

Unipol
Group

RESULTS AS AT 31 DECEMBER 2010

Bologna, 24 March 2011

Carlo Cimbri
CEO

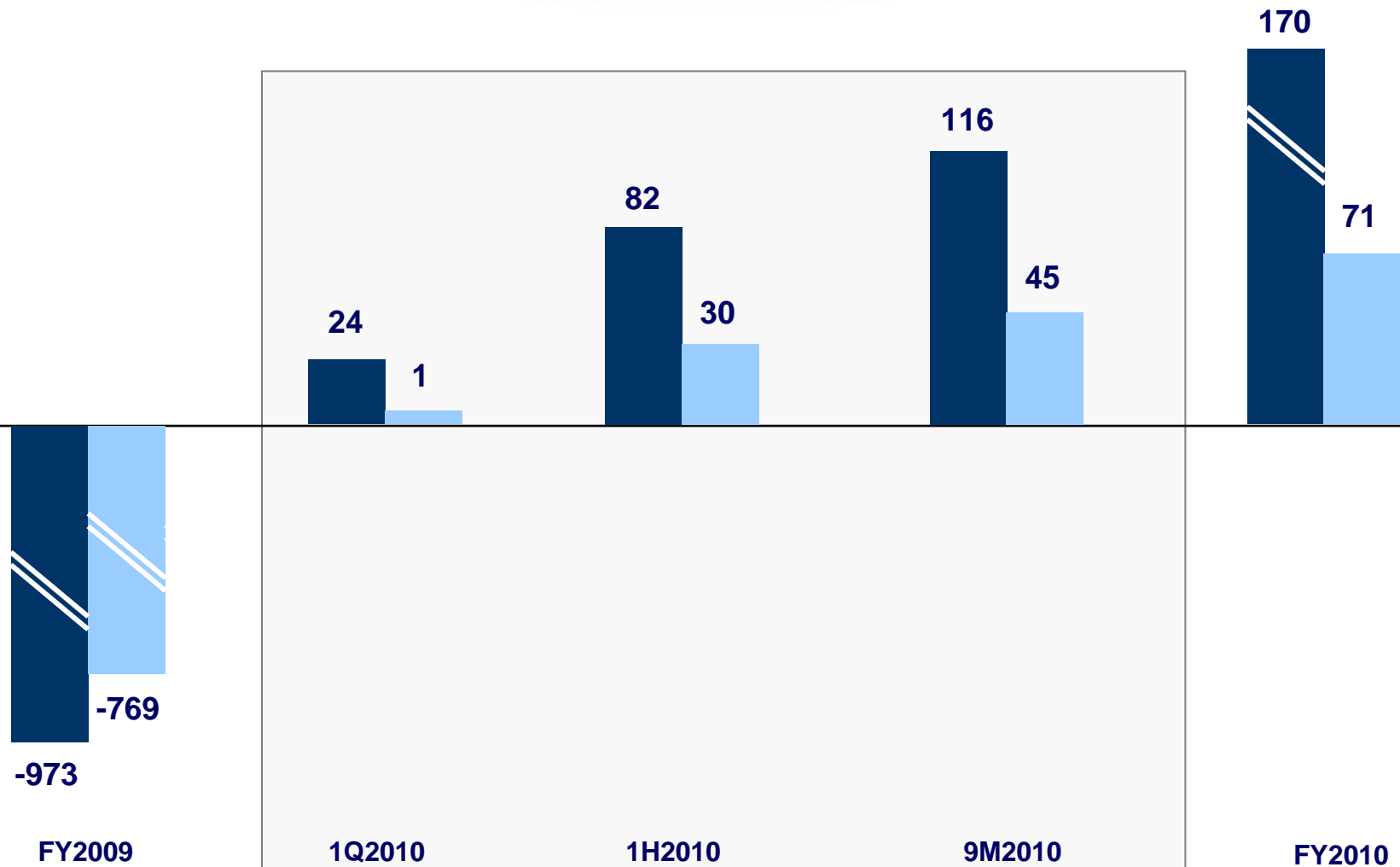


Agenda

- 1 Consolidated result
- 2 Insurance business
 - 2.1 Non-Life insurance business
 - 2.2 Life insurance business
- 3 Banking business
- 4 Investment management
- 5 Capital and Solvency

Consolidated profits – Trend by quarter

€m



■ Pre-tax profit (loss)

■ Consolidated profit (loss)

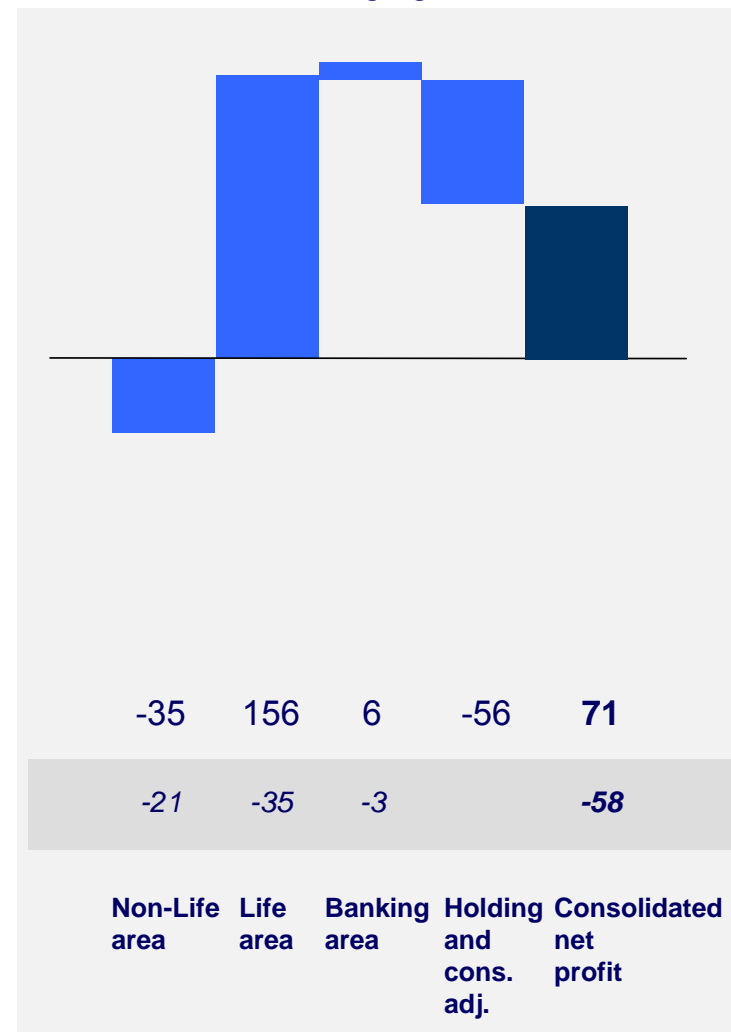
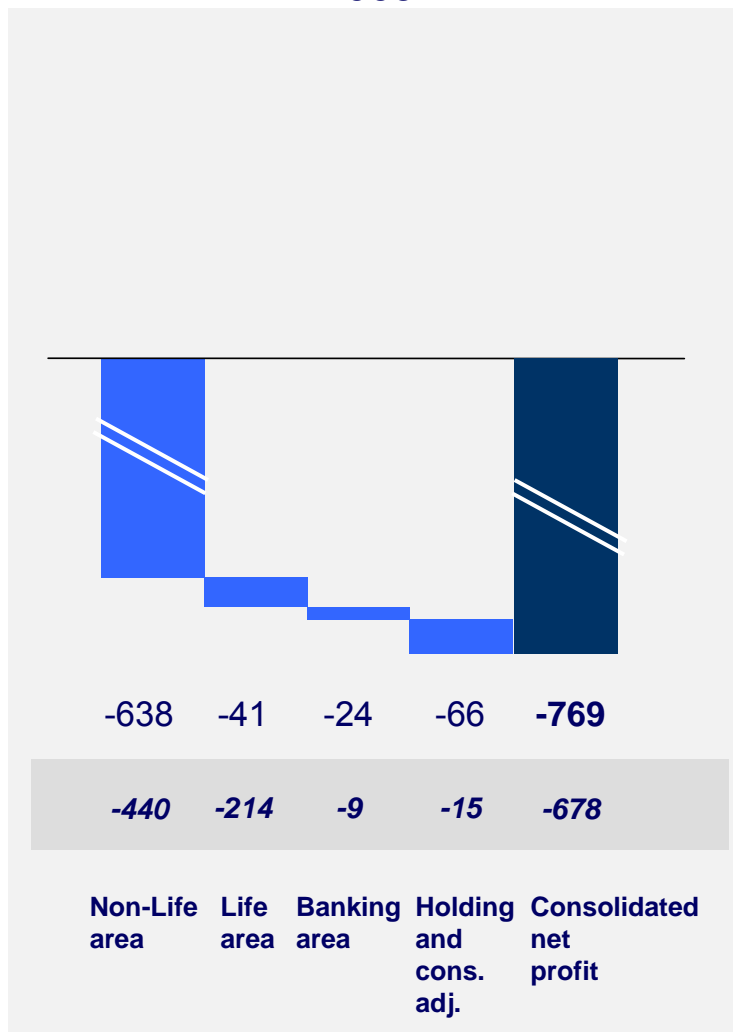


Consolidated economic result by business segment

€m

2009

2010



Consolidated Result

o/w: impairment

Note: consolidated net results, net of taxes, gross of minority interests.



