

Answer to Market Changes through New Business Models



European Financials
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Agenda

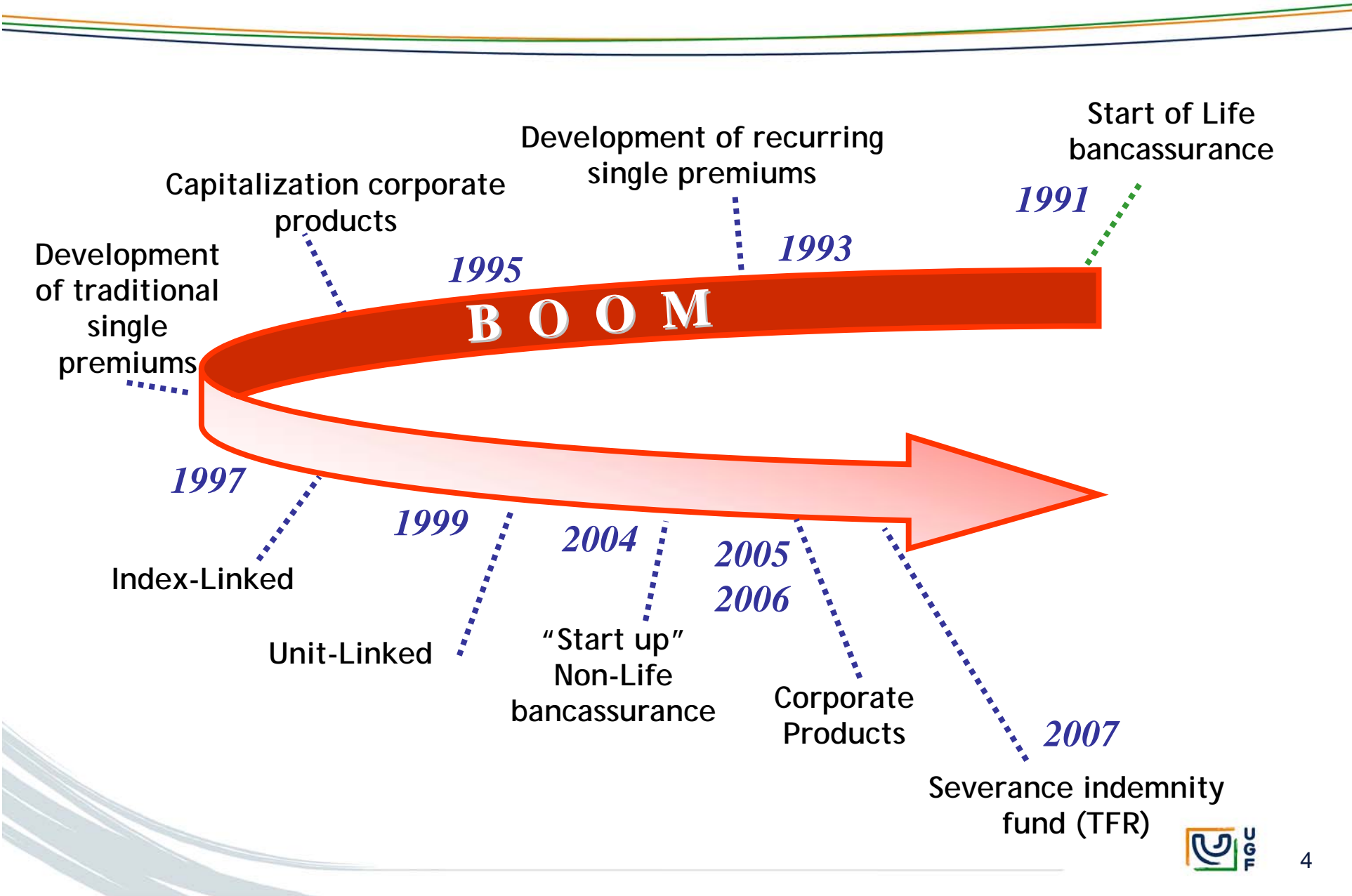
Three thin, curved lines in orange, green, and blue colors that sweep across the top of the slide.

- Italian Life Market
- Italian Banking Market
- Customers and Distribution Channels
- UGF Strategy
- UGF Figures

