

Unipol Gruppo Finanziario

# 2007 CONSOLIDATED RESULTS

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Bologna, 20 March 2008

# Agenda

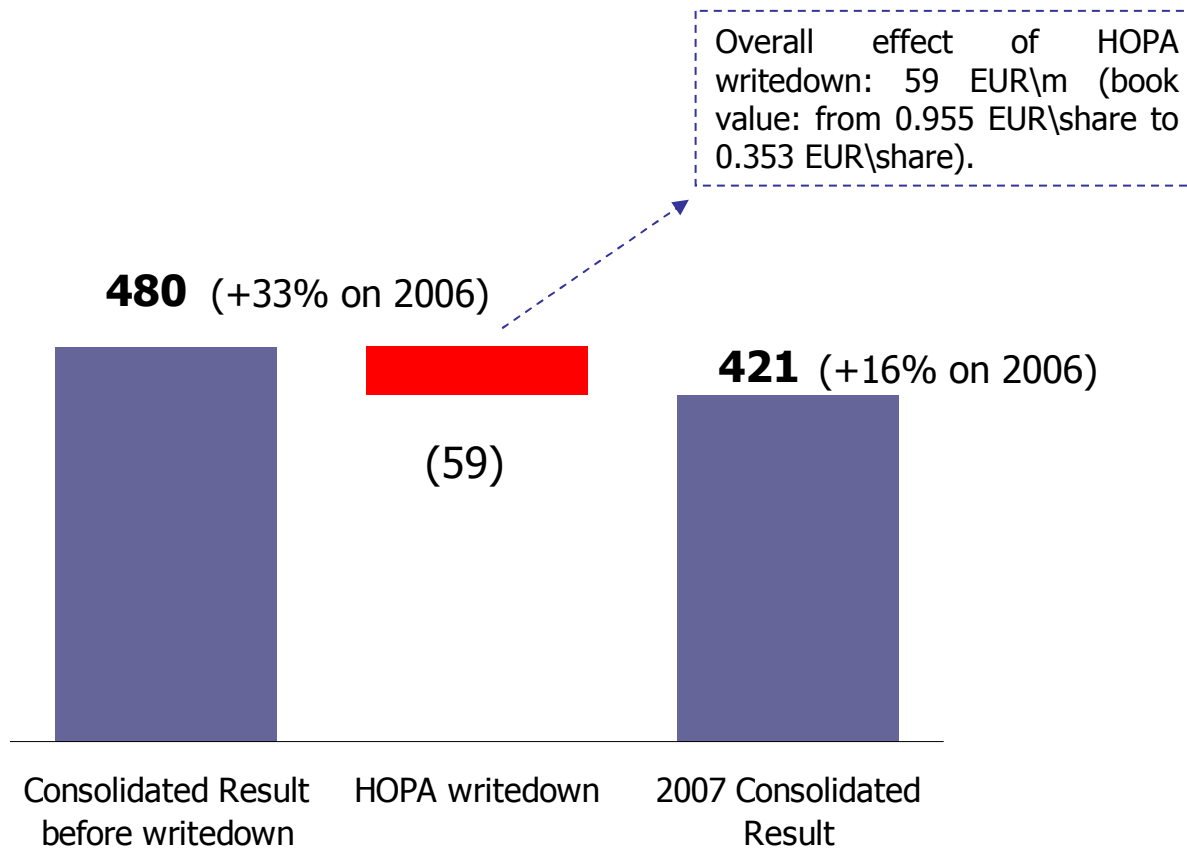
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- 1 Consolidated Result**
- 2 Insurance Business
- 3 Banking Business
- 4 Investment Management
- 5 Focus: investments on structured products
- 6 Dividends and Capital