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1 Consolidated result

2 Insurance business

2.1 Non-Life insurance business

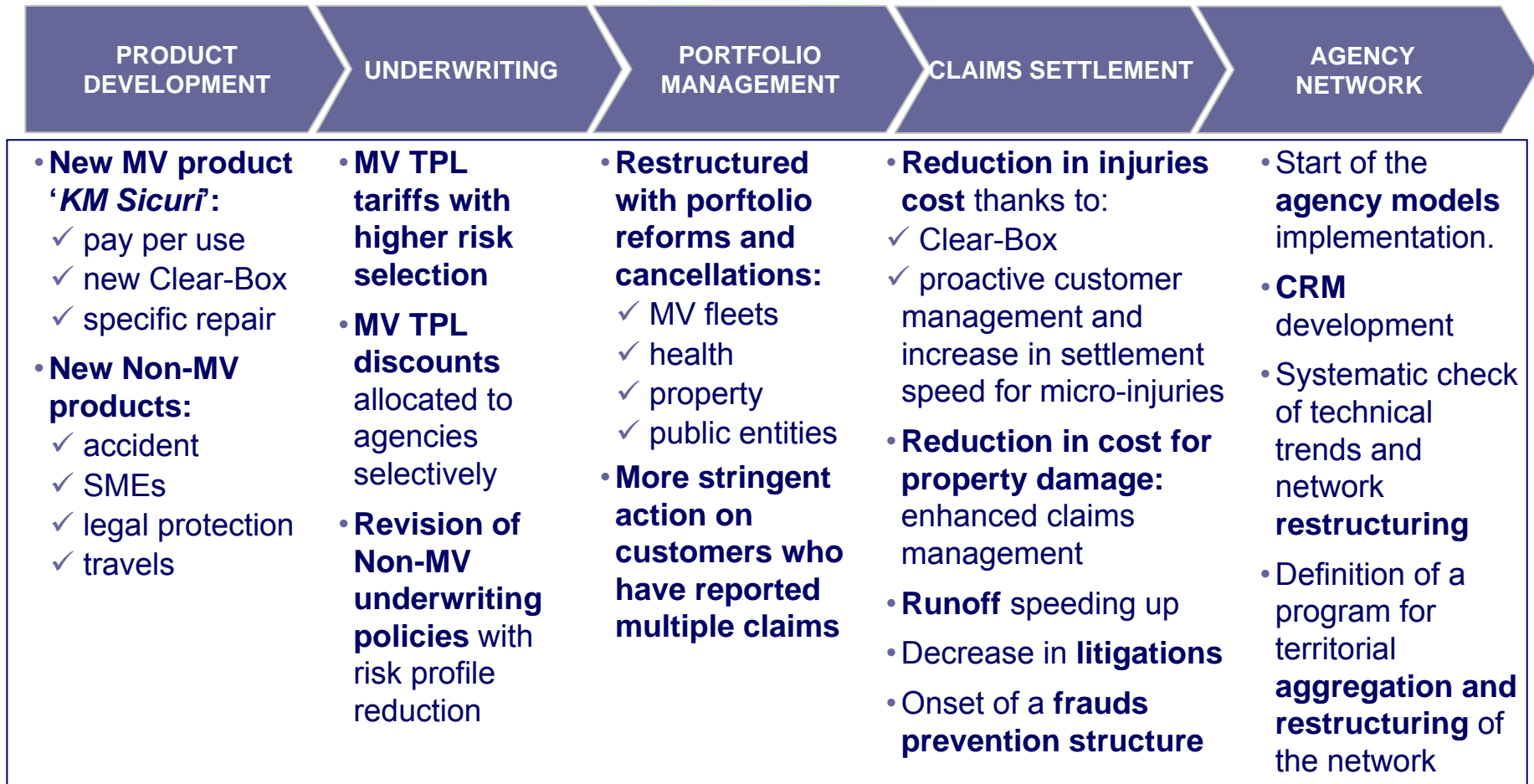
2.2 Life insurance business

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5 Capital and Solvency

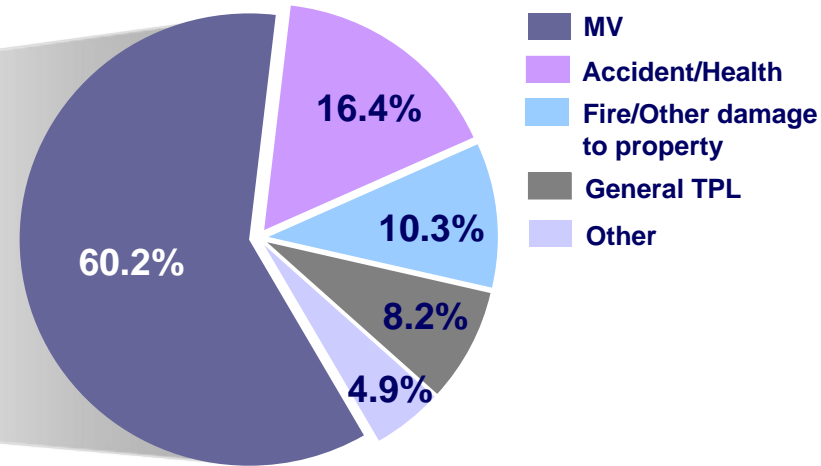
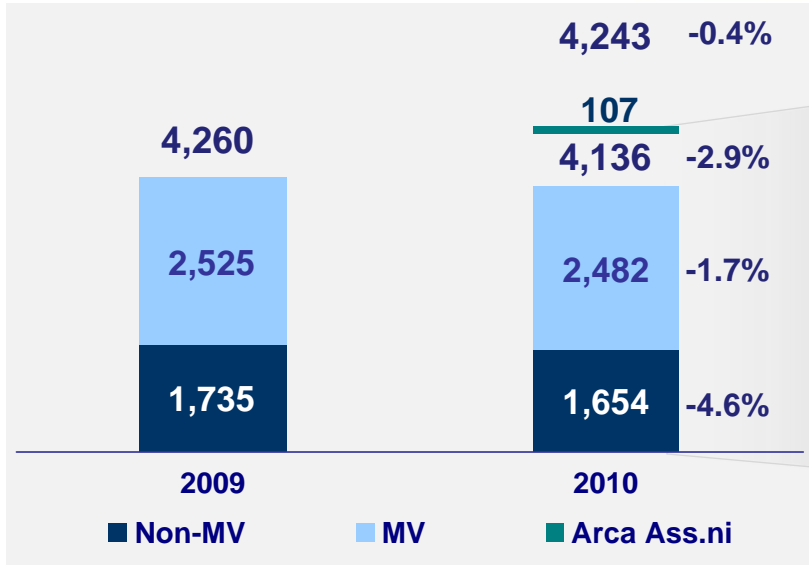
NON-LIFE insurance business – *Implementation of the Business Plan*



