COMUNICATO STAMPA

AGGIORNAMENTO DEI RATING ASSEGNATI AL GRUPPO UGF

BOLOGNA, 29 marzo 2010 – Si comunica che, in data odierna, l'agenzia di *rating* Moody's Investors Service ha rivisto il *rating* sulla solidità finanziaria assicurativa di UGF Assicurazioni S.p.A. da "A1" ad "A2", il *senior rating* di Unipol Gruppo Finanziario S.p.A. da "Baa1" a "Baa2" e il *rating* dei depositi a lungo termine di UGF Banca S.p.A. da "Baa1" a "Baa2". *L'outlook* di detti *rating* rimane negativo.

Moody's Investors Service ha, viceversa, confermato sia il *rating* dei depositi a breve termine ("P-2"), che quello di solidità finanziaria ("Baa3") di UGF Banca.

L'agenzia di *rating* Standard & Poor's, nell'ambito di una generale revisione delle compagnie assicurative italiane, ha confermato il *rating* sulla solidità finanziaria assicurativa di UGF Assicurazioni ("A-") e il *counterparty credit rating* di Unipol Gruppo Finanziario ("BBB") e della controllata UGF Assicurazioni ("A-"). *L'outlook* dei suddetti *rating* passa da stabile a negativo.

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Si allegano al presente le versioni originali dei comunicati stampa diffusi dalle sopra richiamate agenzie.

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MOODY'S
INVESTORS SERVICE

Rating Action: Moody's downgrades Unipol ratings (IFSR to A2 from A1) following the release of 2009 results; negative outlook

Global Credit Research - 29 Mar 2010

London, 29 March 2010 -- Moody's Investors Service today downgraded the insurance financial strength rating (IFSR) of UGF Assicurazioni S.p.A. ("Unipol"), the main insurance operating of the group, to A2 from A1 and its subordinated debt rating to Baa1 from A3. Moody's also downgraded the senior rating of Unipol Gruppo Finanziario S.p.A. ("UGF"), the holding company, to Baa2 from Baa1 and the long-term deposit rating of UGF Banca, the banking subsidiary, to Baa2 from Baa1. The outlook on these ratings remains negative. UGF Banca's P-2 short-term deposit rating and D+ BFSR (mapping to a Baseline Credit Assessment of Baa3 with negative outlook) are unaffected. A complete list of rating actions is listed below.

The ratings' action follows the release of 2009 financials and reflects the sharp deterioration in the group's insurance underwriting profitability and the continuous loss, albeit small, in the banking business. The group also announced a capital increase for a maximum of €500 million via a €400 million right issue and a warrant issue to be converted into shares in 2013 for a maximum value of €100 million.

For the year 2009, the group reported a bottom line consolidated loss of €769 million; the sizeable loss was the result of large impairments in the equity investment portfolio for €611 million as well as the abrupt worsening of the P&C underwriting result. The combined ratio increased to 108.0% in 2009 from 98.7% in 2008 principally as a result of a 9.7 percentage points worsening in the direct business loss ratio. This was mainly due to a deterioration in motor TPL, reflecting to some degree market-wide changes to pricing and tariffs in the Italian market - which contributed for an increase in the loss ratio by 6.8 percentage points. Moody's notes, more positively, that the management has taken some steps to readdress the deterioration of the P&C result and expects a reversal of this negative trend in 2010. The group has, inter alia, increased motor tariffs in 2009 and initiated restructuring initiatives including the closure of some of the least profitable agencies and portfolio pruning in the motor fleet and health lines. However, Moody's expects profitability to remain below levels seen historically.

The banking operations reported a loss of €16 million in 2009, driven by losses in UGF Merchant, the corporate bank, despite a comprehensive review of the loan portfolio in the previous year which resulted in a €112 million loss in 2008. The downgrade of the long term deposit rating of UGF Banca to Baa2 from Baa1 mirrors the one notch downgrade in UGF. The long term deposit ratings continues to benefit from a very high expectation of support from UGF. This gives one notch of uplift from the bank's Baa3 Baseline Credit Assessment, and any further downgrade to the parent's ratings could be expected to lead to a downgrade for the bank. The rating agency added that the negative outlook for the Baa3 BCA reflects the bank's deteriorating asset quality and loss in 2009, as a result of which the bank is becoming more weakly positioned within the D+ BFSR category.