ITALIAN LIFE BUSINESS

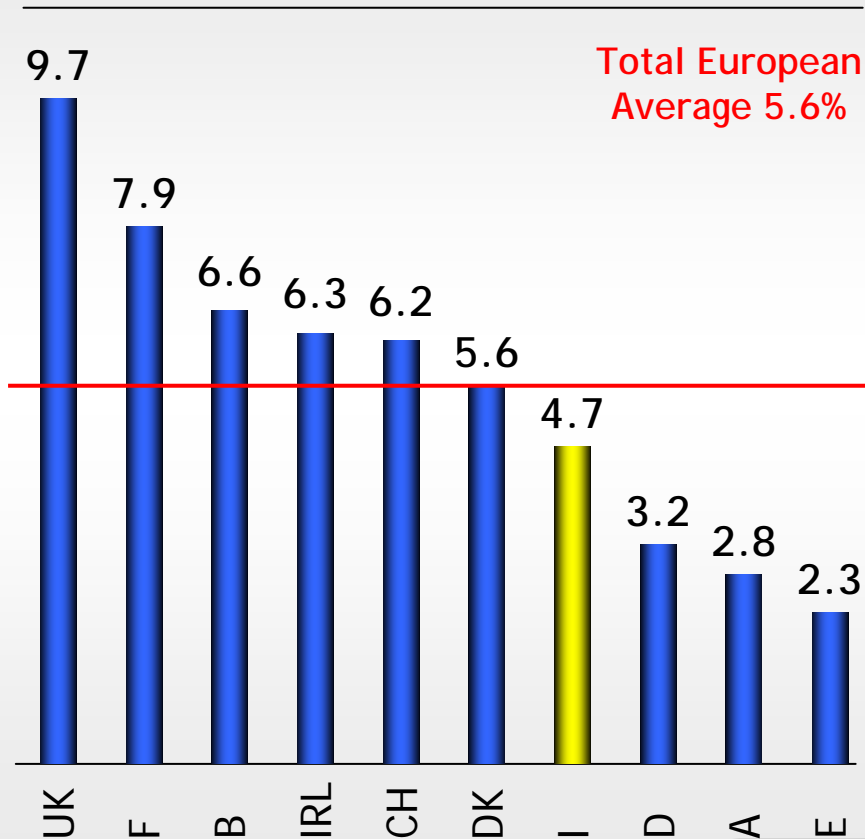


Life Italian path in the last 15 years



Underinsured Italy still an opportunity

% Life / GDP



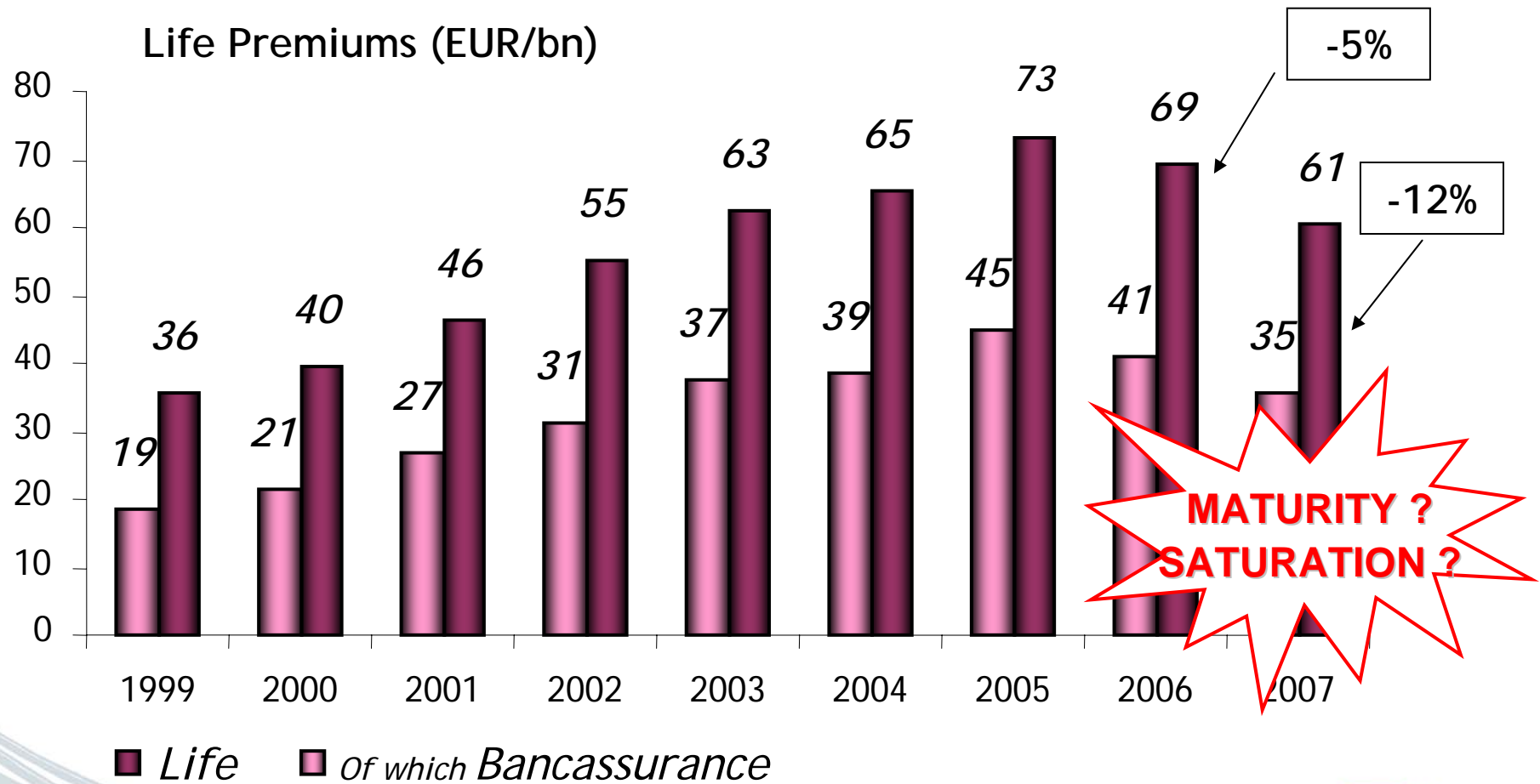
Average premium per inhabitant
Italian gap vs. main European countries

	EUR	Δ %
UK	3,079	-70%
IRL	2,808	-57%
CH	2,539	-53%
F	2,331	-49%
DK	2,279	-47%
B	1,985	-40%
Total European Average	1,563	-23%
D	905	+32%
A	885	+35%
E	526	+128%

Italian Average premium per inhabitant
1,198 EUR

Approaching a new phase?

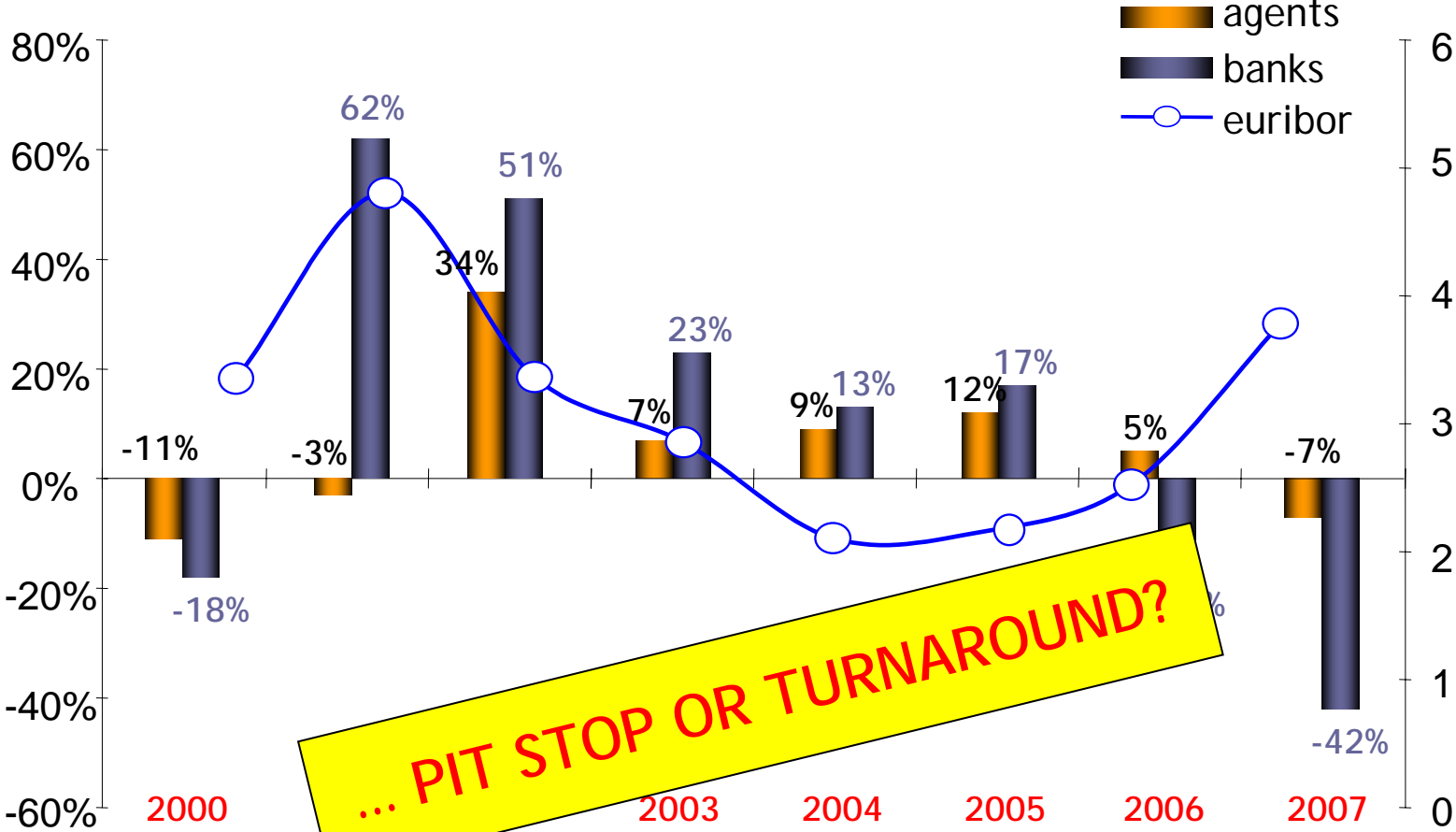
Italian Life insurance market: 2006 and 2007 recorded a turnaround in long-term trend



Source: ISVAP

Reasons for the 2006 – 2007 slowdown

Life Premiums: Traditional (class I) and Capital Redemption (class V)
 Change over the previous year / Interest rate



... PIT STOP OR TURNAROUND?

PIT STOP because...

... notwithstanding difficulties the market still offers opportunities:

→ Pension Reform - TFR (severance indemnity fund)

→ Credit Protection: tariffs linked to mortgage loans or to other forms of credit protection insurance

→ Life Protection: pure risk tariffs (long term care, dread disease...)

