

PRESS RELEASE**APPROVED THE HALF-YEARLY REPORT
AS AT 30 JUNE 2008****START OF 'UGF ASSICURAZIONI S.P.A.'**

**NON-LIFE GROSS DIRECT WRITTEN PREMIUMS GROWING TO
€2,182M (+3.4%)**

NON-LIFE COMBINED RATIO STABLE AT 96.2%

**LIFE GROSS DIRECT WRITTEN PREMIUMS OF €1,619M, WITH
IMPROVEMENT IN IN-FORCE VALUE (+2.8%) AND LIFE NEW
BUSINESS MARGIN TO 21% (17% ON 30 JUNE 2007)**

**UNIPOL BANCA GROSS OPERATING INCOME OF €155M (+11.1%);
PROFIT FOR THE PERIOD AT -€26M DUE TO EXTRAORDINARY AND
PRUDENTIAL ADJUSTMENTS FOR €65M**

**UNIPOL GRUPPO FINANZIARIO CONSOLIDATED PROFIT AT
€250M (€286M AS AT 30 JUNE 2007)**

**START OF 'UGF ASSICURAZIONI S.P.A.'. RESOLVED THE MERGER
OF AURORA INTO UNIPOL AND THE CONTRIBUTION IN KIND OF
UGF SERVICES BRANCH IN FAVOUR OF 'UGF ASSICURAZIONI',
WHICH WILL MAINTAIN THE BUSINESS STRENGTH AND THE
COMMERCIAL NETWORKS OF THE CURRENT BRANDS 'UNIPOL'
AND 'AURORA'**

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The Board of Directors of Unipol Gruppo Finanziario S.p.A., held today, approved the consolidated half-yearly Report as at 30 June 2008 and the reorganization Plan of the insurance sector to give rise to 'UGF Assicurazioni S.p.A.'.

Consolidated half-yearly report

In **insurance business** Non-Life gross direct written premiums were €2,182m (+3.4%), €1,336m of which in Motor business (+2.7%) and €846m in Non-Life Non-Motor business (+4.5%), in a market scenario recording a slowdown in Non-Life premium income (-0.3% as at 31 March 2008).

Life gross direct written premiums were €1,619m (-13.3% over the first half 2007), improving compared with €644m in the first quarter 2008. The composite companies (Unipol Assicurazioni and Aurora Assicurazioni) showed a positive trend, totalling premium income of €972m (+21.2%) against the run of the market (-17% in the first quarter 2008). BNL Vita premium income was €642m, decreasing over the first half 2007 (-64.9%) also due to business seasonality.

The corresponding consolidated earned premiums, net of outward reinsurance, amounted to €2,023m in Non-Life business (+4.6%) and €1,606m (-13.4%) in Life business.

To point out are the Group activities in supplementary pension schemes. Unipol Assicurazioni won the tenders for the management of new mandates, thus totalling



25, of which 16 with guarantee. As at 30 June 2008 overall assets under management were €1,234m and premium income was €194m.

Combined ratio, as calculated on direct and indirect business and net of reinsurance, stood at 96.2%¹, stable compared with the normalized result of the first half 2007 (96.3%)².

Investment management policies – in a macroeconomic scenario characterized by serious market disruption events, inflationary pressures and remarkable growth in interest rates – were based on a prudential rationale and focused on streamlining the assets quality in a medium and long term perspective. The investment activities in Non-Life and Life business pursued profitability targets to be as much as possible consistent with the assets' yield profile and the liabilities' dynamics and features in a multi-annual timeline.

Increase in interest rates in the first half 2008, together with the negative trend in stock markets, led to variations in the value of securities classified as 'available for sale' and to the subsequent variation in the 'reserve for gains and losses on financial assets available for sale' from -€680m as at 31 December 2007 to -€1,062m as at 30 June 2008.

Consolidated shareholders' equity, including profit for the period and gross of minorities, was €4,126m (€5,274m on 31 December 2007) after payment of ordinary and extraordinary dividends for total €1,000m.

The Group overall insurance activities contributed to the pre-tax profit with €449m (+12.3%), €246m of which in Non-Life business and €203m in Life business.

As at 30 June 2008 the composite companies' sales network was made up of 1,686 agencies, 592 of which Unipol Assicurazioni (587 on 31 December 2007) and 1,094 Aurora Assicurazioni (1,108 as at 31 December 2007). Furthermore, both Unipol Assicurazioni and Aurora Assicurazioni sell products through banking outlets (Unipol Banca and Banco Popolare, respectively). Navale Assicurazioni considerably extended its distribution network to 443 multimandate agencies (302 at 2007 year-end) and 298 brokers (261 on 31 December 2007).