The capital position of the group (FGD coverage) has slightly improved to 1.4x in 2009 from 1.3x in 2008 under Solvency I. Capitalisation was supported by a recovery in the value of the available for sales ("AFS") reserves and the issuance of €300 million Tier II by UGF Banca. The large equity impairments booked via the profit & loss in 2009 had a neutral impact on capital given that they were already part of AFS reserves. On March 25, 2010 the group announced a capital increase for a maximum of €500 million which would be submitted to the extraordinary shareholder's meeting in April 2010. The capital increase would allow the company to maintain an adequate capitalisation following the acquisition of Arca Vita S.p.A. for €274 million, which was announced at the end of last year and is pending regulatory approval. Finsoe S.p.A., UGF's majority shareholders, is understood to be willing to subscribe to its portion of equity rights, representing approximately 50% of ordinary shares, and the remaining part is underwritten by the Italian investment bank Mediobanca -- Banca di Credito Finanziario S.p.A..

The negative outlook on the Group's ratings reflects the possibility that the ratings could be lowered if earnings continue to remain depressed and the combined ratio does not improve towards 100% in 2010 and below in subsequent years. The ratings could also be lowered if there is a material deterioration of the group's market position, risk profile and capital structure that could compromise Unipol Group's fundamentals.

The following ratings were downgraded and carry a negative outlook:

UGF Assicurazioni S.p.A. -- insurance financial strength rating: to A2 from A1;

UGF Assicurazioni S.p.A. -- subordinated debt rating: to Baa1 from A3;

Unipol Gruppo Finanziario SpA -- senior rating to Baa2 from Baa1;

UGF Banca -- long-term deposits to Baa2 from Baa1.

The following ratings were affirmed and carry a stable outlook

UGF Banca -- short terms rating: Prime-2

UGF Banca -- D+ BFSR

The last rating action on Unipol was on 31 March 2009 when Moody's revised the outlook to negative from stable of the A1 insurance financial strength rating of UGF Assicurazioni S.p.A and of the Baa1 long-term deposit rating of UGF Banca.

Unipol Gruppo Finanziario S.p.A., based in Bologna, Italy, is the parent company of UGF Assicurazioni S.p.A. and UGF Banca. As of 30 December 2009, Unipol Gruppo Finanziario S.p.A. reported consolidated Net Premium Income of €7,420 million and Shareholders Equity at €3,826 million (€3,705 million as of year-end 2008).

The principal methodologies used in rating UGF and its subsidiaries are "Moody's Global Rating Methodology for Property and Casualty Insurers" published in July 2008, "Moody's Global Rating Methodology for Life Insurers", published in September 2006, "Bank Financial Strength Ratings: Global Methodology", published in February 2007 and "Incorporation of Joint-Default Analysis into Moody's Bank Ratings: A Refined Methodology", published in March 2007 and available on www.moodys.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Rating Methodologies sub-directory on Moody's website.

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STANDARD &POOR'S

Global Credit Portal
RatingsDirect®

March 26, 2010

Research Update:

Italian Insurer UGF Outlook Revised To Negative On Drop In Operating Performance; Ratings Affirmed

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Research Update:

Italian Insurer UGF Outlook Revised To Negative On Drop In Operating Performance; Ratings Affirmed

Overview

- Standard & Poor's undertook a review of the insurance companies in Italy that we rate upon publication of their full-year 2009 results.
- UGF's operating performance significantly deteriorated at year-end 2009.
- We believe earnings will remain constrained over the medium term.
- We are affirming our 'A-' ratings on core subsidiary UGF, as well as our 'BBB' counterparty credit rating on the group's holding UGF SpA.
- We are revising the outlook to negative from stable.

Rating Action

On March 26, 2010, Standard & Poor's Ratings Services revised its outlook on Italian composite insurance group Unipol Gruppo Finanziario SpA (UGF SpA) and its core entity UGF Assicurazioni SpA (UGF) to negative from stable.

