

PRESS RELEASE

INTERIM GROUP MANAGEMENT REPORT TO 31 MARCH 2012 APPROVED

- **Consolidated net profit €71m (€33m in the first quarter of 2011¹);**
- **Combined Ratio 93.1% (100.3% in the first quarter of 2011);**
- **Solvency margin 1.5 times the statutory requirements (before applying the ISVAP 'anticrisis' Rulings); more than €1bn of excess capital;**
- **Direct banking deposits +2.1% compared with 2011. Unipol Banca Core Tier 1 ratio 8.4% (8.2% in 2011)**

BOLOGNA, 10 May 2012 – At today's meeting, chaired by Pierluigi Stefanini, the Board of Directors of Unipol Gruppo Finanziario approved the Interim Group Management Report to 31 March 2012.

The first quarter of 2012 ended on a positive note for the Unipol Group, in both financial and equity terms. During the period the Unipol Group recorded a **consolidated net profit of €71m** (+115% compared with the profit achieved in the first quarter of 2011).

"We are gathering the fruits of the broad-ranging task we began two years ago to refocus Unipol on its core business and traditional retail and SME markets," said the Chief Executive Officer, **Carlo Cimbri**. "The results are positive – in some cases exceeding the objectives we had set ourselves – and underline the Group's ability to fulfil its commitments under the Business Plan despite the economy in general still being very unstable," concluded Cimbri.

In **Non-Life** insurance business the positive effects of portfolio restructuring were still being felt and direct premium income confirmed stable at €1,075m (+0.7% compared with the first quarter of 2011). MV TPL premiums also remained almost

¹ Excluding BNL Vita

stable (€625m, -0.5% compared with the first quarter of 2011). Non-MV business, with premiums of €450m, was up (+2.3% compared with the first quarter of 2011).

The specialist companies in the Group achieved positive results: **UniSalute**, which transacts Health insurance business, had premium income of €107m (+11% compared with the first quarter of 2011); **Linear**, which sells MV insurance contracts directly (telephone/Internet), had premium income of €55m (+14.2% compared with the first quarter of 2011).

As regards claims, the technical indicators continued to improve. Against this background the Group recorded a **loss ratio** of 71%, well down on the 78.7% in the first quarter of 2011, and an **expense ratio** of 22.2% (21.5% in the first quarter of 2011). Therefore the **combined ratio** (direct business) was 93.1% on 31 March 2012, compared with 100.3% in the first quarter of 2011 and 95.5% recorded at the end of 2011.

Within a national insurance market that saw a 27% fall in total turnover in March 2012² because of the effects of the economic crisis, the Unipol Group had direct **Life** income of €580m on 31 March 2012 (-9% compared with the first quarter of 2011 on a like-for-like basis).

The volume of new business in terms of pro rata APE was €57m (-8.8% compared with the first quarter of 2011), €47m of it contributed by Unipol Assicurazioni and €10m by the companies in the Arca Group.

The strategic-industrial guidelines in **banking business** are still focused on retail and small businesses, which constitute the core markets for the Unipol Group and its subsidiaries. The Unipol Banca Group in particular recorded €9,555m of direct deposits (+2.1% compared with the figure at the end of 2011). Lending fell to €9,881m (-1.4% compared with 2011). In this way the gap between customer deposits and lending was almost halved compared with 2011 (-€326m compared with -€670m).

The first quarter closed with a consolidated net profit of €3m (€2m in the first quarter of 2011); the core Tier 1 ratio rose to 8.4% compared with 8.2% in 2011.

During the period **financial management** recorded a return of 4.8%. The usual care and attention paid to risk management that is a special feature of the Group's investment policies manifested itself, inter alia, in a reduction of the exposure to Spanish government securities by approximately 20%.

Equity attributable to the owners of the Parent was up, amounting to €3,560m on 31 March 2012 (€3,078m at 31/12/2011), due to the positive variation of approximately €410m in the AFS reserve and the Group profit in the period under examination.