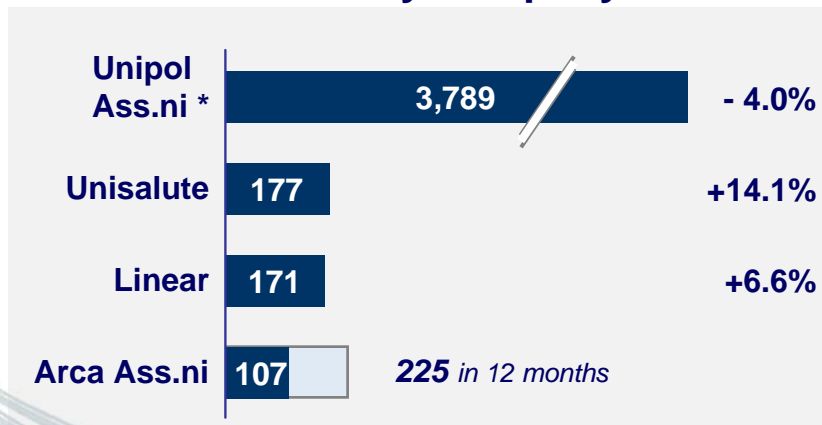
Group technical margin in 2010: + €250m

Non-Life business – Direct written premiums

€m



Income by company

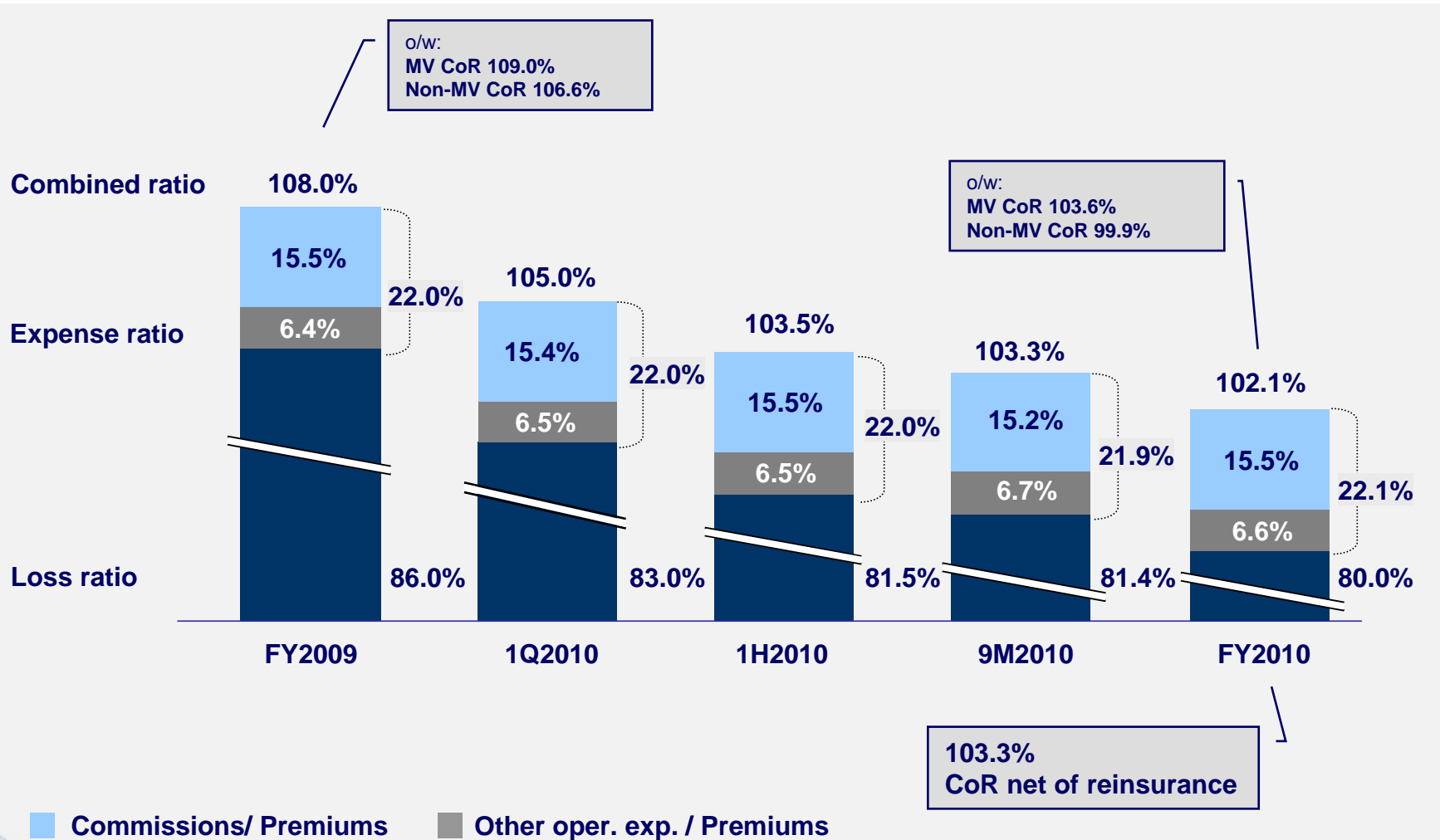


Income by channel

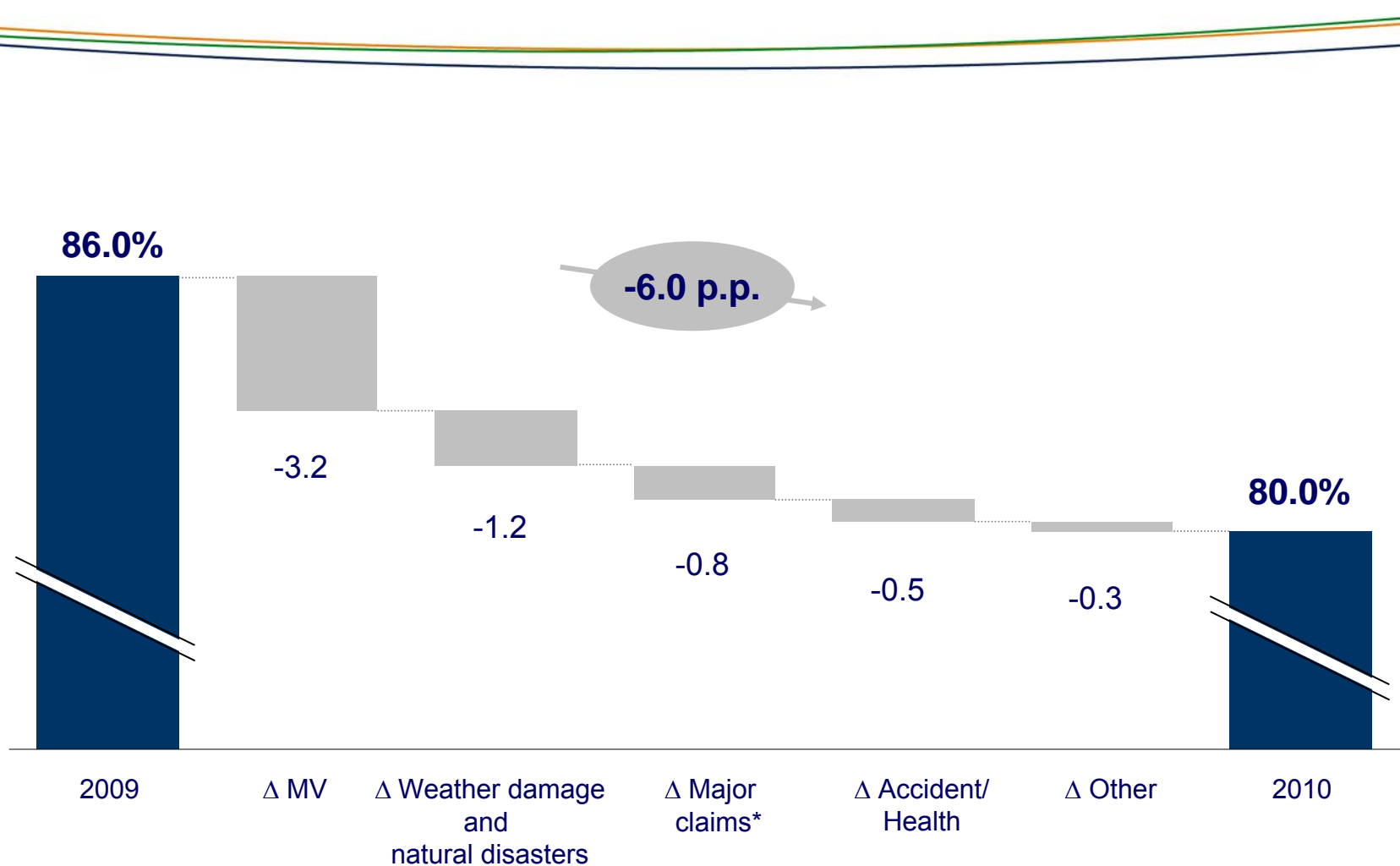


* including Navale income of €250m

Non-Life business – Combined Ratio trend (direct business)



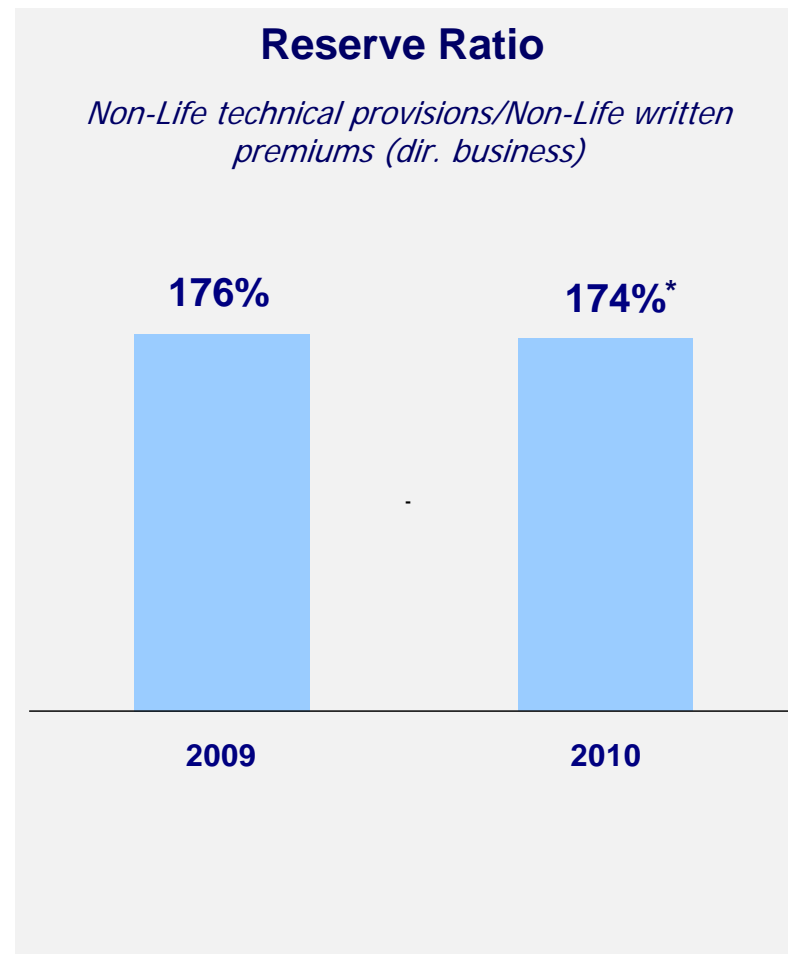
Non-Life business – 2009-2010 Loss Ratio trend (direct business)



*claims above €500,000, excluding MV TPL and natural disasters

Non-Life business – MV TPL 2010 indicators and Reserve Ratio

MV TPL 2010 indicators*		Variation vs 2009
Portfolio (no.of policies)	Single	-4%
	Fleets	-33%
	Total	-5.7%
Portfolio average premium		+4.8%
No. of claims reported		-14%
Claims settlement speed		+5 p.p.
Frequency		-9.4 %



* excluding Arca Group

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LIFE insurance business – *Implementation of the Business Plan*

PRODUCT DEVELOPMENT

- Integrated product offer in a **life-cycle client** perspective, involving **new tariffs** with higher margin
- Revision of **loading and financial guarantee structures** on existing products and new tariffs to recover profitability

INCOME

- Platform to **detect maturities** defined and implemented with specific products
- **Life Tutor** structure supporting the agency network reinforced
- **Incentive**-based policies for the network revised

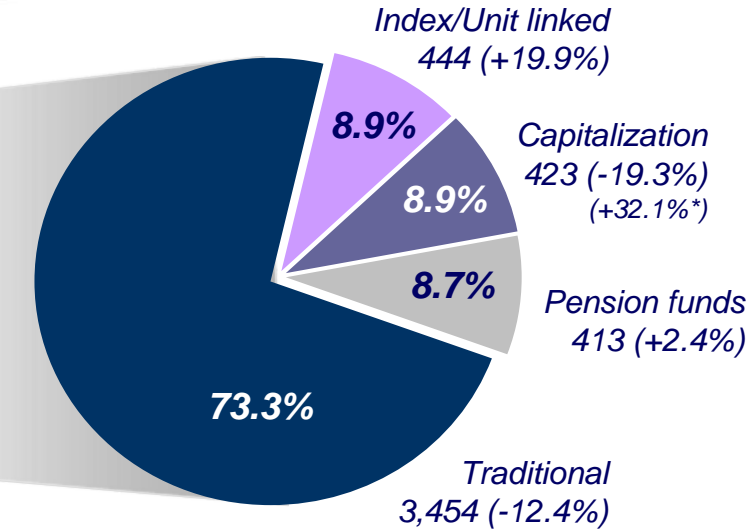
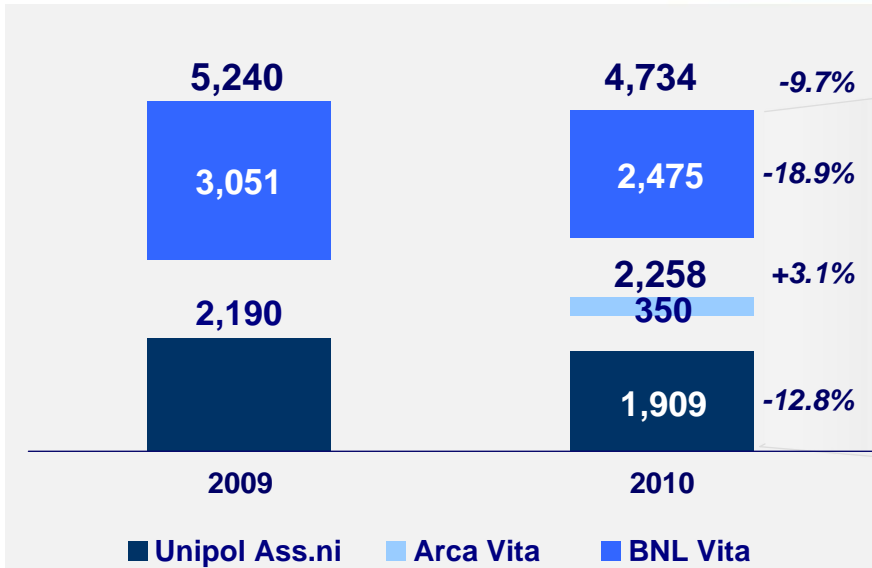
PORTFOLIO MANAGEMENT