In **banking business** growth in Unipol Banca sales network continued, reaching 287 branches on 30 June 2008 (273 as at 30 June 2007), 176 of which co-located with insurance agencies (158 as at 30 June 2007).

Unipol Banca customer deposits, including securitization used for refunding transactions with the ECB, were €8,446m, €4,764m of which from third parties (+11%). Loans to customers as at 30 June 2008 amounted to €7,888m (+6.1%).

Gross operating income rose to €155m (+11.1%). Profit for the period of -€26m was affected by the deterioration of some items in the credit portfolio and by the negative macroeconomic climate, which led to extraordinary adjustments for €65m (gross of tax effects).

¹ This indicator is the sum of two indices: the first one is the loss ratio, net of outward reinsurance (74.1%), resulting from the incidence of net claims charges on net premiums; the second one (22.1%) is the expense ratio and it results from the ratio of total operating expenses, net of investment management charges, to the net written premiums.

² The accounting figure of 96.7% was affected by the integration of reserves pertaining to the subsidiary Navale Assicurazioni on claims from the companies acquired from the Mutuelles du Mans Assurances Group, which were backed by the vendor.



Following the aforementioned business trend, consolidated gross profit for **Unipol Gruppo Finanziario** was €363m (-9.8%). Net of tax for €114m (€117m in the first half 2007) consolidated profit was €250m (-12.6%). Profit pertaining to the Group, after deducting minority interests, was €238m (-8.6%).

The Group solvency position as at 30 June 2008, notwithstanding the aforesaid difficulties affecting financial markets, is estimated as 1.6x the minimum requirements, pursuant to the current regulations.

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Life New Business Margin and Life Embedded Value

In Life portfolio the ongoing refocus to higher value products led to an increase in Life New Business margin (NBV/APE²) to 21% (compared with 17% in the first half 2007³). NBV as at 30 June 2008 rose to €62m (+15% compared with €54m in the first half 2007).

In Force Value⁴ of €369m rose by 2.8% compared with €359m as at 30 June 2007⁵.

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As regards estimates on the business outlook for the current financial year the technical performance delivered so far and the effects of actions implemented to increase business efficiency are expected to be confirmed. The forecasted financial results for the end of the year – which are presently in line with the Industrial Plan targets – shall be evaluated with respect to the persistent level of uncertainty affecting financial markets, that were deeply negative in the first six months of the year, and to the future evolution of today's adverse macroeconomic climate.

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Reorganization plan of the insurance business unit 'UGF Assicurazioni S.p.A.'

With respect to the reorganization plan of the insurance business unit – as approved by the Company and disclosed to the market on 26 June 2008 as a further stage of the Group reorganization plan – it is hereby communicated that the Boards of Directors of Unipol Gruppo Finanziario, Unipol Assicurazioni and Aurora Assicurazioni approved the plan to merge Aurora Assicurazioni into Unipol Assicurazioni by incorporation and the contribution in kind of the Unipol Gruppo Finanziario branch providing for services to the insurance business in favour of the insurance company resulting from the merger.

The insurance company resulting from the merger will be renamed '**UGF Assicurazioni S.p.A.**' and it will maintain the business strength of the current

³ APEs correspond to the sum of annual and recurrent premiums and 1/10 of single premiums (both relating to one year of Life new business).

⁴ Value net of Quadrifoglio Vita

⁵ In Force Value is the Life portfolio value in force

⁵ The hypothesis adopted to calculate these values are as follows: 6.5% discount rate, 4.25% assets yield rate, 35% tax rate. These hypothesis were also used to calculate the same values for the 2007 financial year.



brands 'Unipol' and 'Aurora', which will keep their specific identity. The distribution networks will remain separate and independent, also to ensure their best positioning in the Italian territory and an efficient service to customers.

Completion of the aforementioned corporate transactions is expected – subject to obtaining the necessary authorisations – within the current financial year so as to convey civil, accounting and fiscal effectiveness to the merger as from 1 January 2009. The contribution in kind shall become legally effective as of the date of the merger but subsequently thereto.

Assessment of the independence of Mr Pier Luigi Celli, Board Member of Unipol Gruppo Finanziario.

Given the information acquired, the Board of Directors held today defined Mr Pier Luigi Celli as independent. Mr Celli was appointed as Member of the Board of Directors and of the Corporate Social Responsibility Committee on 26 June 2008.

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The Group half-yearly results will be disclosed to the financial community today at 6 p.m. CET via conference call and webcasting. Technicalities to access the event are available on the website www.unipolgf.it, section Investor Relations.

Maurizio Castellina, the Senior Executive Responsible for drawing up the corporate accounts, declares – in accordance with Article 154-bis (2) of the Testo Unico della Finanza [the 'Single Financial Services Act'] – that the accounting information included in this press release corresponds to the documentary results, the books and the accounting records.

