

PRESS RELEASE

UNIPOL GROUP RESULTS FOR THE FIRST NINE MONTHS OF 2012 APPROVED THIRD-QUARTER PREMAFIN/FONDIARIA-SAI GROUP RESULTS CONSOLIDATED FOR THE FIRST TIME

Stand alone Unipol Group:

- Consolidated net profit €181m: +149% compared with €72m on 30 September 2011
- Combined ratio 95.5% (92.5% net of the effects of the earthquakes) compared with 98.1% on 30 September 2011
- Life direct premiums €1,918m (+4.7% compared with 30/9/2011), pro-rata APE +7.7% compared with 30 September 2011

Unipol Group under the new structure¹:

- Consolidated net profit €146m
- Solvency margin to 1.6 times the regulatory requirements

Bologna, 14 November 2012 – At its meeting held today, chaired by Pierluigi Stefanini, the Board of Directors of Unipol Gruppo Finanziario approved the Group interim management report for the nine months ended 30 September 2012 which, following the acquisition in July, also shows the consolidated results for the third quarter of the Premafin/Fondiarria-SAI Group.

Consolidated result

The stand-alone Unipol Group ended the first nine months of 2012 with a consolidated profit of €181m, compared with €72m in the same period last year (+149%).

The Premafin/Fondiarria-SAI Group closed with a loss of €74m on 30 September 2012. The results for the third quarter alone (pertaining to the Unipol Group) were a loss of €81m, to which €46m of positive consolidation adjustments were made.

¹ Following the consolidation of the 2012 third-quarter figures of the Premafin/Fondiarria Sai Group

Therefore the Unipol Group's consolidated profit on 30 September 2012, including the Premafin/Fondiarria-SAI Group, was €146m.

"The Unipol Group's results at the third quarter are evidence of a considerable financial strength and a good level of profitability," declared the Chief Executive Officer, **Carlo Cimbri**. "Despite a market background that continues to be uncertain and complex, management policies adopted in recent years are producing satisfactory results, in line with the targets contained in the 2010-2012 Business Plan." Mr Cimbri continued, "We are beginning the complex task of merging with the Fondiarria-SAI Group, for which the Unipol Group has great expectations and which we deem to have solid business foundations." Cimbri concluded by saying, "My colleagues in the Unipol Group, whom we have to thank for the good results produced in the last three years, will be called upon to confirm their commitment to the integration plan, working side by side with the staff of the Fondiarria-SAI Group in the months to come, in order to bring about a successful merger of two of the main insurance traditions in Italy."

Stand-alone Unipol Group

The Unipol Group's **Non-Life** direct premiums amounted to €3,004m (-2.2% compared with 30/9/2011), €1,838m in MV classes (-2.9%) and €1,166m in non-MV classes (-1%), as a result of continuing strict underwriting policies and also because of the unending consequences of the economic crisis.

The direct company Linear (telephone/Internet) made a significant contribution to MV business, with €164m in premiums (+11.5% compared with 30/9/2011). UniSalute, which specializes in Health, made a very positive contribution, with premiums of €187m (+12.7% compared with 30/9/2011).

The Group recorded a combined ratio (direct business) of 95.5% on 30 September 2012 (98.1% on 30/9/2011) which, net of the effects of the earthquakes in the first half of the year, would be equivalent to 92.5%. The loss ratio fell to 72% (75.6% on 30/9/2011), whilst the expense ratio was 23.6% (22.5% on 30 /9/2011) affected not only by the drop in premiums but also by a greater incidence of both the non-recurring expenses related to the new agents' agreement and the costs relating to the black boxes (Unibox policies), which under the recent Deregulation Decree are borne entirely by the Companies.

Life direct premiums on 30 September 2012 amounted to €1,918m, an increase of 4.7% compared with the same period of 2011 thanks to the inflows from two new mandates for Guaranteed Closed Funds (Class VI). New business in terms of pro-rata APE amounted to €189m on 30 September 2012 (+7.7% compared with €175m during the same period of 2011).

Banking business closed with third-party customer deposits (retail and SMEs) of €7,844m (+3.2% compared with 31/12/2011). Lending to customers amounted to €7,406m, more or less the same as last year (+1.9% compared with 31/12/2011), owing

to more focus being placed on the retail and small business segments, offset by a proportional reduction in exposures to corporate customers. The Unipol Banca Group had Core Tier 1 of 8.3% on 30 September 2012 compared with 8.2% in 2011. The period ended with a net profit of €6m compared with €2m for the same period of 2011.