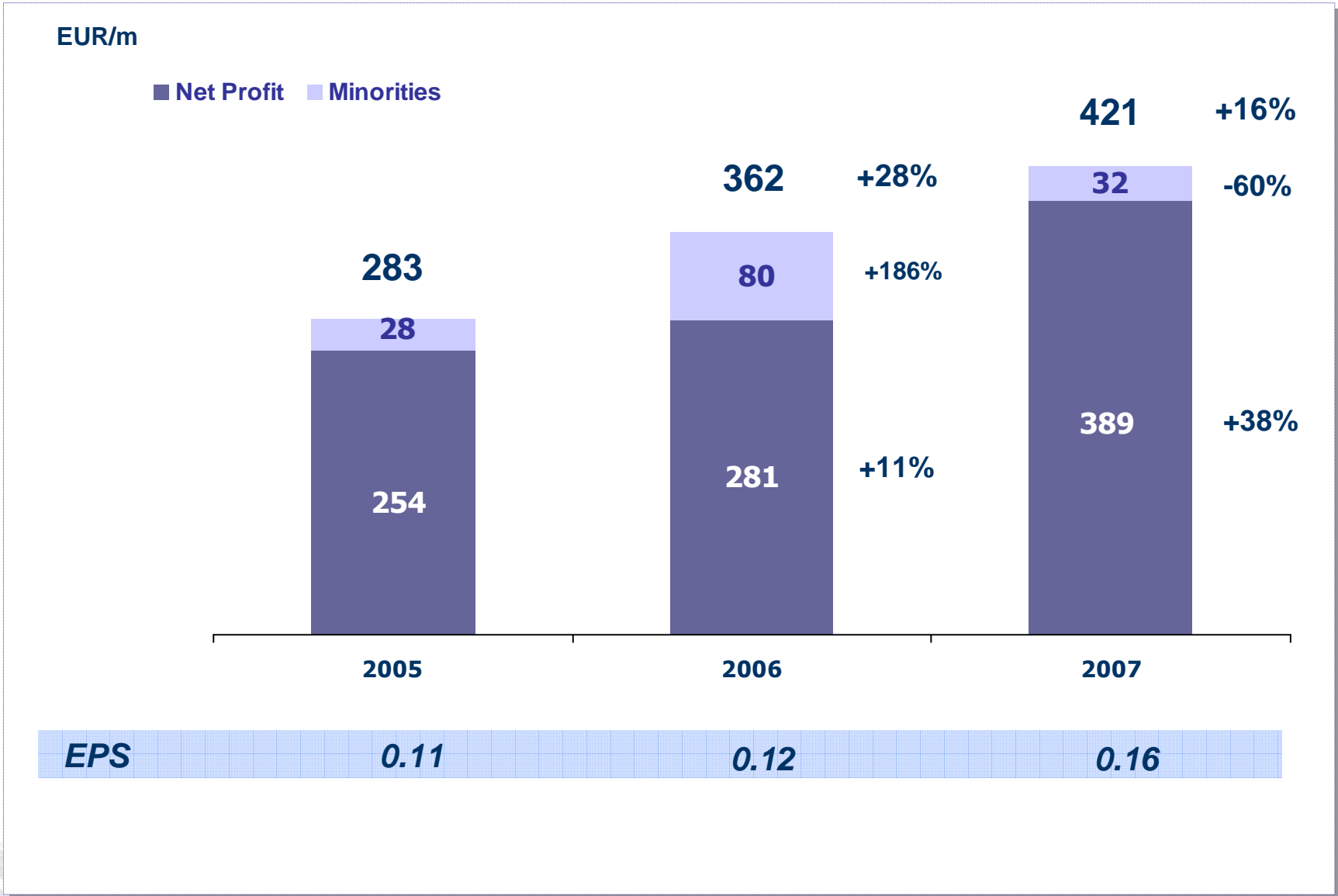


# Consolidated Result

EUR/m



# Consolidated Result - Trend



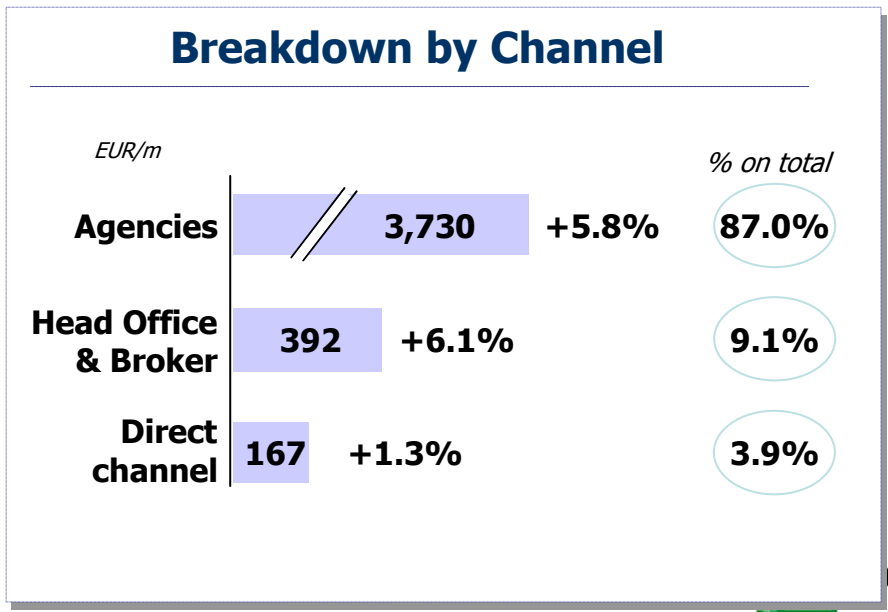
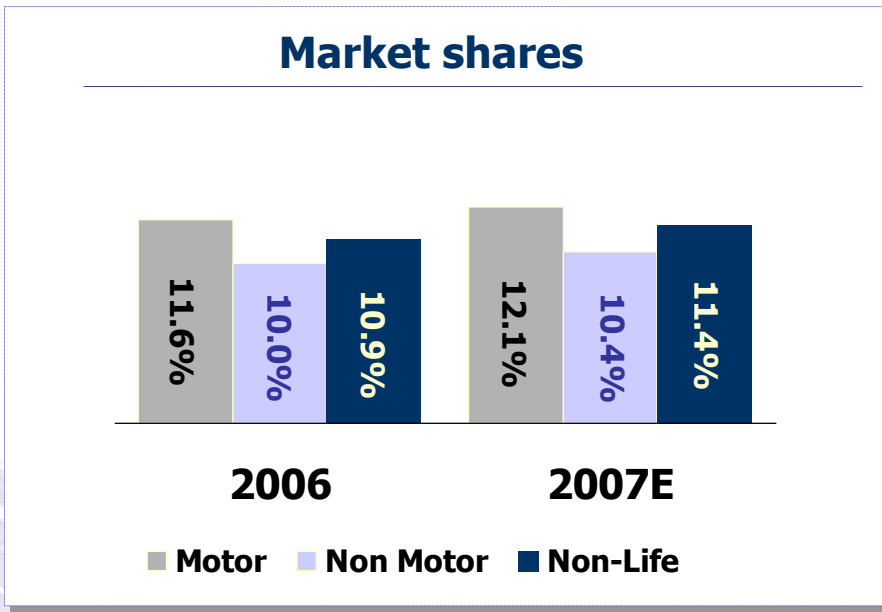
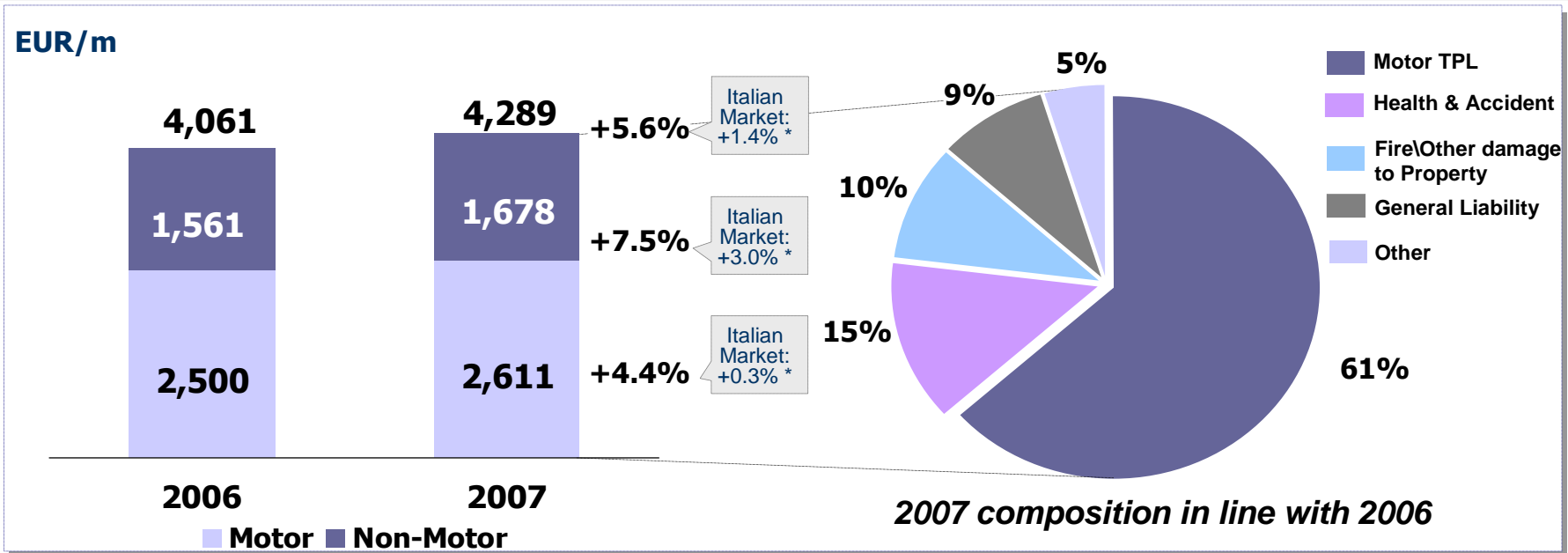
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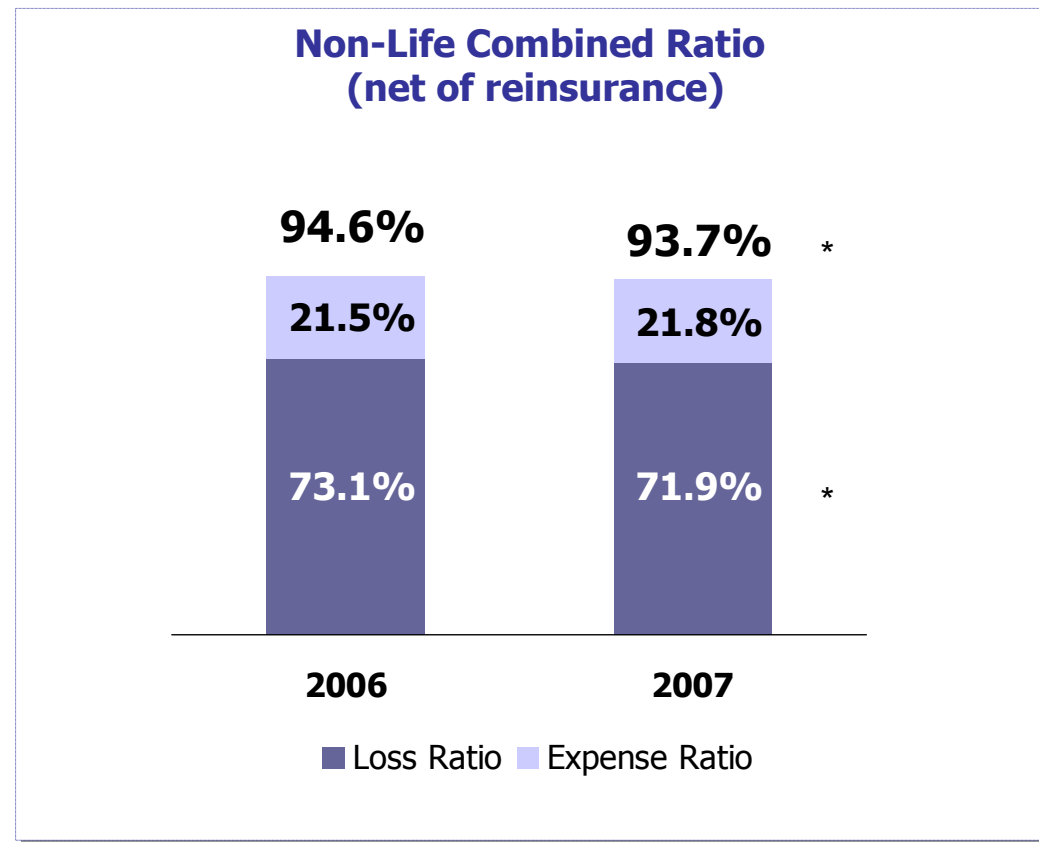
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# Non-Life Direct Premiums



# Combined Ratio

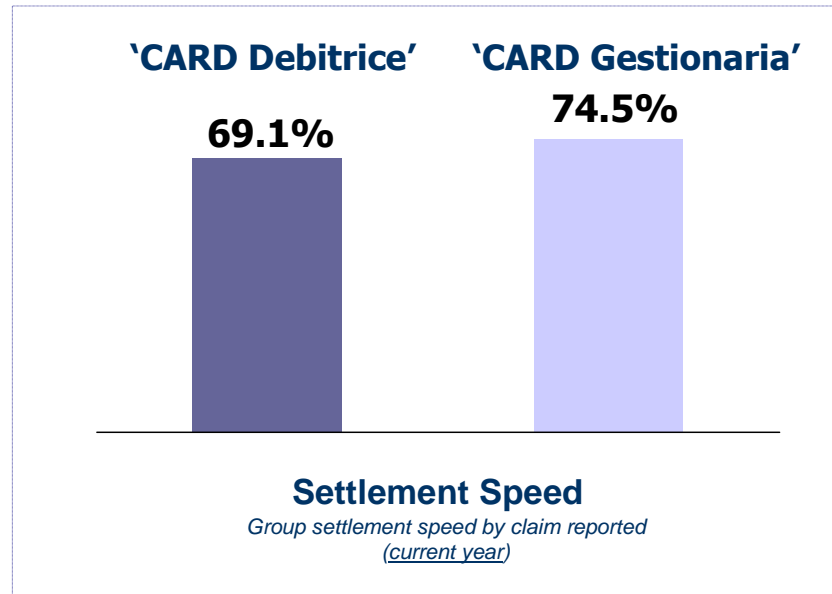
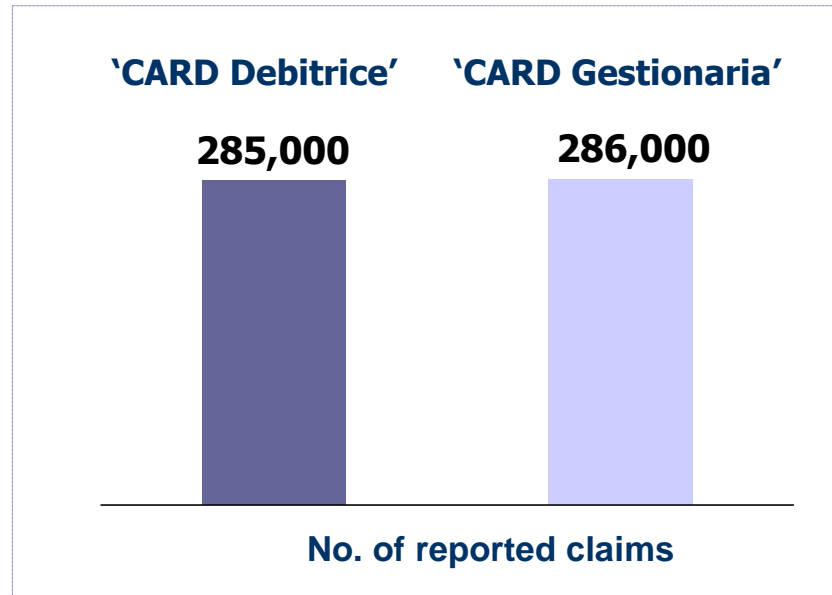


\* Excluding the integration of reserves carried out by Navale Assicurazioni on claims occurred by 2005 from the portfolios of the companies acquired from the Mutuelles du Mans Group. being they subject of a guarantee by the vendor. Gross of such recovery. the combined ratio is 94.4% and the loss ratio 74.6%.