... without considering the recovery in banking sector with respect to distribution of insurance products

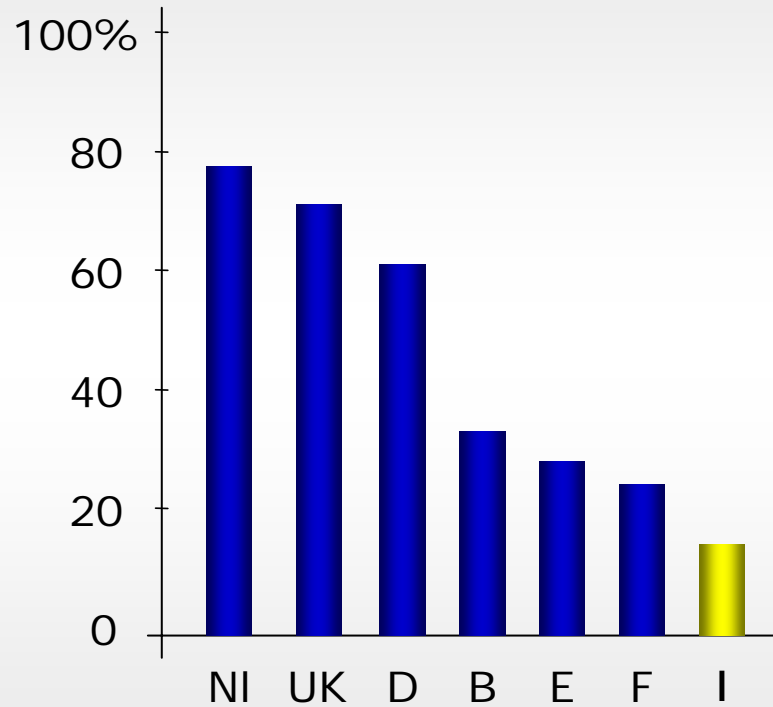
ITALIAN BANKING BUSINESS



Italian Banking business

% Consumer lending* / GDP

* Mortgage loans and consumer credit



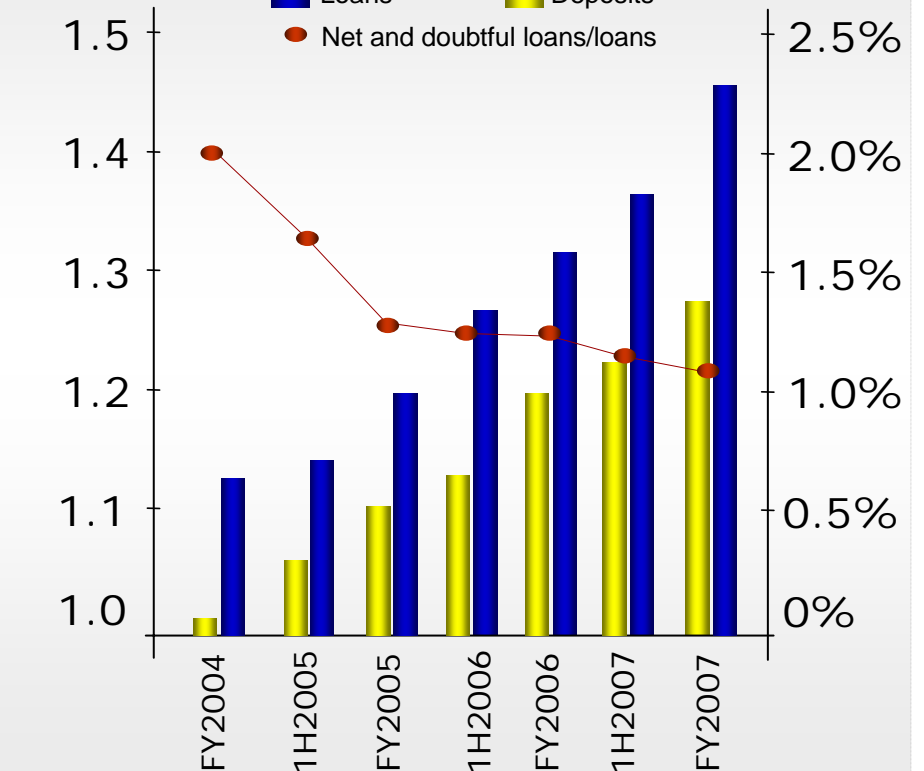
Source: Morgan Stanley Insurance Primer

Lending activity - Italian Market

EUR/bn

Loans
Deposits
Net and doubtful loans/loans