The gross return through profit or loss on insurance-related **investment management**, which during the period in question operated against a background of great volatility in the financial markets owing to renewed tensions on sovereign debt in some European countries, was approximately 4.3%.

As mentioned in the Prospectus for the Unipol capital increase, the Parent, Unipol, and the relevant supervisory authorities are continuing to carry out the analyses and checks on the classification and recognition of the structured securities.

The AFS reserve benefited from favourable spreads, reaching -€604m compared with -€1,091m on 31 December 2011.

Premafin/Fondiarìa-SAI Group

As regards the Premafin/Fondiarìa-SAI Group's results which, as mentioned, affect the Unipol Group results only for the third quarter of 2012, the Fondiarìa-SAI Group's **Non-Life** direct premiums amounted to €4,700m (-7.6% compared with 30/9/2011), €3,201m in MV classes (-7.6%) and €1,499m in non-MV classes (-7.5%). The decrease was due not only to the difficult economic climate but also to the effects of more selective underwriting policies, with the riskiest segments being dropped.

The **combined ratio** for direct business² was 101.6% on 30 September (99.4% if the effects of the earthquake in Emilia are excluded) compared with 103.8% in the first nine months of 2011 and 110.4% at the end of 2011.

Life direct income was €2,549m on 30 September 2012, a fall of 22.3% compared with the same period of 2011, attributable to market trends and the bancassurance sector.

Shareholders' equity and consolidated solvency

Total **shareholders' equity**³ was €6,428m. The Equity attributable to the Group, including the result for the period, amounted to €4,785m (€3,078m on 31/12/2011).

² Recalculated in accordance with Unipol's methods and including the incidence of Other Technical Items on earned premiums

³ Under the new Group structure

The consolidated **solvency** ratio, estimated on the basis of provisional figures attributed to the Premafin/Fondiaria-SAI Group acquisition, was also significantly up on 30 September 2012 thanks to the capital strengthening, reaching approximately 1.6 times the regulatory requirements⁴.

Significant events after 30 September and business outlook

Fondiaria-SAI S.p.A.'s Shareholders' Meeting held on 30 October 2012 appointed the Board of Directors until the Shareholders' Meeting to be held to approve the financial statements for 2012. At its meeting on 5 November, chaired by Fabio Cerchiai, the renewed Board of Directors, the composition of which expressed the wishes of the new majority shareholder, appointed Carlo Cimbri as Chief Executive Officer.

Work continues on preparing for the integration of the Premafin/Fondiaria-SAI Group and for drawing up the 2013-2015 joint Business Plan, including preparations for the sale of one or more business lines, in accordance with the commitments made to the Antitrust Authority.

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The interim management report for the period ended 30 September 2012 will be available to the public at the registered office at Via Stalingrado 45, Bologna, and from Borsa Italiana S.p.A. by today. The report will also be available on the Company's website, www.unipol.it.

Unipol Gruppo Finanziario's results for the first nine months of 2012 will be presented to the financial community at 6.15 pm 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 (within 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 details on how to gain access to the event are available on the home page and the Investor Relations page of www.unipol.it.

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Maurizio Castellina, Giuseppe Nassi and Massimo Dalfelli, the Managers in charge of financial reporting of Unipol Gruppo Finanziario S.p.A., Premafin S.p.A., Fondiaria-SAI S.p.A. and Milano Assicurazioni S.p.A. respectively, declare, in accordance with Article 154-2, para. 2, of the Consolidated Finance Act, that the accounting information presented corresponds to the documentary results, the books and the accounting records.

⁴ Post ISVAP Ruling 43.

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 Non-Life claims and premiums

AFS RESERVES: reserves on assets recognised as 'Available for Sale'

Unipol Gruppo Finanziario S.p.A.