² ANIA trend figures: new business - individual policies

The Group's **solvency** improved further and on 31 March – before applying the ISVAP 'anticrisis' Rulings - was estimated to be approximately 1.5 times the regulatory requirements (1.25 times in 2011).

This ratio corresponds to more than €1bn of excess capital.

Business outlook for the current financial year

As regards the Group's performance in insurance business, Non-Life premiums remained stable in April, while there continued to be a favourable claims trend. The current economic crisis affected both Life business, where turnover continued to decrease, though this was the case throughout the market, and banking business, where activity remained focused on the primary market segments for the bank. The Group continues to work hard to ensure that the 2012 budget objectives are achieved.

Corporate Governance

Unipol Gruppo Finanziario's Board of Directors coopted Vincenzo Ferrari to replace Mario Zucchelli, the Director who had resigned (Mr Ferrari's CV is available at the registered office). The executive body expressed particular thanks for the invaluable contribution Mr Zucchelli had made and hard work he had carried out during his period in office.

The new Director, Vincenzo Ferrari, was also appointed to replace Mario Zucchelli on the Management Committee.

On the basis of the information provided the Board of Directors expressed its opinion that Vincenzo Ferrari fulfilled the requirements of independence laid down by the Code of Corporate Governance for Listed Companies and Article 147-*ter* of the Finance Consolidation Act.

According to the information available to the Company, the new Director, Vincenzo Ferrari, owns no shares in Unipol Gruppo Finanziario.

Finally, in accordance with Article 2386, para. 1, of the Italian Civil Code, the Board of Directors confirmed the appointment as a member of the Management Committee of the Director Adriano Turrini, who had been appointed by the Shareholders' Meeting held on 19 March 2012.

The Unipol Group's results for the first quarter of 2012 will be presented to the financial community at 6.30pm today by means of a webcast (on www.unipol.it) and conference calls. The telephone numbers to ring if you wish to participate are 02 805 88 11 (from Italy), +1 718 705 8794 (from the USA) and +44 1212 818003

(from other countries). At the end of the presentation financial analysts and institutional investors may ask questions by following the instructions. Other technical information on how to gain access to the event is available on the home page www.unipol.it and in the Investor Relations section.

In accordance with Article 154-*bis*, para. 2, of the Consolidated Finance Act the Senior Executive responsible for financial reporting, Maurizio Castellina, declares that the accounting information reported in this press release corresponds to the figures in the documents, books and accounting records.

Glossary:

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

COMBINED RATIO: sum of loss ratio and expense ratio

CORE TIER I: ratio between core equity and risk-weighted assets

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

LOSS RATIO: ratio between claims and Non-Life premiums

AFS RESERVES: reserves on assets classified as 'available for sale'

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Consolidated Statement of Financial Position - Assets

		<i>Amounts in €m</i>	31/3/2012	31/12/2011
1	INTANGIBLE ASSETS		1,637.6	1,641.0
1.1	Goodwill		1,522.5	1,522.5
1.2	Other intangible assets		115.1	118.5
2	PROPERTY, PLANT AND EQUIPMENT		815.2	804.1
2.1	Property		757.8	746.0
2.2	Other property, plant and equipment		57.4	58.2
3	TECHNICAL PROVISIONS - REINSURERS' SHARE		412.6	396.0
4	INVESTMENTS		34,855.7	33,181.1
4.1	Investment property		309.3	314.2
4.2	Investments in subsidiaries, associates and interests in joint ventures		50.3	42.3
4.3	Investments held to maturity		2,411.1	1,689.0
4.4	Loans and receivables		15,328.0	15,250.3
4.5	Available-for-sale financial assets		12,644.8	11,985.1
4.6	Financial assets at fair value through profit or loss		4,112.3	3,900.3
5	SUNDRY RECEIVABLES		1,442.5	1,761.5
5.1	Receivables relating to direct insurance business		582.5	820.6
5.2	Receivables relating to reinsurance business		52.1	57.9
5.3	Other receivables		807.8	883.0
6	OTHER ASSETS		1,438.4	1,554.3
6.1	Non-current assets held for sale or disposal groups		5.2	0.0
6.2	Deferred acquisition costs		18.1	18.8
6.3	Deferred tax assets		1,062.0	1,230.0
6.4	Current tax assets		20.3	27.3
6.5	Other assets		332.7	278.2
7	CASH AND CASH EQUIVALENTS		165.4	239.7
	TOTAL ASSETS		40,767.5	39,577.8