- Unified operating platform to support the **Agent Front End launched** to improve customer service
- Revision of the **IT platform** started to be followed by actions to make the management structure more efficient

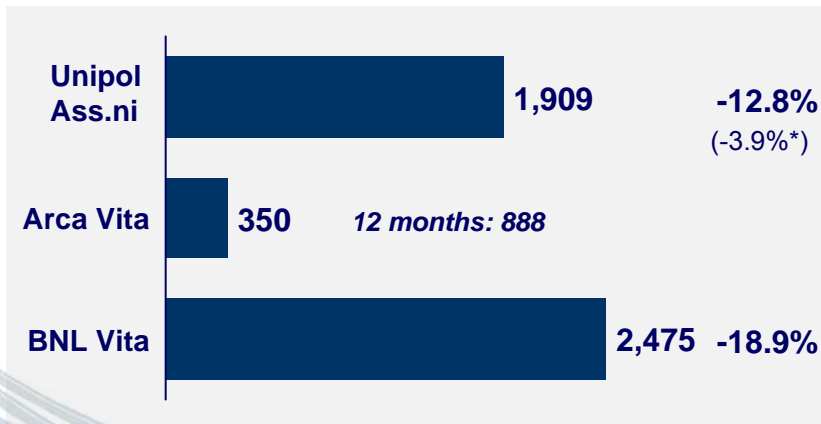
*Unipol Assicurazioni 2010 New Business Value €46m (+10.2%)
and 2010 New Business Margin 22% vs. 19.3% in 2009*

Life business – Direct insurance income

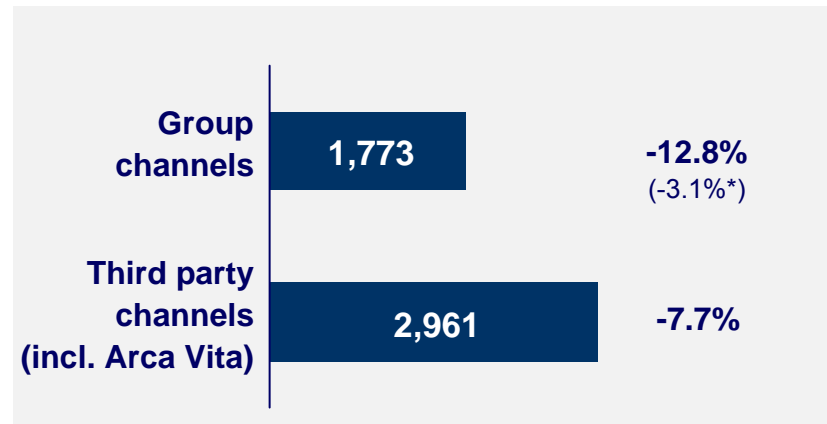
€m



Income by company



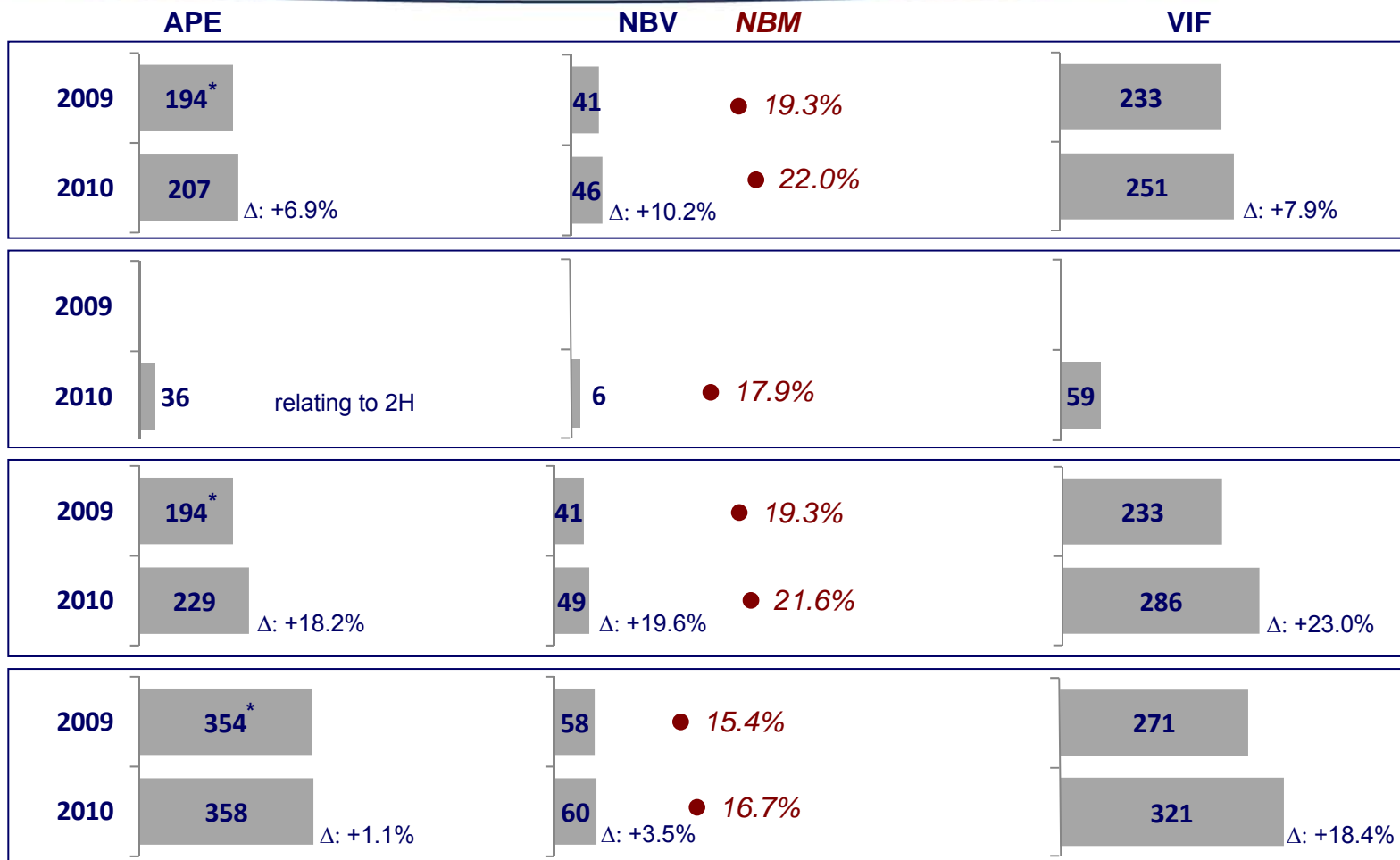
Income by channel



* net of a non-recurring policy made in 2009 of about €200m

Life business – APE, NBV, NBM and VIF

€m



* pro-forma, net of a non-recurring policy made in 2009 corresponding to €20.4m APE

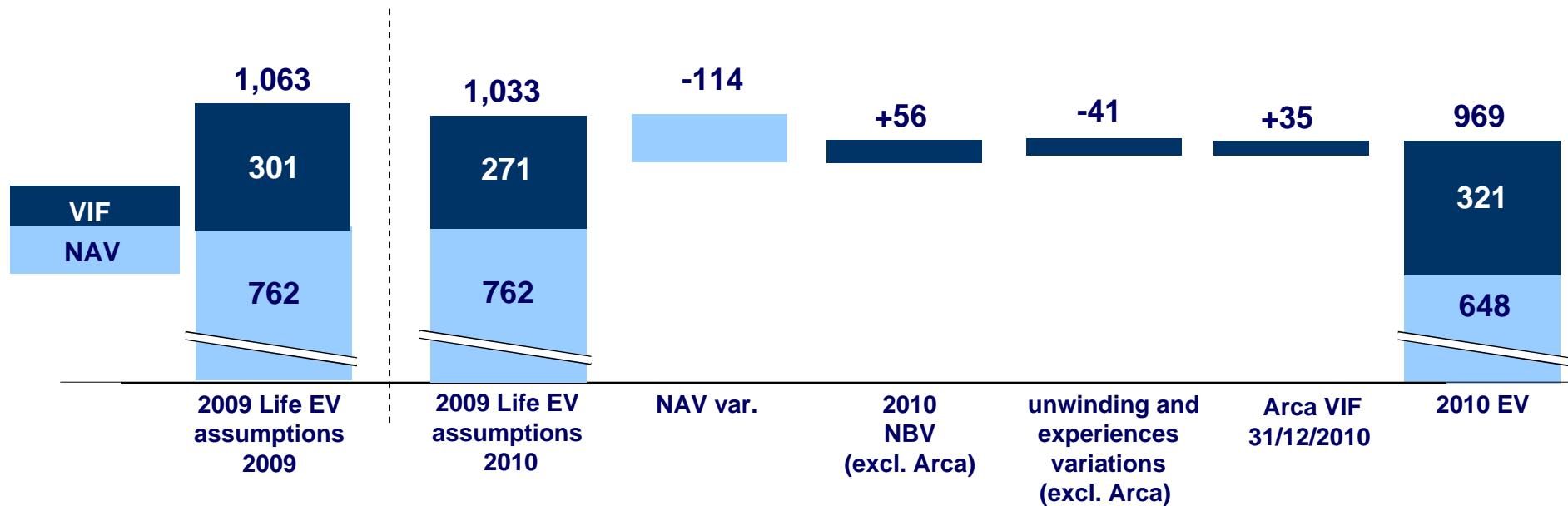
** total pro-quota. Stakes pertaining to Unipol Group: Unipol Ass.ni 100%, Arca Vita 60% *** BNL Vita stake pertaining to the Group 51%

Note: APE: Annual Premium Equivalent; NBV: New Business Value; NBM: New Business Margin; VIF: Value In Force.