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Consolidated Statement of Financial Position - Assets
Amounts in €m

		30/9/2012	31/12/2011
1	INTANGIBLE ASSETS	1,962	1,641
1.1	Goodwill	1,811	1,523
1.2	Other intangible assets	151	119
2	PROPERTY, PLANT AND EQUIPMENT	1,222	804
2.1	Property	1,104	746
2.2	Other items of property, plant and equipment	118	58
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	1,233	396
4	INVESTMENTS	69,841	33,181
4.1	Investment property	2,819	314
4.2	Investments in subsidiaries and associates and interests in joint ventures	162	42
4.3	Held-to-maturity investments	3,085	1,689
4.4	Loans and receivables	18,418	15,250
4.5	Available-for-sale financial assets	34,475	11,985
4.6	Financial assets at fair value through profit or loss	10,881	3,900
5	SUNDRY RECEIVABLES	3,228	1,762
5.1	Receivables relating to direct insurance business	1,520	821
5.2	Receivables relating to reinsurance business	121	58
5.3	Other receivables	1,587	883
6	OTHER ASSETS	3,068	1,554
6.1	Non-current assets held for sale or disposal groups	135	0
6.2	Deferred acquisition costs	45	19
6.3	Deferred tax assets	2,084	1,230
6.4	Current tax assets	307	27
6.5	Other assets	498	278
7	CASH AND CASH EQUIVALENTS	1,066	240
	TOTAL ASSETS	81,618	39,578

Consolidated Statement of Financial Position - Equity and Liabilities

Amounts in €m

		30/9/2012	31/12/2011
1	EQUITY	6,428	3,204
1.1	attributable to the owners of the Parent	4,785	3,078
1.1.1	Share capital	3,365	2,699
1.1.2	Other equity instruments	0	0
1.1.3	Equity-related reserves	1,725	1,506
1.1.4	Income-related and other reserves	152	91
1.1.5	(Treasury shares)	0	0
1.1.6	Translation reserve	0	0
1.1.7	Gains or losses on available-for-sale financial assets	-556	-1,091
1.1.8	Other gains or losses recognised directly in equity	-31	-19
1.1.9	Profit (loss) for the year attributable to the owners of the Parent	130	-108
1.2	attributable to non-controlling interests	1,643	126
1.2.1	Share capital and reserves attributable to non-controlling interests	1,348	140
1.2.2	Gains or losses recognised directly in equity	279	-28
1.2.3	Profit (loss) for the period/year attributable to non-controlling interests	16	14
2	PROVISIONS	472	112
3	TECHNICAL PROVISIONS	55,713	22,039
4	FINANCIAL LIABILITIES	16,174	12,829
4.1	Financial liabilities at fair value through profit or loss	2,129	1,458
4.2	Other financial liabilities	14,045	11,370
5	PAYABLES	1,174	440
5.1	Payables arising from direct insurance business	166	67
5.2	Payables arising from reinsurance business	119	43
5.3	Other payables	888	329
6	OTHER LIABILITIES	1,657	953
6.1	Liabilities associated with non-current assets held for sale	113	0
6.2	Deferred tax liabilities	438	339
6.3	Current tax liabilities	140	29
6.4	Other liabilities	967	585
	TOTAL EQUITY AND LIABILITIES	81,618	39,578

Consolidated Income Statement

Amounts in €m

		30/9/2012	30/9/2011
1.1	Net premiums	7,357	6,972
1.1.1	<i>Gross premiums</i>	7,557	7,094
1.1.2	<i>Ceded premiums</i>	-200	-123
1.2	Fee and commission income	100	101
1.3	Gains and losses on financial instruments at fair value through profit or loss	230	-237
1.4	Gains on investments in subsidiaries and associates and interests in joint ventures	1	1
1.5	Gains on other financial instruments and investment property	1,460	1,430
1.5.1	<i>Interest income</i>	1,104	1,087
1.5.2	<i>Other gains</i>	105	98
1.5.3	<i>Realised gains</i>	207	148
1.5.4	<i>Unrealised gains</i>	45	98
1.6	Other revenue	102	84
1	TOTAL REVENUE AND INCOME	9,251	8,352
2.1	Net charges relating to claims	6,827	6,397
2.1.1	<i>Amounts paid and changes in technical provisions</i>	7,073	6,438
2.1.2	<i>Reinsurers' share</i>	-186	-41
2.2	Fee and commission expense	24	23
2.3	Losses on investments in subsidiaries and associates and interests in joint ventures	11	24
2.4	Losses on other financial instruments and investment property	494	517
2.4.1	<i>Interest expense</i>	245	199
2.4.2	<i>Other charges</i>	27	10
2.4.3	<i>Realised losses</i>	76	99
2.4.4	<i>Unrealised losses</i>	146	209
2.5	Operating expenses	1,383	1,014
2.5.1	<i>Commissions and other acquisition costs</i>	880	617
2.5.2	<i>Investment management expenses</i>	19	13
2.5.3	<i>Other administrative expenses</i>	484	384
2.6	Other costs	245	186
2	TOTAL COSTS AND EXPENSES	8,986	8,160
	PRE-TAX PROFIT (LOSS) FOR THE PERIOD	265	192
3	Income tax	119	119
	POST-TAX PROFIT (LOSS) FOR THE PERIOD	146	72
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	0	0
	CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	146	72
	<i>attributable to the owners of the Parent</i>	130	63
	<i>attributable to non-controlling interests</i>	16	9

