

PRESS RELEASE

Unipol Gruppo Finanziario - insurance income for 2008 slightly up in a falling market

Meeting today in Bologna Unipol Gruppo Finanziario's Board of Directors examined the results of consolidated insurance income for 2008.

Insurance income achieved by the UGF Group under IAS/IFRS amounted to €7,876m, slightly up (+0.3%) on 2007, thus confirming the quality of its sales network.

Non-Life insurance income was €4,357m, an increase of 1.6% compared with 2007. However income in the MV classes recorded a slowdown in growth from 2.3% in September 2008 to 0.4%, partly by virtue of the underwriting policy being aligned to the insurance sector background and to the current and expected macroeconomic situation. Non-MV classes continued to perform positively, with growth of 3.5%.

The specialist companies – Navale Assicurazioni, Unisalute and Linear – were very dynamic overall, with total income growth of 9.7%. Unipol and Aurora (now UGF Assicurazioni) ended 2008 with an increase of 0.5%.

Life income in 2008 amounted to €3,519m, slightly lower (-1.2%) than in 2007¹ owing to the worldwide financial crisis, Life business being very sensitive to the trends in the financial markets. However mention should be made of the increase (+110%) recorded in pension funds and of the increase in 'traditional policies' of 86%. As targeted premium income from capital redemption policies continued to fall (-40%), as did premium income from linked policies (-84%), which was strongly influenced by changes in the market demand for Life products.

As for the income achieved by the individual companies, mention should be made of the performance of the two companies that now form UGF Assicurazioni, which ended 2008 with €1,977m (+17.1%), and of the recovery of BNL Vita, which ended the year with €1,535m compared with €1,060m as at 30 September 2008. Life new business obtained via the Unipol and Aurora brands recorded an increase in the APE (Annual Premium Equivalent) of 17.3% compared with a decrease of 39.6% in the case of BNL Vita.

The Board of Directors looked at the poor performance of the world's financial markets and the emergence of a recession, both of which were a feature of the fourth quarter of 2008 and are making themselves felt even more this year. These phenomena have had a considerable impact on the insurance sector, affecting technical trends, the value of bond portfolios, and, even more so, the value of equity portfolios. Banking business has also been seriously affected,

¹On a like-for-like basis, that is including the whole of BNL Vita for the whole of 2007 and excluding Quadrifoglio Vita (which was sold during the year) in both periods, the variation would be -18.3%.



where the loan portfolio has been particularly badly hit. The effects of the current extraordinary economic and financial situation have had a significant impact on the Group's results for the 2008 financial year and on the targets being drawn up for the current year to replace those laid down in the Company's previous plans which, with the economic background having changed so radically, are out of date.

Despite the negative aspects of the business cycle, the risk-management policies implemented by the companies in the Group mean that consolidated solvency as at 31 December 2008 is estimated to be at least 1.3 times the minimum requirements, thus confirming the Group's traditional financial strength.

The Board of Directors will examine Unipol Gruppo Finanziario S.p.A's draft accounts and the consolidated accounts for 2008 at its meeting scheduled for 19 March.

The Senior Executive responsible for drawing up the Company's accounts, Maurizio Castellina, has declared, in accordance with Article 154-*bis* (2) of the Single Financial Services Act, that the accounting information reported in this press release corresponds to the figures in the documents, books and accounting records.

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