Deposits from Residents



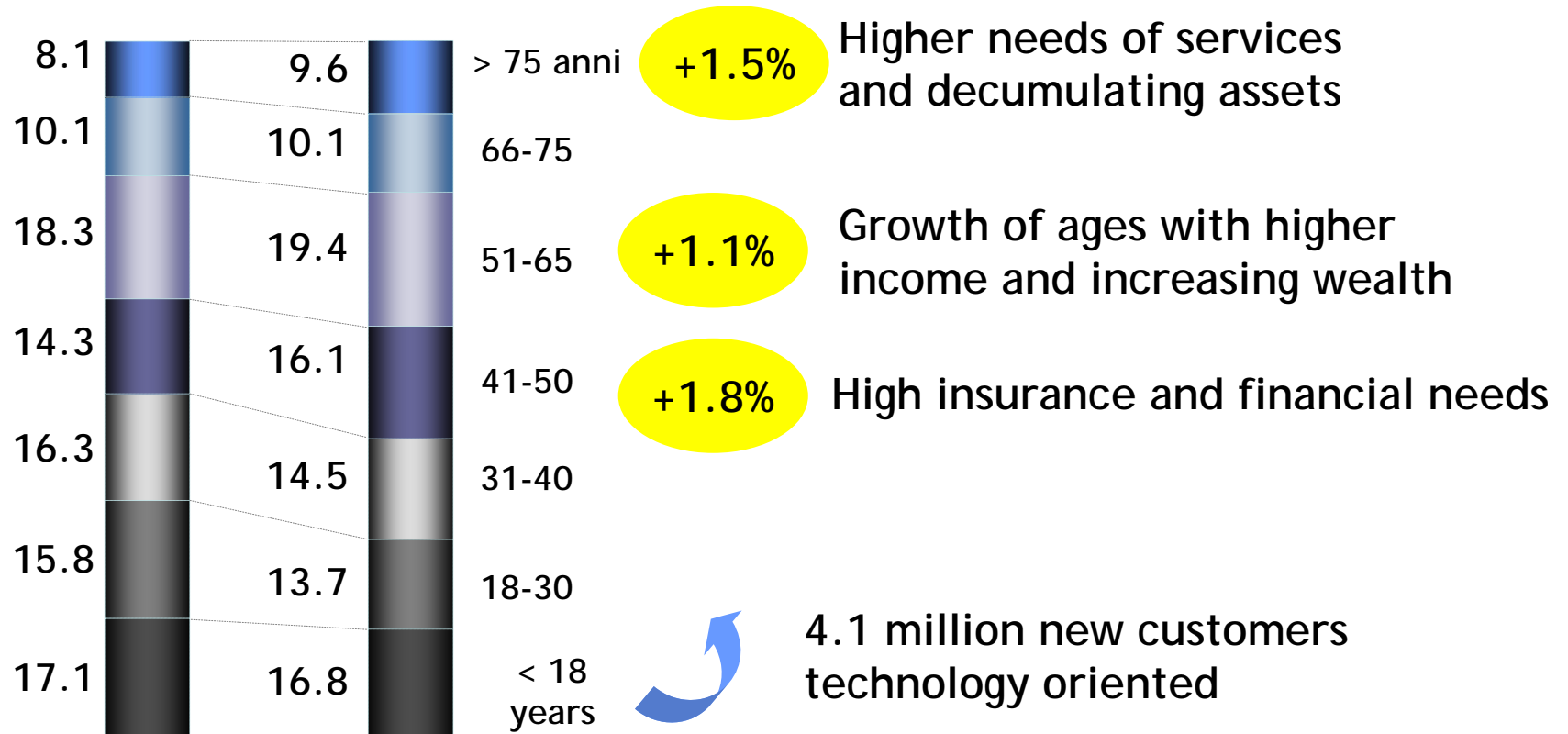
Source: ABI

CUSTOMER AND DISTRIBUTION CHALLENGE

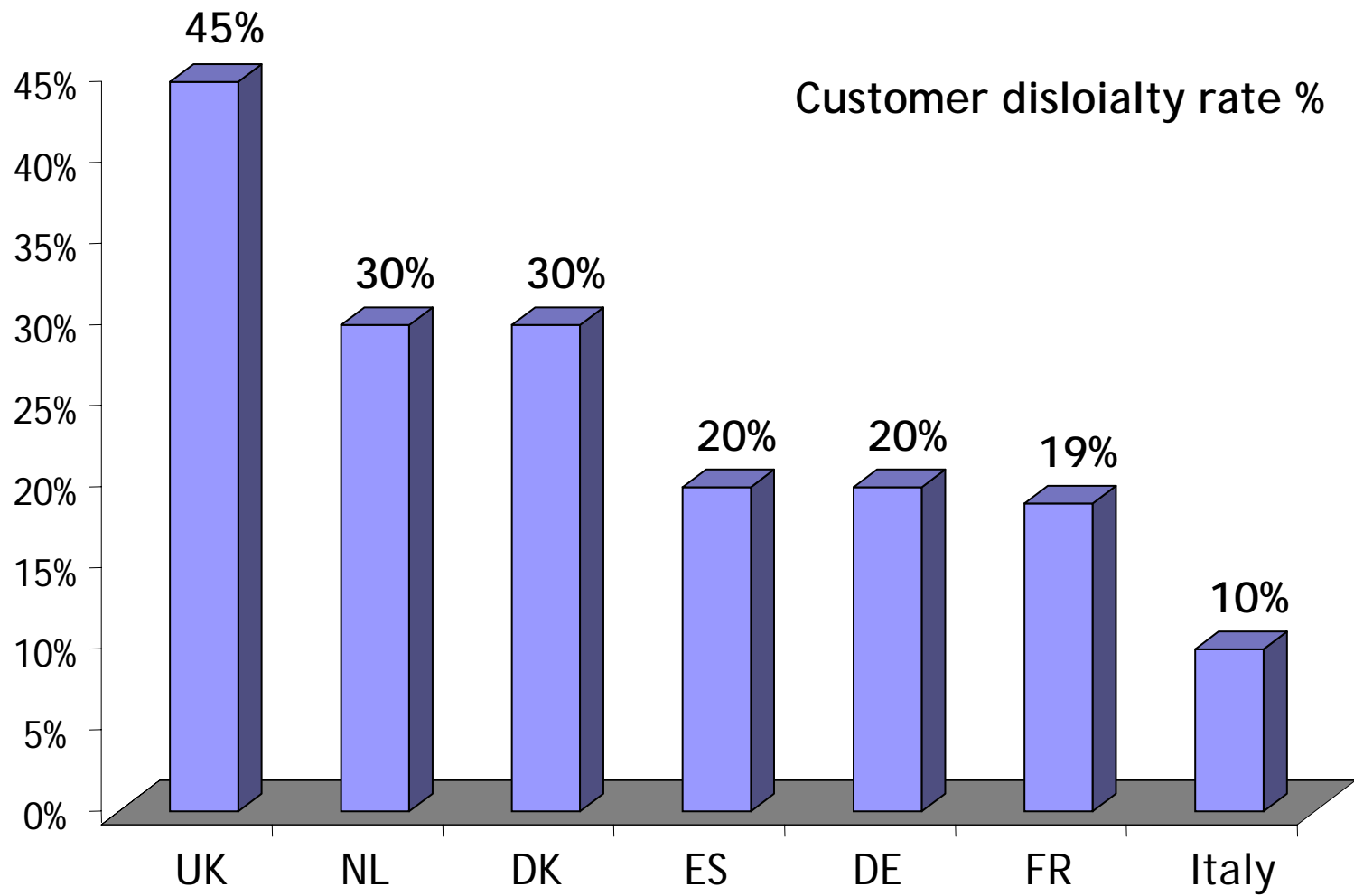


Important changes in customer profiles

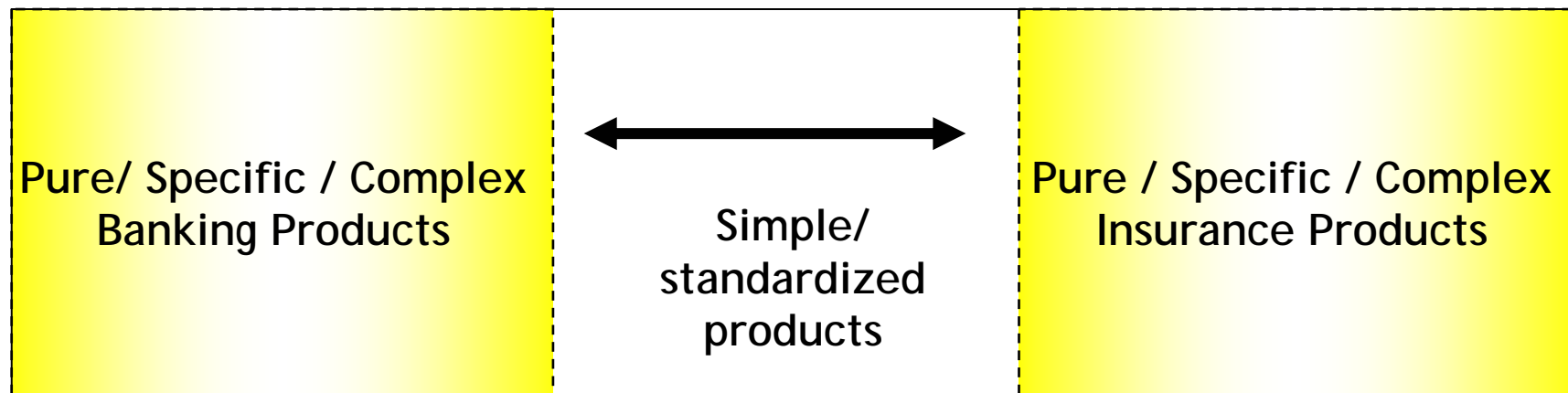
% inhabitants split by age - movements 2005 - 2012



Customer relationship – Marriage or Divorce ?



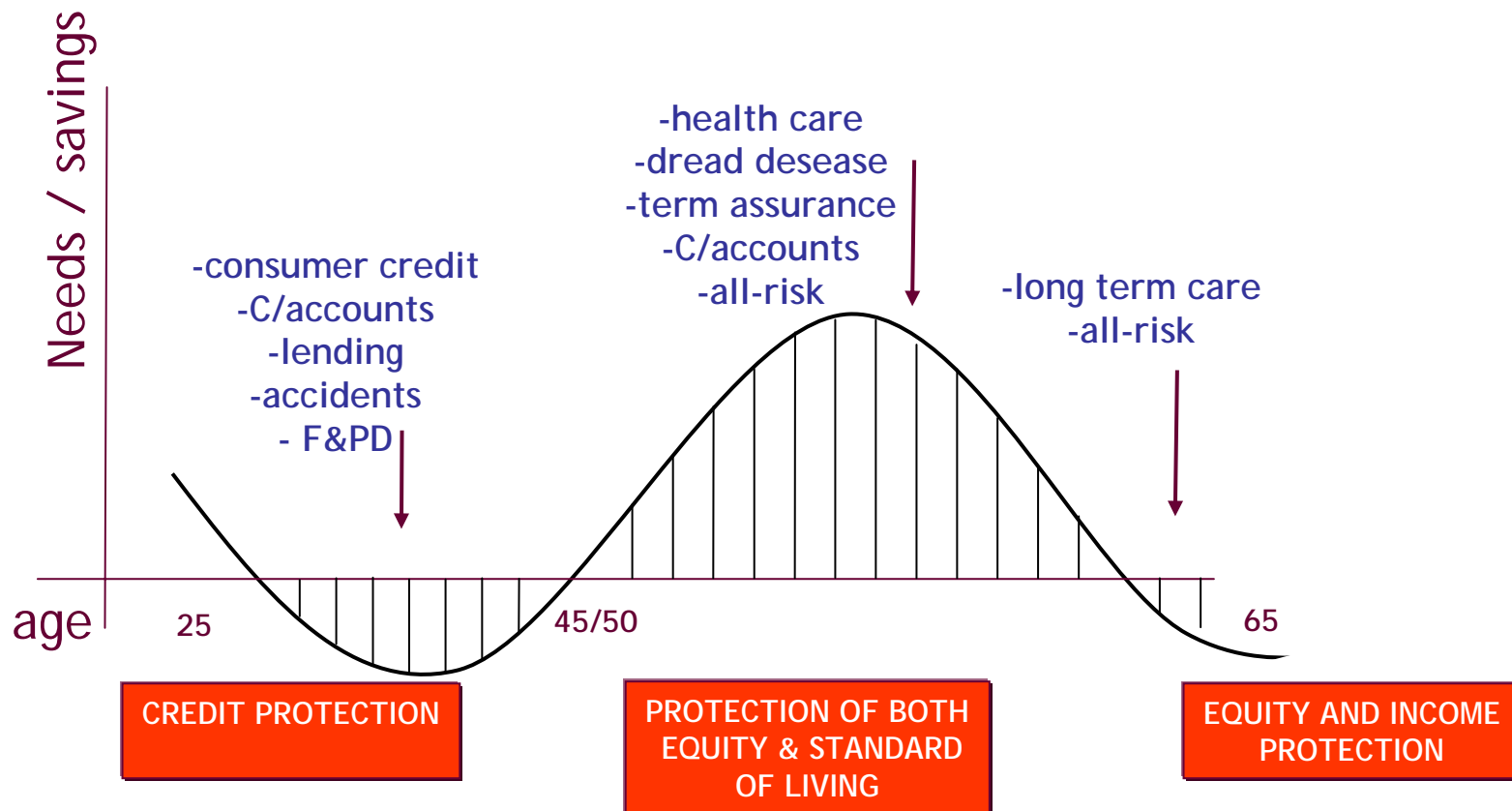
Product choices and distribution playing ground