In addition, Standard & Poor's affirmed its 'A-' insurer financial strength and counterparty credit ratings on UGF Assicurazioni SpA and its 'BBB' counterparty credit rating on Unipol Gruppo Finanziario SpA.

The rating action was part of a review of the insurance companies in Italy that we rate, triggered by the publication of their full-year 2009 results.

Rationale

The outlook revision reflects a sharp deterioration of UGF's operating performance and our expectations that its earnings will remain constrained over the medium term.

The ratings continue to reflect the group's strong competitive position in the Italian market and strong financial flexibility. Partially offsetting this is the group's high reliance on a single third-party distribution channel for its life business.

Operating performance weakened substantially in 2009. It was depressed, in our view, by the sharp deterioration recorded by non-life earnings, as attested by a net combined ratio soaring by ~10 percentage points to 108% (versus 98.7% in 2008). The severe deterioration experienced by the Italian motor market was the main drag on non-life operations, with tough pricing competition and a challenging claims environment weighing heavily on the sector. Lower insurable volumes and regulatory changes caused motor premiums to drop, while the economic recession and recent jurisprudence rulings put upward pressure on the frequency and cost of claims.

The group reported a consolidated net loss of €769 million in 2009 (€107 million profit in 2008). Weighing heavily on earnings were asset impairments of €798 million on a pre-tax basis. These mostly resulted from the accounting restatement of negative mark to markets directly reported in equity in 2008 and had, therefore, no effect on the economic or capital position of the group.

Competitive position remains strong reflecting the group's well-recognized brand name and large, stable customer base of more than 6 million clients, especially in the wealthy northern Italian regions. The group benefits from strong historical and social relationships with local workers' organizations and association members. The customer base is mostly retail and SMEs, which is positive for the group's risk profile. The group's banking model, unique in the Italian market, also enhances the competitive position as it reinforces customers' loyalty and provides effective cross selling opportunities.

Financial flexibility remains strong, as demonstrated by the sound support the group has received from its controlling shareholders. Successful capital increases and debt issuances in the past years confirm the group's ability to source capital relative to its needs.

UGF's high reliance on a single third-party distribution channel for life business affects negatively our view on its position in the life market. For the year-ended Dec. 31, 2009, a single bancassurance partnership (BNL Vita) made up for a dominant 58% share of life gross premiums written (GPW). The bancassurance partnership with BNL will expire in 2011, entailing a substantial loss of distribution capacity for the group. Although UGF has completed another bancassurance deal with Banca Popolare dell'Emilia Romagna and Banca Popolare di Sondrio, we think it unlikely that this could offset the premium shortfall following the termination of the partnership with BNL.

Outlook

The negative outlook reflects our view that the group's earning generation capacity in its historical area of expertise, non-life, has weakened substantially and will remain under pressure over the next two years. However, we expect management's recently implemented steps, such as sharp increases in rates and portfolio pruning, to lead to a gradual restoration of non-life underwriting performance, with a net combined ratio to fall below the 102% mark by year-end 2010 and below 100% by 2011. We expect life business to continue being a valuable source of earning diversification and to contribute more than €100 million to consolidated pre-tax earnings in 2010. We could revise our ratings downward if we witnessed no material improvement in operating performance by year-end 2010 or if the group's capital position deteriorated materially. A revision of the outlook to stable could be driven by faster-than-expected restoration of UGF's operating performance to its strong historical levels.

Related Criteria And Research

- Interactive Ratings Methodology, April 22, 2009
- Group Methodology, April 22, 2009
- Holding Company Analysis, June 11, 2009
- Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008
- Use Of CreditWatch And Outlooks, Sept. 14, 2009

Ratings List

Ratings Affirmed; CreditWatch/Outlook Action

	To	From
UGF Assicurazioni SpA		
Counterparty Credit Rating	A-/Negative/--	A-/Stable/--
Financial Strength Rating	A-/Negative/--	A-/Stable/--
Subordinated*	BBB	
Unipol Gruppo Finanziario SpA		
Counterparty Credit Rating	BBB/Negative/--	BBB/Stable/--
Senior Unsecured	BBB	

*Guaranteed by Unipol Gruppo Finanziario SpA

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