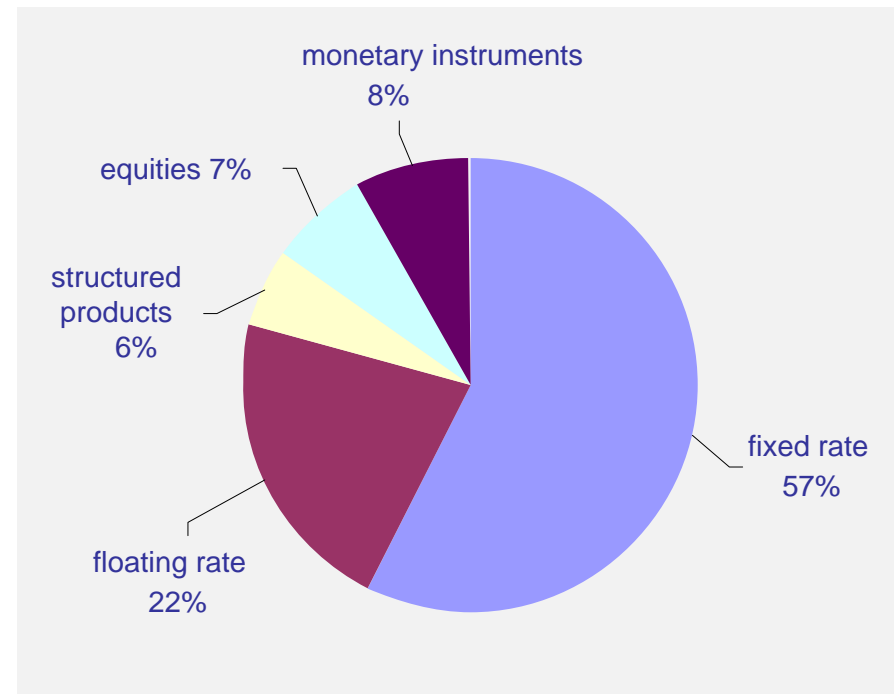
- preference for Italian government bonds
- diversification between sovereign and supranational issuers
- maturities consistent with 'cash flow matching' approach