Care of customer life cycle

Examples

Life guarantees and standard of living along the whole life-cycle



What opportunities for sales networks?

<p><u>AGENTS:</u></p> <ul style="list-style-type: none">• higher relationship capacity• widening the offer range	<p><u>BANCASSURANCE:</u></p> <ul style="list-style-type: none">• growth prospects in Non-Life business• repositioning on Life once this market segment has been reorganized
<p><u>BANKS / FA:</u></p> <p>widener complex product offer and consultancy</p>	<p><u>DIRECT CHANNEL AND SIMILAR:</u></p> <ul style="list-style-type: none">• motor and households products• offer mainly based on tariff, simple products and process speed

UGF Strategy

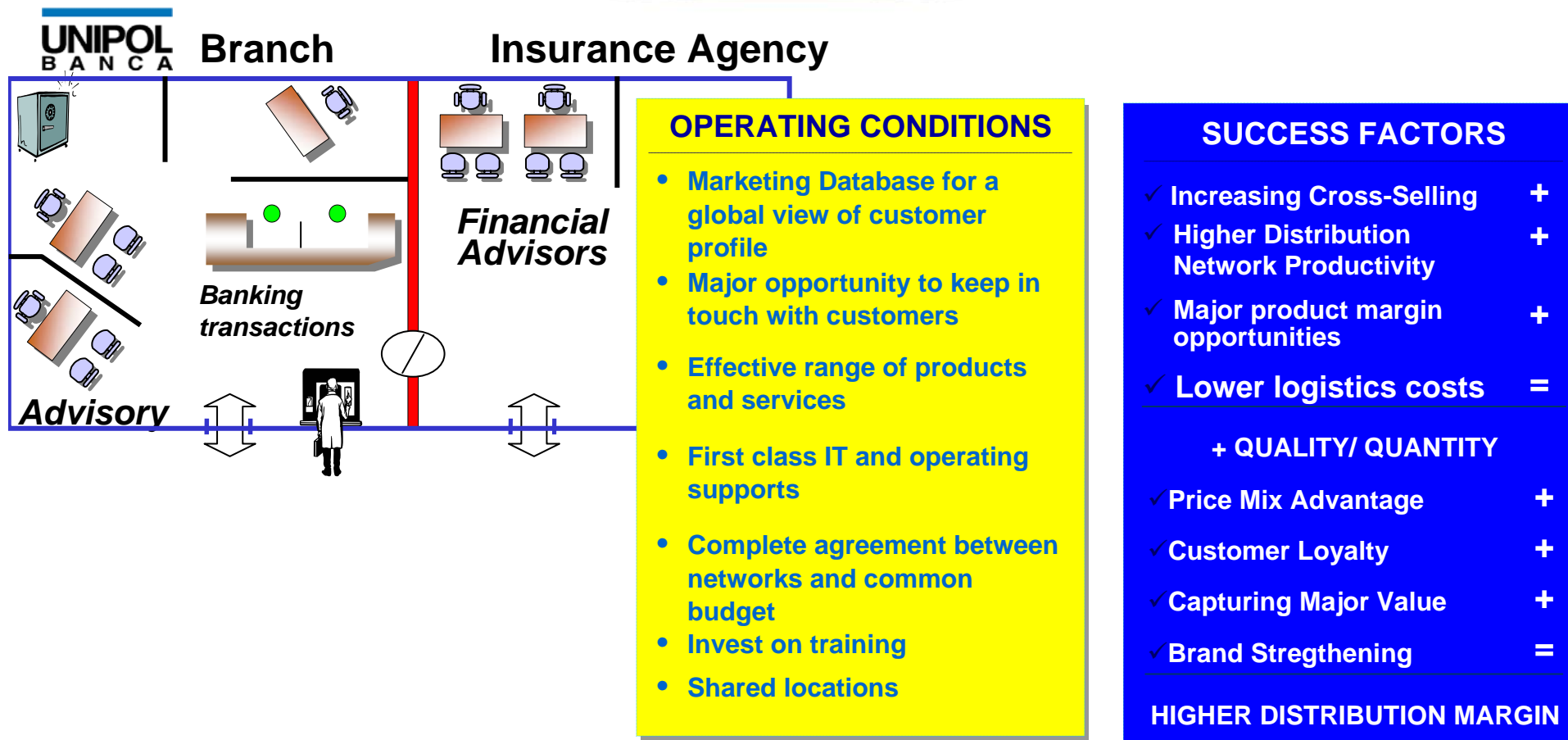


Business Model based on . . .