Consolidated Statement of Financial Position - Equity and Liabilities

		<i>Amounts in €m</i>	31/3/2012	31/12/2011
1	EQUITY		3,710.8	3,204.5
1.1	attributable to the owners of the Parent		3,560.2	3,078.3
1.1.1	Share capital		2,699.1	2,699.1
1.1.2	Other equity instruments			
1.1.3	Equity-related reserves		1,506.3	1,506.3
1.1.4	Income-related and other reserves		-17.1	91.0
1.1.5	(Treasury shares)		0.0	-0.2
1.1.6	Translation reserve			
1.1.7	Gains or losses on available-for-sale financial assets		-678.0	-1,090.9
1.1.8	Other gains or losses recognised directly in the equity		-19.4	-18.6
1.1.9	Profit (loss) for the year attributable to the owners of the Parent		69.3	-108.4
1.2	attributable to non-controlling interests		150.6	126.2
1.2.1	Share capital and reserves attributable to non-controlling interests		154.8	140.0
1.2.2	Gains or losses recognised directly in the equity		-6.4	-28.3
1.2.3	Profit (loss) for the year attributable to non-controlling interests		2.1	14.5
2	PROVISIONS		90.5	112.5
3	TECHNICAL PROVISIONS		22,455.7	22,039.3
4	FINANCIAL LIABILITIES		12,993.0	12,828.7
4.1	Financial liabilities at fair value through profit or loss		1,466.3	1,458.2
4.2	Other financial liabilities		11,526.7	11,370.5
5	PAYABLES		504.2	439.7
5.1	Payables arising from direct insurance business		57.2	67.4
5.2	Payables arising from reinsurance business		67.7	43.2
5.3	Other payables		379.2	329.0
6	OTHER LIABILITIES		1,013.3	953.2
6.1	Liabilities associated with disposal groups		0.0	0.0
6.2	Deferred tax liabilities		256.0	339.2
6.3	Current tax liabilities		62.1	28.6
6.4	Other liabilities		695.1	585.4
	TOTAL EQUITY AND LIABILITIES		40,767.5	39,577.8

Consolidated Income Statement (1)

		<i>Amounts in €m</i>	31/3/2012	31/3/2011
1.1	Net premiums		1,580.3	2,363.7
1.1.1	<i>Gross premiums</i>		1,626.6	2,406.2
1.1.2	<i>Ceded premiums</i>		-46.3	-42.5
1.2	Commission income		32.5	33.0
1.3	Gains and losses on remeasurement of financial instruments at fair value through profit or loss		103.5	34.0
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures		0.5	0.4
1.5	Gains on other financial instruments and investment property		380.7	436.6
1.5.1	<i>Interest income</i>		291.9	336.8
1.5.2	<i>Other gains</i>		12.6	16.8
1.5.3	<i>Realised gains</i>		74.5	83.0
1.5.4	<i>Unrealised gains</i>		1.7	0.0
1.6	Other income		22.3	27.6
1	TOTAL REVENUE AND INCOME		2,119.7	2,895.3
2.1	Net charges relating to claims		1,483.7	2,267.2
2.1.1	<i>Amounts paid and changes in technical provisions</i>		1,506.6	2,282.1
2.1.2	<i>Reinsurers' share</i>		-22.9	-14.9
2.2	Commission expense		6.1	8.0
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures		0.1	4.6
2.4	Losses on other financial instruments and investment property		134.9	139.0
2.4.1	<i>Interest expense</i>		79.3	61.5
2.4.2	<i>Other expense</i>		3.2	2.1
2.4.3	<i>Realised losses</i>		22.7	23.3
2.4.4	<i>Unrealised losses</i>		29.6	52.1
2.5	Operating expenses		342.5	335.3
2.5.1	<i>Commissions and other acquisition costs</i>		210.6	205.2
2.5.2	<i>Investment management expenses</i>		3.5	4.0
2.5.3	<i>Other administrative expenses</i>		128.4	126.1
2.6	Other costs		33.6	69.5
2	TOTAL COSTS AND EXPENSES		2,000.9	2,823.7
	PRE-TAX PROFIT (LOSS) FOR THE YEAR		118.8	71.6
3	Income tax		47.3	33.4
4	PROFIT (LOSS) OF DISCONTINUED OPERATIONS		0.0	0.0
	CONSOLIDATED PROFIT (LOSS) FOR THE YEAR		71.4	38.2
	<i>attributable to the owners of the Parent</i>		<i>69.3</i>	<i>29.2</i>
	<i>attributable to non-controlling interests</i>		<i>2.1</i>	<i>9.0</i>