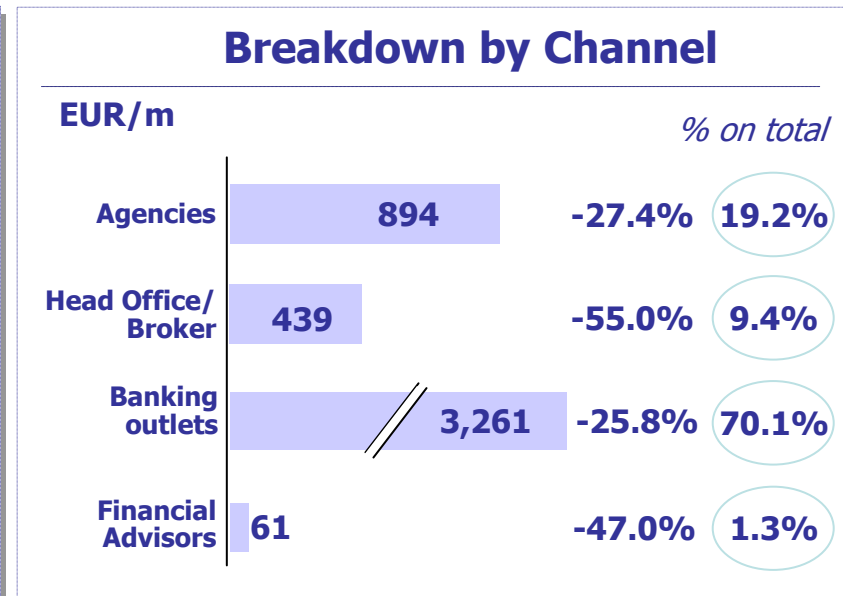
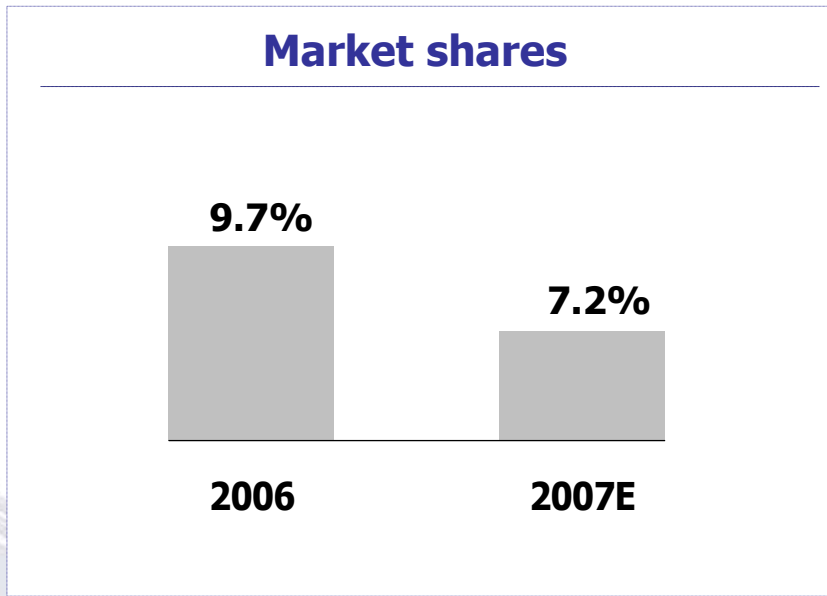
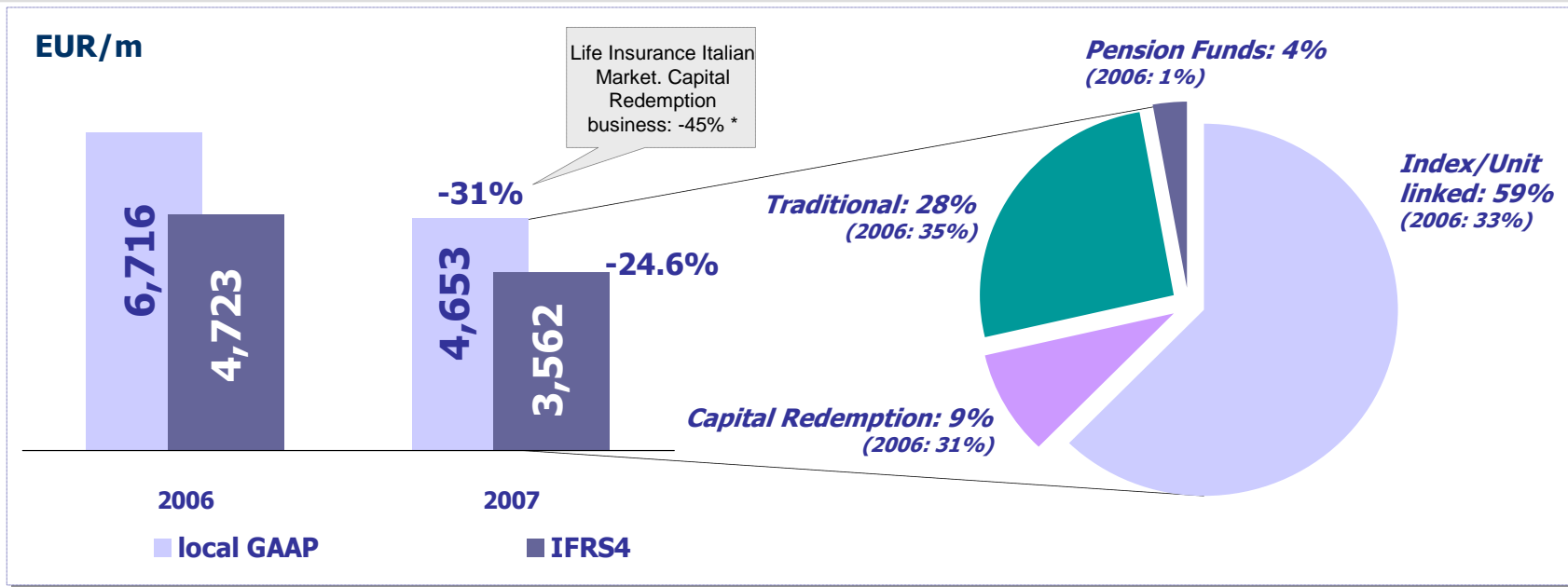
# Motor TPL business – 2007

## Direct Settlement Agreement (CARD) – First Evidences



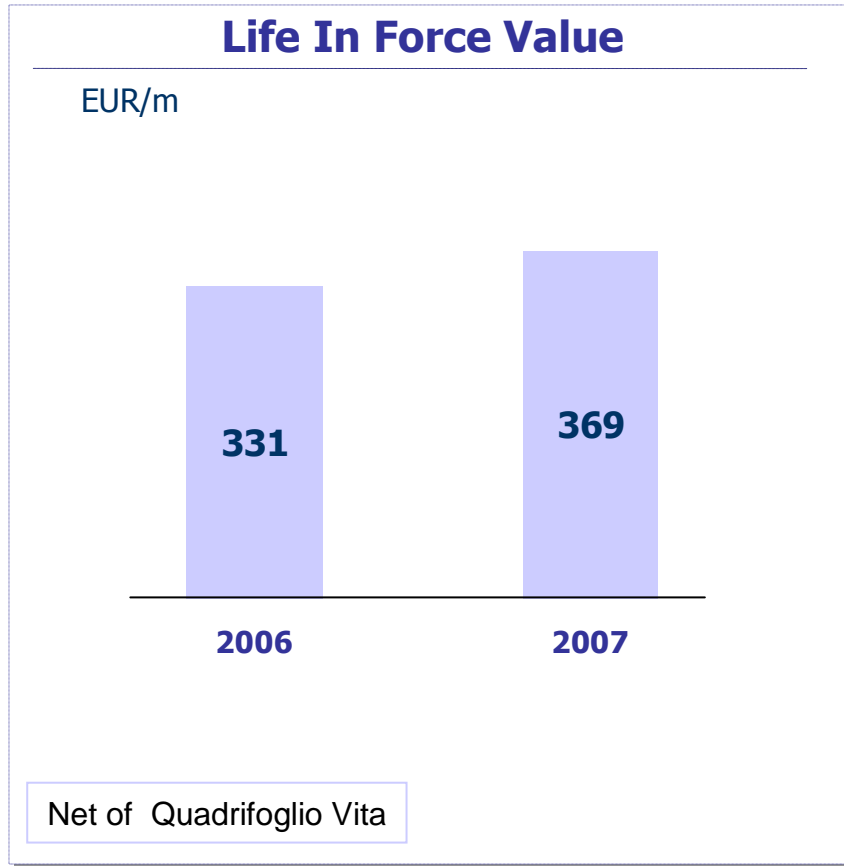


# Life Premiums



\* Company elaborations on PROMETEIA FY07 estimates.

# In Force Value and New Business Margin



#### HYPOTHESIS ADOPTED:

- Discount Rate: 6.50%
- Yield Rate: 4.25%
- Tax-rate: 35%

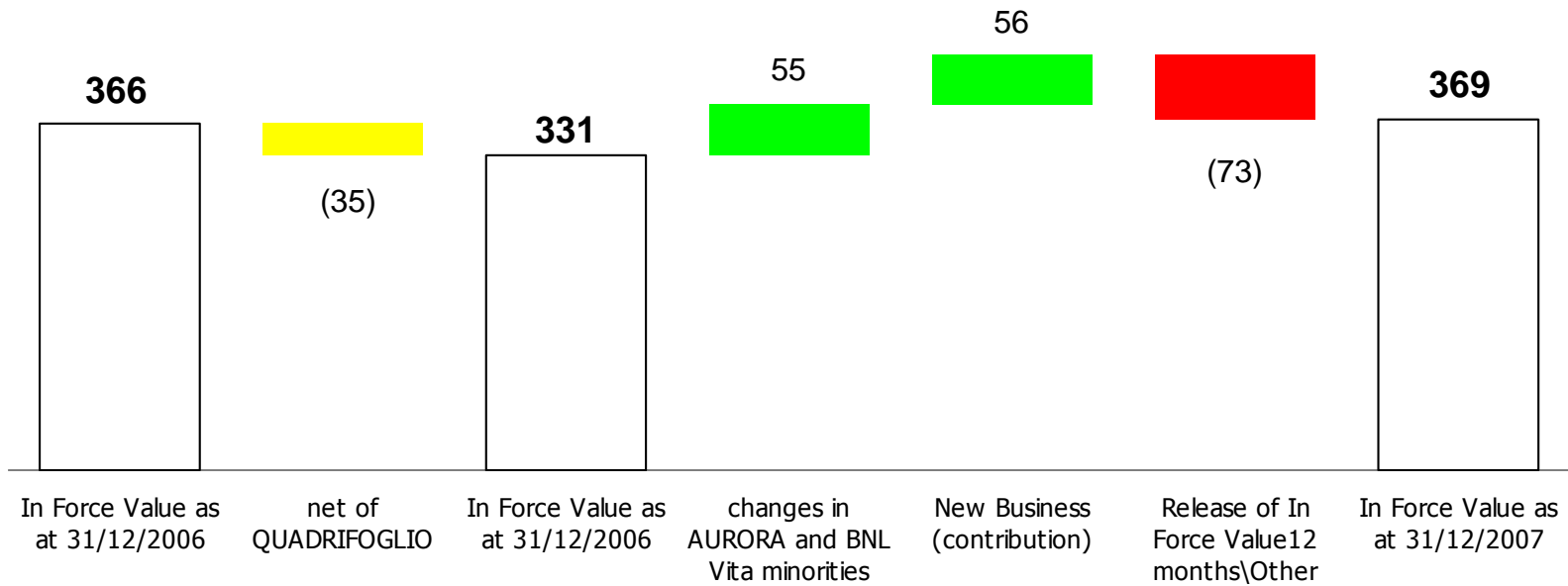
Figures relating to New Business Value and Life Embedded Value are net of taxes, policyholders' benefits, cost of capital and minorities.