- Integration strategy
 - Internal organization
 - Distribution
 - Products

- Driven by
 - Team
 - Technologies
 - Tariffs

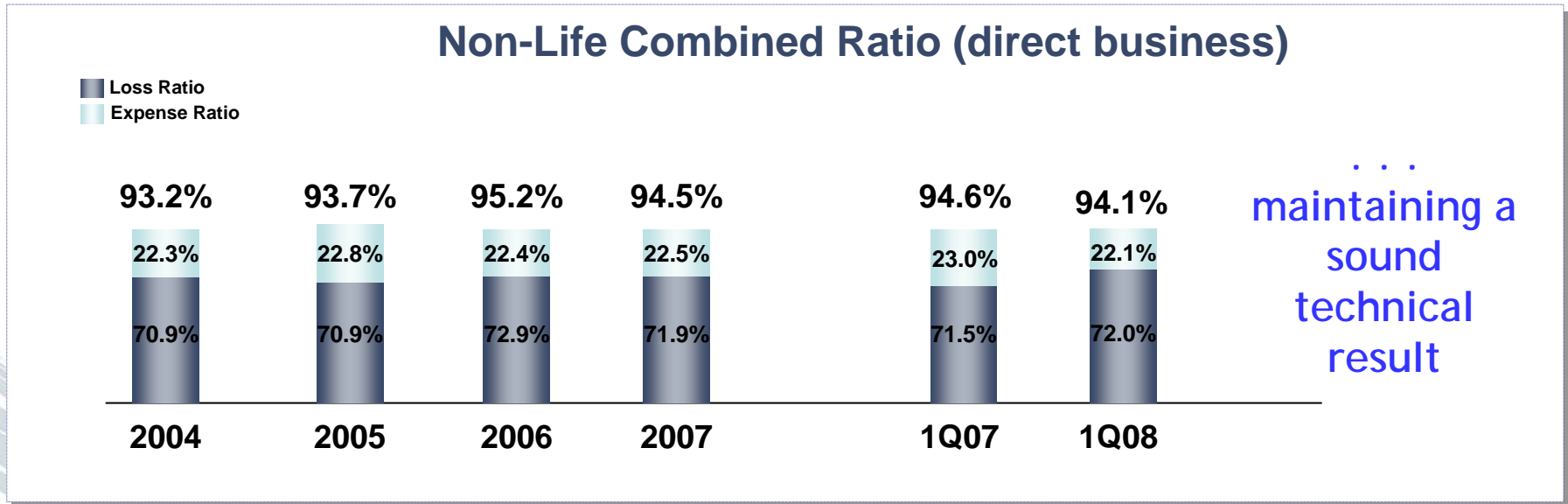
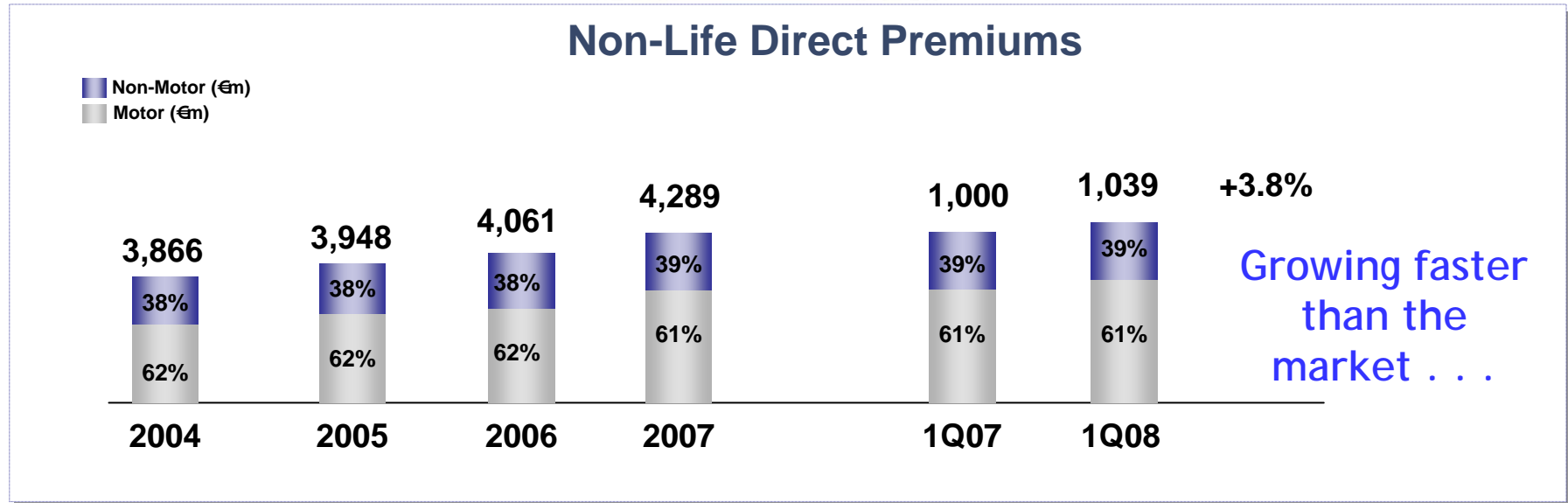
Innovative Business Model: integrating structures and processes