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Attached are summaries of consolidated Income Statement and Balance Sheet as at 30 June 2008.

Bologna, 7 August 2008

Unipol Gruppo Finanziario S.p.A.
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Please note that the original press release is in Italian. In case of doubt, the Italian version prevails.

CONSOLIDATED INCOME STATEMENT

€m		30/06/2008	30/06/2007
1.1	Net premium income	3,628.4	3,787.7
1.1.1	Gross earned premiums	3,774.5	3,931.8
1.1.2	Earned premiums ceded	-146.1	-144.2
1.2	Commissions and fees receivable	55.1	61.4
1.3	Income and charges arising out of financial instruments recorded at fair value through profit or loss	-206.2	-34.7
1.4	Income arising out of shareholdings in subsidiaries, associates and joint ventures	28.3	1.8
1.5	Income arising out of other financial instruments and investments in property	743.9	869.1
1.5.1	Interest receivable	641.5	549.5
1.5.2	Other income	74.4	66.2
1.5.3	Profits realised	23.7	253.2
1.5.4	Unrealised profits	4.2	0.2
1.6	Other receipts	59.2	70.0
1	TOTAL RECEIPTS AND INCOME	4,308.5	4,755.1
2.1	Net charges relating to claims	2,921.3	3,485.9
2.1.2	Amounts paid and change in technical provisions	3,023.1	3,571.6
2.1.3	Reinsurers' share	-101.8	-85.7
2.2	Commissions and fees payable	19.2	19.6
2.3	Charges arising out of shareholdings in subsidiaries, associates and joint ventures	0.5	0.3
2.4	Charges arising out of other financial instruments and investments in property	264.9	157.6
2.4.1	Interest payable	137.7	111.4
2.4.2	Other charges	6.0	7.1
2.4.3	Losses realised	23.0	25.4
2.4.4	Unrealised losses	98.2	13.7
2.5	Operating expenses	645.7	613.5
2.5.1	Commissions and other acquisition expenses	422.5	395.5
2.5.2	Investment management expenses	9.9	11.2
2.5.3	Other administrative expenses	213.4	206.8
2.6	Other charges	93.5	75.7
2	TOTAL COSTS AND CHARGES	3,945.1	4,352.5
	PROFIT (LOSS) FOR THE YEAR BEFORE TAXATION	363.5	402.7
3	Taxation	113.7	117.0
	PROFIT (LOSS) FOR THE YEAR NET OF TAX	249.7	285.6
4	PROFIT (LOSS) PERTAINING TO DISCONTINUED OPERATIONS		
	CONSOLIDATED PROFIT (LOSS)	249.7	285.6
	pertaining to the Group	237.7	260.0
	pertaining to minority interests	12.0	25.6

SUMMARY OF CONSOLIDATED INCOME STATEMENT BY BUSINESS SECTOR																
(€m)																
	NON-LIFE BUSINESS			LIFE BUSINESS			TOTAL INSURANCE			BANKING BUSINESS			HOLDING & SERVICES			intersector eliminations
	Jun-08	Jun-07	var %	Jun-08	Jun-07	var %	Jun-08	Jun-07	var %	Jun-08	Jun-07	var %	Jun-08	Jun-07	var %	Jun-08 Jun-07
Net earned premiums	2,023	1,933	4.6	1,606	1,855	-13.4	3,628	3,788	-4.2							3,628 3,788 -4.2
Net income from commissions and fees	(0)	0		1	4	-65.7	1	4	-67.0	41	39	5.6				(6) (1) 36 42 -14.0
Financial income/charges (excl. assets/liab. at fair value)	204	237	-13.7	291	379	-23.1	495	615	-19.5	38	93	-59.2	84			(121) (34) 496 674 -26.4
<i>Net interests</i>	120	123	-2.3	311	275	12.8	431	399	8.2	123	99	24.2	19			(0) 0 573 498 15.2
<i>Other income and charges</i>	67	56	20.1	28	44	-36.2	95	100	-4.5	1	1	31.5	55			(69) (35) 82 66 23.8
<i>Profits and losses realised</i>	42	107	-60.7	58	126	-54.1	100	233	-57.1	(0)	2		15			(52) 63 236
<i>Unrealised profits and losses</i>	(26)	(50)	-48.4	(105)	(66)	59.0	(131)	(116)	12.9	(86)	(9)		(5)			(222) (126) 77.2
Net claims charges and technical payments	(1,499)	(1,442)	3.9	(1,622)	(2,040)	-20.5	(3,121)	(3,481)	-10.4							4 (3,117) (3,481) -10.5
Operating expenses	(461)	(441)	4.5	(62)	(75)	-17.8	(523)	(516)	1.2	(116)	(100)	15.4	(156)			148 3 (646) (613) 5.3
<i>Commissions and other acquisition expenses</i>	(386)	(344)	12.2	(37)	(51)		(423)	(396)	6.9							0 0 (423) (396) 6.8
<i>Other expenses</i>	(75)	(97)	-23.1	(25)	(24)		(100)	(121)	-17.5	(116)	(100)	15.4	(156)			148 3 (223) (218) 2.4
Other income/charges	(21)	(14)	54.4	(11)	4		(33)	(9)	251.9	4	4		127			(132) (0) (34) (6)
Profit (loss) before taxation	246	273	-9.7	203	127	59.8	449	399	12.3	(33)	36		55			(108) (32) 363 403 -9.8
Taxation																(114) (117) -2.8
Consolidated profit (loss)																250 286 -12.6
Profit (loss) - minority interests																12 26 -53.0
Profit (loss) - Group																238 260 -8.6