# In Force Value roll-forward

Eur\m

Pro-quota Figures



# Agenda

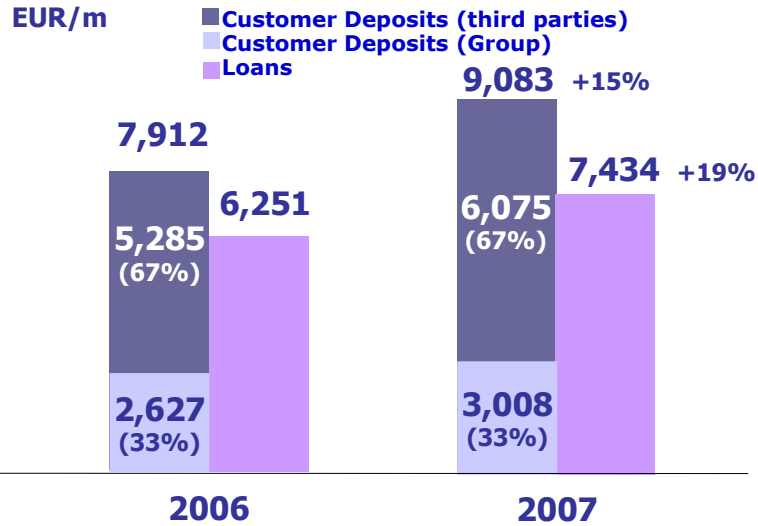
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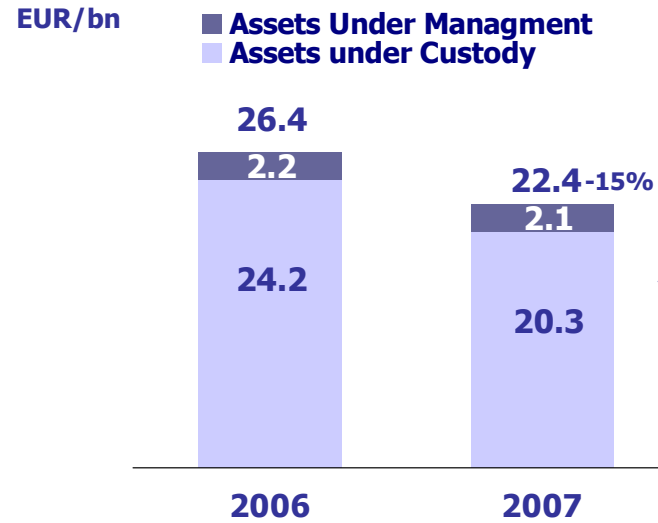


# Unipol Banca – Key Financials

## CUSTOMER DEPOSITS AND LOANS



## CUSTOMER FUNDS



Decrease in funds under custody due to the infra-group rearrangement of assets for 3.9 €/mld

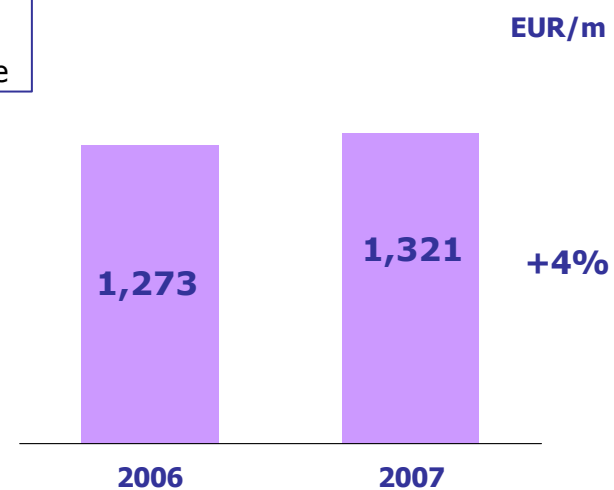
## BAD AND DOUBTFUL LOANS

EUR/m

	2006	2007
Net bad and doubtful loans	41	69
Loans	6,251	7,434
Net bad and doubtful loans/Loans	0.66%	0.93%
<b>Sector (source: ABI)</b>	<b>1.25%</b>	<b>1.20%</b>

65% guaranteed by mortgage

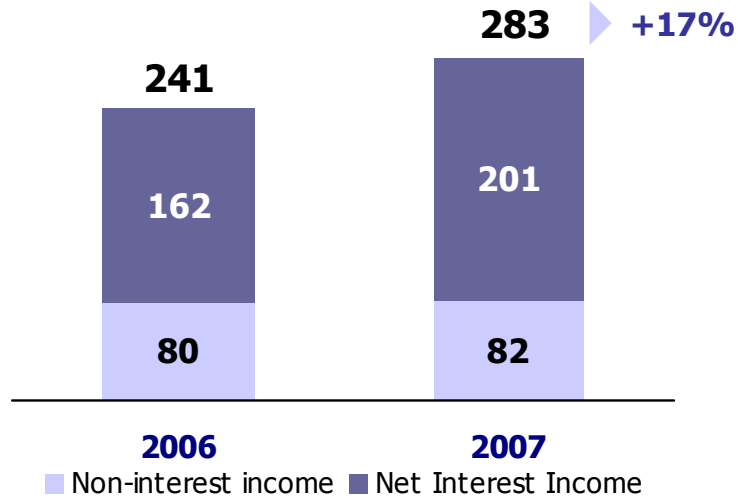
## NEW MORTGAGE LOANS



# Unipol Banca – Key Financials

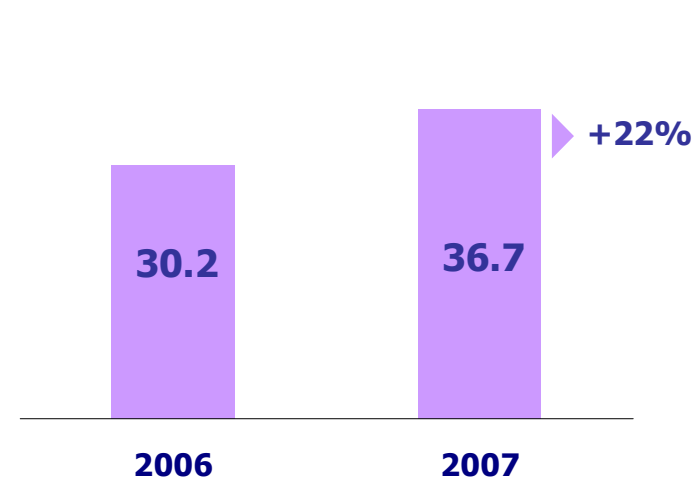
## GROSS OPERATING INCOME

EUR/m

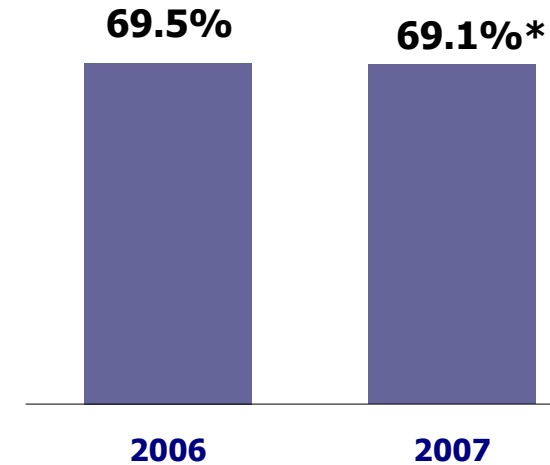


## NET PROFIT

EUR/m



## COST / INCOME RATIO



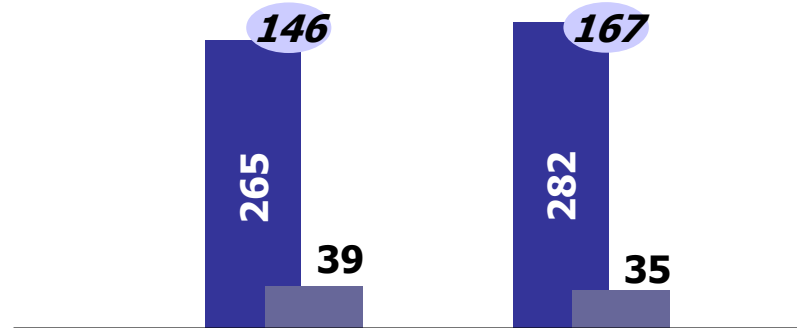
*(\*) Reported 2007 cost/income reached 71% due to 5.2 EUR/m extraordinary costs*