Assumptions used (for both 2009 and 2010): discounting rate 6.25%, yield rate 3.80%, tax-rate 32.32%

Life business – Embedded value trend

€m



Assumptions underlying the calculation

	2009	2010
- discounting rate	6.50%	6.25%
- yield rate	4.00%	3.80%
- tax-rate	32.32%	32.32%

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BANKING business – *Implementation of the Business Plan*



- New business model carried out involving **customer segmentation** and ensuing **sales network specialisation** (creation of the customer portfolio manager) and adjustment of the 2011 budget process (by segment/customer portfolio manager).

- Organisation of the **branch model** adjusted to match the new business model aiming at **profitability recovery**.
- Full implementation of the **operating costs management**: structured cost process by carrying out actions together with the Group.

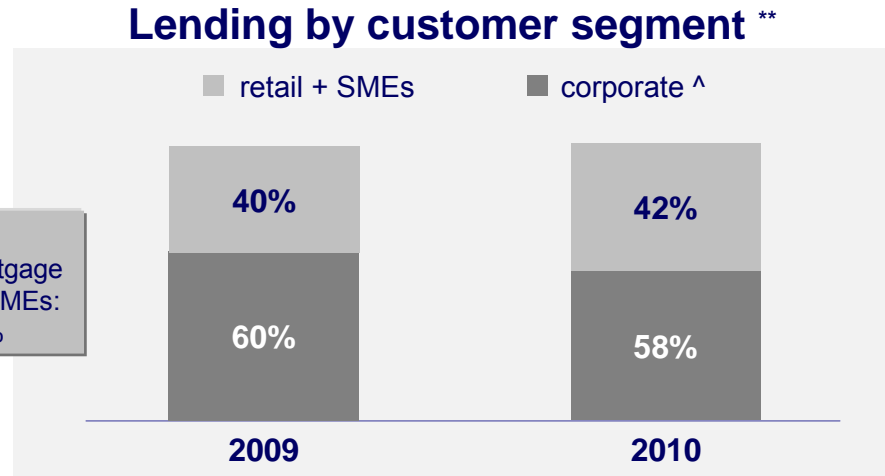
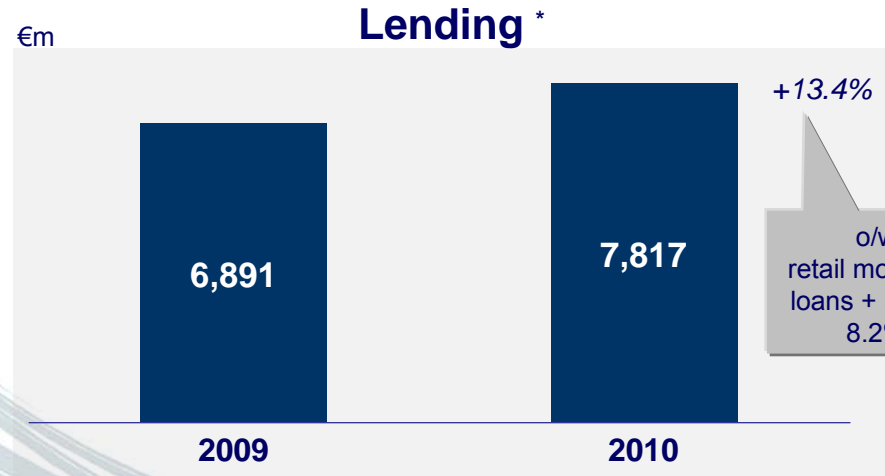
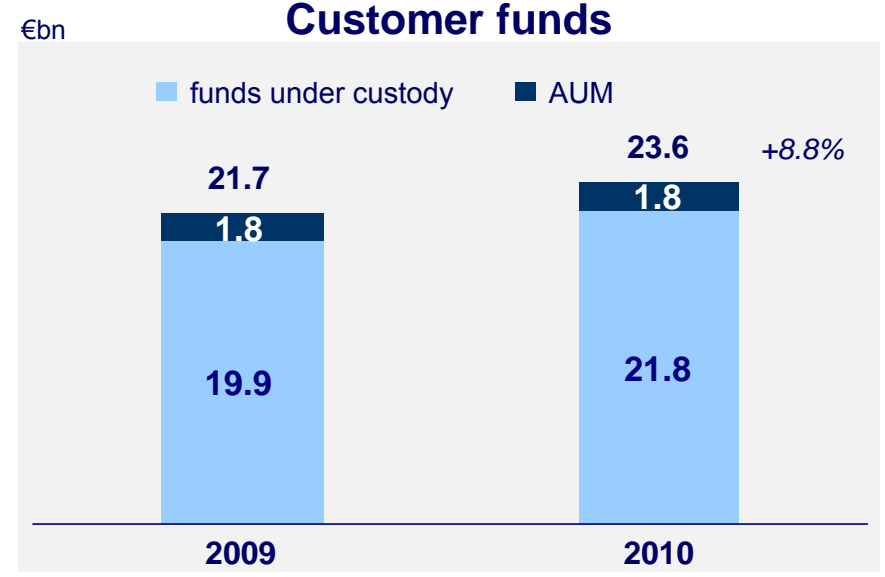
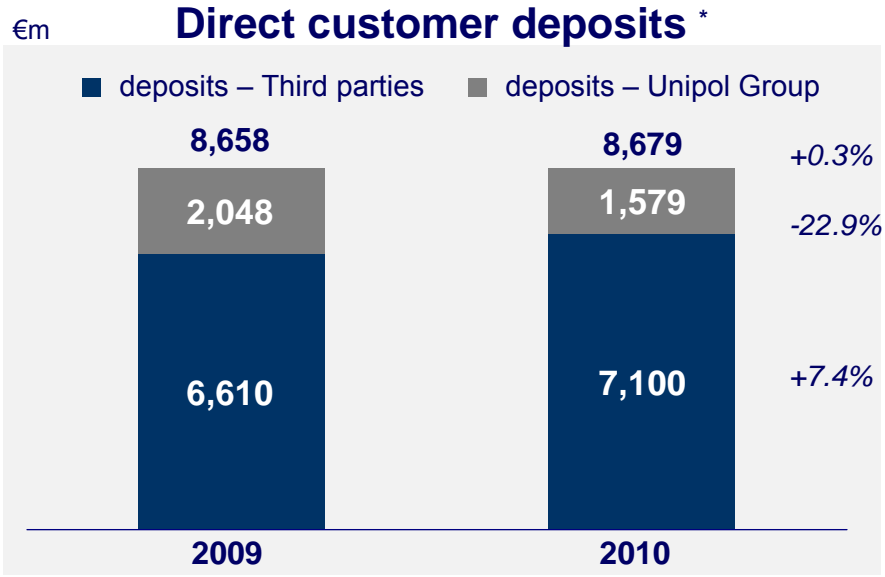
- Adjustment of the **process of credit granting and management**.
- **Credit monitoring** process revised by setting up **organisation structures focused** on the management of single sectors.

- **Branches relocation** started and actions carried out to match network profitability with market benchmarks.

+7.4% customer deposits from third parties in 2010

6,000 new c/accounts opened for SMEs (50% of c/accounts net growth in 2010)

Banking business – Consolidated financial highlights



* excluding securitisation schemes

** including securitisation schemes

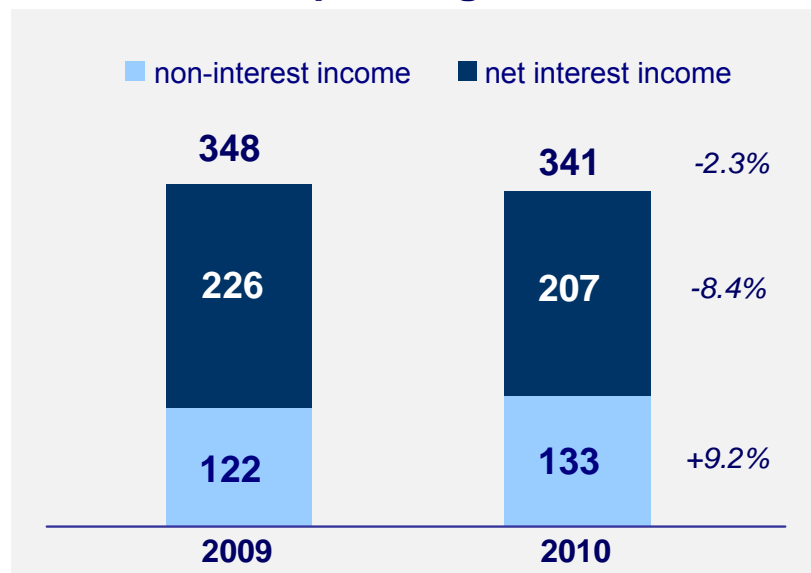
^ undertakings with turnover above €2.5m