Consolidated Statement of Comprehensive Income - Net amounts

	Amounts in €m	30/9/2012	30/9/2011
	CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	146	72
	Variations in translation reserve		
	Gains or losses on available-for-sale financial assets	844	-435
	Other gains or losses recognised directly in equity	-13	-11
	TOTAL OTHER COMPREHENSIVE INCOME	831	-446
	TOTAL CONSOLIDATED COMPREHENSIVE INCOME	976	-374
	<i>attributable to the owners of the Parent</i>	653	-385
	<i>attributable to non-controlling interests</i>	323	11

CONDENSED CONSOLIDATED INCOME STATEMENT BROKEN DOWN BY BUSINESS SEGMENT

	NON-LIFE BUSINESS			LIFE BUSINESS			INSURANCE			BANKING			HOLDING AND SERVICES			REAL ESTATE			INTERSEGMENT ELIMINATIONS		CONSOLIDATED TOTAL		
	30/9/12	30/9/11	% var.	30/9/12	30/9/11	% var.	30/9/12	30/9/11	% var.	30/9/12	30/9/11	% var.	30/9/12	30/9/11	% var.	30/9/12	30/9/11	% var.	30/9/12	30/9/11	% var.		
<i>Amounts in €m</i>																							
Net premiums	4,604	3,164	45.5	2,753	3,807	-27.7	7,357	6,972	5.5				4	1		0	0		-19	-22	7,357	6,972	5.5
Net fees and commissions	0	0		6	8	-21.1	6	8	-24.4	84	92	-8.6				0	0		-19	-22	76	79	-3.8
Financial income/expense (excl. assets/liabilities at fair value TPL)	219	153	43.3	660	530	24.6	879	682	28.8	146	121	20.7	-46	-18	151.5	-4	1		-57	-37	918	749	22.5
<i>Net interest (income/expense)</i>	190	145		574	616		764	762		156	154		-33	-13		-1	0				885	903	
<i>Other income and expense</i>	31	31		21	49		52	81		0	0		-14	14		9	-1		-6	-22	41	71	
<i>Realised gains and losses</i>	28	1		61	44		90	45		50	7		3	-19		0	2				142	35	
<i>Unrealised gains and losses</i>	-30	-24		4	-180		-26	-205		-59	-40		-2	0		-12	0		-50	-14	-149	-259	
Net charges relating to claims	-3,412	-2,436	40.1	-3,147	-4,057	-22.4	-6,559	-6,492	1.0												-6,559	-6,492	1.0
Operating expense	-1,002	-681	47.2	-138	-115	20.2	-1,140	-796	43.3	-212	-200	5.7	-131	-63	106.8	-3	-1		102	46	-1,383	-1,014	36.5
<i>Commissions and other acquisition costs</i>	-809	-565	43.2	-75	-59	28.3	-885	-624	41.8										5	7	-880	-617	42.7
<i>Other expenses</i>	-193	-116	66.3	-63	-57	11.7	-256	-172	48.4	-212	-200	5.7	-131	-63	106.8	-3	-1		97	39	-503	-397	26.8
Other income/expense	-84	-61	37.5	-22	-44	-50.5	-106	-105	0.7	-19	5		12	6		-1	0		-30	-8	-143	-102	40.2
Pre-tax profit (loss)	325	140	132.2	112	129	-13.0	437	269	62.5	0	18	-99.4	-160	-75	-115.0	-8	0		-4	-20	265	192	38.2
Income tax																					-119	-119	-0.2
Profit (loss) on discontinued operations																					0	0	0.0
Consolidated profit (loss) for the period																					146	72	100.9
<i>Profit (loss) attributable to the owners of the Parent</i>																					130	63	
<i>Profit (loss) attributable to non-controlling interests</i>																					16	9	