# Unipol Banca – Key Financials

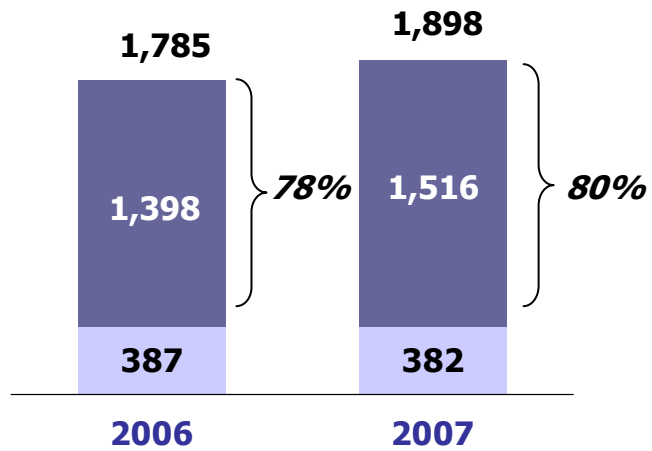
## DISTRIBUTION NETWORK

- Branches
- Fin. Counters
- Branches co-located with insurance agencies



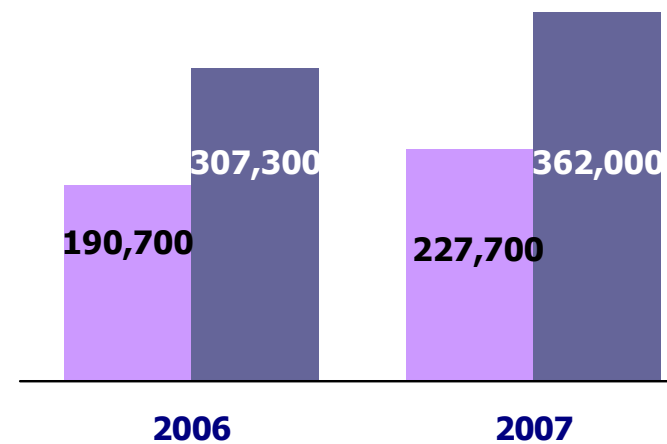
## EMPLOYEES

- Head Office
- Commercial Network



## C/ACCOUNTS - CUSTOMERS

- C/Accounts
- Customers



# Agenda

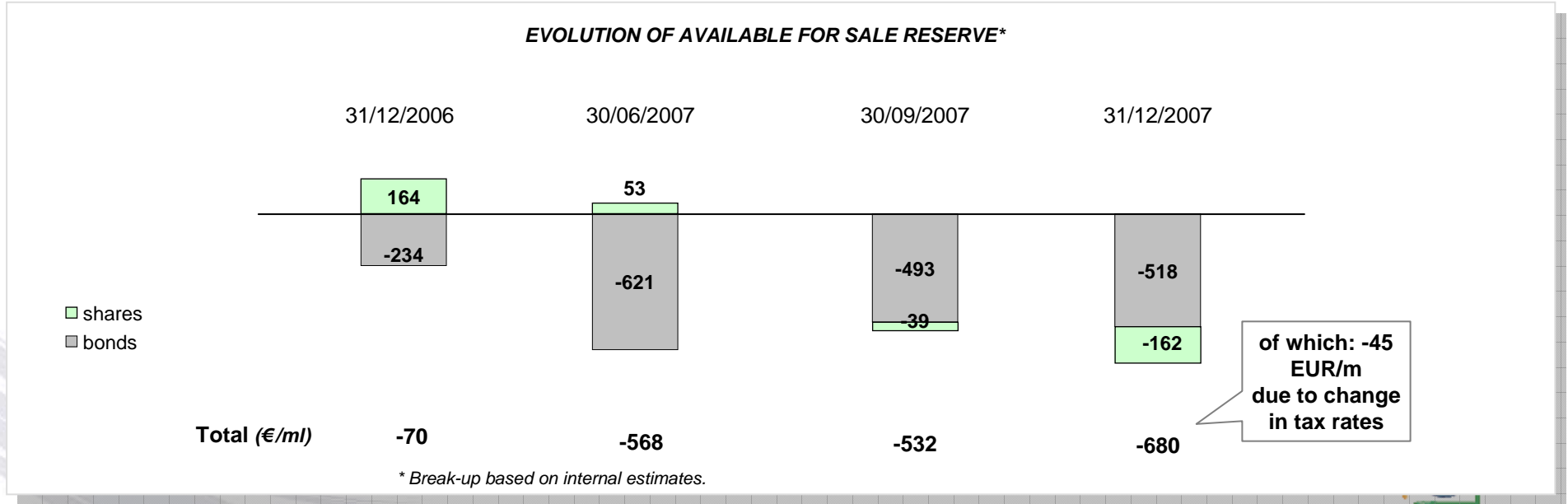
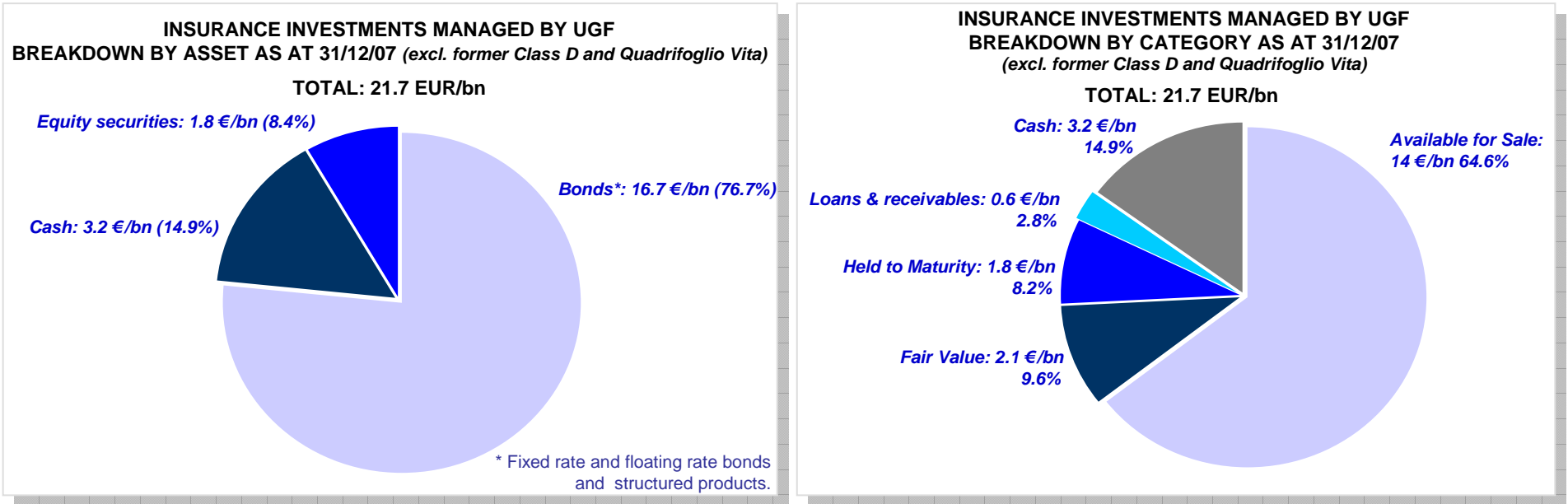
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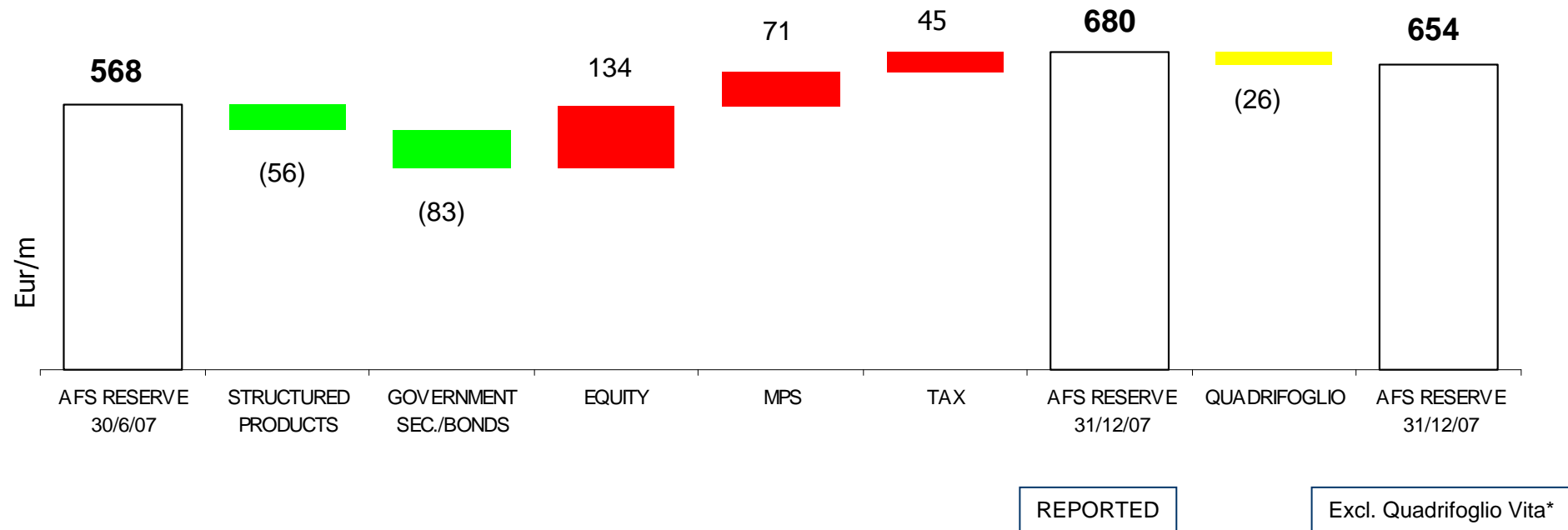




# AFS reserve and investments break-up



## Evolution of Group AFS Reserve: from 30/06/07 to 31/12/07



\* a company currently being sold.



# Agenda

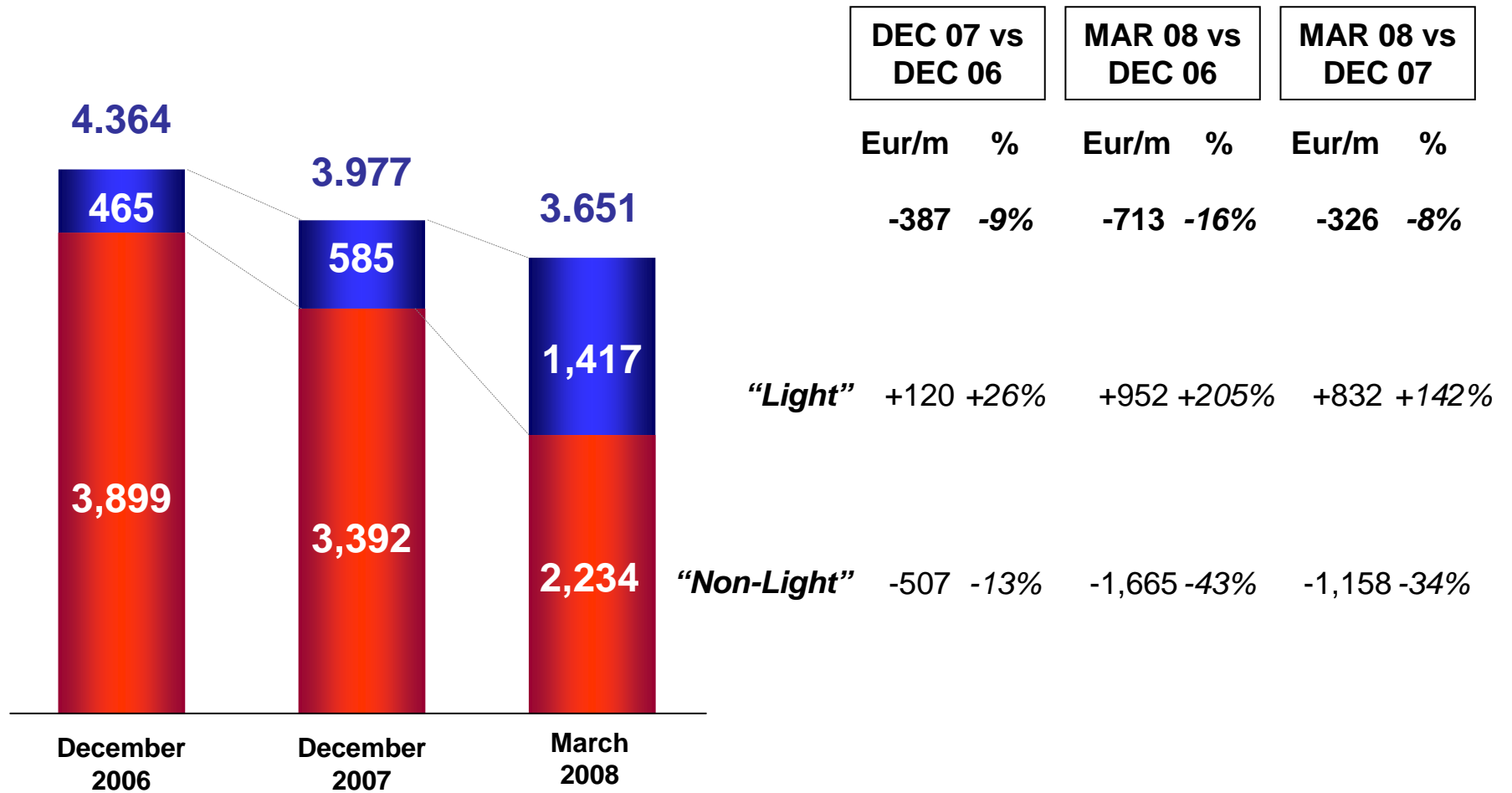
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# Evolution of structured products portfolio