Flexible model for a better coverage of the territory

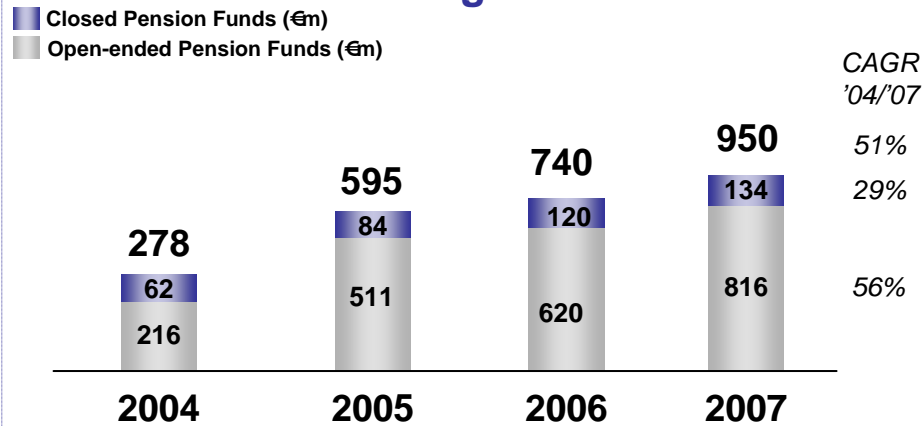
UGF Figures

Non-Life Business Performance

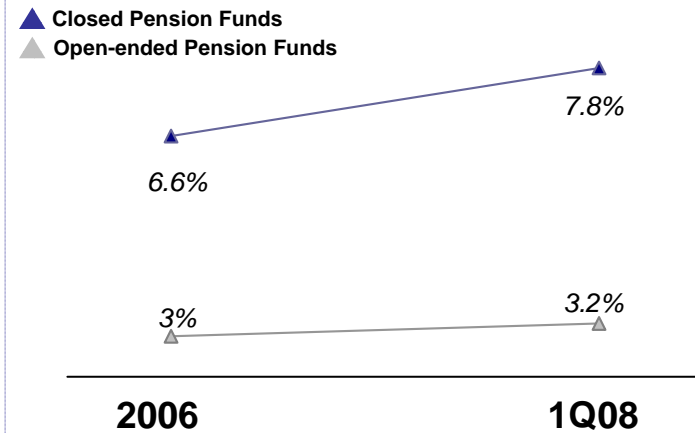


Life Business Performance

Pension Funds – Assets Under Management

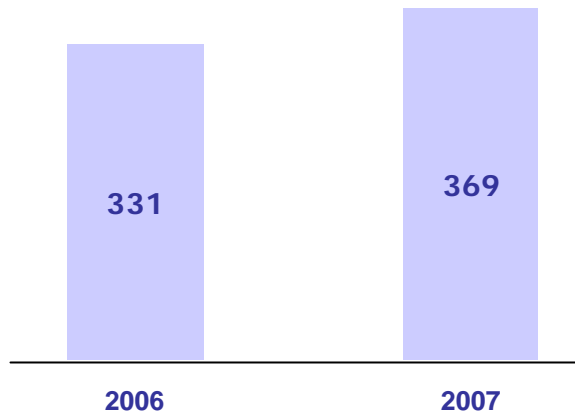


Pension Funds – Market Shares



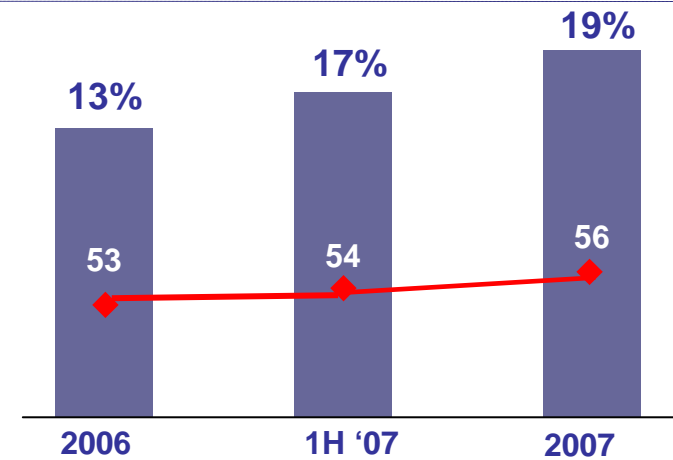
LIFE IN-FORCE VALUE

EUR/m



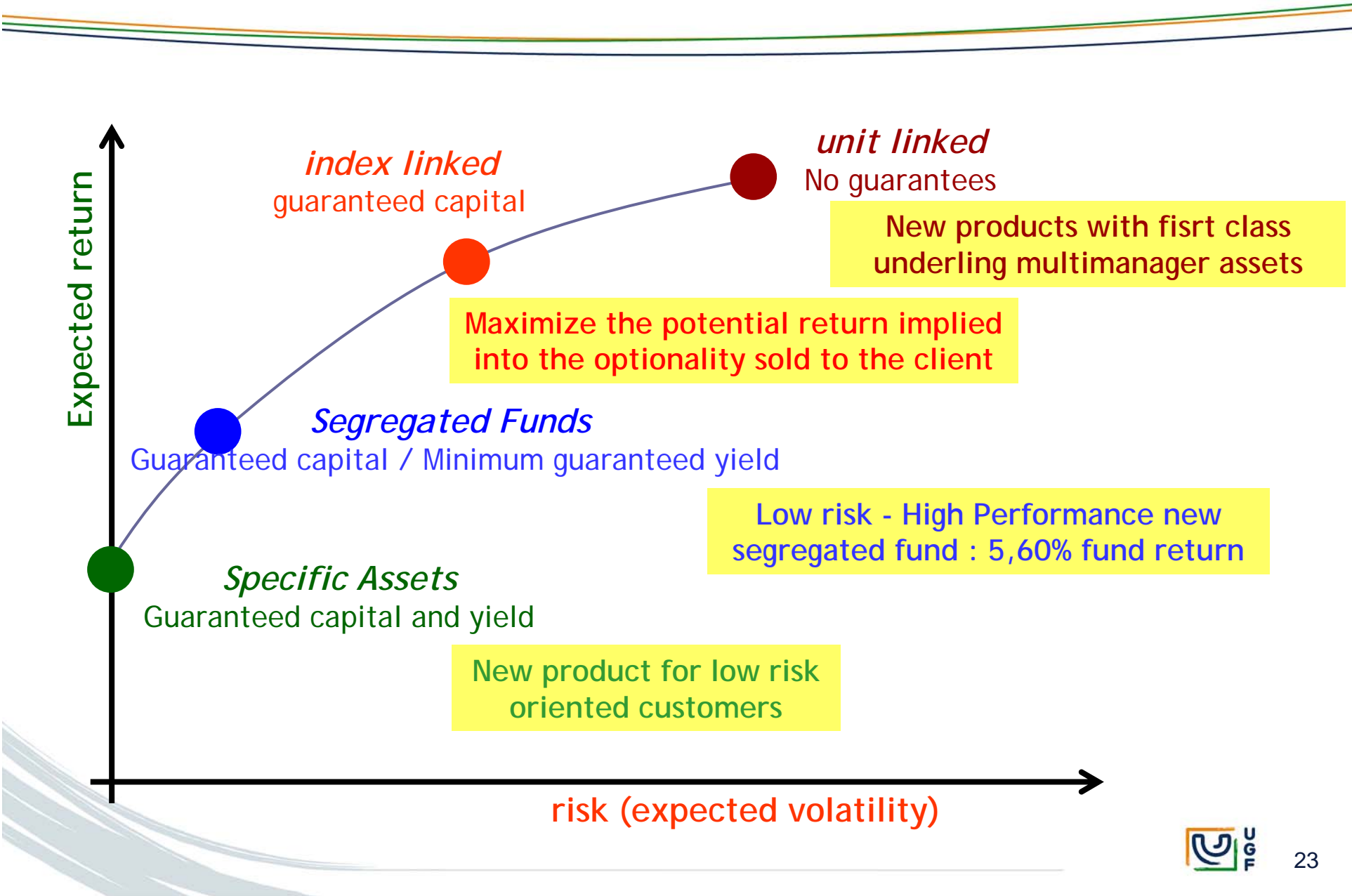
Net of Quadrifoglio Vita

NEW BUSINESS MARGIN



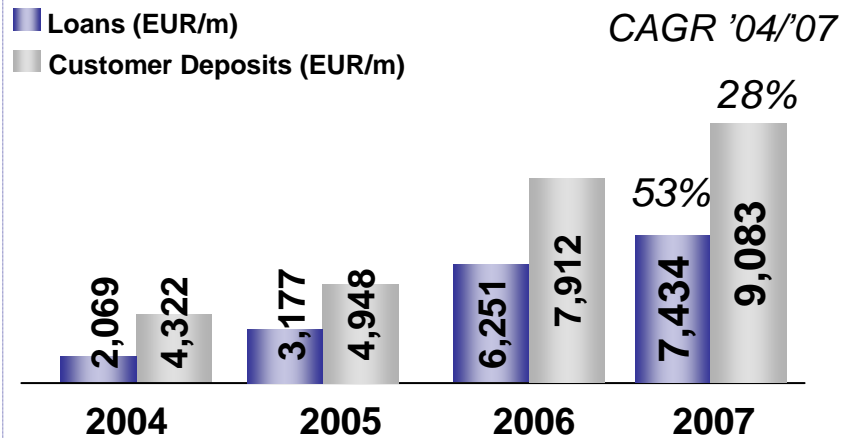
◆ New Business Value (EUR/m) ■ New Business Value / A.P.E.