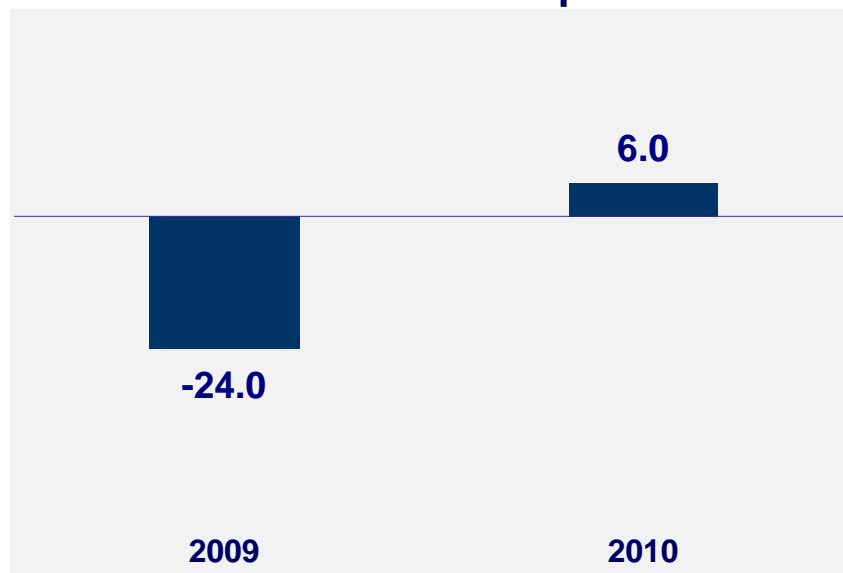
Banking business – Consolidated economic highlights

€m

Gross operating income



Consolidated net profit



Other indicators

	2009	2010		2009	2010
Cost/income	76.6%	77.6%	Core Tier 1 ratio	7.3%	6.8%
Net bad and doubtful loans/loans	2.0%	2.5%	Tier 1 ratio	7.3%	6.8%
% cover ratio	55%	53%	Total capital ratio	14.5%	13.5%



Banking business – Actions implemented to improve and manage credit quality

Credit process revision

- onset of new procedures/tools and operating practices to detect problems at the very early stage
- introduction of internal credit rating for loans granting support from best outsourcer for credit recovery from specific client clusters
- full involvement of the sales network in the management of deteriorated loans

New credit policy

- the new credit policy clearly identifies:
 - maximum concentration levels by business sector and type of counterparty
 - customer typology and the operations that meet the internal credit rating requirements
- the thresholds defined by the credit policy are at Group level

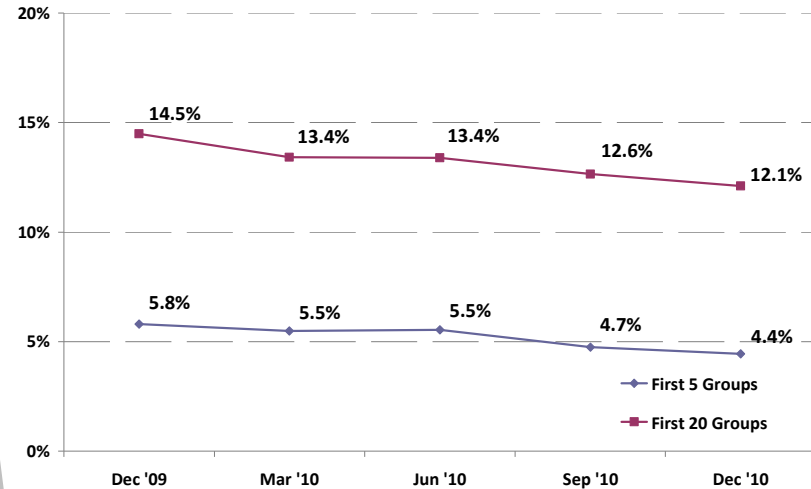
Reinforcing structure to manage NPL

- creation of new management structures: 'monitoring of anomalous items' and 'monitoring of pre-substandard loans' supported by new IT applications (credit control procedure) to notify the sales network
- onset of the area credit monitoring
- set up of the 'restructured loans management' organisation unit

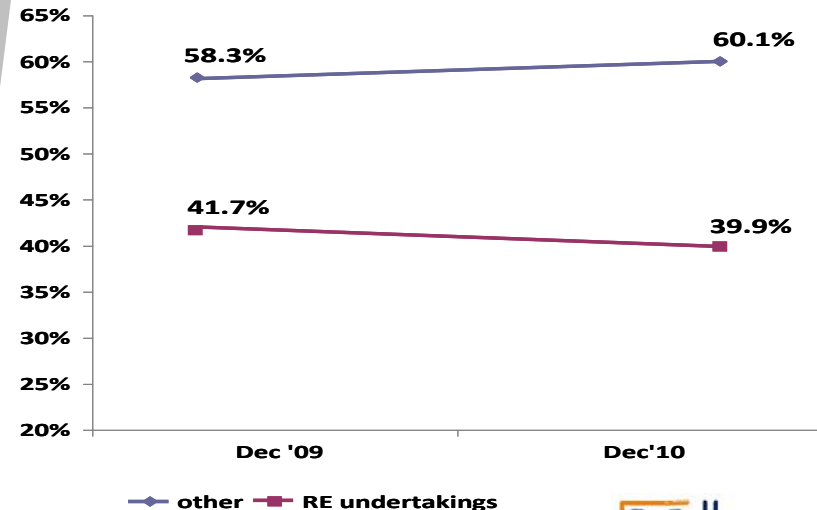
Focused training

- Unipol Banca launched a training program for managing the new procedures and focusing specifically on credit management

Credit concentration by groups



Credit concentration by customer typology



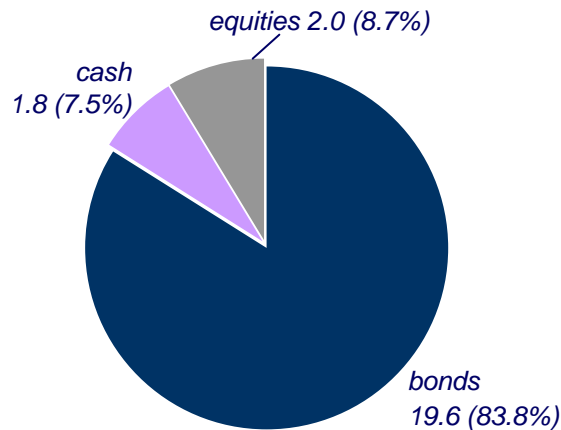
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Asset allocation

€bn

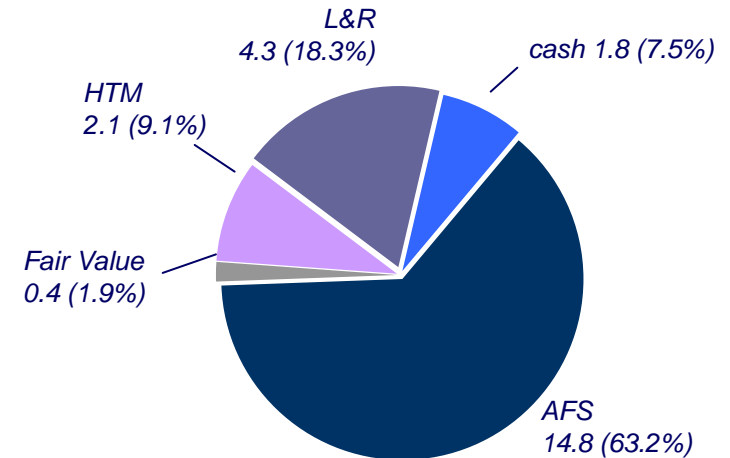
BREAKDOWN BY ASSET



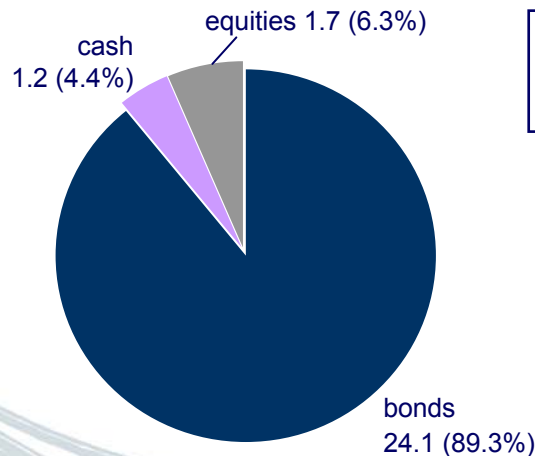
As at 31/12/09

TOT. €23.4bn*

BREAKDOWN BY ACCOUNTING CATEGORY



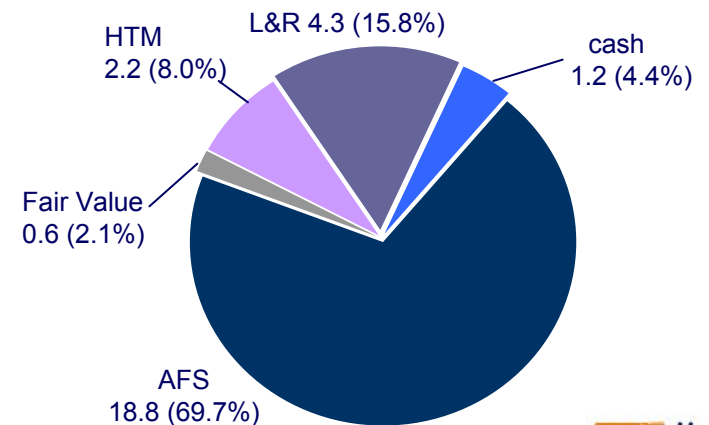
BREAKDOWN BY ASSET



As at 31/12/10**

TOT. €26.9bn*
+15.3%

BREAKDOWN BY ACCOUNTING CATEGORY



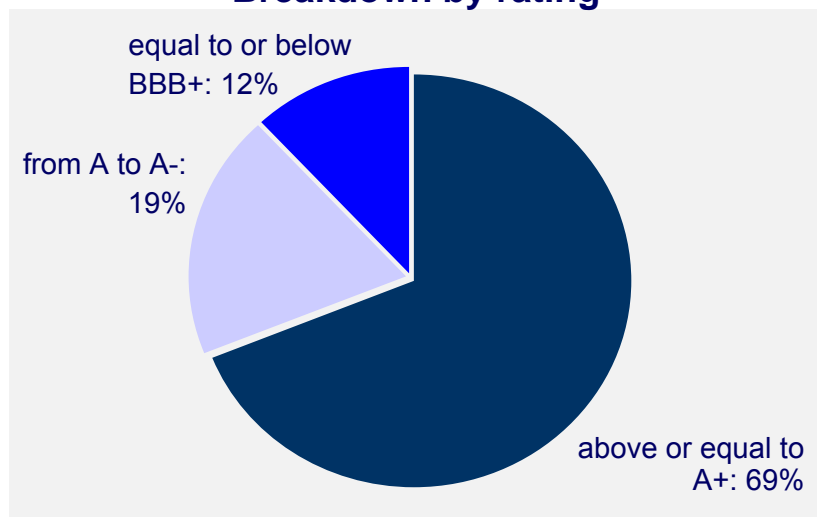
* insurance investments managed by Unipol Group, excluding Class D, mark-to-market