EUR/mln



# Operating guidance

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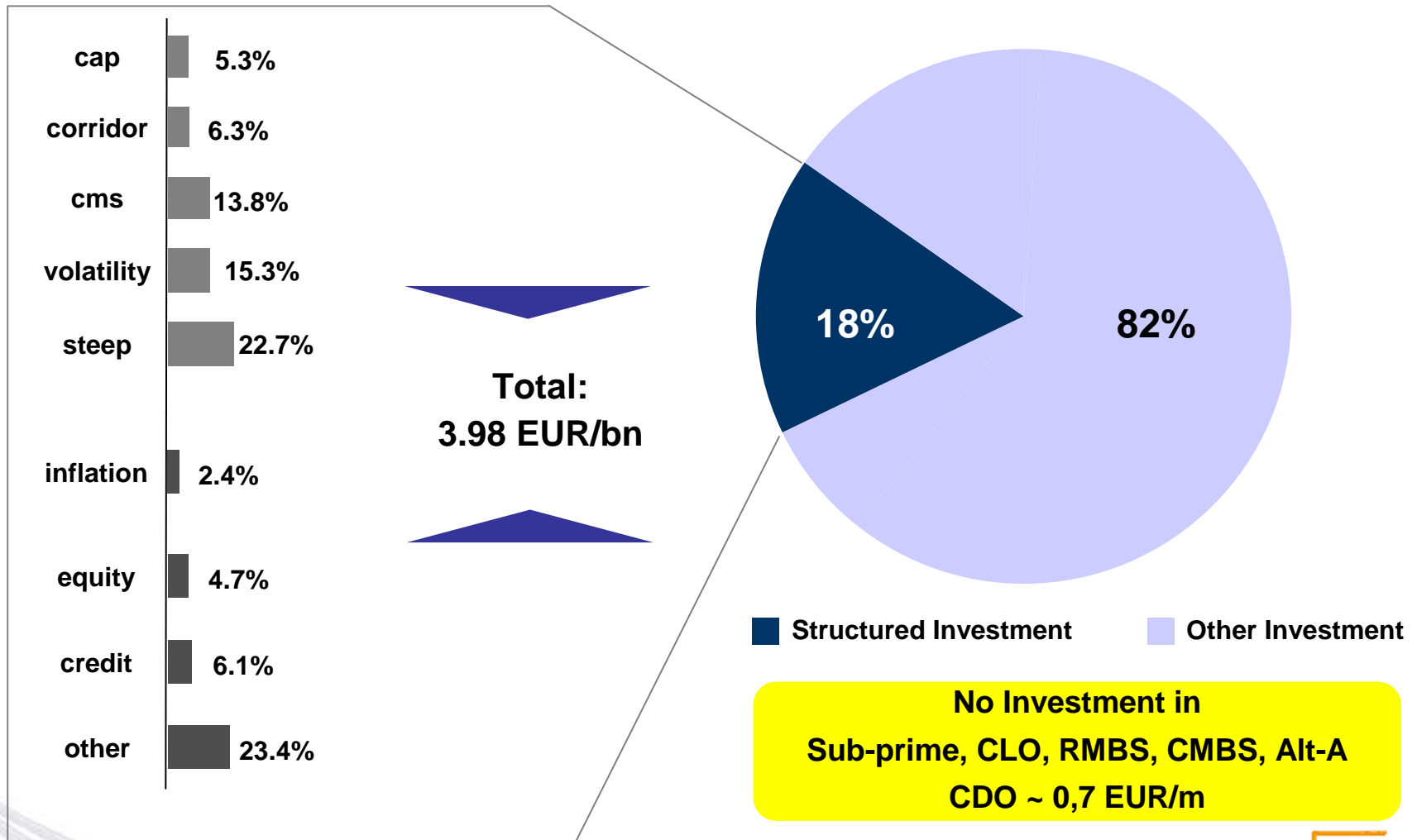
## FIRST QUARTER 2008 ACTIONS

- **Simplification of portfolio securities payout**
- Higher guarantee in **expected coupons**
- Reduction in exposure to underlying assets linked to **equity funds. credit and mixed equity/credit**
- Repositioning on medium- and long-term floating rates (i.e. 10 years Swap)
- 'Sustainable' reduction in **Non-life portfolio duration**
- **Higher overall liquidity** in portfolio
- **Reducing P&L volatility** focusing on IFRS categories



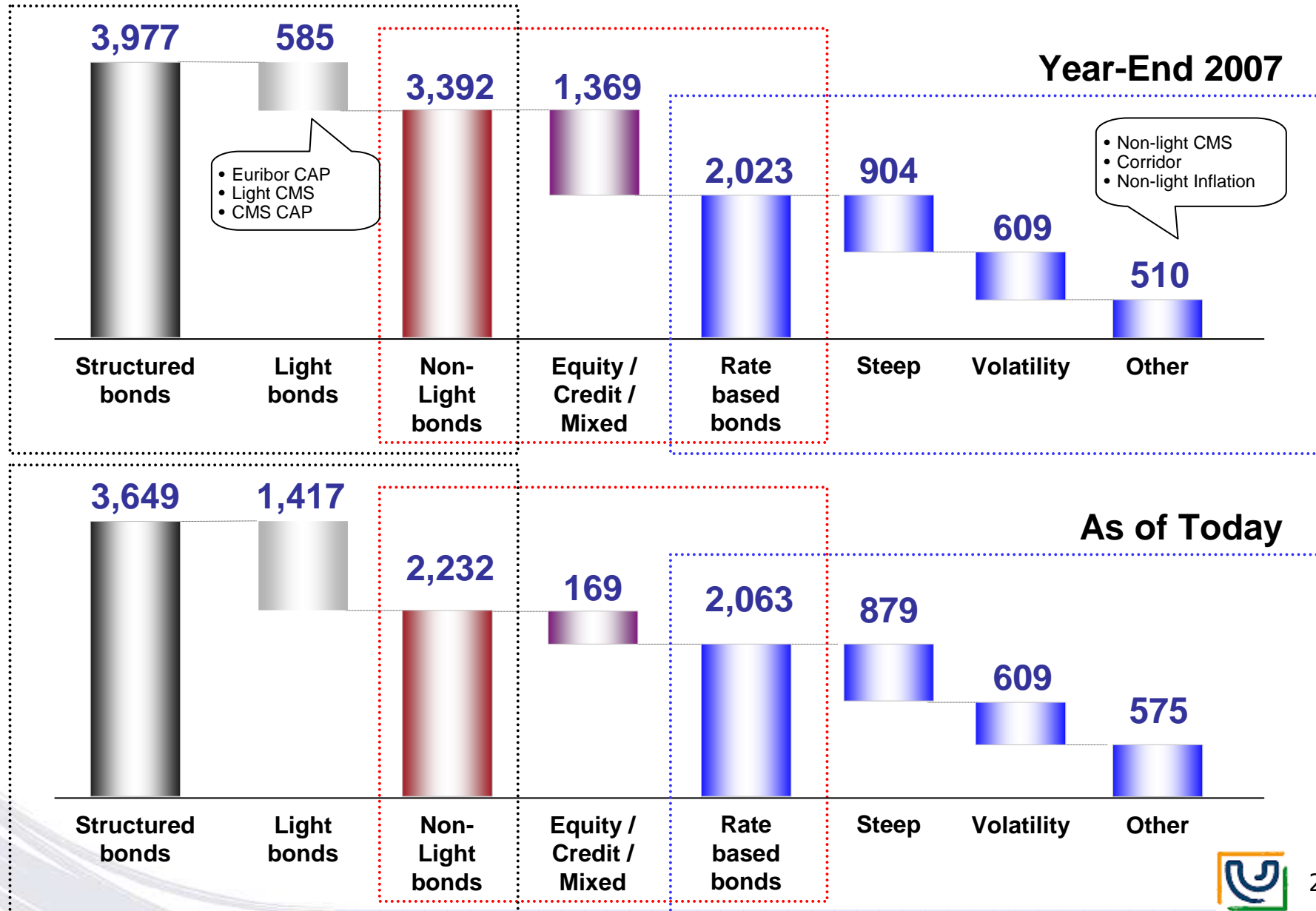
# Breakdown as of 31/12/07

Total Insurance Investment 21.75 EUR/bn  
(excl. former Class D and Quadrifoglio Vita)



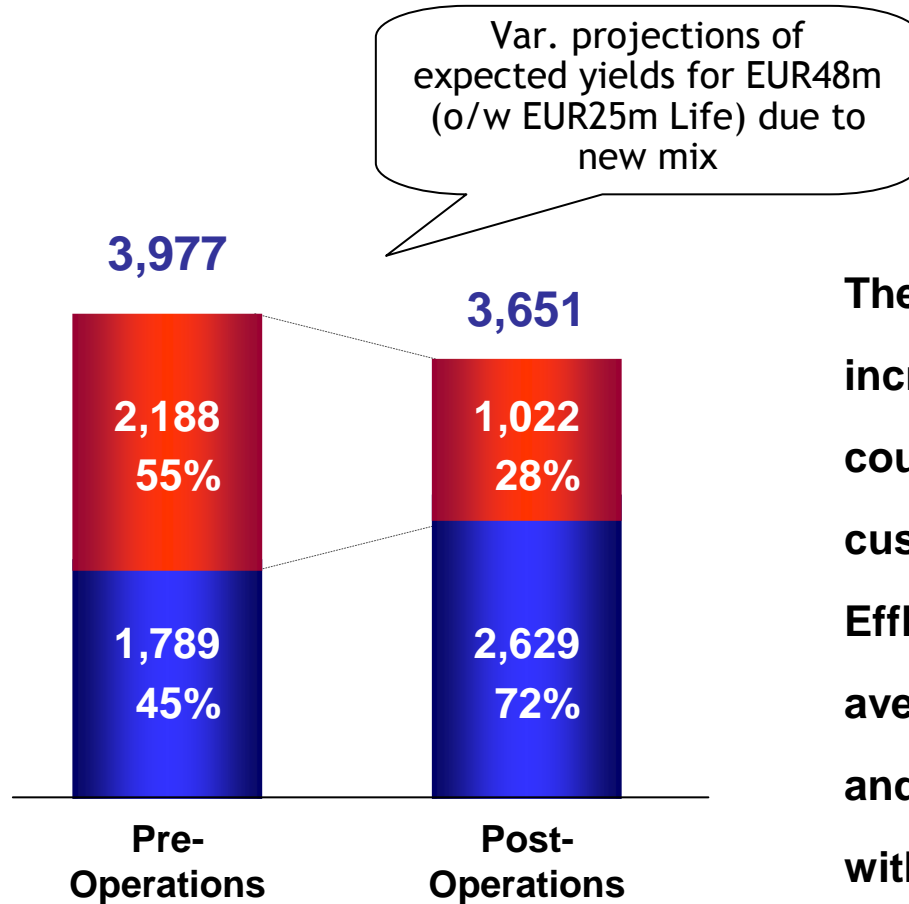
# Current Situation – managerial view

EUR/m



# Structured Bonds – Coupon profile

EUR/m



The restructuring operations increased the certain expected coupons with benefits also for our customers.