(1) Figures at 31 March 2011 include BNL Vita, which was later disposed of.

CONSOLIDATED INCOME STATEMENT BY BUSINESS SEGMENT - SUMMARY (1)

	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE BUSINESS			BANKS			HOLDING and SERVICES			Intersegment eliminations		TOTAL CONSOLIDATED		
	31/03/12	31/03/11	var. %	31/03/12	31/03/11	var. %	31/03/12	31/03/11	var. %	31/03/12	31/03/11	var. %	31/03/12	31/03/11	var. %	31/03/12	31/03/11	31/03/12	31/03/11	var. %
<i>Amounts in €m</i>																				
Net premiums	1,032	1,047	-1.4	548	1,317	-58.4	1,580	2,364	-33.7									1,580	2,364	-33.7
Net commission income	0	0		2	3	-27.2	2	3	-33.9	29	30	-4.0	1	0		-6	-8	26	25	5.1
Financial income/charges (excl. assets/liabilities at fair value)	66	61	8.7	166	244	-32.0	232	305	-24.0	48	41	15.9	-9	-2		-2	-7	270	338	-20.3
<i>Net interests</i>	47	43		135	192		182	236		46	52		-7	-5				221	283	
<i>Other income and charges</i>	4	5		0	5		5	10		0	0		-3	0		-2	-7	0	4	
<i>Realised gains and losses</i>	12	12		16	49		29	61		25	3		2	2				55	66	
<i>Unrealised gains and losses</i>	2	1		14	-2		17	-1		-23	-13		0	0		0	0	-7	-15	
Net charges relating to claims	-741	-839	-11.6	-662	-1,440	-54.0	-1,404	-2,278	-38.4									-1,404	-2,278	-38.4
Operating expenses	-239	-233	2.4	-29	-34	-16.5	-267	-267	0.0	-68	-65	3.7	-19	-18	9.6	12	15	-342	-335	2.1
<i>Commissions and other acquisition costs</i>	-197	-191	3.6	-14	-18	-21.0	-211	-208	1.5							1	3	-211	-205	2.6
<i>Other costs</i>	-41	-42	-2.9	-15	-17	-11.6	-56	-59	-5.3	-68	-65	3.7	-19	-18	9.6	11	12	-132	-130	1.4
Other income and charges	-10	-22	-56.8	-4	-17	-77.7	-13	-39	-66.0	1	1	26.6	7	3	106.5	-6	-7	-11	-42	-73.0
Pre-tax profit (loss)	108	15	636.6	22	73	-70.0	130	87	49.1	10	7	47.2	-20	-17	-21.6	-1	-6	119	72	65.8
Income tax																		-47	-33	41.6
Consolidated profit (loss)																		71	38	87.0
<i>attributable to the owners of the Parent</i>																		69	29	
<i>attributable to non-controlling interests</i>																		2	9	

(1) Figures at 31 March 2011 include BNL Vita, which was later disposed of.