**including Arca Group

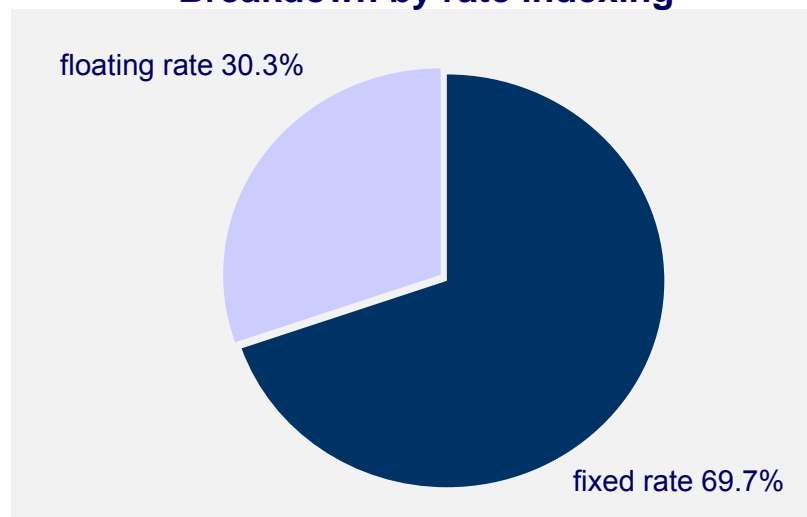
Bond portfolio as at 31 December 2010

Total €24.1bn*

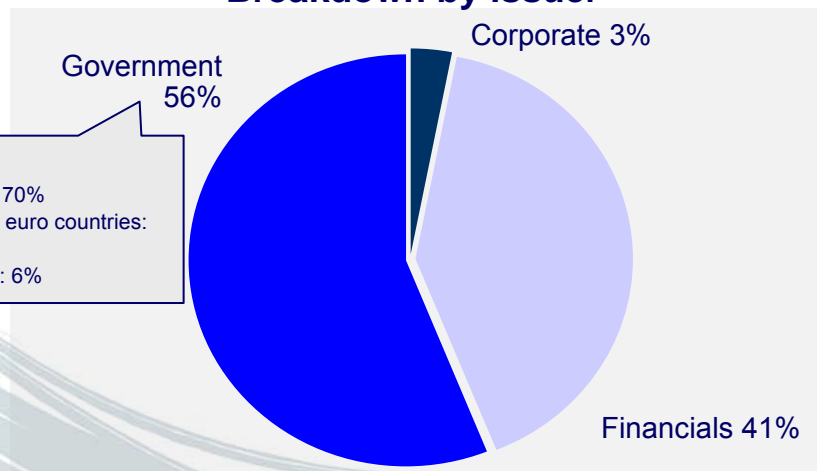
Breakdown by rating



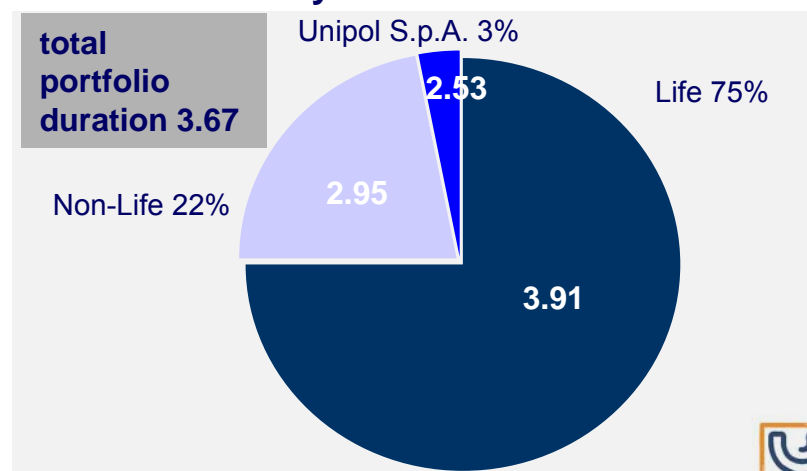
Breakdown by rate indexing



Breakdown by issuer



Breakdown by business area/duration**

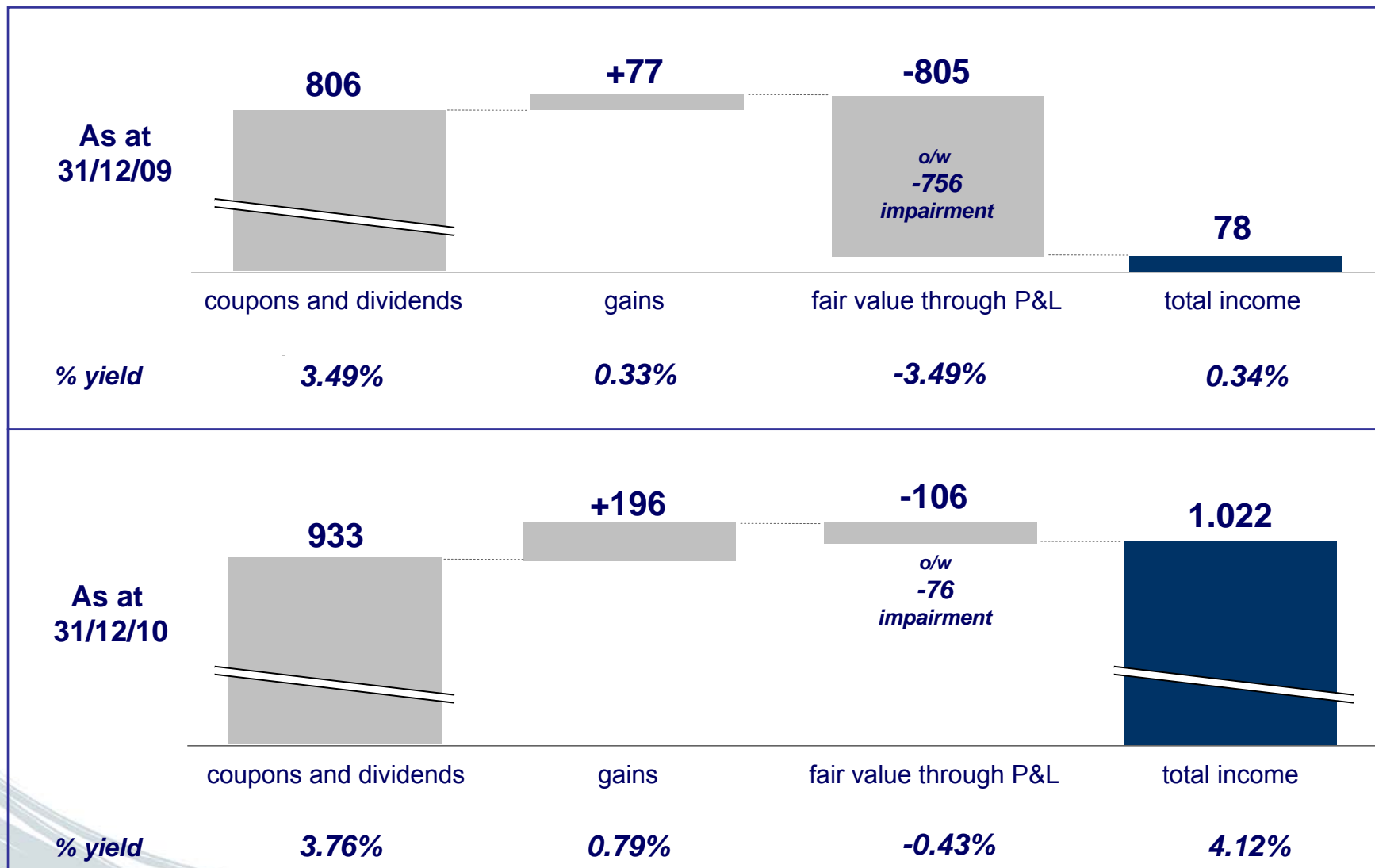


* excluding Class D, mark-to-market. Including Arca Group

** duration calculated on total portfolio

Income from financial investments*

€m



*insurance sector, excluding Class D, management figures, like-for-like basis, excluding Arca Group