Effluence of 1,761 EUR/m assets with average expected coupon of 0.85% and incoming 1,170 EUR/m of assets with average coupon of 5.38%

-  Uncertain Coupons
-  Certain Coupons





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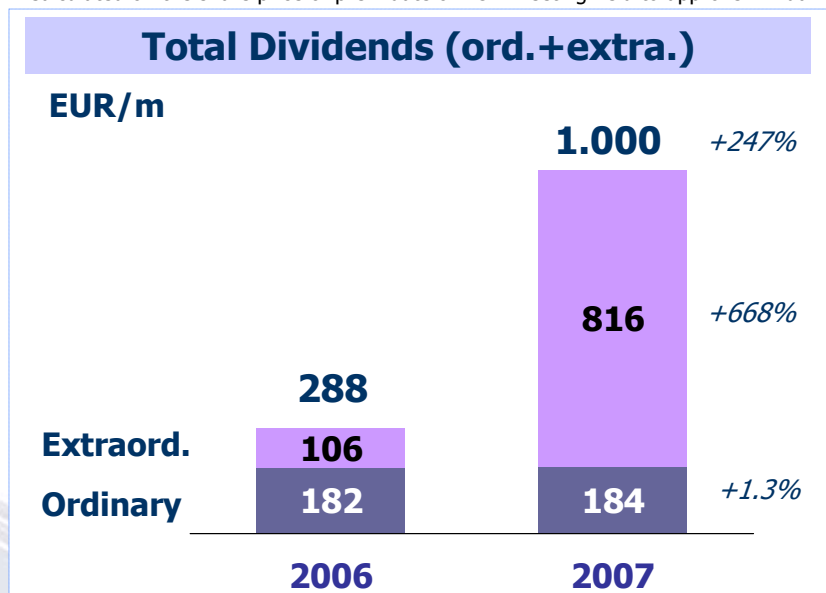


# Proposed Dividend

Preference Shares – Dividend per Share (EUR)		
	2006	2007
<b>No. of shares</b>	899.619.864	911.540.314
Ordinary Dividend	0.0802	0.0802
Extraord. Dividend	0.0450	0.3411
<b>Dividend Per Share</b>	<b>0.1252</b>	<b>0.4213</b>
Share price	2.554	1.664
* Dividend Yield (div. ord.)	3.14%	5.06%
* Dividend Yield (div. tot.)	4.90%	26.60%

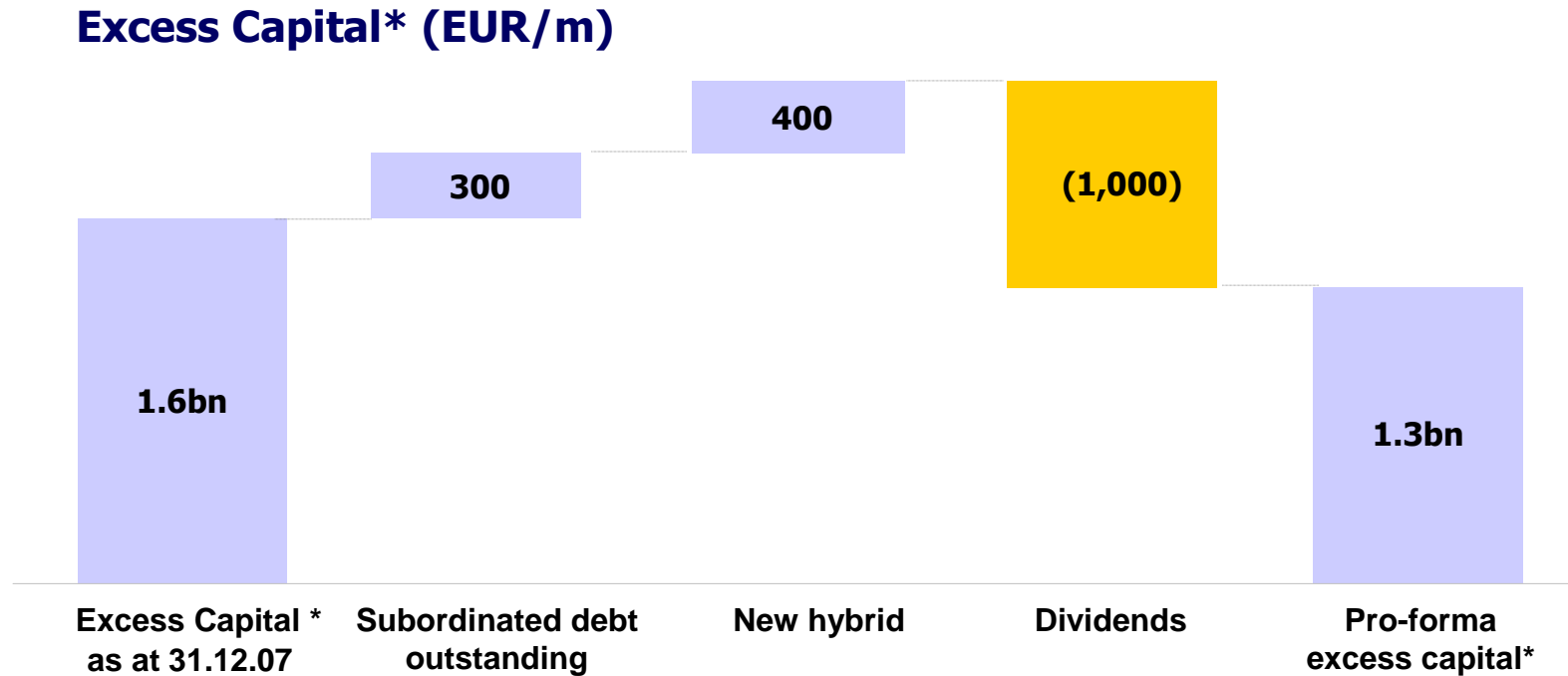
Ordinary Shares – Dividend per Share (EUR)		
	2006	2007
<b>No. of shares</b>	1.460.524.546	1.479.885.786
Ordinary Dividend	0.0750	0.0750
Extraord. Dividend	0.0450	0.3411
<b>Dividend Per Share</b>	<b>0.1200</b>	<b>0.4161</b>
Share price	2.814	1.793
* Dividend Yield (div. ord.)	2.67%	4.37%
* Dividend Yield (div. tot.)	4.26%	24.23%

\* Calculated on the share price of prev. date of BOD meeting held to approve Annual Accounts.



Pay-out		
	2006	2007
Net of extraordinary dividend payment		
<b>Unconsolidated</b>	<b>97.1%</b>	<b>63.7%</b>
<b>Consolidated</b>	<b>64.6%</b>	<b>47.3%</b>

# UGF GROUP - excess capital evolution \*



## Solvency margin coverage



**After these actions. the Group maintains a strong regulatory capital**

\* Based on minimum regulatory requirements.



## Disclaimer

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



## Contacts

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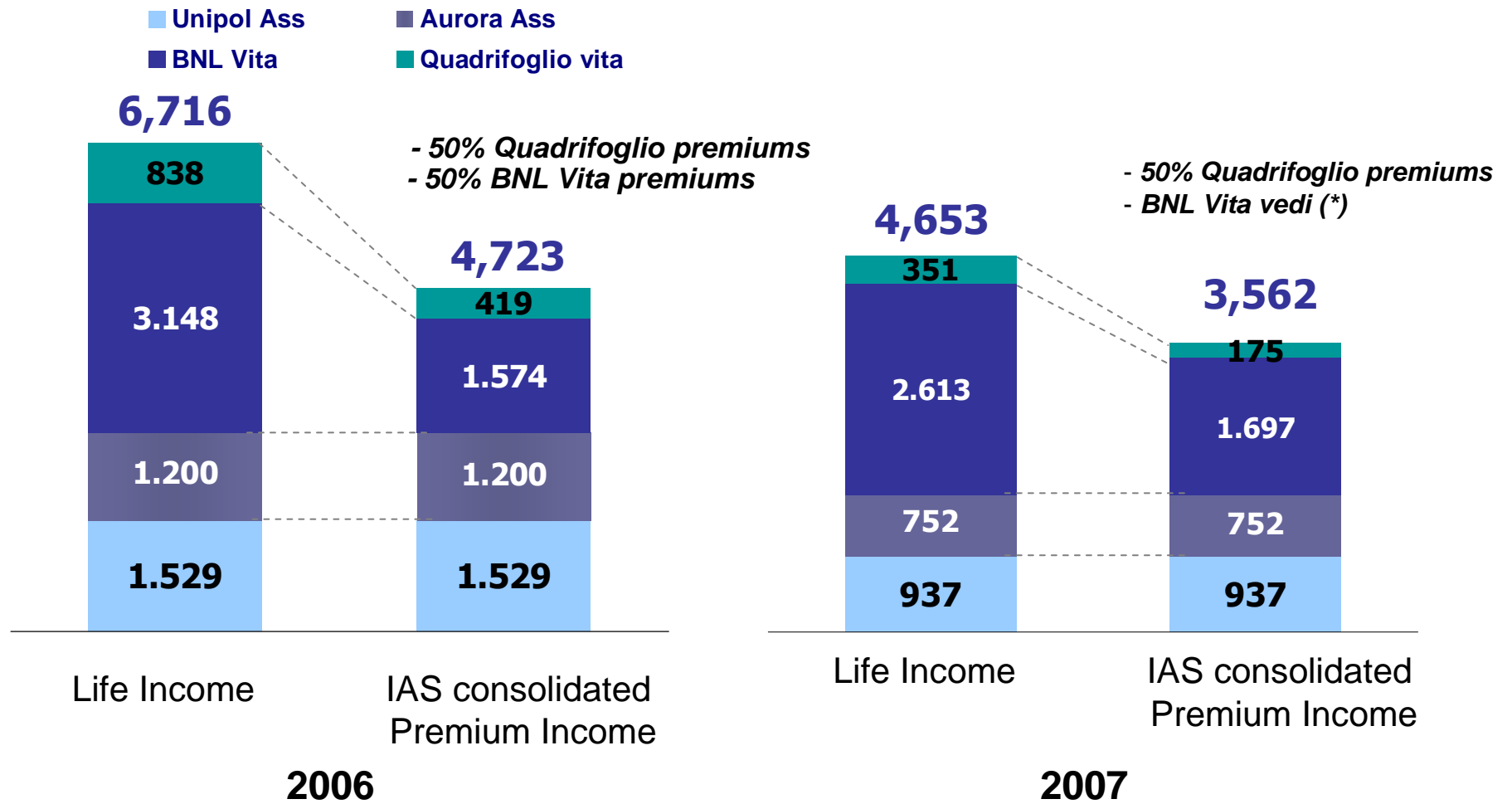