CONSOLIDATED BALANCE SHEET

ASSETS

LIABILITIES AND SHAREHOLDERS' EQUITY

€/m		30/06/2008	31/12/2007	€/m		30/06/2008	31/12/2007
1	INTANGIBLE ASSETS	1,812.6	1,811.7	1	SHAREHOLDERS' EQUITY	4,126.0	5,274.4
1.1	Goodwill	1,771.0	1,775.4	1.1	pertaining to the Group	3,842.0	4,987.6
1.2	Other intangible assets	41.5	36.3	1.1.1	Capital	2,391.4	2,391.4
2	TANGIBLE ASSETS	466.2	434.9	1.1.2	Other equity		
2.1	Property	413.5	380.2	1.1.3	Capital reserves	1,419.7	2,235.4
2.2	Other tangible assets	52.7	54.7	1.1.4	Accumulated earnings and other reserves	833.6	630.0
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	565.7	593.2	1.1.5	(Own shares)	-0.1	
4	INVESTMENTS	36,655.6	39,040.5	1.1.6	Provision for net exchange rate differences		
4.1	Investments in property	293.7	315.4	1.1.7	Profits or losses on financial assets available for sale	-1,061.7	-679.8
4.2	Shareholdings in subsidiaries, associates and joint ventures	24.9	28.3	1.1.8	Other profits or losses recorded in the equity direct	21.4	21.4
4.3	Investments held to maturity	1,903.3	1,796.2	1.1.9	Profit (loss) for the year pertaining to the Group	237.7	389.2
4.4	Loans and receivables	10,556.2	11,374.6	1.2	pertaining to minority interests	284.0	286.7
4.5	Financial assets available for sale	14,281.4	14,836.8	1.2.1	Capital and reserves pertaining to minority interests	310.5	302.4
4.6	Financial assets at fair value through profit or loss	9,596.1	10,689.2	1.2.2	Profits or losses recorded in the equity direct	-38.5	-47.6
5	SUNDRY RECEIVABLES	1,213.1	1,430.1	1.2.3	Profit (loss) for the year pertaining to minority interests	12.0	31.9
5.1	Receivables relating to direct insurance operations	705.5	940.5	2	AMOUNTS SET ASIDE	70.5	55.5
5.2	Receivables relating to reinsurance operations	146.3	141.1	3	TECHNICAL PROVISIONS	25,362.9	26,074.5
5.3	Other receivables	361.2	348.4	4	FINANCIAL LIABILITIES	10,943.9	11,810.4
6	OTHER ASSETS	1,113.4	2,524.4	4.1	Financial liabilities recorded at fair value through profit or loss	2,737.7	3,453.6
6.1	Non-current assets or assets of a disposal group held for sale	1.2	1,688.5	4.2	Other financial liabilities	8,206.2	8,356.8
6.2	Deferred acquisition costs	53.8	61.1	5	PAYABLES	520.8	423.9
6.3	Deferred tax assets	639.8	430.8	5.1	Payables arising out of direct insurance operations	69.1	78.1
6.4	Current tax assets	44.8	45.9	5.2	Payables arising out of reinsurance operations	11.0	10.3
6.5	Other assets	373.8	298.1	5.3	Other payables	440.8	335.6
7	CASH AND CASH EQUIVALENTS	270.3	364.5	6	OTHER LIABILITIES	1,072.6	2,560.5
				6.1	Liabilities of a disposal group held for sale		1,651.7
				6.2	Deferred tax liabilities	456.5	220.2
				6.3	Current tax liabilities	23.6	97.8
				6.4	Other liabilities	592.5	590.8
	TOTAL ASSETS	42,096.7	46,199.2		TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	42,096.7	46,199.2