Flying to quality

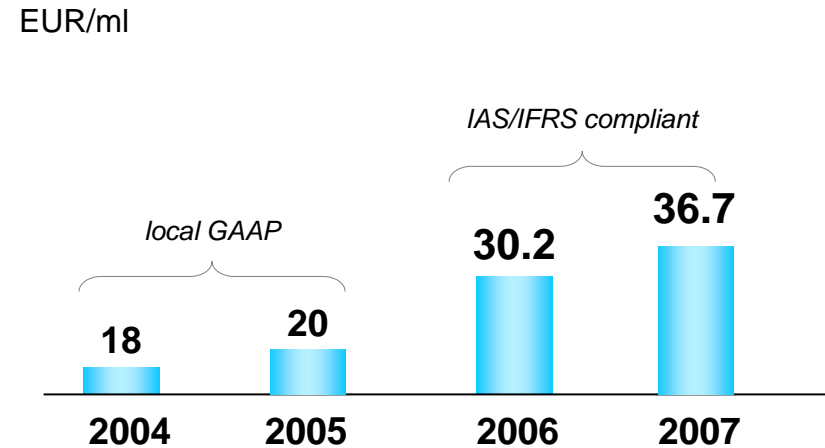


Banking Business Performance – Unipol Banca

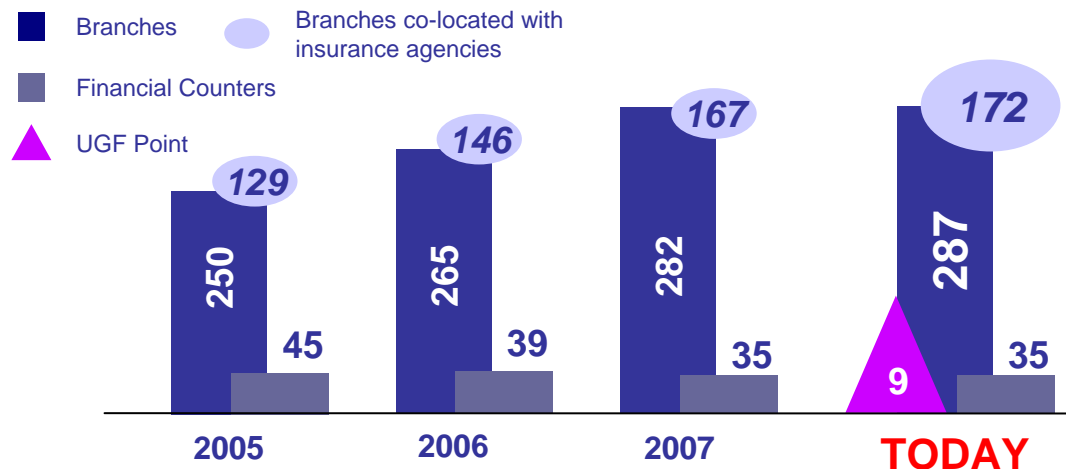
Customer Deposits and Loans



Unipol Banca Net profit



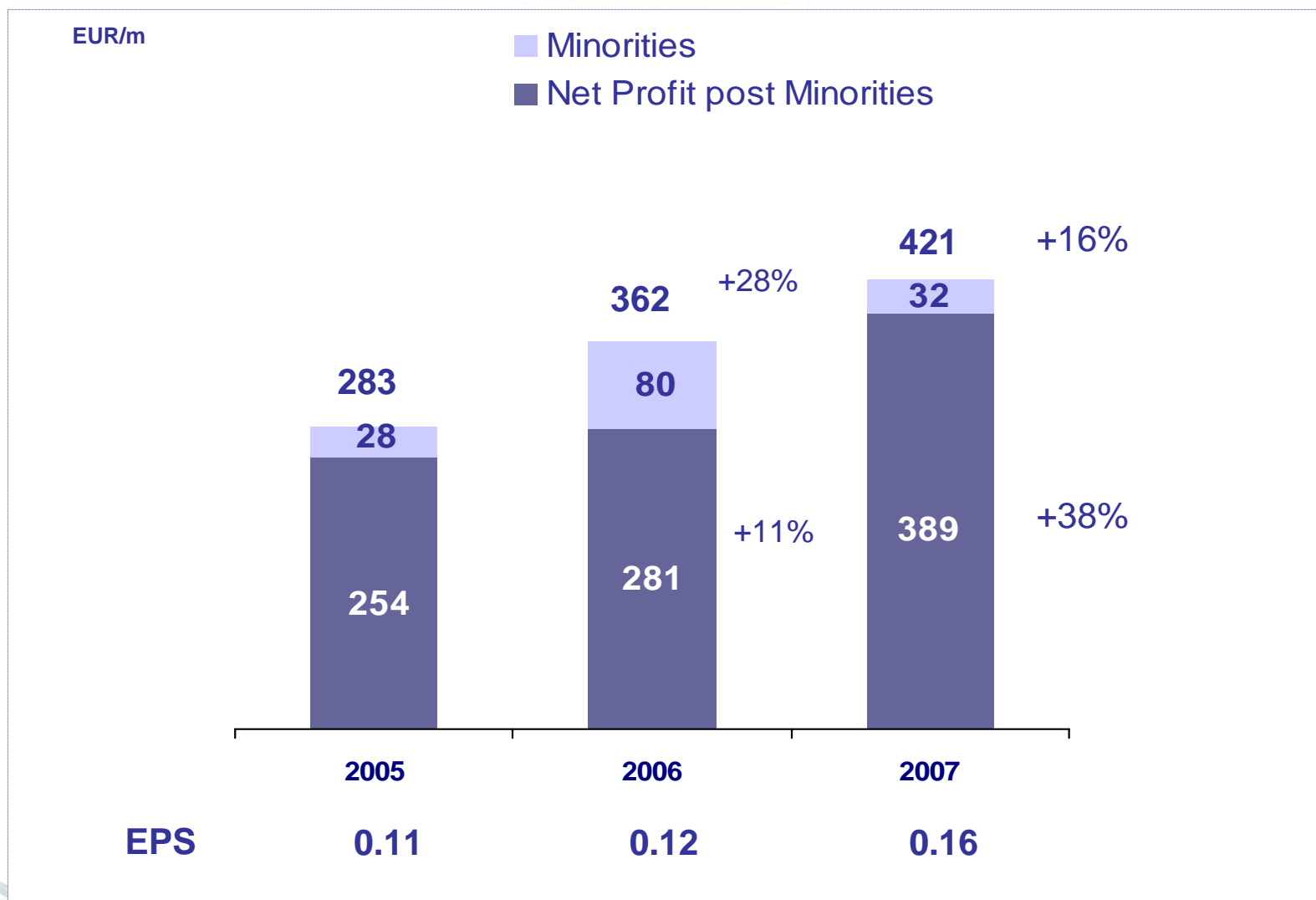
DISTRIBUTION NETWORK



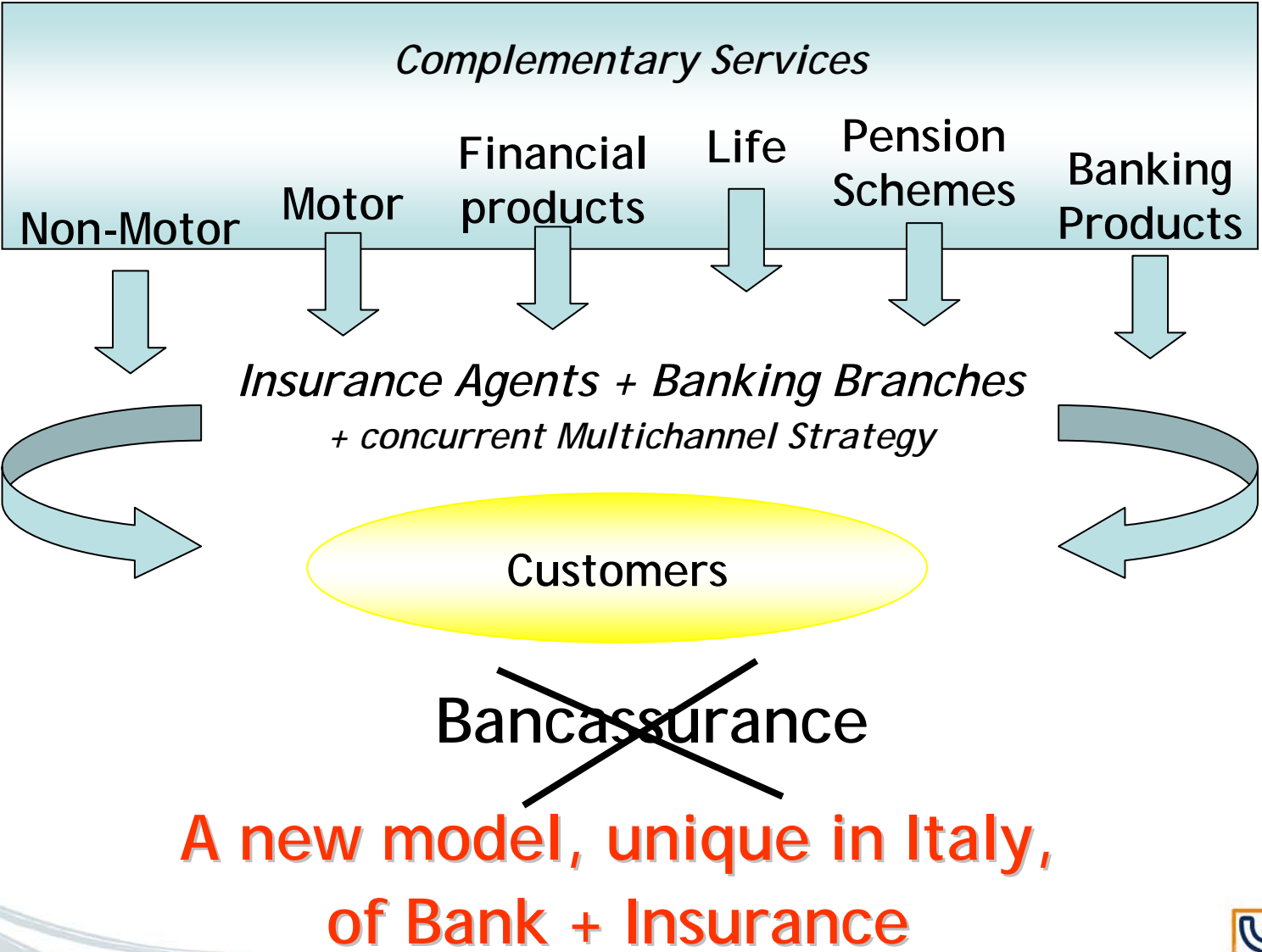
Average cross-selling for integrated banking branches 36%

In 2007, 48% of new current account have been opened by the insurance agencies

Consolidated Net Profit – Trend



Doing business better through innovative models



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, to the best of his knowledge and belief, the accounting information included in this presentation corresponds to the documentary results, the books and accounting records.