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# BACK - UP



# Life Income – IAS premiums



(\*)

	1 half 2007	2 half 2007	fy2007
BNL Vita premium income	1.832	781	2.631
	x 50%	x 100%	
BNL Vita premium income on IAS accounting	916	781	1.697



## Income statement by Sector - Summary

	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE TOTAL		
	31/12/07	31/12/06	var. %	31/12/07	31/12/06	var. %	31/12/07	31/12/06	var. %
Net premium income	3,934	3,706	6.2	3,528	4,674	-24.5	7,463	8,381	-11.0
Net commissions	0	0		(2)	4		(2)	4	
Financial Income/Charges	337	358	-5.7	655	674	-2.8	992	1,032	-3.8
Net charges related to claims	(2,855)	(2,710)	5.4	(3,914)	(5,118)	-23.5	(6,769)	(7,828)	-13.5
Operating Expenses	(888)	(827)	7.4	(144)	(154)	-6.4	(1,033)	(981)	5.3
Other Income/Charges	(33)	(52)	-36.1	21	(1)		(12)	(52)	-77.2
<b>Profit (loss) before taxation</b>	<b>495</b>	<b>476</b>	<b>4.1</b>	<b>144</b>	<b>79</b>	<b>81.6</b>	<b>639</b>	<b>555</b>	<b>15.1</b>

	BANKING BUSINESS			HOLDING & SERVICES			intersector eliminations		CONSOLIDATED TOTAL		
	31/12/07	31/12/06	var. %	31/12/07	31/12/06	var. %	31/12/07	31/12/06	31/12/07	31/12/06	var. %
Net premium income									7,463	8,381	-11.0
Net commissions	81	75	8.4				(3)	(2)	76	76	0.1
Financial Income/Charges	191	155	22.7	(11)			(41)	(24)	1,131	1,163	-2.8
Net charges related to claims							1	1	(6,768)	(7,827)	-13.5
Operating Expenses	(211)	(181)	16.5	(129)			96	6	(1,277)	(1,156)	10.5
Other Income/Charges	1	6		79			(87)	(0)	(18)	(46)	-60.7
<b>Profit (loss) before taxation</b>	<b>62</b>	<b>55</b>	<b>12.9</b>	<b>(61)</b>			<b>(33)</b>	<b>(19)</b>	<b>607</b>	<b>591</b>	<b>2.7</b>
Taxation									(186)	(229)	-19.0
<b>Consolidated Profit (loss)</b>									<b>421</b>	<b>362</b>	<b>16.5</b>
Profit (loss) - minority interests									32	80	
<b>Profit (loss) - Group</b>									<b>389</b>	<b>281</b>	<b>38.4</b>

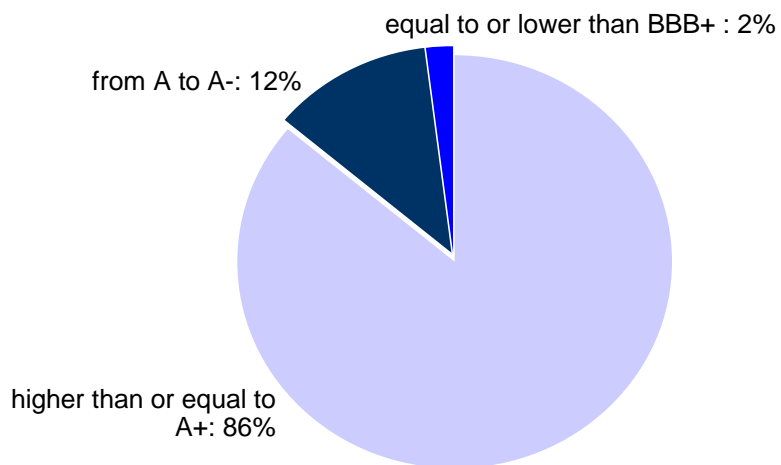




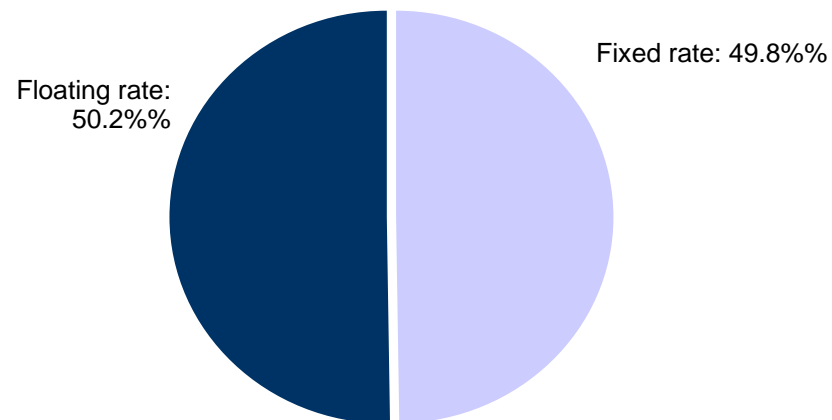
# Bond securities as at 31/12/2007

Insurance investments managed by UGF, fixed rate, floating rate, structured products, excl. Former class D and Quadrifoglio Vita. Total 16.7 Eur/Bn

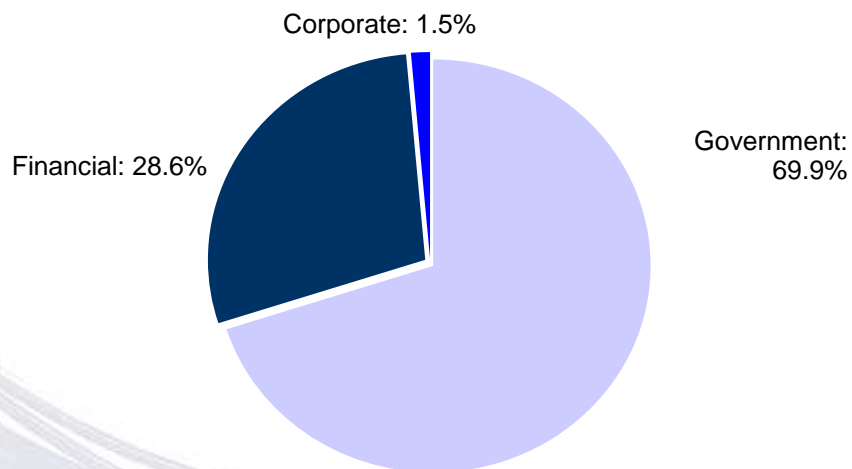
### Breakdown by rating



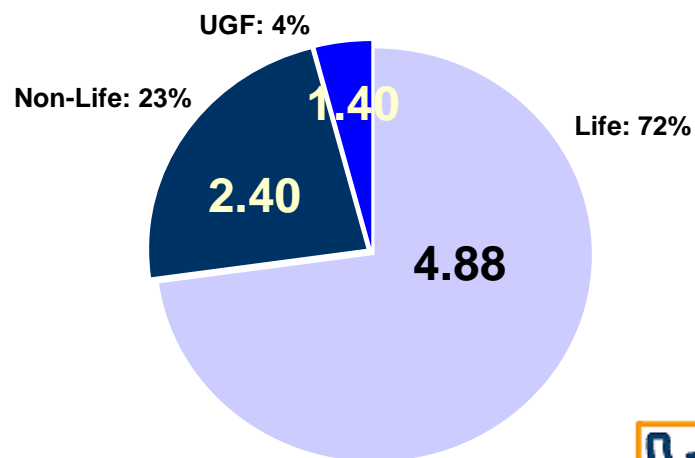
### Breakdown by typology



### Breakdown by issuer



### Breakdown by duration\*



\* Including monetary investments and liquidity.



## Bond securities as at 31/12/2007

Insurance investments managed by UGF, fixed rate, floating rate, structured products, excl. Former class D and Quadrifoglio Vita. Total 16.7 Eur/Bn

Amounts in Euro/000, net of  $\Delta$  AFS reserve

	GOVERNMENT		FINANCIAL		CORPORATE	
Split by maturity	Amount	%	Amount	%	Amount	%
Total bonds due by 2008	409.915	4%	441.982	9%	10.033	4%
Total bonds due by 2009	78.612	7%	365.259	8%	6.623	3%
Total bonds due between 2010 and 2011	1.035.147	9%	534.093	11%	37.736	15%
Total bonds due between 2012 and 2015	4.044.087	35%	1.225.172	26%	44.613	18%
Total bonds due over 2015	5.386.653	46%	2.209.883	46%	154.872	61%
<b>Grand total</b>	<b>11.663.414</b>	<b>100%</b>	<b>4.776.389</b>	<b>100%</b>	<b>253.877</b>	<b>100%</b>

	GOVERNMENT		FINANCIAL		CORPORATE	
Split by issuing country	Amount	%	Amount	%	Amount	%
Total bonds – Eurozone issuer	11.366.120	97%	2.814.877	59%	192.009	76%
Total bonds – Non-Eurozone Europe issuer	297.115	3%	1.253.614	26%	30.105	12%
Total bonds – USA issuer	0	0%	688.901	14%	31.763	13%
Total bonds – other issuer	179	0%	18.997	0%	0	0%
<b>Grand total</b>	<b>11.663.414</b>	<b>100%</b>	<b>4.776.389</b>	<b>100%</b>	<b>253.877</b>	<b>100%</b>