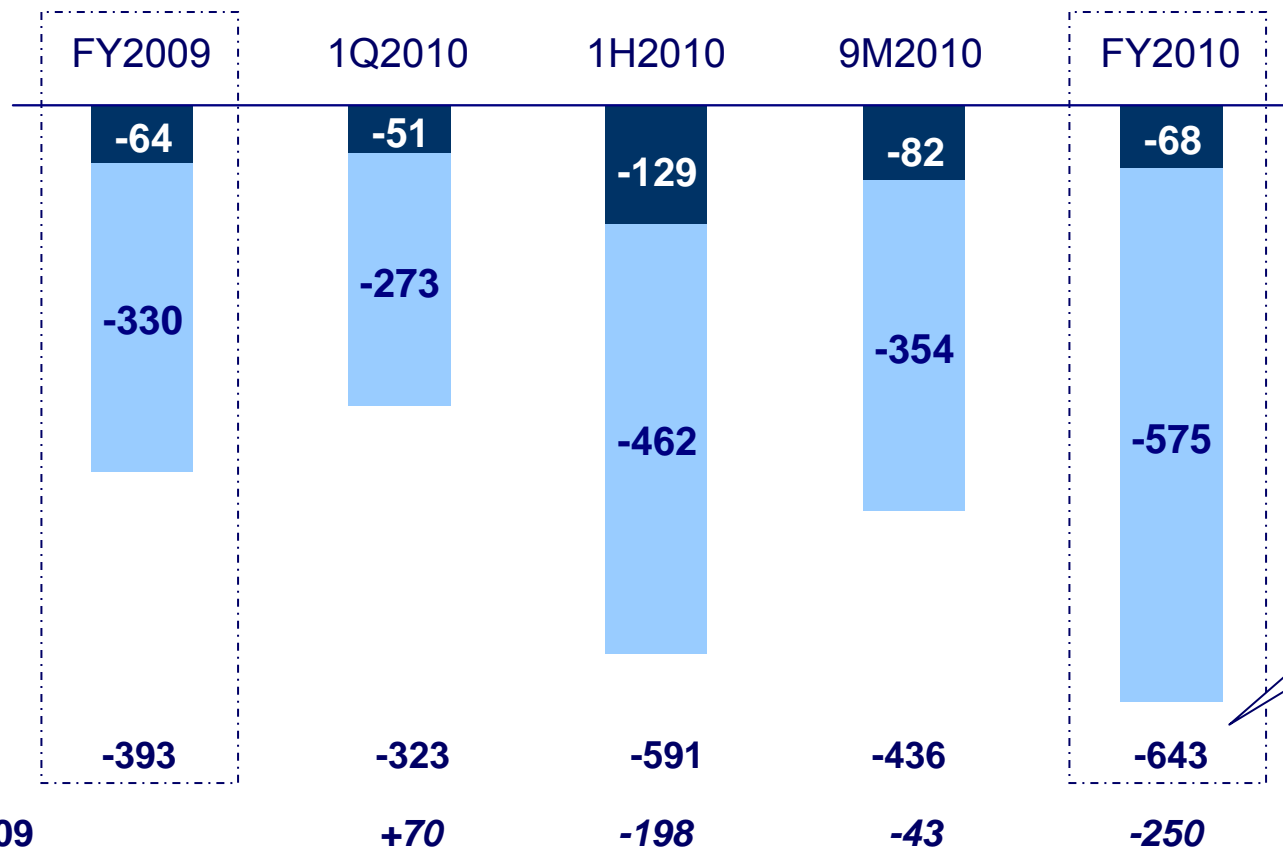
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AFS reserve roll-forward*

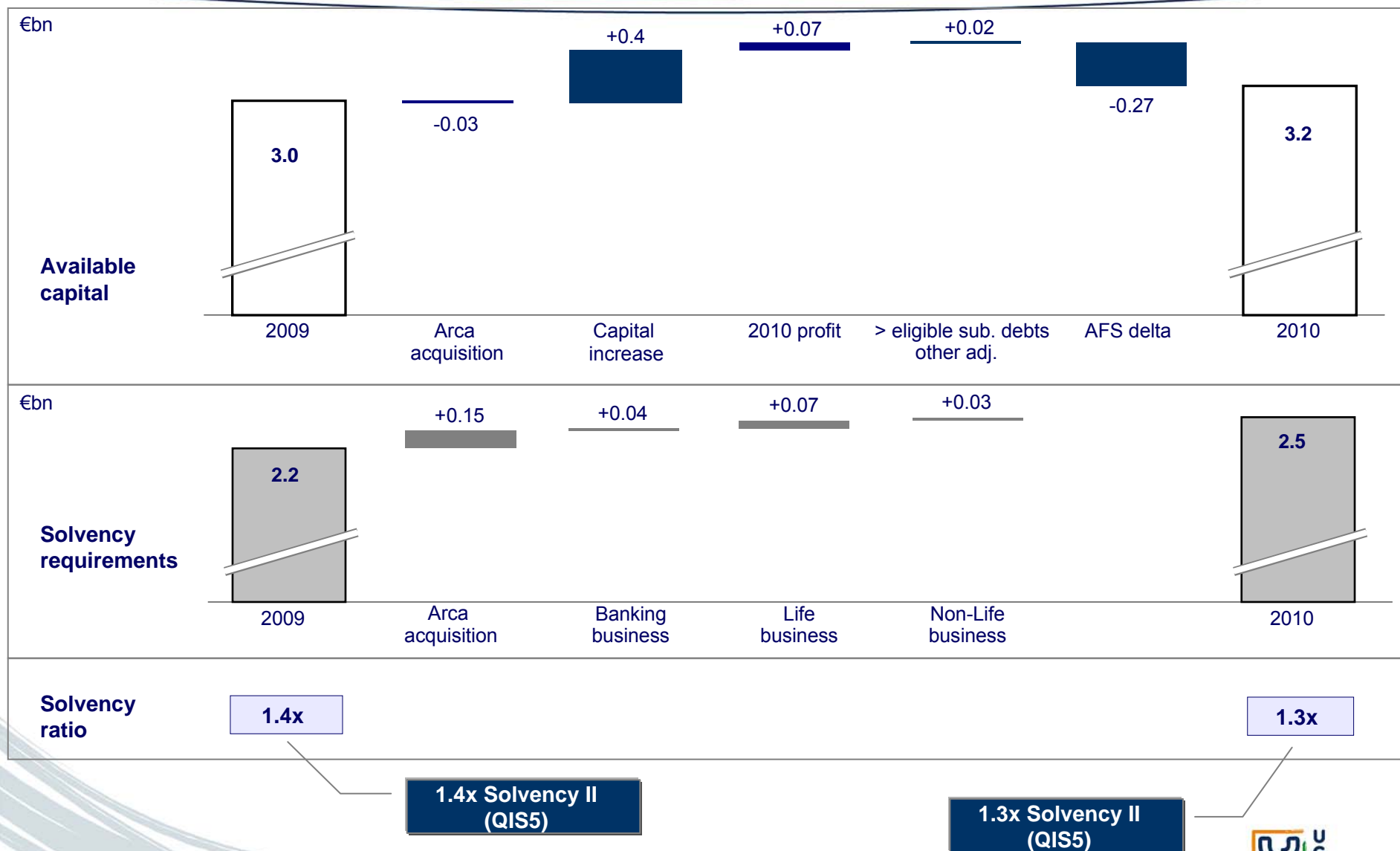
€m

■ equities ■ bonds

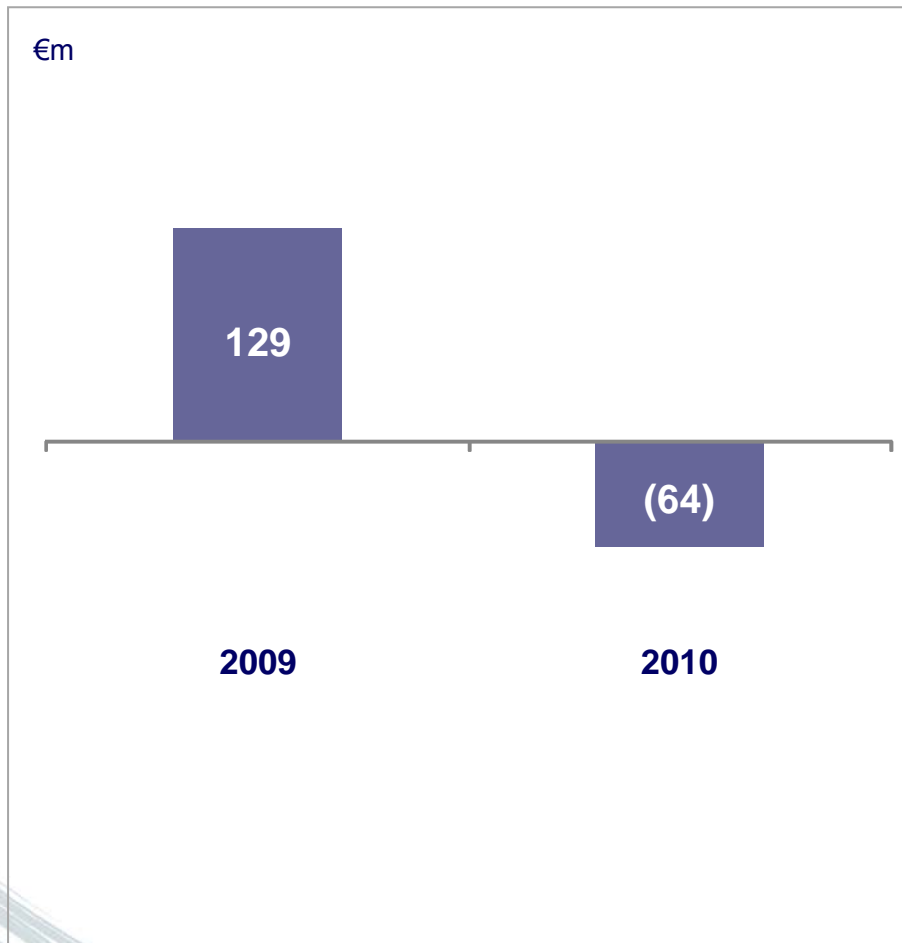


* break-up based on in-house estimate.

Unipol Group – Solvency I as at 31 December 2010



Unipol S.p.A. - Result for the year



In 2010 Unipol S.p.A. did not benefit from dividends of the subsidiaries, which were penalised by €524m impairment* (before tax) in the financial sector, above €300m of which were carried out in 4Q2010 and related almost entirely to bond investments. These adjustments were positive for a gross amount of €384m in 2009.

* figure relating to financial investments classified under the outstanding assets - Local GAAP

2010 Results and 2012 Targets

	2009	2010	2012 target	
Non-Life combined ratio (direct business)	108.0%	102.1%	97.5%	✓
Life new business margin	19% ^[a]	22% ^[a]	25%	✓
Banking net profit	- €24m	€6m	€50m	↔
Consolidated net profit	- €769m	€71m	€250m	✓
Solvency ratio	1.4 x (Solv. I) 1.4 x (Solv. II) ^[b]	1.3 x (Solv. I) 1.3x (Solv. II) ^[b]	1.4 x (Solv. I) 1.4 x (Solv. II) ^[b]	✓

^[a] figures relating to Unipol Assicurazioni

^[b] Solvency ratio calculated by using the Internal Model currently under definition and the Standard Formula, as provided in the study on the quantitative impact (QIS5).

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.

In accordance with Article 154-bis, para. 2, of the 'Consolidated Finance Act' the Senior Executive Responsible for drawing up Unipol Gruppo Finanziario S.p.A.'s accounts, Maurizio Castellina, declares that the accounting information reported in this presentation corresponds to the figures in the documents, books and accounting records.

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