Insurance business asset allocation

2009 pro-forma



2012 *



expected yield of insurance assets in the Plan period: 4% – 4.3%

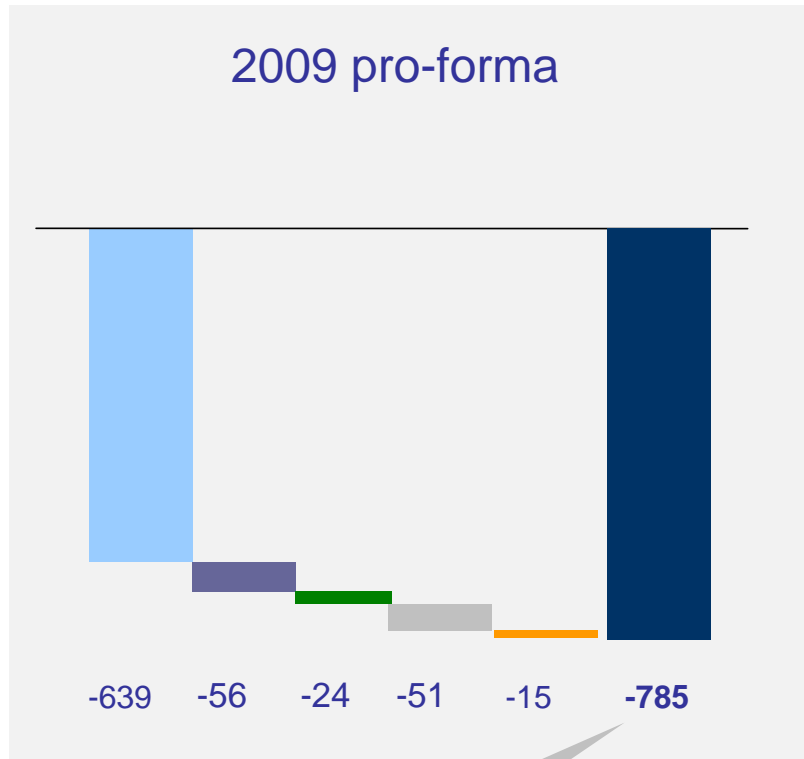
* excluding Arca Group

Consolidated economic results

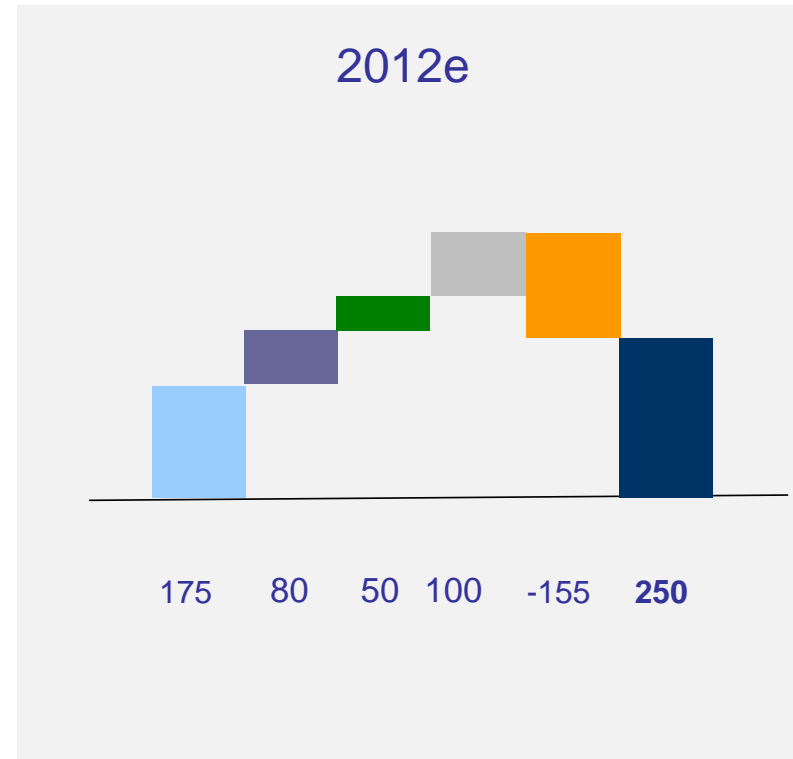
Targets highlights

€m

Net consolidated result by business area*



o/w €631m impairments



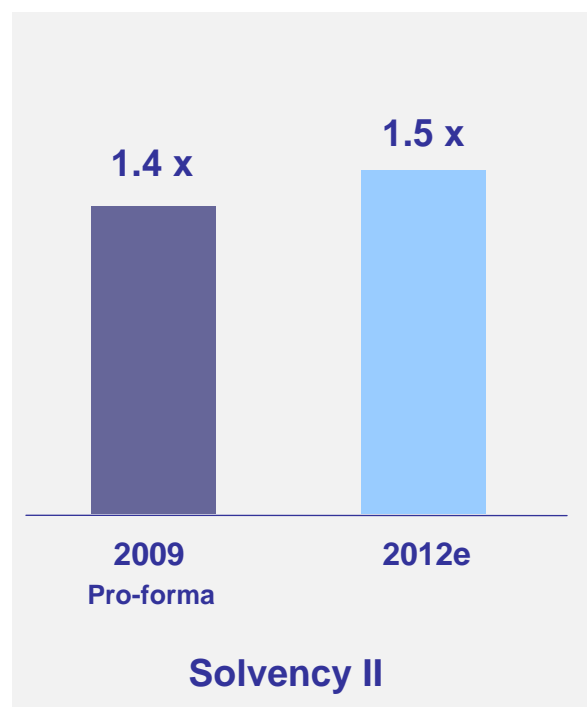
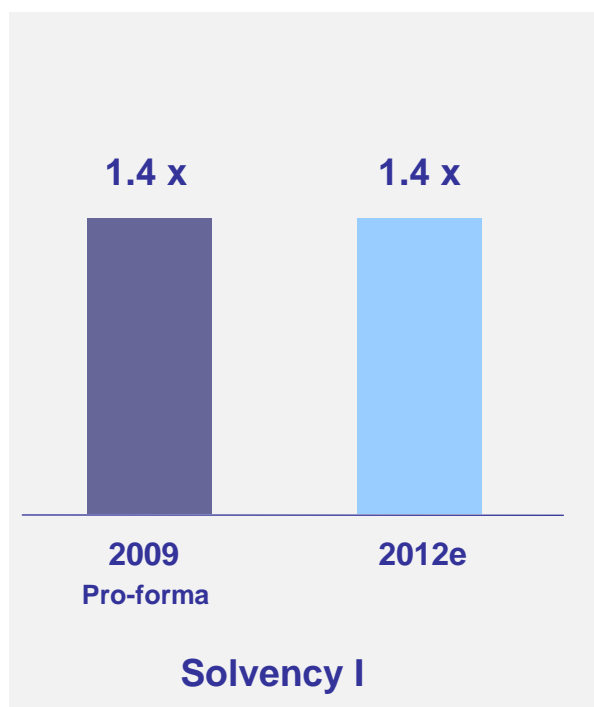
- Non-Life business
- Life business
- Banking business
- Holding
- Consolidation adjustments
- Net consolidated result

* net of taxes, gross of minority interests

Group Solvency

Target highlights

Solvency ratio



Note: Solvency II calculation carried out according to assumptions based on the last regulatory indications. The results shown could change if the Solvency II final rules differ from the proposed ones adopted so far

Disclaimer

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, the Senior Executive Responsible for drawing up the corporate accounts, declares – in accordance with Article 154-bis (2) of the ‘Single Financial Services Act’ – that the accounting information included in this presentation corresponds to the documentary results, the books and accounting records.

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